

**REGULAR MEETING OF THE ANNUITY AND PENSION BOARD
EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
789 N. WATER ST. (Employees' Retirement System)
TUESDAY, FEBRUARY 22, 2022 – 9:00 A.M.**

Special Notice: Due to the COVID-19 pandemic, the meeting will be held remotely via video conference. Instructions on how to observe the meeting will be available on ERS's website (www.cmers.com) prior to the meeting.

Please note and observe the following remote attendance etiquette to ensure a smooth and productive meeting:

- In order to cut down on background noise, participants in the meeting should put their phones on mute when they are not participating.
- At the start of the meeting, the Chairman will announce the names of the members of the Board present on the call, as well as anyone else who will be participating.
- Please request to be recognized by the Chairman if you would like to speak.
- Those participating on the call should identify themselves whenever they speak, and should ensure that the other participants on the call can hear them clearly.

REGULAR MEETING

I. Appointment of Committees for 2022.

- A. Administration and Operations Committee.
- B. Investment Committee.
- C. Legislative Committee.
- D. Litigation Committee.

II. Approval of Minutes.

- A. Annual Meeting Held January 26, 2021.
- B. Minutes of the Special Board Meeting Held February 10, 2022.

III. Chief Investment Officer Report.

IV. Investment Committee Report.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (A.), as provided in Section 19.85(1)(e), Wisconsin State 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 Board may then vote to reconvene in open session following the closed session.

- A. Selection of Hedge Fund of Funds Manager.

V. New Business.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (A.), as provided in Section 19.85(1)(g), Wisconsin State Statutes, to confer with legal counsel concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. The Board may then vote to reconvene in open session following the closed session.

- A. Update and Consideration of Strategy, Tactics and Potential Resolution Regarding the Allianz Litigation.
- B. Retirements, Death Claims, and Refunds (January).
- C. Conference Requests – February 2022 Board Meeting.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (D.), as provided in Section 19.85 (1)(c), for considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility. The Board may then vote to reconvene in open session following the closed session.

- D. ERS Executive Staff Compensation.

VI. Medical Reports.

- A. All Duty & Ordinary Disability Applications & Re-examinations (February).

VII. Unfinished Business.

- A. Pending Legal Opinions and Service Requests Report.
- B. Pending Legislation Report.
- C. Executive Director's Report – Inventory of ERS Projects.

VIII. Informational.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (A.), as provided in Section 19.85(1)(g), Wisconsin State Statutes, to confer with legal counsel concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. The Board may then vote to reconvene in open session following the closed session.

- A. Pending Litigation Report.
- B. Conferences.
- C. Class Action Income 2022 YTD.
- D. Adjusted Quarterly Cost Basis of Equity.
- E. Minutes of the Investment Committee Meeting Held February 10, 2022.
- F. Report on Bills.
- G. Deployment of Assets.
- H. Securities Lending Revenue and Budget Report.
- I. Preliminary Performance Report and Asset Allocation.

MEETING REMINDERS

ADMINISTRATION & OPERATIONS COMMITTEE MEETING

THURSDAY, MARCH 17, 2022 – 9:00 A.M.
789 N. WATER ST.

REGULAR MEETING OF THE ANNUITY AND PENSION BOARD

TUESDAY, MARCH 29, 2022 – 9:00 A.M.
789 N. WATER ST.

REGULAR MEETING

I.

APPOINTMENT OF COMMITTEES FOR 2022

- A. Administration and Operations Committee.
- B. Investment Committee.
- C. Legislative Committee.
- D. Litigation Committee.

2022 Appointment of Committees and Committee Chairs

Chairman Bell appointed the following members to serve on the committees listed below.

Administration and Operations Committee (Created 6/24/96) (Also Ad hoc Audit Committee)

Aycha Sawa, Chair
Molly King
Tom Klusman

Investment Committee

Tom Klusman, Chair
Matthew Bell
James Campbell
Deborah Ford
Molly King
Rudy Konrad
Nik Kovac
Aycha Sawa

Member, Intergovernmental Relations and Legislative Committee (Created 6/24/96)

Deborah Ford, Chair
James Campbell
Nik Kovac

Litigation Committee (Created 9/23/96)

To be appointed when necessary.

II.

APPROVAL OF MINUTES

- A. Annual Meeting Held January 26, 2022.
- B. Special Board Meeting Held February 10, 2022.

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

Minutes of the Annual Meeting
held January 26, 2022 via teleconference during COVID-19

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

Board Members Present: Matthew Bell, Chair
James Campbell
Deborah Ford
Molly King
Tom Klusman
Rudolph Konrad
Nik Kovac
Aycha Sawa

Retirement System Staff Present: Jerry Allen, Executive Director
Melody Johnson, Deputy Director
Daniel Gopalan, Chief Financial Officer
David Silber, Chief Investment Officer
Erich Sauer, Deputy Chief Investment Officer
Gust Petropoulos, Deputy Director - Disability
Mary Turk, Business Operations Analyst
Jan Wills, Board Stenographer

Others Present: Hannah Ross, Avi Josefson, BLB&G; Patrick McClain, City Attorney's Office; Terry Siddiqui, DS Consulting, Inc., seven members of the public called in to the meeting.

Annual Meeting.

Mr. Konrad noted the passing last week of former Annuity and Pension Board member Mark Nicolini who was also the City of Milwaukee Budget Director for many years as well as budget director for other public bodies. He noted Mr. Nicolini served on the Annuity and Pension Board from 2013-2018. Mr. Konrad said he did an outstanding job for the Board and acknowledged his service.

Officers for 2022.

Election of Chair. Mr. Konrad asked for nominations for Chair. It was moved by Mr. Campbell and seconded by Ms. King to nominate Mr. Bell for Chair. Mr. Konrad asked three more times for any further nominations. There being no further nominations, nominations were closed and a unanimous vote was cast for Mr. Bell as Chair of the Annuity and Pension Board.

Election of Vice-Chair. Mr. Konrad passed the virtual gavel to Mr. Bell who thanked Mr. Konrad for his service as Chair during the last year. Mr. Bell asked for nominations for Vice-Chair. Ms. King nominated Mr. Campbell for Vice-Chair. It was moved by Ms. King and seconded by Mr. Kovac to nominate Mr. Campbell for Vice-Chair. Mr. Bell asked three more times for any further nominations. There being no further nominations, nominations were closed and a unanimous vote was cast for Mr. Campbell as Vice-Chair of the Annuity and Pension Board.

At this point, Mr. Bell took the meeting out of order to item VII.A. Informational – Pending Litigation Report.

Informational.

Mr. Bell advised that the Annuity and Pension Board may vote to convene in closed session on the following item (A.) as provided in Section 19.85(1)(g), Wisconsin State Statutes, to confer with legal counsel concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. The Board may then vote to reconvene in open session following the closed session.

A. Pending Litigation Report.

It was moved by Mr. Konrad and seconded by Ms. Ford to convene in closed session. The motion prevailed by the following roll call vote: AYES: Ms. Ford, King, and Sawa; Messrs. Bell, Campbell, Klusman, Konrad, and Kovac. NOES: None.

The meeting convened in closed session at 9:07 a.m.

The meeting reconvened in open session at 9:16 a.m.

Mr. Bell returned the meeting to agenda item II. Approval of Minutes.

Approval of Minutes.

Regular Meeting Held December 21, 2021. It was moved by Mr. Campbell, seconded by Ms. Ford, and unanimously carried, to approve the Minutes of the Regular Meeting Held December 21, 2021.

Special Meeting Held January 6, 2022. It was moved by Ms. King, seconded by Mr. Konrad, and unanimously carried, to approve the Minutes of the Special Meeting Held January 6, 2022.

Chief Investment Officer Report.

As a matter of information, Board members received the January 26, 2022 Performance Update. Mr. Sauer noted the Fund as of December 31, 2021, had a value of \$6.22 billion. He said the Fund return of 4.0%, net of fees, outperformed the blended benchmark by approximately 147 basis points. Mr. Sauer commented that the Fund outperformed in the one-, five-, 10- and 20-year time periods, while matching the benchmark in the 15-year period, net of fees. He said the primary December relative performance driver was Manager Selection with Private Equity adding 126 basis points. He noted the Fund's Style Bias added 16 basis points during the month from the Fund's Value Bias. Mr. Sauer noted that for the 2021 Summary, the Total Fund and all the asset classes outperformed their respective benchmarks, net of fees. He commented that 14 out of 15 active mandates outperformed, net of fees. He said the Fund had Investment Gains of \$1.029 billion, paid benefits and expenses of \$461.1 million, and received contributions of \$117.2 million. Mr. Sauer said as of January 24, 2022, the Fund return is down 2.7% in January, the Fund's approximate value is \$6.13 billion, and six out of 13 active mandates are outperforming year-to-date. He said the Fund generated an investment loss year-to-date of \$163.4 million and made its first expenses payment of \$1.8 million and has received contributions of \$73.4 million. Mr. Sauer said the monthly withdrawals for January were \$12 million from Brandes, \$10.5 million from

BlackRock Global Alpha Tilts, \$7 million from DFA International, \$6.5 million from MFS, and \$2 million from DFA US Small Cap Value. Discussion ensued.

Mr. Silber reminded the Board members that the Investment Committee Meeting is February 10 when the three Hedge Fund of Funds finalists will be interviewed. He requested the meeting start at 8:45 a.m. so the interviews can begin at 9:00 a.m. Mr. Silber anticipated the meeting concluding by Noon.

New Business.

Authorization to Sign Vouchers. Staff noted the Comptroller's Accounts Director Richard Bare has been added to the list of persons authorized to sign vouchers at the request of the Comptroller, Ms. Sawa.

Retirements, Death Claims, and Refunds (December). Mr. Allen presented the following activity for the month of December 2021.

Active Death Benefits reported	\$0.00
Deferred Death	\$0.00
Deferred Death-Member Only Refund	\$0.00
Ordinary Death Benefits reported	\$468.44
Retired Death Benefits reported	\$28,422.86
Survivor Death – Termination Benefits reported	\$57,878.93
Refund of Member Contributions paid	\$240,778.22

It was moved by Mr. Konrad, seconded by Ms. Sawa, and unanimously carried, to approve the Retirements, Death Claims, and Refunds (December).

Conference Requests – January 2022 Board Meeting. Staff noted there were no requests this month to attend conferences.

