

**REGULAR MEETING**  
**BOARD OF TRUSTEES**  
**OF**  
**THE PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI**  
**AND**  
**THE PUBLIC EDUCATION EMPLOYEE RETIREMENT SYSTEM OF MISSOURI**  
**February 3, 2025**

**MEMBERS PRESENT**

Beth Knes, Chair  
Dr. Eric Park, Vice-Chair  
Allie Gassmann  
Katie Webb  
Chuck Bryant  
Dr. Nate Moore  
Amanda Perschall

**MEMBERS ABSENT**

**OTHERS PRESENT**

Dearld Snider, Executive Director  
Craig Husting, Chief Investment Officer  
Sarah Swoboda, Chief Operating Officer  
Mike Moorefield, Chief Counsel  
Anita Brand, Chief Financial Officer  
Jeff Hyman, Director of Internal Audit  
Nicole Hamler, Director of Member Serv.  
Stacie Verslues, Director of Emp. Serv.  
Susan Wood, Dir. of Communications  
Michelle Varcho, Dir. of Human Res.  
Lisa Scheulen, Chief Technology Dir.  
Jake Woratzeck, Chief Info. Sec. Officer  
Jennifer Martin, Director, Board Admin.

**February 3, 2025**

**Meeting Convened**

The Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) Board of Trustees convened on February 3, 2025, at 9:00 a.m. at the Retirement Systems offices in Jefferson City, Missouri. In attendance were Board members Beth Knes, Dr. Eric Park, Allie Gassmann, Katie Webb, Chuck Bryant, Dr. Nate Moore and Amanda Perschall. Also present were Executive Director Dearld Snider, Chief Operating Officer Sarah Swoboda, Chief Investment Officer Craig Husting, Chief Counsel Mike Moorefield, Chief Financial Officer Anita Brand, Deputy Chief Financial Officer Tory Brondel, Director of Member Services Nicole Hamler, Director of Employer Services Stacie Verslues, Chief Technology Officer Lisa Scheulen, Chief Information Security Officer Jake Woratzeck, Director of Communications Susan Wood, Director of Executive and Board Administration Jennifer Martin and various other PSRS/PEERS staff members.

**Approval of  
Minutes for December  
16, 2024 Meeting  
PSRS5228  
PEERS3463**

Dr. Moore moved that the minutes from the December 16, 2024 meeting be approved. Ms. Webb seconded the motion. Voting "Aye" –Knes, Park, Gassmann, Webb, Bryant, and Moore; "Nay" – None. The motion carried unanimously. Ms. Perschall abstained from voting since she was not a trustee during the December 16, 2024 meeting.

**Approval of  
Certification of  
Election Results**  
PSRS5229  
PEERS3464

Ms. Jennifer Martin from PSRS/PEERS shared the trustee election results. Ms. Amanda Perschall was the only candidate to meet the required filing qualifications. Therefore, no election was required. Ms. Knes moved the Board approve the certified election results. Dr. Park seconded the motion. Voting “Aye” –Knes, Park, Gassmann, Webb, Bryant and Moore. “Nay” – None. The motion carried unanimously.

*Ms. Amanda Perschall joined the other Board Trustees at the Board Table.*

**Order of Business**

The order of business was approved with no changes.

**Other**

Chair Knes welcomed Amanda to the board.

**Investments**  
**December 2024**  
**Performance Report**

Mr. Craig Husting from PSRS/PEERS and Mr. Michael Hall from Russell reviewed the investment performance for the period ended December 31, 2024. The one-year PSRS/PEERS investment return was reported as 10.4%, while the fiscal year return (July 1, 2024, through December 31, 2024) was reported as 3.6%.

**Ongoing Investment  
Activity**

Mr. Husting and Mr. Hall reviewed ongoing investment activities, which included estimated investment performance through January 31, 2025. Mr. Husting discussed the current asset allocation of the PSRS/PEERS’ portfolio, in which he reviewed the long-term strategy and the broad portfolio expectations.

**Anti-Terrorism and  
Economic Sanction  
Policy Review**

Mr. Husting reviewed the Systems’ Anti-Terrorism and Economic Sanction Investment Policy. The policy was adopted by the Board in 2005 and last reviewed with the Board in February 2024. The policy requires PSRS/PEERS staff to provide a report to the Board on an annual basis that identifies any investment actions taken due to links to terrorist or sanction related activities.

