

**EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
ANNUITY AND PENSION BOARD**

Minutes of the Investment Committee Meeting
held April 16, 2026 in person

The meeting was called to order at 9:00 a.m.

Committee Members Present: John Barmore
 Matthew Bell
 Bill Christianson
 Justin DeCleene
 Timothy Heling

Committee Members Not Present: Deborah Ford (arrived 9:08 a.m.)
 Nik Kovac (arrived 10:05 a.m.)

ERS Staff Present: Patrick McClain, Executive Director
 David Silber, Chief Investment Officer
 Erich Sauer, Deputy Chief Investment Officer
 Keith Dickerson, Pension Investment Analyst – Sr.
 Thomas Courtright, Pension Investment Analyst
 Dan Gopalan, Chief Financial Officer
 Jan Wills, Board Stenographer

Others present: Dario Buechi, John Jackson, Mike Joecken, David Zee, Callan; Greg Balewicz, Mark Redfearn, Chris Robb, PPM America, Inc.; Jim Gubitosi, John Trydahl, Income Research + Management; Andrea Johnson, Brandon Kanz, Mike Reardon, Pete Schmit, Galliard Capital Management, LLC; John Cremer, Meghan Dean, Charles Groeschell, Mary Ellen Stanek, Baird Advisors; Lauren Albanese, Financial News; Lauri Rollings, City Attorney's Office; Terry Siddiqui, DS Consulting, Inc.; nine members of the public called into the meeting.

Fixed Income Manager Interviews. Chairman Heling noted there would be four Fixed Income manager interviews. He stated Callan would provide a preview. Mr. Joecken said this follows the asset liability study where it was decided to increase the allocation to Fixed Income, and it follows the recently approved Fixed Income structure, where it was decided to add another manager and further diversify the Fixed Income allocation. He stated they were looking for a core Fixed Income Manager and said there are four candidates who have been through Callan's search process and CMERS is looking for a core Fixed Income Manager that complements CMERS' existing managers – Loomis and Reams. He stated Callan worked with its Fixed Income Research Specialists, Messrs. Buechi and Zee, to conduct the search. Mr. Joecken stated the manager list was whittled down to eight who were taken to the manager search committee, a committee of a dozen senior consultants, like Mr. Jackson and himself and others at Callan who have experience working with other core Fixed Income Managers. He said the consultants got the list down to the four managers who are here today. Mr. Joecken said once the managers come out of the search committee, the search committee would be happy with any of the four managers hired. Mr. Jackson

stated all four managers are perfectly capable so the Investment Committee cannot make a bad choice.

Mr. Barmore asked for some highlights of each manager. Mr. Buechi noted PPM is an asset manager who is a subsidiary of the insurance company Jackson National so the firm and team is very involved in managing assets on behalf of the insurance general account. He said in terms of the overall profile of the strategy here, this would be a very conservative core bond option that is taking its roots in that insurance asset management style where safety of principal is number one. Mr. Buechi said this would be a very conservative bond option led by Mr. Redfearn.

Mr. Zee said Income Research + Management is an employee-owned, Fixed Income firm based out of Boston and manages about \$120 billion in assets and all Fixed Income across the firm. He said in terms of their style, contrasting them to the other candidates here, people find that they are more on the aggressive side of core, relative to these candidates, but he said it is still a very conservative true core bond strategy.

Mr. Buechi stated Galliard is a subsidiary of Allspring, formerly Wells Fargo. He said Wells Fargo divested their asset management business in 2021 to GTCR and Reverence Capital Partners who are the new majority owners of Allspring. Mr. Buechi said Galliard is an independent subsidiary of Allspring with their roots and the major core of their business in stable value, but they do have a sizable core bond strategy that is run largely by the second team at Galliard. He said they have a conservative option with unique sector exposures that could complement CMERS' current managers.

Mr. Zee said Baird is a local, Milwaukee-based firm and said the core bond strategy CMERS is speaking about is their flagship strategy. Mr. Zee said their key area of expertise is in corporate credit so we would see a structural overweight to that area that has really driven their results over time.

Ms. Ford arrived at 9:08 a.m.

