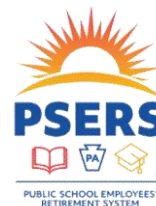


March 21, 2025 PSERB Board Meeting

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



Chairperson Mr. Richard Vague
Vice Chairperson Ms. Susan Lemmo
Board Secretary Terrill J. Sanchez

1. **Call to Order**

The Board met on March 21, 2025 virtually and in-person at PSERS located at 5 North 5th Street in Harrisburg, PA. Chairperson Richard Vague called the meeting to order at 9:00 A.M. Terrill Sanchez, Executive Director and Board Secretary, took roll call and confirmed Board quorum.

Board 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
Jill Vecchio, Designee for Rep. Torren Ecker, Virtual
Treas. Stacy Garrity, In Person
Susan Lemmo, Virtual
Nathan Mains, Absent
Ann Monaghan, In Person
Jeffrey Cavanaugh, Designee for Sen. Katie Muth, Virtual
Brian Reiser, In Person
Patrick Lord, Designee for Acting Sec. Carrie Rowe, Virtual
Sec. Wendy Spicher, In Person
Richard Vague, In Person

Additional Board Designee Attendance:

Sen. Katie Muth (in at 9:18, out at 9:45)
Michael Heckmann, Virtual
Eric Pistilli, Virtual

Richard Vague introduced the following new Trustees and Designees to the Public School Employees' Retirement Board; Department of Education Acting Secretary Carrie Rowe with designee Marcus Delgado, and Senator Jarrett Coleman, with designees Leo Knepper and Charles (Chuck) Erdman.

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

Eric DiTullio moved to approve the published agenda with Ann Monaghan seconding. The motion passed with one (1) absent being Nathan Mains.

3. **Approval of January 10, 2025, Minutes**

Jordan Laslett moved to approve the minutes, with Brian Reiser seconding. The motion passed with one (1) absent being Nathan Mains.

4. **Public Comment**

Terrill Sanchez confirmed there was a request for public comment from Ryan Leitner, PE Stakeholders, to provide comment related to Bridgepoint and Energy Capital Partners.

5. **Unfinished Business**

5.1 Notational Ballots

Terrill Sanchez announced the results of the following notational ballots.

A notational ballot process for RFP 2024-5 Election Management and Administrative Services was commenced on February 20, 2025, and ran through 12:00 noon on February 26, 2025, upon which the votes were tabulated by the Board Liaison and verified by me, as Executive Director.

I confirm that the votes were ten (10) in favor, four (4) abstentions being Sen. Katie Muth, Brian Reiser, Secretary of Education, and the Senate Majority, and one (1) vacant being an Active Certified, and passed as **PSERB Resolution 2025-10**.

A notational ballot process for the 2025 Cyber Insurance Policy was commenced on February 20, 2025, and ran through 12:00 noon on February 26, 2025, upon which the votes were tabulated by the Board Liaison and verified by me, as Executive Director.

I confirm that the votes were ten (10) in favor, four (4) abstentions being Treas. Stacy Garrity, Sen. Katie Muth, Secretary of Education, and the Senate Majority, and one (1) vacant seat being an Active Certified, and passed as **PSERB Resolution 2025-11**.

6. New Business

6.1 Active Certified Special Election Results Announcement

Richard Vague announced that Mr. Jason Moore was the only candidate who submitted a nomination petition for the election for an Active Certified seat and is qualified as a candidate. The Board Election Procedures and Guidelines Policy states that if an election has only one candidate who qualifies to appear on the ballot, no election will be conducted. Therefore, Mr. Vague declared Mr. Moore as elected by acclamation in accordance with the Board's Election Procedures and Guidelines Policy. Mr. Moore will serve the remainder of the current term through the end of 2025 and serve a subsequent three year term commencing on January 1, 2026, and ending December 31, 2028.

6.2 Committee Reports

6.2.1 Audit, Compliance and Risk Committee Report

Chair Treas. Stacy Garrity reported on the activities, findings, recommendations, and other relevant issues from the Audit, Compliance and Risk Committee meeting held on March 12, 2025.