Approval of 2021 Securities Lending Budget. Staff noted the ERS' securities lending operation, unique to the ERS Fund, generates some revenue and it is required by the charter ordinance pursuant to the Global Pension Settlement in 2000 to sweep these earnings every year into the Combined Fund. Staff said the earnings amount this year is \$552,798.88. Mr. Gopalan noted the Securities Lending Revenue has decreased from prior years due to ERS' higher collateral requirements than other securities lending programs. He also said there are fewer securities in separate accounts available to lend out. Discussion ensued. Mr. Gopalan added that the amount being swept into the General Fund would be rounded up to \$553,000.00.

It was moved by Ms. King, seconded by Mr. Campbell, and unanimously carried, to approve the Approval of 2021 Securities Lending Budget.

Annual Obligation of Trustees and ERS Officers to Submit Annual Statement of Economic Interests. Staff said Trustees and Officers would need to fill out the form and submit it to the City's Ethics Board by February 28, 2022.

Mr. Bell advised that the Annuity and Pension Board may vote to convene in closed session on the following item as provided in Section 19.85 (1)(c), for considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility. The Board may then vote to reconvene in open session following the closed session.

ERS Investment Staff Compensation (Analyst). It was moved by Mr. Kovac and seconded by Mr. Klusman to convene in closed session. The motion prevailed by the following roll call vote: AYES: Ms. Ford, King, and Sawa; Messrs. Bell, Campbell, Klusman, Konrad, and Kovac. NOES: None.

The meeting convened in closed session at 9:53 a.m.

The meeting reconvened in open session at 9:57 a.m.

Medical Reports.

All Duty & Ordinary Disability Applications & Re-examinations (January). Staff presented certifications (January 2022) of the Fire and Police Medical Panel Physicians and the Medical Council relative to Duty & Ordinary Disability Retirement benefits as follows:

<u>Police – Re-examinations – Duty</u>	<u>Recommendation</u>
Vidal Colon	Approval
Dwight Copeland	Approval
Christian Hlavinka	Approval
Joel Kujawa	Approval
Stacy Lopez-Devereaux	Approval
Frank Vrtochnick	Approval
<u>Fire – Re-examinations – Duty</u>	<u>Recommendation</u>
Jerry Allen	Approval
Scott Hoth	Approval
Christine Jacobs	Approval
John Kielpinski	Approval
Robert Smith	
<u>Police – Re-examinations – Ordinary</u>	<u>Recommendation</u>
Dwayne Edwards	Approval
James McNichol	Approval
<u>GC – Applications – Duty Disability</u>	<u>Recommendation</u>

Janine Lee
Effective 07/01/21

Approval

GC – Re-examinations – Duty Disability

Recommendation

Gordon Matthews
Gladys Williams

Approval
Approval

GC – Re-examinations – Ordinary

Recommendation

Kevin Cole
Stephan Huber

Approval
Approval

It was moved by Mr. Campbell, seconded by Mr. Konrad, and unanimously carried, to approve the Duty & Ordinary Disability Applications & Re-examinations (January).

Duty Death Hearing Findings – Kenyatte Wooden. Mr. Bell presented the findings submitted by Independent Hearing Examiner Dennis Moroney stating “(The) decision to deny Mrs. Wooden’s application for the Accidental Death Benefit was supported by credible evidence in the record, and is thereby affirmed.” Briefs were also filed with the Board from the City Attorney’s Office, dated January 14, 2022 by Mrs. Wooden’s attorney, Emil Ovbiagele, dated December 31, 2021, as well as exhibits and transcript of the hearing. It was moved by Mr. Konrad, seconded by Ms. Sawa, and unanimously carried, to approve the findings of Hearing Examiner Mr. Moroney regarding the Duty Death Hearing Findings – Kenyatte Wooden.

Unfinished Business.

Pending and Legal Opinions and Service Requests Report. As a matter of information, Board members received the Pending Legal Opinions and Service Requests Report. Mr. McClain noted the only outstanding Legal Opinion related to the authority of the Deputy Comptroller to serve in place of the Comptroller as an *ex-officio* member of the Board. Mr. McClain added that the opinion would be completed by the next Board meeting.

Pending Legislation Report. As a matter of information, Board members received the Pending Legislation Report. Staff noted the Mayor signed a substitute resolution authorizing City departments to expend monies appropriated in the 2022 City budget for Special Purpose Accounts, Debt Service Fund, Provisions for Employees’ Retirement Fund, Delinquent Tax Fund, Common Council Contingent Fund, Grant and Aid Fund, and Special Capital Projects or Purposes. Staff added the resolution was signed December 20, 2021.

Executive Director’s Report – Inventory of ERS Projects. As a matter of information, Staff presented a report on the ERS projects and updated the Board on ERS activities, a copy of which is on file with the ERS. Discussion ensued.

Informational.

The following is a list of informational items:

- 1) Pending Litigation Report.
- 2) Conferences.

- 3) Class Action Income 2021.
- 4) Minutes of the Investment Committee Meeting Held December 9, 2021.
- 5) Minutes of the A&O Committee Meeting Held December 15, 2021.
- 6) Copies of the Board Rules and Regulations and ERS Ethics Policy.

The following is a list of activities since the last Board meeting, copies sent with meeting notice and attached to minutes:

- 7) Report on Bills.
- 8) Deployment of Assets.
- 9) Securities Lending Revenue and Budget Report.
- 10) Preliminary Performance Report/Asset and Manager Allocation Pie Charts.
- 11) ERS Holdings Report.

There being no further business to come before the meeting, it was moved by Ms. King and seconded by Ms. Sawa to adjourn the meeting. Mr. Bell adjourned the meeting at 10:21 a.m.

Bernard J. Allen
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.)

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

Minutes of the Special Meeting
held February 10, 2022 via teleconference during COVID-19

The meeting was called to order at 12:10 p.m.

Board Members Present: Matthew Bell, Chair
James Campbell
Deborah Ford
Molly King
Tom Klusman
Rudolph Konrad
Nik Kovac
Aycha Sawa

Retirement System Staff Present: Jerry Allen, Executive Director
David Silber, Chief Investment Officer
Erich Sauer, Deputy Chief Investment Officer
Jan Wills, Board Stenographer

Others Present: Avi Josefson, Hannah Ross, Bernstein Litowitz Berger & Grossmann LLP (BLB&G); Patrick McClain, City Attorney's Office; Terry Siddiqui, DS Consulting, Inc.; three members of the public called in.

Special Meeting

Mr. Bell advised that the Annuity and Pension Board may vote to convene in closed session on the following item as provided in Section 19.85(1)(g), Wisconsin State Statutes, to confer with legal counsel concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. The Board may then vote to reconvene in open session following the closed session.

Update and Consideration of Strategy, Tactics and Potential Resolution Regarding the Allianz Litigation.

It was moved by Ms. King and seconded by Mr. Konrad to convene in closed session. The motion carried by the following roll call vote: AYES: Mses. Ford, King, and Sawa; Messrs. Campbell, Klusman, Konrad, Kovac, and Bell. NOES: None.

The meeting convened in closed session at 12:13 p.m.

The meeting re-convened in open session at 12:32 p.m.

It was moved by Mr. Klusman and seconded by Ms. King to adjourn the meeting.

There being no further business, Mr. Bell adjourned the meeting at 12:32 p.m.

Bernard J. Allen
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.)

III.

CHIEF INVESTMENT OFFICER REPORT

Summary

The ERS Fund had an estimated return of -2.1% in January, gross of fees, that outperformed the blended benchmark by approximately 60 basis points. The Fund's manager selection was the main contributor to relative performance, while style bias added value as well. The Fund's asset allocation did not impact the Fund's relative returns in aggregate during the month.

January Relative Performance Summary

Manager Selection (+50 basis points)

The Fund's Manager Selection performed relatively well in total compared to respective manager benchmarks, in what turned out to be a volatile month for markets. The impressive outperformance in January came from the Fund's Public Equity and Real Assets allocations. Within Public Equity, while it is notable that all of the Fund's active value and core investment managers outperformed their respective benchmarks during the month, almost all of the outperformance was generated by Brandes and DFA, the Fund's two active value managers. **Brandes** was the only Public Equity manager with a positive return during the month, generating a 2.3% return that outperformed its benchmark by 7.1%. Brandes' outperformance was driven by its overweight to the Energy sector, underweight to the Industrials and Information Technology sectors, and strong stock selection within the Health Care and Consumer Staples sectors. The three **DFA** mandates the Fund invests in also added a lot of relative value this month, with the International Small Cap Value strategy generating a return of -1.7% with 5.6% outperformance, the U.S. Small Cap Value strategy generating a return of -2.6% with 3.2% outperformance, and the U.S. Large Cap Value strategy generating a return of -1.3% with 1.0% outperformance. DFA's portfolios benefited from its unique approach to gaining exposure to value stocks, which allowed the portfolios to have a deeper value exposure and overweights to sectors such as Financials and Energy that performed particularly well in January. Within Real Assets, outperformance was the result of a very strong quarterly return reported by **Prologis**, one of the Fund's core real estate managers. Prologis invests solely in the industrial/logistics sector, and its reported net of fee return of 13.6% was driven primarily by accelerated rent growth, as well as cap rate compression.

Broad Category Group Allocation (no net effect)

The Fund went into the month with overweight allocations to Private Equity and Fixed Income and underweight allocations to Absolute Return and Public Equity. While there was meaningful return dispersion between the benchmarks of the five asset classes the Fund invests in during the month, the impacts offset, and this category did not impact the Fund's relative returns in aggregate in January.

Style Bias (+11 basis points)

The Fund's strategic **Value Bias** within Public Equity was responsible for the majority of the outperformance within this category during the month. U.S. value stocks, as represented by the Russell 3000 Value index, had a return of -2.6%, which significantly outperformed the -8.9% return of the Russell 3000 Growth index in December. Furthermore, non-U.S. public equity markets outperformed the U.S. broad market, and as a result the Fund's exposure to non-U.S. public equity also ended up adding relative value for the Fund during the month.

KEY ATTRIBUTION DESCRIPTIONS

Broad Category Group Allocation – This compares the Fund's actual Asset Class allocation to its policy benchmark allocation. If the Fund's actual Asset Class allocation was always equal to the policy benchmark allocations of 44% Public Equity, 23% Fixed Income, 13% Real Assets, 10% Absolute Return, and 10% Private Equity, this amount would be 0. In reality, market movements mean that the Fund almost always has some deviation from the policy benchmark. The impact of this deviation is measured here.

