

MINUTES

SERS Board Meeting

Tuesday, December 9, 2025 ~ Scheduled Start: 9:30 a.m. ~ Actual Start: 9:33 a.m.

ATTENDANCE AT BOARD MEETING:

Board Members:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Donald Enders, Jr. | <input type="checkbox"/> Michael Heckmann, Designee |
| <input checked="" type="checkbox"/> W. Russell Faber | <input type="checkbox"/> Jill Vecchio, Designee |
| <input type="checkbox"/> Rep. Dan Frankel | <input checked="" type="checkbox"/> Sec. Uri Monson |
| <input type="checkbox"/> Anne Baloga, Designee | <input type="checkbox"/> Sen. Devlin Robinson |
| <input checked="" type="checkbox"/> Matthew McCarry, Designee | <input checked="" type="checkbox"/> Kevin Battle, Designee |
| <input type="checkbox"/> Devin Mercado, Designee | <input type="checkbox"/> Stephanie Buchanan, Designee |
| <input checked="" type="checkbox"/> John Galuska | <input type="checkbox"/> Allison Dutrey, Designee |
| <input type="checkbox"/> Tr. Stacy Garrity | <input checked="" type="checkbox"/> Sec. Wendy Spicher |
| <input type="checkbox"/> Christopher Craig, Designee | <input type="checkbox"/> Seamus Dubbs, Designee |
| <input type="checkbox"/> Lloyd Ebright, Designee | <input type="checkbox"/> Eric Pistilli, Designee |
| <input checked="" type="checkbox"/> Tom Waters, Designee | <input type="checkbox"/> Jeffrey Soderstedt, Designee |
| <input type="checkbox"/> Sen. Vincent Hughes | <input checked="" type="checkbox"/> Gregory Thall (Board Chair) |
| <input checked="" type="checkbox"/> Matthew Lindsay, Designee | |
| <input type="checkbox"/> Antoinette Marchowsky, Designee | |
| <input checked="" type="checkbox"/> Rep. Brett Miller | |

SERS Leadership:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Chief Compliance Officer <i>Jo Ann Collins</i> | <input checked="" type="checkbox"/> Chief Investment Officer <i>James Nolan</i> |
| <input checked="" type="checkbox"/> Chief Counsel <i>N. Joseph Marcucci</i> | <input checked="" type="checkbox"/> Comm. Director & Press Secretary <i>Pamela Hile</i> |
| <input checked="" type="checkbox"/> Chief Financial Officer <i>Sara McSurdy</i> | <input checked="" type="checkbox"/> Deputy Chief Counsel (Benefits) <i>Catherine Nolan</i> |
| <input checked="" type="checkbox"/> Chief Information Officer <i>Daniel Krautheim</i> | <input checked="" type="checkbox"/> Deputy Chief Counsel (Business) <i>Steven Skoff</i> |

- | | |
|--|---|
| <input checked="" type="checkbox"/> Deputy Chief Financial Officer <i>Michael McGeoy</i> | <input checked="" type="checkbox"/> Executive Director <i>Joseph Torta</i> |
| <input checked="" type="checkbox"/> Deputy Chief Investment Officer <i>William Truong</i> | <input checked="" type="checkbox"/> HR Director <i>Michele Shaner</i> |
| <input type="checkbox"/> Deputy Executive Director for Admin. <i>Beth Christian</i> | <input checked="" type="checkbox"/> Internal Audit Director <i>Ryan McCoy</i> |
| <input checked="" type="checkbox"/> Deputy Executive Director for OMPS <i>Brenda Cunard</i> | <input checked="" type="checkbox"/> Legislative Affairs & Policy Director <i>Thomas Derr</i> |
| <input checked="" type="checkbox"/> Director of Gov. & Strategic Initiatives <i>Cynthia Collins</i> | |

