EMPLOYES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
ANNUITY AND PENSION BOARD

Minutes of the Investment Committee Meeting
held September 10, 2026 in person

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

Committee Members Present:	Jerry Allen John Barmore Matthew Bell Justin DeCleene Deborah Ford Timothy Heling, Chair
Committee Members Not Present:	Bill Christianson (arrived 9:16 a.m.) Nik Kovac (excused; arrived 9:45 a.m.)
ERS Staff Present:	Patrick McClain, Executive Director David Silber, Chief Investment Officer Erich Sauer, Deputy Chief Investment Officer Thomas Courtright, Pension Investment Analyst Dan Gopalan, Deputy Director Robin Hayes, Chief Financial Officer Gust Petropoulos, Deputy Director Jan Wills, Board Stenographer

Others present: Bo Abesamis, John Jackson, Mike Joecken, Ashley Kahn, Joe McGuane, Callan; Lauren Albanese, Financial News; Lauri Rollings, Alex Foundos, City Attorney's Office; Terry Siddiqui, DS Consulting, Inc.; four members of the public called into the meeting.

Chairman Heling first asked for a brief moment of silence for the celebration of Rosh Hashanah and the 25th anniversary of September 11.

Callan 2027 Private Equity Commitment Pacing and Reinvestments Presentation. As a matter of information, Committee members received from Callan the "CMERS Private Equity Portfolio 2027 Commitment Pacing and Portfolio Review." Ms. Kahn mentioned to the Committee that this was the annual review of the Private Equity program. She presented information to the Committee on the following topics: Private Equity Market Trends, Portfolio Review & Performance Analysis, Commitment Pacing, Manager Performance, and Conclusion & Recommendations. Ms. Kahn started with a few market trends, walked through performance of the program, discussed the commitment pacing exercise for the year, and looked at each manager individually. She noted due to the Fund's de-risking glidepath, it is expected that the Private Equity target will decline significantly over the next 10 years, and as a result of that, there are no new commitments projected to the asset class, although it is recommended to re-visit the allocation annually. Ms. Kahn said the program is performing well, it is mature, and additive to the overall

plan. Ms. Kahn noted that the remaining uncalled capital is approximately $500 million and said net distributions are projected to average about $100 million over the next 10 years which can then be invested in other asset classes. She said during the last year, $73 million was contributed to the asset class, $109 million was received in distributions, and the portfolio has appreciated by $63 million. Discussion ensued.

Approval of 2027 Private Equity Commitment Recommendation.

It was moved by Mr. Heling, and seconded by Mr. Barmore to approve the Approval of 2027 Private Equity Commitment Recommendation. The motion was adopted by unanimous consent.

Approval of BlackRock Institutional Trust Company Passive International Equities Strategy Guidelines. As a matter of information, Committee members received the "BlackRock Passive International Growth Equities Objectives and Guidelines." Mr. Sauer stated this is the ACWI ex US strategy that became a permanent part of CMERS's structure during the last Public Equity Structure review. He said because it is permanent, there should be guidelines in the IPS. Mr. Sauer said BlackRock helped him put the guidelines together and they okayed this final document which lays out how the strategy is run, including the three funds used to create the exposure. He noted the tracking error target of 100 basis points over a five-year period is quite a bit higher than one would see in a passive strategy and that comes down to the three funds used to construct this. Mr. Sauer said BlackRock is trying to replicate a growth index but they use core Canada and core Emerging Markets funds because they do not have Growth versions of those strategies, so the tracking error comes from there.

It was moved by Mr. Heling, and seconded by Mr. Christianson to approve the Approval of BlackRock Institutional Trust Company Passive International Equities Strategy Guidelines. The motion was adopted by unanimous consent.

Approval of Adviser Compliance Associates, L.L.C. Contract Amendment. As a matter of information, Committee members received the "Second Amendment To The Contract For Services Between The Employes' Retirement System of the City of Milwaukee And Adviser Compliance Associates, L.L.C." Mr. Sauer said the amendment to the contract with Adviser Compliance Associates (ACA), which is ERS's transaction cost analysis provider. He said at the June Investment Committee Meeting, the Committee instructed Staff to seek a one-year contract extension by exercising one of the options that was in the contract and ACA was happy to extend. Mr. Sauer said the document before the Committee was drafted by Mr. Foundos in the City Attorney's office. He said ACA accepted it with no comments or changes and they have signed it already. Mr. Sauer concluded it is just a straightforward one-year extension and Staff recommends approval. Discussion ensued.