Mr. Christianson asked what niche CMERS is expecting this Fixed Income manager to fill relative to CMERS' other Fixed Income managers. Mr. Joecken said Reams and Loomis, whom CMERS has had for a long time, are further out on the risk spectrum for Fixed Income and they are investing in things like high-yield and emerging market debt. He said today the managers would be discussing investment-grade Fixed Income which are highly-rated treasuries, credits, securitized debt, mortgages, and mortgage-backed securities. Mr. Joecken added that what CMERS is thinking about today is the safe harbor Fixed Income that balances the more aggressive Reams and Loomis within the portfolio. Mr. Silber added that over the long-term, the GlidePath that was approved last year set the current Fixed Income target at 32% but noted that when CMERS' funding status hits 85%, the GlidePath envisions that the Fixed Income allocation increases to 36%, and when CMERS's funding status hits 90%, the Fixed Income allocation is projected to reach a 45% target. Mr. Silber said the purpose of de-risking is to take the money from alternatives and stocks and put the money into something that will hopefully get a nice yield and provide liquidity, but is not as risky on the spectrum as Reams and Loomis. He noted that CMERS already has a healthy allocation to a U.S. government index strategy that can be relied on as a rebalancing mechanism

and to tap to make benefit payments when needed, but CMERS does not have anything in between the index and core plus at the moment and that is the spot in the portfolio that we are trying to fill with this search.

Mr. Heling then asked the Committee to hold their questions until the presenters do their 20-minute presentations and then the Committee will have 10 minutes to ask questions.

PPM America, Inc. As a matter of information, Committee members received the PPM America presentation booklet. Messrs. Balewicz, Redfearn, and Robb introduced themselves and said they were delighted to be here and talked about PPM's strong core Fixed Income capabilities. Mr. Balewicz said Mr. Redfearn would provide an overview of the investment team, process, philosophy, and performance. He stated Mr. Robb would share insight into his vision as the new CEO of PPM and talk about his commitment to public Fixed Income, public funds, and U.S. Institutional. Topics that PPM covered were PPM at a Glance, Our Understanding of Your Needs, Portfolio Management Team, Strategy Overview, Our Fixed Income Investment Philosophy, Fixed Income Portfolio Investment Approach, Credit Research Team Process, Managing Risk in Fixed Income Portfolios, Summary of Performance Results, Excess Returns, Portfolio Characteristics, Portfolio Breakdown by Sector, Portfolio Breakdown by Credit Quality, and Credit Exposure (DTS) Difference vs. Benchmark. Discussion ensued.

Income Research + Management. As a matter of information, Committee members received the Income Research + Management presentation booklet. Messrs. Trydahl and Gubitosi introduced themselves. He said they would discuss their firm, their investment philosophy, process, and performance expectations. Topics that Income Research + Management covered were Our Understanding; IR+M: Who We Are; Stable, Established Teams; Extensive Analytical Resources; The IR+M Approach; Investment Process; Analyze Opportunity Set; IR+M Research Process; Identify Best Ideas: Corporates; Portfolio Construction + Risk Control; Portfolio Characteristics; Investment Results; IR+M Aggregate Strategy Performance; Why Clients Choose IR+M; IR+M Public Plan Client Differentiators; IR+M Core Risk Metrics vs. Core Universe; Portfolio Characteristics; Investment Results; Strong Information Ratios Relative to Peers; Identify Best Ideas: Securitized; Calibrate Risk Posture; Evaluate Portfolio Fit; Portfolio Management Resources; and IR+M Composite Disclosures. Discussion ensued.

Mr. Kovac arrived at 10:05 a.m.

The Chair called for a break at 10:15 a.m.

The Chair resumed the meeting at 10:25 a.m.

Galliard Capital Management, LLC. As a matter of information, Committee members received the Galliard Capital Management, LLC presentation booklet. Ms. Johnson and Messrs. Kanz, Reardon, and Schmit introduced themselves. Mr. Schmit thanked the committee for the opportunity to talk about the broad, market core strategy. Topics that Galliard covered were Who We Are; Galliard Team; Broad Market Core Performance – 5 Years; Galliard's Fixed Income Philosophy; What to Expect from a Galliard Portfolio; Broad Market Core Composite Performance; Key Tenets of Approach Within Sectors; Broad Market Core Investment Strategy;

Broad Market Core Composite Performance; CMERS – Galliard Broad Market Core; What Differentiates Galliard; Galliard Capital Management, LLC; Allspring Global; Fixed Income Investment Team; Fixed Income Collaboration; Sources of Performance Enhancement; Corporate Credit Sector; Taxable Municipal & Not-for-Profit Corporate Credit Sectors; MBS & Structured Government Sector; Structured Credit Sector; Historical Sector Breakdown; Representative Fixed Income Performance; Additional Disclosure Information; Composites for Short Core, Short Intermediate Core, Intermediate Aggregate, and Broad Market Core for Analysis Date: December 31, 2025. Discussion ensued.

