Request for Proposals (RFP)

Investment Consulting Services

Public School Retirement System of the City of St. Louis

Public School Retirement System
of the City of St. Louis

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July 17, 2026

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Notice of Request for Proposals

The Public School Retirement System of the City of St. Louis (PSRSSTL) is accepting proposals for investment consulting services. The minimum requirements and scope of services are set out in this request for proposals. **All proposals should be marked "Proposal-Investment Consulting Services" and one original and two hard copies mailed or delivered to the PSRSSTL offices at 3641 Olive Street, Suite 300, St. Louis, Missouri 63108-3601. Additionally, a complete electronic copy of the Proposal must be sent to administration@psrsstl.org.** Original and electronic copies should be **received** no later than 4:00 p.m. on Friday, August 21, 2026.

The PSRSSTL reserves the right to reject any and all proposals, to waive variations or formalities, and to negotiate changes, additions or deletions. The PSRSSTL reserves the right to accept the proposal which it deems to be in the PSRSSTL's best interest, and will not necessarily be bound to accept the proposal that offers the lowest price. The PSRSSTL also reserves the right to extend the time to submit proposals, as well as extend the time to open proposals. Any questions about the process should be sent via email to administration@psrsstl.org.

The PSRSSTL hereby notifies all bidders that it will affirmatively insure that in any contract entered into pursuant to this advertisement; minority business enterprises will be afforded full opportunity to submit proposals in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for award.

PUBLIC SCHOOL RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS

SUSAN KANE
EXECUTIVE DIRECTOR

Minimum Requirements

To be selected for this investment consulting mandate, the firm must meet the following minimum requirements:

- The investment consulting firm must be a registered investment advisor under the Investment Company Act of 1940.
- The investment consulting firm must agree to be, with respect to the Public School Retirement System of the City of St. Louis (PSRSSTL), an "investment fiduciary" as defined in R.S. Mo §105.687, and to perform the investment fiduciary duties imposed under Missouri State Law as applicable to PSRSSTL.
- The investment consulting firm must have provided at least ten years of investment consulting services comparable to the scope of services contained in this RFP to at least three (3) defined benefit public retirement systems.
- The investment consulting firm must agree to enter into a consulting services agreement that may be terminated for any reason by either party with at least sixty (60) days' advance written notice.
- The individual assigned to PSRSSTL as Primary Consultant must have a minimum of ten (10) total years of experience as an investment consultant to public or corporate defined benefit pension plans, foundations or endowments as of the date of this RFP. The term Primary Consultant shall refer to the most senior consultant assigned to the relationship to provide the consulting services contained in this RFP.

Scope of Services

The Public School Retirement System of the City of St. Louis (PSRSSTL) seeks an experienced and qualified firm to provide general investment consulting services to the Board of Trustees and staff.

At a minimum, the firm selected shall provide the following services:

- Present written quarterly reports to the Trustees on the performance of the PSRSSTL portfolio, asset classes and investment managers, including but not limited to analyses of gains and losses, benchmarks, asset allocation, pension universe comparisons, risk, and cures or recommendations to investment policy and/or asset allocation issues.
- Attend all monthly Investment Committee Meetings (usually virtually the third Thursday of each month at 4:30 p.m. CST) by presenting reports, facilitating all aspects of investment manager searches and addressing other investment issues as required or needed by the Trustees.
- Attend Regular Meetings of the Board of Trustees as needed (there are six bi-monthly meetings per year).
- Monitor, refine and recommend changes to PSRSSTL Rule XIV – Investment Policies, and the PSRSSTL Investment and Operating Guidelines on an ongoing basis.
- Perform investment manager searches and make recommendations as required by the Trustees.
- Perform and present a written asset/liability study to the Trustees every 3 – 5 years, or as needed, in cooperation with the PSRSSTL actuary.
- Assist in preparation of the Investment Section of the PSRSSTL Annual Comprehensive Financial Report
- Assist in oversight and selection of Custodian, as needed (last completed in 2023)

- Perform ongoing due diligence on the PSRSSTL investment managers and portfolios, including but not limited to special analyses, interviews with key personnel, assessments of performance and operations, and by keeping the Trustees, Executive Director and/or other administrative staff informed of developments as they become known.

- Provide investment research findings, education and training to the Trustees and staff as requested.

Term of Agreement

The PSRSSTL is soliciting proposals for a three-year contract, subject to the timing of the candidate's selection by the Board of Trustees but anticipated to be January 1, 2027, and the provisions set out in the Minimum Requirements above. Upon expiration of the initial three-year term, the agreement shall automatically renew for successive one-year terms, unless either party shall give written notice at the last known business address of the other at least sixty (60) days before the start of the renewal period. **Please provide a sample contract with your proposal response.**

Description of PSRSSTL

The PSRSSTL is a defined benefit pension plan established January 1, 1944 to provide retirement, disability, death and survivor benefits for employees of the St. Louis Public School System (SLPS); employees of PSRSSTL; employees of Charter Schools located within the City of St. Louis; and certain past employees of Harris-Stowe State College.

The PSRSSTL provides medical, dental and vision insurance for its retirees, eligible surviving beneficiaries and their eligible dependents. The health care plans are optional and contributory; however, PSRSSTL pays a monthly, flat-dollar subsidy on behalf of retired members participating in the insurance plans.

The PSRSSTL is governed by specific provisions of R.S.Mo. §§169.410 – 169.540, and general provisions of R.S.Mo. §§105.145 – 105.1020, §§169.560 – 169.597 and §§434.300 – 434.301. Because PSRSSTL is a public pension plan, it is not subject to ERISA or DOL regulations.

PSRSSTL benefits are funded by member contributions, employer contributions and investment earnings on PSRSSTL plan assets. Employees of SLPS, Charter Schools located within the SLPS District, and PSRSSTL are required to participate in the plan as a condition of full-time, regular employment.

As of March 31, 2026, PSRSSTL plan assets were valued at over $910 million. Approximately 80% of plan assets are allocated to separate or co-mingled financial accounts, and approximately 20% of plan assets are allocated to real estate funds and private investment partnerships. The PSRSSTL's investments are allocated among approximately 25 qualified funds and money managers as well as several limited partnerships. None of the PSRSSTL's investments are managed in-house.

A thirteen-member Board of Trustees is responsible for investing the plan's assets and general administration of PSRSSTL. SLPS appoints four trustees and the Charter Public School Association appoints two trustees. Seven trustees are elected by and from the plan's active or retired membership. All terms on the Board of Trustees are for a period of four years.

In addition to the Investment Consultant, the PSRSSTL retains an actuarial firm to prepare annual valuation reports, annual member benefit statements and five-year actuarial experience studies; independent legal counsel; and an accounting firm to conduct annual audits of the PSRSSTL financial statements and employer schedules, and to serve as PSRSSTL Election Commissioner.

Relevant Statutes

The six Missouri statutes cited in this section are especially relevant: R.S.Mo. §§105.687 – 105.690, §105.702 and §169.450.8.

§105.687 - Definitions

As used in sections 105.687 to 105.690, the following terms mean:

(1) "Equity interests", limited partnership interests and other interests in which the liability of the investor is limited to the amount of the investment, but does not include general partnership interests or other interests involving general liability of the investor;

(2) "Invest" or "investment", utilization of money in the expectation of future returns in the form of income or capital gain;

(3) "Investment fiduciary", a person who either exercises any discretionary authority or control in the investment of a public employee retirement system's assets or who renders for a fee advice for a public employment retirement system;

(4) "Small business", an independently owned and operated business as defined in Title 15 U.S.C. Section 632A and as described by Title 13 CFR Part 121*;

(5) "Small business investment company", an incorporated body or a limited partnership under Section 301 of Title III of the Small Business Investment Act of 1958, 15 U.S.C. 681;

(6) "System", a public employee retirement system established by the state or any political subdivision of the state;

(7) "Venture capital firm", a corporation, partnership, proprietorship, or other entity, the principal businesses of which is the making of investments in small businesses, either directly or indirectly by investing in entities the principal business of which is the making of investments in small businesses.

(L. 1987 S.B. 20 § 1)

*Original rolls contain "21", an apparent typographical error.

§105.688 – Investment Fiduciary Duties

The assets of a system may be invested, reinvested and managed by an investment fiduciary subject to the terms, conditions and limitations provided in sections 105.687 to 105.689. An investment fiduciary shall discharge his or her duties in the interest of the participants in the system and their beneficiaries and shall:

(1) Act with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims;

(2) Act with due regard for the management, reputation, and stability of the issuer and the character of the particular investments being considered;

(3) Make investments for the purposes of providing benefits to participants and participants' beneficiaries, and of defraying reasonable expenses of investing the assets of the system;

(4) Give appropriate consideration to those facts and circumstances that the investment fiduciary knows or should know are relevant to the particular investment or investment course of action involved, including the role of the investment or investment course of action plays in that portion of the system's investments for which the investment fiduciary has responsibility. For purposes of this subdivision, "appropriate consideration" shall include, but is not necessarily limited to a determination by the investment fiduciary that a particular investment or investment course of action is reasonably designed, as part of the investments of the system, to further the purposes of the system, taking into consideration the risk of loss and the opportunity for gain or other return associated with the investment or investment course of action; and consideration of the following factors as they relate to the investment or investment course of action:

(a) The diversification of the investments of the system;

(b) The liquidity and current return of the investments of the system relative to the anticipated cash flow requirements of the system; and

(c) The projected return of the investments of the system relative to the funding objectives of the system;

(5) Give appropriate consideration to investments which would enhance the general welfare of this state and its citizens if those investments offer the safety and rate of return comparable to other investments available to the investment fiduciary at the time the investment decision is made.

(L. 1987 S.B. 20 § 2)

§105.689 – Investment Fiduciary May Make Investments in Certain Countries

Nothing in sections 105.687 to 105.689 shall prevent any investment fiduciary from making investments in any company which does business in any country with which the United States maintains diplomatic relations.

(L. 1987 S.B. 20 § 3, A.L. 1992 S.B. 499, et al.)

§105.690 – Selection of Fiduciaries, Preference to Missouri Firms

When selection is made of a venture capital firm, a consultant or a fiduciary, preference must be given to a Missouri based company.

(L. 1987 S.B. 20 § 4)

§105.702 - Minority and Women Money Managers, Brokers, and Investment Counselors, Procurement Action Plan Required--Annual Report.

