PSERS
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

PSERB Resolution 2024-68
Re: Investment Policy Statement Asset Allocation
October 25, 2024

RESOLVED, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Investment Committee and removes the long term targets and adopts Asset Allocation Targets and Ranges, and the Policy Benchmarks and Policy Weights identified for Option 02 as attached to be effective from December 1, 2024.

Further **resolved** that the Investment Office is authorized to amend sections VI. Asset Allocation and VII. Performance Objectives of the Investment Policy Statement for the Public School Employees' Retirement System, subject to review by the Office of Chief Counsel, to reflect the removal of the long term targets, and the adoption of the Allocation Targets and Ranges, Policy Benchmark and Policy Benchmark Weights.

IPS Target Revisions

Option 1(Present)

Present IPS Asset Allocation Targets & Ranges

Asset Class	Target Allocation	Range
Equity Exposure	**42.00%**	**+/- 5%**
Public Equity	**30.00%**	+/- 5%
US Equity	18.00%	+/- 5%
Non-US Equity	12.00%	+/- 5%
Private Equity	**12.00%**	+/- 4%
Fixed Income Exposure	**33.50%**	**+/- 5%**
Public Fixed Income	**27.50%**	+/- 5%
Investment Grade	14.00%	+/- 5%
Credit-Related	4.50%	+/- 3%
Inflation Protected	9.00%	+/- 5%
Private Credit	**6.00%**	+/- 2%
Real Assets Exposure	**24.50%**	**+/- 5%**
Public Real Assets	**12.50%**	+/- 3%
Infrastructure	5.00%	+/- 3%
Commodities	5.00%	+/- 3%
Real Estate	2.50%	+/- 3%
Private Real Assets	**12.00%**	+/- 3%
Infrastructure	5.00%	+/- 3%
Real Estate	7.00%	+/- 2%
Opportunistic	**0.00%**	**0% to 5%**
Net Leverage	**0.00%**	**10 to -10%**
Cash	4.50%	
Explicit Leverage	-4.50%	
	100.00%	

Option 2

Alternative IPS Asset Allocation Targets & Ranges

Asset Class	Target Allocation	Range	Change
Equity Exposure	**44.00%**	**+/- 5%**	**+ 2.0 ppts**
Public Equity	**32.00%**	+/- 5%	+ 2.0 ppts
US Equity	20.00%	+/- 5%	+ 2.0 ppts
Non-US Equity	12.00%	+/- 5%	--
Private Equity	**12.00%**	+/- 4%	--
Fixed Income Exposure	**34.00%**	**+/- 5%**	**+ 0.5 ppts**
Public Fixed Income	**27.00%**	+/- 5%	- 0.5 ppts
Investment Grade	16.00%	+/- 5%	+ 2.0 ppts
Credit-Related	4.00%	+/- 3%	- 0.5 ppts
Inflation Protected	7.00%	+/- 5%	- 2.0 ppts
Private Credit	**7.00%**	+/- 2%	+ 1.0 ppts
Real Assets Exposure	**22.00%**	**+/- 5%**	**- 2.5 ppts**
Public Real Assets	**11.00%**	+/- 3%	- 1.5 ppts
Infrastructure	5.00%	+/- 3%	--
Commodities	4.00%	+/- 3%	-1.0 ppts
Real Estate	2.00%	+/- 3%	- 0.5 ppts
Private Real Assets	**11.00%**	+/- 3%	--
Infrastructure	5.00%	+/- 3%	--
Real Estate	6.00%	+/- 2%	- 1.0 ppts
Opportunistic	**0.00%**	**0% to 5%**	**--**
Net Leverage	**0.00%**	**10 to -10%**	**--**
Cash	4.50%		
Explicit Leverage	-4.50%		
	100.00%		

