

<p>KEVIN STEINKE, LOUIS FANTINI, EMILY FANTINI, and DANIEL REYES, on behalf of themselves and all other similarly situated,</p> <p>Plaintiffs,</p> <p>vs.</p> <p>AON INVESTMENTS USA, INC., HEWITT ENNISKNUPP, INC., AON HEWITT INVESTMENT CONSULTING, INC., PORTFOLIO ADVISORS LLC, HAMILTON LANE ADVISORS, L.L.C., and AKSIA LLC,</p> <p>Defendants.</p>	<p><i>Filed and Attested by the Office of Judicial Records 10 APR 2023 07:08 pm E. HAURIN</i></p> <p>COURT OF COMMON PLEAS PHILADELPHIA COUNTY</p> <p>CIVIL DIVISION</p> <p>JULY TERM, 2021</p> <p>No. 210601197</p> <p>COMMERCE PROGRAM</p>
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**DEFENDANT AKSIA LLC’S ANSWER AND NEW MATTER TO THIRD AMENDED
CLASS ACTION COMPLAINT**

Defendant Aksia LLC (“Aksia”), by its attorneys, hereby answers and asserts new matter to Plaintiffs Kevin Steinke, Louis Fantini, Emily Fantini, and Daniel Reyes’ (collectively, “Plaintiffs”) Third Amended Class Action Complaint (“TAC”). In support thereof, Aksia avers as follows:

1. Aksia denies that it took any wrongful action or inaction with respect to the Pennsylvania Public School Employees’ Retirement System (“PSERS”). Aksia further denies that its actions and/or inactions caused an increased contribution obligation from Plaintiffs or any other individual and denies that its actions and/or inactions caused Plaintiffs or any other individual any injury or damage. Aksia has, at all times, fully and lawfully performed its obligations under its agreements with PSERS. Aksia admits that Plaintiffs purport to bring this action on behalf of themselves and on behalf of others, and that they seek injunctive and monetary relief, but denies that they are entitled to this or any other relief. Further, this paragraph contains conclusions of law to which no response is required.

2. Paragraph 2 contains legal conclusions, to which no response is required. To the extent a response is required, Aksia denies that it owes or owed PSERS any obligation beyond the obligations expressly provided by contract. Aksia further denies that it owed or owes a fiduciary duty to the “Plan participants” or breached any duty. Aksia has, at all times, fully and lawfully performed its obligations under its agreements with PSERS.

THE PARTIES¹

3. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

4. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

5. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

6. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

7. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

8. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

9. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

10. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

¹ All headers herein are as they appear in the TAC. To the extent a header purports to allege a fact, Aksia does not admit it.

11. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

12. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

13. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

14. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

15. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

16. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

17. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

18. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

19. Admitted only that Plaintiffs purport to bring this action on behalf of themselves and on behalf of others. Whether or not Plaintiffs are entitled to do so is denied as a conclusion of law to which no response is required. This paragraph is denied in all other respects, including the averment that Aksia's actions and/or inactions caused increases to the contribution obligations of Plaintiffs or any other individual. Further denied to the extent that Plaintiffs claim that Aksia's action and/or inactions caused other damages or injuries to Plaintiffs or any other individual. Aksia has, at all times, fully and lawfully performed its obligations under its agreements with PSERS.

20. The allegations in this paragraph are directed to a party other than Aksia, and so no response is required.

21. The allegations in this paragraph are directed to a party other than Aksia, and so no response is required.

22. The allegations in this paragraph are directed to a party other than Aksia, and so no response is required.

23. The allegations in this paragraph are directed to a party other than Aksia, and so no response is required.

24. The allegations in this paragraph are directed to a party other than Aksia, and so no response is required.

25. The allegations in this paragraph are directed to a party other than Aksia, and so no response is required.

26. The allegations in this paragraph are directed to a party other than Aksia, and so no response is required.

27. The allegations in this paragraph are directed to a party other than Aksia, and so no response is required.

28. The allegations in this paragraph are directed to a party other than Aksia, and so no response is required.

29. The allegations in this paragraph are directed to a party other than Aksia, and so no response is required.

30. The allegations in this paragraph are directed to a party other than Aksia, and so no response is required.

31. The allegations in this paragraph are directed to a party other than Aksia, and so no response is required.

32. The allegations in this paragraph are directed to a party other than Aksia, and so no response is required.

33. The allegations in this paragraph are directed to a party other than Aksia, and so no response is required.

34. The allegations in this paragraph are directed to a party other than Aksia, and so no response is required.

35. Denied. Aksia LLC is a Delaware LLC with a principal place of business in New York City, located at 559 Lexington Avenue, 37th Floor, New York, New York.

36. Admitted only that Aksia entered into a consulting agreement with PSERS effective as of September 16, 2015 (the “2015 Agreement”), and a later consulting agreement with PSERS effective as of January 27, 2021 (the “2021 Agreement”), under which Aksia agreed to provide certain services to PSERS. The 2015 and 2021 Agreement are writings, which speak for themselves, and no response is required to averments of their contents. Aksia denies all characterizations of the 2015 and 2021 Agreements and its obligations thereunder and further denies any implication that it had any obligations with respect to PSERS other than those set forth in the 2015 and 2021 Agreements.

JURISDICTION AND VENUE

37. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

38. This paragraph contains legal conclusions, to which no response is required. To the extent a response is required, Aksia states that, after reasonable investigation, it is without

knowledge or information sufficient to form a belief as to the truth of this averment as no putative class has been certified.

39. This paragraph contains a conclusion of law to which no response is required. To the extent a response is required, Aksia denies that Plaintiffs have met the requirements to certify a class or that one should be certified. Aksia further states that, after reasonable investigation, it is without knowledge or information sufficient to form a belief as to the truth of this averment as no putative class has been certified.

40. The allegations in this paragraph are directed to a party other than Aksia, and so no response is required.

41. The allegations in this paragraph are directed to a party other than Aksia, and so no response is required.

42. The allegations in this paragraph are directed to a party other than Aksia, and so no response is required.

43. Admitted that Aksia has a business relationship with PSERS.

44. This paragraph is a conclusion of law to which no response is required. To the extent a response is required, Aksia denies that Plaintiffs suffered any damage. Aksia further denies that its actions and/or inactions caused an increased contribution obligation from Plaintiffs or any other individual and denies that its actions and/or inactions caused Plaintiffs or any other individual any injury or damage. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

45. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

46. This paragraph is a conclusion of law to which no response is required. To the extent a response is required, Aksia admits Plaintiffs purport to seek monetary and equitable relief, but denies that its actions and/or inactions caused Plaintiffs or any other individual any injury or damage.

GENERAL ALLEGATIONS

1. Overview of the Pennsylvania Public School Employees Retirement Plans

47. Admitted only that defined benefit and defined contribution are two forms of retirement plans employers can offer. Otherwise, after reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment, including any allegations included in Plaintiffs' first footnote.

48. After reasonable investigation, Aksia states that it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

49. After reasonable investigation, Aksia states that it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

50. After reasonable investigation, Aksia states that it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

51. Admitted.

52. Admitted that Plaintiffs make allegations in the Third Amended Complaint concerning the investment, administration, and management of the PSERS Plan. The paragraph is denied in all other respects, including that Aksia's actions and/or inactions caused an increased contribution obligation from Plaintiffs or any other individual. Aksia further denies that its actions and/or inactions caused Plaintiffs or any other individual any injury or damage. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

2. PSERB's Role as Fiduciary and Administrator of the Retirement System

53. This paragraph contains a legal conclusion to which no response is required.

54. The terms and structure of the PSERS Board is set forth in the Pennsylvania Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, et seq., the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the statute, they are denied. Admitted, upon information and belief, that PSERS employs its own knowledgeable and sophisticated investment professionals and contracts for the services of outside investment managers and outside consultants. Otherwise, after reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

55. Admitted that 24 Pa. C.S. § 8521(e) contains the quoted language. To the extent that Plaintiffs' averments in this paragraph contradict the statute, they are denied. Denied that the bold and underline emphases appear in the original. Plaintiffs' characterization of 24 Pa. C.S. § 8521(e) contains a conclusion of law to which no response is required.

56. Plaintiffs' characterization of 24 Pa. C.S. § 8521(e) is a conclusion of law to which no response is required.

57. Admitted that 24 Pa. C.S. § 8521(a) contains the quoted language. To the extent that Plaintiffs' averments in this paragraph contradict the statute, they are denied. Denied that the bold and underline emphases appear in the original. Plaintiffs' characterization of 24 Pa. C.S. § 8521(a) contains a conclusion of law to which no response is required.

58. This paragraph purports to quote from PSERS' Ethics Policy, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the Policy, they are denied.

59. This paragraph purports to quote from PSERS' Ethics Policy, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the Policy, they are denied.

60. This paragraph purports to quote from PSERS' Ethics Policy, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the Policy, they are denied.

3. Changes to Traditional "Pure" Defined Benefit Pension Plans

61. Aksia states that, after reasonable investigation, it is without knowledge or information sufficient to form a belief as to the truth of the allegations of this paragraph.

62. Plaintiffs' characterization of Pennsylvania legislative changes in 2010 is a conclusion of law to which no response is required.

63. Plaintiffs' characterization of Pennsylvania legislative changes in 2010 and 2011 is a conclusion of law to which no response is required.

64. Plaintiffs' characterization of Pennsylvania legislative changes in 2010 and 2011 is a conclusion of law to which no response is required.

65. Plaintiffs' characterization of Pennsylvania legislative changes in 2010 and 2011 is a conclusion of law to which no response is required. By way of further response, the terms and structure of PSERS' plan and the obligations of its Board, including with respect to assumed rates of return, are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the Code, they are denied.

66. Plaintiffs' characterization of Pennsylvania legislative changes in 2010 and 2011 is a conclusion of law to which no response is required. By way of further response, the terms and structure of PSERS' plan and the obligations of its Board, including under the 2011 amendments

to the Code and any obligation to compare the Plan's performance to its assumed rate of return, are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the Code, they are denied.

67. This paragraph contains legal conclusions to which no response is required. By way of further response, the terms and structure of PSERS' plan and the obligations of its Board are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the Code, they are denied.

68. Plaintiffs' characterization of Pennsylvania legislative changes in 2010 and 2011 is a conclusion of law to which no response is required. By way of further response, the terms and structure of PSERS' plan and the obligations of its Board are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the Code, they are denied.

69. Plaintiffs' characterization of Pennsylvania legislative changes in 2010 and 2011 is a conclusion of law to which no response is required. By way of further response, the terms and structure of PSERS' plan and the obligations of its Board are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the Code, they are denied.

70. Admitted that the PSERB did not increase member contribution rates pursuant to 24 Pa. C.S. § 8321(b) in 2014 or 2017. Whether any obligation to increase the contribution was triggered is a conclusion of law to which no response is required. Denied that the "results of the shared risk assessment conducted in 2020 were problematic."

4. Changes to Traditional Investments for Public Pension Plans

71. Admitted that Plaintiffs purport to identify certain reasons to invest in certain asset classes. Denied that Plaintiffs have accurately or completely described all factors to consider when any individual or entity makes investment decisions.

72. Admitted that Plaintiffs purport to describe a certain reason to invest in publicly-traded investments. Denied that Plaintiffs have accurately or completely described all factors to consider when any individual or entity makes investment decisions.

73. Admitted that public pension funds may choose to invest some portion of their assets in “so-called ‘alternative’ or nontraditional investments.” Aksia is without knowledge sufficient to admit or deny the averments concerning the actions of unspecified public pension funds, but denies that Plaintiffs have accurately or completely described the investment decisions of all public pension funds.

74. Admitted that the term “alternative investments” can refer to investments in assets such as private equity, venture capital, hedge funds, and real estate. Admitted that alternative investments carry certain risks, but denied that Plaintiffs have completely described all factors to consider when any individual or entity decides whether to invest in alternative investments and denied that such investments are “widely considered” to be moderate to very high-risk investments.