All retirement plans defined under section 105.660 shall develop a procurement action plan for utilization of minority and women money managers, brokers, and investment counselors. Such retirement systems shall report their progress annually to the joint committee on public employee retirement and the governor's minority advocacy commission.

(L. 2014 H.B. 1882)

§169.450.8 – Trustees--Board's Authority to Make Rules for Administering Assets of System.

Subject to the limitations of sections 169.410 to 169.540, the board of trustees shall, from time to time, establish rules and regulations for the administration of the retirement system, for eligibility for and determination of benefits under the retirement system, **for the investment of retirement system assets**, and for the transaction of the retirement system's business.

(L. 1943 p. 805 § 5, A.L. 1953 pp. 438, 496, A.L. 1957 p. 462, A.L. 1961 p. 384, A.L. 1967 p. 263, A.L. 1978 S.B. 542, A.L. 1981 H.B. 33, et al., A.L. 1987 H.B. 558, et al., A.L. 1996 S.B. 860, A.L. 1999 H.B. 979, A.L. 2001 H.B. 660)

Relevant PSRSSTL Rules/Guidelines/Policies

Please see Appendix D in this RFP for PSRSSTL Rule XIV – Investment Policies.

Investment and Operating Guidelines

Please see Appendix C of this RFP for the PSRSSTL Investment and Operating Guidelines.

Asset Allocation Policy (adopted February 24, 2025)

The actuarial rate of return (discount rate) assumption for the Fund is 7.0%. In order to have a reasonable probability of achieving this return, the Trustees have adopted the asset allocation policy outlined below.

Asset Class	Target Allocation	Exposure Range
Equities	**48.0%**	**38 - 58%**
Domestic Large Cap	19.0%	14 - 24%
Domestic Mid/Small/Micro Cap	9.0%	6 - 12%
Developed International	11.0%	6 - 16%
Emerging International	4.0%	0 - 7%
Global Stocks	5.0%	3 - 7%
Global Asset Allocation	**3.0%**	**0 - 6%**
Fixed Income	**25.0%**	**15 - 35%**
Core	10.0%	5 - 15%
Treasury Inflation Protected Securities (TIPS)	3.0%	0 - 5%
Global Multi-Sector Bonds	12.0%	9 - 15%
Hedge Fund Strategies	**5.0%**	**3 - 7%**
Real Estate	**7.0%**	**4 - 10%**
Private Equity	**7.0%**	**4 - 10%**
Private Debt	**5.0%**	**3 - 7%**
Cash	**0.0%**	**0 - 5%**

Estimated Market Value on March 31, 2026 (in Millions of Dollars)

Asset Class	Actual Allocation	Asset Value
Equities	**47.7%**	**$436,397**
Domestic Large Cap	19.1%	174,740
Domestic Mid/Small/Micro Cap	9.5%	87,272
Established International	11.6%	106,045
Emerging International	2.4%	21,955
Global Stocks	5.1%	46,385
Global Asset Allocation	**2.9%**	**26,292**
Treasury Securities	**2.6%**	**24,222**
Fixed Income	**18.3%**	**166,805**
Core	8.5%	77,373
Global Multi-Sector Bonds	6.1%	55,051
Emerging Markets Debt	3.8%	34,381
Hedge Fund Strategies	**5.1%**	**46,923**
Real Estate	**7.4%**	**68,013**
Private Equity	**8.0%**	**73,475**
Private Debt	**4.4%**	**40,244**
Cash	**3.6%**	**32,240**
Total	**100%**	**$914,611**

Proposal Requirements

- Your firm must submit a proposal cover letter signed by a person authorized to legally bind the company. The letter must include a brief description of the proposal and a statement that the proposal will remain valid until PSRSSTL selects a firm to provide the services in this RFP or terminates its search for a vendor.

- Your firm must submit a Table of Contents as part of the proposal.

- Your firm must include a cost proposal as referenced in the Cost Proposal section of this RFP.

- Your firm must identify and provide relevant qualifications of any subcontractors you will utilize in conjunction with the PSRSSTL account.

- Your firm must provide a copy of your firm's affirmative action program.

- Your firm must include a complete disclosure statement indicating if any member of your firm would have a conflict of interest, or the appearance of a conflict of interest, if your firm were selected. Describe the nature of any relationship or situation that might cause speculation as to the objectivity of the services to be performed.

- Your firm should provide additional information that would help the PSRSSTL in evaluating your firm and its qualifications. Please focus on information that would distinguish your firm as being uniquely qualified for this project.

Proposal Content

Your firm's proposal must address and contain the following information in the order presented and in the outline format as provided:

I. Organization (The term "organization" includes subsidiaries, affiliates, and predecessors in interest.)

A. History and Structure

1. Name, address, and telephone number, and all prior names by which your organization has been known and the dates thereof. In addition, include the name, title, telephone number, e-mail address, and fax number (plus the address if different from above) of the person authorized to negotiate on behalf of and contractually bind your organization.
2. When was your organization founded? (Please include predecessors in interest.)
3. Explain your organization's present ownership structure, including affiliates and subsidiaries. Explain changes in the ownership structure of your organization since its inception and any expected changes in the next one to two years.
4. Is your organization registered with the Securities and Exchange Commission (SEC) as an investment adviser under the Investment Advisors Act of 1940?
5. Please provide a copy of your organization's Form ADV – Part II.

B. Investment Advice

1. When did your organization begin providing investment advisory services?
2. Is providing investment advisory services currently one of your organization's principal lines of business?
3. What percentage of your organization's revenues in the last fiscal year was attributable to the investment advisory practice?

C. Potential Conflicts of Interest

1. Does your organization provide custodial or investment management services? If so, please identify and explain all such services provided. Also state what percentage of last fiscal year's revenues was attributable to such custodial or investment management services.
2. Does any part of your organization provide brokerage services, soft-dollar services, directed brokerage, discount brokerage or commission recapture programs (collectively, "brokerage related services")? If so:
   a. What percentage of your organization's last fiscal year's revenues was received in soft dollars?
   b. What percentage of your organization's last fiscal year's revenues was attributable to or compensation for brokerage-related services?
   c. Identify all investment managers who traded through or are involved with your organization's brokerage-related services.

3. Does your organization offer or sell any services or products to investment managers? If so, identify these in detail and name every manager who purchased any such services or products (with hard or soft dollars) over the last two fiscal years.
4. Please confirm that your organization will not accept any commissions or other remuneration from any service providers in exchange for placing or renewing PSRSSTL's business with that organization.
5. Does your organization solicit or accept any form of compensation (direct or indirect) for placing or helping to place investment managers, custodial banks, or other service providers? If so, describe the circumstances.
6. Does your organization solicit or accept any form of compensation (direct or indirect) to include any investment managers, custodial banks, or other service providers in your database or in any search? If so, please explain.
7. Does your organization solicit or accept any form of compensation (direct or indirect) from investment managers, custodial banks, or other service providers that are under contract with the clients for whom you perform investment consulting services? If so, please explain.
8. How does your firm identify and manage conflicts of interest?
9. Does your organization have any clients or associations that could present a conflict of interest and possibly compromise the objectivity of its advice to PSRSSTL? If so, please explain.
10. Does your organization receive any products or services from any investment managers? If so, identify each such product or service and whether compensation is paid and, if paid, the amount of compensation paid.
11. Does your organization solicit or accept any payment from investment managers or custodial banks for participation in client conferences or other events that your organization sponsors for its clients? If so, identify each such conference or other event in the last two fiscal years, the entity from which payment was solicited or received, and the amount of such payment.

D. Legal Fiduciary Status, Investment Advisory Status and Litigation

1. Will your organization agree expressly in writing to accept "investment fiduciary" responsibility consistent with the Missouri Revised Statutes definition with respect to its investment advisory services?
2. On how many current accounts does your organization contractually accept fiduciary responsibility for its advice to clients? Generally, describe the length and scope of your organization's experience as a fiduciary.
3. Has your organization or a principal or employee or agent of your organization ever been investigated or charged by the SEC, the U.S. Departments of Justice or Labor, the Internal Revenue Service, or any other federal, state or local regulatory agency for any purported or actual violation of applicable law? If yes, please explain.
4. Over the last five years, has your organization or any principal or employee or agent been named or threatened to be named as a party in any private or governmental litigation, arbitration or other dispute resolution proceedings; been a target in any government or professional investigation; or settled any actual or threatened claim? If so, please provide details including a copy of all relevant

complaints and communications, a list of all parties, and the results or status of such proceedings(s), investigation(s) or settlement(s).

5. Please provide a description of pending contingent liabilities against your organization.

E. Insurance

1. Does your organization carry a fidelity bond and/or fiduciary liability, professional liability or any other insurance that would be beneficial to PSRSSTL? If so, please describe the insurer, the type of insurance coverage and the deductible amount under such coverage. Please also attach a copy of each such policy or an applicable certificate of insurance.
2. Is your organization currently aware of any claims that have been or are being made with respect to such bonds or policies? If so, please describe.
3. Is your organization currently aware of any notices to the insurer with respect to such policies? If so, please describe.

II. Staffing and Facilities

1. How is your organization organized to service your investment consulting accounts?
2. Please list the total number of professionals in the firm, or consulting division (if appropriate), in each of the following categories for the periods below as of December 31.

	2022	**2023**	**2024**	**2025**
Lead Consultant				
Consultants				
Firm Management				
Economists				
Research				
Marketing/Client Service				
Other				
Total Professional Staff				

3. What is the average number of accounts handled per investment consultant?
4. Describe the qualification and expertise of your organization’s investment consulting professional staff (both local and nationwide), including their years of service and experience in the public retirement plan area, and their personal qualities and management skills to provide the required services. Please attach biographical information on your organization’s five most senior investment consultants.
5. Please list the name and location of the primary individuals who would be responsible for the PSRSSTL account and provide detailed biographies of such persons, including their tenure with your organization, their qualifications,

certifications, and expertise. With respect to the persons named, please also list the number of clients that are assigned to each, and other relevant information. Please describe the relationship among these individuals and indicate the percentage of PSRSSTL work expected to be performed by each.

6. Provide an organizational chart and brief résumés for the individuals who would be assigned to the PSRSSTL account.
7. Please list all investment consultants who have left your organization's staff during the past two years. Include their reasons for leaving, and present employer (if known). Please describe the measures your organization takes to assure continuity of service.
8. Please provide a full disclosure of whether any of your organization's professional staff has ever been suspended or disbarred from performing investment advisory services or other professional services, has been subject to any disciplinary actions, or has committed any criminal offenses evidencing fraud, dishonesty or breach of trust.
9. Please describe the size, organization, location(s) and capabilities of your organization's computer/data processing staff. If any of the staff you have described are employed through outside consultants, please give the proportion of the staff that are employed in-house and the proportion that are employed through outside consultants?

