

**REGULAR MEETING OF THE ANNUITY AND PENSION BOARD
EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
789 N. WATER ST. (Employees' Retirement System)
TUESDAY, MAY 27, 2025 – 9:00 A.M.**

Special Notice: 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. Approval of Minutes.
 - A. Regular Meeting Held April 22, 2025.
 - B. Special Board Meeting Held May 8, 2025.

II. Chief Investment Officer Report.

III. Investment Committee Report.

Please be advised that the Investment Committee may vote to convene in closed session on the following item (III.A.) as provided in Section 19.85(1)(e) and Section 19.85(1)(f), 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 and for considering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems or the investigation of charges against specific persons except where par. (b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations. The Investment Committee may then vote to reconvene in open session following the closed session.

- A. Consider, Discuss, and Potentially Approve Recommendation regarding Public Equity Investment Manager Developments.
- B. Approval of Statement of Investment Policy Update.

IV. New Business.

- A. Retirements, Death Claims, and Refunds (April).
- B. Conference Requests – May 27, 2025 Board Meeting.
- C. Actuarial Reconciliation Letter Requested as Follow-up from the April 16, 2025 F&P Meeting – Larry Langer of Cavanaugh Macdonald to Present.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (IV.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 Investment Staff Compensation (Analyst).
- V. Medical Reports.
 - A. All Duty & Ordinary Disability Applications & Re-examinations (May).
- VI. Unfinished Business.
 - A. Pending Legal Opinions and Service Requests Report.
 - B. Pending Legislation Report.
 - C. Executive Director's Report – Inventory of ERS Projects.
 - D. 2026 Budget – 5% Reduction from 2025 Adopted Budget.
- VII. Informational.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (VII.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 2025 YTD.
- D. Adjusted Quarterly Cost Basis of Equity.
- E. Minutes of the Investment Committee Meeting Held April 10, 2025.
- F. Minutes of the Special Administration & Operations Committee Meeting scheduled for April 17, 2025.
- G. Minutes of the Legislative Committee Meeting Held April 22, 2025.
- H. Minutes of the Investment Committee Meeting Held May 8, 2025.
- I. Report on Bills.
- J. Deployment of Assets.
- K. Securities Lending Revenue and Budget Report.
- L. Preliminary Performance Report and Asset Allocation.

MEETING REMINDERS

INVESTMENT COMMITTEE MEETING

THURSDAY, JUNE 5, 2025 – 9:00 A.M.
789 N. WATER ST.

ADMINISTRATION & OPERATIONS COMMITTEE MEETING

WEDNESDAY, JUNE 11, 2025 – 9:00 A.M.
789 N. WATER ST.

SPECIAL LEGISLATIVE MEETING OF THE ANNUITY AND PENSION BOARD

TUESDAY, JUNE 24, 2025 – 9:00 A.M.
789 N. WATER ST

REGULAR MEETING OF THE ANNUITY AND PENSION BOARD

TUESDAY, JUNE 24, 2025 – 10:00 A.M.
789 N. WATER ST.

I.

APPROVAL OF MINUTES

A. Regular Meeting Held April 22, 2025.

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

Minutes of the Regular Meeting
held April 22, 2025 via teleconference

The meeting was called to order at 10:00 a.m.

Board Members Present: Matthew Bell, Chair
Bill Christianson
Justin DeCleene
Deborah Ford
Timothy Heling
Thomas Klusman
Rudolph Konrad
Nik Kovac

Retirement System Staff Present: Jerry Allen, Executive Director
Melody Johnson, Deputy Director
David Silber, Chief Investment Officer
Daniel Gopalan, Chief Financial Officer
Erich Sauer, Deputy Chief Investment Officer
Keith Dickerson, Pension Investment Analyst – Sr.
Thomas Courtright, Pension Investment Analyst – II
Aaron Shew, Pension Investment Analyst – II
Gust Petropoulos, Deputy Director – Disability
Mary Turk, Business Operations Analyst
Jan Wills, Board Stenographer

Others Present: Patrick McClain, City Attorney's Office; Lauren Albanese, Financial News; Terry Siddiqui, DS Consulting, Inc., five members of the public called in to the meeting.

Approval of Minutes.

Regular Meeting Held February 25, 2025. It was moved by Mr. Klusman, seconded by Mr. Christianson, and unanimously carried, to approve the Regular Meeting Held February 25, 2025.

Special Meeting Held March 13, 2025. It was moved by Mr. Bell seconded by Mr. Heling, and unanimously carried, to approve the Special Meeting Held March 13, 2025.

Regular Meeting Held March 25, 2025. It was moved by Mr. Bell, seconded by Mr. DeCleene, and unanimously carried, to approve the Regular Meeting Held March 25, 2025.

Chief Investment Officer Report. Mr. Sauer noted the Fund value as of the end of March was \$6.02 billion. He said the Fund return of -1.0% in March, net of fees, underperformed the benchmark by approximately four basis points. Mr. Sauer said the primary relative performance

driver was the Fund's Public Equity Style Bias, adding 40 basis points, primarily from the Fund's Value and International Biases. He noted for Manager Selection, Private Equity subtracted 38 basis points and Aptitude subtracted five basis points. Mr. Sauer said March was difficult for hedge funds. In periods of stress, hedge funds go through a deleveraging process to reduce risk, which can lead to losses. BlackRock Global Alpha Tilts, one of the Fund's global equity managers that tracks hedge fund flows as part of their investment process, said the hedge fund deleveraging at the beginning of March was a top five deleveraging event over the past 30 years. He said Staff is happy with how CMERS' hedge fund portfolio navigated that. UBS finished positive and outperformed the benchmark while Aptitude was down less than a percent. Mr. Sauer said the Fund has underperformed the benchmark in the one-year period, while outperforming in the year to date and longer time periods. He said as of April 21, 2025, the Fund return is -2.3% month-to-date, the Fund return is -1.2% year-to-date, and the Fund value is \$5.88 billion. Mr. Sauer noted two out of the Fund's 15 active mandates are outperforming year to date. He noted there is no estimate yet for April yet for UBS so it is not known whether they are outperforming or not. Mr. Sauer said the Public Equity asset class is outperforming its benchmark year to date, net of fees. He said year to date, the Fund had a change in the value of investments of -\$64.4 million, received contributions of \$220.8 million, and paid benefits and expenses of \$128.6 million. Mr. Sauer concluded this month's withdrawals are \$13 million from Brandes and \$10 million from DFA International.

Mr. Silber noted that Mr. Shew gave his notice and his last day is April 25, 2025. He said he had started as an Investment Analyst in May 2024 at the ERS and is going to be pursuing a full-time MBA program. Mr. Silber thanked Mr. Shew for his great contributions and wished him the best. He said the current plan is not to fill the position right away as Mr. Dickerson has been a strong performer in his first year and gotten up to speed quickly and is handling more manager due diligence and manager research. Mr. Silber said Staff will proceed as a four-person team for now. He said they can work with DER and the Board to fill the position if needed. Mr. Silber noted the next Investment Committee Meeting is May 8 and the items to be discussed are a recent manager change, a real estate performance update by Callan, an update on the investment guidelines to reflect a new asset mix, 1st quarter performance, and updated performance estimates. He concluded by discussing cash activity listed on the preliminary performance report and noted this report is included in each month's Board packet. Mr. Silber stated a new asset mix was chosen as part of the Glide Path approved at the April Investment Committee meeting. He also stated in a market like this, where stocks have negative returns year-to-date, the focus is typically to redeem from cash and Fixed Income Managers to pay benefits when possible. Mr. Silber said the asset allocation targets are long term and paying benefits is a short-term decision so it is preferred to sell bonds to pay benefits when the stock market is declining. He said the new Glide Path does slightly reduce the stock allocation target and increase the Fixed Income allocation target, so if the stock market recovers he will look to trim the stock exposure and add to the bond exposure. Mr. Silber said Brandes and DFA International were up over eight percent when decisions were made to make withdrawals earlier in the year.

Investment Committee Report. Mr. Klusman said, at its April 10th meeting, the Investment Committee continued its Glide Path discussion from previous meetings, and ultimately approved Glide Path B. He noted that Glide Path B changes the Fund's current asset allocation targets right away by reducing the Public Equity target from 39% to 36%, increasing the Fixed Income target from 29% to 32%, reducing the Private Equity and Real Estate targets by 1% each, and increasing

the Absolute Return target from 7% to 9%. Mr. Klusman said according to Callan's analysis, the new asset allocation targets (called Mix 1 in Callan's presentation) are projected to generate a return greater than 6.8% over the next 10+ years at lower volatility, all while putting the Fund on a Glide Path that has a greater than 50% chance of being fully funded after 30 years. He said next, Callan presented its 2025 Work Plan and Investment Manager Due Diligence Report. Mr. Klusman commented that Staff provided a Fund and performance update. He said Staff also gave a Style Bias Overview presentation along with the annual Value Add Analysis. Mr. Klusman stated the Value Add Analysis estimates that the ERS has been able to add an additional \$992 million to the Fund's value, net of fees, over the past 30 years by implementing the Fund's Stock, Bond, Private Equity, and Absolute Return allocations in a way that has outperformed low-cost passive benchmarks. He noted \$323 million of that additional value is estimated to have been generated in the past 10-years. Finally, Mr. Klusman commented that Brandes Investment Partners gave a presentation that focused on the relevancy of Value investing, and the Committee went into closed session to discuss its Callan and Advisor Compliance Associates contracts. He concluded that the Investment Committee recommends approval of the following item: 1. Approval of Glide Path – Glide Path B.

Approval of Glide Path. It was moved by Mr. Klusman, seconded by Ms. Ford, and unanimously carried, to approve the Approval of Glide Path B.

Legislative Committee Report. Ms. Ford stated at this morning's meeting, they discussed the RFP responses and narrowed the set of firms to be interviewed to four. She concluded they held the Amendment to Board Rules and Regulations around Elections until a future meeting.

New Business.

Retirements, Death Claims, and Refunds (March). Mr. Allen presented the following activity for the month of March 2025.

Administrative Withdrawal	\$5,006.68
Full Refund	\$123,887.76
Active Death Benefits reported	\$0.00
Deferred Death	\$67,619.01
Deferred Death-Member Only Refund	\$0.00
Ordinary Death Benefits reported	\$0.00
Retired Death Benefits reported	\$118,176.29
Survivor Death – Termination Benefits reported	\$13,315.02

Refund of Member Contributions paid

\$57,366.68

It was moved by Mr. Bell, seconded by Mr. Christianson, and unanimously carried, to approve the Retirements, Death Claims, and Refunds report for March 2025.

Conference Requests – April 22, 2025 Board Meeting. Mr. Allen presented the conference requests for April.

Thomas Courtright	2025 Madison Investment Conference
Sponsor:	CFA Society
Location:	Madison, WI
Date(s):	May 15, 2025
Estimated Cost:	\$250.00

Erich Sauer,	Abbott Due Diligence; Neuberger Berman
Thomas Courtright	Due Diligence and Annual LP Meeting
Sponsor:	Abbott and Neuberger Berman
Location:	New York, NY
Date(s):	June 16 - 18, 2025
Estimated Cost:	\$1,800.00 per person

It was moved by Mr. Kovac, seconded by Mr. Heling, and unanimously carried, to approve the Conference Requests – April 2025 Board Meeting.

Approval of Draft ERS 2026 City Budget Request. As a matter of information, Board Members received from Mr. Gopalan the “Summary of 2026 Draft Budget Request as compared to 2025 Adopted Budget and 2024 Actual Expenditures.” Mr. Gopalan said the ERS’ administration operations are funded by the investment earnings of the Plan and seeded by employer and employee contributions which are used to generate the investment income used to fund the benefit payments and administrative expenses. He noted the ERS has an intergovernmental agreement with the City covering the ERS’ administrative expenses. He stated that as the ERS receives the statements and invoices from the vendors, the invoices are submitted to the Comptroller’s office and they process those invoices and pay them on the ERS’ behalf. Mr. Gopalan said every month, ERS takes a look at all its spending and the City is reimbursed by the ERS on a monthly basis. He noted at the end of the year, the ERS reconciles all its expenses versus what the City is reimbursed and closes out the budget, which he said, was done last month for 2024. Mr. Gopalan said he presents the budget to the Board in April, and once the Board approves it, the ERS’ budget is submitted, as of the May 13 requirement, to the City Budget Office. He stated the budget is approved by the Finance & Personnel Committee, and then the Common Council and Mayor approve it in late 2025. Mr. Gopalan said the 2026 budget request is \$24,635,860 which is an increase of \$109,137 from the 2025 budget. He noted the actual spending in 2024 was under \$20 million. Mr. Gopalan said the changes and highlights for 2026 are the professional services line item which went down \$748,000. He noted they are projecting investment manager performance fees to be lower for 2026. Mr. Gopalan said, as a side note, the investment manager fees in 2023 were \$63 million, with only \$10 million of investment manager fees being paid out of the budgeted amount, while the remaining \$53 million was charged against

assets under management. He stated that information technology expenses, including equipment costs, are expected to increase by \$627,000. Mr. Gopalan stated the IT Staff is working on a computer network redesign which will increase the security of the network if breached by a bad actor. He also said facility rent and property services are expected to increase by \$155,000. Mr. Gopalan said the two components to the increase are the three percent rent escalators built into the lease and common area expenses for any shared facilities with other building tenants. He said there will also be security upgrades in the reception area amounting to \$80,000. Mr. Gopalan concluded they are requesting a \$109,000 increase for the 2026 budget. Discussion ensued.

It was moved by Mr. Bell, seconded by Mr. Christianson, and unanimously carried, to approve the Approval of Draft ERS 2026 City Budget Request.

Mr. Klusman left the meeting at 10:30 a.m.

Mr. Bell advised that the Annuity and Pension Board may vote to convene in closed session on the following item (V.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.

ERS Investment Staff Compensation (Analyst).

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

The Board convened in closed session at 10:35 a.m.

The Board reconvened in open session at 10:42 a.m.

Medical Reports.

Mr. Petropoulos presented certifications (April 2025) of the Fire and Police Medical Panel Physicians and the Medical Council relative to Duty & Ordinary Disability Retirement benefits as follows:

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

<u>Police – Re-examinations – Duty</u>	<u>Recommendation</u>
Jill Riley	Approval
<u>Police – Re-examinations – Ordinary</u>	<u>Recommendation</u>
Matthew Drought	Approval

<u>Fire – Re-examinations – Duty</u>	<u>Recommendation</u>
Andrew Garncarz	Approval
Thomas Ptak	Approval
<u>Fire – Re-examinations – Ordinary</u>	<u>Recommendation</u>
Jared Bertsche	Approval
<u>General City – Applications – Ordinary</u>	<u>Recommendation</u>
Stephen Leisher	Approval
Effective 12/27/2024	
<u>General City – Re-examinations – Duty</u>	<u>Recommendation</u>
Joseph Alferi	Approval

It was moved by Mr. Bell, seconded by Ms. Ford, and unanimously carried, to approve the Duty & Ordinary Disability Applications & Re-examinations for April.

Unfinished Business.

Pending Legal Opinions and Service Requests Report. Mr. McClain said they are fairly caught up and dealt with the Service Request related to the Executive Recruiter RFP earlier this morning. He said work on the Legal Opinion related to the delinquent City Agency pension contributions, is continuing to move forward and hopes to have something before the City Attorney for review soon. Mr. McClain said it would then be presented to the Board.

Pending Legislation Report. Mr. Allen said there is no pending legislation and Ms. Ford had given her report earlier.

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 Board Secretary and by reference incorporated as part of these minutes.

Mr. Bell thanked Mr. Shew for his time with the ERS and wished him good luck from the Board with his MBA program.

Informational.

Please be 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.

The Board did not convene in closed session as noticed.

- 1) Pending Litigation Report. Mr. McClain noted for the Kurt Lacina case versus the ERS, it shows the plaintiff filed a motion for summary and default judgment. He said a default judgment is filed against a party who has not responded to a case by filing an answer within the allotted timeline. He noted that motion for default judgment has since been withdrawn. Mr. McClain said it was based on a misunderstanding of the plaintiff's counsel of the meaning of our motions that we filed that obviated the need to file an answer. He concluded that motion is no longer before the Board.
- 2) Conferences.
- 3) Class Action Income 2025 YTD.
- 4) Minutes of the Legislative Committee Meeting Held February 25, 2025.
- 5) Minutes of the Investment Committee Meeting Held March 13, 2025.
- 6) Minutes of the Administration & Operations Committee Meeting Held March 20, 2025.
- 7) Minutes of the Legislative Committee Meeting Held March 25, 2025.

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

- 8) Report on Bills.
- 9) Deployment of Assets.
- 10) Securities Lending Revenue and Budget Report.
- 11) Preliminary Performance Report and Asset Allocation.

Mr. Bell accepted and placed the Informational items on file.

There being no further business to come before the meeting, it was moved by Mr. Christianson and seconded by Ms. Ford to adjourn the meeting.

Mr. Bell adjourned the meeting at 11:00 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 Board Meeting
held May 8, 2025 via teleconference

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

Board Members Present: Matthew Bell, Chair
Justin DeCleene
Deborah Ford
Timothy Heling
Tom Klusman
Rudy Konrad
Nik Kovac

Board Members Not Present: Bill Christianson (arrived 9:29 a.m.)

Retirement System Staff Present: Jerry Allen, Executive Director
Dan Gopalan, Chief Financial Officer
David Silber, Chief Investment Officer
Erich Sauer, Deputy Chief Investment Officer
Keith Dickerson, Pension Investment Analyst – Sr.
Thomas Courtright, Pension Investment Analyst – II
Gust Petropoulos, Deputy Director, Disability
Mary Turk, Business Operations Analyst
Jan Wills, Board Stenographer

Others Present: Peter Block, Travis Gresham, Patrick McClain, City Attorney's Office; Lauren Albanese, Financial News; Terry Siddiqui, DS Consulting, Inc.; three members of the public called in.

Special Board Meeting

Mr. Bell read a statement regarding the Board's participation from the City Attorney's office and noted that the City Attorney's office is here to render legal advice with respect to likely litigation and the body will convene in closed session under Wisconsin Statute 19.85(1)(g), which allows the governmental body to convene in closed session 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.

A roll call was taken. Mr. Christianson was excused until his later arrival for the 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.

Conferring 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.

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

The Board convened in closed session at 9:03 a.m.

The Board re-convened in open session at 9:31 a.m.

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

There being no further business, Mr. Bell adjourned the meeting at 9:32 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.)

II.

CHIEF INVESTMENT OFFICER REPORT

Milwaukee Employees' Retirement System - May 27, 2025

Fund as of April 30, 2025

*Fund value of \$6.00b.

*Fund return of 0.3% in April, net of fees, underperformed by approximately 24bp.

*Primary Relative Perf. Drivers:
Manager Selection

Public Equity -24bp
8 of 10 active mandates underperformed

Public Equity Style Bias -9bp
Primarily Value; partially offset by International

*Fund has underperformed the benchmark in the YTD and 1-year periods, while outperforming in the longer time periods shown.

May Update (as of 5/20/25)

*Fund return 1.8% MTD

*Fund return 3.3% YTD

*Fund value \$6.11b

*5 out of 15 active mandates outperforming YTD.

*Public Equity and Fixed Income asset classes are outperforming its benchmark YTD, net of fees.