Deviations are usually within the allowed range. If market movements cause an asset class to move outside of an allowed range, triggering a rebalance, the Board would be notified, and the calculation in this section would be adjusted to incorporate the impact of the rebalance.

If the Fund is overweight (underweight) an Asset Class that has a higher (lower) return than the Fund's Blended Benchmark return, the contribution to return is positive (negative). Similarly, if the Fund is underweight (overweight) an Asset Class that has a lower (higher) return than the Fund's Blended Benchmark return, the contribution is also positive (negative). Note: The actual return of the Fund and its investment managers does not impact this amount.

Manager Selection – This compares the return of each of the Fund's investment managers to the manager's designated benchmark. If all of the Fund's investment managers delivered a return equal to their designated benchmark, the amount in this category would be 0.

If a manager outperforms (underperforms) its designated benchmark, the contribution to return is positive (negative).

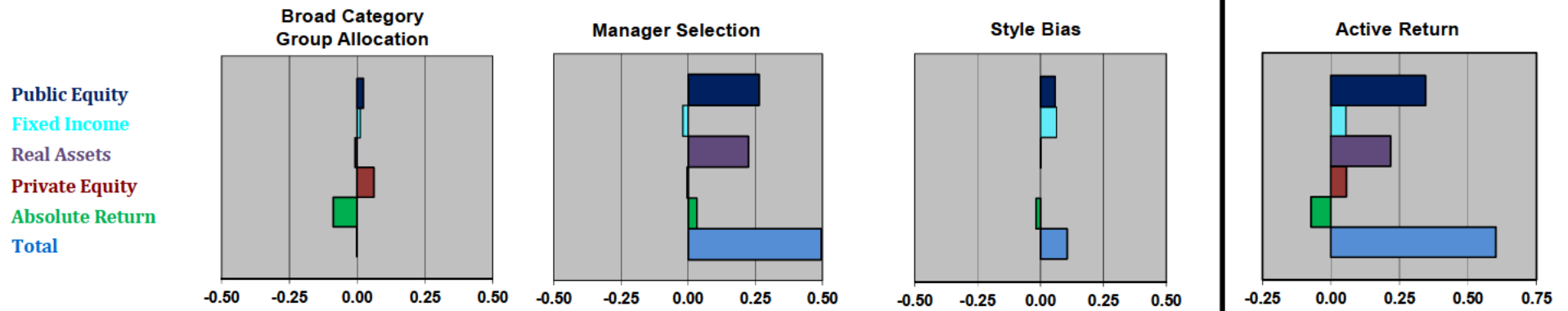
Style Bias – This compares the Fund's investment managers' designated benchmarks to the Asset Class benchmarks designated by the Fund. If all of the Fund's investment managers had a designated benchmark that was the same as the Asset Class benchmark designated by the Fund, this amount would be 0. For example, if every public equity manager's designated benchmark was the ACWI IMI, and every fixed income manager's designated benchmark was the Barclays U.S. Aggregate, the amount in this category would be 0. However, many of the Fund's investment managers have a designated benchmark that is reflective of their specific mandate rather than the Asset Class benchmark designated by the Fund. The impact of this deviation is measured here.

If an investment manager's designated benchmark outperforms (underperforms) the designated Asset Class benchmark, the contribution is positive (negative). Note: The actual return of the Fund and its investment managers does not impact this amount.

Active Return – This amount is the sum of the 3 components described above. The Total Active Return amount equals the difference between the ERS Fund Return and the Fund's Blended Benchmark Return.

January Performance Summary

	January
ERS Fund Return	-2.1%
Blended Benchmark Return	-2.7%
Over(Under) Performance	0.6%



Manager Selection

Name	Asset Class	Attribution Effect
Contributors		
Brandes	Public Equity	0.44
Real Estate	Real Estate	0.26
DFA (International)	Public Equity	0.17
DFA U.S. Small Value	Public Equity	0.10
Detractors		
William Blair	Public Equity	-0.39
Polen	Public Equity	-0.10
Principal	Real Assets	-0.04
Loomis Sayles	Fixed Income	-0.03
All Other	Various	0.08

Style Bias

Name	Asset Class	Style Bias
Contributors		
BlackRock R1000 Value	Public Equity	0.07
DFA Large Value	Public Equity	0.07
William Blair	Public Equity	0.07
AQR	Public Equity	0.05
Detractors		
CastleArk	Public Equity	-0.12
DFA (International)	Public Equity	-0.06
Earnest	Public Equity	-0.04
All Other	Various	0.07

IV.

INVESTMENT COMMITTEE REPORT

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (A.), as provided in Section 19.85(1)(e), Wisconsin State 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 Board may then vote to reconvene in open session following the closed session.

- A. Selection of Hedge Fund of Funds Manager.

V.

NEW BUSINESS

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (A.), as provided in Section 19.85(1)(g), Wisconsin State Statutes, to confer with legal counsel concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. The Board may then vote to reconvene in open session following the closed session.

- A. Update and Consideration of Strategy, Tactics and Potential Resolution Regarding the Allianz Litigation.
- B. Retirements, Death Claims, and Refunds (January).
- C. Conference Requests – February 2022 Board Meeting.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (D.), as provided in Section 19.85 (1)(c), for considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility. The Board may then vote to reconvene in open session following the closed session.

- D. ERS Executive Staff Compensation.

Retirement Type	Retirement SubType	Last Name	First Name	Retirement Date	Option	Department
Regular	Service	PAYTON	MARI	12/1/2021	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	ANDERSON	KAI	12/2/2021	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	PRESTON	JAN	12/2/2021	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	KREJCI	STEVEN	12/3/2021	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	QUIGLEY	ALANA	12/3/2021	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	MURPHY	WILLIE	12/4/2021	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	SIMERLEIN	GREGORY	12/4/2021	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Deferred	BYRNE	CAROLYN	12/6/2021	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	TAYLOR	STEPHANIA	12/8/2021	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	BEHNING	TIMOTHY	12/8/2021	100	MILWAUKEE POLICE DEPARTMENT
Regular	Deferred	HARD	SHERWOOD	12/10/2021	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	FALKOWSKI	WALTER	12/11/2021	75	DPW-OPS-SANITATION
Regular	Service	NEMOIR	TAMMY	12/11/2021	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	STRUCK	THOMAS	12/11/2021	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	PETTKE	MARK	12/14/2021	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	SMOLEN	TODD	12/15/2021	100	MILWAUKEE POLICE DEPARTMENT
Regular	Deferred	KOEPEL	PENELOPE	12/16/2021	MAX	HEALTH DEPARTMENT
Regular	Service	FLORES	GREGORY	12/16/2021	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	HAASE	MARK	12/16/2021	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	POEPPEY	CHAD	12/16/2021	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	BAMBA	CHANCE	12/17/2021	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	WENZEL	MATTHEW	12/17/2021	75	MILWAUKEE POLICE DEPARTMENT
Regular	Service	POLENSKE	JEFFREY	12/18/2021	100	DPW-ADMINISTRATION SERVICES
Regular	Service	WILKE	ANDREW	12/19/2021	MAX	FIRE - FIREFIGHTING
Regular	Service	HANLEY	SEAN	12/21/2021	100	MILWAUKEE POLICE DEPARTMENT
Regular	Deferred	KORDUCKI	DOUGLAS	12/22/2021	50	MILWAUKEE FIRE DEPARTMENT
Regular	Service	KAZIK	CHARLES	12/22/2021	100	FIRE - FIREFIGHTING
Regular	Deferred	CUNNINGHAM	KYLE	12/23/2021	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	BARRETT	THOMAS	12/23/2021	100	MAYOR
Regular	Service	PETERSON	KATHLEEN	12/23/2021	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	ABU-KHADER	MUSA	12/24/2021	100	DPW-INFRASTRUCTURE-ST/BRIDGES
Regular	Service	BRENGOSZ	STEVEN	12/25/2021	MAX	DPW-WATER-ENGINEERING
Regular	Involuntary Separation	MATHEWS	ERICA	12/26/2021	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	BOHNE	DAVID	12/26/2021	MAX	DPW-WATER-LINWOOD
Regular	Service	DOMINGUEZ	THOMAS	12/26/2021	75	DPW-OPS-FORESTRY
Regular	Service	WESOLOWSKI	MICHAEL	12/26/2021	MAX	HACM
Regular	Service	JANUSZ	CHARLES	12/29/2021	75	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	JASTRAB	JAIME	12/29/2021	MAX	DPW-OPS-FORESTRY
Regular	Service	LISIECKI	DAVID	12/29/2021	100	DPW-OPS-FLEET SERVICES
Regular	Deferred	KOSMALKSI	WANDA	12/31/2021	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	BELMONTES	PATRICIA	12/31/2021	50	MILWAUKEE POLICE DEPARTMENT
Regular	Service	COLON DE LOPEZ	CARMEN	12/31/2021	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	DANDY	NANCY	12/31/2021	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	KEHOSS	JAMES	12/31/2021	75	DPW-OPS-FLEET SERVICES
Regular	Service	MEGNA	JOSEPH	12/31/2021	50	DPW-OPS-FLEET SERVICES
Regular	Service	MERRITT	RICKY	12/31/2021	MAX	DPW-OPS-SANITATION
Regular	Conversion (Duty Disability to Regular)	DEL VALLE	BRENDA	1/1/2022	MAX	MILWAUKEE POLICE DEPARTMENT

Retirement Type	Retirement SubType	Last Name	First Name	Retirement Date	Option	Department
Regular	Conversion (Duty Disability to Regular)	LITZA	JAMIE	1/1/2022	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	AWADALLAH	BUTHAINA	1/1/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	HIBBELER	STEPHEN	1/1/2022	MAX	DEPT OF NEIGHBORHOOD SRVCS
Regular	Service	OWENS	CRYSTAL	1/1/2022	MAX	ELECTION COMMISSION
Regular	Service	ROBERTSON	BRIAN	1/1/2022	MAX	MILWAUKEE METROPOLITAN SEWERAGE DISTRICT
Regular	Service	SCOTT	MARILYN	1/1/2022	50	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	WARD	AUSTIN	1/1/2022	MAX	DPW-OPS-FLEET SERVICES
Regular	Service	WIEDERHOLT	MICHAEL	1/1/2022	100	DPW-WATER-BUSINESS

