

REGULAR MEETING
BOARD OF TRUSTEES
OF
THE PUBLIC SCHOOL RETIREMENT SYSTEM OF MISSOURI
AND
THE PUBLIC EDUCATION EMPLOYEE RETIREMENT SYSTEM OF MISSOURI
November 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
Brandon Robertson, Chief Financial Ofcr.
Jeff Hyman, Director of Internal Audit
Stacie Verslues, Director of Emp. Serv.
Nicole Hamler, Director of Member Serv.
Lisa Scheulen, Chief Technology Officer
Jake Woratzeck, Chief Info. Security Ofcr.
Susan Wood, Dir. of Communications
Michelle Varcho, Dir. of Human Res.
Jennifer Martin, Director, Board Admin.

Monday, November 3, 2025

Meeting Convened

The Public School and Education Employee Retirement Systems of Missouri (PSRS/PEERS) Board of Trustees convened at 8:30 a.m. at the PSRS/PEERS offices located at 3210 W. Truman Blvd., Jefferson City, MO 65109. 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, Director of Communications Susan Wood, Chief Technology Officer Lisa Scheulen, Chief Information Security Officer Jake Woratzeck, Director of Executive and Board Administration Jennifer Martin and various other PSRS/PEERS staff members.

**Approval of
Minutes for August
25, 2025, Meeting
PSRS5209
PEERS3444**

Ms. Webb moved that the minutes from August 25, 2025, meeting be approved. Dr. Moore seconded the motion. Voting "Aye" –Park, Gassmann, Webb, Bryant, Moore and Perschall; "Nay" – None. Ms. Knes abstained from voting since she was absent from the August board meeting. The motion carried unanimously.

Order of Business The order of business was approved with no changes.

Other None

Investment Report

Ongoing Investment Activity Craig Husting and Michael Hall from Russell reviewed ongoing investment activities, including estimated investment performance through Sept. 30, 2025. The estimated return for the first quarter of fiscal year 2026 (July 1, 2025, through Sept. 30, 2025) was approximately 3.6%. Husting discussed the current asset allocation of the PSRS/PEERS portfolio, reviewing the long-term strategy and broad portfolio expectations.

Private Equity Review with Pathway Vincent Dee, Wayne Smith, Derrek Ransford, and Matthew Spader from Pathway Capital Management presented several items to the Board, including a Pathway organizational update and a review of the PSRS/PEERS' Private Equity, Private Equity Co-investment, and Direct Credit programs. Pathway reported that the PSRS/PEERS Private Equity portfolio (that Pathway consulted on) had produced an annualized return of 15.9% for the 10-year period ended June 30, 2025. By comparison, the public equity benchmark returned 11.4% over this period. The Co-investment and Direct Credit portfolios have shorter track records. Pathway reported that the PSRS/PEERS Co-investment portfolio had produced an annualized return of 12.4% for the 5-year period ended June 30, 2025 and that the Direct Credit portfolio had produced an annualized return of 10.9% for the same period.

Report of Actuary

June 30, 2025 Valuations Cindy Fraterrigo, Gina Uhrich, and Becky Brenza from PwC US (PwC), the Systems' actuary, were present to discuss the results of the June 30, 2025, actuarial valuations for the Systems.

Fraterrigo introduced our annual actuarial valuations, including the primary purposes of an actuarial valuation, a comparison of actuarial valuations performed for "funding" versus "accounting" purposes, the balance equation and terminology used by the actuaries, and a summary of the types of assumptions that are reflected in the valuations.

Uhrich and Brenza reviewed key developments during fiscal year 2025, including investment returns, member experience, inflation and cost-of-living experience, inflation and cost-of-living assumption development, new legislation affecting the actuarial valuations, and notification of a new mortality study of public sector workers and retirees recently completed by the Society of Actuaries.

Brenza reviewed the June 30, 2025, actuarial valuation information prepared by PwC. She reviewed the changes in membership, assets, and liabilities from the prior year. She presented statistics to illustrate the continuing maturation and increasing leverage inherent in the Systems. She reported that the June 30, 2025, preliminary pre-funded status, based on the actuarial value of assets, has increased from 87.2% for the prior year to 89.1% for PSRS and increased from 88.1% for the prior year to 89.9% for PEERS. She also reported the preliminary actuarially determined contribution rates of 27.13% for PSRS and 12.93% for PEERS. She then presented a 10-year historical review of changes in our pre-funded status and contribution rates. Both Systems are viewed to be healthy because of appropriate funding policies, consistent funding of the

recommended contributions, diligent plan governance, and asset returns that have been consistent with the assumed returns over time.