*Investment Change: \$201.2m

*Contributions: 223.4m

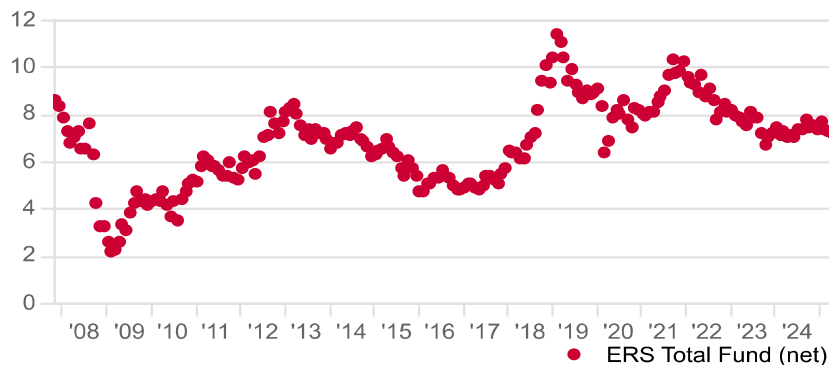
*Benefits & Expenses: 171.5m

Monthly Withdrawals:

To be discussed during meeting

Total Fund - 10-Year Rolling Returns

11/28/1997 to 4/30/2025



Return Data

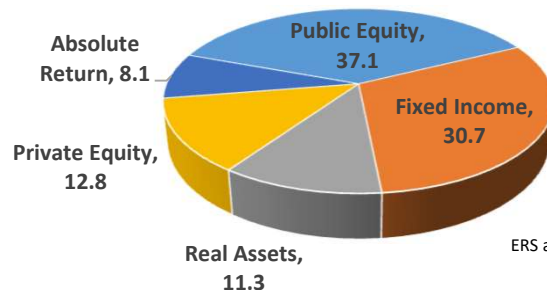
Source Data: Monthly Return

	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Total Fund (net)	0.3	1.5	7.7	10.1	7.2	7.9	7.0
ERS Benchmark	0.5	1.5	10.4	8.3	6.9	7.8	6.9

Total Fund - 20-Year Risk & Return Data

	Return	Std Dev	Tracking Error	Info Ratio (arith)	Sharpe Ratio	Alpha	Beta
Total Fund (net)	7.0	10.2	2.5	0.0	0.5	-0.4	1.1
ERS Benchmark	6.9	9.1	--	--	0.6	0.0	1.0

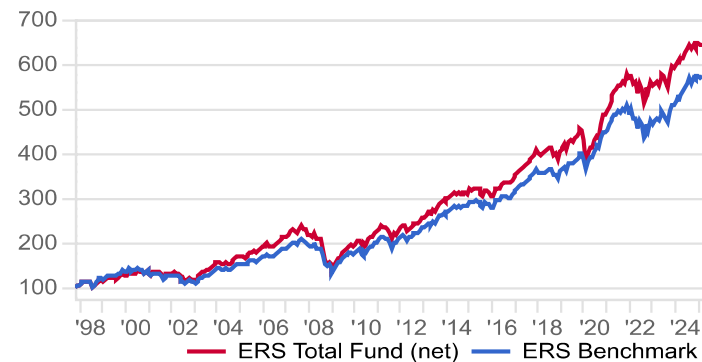
ERS Allocation as of April 30, 2025



ERS allocation weights may not total 100% due to rounding

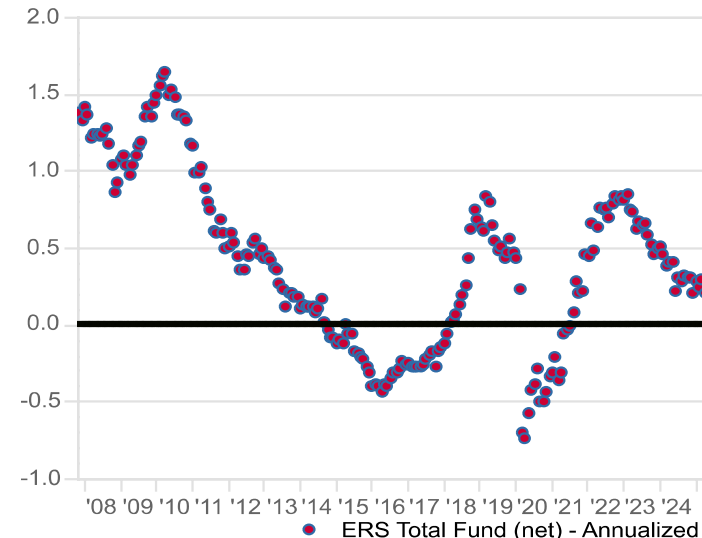
Growth of \$100 - Total Fund & ERS Benchmark

11/28/1997 to 4/30/2025

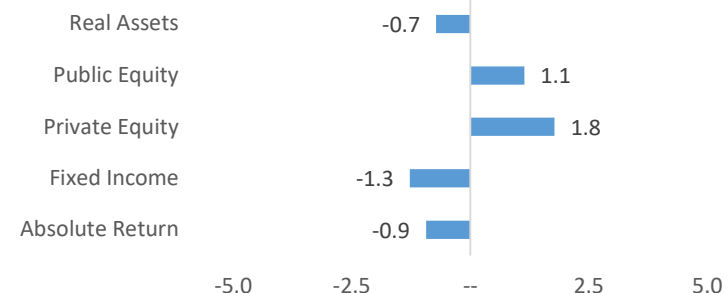


Total Fund - 10-Year Rolling Excess Returns

11/28/1997 to 4/30/2025



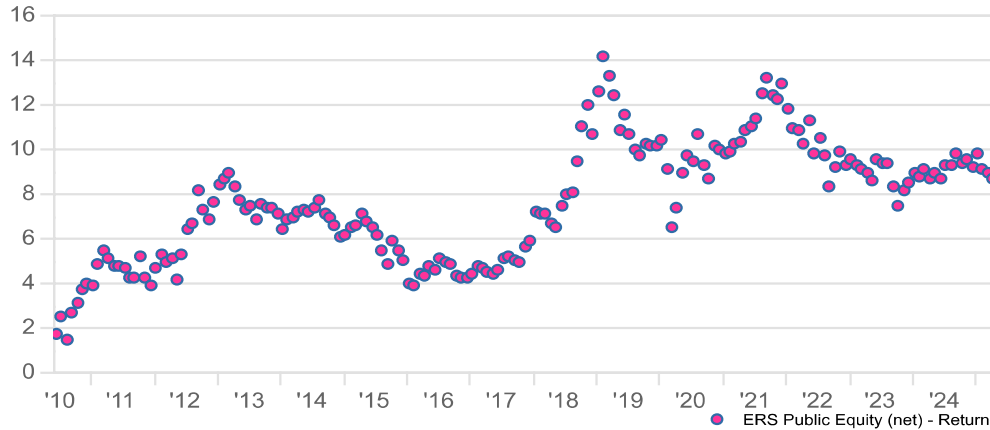
Asset Allocation vs Targets approved in April, as of April 30, 2025



Milwaukee Employees' Retirement System - May 27, 2025

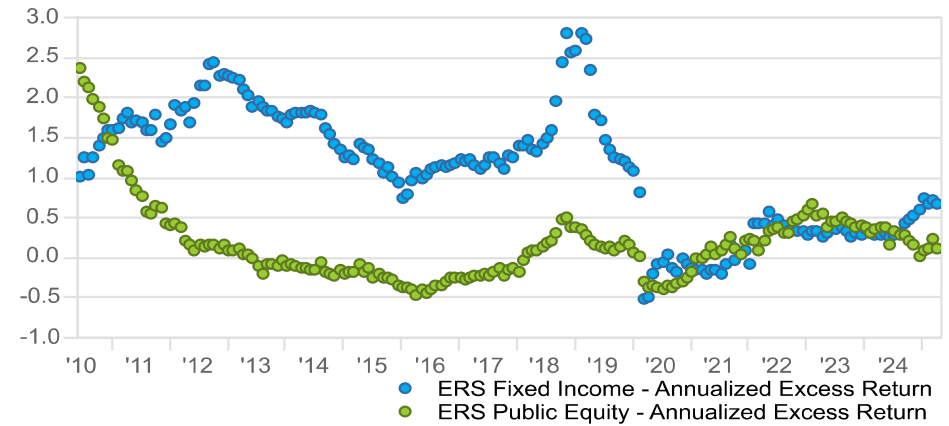
Public Equity - 10-Year Rolling Returns

06/30/2000 to 4/30/2025



Asset Class - 10-Year Rolling Excess Returns

06/30/2000 to 4/30/2025

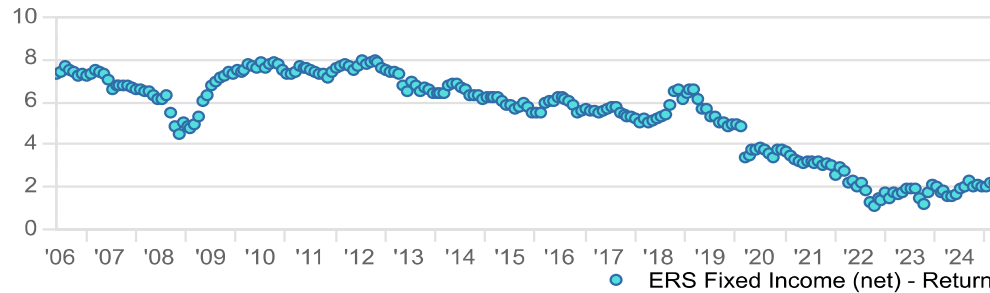


Return Data

	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Public Equity	0.0	0.4	8.6	14.1	9.1	9.8	8.3
Public Equity (net)	0.0	0.4	8.2	13.7	8.7	9.5	7.9
Public Equity Benchmark	0.9	-0.7	11.1	12.8	8.6	9.5	7.9
MSCI ACWI IMI NR USD	0.9	-0.7	11.1	12.8	8.4	8.8	7.8

Fixed Income - 10-Year Rolling Returns

06/28/1996 to 4/30/2025



Return Data

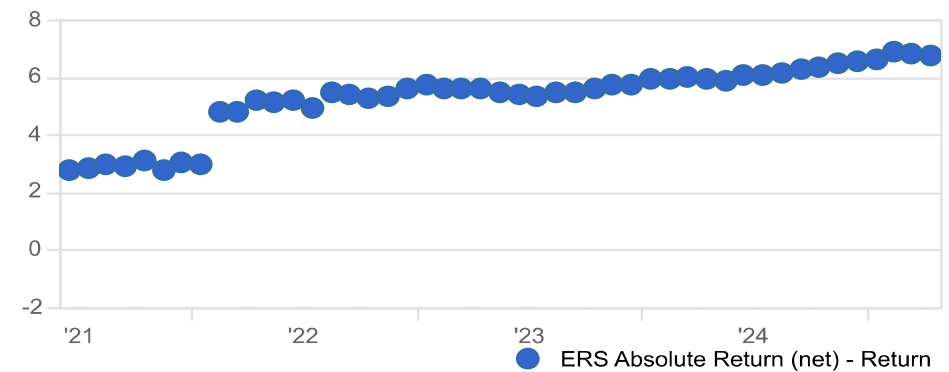
	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Fixed Income	0.6	3.4	9.1	2.5	2.3	3.2	4.3
Fixed Income (net)	0.6	3.3	9.0	2.4	2.2	3.1	4.2
Bbg US Agg Bond TR USD	0.4	3.2	8.0	-0.7	1.5	2.4	3.1

Risk Adjusted Returns (6/30/14 - 4/30/25)*

	Return	Std Dev	Sharpe Ratio	Max Drawdown
Public Equity (net)	8.4	15.1	0.4	-25.3
Fixed Income (net)	2.0	6.4	0.0	-13.6
Absolute Return (net)	6.2	8.9	0.5	-27.1

Absolute Return - 7-Year Rolling Returns

06/30/2014 to 4/30/2025



Return Data

	1 Month	YTD	1 Year	5 Year	10 Year	Inception*
Absolute Return (net)	0.8	2.2	10.0	13.1	6.0	6.2
90-Day T-Bill + 3%	0.6	2.4	7.8	5.8	5.0	4.8

*Absolute Return inception date is June 30, 2014

III.

INVESTMENT COMMITTEE REPORT

Please be advised that the Investment Committee may vote to convene in closed session on the following item (III.A.) as provided in Section 19.85(1)(e) and Section 19.85(1)(f), 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 and for considering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems or the investigation of charges against specific persons except where par. (b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations. The Investment Committee may then vote to reconvene in open session following the closed session.

- A. Consider, Discuss, and Potentially Approve Recommendation regarding Public Equity Investment Manager Developments.
- B. Approval of Statement of Investment Policy Update.

STATEMENT OF INVESTMENT POLICY
Updated ~~May~~December 2025~~3~~

**THE EMPLOYEES' RETIREMENT
SYSTEM OF THE CITY OF MILWAUKEE**
789 N. Water Street, 3rd Floor
Milwaukee, WI 53202
(414) 286-3557

Individual manager guidelines are updated upon Annuity and Pension Board Approval

TARGET ALLOCATIONS

The Board has determined that the following asset allocation policy is appropriate for the Fund. This allocation policy will be reviewed periodically and may be modified, if appropriate, in light of changes in the structure or goals of the Fund.

<u>Public Equity</u>	<u>Target</u>	<u>Minimum</u>	<u>Maximum</u>
Domestic Equity			
Passive Large Cap	6.49%		
Active Large Cap	4.04%		
Active Mid/Small Cap	5.86.2%		
Total Domestic Equity	16.27.5%	12.23.5%	20.21.5%
Total International Equity	12.63.7%	9.610.7%	15.66.7%
Total Global Equity	7.28%	3.28%	11.28%
Total Public Equity	369%	314%	414%
<u>Fixed Income</u>			
Cash	1%	0%	5.0%
Passive Fixed Income	8.07.2%		
Core Opportunistic Fixed Income	23.00.8%		
Total Fixed Income	3229%	296%	352%
<u>Real Assets</u>			
Private Real Estate	98.7%		
Public Diversified Real Assets	3.3%	1.3%	5.3%
Total Real Assets	123%	910%	156%
<u>Private Equity</u>	112%	98%	167%
<u>Absolute Return</u>	97%	64%	142%
<u>Total</u>	<u>100%</u>		

TOTAL FUND

OBJECTIVES AND GUIDELINES

Investment Objectives

Time Horizon	Performance Standard		<u>Index</u>
		<u>Universe</u>	
	Less than one market cycle (rolling 3-year periods).	Rank in upper 50% of a Peer Group ¹	
	One market cycle (rolling 5-year periods).	Rank in upper 40% of a Peer Group. ¹	Exceed the return on a benchmark Index by 1%. ² Have volatility of +/- 2.5% tracking error to the benchmark Index. ²

Investment Guidelines

- The investment guidelines governing each asset class/manager will together constitute the Total Fund guidelines.
- The Board is responsible for the overall asset allocation of the Fund. Each manager will be responsible for adhering to the guidelines for its portion of Fund assets only.

¹ As measured by a universe of similarly managed funds.

² As measured by a composite index designed to track the target asset allocation.

From: To:	1/1/00- 4/30/06	5/1/06- 6/30/08	7/1/08- 9/30/10	10/1/10- 12/31/12	1/1/13- 12/31/13	1/1/14- 12/31/14	1/1/15- 12/31/15	1/1/16- 6/30/16	7/1/16- 12/31/16	1/1/17- 3/31/18	4/1/18- 12/31/18	1/1/19- 12/31/19	1/1/20- 3/31/21	4/1/21- 3/31/22	4/1/22- 9/30/22	10/1/22- 6/30/23	7/1/23- 6/30/25	7/1/25- Present
ACWI IMI (net)	-	-	-	-	-	-	-	56%	56%	55%	50%	47%	43%	44%	44%	44%	39%	36%
Bloomberg U.S. Agg.	30%	28%	28%	28%	28%	28%	28%	25%	22%	22%	25%	25%	26%	23%	23%	23%	29%	32%
NFI-ODCE (1 Qtr Arrears)	-	-	-	-	-	-	7%	7%	7%	7%	7.7%	7.7%	7.7%	9.1%	9.1%	9.7%	9.7%	8.7%
90-Day T-bill + 3%	-	-	-	-	-	-	5%	5%	8%	8%	9%	9%	10%	10%	10%	10%	7%	9%
Russell 3000 + 2% (1 Qtr Arrears)	-	-	-	-	-	-	-	-	-	-	-	-	10%	10%	10%	10%	12%	11%
15% Bloomberg U.S. TIPS / 30% S&P Global Infrastructure / 15% S&P Global Natural Resources / 25% FTSE EPRA/NAREIT Developed / 15% Bloomberg Commodity Total Return	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.9%	3.3%	3.3%	3.3%
35% Barclays TIPS / 20% S&P Global Infrastructure / 20% Global Natural Resources / 10% FTSE EPRA/NAREIT Developed / 15% Bloomberg Commodity Total Return	-	-	-	-	-	-	-	-	3%	3%	3.3%	3.3%	3.3%	3.9%	-	-	-	-
Russell 3000 + 3% (1 Qtr Arrears)	-	-	-	2%	2%	2%	4%	4%	5%	5%	8%	-	-	-	-	-	-	-
40% ACWI / 40% Barclays TIPS / 20% Bloomberg Commodity Total Return	-	-	-	-	-	-	3%	-	-	-	-	-	-	-	-	-	-	-
Russell 3000	50%	45%	45%	33%	31%	31%	28%	-	-	-	-	-	-	-	-	-	-	-
MSCI EAFE (net)	15%	20%	20%	22%	22%	22%	20%	-	-	-	-	-	-	-	-	-	-	-
ACWI (net)	-	-	-	-	-	10%	10%	-	-	-	-	-	-	-	-	-	-	-
NCREIF (NPI 1 Qtr Arrears)	-	7%	7%	7%	7%	7%	-	-	-	-	-	-	-	-	-	-	-	-
MSCI World (net)	-	-	-	10%	10%	-	-	-	-	-	-	-	-	-	-	-	-	-
NCREIF (NPI)	5%	7%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

STATEMENT OF INVESTMENT POLICY
Updated May 2025

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Domestic Equity			
Passive Large Cap	6.4%		
Active Large Cap	4.0%		
Active Mid/Small Cap	5.8%		
Total Domestic Equity	16.2%	12.2%	20.2%
Total International Equity	12.6%	9.6%	15.6%
Total Global Equity	7.2%	3.2%	11.2%
Total Public Equity	36%	31%	41%
<u>Fixed Income</u>			
Cash	1%	0%	5.0%
Passive Fixed Income	8.0%		
Core Opportunistic Fixed Income	23.0%		
Total Fixed Income	32%	29%	35%
<u>Real Assets</u>			
Private Real Estate	8.7%		
Public Diversified Real Assets	3.3%	1.3%	5.3%
Total Real Assets	12%	9%	15%
<u>Private Equity</u>	11%	8%	16%
<u>Absolute Return</u>	9%	6%	14%
<u>Total</u>	<u>100%</u>		

TOTAL FUND

OBJECTIVES AND GUIDELINES

Investment Objectives

Time Horizon	Performance Standard		<u>Index</u>
		<u>Universe</u>	
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	One market cycle (rolling 5-year periods).	Rank in upper 40% of a Peer Group. ¹	Exceed the return on a benchmark Index by 1%. ² Have volatility of +/- 2.5% tracking error to the benchmark Index. ²

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From: To:	1/1/00- 4/30/06	5/1/06- 6/30/08	7/1/08- 9/30/10	10/1/10- 12/31/12	1/1/13- 12/31/13	1/1/14- 12/31/14	1/1/15- 12/31/15	1/1/16- 6/30/16	7/1/16- 12/31/16	1/1/17- 3/31/18	4/1/18- 12/31/18	1/1/19- 12/31/19	1/1/20- 3/31/21	4/1/21- 3/31/22	4/1/22- 9/30/22	10/1/22- 6/30/23	7/1/23- 6/30/25	7/1/25- Present
ACWI IMI (net)	-	-	-	-	-	-	-	56%	56%	55%	50%	47%	43%	44%	44%	44%	39%	36%
Bloomberg U.S. Agg.	30%	28%	28%	28%	28%	28%	28%	25%	22%	22%	25%	25%	26%	23%	23%	23%	29%	32%
NFI-ODCE (1 Qtr Arrears)	-	-	-	-	-	-	7%	7%	7%	7%	7.7%	7.7%	7.7%	9.1%	9.1%	9.7%	9.7%	8.7%
90-Day T-bill + 3%	-	-	-	-	-	-	5%	5%	8%	8%	9%	9%	10%	10%	10%	10%	7%	9%
Russell 3000 + 2% (1 Qtr Arrears)	-	-	-	-	-	-	-	-	-	-	-	-	10%	10%	10%	10%	12%	11%
15% Bloomberg U.S. TIPS / 30% S&P Global Infrastructure / 15% S&P Global Natural Resources / 25% FTSE EPRA/NAREIT Developed / 15% Bloomberg Commodity Total Return	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.9%	3.3%	3.3%	3.3%
35% Barclays TIPS / 20% S&P Global Infrastructure / 20% Global Natural Resources / 10% FTSE EPRA/NAREIT Developed / 15% Bloomberg Commodity Total Return	-	-	-	-	-	-	-	-	3%	3%	3.3%	3.3%	3.3%	3.9%	-	-	-	-
Russell 3000 + 3% (1 Qtr Arrears)	-	-	-	2%	2%	2%	4%	4%	5%	5%	8%	-	-	-	-	-	-	-
40% ACWI / 40% Barclays TIPS / 20% Bloomberg Commodity Total Return	-	-	-	-	-	-	3%	-	-	-	-	-	-	-	-	-	-	-
Russell 3000	50%	45%	45%	33%	31%	31%	28%	-	-	-	-	-	-	-	-	-	-	-
MSCI EAFE (net)	15%	20%	20%	22%	22%	22%	20%	-	-	-	-	-	-	-	-	-	-	-
ACWI (net)	-	-	-	-	-	10%	10%	-	-	-	-	-	-	-	-	-	-	-
NCREIF (NPI 1 Qtr Arrears)	-	7%	7%	7%	7%	7%	-	-	-	-	-	-	-	-	-	-	-	-
MSCI World (net)	-	-	-	10%	10%	-	-	-	-	-	-	-	-	-	-	-	-	-
NCREIF (NPI)	5%	7%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

IV.

