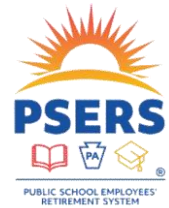


March 20, 2025 PSERB Investment Committee Meeting

PSERS Board Room 5 North 5th Street, Harrisburg PA 17101 and via MS [Sunshine]



Chair Treas. Stacy Garrity
Vice Chair Sec. Wendy Spicher
Committee of the Whole
Committee Liaison Benjamin Cotton
Board Secretary Terrill Sanchez

1. **Call to Order**

The Committee met on March 20, 2025 virtually and in-person at 5 North 5th Street in Harrisburg, PA. Chair Treas. Stacy Garrity called the meeting to order at 1:01 P.M. Benjamin Cotton, Chief Investment Officer, took roll call and confirmed Investment Committee quorum.

Committee Member Attendance:

Jordan Laslett, Designee for Rep. Matthew Bradford, In-Person
Dr. Pamela Brown, Virtual
Charles Erdman, Designee for Sen. Jarrett Coleman, Virtual
Eric DiTullio, In-Person (Out at 2:22, In at 2:30)
Rep. Torren Ecker, Virtual (Out at 1:07, In at 1:11, Out at 2:59)
Treas. Stacy Garrity, In-Person
Susan Lemmo, Virtual
Kevin Busher, Designee for Nathan Mains, Virtual
Ann Monaghan, In-Person
Jeffrey Cavanaugh, Designee for Sen. Katie Muth, Virtual
Brian Reiser, In-Person
Eric Pistilli, Designee for Sec. Wendy Spicher In-Person
Patrick Lord for Acting Sec. Carrie Rowe, Virtual
Richard Vague, In-Person

Additional Board Designee Attendance:

Christopher Craig, Virtual
Lloyd Ebright, In-Person
Michael Heckmann, Virtual
Veronica Hoof, Virtual
Jill Vecchio, Virtual

2. **Approval of Published Agenda or Requested Amendments**

Treas. Stacy Garrity proposed a change to the published agenda to include an update and discussion regarding certain directly held real estate within executive session with Richard Vague seconding. The motion passed.

3. **Approval of March 13, 2025 Minutes**

Eric DiTullio moved to approve the minutes with Brian Reiser seconding. The motion passed.

4. **Public Comment**

Benjamin Cotton confirmed there was no request for public comment.

5. **New Business:**

5.1 Investment Committee Vital Signs

Robert Devine, Deputy Chief Investment Officer, presented the Investment Office Vital Signs.

5.2 Investment Committee Charter and Contract Log Recommendation

Benjamin Cotton, Chief Investment Officer, presented the Investment Committee Charter and Contract Log Recommendation.

5.3 Investment Due Diligence Package Policy

Benjamin Cotton, Chief Investment Officer, presented the Investment Due Diligence Package Policy.

Eric DiTullio moved the following:

The Investment Committee of the Public School Employees' Retirement Board (the "Board") moves to recommend that the Board adopt the Investment Due Diligence Package Policy, located at Agenda Item 5.3 in Diligent.

Ann Monaghan seconded.

The motion passed with one (1) abstention being Sen. Katie Muth.

5.4 Chief Investment Officer Update

Benjamin Cotton presented the Chief Investment Officer Update.

Eric DiTullio moved the following:

The Investment Committee of the Public School Employees' Retirement Board (the "Board") moves to recommend that the Board adopt the following statement:

WHEREAS, in recognition of the Board's core value of public accountability and transparency and commitment to the highest standards of ethics and accountability; and

WHEREAS, a single standard for fee disclosures and a greater standardization towards cash flow reporting and methodology for performance metrics are strongly desired to efficiently monitor and report private markets investments activity; and

WHEREAS, the recently revised ILPA Reporting Template and the newly created ILPA Performance Template prepared by the Institutional Limited Partners Association ("ILPA") provide effective and efficient uniform reporting by general partners throughout private markets investments; and

WHEREAS, in acknowledgement of the Board's historical and continued strong preference that its general partners adopt and use the ILPA templates throughout its private markets investments; and

NOW THEREFORE, the Board endorses the recently revised ILPA Reporting Template and the newly created ILPA Performance Template and strongly encourages all general partners to complete and adopt these new templates in accordance with IPLA guidance.

Jordan Laslett seconded.

The motion passed unanimously.

5.5 Asset Class Reviews

James Del Gaudio, Managing Director, presented the Private Real Asset Update.

5.6 CEM Cost Benchmarking

Christopher Doll, CEM, presented the CEM Cost Benchmarking.

5.7 PSERS Q4 2024 Total Plan Performance and Update on Capital Markets

Mark Brubaker, Verus Advisory, Inc., presented the PSERS Q4 2024 Total Plan Performance and Update on Capital Markets.

5.8 Private Market Pacing Analysis

Patrick Adelsbach, Aksia, LLC., presented the Private Market Pacing Analysis.

5.9 Public Markets Watchlist

Carl Lantz, Director, presented the Public Markets Watchlist.

