

EXHIBIT 2

SETTLEMENT AGREEMENT

This Settlement Agreement (the “Agreement”) is entered into and effective as of January 30, 2025 (the “Effective Date”) by and between Portfolio Advisors, LLC (“Portfolio Advisors”) and the class of plaintiffs certified by the Court in the September 11, 2024 Order granting Plaintiffs’ Motion for Class Certification and Plaintiffs’ Motion to Clarify Class Definition (“Plaintiff Class”) (each, a “Party,” collectively, the “Parties”) in *Steinke et al v. Aon Investments USA, Inc. et al*, Philadelphia Court of Common Pleas case no. 210601197 (the “Litigation”).

WHEREAS, Portfolio Advisors entered into a contract (the “Contract”) with the Pennsylvania Public School Employees’ Retirement System Board (“PSERS Board”, and the retirement system itself being referred to as “PSERS”) from August 8, 2012 through August 7, 2017 (the “Contract Term”) to provide non-discretionary advice relating to private equity, private credit, and venture capital investments for a portion of the PSERS’ plan portfolio to which the Plaintiff Class are plan participants;

WHEREAS, following Portfolio Advisors cessation of providing advice pursuant to the Contract, the PSERS fund invested in a private equity investment fund for which Portfolio Advisors served as an asset manager;

WHEREAS, the Plaintiff Class filed the Litigation against Portfolio Advisors relating to or arising from Portfolio Advisors’ performance under the Contract during the Contract term;

WHEREAS, Portfolio Advisors denies and continues to deny any and all liability related to the allegations in the Complaint;

NOW, THEREFORE, in consideration of the mutual promises herein contained, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Payment to the Plaintiff Class. In consideration of the full releases by, and other agreements of, the Plaintiff Class contained in this Agreement, Portfolio Advisors’ insurer(s) shall, within 30 days after the Court’s granting preliminary approval of the settlement, pay the sum of \$11,250,000 (“Settlement Funds”) to Plaintiffs’ counsel, in immediately available funds to settle the claims against Portfolio Advisors, to be held in a trust account. Such funds shall be held by Plaintiffs’ counsel pending final approval of the settlement by the Court. The Parties will work in good faith to do that which is necessary to obtain court approval of this Agreement.

2. Settlement Approval. Plaintiffs will request, and Portfolio Advisors will not oppose, that the Court approve the settlement contemplated by this Agreement:

a. Authorize payment from the Settlement Funds of reasonable service fees to each representative of the Plaintiff Class (Kevin Steinke, Louis Fantini, Emily Fantini, and Daniel Reyes), in amounts requested by Plaintiffs;

b. Approve an attorney fee award from the Settlement Funds to counsel for the Plaintiff Class of one-third of the total value of the Settlement Funds amount set forth in this

Agreement;

c. Authorize payment from the Settlement Funds of costs and expenses incurred in conducting this Litigation, including for the Plaintiff Class attorneys' expenses, costs of notice, amounts paid to experts, and costs of administering the Settlement Funds (including for a class action administration company);

d. Authorize adequate notice of the settlement to the Plaintiff Class members;
and

e. Order that the balance of the Settlement Funds be paid to Class Members during a claims administration process, the duration of which will be determined by the Court.

3. Full and Unconditional Release of Portfolio Advisors.

a. Immediately upon payment of the Settlement Funds, in consideration of the covenants and agreements contained herein, the sufficiency of which is acknowledged by the execution of this Agreement, each member of the Plaintiff Class, on behalf of himself or herself, and each of their attorneys, agents, spouses, heirs, beneficiaries, insurers, authorized representatives and each of their predecessors, successors and assignors (collectively, the "Plaintiff Class Parties"), release and forever discharge Portfolio Advisors, Franklin Square Holdings, L.P. and their current, former, and future insurers and re-insurers, parents, subsidiaries, affiliates, predecessors, successors, assigns, employees, shareholders, members, managers, officers, directors, partners, limited partners, funds, attorneys, accountants, agents, businesses under their ownership and/or control, and other authorized representatives (collectively, the "Portfolio Advisors Parties") from any and all claims, actions, debts, dues, suits, contracts, accounts, judgments, obligations, attorneys' fees, controversies, damages, losses, causes of action of any kind, both at law or in equity, liabilities, obligations, fees, costs, losses or demands of any nature whatsoever, whether known or unknown, suspected or unsuspected, contingent or certain, that the Plaintiff Class Parties ever had, now have, or may have against the Portfolio Advisors Parties for or by reason of any matter or thing that arose or could arise (collectively, "Claims") that in any way relate to or arise from: (i) the Claims that were or could have been raised in the Litigation; and (ii) any Claim that was raised, could have been raised or could be raised in the future arising from or relating to any work any of the Portfolio Advisors Parties performed for PSERS, its employees and/or the PSERS Board and relating to relationship that any of the Portfolio Advisors Parties had with either PSERS, its employees, or the PSERS Board. No other Defendant in the Litigation is released by this Agreement.