It was moved by Mr. Heling, and seconded by Mr. DeCleene to approve the Approval of Adviser Compliance Associates, L.L.C. Contract Amendment.

Harrison Street Due Diligence Report. As a matter of information, Committee members received a memo from Mr. Sauer regarding the "Harrison Street Due Diligence Meeting December 9, 2025." Mr. Sauer said he and Mr. Dickerson met with Harrison Street in their offices on

December 9, 2025. He said CMERS is invested in the Harrison Street Core Property Fund which is a Core Real Estate Fund focused on alternative property types such as senior housing, student housing, life science, medical office, and self-storage. Mr. Sauer said they also recently added the ability to invest in data centers, but had not made any data center investments at the time of the meeting. He said the news they were focused on at this meeting was that Colliers International, which is Harrison Street's parent company, had combined Harrison Street with a couple of other boutique firms that Colliers owns to create a new combined firm which they branded Harrison Street Asset Management. Mr. Sauer said it was clear they were trying to take the reputation Harrison Street has and extend it to some of their other investment managers. He said what they were looking out for is the team that manages CMERS's product is not being pulled in a bunch of different directions or having new demands put on their time that pulls their focus from CMERS's product. Mr. Sauer said they found that CMERS's strategy and team is being run the way it is always run and are not seeing any changes. He concluded the team, philosophy, and process are still in place and CMERS is comfortable with Harrison Street as part of CMERS's Private Real Estate allocation.

CMERS 2nd Quarter 2026 Performance Update. As a matter of information, Committee members received the "2nd Quarter 2026 Performance Report September 10, 2026." Mr. Sauer's agenda included Fund Overview, Public Equity, Fixed Income, Absolute Return, Private Equity, Recent Performance Update and Manager Charts & Statistics. He said the big story of the 2nd quarter is the strong Public Equity performance, which was a big bounce back from the market fall at the end of the first quarter with the surprise Iran War. He noted stocks bounced back very strongly with what turned out to be an erroneous view that the war would be over quickly and easily. Mr. Sauer noted the style biases built into the portfolio and said the Value equity bias was the only thing against CMERS. He said looking at the performance, CMERS matched the benchmark, meaning something else was going on and that was manager performance. Mr. Sauer said Value detracted 20 basis points and manager underperformance within Public Equity detracted 78 basis points, which were Brandes, MFS, DFA US Small Cap, and International Small Cap as the bigger ones in that category. He stated the market rally was driven by two things − investors chasing AI exposure and unprofitable companies outperforming profitable companies so that is not an environment where CMERS expects its managers to perform well. Mr. Sauer noted on the bright side that Private Equity added 62 basis points with modest Private Equity returns in Q4 2025 statements, as well as the Q1 2026 statements which were reflected this quarter. This happens every year because of the extra time those Q4 statements take. He said there was a modest positive there comparing it to a negative benchmark that will reverse in the third quarter. Mr. Sauer said Aptitude had a strong quarter and added 24 basis points. Discussion ensued. He said main drivers of year-to-date relative performance were style bias in Public Equity being a benefit, with both Value and Small Cap adding 49 basis points. Mr. Sauer said Private Equity added 24 basis points and Aptitude added 19 basis points of relative performance. He said MFS detracted 44 basis points and the overweight to Fixed Income and Private Equity detracted 24 basis points. Mr. Sauer concluded with a recent performance update and as of September 9, 2026, the Fund value was $6.70 billion. Through June 30, 2026, the Fund was up 5.6% year-to-date and the benchmark was 5.3%. Mr. Sauer said it was a good July, with the Fund up 0.3% and the benchmark was down 0.5%. He said for the early estimate for August, the Fund was at 1.2% and the benchmark was up 1.2%. Month-to-date through September 9, 2026, the Fund was down 0.4%, with the benchmark

up 1.7%. He added year-to-date, the estimate is up 6.7% versus 7.8% for the benchmark. Discussion ensued.

Chairman Heling then took the meeting out of order to item XII. Informational.

Informational.

Chief Investment Officer Report.
Preliminary Performance Report and Asset Allocation.
Adjusted Quarterly Cost Basis of Equity.
Class Action Income 2026 YTD.
Callan 2nd Quarter 2026 Performance Report.