5.10 Update on Private Markets Delegated Authorizations

James Del Gaudio, Managing Director, presented the Update on Private Markets Delegated Authorizations.

Jordan Laslett moved the following:

The Investment Committee of the Public School Employees' Retirement Board (the "Board") moves to recommend that the Board delegates the authority to the Chief Investment Officer in his discretion to commit new or additional sums to private markets investment vehicles managed by **Intermediate Capital Group ("ICG")** and/or their affiliates, subject to each of the following constraints:

- a. Any new or additional commitments must be compliant with the External Manager exposure risk limits outlined in the Private Markets Asset Class Policy.
- b. For any new or additional commitments, PSERS total Private Markets Exposure ("NAV and unfunded") to ICG shall not represent more than 10% of PSERS Total Private Markets target allocation.
- c. Each individual new or additional commitment to **ICG** shall not exceed 1.5% of PSERS Total Private Markets target allocation.

Utilization of this delegated authority is subject to the notification and periodic reporting as prescribed within the External Manager Due Diligence and Monitoring Policy and this delegation prospectively supersedes and nullifies any prior grants of discretion by way of board resolutions related to **ICG**.

The final terms and conditions of new or additional commitments authorized under this delegation are subject to legal due diligence and must be satisfactory to the Investment Office, the Office of Chief Counsel, and the Office of Executive Director, as evidenced either by the appropriate signatures on, or by a memo to that effect appended to, the implementing investment contracts.

Eric Pistilli seconded.

The motion passed with one (1) abstention being Sen. Katie Muth, and one (1) absent being Eric DiTullio.

5.11 Fixed Income: NISA Investment Advisors, LLC

Carl Lantz, Director, presented a proposal for NISA Investment Advisors, LLC.

5.12 Private Credit: I Squared Global Infrastructure Credit Fund II, L.P.

James Del Gaudio, Managing Director, presented a proposal for I Squared Global Infrastructure Credit Fund II, L.P.

5.13 Private Infrastructure: I Squared Global Infrastructure Fund IV, L.P.

James Del Gaudio, Managing Director, presented a proposal for I Squared Global Infrastructure Fund IV, L.P.

5.14 Private Equity: K6 Private Investors, L.P.

James Del Gaudio. Managing Director, presented a proposal for K6 Private Investors, L.P

5.15 Private Real Estate: Realterm European Logistics Fund II SCSp.

James Del Gaudio. Managing Director, presented a proposal for Realterm European Logistics Fund II SCSp.

5.16 Private Equity: Stellex Capital Partners III, L.P.

James Del Gaudio. Managing Director, presented a proposal for Stellex Capital Partners III, L.P

5.17 Executive Session

At 2:41 PM, the Committee entered Executive Session to discuss Confidential Provisions of Proposed Discussion Items, and certain directly held real estate properties.

The Committee resumed public session at 2:56 P.M.

5.18 Motions

Eric DiTullio moved the following:

The Investment Committee of the Public School Employees' Retirement Board (the "Board") moves to recommend that the Board

- i) Allocates an initial amount of \$500 million to a core fixed income account to be separately managed by NISA Investment Advisors, LLC, and
- ii) Authorizes the Chief Investment Officer in his discretion to invest additional sums up to \$1.5 billion to the core fixed income separate account managed by NISA Investment Advisors, LLC, provided that at the time of any such investment, the total aggregate amount of market exposure allocated to the core fixed income and directed beta overlay program separate accounts does not exceed \$10 billion.
- iii) This authorization prospectively revises Resolution 2023-49 such that the \$10 billion total allocation amount to the directed beta overlay program shall now apply to both the core fixed income and directed beta overlay separate accounts in aggregate.

The final terms and conditions of the engagement are subject to legal due diligence and must be satisfactory to the Investment Office, the Office of Chief Counsel, and the Office of Executive Director, as evidenced either by the appropriate signatures on, or by a memo to that effect appended to, the implementing investment contracts.

Ann Monaghan seconded.

The motion passed with one (1) abstention being Sen. Katie Muth.

Eric DiTullio moved the following:

The Investment Committee of the Public School Employees' Retirement Board (the "Board") recommends that the Board commit an amount not to exceed \$150 million, plus reasonable and normal investment expenses, to I Squared Global Infrastructure Credit Fund II, and/or related investment vehicles in accordance with the recommendation of Sean T. Sarraf, Portfolio Manager and Aksia, LLC.

The final terms and conditions of the investment are subject to legal due diligence and must be satisfactory to the Investment Office, the Office of Chief Counsel, and the Office of Executive Director, as evidenced either by the appropriate signatures on, or by a memo to that effect appended to, the implementing investment contracts.

Brian Reiser seconded.

The motion passed with one (1) abstention being Sen. Katie Muth.

Eric DiTullio moved the following:

The Investment Committee of the Public School Employees' Retirement Board (the "Board") moves to recommend that the Board invests an amount not to exceed \$200 million plus reasonable and normal investment expenses, in I Squared Global Infrastructure Fund IV, and/or related investment vehicles in accordance with the recommendation of Cody Steele, Portfolio Manager and Aksia, LLC.