Board Report - January 2022

Deaths

Type	Last Name	First Name	Death Date	Payment Date	Amount
Deferred Death-Member Only Refund	ARLT	PETER	7/21/2021	1/31/2022	\$ 1,911.82
Ordinary Death	JACKSON	ELBERTROY	12/19/2021	1/31/2022	\$ 62,441.94
Ordinary Death	LEWIS	LINDA	11/1/2021	1/31/2022	\$ 16,749.57
Ordinary Death	PITTMAN	ERIC	5/20/2021	1/31/2022	\$ 161,655.20
Retiree Death-Termination	BROWN	HOMER	12/14/2021	1/31/2022	\$ 1,040.83
Retiree Death-Termination	CONNOLLY	ROBERT	4/19/2021	1/31/2022	\$ 3,384.29
Retiree Death-Termination	CUNNINGHAM	MARCIA	11/19/2021	1/31/2022	\$ 114.79
Retiree Death-Termination	HENNECKE	ALFRED	11/20/2021	1/31/2022	\$ 1,671.38
Retiree Death-Termination	HEPP	CATHERINE	5/14/2021	1/31/2022	\$ 76.37
Retiree Death-Termination	MARTINETTI	MARTIN	10/21/2021	1/31/2022	\$ 973.01
Retiree Death-Termination	PYE-HOLDEN	EARNESTINE	7/7/2021	1/31/2022	\$ 304.86
Retiree Death-Termination	THOMPSON	LENA	9/19/2021	1/31/2022	\$ 99.26
Retiree Death-Termination	VIVERETTE	JIMMIE	10/20/2021	1/31/2022	\$ 787.17
Retiree Death-Termination	ZAFFRANN	JOSLYN	8/15/2018	1/31/2022	\$ 1,038.39
Surv Death-Termination	BEHLING	MARGARET	9/4/2021	1/31/2022	\$ 64.05
Surv Death-Termination	FOLLANSBEE	ELIZABETH	11/25/2021	1/31/2022	\$ 774.69
Surv Death-Termination	HAGGITH	GLENWOOD	11/23/2021	1/31/2022	\$ 86.45
Surv Death-Termination	HALL	LAURA	6/22/2021	1/31/2022	\$ 656.15
Surv Death-Termination	JAHNS	KATHLEEN	11/26/2021	1/31/2022	\$ 833.87
Surv Death-Termination	KROENING	ELAINE	12/20/2021	1/31/2022	\$ 348.42
Surv Death-Termination	KUMM	MARILYN	12/5/2021	1/31/2022	\$ 229.21
Surv Death-Termination	KUTNYAK	THERESA	11/16/2021	1/31/2022	\$ 418.74
Surv Death-Termination	MEYER	MOLLY	12/4/2021	1/31/2022	\$ 373.72
Surv Death-Termination	NADOLNY	DORIS	6/22/2021	1/31/2022	\$ 1,709.40
Surv Death-Termination	PIACENTINE	DORIS	11/20/2021	1/31/2022	\$ 433.88
Surv Death-Termination	REPINSKI	FLORENCE	11/20/2021	1/31/2022	\$ 1,525.64
Surv Death-Termination	SCHEIDT	MARIE	11/12/2021	1/31/2022	\$ 240.25
Surv Death-Termination	TSCHACHLER	GLORIA	1/16/2021	1/31/2022	\$ 5,610.79

TOTAL \$ 265,554.14

Type	Last Name	First Name	Death Date	Payment Date	Amount
Retiree Death-Cont Opt	CZUBKOWSKI	THOMAS	1/3/2022	1/1/2022	
Retiree Death-Cont Opt	GUNDRUM	PATRICK	1/8/2022	1/1/2022	
Retiree Death-Cont Opt	KANIA	GILBERT	1/17/2022	1/1/2022	
Retiree Death-Cont Opt	LIMBACK	DANIEL	11/28/2021	1/1/2022	
Retiree Death-Cont Opt	MC DUFFIE	BLAKE	1/2/2022	1/1/2022	
Retiree Death-Cont Opt	MOSLEY	LINDA	12/29/2021	1/1/2022	
Retiree Death-Cont Opt	NISSSEN	JAMES	1/12/2022	1/1/2022	
Retiree Death-Cont Opt	PLATZ	GORDON	1/6/2022	1/1/2022	
Retiree Death-Cont Opt	SLOWEY	SEAN	12/11/2021	1/1/2022	
Retiree Death-Cont Opt	ZABLER	BEV	1/7/2022	1/1/2022	

Board Report - January 2022**Withdrawals**

Type	Last Name	First Name	Payment Date	Amount
Administrative Withdrawal	CARROLL	WILLIAM	1/31/2022 \$	1,305.70
Administrative Withdrawal	COTTON	WHITLEY	1/31/2022 \$	2,130.72
Administrative Withdrawal	DYE	ASHLEY	1/31/2022 \$	212.17
Administrative Withdrawal	EDWARDS	KENNETH	1/31/2022 \$	762.02
Administrative Withdrawal	EMANUELE	FRANCISCO	1/31/2022 \$	549.14
Administrative Withdrawal	FERNANDEZ	JULIO	1/31/2022 \$	3,163.86
Administrative Withdrawal	FIGUEROA	ROBERT	1/31/2022 \$	1,759.05
Administrative Withdrawal	GILL	AMARJEET	1/31/2022 \$	3,301.42
Administrative Withdrawal	GILL	BLANCA	1/31/2022 \$	3,290.10
Administrative Withdrawal	HOLLOWAY	CHASITY	1/31/2022 \$	709.71
Administrative Withdrawal	MARTINEZ	SEBASTIAN	1/31/2022 \$	422.47
Administrative Withdrawal	RAGSDALE	ANTOINETTE	1/31/2022 \$	4,712.04
Administrative Withdrawal	SANFELIPPO	RACHEL	1/31/2022 \$	462.74
Administrative Withdrawal	SHAW	WILLIAM	1/31/2022 \$	3,294.37
Administrative Withdrawal	SHOWELL	LACEY	1/31/2022 \$	5,843.40
Administrative Withdrawal	THAO	BAO	1/31/2022 \$	1,099.99
Administrative Withdrawal	WALESBY	ANTHONY	1/31/2022 \$	537.14
Administrative Withdrawal	WILLIAMSON	LASHAWN	1/31/2022 \$	1,271.78
Full Refund	ADORNO	JESSIE	1/31/2022 \$	4,277.11
Full Refund	BROWN	NICOLE	1/31/2022 \$	15,540.70
Full Refund	COTTON	ROCHELLE	1/31/2022 \$	2,775.52
Full Refund	HACKETT	NANCY	1/31/2022 \$	36,880.57
Full Refund	MC CLELLEN	ANTJE	1/31/2022 \$	4,167.03
Full Refund	RADTKE	STEPHANIE	1/31/2022 \$	6,408.53
Full Refund	REYNOLDS	ANGELEC	1/31/2022 \$	3,580.43
Full Refund	ROSS	VIRGIL	1/31/2022 \$	8,067.15
Full Refund	SMITH	KENDALL	1/31/2022 \$	13,704.59
Full Refund	WORDS	JASMINE	1/31/2022 \$	17,013.34
Member Only Refund	BALDWIN	BENJAMIN	1/31/2022 \$	5,070.24
Member Only Refund	BERRY	GERALD	1/31/2022 \$	708.04
Member Only Refund	CAMPBELL	DAVINA	1/31/2022 \$	2,472.42
Member Only Refund	FEHLHABER	WILHELM	1/31/2022 \$	528.66

Type	Last Name	First Name	Payment Date	Amount
Member Only Refund	FERGUSON	TISHA	1/31/2022 \$	3,664.59
Member Only Refund	FREDERICK	LEE	1/31/2022 \$	13,245.38
Member Only Refund	GAINER	JERRILYNN	1/31/2022 \$	1,063.94
Member Only Refund	GULLEY	CASSANDRA	1/31/2022 \$	296.96
Member Only Refund	GUTIERREZ	JAMES	1/31/2022 \$	6,228.69
Member Only Refund	HIBBLER	ANTHONY	1/31/2022 \$	868.95
Member Only Refund	JOHNIKIN	DANIELLE	1/31/2022 \$	1,009.76
Member Only Refund	MIREHOUSE	KYLE	1/31/2022 \$	5,061.70
Member Only Refund	PATTERSON	KENNETH	1/31/2022 \$	704.00
Member Only Refund	RUNKE	TIMOTHY	1/31/2022 \$	3,408.46
Member Only Refund	SCHWANK	ALEXANDER	1/31/2022 \$	1,954.92
Member Only Refund	SCOTT	ANTHONY	1/31/2022 \$	931.10
Member Only Refund	SHAW-MCDANIEL	TIFFANY	1/31/2022 \$	2,157.45
Member Only Refund	SPRINGFIELD	NIGIL	1/31/2022 \$	656.56
Member Only Refund	STANGE	DANNY	1/31/2022 \$	1,815.82
Member Only Refund	STOCKLAND	ANDREW	1/31/2022 \$	5,320.23
Member Only Refund	THOMAS	CHRISTIAN	1/31/2022 \$	452.51
Member Only Refund	WILLIAMS-KERNAN	TOWANA	1/31/2022 \$	1,733.46
TOTAL \$				206,596.63

VI.

MEDICAL REPORTS

- A. All Duty & Ordinary Disability Applications & Re-examinations (February).

MERITS

CITY OF MILWAUKEE EMPLOYEES' RETIREMENT SYSTEM

Page Number: 1 OF 1

Medical Panel Approvals Report

DATE RAN : 02/11/2022

Approved by Executive Director

Pension Board Meeting Date 02/22/2022

TIME RAN : 12:22

DOCTOR DECISION

<u>Case Number</u>	<u>Name</u>	<u>DOB</u>	<u>Title</u>	<u>Employer</u>	<u>Case Type</u>	<u>Case Sub-Type</u>	<u>City</u>	<u>Union</u>	<u>Third</u>	<u>Disability Date</u>	<u>Comments</u>
484	GALLAGHER, PIETER		FIRE FIGHTER	FIRE	DD 75%	Re-Examination	Approved	Approved		08/01/2019	
65	MACGUIRE, TERESA		FIRE FIGHTER	FIRE	DD 75%	Re-Examination	Approved	Approved		07/01/2021	
581	SODERBECK, WILLIAM		FIRE CAPTAIN	FIRE	DD 75%	Re-Examination	Approved	Approved		04/01/2021	
832	UNDERWOOD, CHRISTOPHER		FIRE LIEUTENANT	FIRE	DD 75%	Re-Examination	Approved	Approved		10/26/2010	

Number of Cases: 4

This report includes Fire duty disabilities with an application date prior to July 29, 2016; Police MPA duty disabilities with an application date prior to June 19, 2016; and Police MPSO duty disabilities with an application date prior to January 1, 2016.