75. The allegations in this paragraph, which refer to “private equity adviser[s],” are directed to a party other than Aksia and so no response is required. To the extent a response is required, denied as stated. It is admitted that PSERS makes private investments, that those investments can be structured as partnerships in which PSERS is a limited partner and the fund manager is the general partner, that those partnerships are typically governed by partnership agreements, and that those agreements often contain terms relating to the term of the investment

and delineate the fees, expenses, and costs of the investment. By way of further response, PSERS' private investments can be governed by partnership agreements, and the terms of such agreements are negotiated directly between PSERS and fund managers. To the extent the allegations in this paragraph could be interpreted to suggest that Aksia negotiates the terms of PSERS' agreements with the general partners into whose funds it invests as a limited partner, it is denied. Except for where PSERS availed itself of Aksia's reduced fees program with respect to certain underlying investments, Aksia did not negotiate on PSERS' behalf with the general partners of the funds it recommended because PSERS did not retain Aksia to provide those services and Aksia had no authority to do so. Further denied that Plaintiffs have accurately or completely described the structure of "private investments," how fees are paid, or the factors to consider when any individual or entity makes investment decisions, including whether to invest in "private investments." Further denied to the extent the averments of this paragraph—including the allegation that "[t]his kind of investment is not typically a liquid investment; it often lasts ten years or more"—incorrectly ascribe the attributes of private equity investments to other types of investments, like hedge funds, which do not typically have a capital call structure and are more liquid.

76. Denied as stated. Admitted that there generally can be several different "kinds of fees, costs, and expenses associated with non-public investments structured as a limited partnership." Denied that Plaintiffs have accurately or completely described such "fees, costs, and expenses." To the extent Plaintiffs have referenced a particular document – "Partnership Agreement" – but have not attached it to the pleading, after reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations of this paragraph. By way of further response, PSERS' private investments are sometimes governed by partnership agreements, the terms of which—including the level of

management fees and carried interest, and the allocation of expenses—PSERS negotiates directly with the fund managers. Except for where PSERS availed itself of Aksia’s reduced fees program with respect to certain underlying investments, Aksia did not negotiate on PSERS’ behalf with the general partners of the funds it recommended because PSERS did not retain Aksia to provide those services and Aksia had no authority to do so.

77. Admitted in part, denied in part. Admitted that some types of “alternative investments” may not be publicly traded and that some types of “alternative investments” may charge different fees than other asset classes. Denied in all other respects, including that alternative investments “often lack transparency” or that it is “impossible” to ascertain or compare their fees, costs, or expenses, and overall returns. Further denied that Plaintiffs have fully or completely described the factors to consider when any individual or entity makes investment decisions, including whether to invest in “alternative investments.”

78. Upon reasonable investigation, Aksia is without sufficient information or knowledge to admit or deny the general and non-specific averments in this paragraph, including what is “common” for investment advisors to do with respect to benchmarks, or how those actions and/or inactions might be “seen” by unspecified others, and whether benchmarks cause any “difficulty” in evaluation of investments. To the extent the averments concerning “financial advisors” and “fund advisors” are intended to include Aksia, denied that Aksia “created [its] own performance benchmarks” and “constructed” benchmarks designed to “increase[] the likelihood that” Aksia “will appear to meet its investment goals.” Aksia notes that PSERS’ Investment Policy Statement identifies the pertinent benchmarks for its portfolios, all of which are created by third parties over whom Aksia exercises no control. Further denied that Plaintiffs have fully or

completely described the factors to consider when utilizing benchmarks for non-public investments.

79. Admitted in part and denied in part. Aksia admits that PSERS' portfolio includes what Plaintiffs describe as "alternative" and "non-traditional" investments. It is denied that the percentage is "extremely high." After reasonable investigation, Aksia states that it is without sufficient information or knowledge to admit or deny the remaining averments in this paragraph.

80. Admitted that the Pennsylvania Public Pension Management and Asset Investment Review Commission ("PPMAIRC") published a document titled Final Report and Recommendations in December 2018. The Final Report and Recommendations is a writing, the terms of which speak for themselves, and no response to Plaintiffs' characterization of the document is required. To the extent that Plaintiffs' characterization of the content of the Final Report and Recommendations is inconsistent with its terms, this paragraph is denied.

81. PPMAIRC's Final Report and Recommendations is a writing, the terms of which speak for themselves, and no response to Plaintiffs' characterization of the document is required. To the extent that Plaintiffs' characterization of the content of the Final Report and Recommendations is inconsistent with its terms, this paragraph is denied.

82. PPMAIRC's Final Report and Recommendations is a writing, the terms of which speak for themselves, and no response to Plaintiffs' characterization of the document is required. To the extent that Plaintiffs' characterization of the content of the Final Report and Recommendations is inconsistent with its terms, this paragraph is denied.

5. Who Does What?

83. Aksia admits that PSERS employs highly sophisticated and knowledgeable in-house investment professionals who work with, and provide direction to, Aksia. After reasonable

investigation, Aksia states that it is without sufficient information or knowledge to admit or deny the remaining allegations in this paragraph.

84. Admitted that PSERS previously employed Glenn R. Grell (“Grell”) as its Executive Director. After reasonable investigation, Aksia states that it is without sufficient information or knowledge to admit or deny the remaining allegations in this paragraph.

85. Admitted that PSERS previously employed James H. Grossman, Jr. (“Grossman”) as its Chief Investment Officer. Otherwise, after reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

86. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

87. Admitted that PSERS previously employed Charles J. Spiller (“Spiller”) as its Deputy Chief Investment Officer, Non-Traditional Investments. Otherwise, after reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

88. Admitted, upon information and belief, that PSERS employed William Stalter (“Stalter”) as a Senior Portfolio Manager. Otherwise, after reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

89. This paragraph is a conclusion of law to which no response is required.

90. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

91. Denied that Grell, Grossman, and Stalter were the “primary conduits” for communication between Aksia and PSERS. As to Portfolio Advisors, Hamilton Lane, and Aon,

after reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

92. Admitted, upon information and belief.

93. Admitted.

94. The legal rights and obligations of PSERS' participants are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, and various plan documents, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the Code or plan documents, they are denied. To the extent this paragraph also contains legal conclusions, no response is required. To the extent that any part of this paragraph is deemed factual, it is denied on the basis that PSERS offers its participants multiple retirement plan options and "classes," with each having different investment profiles and options. Further denied that participants are "wholly dependent" on investment advisors, insofar as their interests are represented by the PSERS Board of Trustees, several of whom are elected by active PSERS participants. Further denied to the extent Plaintiffs aver that Aksia owed or breached any duty to Plaintiffs or the PSERS plan participants. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

95. The legal rights and obligations of PSERS' participants are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, and various plan documents, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the Code or plan documents, they are denied. To the extent this paragraph also contains legal conclusions, no response is required. To the extent that any part of this paragraph is deemed factual, it is admitted in part and denied in part. It is admitted that PSERS' defined benefit plan participants are required to make contributions to PSERS. It is denied that they have "no ability"

to direct how their investments are made, insofar as their interests are represented by the PSERS Board of Trustees, several of whom are elected by active PSERS participants.

96. The legal rights and obligations of PSERS' participants are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, and various plan documents, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the Code or plan documents, they are denied. To the extent this paragraph also contains legal conclusions, no response is required. To the extent a response is required, denied that defined benefit plan participants "only . . . contribute monies to the Fund" on the basis that defined benefit plan participants also elect members of the PSERS Board. Answering further, Aksia denies that its actions and/or inactions caused an increased contribution obligation from Plaintiffs or any other individual and denies that its actions and/or inactions caused Plaintiffs or any other individual any injury or damage. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

6. Defendant Portfolio Advisors LLC

97. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

98. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

99. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia,

Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

100. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

101. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

102. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

103. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent that any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal conclusions to which no response is required. By way of further response, Aksia states that Plaintiffs purport to quote from 29 U.S.C. § 1104(a), which is a writing, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the text of the statute purportedly quoted, they are denied.

104. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent that any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal conclusions to which no response is required.

By way of further response, Aksia states that Plaintiffs purport to quote from 29 U.S.C. § 1105(a), which is a writing, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the text of the statute purportedly quoted, they are denied.

105. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal conclusions to which no response is required.

106. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent that any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal conclusions to which no response is required. By way of further response, Aksia states that Plaintiffs purport to quote from 24 Pa. C. S. § 8521(e), which is a writing, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the text of the statute purportedly quoted, they are denied.

107. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent that any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal conclusions to which no response is required. By way of further response, Aksia states that Plaintiffs purport to quote from 24 Pa. C. S. § 8521(e), which is a writing, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the text of the statute purportedly quoted, they are denied.

108. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal argument to which no response is required.

109. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal argument to which no response is required.

110. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal argument to which no response is required.

111. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

112. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

113. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

114. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

115. Admitted that Plaintiffs' Exhibit 4 contains the quoted language. Denied that the bold and underline emphases appear in the original. The content of that document speaks for itself, and no response to Plaintiffs' characterization of the document is required. Further answering, Plaintiffs' characterization of an agreement between PSERS and Portfolio Advisors contains a conclusion of law to which no response is required.

116. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

117. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains a conclusion of law to which no response is required.

118. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

119. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

120. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains a conclusion of law to which no response is required.

121. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. Further, PPMAIRC's Final Report and Recommendations is a writing, the terms of which speak for themselves, and no response to Plaintiffs' characterizations of the document is required. To the extent that Plaintiffs' characterization of the content of the Final Report and Recommendations is inconsistent with its terms, it is denied.

122. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains a conclusion of law to which no response is required.

123. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains a conclusion of law to which no response is required.

124. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. By way of further response, this paragraph references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs' Third Amended Complaint.² To the extent that Plaintiffs' characterizations of that document are contradicted by its terms, or omit other relevant information, they are denied.

² To the extent Plaintiffs reference a particular document – the “Verus Report” – but have not attached it to the pleading, after reasonable investigation, Aksia believes it to be the March 2022 fee study prepared by Verus and presented to PSERS. Hereinafter, Aksia answers the remaining allegations referencing the “Verus Report” under the belief that the “Verus Report” is the March 2022 document. To the extent the references to the “Verus Report” in the TAC do not reference

125. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. By way of further response, this paragraph references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs’ Third Amended Complaint. To the extent that Plaintiffs’ characterizations of the Verus Report are contradicted by its terms, or omit other relevant information, they are denied.

126. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. By way of further response, this paragraph references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs’ Third Amended Complaint. To the extent that Plaintiffs’ characterizations of the Verus Report are contradicted by its terms, or omit other relevant information, they are denied.

127. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. This paragraph also contains a conclusion of law to which no response is required. By way of further response, this paragraph references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs’ Third Amended Complaint. To

the March 2022 document, Aksia is without knowledge or information sufficient to form a belief as to the truth of the averments.

the extent that Plaintiffs' characterizations of the Verus Report are contradicted by its terms, or omit other relevant information, they are denied.

128. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. By way of further response, this paragraph references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs' Third Amended Complaint. To the extent that Plaintiffs' characterizations of the Verus Report are contradicted by its terms, or omit other relevant information, they are denied.

129. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. This paragraph also contains a conclusion of law to which no response is required. By way of further response, this paragraph references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs' Third Amended Complaint. To the extent that Plaintiffs' characterizations of the Verus Report are contradicted by its terms, or omit other relevant information, they are denied.

130. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

131. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains a conclusion of law to which no response is required.

132. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains a conclusion of law to which no response is required.

133. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

134. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains a conclusion of law to which no response is required. By way of further response, Aksia denies that its actions and/or inactions caused injury to Plaintiffs or the putative class. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

7. Defendant Hamilton Lane Advisors, LLC

135. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

136. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia,

Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

137. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. Further, this paragraph contains a conclusion of law to which no response is required.

138. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. Further, this paragraph contains a conclusion of law to which no response is required.

139. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

140. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. Further, this paragraph contains a conclusion of law to which no response is required.

141. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent that any averment in this paragraph is deemed to pertain to

Aksia, Aksia states that this paragraph contains legal conclusions to which no response is required. By way of further response, Aksia states that Plaintiffs purport to quote from 29 U.S.C. § 1104(a), which is a writing, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the text of the statute purportedly quoted, they are denied.

142. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent that any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal conclusions to which no response is required. By way of further response, Aksia states that Plaintiffs purport to quote from 29 U.S.C. § 1105(a), which is a writing, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the text of the statute purportedly quoted, they are denied.

143. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal conclusions to which no response is required.

144. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent that any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal conclusions to which no response is required. By way of further response, Aksia states that Plaintiffs purport to quote from 24 Pa. C. S. § 8521(e), which is a writing, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the text of the statute purportedly quoted, they are denied.

145. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent that any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal conclusions to which no response is required. By way of further response, Aksia states that Plaintiffs purport to quote from 24 Pa. C. S. § 8521(e),

which is a writing, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the text of the statute purportedly quoted, they are denied.

146. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal argument to which no response is required.

147. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal argument to which no response is required.

148. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal argument to which no response is required.

149. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal argument to which no response is required.

150. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal argument to which no response is required.

151. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

152. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia,

Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

153. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

154. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. Further, the website referenced is a writing, which speaks for itself, and no response is required to averments of its contents.

155. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal argument to which no response is required.

156. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

157. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

158. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

159. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. Further, the website referenced and documents available thereon are writings, which speak for themselves, and no response is required to averments of their contents.

160. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal argument to which no response is required.

161. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal argument to which no response is required.

162. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. By way of further response, this paragraph references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs’ Third Amended Complaint. To the extent that Plaintiffs’ characterizations of that document are contradicted by its terms, or omit other relevant information, they are denied.

163. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. By way of further response, this paragraph references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs’ Third Amended Complaint. To the extent that Plaintiffs’ characterizations of the Verus Report are contradicted by its terms, or omit other relevant information, they are denied.

164. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. By way of further response, this paragraph references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs’ Third Amended Complaint. To the extent that Plaintiffs’ characterizations of the Verus Report are contradicted by its terms, or omit other relevant information, they are denied.

165. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. This paragraph also contains a conclusion of law to which no response is required. By way of further response, this paragraph references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs’ Third Amended Complaint. To the extent that Plaintiffs’ characterizations of the Verus Report are contradicted by its terms, or omit other relevant information, they are denied.

166. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. By way of further response, this paragraph references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs’ Third Amended Complaint. To the extent that Plaintiffs’ characterizations of the Verus Report are contradicted by its terms, or omit other relevant information, they are denied.

167. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. This paragraph also contains a conclusion of law to which no response is required. By way of further response, this paragraph references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs’ Third Amended Complaint. To the extent that Plaintiffs’ characterizations of the Verus Report are contradicted by its terms, or omit other relevant information, they are denied.

168. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

169. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge

to admit or deny it. This paragraph also contains a conclusion of law to which no response is required.

170. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. This paragraph also contains a conclusion of law to which no response is required.

171. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. This paragraph also contains a conclusion of law to which no response is required.

172. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. This paragraph also contains a conclusion of law to which no response is required.

8. Defendant Aksia LLC

173. Admitted in part, denied in part. Aksia admits only that it was retained by PSERS in 2015 to provide non-discretionary investment advice to PSERS regarding potential hedge fund investments, which means that PSERS retained exclusive control over whether to make particular investments and how much to commit. By way of further response, Aksia states that the terms of Aksia's engagement by PSERS are governed by the written 2015 Agreement, the terms and conditions of which speak for themselves. To the extent that Plaintiffs' assertions about and

characterizations of those terms and conditions are inconsistent with the 2015 Agreement, they are denied.

174. Admitted in part. Aksia admits that its 2015 Agreement with PSERS called for payments of \$700,000 per year. Furthermore, upon reasonable investigation, Aksia is without information or knowledge sufficient to admit or deny the source of the funds used to pay its fee.

175. Plaintiffs' characterization of the 2015 Agreement between PSERS and Aksia contains a conclusion of law to which no response is required. Admitted that Exhibit 7, which is a writing that speaks for itself, contains the quoted language. Denied that the bold and underline emphases appear in the original. By way of further response, Aksia states that the terms of Aksia's engagement by PSERS were governed by the written 2015 Agreement, the terms and conditions of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of those terms and conditions are inconsistent with the 2015 Agreement, they are denied.

176. Admitted.

177. Admitted only that Rider C (PSERS March 2015 Request for Proposals for Hedge Fund Investment Consulting Services) to the 2015 Agreement between PSERS and Aksia states: "The contractor will serve in a fiduciary capacity and will acknowledge in writing the contractor's fiduciary status, without qualification." The content of that document speaks for itself, and no response to Plaintiffs' characterization of the document is required. By way of further response, Plaintiffs' characterization of the 2015 Agreement between PSERS and Aksia, including what Aksia was "require[ed]" to do thereunder, are conclusions of law to which no response is required. To the extent that Plaintiffs' assertions about and characterizations of those terms and conditions are inconsistent with the 2015 Agreement, they are denied.

178. This paragraph is a conclusion of law to which no response is required. By way of further response, Aksia states that the terms of Aksia's engagement by PSERS are governed by the written 2015 Agreement, the terms and conditions of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of those terms and conditions are inconsistent with the 2015 Agreement, they are denied.

179. Admitted in part, denied in part. Aksia admits only that it was retained by PSERS in 2021 to provide non-discretionary investment advice to PSERS regarding potential hedge fund and private credit investments, which means that PSERS retained exclusive control over whether to make particular investments and how much to commit. By way of further response, Aksia states that the terms of Aksia's engagement by PSERS are governed by the written 2021 Agreement, the terms and conditions of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of those terms and conditions are inconsistent with the 2021 Agreement, they are denied.

180. Admitted in part. Aksia admits that its 2021 Agreement with PSERS calls for payments of \$1,100,000 per year. Further, upon reasonable investigation, Aksia is without information or knowledge sufficient to admit or deny the source of the funds used to pay its fee.

181. Plaintiffs' characterization of the 2021 Agreement between PSERS and Aksia contains a conclusion of law to which no response is required. Admitted that Exhibit 8, which is a writing that speaks for itself, contains the quoted language. Denied that the bold and underlined emphases appear in the original. By way of further response, Aksia states that the terms of Aksia's engagement by PSERS are governed by the written 2021 Agreement, the terms and conditions of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of those terms and conditions are inconsistent with the 2021 Agreement, they are denied.

182. Admitted.

183. Admitted that Rider I to Exhibit 8, which is a writing that speaks for itself, contains the quoted language. Denied that the bold and underlined emphases appear in the original. Aksia states that the terms of Aksia's engagement by PSERS, including the standard of care by which Aksia is to perform its obligations thereunder, are governed by the written 2021 Agreement, the terms and conditions of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of those terms and conditions are inconsistent with the 2021 Agreement, they are denied.

184. This paragraph contains legal conclusions to which no response is required. To the extent that any part of this paragraph is deemed factual, Aksia states that Plaintiffs purport to quote 29 U.S.C. § 1104(a), the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the text of the statute purportedly quoted, they are denied.

185. This paragraph contains legal conclusions to which no response is required. To the extent that any part of this paragraph is deemed factual, Aksia states that Plaintiffs purport to quote 29 U.S.C. § 1105(a), the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the text of the statute purportedly quoted, they are denied. Denied that Aksia committed any "fiduciary breaches."

186. The scope of Aksia's duties and obligations—including the interpretation of its 2015 and 2021 Agreements with PSERS and its relationship with PSERS—is a conclusion of law to which no response is required. To the extent that any part of this paragraph is deemed factual—including that Aksia owed fiduciary duties to PSERS' plan participants—it is denied. Aksia did not owe fiduciary duties to PSERS' plan participants, nor was it an agent of PSERS.

187. The scope of Aksia's duties and other obligations—including the interpretation of its 2015 and 2021 Agreements with PSERS and its relationship with PSERS—is a conclusion of law to which no response is required. Further, Aksia admits that Plaintiffs have accurately quoted 24 Pa. C.S. § 8521(e). To the extent that any part of this paragraph is deemed factual—including that Aksia owed fiduciary duties to PSERS' plan participants or was an agent of PSERS—it is denied. Aksia did not owe fiduciary duties to PSERS' plan participants, nor was it an agent of PSERS.

188. The scope of Aksia's duties and other obligations—including the interpretation of its 2015 and 2021 Agreements with PSERS and its relationship with PSERS—is a conclusion of law to which no response is required. To the extent any part of this paragraph is deemed factual, Aksia specifically denies that it was an agent of PSERS in light of the unambiguous terms of the 2015 and 2021 Agreements (which specifies that Aksia was and is an independent contractor and not a PSERS agent) and the course of conduct between the parties.

189. Plaintiffs' characterizations of the 2015 and 2021 Agreements between PSERS and Aksia and the several cited federal court decisions contain conclusions of law to which no response is required. To the extent any part of this paragraph is deemed factual, Aksia specifically denies that it was an agent of PSERS in light of the unambiguous terms of the 2015 and 2021 Agreements (which specifies that Aksia was an independent contractor and not an agent of PSERS) and the course of conduct between the parties.

190. This paragraph contains a conclusion of law to which no response is required. To the extent any part of this paragraph is deemed factual, it is denied. Aksia was not an agent of PSERS in light of the unambiguous terms of the 2015 and 2021 Agreements (which specifies that

Aksia was and is an independent contractor and not a PSERS agent) and the course of conduct between the parties.

191. The scope of Aksia's duties and other obligations—including the interpretation of its 2015 and 2021 Agreements with PSERS and its relationship with PSERS—is a conclusion of law to which no response is required. To the extent any response to this paragraph is required, it is denied. By way of further response, Aksia states that the terms of Aksia's engagement by PSERS are governed by the written 2015 and 2021 Agreements, the terms and conditions of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of those terms and conditions are inconsistent with the 2015 and 2021 Agreement, they are denied.

192. The scope of Aksia's duties and other obligations—including the interpretation of its 2015 and 2021 Agreements with PSERS and its relationship with PSERS—is a conclusion of law to which no response is required. To the extent a response to this paragraph is required, it is denied. By way of further response, the statute referenced in this paragraph—20 Pa. C.S. § 7206—is inapplicable on its face.

193. The scope of Aksia's duties and other obligations is a conclusion of law to which no response is required. To the extent that any averment in this paragraph is deemed factual—including that Aksia breached duties that Plaintiffs claim they were owed by Aksia—it is denied.

194. Admitted that Aksia recommended to PSERS that it invest in the funds identified in subparts [A] to [HH]. Upon reasonable investigation, Aksia is without sufficient information or knowledge to admit or deny the source of the funds used to make those investments.

195. Admitted.

196. Admitted in part, denied in part. Aksia admits that the terms of its engagement by PSERS during the period were governed by the written 2015 Agreement, the terms and conditions

of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of those terms and conditions are inconsistent with the 2015 Agreement, they are denied.

197. Admitted in part, denied in part. Aksia admits only that it was retained by PSERS in 2021 to provide non-discretionary investment advice to PSERS regarding potential hedge fund and private credit investments, which means that PSERS retained exclusive control over whether to make particular investments and how much to commit. By way of further response, Aksia states that the terms of Aksia's engagement by PSERS are governed by the written 2015 and 2021 Agreements, the terms and conditions of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of those terms and conditions are inconsistent with the 2015 and 2021 Agreement, they are denied. Denied that Aksia's obligations under the 2015 and 2021 Agreements are the same.

198. Admitted in part, denied in part. Aksia admits that documents entitled "Year End Asset Listing" are publicly available on PSERS' website. The website and documents available thereon are writings, which speak for themselves, and no response is required to averments of their contents. Aksia denies that it "failed to include the value of certain investments in its computations" or to "ensure that the value of these investments was included in the value of assets reported in the Comprehensive Annual Financial Reports." Denied that "[t]he totals shown for each category of investment in that document [] include a zero value for the investments whose value was 'not disclosed.'" Upon reasonable investigation, Aksia is without information or knowledge sufficient to admit or deny Plaintiffs' allegation that these documents "list a value for every PSERS asset" as of June 30 of the fiscal years, because Aksia did not prepare, or participate in the preparation of, these documents. Aksia is not involved in the preparation of either the "Annual Final Asset Listing" or "Comprehensive Annual Financial Reports," and so it is without

information or knowledge sufficient to admit or deny Plaintiffs' allegations concerning the comparison of the two documents.

199. The scope of Aksia's duties and other obligations—including Aksia's alleged obligation to "evaluate, examine, and monitor" investments in PSERS' portfolio—is a conclusion of law to which no response is required. By way of further response, Aksia states that the scope of Aksia's obligations to PSERS are governed by the written 2015 and 2021 Agreements, the terms and conditions of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of those terms and conditions are inconsistent with the 2015 and 2021 Agreements, they are denied.

200. The allegations of this paragraph are directed to a party other than Aksia and so no response is required. Further, this paragraph contains a conclusion of law to which no response is required. To the extent any response to this paragraph is required, it is denied. Additionally, PPMAIRC's Final Report and Recommendations is a writing, the terms of which speak for themselves, and no response to Plaintiffs' characterization of the document is required. To the extent that Plaintiffs' characterization of the content of the Final Report and Recommendations is inconsistent with its terms, it is denied.

201. The scope of Aksia's duties and other obligations—including Aksia's alleged obligation to review certain Pennsylvania statutes—is a conclusion of law to which no response is required. By way of further response, Aksia states that the scope of its obligations to PSERS are governed by the written 2015 and 2021 Agreements, the terms and conditions of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of Aksia's duties and obligations are inconsistent with the 2015 and 2021 Agreements, they are denied. Further

denied that Aksia “breached [] fiduciary duty obligations” or that it “ma[de] investment recommendations that unreasonably increased the risk that Plan participants would be surcharged.”