III. Clients

1. Please list the number of institutional clients the firm served as of January 1, 2026 in a full service, retainer, investment consulting capacity by asset size and type of plan.
2. Please provide the number of retirement plan clients that have terminated your organization's investment advisory services during the past three years and indicate their stated reasons for terminating your organization's services.
3. Please state the total number of new investment advisory clients that your organization has gained in the last three years.
4. Provide the investment performance peer ranking for the 1, 3, and 5 year periods ending December 31, 2025 for all public plan clients of $500MM or more. Please cite the source of the peer universe data.

IV. Services

A. General Investment Consulting and Advice

Please confirm your organizations intent to comply with each of the requirements in the Scope of Services. Please detail any deviations

1. Present Written Quarterly Reports to the trustees on the performance of the PSRSSTL overall portfolio, asset classes and investment managers, including but not limited to analyses of gains and losses, benchmarks, asset allocation, pension universe comparisons, risk, and cures or recommendations to investment policy and/or asset allocation issues.

2. Attend all monthly Investment Committee Meetings (usually the third Thursday of each month) by presenting reports, facilitating all aspects of investment manager

searches and addressing other investment issues as required or needed by the Trustees.

3. Attend Regular Meetings of the Board of Trustees as needed (there are six bi-monthly meetings per year).

4. Monitor, refine and recommend changes to PSRSSTL Rule XIV – Investment Policies, and the PSRSSTL Investment and Operating Guidelines on an ongoing basis.

5. Perform investment manager searches and make recommendations as required by the Trustees.

6. Perform and present a written asset/liability study to the Trustees every 3 – 5 years, or as needed, in cooperation with the PSRTSSTL actuary.

7. Perform ongoing due diligence on the PSRSSTL investment managers and overall portfolio, including but not limited to special analyses, interviews with key personnel, assessments of performance and operations, and by keeping the Trustees, Executive Director and/or other administrative staff informed of developments as they become known.

8. Provide investment research findings, education and training to the trustees and staff as requested. Please provide written examples of your firm's response to requests for research findings, education and training from the trustees and staff.

B. Investment Policy Development

1. Describe briefly the processes and tools your organization uses to help clients develop investment policies and objectives, including long-term asset allocations. How does your organization identify and understand the Board of Trustees' financial and investment objectives? In addition, comment on your organization's process for recommending modifications to investment guidelines.
2. Does your organization assist clients in making shorter-term tactical asset allocation decisions? If yes, please describe the process your organization uses.
3. Please describe your organization's approach to the development of economic assumptions, including the anticipated involvement of the Board of Trustees, the frequency of your organization's monitoring of these assumptions for reasonableness, the reporting of such monitoring, and your organization's approach to changing these assumptions over time.
4. Include a sample investment policy that your firm has developed for a public fund client similar to PSRSSTL.

C. Manager Selection

1. Indicate the source of information your organization uses for investment manager candidates.
2. How many investment managers are in your organization's manager database, if it has such a database?
3. What process does your organization use to evaluate investment managers? Does your organization conduct on-site visits? Please explain.

4. Does your organization classify equity managers by style? If yes, please indicate the style categories your organization uses and what process it uses to determine a manager's style?
5. How does your organization verify the accuracy of managers' performance records?
6. In manager searches, how does your organization treat managers that purchase services from your organization? Are such managers included, excluded, or in any way treated differently?
7. Does your organization assist in negotiating fees and other terms of its clients' engagement of managers?
8. Please explain how the search process differs when searching for alternatives (hedge funds, real estate, private equity, timber, etc.).
9. Please include a sample search booklet (presentation) that you prepared for a private equity search for a client similar to PSRSSTL.
10. Please include a sample search booklet (presentation) that you prepared for one of the alternative asset classes listed in (8) above for a client similar to PSRSSTL.
11. Describe how AI is used in research for manager selection.

D. Performance Measurement and Evaluation

1. Describe your organization's investment data collection and reconciliation process, both at the outset of an engagement and for ongoing purposes thereafter. Please describe specifically PSRSSTL's responsibilities to provide or facilitate the provision of data. How does your organization determine that you have the investment data required and that it is valid and reasonable compared to prior years?
2. Specify the investment data audits your organization normally requires.
3. Briefly describe your organization's reporting system and the components of your performance reports. Please explain the extent to which these performance reports can be customized to meet a particular client's needs. Please provide a sample of your organization's performance reports.
4. What is your organization's typical turnaround time for the preparation of quarterly performance reports for plans comparable to PSRSSTL?
5. Is your organization's performance reporting software generated in-house or purchased? If purchased, please identify the software that your organization uses.
6. Are you able to present rates of return on both a gross and a net of fee basis?
7. Does your organization purchase universe data for fund performance or for investment manager performance or does it maintain its own? If purchased, from whom?
   a. Please specify the universes your organization has available.
   b. Besides its performance universes, describe any other database that your organization uses in its performance evaluation analysis.
   c. How many public funds similar in size to PSRSSTL are in your public funds' universe?

8. Please confirm that your organization would be able and willing, at PSRSSTL's option, to prepare quarterly performance reports addressing the topics listed

below. If prepared by Consultant, quarterly reviews must be received by PSRSSTL in electronic form, at least one week prior to Investment Committee Meetings.

a. The performance of each of PSRSSTL's investment managers for the quarter, for trailing 12-month, 3-year, 5-year and 10-year periods, and from inception;

b. The performance of PSRSSTL's major asset classes subdivided into investment styles for the quarter, and for trailing 12-month, 3-year, 5-year, and 10-year periods;

c. Risk/return analysis of each investment manager's performance for trailing 3-year and 5-year periods;

d. Style analysis of each investment manager's holdings for the quarter, and for trailing 12-month, 3-year and 5-year periods;

e. Attribution analysis of each investment manager's results for the quarter and for the trailing 12 months.

9. Please confirm that your organization would be able and willing, at PSRSSTL's option, to prepare monthly flash reports on portfolio performance. Monthly flash reports must be received by PSRSSTL in electronic form at least one week prior to each meeting of the Investment Committee of the Board of Trustees. **Please provide sample monthly and quarterly performance reports with your proposal.**

10. How does your organization use AI in performance reporting.

E. Risk Control

1. Does your organization assist clients in developing individualized, written investment manager guidelines? If so, attach samples of such guidelines for a domestic equity manager, a domestic fixed income manager, and an alternative investment manager (real estate, hedge funds, private equity, etc.)
2. Will your organization accept fiduciary responsibility for prudently monitoring each manager's compliance with such guidelines?
3. Please explain whether and how your organization measures and analyzes relevant financial characteristics regarding each manager's account and the whole fund portfolio in order to detect and control risk.
4. Have your organization's services ever been subject to fiduciary audit, evaluation, or similar assessment by any other company? If so, state when and by whom, and please provide a copy of the report.
5. Has your organization ever been audited by the SEC? If so, please provide a copy of the report.
6. Does your firm have a disaster recovery plan in place to protect client records and information? Please describe your firm's disaster recovery provisions and policies for protecting client records and information.

References

Provide a list of three (3) current and two (2) former public or corporate defined benefit pension plan clients with assets greater than $500MM as references. Public plan clients are preferred. These clients should have received from your firm services similar to those requested in this RFP. Include name, contact person, telephone number, asset value, number of years that they have been a client of the firm and services provided.

Evaluation and Selection Process

A committee of the Board of Trustees is responsible for the evaluation process and making award recommendations to the Board of Trustees. The Board of Trustees is ultimately responsible for final selection decisions.

The PSRSSTL Board of Trustees may conduct finalist interviews prior to making a final decision. The individual(s) with primary responsibility for the prospective PSRSSTL account should attend any interviews on behalf of the firm.

The PSRSSTL reserves the right to select more than one firm to provide the services described herein and give special consideration to the proposals of firms that include minority participation.

Statement of Interest and Questions about the RFP

You may obtain most public information about the PSRSSTL from the website, www.psrsstl.org. The meeting minutes of the Board of Trustees date back for several years and contain information on investment and other decisions made by the Board of Trustees. The 2025 Annual Comprehensive Financial Report contains investment and other information for the fiscal year ended December 31, 2025. Additionally, the website contains annual reports for the PSRSSTL dating back several years.

Your firm should submit a Statement of Interest form (Appendix A) and any questions about this RFP to: administration@psrsstl.org no later than 4:00 p.m. on Monday, July 27, 2026. If your firm fails to submit a Statement of Interest form by this deadline, your firm will not be sent the responses to questions or any amendments with regard to this RFP. All questions about this RFP must be submitted in writing to administration@psrsstl.org. Responses to the questions will be provided to all firms submitting a Statement of Interest form by the **Friday, July 27, 2026 deadline.** Answers will be provided by **Friday, August 7, 2026**.

The State of Missouri is in the Central Time Zone. Please make note of this to assure compliance with the deadlines referenced in this RFP.

Firms intending to submit a proposal **shall not** contact members of the Board of Trustees during the RFP period, excluding any services provided to the PSRSSTL under an existing agreement.

Important Dates and Deadlines

Release of Request for Proposals (RFP)..July 17, 2026

Statement of Interest Form and Questions Submission Deadline....... July 27, 2026

Responses to RFP Questions.. August 7, 2026

Proposal Submission Deadline... August 21, 2026

Tentative Finalist Meetings.. ..... October 2026

Proposed Contract Start..January 1, 2027

Cost Proposal

We are requesting that firms submit their cost proposals on a fixed fee for service basis with a not to exceed maximum. PSRSSTL shall not reimburse the selected firm for travel expenses incurred because of providing the services described in this RFP.

If there should be a material change in the Scope of Services, or if this RFP results in the opportunity for an ongoing consulting relationship, additional pricing would be mutually negotiated.

Letter of Agreement

PSRSSTL will execute a letter of agreement with the selected firm, which will incorporate the terms of the contract and the firm's proposal by reference. The relationship will be a non-exclusive arrangement. This Agreement may be terminated at will by either party upon 30 days prior written notice. Fees and services will be prorated accordingly.