MERITS	CITY OF MILWAUKEE EMPLOYEES' RETIREMENT SYSTEM	Page Number:	1 OF 1
	Medical Council Approvals Report	DATE RAN :	01/28/2022
	Board Meeting: 02/22/2022	TIME RAN :	12:35

<u>Name</u>	<u>DOB</u>	<u>Title</u>	<u>Employer</u>	<u>CaseType</u>	<u>Case Sub-Type</u>	<u>Disability Date</u>	<u>Medical Council Meeting Date</u>
BARANOWSKI, BRANDON		POLICE OFFICER	MPD	Duty Disability 75%	Re-Examination	01/23/2018	01/28/2022
BRYANT, YWANDA		SCHOOL SECRETARY	MPS	Ordinary Disability	Re-Examination	03/18/2016	01/28/2022
GIBBS, RENEE		PAINTER	HACM	Ordinary Disability	Re-Examination	08/31/2016	01/28/2022
KIETZKE, CHRISTOPHER		FIRE LIEUTENANT	MFD	Ordinary Disability	Re-Examination	04/23/2020	01/28/2022

Number of Cases: 4

This report includes all GC disabilities; all ordinary disabilities; Fire duty disabilities with an application date on/after July 29, 2016; Police MPA duty disabilities with an application date on/after June 19, 2016; and Police MPSO duty disabilities with an application date on/after January 1, 2016.

VII.

UNFINISHED BUSINESS

- A. Pending Legal Opinions and Service Requests Report.
- B. Pending Legislation Report.
- C. Executive Director's Report – Inventory of ERS Projects.



February 22, 2022 Board Meeting

PENDING LEGAL OPINIONS AND SERVICE REQUESTS REPORT

PART 1. LEGAL OPINIONS - OFFICE OF CITY ATTORNEY

- 12/23/21 Review of Board Rule II.A.2 (Annuity & Pension Board Ex-Officio Trustee)**
The Pension Board requested City Attorney's Office to review prior legal opinion and city ordinances in conjunction with Board Rule II. A. 2. and advise whether the Deputy Comptroller may serve and vote as a member of the Pension Board in the absence or inability of the Comptroller to serve as an ex-officio member of the Board.
- 01/28/22 Same Sex Spouse Retirees**
The Employees' Retirement System received an inquiry from a retiree as it relates to a post-retirement election of a same gender spouse survivor where state law was found to unconstitutionally prohibit same gender marriages previous to the retirement of the retiree.

PART 2. LEGAL OPINIONS - OUTSIDE LEGAL COUNSEL

None.

PART 3. SERVICE REQUESTS - OFFICE OF CITY ATTORNEY

- 12/16/21 Contract for Banking Services**
ERS staff requests assistance of legal counsel in drafting and negotiating a contract for banking services with vendor.
- 01/14/22 Contract for Office Space**
ERS staff requests the services of the City Attorney's in the negotiation and drafting of a contract for office space.

PART 4. SERVICE REQUESTS - OUTSIDE LEGAL COUNSEL

None.



February 22, 2022 Board Meeting

PENDING LEGISLATION REPORT

PART 1. PENDING CHARTER ORDINANCES FOR COMMON COUNCIL ACTION

None.

PART 2. PENDING CHANGES TO THE RULES & REGULATIONS

None.

PART 3. PENDING LEGISLATIVE COMMITTEE REFERRALS

Pension Contribution Offset.

12/13/16 ERS requested legal guidance on whether the 5.8% pension contribution offset for public safety employees pursuant to recent labor contract settlements or interest arbitration, is includable as "salary" for adjusting duty disability retirement allowance.

02/16/17 City Attorney issued a legal opinion advising that since members receiving a duty disability retirement allowance have not paid the member contributions, they are not entitled to the 5.8% pension contribution offset.

02/27/17 Opinion referred to Legislative Committee for consideration on whether the pension contribution offset received by general city and protective service members should be included in the calculation of the Conversion to Service Retirement and Extended Life retirement allowances.

07/31/17 Committee recommended this matter be held pending resolution of litigation.

Employees' Retirement System – Executive Director's Report

February 2022

I. Personnel Update

- A. ERS is working with DER to fill the Pension Investment Analyst – Sr. position.
- B. ERS is working with DER to re-classify the Network Administrator position to a Network Security Administrator.

II. Member Services

- A. New retirees on payroll in January - 59; 40 are currently anticipated for the February payroll.
- B. The office continues to be closed for in-person appointments.
- C. Below is a breakdown of to-date ERS benefits payouts/active/deferred counts:

Category	Count
Annuitants	
Death - Duty	27
Death - Ordinary	90
Disability - Duty	389
Disability - Ordinary	592
Retirement	12,647
Separation	37
Total Annuitants	13,782
Active	10,814
Deferred	3,039
Total Population	27,635

III. Financial Services

- A. The 1/1/22 actuarial census data extract has been sent to the actuary. This extract will be used by the actuary to compile the actuarial valuation.
- B. The 2021 Form 1099-Rs were mailed out to members on January 25th. Members can also access the forms using the Self-Service option on CMERS.com.
- C. The outside earnings letter will be mailed by March 7th. These letters are sent out to members who have elected early retirement or received certain types of disability payments and have not reached full retirement age.
- D. The MPA settled their collective bargaining contract with the City. The contract covers 2020 to 2022. We expect to re-calculate the pension payments for members who have retired by the May 31, 2020 payroll.

IV. Information Services

- A. Implement Security Incident and Event Management Capabilities completed.
- B. Proof of Concept (POC) for FileNet to BAW Upgrade in progress.
- C. Struts Upgrade and Modernize MERITS Website in progress.
- D. Printer Firmware Upgrade in progress.
- E. Network Infrastructure Upgrade in progress.

- F. Vulnerability Assessment - 2021 in progress.
- G. Perforce Repository Upgrade in progress.
- H. IP Address Review and Cleanup – 2021 in progress.
- I. DNS Review and Cleanup – 2021 in progress.
- J. AD Review and Cleanup – 2021 in progress.
- K. Firewall Review and Cleanup – 2021 in progress.
- L. SAN Firmware and DSM Upgrade in progress.
- M. Video Conferencing System Upgrade in progress.

V. Administration

- A. Statements of Economic Interests for 2021 are due to be filed with the City Ethics Board no later than February 28, 2022. A fillable form is available on-line at the City website address: https://city.milwaukee.gov/ImageLibrary/Groups/ccClerk/Ethics-Board/2021_Annual_SEI_Letter_Form_Fillable.pdf
- B. Staff has obtained salary survey data compiled by the McLagen firm, a leading public pension fund compensation consultant for discussion at this month's Annuity & Pension Board meeting at the request of a Trustee. The data is from 2018. Also, NCPERS has announced that it will survey its 400 member public funds beginning in March and the salary data from that effort will be made available in the Fall. Further, DER has asked CMERS to help secure salary data because setting pay ranges for CMERS staff who operate a special type of financial institution is somewhat outside the scope of their expertise.

Basic Website Metrics

	2021												2022
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
Visits	5,153	4,673	5,542	5,405	4,842	4,479	4,188	4,592	4,678	5,442	5,180	4,728	5,053
Users	3,872	3,563	4,050	4,029	3,816	3,440	3,203	3,566	3,533	4,015	3,813	3,667	3,810
Page Views	16,062	13,815	17,353	15,863	13,287	11,539	11,411	11,868	12,240	16,046	13,712	12,305	13,532
Pages/ Visit	3.12	2.96	3.13	2.93	2.74	2.58	2.72	2.58	2.62	2.95	2.65	2.60	2.68
Ave. Visit	2:38	2:21	2:40	2:19	2:07	2:07	2:10	2:10	2:23	2:35	2:10	2:09	2:18

VIII.

INFORMATIONAL

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (A.), as provided in Section 19.85(1)(g), Wisconsin State Statutes, to confer with legal counsel concerning strategy to be adopted by the body with respect to litigation in which it is or is likely to become involved. The Board may then vote to reconvene in open session following the closed session.

- A. Pending Litigation Report.
- B. Conferences.
- C. Class Action Income 2022 YTD.
- D. Adjusted Quarterly Cost Basis of Equity.
- E. Minutes of the Investment Committee Meeting Held February 10, 2022.
- F. Report on Bills.
- G. Deployment of Assets.
- H. Securities Lending Revenue and Budget Report.
- I. Preliminary Performance Report and Asset Allocation.



February 22, 2022 Board Meeting

PENDING LITIGATION REPORT

Part 1. ERS Litigation through the City Attorney

MPSO, Local 215, et al. v City of Milwaukee, et al; Case Nos. 2019AP001319; 2018CV001274

MPSO and Local 215 have filed suit on behalf of certain duty disability retirees against the City of Milwaukee and the Employees' Retirement System alleging the defendants violated the collective bargaining agreements as it relates to the payment of the 5.8% pension offset.

****See prior Reports for case history****

- 11/17/21 Defendants-Appellants' Response in Opposition to Petition for Review filed with WI Supreme Court.
- 05/04/22 Status Conference scheduled in Circuit Court.

James Miller and Marion Holley v. City of Milwaukee, et al; Case Nos. 2020AP001346; 2019CV008924

Claimants allege the City of Milwaukee failed to advise two former police employees in deferred status that upon return to active employment as general city employees, their retirement eligibility would be reclassified under the terms set forth in Chapter 36 for General City members.

****See prior Reports for case history****

- 01/28/22 Case remanded to Circuit Court.

Part 2. ERS Administrative Appeal Hearings through the City Attorney

Jason Rodriguez; Administrative Case No. 1443

Status: Hearing stayed pending outcome of Appellant's state workers compensation appeal. Status conference to be scheduled if state appeal hearing has not been held by May 1, 2022.