Under New Business, the Committee:

- Received updates from Eric Decker, Chief Risk Officer, on the Enterprise Risk Management (ERM) Program and the Management Action Plans (MAPs).
- Received an update from Alicia James, Investment Compliance Management on the Investment Compliance Program,
- Held an Executive Session to discuss Investment Compliance Review Report, Enterprise Compliance Plan, Internal Audit Plan Update, HOP/PDP Compliance Program Update, and Independent Verification,
- Heard from William Seymour and Tiana Wynn, SB & Company, on the FY24-25 Financial Statement Audit Plan, and
- Heard from Mei Gentry, Chief Audit Officer, on the Audit, Compliance and Risk Charter proposed changes.

Treas. Stacy Garrity moved the following:

RESOLVED, that the Public School Employees' Retirement Board accepts the recommendation of the Audit, Compliance and Risk Committee and adopts the Fiscal Year 2024-2025 Enterprise Compliance Plan.

Eric DiTullio seconded.

The motion passed with one (1) absent being Nathan Mains, as **PSERB Resolution 2025-12**.

6.2.2 Benefits and Appeals Committee Report

Chair Ann Monaghan reported on the activities, findings, recommendations, and other relevant issues from the Benefits and Appeals Committee meeting held on March 20, 2025.

Under New Business, the Committee:

- Reviewed Executive Staff Review Committee (ESRC) minutes for December 13, 2024, and February 13, 2025,
- Held an Executive Session to discuss an adjudication for the Account of Community College of Philadelphia [Docket No. 2019-15], and
- Heard from Jennifer Mills, Deputy Executive Director and Director of Defined Contribution Investments, on the Benefits and Appeals Committee Charter proposed changes, and the Benefits and Appeals Committee Vital Signs.

Ann Monaghan moved the following:

RESOLVED, that in the matter of Community College of Philadelphia, Docket No. 2019-15, the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Benefits and Appeals Committee and adopts the proposed Opinion and Order of the Board, and refers this matter back to the Hearing Examiner to determine which Community College of Philadelphia employees must be enrolled in PSERS.

Brian Reiser seconded.

The motion passed with one (1) absent being Nathan Mains, as **PSERB Resolution 2025-13**.

6.2.3 Finance and Actuarial Committee Report

Chair Eric DiTullio, reported on the activities, findings, recommendations, and other relevant issues from the Finance and Actuarial Committee meeting held on March 20, 2025.

Under New Business, the Committee:

- Held an election for Committee Vice Chair, having elected Brian Reiser,
- Heard from Brian Lyman, Chief Financial Officer, on the Finance and Actuarial Committee proposed charter changes, and the December 31, 2024, Financial Statements and Budget Updates,
- Heard from Chris Snel and David Driscoll, Gallagher, on the Stress Test Report,
- Held an Executive Session to discuss Withdrawal Liability Collections, and
- Heard from Eric DiTullio on upcoming procurements related to Actuarial Services.

Eric DiTullio moved the following:

RESOLVED, that the Public School Employees' Retirement Board accepts the recommendation of the Finance and Actuarial Committee and adopts the 2024 Stress Test Report.

Ann Monaghan seconded.

The motion passed with one (1) absent being Nathan mains, as **PSERB Resolution 2025-14**.

6.2.4 Health Care Committee Report

Chair Susan Lemmo reported on the activities, findings, recommendations, and other relevant issues from the Health Care Committee meeting held on March 20, 2025.

Under New Business, the Committee:

- Heard from Sonya Charlesworth, Deputy Director of the Health Insurance Office, on the Enrollment Experience,
- Heard from Melanie Clark, Segal, on the 2025 Market Report Comparison,
- Heard from Diane Swisher, Segal, on the Option Selection Period Member Survey Results, and
- Heard from Jennifer Mills on the Health Care Committee proposed charter changes, and Health Care Committee vital Signs.

6.2.5 Defined Contributions Committee Report

Jill Vecchio reported on the activities, findings, recommendations, and other relevant issues from the Defined Contributions Committee meeting held on March 20, 2025.

Under New Business, the Committee:

- Received presentations from Jennifer Mills on the Q4 2024 Review, the Voya Institutional Plan Services, LLC Second Contract Renewal, and the Defined Contribution Committee proposed charter changes.

Jill Vecchio moved the following:

RESOLVED, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Defined Contribution Committee of the Board and renews the Administrative Services Agreement ("ASA") with Voya Institutional Plan Services, LLC for the Second Renewal Period of an additional twelve months beginning July 1, 2025 through June 30, 2026 pursuant to Section 5.1 of the ASA.

Eric DiTullio seconded.

The motion passed with one (1) abstention being Jeffrey Cavanaugh, and one (1) absent being Nathan Mains, as **PSERB Resolution 2025-15**.

