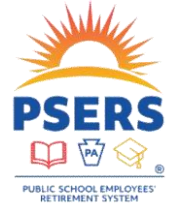


March 21, 2024 PSERB Investment Committee Meeting



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

Chair Mr. Jason Davis
Vice Chair Treas. Stacy Garrity
Committee of the Whole
Committee Liaison Benjamin Cotton
Board Secretary Terrill J. Sanchez

1. Call to Order

The Committee met on March 21, 2024 virtually and in-person at 5 North 5th Street in Harrisburg, PA. Chair Jason Davis called the meeting to order at 1:32 P.M. Terrill Sanchez took roll and confirmed Committee quorum.

Committee Member Attendance:

Jordan Laslett for Rep. Matthew Bradford In Person
Dr. Pamela Brown In Person
Jason Davis In Person
Eric DiTullio Virtual
Rep. Torren Ecker Virtual
Treas. Stacy Garrity Virtual
Susan Lemmo In Person
Ann Monaghan In Person

Patrick Lord for Sec. Khalid Mumin Virtual
Jeff Cavanaugh for Sen. Katie Muth Virtual
Brian Reiser In Person
Eric Pistilli for Sec. Wendy Spicher In Person
Morgan Wagner for Sen. Greg Rothman In Person
Richard Vague In Person
Absent Nathan Mains

Board Designee Attendance:

Christopher Craig Virtual
Lloyd Ebright Virtual
Michael Heckmann Virtual

Veronica Hoof In-Person
Jill Vecchio Virtual

2. Approval of Published Agenda or Requested Amendments

Dr. Pamela Brown moved to approve the published agenda with Susan Lemmo seconding. The motion passed with one (1) absent being Nathan Mains.

3. Approval of March 14, 2024 Minutes

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

4. Public Comment

Terrill Sanchez confirmed there was no request for public comment.

5. New Business.

5.1 PSERS Investment Office Dashboard

Robert Devine, Deputy Chief Investment and Operating Officer, presented the PSERS Investment Office Dashboard.

5.2 Investment Committee 2024 Work Plan

Robert Devine presented the Investment Committee 2024 Work Plan.

Jason Davis moved the following:

MOTION: The Investment Committee of the Public School Employees' Retirement Board (the "Board") moves to recommend that the Board approve the Investment Committee Work Plan for 2024, located at Agenda Item 5.2.2 in Diligent, to be used as a guide in the development of agendas.

Ann Monaghan seconded.

The motion passed with one (1) absent being Nathan Mains.

5.3 Investment Related Policies

Joseph Sheva, Director of Risk and Compliance, presented the Investment Related Policies.

Jason Davis moved the following:

MOTION: The Investment Committee of the Public School Employees' Retirement Board (the "Board") hereby recommends that the Board adopt the changes to the following investment policies located at Agenda Items under 5.3:

- Investment Policy Statement
- Consolidation of the Private Equity, Private Credit, Private Commodities, Private Infrastructure, Private Real Estate Policies into the Private Markets Asset Class Policy.
- Consolidation of the Public Equity, Public Fixed Income, Public Commodities, Public Real Estate, Public Infrastructure and Absolute Return Policies into the Public Markets Asset Class Policy.

Brian Reiser seconded.

The motion passed with one (1) abstention being Jeffrey Cavanaugh for Sen. Katie Muth, and one (1) absent being Nathan Mains.

5.4 Proxy Voting Guidelines

Andrew Debнар and Tarun Mehta, from Glass Lewis, presented the Proxy Voting Guidelines.

Jason Davis moved the following:

MOTION: The Investment Committee of the Public School Employees' Retirement Board (the "Board") recommends that the Board authorizes the Investment Office to amend or replace the U.S. Proxy Voting Policy and the Non-U.S. Proxy Voting Policy for the Public School Employees' Retirement System, subject to review by the Office of Chief Counsel, to reflect the adoption of the Glass Lewis Corporate Governance Focused Thematic Voting Policy Guidelines located at Agenda Item 5.4.5 in Diligent with the following overrides:

REINCORPORATION PROPOSALS

PSERS will vote FOR all reincorporation proposals to reincorporate in Pennsylvania.

PSERS will vote AGAINST all reincorporation proposals to reincorporate Pennsylvania companies outside of Pennsylvania.

