

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

Minutes of the Investment Committee Meeting  
held May 7, 2026 via teleconference

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

Committee Members Present:       John Barmore  
  Matthew Bell  
  Justin DeCleene  
  Deborah Ford  
  Timothy Heling  
  Nik Kovac

Committee Members Not Present:   Bill Christianson (arrived 9:20 a.m.)  
  Rudy Konrad (excused)

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: Munir Iman, John Jackson, Mike Joecken, Lindsay Jones, Adam Lozinski, Callan; Jerry Allen, Former Executive Director; Lauren Albanese, Financial News; Lauri Rollings, City Attorney's Office; Terry Siddiqui, DS Consulting, Inc.; Lewis Silber, Student; three members of the public called into the meeting.

**Callan Real Estate Presentation.** As a matter of information, Committee members received the Callan Real Estate Performance Review 4Q25 booklet. Mr. Iman reminded the Committee that in February, the Committee approved increasing the allocation to Real Estate, with the increase coming from what was previously allocated to Diversified Real Assets. He noted that from a performance perspective, the Real Estate allocation continues to perform well. Mr. Iman then provided a Real Estate Market Overview, gave a CMERS Portfolio Summary, and went over Conclusions and Recommendations. Discussion ensued.

Mr. Silber stated the Committee needs to go into closed session to discuss parts of the real estate portfolio that require closed session for competitive or bargaining reasons.

Mr. Heling advised that the Investment Committee may vote to convene in closed session on the following item, agenda item number I., 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.

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

The Committee convened in closed session at 9:19 a.m.

Mr. Christianson arrived at 9:20 a.m.

The Committee re-convened in open session at 9:36 a.m.

**Approval of Real Estate Investment Policy Statement Update.** Mr. Silber stated this is a routine item and said that the Real Estate Investment Policy Statement needs to be updated to reflect the elimination of the Public Diversified Real Assets allocation that occurred earlier this year. He noted this adjustment was already made in the Fund's Statement of Investment Policy in February. Mr. Silber said references previously made to Real Assets now reference Private Real Estate, and the 12% target to what used to be called Real Assets is now all going into Private Real Estate.

It was moved by Mr. Bell, and seconded by Mr. DeCleene to approve the Approval of Real Estate Investment Policy Statement Update. The motion was adopted by unanimous consent.

**Callan Investment Manager Assessment Presentation.** As a matter of information, Committee members received the CMERS Manager Assessment Presentation document as of December 31, 2025. Mr. Joecken said Callan is looking at the Public Markets managers on a regular basis, but the Investment Committee receives this report once a year. He noted Mr. Iman talks to the Committee every year about the Private Real Estate managers. Mr. Joecken said the Global Manager Research Team puts the report together, there are no manager ratings or scores, but the managers are looked at on a regular basis and views are expressed over a variety of factors. He stated the team looks at the product, people, the team, the philosophy of each one of the investment products, how the philosophy and process is implemented, and also looks at short-term and long-term performance. Mr. Joecken said they assign a view such as "within expectations," which means everything is going as expected, "notable," which means something that the team is keeping an eye on, but not any concern right now, "cautionary," which is a little more critical than "notable," but something to take a deeper dive into, but not looking to make any decisions, and "under review," for when a critical point is reached and a decision needs to be made one way or another on a manager. He said most of the managers are listed as "within expectations," or "notable." He said there is a "cautionary" note for MFS related to short-term and long-term performance. Mr. Joecken noted MFS is a well-resourced investment management firm with robust research capabilities and team. He stated most of the underperformance has been due to market environments and market headwinds, but the underlying fundamentals remain strong. Discussion ensued.

**Callan 2026 Public Equity Structure Study Presentation.** As a matter of information, Committee members received the Callan 2026 Public Equity Structure Study booklet. Mr. Jackson stated these types of studies are done periodically and are an outgrowth of the asset allocation

study, whereby each asset class is segmented into different market exposures and decisions are made on how to structure the portfolio at a manager level and a style level to then come up with an optimal implementation. He noted the heavy lifting was done by the capital markets research group and Mr. Lozinski and Ms. Jones put this together for the most part. Mr. Jackson noted the three segments of Public Equity are Domestic Equity, Non-U.S. Equity, and Global which is a combination of both International and U.S. Markets. He stated the last study was done in 2022. Mr. Jackson said the Public Equity Structure represents about 36% of the overall allocation to the Fund, which is \$2.3 billion as of December 31<sup>st</sup> 2025. Mr. Jackson said there are now 11 manager mandates. Mr. Lozinski then discussed the different segments of the public markets. The topics he covered were Basic Tenets of Manager Structure, Equity Structure Considerations, Sources of Active Risk in the Equity Structure, Equity Structure Components, How Market Cycles Have Shifted Benchmark Characteristics, Asset Allocation targets and Market Values, and Current Manager Style Analysis. He also discussed the Public Equity Structure Review with the topics of Defining the Alternative Mixes, Alternative Portfolio Mixes, Style Analysis for Alternative Portfolio Mixes, Characteristics for Alternative Portfolio Mixes, Weighted Average Market Cap for Alternative Portfolio Mixes, Small Cap Exposure for Alternative Portfolio Mixes, Z-Score for Alternative Portfolio Mixes, North America Exposure for Alternative Portfolio Mixes, Emerging Markets Exposure for Alternative Portfolio Mixes, Pro Forma Excess Return for Alternative Portfolio Mixes, Pro Forma Tracking Error for Alternative Portfolio Mixes, Pro Forma Excess Return Ratio for Alternative Portfolio Mixes, and Considerations for Each Mix. Discussion ensued. Mr. Lozinski stated Alternative 1 is similar to what the Fund has today, Alternative 2 is close to what was adopted last time, and Alternative 3 is a more extreme change, going with where the market currently is in terms of Large-Cap Growth characteristics. Discussion ensued.