Baird Advisors. As a matter of information, Committee members received the Baird Advisors presentation booklet. Ms. Dean, Stanek and Messrs. Cremer, and Groeschell introduced themselves. Ms. Stanek mentioned philosophy, process, people, performance, and stated that Mr. Groeschell would add pride, meaning pride in what Baird does, and how Baird delivers for investors. Topics that Baird covered were Baird Advisors Portfolio Management Team; Firm/Team Overview; Firm Update; Baird Advisors Overview; Baird Advisors Competitive Advantages; Baird Advisors – Representative Clients; Structured, Risk-Controlled Taxable Portfolio Management; Baird Taxable Bond Funds; Consistency is Key Baird Taxable Bond Funds – Institutional Shares; Attractive Yields for Investors; Baird Municipal Bond Funds Total Net Returns, Institutional Class as of March 31, 2026; Investment Philosophy & Process: Two-Fold Approach; Implementation: A Holistic Approach; Fundamental Investment Research; Baird Advisors Credit Strategy; Baird Advisors Mortgage and Asset-Backed Securities Strategy; Baird Aggregate Bond Fund, Risk Controls in Taxable Portfolio Construction; Portfolio Positioning – Evolves as Value in Bond Market Changes; Baird Aggregate Bond Fund; Current Market Review; Bond Market Still Presenting Good Value in 2026; Yields Surge in March/Q1; Developed World 1-Month Increase in 10-Year Yield; Fixed Income Flows Remain Strong in Q1 2026; Corporate Spreads Modestly Wider in Q1 2026; Agency RMBS Spreads Historically Tight; Corporate Credit Spreads Historically Tight; IG Corporate Credit Fundamentals Still Solid; Inflation Expectations Suggest a Short-Term Effect; Energy Shock Shifts Outlook for Central Banks; “Average” Consumer in Pretty Good Shape; Structure of U.S. Labor Market Changing; Resilient U.S. Economy; Federal Debt and Deficit Concerns; and Our Culture – The Baird Difference. Discussion ensued.

Chief Investment Officer Report. Mr. Silber provided a Performance Update and said that despite the recent market volatility, the Fund’s market value has risen materially in the past 12 months. He also said that all of the hard work put into de-risking the Fund last year resulted in a lower allocation to stocks and a higher allocation to bonds, and this has helped reduce the Fund’s volatility. He said as of April 15, the Fund’s return is approximately 3% net-of-fees, slightly trailing the benchmark. Mr. Silber noted Public Equities are still outperforming year-to-date despite the volatility and large dispersion of returns. Mr. Silber stated the Fixed Income allocation is in line with the benchmark, net of fees. He said this is good because the way most managers make money in the Core Plus world is by taking extra risk, and that has not been rewarded in the last couple of months. Mr. Silber said Private Equity has not reported yet so the Fund is underperforming there because stocks were up in the fourth quarter and that is what the benchmark is based off of. He noted that the Fund’s Real Estate, formerly called Real Assets, and Hedge Fund allocations are all reporting positive year-to-date returns, but they are not quite keeping up with

their respective benchmarks. Discussion ensued. Mr. Silber said there would be another update at the April Board meeting and again at the May Investment Committee meeting.

The Chair called for a break at 11:46 a.m.

The Chair resumed the meeting at 11:57 a.m.

Mr. Heling advised that the Investment Committee may vote to convene in closed session on the following item (III.) as provided in Section 19.85(1)(e), Wisconsin Statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Investment Committee may then vote to reconvene in open session following the closed session.

Consider, Discuss, and Potentially Approve Selection of Fixed Income Manager or Managers.

It was moved by Mr. Christianson, and seconded by Mr. Heling to convene in closed session. The motion prevailed by the following roll call: AYES: Ms. Ford; Messrs. Barmore, Bell, Christianson, DeCleene, Heling, and Kovac. NOES: None.

The Committee convened in closed session at 11:58 a.m.

The Committee re-convened in open session at 1:04 p.m.

Mr. Heling announced that the Committee approved the selection of the Fixed Income Manager at this time. Mr. Barmore said there is a motion for the Staff to move forward to engage with the preferred Fixed Income Manager. It was moved by Mr. Bell, and seconded by Mr. Kovac for the Staff to move forward to engage with the preferred Fixed Income Manager. Mr. Heling asked for any objections and did not hear any. The motion was adopted by unanimous consent.

It was moved by Ms. Ford, seconded by Mr. Heling, and unanimously carried to adjourn the meeting.

There being no further business, Mr. Heling adjourned the meeting at 1:05 p.m.

Patrick J. McClain
Secretary and Executive Director

NOTE: All proceedings of the Annuity and Pension Board Meetings and related Committee Meetings are recorded. All recordings and material mentioned herein are on file in the office of the Employees' Retirement System, 789 N. Water Street, Suite 300.)