



Public School Employees' Retirement Board

Emergency Board Meeting Minutes

Thursday, March 3, 2022 [Sunshine]

Call to Order: Christopher Santa Maria, Chair, called the meeting to order at 4:00 P.M. via MS TEAMS.

Board Members Present:

Christopher Santa Maria, Chair	Eric DiTullio	Patrick Lord for Sec. Noe Ortega
Rep. Frank Ryan, Vice-Chair	Treas. Stacy Garrity	Joe Torsella
Rep. Matt Bradford	Susan Lemmo	Sec. Richard Vague
Stacey Connors for Sen. Patrick Browne	Nathan Mains	Melva Vogler
Jason Davis	Ann Monaghan	
	Sen. Katie Muth	

Others Present:

Anne Baloga	John Donovan, BlackRock	Patrick Shaughnessy
James Bloom	Suzanne Dugan, CohenMilstein	Jill Vecchio
Susan Boyle	Lloyd Ebright	Scott Williamson, BlackRock
John Callahan	Alan Flannigan	
Thomas Clancy	Christopher Milken, BlackRock	

Staff Present:

Thomas Bauer	Bev Hudson	Chuck Serine
Brian Carl	Christopher Jones	Joe Sheva
Tivia Danner	Mike Kondas	Steve Skoff
Bob Devine	Bob Little	Charlie Spiller
Mei Gentry	Jennifer Mills	Evelyn Williams
Jim Grossman	Terri Sanchez	

1. Acceptance of Published Agenda or Amendments

Rep. Frank Ryan motioned, with Jason Davis seconding. The motion passed unanimously.

Chair Santa Maria provided the following statement:

Good afternoon, everyone.

I have a brief statement.

On Monday I expressed my deepest concern, on behalf of the System, for the people of Ukraine who are suffering under the terrible military campaign being inflicted upon them by Russia with the cooperation of Belarus.

Last week I asked our investment staff to research the direct investment we have with firms doing business in Russia and Belarus. They estimate that our exposure in those two Countries is between \$270 – 300 million, or less than one half of one percent of our entire portfolio. That being said, any amount of investment in these two countries now poses an unacceptable risk, in my opinion. In my statement I said that our investment staff would continue to monitor the situation closely ahead of our regularly scheduled March 11 Board meeting, and that at that meeting we would make a decision on these investments.

Over the past three days I have been contacted by Board members who questioned whether it was necessary or prudent to wait another week to address this issue given that the situation over in the Ukraine has only gotten worse each day, and that many state and local governments, along with private sector firms, have already begun to take action. Waiting until March 11 may be a matter of scheduling convenience, but it most certainly doesn't reflect the sense of urgency the Board feels at this moment.

After a discussion involving the Vice Chair, the Investment Committee Chair, the Executive Director, our Interim Chief Investment Officer, and our Fiduciary Counsel along with our Chief Counsel, I have exercised my authority under the ByLaws to call for this emergency meeting of the Board so that we can take action now on behalf of our members. I have asked our Chief Counsel to prepare a resolution for consideration that would direct the Investment Office to begin the divestment of PSERS from Russia and Belarus in an expedited manner consistent with our fiduciary responsibility of prudence. The resolution will also halt any future consideration of direct investments in Russia or Belarus, including firms based in those two countries, until such time as the Board changes that order. Bob Devine, our interim chief investment officer is here along with Suzanne Dugan, our fiduciary counsel. Bob, I will ask you to let me know if there is a need to take us into executive session for you to respond to a question. And, finally, I want to acknowledge the receipt of a letter today from Governor Wolf asking the Board to take action now to divest from Russia. I will now open up the meeting up for discussion.

A discussion followed. Board members stated their support for the Ukrainians, condemnation of the Russia invasion of Ukraine, observance of the need for prudent and swift financial decisions, appreciation for fellow Board members in working with PSERS staff to schedule the meeting, and recognition of Governor Wolf's support in the form his letter to PSERS to make the decision of divesting Russian and Belarus investments.

2. Executive Session – none

3. Action Items

Resolution 2022-12 Divestment of Russian and Belarus Investment Holdings

RESOLVED, that the Public School Employees' Retirement Board hereby authorizes the Interim Chief Investment Officer to take all necessary action to divest PSERS from investments in Russian and Belarus as expeditiously as possible, consistent with the Board's fiduciary duty of prudence.

Further resolved, no future investments involving Russia or Belarus shall be made or brought before the Board, until such time as the Board directs otherwise.

Melva Vogler moved the resolution, and Rep. Frank Ryan seconded.

The resolution passed unanimously.

4. Board Comments

Christopher Santa Maria requested the Investment Office provide an update to this divestment process during the Board meeting scheduled in June. Bob Devine, Interim Chief Investment Officer, agreed and offered a cursory progress report at the March 11, 2022, Board meeting.

Rep. Frank Ryan expressed his appreciation to the Board, and in reflection of his military service, applauded the strength of Ukrainians during this difficult time. He commended the Board for making the stand against the events happening in Europe.

Christopher Santa Maria echoed all comments made in the meeting regarding the support the Board is showing in making the decision and thanked everyone for attending the meeting on short notice. He was proud to be part of PSERS and hoped that PSERS' actions during the meeting and actions by investors around the world, would send a clear message and have a strong impact to end the conflict.

Without objection, Christopher Santa Maria adjourned the meeting at 4:25 P.M.

DocuSigned by:

Terrell J Sanchez

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3/8/2022