b. The Claims released, include, without limitation, any Claims relating to: (i) any of the Portfolio Advisors Parties' role as an investment advisor provided to or relating to PSERS and the PSERS Board, including without limitation investment advice for investments to either make or avoid and investments in funds managed by any of the Portfolio Advisors Parties and (ii) any investment PSERS made in any fund managed by any of the Portfolio Advisors Parties, including without limitation the performance of such fund and the role that any Portfolio Advisors Party had or has in managing such investment. For the avoidance of doubt, the Claims released specifically include Claims made arising out of or relating to whether the PSERS and the PSERS fund meets, fails to meet or exceeds the risk sharing hurdle set forth by Pennsylvania Statute, 24

Pa. S. C. § 8321 (“Risk Sharing Hurdle”) measured as of June 30, 2020, June 30, 2023, June 30, 2026 and dates before or beyond. For the further avoidance of doubt, this release contemplates that no member of the Plaintiff Class shall sue any of the Portfolio Advisors Parties for claims if PSERS or the PSERS fund fails to meet the Risk Sharing Hurdle as of June 30, 2026 or dates beyond. The Claims released include, without limitation, any Claim under contract, common law, or statute. This release is intended to be given the broadest construction allowed by law.

c. The Parties agree as consideration and inducement for this compromise the releases contained in this Agreement apply to all unknown and unanticipated injuries and damages resulting from the Portfolio Advisors Parties’ actions and inactions with respect to PSERS and its investments, as well as those now disclosed.

d. The Settlement is expressly conditioned upon the release of Portfolio Advisors by the Plaintiff Class as is provided for herein and approval of the release sets forth in Section 3(a) in its entirety by the Court. Should the Court fail to approve the Settlement with the foregoing broad release, the Plaintiff Class Parties shall return the funds paid in consideration of the settlement within three business days and, the releases described herein shall be null, void and of no effect, and the Parties shall be returned to each of his, her or its status quo ante as of January 12, 2025.

4. Release of the Plaintiff Class by Portfolio Advisors. Immediately upon payment of the Settlement Funds to the Plaintiff Class following final approval, in consideration of the covenants and agreements contained herein, the sufficiency of which is acknowledged by the execution of this Agreement, the Portfolio Advisors Parties release and forever discharge each of the Plaintiff Class Parties from any and all claims, actions, debts, dues, suits, contracts, accounts, judgments, obligations, attorneys’ fees, controversies, damages, losses, causes of action of any kind, both at law or in equity, liabilities, obligations, fees, costs, losses or demands of any nature whatsoever, whether known or unknown, suspected or unsuspected, contingent or certain, that the Portfolio Advisors Parties ever had, now have, or may have against the Plaintiff Class Parties for or by reason of any matter or thing that arose or could arise that in any way relate to or arise from the subject matter of the Litigation that the Portfolio Advisors Parties raised or could have raised against the Plaintiff Class Parties in this Litigation.

5. Opt Outs. The Parties intend that the consideration paid with respect to this settlement provide a broad release to the Portfolio Advisors Parties. Accordingly, if 10% or more of the Plaintiff Class opts out of the settlement following notice, Portfolio Advisors may, in its sole discretion, determine to withdraw from the settlement. To do so, it must provide written notice to Plaintiff Class counsel within 10 days of receipt of the final number of opt outs by the class administrator._

6. No Admission of Fault or Liability. The Parties understand that this Agreement contains a settlement of potential claims related to or arising from the Litigation and advice that Portfolio Advisors provided to the PSERS board and PSERS’s investment in certain funds managed by Portfolio Advisors, and that no action hereunder by either Party is to be construed as an admission or acknowledgment of fault or liability on the part of that Party, and the existence of any fault or liability is specifically denied.

7. Dispute Resolution. If any dispute, controversy, or claim arises out of this Agreement, the Parties agree that they will first attempt in good faith to resolve the matter through negotiations and with the assistance of Jed Melnick to seek to resolve any open issues. If the Parties have not resolved such dispute, controversy, or claim within thirty (30) days of the initiation notice for such negotiations, then either Party may pursue further legal action consistent with Section 7.

8. Covenant Not to Sue. Except as otherwise necessary to enforce this Agreement, and pursuant to Section 3 of this Agreement, the Parties covenant and agree not to sue or bring any action, lawsuit, arbitration, claim, or other similar formal process against one another.