SERS Board Committee Support:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Administrative Assistant, OA <i>Kelly Bernhard</i> | <input checked="" type="checkbox"/> IT Generalist <i>Jonathan Ryan</i> |
| <input type="checkbox"/> Executive Assistant, OA <i>Shannon Zimmerman</i> | <input checked="" type="checkbox"/> IT Generalist <i>Brett Shaffer</i> |
| <input checked="" type="checkbox"/> Executive Assistant, Board Ed. <i>Sheila Willrich</i> | <input checked="" type="checkbox"/> IT Generalist <i>Matthew Soule</i> |
| <input checked="" type="checkbox"/> Executive Secretary <i>Courtney Yurovich</i> | <input type="checkbox"/> Technical Support Director <i>Randy Gilson</i> |
| <input checked="" type="checkbox"/> IT Administrator <i>Mark Walter</i> | |

Other SERS Staff:

Lindsay Bailor
Richard Gaul

MINUTES OF THE SERS BOARD MEETING TUESDAY, DECEMBER 9, 2025:**1. Call to Order**

The meeting was called to order at 9:33 a.m. by Gregory Thall, Board Chair.

2. Welcome and Roll Call

Executive Director Joseph Torta conducted a roll call of board members and designees. A quorum was met.

3. Public Comments

Jared Gaby Beigle - United Food and Commercial Workers International Union- Jared gave an update regarding a fund UFCW represents beneficiaries in, about workforce management oversight failures at heritage Grocers Group. A grocery chain owned by Apollo Global

Managements. Fund 9 that SERS invested \$85 million. As Apollo raises a \$25 billion flagship fund, he believes these failures constitute strong reasons for SERS to delay any new commitments to Apollo. Under Apollos' ownership, Heritage has experienced numerous workforce management problems that threaten to raise costs, lower employee morale, stoke operational inefficiencies, harm the company's reputation and reduce customer count. Heritage has spent untold sums fighting its workers' attempts to exercise their rights to form a union. These expenses include aggressive management and anti-UN campaigns at both Tony's and Cardinas that have featured breakroom posters, and regular texts to employees, and elaborate anti-UN website, as captive audience department meetings and retention of a union avoidance consultant that charges hundreds of dollars an hour for its services. Not only does union busting cost money, it contradicts intentionally recognized human rights, standards, contravene the spirit of US labor law, and risks undermining worker effort and performance.

Heather Staloski- Retired from the Commonwealth in 2018. I retired from the state in 2018. I moved to Texas and now I am back home in PA. This question goes out to anyone on the board or the committee who can potentially provide me with some insight. I understand this is not an interactive forum, so however this information can be passed along with me I'm perfectly happy to have it addressed in a future meeting. A lot of economists are predicting a market downturn around the corner, I'm curious about SERS' opinion on that. I know many states and municipal governments are in a position where they are going to have to start paying out more than what they are receiving through their investments and that means taxes increase. In the event of a recession, if that were to happen, is there a plan to shift some of those riskier investments like private equity over to public equity like bonds.

4. Adoption of the Agenda

MOTION: 2025-48

By motion that was moved, seconded, and approved unanimously by the board members present, it was RESOLVED that the board adopt the agenda for the December 9, 2025, board meeting.

5. Approval of Consent Calendar

MOTION: 2025-49

By motion that was moved, seconded, and approved unanimously by the board members present, it was RESOLVED that the board approves the Consent Calendar items for the December 9, 2025, board meeting.

- A. Approving Board Meeting Minutes – October 7, 2025, Regular meeting
- B. Defined Benefit Plan Statement of Changes in Fiduciary Net Position for the Periods Ending: July 2025, August 2025, September 2025
- C. Deferred Compensation Plan Statement of Changes in Fiduciary Net Position for the Periods Ending July 2025, August 2025, September 2025

D. Defined Contribution Plan Statements of Change in Fiduciary Net Position for the Periods Ending: July 2025, August 2025, September 2025

Committee Reports/Action Items

A. Investment Committee

Committee Chair Uri Monson presented a report of the Investment Committee meeting of December 2, 2025, to the board. The following actions were taken:

Private Equity Opportunity: BVIP Fund XII, L.P

MOTION: 2025-50

By motion that was moved, seconded, and approved unanimously by the board members present, it was

