

**REGULAR MEETING OF THE ANNUITY AND PENSION BOARD
EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
789 N. WATER ST. (Employees' Retirement System)
TUESDAY, JULY 22, 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 June 24, 2025.

II. Chief Investment Officer Report.

III. New Business.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (III.A.), 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.

- A. Consultation with Korn Ferry.
- B. Retirements, Death Claims, and Refunds (June).
- C. Conference Requests – July 22, 2025 Board Meeting.
- D. Approval of 2024 Basic Financial Statements - Unaudited.
- E. Approval to Suspend Disability Benefits for Non-Compliance with Outside Earnings Limitation.
- F. Approval of August Resolution.

IV. Medical Reports.

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

V. Unfinished Business.

- A. Pending Legal Opinions and Service Requests Report.
- B. Pending Legislation Report.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (V.C.), 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.

- C. Pending Litigation Report.
- D. Executive Director's Report – Inventory of ERS Projects.

VI. Informational.

- A. Conferences.
- B. Class Action Income 2025 YTD.
- C. Minutes of the Legislative Committee Meeting Held June 24, 2025.
- D. Report on Bills.
- E. Deployment of Assets.
- F. Securities Lending Revenue and Budget Report.
- G. Preliminary Performance Report and Asset Allocation.

MEETING REMINDERS

INVESTMENT COMMITTEE MEETING

THURSDAY, SEPTEMBER 4, 2025 – 9:00 A.M.
789 N. WATER ST.

ADMINISTRATION & OPERATIONS COMMITTEE MEETING

THURSDAY, SEPTEMBER 18, 2025 – 9:00 A.M.
789 N. WATER ST.

REGULAR MEETING OF THE ANNUITY AND PENSION BOARD

WEDNESDAY, SEPTEMBER 24, 2025 – 9:00 A.M.
789 N. WATER ST.

I.

APPROVAL OF MINUTES

- A. Regular Meeting Held June 24, 2025.

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

Minutes of the Regular Meeting
held June 24, 2025 via teleconference

The meeting was called to order at 9:30 a.m.

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

Board Members Not Present: Nik Kovac (excused)

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
 Gust Petropoulos, Deputy Director – Disability
 Mary Turk, Business Operations Analyst
 Jan Wills, Board Stenographer

Others Present: Larry Langer, Aaron Chochon, Cavanaugh Macdonald; Patrick McClain, Alex Foundos, City Attorney's Office; Lauren Albanese, Financial News; Terry Siddiqui, DS Consulting, Inc., 11 members of the public called in to the meeting.

Approval of Minutes.

Regular Meeting Held May 27, 2025. It was moved by Mr. Bell, seconded by Mr. Christianson, and unanimously carried, to approve the Regular Meeting Held May 27, 2025.

Chief Investment Officer Report. Mr. Sauer noted the Fund value as of May 31, 2025 was \$6.08 billion. He said the Fund return of 2.0%, net of fees, underperformed the blended benchmark by approximately 15 basis points. Mr. Sauer said for the primary drivers of relative performance, the main detractor was Public Equity Style Bias, which detracted 28 basis points and that was primarily from the Fund's Value bias. He said the Overall Allocation detracted 18 basis points. Mr. Sauer said Mr. Silber mentioned this at the last Investment Committee meeting that Staff had not changed the weights of the ERS benchmark yet to the new targets. Mr. Sauer noted the Fund was underweight Public Equity and overweight Fixed Income in a month where Public Equities were up which led to the 18 basis points of detraction. He said in Manager Selection, Private Equity