### **Approval of Public Equity Structure.**

It was moved by Mr. Barmore, and seconded by Mr. Kovac to approve the Approval of Public Equity Structure for Alternative 2. The motion was adopted by unanimous consent.

Ms. Ford left the meeting at 11:20 a.m.

The Chair called for a break at 11:21 a.m.

The Chair resumed the meeting at 11:31 a.m.

**CMERS 1<sup>st</sup> Quarter 2026 Performance Update.** As a matter of information, Committee members received the 1st Quarter 2026 Performance Report booklet. Mr. Silber stated he would talk about the recent Performance Update and the Fund overview. He said Mr. Dickerson would go over the three asset classes of Public Equity, Fixed Income, and Absolute Return. Mr. Silber noted Mr. Iman just talked about the Real Estate allocation, and said that Private Equity would not be talked about today because no statements were received in the 1<sup>st</sup> quarter. He stated CMERS expects to receive Q4 2025 and Q1 2026 Privat Equity statements during the April – June time period. Mr. Silber congratulated Mr. Dickerson, who found out yesterday that he passed the final exam for the CAIA (Chartered Alternative Investment Analyst) designation. He noted Mr. Dickerson is also a CFA (Chartered Financial Analyst) Charterholder. Mr. Silber said the ERS Total Fund Market Value as of May 6, 2026 is estimated to be \$6.72 billion. He said the year-to-

date estimated net-of-fee return is right around 4.5%, trailing the benchmark by about 20 basis points. Mr. Silber discussed the market volatility in the first quarter and the strong rebound experienced since then. He discussed the asset allocation as of March 31, 2026 and said the Fixed Income allocation was higher than the Public Equity allocation as a result of the Fund's overweight to Fixed Income. Mr. Silber said the Fund was not close to hitting any rebalancing triggers during the quarter and noted that the Public Equity allocation ended March very close to target. Mr. Silber said the Public Equity portfolio outperformed during the quarter, and said that the Fixed Income allocation had a return that was within 20 basis points of its benchmark. He noted the Fund had a lot of liquidity and because of that the Fund was able to ride out the market volatility without having to sell any investments. Mr. Silber discussed the Fund's relative performance expectations, the impact of the Fund's style bias's, first quarter attribution, Fund performance, and notable manager events.

Mr. Dickerson discussed Public Equity and said during the quarter, on an absolute basis, it returned a -0.2%. He said on a relative basis, it was a good quarter, outperforming the benchmark by 250 basis points. Mr. Dickerson noted the Fund is exceeding its benchmark in the longer time periods. He said the Public Equity allocation was in the top 15 percentile among the peer group, and across all time periods, is comfortably in the top half. Mr. Dickerson discussed the characteristics and manager performance for the Public Equity allocation, noting that the majority of active managers outperformed during the quarter. Discussion ensued.

Mr. Dickerson discussed Fixed Income and said for the quarter, it was a return of -0.2% with the Index being flat. He said the one- and three-year returns are compelling on a relative basis as are the performance figures over the longer term. Mr. Dickerson said the Fixed Income allocation is at the top half of the peer group. He said Reams was flat for the quarter and said Loomis is a more credit-oriented manager and credit had a tough quarter and Loomis underperformed by 0.7%. He said longer-term returns look really good and there is no reason to question the capabilities of the Fund's active managers in this part of the portfolio. Mr. Dickerson noted the yield to maturity is at 5% and 6% for these managers, respectively. He noted it is a good position to be in as far as a de-risking Plan goes.

He discussed Absolute Return and stated both managers, Aptitude and UBS, started off the year well, but ended the quarter not so well. Mr. Dickerson said the Absolute Return allocation is back on solid footing with these managers given the recent estimates. He noted one report which stated for the month of March this year, it was one of the worst quarters for hedge funds in the past three to five years. Mr. Dickerson said there is still reason to be optimistic about the asset class and some of the returns that can be generated. Discussion ensued.

### **Informational.**

**Callan 4<sup>th</sup> Quarter 2025 Performance Report.** As a matter of information, Committee members received the Callan 4<sup>th</sup> Quarter 2025 Performance Report.

It was moved by Mr. Heling, and seconded by Mr. Bell to adjourn the meeting. The motion was adopted by unanimous consent.

There being no further business, Mr. Heling adjourned the meeting at 12:10 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.)