Sandrah Crawford; Administrative Case No. 1457

Status: Judge Moroney appointed as new Hearing Examiner. Status Conference to be scheduled for May, 2022.

Part 3. Notice of Claim filed with ERS

Kurt Lacina, et al v. City of Milwaukee and Employees' Retirement System and Annuity and Pension Board

Mr. Lacina was granted a worker's compensation permanent partial disability award for a physical injury occurring in January 2008. However, claimant was approved for a duty disability benefit based on a mental injury that resulted from the same date of injury in January 2008. Mr. Lacina alleges the City of Milwaukee and the Employees' Retirement System improperly applied an offset against his duty disability benefit based on a legal opinion issued by the City Attorney's Office in April 2020.

➤ 09/09/21 Notice of Claim served upon ERS.

➤ 09/21/21 Letter and Notice of Claim to City Attorney's Office.

Claim deemed denied by expiration of 120 days pursuant Wis. Stat. 893.80(1g). Claimant has until July 1, 2022 to file in Circuit Court.

Part 4. ERS Litigation through Outside Legal Counsel

ERS v Allianz Global Investors U.S. LLC, et al; Case No. 20-CV-08642

Lawsuit against defendants alleging negligence and breach of contractual and fiduciary duties arising from misconduct and gross mismanagement of two investment funds (i.e., AllianzGI Structured Alpha 1000 Plus LLC and Allianz GI Structured Alpha U.S. Fixed Income 250 LLC).

****See prior Reports for case history****

➤ 08/24/21 Litigation is on-going.

Client Conferences 2022**Board Meeting: February 22, 2022**

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
March 1 – 3, 2022 10:30 am – 1:30 pm	“Callan College” Introduction to Investments Virtual	Callan Associates
April 25 – 27, 2022	Callan Institute’s 2022 National Conference San Francisco, CA	Callan Associates
September 20 – 21, 2022	2022 USLF Annual Investor Meeting TBD	ProLogis
September 20 – 22, 2022 10:30 am – 1:30 pm	“Callan College” Introduction to Investments Virtual	Callan Associates

Trustee Conferences 2022

Board Meeting: February 22, 2022

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
March 1, 2022 5:00 pm – 8:00 pm	Global Macroeconomic and Investment Outlook – Tony Crescenzi Milwaukee, WI	CFA Society of Milwaukee
March 2 – 3, 2022	Certificate Series – Investment Basics San Diego, CA	International Foundation of Employee Benefit Plans
March 7 – 9, 2022	CII Spring 2022 Conference Washington, DC	Council of Institutional Investors
March 10, 2022 12:00 pm – 1:00 pm	Distinguished Speaker Series: Orlando Bravo: Technology Focused Private Equity Chicago, IL with a virtual option	CFA Society of Chicago
April 18 – 20, 2022	Pension Bridge Annual San Francisco, CA	Pension Bridge
May 1 – 4, 2022	25 th Global Conference 2022 Los Angeles, CA	Milken Institute
May 10 – 11, 2022	8 th Annual Redefining Fixed Income Forum Chicago, IL	Institutional Investor
May 18, 2022	8 th Annual Midwest Institutional Forum Chicago, IL	Markets Group
May 21 – 22, 2022	Trustee Educational Seminar (TEDS); NCPERS Accredited Fiduciary (NAF) Program Washington, DC	NCPERS
May 22 – 25, 2022	Annual Conference & Exhibition (ACE 2022) Washington, DC	NCPERS
June 6 – 7, 2022	Certificate of Achievement in Public Plan Policy (CAPPP®): Pensions Part I Santa Monica, CA	International Foundation of Employee Benefit Plans
June 8 – 9, 2022	Certificate of Achievement in Public Plan Policy (CAPPP®): Pensions Part II Santa Monica, CA	International Foundation of Employee Benefit Plans
June 20 – 22, 2022	Roundtable for Consultants & Institutional Investors Chicago, IL	Institutional Investor

Trustee Conferences 2022

Board Meeting: February 22, 2022

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
July 21, 2022	ALTSCHI Chicago, IL	Markets Group
August 21 – 23, 2022	Public Pension Funding Forum TBD	NCPERS
September 14, 2022	6 th Annual Midwest Institutional Real Estate Investor Forum Chicago, IL	Markets Group
September 15, 2022	8 th Annual Great Plains Institutional Forum Minneapolis, MN	Markets Group
September 21 – 23, 2022	CII Fall 2022 Conference Boston, MA	Council of Institutional Investors
September 23 - 24, 2022	Certificate Series – Investment Basics Washington DC	International Foundation of Employee Benefit Plans
October 22 – 23, 2022	Certificate of Achievement in Public Plan Policy (CAPPP®): Pension Part II Las Vegas, NV	International Foundation of Employee Benefit Plans
October 23 – 26, 2022	2022 Public Safety Conference Nashville, TN	NCPERS

Class Action Income 2022 YTD

Asset Description	Date(s)	Amount
Foreign Exchange Benchmark Rates Antitrust Litigation	1/18/2022 \$	4,007
First Solar	2/4/2022 \$	14,395
Total Class Action Income Received in 2022 YTD		\$ 18,402

Adjusted Quarterly Cost Basis of Equity December 31, 2021

Date	Market Value of Total Fund	Equity as Percent of Portfolio on a Market Value Basis %	Cost Value of Total Fund	Equity as Percent of Portfolio on Cost Basis %
Dec-14	4,915,599,704	58.5%	4,164,683,084	54.0%
Mar-15	5,008,199,817	58.7%	4,212,168,649	53.9%
Jun-15	4,974,456,735	57.8%	4,213,135,754	53.1%
Sep-15	4,659,927,006	55.7%	4,188,522,173	53.5%
Dec-15	4,711,796,883	57.4%	4,160,594,964	54.1%
Mar-16	4,777,710,957	58.4%	4,201,741,347	55.8%
Jun-16	4,753,379,711	58.9%	4,167,278,877	56.8%
Sep-16	4,878,963,087	59.2%	4,265,248,439	52.6%
Dec-16	4,875,173,931	58.7%	4,259,899,650	51.6%
Mar-17	5,054,238,404	59.5%	4,296,075,081	54.0%
Jun-17	5,141,650,168	59.6%	4,238,775,000	54.0%
Sep-17	5,253,079,121	60.3%	4,219,738,169	54.0%
Dec-17	5,356,413,868	60.7%	4,347,067,963	54.6%
Mar-18	5,360,763,834	54.5%	4,493,669,234	48.5%
Jun-18	5,364,526,404	52.8%	4,508,052,439	47.2%
Sep-18	5,416,752,057	53.2%	4,475,388,278	47.5%
Dec-18	4,952,685,618	50.7%	4,457,976,536	48.9%
Mar-19	5,287,164,709	52.5%	4,458,818,165	48.5%
Jun-19	5,368,388,543	52.2%	4,439,503,880	48.5%
Sep-19	5,336,312,140	51.6%	4,409,684,126	48.6%
Dec-19	5,525,553,595	53.1%	4,370,713,537	48.7%
Mar-20	4,532,932,039	47.6%	4,421,955,418	47.5%
Jun-20	4,904,369,177	52.6%	4,216,408,115	50.3%
Sep-20	5,077,501,527	52.0%	4,228,679,409	49.0%
Dec-20	5,531,306,606	53.5%	4,270,905,026	47.9%
Mar-21	5,693,916,321	53.5%	4,338,199,305	46.1%
Jun-21	6,012,966,775	52.3%	4,337,113,221	45.0%
Sep-21	6,026,295,778	48.4%	4,378,190,704	42.2%
Dec-21	6,218,053,813	47.6%	4,473,429,725	41.0%

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

Minutes of the Investment Committee Meeting
held February 10, 2022 via teleconference during COVID-19

The meeting was called to order at 8:46 a.m.

Committee Members Present: Matthew Bell, Chair
James Campbell
Deborah Ford
Molly King
Thomas Klusman
Rudy Konrad
Nik Kovac
Aycha Sawa

ERS Staff Present: Jerry Allen, Executive Director
David Silber, Chief Investment Officer
Erich Sauer, Deputy Chief Investment Officer
Dan Gopalan, Chief Financial Officer
Jan Wills, Board Stenographer

Others Present: Patrick Byrne, Michael Hillman, Michael Husson, Jeff Klein, Richard Quigley, Goldman Sachs Asset Management AIMS Aptitude; David Ben-Ur, Paget MacColl, Eric Perlyn, Lindsay Shagrin, Steve Sullens, Blackstone Alternative Asset Management; Jonathan Levin, Frederick Pollock, Andrew T. Preda, Mark Roman, Amy Wierenga; Grosvenor Capital Management; John Jackson, Mike Joecken, Kevin Joy, Joe McGuane, Callan; Patrick McClain, City Attorney's office; Terry Siddiqui, DS Consulting, Inc.; five members of the public called in.

Hedge Fund of Funds Manager Interviews.

Goldman Sachs Asset Management AIMS Aptitude. As a matter of information, Committee members received the Goldman Sachs Asset Management AIMS Aptitude presentation booklet. Messrs. Byrne, Hillman, Husson, Klein, and Quigley gave a presentation on the topics of Executive Summary, AIMS Aptitude Overview, Philosophy, Process, Track Record, CMERS Proposed Solution, and then provided a Summary. Discussion ensued.

Mr. Bell called for a break at 9:45 a.m. and resumed the meeting at 9:50 a.m.

Blackstone Alternative Asset Management. As a matter of information, Committee members received the Blackstone Alternative Asset Management presentation booklet. Ms. MacColl, Shagrin, and Messrs. Ben-Ur, Perlyn, and Sullens gave a presentation on the topics of Executive Summary, Blackstone and Blackstone Alternative Asset Management Overview, Philosophy, Process, Track Record, CMERS Proposed Solution, and then provided a Summary. Discussion ensued.

Grosvenor Capital Management. As a matter of information, Committee members received the GCM Grosvenor presentation booklet. Ms. Wierenga and Messrs. Levin, Pollock,

Preda, and Roman gave a presentation on the topics of Executive Summary, Grosvenor Overview, Philosophy, Process, Track Record, CMERS Proposed Solution, and then provided a Summary. Discussion ensued.

Mr. Bell advised that the Investment Committee may vote to convene in closed session on the following item as provided in Section 19.85(1)(e), Wisconsin State 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.