RESOLVED: That the State Employees' Retirement Board commit up to \$65 million to BVIP Fund XII, L.P., plus investment expenses and pro rata share of partnership operating expenses, consistent with executed partnership documents, as a new investment within the Private Equity asset class, subject to successful completion of contract negotiations and execution and delivery of closing documents by all parties, including required Commonwealth legal approvals, within 12 months.

| | | |
|--------------------|------------------------|-----|
| Donald Enders, Jr. | | Yes |
| W. Russell Faber | | Yes |
| Dan B. Frankel | Designee Matt McCarry | Yes |
| John Galuska | | Yes |
| Stacy Garrity | Designee Thomas Waters | Yes |
| Vincent J. Hughes | Designee Matt Lindsay | Yes |
| Brett R. Miller | | Yes |
| Uri Monson | | Yes |
| Devlin Robinson | Designee Kevin Battle | Yes |
| Wendy Spicher | | Yes |
| Gregory C. Thall | | Yes |

Defined Benefit Plan Update

MOTION: 2025-51

By motion that was moved, seconded, and approved unanimously by the board members present, it was

RESOLVED: That the State Employees' Retirement Board approve the proposed updates to the SERS' Defined Benefit Plan Investment Policy Statement, as set forth in the attachment.

| | | |
|--------------------|------------------------|-----|
| Donald Enders, Jr. | | Yes |
| W. Russell Faber | | Yes |
| Dan B. Frankel | Designee Matt McCarry | Yes |
| John Galuska | | Yes |
| Stacy Garrity | Designee Thomas Waters | Yes |

| | | |
|-------------------|-----------------------|-----|
| Vincent J. Hughes | Designee Matt Lindsay | Yes |
| Brett R. Miller | | Yes |
| Uri Monson | | Yes |
| Devlin Robinson | Designee Kevin Battle | Yes |
| Wendy Spicher | | Yes |
| Gregory C. Thall | | Yes |

Defined Contribution Plan Update**MOTION: 2025-52**

By motion that was moved, seconded, and approved unanimously by the board members present, it was

RESOLVED: That the State Employees' Retirement Board approve the proposed updates to the SERS' Defined Contribution Plan Investment Policy Statement, as set forth in the attachment.

| | | |
|--------------------|------------------------|-----|
| Donald Enders, Jr. | | Yes |
| W. Russell Faber | | Yes |
| Dan B. Frankel | Designee Matt McCarry | Yes |
| John Galuska | | Yes |
| Stacy Garrity | Designee Thomas Waters | Yes |
| Vincent J. Hughes | Designee Matt Lindsay | Yes |
| Brett R. Miller | | Yes |
| Uri Monson | | Yes |
| Devlin Robinson | Designee Kevin Battle | Yes |
| Wendy Spicher | | Yes |
| Gregory C. Thall | | Yes |

Deferred Compensation Plan Update**MOTION: 2025-53**

By motion that was moved, seconded, and approved unanimously by the board members present, it was

RESOLVED: That the State Employees' Retirement Board approve the proposed updates to the SERS' Deferred Compensation Plan Investment Policy Statement, as set forth in the attachment.

| | | |
|--------------------|------------------------|-----|
| Donald Enders, Jr. | | Yes |
| W. Russell Faber | | Yes |
| Dan B. Frankel | Designee Matt McCarry | Yes |
| John Galuska | | Yes |
| Stacy Garrity | Designee Thomas Waters | Yes |
| Vincent J. Hughes | Designee Matt Lindsay | Yes |
| Brett R. Miller | | Yes |
| Uri Monson | | Yes |
| Devlin Robinson | Designee Kevin Battle | Yes |
| Wendy Spicher | | Yes |
| Gregory C. Thall | | Yes |

B. Audit, Risk and Compliance Committee

Thomas Waters, Designee for Treasurer Stacy Garrity, presented a report of the Audit, Risk and Compliance Committee meeting of December 2, 2025, to the board.