Mr. Husting stated that the Systems have several safeguards in place to ensure compliance with the policy, including:

- On an annual basis, staff sends letters to select federal government officials requesting any information they can provide on companies that, in their opinion, have terrorist links.
- Based on guidance from the U.S. Department of Commerce and other sources, staff monitors several websites/lists, including the Specially Designated Nationals List. The lists are compared to the PSRS/PEERS active holdings on a monthly basis.
- The Systems’ custodian bank (J.P. Morgan) is required by federal law to monitor all individual security holdings in the Systems’ investment accounts.
- The Systems have amended contracts with traditional external investment managers to require annual confirmation that each manager maintains appropriate policies, procedures and controls to comply with all U.S. and applicable non-U.S. economic sanction programs.

At the end of the report, Mr. Husting stated that staff is not aware of any instances of non-compliance for the year. Both staff and the PSRS/PEERS general counsel recommended that no investment action be taken this year with regard to the Anti-Terrorism and Economic Sanctions Investment Policy.

**Affirmative Action Policy**

Mr. Husting reviewed the Systems' Affirmative Action Policy and Procurement Action Plan. The policy was last revised in December 2022 and last reviewed with the Board in February 2024. The policy requires PSRS/PEERS staff to provide a report to the Board on an annual basis regarding the Systems' efforts to assure equal opportunities for minorities and women as money managers, brokers and investment counselors. Mr. Husting stated that the Systems are in compliance with the policy.

Sections 105.702, and 169.573, RSMo (Missouri law) require the Systems to make annual reports to the Governor's Minority Advocacy Commission and the Joint Committee on Public Employee Retirement regarding the progress made in utilization of minority and women money managers, brokers and investment counselors. Staff submitted the required reporting on January 17, 2025.

At the end of the report, Mr. Husting stated that both staff and the PSRS/PEERS general counsel recommended that no investment action be taken this year with regard to the Affirmative Action Policy and Procurement Action Plan.

**Safe Assets Portfolio**

Mr. Craig Husting and Mrs. Jessica Wilbers from the PSRS/PEERS investment staff reviewed the Systems' Safe Assets portfolio including program objectives, guidelines and long-term results. The 15-year annualized return for the Safe Assets composite for the period ended December 31, 2024 was 1.7%.

**Economic Overview**

Mr. Stephen Douglass and Mr. Derek Lohse from NISA Investment Advisors gave a brief presentation on the U.S. economy. The presentation covered several topics including expected Federal Reserve action, inflation and the impact of potential tariffs.

**Management Report**

**Set Board Meeting Dates for rest of CY2025**  
**PSRS5230**  
**PEERS3465**

Ms. Knes moved the remaining Board of Trustees meeting dates for calendar year 2025 be set as the following: August 25, 2025, November 3, 2025, and December 15, 2025. Ms. Webb seconded the motion. Voting "Aye" –Knes, Park, Gassmann, Webb, Bryant, Moore, and Perschall. "Nay" – None. The motion carried unanimously.

**Strategic Plan Timing**

Ms. Sarah Swoboda from PSRS/PEERS discussed the strategic plan timing with the Board. Ms. Swoboda first reviewed the strategic planning history. The Systems' first strategic plan was adopted in 2018. At that time, the Board also adopted a Strategic Planning Policy which indicates the Board should formally review the plan approximately every three years. In 2021 and 2022, the Board and staff undertook a formal strategic planning review. The mission statement was amended in October 2021, and other amendments to the plan were adopted in June 2022. Then in 2023, as

part of the Board's Governance Policy review, the Strategic Planning Policy was revised to increase the review period from three to five years.

The current strategic plan was adopted by the Board in 2022. Under the pre-2023 Strategic Planning Policy, the formal review of the strategic plan would take place in 2025. However, following revisions of the policy in 2023, the review period was extended to five years, placing the timing of the next review in 2027. Staff reviewed the current strategic plan and believes that it still functions well for the mission, focus areas, goals and strategic objectives of the Systems. Reviewing the strategic plan in 2027 will allow the Board and staff to consider information from the 2026 experience studies and allow our newer Board members time to gain more experience on the Board before participating in strategic planning.

### **Legislative Update**

Mr. Mike Moorefield from PSRS/PEERS and government relations consultant Mr. Doug Nelson presented the February legislative update.

Mr. Moorefield and Mr. Nelson gave the Board an overview of the governor's fiscal year 2026 budget recommendations and various legislative priorities of the General Assembly. Additionally, Mr. Moorefield and Mr. Nelson discussed investment mandate legislation that could impact the Systems and provided an analysis of working after retirement bills that would amend the Systems' statutes. Finally, Mr. Nelson and Mr. Moorefield provided an overview of general legislative activity of the General Assembly.

As of January 30, 2025, more than 1,900 bills and resolutions have been filed by the 2025 General Assembly. PSRS/PEERS is tracking more than 50 bills.