Selection of Hedge Fund of Funds Manager.

It was moved by Ms. Sawa and seconded by Mr. Kovac to convene in closed session. The motion prevailed by the following roll call vote: AYES: Mses. Ford, King, and Sawa; Messrs. Bell, Campbell, Klusman, Konrad, and Kovac. NOES: None.

The Committee convened in closed session at 11:18 a.m.

The Committee reconvened in open session at 11:58 a.m.

It was moved by Mr. Bell and seconded by Mr. Campbell, and unanimously carried, to proceed with the selection of the Hedge Fund of Fund Manager as advised by the Investment Committee in closed session.

Informational.

4th Quarter 2021 Performance Report. As a matter of information, Committee members received the 4th Quarter 2021 Performance Report.

Value Add Analysis. As a matter of information, Committee members received the Value Add Analysis.

Mr. Bell accepted the 4th Quarter 2021 Performance Report and Value Add Analysis and placed them on file.

It was moved by Mr. Campbell and seconded by Mr. Konrad to adjourn the meeting.

There being no further business, Mr. Bell adjourned the meeting at 12:00 p.m.

Bernard J. Allen
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.)

Fiscal Year
2022
Department
Employees' Retirement System

City of Milwaukee
Departmental
Appropriation Budget Balances

As of: 2022-01-31

	Class/ Account	Budget	2022-1	Year to Date Expended	Year to Date PreEncumbrances	Year to Date Encumbrances	Life to Date Commitments	Remaining Budget
<i>Regular Departmental Appropriations:</i>								
Employee Salaries & Wages	006000	3,583,222.00	-	-	-	-	-	3,583,222.00
Base Pay-Salary & Wage	600101	-	179,295.09	179,295.09	-	-	-	(179,295.09)
Overtime Premium	602101	-	304.88	304.88	-	-	-	(304.88)
Time Paid Not Worked	602501	-	89,142.97	89,142.97	-	-	-	(89,142.97)
Employee Salaries & Wages	R999	\$ 3,583,222.00	268,742.94	\$ 268,742.94	\$ -	\$ -	\$ -	3,314,479.06
Fringe Benefits Applied	006180	1,648,282.00	-	-	-	-	-	1,648,282.00
Applied Employee Benefits	R999	\$ 1,648,282.00	-	\$ -	\$ -	\$ -	\$ -	1,648,282.00
Operating Expenditures	006300	15,558,400.00	-	-	-	-	-	15,558,400.00
Office Supplies	630101	-	45.90	45.90	-	-	-	(45.90)
Magazines,Subscription	630107	-	28.17	28.17	-	-	-	(28.17)
Postal and Mailing Services	630108	-	3.95	3.95	-	-	-	(3.95)
Building Rental	632502	-	31,076.76	31,076.76	-	-	-	(31,076.76)
Printing & Dupl Machine Rental	633501	-	3,960.00	3,960.00	-	-	-	(3,960.00)
Medical, Surgical & Lab	634003	-	203.30	203.30	-	-	-	(203.30)
Other Professional Services	634005	-	362,269.59	362,269.59	-	-	-	(362,269.59)
Telephone, Communications	635002	-	4,878.96	4,878.96	-	-	-	(4,878.96)
Other Misc Services	636508	-	998.00	998.00	-	-	-	(998.00)
Operating Expenditures	R999	\$ 15,558,400.00	403,464.63	\$ 403,464.63	\$ -	\$ -	\$ -	15,154,935.37
All Equipment	006800	598,000.00	-	-	-	-	-	598,000.00
Total Equipment	R999	\$ 598,000.00	-	\$ -	\$ -	\$ -	\$ -	598,000.00
Total Regular Class	R999	<u>\$ 21,387,904.00</u>	672,207.57	<u>\$ 672,207.57</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>20,715,696.43</u>
<i>Other Departmental Appropriations:</i>								
Pol Pension Lump-Sum Sup Con	R443	10,000.00	-	-	-	-	-	10,000.00
PABF Payroll	R444	55,000.00	4,577.60	4,577.60	-	-	-	50,422.40
Group Life Insurance Premium	S139	4,560,000.00	-	-	-	-	-	4,560,000.00
Retiree's Benefit Adjustment	S165	32,000.00	1,560.77	1,560.77	-	-	-	30,439.23
Other Classes		<u>\$ 4,657,000.00</u>	6,138.37	<u>\$ 6,138.37</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>4,650,861.63</u>
Total Dept Appropriations		<u>\$ 26,044,904.00</u>	678,345.94	<u>\$ 678,345.94</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>25,366,558.06</u>

Monthly Board Report

31-Jan-22

Account number COMALL

CITY OF MILW ALL ACCTS

Page 1 of 3

Manager Mix Report

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total Market Value/ % of consolidation
MILWAUKEE-TOWNSEND CASH 2602846	0.00 0.00%	1,597,199.71 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	1,597,199.71 0.03%
MILWAUKEE-CASH ACCOUNT 2605491	0.00 0.00%	90,269,853.52 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	90,269,853.52 1.47%
MILWAUKEE-THE NORTHERN TRS 2605496	0.00 0.00%	0.00 0.00%	312,544,374.30 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	312,544,374.30 5.08%
MILWAUKEE-ERS EXPENSE FUND 2605504	0.00 0.00%	59,339.59 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	59,339.59 0.00%
MILWAUKEE-PABF BENEFIT PAYMENT 2610128	0.00 0.00%	2,500.31 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	2,500.31 0.00%
MILWAUKEE-DFA INTERNATIONAL 2619838	0.00 0.00%	0.00 0.00%	187,573,631.20 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	187,573,631.20 3.05%
MILWAUKEE-EARNEST -SL 2630942	0.00 0.00%	1,805,321.27 1.53%	116,560,591.30 98.47%	0.00 0.00%	0.00 0.00%	0.00 0.00%	118,365,912.60 1.92%
MILWAUKEE - UBS A&Q 2637239	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	443,410,581.90 100.00%	0.00 0.00%	443,410,581.90 7.21%
MILWAUKEE-DFA 2637848	0.00 0.00%	0.00 0.00%	191,104,375.00 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	191,104,375.00 3.11%
MILWAUKEE-BAIRD 2674604	0.00 0.00%	11,223,170.34 21.65%	0.00 0.00%	40,612,554.63 78.35%	0.00 0.00%	0.00 0.00%	51,835,724.97 0.84%
MILWAUKEE-CASTLEARK 2697782	0.00 0.00%	1,013,224.25 1.26%	79,358,177.80 98.90%	0.00 0.00%	0.00 0.00%	-132,966.92 -0.17%	80,238,435.13 1.30%
MILWAUKEE - BLACKROCK R1000V 4472746	0.00 0.00%	0.00 0.00%	158,535,051.10 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	158,535,051.10 2.58%
MILWAUKEE-LOOMIS SAYLE CME01	4,437,761.96 1.03%	0.00 0.00%	16,537,516.13 3.83%	411,361,759.70 95.32%	0.00 0.00%	-772,386.81 -0.18%	431,564,650.90 7.01%
MILWAUKEE-BRANDES INT'L EQUITY CME03	5,995,488.74 1.56%	0.00 0.00%	376,552,206.00 98.27%	0.00 0.00%	1,048,805.56 0.27%	-395,864.08 -0.10%	383,200,636.20 6.23%
MILWAUKEE-REAMS CME04	26,300,101.17 4.50%	0.00 0.00%	0.00 0.00%	674,536,320.60 115.37%	2,291,525.25 0.39%	-118,451,838.90 -20.26%	584,676,108.20 9.50%

Northern Trust

Generated from Northern Trust periodic data on 31-Jan-22

Monthly Board Report

31-Jan-22

Account number COMALL

CITY OF MILW ALL ACCTS

Page 2 of 3

Manager Mix Report

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total Market Value/ % of consolidation
MILWAUKEE-BLAIR CME05	8,581,131.71 3.31%	0.00 0.00%	250,459,976.30 96.54%	0.00 0.00%	579,697.07 0.22%	-191,302.41 -0.07%	259,429,502.70 4.22%
MILWAUKEE-MFS CME12	1,863,525.79 1.01%	0.00 0.00%	183,118,512.10 98.79%	0.00 0.00%	331,137.43 0.18%	43,888.29 0.02%	185,357,063.60 3.01%
MILWAUKEE-POLEN 2644553	0.00 0.00%	3,529,515.39 2.49%	138,296,204.30 97.51%	0.00 0.00%	0.00 0.00%	0.00 0.00%	141,825,719.70 2.31%
MILWAUKEE - PRINCIPAL DRA -SL 2677436	0.00 0.00%	0.00 0.00%	257,099,306.60 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	257,099,306.60 4.18%
MILWAUKEE-BLACKROCK GLOBAL-SL 2683493	0.00 0.00%	0.00 0.00%	285,196,639.90 96.45%	0.00 0.00%	0.00 0.00%	10,500,000.00 3.55%	295,696,639.90 4.81%
MILWAUKEE- AQR-SL 4468331	0.00 0.00%	0.00 0.00%	93,253,005.00 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	93,253,005.00 1.52%
MILWAUKEE - DFA US LCV CME15	577,869.68 0.37%	0.00 0.00%	157,489,672.10 99.71%	0.00 0.00%	0.00 0.00%	-117,918.71 -0.07%	157,949,623.00 2.57%
MILWAUKEE-REAL ESTATE MULTIPLE	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	545,414,189.20 100.12%	-635,174.45 -0.12%	544,779,014.70 8.86%
MILWAUKEE-PRIVATE EQUITY MULTIPLE	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	764,631,195.00 100.00%	0.00 0.00%	764,631,195.00 12.43%
MILWAUKEE - BLACKROCK US G-SL MULTIPLE	0.00 0.00%	0.00 0.00%	0.00 0.00%	417,123,628.20 100.00%	0.00 0.00%	0.00 0.00%	417,123,628.20 6.78%

Monthly Board Report

31-Jan-22

Account number COMALL

CITY OF MILW ALL ACCTS

Page 3 of 3

Manager Mix Report

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total Market Value/ % of consolidation
Total for consolidation	47,755,879.05	109,500,124.38	2,803,679,239.13	1,543,634,263.13	1,757,707,131.41	-110,153,563.99	6,152,123,073.03
% for consolidation	0.78%	1.78%	45.57%	25.09%	28.57%	-1.79%	100.00%

Please note that this report has been prepared using best available data. This report may also contain information provided by third parties, derived by third parties or derived from third party data and/or data that may have been categorized or otherwise reported based upon client direction - Northern Trust assumes no responsibility for the accuracy, timeliness or completeness of any such information. Northern Trust assumes no responsibility for the consequences of investment decisions made in reliance on information contained in this report. If you have questions regarding third party data or direction as it relates to this report, please contact your Northern Trust relationship team.