added 14 basis points, due to the private equity benchmark only being reported in quarter-end months while Q4 Private Equity statements came in in May and were slightly positive, so compared to a zero benchmark return, that added 14 basis points. Mr. Sauer said Loomis Sayles outperformed and added nine basis points to the Fund's returns. He said the Fund underperformed the benchmark in the year-to-date and one-year periods while outperforming in the longer time periods. Mr. Sauer stated through June 23, 2025, the Fund is up 0.8% month-to-date in June, which brings the year-to-date return up 4.3%, net of fees, and the Fund value to \$6.13 billion. He noted four out of the Fund's 14 active mandates are outperforming year to date. Mr. Sauer said the Fixed Income asset class outperformed its benchmark year to date, net of fees. He said Public Equity is on the cusp of outperformance versus underperformance. Mr. Sauer said year to date, the Fund had a change in the value of investments of \$263.8 million, received contributions of \$227.8 million, and paid out benefits and expenses of \$214.1 million. He said the monthly withdrawals are \$3.8 million from AQR, \$10 million from BlackRock Global Alpha Tilts and \$25 million from the Transition.

Mr. Silber added that Staff is pleased with the Fund's 2025 performance so far, particularly given all the uncertainties, whether it's economic policy or geopolitical, halfway through the calendar year. Mr. Silber said the ERS believes it is taking less risk and less volatility than many of its peers. He said diversification has benefited the Fund this year. Mr. Silber noted the Public Equity and Fixed Income weights are close to the new targets.

Investment Committee Report. Mr. Klusman stated at its June 5th meeting, Staff provided the Investment Committee with updates on the Fund's performance, upcoming initiatives, and rebalance activity with respect to moving the portfolio's asset allocations closer to the new targets approved in April. He said the Committee also heard presentations from two investment managers. Mr. Klusman noted Neuberger Berman gave a presentation that focused on the Private Equity market and the secondary investments their firm manages for the Fund. He stated MFS gave a presentation that focused on the global equity strategy their firm manages for the Fund. Mr. Klusman said finally, Callan led a Statement of Investment Policy Review. He commented that Callan walked through the document and highlighted suggestions for potentially improving the document. Mr. Klusman said since the Statement of Investment Policy is referenced within many of the Fund's investment manager agreements, Callan, Staff, and the City Attorney's Office agreed to discuss potential changes to the document together as a next step in the review process. He concluded that there were no approval items at this meeting.

Administration & Operations Committee Report. Mr. Heling said the A&O Committee was held on June 11 and there were two items for approval – the CliftonLarsonAllen Contract and the Approval of the DS Consulting Contract. He said Mr. Gopalan explained that the CLA Contract went through an RFQ process and they were the only ones that responded. He said CLA performed the financial audit in the past. Mr. Heling said, if approved, CLA would prepare the employer's schedules pursuant to GASB in the future. He noted the second contract for approval was the DS Consulting Contract which is Mr. Siddiqui. Mr. Heling said Mr. Allen stated how crucial Mr. Siddiqui is to the operation of the ERS system and does everything from the taxes to quality assurance for the MERITS system. He noted that his contract does not expire until next year, but with staff turnovers and planned retirements scheduled, he wanted to this resource as part of the management succession transition for the sake of operational continuity. Mr. Heling concluded

that the A&O Committee approved recommendation of both contracts to come before the Board for its approval.

Approval of CliftonLarsonAllen (CLA) Contract. It was moved by Mr. Konrad, seconded by Ms. Ford, and unanimously carried, to approve the Approval of CliftonLarsonAllen (CLA) Contract.

Approval of DS Consulting Contract. It was moved by Mr. Klusman, seconded by Mr. Konrad, and unanimously carried, to approve the Approval of DS Consulting Contract.

Legislative Committee Report. Ms. Ford said at its Legislative Committee meeting held just prior to this meeting on June 24, the Committee approved the Proposed Amendment to Board Rule II.B.2 which changes the ballot pick-up time deadline time at the post office on election day from 8:00 a.m. to 9:30 a.m. and the same change applies to in-person drop-off at the ERS office or Election Commission. She said the Committee approved the amendment and recommends approval to the full Board.

Approval of Proposed Amendment to Board Rule II.B.2. It was moved by Mr. Bell, seconded by Ms. Ford, and unanimously carried, to approve the Approval of Proposed Amendment to Board Rule II.B.2.

New Business.

Presentation by Larry Langer and Aaron Chochon of Cavanaugh Macdonald and Acceptance of 2025 Actuarial Valuation Report and Consider Approval of Updated Funding Policy Reports.

