

REGULAR MEETING
BOARD OF TRUSTEES
OF
THE PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI
AND
THE PUBLIC EDUCATION EMPLOYEE RETIREMENT SYSTEM OF MISSOURI

February 2, 2026

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
Brandon Robertson, Chief Financial Ofcr.
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 2, 2026

Meeting Convened

The Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) Board of Trustees convened at 8:30 a.m. Feb. 2, 2026, at the PSRS/PEERS offices located at 3210 W. Truman Blvd., 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 Brandon Robertson; Director of Human Resources Michelle Varcho; Director of Member Services Nicole Hamler; Director of Employer Services Stacie Verslues; Director of Internal Audit Jeff Hyman; Chief Technology Officer Lisa Scheulen; Director of Communications Susan Wood; Chief Information Security Officer Jake Woratzeck; Director of Executive and Board Administration Jennifer Martin; and other PSRS/PEERS staff members.

**Approval of
Minutes for December
15, 2025 Meeting**
PSRS5293
PEERS3528

Katie Webb moved that the minutes from the December 15, 2025 meeting be approved. Amanda Perschall seconded the motion. Voting “Aye” –Knes, Park, Gassmann, Webb, Bryant, Moore and Perschall; “Nay” – None. The motion carried unanimously.

Order of Business	The order of business was approved with no changes.
Other	PSRS/PEERS Executive Director Dearld Snider, Chief Operating Officer Sarah Swoboda, and Member Services Director Nicole Hamler presented retirement plaques to Mark Berendzen and Sheri Morgan for their dedication and service. Berendzen will retire on May 1, 2026, and Morgan will retire on June 1, 2026.
<u>Investments</u>	
December 2025 Performance Report	Craig Husting from PSRS/PEERS and Michael Hall from Russell reviewed the investment performance for the period ended Dec. 31, 2025. The one-year PSRS/PEERS investment return was 13.3%, while the fiscal year return (July 1, 2025, through Dec. 31, 2025) was 5.9%.
Ongoing Investment Activity	Husting and Hall reviewed ongoing investment activities, which included estimated investment performance through Jan. 31, 2026. Husting discussed the current asset allocation of the PSRS/PEERS portfolio, and he reviewed the long-term strategy and the broad portfolio expectations.
Anti-Terrorism and Economic Sanction Policy Review	<p>Husting reviewed the Systems’ Anti-Terrorism and Economic Sanction Investment Policy. The Board adopted the policy in 2005 and last reviewed it in August 2025. The policy requires PSRS/PEERS staff to provide an annual report to the Board identifying any investment actions taken due to links to terrorist- or sanction-related activities.</p> <p>Husting stated that the Systems have several safeguards in place to ensure compliance with the policy, including:</p> <ul style="list-style-type: none"> • On an annual basis, staff send letters to selected federal officials requesting any information 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, including the Specially Designated Nationals List. Staff compares the lists to the PSRS/PEERS active holdings monthly. • 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. • The Systems contracted with a sanctions-screening product to provide additional insight into sanction lists and publicly traded securities. <p>The staff also submitted a report to the Missouri Legislature on Dec. 31, 2025, to comply with recent statute changes. At the end of the report, Husting stated that staff is not aware of any instances of non-compliance for the year. Both staff and general counsel recommended that no investment action be taken this year with regard to the Anti-Terrorism and Economic Sanctions Investment Policy.</p>
Affirmative Action Policy	Husting reviewed the Systems’ Affirmative Action Policy and Procurement Action Plan. The Board last revised the policy in December 2022 and last reviewed it in August 2025. The policy requires PSRS/PEERS staff to provide an annual report to the Board regarding the Systems’ efforts to ensure equal opportunities for minorities and women as money managers, brokers, and investment counselors. Husting stated that the Systems were in compliance with the policy.

Sections 105.702, and 169.573, RSMo require the Systems to make an annual report to the Governor's Minority Advocacy Commission and the Joint Committee on Public Employee Retirement regarding the progress made in the utilization of minority and women money managers, brokers, and investment counselors. Staff submitted the required reporting on Jan. 17, 2026.

At the end of the report, Husting stated that both staff and general counsel recommended that no investment action be taken this year regarding the Affirmative Action Policy and Procurement Action Plan.

Timeline for 2026 Experience Study

Brandon Robertson from PSRS/PEERS updated the Board on the schedule of asset and liability studies occurring during FY26 and related actions items for the Board. The studies include:

- **Investment Beliefs:** Interviews and analysis to reaffirm beliefs, reduce volatility, and guide asset allocation.
- **Asset/Liability Study:** Review asset classes, allocation efficiencies, and expected returns.
- **Actuarial Experience Study:** Evaluate the actuarial assumptions and methods utilized in the annual actuarial valuations.

The anticipated schedule for reporting to the Board and implementation of any amendments to the Board's policies is as follows:

- **Key Milestones**
 - **Dec. 15, 2025** – Investment beliefs report and recodification
 - **Feb. 2, 2026** – Asset/Liability Study report and recommendations on allocation and expected return
 - **April 20, 2026** – Actuarial experience study report and preliminary recommendations
 - **June 15, 2026** – Experience study recap and adoption of any changes to the funding policy
- **Implementation**
 - **June 30, 2026** – Actuarial valuations
 - **Jan. 1, 2027** – COLA adjustments
 - **July 1, 2027 – June 30, 2028** – Updated contribution rates
 - **FY27** – Begin implementation of any asset allocation changes

Outcome: Updated investment beliefs, actuarial assumptions, and funding policy to ensure long-term sustainability.