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Employees' Retirement System
Securities Lending Income and Expenses: 2022
As of January 31, 2022

Date	Income From Lending	Amounts Expended		Balance
		Fees	Administrative Transfers	
Balance 12-31-21				552,798.88
01/05/22	31.37	-	-	552,830.25
01/18/22	74,337.11	14,861.98	-	612,305.38
01/27/22		-	553,000.00	59,305.38
Current Totals	\$74,368.48	\$14,861.98	\$553,000.00	\$59,305.38

Note: Expenses for Board Travel/Education, Computer Equipment, Publications and Consulting are now paid from the Operations/Management account

MERS PERFORMANCE ESTIMATES

January 31, 2022

Account	2021 Return	Jan 2022	YTD Thru 1/31/22
Northern Trust S&P 500 Index	28.69%	-5.17%	-5.17%
S&P 500	<u>28.71%</u>	<u>-5.17%</u>	<u>-5.17%</u>
Difference	-0.01%	0.00%	0.00%
BlackRock Russell 1000 Value Index	25.18%	-2.35%	-2.35%
Russell 1000 Value	<u>25.16%</u>	<u>-2.33%</u>	<u>-2.33%</u>
Difference	0.02%	-0.02%	-0.02%
DFA US Large Cap Value	27.52%	-1.34%	-1.34%
Russell 1000 Value	<u>25.16%</u>	<u>-2.33%</u>	<u>-2.33%</u>
Difference	2.36%	0.99%	0.99%
Polen	24.84%	-9.04%	-9.04%
S&P 500	<u>28.71%</u>	<u>-5.17%</u>	<u>-5.17%</u>
Difference	-3.86%	-3.87%	-3.87%
Earnest	26.09%	-4.71%	-4.71%
Russell MidCap	<u>22.58%</u>	<u>-7.37%</u>	<u>-7.37%</u>
Difference	3.50%	2.66%	2.66%
CastleArk	12.30%	-15.26%	-15.26%
Russell 2000 Growth	<u>2.83%</u>	<u>-13.40%</u>	<u>-13.40%</u>
Difference	9.46%	-1.86%	-1.86%
DFA US Small Cap Value	40.61%	-2.53%	-2.53%
Russell 2000 Value	<u>28.27%</u>	<u>-5.83%</u>	<u>-5.83%</u>
Difference	12.34%	3.30%	3.30%
Brandes	14.37%	2.28%	2.28%
MSCI EAFE	<u>11.26%</u>	<u>-4.83%</u>	<u>-4.83%</u>
Difference	3.10%	7.11%	7.11%
William Blair	12.75%	-11.99%	-11.99%
MSCI ACWI ex US	<u>8.29%</u>	<u>-3.67%</u>	<u>-3.67%</u>
Difference	4.46%	-8.32%	-8.32%
DFA Int'l Small Cap Value	15.90%	-1.68%	-1.68%
MSCI EAFE Small Cap	<u>10.10%</u>	<u>-7.32%</u>	<u>-7.32%</u>
Difference	5.80%	5.64%	5.64%
AQR	0.24%	-1.45%	-1.45%
MSCI EM	<u>-2.54%</u>	<u>-1.89%</u>	<u>-1.89%</u>
Difference	2.78%	0.44%	0.44%
BlackRock Global Alpha Tilts	18.72%	-4.79%	-4.79%
MSCI ACWI	<u>18.54%</u>	<u>-4.91%</u>	<u>-4.91%</u>
Difference	0.18%	0.12%	0.12%
MFS	19.56%	-5.60%	-5.60%
MSCI ACWI	<u>18.54%</u>	<u>-4.91%</u>	<u>-4.91%</u>
Difference	1.02%	-0.69%	-0.69%
BlackRock Gov't Bond Index		-1.78%	-1.78%
Bloomberg Gov't Bond		<u>-1.87%</u>	<u>-1.87%</u>
Difference		0.09%	0.09%
Reams	-1.22%	-2.01%	-2.01%
Bloomberg US Aggregate	<u>-1.54%</u>	<u>-2.15%</u>	<u>-2.15%</u>
Difference	0.32%	0.14%	0.14%
Loomis Sayles	2.14%	-2.60%	-2.60%
Bloomberg US Aggregate	<u>-1.54%</u>	<u>-2.15%</u>	<u>-2.15%</u>
Difference	3.69%	-0.45%	-0.45%
UBS A&Q	8.12%	0.48%	0.48%
One Year Libor + 4%	<u>4.27%</u>	<u>0.02%</u>	<u>0.02%</u>
Difference	3.86%	0.46%	0.46%
Principal	17.58%	-0.35%	-0.35%
Blended Benchmark	<u>15.87%</u>	<u>0.59%</u>	<u>0.59%</u>
Difference	1.72%	-0.94%	-0.94%
Baird	-0.20%	-0.48%	-0.48%
Bloomberg Govt/Credit 1-3 Year	<u>-0.47%</u>	<u>-0.72%</u>	<u>-0.72%</u>
Difference	0.27%	0.24%	0.24%
Total MERS	18.89%	-2.13%	-2.13%

The calculation for the Fund's total rate of return is based on the Modified Dietz method. Although periodic cash flows (i.e., contributions, redemptions) are not time weighted, they are accounted for in the Fund's total rate of return. Therefore, this estimated rate of return may vary slightly from the rate of

The returns shown are gross of fees (except Total MERS, DFA International Small Cap Value, William Blair International Growth, AQR, Principal, and UBS A&Q)

ACTUAL ALLOCATIONS

January 31, 2022

		Target	Market Value	Allocation
EQUITY				
Public Equity				
Domestic				
Passive Large Cap Equity	Northern Trust (S&P 500)	5.40%	\$ 312,544,374	5.11%
	BlackRock (Russell 1000 Value)	2.60%	\$ 158,535,051	2.59%
	Sub-Total Passive Large Cap Equity	8.00%	\$ 471,079,425	7.70%
Active Large Cap Equity	Polen (S&P 500)	2.60%	\$ 141,825,720	2.32%
	DFA (Russell 1000 Value)	2.60%	\$ 157,949,623	2.58%
	Sub-Total Active Large Cap Equity	5.20%	\$ 299,775,343	4.90%
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	2.00%	\$ 118,365,913	1.93%
	CastleArk (Russell 2000 Growth)	1.60%	\$ 80,238,435	1.31%
	DFA (Russell 2000 Value)	3.20%	\$ 191,104,375	3.12%
	Sub-Total Active Mid/Small Cap Equity	6.80%	\$ 389,708,723	6.37%
Total Domestic		20.00%	\$ 1,160,563,491	18.97%
International				
Active International Equity	Brandes (MSCI EAFE)	6.40%	\$ 383,200,636	6.26%
	William Blair (MSCI ACWI ex US)	4.80%	\$ 259,429,503	4.24%
	DFA (MSCI EAFE Small Cap)	3.20%	\$ 187,573,631	3.07%
	AQR (MSCI EM)	1.60%	\$ 93,253,005	1.52%
Total International		16.00%	\$ 923,456,775	15.09%
Global				
Active Global Equity	BlackRock (MSCI ACWI)	4.80%	\$ 295,696,640	4.83%
	MFS (MSCI ACWI)	3.20%	\$ 185,357,064	3.03%
Total Global		8.00%	\$ 481,053,703	7.86%
Total Public Equity		44.00%	\$ 2,565,073,970	41.92%
Private Equity				
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	3.50%	\$ 359,697,935	5.88%
	Mesirow (Russell 3000 Quarter Lag + 2%)	3.50%	\$ 306,907,447	5.02%
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.50%	\$ 27,976,415	0.46%
	Private Advisors (Russell 3000 Quarter Lag + 2%)	1.50%	\$ 70,049,398	1.14%
Total Private Equity		10.00%	\$ 764,631,195	12.50%
TOTAL EQUITY (Public Equity + Private Equity)		54.00%	\$ 3,329,705,165	54.42%
FIXED INCOME & ABSOLUTE RETURN				
Fixed Income				
Cash		1.00%	\$ 91,928,893	1.50%
Passive Fixed Income	BlackRock (Bloomberg US Government)	7.92%	\$ 417,123,628	6.82%
	Reams (Bloomberg US Aggregate)	7.04%	\$ 584,676,108	9.56%
Active Fixed Income	Loomis Sayles (Bloomberg US Aggregate)	7.04%	\$ 431,564,651	7.05%
	Sub-Total Active Fixed Income	14.08%	\$ 1,016,240,759	16.61%
Total Fixed Income		23.00%	\$ 1,525,293,280	24.93%
Absolute Return				
	Hedge Fund of Funds Manager	3.00%	\$ -	0.00%
	UBS (1 Year Libor + 4%)	7.00%	\$ 445,538,953	7.28%
Total Absolute Return		10.00%	\$ 445,538,953	7.28%
TOTAL FIXED INCOME & ABSOLUTE RETURN		33.00%	\$ 1,970,832,233	32.21%
REAL ASSETS				
Private Real Estate - Core	JP Morgan (NFI-ODCE)	3.03%	\$ 137,370,551	2.25%
	Morgan Stanley (NFI-ODCE)	3.03%	\$ 169,661,562	2.77%
	LaSalle (NFI-ODCE)	1.52%	\$ 92,327,499	1.51%
	Prologis (NFI-ODCE)	1.52%	\$ 124,861,883	2.04%
	Sub-Total Private Real Estate - Core	9.10%	\$ 524,221,496	8.57%
Private Real Estate - Non-Core	Non-Core Real Estate (NFI-ODCE)	0.00%	\$ 36,931,089	0.60%
Public Real Assets	Principal (Blended Benchmark)	3.90%	\$ 257,099,307	4.20%
TOTAL REAL ASSETS		13.00%	\$ 818,251,891	13.37%
TOTAL ERS			\$ 6,118,789,289	100.00%
Total City Reserve Fund			R. W. Baird	51,835,725