Mr. Heling accepted the items and placed them on file.

Chairman Heling then returned the meeting to order at item VII.

Mr. Heling called for a break at 10:15 a.m.

Mr. Heling resumed the meeting at 10:27 a.m.

Mr. Silber explained the need for closed session on items VII through XI. He said agenda item VII relates to Apogem Capital, one of the investment managers that manages some of the ERS's Private Equity allocation. He said all of the ERS's Private Equity investments are made by committing money to limited partnership vehicles that are invested by managers such as Apogem Capital. Mr. Silber said Apogem requested that the ERS amend its Side Letter for the Apogem Private Equity Fund XI LPA, which is a Fund that the ERS has previously committed $40 million dollars to. To deliberate or negotiate the ERS's investment in Apogem Private Equity Fund XI LPA, Staff needed to request that the Committee go into closed session for competitive or bargaining reasons. Mr. Silber noted agenda item VIII relates to the Fund's Securities Lending program, which Northern Trust manages. He said ERS participates in securities lending with the goal of generating extra revenue. Mr. Silber said Northern recently made changes to the Core Collective Guidelines that they invest the ERS's cash collateral into. He said for competitive or bargaining reasons, to fully discuss the potential impact of these guideline changes, and to discuss options and receive direction from the Committee on how to move forward with respect to securities lending, Staff requests that the Committee convene in closed session to discuss the matter. He stated agenda item IX relates to one of the ERS's current investment managers that has had some investment-related developments that Staff believes are notable and would like to discuss with the Committee. Mr. Silber said these discussions need to be done in closed session for competitive or bargaining reasons, so Staff is requesting the Committee convene in closed session to discuss the matter. Agenda items X and XI are related to two open positions within the ERS Investment Team that Staff is currently recruiting for under the job titles of Pension Investment Analysts I, II, III, and Investments and Financial Services Specialists. Mr. Silber said since this Board exercises responsibility over certain parts of this process, Staff requests that the Committee meet in closed session to consider, discuss, and potentially approve matters that the Board exercises responsibility over.

Mr. Heling advised that the Investment Committee may vote to convene in closed session on the following items (VII, VIII, IX, X, and XI), 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 Committee may then vote to reconvene in open session following the closed session.

Mr. McClain clarified that the 19.85(1)(e) exception only applies to items VII, VIII, and IX. He said there is a different exception for items X and XI which is exception 19.85(1)(c).

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

The Committee convened in closed session at 10:30 a.m.

The Committee re-convened in open session at 11:58 a.m.

Mr. Heling noted there were four approvals to go through for agenda items VII., VIII., X., and XI.

Consider, Discuss, and Potentially Approve the Amended and Restated Side Letter for the Apogem Private Equity Fund XI, LP.

It was moved by Mr. Heling, and seconded by Mr. Allen to approve the Amended and Restated Side Letter for the Apogem Private Equity Fund XI, LP. The motion was adopted by unanimous consent.

Discuss Recent Changes to Northern Trust's Securities Lending Core Collective Guidelines, and Consider and Potentially Approve a Different Securities Lending Option.

It was moved by Mr. Heling, and seconded by Mr. Barmore to approve a Different Securities Lending Option, as discussed in closed session. The motion was adopted by unanimous consent.

Consider, Discuss, and Potentially Approve Recruiting Travel and Relocation Expenses for Pension Investment Analysts I – III and for Investments and Financial Services Specialists.

It was moved by Mr. Heling, and seconded by Mr. Bell to approve the Recruiting Travel and Relocation Expenses for Pension Investment Analysts I – III and for Investments and Financial Services Specialists, as discussed in closed session. The motion was adopted by unanimous consent.

Consider, Discuss, and Potentially Approve Initial Salary for Pension Investment Analysts I – III and for Investments and Financial Services Specialists.

It was moved by Mr. Heling, and seconded by Ms. Ford to approve the Initial Salary for Pension Investment Analysts I – III and for Investments and Financial Services Specialists, as discussed in closed session. The motion was adopted by unanimous consent.

It was moved by Mr. Barmore and seconded by Mr. DeCleene to adjourn the meeting.

There being no further business, Mr. Heling adjourned the meeting at 12:00 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 Employes' Retirement System, 789 N. Water Street, Suite 300.)