The final terms and conditions of the investment are subject to legal due diligence and must be satisfactory to the Investment Office, the Office of Chief Counsel, and the Office of Executive Director, as evidenced either by the appropriate signatures on, or by a memo to that effect appended to, the implementing investment contract.

Jordan Laslett seconded.

The motion passed with one (1) abstention being Sen. Katie Muth.

Eric DiTullio moved the following:

The Investment Committee of the Public School Employees' Retirement Board (the "Board") moves to recommend that the Board delegates the authority to the Chief Investment Officer in his discretion to commit new or additional sums to private markets investment vehicles managed by I Squared Capital Advisors ("ISQ") and/or their affiliates, subject to each of the following constraints:

- a. Any new or additional commitments must be compliant with the External Manager exposure risk limits outlined in the Private Markets Asset Class Policy.
- b. For any new or additional commitments, PSERS total Private Markets Exposure ("NAV and unfunded") to **ISQ** shall not represent more than 10% of PSERS Total Private Markets target allocation.
- c. Each individual new or additional commitment to **ISQ** shall not exceed 1.5% of PSERS Total Private Markets target allocation.

Utilization of this delegated authority is subject to the notification and periodic reporting as prescribed within the External Manager Due Diligence and Monitoring Policy and this delegation prospectively supersedes and nullifies any prior grants of discretion by way of board resolutions related to **ISQ**.

The final terms and conditions of new or additional commitments authorized under this delegation are subject to legal due diligence and must be satisfactory to the Investment Office, the Office of Chief Counsel, and the Office of Executive Director, as evidenced either by the appropriate signatures on, or by a memo to that effect appended to, the implementing investment contracts.

Brian Reiser seconded.

The motion passed with one (1) abstention being Sen. Katie Muth.

Eric DiTullio moved the following:

The Investment Committee of the Public School Employees' Retirement Board (the "Board") moves to recommend that the Board invests an amount not to exceed \$100 million, plus reasonable and normal investment expenses, in K6 Private Investors, LP and/or related investment vehicles in accordance with the recommendation of Jarrett Richards, Portfolio Manager and Aksia, LLC.

The final terms and conditions of the investment are subject to legal due diligence and must be satisfactory to the Investment Office, the Office of Chief Counsel, and the Office of Executive Director, as evidenced either by the appropriate signatures on, or by a memo to that effect appended to, the implementing investment contract.

Ann Monaghan seconded.

The motion passed with one (1) abstention being Sen. Katie Muth.

Eric DiTullio moved the following:

The Investment Committee of the Public School Employees' Retirement Board (the "Board") moves to recommend that the Board invests an amount not to exceed €75 million, plus reasonable and normal investment expenses, in Realterm Europe Logistics Fund II, SCSp and/or related investment vehicles in accordance with the recommendation of Melissa A. Quackenbush, Senior Portfolio Manager and Aksia, LLC.

The final terms and conditions of the investment are subject to legal due diligence and must be satisfactory to the Investment Office, the Office of Chief Counsel, and the Office of Executive Director, as evidenced either by the appropriate signatures on, or by a memo to that effect appended to, the implementing investment contract.

Brian Reiser seconded.

The motion passed with one (1) abstention being Sen. Katie Muth.

Eric DiTullio moved the following:

The Investment Committee of the Public School Employees' Retirement Board (the "Board") moves to recommend that the Board invests an amount not to exceed \$133 million, plus reasonable and normal investment expenses, in Stellex Capital Partners III LP, and/or related investment vehicles in accordance with the recommendation of Luke M. Jacobs, Portfolio Manager and Aksia, LLC.

The final terms and conditions of the investment are subject to legal due diligence and must be satisfactory to the Investment Office, the Office of Chief Counsel, and the Office of Executive Director, as evidenced either by the appropriate signatures on, or by a memo to that effect appended to, the implementing investment contract.

Jordan Laslett seconded.

The motion passed with one (1) abstention being Sen. Katie Muth.

Eric DiTullio moved the following:

The Investment Committee of the Public School Employees' Retirement Board (the "Board") moves to recommend that the Board authorizes the disposition of the assets held by Commonwealth Holdings, Inc, in accordance with the recommendation of the Investment Office.

The final terms and conditions of the disposition are subject to legal due diligence and must be satisfactory to the Investment Office, the Office of Chief Counsel, and the Office of Executive Director, as evidenced either by the appropriate signatures on, or by a memo to that effect appended to, the implementing investment contract.

Ann Monaghan seconded.


The motion passed with one (1) abstention being Sen. Katie Muth.

6. **Next Meeting Agenda Items**


The Committee had no recommendations for agenda items to add to the next Committee Meeting scheduled for June 5, 2025.

7. **Adjournment**

Without objection, Treas. Stacy Garrity adjourned the Committee meeting at 3:05 PM.

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