6.2.6 Investment Committee Report

Treas. Stacy Garrity reported on the activities, findings, recommendations, and other relevant issues from the Investment Committee meetings held on March 13, 2025, and March 20, 2025.

At the March 13, 2025 meeting, under New Business, the Committee:

- Received presentations from Carl Lantz, Director, on NISA Investment Advisors, LLC., from Sean Sarraf, Portfolio Manager on I Squared Global Infrastructure Credit Fund II, L.P., from Cody Steele, Portfolio Manager, on I Squared Global Infrastructure Fund IV, L.P., from Jarrett Richards, Portfolio Manager, on K6 Private Investors, L.P., from Melissa Quackenbush, Senior Portfolio Manager, on RealTerm European Logistics Fund II SCSp, and from Luke Jacobs, Portfolio Manager, on Stellex Capital Partners III, L.P. and
- Held an Executive Session to discuss confidential provisions of the discussion items.

At the March 20, 2025 meeting, under New Business, the Committee:

- Received a presentation from Robert Devine, Deputy Chief Investment Officer, on the Investment Office Vital Signs,
- Heard from Benjamin Cotton, Chief Investment Officer, on the Investment Committee proposed charter changes, Contract Log Recommendations, Investment Due Diligence Policy, and the Chief Investment Officer Update,
- Heard reports from James Del Gaudio, Managing Director, on the Private Real Asset Update,
- Received a presentation from Christopher Doll, CEM, on the CEM Cost Benchmarking,
- Received a presentation from Mark Brubaker, Verus Advisory, Inc., on the

- PSERS Q4 2024 Total Plan Performance and Update on Capital Markets,
- Received a presentation from Patrick Adelsbach, Aksia, LLC., on the Private Market Pacing Analysis,
- Received a presentation from Carl Lantz, Director, on the Public Markets Watchlist,
- Received a presentation from James Del Gaudio, Managing Director, on the Update on Private Markets Delegated Authorizations,
- Fielded questions related to the discussion items presented at the March 13, 2025 Investment Committee meeting,
- Held an Executive Session to discuss confidential provisions of the Confidential Provisions of Proposed Discussion Items, and certain directly held real estate properties.

Eric DiTullio moved to block vote all Investment resolutions as discussed in the March 13, 2025, and March 20, 2025, Investment Committee meetings, with Ann Monaghan seconding. The motion passed with one (1) abstention being Jeffrey Cavanaugh, and one (1) absent being Nathan Mains.

Treas. Garrity moved the following, with Ann Monaghan seconding:

RESOLVED, that the Public School Employees' Retirement Board accepts the recommendation of the Investment Committee and adopts the Investment Due Diligence Package Policy, attached.

The motion passed with one (1) abstention being Jeffrey Cavanaugh, and one (1) absent being Nathan Mains, as **PSERB Resolution 2025-16**.

RESOLVED, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Investment Committee and adopts 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.

The motion passed with one (1) abstention being Jeffrey Cavanaugh, and one (1) absent being Nathan Mains, as **PSERB Resolution 2025-17**.

RESOLVED, that the Public School Employees' Retirement Board (the "Board") adopts the recommendation of the Investment Committee and 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.

The motion passed with one (1) abstention being Jeffrey Cavanaugh, and one (1) absent being Nathan Mains, as **PSERB Resolution 2025-18**.

RESOLVED, that the Public School Employees’ Retirement Board (the “Board”) accepts the recommendation of the Investment Committee of the Board and

(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.

The motion passed with one (1) abstention being Jeffrey Cavanaugh, and one (1) absent being Nathan Mains, as **PSERB Resolution 2025-19**.

RESOLVED, that the Public School Employees’ Retirement Board (the “Board”) accepts the recommendation of the Investment Committee and commits 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.

The motion passed with one (1) abstention being Jeffrey Cavanaugh, and one (1) absent being Nathan Mains, as **PSERB Resolution 2025-20**.

RESOLVED, that the Public School Employees’ Retirement Board (the “Board”) accepts the recommendation of the Investment Committee and commits 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.

The motion passed with one (1) abstention being Jeffrey Cavanaugh, and one (1) absent being Nathan Mains, as **PSERB Resolution 2025-21**.

RESOLVED, that the Public School Employees' Retirement Board (the "Board") adopts the recommendation of the Investment Committee and 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.

The motion passed with one (1) abstention being Jeffrey Cavanaugh, and one (1) absent being Nathan Mains, as **PSERB Resolution 2025-22**.