NORTHERN IRELAND RESOLUTIONS

PSERS will vote FOR resolutions pertaining to Northern Ireland that advocate adoption of the affirmative action measures set forth in 24 Pa. C.S. §8527(b), including adopting or reporting on MacBride Principles. *The MacBride principles are a set of nine equal opportunity/affirmative action principles aimed at fighting religious discrimination in employment in Northern Ireland.*

It is further recommended that the Board authorizes:

- full delegation of PSERS' proxy vote implementation function to Glass Lewis with continued oversight by PSERS' staff and the Board, and
- triennial review of PSERS' proxy voting policies to address governance issues to protect and enhance the value of PSERS' investments as a long-term shareholder.

Treas. Stacy Garrity seconded.

The motion passed with one (1) abstention being Jeffrey Cavanaugh for Sen. Katie Muth, and one (1) absent being Nathan Mains.

5.5 **Capital Markets Update and 3Q 2023 PSERS Fund Performance Summary**

Ian Toner, Verus Investments, presented the Capital Markets Update, and Mark Brubaker, Verus Investments, 3Q 2023 PSERS Fund Performance Summary.

5.6 **Watchlist for Public Markets External Managers**

Thomas Bauer, Deputy Chief Investment Officer, presented the PSERS Watchlist for Public Markets External Managers.

5.7 **CEM Benchmarking**

Christopher Doll, CEM, presented the CEM Benchmarking report.

5.8 **Public Fixed Income: JP Morgan Asset Management, L.P.**

Carl Lantz, Senior Portfolio Manager, presented a proposal for JP Morgan Asset Management, L.P.

5.9 **Public Fixed Income: Garcia Hamilton & Associates, L.P.**

Carl Lantz, Senior Portfolio Manager, presented a proposal for Garcia Hamilton & Associates, L.P.

5.10 **Executive Session**

At 3:08 PM, Ann Monaghan moved, with Dr. Pamela Brown seconding that the Committee enter **Executive Session** to discuss confidential provisions of the discussion items, Direct Real Estate and Watchlist Consideration.

The Committee resumed public session at 3:26 P.M.

5.11 **Motions**

5.11.1 Jason Davis moved the following:

MOTION: The Investment Committee of the Public School Employees' Retirement Board (the "Board") hereby recommends that the Board (i) commits an initial amount of \$500 million plus reasonable normal investment expenses, to J.P. Morgan Asset Management, in accordance with the recommendation of Carl Lantz, Senior Portfolio Manager, Emily Detz, Intermediate Investment Professional, and Verus, and (ii), authorizes the Investment Office in its discretion to invest an additional sum up to \$1 billion unless this amount exceeds the single manager limits approved by the Board as found in the Investment Policy Statement.

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.

Jordan Laslett seconded.

The motion passed with one (1) abstention being Jeffrey Cavanaugh for Sen. Katie Muth, one (1) recusal being Dr. Pamela Brown, and one (1) absent being Nathan Mains.

5.11.2 Jason Davis moved the following:

MOTION: The Investment Committee of the Public School Employees' Retirement Board (the "Board") hereby recommends that the Board (i) commits an initial amount \$500 million plus reasonable normal investment expenses, to Garcia Hamilton & Associates, L.P., in accordance with the recommendation of Carl Lantz, Senior Portfolio Manager, Emily Detz, Intermediate Investment Professional, and Verus, and (ii), authorizes the Investment Office in its discretion to invest an additional sum up to \$1 billion unless this amount exceeds the single manager limits approved by the Board as found in the Investment Policy Statement.

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 Jeffrey Cavanaugh for Sen. Katie Muth, and one (1) absent being Nathan Mains.

5.11.3 Jason Davis moved the following:

MOTION: The Investment Committee of the Public School Employees' Retirement Board (the "Board") recommends that the Board authorizes the disposition or transfer of the assets held by Commonwealth Holdings, Inc., in accordance with the recommendation of Jarrett B. Richards, Portfolio Manager.

The final terms and conditions of the disposition or transfer 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.

Dr. Pamela Brown seconded.

The motion passed with four (4) opposed being Jeffrey Cavanaugh for Sen. Katie Muth, Brian Reiser, Sen. Greg Rothman, and Rep. Torren Ecker, and one (1) absent being Nathan Mains.