As a matter of information, Board members received a presentation from Cavanaugh Macdonald, regarding the “City of Milwaukee Employees’ Retirement System January 1, 2025 Actuarial Valuation.” The presentation is on file with the Board Secretary and is incorporated as part of these minutes. Extensive discussion ensued throughout the presentations.

As a matter of information, Board members received from Cavanaugh Macdonald, the “Employees’ Retirement System of the City of Milwaukee Actuarial Valuation Report of the 87th Annual Actuarial Valuation As of January 1, 2025 For Determining Actuarially Determined Employer Contributions for Plan Year 2026.” The valuation report is on file with the Board Secretary and is incorporated as part of these minutes.

It was moved by Mr. Heling, seconded by Mr. Klusman, and unanimously carried, to accept and approve the January 1, 2025 Actuarial Valuation Report from Cavanaugh Macdonald.

The Chair called for a break at 11:25 a.m.

Mr. DeCleene left the meeting at 11:30 a.m.

The Chair resumed the meeting at 11:36 a.m.

As a matter of information, Board members received from Cavanaugh Macdonald, the “City of Milwaukee Employees’ Retirement System Discussion of Funding Policy.” The presentation is on file with the Board Secretary and is incorporated as part of these minutes.

Messrs. Langer and Chochon provided a presentation to the Board and Staff on the Funding Policy. Extensive discussion ensued throughout the presentation.

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

Administrative Withdrawal	\$10,690.73
Full Refund	\$123,927.75
Active Death Benefits reported	\$0.00
Deferred Death	\$15,168.90
Deferred Death-Member Only Refund	\$0.00
Ordinary Death Benefits reported	\$74,976.20
Retired Death Benefits reported	\$40,926.87
Survivor Death – Termination Benefits reported	\$12,368.37
Refund of Member Contributions paid	\$34,255.12

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

Conference Requests – June 24, 2025 Board Meeting. Mr. Allen presented the conference requests for June.

Patrick McClain	2025 NAPPA Legal Education Conference
Sponsor:	NAPPA
Location:	Denver, CO
Date(s):	June 24-27, 2025
Estimated Cost:	\$2,505.00

Erich Sauer,	Reams Due Diligence
Keith Dickerson	
Sponsor:	Reams Asset Management
Location:	Indianapolis, IN
Date(s):	August 11-12, 2025
Estimated Cost:	\$700.00 per person

David Silber	Baird Advisors' Institutional Investors Conference
Sponsor:	Robert W. Baird
Location:	Kohler, WI
Date(s):	September 8, 2025
Estimated Cost:	\$80.00

David Silber	Goldman Sachs Alternatives Summit
Sponsor:	Goldman Sachs
Location:	New York, NY
Date(s):	October 20-22, 2025
Estimated Cost:	\$1,950.00

It was moved by Mr. Christianson, seconded by Ms. Ford, and unanimously carried, to approve the Conference Requests – June 24, 2025 Board Meeting.

Approval of Retired Member Election Bulletin No. 199. Mr. Allen noted two Trustee terms are coming to conclusion at the end of this year and the elections are scheduled for the first Friday in November. He said the bulletins are sent to the Retirees for informational purposes. Mr. Allen said the bulletin outlines requirements for nomination papers and other details concerning how the election will be conducted. He stated biographical information, rules on how the election will be conducted, and copy of the ballot will be sent later. Mr. Allen stated the deadline for filing the nomination papers is August 22nd. Mr. Klusman asked if, it could be noted on the bulletin after the Person ID Number, that the Person ID Number can be found on the retirees' check stub. He also requested that the nominations papers be made available online at www.cmers.com. Mr. Christianson requested it be noted ballots can be accepted at the ERS office, and Mr. Allen replied that instruction is normally provided when the ballot materials are sent out. It was moved by Mr. Bell, seconded by Mr. Heling, and unanimously carried, to approve the Approval of Retired Member Election Bulletin No. 199 with the changes discussed.