202. Upon reasonable investigation, Aksia states that it is without information or knowledge sufficient to admit or deny the averments in this paragraph. By way of further response, this paragraph references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs’ Third Amended Complaint.

203. This paragraph contains a conclusion of law to which no response is required. By way of further response, this paragraph references a written document—the terms of which speak for themselves—that are not attached to Plaintiffs’ Third Amended Complaint. To the extent that Plaintiffs’ characterizations of the Verus Report are contradicted by its terms, or omit other relevant information, they are denied. Further, denied that the Verus Report “identified two specific investments that Aksia recommended to PSERS that had costs that were grossly out of line with both the costs of other investments in PSERS’ portfolio, and with the peer group costs as computed by Verus.” Denied that Plaintiffs accurately characterize the Verus Report, which stated: “[T]he investment management fees being paid by PSERS to be reasonable and typically lower than comparable fees available in the market.”

204. This paragraph references a written document—the terms of which speak for themselves—that are not attached to Plaintiffs’ Third Amended Complaint. To the extent that Plaintiffs’ characterizations of the Verus Report are contradicted by its terms, or omit other relevant information, they are denied. Further, Aksia is without information or knowledge sufficient to admit or deny the allegation that “PSERS’s costs averaged 0.51% for these investments” because PSERS negotiates the terms of its investments—including the structure and amounts of the fees—directly with the general partners, and because the term “these investments”

is vague and undefined, and because this paragraph purports to make a comparison of the fees charged by certain funds to an “average,” without identifying the data set forming that average. Aksia denies that any investment it recommended to PSERS was unsuitable, including because of the cost or expense of that investment. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

205. This paragraph references a written document—the terms of which speak for themselves—that are not attached to Plaintiffs’ Third Amended Complaint. To the extent that Plaintiffs’ characterizations of the Verus Report are contradicted by its terms, or omit other relevant information, they are denied. By way of further response, PSERS negotiates the terms of its investments—including the structure and amounts of the fees—directly with the general partners. Except for where PSERS availed itself of Aksia’s reduced fees program with respect to certain underlying investments, Aksia did not negotiate on PSERS’ behalf with the general partners of the funds it recommended because PSERS did not retain Aksia to provide those services and Aksia had no authority to do so. Further, Aksia is without information or knowledge sufficient to admit or deny the allegation insofar as “funds of this type” is vague and Plaintiffs have not identified which funds are being compared. Aksia denies that any investment it recommended to PSERS was unsuitable or inappropriate, including because of the cost or expense of that investment. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

206. This paragraph contains a conclusion of law to which no response is required. To the extent any part of this paragraph is deemed factual, it is denied. By way of further response, Aksia denies that any investment it recommended to PSERS was unsuitable or inappropriate, including because of the cost or expense of that investment. Aksia has, at all times, fully and

lawfully performed its obligations under the 2015 and 2021 Agreement. Aksia further denies that it “contributed to the PSERS’s Fund’s overall underperformance” or that Aksia “lock[ed] plan participants into excessive fee obligations.” The scope of Aksia’s obligations to PSERS are governed by the written 2015 and 2021 Agreements, the terms and conditions of which speak for themselves. To the extent that Plaintiffs’ assertions about and characterizations of Aksia’s duties and obligations are inconsistent with the 2015 and 2021 Agreements—including the allegations about what Aksia “should have recommended”—they are denied.

207. Admitted in part. It is admitted only that Aksia recommended that PSERS invest in PIMCO BRAVO Fund III, L.P. and SSG Capital Partners V, L.P. Aksia denies that any investment it recommended to PSERS was unsuitable, including because of the cost or expense of that investment. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreement. Upon reasonable investigation, Aksia states that it is without information or knowledge sufficient to admit or deny Verus’ conclusion regarding the investments referenced in this paragraph because: (1) PSERS negotiates the terms of its investments—including the actual structure of the fees—directly with the general partners; (2) this paragraph references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs’ Third Amended Complaint; and (3) this paragraph purports to make a comparison of the fees charged by a particular investment to an “average,” without identifying the data set forming that average. By way of further response, Aksia states that a fund’s fees are not the sole factor that Aksia considers when determining whether a particular investment is a suitable recommendation for investment by PSERS. Fees are a single data point that Aksia considers before deciding whether to recommend a particular investment. Aksia’s due diligence process

includes a review of many factors, such as the fund manager's team and key personnel, their targeted investment strategy, and their historical track record.

208. This paragraph contains a conclusion of law to which no response is required. To the extent any part of this paragraph is deemed factual, it is denied. By way of further response, Aksia denies that any investment it recommended to PSERS was unsuitable or inappropriate, including because of the cost or expense of that investment. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements. Aksia further denies that it “contributed to the PSERS Fund’s overall underperformance” or that Aksia “lock[ed] plan participants in excessive fee obligations.” The scope of Aksia’s obligations to PSERS are governed by the written 2015 and 2021 Agreements, the terms and conditions of which speak for themselves. To the extent that Plaintiffs’ assertions about and characterizations of Aksia’s duties and obligations are inconsistent with the 2015 and 2021 Agreements—including the allegations about what Aksia “should have recommended”—they are denied.

209. Admitted in part. It is admitted only that Aksia recommended that PSERS invest in AKAZ Offshore Fund Ltd and Falko Regional Aircraft Opportunities Fund II L.P. Aksia denies that any investment it recommended to PSERS was unsuitable, including because of the cost or expense of that investment. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements. Upon reasonable investigation, Aksia states that it is without information or knowledge sufficient to admit or deny Verus’ conclusion regarding the investments referenced in this paragraph because: (1) PSERS negotiates the terms of its investments—including the structure of the fees—directly with the general partners; (2) this paragraph references written documents—the terms of which speak for themselves—that are not attached to Plaintiffs’ Third Amended Complaint; and (3) this paragraph purports to make a

comparison of the fees charged by a particular investment to an “average,” without identifying the data set forming that average. By way of further response, Aksia states that a fund’s fees are not the sole factor that Aksia considers when determining whether a particular investment is a suitable recommendation for investment by PSERS. Fees are a single data point that Aksia considers before deciding whether to recommend a particular investment. Aksia’s due diligence process includes a review of many factors, such as the fund manager’s team and key personnel, their targeted investment strategy, and their historical track record.

210. Admitted. By way of further response, PSERS negotiated a custom fee arrangement directly with the fund manager. Aksia did not negotiate on PSERS’ behalf because PSERS did not retain Aksia to provide this service and Aksia had no authority to do so.

211. This paragraph contains a conclusion of law to which no response is required. To the extent any part of this paragraph is deemed factual, it is denied. By way of further response, Aksia denies that any investment it recommended to PSERS was unsuitable or inappropriate, including because of the cost or expense of that investment. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements. Aksia further denies that it “contributed to the PSERS Fund’s overall underperformance” or that Aksia “lock[ed] plan participants into excessive fee obligations.” The scope of Aksia’s obligations to PSERS are governed by the written 2015 and 2021 Agreements, the terms and conditions of which speak for themselves. To the extent that Plaintiffs’ assertions about and characterizations of Aksia’s duties and obligations are inconsistent with the 2015 and 2021 Agreements—including the allegations about what Aksia “should have recommended”—they are denied.

212. Denied. As part of its due diligence process, Aksia reviews the fee structure for each fund that it recommends to PSERS, compares those rates to alternative investments of similar

size and strategy, and presents that information to PSERS staff for its review and consideration as part of its investment due diligence, which incorporates a wide-range of data points that includes more than isolated variables like management and fees. By way of further response, PSERS negotiated its own investment agreements, including fees, directly with the general partners of the funds into which it invested. Denied that Aksia “concealed” any fact. Aksia also denies that any investment it recommended to PSERS had “excessive fees.” Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

213. Admitted in part, denied in part. Aksia admits that it did not consider the impact of Pennsylvania’s shared-risk statute on the PSERS Plan participants. It denies this paragraph to the extent it implies Aksia was obligated to consider this Plan feature to satisfy its obligations to PSERS under the 2015 and 2021 Agreements.

214. The scope of Aksia’s duties and other obligations—including the existence and scope of its alleged fiduciary obligations to PSERS’ participants—is a conclusion of law to which no response is required. To the extent that any part of this paragraph is deemed factual—including that Aksia owed fiduciary duties to PSERS’ plan participants or concealed any information from them—it is denied. Aksia did not owe fiduciary duties to PSERS’ plan participants as the 2015 and 2021 Agreements make clear, nor did it “conceal[]” the fees, costs, and expenses of PSERS’ investments. To the contrary, all fees, costs and expenses were shared with the PSERS Board for its consideration in making investment decisions.

215. The scope of Aksia’s duties and other obligations is a conclusion of law to which no response is required. To the extent that any part of this paragraph is deemed factual—including that Aksia breached any fiduciary duties it owed to PSERS—it is denied.

9. Defendant Aon Investments USA, Inc.

216. The allegations of this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

217. The allegations of this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

218. The allegations of this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

219. The allegations of this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

220. The allegations of this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

221. The allegations of this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia,

Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

222. The allegations of this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

223. The allegations of this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

224. The allegations of this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

225. The allegations of this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

226. The allegations of this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

227. The allegations of this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

228. The allegations of this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

229. The allegations of this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

230. The allegations of this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

231. The allegations of this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph.

232. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent that any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal conclusions to which no response is required.

By way of further response, Aksia states that Plaintiffs purport to quote from 29 U.S.C. § 1104(a), which is a writing, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the text of the statute purportedly quoted, they are denied.

233. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent that any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal conclusions to which no response is required. By way of further response, Aksia states that Plaintiffs purport to quote from 29 U.S.C. § 1105(a), which is a writing, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the text of the statute purportedly quoted, they are denied.

234. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal conclusions to which no response is required.

235. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent that any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal conclusions to which no response is required. By way of further response, Aksia states that Plaintiffs purport to quote from 24 Pa. C. S. § 8521(e), which is a writing, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict the text of the statute purportedly quoted, they are denied.

236. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal argument to which no response is required.

237. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal argument to which no response is required.

238. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal argument to which no response is required.

239. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. This paragraph also contains a conclusion of law to which no response is required.

240. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal argument to which no response is required.

241. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal argument to which no response is required.

242. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. This paragraph also contains a conclusion of law to which no response is required.

243. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. This paragraph also contains a conclusion of law to which no response is required.

244. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal argument to which no response is required. To the extent any averment is factual in nature, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

245. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

246. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. This paragraph also contains a conclusion of law to which no response is required.

247. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent that any averment in this paragraph is deemed to pertain to Aksia, Aksia states that Plaintiffs purport to characterize and quote PSERS' Comprehensive Annual Financial Reports, which are writings, the terms of which speak for themselves. To the

extent that Plaintiffs' averments in this paragraph contradict the text of the documents purportedly quoted, they are denied.

248. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. This paragraph also contains a conclusion of law to which no response is required.

249. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

250. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

251. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. This paragraph also contains a conclusion of law to which no response is required.

252. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains legal argument to which no response is required.

253. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it. This paragraph also contains a conclusion of law to which no response is required.

254. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains a conclusion of law to which no response is required. Further, PPMAIRC's Final Report and Recommendations is a writing, the terms of which speak for themselves, and no response to Plaintiffs' characterization of the document is required. To the extent that Plaintiffs' characterization of the content of the Final Report and Recommendation is inconsistent with its terms, it is denied.

255. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that this paragraph contains a conclusion of law to which no response is required.

10. The Legislature Authorizes a Study of PSERS to Determine How It Should "Maximize Future Rates of Return Net of Fees"

256. Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny the averments in this paragraph. This paragraph also contains a conclusion of law to which no response is required.

257. 24 Pa. C.S. § 8538 is a statute, the terms of which speak for themselves. To the extent that Plaintiffs' averments in this paragraph contradict or mischaracterize the terms of the statute, they are denied. This paragraph also contains a conclusion of law to which no response is required.

258. Aksia admits that in December 2018, the PPMAIRC issued the Final Report and Recommendations. The Final Report and Recommendations is a writing, the terms of which speak for themselves, and no response to Plaintiffs' characterizations of the document is required. To the extent that Plaintiffs' averments in this paragraph contradict or mischaracterize the terms of the report, they are denied.