General Information

The PSRSSTL reserves the right to reject any or all proposals without prejudice for any reason, in its sole and unfettered discretion; to select more than one firm to provide the services described herein; to void this RFP and the review process and/or terminate negotiations at any time; to revise any conditions and stipulations contained herein, as convenient or necessary; to further negotiate financial or other arrangements; to establish further criteria for selection; to ask respondents to submit additional information with respect to any aspect of respondent's submission whatsoever; to negotiate with respondents as to any aspect of the respondent's proposal whatsoever; and to otherwise amend this RFP.

The PSRSSTL reserves the right to waive technical defects, irregularities and omissions in proposals if it determines that doing so would be in the best interest of the PSRSSTL.
By accepting this RFP and/or submitting a proposal in response thereto, each respondent agrees for itself, its successors and assigns, to hold the PSRSSTL and all of their various agents, trustees, directors, consultants, attorneys, officers and employees harmless from and against any and all claims and demands of whatever nature or type, which any such respondent, its representatives, agents, contractors, successors or assigns may have against any of them as a result of issuing this RFP, revising this RFP, conducting the selection process and subsequent negotiations, making a final recommendation, selecting an accounting firm and/or negotiating or executing an agreement incorporating the commitments of the selected accounting firm.

Respondents shall carefully examine this RFP and shall make all necessary investigations to fully inform themselves as to the local conditions and requirements under which work is to be performed. Respondents shall familiarize themselves with all applicable federal, state and local statutes, rules, regulations and ordinances relating to the conduct of work pursuant to this RFP, and shall comply with all applicable federal, state and local statutes, rules, regulations and ordinances. No pleas of ignorance of the applicable federal, state and local statutes, rules, regulations and ordinances will be accepted as an excuse for any failure or omission on the part of the respondent to fulfill every requirement of the RFP and to perform as described in such respondent's proposal.

By submitting a response to this RFP, each respondent acknowledges having read this RFP in its entirety and agrees to all terms and conditions set out in this RFP. Any misrepresentations or false statements contained in a response to this RFP, whether intentional or unintentional, shall be sufficient grounds for the PSRSSTL to remove respondents from competition for selection at any time.

Responses to this RFP are not to be construed as commitments of any kind. Respondent acknowledges that this RFP is not a contract or commitment of any kind by the PSRSSTL and does not commit the PSRSSTL to award a contract, nor will responses commit the PSRSSTL to pay any costs incurred in the preparation or submission of proposals. Unless otherwise agreed to in writing, the successful firm will not be compensated for any costs incurred prior to the execution of a letter of agreement.

No proposal received after the specified date and time will be considered, unless the specified date and time included in this document is extended or all proposals are rejected and a subsequent RFP is issued.

All proposals and other materials submitted in response to this RFP will become the property of PSRSSTL and will not be returned, which means the PSRSSTL will own and may use any ideas presented in response to this RFP. All submitted materials may become public documents subject to disclosure under the Missouri Sunshine Law at any time during the selection process, and will become public documents subject to disclosure under the Missouri Sunshine Law once a contract is executed or all proposals are rejected. The PSRSSTL does not guarantee nor assume any responsibility whatsoever in the event that such information is used or copied by any individual or organization. Therefore, the respondent must submit its proposal based on such conditions without reservations.

In the event either party shall materially default in the performance of any of its covenants, or undertakings under said contract, and such default shall not be cured within thirty (30) days after the receipt from the other of written notice of said default specifying the default and requesting correction thereof, the non-breaching party may terminate the contract by delivering written notice to such effect to the other party at its last known business address. Such notice of termination shall be effective immediately.

Subcontracting of any services in this RFP shall be prohibited unless the PSRSSTL grants permission in writing.

By submitting a response to the RFP, each respondent expressly waives any and all rights that it may have to object to, protest or judicially challenge (1) any part of this solicitation and RFP process, including but not limited to the selection procedure sections of the RFP; and (2) the invitation, evaluation and award process, including but not limited to the review and analysis of qualifications of the respondents, evaluation of proposals, tentative or final selection of successful respondents, evaluation of proposals, or other aspects of the respondent selection and award.

By signing the required proposal cover letter referred to in the **Proposal Requirements** section, the individual represents that he/she is entitled to represent the firm, empowered to submit the bid, and authorized to sign a contract with the PSRSSTL.

If any agreement resulting from this RFP has a value of $100,000 or more and the respondent has ten or more employees, respondent will be required to certify in the agreement, pursuant to Section 34.600 RSMo., that it is not currently engaged in, and shall not for the duration of this Contract engage in a boycott of (1) goods or services from the State of Israel, (2) companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel, or (3) persons or entities doing business in the State of Israel. For purposes of the certification, "boycott Israel" and "boycott of the State of Israel" means "engaging in refusals to deal, terminating business activities, or other actions to discriminate against, inflict economic harm, or otherwise limit commercial relations specifically with the State of Israel, companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel, or persons or entities doing business in the State of Israel, that are all intended to support a boycott of the State of Israel." Respondent hereby acknowledges and agrees that, notwithstanding any provision to the contrary in the resulting agreement, the resulting agreement will be void in the event the certification is breached.

RFP Documents

The RFP documents referenced herein are available in the Appendix of this RFP as indicated or on the website www.psrsstl.org.

- RFP
- Statement of Interest Form (Appendix A)
- Cost Proposal (Appendix B)
- Investment & Operating Guidelines (Appendix C)
- Rule XIV – Investment Policies (Appendix D)
- PSRSSTL Rules & Regulations (PSRSSTL website)
- Missouri State Statutes (https://revisor.mo.gov/main/Home.aspx)
- Annual Comprehensive Financial Report (PSRSSTL website)

APPENDIX A

STATEMENT OF INTEREST FORM

REQUEST FOR PROPOSALS (RFP)

INVESTMENT CONSULTING SERVICES

In acknowledgement of this RFP, the undersigned understands that a copy of the RFP and its attachments can be accessed on-line at the PSRSSTL website; www.psrsstl.org, beginning July 17, 2026, and that the proposal is due in the PSRSSTL office no later than the deadline of 4:00 p.m. on Friday, August 21, 2026.

This form should be completed, signed and returned along with any questions, by the deadline of 4:00 p.m., on Monday, July 27, 2026. Only firms that return this form by the deadline will receive copies of the responses to written questions from the firms interested in this RFP, as well as any RFP amendments.

FIRM: ______________________________

REPRESENTED BY: ______________________________

TITLE: ______________________________

ADDRESS: ______________________________

CITY: ____________ STATE ________ ZIP CODE: ________

FAX NUMBER: ____________ PHONE NUMBER: ____________

EMAIL: ____________

SIGNATURE: ______________________ DATE: ____________

The above name, address, fax number and e-mail address will be used for all correspondence related to this RFP.

The firm is is not (circle one) interested in responding to this RFP.

Please return interest forms via email, administration@psrsstl.org, mail or fax by Wednesday, July 27, 2026.

PSRSSTL Contact Information:
Public School Retirement System of the City of St. Louis
3641 Olive Street, Suite 300
St. Louis, MO 63108-3601
(314) 534-7444 (voice)
(314) 5313-0531 (fax)

APPENDIX B--COST PROPOSAL SUMMARY

(PLEASE TYPE OR PRINT IN INK AND RETURN WITH YOUR FIRM'S PROPOSAL)

INVESTMENT CONSULTING SERVICES

MAXIMUM COST – CALENDAR YEAR 2027 ______________________

MAXIMUM COST – CALENDAR YEAR 2028 ______________________

MAXIMUM COST – CALENDAR YEAR 2029 ______________________

NAME OF FIRM: ____

AUTHORIZED SIGNATURE ____

DATE ____________________________

PRINTED NAME ____________________________

APPENDIX C--INVESTMENT AND OPERATING GUIDELINES

PUBLIC SCHOOL RETIREMENT SYSTEM
OF THE CITY OF ST. LOUIS
INVESTMENT AND OPERATING GUIDELINES,
February 24, 2025

I. GENERAL

A. The Public School Retirement System of the City of St. Louis ("PSRSSTL") is a defined benefit retirement plan established to provide retirement benefits to participants in accordance with the specific provisions of R.S. Mo. §§169.410 -169.540 and the general provisions of R.S. Mo. §§169.560 - 169.597 and R.S. Mo. §§ 105.660 - 105.691 (collectively the "PSRSSTL Statutes").

B. These Investment and Operating Guidelines are issued pursuant to Rule XIV of the PSRSSTL Rules and Regulations for the guidance of fiduciaries, including the PSRSSTL staff, investment consultant, other investment professionals and the investment managers ("Managers") in the course of investing the retirement funds ("Fund") of the PSRSSTL and to assist in measuring the performance of the Managers and the Fund. These guidelines supplement the formal Investment Policies of the PSRSSTL Board of Trustees as set forth in Chapter A, Rule XIV of the PSRSSTL Rules and Regulations and should be read in conjunction therewith.

II. PERFORMANCE OBJECTIVES

A. Total return on Fund assets shall consistently rank in the top half of the investment consultant's Public Total Funds Universe and shall meet or exceed the return of the PSRSSTL Policy Index. "Total return", as used herein, includes income less expenses plus realized and unrealized gains and losses in the PSRSSTL assets. (See Appendix I for an explanation of the Policy Index.)

B. Appendix III to these guidelines provides specific guidance regarding individual Manager assignments or classifications, benchmarks, and guideline exceptions. Appendix III, combined with the applicable sections of these guidelines and the PSRSSTL Rule XIV, provide a complete statement of investment objectives, rules and guidelines for each investment Manager, exclusive of rules or guidelines directly incorporated into contracts or other similar agreements.

C. Total Fund risk exposure and risk adjusted returns will be regularly evaluated and compared to the investment consultant's appropriate third-party Public Total Funds Universe. Total Fund risk exposure is expected to be midrange (25th to 75th percentile) relative to the investment consultant's universe of public total funds. Risk-adjusted returns are expected to rank consistently in the top half of the investment consultant's Public Total Funds Universe over time. (See Appendix I for an explanation of risk adjusted returns.)

D. Equity Managers

1. Total return for domestic equity specialist Managers shall meet or exceed an appropriate index based on the Manager's style and consistently rank in the top half of the investment consultant's appropriate Fund Universe as outlined in Appendix III.

2. Total return for international equity specialist Managers shall meet or exceed an appropriate index based on the Manager's style and consistently rank in the top half of the investment consultant's appropriate Fund Universe as outlined in Appendix III.

3. Total return for Emerging international equity Managers shall meet or exceed an appropriate index based on the Manager's style and rank in the top half of the investment consultant's appropriate Fund Universe as outlined in Appendix III.