### **Year in Review/Areas of Impact**

Mr. Dearld Snider, Mr. Craig Husting, Ms. Sarah Swoboda and Ms. Anita Brand from PSRS/PEERS presented the year in review/areas of impact to the Board. This presentation focused on five key areas of impact and highlighted some of the major accomplishments from each over the past year. Mr. Snider began by reminding the Board about PSRS/PEERS' exceptional financial results. The pre-funded status for both Systems has increased, we are giving a cost-of-living adjustment (COLA) for the fifth year in row and for 15 consecutive school years contribution rates have been set at the same rate.

Ms. Brand also reminded the Board about the Systems dedication to providing excellence in financial reporting and transparency. Significant initiatives during the year that exhibited the Systems commitment include , but are not limited to, GIPS Verificaton, completion of an actuarial audit and recognition for best practices from the Public Pension Coordinating Council and the Government Finance Officers Association.

Ms. Swoboda discussed the first area of impact which was members and employers. There were many key accomplishments in member and employer services, but Ms. Swoboda focused on the following three accomplishments; the implementation of Observe.AI, the implementation of paperless service retirement, and the implementation of multiple regulatory amendments.

The second area of impact discussed was staff. Ms. Swoboda highlighted PSRS/PEERS being recognized for the second year in a row as one of Pension &

Investments “*Best Places to Work in Money Management*,” as well as a new career page on the PSRS/PEERS website. She also highlighted the successful disaster recovery testing and plan refinement, three new members of the management team, improvements to our pension administration system via OASIS Modernization Project completions, and the different types of organizational training, in-service presentations and all-staff communications which were offered to staff over the past year.

The third area of impact covered was investments. Mr. Husting highlighted two key accomplishments over the past year: the investment internship program and the expansion of our Horizon software platform used by investment staff.

The fourth area of impact was the Board of Trustees. Mr. Snider highlighted two key accomplishments. The first accomplishment included two successful trustee elections which resulted in the election of Ms. Katie Webb, Dr. Nate Moore and Ms. Amanda Perschall to the Board. He also talked about the successful transition of Board leadership to Ms. Beth Knes as chair and Dr. Eric Park as the vice-chair.

The fifth, and last, area of impact was government relations. Mr. Snider discussed the key accomplishments of the passage of positive legislation and also the fact that no legislation with a negative impact on the Systems or our members was passed in 2024. Lastly, Mr. Snider reminded the Board about the favorable findings from the Missouri State Auditor’s Office on the audit they performed regarding proxy voting.

**CPI-U Update**

Mr. Snider discussed the calculation of the Consumer Price Index (CPI) calculated by the Bureau of Labor Statistics (BLS). PSRS/PEERS’ regulation requires that the time period for the CPI calculation is from June to June. Based on the values provided by the BLS, the CPI-U is 0.46 % through December 31, 2024.

**Public Comment**

None

**Other**

None

**Closed Session**  
PSRS5231  
PEERS3466

Ms. Knes moved that the meeting continue in closed session to legal matters under Sections 610.021 (1), (14), and (17). Ms. Webb seconded the motion. A roll call vote was taken. Voting “Aye” –Knes, Park, Gassmann, Webb, Bryant, Moore and Perschall; “Nay” – None. The motion carried unanimously.

The following motions were made in closed session:

PSRS5232/PEERS3467 – Minutes from December 16, 2024, Closed Session (Knes, Park, Gassmann, Webb, Bryant and Moore; voting to approve the previous closed session minutes. Perschall abstained since she was not a trustee at the meeting.)

PSRS5233/PEERS3468 – Internal Audit Plan (Knes, Gassmann, Webb, Bryant, Moore, and Perschall voting to approve the internal audit plan. Dr. Park was absent, so he did not vote.)

PSRS5234/PEERS3469 – Move back to Open Session (Knes, Gassmann, Webb, Bryant, Moore, and Perschall; voting to move back to open session. Dr. Park was absent, so he did not vote)

**Adjournment**  
PSRS5235  
PEERS3470

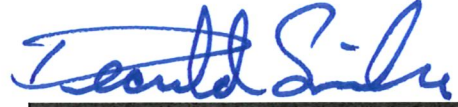
Mr. Bryant moved that the meeting adjourn. Dr. Moore seconded the motion. Voting "Aye" –Knes, Gassmann, Webb, Bryant, Moore, and Perschall; "Nay" – None. The motion carried unanimously. Dr. Park was absent, so he did not vote.

**Prepared by**  
**Jennifer Martin**



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Ms. Beth Knes, Chair



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Dearld Snider, Executive Director