RESOLVED, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation that the Investment Committee and commits 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.

The motion passed with one (1) abstention being Jeffrey Cavanaugh, and one (1) absent being Nathan Mains, as **PSERB Resolution 2025-23**.

RESOLVED, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Investment Committee and commits 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.

The motion passed with one (1) abstention being Jeffrey Cavanaugh, and one (1) absent being Nathan Mains, as **PSERB Resolution 2025-24**.

RESOLVED, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation that the Investment Committee and commits 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.

The motion passed with one (1) abstention being Jeffrey Cavanaugh, and one (1) absent being Nathan Mains, as **PSERB Resolution 2025-25**.

RESOLVED, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Investment Committee and authorizes the disposition of the assets held by Commonwealth Holdings, Inc.

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.

The motion passed with one (1) abstention being Jeffrey Cavanaugh, and one (1) absent being Nathan Mains, as **PSERB Resolution 2025-26**.

6.2.7 Governance and Administration Committee Report

Jordan Laslett reported on the activities, findings, recommendations, and other relevant issues from the Governance and Administration Committee meeting held on March 20, 2025.

Under New Business, the Committee:

- Received updates from Jordan Laslett, Designee for Chair Rep. Matthew Bradford, on the Board Policy Development Policy, the Strategic Planning Policy, the Pay to Play Policy workgroup, the Board Inquiry Policy, the Governance Manual Formatting, the Governance and Administration Committee proposed charter changes, and the Executive Director Search, and
- Heard from Beverly Hudson, Deputy Executive Director of Administration, on the Governance and Administration Committee Vital Signs, and an update on the Strategic Plan.

Jordan Laslett moved the following:

RESOLVED, that the Public School Employees' Retirement Board accepts the recommendation of the Governance and Administration Committee and adopts the attached Board Policy Development Policy.

Eric DiTullio seconded.

The motion passed with one (1) abstention being Jeffrey Cavanaugh, and one (1) absent being Nathan Mains, as **PSERB Resolution 2025-27**.

Jordan Laslett moved the following:

RESOLVED, that the Public School Employees' Retirement Board accepts the

recommendation of the Governance and Administration Committee and adopts the attached amendments to the Strategic Planning Policy.

Brian Reiser seconded.

The motion passed with one (1) abstention being Jeffrey Cavanaugh, and one (1) absent being Nathan Mains, as **PSERB Resolution 2025-28**.

Jordan Laslett moved the following:

RESOLVED, that the Public School Employees' Retirement Board accepts the recommendation of the Governance & Administration Committee and adopts the attached Board Inquiry Policy.

Ann Monaghan seconded.

The motion passed with one (1) abstention being Jeffrey Cavanaugh, and one (1) absent being Nathan Mains, as **PSERB Resolution 2025-29**.

Jordan Laslett moved the following:

RESOLVED, that the Public School Employees' Retirement Board (the "Board"), adopts the recommendation of the Governance and Administration Committee and engages Hudepohl & Associates, Inc. for a contract term not to exceed one (1) year.

The final terms and conditions of the contract are subject to legal due diligence and must be satisfactory to the Deputy Executive Director for Administration, 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 contract.

Eric DiTullio seconded.

The motion passed with one (1) opposed being Charles Erdman, and one (1) absent being Nathan Mains, as **PSERB Resolution 2025-30**.

7. **Office of Chief Counsel Report**

At 9:38 A.M., the Board entered Executive Session to consult with counsel with respect to pending or expected litigation, personnel matters, and public comment response. Sen. Katie Muth and Jeffrey Cavanaugh were excused at 9:45 A.M.

The Board resumed public session at 10:11 A.M. Sen. Katie Muth and Jeffrey Cavanaugh did not rejoin the meeting.

8. **Office of Executive Director Report**


Terrill Sanchez welcomed new employees and interns, provided a high level strategic plan update, introduced Mark Fetzko, Director of Government Affairs and Stakeholder Engagement, for a legislative update, and introduced Evelyn Williams, Board Information Officer, to present future updates to Diligent and the Secure File Sharing platform.

9. **Next Meeting Agenda Items**

The Board had no recommendations for agenda items to add to the next Board Meeting scheduled for June 13, 2025.

10. **Next Meeting Adjournment**

Without objection, Chairperson Richard Vague adjourned the Board meeting at 10:29 A.M..

DocuSigned by:

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