NEW BUSINESS

- A. Retirements, Death Claims, and Refunds (April).
- B. Conference Requests – May 27, 2025 Board Meeting.
- C. Actuarial Reconciliation Letter Requested as Follow-up from the April 16, 2025 F&P Meeting – Larry Langer of Cavanaugh Macdonald to Present.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (IV.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 Investment Staff Compensation (Analyst).

Retirement Type	Retirement SubType	Last Name	First Name	Retirement Date	Option	Department
Regular	Deferred	BERRIDGE	CARL	5/28/2016	MAX	MILWAUKEE FIRE DEPARTMENT
Regular	Service	KELLY	JOAN	2/20/2024	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	ALBERTI	DARYL	10/3/2024	MAX	CITY OF MILWAUKEE
Regular	Deferred	HICKS	JEFFREY	10/27/2024	MAX	WISCONSIN CENTER DISTRICT
Regular	Deferred	MUNIZ	NILSA	12/14/2024	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	GRANT	KENNETH	1/30/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	RAYMOND	GARY	3/2/2025	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	GONZALEZ	ANGELA	3/2/2025	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Deferred	LEWIS-MIZLO	PAUL	3/4/2025	MAX	FIRE - FIREFIGHTING
Regular	Deferred	PHAN	THONG	3/4/2025	MAX	BOARD OF ZONING APPEALS
Regular	Service	DEAR	BETTIE	3/6/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Involuntary Separation	THOMAS	JAMES	3/7/2025	MAX	DPW-OPS-SANITATION
Regular	Service	SMITH	HERBERT	3/7/2025	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	UHEN-MCCARTHY	KIMBERLY	3/8/2025	MAX	CITY TREASURER
Regular	Service	MANTAY	ALEXANDER	3/15/2025	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	MATHEWS	MARK	3/15/2025	MAX	LIBRARY - ADMINISTRATION SRVC
Regular	Service	MERRYFIELD	DIANE	3/15/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	PALMER	MARCUS	3/15/2025	MAX	DPW-INFRASTRUCTURE-ST/BRIDGES
Regular	Service	LELINSKI	ERIN	3/16/2025	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	MATTE	BRIAN	3/16/2025	75	MILWAUKEE POLICE DEPARTMENT
Regular	Service	PAJOT	PATRICK	3/16/2025	50	MILWAUKEE POLICE DEPARTMENT
Regular	Service	SCHNEIDER	LORI	3/16/2025	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Involuntary Separation	PLIER	CHRISTOPHER	3/17/2025	MAX	HACM
Regular	Deferred	BANKS	JUANITA	3/21/2025	100	DEPT OF CITY DEVELOPMENT
Regular	Service	GLISSON	MARGARET	3/21/2025	75	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	CIPPARONE	LORI	3/22/2025	100	MILWAUKEE METROPOLITAN SEWERAGE DISTRICT
Regular	Service	GLADNEY	GENEVA	3/22/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	KAROW	ANDREW	3/22/2025	100	FIRE - FIREFIGHTING
Regular	Involuntary Separation	FENDT	STEPHEN	3/27/2025	MAX	HACM
Regular	Service	GLOVER	RHODA	3/27/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	BAJCZYK	PATTI	3/29/2025	100	CITY OF MILWAUKEE
Regular	Service	MATTICE	RICHARD	3/29/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	PARKER	BARBARA	3/29/2025	MAX	HEALTH-ADMINISTRATION
Regular	Service	RIVERA	VENTURA	3/29/2025	50	DPW-INFRASTRUCTURE-ST/BRIDGES
Regular	Service	STEHING	DAVID	3/29/2025	100	DPW-OPS-SANITATION
Regular	Service	THUROW	DAVID	3/29/2025	MAX	DPW-OPS-FLEET SERVICES
Regular	Service	ROBERT	ANGELA	3/30/2025	MAX	PARKING
Regular	Service	WALTON	DELORES	3/30/2025	50	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	KERWIN	CASEY	3/31/2025	100	FIRE - FIREFIGHTING
Regular	Involuntary Separation	LAMPLEY	GREGORY	4/1/2025	MAX	DPW-OPS-FORESTRY
Regular	Service	STREHLOW	MICHAEL	4/1/2025	MAX	DPW-OPS-FLEET SERVICES
Regular	Service	WEIDENSEE	RICHARD	4/1/2025	100	HEALTH-LABORATORIES

Board Report - April 2025

					Deaths	
Type	Last Name	First Name	Death Date	Payment Date	Amount	
Deferred Death	HAMMONDS	RICHARD	2/27/2025	4/30/2025	\$	42,797.64
Retiree Death-Termination	BOYD	BIRDIE	2/18/2025	4/30/2025	\$	1,087.12
Retiree Death-Termination	BURDICK	EDWARD	12/16/2024	4/30/2025	\$	1,696.63
Retiree Death-Termination	CREGAR	THERESA	3/16/2025	4/30/2025	\$	208.82
Retiree Death-Termination	JONES	JAN	2/6/2025	4/30/2025	\$	580.72
Retiree Death-Termination	MOENCH	ROBERT	10/11/2023	4/30/2025	\$	427.67
Retiree Death-Termination	OLSEN	JENANN	2/23/2025	4/30/2025	\$	1,595.36
Retiree Death-Termination	PUECHNER	DOMINIC	3/10/2025	4/30/2025	\$	1,307.16
Retiree Death-Termination	RUSKA	JOSETTE	12/28/2024	4/30/2025	\$	725.42
Retiree Death-Termination	SIEFERT	TODD	12/29/2024	4/30/2025	\$	144.01
Retiree Death-Termination	WEHAUSEN	JOHN	1/10/2025	4/30/2025	\$	377.66
Retiree Death-Termination	ZELICH	PATRICIA	1/8/2025	4/30/2025	\$	113.86
Surv Death-Termination	DUECKER	SANDRA	9/22/2024	4/30/2025	\$	451.92
Surv Death-Termination	ENGEL	DOLORES	3/4/2025	4/30/2025	\$	213.98
Surv Death-Termination	HARKER	BARBARA	1/31/2025	4/30/2025	\$	384.00
Surv Death-Termination	JOERS	MARIE	9/24/2024	4/30/2025	\$	812.68
Surv Death-Termination	MADLUNG	LINDA	12/19/2024	4/30/2025	\$	1,054.60
Surv Death-Termination	MICKLER	KATHLEEN	2/4/2025	4/30/2025	\$	845.06
Surv Death-Termination	NOLL	ANN	9/28/2024	4/30/2025	\$	2,198.08
Surv Death-Termination	PARYS	ELAINE	12/15/2024	4/30/2025	\$	919.82
Surv Death-Termination	WEHAUSEN	JOHN	1/10/2025	4/30/2025	\$	36.54
					TOTAL \$	57,978.75
Retiree Death-Cont Opt	BEALE	EVELYN	3/24/2025	4/1/2025		
Retiree Death-Cont Opt	KIELPINSKI	RUTH	3/24/2025	4/1/2025		
Retiree Death-Cont Opt	KWIATKOWSKI	PATRICIA	3/23/2025	4/1/2025		
Retiree Death-Cont Opt	TINGUE	WILL	4/11/2025	4/1/2025		
Retiree Death-Cont Opt	WARAXA	DANIEL	3/24/2025	4/1/2025		

Board Report - April 2025

				Withdrawals	
Type	Last Name	First Name	Payment Date	Amount	
Administrative Withdrawal	AL RUBAYE	MUSTAFA	4/30/2025	\$	2,824.79
Administrative Withdrawal	CHAPARRO ALEMAN	YESENIA	4/30/2025	\$	23.00
Administrative Withdrawal	DUNCAN	ANGELA	4/30/2025	\$	10.72
Administrative Withdrawal	GRABER	JOHN	4/30/2025	\$	1,163.06
Administrative Withdrawal	LUCKETT	JERRY	4/30/2025	\$	99.49
Administrative Withdrawal	MCCANNA	ZACHARY	4/30/2025	\$	2,345.99
Administrative Withdrawal	MOORE	KIERA	4/30/2025	\$	1,346.02
Full Refund	ABBOTT	SANDRA	4/30/2025	\$	4,242.94
Full Refund	BEIERSDORF	ERIC	4/30/2025	\$	4,328.72
Full Refund	BROWN	RICK	4/30/2025	\$	4,209.46
Full Refund	CARPENTIER	ELIZABETH	4/30/2025	\$	12,729.94
Full Refund	DELEON	ROBERT	4/30/2025	\$	63,758.63
Full Refund	DIGGINS	PORSHA	4/30/2025	\$	8,625.05
Full Refund	DIXON	PEACE	4/30/2025	\$	8,645.60
Full Refund	DOLLHOPF	BRANDON	4/30/2025	\$	6,067.18
Full Refund	GALLARDO	ROSA	4/30/2025	\$	13,660.32
Full Refund	GROCE	DEMARCUS	4/30/2025	\$	7,259.30
Full Refund	HARDY	VINCENT	4/30/2025	\$	8,477.93
Full Refund	HINTON	TERRENCE	4/30/2025	\$	6,866.86
Full Refund	MAXWELL	MICHALE	4/30/2025	\$	32,754.71
Full Refund	MCBRIDE	TREMELL	4/30/2025	\$	9,635.82
Full Refund	MOODY	ERIC	4/30/2025	\$	9,934.53
Full Refund	PERRY	GABE	4/30/2025	\$	7,120.21
Full Refund	PHARM	MONTRELL	4/30/2025	\$	6,561.63
Full Refund	ROBINSON	SIMYRA	4/30/2025	\$	3,642.21
Full Refund	RODGERS	RADNEY	4/30/2025	\$	8,418.62
Full Refund	RUIZ HUESCA	KARINA	4/30/2025	\$	6,688.00
Full Refund	SIMMONS	SEQUOYAH	4/30/2025	\$	5,443.48
Full Refund	SOKOLOWSKI	JAMES	4/30/2025	\$	40,743.97
Full Refund	SPEARS	CHANTELL	4/30/2025	\$	6,047.74
Full Refund	SPEED	DWAYNE	4/30/2025	\$	5,033.25
Full Refund	STEWART	LORNA	4/30/2025	\$	4,147.89
Full Refund	SWAN	TRACY	4/30/2025	\$	7,342.49

Administrative Withdrawal	AL RUBAYE	MUSTAFA	4/30/2025	\$	2,824.79
Full Refund	TAYLOR	GREGORY	4/30/2025	\$	15,115.59
Full Refund	THOMPSON	SHAKIRA	4/30/2025	\$	6,385.18
Full Refund	TURNER	NYESHA	4/30/2025	\$	10,758.17
Full Refund	VALES	CANDICE	4/30/2025	\$	8,201.83
Full Refund	YOUNG	ALICE	4/30/2025	\$	4,326.34
Member Only Refund	BOUNDS	JASMINE	4/30/2025	\$	4,770.16
Member Only Refund	BRANCH	KISHIONDA	4/30/2025	\$	2,449.08
Member Only Refund	BUCIO	CRYSTAL	4/30/2025	\$	5,577.59
Member Only Refund	CHAVES	PATRICK	4/30/2025	\$	1,299.72
Member Only Refund	CLAY	SHANELLE	4/30/2025	\$	1,356.20
Member Only Refund	COHEN	SANDRA	4/30/2025	\$	3,342.25
Member Only Refund	CROSSLEY	ANNIKA	4/30/2025	\$	3,238.37
Member Only Refund	DAY	RODERICK	4/30/2025	\$	2,255.76
Member Only Refund	ELLIOTT	MARTIN	4/30/2025	\$	136.97
Member Only Refund	GARRETT	RUBY	4/30/2025	\$	3,667.18
Member Only Refund	HAAR	JODI	4/30/2025	\$	6,740.53
Member Only Refund	HARVEY	LAXENIA	4/30/2025	\$	1,757.66
Member Only Refund	JILES	HEIDI	4/30/2025	\$	1,461.70
Member Only Refund	JOESTGEN	CAITLIN	4/30/2025	\$	1,737.51
Member Only Refund	JOHNSON	KIRSTEN	4/30/2025	\$	11,332.21
Member Only Refund	JULIAN	KYLE	4/30/2025	\$	2,703.47
Member Only Refund	KAMPA	KERI	4/30/2025	\$	4,879.67
Member Only Refund	LLAMOSA	TERESA	4/30/2025	\$	1,034.12
Member Only Refund	MAYS	COURTNEY	4/30/2025	\$	1,522.85
Member Only Refund	MEJIC	DANA	4/30/2025	\$	2,731.22
Member Only Refund	PRYOR	LOU ONNIE	4/30/2025	\$	1,061.20
Member Only Refund	ROSSMAN	ZACHARY	4/30/2025	\$	9,255.47
Member Only Refund	THIESSENHUSEN	DAVID	4/30/2025	\$	6,694.02
Member Only Refund	THOMPSON	CHRISTOPHER	4/30/2025	\$	2,831.85
Member Only Refund	TREACY	THOMAS	4/30/2025	\$	9,142.07
Member Only Refund	VALENTIN	MARITZA	4/30/2025	\$	745.48
Member Only Refund	VENUS	DANIELLE	4/30/2025	\$	3,828.89
Member Only Refund	XIONG	KAZOUA	4/30/2025	\$	5,201.38
		TOTAL	\$		457,741.24

Conference Requests – May 2025 Board Meeting

Bill Christianson	NCPERS 2025 Annual Conference & Exhibition (ACE)
Sponsor:	NCPERS
Location:	Denver, CO
Date(s):	May 18-21, 2025
Estimated Cost:	\$2,420.00
David Silber	Mid-Year Outlook 2025 – Austan Goolsbee, President & CEO Federal Reserve Bank of Chicago
Sponsor:	Milwaukee Business Journal, Baird, CIBC, Foley and Lardner
Location:	Milwaukee, WI
Date(s):	June 23, 2025
Estimated Cost:	\$85.00
Erich Sauer, Keith Dickerson	Principal Due Diligence
Sponsor:	Principal Asset Management
Location:	Des Moines, IA
Date(s):	July 7-8, 2025
Estimated Cost:	\$700.00 per person
Erich Sauer	LaSalle Annual Conference / Principal Due Diligence
Sponsor:	LaSalle / Principal
Location:	New York, NY
Date(s):	September 9-11, 2025
Estimated Cost:	\$1,500.00
Keith Dickerson	Prologis Investor Conference and Principal Due Diligence
Sponsor:	Prologis and Principal Asset Management
Location:	New York, NY
Date(s):	September 10-12, 2025
Estimated Cost:	\$2,200.00

May 20, 2025

Annuity and Pension Board
Employees' Retirement System of the City of Milwaukee
789 North Water Street, Suite 300
Milwaukee, WI 53202

Re: Reconciliation of City Contributions

Members of the Board:

CavMac has been asked to draft a memo that is responsive to Alderman Spiker's follow-up question from the April 16, 2025 Finance and Personnel Committee:

Could the LRB work with the budget office (and ERS?) to draft a memo that is responsive to my questions at committee today regarding how current estimates of employer contributions to CMERS relate to earlier projections from the Jan 2023 memo referenced?

For purposes of this letter, we will refer to the documents used to develop this reconciliation with similar shorthand as follows:

- **Act 12:** Refers to 2023 Wisconsin Act 12
- **Jan 2023 Memo** refers to our January 25, 2023 letter titled *Actuarial Impact of Soft Close with Future Members Participating in WRS* (the Wisconsin Retirement System)
- **2023 Val** refers to our June 8, 2023 report titled *Employees' Retirement System of the City of Milwaukee Actuarial Valuation Report Prepared as of January 1, 2023*
- **July 2023 PPT** refers to our July 24, 2023 presentation titled *2023 Wisconsin Act 12 Analysis*
- **2024 Val** refers to our June 14, 2024 report titled *Employees' Retirement System of the City of Milwaukee Actuarial Valuation Report of the 86th Annual Actuarial Valuation as of January 1, 2024 For Determining Actuarially Determined Employer Contributions For Plan Year 2025*
- **Current Estimates** refers to the joint CMERS Staff and CavMac April 16, 2025 presentation titled *Potential Impact of Market Downturn on ERS Employer Contributions*



A comparison of the estimated City Contributions to CMERS as shown in both the Jan 2023 Memo and the Current Estimates through plan year 2028 can be found in the table below:

Comparison of Jan 2023 Memo and Current Estimate City Contributions to CMERS for Calendar Year						
	2023	2024	2025	2026	2027	2028
	\$ millions					
Jan 2023 Memo	\$ 179	\$ 178	\$ 177	\$ 177	\$ 175	\$ 174
Current Estimate	132	175	178	181	187	206
Increase/(decrease)	\$ (47)	\$ (3)	\$ 1	\$ 4	\$ 12	\$ 32

Our discussion of the City Contribution reconciliation follows.

Overview

The results of the Jan 2023 Memo and the Current Estimates differ for the following reasons:

- Act 12 Disparities** CavMac was never provided any Act 12 language upon which to develop our analysis until after Act 12 was enacted. Prudent practice for actuarial analysis of legislation, which CavMac routinely encounters with other legislative bodies, is that the actuary provides an actuarial analysis on the actual legislation before it is enacted. Speaker of the House Robin Vos requested the actuarial analysis in our Jan 2023 Memo. The memo included three open group projections (i.e., future hires continue to participate in CMERS instead of being moved to WRS). The first open group projection reflected the actuarial assumptions and methods used in the January 1, 2022 actuarial valuation, and assumed that all assumptions would be met each year in the future. However, because we had just completed an experience study of the CMERS actuarial assumptions and methods, the second open group projection reflected the recently adopted assumption changes to reflect our best estimates. Finally, calendar year 2022 proved to be a tumultuous time for investment markets, and many public pension plans experienced negative returns during that year, including CMERS. In addition to the experience study changes, the third and final open group projection reflected the -6.5% return on CMERS assets. This would serve as our “baseline” for the Jan 2023 Memo analysis.

Once we had established an appropriate baseline, we ran another nine projections of CMERS contributions based CMERS being closed to future hires and moving future hires to WRS. In addition, we also performed “snapshot” analyses to capture the impact under eight COLA elimination scenarios, in which each scenario impacted a different subset of CMERS membership.