Approval of At Large Member Election Bulletin No. 200. It was moved by Mr. Klusman, seconded by Mr. Bell, and unanimously carried, to approve the Approval of At Large Member Election Bulletin No. 200.

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Mr. Allen stated it was not necessary to go into closed session.

Consider Approval of Management Recruitment Firm Contract. Mr. Allen said the Board selected Korn Ferry as the finalist firm. Mr. Foundos stated he worked with ERS Staff to negotiate the contract with Korn Ferry. He noted when Korn Ferry submitted their proposal, he had included their redlines to the standard contract and many of their edits were accepted. Mr. Allen added that he contacted Mr. Andrew Brown, one of the co-engagement managers for the engagement and he is willing to make himself available to attend the next Board meeting on July 22nd to provide some background education in connection with the current state of the market and general considerations in

connection with the search. Mr. Klusman asked if there could be an A&O meeting before the July 22nd meeting. Mr. Allen said there could be a closed session meeting, but is checking with Mr. Brown for available dates. Ms. Ford noted that if Korn Ferry is talking to other Stakeholders or Staff, she wanted to make sure the Trustees are the final voice.

It was moved by Mr. Ford, seconded by Mr. Heling, and unanimously carried, to approve the Approval of Management Recruitment Firm Contract.

Medical Reports.

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

Mr. Petropoulos presented certifications (June 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 (June).

<u>Police – Re-examinations – Duty</u>	<u>Recommendation</u>
Brandon Baranowski	Approval
Jason Mucha	Approval
<u>Fire – Re-examinations – Duty</u>	<u>Recommendation</u>
Derek Geppert	Approval
Robert Smith	Approval
<u>Fire – Re-examinations – Ordinary</u>	<u>Recommendation</u>
Daniel Lazarski	Approval
Thomas Weinzierl	Approval
<u>General City – Re-examinations – Duty</u>	<u>Recommendation</u>
Gladys Williams	Approval
<u>General City – Re-examinations – Ordinary</u>	<u>Recommendation</u>
Stephan Huber	Approval
Craig Maier	Approval
Timothy Williams	Approval

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

Unfinished Business.

Pending Legal Opinions and Service Requests Report. Mr. McClain noted the single pending legal opinion regarding collection of delinquent city agency pension contributions which has been on the report for awhile. He stated the emergency conditions that prompted that opinion request have abated and that has allowed the City Attorney's office to put that opinion on the back burner while other pressing concerns related to Litigation and Administrative Appeals and other matters. Mr. McClain said the City Attorney's office is working to complete it as quickly as possible.

Pending Legislation Report. Mr. Allen stated there are no updates to provide. He said a proposed Board rule amendment was approved earlier in the meeting regarding extension of the time to 9:30 a.m. for the deadline of receipt of ballots for the upcoming Fall elections.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (VIII.C.), 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.

Mr. McClain said closed session is not required. The Board did not convene in closed session as noticed.

Pending Litigation Report. Mr. McClain said at the last meeting they moved this item from Informational to Unfinished Business. Mr. McClain said he has prepared an in-depth summary of the pending cases in which two cases are before the Court of Appeals which are in stasis and waiting for a decision. He noted they did get a favorable result in circuit court and a copy of the decision was included in the packet. Mr. Bell thanked Mr. McClain for the case preparation and said it will be held over until July as Mr. McClain suggested.

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.

Informational.

- 1) Conferences.
- 2) Class Action Income 2025 YTD.
- 3) Minutes of the Special Administration & Operations Committee Meeting Held May 22, 2025.
- 4) Minutes of the Special Administration & Operations Committee Meeting Held June 3, 2025.
- 5) Minutes of the Investment Committee Meeting Held June 5, 2025.
- 6) Minutes of the Administration & Operations Committee Meeting Held June 11, 2025.

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

- 7) Report on Bills.
- 8) Deployment of Assets.
- 9) Securities Lending Revenue and Budget Report.
- 10) Preliminary Performance Report 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 Mr. Heling to adjourn the meeting.

Mr. Bell adjourned the meeting at 1:07 p.m.