5.11.4 Jason Davis moved the following:

MOTION: The Investment Committee of the Public School Employees' Retirement Board (the "Board") recommends that the Board authorize the disposition of the assets held by Keystone-Florida Property Holding Corp in accordance with the recommendation of Melissa A. Quackenbush, Senior Portfolio Manager.

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.

Eric Pistilli seconded.


The motion passed with four (4) opposed being Jeffrey Cavanaugh for Sen. Katie Muth, Brian Reiser, Sen. Greg Rothman, and Rep. Torren Ecker, and one (1) absent being Nathan Mains.

Motion to Recess


At 3:32 P.M., Ann Monaghan moved to recess the Investment Committee meeting until Friday, March 22, 2024 at 9:00 AM to reconsider the Investment Policy Statement motion at agenda item 5.3.

Dr. Pamela Brown seconded.

The motion passed with one (1) absent being Nathan Mains.

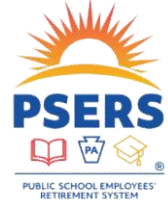
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March 22, 2024 PSERB Investment Committee Meeting



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

Chair Mr. Jason Davis
Vice Chair Treas. Stacy Garrity
Committee of the Whole
Committee Liaison Benjamin Cotton
Board Secretary Terrill J. Sanchez

1. Call to Order

The Committee reconvened its March 21, 2024 meeting on March 22, 2024 virtually and in-person at 5 North 5th Street in Harrisburg, PA. Chair Jason Davis called the meeting to order at 9:00 A.M. Terrill Sanchez took roll and confirmed Committee quorum.

Committee Member Attendance:

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|--|--|
| Jordan Laslett for Rep. Matthew Bradford In Person | Patrick Lord for Sec. Khalid Mumin In Person |
| Dr. Pamela Brown In Person | Jeff Cavanaugh for Sen. Katie Muth Virtual |
| Jason Davis In Person | Brian Reiser In Person |
| Eric DiTullio Virtual | Sec. Wendy Spicher In Person |
| Rep. Torren Ecker Virtual | Sen. Greg Rothman Virtual (In at 9:03) |
| Treas. Stacy Garrity Virtual | Richard Vague In Person |
| Susan Lemmo In Person | <i>Absent Nathan Mains</i> |
| Ann Monaghan In Person | |

Board Designee Attendance:

| | |
|---------------------------|-----------------------|
| Christopher Craig Virtual | Eric Pistilli Virtual |
| Lloyd Ebright Virtual | Jill Vecchio Virtual |
| Michael Heckmann Virtual | Morgan Wagner Virtual |
| Veronica Hoof Virtual | |

2. Investment Related Policies Reconsideration (March 21, 2024 Agenda Item 5.3)

The Committee reconsidered the motion passed on March 21, 2024 regarding the Investment Policy Statement changes located at Agenda Items 5.3.1 and 5.3.2, noting that certain language needed to be corrected in the attachment.

Jason Davis moved to rescind the motion based on identified errors in the attached draft Investment Policy Statement. Ann Monaghan seconded.

The motion passed with one (1) abstention being Jeffrey Cavanaugh for Sen. Katie Muth, and one (1) absent being Nathan Mains.

Jason Davis moved to recommend that the Board adopt the Motion and attachment located at Agenda Item 5.3.5.:

MOTION: The Investment Committee of the Public School Employees' Retirement Board (the "Board") hereby recommends that the Board adopt the changes to the following investment policies attached:

- Investment Policy Statement
- Consolidation of the Private Equity, Private Credit, Private Commodities, Private Infrastructure, Private Real Estate Policies into the Private Markets Asset Class Policy.
- Consolidation of the Public Equity, Public Fixed Income, Public Commodities, Public Real Estate, Public Infrastructure and Absolute Return Policies into the Public Markets Asset Class Policy.

Dr. Pamela Brown seconded.

The motion passed with one (1) abstention being Jeffrey Cavanaugh for Sen. Katie Muth, and one (1) absent being Nathan Mains.


3. Motion to Adjourn

At 9:04 A.M., Sec. Wendy Spicher moved to adjourn with Ann Monaghan seconding. The motion passed with one (1) absent being Nathan Mains.

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