IPS Benchmark Revision

Option 1 (Present) / Option 2

Asset Class	Present IPS Benchmarks	Target Allocation	Benchmark (Unchanged)	Target Allocation
Equity Exposure		**42.00%**		**44.00%**
Public Equity		**30.00%**		**32.00%**
US Equity	S&P 1500 TR Index	18.00%	S&P 1500 TR Index	20.00%
Non-US Equity	MSCI ACWI ex USA IMI with Developed Market Currencies (50% Hedged to USD) Net TR Index	12.00%	MSCI ACWI ex USA IMI with Developed Market Currencies (50% Hedged to USD) Net TR Index	12.00%
Private Equity		**12.00%**		**12.00%**
	Burgiss TR, one-quarter lagged	12.00%	Burgiss TR, one-quarter lagged	12.00%
Fixed Income Exposure		**33.50%**		**34.00%**
Public Fixed Income		**27.50%**		**27.00%**
Investment Grade				
	Bloomberg US Aggregate Bond TR Index	6.00%	Bloomberg US Aggregate Bond TR Index	8.00%
	Bloomberg US Long Treasury TR Index	8.00%	Bloomberg U.S. Long Treasury TR Index	8.00%
Credit-Related				
	Bloomberg US Corporate High Yield Bond Index	3.50%	Bloomberg US Corporate High Yield Bond Index	4.00%
	J.P. Morgan EMD Aggregate Total Return Index	1.00%	J.P. Morgan EMD Aggregate Total Return Index	0.00%
Inflation Protected				
	Bloomberg US Government Inflation-Linked Bond All Maturities TR Index	9.00%	Bloomberg US Government Inflation-Linked Bond All Maturities TR Index	7.00%
Private Credit		**6.00%**		**7.00%**
	S&P LSTA Leveraged Loan TR Index + 200bps, one-quarter lagged	6.00%	S&P LSTA Leveraged Loan TR Index + 200bps, one-quarter lagged	7.00%

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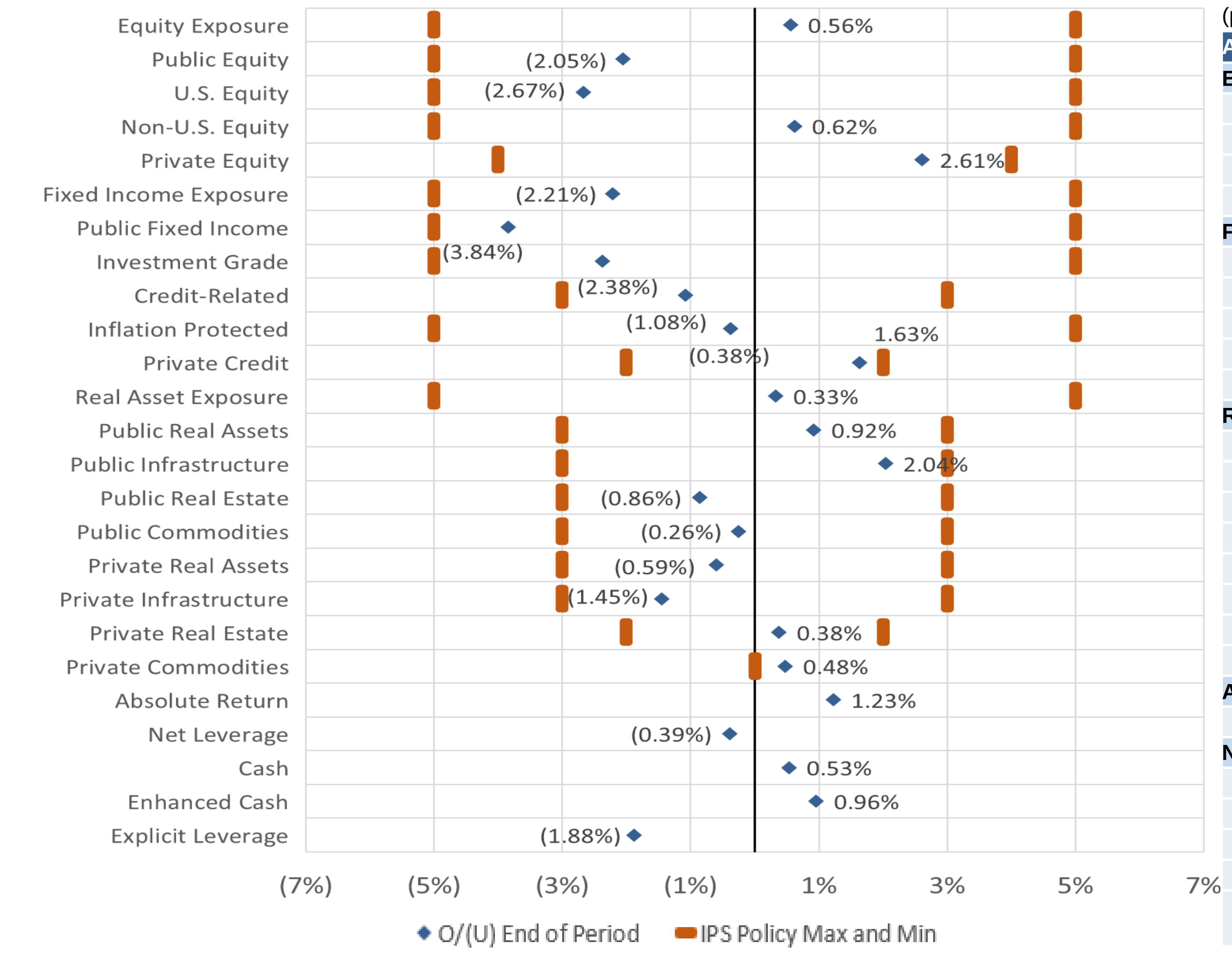
IPS Benchmark Revision (Continued)