9. Authority. Each Party represents on behalf of itself that: (i) it is fully empowered, authorized, and entitled to enter into, execute, and perform this Agreement and every term hereof, including without limitation under applicable law; (ii) the person executing this Agreement on behalf of each Party is fully empowered, authorized, and entitled to enter into this Agreement on behalf of the Party for whom he or she is executing it; and (iii) this Agreement is a legal, valid, and binding obligation, enforceable against it in accordance with the terms of this Agreement.

10. Fees, Expenses and Taxes. Each Party shall bear its own costs, expenses, and attorneys' fees, and taxes, whether taxable or otherwise, incurred in connection with or arising out of or in any way related to this Agreement and the payments contemplated hereby.

11. Representations and Warranties. The Parties each expressly warrant and represent to one another as follows:

a. They have read this Agreement and have consulted with their respective attorneys concerning its contents and legal consequences and have requested any change in language necessary or desirable to effectuate their intent and expectations so that the rule of construction of contracts construing ambiguities against the drafting party shall be inapplicable.

b. They have investigated the facts to the extent that they have deemed necessary in their sole discretion and have assumed any risk of mistake of fact and any facts proven to be other than or different from the facts now known to any of the Parties and therefore intend this Agreement to be binding without regard to any mistake of fact or law relating to the subject matter of this Agreement.

c. The Agreement is being executed solely in reliance on each Party's own respective judgment, belief and knowledge of the matters set forth here and on the advice of their respective attorneys following an independent investigation of all relevant matters to the extent they deem necessary and reasonable.

d. Each Party has taken all actions and obtained all authorizations, consents and approvals as are conditions precedent to their authority to execute this Agreement and thus warrant that they are fully authorized to bind the Party for which they execute this Agreement.

e. There has been and will be no assignment or other transfer of any claim released here, or any part thereof, and each Party agrees to defend, indemnify and hold harmless the other party from any claims, obligations, or other liabilities, including specifically attorney's fees and

costs incurred, which result from the assertion by any third party of a right to any claim which is released by this Agreement.

The foregoing warranties and representations shall survive the execution and delivery of this Agreement.

12. No Reliance. Each Party is entering into this Agreement based upon his, her or its voluntary and informed consent. Each Party has performed his, her or its own investigation of the facts, has consulted with independent counsel, and is not relying upon the statements of any other Party in determining whether to enter into this Agreement.

13. Integration. This Agreement may not be changed orally and can only be changed, modified, or otherwise altered or waived in whole or in part in a writing signed by the Parties. This Agreement constitutes the entire agreement by and between the Parties concerning the subject matter of this Agreement, and supersedes any and all prior understandings, whether oral or written, concerning the same. The Parties agree that no prior representations, warranties, or assurances were made as an inducement to enter into this Agreement except as set forth expressly herein. Without limiting the generality of the releases set forth in this Agreement, the Parties hereby waive any and all claims or potential claims based on any statements, discussions, disclosures, or failures to disclose information in the course of their negotiations and dealings prior to the execution of this Agreement.

14. Notices. Unless another person is designated, in writing, for receipt of notices hereunder, notices to the respective Parties shall be sent to the following Persons by overnight delivery service and e-mail:

If to Portfolio Advisors:
Portfolio Advisors, LLC.
9 Old Kings Hwy S.
Darien, Connecticut 06820
Attn: Daniel Dwyer, Chief Compliance Officer and Counsel
ddwyer@portad.com

with a copy to:
Freshfields US LLP
3 World Trade Center
175 Greenwich Street
New York, New York 10007
Attn: Gayle Klein
gayle.klein@freshfields.com

If to the Plaintiff Class:
Mantese Honigman, PC
1361 E. Big Beaver Rd.
Troy, Michigan 48083
Attn: Gerard Mantese


gmantese@manteselaw.com

15. Construction of Agreement. This Agreement is the jointly drafted product of arm's-length negotiations between the Parties with the benefit of advice from counsel, and the Parties agree that it shall be so construed. The heading references herein are for convenience purposes only and shall not be deemed to limit or affect any of the provisions hereof.

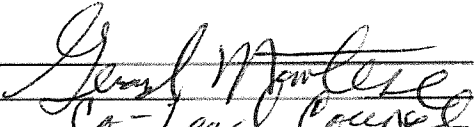
16. Counterparts. This Agreement may be signed in counterparts, which counterparts, when taken together, shall constitute this Agreement. Signatures transmitted electronically are deemed as valid as original signatures.

IN WITNESS WHEREOF, the signatories below have executed this Agreement by their duly authorized representatives.

Portfolio Advisors, LLC


By: Daniel F Dwyer
Its: Mung Dwyer + Chief Compliance Officer
Date: 2-18-25

For the Plaintiff Class


By: Gerald Mantese
Its: Co-Lead Counsel
Date: February 21, 2025