Uhrich and Fraterrigo then presented additional considerations reflected in their recommendation of the contributions rates, including the maturity and leverage inherent in the plans, the sensitivity to key assumptions, and key trends that may affect our actuarial assumptions as they look ahead to the next experience study, which will be completed before the next annual valuations. They specifically identified the Systems' investment return, inflation, and cost-of-living-adjustment (COLA) assumptions as the most sensitive assumptions in determining the overall financial health of the Systems and future actuarially determined contribution rates. They then presented projections of the funded status and actuarially determined contribution rates for both Systems. The projections were performed under two scenarios: The first reflected our current assumptions and assumed that future experience will be consistent with those assumptions in all years, and the second reflected increases in our inflation and cost-of-living assumptions, similar to the trends observed with inflation assumptions since the prior experience study.

Based on the June 30, 2025, preliminary actuarial valuation results and the additional considerations presented, Fraterrigo recommended contribution rates for the 2026-2027 school year and the Jan. 1, 2026, cost-of-living adjustment for eligible retirees and beneficiaries.

**Set Contribution
Rates for Fiscal Year
2026-2027
PSRS5210
PEERS3445**

Mr. Bryant moved to maintain the contribution rate for PSRS at 29% and PEERS at 13.72% for fiscal year 2026-2027, as recommended by the actuary. This is the sixteenth year for the actuary to recommend the rates to be 29.0% for PSRS and 13.72% for PEERS. The consistency of contribution rates for a long duration illustrates significant financial stability, strong governance, and long-term planning.

Ms. Webb seconded the motion. Voting "Aye" –Knes, Park, Gassmann, Webb, Bryant, Moore and Perschall; "Nay" – None. The motion carried unanimously.

**Set January 2026
Cost-of-Living-
Adjustment (COLA)
PSRS5211
PEERS3446**

Ms. Webb moved, in accordance with the Systems' Funding Policy and the recommendation of the actuary, to grant a 2% COLA for January 2026. Ms. Gassmann seconded the motion. Voting "Aye" –Knes, Park, Gassmann, Webb, Bryant, Moore, and Perschall; "Nay" – None. The motion carried unanimously.

Funding Policies

There were no proposed changes to the Funding Policies.

**Management
Report**

**Approve Board
Election Schedule**

Ms. Webb motioned to approve the following board election schedule: Notices and information to organizations for their publication deadlines (November 6, 2025); Official notice to all employing units (November 6, 2025); Petition forms available (January 5, 2026); Bids on election process (January 2026); Nominating petitions-postmark deadline (February 18, 2026); Petition signature audit and certification (the week of March 2, 2026); Ballots mailed to members (April 23, 2026); Electronic voting deadline and ballots due-postmark deadline (May 22, 2026); Official count and

certification (After June 8, 2026 Board Meeting). Ms. Gassmann seconded the motion. Voting “Aye” –Knes, Park, Gassmann, Webb, Bryant, Moore, and Perschall; “Nay” – None. The motion carried unanimously.

Key Accomplishments Sarah Swoboda, Dearld Snider, and Craig Husting reviewed key accomplishments since the August Board meeting.

Swoboda informed the Board about the new *Benefit Connection* Podcast. The first podcast aired on Aug. 20, 2025, and there have been six episodes aired to date. The podcast provides another tool for members to stay informed about their retirement system, gain valuable insights, and hear from experts on how to make the most of their benefits.

Swoboda next discussed the creation of Member Education’s *Meet the Team* webpage. This page was created so members can better connect with our Member Education team on a personal level. This team travels extensively throughout the state and has many interactions with members.

Next, Husting informed the board about two members of the investment staff who were recently recognized at award ceremonies. Portfolio Manager Brenna Noble was selected as a 2025 Rising Star as part of *Institutional Investor* Allocator Choice Awards. She was also selected as a 2025 NextGen at the *Chief Investment Officer* Industry Innovations Awards Ceremony.