No additional analysis was requested, even after updated valuation results were available on June 8, 2023, 12 days before the June 20, 2023 enactment of Act 12. While many have stated that Act 12 was based on Scenario 6a on page 21, Act 12 was not consistent with any of the various scenarios from our Jan 2023 Memo, including Scenario 6a.



- **Act 12 Incompleteness** While Act 12 prescribed many elements of our work, it was incomplete or silent for other elements necessary to implement Act 12. The July 2023 PPT includes recommendations to the CMERS Annuity and Pension Board which were adopted at its July 24, 2023 meeting. These recommendations changed the projected City contributions. The July 2023 PPT, which was presented about a month after Act 12 was enacted, also contained the first actuarial analysis of Act 12.
- **CMERS Experience** Actuarial experience is the difference between actual results and expected results. With each actuarial valuation or update of our projections for changes in market values, projected contributions change due to actuarial experience, which is in addition to changes in benefits, assumptions and methods like those enacted in Act 12. The projected City contributions in the Current Estimate differ from the Jan 2023 Memo due in part to CMERS Experience.

Below is a more detailed discussion of the differences.

Act 12 Disparities

At the April 16, 2025 Finance and Personnel Committee meeting, it was mentioned that the Jan 2023 Memo was "the report upon which Act 12 was based". Many people, mistakenly, appear to have the impression that the Jan 2023 Memo and Act 12 are based on the same provisions. As discussed earlier, there are disparities between Act 12 and the Jan 2023 Memo, including:

- **New Members Hired in 2023** The Jan 2023 Memo is based on CMERS closing on January 1, 2023. Act 12 is based on CMERS closing one year later – January 1, 2024. The timing difference results in increased City contributions for all future years due to New Members Hired in 2023 accumulating benefits.
- **Closure Delay** The Jan 2023 Memo is based on CMERS closing and the participating agencies increasing contributions beginning in 2023. Because the actual closure date under Act 12 occurred one year later, the higher contributions that were anticipated for 2023 in the Jan 2023 Memo were not required until Plan Year 2024. The 2023 contribution difference between the Jan 2023 Memo and the July 2023 PPT resulted in an increase in City contributions in all subsequent years.
- **Increased Headcounts** Act 12 requires the City of Milwaukee to increase the number of police officers and firefighters working for the City. We were not made aware of this requirement, nor were we asked to model such a scenario for our Jan 2023 Memo. Increased headcounts also lead to increased payroll, and under Act 12 this ultimately leads to increased contributions from the City to WRS. In accordance with Alderman Spiker's request, the contribution analysis contained in this letter is focused on reconciling the City's contributions to CMERS, and not WRS.
- **Non-Prescribed Amortization Policy** Act 12 required the CMERS unfunded liability as of January 1, 2023 to be amortized over a 30-year period, while allowing for future changes to the unfunded liability to be amortized in accordance with Actuarial Standards of Practice. For the Jan 2023 Memo, we were asked to analyze a 20-year and a 30-year amortization period for the January 1, 2023 unfunded liability, with no mention given to how future changes to the unfunded liability would be amortized.
- **No Market Reset** The Jan 2023 Memo is based on resetting the actuarial value of assets to market as of January 1, 2023, which is known as a Market Reset. This results in reflecting all past unrecognized returns in the actuarial value of assets and higher initial but steadily declining City contributions in the Jan 2023 Memo. Act 12 is based on no Market Reset, which means



unrecognized returns continue to be reflected over five years. No Market Reset in Act 12 results in lower City contributions initially, but higher throughout the remainder of the projection period.

To summarize, Act 12 Disparities result in the increasing City Contribution pattern and higher City contributions over time when compared to the Jan 2023 Memo.

Act 12 Incompleteness

Because Act 12 was incomplete or silent for other elements necessary to implement Act 12 for actuarial valuation purposes, CavMac made the following recommendations in our July 2023 PPT which were adopted by the CMERS Annuity and Pension Board:

- **Contribution Lag** The Contribution Lag refers to the number of years between the actuarial valuation measurement date and the date upon which the required contributions calculated as of the measurement date begin. There was no contribution lag prior to Act 12, and we did not reflect one in the Jan 2023 Memo. For example, the first January 1, 2023 actuarial valuation was the basis for City contributions starting January 1, 2023. Act 12 did not have any mention of a Contribution Lag. However, because Act 12 implemented significant contribution volatility by eliminating the Stable Contribution Policy, not having a Contribution Lag would be untenable for budgeting purposes. CavMac recommended a one-year Contribution Lag be implemented for the Second January 1, 2023 actuarial valuation (dated February 21, 2024), which determined the required contributions for Plan Year 2024. For example, the City contribution requirements for the Plan Year beginning January 1, 2026 will be determined as part of the January 1, 2025 actuarial valuation. There is no expected financial impact on implementing the one-year Contribution Lag.
- **Amortization Policy** In the Jan 2023 Memo, CavMac noted that the Government Finance Officers Association (GFOA) Best Practice for plans closed to new hires is an amortization period of no more than ten years. This is the practice followed for previous analysis of the closure of CMERS. Even though Speaker of the House Robin Vos prescribed the use of 20- and 30-year amortization periods for the Jan 2023 Memo, CavMac included scenarios based on the 10-year amortization. The 10-year amortization resulted in City contributions which were \$70 million higher than the 20-year amortization and \$90 million higher than the 30-year amortization. Act 12 prescribed the 30-year amortization for the initial January 1, 2024 Unfunded Actuarial Accrued Liability (UAAL), but stated that future changes to the UAAL may be amortized on the basis of standard actuarial practices. While the prescribed Amortization Policy under Act 12 eliminated the ability of CavMac to develop City contributions even close to the level of our recommended 10-year amortization, we did recommend that future increases in the UAAL be amortized over a 10-year period while decreases be amortized over either a 10-year period or the remaining period of the initial 30-year amortization, whichever is longer. We demonstrated in the July 2023 PPT that this policy will increase City contributions in the future, if all actuarial assumptions are met. Thus far, City contributions through Plan Year 2025 have not been impacted by the 10-year amortization period for actuarial losses (i.e., the amortization policy adopted by the Board).
- **Contribution Allocation** Contributions to CMERS are provided by each participating agency and the money is pooled together. Because assets have never been tracked separately for each agency, CMERS must have a method for allocating the required contributions to each agency. The Jan 2023 Memo is based on allocating the UAAL contribution for Police, Fire and General based the active actuarial accrued liability (active AAL) of each group. The employer normal cost rates were directly calculated for the Police, Fire and General groups. Act 12 was silent on how the required contribution should be allocated to the various agencies once the plan is closed to new hires (i.e., when there is no active AAL). While using this Contribution Allocation methodology for an open plan is reasonable, its continued use on a closed plan would result in agencies with no active members having no contribution requirement even if the UAAL continued to exist. We



recommended that the Contribution Allocation be based on allocating the UAAL payment based on the total AAL for each agency, and the employer normal cost for each agency being attributed to that agency. The change in Contribution Allocation increased the City Contribution due to the City's higher proportion of total AAL and employer normal cost compared to other agencies.

- **Contribution Basis** Before Act 12, City contributions were developed as percentage rates to be applied to covered payroll. Act 12 was silent on whether that practice was to continue. Because payroll changes unpredictably in a closed plan compared to an open plan and that most of the City contribution is for UAAL, we recommended that the contribution basis be changed from contribution rates to contribution dollars. There is no expected financial impact from changing the Contribution Basis from contribution rates to contribution dollars.

To summarize, Act 12 Disparities result in the increasing City Contribution pattern and higher City contributions over time when compared to the Jan 2023 Memo.

Experience of CMERS

We note the following language from page 10 of the Jan 2023 Memo:

Models are designed to identify anticipated trends and to compare various scenarios rather than predicting some future state of events. The projections are based on the System's estimated financial status on January 1, 2022, and project future events using a few sets of assumptions out of a range of many possibilities. The projections do not predict the System's financial condition or its ability to pay benefits in the future and do not provide any guarantee of future financial soundness of the System. Over time, a defined benefit plan's total cost will depend on a number of factors, including the amount of benefits paid, the number of people paid benefits, the duration of the benefit payments, plan expenses, and the amount of earnings on assets invested to pay benefits. These amounts and other variables are uncertain and unknowable at the time the projections were made. Because actual experience will not unfold exactly as expected, actual results can be expected to differ from the projections. To the extent that actual experience deviates significantly from the assumptions, results could be significantly better or significantly worse than indicated in this study.

To summarize, estimates in actuarial projections will not be realized because actual experience rarely matches expected.

The term actuaries use for actual results differing from expected results is actuarial gains or losses. An actuarial gain occurs when the actual UAAL is *less* than the expected UAAL; an actuarial loss occurs when the actual UAAL is *more* than the expected UAAL. The actuarial gain or loss does not include the impact of any changes to benefit provisions or actuarial assumptions and methods. The UAAL is defined as the actuarial accrued liability minus the actuarial value of assets (AVA), or "smoothed" value of assets. The System's current asset smoothing policy recognizes the difference between the expected return on assets and the actual return on assets during each calendar year over a five-year period. Because the UAAL is defined as the difference between the AAL and the AVA, gains and losses each year are further split by AAL gains/losses and AVA gains/losses. An AAL gain/loss occurs when the actual AAL is less/more than expected, while an AVA gain/loss occurs when the actual AVA is more/less than expected. CMERS Experience from the Jan 2023 Memo through the Current Estimate impacted the projected City contributions as follows:



Impact of CMERS Experience on City Contributions to CMERS for Calendar Year \$ millions						
	2023	2024	2025	2026	2027	2028
2022 Liability Experience	\$ -	\$ (2)	\$ (2)	\$ (1)	\$ (1)	\$ (1)
2023 Asset Experience	-	-	(2)	(7)	(12)	(17)
2023 Liability Experience	-	-	4	4	4	4
2024 Asset Experience	-	-	-	-	-	-
Total CMERS Experience	\$ -	\$ (2)	\$ -	\$ (4)	\$ (9)	\$ (14)

A discussion of each experience element is below:

- **2022 Liability Experience** As noted on page 3 of the 2023 Val, CMERS experienced an AAL loss with more retirements than expected being the primary source. However, lower projected normal costs resulting from a 3% reduction in active population and smaller salary increases than assumed decreased the projected City contributions.
- **2023 Asset Experience** As noted on page 1 of the 2024 Val, CMERS experienced a market return on assets of 9.98%. The 2023 Asset Experience decreased the projected City contributions.
- **2023 Liability Experience** As noted on page 1 of the 2024 Val, CMERS experienced an actuarial loss on its liabilities with the primary sources being larger cost-of-living adjustments and salary increases than assumed during 2023. Similarly, active membership also increased during 2023, which resulted in larger future normal costs. The 2023 Liability Experience increased City contributions in all future years.
- **2024 Asset Experience** As noted during the presentation of the Current Estimates, CMERS experienced neither an asset gain or loss due to a market return on assets of 6.8%. The 2024 Asset Experience resulted in no change in projected City contributions.

As noted on page 1 of the 2024 Val, a **Lawsuit** was settled which increased duty-related disability benefits for certain Policemen and Firemen members. The Lawsuit increased City contributions by about \$3 million during the ten-year period beginning January 1, 2025

While CMERS asset and liability experience from year-to-year was mixed, overall experience was a gain even with the impact of the Lawsuit; CMERS experience with the impact of the Lawsuit has decreased City Contribution when compared to the Jan 2023 Memo.



Reconciliation of Jan 2023 Memo with Current Estimate

The chart below contains a reconciliation of the estimated City contributions to CMERS with dollar amounts assigned to each of the elements outlined above.

Reconciliation of Jan 2023 Memo and Current Estimate City Contributions to CMERS for Calendar Year \$ millions						
	2023	2024	2025	2026	2027	2028
Jan 2023 Memo	\$ 179	\$ 178	\$ 177	\$ 177	\$ 175	\$ 174
Changes due to:						
<i>Act 12 Disparities</i>						
New Members Hired in 2023	\$ 3	\$ 3	\$ 4	\$ 3	\$ 3	\$ 4
Closure Delay	(50)	4	4	4	4	4
No Market Reset	-	(14)	(16)	(11)	(4)	9
2022 Liability Experience	-	(2)	(2)	(1)	(1)	(1)
Subtotal	\$ (47)	\$ (9)	\$ (10)	\$ (5)	\$ 2	\$ 16
<i>Act 12 Incompleteness</i>						
Contribution Lag	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Amortization Policy	-	-	-	5	9	20
Contribution Allocation	-	6	6	6	6	6
Contribution Basis	-	-	-	-	-	-
Subtotal	\$ -	\$ 6	\$ 6	\$ 11	\$ 15	\$ 26
<i>CMERS Experience</i>						
2023 Liability Experience	-	-	4	4	4	4
2023 Asset Experience	-	-	(2)	(9)	(12)	(17)
2024 Asset Experience	-	-	-	-	-	-
Lawsuit	-	-	3	3	3	3
Subtotal	\$ -	\$ -	\$ 5	\$ (2)	\$ (5)	\$ (10)
Total Changes	\$ (47)	\$ (3)	\$ 1	\$ 4	\$ 12	\$ 32
Current Estimate	\$ 132	\$ 175	\$ 178	\$ 181	\$ 187	\$ 206

The increase in contributions from the Jan 2023 Memo to the Current Estimate was due to Act 12 Disparities and Act 12 Incompleteness in Act 12. CMERS Experience partially offset these increases.



A reconciliation of projected contribution amounts by document is included below, based upon the results above:

Reconciliation of Jan 2023 Memo and Current Estimate City Contributions to CMERS for Calendar Year \$ millions						
	2023	2024	2025	2026	2027	2028
Jan 2023 Memo	\$ 179	\$ 178	\$ 177	\$ 177	\$ 175	\$ 174
Changes due to:						
New Members Hired in 2023	\$ 3	\$ 3	\$ 4	\$ 3	\$ 3	\$ 4
Closure Delay	(50)	4	4	4	4	4
No Market Reset	-	(14)	(16)	(11)	(4)	9
2022 Liability Experience	-	(2)	(2)	(1)	(1)	(1)
Contribution Lag	-	-	-	-	-	-
Amortization Policy	-	-	-	5	9	20
Contribution Allocation	-	6	6	6	6	6
Contribution Basis	-	-	-	-	-	-
July 2023 PPT	\$ 132	\$ 175	\$ 173	\$ 183	\$ 192	\$ 216
Changes due to:						
2023 Liability Experience	-	-	4	4	4	4
2023 Asset Experience	-	-	(2)	(9)	(12)	(17)
Lawsuit	-	-	3	3	3	3
2024 Val	\$ 132	\$ 175	\$ 178	\$ 181	\$ 187	\$ 206
2024 Asset Experience	-	-	-	-	-	-
Current Estimate	\$ 132	\$ 175	\$ 178	\$ 181	\$ 187	\$ 206

Discussion of Other Act 12 Provisions

Act 12 contained provisions which were not communicated with CavMac before Act 12 was enacted. We briefly discuss them below.

Act 12 repealed the Stable Employer Contributions Policy with the following language:

...In addition, if the 1st class city has enacted an ordinance regarding the city's retirement system that requires an actuary to periodically reset the actuarial contribution rate, the 1st class city may not impose a tax under this section unless the city repeals the ordinance and subsequently follows standard actuarial practices to determine contribution rates. ...



Had an actuarial analysis of Act 12 in its final form been requested, our response would have been:

- A NASRA (National Association of State Retirement Administrators) survey shows that around 30% of its members systems use employer contribution rates that do not reset with each valuation.
- The stable Employer Contribution was developed in compliance with Actuarial Standards of Practice. Ironically, the 30-year amortization policy for the closure of CMERS in Act 12 does *not* comply with Actuarial Standards of Practice – a much shorter period should be used.
- We would have included scenario testing of employer contributions similar to the graphs in the July 2023 PPT so that stakeholders could understand the contribution volatility introduced with the repeal of Act 12.

As mentioned previously, Act 12 also mandates that the City increase its number of police officers and firefighters as a prerequisite for implementing the sales tax. While future hires participate in WRS and, therefore, do not directly impact CMERS funding, the contributions made to CMERS come from the same pool of money as contributions to WRS, so there is a potential indirect impact on CMERS. There was no mention of the hiring mandate in the lead up to the Jan 2023 Memo analysis. As a result, we utilized the standard practice of assuming a level active population in future years, which likely understates the City's future contributions to WRS.

Similarly, the restrictions on the use of Act 12 sales tax proceeds were not analyzed until after Act 12 was enacted. Scenario testing would have demonstrated the possibility that these restrictions could eventually result in the Tax Proceeds not being sufficient to pay the City contribution for UAAL.

In the end, it's rather obvious why the Current Estimates don't match the analysis shown in the Jan 2023 Memo when considering that the Current Estimates are based on Act 12 while the Jan 2023 Memo ultimately was not. Furthermore, there was no additional request for updated analysis during the Act 12 negotiations pertaining to the developing differences between its provisions and the scenarios requested for the Jan 2023 Memo analysis ahead of its June 20, 2023 enactment. CavMac's level of responsiveness on this issue was such that we were able to produce a comprehensive set of recommendations and analysis to the CMERS Board in time for their July 2023 meeting. In fact, it was at the July 2023 Board meeting when we first sounded the alarm that future City contributions to CMERS were not going to match the Jan 2023 Memo. At that meeting we showed that if all assumptions are met each year in the future, the required City contribution would increase to \$192.4 million for Plan Year 2027. To accomplish the quick turnaround for the July 2023 Board meeting required several discussions between CavMac, CMERS staff and legal counsel. The level of coordination and discussion that took place in such a short time was impressive, and it's what's required for a comprehensive analysis of such a fundamental change to a retirement system. This was in contrast to the rush for results that led to the Jan 2023 Memo, requiring analysis involving several potential scenarios based on incomplete information in a matter of a couple weeks, leaving no time to fill in the informational gaps. Finally, it was mentioned at the Finance and Personnel Committee meeting on April 16, 2025 that the State of Wisconsin would not allow any margin during negotiations for the City to collect more sales tax revenue than was necessary to fulfill its financial obligations stated under Act 12, which includes pension costs and staffing requirements. Given that there was no margin provided for error, it would have been all the more important for the System's actuary to be given the opportunity to analyze the actual bill and enough time to comprehensively consider the ramifications regarding actuarial assumptions and methods.



CavMac will be attending the Annuity and Pension Board meeting to discuss this communication. If invited, CavMac will also attend a Finance and Personnel meeting to discuss this communication.

Sincerely,

Larry Langer, ASA, EA, FCA, MAAA
Principal and Consulting Actuary

Aaron Chochon, ASA, EA, FCA, MAAA
Senior Actuary

V.

MEDICAL REPORTS

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

MERITS

CITY OF MILWAUKEE EMPLOYEES' RETIREMENT SYSTEM

Page Number: 1 OF 1

Medical Panel Approvals Report

DATE RAN : 05/20/2025

Approved by Executive Director

Pension Board Meeting Date 05/27/2025

TIME RAN : 13:30

DOCTOR DECISION

<u>Case Number</u>	<u>Name</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>
1096	SCHMAELZLE, JOHN	FIRE FIGHTER	FIRE	DD 75%	Re-Examination	Approved	Approved		08/27/2013	
581	SODERBECK, WILLIAM	FIRE CAPTAIN	FIRE	DD 75%	Re-Examination	Approved	Approved		04/01/2021	Exempt from Re-Exam
1313	DAVIS, BRADLEY	FIRE CAPTAIN- INCIDENT SF	MFD	DD 75%	Re-Examination	Approved	Approved		02/01/2022	
1219	MANNEY, CHRISTOPHER	POLICE OFFICER	MPD	DD 75%	Re-Examination	Approved	Approved		11/12/2014	
1087	BIALECKI, ANTHONY	POLICE OFFICER	POLICE	DD 75%	Re-Examination	Approved	Approved		06/15/2013	
960	FREDERICKS, JOHN	POLICE OFFICER	POLICE	DD 75%	Re-Examination	Approved	Approved		06/26/2012	
786	LOVE, DEXTER	POLICE OFFICER	POLICE	DD 75%	Re-Examination	Approved	Approved		01/26/2010	

Number of Cases: 7

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 :

05/12/2025

Board Meeting: 05/27/2025

TIME RAN :

08:11

<u>Name</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>	<u>In Person Exam Waiver</u>
ALGEE-COTTON, ANGELA	POLICE TELECOMMUNICATOR	MPD-CIVILIAN	Ordinary Disability	Re-Examination	08/28/2014	05/09/2025	
GIBBS, RENEE	PAINTER	HACM	Ordinary Disability	Re-Examination	08/31/2016	05/09/2025	
HEATH, LISA	SERGEANT	POLICE	Ordinary Disability	Re-Examination	02/25/2012	05/09/2025	
MC NICHOL, JAMES	POLICE OFFICER	MPD	Ordinary Disability	Re-Examination	10/10/2019	05/09/2025	
STRAND, CHERYL	HOUSING MANAGER	HACM- CITY OF MILWAUKEE	Ordinary Disability	Application	09/27/2024	05/09/2025	
WARFIELD, DAWN	PARA EDUC ASST - 6.0 HRS	MPS	Ordinary Disability	Application	01/15/2025	05/09/2025	
WEIR, THOMAS	ELECTRICIAN	MUNICIPAL SERVICES	Duty Disability 75%	Re-Examination	10/18/2023	05/09/2025	

Number of Cases:

7

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.