4. Total return for Global Equity Managers shall meet or exceed an appropriate index based on the Manager's style and rank in the top half of the investment consultant's appropriate Fund Universe as outlined in Appendix III.

E. Fixed-Income Managers

1. Total return for domestic fixed-income Managers shall consistently meet or exceed an appropriate index based on the Manager's style, and consistently rank in the top half of the investment consultant's appropriate domestic Fixed Income Fund Universe as outlined in Appendix III.

2. Total return for specialist fixed income Managers, including but not limited to global, absolute return, TIPS, and Emerging Markets fixed income shall meet or exceed an appropriate index based on the Manager's style and consistently rank in the top half of the investment consultant's appropriate universe of Fixed Income Specialist managers as outlined in Appendix III.

F. Real Estate Managers

1. The Total Return for Real Estate Managers shall meet or exceed an appropriate index based on the Manager's strategy and to rank in the top half of the investment consultant's appropriate real estate fund universe as outlined in Appendix III.

G. Global Asset Allocation Managers (GAA)

1. The Total Return for Global Asset Allocation Managers shall meet or exceed an appropriate index based on the Manager's strategy and to rank in the top half of the investment consultant's appropriate GAA fund universe as outlined in Appendix III.

H. Hedge Fund Managers

1. The Total Return for Hedge Fund Managers shall meet or exceed an appropriate index based on the Manager's strategy and to rank in the top half of the investment consultant's appropriate hedge fund manager fund universe as outlined in Appendix III.

I. Private Capital Market Investments, as defined in Rule XIV

1. Achieve a market rate of return commensurate with the perceived risk for each investment undertaken.

2. Investment returns will be compared to the return on similar investments that originated during the same period based on an internal rate of return.

3. Investment returns will be compared to an appropriate Public Market Equivalent benchmark reflecting cash flows and timing of the respective investment.

J. Normally results will be evaluated over a three-year to five-year time horizon, but shorter-term results will be reviewed regularly and earlier action taken if the Board of Trustees, in its sole discretion, determines such action to be in the best interest of the Fund.

III. ASSET ALLOCATION POLICY

In order to have a reasonable probability of consistently earning the long-term target return, the PSRSSTL Board of Trustees ("Trustees") has adopted the asset allocation policy contained as Appendix II to these guidelines.

IV. REBALANCING

The PSRSSTL asset allocation shall be maintained within the ranges outlined in Appendix II and normal cash flows (contributions, benefit payments and expense) shall be managed in a manner to maintain compliance with and rebalance toward Policy targets and ranges. Should the asset allocation or manager allocations vary from the policy ranges at the end of any quarter, the asset mix shall be rebalanced as soon as practical to fall within the ranges either by direction of cash flow, shifting of assets, or both. Rebalancing is to be accomplished by the PSRSSTL Executive Director and staff in coordination with the Investment Consultant, Custodian and the respective Managers providing liquidity.

V. INVESTMENT GUIDELINES

A. Rule XIV authorizes the adoption of such policies, procedures and limitations as are necessary, advisable or appropriate for the management of the Fund or any asset class component of the Fund. Toward this end, Managers shall manage their holdings in compliance with the provisions set forth below.

B. Domestic Equity Managers

1. Equity Managers will be expected to manage their holdings in order to maximize net long-term returns. It is contemplated that the equity specialist Managers, except the equity component of balanced portfolios, shall normally be fully invested, maintaining a 90-100% equity commitment level. Managers should determine that the securities to be purchased are of an investment grade suitable for their accounts.

2. A single company, except mutual funds, shall neither exceed 10% of the market value of an equity Manager's total portfolio at purchase nor increase to 15% of the Manager's total portfolio.

3. No purchase shall be made by a Manager, which would cause a holding to exceed 10% of the market value of the issue outstanding.

4. There shall be no short selling, securities lending, use of financial futures or other specialized investment activity without the prior approval of PSRSS1L.

5. Equity Managers may invest up to 10% of their portfolios in reserve and cash equivalent investments. However, these investments should be made primarily on the basis of safety and liquidity and only secondarily by yield available. Such securities shall carry ratings the equivalent of Standard & Poor's Corporation Al or Moody's Investors Service, Inc. P-1.

C. Domestic Fixed-Income Managers

1. Fixed-income securities are to be selected and managed to ensure appropriate quality and maturity exposure, consistent with these guidelines and current money market and economic conditions. "Active" bond management (both for the fixed-income portion of the balanced portfolios and within fixed-income specialist portfolios) is encouraged, as deemed appropriate by the Managers.

Fixed-income specialists, except the fixed-income portion of balanced portfolios, may vary their bond commitments from 90-100% of assets under their discretion.

2. As provided in the PSRSSTL Rule XIV, domestic debt securities may include U.S. Government and Agency obligations, corporate bonds, asset backed securities, agency guaranteed mortgage pass-through securities, and low risk collateralized mortgage obligations of comparable or lower risk, such as Planned Amortizations Class Level 1 and Sequentials, commercial paper, certificates of deposit and other instruments deemed prudent by the Managers.

3. No security, except issues of the U.S. Government or its agencies or mutual funds, shall comprise more than 6% of the Manager's total portfolio of assets, measured at market. Further, no individual portfolio shall purchase more than 6% or hold more than 10% of its assets in the securities of any single issuer, excepting issues of the U.S. Government or its agencies. (For mortgage-backed securities, an issuer is defined as a separate trust.)

4. The average duration (interest rate sensitivity) of an actively managed portfolio shall remain within 75% to 125% of the Manager's respective benchmark duration. (See Appendix I for an explanation of "duration".)

5. The prudent diversification of securities by maturity, quality, sector and coupon is a discretionary responsibility of the Managers.

6. There shall be no use of options, financial futures or other specialized investment activity without the prior approval of PSRSSTL.

7. The overall average quality of each high-grade fixed income portfolio shall be AA or better. The average quality rating of the securities held in a high yield portfolio shall be "B" or better. For split rated issues, for the purposes of meeting credit quality standards, the middle rating shall be considered (if rated by all three agencies), and the lower of the two ratings shall be considered (if rated by only two agencies). For issues rated by only one agency, that agency's rating shall be considered for the purposes of meeting credit quality standards.

D. International Equity Managers

1. International equity securities are expected to be issued by non-US. corporations, although the Manager, if authorized, may have latitude to hold U.S. securities provided that such investments are consistent with attainment of the portfolio's investment objective. An international equity Manager employing an active currency management program may, upon specific authorization of PSRSSTL, deal in futures and options within the discipline of that currency management program provided that use is not to leverage risk exposure.

2. These portfolios should be considered as "equity funds" and shall normally be fully invested, maintaining a 90-100% equity exposure.

3. Decisions as to the prudent diversification of portfolios, including number of international equity issues held and their geographic distribution shall be left to the Managers, provided that equity holdings in any one company, excluding mutual funds, may not exceed 6% of the market value of the Manager's total portfolio without the consent of the Trustees.

4. Short-term reserves may be held in U.S. dollar denominated securities or investment vehicles available through the PSRSSTL custodian.

5. Subject to limitations that may be contained in PSRSSTL Rule XIV, Managers may enter into forward exchange contracts on currency provided that use of such contracts is designed to dampen portfolio volatility or to facilitate settlement of securities transactions, rather than to leverage portfolio risk exposure.

E. Opportunistic Bond Managers

1. PSRSSTL opportunistic fixed-income portfolios including, but not limited to global, Emerging Markets, TIPS and Absolute Return should be considered as "bond funds" and shall normally be fully invested, maintaining a 90-100% bond exposure.

2. Short-term reserves may be held in U.S. dollar denominated securities or investment vehicles available through the PSRSSTL custodian or sub-custodian banks. Short-term funds must be rated A1 (S&P) or Pl (Moody's) or the equivalent using similar credit criteria.

3. Prudent diversification decisions as to the number of issues held and their geographic distribution shall be left to the Manager.

4. Upon specific authorization of the Trustees, opportunistic Managers may employ an active currency management program and deal in futures and options within the discipline of that currency management program. In the context of an active currency management program, cross currency and proxy hedging is allowed. The use of such contracts is designed to dampen portfolio volatility rather than leverage portfolio risk exposure. Currency contracts may also be used to either hedge the portfolio's currency risk exposure or in the settlement of securities transactions.

5. The overall average quality of each opportunistic fixed-income portfolio shall be A or higher. Non-rated issues may be purchased, provided that in the judgment of the Manager, they are of a quality sufficient to maintain the average overall portfolio quality of A or higher.

6. The average duration (interest rate sensitivity) of an actively managed opportunistic fixed-income portfolio shall not differ from that of the respective passive benchmark (as outlined in Appendix III) by more than75% to 125%.

F. Global Asset Allocation (GAA) Managers

1. Global Asset Allocation Strategies are allowed, where the manager has the ability to invest in, but is neither limited by nor required to hold, domestic, international and emerging equities and bonds, investments in real assets, such as commodities and real estate, and derivative products. The Manager will employ a global tactical asset allocation strategy that can change the capital structure of the fund at any time as market conditions dictate within the strategy guidelines of the Manager. These strategies may employ either a passive or active / tactical approach with regard to how the assets are invested. These strategies should be employed to improve the overall portfolio's diversification and to provide attractive risk-adjusted returns. These strategies may include products that are focused on generating absolute or real returns, compared to other strategies in the portfolio which may be more benchmark sensitive.

2. Fully covered or protected investments using options, futures or short sales are permitted in the interest of reducing volatility and protecting capital or changing asset mix.

G. Private Market Investments

1. Private capital markets investments are intended to enhance the diversification of the Fund and to achieve a market rate of return commensurate with the perceived risk of each investment.

2. All investments must have a mechanism for exit acceptable to the Trustees. The Trustees, after reviewing the totality of an investment's terms and acting in consultation with the PSRSSTL's Investment Consultant and other plan professionals, shall have sole discretion in determining whether an investment has an acceptable mechanism for exit, which could include, but is not necessarily limited to the right to sell or transfer the PSRSSTL's interest in the investment to a third party without the investment manager unreasonably withholding its consent to such transfer or sale.

3. References on the sponsor, investment adviser, manager, general partner or other person(s) performing substantially the same function (regardless of title) must be checked prior to investing in a fund, partnership or other investment vehicle.

4. An investment screening and review committee may be established to pre-qualify investment proposals. Evaluation of proposals will address the manager, the fund focus and strategy, and the fund structure.