Option 1 (Present)

Option 2

Asset Class	Present Benchmarks	Target Allocation	Benchmark (Unchanged)	Target Allocation
Real Assets		**24.50%**		**22.00%**
Public Real Assets		**12.50%**		**11.00%**
Infrastructure	FTSE Developed Core Infrastructure 50/50 Net TR Index (Hedged to USD)	5.00%	FTSE Developed Core Infrastructure 50/50 Net TR Index (Hedged to USD)	5.00%
Commodities	Bloomberg Commodity TR Index	2.50%	Bloomberg Commodity TR Index	4.00%
	Bloomberg Gold TR Subindex	2.50%		
Real Estate	FTSE EPRA/NAREIT Developed, Net TR Index (Hedged to USD)	2.50%	FTSE EPRA/NAREIT Developed, Net TR Index (Hedged to USD)	**2.00%**
Private Real Assets		12.00%		11.00%
Infrastructure	FTSE Developed Core Infrastructure 50/50 Net TR Index (Hedged to USD), one-quarter lagged	5.00%	FTSE Developed Core Infrastructure 50/50 Net TR Index (Hedged to USD), one-quarter lagged	5.00%
Real Estate	FTSE EPRA/NAREIT Developed, Net TR Index (Hedged to USD)	7.00%	FTSE EPRA/NAREIT Developed, Net TR Index (Hedged	**6.00%**
Opportunistic		0.00%	**Opportunistic**	
	No Benchmark	0.00%	No Benchmark	**0.00%**
Net Leverage		--		**--**
Cash	ICE BofAML 0-3 Month US Treasury Bill Index	4.50%	ICE BofAML 0-3 Month US Treasury Bill Index	**4.50%**
Financing Cost of Leverage	3-Month Term SOFR	-4.50%	3-Month Term SOFR	-4.50%

Option 1 (Present)