INTERNAL AUDIT PLAN 2026-2027 UPDATE**MOTION: 2025-54**

By motion that was moved, seconded, and approved unanimously by the board members present, it was

RESOLVED: That the State Employees' Retirement Board accept the recommendation of the Audit, Risk and Compliance Committee to approve the 2026-2027 Internal Audit Plan as attached and set forth in the Audit, Risk and Compliance Committee BoardDocs Agenda under Agenda Item 6.A.i.

| | | |
|--------------------|------------------------|-----|
| Donald Enders, Jr. | | Yes |
| W. Russell Faber | | Yes |
| Dan B. Frankel | Designee Matt McCarry | Yes |
| John Galuska | | Yes |
| Stacy Garrity | Designee Thomas Waters | Yes |
| Vincent J. Hughes | Designee Matt Lindsay | Yes |
| Brett R. Miller | | Yes |
| Uri Monson | | Yes |
| Devlin Robinson | Designee Kevin Battle | Yes |
| Wendy Spicher | | Yes |
| Gregory C. Thall | | Yes |

INDEPENDENT AUDITING SERVICES STATEMENT OF WORK**MOTION: 2025-55**

By motion that was moved, seconded, and approved unanimously by the board members present, it was

RESOLVED: That the State Employees' Retirement Board accept the recommendation of the Audit, Risk and Compliance to approve the Independent Auditing Services Statement of Work Request for Proposal as set forth in the Audit, Risk and Compliance Committee BoardDocs Agenda under Agenda Item 6.A.ii.

| | | |
|--------------------|------------------------|-----|
| Donald Enders, Jr. | | Yes |
| W. Russell Faber | | Yes |
| Dan B. Frankel | Designee Matt McCarry | Yes |
| John Galuska | | Yes |
| Stacy Garrity | Designee Thomas Waters | Yes |
| Vincent J. Hughes | Designee Matt Lindsay | Yes |

| | | |
|------------------|-----------------------|-----|
| Brett R. Miller | | Yes |
| Uri Monson | | Yes |
| Devlin Robinson | Designee Kevin Battle | Yes |
| Wendy Spicher | | Yes |
| Gregory C. Thall | | Yes |

C. Board Governance and Personnel Committee

Committee Chair Gregory Thall presented a report of the Board Governance and Personnel Committee meeting of December 2, 2025, to the board. The following actions were taken:

GLOBAL GOVERNANCE ADVISORS 2025 SERS' BOARD SELF-ASSESSMENT FINAL REPORT AND THE 2025 BOARD SKILLS ASSESSMENT

MOTION: 2025-56

By motion that was moved, seconded, and approved unanimously by the board members present, it was

RESOLVED: That the State Employees' Retirement Board accept the recommendation of the Board Governance and Personnel Committee to: (1) accept Global Governance Advisors 2025 SERS' Board Self-Assessment Final Report and the 2025 Board Skills Assessment, as set forth in the attached and as attached in Board Docs at Agenda Item 4.B, and (2) direct staff to engage with the Board Governance and Personnel Committee to: (a) review the Final Report's recommendations, and (b) make recommendations to the Board for action, as appropriate.

| | | |
|--------------------|------------------------|-----|
| Donald Enders, Jr. | | Yes |
| W. Russell Faber | | Yes |
| Dan B. Frankel | Designee Matt McCarry | Yes |
| John Galuska | | Yes |
| Stacy Garrity | Designee Thomas Waters | Yes |
| Vincent J. Hughes | Designee Matt Lindsay | Yes |
| Brett R. Miller | | Yes |
| Uri Monson | | Yes |
| Devlin Robinson | Designee Kevin Battle | Yes |
| Wendy Spicher | | Yes |
| Gregory C. Thall | | Yes |

COMPENSATION POLICY FOR INVESTMENT PROFESSIONALS

MOTION: 2025-57

By motion that was moved, seconded, and approved unanimously by the board members present, it was

RESOLVED: That the State Employees' Retirement Board accept the recommendation of the Board Governance and Personnel Committee to : (i) approve a 2.6% upward adjustment, actual values may vary slightly in accordance with standard calculations for commonwealth pay to the

salary bands for investment professionals, to be effective January 1, 2026; and (ii) that the values in the Compensation Policy for Investment Professional Staff – State Employees' Retirement System be updated accordingly.