11. Aon, Hamilton Lane, and Aksia Respond to the December 2018 PPMAIRC Directives

259. To the extent that the allegations in this paragraph are directed to parties other than Aksia, no response is required. By way of further response, Aksia states that the existence and scope of Aksia's obligations are conclusions of law to which no response is required. To the extent that any part of this paragraph is deemed factual—including that Aksia owed fiduciary duties to PSERS' participants—it is denied. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

260. To the extent that the allegations in this paragraph are directed to parties other than Aksia, no response is required. By way of further response, Aksia states that the existence and scope of Aksia's obligations are conclusions of law to which no response is required. To the extent that any part of this paragraph is deemed factual—including that Aksia owed fiduciary duties to PSERS' plan participants or that Aksia had any obligation to take, or not take, any action based on the contents of the Final Report and Recommendations—it is denied.

261. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

262. Admitted only that after the PPMAIRC issued its report, Aksia continued to provide hedge fund and private credit investment consulting services as required by the 2015 and 2021

Agreements and as requested by PSERS. All other characterizations and averments in this paragraph are denied. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

263. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

264. Denied. By way of further response, consistent with market standards, Aksia works with PSERS staff to evaluate multiple peer investment opportunities before, together with PSERS staff, proceeding with a recommendation to the PSERS Board. As to Hamilton Lane, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

265. This paragraph contains conclusions of law to which no response is required. To the extent that any part of this paragraph is deemed factual, each allegation—including that Aksia aided and abetted any individual’s breach of fiduciary duty—is denied. By way of further response, Aksia states that it has, at all times, fully and lawfully performed its obligations to PSERS.

266. This paragraph contains conclusions of law to which no response is required. To the extent that any part of this paragraph is deemed factual, each allegation—including that Aksia’s recommendations led to “significant losses in the Plan’s assets”—is denied. By way of further response, Aksia states that it has, at all times, fully and lawfully performed its obligations to PSERS.

267. This paragraph is a conclusion of law to which no response is required. To the extent a response is required, Aksia denies that its actions and/or inactions caused an increased

contribution obligation from Plaintiffs or any other individual and denies that its actions and/or inactions caused Plaintiffs or any other individual any injury or damage. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements. By way of further response, Aksia denies that the fees or expenses of investments that Aksia recommended led to the diminution of the Plan's investment returns considering the performance of the asset classes within Aksia's mandate during the time Aksia was retained. Further, the averments in this paragraph refer to PSERS' "overall actual performance," even though Aksia had non-discretionary responsibilities over only a portion of the Fund.

268. To the extent the allegations in this paragraph are directed to a party other than Aksia, no response is required. To the extent this paragraph is directed to Aksia, Aksia admits only that it provided no advice with respect to the Harrisburg properties and this paragraph is denied to the extent it implies that Aksia was under any obligation to provide such advice or that it implies that Aksia had any involvement in PSERS' purchase of properties in and around Harrisburg. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

269. To the extent this paragraph is directed to parties other than Aksia, no response is required. To the extent this paragraph is directed to Aksia, it is admitted in part and denied in part. Aksia admits that, as a result of the nature of private investing—in which investors invest directly into limited partnerships, which then invest capital into specific assets—neither PSERS nor Aksia knew the specific assets that the investment funds into which PSERS invested would invest at the time of the commitment of those funds. It is denied that PSERS made investments "without knowing" what those funds would do, as each investment Aksia recommended was the subject of an intensive due diligence review process which covered, among other matters, the fund's

investment strategies and objectives and the internal investment guidelines and restrictions of the investment fund.

270. To the extent the allegations in this paragraph are directed to a party other than Aksia, no response is required. To the extent this paragraph is directed to Aksia, Aksia denies that it ever made any “blind recommendations” to PSERS. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements. Otherwise, after reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment. Further, the website referenced is a writing, which speaks for itself, and no response is required to averments of its contents.

271. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

272. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

273. Admitted that on November 3, 2020, Aksia recommended an investment in Sixth Street Specialty Lending Europe II, L.P. to the PSERB. This recommendation is publicly available on page 6 of the following document found on the PSERS website at <https://www.psers.pa.gov/About/Board/Resolutions/Documents/2020/2020-50.pdf>. The content of that document speaks for itself, and no response to Plaintiffs’ characterization of the document is required.

274. Admitted that on December 3, 2020 in resolution no. 2020-50, the PSERB voted to invest “an amount not to exceed \$125 million plus reasonable normal investment expenses, in Sixth Street Specialty Lending Europe II, L.P. (and/or related investment vehicles), in accordance with the recommendation of James F. Del Gaudio, Senior Portfolio Manager, dated November 16, 2020 and Aksia LLC dated November 3, 2020.” The content of that document speaks for itself, and no response to Plaintiffs’ characterization of the document is required.

275. Admitted in part, denied in part. It is admitted that that on November 3, 2020, Aksia sent a letter regarding Sixth Street Specialty Lending Europe II, L.P. to the PSERB. That letter is a writing, which speaks for itself, and no response is required to averments of its contents. This paragraph is denied to the extent this allegation suggests that Aksia’s analysis, examination, or review did not consider other investment options.

276. The allegations in this paragraph are directed to a party other than Aksia and so no response is required.

277. The allegations in this paragraph are directed to a party other than Aksia and so no response is required.

278. The allegations in this paragraph are directed to a party other than Aksia and so no response is required.

279. The allegations in this paragraph are directed to a party other than Aksia and so no response is required.

280. The allegations in this paragraph are directed to a party other than Aksia and so no response is required.

281. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia,

Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

282. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

283. The allegations in this paragraph are directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia states that, after reasonable investigation, it is without sufficient information or knowledge to admit or deny it.

284. Admitted that alternative investments may be less liquid than traditional publicly traded investments. Denied that Plaintiffs have completely described all factors to consider when an individual or entity decides whether to invest in so-called “alternative investments.”

285. Denied. By way of further response, so-called “alternative investments” carry certain risks, but denied that Plaintiffs have completely described all factors to consider when an individual or entity decides whether to invest in alternative investments, which can be profitable, preserve capital in volatile markets while improving long-term risk adjusted returns, and have a place in a diversified investment portfolio. Further, all fees and costs for investments Aksia recommended to PSERS were identified for PSERS.

12. The Harrisburg Property Purchases

286. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment. By way of further response, Aksia had no involvement or obligations relating to PSERS’ purchase of properties in and around Harrisburg.

287. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment. By way of further response, Aksia had no involvement or obligations relating to PSERS' purchase of properties in and around Harrisburg.

288. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment. By way of further response, Aksia had no involvement or obligations relating to PSERS' purchase of properties in and around Harrisburg.

289. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment. By way of further response, Aksia had no involvement or obligations relating to PSERS' purchase of properties in and around Harrisburg.

290. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment. By way of further response, Aksia had no involvement or obligations relating to PSERS' purchase of properties in and around Harrisburg.

291. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment. By way of further response, Aksia had no involvement or obligations relating to PSERS' purchase of properties in and around Harrisburg.

292. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment. By way of further response, Aksia had no involvement or obligations relating to PSERS' purchase of properties in and around Harrisburg.

293. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment. By way of further response, Aksia had no involvement or obligations relating to PSERS' purchase of properties in and around Harrisburg.

294. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment. By way of further response, Aksia was

not involved in and had no obligations relating to PSERS' purchase of properties in and around Harrisburg.

295. Admitted that State Senator Katie J. Muth filed a lawsuit styled *Muth v. PSERS, et al.*, Case No. 182 M.D. 2021, in Pennsylvania state court. Aksia further answers that this paragraph contains legal conclusions to which no response is required. Further, after reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of the remaining averments.

13. Defendants Hamilton Lane, Aon, and Aksia Promote PSERS Staff Travel

296. Aksia states that, to the extent this paragraph is addressed to parties other than Aksia, no response is required. To the extent this paragraph is addressed to Aksia, admitted only that a rider to the 2015 Agreement required reimbursement from Aksia to PSERS staff for travel costs related to travel to Aksia's office and investment conferences or training seminars sponsored by Aksia, up to a maximum of \$10,000 per calendar year. *See* TAC, Exhibit 7, 2015 Agreement, Rider A ¶ 1. Denied in all other respects, including that Aksia provided any travel arrangements and/or reimbursements for PSERS staff for travel at "extravagant" cost or to "exotic locations."

297. Aksia states that, to the extent this paragraph is addressed to parties other than Aksia, no response is required. To the extent this paragraph is addressed to Aksia, admitted only a rider to the 2015 Agreement required reimbursement from Aksia to PSERS staff for travel costs related to travel to Aksia's office and investment conferences or training seminars sponsored by Aksia, up to a maximum of \$10,000 per calendar year. *See* TAC, Exhibit 7, 2015 Agreement, Rider A ¶ 1. Denied in all other respects.

298. To the extent that this paragraph is directed to parties other than Aksia, no response is required. To the extent this paragraph is directed to Aksia, Aksia admits only that Aksia reimbursed PSERS for certain travel as required under the 2015 and 2021 Agreements. This

paragraph is denied in all other respects, as Aksia's reimbursements were not "ultimately borne by the nontraditional investments," but by Aksia itself. Further, Plaintiffs' characterization of the effect on the "class member contribution increase requirement" is a conclusion of law to which no response is required.

14. The Attempt to Re-Write History

299. The obligations of the PSERS Board are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, et seq., the terms of which speak for themselves. To the extent the allegations in this paragraph contradict or mischaracterize the terms of the Code, they are denied.

300. Admitted that the PSERB did not implement shared-risk contribution increases pursuant to 24 Pa. C.S. § 8321(b) to PSERS member contribution rates in 2014 or 2017.

301. Plaintiffs' characterization of 24 Pa. C.S. § 8321(b) is a conclusion of law to which no response is required.

302. Aksia states that, upon reasonable investigation, it is without information sufficient to admit or deny the averments in this paragraph.

303. Aksia states that, upon reasonable investigation, it is without information sufficient to admit or deny the averments in this paragraph.

304. Aksia states that, upon reasonable investigation, it is without information sufficient to admit or deny the averments in this paragraph.

305. Aksia states that, upon reasonable investigation, it is without information sufficient to admit or deny the averments in this paragraph.

306. Aksia states that, upon reasonable investigation, it is without information sufficient to admit or deny the averments in this paragraph. Further, Exhibit 14 to the Third Amended

Complaint is a writing, which speaks for itself, and no response is required to averments of its contents.

307. Aksia states that, upon reasonable investigation, it is without information sufficient to admit or deny the averments in this paragraph. Further, Exhibit 14 to the Third Amended Complaint is a writing, which speaks for itself, and no response is required to averments of its contents.

308. Aksia states that, upon reasonable investigation, it is without information sufficient to admit or deny the averments in this paragraph.

309. Aksia states that this averment is directed to parties and non-parties other than Aksia and so no response is required. To the extent that any part of this paragraph is deemed to be directed to Aksia, Aksia states that, upon reasonable investigation, it is without information sufficient to admit or deny it.

310. Aksia states that this averment is directed to parties and non-parties other than Aksia and so no response is required. To the extent that any part of this paragraph is deemed to be directed to Aksia, Aksia states that, upon reasonable investigation, it is without information sufficient to admit or deny it.

311. Aksia states that this averment is directed to parties and non-parties other than Aksia and so no response is required. To the extent that any part of this paragraph is deemed to be directed to Aksia, Aksia states that, upon reasonable investigation, it is without information sufficient to admit or deny it.

312. Aksia states that this averment is directed to parties and non-parties other than Aksia and so no response is required. To the extent that any part of this paragraph is deemed to

be directed to Aksia, Aksia states that, upon reasonable investigation, it is without information sufficient to admit or deny it.

313. To the extent that the allegations in this paragraph are directed to parties other than Aksia, no response is required. By way of further response, Aksia states that the existence and scope of Aksia's obligations are conclusions of law to which no response is required.

314. To the extent this averment is directed to parties and non-parties other than Aksia, no response is required. To the extent that any part of this paragraph is deemed to be directed to Aksia, Aksia states that this paragraph contains legal conclusions to which no response is required. To the extent that any averment in this paragraph is deemed factual, each is denied. By way of further response, Aksia denies that Aksia had any obligation to act or not act in response to the PPMAIRC Final Report and Recommendations and/or that Aksia had an obligation to recommend "moving to index-type funds." Aksia further denies that it breached any fiduciary or other duties. Aksia further denies that it had any authority to direct PSERS investments. Aksia also denies Plaintiffs' characterization of investments recommended by Aksia pursuant to Aksia's agreements with PSERS. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

315. Aksia states that this averment is directed to parties and non-parties other than Aksia and so no response is required. To the extent that any part of this paragraph is deemed to be directed to Aksia, Aksia states that, upon reasonable investigation, it is without information or knowledge sufficient to admit or deny it. Further, the correspondence attached to the Third Amended Complaint is a writing, which speaks for itself, and no response is required to averments of its contents.