5. The private markets investments will be prudently diversified to reduce the risk of any single investment on the total Fund.

6. No more than 25% of the assets earmarked for private markets should be invested with a single manager, general partner, or single fund, with the exception of fund of funds.

7. Preference will be given to those funds where the general partner is contributing at least 1% of tlle total fund.

8. Reserves for future alternative investments may be held in any liquid asset classes in compliance with the Asset Allocation Policy Ranges, as appropriate, subject to the investment guidelines for such investments.

9. Because commitments to most private market investments are drawn down over time, actual investments are usually less than committed investments. To compensate for this, the Fund may commit more than the target allocation, perhaps as much as twice the target allocation, to private market investments in order to achieve the actual investment target.

H. Hedge Funds and Fund of Funds

1. The primary objective of these strategies is to provide positive absolute return throughout a market cycle, as well as provide increased diversification to the portfolio.

2. Each investment should fall within the expected risk and return characteristics historically displayed by domestic fixed income and public domestic equity investments.

3. Leverage may be employed by direct manager investment and sub-advisors/managers within a specific fund of hedge funds. Fund of Funds managers shall not employ leverage at the Fund of Funds level.

I. Real Estate Investments

1. The role of the real estate segment is to provide a stable return premium, after inflation, and to increase the diversification of the overall Fund.

2. Real Estate Managers will have full discretion to prudently invest and diversify portfolios in accordance with the terms of their investment strategies. It is expected that the Managers will adhere to their stated philosophies and that any material deviation will be communicated promptly to the Trustees.

J. General Guidelines

1. Full discretion shall be granted to the Managers regarding their prudent portfolio diversification, the selection of securities, and the timing of transactions, within the parameters of the objectives and guidelines described herein and in PSRSSTL Rule XIV.

2. While PSRSSTL is sensitive to excessive turnover, there shall be no specific limitation in this regard, recognizing the importance of providing flexibility to the Managers to adjust their asset mix in changing market conditions.

3. The flexible management of the portfolio is permitted, and while PSRSSTL is appropriately sensitive to book losses, there is no justification to hold a particular security, or to manage the collective assets, for the sole purpose of avoiding the recognition of a book loss.

4. For purposes of this Policy and Guidelines pooled funds may include, but are not limited to, mutual funds, commingled funds, collective investment trusts (CIT), and limited partnerships. Pooled funds may be governed by separate documents which may include investments not expressly permitted in this Policy and Guidelines as they pertain to separately managed accounts. In the event of an investment by PSRSSTL into a pooled fund, the prospectus or governing policy of that pooled fund, as updated from time to time, shall be treated as an addendum to this Investment Policy Statement and Guidelines.

V. BENEFIT AND EXPENSE PAYMENTS

Managers should assume that withdrawals may be made from their portfolios from time to time to pay benefits and expenses. The PSRSSTL Executive Director shall provide an annual projection of cash needs, updated on an interim basis, and an estimate of the drawdown requirements from their portfolios. Accordingly, appropriate liquidity should be maintained to fund these withdrawals without impairing the investment process.

VI. STANDARDS OF INVESTMENT PERFORMANCE

Performance of the Fund and individual Managers will be evaluated on a regular basis. Consideration will be given to the degree to which performance results meet the goals and objectives as set forth herein and in PSRSSTL Rule XIV. Toward that end, the following standards will be used in evaluating investment performance.

A. Managers will be deemed to have performed satisfactorily when compared with:

1. the objectives set, and
2. other similarly managed funds.

B. In addition to reviewing each Manager's results, PSRSSTL will re-evaluate, from time to time, its progress in achieving the objectives set for the Fund overall. This re-evaluation will involve an assessment of the continued appropriateness of (1) the manager structure; (2) the allocation of assets among the Managers; and (3) the investment objectives for the Fund.

C. The Trustees may appoint investment consultants to assist in the ongoing evaluation process. The consultants selected by the Trustees are expected to be familiar with the investment practices of similar retirement plans and will be responsible for suggesting appropriate changes in the investment program over time.

VII. WATCH LIST/ PROBATION

A. A Manager may be placed on a watch list or on probation in response to significant changes in the ownership structure or key personnel; anticipated changes in the investment process; concerns about the Manager's recent or long-term investment results; failure of the Manager to comply with the investment guidelines or other sep rate instructions; legal or regulatory concerns, or, any other event which the Trustees conclude may lead to a change in the Manager's status with the Fund. This is a guide for action, and notwithstanding the provisions herewith, the Trustees reserve the right to immediately place a manager on probation or to take immediate action to terminate a Manager for any reason at their sole discretion.

B. The process leading toward probationary status with regard to long term under-performance will normally be as follows:

A Manager will be placed on probationary status if any 2 of the following conditions exist:

1. the Manager has failed to meet the return of the benchmark index over a rolling 3-year period

2. the Manager has failed to meet the return of the benchmark index over a rolling 5-year period
3.

4. the return has not achieved median ranking in comparison to the Manager's assigned peer group over a rolling 3-year period.

5. the return has not achieved median ranking in comparison to the Manager's assigned peer group over a rolling 5-year period.

C. A Manager may be placed on the watch list or on probation for under-performance in a lesser time period or other actions may be taken if deemed appropriate.

D. Any Manager on the watch list or in probationary status will not be eligible to receive additional investment funds.

VIII. REPORTING REQUIREMENTS

A. Managers shall promptly report on the following as soon as they occur:

1. Discovery of a material violation of the investment guidelines contained in this Investment Policy Statement;

2. A significant change in investment strategy, portfolio structure, or market value or liquidity of managed assets;

3. A significant change, in the ownership affiliations, organizational structure, financial condition, professional staffing, or clientele of the Investment Manager;

4. Sanctions against the firm or its employees by any state or federal governmental or regulatory agency, or the Financial Industry Regulatory Authority (FINRA), to the extent permissible by law.

B. Quarterly reports provided by each Manager within 30 days after the end of each calendar quarter shall contain the following information:

1. Review of Organizational Structure
   a. Organizational changes (i.e., ownership)
   b. Departures of/ additions to key investment staff
   c. Total assets and accounts for product managed for the System
   d. Change in assets/accounts (i.e., Gains$/ Losses$) since last report

2. Summary of Investment Guidelines
   a. Summarize guidelines and objectives
   b. Discuss adherence to guidelines
   c. Provide any comments and suggestions regarding policy constraints, guidelines, etc.

3. *Review* of Investment Process and Evaluation of Portfolio Management Process
   a. Brief review of investment process
   b. Discussion of any changes to the investment process
   c. Investment strategy used over the past quarter and underlying rationale
   d. Evaluation (in hindsight) of strategy's success/disappointments
   e. Current investment strategy and underlying rationale

4. Performance Review
   a. Present total portfolio and asset class returns for last quarter, year-to-date, last year, three years and five years, and since inception versus designated benchmarks.
   b. Discuss performance relative to benchmarks. (International equity Managers should provide attribution analysis which identifies returns due to country allocation, stock selection, duration and currency decisions).
   c. Provide portfolio characteristics relative to benchmark.

5. Derivatives Review
   a. A list of all derivative positions as of quarter-end.
   b. An assessment of how the derivative positions affected the risk exposure of the total portfolio.
   c. An explanation of any significant pricing discrepancies between the Manager and the PSRSS1L custodian bank.
   d. A statement certifying compliance with PSRSS1L Rule XIV and these investment guidelines throughout the quarter; or, if the portfolio has been out of compliance, an explanation.

6. Provide Portfolio Holdings
   a. Present book value and current market value.

b. List individual securities by:

(i) Standard and Poor's Corporation sectors for domestic equities

(ii) Countries and by industry within country for international equities

(iii) Sector for domestic fixed income

(iv) Country, and, for corporate bonds (if any), by industry within country for global fixed income.

c. In the case of mutual funds, a statement showing: (1) the fund holdings broken out, minimally, by equity, fixed-income, cash equivalents and uninvested cash balances and (2) fund positions, by individually-named securities.

C. Annual Reporting

The annual reports submitted to the PSRSSTL Trustees, staff and investment consultant shall contain the following information:

1. Proxy Voting

a. PSRSSTL may, from time to time, or at any time, retain responsibility for the exercise of ownership rights through proxy solicitations, in which case the Managers shall have no responsibility for proxy voting. If the Trustees delegate to the Managers responsibility for the exercise of ownership rights through proxy solicitations, the Managers shall exercise this responsibility strictly for the economic benefit of the Fund and its participants. Annually, Managers shall describe their standing policies with respect to proxy voting, including any changes that have occurred in those policies.

b. The proxy votes for all shares of stock in companies held on behalf of PSRSSTL, specifically noting any instances where proxies were not voted in accordance with standing policy.

2. Commissions & Trading Costs

The annual commission report should be delivered to the PSRSSTL Trustees, staff and investment consultant within forty-five (45) days of the end of each calendar year. The report should cover all trades executed during the prior calendar year. Each annual commission report should include the following:

a. *Broker Selection Policy.* Discussion of the firm's policy for selecting brokers, reviewing brokers, and negotiating brokerage commissions. This discussion should identify any situations where the Manager has a financial interest in brokers used to execute trades in the portfolio and a list of all broker-dealers used by the firm.

b. *Commission Expense.* Provide a review of the portfolio's actual commission expense over the prior year. At a minimum, this should be broken down by broker and include a distinction between commissions on listed versus unlisted securities, average commission per share, total shares traded, total commission expense, and total trading volume.

c. *Transaction Cost Analysis.* If the firm has a system for monitoring total transaction cost, commissions plus market impact, a copy of this analysis should be provided. If no system is being used, the commission report should include a complete explanation of how the firm monitors selected brokers for best execution.

d. *Soft Dollar Policy.* This should include a discussion of the firm's soft dollar policy, including the procedures in place to assure that any services purchased by the firm with soft dollars provide economic benefit to the Fund.

e. *Soft Dollar Expense Review.* Identify any goods and services purchased with soft dollars over the past year. This should report, at a minimum, the goods and services purchased, the total cost, and the share of that total cost paid by the Fund.

IX. IMPLEMENTATION

All monies invested for PSRSSTL by its Managers after the adoption of this investment policy shall conform to this policy.

FORPSRSSTL	**FOR THE INVESTMENT MANAGER**
Approved by:	Approved by:
PUBLIC SCHOOL RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS	
Name of Organization	Name of Organization
Susan Kane	
Signature	Signature
SUSAN KANE	
Printed Name	Printed Name
EXECUTIVE DIRECTOR	
Title	Title
2/24/2025	
Date	Date

APPENDIX I - Glossary

This appendix to the Investment and Operating Guidelines for the Public School Retirement System of the City of St. Louis ("PSRSSTL") is written to provide additional background regarding the selection and interpretation of various standards contained within the guidelines.