| | | |
|--------------------|------------------------|-----|
| Donald Enders, Jr. | | Yes |
| W. Russell Faber | | Yes |
| Dan B. Frankel | Designee Matt McCarry | Yes |
| John Galuska | | Yes |
| Stacy Garrity | Designee Thomas Waters | Yes |
| Vincent J. Hughes | Designee Matt Lindsay | Yes |
| Brett R. Miller | | Yes |
| Uri Monson | | Yes |
| Devlin Robinson | Designee Kevin Battle | Yes |
| Wendy Spicher | | Yes |
| Gregory C. Thall | | Yes |

AGGREGATE PAY INCREASE BUDGET

MOTION: 2025-58

By motion that was moved, seconded, and approved unanimously by the board members present, it was

RESOLVED: That the State Employees' Retirement Board accept the recommendation of the Board Governance and Personnel Committee to approve the annual aggregate pay increase budget for 2026 to be set at 4.25% of the aggregate salary of all staff compensated on the investment professional pay schedule for positions below that of the Chief Financial Officer and the Chief Investment Officer, with the actual pay increases for all staff compensated on the investment professional pay schedule including the Chief Financial Officer and the Chief Investment Officer to be determined in accordance with the Compensation Policy for Investment Professional Staff – State Employees' Retirement System.

| | | |
|--------------------|------------------------|-----|
| Donald Enders, Jr. | | Yes |
| W. Russell Faber | | Yes |
| Dan B. Frankel | Designee Matt McCarry | Yes |
| John Galuska | | Yes |
| Stacy Garrity | Designee Thomas Waters | Yes |
| Vincent J. Hughes | Designee Matt Lindsay | Yes |
| Brett R. Miller | | Yes |
| Uri Monson | | Yes |
| Devlin Robinson | Designee Kevin Battle | Yes |
| Wendy Spicher | | Yes |
| Gregory C. Thall | | Yes |

EXECUTIVE DIRECTOR PAY

MOTION: 2025-59

By motion that was moved, seconded, and approved unanimously by the board members present, it was

RESOLVED: That the State Employees' Retirement Board accept the recommendation of the Board Governance and Personnel Committee to request the Commonwealth's Executive Board authorize a 7.8% increase to \$130.99 an hour for Joseph A. Torta, Executive Director, to be effective upon approval of the Executive Board, provided however, that if the cost-of-living adjustment granted to Cabinet officers for 2026 under Act 51 of 1995 is not 3.3%, then the percentage increase requested for Joseph A. Torta shall be increased or decreased by the amount the cost-of-living adjustment granted to Cabinet officers is greater or lesser than 3.3%

| | | |
|--------------------|------------------------|-----|
| Donald Enders, Jr. | | Yes |
| W. Russell Faber | | Yes |
| Dan B. Frankel | Designee Matt McCarry | Yes |
| John Galuska | | Yes |
| Stacy Garrity | Designee Thomas Waters | Yes |
| Vincent J. Hughes | Designee Matt Lindsay | Yes |
| Brett R. Miller | | Yes |
| Uri Monson | | Yes |
| Devlin Robinson | Designee Kevin Battle | Yes |
| Wendy Spicher | | Yes |
| Gregory C. Thall | | Yes |

FIDUCIARY REVIEW UPDATE

MOTION: 2025-60

By motion that was moved, seconded, and approved unanimously by the board members present, it was

RESOLVED: That the State Employees' Retirement Board, approve the statement of work for the Board's Fiduciary Review Request for Quotation as described in the attached presentation, and as located at BoardDocs in Agenda Item 7(c).

| | | |
|--------------------|------------------------|-----|
| Donald Enders, Jr. | | Yes |
| W. Russell Faber | | Yes |
| Dan B. Frankel | Designee Matt McCarry | Yes |
| John Galuska | | Yes |
| Stacy Garrity | Designee Thomas Waters | Yes |
| Vincent J. Hughes | Designee Matt Lindsay | Yes |
| Brett R. Miller | | Yes |
| Uri Monson | | Yes |
| Devlin Robinson | Designee Kevin Battle | Yes |
| Wendy Spicher | | Yes |
| Gregory C. Thall | | Yes |

D. Old Business

NONE

E. New Business

NONE

F. Special Presentation

NONE

G. Reports of Executive Director and Agency Staff

A. Executive Director Joseph Torta provided the following updates:

i. Executive Verbal Update:

Executive Director Torta highlighted the agency's accomplishments for so the board understands the work completed by employees to serve our members and participants. For this calendar year we projected that SERS will pay over 15,000 new retirement death benefit, survivor, and refund payments. Those payments represent new annuities, new death benefits and new refunds. (i.e. these are new payments, not payments to those already receiving annuity benefits). These individuals entrust us with their retirement funds, and we do the important work of ensuring security of those funds.