316. Aksia states that this averment is directed to parties and non-parties other than Aksia and so no response is required. To the extent that any part of this paragraph is deemed to be directed to Aksia, Aksia states that, upon reasonable investigation, it is without information or knowledge sufficient to admit or deny it.

317. Aksia states that this averment is directed to parties and non-parties other than Aksia and so no response is required. To the extent that any part of this paragraph is deemed to be directed to Aksia, Aksia states that, upon reasonable investigation, it is without information or knowledge sufficient to admit or deny it. Further, the correspondence attached to the Third Amended Complaint is a writing, which speaks for itself, and no response is required to averments of its contents.

318. Admitted that 6.34% is lower than 6.36%. Upon reasonable investigation, Aksia is without information or knowledge sufficient to admit or deny the remaining averments in this paragraph.

319. The contents of PSERS Board Resolution No 2021-16 consist of a writing, the terms of which speak for themselves. To the extent the allegations in this paragraph contradict or mischaracterize the terms of Resolution No. 2021-16, they are denied.

320. The obligations of the PSERS Board, including with respect to the fluctuation of participants' shared risk contributions, are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, the terms of which speak for themselves. To the extent the allegations in this paragraph contradict or mischaracterize the terms of the Code, they are denied.

321. After reasonable investigation, Aksia is without knowledge or information sufficient to form a belief as to the truth of this averment.

322. The terms of PSERS' retirement plan are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, as well as other ancillary plan documents, the terms of which are reduced to writing and speak for themselves. To the extent the allegations in this paragraph contradict or mischaracterize the terms of the Code, they are denied.

323. The terms of PSERS' retirement plan are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, as well as other ancillary plan documents, the terms of which are reduced to writing and speak for themselves. To the extent the allegations in this paragraph contradict or mischaracterize the terms of the Code, they are denied.

324. The terms of PSERS' retirement plan are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, as well as other ancillary plan documents, the terms of which are reduced to writing and speak for themselves. To the extent the allegations in this paragraph contradict or mischaracterize the terms of the Code, they are denied.

325. This paragraph is a conclusion of law to which no response is required. To the extent a response is required, Aksia denies that its actions and/or inactions caused an increased contribution obligation from Plaintiffs or any other individual and denies that its actions and/or inactions caused Plaintiffs or any other individual any injury or damage. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

326. The terms of PSERS' retirement plan are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, as well as other ancillary plan documents, the terms of which are reduced to writing and speak for themselves. To the extent the allegations in this paragraph contradict or mischaracterize the terms of the Code, they are denied.

327. The terms of PSERS' retirement plan are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, as well as other ancillary plan documents, the terms

of which are reduced to writing and speak for themselves. To the extent the allegations in this paragraph contradict or mischaracterize the terms of the Code, they are denied.

328. The terms of PSERS' retirement plan are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, as well as other ancillary plan documents, the terms of which are reduced to writing and speak for themselves. To the extent the allegations in this paragraph contradict or mischaracterize the terms of the Code, they are denied.

329. This paragraph is a conclusion of law to which no response is required. To the extent a response is required, Aksia denies that its actions and/or inactions caused an increased contribution obligation from Plaintiffs or any other individual and denies that its actions and/or inactions caused Plaintiffs or any other individual any injury or damage. Aksia further denies that it engaged in any "misfeasance and nonfeasance." Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

330. The terms of PSERS' retirement plan are set forth in the Public School Employees' Retirement Code, 24 Pa. C.S. § 8101, *et seq.*, as well as other ancillary plan documents, the terms of which are reduced to writing and speak for themselves. To the extent the allegations in this paragraph contradict or mischaracterize the terms of the Code, they are denied.

15. The Unreasonably Risky, Illiquid, and Expensive Alternative Investment Portfolio

331. Plaintiffs' characterizations of Aon's, Aksia's, Portfolio Advisors', and Hamilton Lane's contractual, statutory, and common law duties are conclusions of law to which no response is required. By way of further response, the terms of Aksia's engagement by PSERS, including the services that Aksia agreed to provide, are set out in the 2015 and 2021 Agreements, the contents of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of the services to be provided by Aksia pursuant to the 2015 and 2021 Agreements are inconsistent with its terms, they are denied.

332. To the extent this paragraph is directed to parties other than Aksia, no response is required. By way of further response, this paragraph contains legal conclusions, to which no response is required. To the extent that any averment in this paragraph is deemed factual—including that Aksia owed fiduciary, contractual, or other duties to PSERS’ participants or that it breached such duties—it is denied. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

333. To the extent this paragraph is directed to parties other than Aksia, no response is required. By way of further response, this paragraph contains legal conclusions, to which no response is required. To the extent that any averment in this paragraph is deemed factual, including that any increase in the shared-risk contributions “stem[s] from the actions and inactions of . . . Aksia,” it is denied. By way of further response, Aksia denies that it committed any wrongdoing that caused injury to Plaintiffs or anyone else. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

334. To the extent this paragraph is directed to parties other than Aksia, no response is required. To the extent this paragraph is directed to Aksia, it is admitted in part and denied in part. It is admitted that, except for where PSERS availed itself of Aksia’s reduced fees program with respect to certain underlying investments, Aksia did not negotiate on PSERS’ behalf with the general partners of the funds it recommended because PSERS did not retain Aksia to provide those services and Aksia had no authority to do so. It is further denied that Aksia made “no attempt” to obtain “transparency” on investment returns. Aksia did and does seek to obtain transparency on investment returns during its diligence process, which was and is shared with PSERS’ staff.

335. To the extent this paragraph is directed to parties other than Aksia, no response is required. To the extent this paragraph is directed to Aksia, it is admitted in part and denied in part.

Aksia admits that, following its due diligence process and with full disclosure to PSERS, it recommended that PSERS invest in certain investments that charge fees based on the amount of committed capital, in line with standard, market practices for those types of investments. Aksia denies that it recommended investments that charged fees to PSERS Plan participants.

336. To the extent this paragraph is directed to parties other than Aksia, no response is required. To the extent this paragraph is directed to Aksia, it is denied. At all times, Aksia recommended appropriate benchmarks for the measurement of performance.

337. To the extent this paragraph is directed to parties other than Aksia, no response is required. To the extent this paragraph is directed to Aksia, it is admitted in part, denied in part. Aksia works with PSERS staff to evaluate multiple peer investment opportunities before, together with PSERS staff, proceeding with a recommendation to the PSERS Board. Aksia denies that the manner in which it presented investment opportunities to the PSERS Board following PSERS' staff's vetting process "caus[ed] significant additional losses to the Fund."

338. To the extent this paragraph is directed to parties other than Aksia, no response is required. To the extent this paragraph is directed to Aksia, it is denied. Aksia's obligations are set forth in the 2015 and 2021 Agreements, the terms and conditions of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of those terms and conditions are inconsistent with the 2015 and 2021 Agreements, they are denied.

339. To the extent this paragraph is directed to parties other than Aksia, no response is required. To the extent this paragraph is directed to Aksia, it is denied.

340. To the extent this paragraph is directed to parties other than Aksia, no response is required. To the extent this paragraph is directed to Aksia, it is admitted. By way of further response, PSERS did not retain Aksia to value the gross returns of PSERS' alternative investments.

341. To the extent this paragraph is directed to parties other than Aksia, no response is required. To the extent this paragraph is directed to Aksia, it is admitted. By way of further response, PSERS did not retain Aksia to value the gross returns of PSERS' alternative investments.

342. To the extent this paragraph is directed to parties other than Aksia, no response is required. Further, this paragraph is a conclusion of law to which no response is required. To the extent a response is required, Aksia states that it has, at all times, carried out its duties and obligations consistent with industry standards and fully and lawfully performed its obligations to PSERS. Aksia denies that it recommended "inappropriate investments that caused significant additional plan losses to the Fund" or that it "failed to recommend that PSERS jettison the overly expensive funds in the portfolio lineup."

343. The averments in this paragraph purport to quote from a written report prepared by an entity referred to as CEM Benchmarking, the terms of which speak for themselves. To the extent the averments of this paragraph misquote the report or mischaracterize its plain language, it is denied.

344. To the extent this paragraph is directed to Defendants other than Aksia, no response is required. To the extent this paragraph is directed to Aksia, it contains legal conclusions—including that Aksia had a legal obligation to act or not act in a particular way—to which no response is required. Denied that Aksia committed any wrongdoing that caused injury to Plaintiffs or anyone else. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

345. To the extent this paragraph is directed to Defendants other than Aksia, no response is required. To the extent this paragraph is directed to Aksia, it contains legal conclusions—including that Aksia had a legal obligation to act or not act in a particular way—to which no

response is required. To the extent that any averment in this paragraph is deemed factual, it is denied. Aksia denies that it committed any wrongdoing that caused injury to Plaintiffs or anyone else. Aksia denied that it “caus[ed] significant additional losses to the Fund.” Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

346. To the extent this paragraph is directed to Defendants other than Aksia, no response is required. To the extent this paragraph is directed to Aksia, it contains legal conclusions—including that Aksia had a legal obligation to act or not act in a particular way—to which no response is required. By way of further response, Aksia admits that it continued to make recommendations for PSERS’ portfolio of hedge fund and private credit investments portfolios as required by its 2015 and 2021 Agreements with PSERS.

347. This paragraph contains a conclusion of law to which no response is required. To the extent a response is required, upon reasonable investigation, Aksia is without information or knowledge sufficient to admit or deny the averments in this paragraph that vaguely refer to “results obtained by PSERS” and “other public pension funds similar in size to PSERS” without identifying such funds. By way of further response, Aksia denies that its actions and/or inactions caused “significant Plan losses” or “damage and injury to Plaintiffs and the [putative] Class.” Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

348. Upon reasonable investigation, Aksia is without information or knowledge sufficient to admit or deny the averments in this paragraph.

349. Upon reasonable investigation, Aksia is without information or knowledge sufficient to admit or deny the averments in this paragraph.

350. Denied. To the extent that this paragraph and its subparts are directed to parties other than Aksia, no response is required. Aksia responds to the sub-paragraphs as follows:

- A. Aksia states that, upon reasonable investigation, it is without information or knowledge sufficient to admit or deny that any of the fund managers into which PSERS invested charged “excessive fees and expenses” as this subparagraph only vaguely refers to “[n]umerous investments” without reference to any particular fund or fund manager recommended by Aksia.
- B. Denied. By way of further response, riders to the 2015 and 2021 Agreements required reimbursement from Aksia to PSERS staff for travel costs related to travel to Aksia’s office, investment conferences or training seminars sponsored by Aksia, or meetings with prospective investment managers (2021 Agreement), up to a maximum of \$10,000 per calendar year (2015 Agreement) and \$35,000 per calendar year (2021 Agreement). See TAC, Exhibit 7, 2015 Agreement, Rider A ¶ 1; TAC Exhibit 8, 2021 Agreement, Rider I ¶ C.22. Where Aksia was required to provide reimbursement under the 2015 and 2021 Agreements, such reimbursements were not “ultimately borne by the PSERS fund,” but by Aksia itself.
- C. Denied. Aksia denies that it recommended any “absurd and facially implausible schemes.” Aksia further denies that it recommended that PSERS “financ[e] Kurdish independence” or “invest[] in pistachio farming in California.”
- D. Denied. By way of further response, Aksia had no involvement or obligations relating to PSERS’ purchase of properties in and around Harrisburg. Further, Aksia did not “turn[] a blind eye” to investments that

were outside the scope of its mandate under its 2015 and 2021 Agreements with PSERS.

351. To the extent this paragraph is directed to parties other than Aksia, no response is required. This paragraph also contains conclusions of law to which no response is required. To the extent that any averment in this paragraph is deemed factual—including that Aksia “failed to reveal/disclose and fraudulently concealed” the details of its work—it is denied. By way of further response, Aksia complied with its disclosure obligations under its 2015 and 2021 Agreements with PSERS, including by providing diligence materials to PSERS. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

352. To the extent this paragraph is directed to Defendants other than Aksia, no response is required. To the extent this paragraph is directed to Aksia, it contains legal conclusions to which no response is required. To the extent this paragraph is deemed factual, it is denied, because Aksia, at all times, used reasonable care, skill, and caution, in satisfying its obligations to PSERS.