Husting also recognized Anthony Vikhter, Investment Officer. Anthony was named to *NextGen Under age 30 Missouri*. This prestigious recognition celebrates young professionals across the state who are making significant contributions through innovation, leadership, and service.

Next, Snider recognized Chief Investment Officer Craig Husting, who won a 2025 Industry Innovation Award. This national award, presented by *Chief Investment Officer* magazine, honors leaders who excel at institutional investing. Husting won the category of public defined benefit plans with more than \$25 billion in assets.

Lastly, Snider recognized the Board for being a finalist for two separate awards. The Board was an award finalist for Leadership and Vision with *Institutional Investor*. The Board was also a finalist for the 2025 Randy Kim Prize for Fiduciary of the Year with *The Allocator*.

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 up 0.69 % through September 30, 2025. The October CPI-U update will be released November 13, 2025.

Public Comment

None

Other

None

Closed Session
PSRS5213
PEERS3448

Dr. Moore moved that the meeting continue in closed session to consider Personnel, Audit update, Investments and legal matters under Sections 105.688 (6), 610.021 (1), (14), (17) and 169.020.17, and 169.040 (7) RSMo. Ms. Webb seconded the motion. Voting “Aye” –Knes, Park, Gassmann, Webb, Bryant, Moore, and Perschall; “Nay” – None. The motion carried unanimously.

The following motions were made in closed session:

PSRS5214/PEERS3449 – Minutes (Park, Gassmann, Webb, Bryant, Moore and Perschall; voting to approve the August 25, 2025, closed session minutes)

PSRS5215/PEERS3450 – Member Appeal (Knes, Park, Gassmann, Webb, Bryant, Moore, and Perschall; voting to deny the member appeal)

PSRS5216/PEERS3451 – Move back to Open Session (Knes, Park, Gassmann, Webb, Bryant, Moore, and Perschall, voting to move back to open session)

The Board voted to go back into Open Session at 1:00 p.m. and started the State of the Systems’ and Associations Meeting.

**State of the Systems
Address**

The Board voted to go back into open session at 1 p.m., which is also when the State of the Systems’ and Associations Meeting began.

Dearld Snider started off by acknowledging that the Education Associations have priorities they would like to see addressed, such as lowering contribution rates for active members and increasing the cost-of-living adjustments (COLA’s) for retirees.

Snider emphasized the Systems’ strong foundation, characterized by our high level of service, solid investment performance, stable contribution rate, consistent cost-of-living adjustments, and \$62.8 billion in total market value of assets. Despite these strengths, the reality is we still have \$7.5 billion in unfunded liability, which requires continued vigilance and responsible financial management.

Snider next discussed some of the factors the Systems can control, such as plan design decisions, investment strategy, and organizational reputation. There are also many factors that are out of the Systems’ control, such as the climate of the public education and legislative mindset, the investment markets and inflation, as well as mortality rates and the rates of those entering and leaving the education profession.

A historical review of benefit enhancements shows how earlier policy decisions increased long-term benefit obligations, including ad-hoc COLAs, improved formula factors, and more favorable retirement rules. This context leads to a key theme: intergenerational equity. Snider’s presentation contrasted the experience of members who retired in the late 1990s and early 2000s, who benefited from enhancements and lower contribution rates, with the experience of current younger members, who pay higher rates without expectations of additional benefit increases

Even so, members continue to participate in one of the strongest public pension systems in the country, with a prefunded status of 89.1% for PSRS and 89.9% for PEERS, as well as robust long-term benefits, such as the Rule of 80, 2.5% formula factor, and three-year final average salary calculation.

Lastly, Snider concluded by encouraging stakeholders to use the “Power of Pause” and noting that a 2026 experience study will reassess assumptions, particularly around inflation and COLA expectations.

Mike Moorefield from PSRS/PEERS then asked those in attendance from the education associations to share any concerns or goals they have for the upcoming legislative year. Representatives from MNEA (Missouri National Education Association), MSTA (Missouri State Teachers Association), MRTA (Missouri Retired Teachers Association), MASA (Missouri Association of School Administrators), MoASSP (Missouri Association of Secondary School Principals), and MARE (Missouri Association Rural Education) were all present on behalf of their Associations.


Adjournment
PSRS5217
PEERS3452

Ms. Knes moved that the meeting adjourn at 1:38 p.m. Ms. Gassmann 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