MERITS	CITY OF MILWAUKEE EMPLOYES' RETIREMENT SYSTEM	Page Number:	1 OF 1
	Medical Council Denials Report	DATE RAN :	05/12/2025
	Board Meeting: 05/27/2025	TIME RAN :	08:16

<u>Case Number</u>	<u>Name</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>	<u>In Person Exam Waiver</u>
1593	WARFIELD, DAWN	PARA EDUC ASST - 6.0 HRS	MPS	DD 75%	Application	01/15/2025	05/09/2025	

Number of Cases: 1

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.

VI.

UNFINISHED BUSINESS

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



May 27, 2025 Board Meeting

PENDING LEGAL OPINIONS AND SERVICE REQUESTS REPORT

PART 1. LEGAL OPINIONS - OFFICE OF CITY ATTORNEY

01/03/25 **Collection of Delinquent City Agency Employer Pension Contributions**
ERS staff requesting legal guidance regarding the collection of delinquent City Agency employer pension contributions.

PART 2. LEGAL OPINIONS - OUTSIDE LEGAL COUNSEL

None.

PART 3. SERVICE REQUESTS - OFFICE OF CITY ATTORNEY

01/30/25 **Executive Recruiter RFP and Contract**
ERS requests the City Attorney's Office to draft sample contract for an RFP as it relates to an executive recruiter.
02/17/25 Received contract for RFP for recruiting services from City Attorney's Office.
02/25/25 RFP for Recruiting Services Contract approved by Pension Board.

04/17/25 **BlackRock Contract Amendment**
ERS Investment staff is requesting the City Attorney's Office to review and negotiate an amendment to the investment manager agreement with BlackRock.
04/25/25 Received proposed amendment from BlackRock and forwarded to City Attorney's Office.
05/08/25 Amendment approved by the Investment Committee pursuant to RR VII.G.2.b.

05/05/25 **CliftonLarsenAllen**
Request for City Attorney's Office to draft and negotiate an amendment for additional audit services with CLA, LLC.

05/14/25 **Adviser Compliance Associates (Global Trading Analytics) Amendment**
Request for City Attorney's Office to draft and negotiate an amendment to extend current contract for one year.

PART 4. SERVICE REQUESTS - OUTSIDE LEGAL COUNSEL

None.



May 27, 2025 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

Executive Management Positions Succession Planning Procedures and Guidelines

Draft proposal creating Board Rule II.8 that would establish temporary and permanent succession planning procedures and guidelines as it relates to executive management positions in the ERS.

05/28/24 Referred to the Legislative Committee by Pension Board.

01/28/25 Committee recommended to amend Board Rule II to provide that the Executive Director will always serve as Board Secretary.

02/25/25 Discussion held regarding proposed amendments to Board Rule II.

PART 4. PENDING STATE LEGISLATION

None.

Employees' Retirement System – Executive Director's Report

May 2025

- I. Personnel Update
 - A. ERS has no vacancies.
- II. Member Services
 - A. New retirees on payroll in April - 44; 34 are currently anticipated for the May payroll.
 - B. Retiree/Employee deaths entered in March - 30.
 - C. A Retirement Workshop for MPD was held on 5/9/25 61 attended.
 - D. Annual Statements have been mailed.
 - E. Below is a breakdown of to-date ERS benefits payouts/active/deferred counts:

Category	Count
Annuityants	
Death - Duty	23
Death - Ordinary	100
Disability - Duty	351
Disability - Ordinary	559
Retirement	12,845
Separation	40
Total Annuityants	13,918
Active	9,746
Deferred	3,332
Total Population	26,996

- III. Financial Services
 - A. Staff continues to work with the actuary and financial auditor to review and substantiate the actuarial valuation data.
 - B. ERS received a Certificate of Achievement in Financial Reporting from the Government Finance Officer Association (GFOA) for our 2023 Annual Comprehensive Financial Report. This award **is for ERS' financial reporting that goes above and beyond the minimum requirements of the** generally accepted accounting principles and provides more transparency and disclosures for the users of the financial statements.
 - C. **ERS' 2026 Budget Request was submitted to the City's Budget Office.**
- IV. Information Services
 - A. Struts Upgrade and Modernize MERITS Website in progress.
 - B. Upgrade FileNet P8 to IBM CloudPak4BA in progress.
 - C. MS Windows Desktop and Laptop OS Upgrade in progress.
 - D. Rational Application Developer for Windows 11 Upgrade in progress.
 - E. Network Redesign in progress.
 - F. Titan Upgrade for CMERS.com in progress.
 - G. Storage Area Network Firmware Upgrade in progress.
 - H. IP Address Review and Cleanup 2024 in progress.
 - I. DNS Review and Cleanup 2024 in progress.

- J. AD Review and Cleanup 2024 in progress.
- K. Firewall Review and Cleanup 2024 in progress.
- L. Upgrade EJB from 2.0 to 3.0 completed.

V. Administration

- A. A special meeting of the A&O Committee was scheduled to be held on April 17, 2025 to evaluate 11 RFP responses for a management recruiting firm. Although a quorum was not present for the meeting, the two Trustees in attendance had an informal discussion with Staff regarding the RFP responses. A special A&O meeting is scheduled for May 22, 2025 for two of the RFP responders to give presentations as well as a subsequent Special A&O meeting scheduled for June 3, 2025 to hear additional RFP responder presentations.
- B. ERS staff gave a presentation regarding the financial impact on the pension system of current capital market volatility and the sensitivity of employer contributions to annual market volatility on the ERS portfolio at the request of the Finance and Personnel Committee of the Common Council at its April 16, 2025 meeting. Larry Langer of the Cavanaugh Macdonald firm, David Silber and I presented and responded to questions. A follow-up inquiry was received from a member of the panel regarding the impact of the final Wisconsin 2023 Act 12 provisions on required City pension contributions compared **to the firm's** preliminary analysis requested by legislative leaders at the outset of the legislative process. Mr. Langer is present today to deliver **his firm's response**.

Basic Website Metrics

	2024									2025			
	Apr.	May	June	July	Aug	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Users	4,019	3,407	3,289	3,332	3,366	3,343	4,108	3,770	3,367	3,735	3,499	3,581	3,454
Page Views	13,809	11,573	10,455	11,124	10,956	11,294	14,359	14,191	11,751	14,508	14,814	12,773	11,684
Ave. Visit	1:34	1:23	1:12	1:18	1:21	1:23	1:34	1:47	1:31	1:39	1:34	1:37	1:20



To: Bernard J. Allen, Executive Director

From: Daniel Gopalan, CPA, ERS Chief Financial Officer

Re: 2026 Budget – 5% Reduction from 2025 Adopted Budget

Under Wisconsin 2023 Act 12, the City of Milwaukee is required to submit a budget that reflects a 5% reduction from the prior year's adopted budget. The City Budget Office has instructed ERS to provide two versions of its 2026 Budget:

1. The ERS-requested 2026 Budget
2. A 2026 Budget with a 5% reduction based on the 2025 Adopted Budget

The ERS 2025 Adopted Budget is \$24,526,723. A 5% reduction requires a maximum 2026 budget of \$23,300,387.

At the April 2025 board meeting, the Board approved ERS' 2026 Budget with a total expenditure of \$24,635,860. To comply with Act 12, ERS must reduce the approved 2026 Budget by at least \$1,335,473.

To meet this requirement, ERS proposes the following reductions:

- **Investment Management Fees:** Reduce from \$9,127,000 to \$8,702,000
- **IT Budget:**
 - Systems Support: Reduce from \$1,690,000 to \$1,369,000
 - Equipment Purchases: Reduce from \$1,058,000 to \$966,000
- **Fiduciary Insurance:** Decrease from \$1,075,000 to \$575,000
 - The \$500,000 reduction represents the deductible ERS would incur if a claim were filed

Reconciliation of Proposed Budget Reductions:

Beginning 2026 Approved Budget	\$24,635,860
Less: Investment Management Fees	(425,000)
IT Systems Support & Equipment	(413,000)
Fiduciary Insurance	<u>(500,000)</u>
Total Reductions	<u>(\$1,338,000)</u>
Proposed 2026 Budget (5% Reduction)	<u>\$23,297,860</u>

The Board will need to approve the revised 2026 Budget, reflecting the 5% reduction, at the May 27th board meeting.

Employees' Retirement System - City of Milwaukee

Summary of 2026 Draft Budget Request with 5% Reduction as Compared to 2026 Approved Budget and 2025 Actual Expenditures

2025 Adopted Budget		2026 Approved Budget	2026 Requested Budget With 5% Reduction from 2025 Adopted Budget Baseline	Variance with Current Authority	Primary Details Resulting in Variance to the 2026 Approved Budget	
\$	5,379,533	Total Salaries	\$ 5,384,455	\$ 5,384,455	\$ -	
	2,420,790	Fringe Benefits (Budget Rate)	2,423,005	2,423,005	-	
		Operating Expenditures				
	221,000	General Office Expense	252,000	252,000	-	
	5,000	Other Operating Supplies	5,000	5,000	-	
	669,000	Facility Rent & Property Services	824,000	824,000	-	
	25,000	Non-vehicle Equipment Rental	27,000	27,000	-	
	11,895,000	Professional Services	11,147,000	10,722,000	(425,000)	Lowered investment management fees by \$425,000
	1,673,000	Information Technology Services	1,955,000	1,634,000	(321,000)	Reduced Systems Support and Hardware Upgrades and Maintenance
	1,525,400	Other Operating Services	1,560,400	1,060,400	(500,000)	Removed \$500,000 deductible for Fiduciary Insurance
\$	16,013,400	Total Operating Expenditures	\$ 15,770,400	\$ 14,524,400	\$ (1,246,000)	
		Equipment Purchases				
	713,000	Equipment	1,058,000	966,000	(92,000)	Decreased IT equipment purchases by \$92,000
\$	713,000	Total Equipment Purchases	\$ 1,058,000	\$ 966,000	\$ (92,000)	
\$	24,526,723	Total Regular O&M	\$ 24,635,860	\$ 23,297,860	\$ (1,338,000)	
\$	24,526,723	Total All ERS	\$ 24,635,860	\$ 23,297,860	\$ (1,338,000)	

Employees' Retirement System

Analysis of 2026 Operating Expenditure with 5% reduction from 2025 Adopted Budget and the 2026 Approved Budget and Equipment Draft

2025 Adopted Budget		2026 Approved Draft	2026 Requested Budget With 5% Reduction from 2025 Adopted Budget Baseline	Variance with Current Authority	Primary Details Resulting in Variance to the 2026 Approved Budget
General Office Expense					
170,000	Postage & Mailing	200,000	200,000	-	
16,000	Subscriptions, Publications	17,000	17,000	-	
20,000	Supplies-Forms	20,000	20,000	-	
15,000	Supplies-Office	15,000	15,000	-	
221,000	Total General Office Expense	252,000	252,000	-	
Other Operating Supplies					
5,000	Computer Parts	5,000	5,000	-	
5,000	Total Other Operating Supplies	5,000	5,000	-	
Facility Rent & Property Services					
490,000	Office Space	553,000	553,000	-	
110,000	Telephone	117,000	117,000	-	
35,000	Electricity	40,000	40,000	-	
16,000	Property & Liability Insurance	16,000	16,000	-	
18,000	Building Machinery Maintenance	98,000	98,000	-	
669,000	Total Facility Rental & Property Serv	824,000	824,000	-	
Non-vehicle Equipment Rental					
25,000	Copier-Lease & Repair	27,000	27,000	-	
25,000	Total Non-vehicle Equipment Rental	27,000	27,000	-	
Professional Services					
125,000	Actuary Services	150,000	150,000	-	
475,000	Asset Management	460,000	460,000	-	
250,000	Audit	250,000	250,000	-	
300,000	Custody	300,000	300,000	-	
15,000	Memberships	12,000	12,000	-	
200,000	City Attorney	150,000	150,000	-	
9,885,000	Investment Manager Fees	9,127,000	8,702,000	(425,000)	Lowered Investment Management Fees
115,000	Legal Services	115,000	115,000	-	
145,000	Medical-Council	200,000	200,000	-	
200,000	Medical-Exams And Reviews	200,000	200,000	-	
55,000	Other Professional Services	44,000	44,000	-	
	Real Estate Fiduciary			-	
130,000	Reporting Services	139,000	139,000	-	
11,895,000	Total Professional Services	11,147,000	10,722,000	(425,000)	

Employees' Retirement System

Analysis of 2026 Operating Expenditure with 5% reduction from 2025 Adopted Budget and the 2026 Approved Budget and Equipment Draft

2025 Adopted Budget		2026 Approved Draft	2026 Requested Budget With 5% Reduction from 2025 Adopted Budget Baseline	Variance with Current Authority	Primary Details Resulting in Variance to the 2026 Approved Budget
Information Technology Services					
1,102,000	Systems Support	1,690,000	1,369,000	(321,000)	Reduced Systems Support by \$321,000
353,000	Software Upgrades & Maintenance	192,000	192,000	-	
218,000	Hardware Upgrades & Maintenance	73,000	73,000	-	
1,673,000	Total Information Technology Services	1,955,000	1,634,000	(321,000)	
Other Operating Services					
2,000	Meeting Expenses	2,000	2,000	-	
50,000	Board Training	50,000	50,000	-	
20,000	Due Diligence	23,000	23,000	-	
5,000	Office Repairs	5,000	5,000	-	
1,023,000	Fiduciary Insurance	1,075,000	575,000	(500,000)	Removed \$500k deductible for Fiduciary Insurance
18,000	Printing Services (MPR)	23,000	23,000	-	
400	Pool Autos	400	400	-	
30,000	Miscellaneous Services	32,000	32,000	-	
90,000	Staff Training	90,000	90,000	-	
60,000	Temporary Services	60,000	60,000	-	
227,000	Indirect Cost	200,000	200,000	-	
1,525,400	Total Other Operating Services	1,560,400	1,060,400	(500,000)	
Equipment					
713,000	Equipment	1,058,000	966,000	(92,000)	Decreased IT equipment purchases by \$92,000
713,000	Total Equipment	1,058,000	966,000	(92,000)	
16,726,400	Grand Total	16,828,400	15,490,400	(1,338,000)	

VII.

INFORMATIONAL

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (VII.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 2025 YTD.
- D. Adjusted Quarterly Cost Basis of Equity.
- E. Minutes of the Investment Committee Meeting Held April 10, 2025.
- F. Minutes of the Special Administration & Operations Committee Meeting scheduled for April 17, 2025.
- G. Minutes of the Legislative Committee Meeting Held April 22, 2025.
- H. Minutes of the Investment Committee Meeting Held May 8, 2025.
- I. Report on Bills.
- J. Deployment of Assets.
- K. Securities Lending Revenue and Budget Report.
- L. Preliminary Performance Report and Asset Allocation.



May 27, 2025 Board Meeting

PENDING LITIGATION REPORT

Part 1. ERS Litigation through the City Attorney

MPA and Kurt Lacina v. City of Milwaukee, et al; Case Nos. 2023AP000301; and 2022CV001965

Kurt Lacina alleges his DDRA was wrongfully offset by a worker's compensation permanent partial disability award by defendants.

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

➤ 02/26/25 Submitted on briefs; Appellate Court's decision pending.

Benjean Lara v. City of Milwaukee, et al; Case Nos. 2024AP001685; and 2023CV007107

Member filed Petition for Certiorari Review of Pension Board's denial of disability (duty and ordinary) retirement benefits.

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

➤ 01/17/25 Record and Briefs sent. Case awaiting assignment.

Kurt Lacina v Employees' Retirement System, et al; Case No. 2024CV008283

Plaintiff alleges that duty disability retirees receiving a 90% benefit are only subject to the re-examination requirements prior to reaching his/her conversion date.

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

➤ 03/24/25 Intervenor's Notice of Joinder of Plaintiff's arguments filed.

➤ **04/17/25** Order signed by Court amending Briefing Schedule. Motion hearing rescheduled to July 9, 2025.

➤ **04/30/25** Defendants' Brief filed with the court.

Part 2. ERS Administrative Appeal Hearings through the City Attorney

Jason E Rodriguez; Administrative Case No. 1443

➤ Hearing stayed pending outcome of Appellant's state workers compensation (WC) appeal hearing. First WC appeal hearing held May 10, 2022. Second WC appeal hearing pending scheduling.

Joel Rodriguez; Administrative Case No. 1554

➤ 02/07/25 Notice of appeal received by ERS. Appeal assigned to Hearing Examiner Charles Kahn.

➤ **04/11/25** Administrative Appeal Hearing held. The appeal hearing was held over pending receipt of additional medical records.

Part 3. Notice of Claim filed with ERS

None.

Part 4. ERS Litigation through Outside Legal Counsel

None.