353. To the extent this paragraph is directed to Defendants other than Aksia, no response is required. To the extent this paragraph is directed to Aksia, it contains legal conclusions to which no response is required. To the extent this paragraph is deemed factual, it is denied.

354. Upon reasonable investigation, Aksia states that it is without information or knowledge sufficient to admit or deny the averments in this paragraph, which vaguely refer to PSERS “financial statements and reports,” without specifying the statements and reports referenced. This paragraph also contains legal conclusions to which no response is required. To the extent that the averments in this paragraph are deemed factual—including that Aksia owed any duties to PSERS participants, or that Aksia breached those duties—the averments are denied.

Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

355. Upon reasonable investigation, Aksia is without information or knowledge sufficient to admit or deny the allegations in this paragraph, which refer vaguely to a letter from “certain Board members” in 2021 that is not attached to Plaintiffs’ Third Amended Complaint or otherwise identified.

16. Defendants’ Recent Activities Continue to Conceal their Actions and Obstruct Transparency

356. To the extent this paragraph is directed to Defendants other than Aksia, no response is required. To the extent this paragraph is directed to Aksia, it is denied.

357. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

358. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

359. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

360. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

361. This paragraph contains allegations directed to a party other than Aksia and so no response is required. To the extent this paragraph is directed to Aksia, it is denied. Upon information and belief, the parties have agreed to a protective order. Denied that this allegation is relevant to Plaintiffs’ proof of any cause of action or claim.

362. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

363. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

364. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

365. This paragraph contains allegations directed to a party other than Aksia and so no response is required. Denied that this allegation is relevant to Plaintiffs' proof of any cause of action or claim.

366. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

367. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

368. This paragraph contains allegations directed to a party other than Aksia and so no response is required. To the extent this paragraph is directed to Aksia, it is denied.

CLASS ACTION ALLEGATIONS

369. Aksia incorporates its answers to all preceding and subsequent paragraphs of the TAC as if set forth in full here.

370. Aksia admits only that Plaintiffs purport to bring this action as a class action. This paragraph is denied in all other respects, including that Aksia made investment decisions or engaged in "other wrongful conduct."

371. This paragraph contains a legal conclusion to which no response is required. To the extent a response is required, Aksia admits only that Plaintiffs' paragraph 371 purports to define a class. Aksia denies that a class should be certified.

372. This paragraph contains a legal conclusion to which no response is required. To the extent a response is required, Aksia admits only that Plaintiffs' paragraph 372 purports to

define a class. Aksia denies that a class should be certified. Aksia further denies that Plaintiffs or any other individual “were injured by [Aksia’s] actions and inactions.” Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

373. This paragraph contains a legal conclusion to which no response is required. To the extent a response is required, Aksia denies that its actions and/or inactions caused an increased contribution obligation from Plaintiffs or any other individual and denies that its actions and/or inactions caused Plaintiffs or any other individual any injury or damage. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

374. This paragraph contains conclusions of law to which no response is required. To the extent that a response is required, Aksia denies that a class should be certified.

375. This paragraph contains conclusions of law to which no response is required.

376. This paragraph contains conclusions of law to which no response is required.

377. This paragraph contains a conclusion of law to which no response is required.

378. This paragraph contains conclusions of law to which no response is required. To the extent a response is required, after reasonable investigation, Aksia lacks information sufficient to form a belief as to the truth of the averments in this paragraph.

379. This paragraph contains conclusions of law to which no response is required.

380. This paragraph contains conclusions of law to which no response is required.

381. This paragraph contains conclusions of law to which no response is required.

382. This paragraph contains a conclusion of law to which no response is required. By way of further response, Aksia denies that it is liable for any of Plaintiffs alleged injuries and damages.

383. This paragraph contains an instruction to which no response is required.

384. This paragraph contains an instruction to which no response is required.

**COUNT I
BREACH OF FIDUCIARY DUTY
AGAINST AON INVESTMENTS USA, INC.
(HEWITT ENNISKNUPP, INC. AND
AON HEWITT INVESTMENT CONSULTING, INC.)**

385. Aksia incorporates its answers to all preceding and subsequent paragraphs of the TAC as if set forth in full here.

386. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

387. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

388. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

389. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

390. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

391. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

392. This paragraph contains allegations directed to a party other than Aksia and so no response is required. To the extent a response is deemed to be directed to Aksia, Aksia denies the averments of this paragraph.

393. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

394. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

395. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

396. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

**COUNT II
BREACH OF FIDUCIARY DUTY
AGAINST PORTFOLIO ADVISORS LLC**

397. Aksia incorporates its answers to all preceding and subsequent paragraphs of the TAC as if set forth in full here.

398. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

399. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

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401. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

402. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

403. This paragraph contains allegations directed to a party other than Aksia and so no response is required. To the extent a response to this paragraph is required, Aksia denies the averments in this paragraph.

404. This paragraph contains allegations directed to a party other than Aksia and so no response is required. To the extent a response is required, Aksia denies the averments in this paragraph.

405. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

406. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

407. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

**COUNT III
BREACH OF FIDUCIARY DUTY
AGAINST HAMILTON LANE ADVISORS L.L.C.**

408. Aksia incorporates its answers to all preceding and subsequent paragraphs of the TAC as if set forth in full here.

409. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

410. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

411. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

412. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

413. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

414. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

415. This paragraph contains allegations directed to a party other than Aksia and so no response is required. To the extent a response to this paragraph is required, Aksia denies the averments in this paragraph.

416. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

417. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

418. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

**COUNT IV
BREACH OF FIDUCIARY DUTY
AGAINST AKSIA LLC**

419. Aksia incorporates its answers to all preceding and subsequent paragraphs of the TAC as if set forth in full here.

420. The scope of Aksia's fiduciary obligations is a conclusion of law to which no response is required. To the extent any part of this allegation is deemed factual, it is denied.

421. The scope of Aksia's fiduciary obligations is a conclusion of law to which no response is required. To the extent any part of this allegation is deemed factual, it is denied.

422. The scope of Aksia's fiduciary obligations is a conclusion of law to which no response is required. To the extent any part of this allegation is deemed factual, it is denied.

423. This paragraph contains legal conclusions to which no response is required. To the extent that any aspect of this paragraph is deemed to be factual—including Plaintiffs' allegations that Aksia breached its fiduciary duties or somehow caused or contributed to "hundreds of millions

of dollars of damages”—it is denied. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

424. This paragraph contains legal conclusions to which no response is required. To the extent that any aspect of this paragraph is deemed to be factual, they are denied. By way of further response, Aksia denies that it engaged in any “actions and inactions [that] caused harm to the Plan,” Plaintiffs, or anyone else. Aksia further denies “damaging” or causing loss to Plaintiffs or anyone else. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

425. Denied. Aksia did not partake in any “wrongful actions and inactions,” nor was the nature and type of investments held by PSERS concealed such that they were “uncovered” or “revealed” following the nine-year look back period ending on June 30, 2020. At all times, Aksia complied with its disclosure obligations under the 2015 and 2021 Agreements between it and PSERS. This paragraph is denied in all other respects.

426. Denied. By way of further response, although calculating the rate of return for hedge fund and private credit investments may be a more intensive process than calculating the rate of return for public indices, Aksia denies that it is “almost impossible” to make such computations or compare the rates of return to those of “more traditional investments.” Aksia states that, upon reasonable investigation, it is without sufficient information or knowledge to admit or deny the averment that “excessive fees and expenses” were charged to the Plan, because Plaintiffs did not identify any specific fees or expenses they allege were “excessive.” Aksia denies that it recommended investments that were “unsuitably expensive.” By way of further response, Aksia states that it routinely disclosed fee structure information to the PSERS Board for the Board to consider in making investment decisions, and that the fee structure of a particular investment

was negotiated by PSERS directly with the fund's general partner. Except for where PSERS availed itself of Aksia's reduced fees program with respect to certain underlying investments, Aksia did not negotiate on PSERS' behalf with the general partners of the funds it recommended because PSERS did not retain Aksia to provide those services and Aksia had no authority to do so.

427. Denied. Aksia's actions and/or inactions did not cause any damages to the Plaintiffs or the putative Class members.

428. This paragraph contains legal conclusions to which no response is required. To the extent that any averment in this paragraph is deemed factual—including that Aksia owed duties to PSERS participants or that its actions and/or inactions breached those duties—it is denied.

429. This paragraph contains legal conclusions to which no response is required. To the extent that any averment in this paragraph is deemed factual, it is denied. Neither the Plaintiff nor the putative Class members are entitled to any relief of any kind in respect of the claims against Aksia.

COUNT V
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
AGAINST AON INVESTMENTS USA, INC.
(HEWITT ENNISKNUPP, INC. AND
AON HEWITT INVESTMENT CONSULTING, INC.)

430. Aksia incorporates its answers to all preceding and subsequent paragraphs of the TAC as if set forth in full here.

431. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

432. This paragraph contains allegations directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia admits that the terms of Aksia's engagement by PSERS, including the services which Aksia agreed to provide and for whose benefit, are set out in written agreements, the contents of which

speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of the services to be provided by Aksia pursuant to those agreements are inconsistent with its terms, they are denied.

433. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

434. This paragraph contains allegations directed to a party other than Aksia and so no response is required. To the extent that any averment in this paragraph is deemed to be directed to Aksia, it contains legal conclusions to which no response is required. To the extent that any portion of this averment is deemed to apply to Aksia and to be factual, it is denied.

435. This paragraph contains allegations directed to a party other than Aksia and so no response is required. To the extent that any averment in this paragraph is deemed to be directed to Aksia, it contains legal conclusions to which no response is required. To the extent that any portion of this averment is deemed to apply to Aksia and to be factual, it is denied. By way of further response, Aksia did not breach any fiduciary (or other) duties. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

436. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

437. This paragraph contains allegations directed to a party other than Aksia and so no response is required. To the extent a response to this paragraph is required, Aksia denies the averments in this paragraph.

438. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

439. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

440. This paragraph contains allegations directed to a party other than Aksia and so no response is required. To the extent that any averment in this paragraph is deemed to be directed to Aksia, it contains legal conclusions to which no response is required. To the extent that any portion of this averment is deemed to apply to Aksia and to be factual, it is denied. By way of further response, Aksia did not breach any fiduciary (or other) duties. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

441. This paragraph contains allegations directed to a party other than Aksia and so no response is required. To the extent that any averment in this paragraph is deemed to be directed to Aksia, it contains legal conclusions to which no response is required. To the extent that any portion of this averment is deemed to apply to Aksia and to be factual, it is denied. By way of further response, Aksia did not breach any fiduciary (or other) duties. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

442. This paragraph contains allegations directed to a party other than Aksia and so no response is required. To the extent that any averment in this paragraph is deemed to be directed to Aksia, it is denied.

443. This paragraph contains allegations directed to a party other than Aksia and so no response is required. To the extent that any averment in this paragraph is deemed to be directed to Aksia, it contains legal conclusions to which no response is required. To the extent that any portion of this averment is deemed to apply to Aksia and to be factual, it is denied. By way of further response, Aksia did not breach any fiduciary (or other) duties. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

COUNT VI
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
AGAINST HAMILTON LANE ADVISORS L.L.C.

444. Aksia incorporates its answers to all preceding and subsequent paragraphs of the TAC as if set forth in full here.

445. This paragraph contains allegations directed to a party other than Aksia and so no response is required. To the extent any averment in this paragraph is deemed to pertain to Aksia, Aksia admits that the terms of Aksia's engagement by PSERS, including the services which Aksia agreed to provide and for whose benefit, are set out in written agreements, the contents of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of the services to be provided by Aksia pursuant to those agreements are inconsistent with its terms, they are denied.

446. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

447. This paragraph contains allegations directed to a party other than Aksia and so no response is required. To the extent that any averment in this paragraph is deemed to be directed to Aksia, it contains legal conclusions to which no response is required. To the extent that any portion of this averment is deemed to apply to Aksia and to be factual, it is denied.

448. This paragraph contains allegations directed to a party other than Aksia and so no response is required. To the extent that any averment in this paragraph is deemed to be directed to Aksia, it contains legal conclusions to which no response is required. To the extent that any portion of this averment is deemed to apply to Aksia and to be factual, it is denied. By way of further response, Aksia did not breach any fiduciary (or other) duties. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

449. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

450. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

451. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

452. This paragraph contains allegations directed to a party other than Aksia and so no response is required.

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455. This paragraph contains allegations directed to a party other than Aksia and so no response is required. To the extent that any averment in this paragraph is deemed to be directed to Aksia, it contains legal conclusions to which no response is required. To the extent that any portion of this averment is deemed to apply to Aksia and to be factual, it is denied. By way of further response, Aksia did not breach any fiduciary (or other) duties. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

456. This paragraph contains allegations directed to a party other than Aksia and so no response is required. To the extent that any averment in this paragraph is deemed to be directed to Aksia, it is denied.