Bernard J. Allen
Secretary and Executive Director

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

II.

CHIEF INVESTMENT OFFICER REPORT

Milwaukee Employees' Retirement System - July 22, 2025

Fund as of June 30, 2025

***Fund value of \$6.18b.**

***Fund return of 2.2% in June, net of fees, outperformed by approximately 30bp.**

***Primary Relative Perf. Drivers:**

Manager Selection

Private Equity 60bps

Public Equity Style Bias -16bps

Primarily Value

Overall Allocation -12bps

***Fund has outperformed the benchmark in the YTD and longer time periods shown, while underperforming over the 1-year time period.**

July Update (as of 7/21/25)

***Fund return 0.4% MTD**

***Fund return 6.2% YTD**

***Fund value \$6.21b**

***6 out of 14 active mandates outperforming YTD.**

***Fixed Income and Absolute Return asset classes are outperforming their respective benchmarks YTD, net of fees.**

***Investment Change: \$375.0m**

***Contributions: 233.5m**

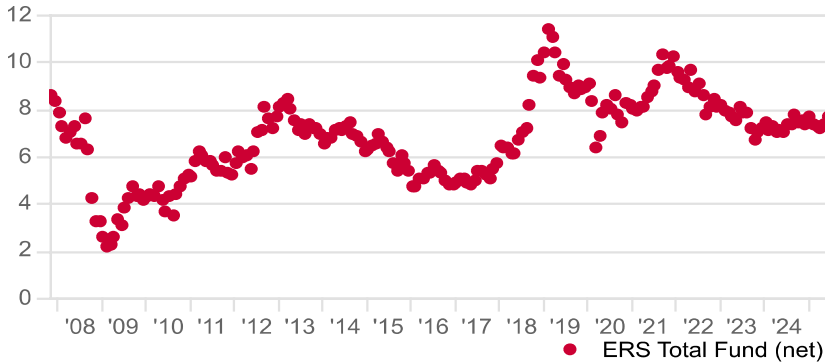
***Benefits & Expenses: 256.9m**

Monthly Withdrawals:

Brandes \$10.9m, S&P500 \$7.2m, DFA Int'l SCV \$6.0m, Polen \$4.1m

Total Fund - 10-Year Rolling Returns

11/28/1997 to 6/30/2025



Return Data

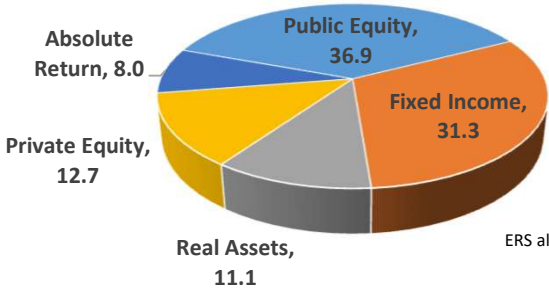
Source Data: Monthly Return

	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Total Fund (net)	2.2	5.8	9.2	10.1	7.7	8.8	7.0
ERS Benchmark	1.9	5.7	10.2	8.8	7.5	8.7	7.0

Total Fund - 20-Year Risk & Return Data

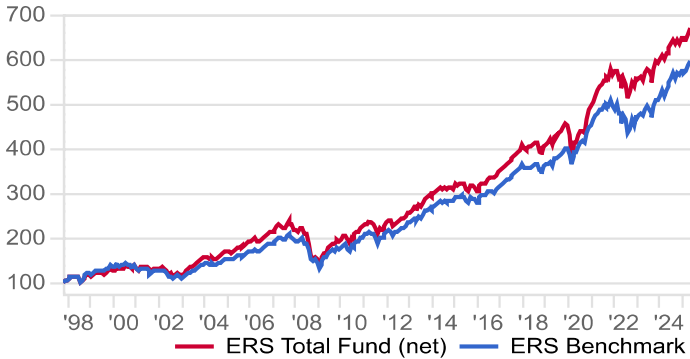
	Return	Std Dev	Tracking Error	Info Ratio (arith)	Sharpe Ratio	Alpha	Beta
Total Fund (net)	7.0	10.2	2.5	0.0	0.5	-0.4	1.1
ERS Benchmark	7.0	9.1	--	--	0.6	0.0	1.0