Client Conferences 2025

Board Meeting: May 27, 2025

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
June 17 – 18, 2025	2025 NB Investment Leaders' Summit & Private Markets Annual Investors' Meeting New York, NY	Neuberger Berman
July 25, 2025 11:30 am – 12:30 pm	2Q25 Market Intelligence Webinar Virtual	Callan Associates
September 9 – 10, 2025	2025 LaSalle Americas Investor Summit New York, NY	LaSalle
September 11 – 12, 2025	2025 USLF Annual Meeting New York, NY	ProLogis
September 23 – 25, 2025 10:30 am – 1:30 pm	"Callan College" Introduction to Investments - Learn the Fundamentals Virtual	Callan Associates
October 28, 2025 8:00 am – 11:00 pm	2025 October Regional Workshop Chicago, IL	Callan Associates

Trustee Conferences 2025

Board Meeting: May 27, 2025

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
June 5, 2025	9 th Annual Real Estate Midwest Forum Chicago, IL	Markets Group
June 10 – 12, 2025	2025 Visions, Insights & Perspective (VIP) Infrastructure Boston, MA	Institutional Real Estate, Inc.
June 23, 2025 11:30 am – 1:00 pm	Mid-Year Outlook 2025 – Austan Goolsbee - President & CEO Federal Reserve Bank of Chicago Milwaukee, WI (Pfister Hotel)	Milwaukee Business Journal, Baird, CIBC, Foley & Lardner
July 14 – 15, 2025	ALTSCHI Chicago, IL	Markets Group
July 15 – 16, 2025	Public Plan Trustees Institute – Level 1 Chicago, IL	International Foundation of Employee Benefit Plans
July 15 – 17, 2025	Pension Bridge Private Equity Exclusive 2025 Chicago, IL	with.Intelligence
August 17 – 19, 2025	Public Pension Funding Forum Chicago, IL	NCPERS
September 4, 2025	11 th Annual Great Plains Institutional Forum Minneapolis, MN	Markets Group
September 8 – 10, 2025	CII Fall 2025 Conference San Francisco, CA	Council of Institutional Investors
September 9 – 10, 2025	2025 Fixed Income & Credit Conference Dallas, TX	Pensions & Investments
October 7 – 8, 2025	2025 Pension Derisking Conference Chicago, IL	Pensions & Investments
October 10 – 11, 2025	Investment Basics Austin, TX	International Foundation of Employee Benefit Plans

Trustee Conferences 2025

Board Meeting: May 27, 2025

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
October 25 – 26, 2025	NCPERS Accredited Fiduciary (NAF) Program & Program for Advanced Trustee Studies (PATs) Ft. Lauderdale, FL	NCPERS
October 26 – 29, 2025	Financial, Actuarial, Legislative & Legal (FALL) Conference Ft. Lauderdale, FL	NCPERS
October 28, 2025	Pension Bridge Alternatives 2025 New York, NY	with.Intelligence
November 19 – 20, 2025	Public Funds Conference Austin, TX	Pensions & Investments

Upcoming Due Diligence Meetings

Date	Manager(s)	Team
May 27-29, 2025	BlackRock	Keith
June 16-17, 2025	Neuberger Berman and Abbott	Erich and Tom
July 7-8, 2025	Principal (Iowa)	Erich and Keith
August 11-12, 2025	Reams	Erich and Keith
September 10, 2025	Principal (New York)	Erich and Keith

Class Action Income 2025 YTD

Asset Description	Date(s)	Amount
McKesson Corp.	1/10/2025 \$	15,220
Tactile Systems Technology, Inc.	1/21/2025 \$	1,576
General Motors Company	1/28/2025 \$	355
Fifth Third Bancorp	2/5/2025 \$	13,004
Valeant Pharmaceuticals Int'l	2/6/2025 \$	20,849
Mohawk Industries, Inc.	2/21/2025 \$	6,948
Fluor Corp.	3/24/2025 \$	283
Viacom, Inc.	3/27/2025 \$	1,943
American Realty Capital	4/2/2025 \$	201
LIBOR-Based Financial Instruments	4/11/2025 \$	70
Petroleo Brasileiro SA	4/28/2025 \$	4,950
Santander Consumer	4/29/2025 \$	14,601
Boston Scientific Corp.	5/2/2025 \$	4,493
Total Class Action Income Received in 2025 YTD	\$	84,493

Adjusted Quarterly Cost Basis of Equity March 31, 2025

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 %
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%
Mar-22	6,156,069,941	46.5%	4,642,000,891	41.1%
Jun-22	5,633,734,690	44.6%	4,548,655,130	43.9%
Sep-22	5,276,131,314	43.7%	4,538,899,040	44.8%
Dec-22	5,469,372,844	46.0%	4,476,020,934	44.5%
Mar-23	5,644,257,058	47.6%	4,501,213,423	44.4%
Jun-23	5,654,571,235	43.9%	4,551,510,198	39.4%
Sep-23	5,471,790,350	40.0%	4,563,372,935	35.9%
Dec-23	5,712,163,552	42.7%	4,524,515,830	36.6%
Mar-24	5,968,654,087	42.9%	4,668,405,133	35.6%
Jun-24	5,895,564,025	42.3%	4,634,369,429	35.6%
Sep-24	6,063,026,517	42.4%	4,630,995,120	34.7%
Dec-24	5,857,172,026	41.8%	4,603,392,549	35.3%
Mar-25	6,023,115,111	40.5%	4,762,571,210	34.2%

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

Minutes of the Investment Committee Meeting
held April 10, 2025 via teleconference

The meeting was called to order at 9:01 a.m.

Committee Members Present: Matthew Bell
Bill Christianson
Justin DeCleene
Deborah Ford
Timothy Heling
Thomas Klusman, Chair

Committee Members Not Present: Nik Kovac (arrived 9:05 a.m.)
Rudy Konrad (arrived 9:34 a.m.)

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

Others present: Kenneth Little, Bob Schmidt, Lawrence Taylor, Brandes; Jason Ellement, John Jackson, Mike Joecken, Adam Lozinski, Callan; Lauren Albanese, Financial News; Patrick McClain, City Attorney's Office; Terry Siddiqui, DS Consulting, Inc.; six members of the public called into the meeting.

Chief Investment Officer Report. Mr. Silber provided a performance update and commented on the market environment. He noted the Fund was estimated to be down about 4% year-to-date the morning of April 9, but by the end of the day the stock market had a very strong rally and the Fund was estimated to be down about 1.5% year-to-date. Mr. Silber said the Fund was projected to be down 1.1% in March, and for April month-to-date, the Fund is estimated to be down about 2.6%. He said the Fund value as of April 9 is approximately \$5.86 billion. Mr. Silber commented that the Fund has not hit any rebalancing triggers yet and he discussed the ranges for some of the asset classes. Discussion ensued.

Approval of Glide Path. Discussion ensued regarding the various glide paths.

While waiting for additional Committee members to join online, the Chair then paused item II. and took the meeting out of order to item III., the Callan 2025 Work Plan.

Callan 2025 Work Plan. As a matter of information, Committee members received Callan's 2025 Work Plan schedule. Mr. Jackson noted today's meeting included the topics of Asset Allocation

Discussion, Investment Manager Due Diligence Report, and Work Plan Review. He said on May 8th, the topic would be a Real Estate Performance Review; on June 5, the topic would be the Investment Policy Statement Review; on September 4th, the topics would be the Private Equity Pacing Review as well as an Education Presentation on Cryptocurrency; on November 6th, the topics would be another Real Estate Performance Review as well as a Fixed Income Manager Structure Review; and on December 4th, the topic would cover the Public Equity Structure Review.

The Chair continued to take the meeting out of order to item IV., the Callan Investment Manager Due Diligence Report.

Callan Investment Manager Due Diligence Report. As a matter of information, the Committee members received the CMERS Manager Assessment as of December 31, 2024. Mr. Joecken noted this is an ongoing responsibility of Callan's to meet and perform due diligence on the CMERS managers on an ongoing basis. He said Callan has regular calls with CMERS Staff to discuss their findings. Mr. Joecken commented that if there is anything alarming, they contact Staff but there have been none of those calls in the past couple of years. He stated they assign four different views of "within expectations," "notable," "cautionary," and "under review" when reviewing the managers. Mr. Joecken said they look at managers through many lenses, including the organization and how it is performing, how the leadership is performing, the turnover, the ownership situation, product, portfolio managers and analysts who manage the teams, philosophy and process, consistency of money management, short- and long-term performance, product dynamics, how are the asset flows, and whether other clients are investing in the products. Discussion ensued.

The Chair returned the meeting to order to item II., the Approval of Glide Path.

Approval of Glide Path. Mr. Silber encouraged the Committee to think about what risk level they want to take to be fully funded in 30 years at a 5.5% discount rate according to Callan's analysis. He noted all three glide paths would suffer when stocks go down. He said the current Public Equity target is 39% and if glide path A is selected, the existing approach will be maintained for now and noted that Public Equity is currently underweight at 36.5% as a result of recent market declines. Mr. Silber noted that glide path B has a beginning Public Equity target of 36%, and if glide path B is selected, he would look for opportunities to bring the Public Equity allocation down to the 36% target if stocks recover. He said if glide path D is chosen, the Committee would need to discuss the time frame for implementing the Public Equity target, which begins at 34% for glide path D. Discussion ensued.

It was moved by Mr. Klusman, seconded by Mr. Bell, and unanimously carried, to approve the Approval of Glide Path for Glide Path B in the Glide Path Analysis. The motion to approve Glide Path B prevailed by the following roll call vote: AYES: Ms. Ford; Messrs. Bell, Christianson, DeCleene, Heling, Konrad, Kovac, and Klusman. NOES: None.

The Chair called for a break at 10:31 a.m.

Mr. Christianson exited the meeting at 10:31 a.m. due to a City Hall event.

The Chair resumed the meeting at 10:39 a.m.

Mr. Christianson returned to the meeting at 10:49 a.m.

The Chair continued the meeting at item V., the Brandes Investment Partners Presentation.

Brandes Investment Partners Presentation. Mr. Silber stated Brandes, a global firm, has been managing money for CMERS since 1998 in an International Value Strategy. As a matter of information, Committee members received the Brandes presentation booklet, “Relevancy of Value Investing Today, Insights from the Past 50 Years.” Mr. Taylor introduced Mr. Little, a Managing Partner overseeing Brandes’ research effort and a member of the Large Cap Global Investing Committee and Mr. Schmidt, Executive Director of the Brandes Institute at University of California-San Diego Rady School of Management. Mr. Taylor said the school was endowed by Brandes’ founder Charles Brandes to investigate structural behavioral factors in global markets, with a focus on value investing. Mr. Little gave a presentation on several topics to the Committee, including Ben Graham – Market Timer?; The Future of Common Stocks; A Timely Beginning and the First 20 Years; Tech Bubble: The Boom and the Bust; U.S. Dominated the Last Decade; 10-year Annualized Return Decomposition; Nifty Fifty Revisited; Japanese Stocks Peaked in Late 1980s; The U.S. Now Accounts for 60% of MSCI ACWI; Global Value Stocks’ Relative Valuation; and 50 Years of Fundamental Value. Mr. Schmidt of the Brandes Center then gave a presentation to the Committee on Social Media and Investment Decision-Making. His topics included Two of Social Media’s Greatest Dangers; Diversity in Newsfeeds and Returns; and Social Media Influence: Not Just Individuals. Discussion ensued.

Style Bias Overview Presentation. As a matter of information, Committee members received Mr. Silber’s presentation booklet, “Style Bias Overview.” Mr. Silber gave a presentation to the Committee on the following topics: Putting Style Bias in Perspective, What is Style Bias?; Public Equity Style Biases; Why Has CMERS Implemented Public Equity Style Biases for almost 30-years?; Long-Term Value Premium; Long-Term Small Capitalization Premium; CMERS experience with DFA & Brandes; Additional Notable Value & Small Cap Style Bias Findings from 2022 Structure Study; Rational for non-U.S. Stock exposure; Why Doesn’t Everyone Do This?; Secrets to CMERS Successful Implementation of Biases; Risks continued; and Final Thoughts on Risk. Discussion ensued.

Value Add Analysis. As a matter of information, Committee members received the “Historical Value Add – January 1, 1995 – December 31, 2024 CMERS Total Fund (everything except Real Assets).” Mr. Silber noted this document is updated every year and are net of investment manager fees. He said the Value Add Analysis is like a report card and is one way to evaluate how the organization is doing compared to low-cost passive benchmarks over the long-term. Mr. Silber indicated approximately one billion dollars has been added, net of investment fees, over this time period. He said the chart shows 10-year increments and over the last 10 years, the Fund has added a little over \$300 million dollars.

The Chair called for a second break at 12:33 p.m.

The Chair resumed the meeting at 12:43 p.m.

Mr. Klusman advised that the Investment Committee may vote to convene in closed session on the following items (VIII. and IX.) 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.

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

The Committee convened in closed session at 12:44 p.m.

Callan LLC Contract Update.

Advisor Compliance Associates LLC Contract Update.

The Committee reconvened in open session at 1:20 p.m.

It was moved by Mr. Bell and seconded by Mr. Heling to adjourn the meeting.

There being no further business, Mr. Klusman adjourned the meeting at 1:20 p.m.

Bernard J. Allen
Secretary and Executive Director

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

Minutes of the Special Administration and Operations Committee Meeting
scheduled for April 17, 2025 via teleconference

Because only one committee member was in attendance, there was no quorum and no formal meeting was held.

Committee Members Present: Bill Christianson, Vice-Chair

ERS Staff Present: Bernard Allen, Executive Director
 Melody Johnson, Deputy Director
 Gust Petropoulos, Deputy Director
 Mary Turk, Business Operations Analyst
 Jan Wills, Board Stenographer

Others Present: Thomas Klusman, ERS Trustee; Alex Foundos, City Attorney's Office; Terry Siddiqui, DS Consulting, Inc.; one member of the public called.

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

Minutes of the Legislative Committee Meeting (Committee of the Whole)
held April 22, 2025

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

Committee Members Present: Matthew Bell
 Bill Christianson
 Justin DeCleene
 Timothy Heling
 Tom Klusman
 Rudy Konrad
 Deborah Ford, Chair

Committee Members Not Present: Nik Kovac

ERS Staff Present: Bernard J. Allen, Executive Director
 Melody Johnson, Deputy Director
 David Silber, Chief Investment Officer
 Erich Sauer, Deputy Chief Investment Officer
 Gust Petropoulos, Deputy Director
 Mary Turk, Business Operations Analyst
 Jan Wills, Board Stenographer

Others Present: Patrick McClain, Alex Foundos, City Attorney Office; Lauren Albanese, Financial News; Terry Siddiqui, DS Consulting, Inc.; two members of the public called in for the meeting.

Ms. Ford advised that the Legislative Committee (Committee of the Whole) of the Annuity and Pension Board 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 Committee may then vote to reconvene in open session following the closed session.

Update Regarding RFP Responses for Management Recruiting Firm.

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

The Committee convened in closed session at 9:03 a.m.

The Committee reconvened in open session at 9:42 a.m.

Consider Amending the Board Rules and Regulations at II.B.2. Selection Process And Elections to change the time from 8:00 a.m. to 9:30 a.m. per signage at the U.S. Post Office. Language in the Board Rules and Regulations currently reads: “Ballots will be removed from the post office box not later than 8:00 a.m. the day of the election and results will be tabulated in City Hall as specified by the Board.”

Discussion ensued regarding the election language to include in the Board Rules and Regulations. This item was held over at the call of the Chair pending review of the language by legal counsel..

There being no further business to come before the meeting, it was moved by Mr. Bell, seconded by Mr. DeCleene, and unanimously carried, to adjourn the meeting.

Ms. Ford adjourned the meeting at 9:52 a.m.

Bernard J. Allen
Secretary and Executive Director

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

Minutes of the Investment Committee Meeting
held May 8, 2025 via teleconference

The meeting was called to order at 9:33 a.m.

Committee Members Present: Matthew Bell
Bill Christianson
Justin DeCleene
Deborah Ford
Timothy Heling
Rudy Konrad
Thomas Klusman, Chair
Nik Kovac

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

Others present: Mike Joecken, Munir Iman, Callan; Lauren Albanese, Financial News; Patrick McClain, Travis Gresham, City Attorney's Office; Terry Siddiqui, DS Consulting, Inc.; four members of the public called into the meeting.

Mr. Silber stated the ERS has several categories of investments and investment managers that manage the funds' investments on the ERS' behalf. He noted one of the categories is Public Equity. Mr. Silber said Public Equity investment managers manage investments that are publicly traded on the stock market. He commented that one of the current investment managers has had some organization and investment developments that Staff feels are notable and would like to discuss with the Committee and then request direction from the Committee. Mr. Silber stated these discussions need to be done in closed session for competitive and reputational reasons, so Staff is requesting of the Committee to now convene in closed session to discuss the matter.

Mr. Klusman advised that the Investment Committee may vote to convene in closed session on the following item as provided in Section 19.85(1)(e) and Section 19.85(1)(f), 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 and for considering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems or the investigation of charges against specific persons except where par. (b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations. The Investment Committee may then vote to reconvene in open session following the closed session.

Consider, Discuss, and Potentially Approve Recommendation regarding Public Equity Investment Manager Developments.

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

The Committee convened in closed session at 9:37 a.m.

The Committee re-convened in open session at 10:12 a.m.

It was moved by Mr. Konrad, seconded by Mr. Bell, and unanimously carried, to authorize the Chief Investment Officer to proceed as directed in the closed session.

Mr. Silber stated BlackRock is one of the investment managers that manages some of the ERS' Fixed Income and Public Equity investments. He said Fixed Income investment managers manage investments that mostly track the bond market and Public Equity investment managers manage investments that are publicly traded on the stock market. Mr. Silber said Staff would like the Committee to consider amending the current contract with BlackRock to update certain terms and conditions. He said that for competitive and bargaining reasons, to fully discuss the potential impact of these changes, review the proposed changes, and to obtain direction from the Committee, Staff requests that the Committee convene in closed session to discuss this matter.

Mr. Klusman 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.

Consider, Discuss, Potentially Negotiate, and Potentially Approve the BlackRock Institutional Trust Company, N.A. Contract Amendment.

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

The Committee convened in closed session at 10:20 a.m.

The Committee re-convened in open session at 10:36 a.m.

It was moved by Ms. Ford, seconded by Mr. DeCleene, and unanimously carried, to approve the BlackRock Institutional Trust Company in a Contract Amendment.

Approval of Statement of Investment Policy Update. As a matter of information, Committee members received the Statement of Investment Policy Update with a redline of the changes as well as a clean copy. Mr. Silber noted there are three pages to be updated in the Statement of Investment Policy. He commented that the Statement of Investment Policy is being updated to reflect the new asset allocation target weights that were approved as part of the Glide Path in April. Mr. Silber stated Fixed Income increased from 29% to 32%, stocks decreased from 39% to 36%, Absolute

Return increased from 7% to 9%, and Real Estate and Private Equity decreased by 1% each, respectively. He said the benchmark will become effective July 1, 2025 for performance reporting purposes. Mr. Silber noted he has begun taking some incremental steps to move the stock and bond allocations closer to their new targets. He noted \$68 million was added last month to Fixed Income managers. Mr. Silber said that they withdrew some money from international stock managers in April, all of whom had positive returns year-to-date. Mr. Silber said the Fund benefited by not selling any U.S. stocks in April, as the markets have seen a quick recovery from the April downturn. He said that they have begun to withdraw from U.S. stock managers in May and hope to make continued progress towards moving the Fund's allocations closer to their new targets over the next few months, while also balancing the need to raise cash for benefit payments.

It was moved by Mr. Christianson, seconded by Mr. Konrad, and unanimously carried, to approve the Approval of Statement of Investment Policy Update.

Callan Real Estate Presentation. As a matter of information, Committee members received the "Callan Real Estate Performance Review 4Q24." Mr. Iman provided the Real Estate Performance Review and presented information on the following topics: Market Overview, including U.S. Private Real Estate Performance: 4Q24, and U.S. Private Real Estate Market Trends; Portfolio Summary with Real Estate Objectives and Purpose, Real Estate Portfolio Summary, Portfolio Composition, Portfolio is Diversified by Property Type, Portfolio Returns Are Above Benchmark, and Returns by Style; Conclusions and Recommendations; and J.P. Morgan Strategic Property Fund Update.

Mr. Silber stated in the open session portion of the presentation, Callan had discussed ERS' Real Estate Allocation and he requested the Committee now needs to go into closed session to further expand into the details of certain aspects of the Real Estate Investments that cannot be discussed in open session for competitive and reputational reasons.

Mr. Klusman advised that the Investment Committee may vote to convene in closed session on the following item as provided in Section 19.85(1)(e) and Section 19.85(1)(f), 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 and for considering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems or the investigation of charges against specific persons except where par. (b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations. 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. Bell to convene in closed session. The motion prevailed by the following roll call: AYES: Ms. Ford; Messrs. Bell, Christianson, DeCleene, Heling, Klusman, Konrad, and Kovac. NOES: None.

The Committee convened in closed session at 11:01 a.m.

The Committee re-convened in open session at 11:16 a.m.

The Chair called for a break at 11:16 a.m.

The Chair resumed the meeting at 11:23 a.m.