457. This paragraph contains allegations directed to a party other than Aksia and so no response is required. To the extent that any averment in this paragraph is deemed to be directed

to Aksia, it contains legal conclusions to which no response is required. To the extent that any portion of this averment is deemed to apply to Aksia and to be factual, it is denied. By way of further response, Aksia did not breach any fiduciary (or other) duties. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

COUNT VII
AIDING AND ABETTING BREACH OF FIDUCIARY DUTY
AGAINST AKSIA LLC

458. Aksia incorporates its answers to all preceding and subsequent paragraphs of the TAC as if set forth in full here.

459. Admitted in part, denied in part. Aksia admits that the terms of its engagement by PSERS, including the services which Aksia agreed to provide and the nature of the obligations it owed (and to whom), are set out in the 2015 and 2021 Agreements, the contents of which speak for themselves. To the extent that Plaintiffs' assertions about and characterizations of the services to be provided by Aksia pursuant to the 2015 and 2021 Agreements are inconsistent with their terms, they are denied. To the extent that this paragraph contains allegations directed to a party other than Aksia, no response is required.

460. Denied. This paragraph contains conclusions of law to which no response is required. To the extent that any part of this paragraph is deemed to be factual—including that Aksia had knowledge of the legal obligations of others—it is denied.

461. Denied. This paragraph contains conclusions of law to which no response is required. To the extent that any part of this paragraph is deemed to be factual—including that Aksia had knowledge of the legal obligations of others—it is denied.

462. Denied. This paragraph contains conclusions of law to which no response is required. To the extent that any part of this paragraph is deemed to be factual, it is denied.

463. Admitted in part, denied in part. Aksia admits only that the investment vehicles it recommended to PSERS charged fees and that information regarding the structure of those fees was disclosed to PSERS prior to investment. Aksia denies that it recommended investment vehicles that “did not provide the targeted rates of return and/or had those rates diminished by excessive costs” or that investments it recommended would—or did—trigger the increase in shared-risk contributions. By way of further response, PSERS negotiated the terms of its investment agreements—including fees—directly with the general partners of the funds. Except for where PSERS availed itself of Aksia’s reduced fees program with respect to certain underlying investments, Aksia did not negotiate on PSERS’ behalf with the general partners of the funds it recommended because PSERS did not retain Aksia to provide those services and Aksia had no authority to do so.

464. Denied. This paragraph contains conclusions of law to which no response is required. To the extent that any part of the paragraph is deemed to be factual, it is denied.

465. Denied. Aksia denies that it recommended “illiquid, high cost/high fee and/or poor performing investments,” that the investment recommendations it did make “were likely to imperil the financial health and soundness of the Plan” (or that they did, in fact, imperil the financial health and soundness of the Plan), or that its recommendations caused others over whom Aksia exerted no control to breach whatever fiduciary duties they may have owed.

466. Denied. Aksia denies that it had any obligation to act or not act in response to the PPMAIRC report. By way of further response, decisions about the plan-wide allocation of assets were outside the scope of Aksia’s mandate under its 2015 and 2021 Agreements with PSERS. Plan-wide allocation decisions—i.e., what percentage of Plan assets would be invested in which asset classes—were made by PSERS in consultation with its General Investment Consultant (who

was not Aksia). Aksia further denies that it owed or owes a fiduciary duty to the Plaintiffs or any Plan participant or breached any duty.

467. This paragraph contains legal conclusions to which no response is required. To the extent that any averment in this paragraph is considered factual, they are denied. Denied that Aksia aided and abetted the breaches of fiduciary duties of others of which it was not aware and over whom it exerted no control or that its conduct was responsible for Plaintiffs' purported injuries or damages.

468. This paragraph contains legal conclusions to which no response is required. To the extent that any averment in this paragraph is considered factual, it is denied.

469. This paragraph contains legal conclusions to which no response is required. To the extent a response is required, Aksia denies that its actions and/or inactions caused an increased contribution obligation from Plaintiffs or any other individual and denies that its actions and/or inactions caused Plaintiffs or any other individual any injury or damage.

470. This paragraph contains legal conclusions to which no response is required. To the extent that any averment in this paragraph is considered factual, it is denied. Denied that Aksia aided and abetted the breaches of fiduciary duties of others of which it was not aware and over whom it exerted no control or that its conduct was responsible for Plaintiffs' purported injuries or damages.

COUNT VIII
BREACH OF THIRD-PARTY BENEFICIARY CONTRACT
AGAINST AON INVESTMENTS USA, INC.
(HEWITT ENNISKNUPP, INC. AND
AON HEWITT INVESTMENT CONSULTING, INC.)

471. Aksia incorporates its answers to all preceding and subsequent paragraphs of the TAC as if set forth in full here.

472. This paragraph contains allegations directed to parties other than Aksia and so no response is required.

473. This paragraph contains allegations directed to parties other than Aksia and so no response is required.

474. This paragraph contains allegations directed to parties other than Aksia and so no response is required.

475. This paragraph contains allegations directed to parties other than Aksia and so no response is required.

476. This paragraph contains allegations directed to parties other than Aksia and so no response is required.

477. This paragraph contains allegations directed to parties other than Aksia and so no response is required.

478. This paragraph contains allegations directed to parties other than Aksia and so no response is required.

**COUNT IX
BREACH OF THIRD-PARTY BENEFICIARY CONTRACT
AGAINST PORTFOLIO ADVISORS LLC**

479. Aksia incorporates its answers to all preceding and subsequent paragraphs of the TAC as if set forth in full here.

480. This paragraph contains allegations directed to parties other than Aksia and so no response is required.

481. This paragraph contains allegations directed to parties other than Aksia and so no response is required.

482. This paragraph contains allegations directed to parties other than Aksia and so no response is required.

483. This paragraph contains allegations directed to parties other than Aksia and so no response is required.

484. This paragraph contains allegations directed to parties other than Aksia and so no response is required.

485. This paragraph contains allegations directed to parties other than Aksia and so no response is required.

486. This paragraph contains allegations directed to parties other than Aksia and so no response is required.

COUNT X
BREACH OF THIRD-PARTY BENEFICIARY CONTRACT
AGAINST HAMILTON LANE ADVISORS L.L.C.

487. Aksia incorporates its answers to all preceding and subsequent paragraphs of the TAC as if set forth in full here.

488. This paragraph contains allegations directed to parties other than Aksia and so no response is required.

489. This paragraph contains allegations directed to parties other than Aksia and so no response is required.

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492. This paragraph contains allegations directed to parties other than Aksia and so no response is required.

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494. This paragraph contains allegations directed to parties other than Aksia and so no response is required.

**COUNT XI
BREACH OF THIRD-PARTY BENEFICIARY CONTRACT
AGAINST AKSIA, LLC**

495. Aksia incorporates its answers to all preceding and subsequent paragraphs of the TAC as if set forth in full here.

496. Admitted only that Aksia entered into the 2015 and 2021 Agreements with PSERS. The characterization that these are “contracts to provide expert professional services to the PSERS Plan” contains a legal conclusion to which no response is required. By way of further response, the terms of Aksia’s engagement by PSERS, including the services that Aksia agreed to provide and to whom those services were to be rendered, are set out in the 2015 and 2021 Agreements, the contents of which speak for themselves. To the extent that Plaintiffs’ assertions about and characterizations of the 2015 and 2021 Agreements are inconsistent with their terms or seek to enlarge the scope of Aksia’s obligations, they are denied.

497. Admitted only that Aksia entered into the 2015 and 2021 Agreements with PSERS. Plaintiffs’ characterization of those contracts are legal conclusions to which no response is required. By way of further response, the terms of Aksia’s engagement by PSERS, including the services that Aksia agreed to provide and to whom those services were to be rendered, are set out in the 2015 and 2021 Agreements, the contents of which speak for themselves. To the extent that Plaintiffs’ assertions about and characterizations of the 2015 and 2021 Agreements are inconsistent with their terms or seek to enlarge the scope of Aksia’s obligations, they are denied.

498. This paragraph contains legal conclusions to which no response is required. To the extent that any averment in this paragraph is deemed to be factual, it is denied.

499. This paragraph contains legal conclusions to which no response is required. To the extent that any averment in this paragraph is deemed to be factual, it is denied.

500. This paragraph contains legal conclusions to which no response is required. To the extent that any averment in this paragraph is deemed to be factual, it is denied. By way of further response, Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements.

501. Admitted in part. Aksia admits only that it willingly entered into the 2015 and 2021 Agreements with PSERS. After reasonable investigation, Aksia is without information or knowledge sufficient to admit or deny the specific source of the funds PSERS used to pay Aksia.

502. Denied. Aksia has, at all times, fully and lawfully performed its obligations under the 2015 and 2021 Agreements. Aksia did not cause any harm to Plaintiffs or anyone else, and denies that Plaintiffs or the Putative Class are entitled to any damages in respect of claims against Aksia.

NEW MATTER

Aksia does not assume the burden of proving any fact, issue, or element of a cause of action for which the burden properly belongs to Plaintiffs. Nothing in the New Matter is intended to be or shall be construed as an admission that any particular issue or subject is relevant to Plaintiffs' allegations:

1. Aksia hereby incorporates its answers to all paragraphs of the Third Amended Complaint as if set forth in full here.
2. Plaintiffs fail to state a claim upon which relief can be granted against Aksia.
3. Plaintiffs' claims against Aksia are barred because they have not suffered any damages.

4. Plaintiffs' claims against Aksia are barred because Plaintiffs do not have standing to maintain this lawsuit.

5. Plaintiffs' claims are barred in whole or in part by the statute of limitations.

6. Plaintiffs' claims against Aksia are barred because Plaintiffs have failed to join one or more indispensable party.

7. Plaintiffs' alleged injuries were caused or contributed to, in whole or part, by the acts or omissions of persons, parties, and/or organizations other than Aksia and over whom Aksia had no control, right of control, or responsibility.

8. Aksia did not, and could not, have caused the injuries alleged in the Third Amended Complaint because Aksia did not make any investment decisions on behalf of PSERS.

9. Aksia did not, and could not, have caused the injuries alleged in the Third Amended Complaint because Aksia did not, and had no obligation to, negotiate the terms and conditions of PSERS' investment agreements—including those terms pertaining to fees—with general partners of the funds into which it invested.

10. Aksia did not, and could not, have caused the injuries alleged in the Third Amended Complaint because Aksia did not make any decisions or recommendations concerning the percentage of Plan assets to invest in so-called "alternative investments," or any other asset class, including hedge fund and private credit investments.

11. At all times, Aksia acted reasonably, appropriately, and in good faith.

12. Plaintiffs' and/or any potential class member's claim is barred by estoppel.

13. Plaintiffs' and/or any potential class member's claim is barred by release.

14. Plaintiffs' and/or any potential class member's claim is barred by waiver.

15. Aksia pleads each and every defense, objection, and avoidance that may apply to this action.

16. Aksia expressly reserves the right to assert each and every defense available under Pennsylvania Rule of Civil Procedure 1030(a).

17. Aksia reserves the right to amend this answer and to assert any new matter that discovery reveals is applicable.

WHEREFORE, Aksia respectfully requests that the Court enter judgment in its favor and against Plaintiffs, together with its costs and other such relief as the Court deems just and proper.

Dated: April 12, 2023

/s/ Monica Clarke Platt
Michael K. Coran (Pa. I.D. 55876)
Monica Clarke Platt (Pa I.D. 311445)
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*Admitted Pro Hac Vice

Counsel for Aksia LLC.

VERIFICATION

I, Patrick Adelsbach, Partner, Co-Head, Advisory Americas, hereby state that I am authorized to make this verification on behalf of Defendant Aksia LLC. I verify that the averments and denials of fact made in the foregoing Answer and New Matter are true and correct to the best of my knowledge, information and belief, and that this verification is subject to the penalties of 18 Pa. C.S. § 4904, relating to unsworn falsification to authorities.

Dated: April 12, 2023



CERTIFICATE OF SERVICE

I, Monica Clarke Platt, Esquire, hereby certify that on the date set forth below I caused a true and correct copy of the foregoing answer and new matter to be electronically filed using the Court's electronic filing system, and that the document is available for downloading and viewing there to all counsel of record.

Dated: April 12, 2023

/s/ Monica Clarke Platt