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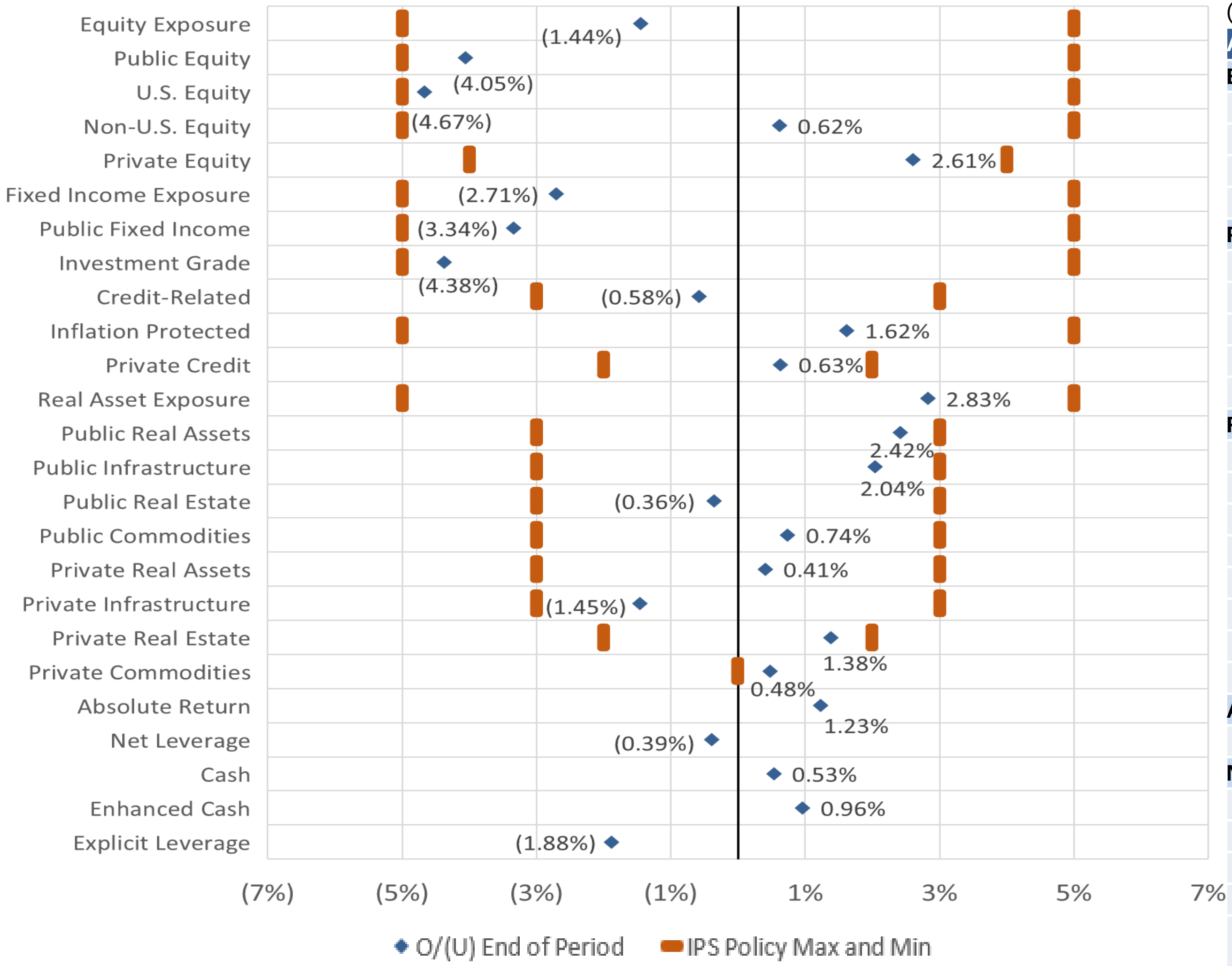
Asset Class	9/30/2024	Range	Target
Equity	**0.56**	**± 5**	**42.00%**
Public	(2.05)	± 5	30.00%
U.S. Equity	(2.67)	± 5	18.00%
Non-U.S. Equity	0.62	± 5	12.00%
Private	2.61	± 4	12.00%
Fixed Income	**(2.21)**	**± 5**	**33.50%**
Public	(3.84)	± 5	27.50%
Investment Grade	(2.38)	± 5	14.00%
Credit-Related	(1.08)	± 3	4.50%
Inflation Protected	(0.38)	± 5	9.00%
Private	1.63	± 2	6.00%
Real Assets	**0.33**	**± 5**	**24.50%**
Public	0.92	± 3	12.50%
Infrastructure	2.04	± 3	5.00%
Real Estate	(0.86)	± 3	2.50%
Commodities	(0.26)	± 3	5.00%
Private	(0.59)	± 3	12.00%
Infrastructure	(1.45)	± 3	5.00%
Real Estate	0.38	± 2	7.00%
Commodities	0.48		0.00%
Absolute Return	**1.23**	**0 - 5**	**0.00%**
			0.00%
Net Leverage	**(0.39)**	**10 to –10**	**4.50%**
Cash	0.53	NA	0.00%
Enhanced Cash	0.96	NA	-4.50%
Explicit Leverage	(1.88)	NA	0.00%
Encumbered Cash	NA	NA	2.87%
Gross Derivative Exposure	NA	NA	8.95%

Encumbered Cash and Gross Derivative Exposure reflect actual percentages

Option 2



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Asset Class	9/30/2024	Range	Target
Equity	**(1.44)**	**± 5**	**44.00%**
Public	(4.05)	± 5	32.00%
U.S. Equity	(4.67)	± 5	20.00%
Non-U.S. Equity	0.62	± 5	12.00%
Private	2.61	± 4	12.00%
Fixed Income	**(2.71)**	**± 5**	**34.00%**
Public	(3.34)	± 5	27.00%
Investment Grade	(4.38)	± 5	16.00%
Credit-Related	(0.58)	± 3	4.00%
Inflation Protected	1.62	± 5	7.00%
Private	0.63	± 2	7.00%
Real Assets	**2.83**	**± 5**	**22.00%**
Public	2.42	± 3	11.00%
Infrastructure	2.04	± 3	5.00%
Real Estate	(0.36)	± 3	2.00%
Commodities	0.74	± 3	4.00%
Private	0.41	± 3	11.00%
Infrastructure	(1.45)	± 3	5.00%
Real Estate	1.38	± 2	6.00%
Commodities	0.48		0.00%
Absolute Return	**1.23**	**0 - 5**	**0.00%**
			0.00%
Net Leverage	**(0.39)**	**10 to –10**	**4.50%**
Cash	0.53	NA	0.00%
Enhanced Cash	0.96	NA	-4.50%
Explicit Leverage	(1.88)	NA	0.00%
Encumbered Cash	NA	NA	2.87%
Gross Derivative Exposure	NA	NA	8.95%

Encumbered Cash and Gross Derivative Exposure reflect actual percentages