CMERS 1st Quarter 2025 Performance Update. As a matter of information, Committee members received the 1st Quarter Performance Report. Mr. Sauer provided the Committee with an overview of the total Fund performance. He said Public Equity was down 1.6% during the 1st quarter while Fixed Income was up 2.8%, Real Assets was up 1.9%, Private Equity was up 3.0%, and Absolute Return was up 1.8% which led to a CMERS Benchmark return of 0.9%. Mr. Sauer discussed Relative Performance Expectations and said the Russell 3000 Value was only down 2.9%, which held up better than the Russell 3000 Growth which was down 8.4%. He noted the other biases went against the Fund, with Small Cap down 6.8% versus Large Cap which was down 5.8%. Mr. Sauer said Fixed Income with Loomis was up 2.3% versus 2.8% from the Bloomberg Agg. He mentioned for Private Equity that the negative 0.1% represents fees taken out of capital calls and he compared that to the benchmark of 3.0%. Mr. Sauer said for the first quarter the Fund was up 1.2% versus 0.9% for the CMERS benchmark. He noted that for the Total Fund Performance, the Fund outperformed in the quarter, but underperformed in the one- and three-year periods, with a nice outperformance in the longer term. Mr. Sauer said for the 1st Quarter Fund Attribution there was a nice benefit from Style Bias with International (Brandes and DFA International) and Value as well. He noted Private Equity detracted 40 basis points. Mr. Sauer said for the ERS' performance versus the universe, the quarter is above median at 48% and is underperforming over the one-year period with the benchmark being difficult to outperform. He noted three years is slightly below median, but there is a strong five-year number compared to the Fund's peers and the seven- and 10-year are just below the first quartile.

Mr. Dickerson then noted the Public Equity performance had a solid quarter relative to the benchmark with the Fund up 0.3%, net of fees and the benchmark returning minus 1.6%. He said over the annualized return periods, the Fund is below in the one-year period, but meeting or exceeding the benchmark in all the longer term periods. Mr. Dickerson said the rolling excess returns chart demonstrates good excess returns on the Public Equity side. He said with respect to the peer group, there was a strong performance in the 1st quarter with the Fund ranking in the top quartile and looking across all periods, the Fund is in the top half of the peer group with the exception of the one-year period. Mr. Dickerson said the five-year period ranks in the top quartile. He discussed the Public Equity Portfolio Snapshot and said weightings and financials increased by 1.3% from the previous quarter, information technology exposure decreased by 2.1% from the previous quarter, and he said it was not much of a surprise to see a move like this, given how value performed relative to growth and financials make up a large part of the value index and information technology makes up a large part of the growth index. Mr. Dickerson discussed the weightings in North America versus European-developed markets and noted exposure in North America decreased by 1.7%, and Europe increased by 1.3%. He said for the Top 10 Holdings, TSMC moved into the third-largest position, replacing NVIDIA who is now in the fourth-largest position. Mr. Dickerson said Tencent Holdings is the ninth-largest holding. He stated for the Top 10 Managers, the BlackRock Russell 1000 Value Index moved into the top five, swapping spots with the Northern Trust S&P 500 Index Fund. He discussed the Public Equity Statistics, and Public Equity Valuation Characteristics, and said both were looking as they should. Mr. Dickerson said from an individual manager performance perspective, DFA International, Brandes, and BlackRock Global

Alpha Tilts all outperformed during the quarter. He stated DFA International, the performance could be attributed to the value factor and exposure from international banks which had a strong quarter, Brandes' performance could be attributed to strong stock selection within consumer discretion and health care and an overweight to the consumer staple section which outperformed during the quarter. Mr. Dickerson stated for the Relative Investment Performance of the Active Equity Managers, there were more underperforming managers than outperforming managers, with the exception of Blair, but the underperformance is not cause for alarm. He said Blair's performance was impacted from their stock selection within consumer discretionary and financials as well as their positioning and stock selection within information technology. Mr. Dickerson said MFS' performance was driven by stock selection within industrials and health care and an underweight position in energy which impacted performance. He then discussed Fixed Income and said, net of fees, Fixed Income underperformed the Bloomberg US Aggregate Index by 2.8% and the portfolio returned 2.7%, but with outperformance over the longer terms. Mr. Dickerson stated the portfolio fell below the benchmark from a peer group perspective rating, coming in at the 44th percentile and the benchmark was at the 41st percentile. He noted for the manager performance, Loomis underperformed by 0.5% and Reams outperformed by 0.1%. Mr. Dickerson said the BlackRock Index tracked the index closely. He stated for the Absolute Return Managers, both were able to generate positive performance over the quarter, but Aptitude did underperform the benchmark by 1.5% and UBS outperformed by 0.1% with solid outperformance over the first three quarters. Mr. Sauer then provided the Performance Update and stated the estimated market value was \$6.02 billion as of May 7, 2025. He noted the Fund is expected to have a positive return in April, even with the April 2nd Liberation Day tariff announcements causing the market to drop, but he said the Fund ended up getting most of that back. Mr. Sauer said the Fund was up 0.2% in April, even with a lot of volatility throughout the month and against the benchmark of up 0.5%. He stated that month-to-date through May 7, the Fund was up 0.4% versus the 0.4% benchmark. He noted that year-to-date through May 7, the Fund was up 1.8% versus 1.9% for the benchmark. Discussion ensued.

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

There being no further business, Mr. Klusman adjourned the meeting at 11:49 a.m.

Bernard J. Allen
Secretary and Executive Director

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Fiscal Year
2025
Department
Employees' Retirement System

City of Milwaukee
Departmental
Appropriation Budget Balances

As of: 2025-05-31

	Budget	2025-1	2025-2	2025-3	2025-4	2025-5	Year to Date Expended	Life to Date Commitments	Remaining Budget
<i>Regular Departmental Appropriations:</i>									
Employee Salaries & Wages	5,379,533.00	-	-	-	-	-	-	-	5,379,533.00
Base Pay-Salary & Wage	-	438,820.69	382,097.32	365,469.93	355,770.88	-	1,542,158.82	-	(1,542,158.82)
Time Paid Not Worked	-	191,193.94	28,078.83	44,798.75	54,206.03	-	318,277.55	-	(318,277.55)
Employee Salaries & Wages	\$ 5,379,533.00	630,014.63	410,176.15	410,268.68	409,976.91	-	\$ 1,860,436.37	\$ -	\$ 3,519,096.63
Fringe Benefits Applied	2,420,790.00	-	-	-	-	-	-	-	2,420,790.00
Fringe Benefits Applied	-	207,342.80	180,540.97	172,684.56	88,900.32	-	649,468.65	-	(649,468.65)
Applied Employee Benefits	\$ 2,420,790.00	207,342.80	180,540.97	172,684.56	88,900.32	-	\$ 649,468.65	\$ -	\$ 1,771,321.35
Operating Expenditures	16,013,400.00	-	-	-	-	-	-	-	16,013,400.00
Office Supplies	-	527.71	788.63	525.29	804.83	-	2,646.46	-	(2,646.46)
Magazines, Subscription	-	950.40	1,214.18	237.99	612.99	-	3,015.56	-	(3,015.56)
Postal and Mailing Services	-	217.09	13,313.23	13,251.11	550.59	72.62	27,404.64	-	(27,404.64)
Electricity	-	3,968.65	4,100.83	4,080.97	3,095.05	-	15,245.50	-	(15,245.50)
Other Operating Supply	-	-	-	3,394.81	-	-	3,394.81	-	(3,394.81)
Building Rental	-	76,728.04	40,443.40	40,002.78	40,568.74	-	197,742.96	-	(197,742.96)
Printing & Dupl Machine Rental	-	(2,298.48)	3,298.94	2,026.05	1,142.31	-	4,168.82	-	(4,168.82)
Consulting	-	(7,500.00)	46,521.43	50,932.58	39,465.58	37,407.58	166,827.17	-	(166,827.17)
Medical, Surgical & Lab	-	8,494.87	6,974.33	942.31	27,913.02	-	44,324.53	-	(44,324.53)
Administrative Charges	-	4,223.66	192,229.64	86,152.92	35,651.65	29,019.64	347,277.51	-	(347,277.51)
Other Professional Services	-	(1,328,007.96)	1,153,906.29	75,000.00	657,346.58	-	558,244.91	-	(558,244.91)
Systems Support	-	-	56,107.36	50,888.24	54,746.60	13,572.00	175,314.20	-	(175,314.20)
IT Infrastructure	-	-	9,448.00	56.82	-	-	9,504.82	-	(9,504.82)
Infrastructure	-	-	2,228.08	5,636.34	-	-	7,864.42	-	(7,864.42)
Telephone, Communications	-	2,275.59	10,981.43	7,393.58	8,589.61	200.00	29,440.21	-	(29,440.21)
Bldgs-Machinery & Equip Repair	-	-	4,017.00	-	1,370.73	-	5,387.73	-	(5,387.73)
Travel & Subsistence	-	1,285.10	3,572.57	2,032.70	2,257.09	-	9,147.46	-	(9,147.46)
Printing Services	-	-	899.15	-	24,224.73	-	25,123.88	-	(25,123.88)
Insurance-Non Health	-	12,398.00	-	-	-	-	12,398.00	-	(12,398.00)
Other Misc Services	-	740.00	13,561.02	292.62	950.80	246.90	15,791.34	-	(15,791.34)
Operating Expenditures	\$ 16,013,400.00	(1,225,997.33)	1,563,605.51	342,847.11	899,290.90	80,518.74	\$ 1,660,264.93	\$ -	\$ 14,353,135.07
All Equipment	713,000.00	-	-	-	-	-	-	-	713,000.00
Computer Server & Components	-	-	66,403.27	-	44,324.55	84,127.70	194,855.52	-	(194,855.52)
Total Equipment	\$ 713,000.00	-	66,403.27	-	44,324.55	84,127.70	\$ 194,855.52	\$ -	\$ 518,144.48
Total Regular Class	\$ 24,526,723.00	(388,639.90)	2,220,725.90	925,800.35	1,442,492.68	164,646.44	\$ 4,365,025.47	\$ -	\$ 20,161,697.53
<i>Other Departmental Appropriations:</i>									
Group Life Insurance Premium	4,200,000.00	351,955.38	345,399.02	336,415.67	332,973.63	-	1,366,743.70	-	2,833,256.30
Retiree's Benefit Adjustment	25,000.00	1,144.68	1,144.68	1,144.68	1,144.68	-	4,578.72	-	20,421.28
Other Classes	\$ 4,225,000.00	353,100.06	346,543.70	337,560.35	334,118.31	-	\$ 1,371,322.42	\$ -	\$ 2,853,677.58
Total Dept Appropriations	\$ 28,751,723.00	(35,539.84)	2,567,269.60	1,263,360.70	1,776,610.99	164,646.44	\$ 5,736,347.89	\$ -	\$ 23,015,375.11

Monthly Board Report

30-Apr-25

Account number COMALL

CITY OF MILW ALL ACCTS

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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-CASH ACCOUNT 2605491	0.00 0.00%	82,194,645.37 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	82,194,645.37 1.35%
MILWAUKEE-THE NORTHERN TRS 2605496	0.00 0.00%	0.00 0.00%	195,652,683.40 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	195,652,683.40 3.21%
MILWAUKEE-ERS EXPENSE FUND 2605504	0.00 0.00%	217,146.08 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	217,146.08 0.00%
MILWAUKEE-PABF BENEFIT PAYMENT 2610128	0.00 0.00%	2,500.22 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	2,500.22 0.00%
MILWAUKEE-DFA INTERNATIONAL 2619838	0.00 0.00%	0.00 0.00%	168,353,929.60 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	168,353,929.60 2.77%
MILWAUKEE-EARNEST -SL 2630942	0.00 0.00%	2,186,487.82 1.33%	162,331,078.40 98.67%	0.00 0.00%	0.00 0.00%	0.00 0.00%	164,517,566.20 2.70%
MILWAUKEE - UBS A&Q 2637239	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	284,925,565.40 100.00%	0.00 0.00%	284,925,565.40 4.68%
MILWAUKEE-DFA 2637848	0.00 0.00%	0.00 0.00%	173,588,427.80 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	173,588,427.80 2.85%
MILWAUKEE-BAIRD 2674604	0.00 0.00%	33,330,106.19 36.56%	0.00 0.00%	58,211,176.40 63.86%	0.00 0.00%	-380,918.45 -0.42%	91,160,364.14 1.50%
MILWAUKEE - BLACKROCK R1000V 4472746	0.00 0.00%	0.00 0.00%	194,196,043.80 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	194,196,043.80 3.19%
MILWAUKEE-LOOMIS SAYLE CME01	31,008,607.10 6.27%	0.00 0.00%	4,676,801.40 0.95%	670,052,488.00 135.44%	-206,501,960.90 -41.74%	-4,501,741.04 -0.91%	494,734,194.50 8.13%
MILWAUKEE-BRANDES INT'L EQUITY CME03	1,728,137.20 0.56%	0.00 0.00%	302,487,005.60 98.67%	0.00 0.00%	2,345,703.62 0.77%	0.00 0.00%	306,560,846.40 5.04%
MILWAUKEE-REAMS CME04	136,596,835.60 17.15%	0.00 0.00%	0.00 0.00%	900,631,496.70 113.05%	4,147,307.28 0.52%	-244,681,975.10 -30.71%	796,693,664.50 13.09%
MILWAUKEE-BLAIR CME05	4,160,433.13 1.93%	0.00 0.00%	210,318,778.80 97.54%	0.00 0.00%	1,178,984.09 0.55%	-40,115.61 -0.02%	215,618,080.40 3.54%
MILWAUKEE-MFS CME12	3,360,660.43 1.67%	0.00 0.00%	197,046,213.40 98.09%	0.00 0.00%	470,756.00 0.23%	0.00 0.00%	200,877,629.80 3.30%

Monthly Board Report

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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-POLEN 2644553	0.00 0.00%	1,971,652.53 1.73%	111,840,332.60 98.27%	0.00 0.00%	0.00 0.00%	0.00 0.00%	113,811,985.10 1.87%
MILWAUKEE - PRINCIPAL DRA -SL 2677436	0.00 0.00%	0.00 0.00%	187,376,326.70 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	187,376,326.70 3.08%
MILWAUKEE-BLACKROCK GLOBAL-SL 2683493	0.00 0.00%	0.00 0.00%	250,518,303.80 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	250,518,303.80 4.11%
MILWAUKEE - MESIROW IX / 4421480 4421480	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	11,040,000.00 100.00%	0.00 0.00%	11,040,000.00 0.18%
MILWAUKEE - ABBOTT 2025 / 4430172 4430172	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	1,800,000.00 100.00%	0.00 0.00%	1,800,000.00 0.03%
MILWAUKEE- AQR-SL 4468331	0.00 0.00%	0.00 0.00%	102,895,111.00 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	102,895,111.00 1.69%
MILWAUKEE-APTITUDE / 4479682 4479682	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	195,532,931.70 100.00%	0.00 0.00%	195,532,931.70 3.21%
MILWAUKEE-CME03 SANCTIONED P/F / CME103 CME103	0.00 0.00%	0.00 0.00%	2,821,313.13 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	2,821,313.13 0.05%
MILWAUKEE - DFA US LCV CME15	486,252.08 0.35%	0.00 0.00%	139,086,795.60 99.59%	0.00 0.00%	0.00 0.00%	92,179.56 0.07%	139,665,227.20 2.29%
MILWAUKEE-PRIVATE EQUITY MULTIPLE	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	753,980,844.00 100.00%	0.00 0.00%	753,980,844.00 12.38%
MILWAUKEE-REAL ESTATE MULTIPLE	0.00 0.00%	-87,648.96 -0.02%	0.00 0.00%	0.00 0.00%	490,266,090.90 100.14%	-580,761.35 -0.12%	489,597,680.59 8.04%
MILWAUKEE - BLACKROCK US G-SL MULTIPLE	0.00 0.00%	0.00 0.00%	0.00 0.00%	469,957,025.00 100.00%	0.00 0.00%	0.00 0.00%	469,957,025.00 7.72%

Monthly Board Report

30-Apr-25

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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	177,340,925.54	119,814,889.25	2,403,189,145.03	2,098,852,186.10	1,539,186,222.09	-250,093,331.99	6,088,290,035.83
% for consolidation	2.91%	1.97%	39.47%	34.47%	25.28%	-4.11%	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: 2025
As of APRIL 30, 2025

Date	<u>Amounts Expended</u>			Balance
	Income From Lending	Fees	Administrative Transfers	
Balance 12-31-24				\$919,258.43
Quarter 1 Totals	\$213,231.68	\$41,240.76	\$920,000.00	\$171,249.35
04/03/25	\$536.57	\$0.00	\$0.00	\$171,785.92
04/15/25	\$55,950.13	\$11,183.69	\$0.00	\$216,552.36
Current Totals	<u>\$269,718.38</u>	<u>\$52,424.45</u>	<u>\$920,000.00</u>	<u><u>\$216,552.36</u></u>

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

MERS PERFORMANCE ESTIMATES
April 30, 2025

Account	2024 Return	1st Quarter 2025	Apr 2025	YTD Thru 4/30/2025
Northern Trust S&P 500 Index	25.00%	-4.27%	-0.68%	-4.92%
S&P 500	<u>25.02%</u>	<u>-4.27%</u>	<u>-0.68%</u>	<u>-4.92%</u>
Difference	-0.02%	0.00%	0.00%	0.00%
BlackRock Russell 1000 Value Index	14.38%	2.14%	-3.05%	-0.97%
Russell 1000 Value	<u>14.37%</u>	<u>2.14%</u>	<u>-3.05%</u>	<u>-0.98%</u>
Difference	0.01%	0.00%	0.00%	0.00%
DFA US Large Cap Value	13.84%	2.11%	-4.50%	-2.49%
Russell 1000 Value	<u>14.37%</u>	<u>2.14%</u>	<u>-3.05%</u>	<u>-0.98%</u>
Difference	-0.53%	-0.02%	-1.46%	-1.51%
Polen	16.07%	-5.80%	-0.46%	-6.24%
S&P 500	<u>25.02%</u>	<u>-4.27%</u>	<u>-0.68%</u>	<u>-4.92%</u>
Difference	-8.95%	-1.53%	0.21%	-1.32%
Earnest	8.19%	-3.31%	-3.14%	-6.34%
Russell MidCap	<u>15.34%</u>	<u>-3.40%</u>	<u>-1.03%</u>	<u>-4.40%</u>
Difference	-7.15%	0.09%	-2.10%	-1.94%
DFA US Small Cap Value	7.87%	-8.03%	-5.17%	-12.78%
Russell 2000 Value	<u>8.05%</u>	<u>-7.74%</u>	<u>-4.02%</u>	<u>-11.45%</u>
Difference	-0.19%	-0.28%	-1.15%	-1.33%
Brandes	7.09%	10.38%	3.68%	14.45%
MSCI EAFE	<u>3.82%</u>	<u>6.86%</u>	<u>4.58%</u>	<u>11.76%</u>
Difference	3.27%	3.52%	-0.90%	2.69%
William Blair	3.44%	0.00%	4.61%	4.61%
MSCI ACWI ex US	<u>6.09%</u>	<u>5.36%</u>	<u>3.69%</u>	<u>9.25%</u>
Difference	-2.65%	-5.36%	0.92%	-4.64%
DFA Int'l Small Cap Value	7.89%	10.35%	4.51%	15.33%
MSCI EAFE Small Cap	<u>1.82%</u>	<u>3.69%</u>	<u>5.80%</u>	<u>9.71%</u>
Difference	6.07%	6.67%	-1.29%	5.62%
AQR	6.62%	1.25%	-0.14%	1.11%
MSCI EM	<u>7.50%</u>	<u>2.93%</u>	<u>1.31%</u>	<u>4.28%</u>
Difference	-0.89%	-1.68%	-1.45%	-3.17%
BlackRock Global Alpha Tilts	18.98%	-0.95%	0.67%	-0.29%
MSCI ACWI	<u>17.49%</u>	<u>-1.32%</u>	<u>0.93%</u>	<u>-0.40%</u>
Difference	1.49%	0.37%	-0.26%	0.11%
MFS	11.87%	-3.28%	0.03%	-3.25%
MSCI ACWI	<u>17.49%</u>	<u>-1.32%</u>	<u>0.93%</u>	<u>-0.40%</u>
Difference	-5.62%	-1.95%	-0.90%	-2.85%
BlackRock Gov't Bond Index	0.79%	2.91%	0.63%	3.56%
Bloomberg Gov't Bond	<u>0.62%</u>	<u>2.91%</u>	<u>0.63%</u>	<u>3.56%</u>
Difference	0.16%	0.00%	0.00%	0.00%
Reams	1.76%	2.91%	0.48%	3.40%
Bloomberg US Aggregate	<u>1.25%</u>	<u>2.78%</u>	<u>0.39%</u>	<u>3.18%</u>
Difference	0.51%	0.13%	0.08%	0.22%
Loomis Sayles	5.26%	2.35%	0.58%	2.95%
Bloomberg US Aggregate	<u>1.25%</u>	<u>2.78%</u>	<u>0.39%</u>	<u>3.18%</u>
Difference	4.01%	-0.43%	0.19%	-0.23%
UBS	10.57%	2.12%	0.45%	2.58%
SOFR + 4%	<u>9.31%</u>	<u>2.06%</u>	<u>0.68%</u>	<u>2.75%</u>
Difference	1.26%	0.06%	-0.23%	-0.17%
Aptitude	13.15%	0.51%	1.20%	1.71%
SOFR + 4%	<u>9.31%</u>	<u>2.06%</u>	<u>0.68%</u>	<u>2.75%</u>
Difference	3.84%	-1.55%	0.52%	-1.04%
Principal	3.28%	3.39%	-0.07%	3.32%
Blended Benchmark	<u>4.21%</u>	<u>4.73%</u>	<u>0.16%</u>	<u>4.90%</u>
Difference	-0.93%	-1.34%	-0.23%	-1.58%
Baird	5.16%	1.37%	0.54%	1.91%
Bloomberg Govt/Credit 1-3 Year	<u>4.36%</u>	<u>1.63%</u>	<u>0.76%</u>	<u>2.39%</u>
Difference	0.80%	-0.25%	-0.22%	-0.48%
Total MERS	6.85%	1.18%	0.28%	1.47%

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 return reported by the custodian.