Asset Liability Study Husting and Hall presented the Asset/Liability study. The presentation included a review of historical PSRS/PEERS Asset/Liability studies, a review of the PSRS/PEERS investment philosophy, capital market expectations, and an asset allocation recommendation. Husting and Hall provided 10-year expected risk and return estimates for the current asset allocation and for the recommended asset allocation.

PSRS5294
PEERS3529

Knes moved accept the recommendation to formalize 3% (neutral position) leverage to the Target Asset Allocation. Park seconded the motion. Voting “Aye” –Knes, Park, Gassmann, Webb, Bryant, Moore, and Perschall. “Nay” – None. The motion carried unanimously.

PSRS5295
PEERS3530

Bryant moved to maintain the Assumed Rate of Return at 7.3% as recommended by staff. Webb seconded the motion. Voting “Aye” –Knes, Park, Gassmann, Webb, Bryant, Moore, and Perschall. “Nay” – None. The motion carried unanimously.

Economic Overview

Mary Tolan and Matt Doyle from Chicago Pacific Founders provided an overview on the state of U.S. health care and trends in the industry. Their presentation covered several topics, including caring for aging populations and the use of AI in health care.

Management Report

Change Aug. 31, 2026 Board Meeting Date and Set February, April and June 2027 Dates

PSRS5296
PEERS3531

Knes moved to change the Aug. 31, 2026, Board meeting date to Wednesday, Sept. 2, 2026. She also moved to set the board meeting dates for February, April, and June 2027 to Feb. 8, 2027; April 19, 2027, and June 8, 2027. Webb seconded the motion. Voting “Aye” –Knes, Park, Gassmann, Webb, Bryant, Moore, and Perschall. “Nay” – None. The motion carried unanimously.

Approve RFP for Board Election

PSRS5297
PEERS3532

Webb motioned to delegate PSRS/PEERS staff (Request for Proposal committee that reports recommendation to executive director) the authority to approve Request for Proposal for the election. Gassmann seconded the motion. Voting “Aye” –Knes, Park, Gassmann, Webb, Bryant, Moore, and Perschall. “Nay” – None. The motion carried unanimously.

Legislative Update

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

Moorefield and Nelson gave the Board an overview of the governor’s fiscal year 2026 budget recommendations and various legislative priorities of the General Assembly. Additionally, Nelson and Moorefield provided an overview of general legislative activity of the General Assembly. Finally, Moorefield and Nelson discussed PSRS/PEERS’ priority tracked legislation. This includes three bills that could affect Investment Mandates/System Governance (HB 1668, which covers foreign adversary divestment; SB 1061, which prohibits firearm discrimination; and SB 1302, which prohibits environmental, social, and governmental preferences). Other priority bills PSRS/PEERS is tracking are HB 2091, which expands PEERS Critical Shortage Employment; HB 2095, which modifies the COLA cap; HB 2144, which increases the PSRS death benefit; HB 2396, which changes WAR limits; HB 3079, which moves speech language pathologists to PSRS; and SB-1258, which raises the multiplier for PSRS retirees with at least 33 years of service to 2.6%.

As of Jan. 30, 2026, more than 2,600 bills and resolutions have been filed by the 2026 General Assembly. PSRS/PEERS is tracking more than 75 bills.

Year in Review/Areas of Impact Dearld Snider and Sarah Swoboda from PSRS/PEERS presented a year in review to the Board. This presentation focused on five key areas of impact and highlighted some of the major accomplishments from each during 2025. Snider began by reminding the Board about PSRS/PEERS’ exceptional financial results. The pre-funded status for both Systems increased; we gave a cost-of-living adjustment (COLA) for the sixth year in row; and for 16 consecutive years, school contribution rates held steady.

Swoboda discussed the first area of impact: members and employers. She focused on the implementation of the School Administrators Resource webpage; going live with Phase 2 of the Document Center, which enhances functionality and automation in Web Member Services; and the implementation of the PSRS/PEERS podcast, Benefit Connections.

The second area of impact Swoboda discussed was staff. She highlighted PSRS/PEERS being recognized for the third year in a row as one of *Pension & Investments* “Best Places to Work in Money Management,” as well improvements in Human Resources processes. She also highlighted the successful development and training of staff, the migration of our public website to the cloud, and two awards related to funding and financial reporting.

The third area of impact Swoboda covered was investments. She highlighted the investment summer internship program, which continues to develop future talent, and three investment staff awards.

The fourth area of impact Swoboda discussed was the Board of Trustees. She highlighted the Board being recognized as finalists for two industry awards last year. She also emphasized the Board reviewing and adopting updated Investment Beliefs, guiding PSRS/PEERS’ investment programs.

The fifth, and last, area of impact Swoboda reviewed was government relations. She discussed the successful 2025 legislative year, which saw no negative legislation impacting PSRS/PEERS and the passage of positive legislation supporting working retirees and the systems’ investment programs.

CPI-U Update

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, 2025.

Public Comment

None

Other

None

Closed Session
PSRS5298
PEERS3533

Moore moved that the meeting continue in closed session to legal matters under Sections 610.021 (1), (14), and (17). 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:

PSRS5299/PEERS3534 – Minutes from December 15, 2025, Closed Session (Knes, Park, Gassmann, Bryant, Moore and Perschall; voting to approve the previous closed session minutes. Webb abstained since she was not at the last closed session meeting.)
PSRS5300/PEERS3535 – Move back to Open Session (Knes, Park, Gassmann, Webb, Bryant, Moore, and Perschall; voting to move back to open session.


Adjournment
PSRS5301
PEERS3536

Moore moved that the meeting adjourn. Webb seconded the motion. Voting “Aye” – Knes, Park, Gassmann, Webb, Bryant, Moore, and Perschall; “Nay” – None. The motion carried unanimously.

Prepared by
Jennifer Martin



Ms. Beth Knes, Chair



Dearld Snider, Executive Director