- **Policy Index** - Total return should meet or exceed the System's Policy Index.

  The Policy Index is constructed by using target asset class percentages applied to market rates of return. The Policy Index for the System is calculated using the following target allocations and indices:

Asset Class / Product	Target%	Rating Index
Equities		
Domestic	28.0	Russell 3000
International	15.0	MSCI All Country World Ex-US
Global	5.0	MSCI All Country World
Global Asset Allocation	3.0	60% MSCI World/40% Bloomberg Multiverse
Fixed Income	25.0	Bloomberg Multiverse
Hedge Funds Strategies	5.0	HFRI Fund of Funds Composite
Real Estate	7.0	NCREIFODCE
Private Equity	7.0	Private Equity Benchmark
Private Debt	5.0	S&P UBS Leveraged Loan

Risk-adjusted Returns -

Risk-adjusted returns are usually calculated by isolating the return earned in excess of the risk-free rate (the T-bill rate) and evaluating that return in relation to the additional risk (volatility, or standard deviation) incurred in earning the incremental return.

For example:

	Return	Risk	Excess Return	Excess Return Divided By Risk
T-Bills	8%			
S&P 500	12%	16%	4%	4/16 = 0.25
Manager A	12%	20%	4%	4/20 = 0.20

In this example, both the Equity Manager and the market earned 4% over T-Bills, but the Equity Manager incurred somewhat more risk and had lower risk-adjusted return - not a desirable situation. A higher risk adjusted return indicates that more return was achieved for the amount of risk taken.

- **Duration -**

  Duration is a measure of interest rate sensitivity. It provides a ballpark estimate of how much the current price of a security (or the current cost of funding a liability stream) will vary for a given change in interest rates. For example, the price of bonds with durations of seven years will increase roughly 7% if interest rates decline 1%; conversely, the price of these bonds will tend to decline 7% if rates go up 1%.

  Duration may be the same as maturity, but usually it is not. For example, coupon bearing 20-year bonds will typically have durations in the 6-7-year range. However, 20-year zero coupon bonds will have durations of 20 years.

  Accordingly, it is appropriate to conclude that a 20-year zero coupon bond is roughly three times more volatile, or aggressive, than a 20-year coupon bearing bond.

  For example, if the Bloomberg Aggregate Bond Index has a duration of approximately 5.0 years, the 75% to 125% duration guideline would permit active bond Managers to hold a bond portfolio some 25% more volatile than the market (6.25 versus 5 years). Clearly, this latitude would permit a manager the opportunity to structure a portfolio which would appreciate more than the market in good times, when rates are declining. However, the risk of incurring higher losses than the market also exists if the Manager extends to the maximum allowable term and rates increase.

APPENDIX II - Asset Allocation Policy

The actuarial rate of return (discount rate) assumption for the Fund is 7.5%. In order to have a reasonable probability of achieving this assumption, the Trustees have adopted the asset allocation policy outlined below.

Asset Class / Product	Target Allocation	Exposure Range
Equities	**48.0%**	**38 - 58%**
Domestic Large Cap	19.0%	14 - 24%
Domestic Mid/Small/Micro Cap	9.0%	6 - 12%
Developed International	11.0%	6 - 16%
Emerging International	4.0%	0 - 7%
Global Stocks	5.0%	3 - 7%
Global Asset Allocation	**3.0%**	0 - 6%
Fixed Income	**25.0%**	**15 - 35%**
Core	10.0%	5 - 15%
Global Multi-Sector Bonds	12.0%	9 - 15%
Treasury Inflation-Protected Securities (TIPS)	3.0%	0 - 5%
Hedge Fund Strategies	**5.0%**	3 - 7%
Real Estate	**7.0%**	4 - **10%**
Private Equity	**7.0%**	4 - **10%**
Private Debt	**5.0%**	3 - 7%
Cash	**0.0%**	0 - 5%

APPENDIX III - Performance Benchmarks

This Appendix provides specific guidance regarding individual Manager assignments for classifications, benchmarks and guideline exceptions. Combined with the applicable sections of the Investment and Operating Guidelines and PSRSSTL Rule XIV, this Appendix provides a complete statement of investment objectives, rules and guidelines for each investment Manager, exclusive of rules or guidelines directly incorporated into contracts or other similar agreements.

Asset Class/ Manau:er Product Names	Rating Index/Benchmark	Peer Group Assignment"'	Comments / Exceptions**
U.S. EQUITY MANAGERS			
Mellon US Large Cap Growth Index	Russell 1000 Growth	IM Large Cap Growth Managers	Separate Account
TCW Large Cap Growth	Russell 1000 Growth	IM Large Cap Growth Managers	Separate Accounts
Edgar Lomax Large Cap Value	Russell 1000 Value	IM Large Cap Value Managers	Separate Account
Mellon US Large Cap Value Index	Russell 1000 Value	IM Large Cap Value Managers	Co-mingled Fund
Mellon S&P 500 Index Fund	S&P 500	IM Large Cap Core Managers	Co-mingled Fund
Westfield Capital Small Cap Growth	Russell 2000 Growth	IM Small Cap Growth Managers	Separate Account
Systematic Financial Small Cap Value	Russell 2000 Value	IM Small Cap Value Managers	Separate Account
DFA US Micro Cap	Russell 2000	IM Small Cap Core Managers	Mutual Fund
INTERNATIONAL & GLOBAL EQUITI' MANAGERS			
Fidelity International Growth	MSCI EAFE Growth	IM International Large Cap Growth Managers	Co-mingled Fund
Causeway International Value	MSCI EAFE Value	IM International Large Cap Value Managers	Separate Account
DFA Emerging Markets Value	MSCI Emerging Markets	IM Emerging Markets Equity Managers	Mutual Fund
Invesco Emerging Markets Equity	MSC! Emerging Markets	IM Emerging Markets Equity Managers	Co-mingled Fund
Xponance Manager of Emerging Managers	MSCI All Country World	IM Large Cap Core Global Equity Managers	Separate Accounts
U.S. CORE BOND MANAGERS			
Manulife Core Fixed Income	Bloomberg US Aggregate	IM US Broad Market Core Fixed Income Managers	Separate Account
Earnest Partners Core Fixed Income	Bloomberg US Aggregate	IM US Broad Market Core Fixed Income Managers	Separate Account
Loop Capital Core Plus Fixed Income	Bloomberg US Aggregate	IM US Broad Market Core Fixed Income Managers	Co-mingled Fund
OPPORTUNISTIC FIXED INCOME MANAGERS			
Loomis Sayles Strategic Alpha Trust	Bloomberg Global Multiverse	IM Global Unhedged Fixed Income Managers	Co-mingled Fund
Neuberger Berman Global Opportunistic Fixed Income	Bloomberg Global Aggregate (Hedged)	IM Global Hedged Fixed Income Managers	Co-mingled Fund
Wellington Multi Sector Credit	Bloomberg Global Multiverse	IM Global Unhedged Fixed Income Managers	Co-mingled Fund
Mellon US TIPS Index	Bloomberg US TIPS	IM US TIPS Managers	Co-mingled Fund
GLOBAL ASSET ALLOCATION (GAA)MANAGERS			
PIMCO All Asset Fund	60% MSCI World/ 40% Bloombergl!Multiverse	IM Flexible Portfolio Managers	Co-mingled Fund

REAL ESTATE MANAGERS			
Real Estate Managers	NCREIFODCE	IM Real Estate Managers	Co-mingled Fund/Partnerships
ALTERNATIVE INVESTMENTS			
Private Equity Managers	Private Equity	IRR based on Vintage Year	Partnerships
Private Debt Managers	Credit Suisse Leveraged Loan	IRR Based on Vintage Year	Partnerships
HEDGE FUND MANAGERS			
En Trust Diversified	HFRI Fund of Funds Composite		Co-mingled Funds/Partnerships
Grosvenor Institutional Partners	HFRI Fund of Funds Composite		Co-mingled Funds/Partnerships
Whitebox Multi-Strategy Funds	HFRI Multi Strategy		Co-mingled Funds/Partnerships

* IM refers to Investment Metrics Universe

** Co-mingled Funds, mutual funds, partnerships, and other pooled vehicles may be excluded from some of the PSRSSTL investment and operating guidelines due to specific guidelines adopted in the respective offering memorandum, prospectus, or other governing documents of the investment.

APPENDIX IV-Minority or Women-Owned Business Enterprise (MWBE) Brokerage Policy

The Board encourages the use of broker/dealer firms that are Minority or Women-Owned Business Enterprises.

The Fund's Investment Managers shall give consideration to certified Minority or Women-Owned Business Enterprises when executing trades for the Fund subject to each Investment Manager being responsible for implementing trading policies that result in the best price and execution of any broker/ dealer selected.

In implementing this Broker/Dealer Trading Policy, the Fund has established the following minimum annual goals based on its current asset allocation:

1) Active Domestic Equity Investment Managers:

   Subject to best price execution, each Investment Manager shall direct at least one-third (33.3%) of total commission dollars, on an annual basis, to Minority or Women-Owned Business Enterprises. Step-out-trades will not be counted towards trades with Minority or Women-Owned Business Enterprises.

2) International Equity Investment Managers:

   Subject to best price execution, each Investment Manager shall direct at least 10% of total commission dollars, on an annual basis to Minority or Women-Owned Business Enterprises. Correspondence arrangements will not be counted towards trades with Minority or Women-Owned Business Enterprises.

3) Fixed Income Investment Managers:

   Subject to best price execution, each Investment Manager shall direct 10% of eligible fixed income trading volume (par) to Minority or Women-Owned Business Enterprises.

4) Transition Managers:

   Subject to best price execution. each Transition Manager shall direct at least 40% of total commission dollars to Minority or Women-Owned Business Enterprises. Step-out-trades will not be counted towards this goal.

Reporting

All trades must be identified in an Investment Manager's quarterly report submitted to the Board. Investment Managers must identify which brokers utilized are broker/ dealers that are Minority or Women-Owned Business Enterprises and the dollar amount traded with each firm. In addition, the report should detail total shares executed, total trading commissions, and average commission cost per share.