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

ACTUAL ALLOCATIONS

April 30, 2025

		Target*	Market Value	Allocation
EQUITY				
Public Equity				
Domestic				
Passive Large Cap Equity	Northern Trust (S&P 500)	3.19%	\$ 195,652,683	3.26%
	BlackRock (Russell 1000 Value)	3.19%	\$ 194,196,044	3.24%
	Sub-Total Passive Large Cap Equity	6.37%	\$ 389,848,727	6.50%
Active Large Cap Equity	Polen (S&P 500)	1.79%	\$ 113,811,985	1.90%
	DFA (Russell 1000 Value)	2.28%	\$ 139,665,227	2.33%
	Sub-Total Active Large Cap Equity	4.06%	\$ 253,477,212	4.22%
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	2.95%	\$ 164,517,566	2.74%
	DFA (Russell 2000 Value)	2.81%	\$ 173,588,428	2.89%
	Sub-Total Active Mid/Small Cap Equity	5.76%	\$ 338,105,994	5.63%
Total Domestic		16.20%	\$ 981,431,934	16.36%
International				
Active International Equity	Brandes (MSCI EAFE)	4.74%	\$ 309,382,160	5.16%
	William Blair (MSCI ACWI ex US)	3.61%	\$ 215,618,080	3.59%
	DFA (MSCI EAFE Small Cap)	2.62%	\$ 168,353,930	2.81%
	AQR (MSCI EM)	1.63%	\$ 102,895,111	1.71%
Total International		12.60%	\$ 796,249,281	13.27%
Global				
Active Global Equity	BlackRock (MSCI ACWI)	3.96%	\$ 250,518,304	4.17%
	MFS (MSCI ACWI)	3.24%	\$ 200,877,630	3.35%
Total Global		7.20%	\$ 451,395,934	7.52%
Total Public Equity		36.00%	\$ 2,229,077,148	37.15%
Private Equity				
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	3.85%	\$ 297,809,244	4.96%
	Mesirow (Russell 3000 Quarter Lag + 2%)	3.85%	\$ 289,495,979	4.82%
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.65%	\$ 78,704,595	1.31%
	Apogem (Russell 3000 Quarter Lag + 2%)	1.65%	\$ 100,811,026	1.68%
Total Private Equity		11.00%	\$ 766,820,844	12.78%
TOTAL EQUITY (Public Equity + Private Equity)		47.00%	\$ 2,995,897,992	49.93%
FIXED INCOME & ABSOLUTE RETURN				
Fixed Income				
Cash		1.00%	\$ 82,414,292	1.37%
Passive Fixed Income	BlackRock (Bloomberg US Government)	8.00%	\$ 469,957,025	7.83%
	Reams (Bloomberg US Aggregate)	14.20%	\$ 796,693,664	13.28%
Active Fixed Income	Loomis Sayles (Bloomberg US Aggregate)	8.81%	\$ 494,734,195	8.24%
	Sub-Total Active Fixed Income	23.00%	\$ 1,291,427,859	21.52%
Total Fixed Income		32.00%	\$ 1,843,799,176	30.73%
Absolute Return				
	Aptitude (SOFR + 4%)	3.86%	\$ 197,873,332	3.30%
	UBS (SOFR + 4%)	5.14%	\$ 286,207,730	4.77%
Total Absolute Return		9.00%	\$ 484,081,062	8.07%
TOTAL FIXED INCOME & ABSOLUTE RETURN		41.00%	\$ 2,327,880,238	38.79%
REAL ASSETS				
Private Real Estate - Core	JP Morgan (NFI-ODCE)	2.24%	\$ 93,607,728	1.56%
	Morgan Stanley (NFI-ODCE)	2.42%	\$ 146,952,302	2.45%
	LaSalle (NFI-ODCE)	2.06%	\$ 107,412,877	1.79%
	Prologis (NFI-ODCE)	1.17%	\$ 82,960,545	1.38%
	Harrison Street (NFI-ODCE)	0.81%	\$ 49,616,461	0.83%
	Sub-Total Private Real Estate - Core	8.70%	\$ 480,549,914	8.01%
Private Real Estate - Non-Core	Non-Core Real Estate (NFI-ODCE)	0.00%	\$ 9,047,767	0.15%
Public Real Assets	Principal (Blended Benchmark)	3.30%	\$ 187,376,327	3.12%
TOTAL REAL ASSETS		12.00%	\$ 676,974,007	11.28%
TOTAL ERS			\$ 6,000,752,237	100.00%
Total City Reserve Fund			R. W. Baird	91,160,364

* Reflects targets approved at April 10, 2025 Investment Committee Meeting

PROJECTED TARGET ALLOCATIONS

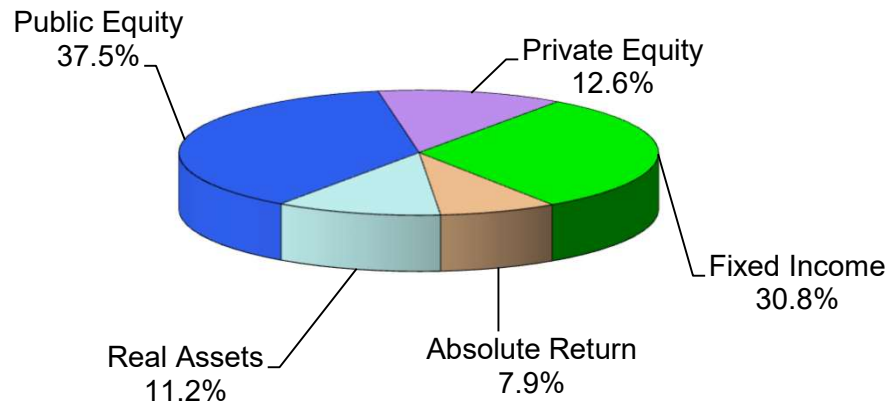
May 20, 2025

		Target*	Market Value	Allocation
EQUITY				
Public Equity				
Domestic				
Passive Large Cap Equity	Northern Trust (S&P 500)	3.19%	\$ 201,547,793	3.30%
	BlackRock (Russell 1000 Value)	3.19%	\$ 196,162,096	3.21%
	Sub-Total Passive Large Cap Equity	6.37%	\$ 397,709,889	6.51%
Active Large Cap Equity	Polen (S&P 500)	1.79%	\$ 116,677,937	1.91%
	DFA (Russell 1000 Value)	2.28%	\$ 141,099,550	2.31%
	Sub-Total Active Large Cap Equity	4.06%	\$ 257,777,487	4.22%
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	2.95%	\$ 174,317,941	2.85%
	DFA (Russell 2000 Value)	2.81%	\$ 181,554,581	2.97%
	Sub-Total Active Mid/Small Cap Equity	5.76%	\$ 355,872,522	5.83%
Total Domestic		16.20%	\$ 1,011,359,898	16.56%
International				
Active International Equity	Brandes (MSCI EAFE)	4.74%	\$ 309,742,315	5.07%
	William Blair (MSCI ACWI ex US)	3.61%	\$ 227,400,448	3.72%
	DFA (MSCI EAFE Small Cap)	2.62%	\$ 165,889,107	2.72%
	AQR (MSCI EM)	1.63%	\$ 108,132,994	1.77%
Total International		12.60%	\$ 811,164,865	13.28%
Global				
Active Global Equity	BlackRock (MSCI ACWI)	3.96%	\$ 264,948,238	4.34%
	MFS (MSCI ACWI)	3.24%	\$ 205,182,112	3.36%
Total Global		7.20%	\$ 470,130,350	7.70%
Total Public Equity		36.00%	\$ 2,292,655,112	37.53%
Private Equity				
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	3.85%	\$ 297,809,244	4.88%
	Mesirow (Russell 3000 Quarter Lag + 2%)	3.85%	\$ 289,495,979	4.74%
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.65%	\$ 79,645,581	1.30%
	Apogem (Russell 3000 Quarter Lag + 2%)	1.65%	\$ 100,811,026	1.65%
Total Private Equity		11.00%	\$ 767,761,830	12.57%
TOTAL EQUITY (Public Equity + Private Equity)		47.00%	\$ 3,060,416,942	50.10%
FIXED INCOME & ABSOLUTE RETURN				
Fixed Income				
Cash				
		1.00%	\$ 126,806,564	2.08%
Passive Fixed Income	BlackRock (Bloomberg US Government)	8.00%	\$ 462,500,582	7.57%
Active Fixed Income	Reams (Bloomberg US Aggregate)	14.20%	\$ 787,919,779	12.90%
	Loomis Sayles (Bloomberg US Aggregate)	8.81%	\$ 505,394,436	8.27%
	Sub-Total Active Fixed Income	23.00%	\$ 1,293,314,216	21.17%
Total Fixed Income		32.00%	\$ 1,882,621,361	30.82%
Absolute Return				
	Aptitude (SOFR + 4%)	3.86%	\$ 197,873,332	3.24%
	UBS (SOFR + 4%)	5.14%	\$ 286,207,730	4.69%
Total Absolute Return		9.00%	\$ 484,081,062	7.92%
TOTAL FIXED INCOME & ABSOLUTE RETURN		41.00%	\$ 2,366,702,423	38.74%
REAL ASSETS				
Private Real Estate - Core	JP Morgan (NFI-ODCE)	2.24%	\$ 93,607,728	1.53%
	Morgan Stanley (NFI-ODCE)	2.42%	\$ 146,952,302	2.41%
	LaSalle (NFI-ODCE)	2.06%	\$ 107,412,830	1.76%
	Prologis (NFI-ODCE)	1.17%	\$ 82,960,545	1.36%
	Harrison Street (NFI-ODCE)	0.81%	\$ 49,616,461	0.81%
	Sub-Total Private Real Estate - Core	8.70%	\$ 480,549,866	7.87%
Private Real Estate - Non-Core	Non-Core Real Estate (NFI-ODCE)	0.00%	\$ 9,127,667	0.15%
Public Real Assets	Principal (Blended Benchmark)	3.30%	\$ 191,727,963	3.14%
TOTAL REAL ASSETS		12.00%	\$ 681,405,495	11.15%
TOTAL ERS			\$ 6,108,524,861	100.00%
Total City Reserve Fund		R. W. Baird	91,134,940	

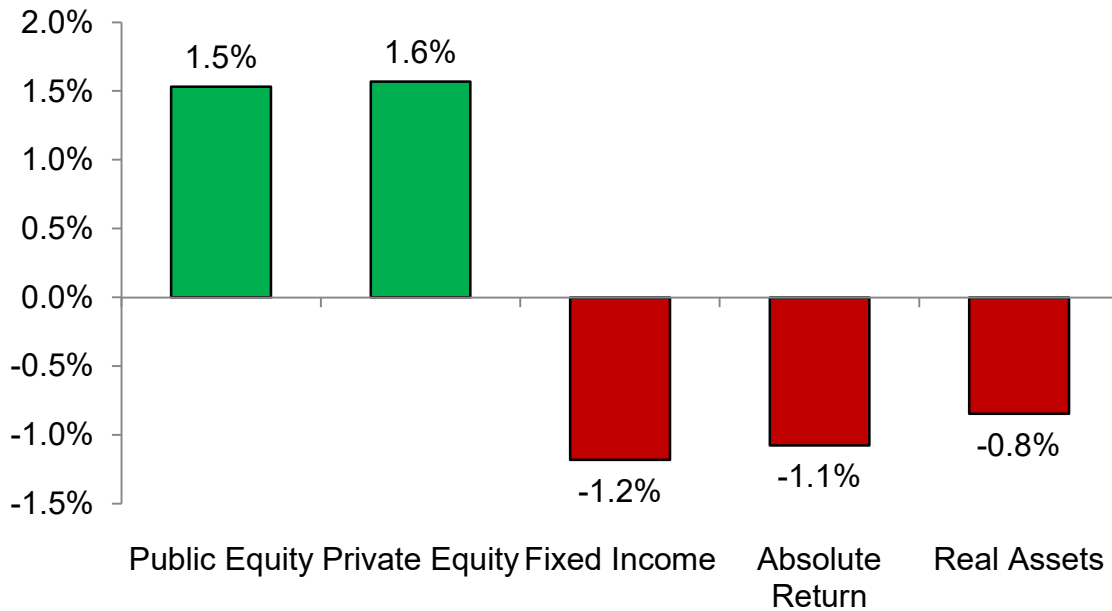
* Reflects targets approved at April 10, 2025 Investment Committee Meeting

PROJECTED VERSUS POLICY ALLOCATIONS

Asset Mix Using Projected Balances



Asset Allocation vs. Targets Approved April 10, 2025



YTD Market Value Change

December 31, 2024 Market Value including City Reserve & PABF Accounts			\$ 5,946,620,135
Monthly Cash Outflows thru	<u>May 20, 2025</u>		
Retiree Payroll Expense		\$ (162,129,081)	
PABF Payroll Expense		\$ -	
Expenses Paid		\$ (7,532,553)	
GPS Benefit Payments		\$ (1,877,855)	
Sub-Total Monthly Cash Outflows			\$ (171,539,490)
Monthly Cash Inflows thru	<u>May 20, 2025</u>		
Contributions		\$ 223,365,189	
PABF Contribution		\$ -	
Sub-Total Monthly Contributions			\$ 223,365,189
Capital Market Gain/(Loss)			<u>\$ 201,213,967</u>
Value including City Reserve & PABF Accounts as of	<u>May 20, 2025</u>		<u>\$ 6,199,659,801</u>
Less City Reserve Account ¹			\$ 91,134,940
Less PABF Fund ²			\$ 2,506
Net Projected ERS Fund Value as of	<u>May 20, 2025</u>		<u><u>\$ 6,108,522,355</u></u>

1 The City Reserve Account balance equals the market value currently held in the Baird account.

2 PABF Fund balance equals the market value currently held in the PABF account.

2025 ESTIMATED MONTHLY CASH FLOWS

Revised 5/21/2025

(in 000's)

	12/31/2024	1/31/2025	2/28/2025	3/31/2025	4/30/2025	5/31/2025	6/30/2025	7/31/2025	8/31/2025	9/30/2025	10/31/2025	11/30/2025	
<u>Beginning Cash Account Balance</u>													
Townsend Cash Account	-	-	-	-	-								
Cash Contribution Account	-	-	-	-	-								
Milwaukee Cash Account	34,353	195,240	158,015	139,991	81,748								
Total Cash Available	34,353	195,240	158,015	139,991	81,748								
Less: Estimated Cash Needs for non-Investment Outflows	41,500	41,500	41,500	41,500	41,500								
Cash Available for Other Outflows	(7,147)	153,740	116,515	98,491	40,248								
<u>For Monthly Cash Outflows of:</u>													
Retiree Payroll Expense	(40,813)	(40,842)	(41,260)	(41,092)	(41,406)	(41,509)	(41,611)	(41,714)	(41,817)	(41,920)	(42,024)	(42,128)	(498,136)
Normal Retirement Payroll	(40,298)	(40,408)	(40,619)	(40,804)	(40,906)	(41,009)	(41,111)	(41,214)	(41,317)	(41,420)	(41,524)	(41,628)	(492,258)
Retiree Lump Sum Payments	(516)	(434)	(641)	(288)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(5,878)
Real Estate Capital Calls	(12,520)	-	-	-	-	-	-	-	-	-	-	-	(12,520)
Private Equity Capital Calls	(8,260)	(15,113)	(4,839)	(849)	(3,360)	-	-	-	-	-	-	-	(32,421)
Expenses Paid through City	(2,044)	(700)	(1,907)	(986)	(1,896)	(2,044)	(2,044)	(2,044)	(2,044)	(2,044)	(2,044)	(2,044)	(21,841)
PABF Payroll	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total Monthly Cash Outflows	(63,637)	(56,655)	(48,005)	(42,927)	(46,662)	(43,553)	(43,655)	(43,758)	(43,861)	(43,964)	(44,068)	(44,172)	(564,917)
<u>For Monthly Cash Inflows:</u>													
Sponsoring Agency and Employee Contribution	3,917	2,634	2,602	2,595	2,601	2,608	3,917	2,614	2,621	2,628	2,634	2,641	34,012
Real Estate Distributions	5,561	-	61	5,841	-	-	-	-	-	-	-	-	11,463
Private Equity Distributions	4,304	4,931	8,995	2,632	1,402	-	-	-	-	-	-	-	22,264
Miscellaneous Income	219	865	616	615	447	400	400	400	400	400	400	400	5,561
Security Lending Transfer	920	-	-	-	-	-	-	-	-	-	-	-	920
City and Agency Required Contribution	209,603	-	706	-	-	-	-	-	-	-	-	-	210,309
PABF Inflow	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total Monthly Cash Inflows	224,524	8,430	12,980	11,684	4,450	3,008	4,317	3,014	3,021	3,028	3,034	3,041	284,531
Net Monthly Cash Inflows/(Outflows) Before Withdrawals	160,887	(48,225)	(35,025)	(31,243)	(42,213)	(40,545)	(39,338)	(40,744)	(40,840)	(40,937)	(41,034)	(41,131)	(280,386)
Net Monthly Cash Surplus (Need)	153,740	105,515	81,491	67,248	(1,965)	(40,545)	(39,338)	(40,744)	(40,840)	(40,937)	(41,034)	(41,131)	121,461
<u>Monthly Cash Withdrawals (Additions)</u>													
AQR					5,500								
BlackRock Global Alpha Tilts													
BlackRock Russell 1000 Value Index					13,800								
BlackRock US Government Bond Index				(38,000)									
Blackrock US Debt Index Fund					(39,000)								
Brandes		11,000	11,000	13,000									
Dimensional Fund Advisors US Large Cap					9,900								
Dimensional Fund Advisors International			6,000	10,000	15,800								
Dimensional Fund Advisors US Small Cap					6,200								
Earnest													
Loomis Sayles					(11,000)								
MFS					7,100								
Northern Trust S&P 500 Index					14,100								
Polen					8,200								
Principal													
Reams				(30,000)									
Transition Account													
UBS A&Q													
Goldman/Aptitude													
William Blair				18,000									
Sub-Total Monthly Cash Withdrawals	-	11,000	17,000	(27,000)	52,300								
<u>Estimated Month-End Cash Balance</u>													
Cash Available	153,740	116,515	98,491	40,248	50,335								
Estimated Cash Needs for non-Investment Outflows	41,500	41,500	41,500	41,500	41,500								
Total Cash Estimated on Hand For Next Month	195,240	158,015	139,991	81,748	91,835								