Executive Director Torta advised that we received clean audit opinions for each of our three plans under management.

Executive Director Torta noted that the Pension Administration System, a multi-year project, is likely the biggest project undertaken by SERS as an agency. A tremendous amount of work has gone into developing the requirements for the new Pension Administration System. The goal is to put a system in place that is fully secure and will digitize many of our processes. The project is on schedule; we anticipate issuing the Request for Proposal by January 12, 2026.

Executive Director Torta provided an update on our first System and Organization Controls ("SOC") Audit. A tremendous amount of work occurred to achieve our successful SOC audit. Clifton Larson Allen LLP issued an unqualified opinion, which is the highest possible rating, which affirms that our internal controls are suitably designed and effective.

Executive Director Torta recognized the improved financial status of the plan. Executive Director Torta acknowledged the efforts of Jim Nolan, Chief Investment Officer, and his staff. Executive Director Torta noted that employer rates are down; the funded ratio is up; and our unfunded liability has decreased. Those three indicators are all moving in the right

direction. We fully anticipate a continuation of that based on this year's investment returns. As of September 30, 2025, Defined Benefit Plan assets exceeded \$42 billion. The Defined Contribution Plan, which was just launched in January 2019, has assets totaling approximately \$433 million up \$123 million over the previous 12 months. The 457 Deferred Compensation Plan's assets total approximately \$5.4 billion, which represents an increase of approximately \$370 million since January 1, 2025.

Executive Directed observed that SERS introduced public comments at our Board meetings.

Executive Director Torta noted that SERS finalized the third-party administrator contract, our business partner overseeing Defined Contribution and Deferred Compensation accounts. Empower was selected to continue as our third-party administrator. The continuity of that relationship is paramount to the financial security provided to our members and participants.

Executive Director Torta also recognized the sub custodial conversion for Defined Contribution and Deferred Compensation transactions. The conversion allowed SERS to modernize its platform and pay benefits more quickly from Defined Contribution and Deferred Compensation accounts. The sub custodial conversion also increased service levels and resulted in considerable savings for both individual participants and Commonwealth agencies.

Executive Torta also mentioned the successful completion of the actuarial replication audit conducted by Gabriel, Roeder, Smith & Company.

Finally, for the first time, SERS implemented shared risk, involving approximately 27,000 Class A5 and A6 hybrid members, which resulted in a contribution increase for these members and participants of 0.09%.

ii. Legislative Update:

Executive Director Torta stated that there are no legislative updates.

iii. Dismissals, Orders and Adjudications:

Executive Director Torta noted that there are no Dismissals, Orders or Adjudications for this board cycle.

- b. SERS Deputy Executive Director of Administration – NONE
- c. Chief Investment Officer – NONE

- d. Chief Financial Officer – NONE

H. EXECUTIVE SESSION

- a. Chief Compliance Officer's Report on Board Referrals
- b. Benefits Administration and Appellate Litigation Update

At 10:49 a.m. the board recessed and entered executive session to receive reports and legal advice on executive session agenda items. Public session resumed at 11:03 a.m.

Board Comments/Announcements/Dates to Remember

TBD- Next regular scheduled committee meetings

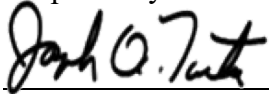
TBD – Next regular scheduled board meeting

I. MOTION TO ADJOURN

MOTION: 2025- 61

By motion of Chair Thall, the board unanimously agreed to adjourn the meeting at 1:36 p.m.

Respectfully Submitted,



Name: Joseph A. Torta

Job Title: Executive Director