When an Investment Manager cannot meet these goals, the Investment Manager must identify the reasons the goal could not be met within the quarterly report to the Board. Failure by an Investment Manager to meet the goals set forth in this Policy will be considered as a factor when evaluating the Investment Manager's overall performance and relationship with the Fund and may be cause for termination.

(.Adopted 10-21-13)

APPENDIX D-- Rule XIV. - Investment Policies

Section 1. General

a. This Rule provides guidance to fiduciaries, including investment managers ("Managers") and the Board of Trustees ("Trustees") of the Public School Retirement System of the City of St. Louis ("System"), in the course of investing the retirement funds ("Fund") of the System. Specifically, this Rule:

(1) briefly outlines the investment-related responsibility of the Trustees and the Managers they retain to manage assets of the System,

(2) provides a framework for regular constructive communication between the System and its Managers, and

(3) authorizes the establishment of formal, yet flexible, Investment and Operating Guidelines that incorporate prudent asset allocation and realistic total return goals and create standards of investment performance by which the Managers agree to be measured over a reasonable time period.

b. This Rule may be amended or modified from time to time by the Trustees, in the manner provided in the System's Rules and Regulations, upon consideration of the advice and recommendations of retained professionals, including the System's actuary, accountant, Manager(s), investment consultant, and attorney. It is also expected that this Rule and the related Investment and Operating Guidelines will be reviewed at least once a year to ensure their relevance to the System's needs and to communicate any material changes thereto to the Managers.

Section 2. Responsibilities - Board of Trustees

Upon consideration of the advice and recommendations of retained professionals, the Trustees' responsibilities include:

b. complying with the provisions of pertinent federal, state and local laws, regulations and rulings,

c. developing investment goals and policies that are consistent with the needs of the System and adopting written investment guidelines for use by the System's staff and professional advisors in the day-to-day management and supervision of the System's Managers,

d. evaluating and appointing Managers to invest and manage the System's assets,

e. determining how the System's assets should be allocated across and within various asset classes,

f. establishing monitoring procedures for the System's Managers,

g. reviewing and evaluating the results of the Managers in context with established standards of performance, and

h. evaluating and selecting qualified investment consultants to assist in implementing and carrying out the System's investment policies and related investment guidelines.

i. evaluating and appointing custodians for safekeeping of the System's assets.

Section 3. Investment Goals

(4) Assets of the System shall be invested in a manner designed to preserve and enhance principal over the long term, both in real and nominal terms.

(5) Total return, consistent with prudent investment management, is the primary goal of the System. Total return, as used herein, includes income less expenses plus realized and unrealized gains and losses in the System's assets.

(6) The Trustees will establish, in the Investment and Operating Guidelines, both real and nominal long-term target rates of return for the Fund that are projected to provide a high probability of achieving the System's long-term investment objectives within acceptable risk levels.

(7) The Trustees shall establish, in the Investment and Operating Guidelines, additional performance expectations for the Fund as a whole and for each asset classification within the Fund.

e. Total Fund risk exposure and risk adjusted returns will be regularly evaluated and compared to such peer group or groups that the Trustees and investment consultant may from time to time select.

Section 4. Permissible Investments

In fulfilling the investment objectives of the Fund, the Trustees may invest the System's assets in the following types of investments.

a. *Domestic Equity Investments* are permitted and may include domestic common stocks traded over-the-counter or on a domestic stock exchange. Convertible bonds, preferred stocks, warrants and rights may be purchased as equity substitutes so long as the underlying equity meets applicable standards. American Depository Receipts (ADRs), which are dollar-denominated negotiable certificates traded on domestic U.S. stock exchanges, and non-U.S. incorporated stocks traded in U.S. dollars on U.S. stock exchanges may be held by each domestic stock Manager to a maximum of 20%. The aforementioned limitation would not apply to U.S. companies that transfer their registration to reduce their U.S. tax liability.

j. *Domestic Fixed Income Securities* are permitted and may include obligations issued or guaranteed by the U.S. Government or any agency or instrumentality thereof, corporate bonds, asset-backed securities, agency guaranteed mortgage pass-through securities, and low-risk collateralized mortgage obligations. Domestic fixed income Managers may also invest in U.S. dollar-denominated issues of international agencies, foreign governments and foreign corporations, i.e., Eurodollar and Yankee bonds.

k. *International Investments* are permitted and may include equity and fixed-income securities. International investments shall only be entered into through the selection of qualified investment management organizations as consistent with fiduciary responsibilities.

l. *Cash Equivalents* and other short-term funds are permitted and may be invested in direct U.S. Government obligations such as U.S. Treasury Bills or repurchase agreements, which are fully collateralized by U.S. Treasury issues. Unless expressly prohibited by the Trustees, excess cash may be invested in the Short Term Investment Fund (STIF) of the Custodian Bank(s) or negotiable certificates of deposit, or other short term investment vehicles deemed prudent by the investment Manager. Funds may be invested in U.S. dollar denominated commercial paper rated no less than P-1 by Moody's or A-1 by Standard and Poor's or equivalent ratings using similar credit criteria. International managers of segregated portfolios may invest excess cash in the STIF fund or deposit accounts of the Custodian or sub-custodian banks, subject to these same criteria.

m. *Real Estate Investments,* both debt and equity, are permitted, but new purchases after the adoption of this Rule, shall be limited to pooled funds managed by institutions that are experienced and widely recognized.

n. Upon recommendation of investment consultant and approval by the Trustees, covered call *options* may be written on eligible securities.

o. *Private Capital Market Investments*, such as venture capital, leveraged buyouts, mezzanine debt, bank loans, direct lending, asset-based lending, other private debt strategies and infrastructure, may be included among the System's equity investments, provided such investments remain within the limits authorized by the Trustees. Private markets amounts that exceed the target allocation, as a result of partial or full liquidation of positions or the receipt of income from investments, may be reallocated to the System's under-allocated asset classes or used to meet cash flow needs according to the approved Investment Policy Asset Allocation Targets and Ranges.

p. *Market Neutral* (long/short strategies) and certain hedge funds with appropriate transparency and liquidity (e.g. merger/convertible arbitrage, fund of funds) may be selected for investment.

q. *Futures Contracts* or forward currency options may be written against securities in the equity portfolio by an investment Manager who has authority to manage such portfolios.

r. *Commingled* funds and/or institutional mutual funds may be used as investment vehicles. The Trustees recognize that they cannot give specific policy directives to such funds (whose policies are already established in separate prospectus or private offering memoranda); therefore, the Trustees shall direct the investment consultant to assess and monitor the investment policies of such funds to ascertain that their policies are reasonably comparable to the System's policies.

s. The System may establish a Securities Lending Program subject to restrictions established by the Trustees, and consistent with Legal Statutes. The underlying collateral shall conform with the quality standards as outlined in Section 4d of the Policy Statement.

t. *Commodities* included in funds where money managers use forward exchange contracts ("FX forwards") or "swaps" on currency to help cure risk volatility as opposed to risk leveraging.

Section 5. Asset Allocation Policy

(8) As a part of this Rule, the Trustees shall adopt an asset allocation policy that is based on a liability-driven approach that tailors the System's asset allocation to its long-term liabilities. This process will establish long-term target return goals and the expected portfolio asset mix required to achieve those goals expressed as a percent of the Fund.

(9) The Trustees shall review the asset allocation policy on a regular basis, at least semi-annually, to determine if the asset allocation is consistent with the exposure range established for the Fund.

(10) The asset allocation policy adopted by the Trustees is to be pursued by the System on a long-term basis but will be revised if significant changes occur within the economic and/or capital market environments. A change in the System's liability structure or funded status may also trigger a revision of the asset allocation policy.

Section 6. Investment & Operating Guidelines

In consultation with the System's investment consultant and subject to the approval of the Investment Committee of the Trustees, staff shall implement the procedures set forth in the Investment and Operating Guidelines. These guidelines shall be consistent with the achievement of the investment goals of the System, shall incorporate the asset allocation policy, and shall provide for the customary oversight of investment Managers by the System's staff and investment consultants. The Investment and Operating Guidelines shall reflect the following considerations:

a. the manner in which investment Managers are expected to carry out their assignments,

b. expected diversification within each asset class, rates of turnover, quality ratings, types of instruments, issue size, country weightings, as appropriate, and asset holdings,

c. risk control measures such as annual average beta or other statistical measures of risk, portfolio quality and maturity,

d. procedures for monitoring the Fund and its Managers and proxy voting guidelines.

e. Compliance with all guidelines must be monitored by the Managers on a regular basis (monthly, or more frequently when unusual market conditions warrant) and must be based on then-current market values. In the event a portfolio moves out of compliance with this Rule or the Investment and Operating Guidelines (as identified in the Manager’s regular review of the portfolio) through market conditions or other changes outside the control of the Manager, the Manager must bring the portfolio composition back into compliance with the Investment Policy Statement within the earliest time frame the Manager considers prudent and promptly inform the Trustees, staff and investment consultant that the Investment Policy Statement has been breached, and of the Manager’s plan for addressing the issue (and/or steps already taken to address the issue).

u. Managers shall make all portfolio transactions on a "best execution" basis. Arrangements to direct commissions shall only be implemented by specific written authorization of the Trustees and shall be in compliance with industry best practices. While the system is not subject to governance by the Department of Labor and ERISA, the provisions of ERISA as described in Department of Labor ERISA Technical Release No. 86-1 and other applicable releases may be reviewed for guidance on best practices.

v. The Investment and Operating Guidelines may contain such other policies, procedures and limitations as are necessary, advisable or appropriate for the management of the Fund or any asset class component of the Fund.

w. Disbursements shall be made from a disbursement account which in turn will be funded by the necessary transfers from the Fund’s investment Managers. Such transfers , amounts, and timing, shall be determined by the Executive Director, upon advice from the Investment Consultant, and approved by the Trustees as necessary to satisfy liquidity requirements and maintain compliance with the Investment Policy asset allocation targets and ranges.

Section 7. Prohibited Investments

Unless specifically approved by the Trustees, certain direct securities, strategies and investments are ineligible for inclusion within the Fund. Among these are:

(11) lettered, legend or other so-called restricted stock,

(12) uncovered short or leveraged positions,

f. margin purchases,

g. direct physical commodities,

e. straight preferred stocks and tax-preferenced securities, unless pricing anomalies in the marketplace suggest the likelihood of near-term capital gains when normal spread relationships resume,

f. investments in private placements (except marketable, liquid securities issued under Rule 144A), real estate, oil and gas, and venture capital, unless approved by the Trustees in advance of their purchase.