ERS Allocation as of June 30, 2025



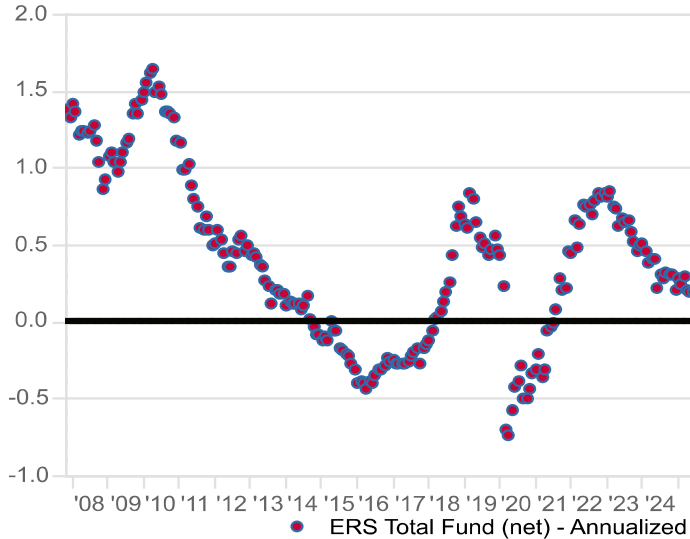
Growth of \$100 - Total Fund & ERS Benchmark

11/28/1997 to 6/30/2025

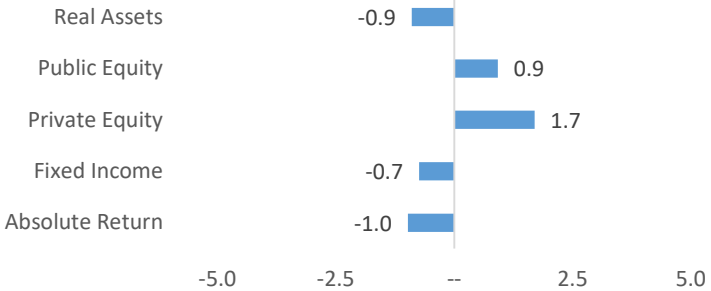


Total Fund - 10-Year Rolling Excess Returns

11/28/1997 to 6/30/2025



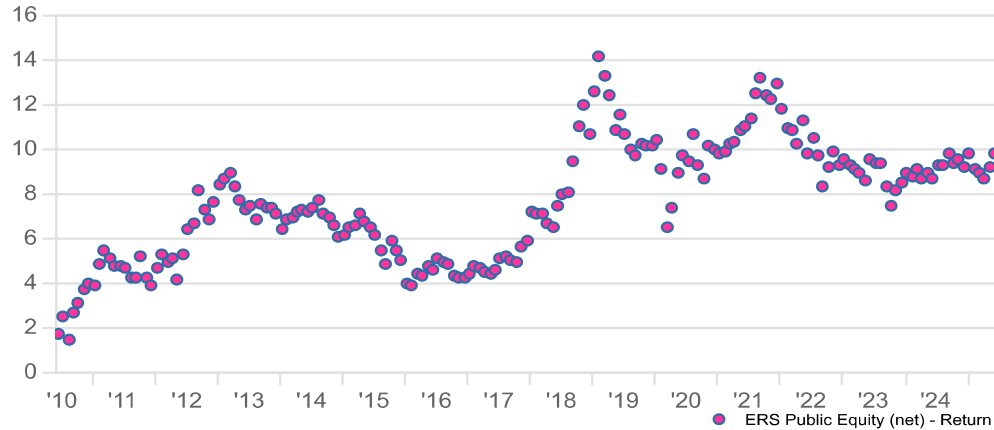
Asset Allocation vs Targets approved in April, as of June 30, 2025



Milwaukee Employees' Retirement System - July 22, 2025

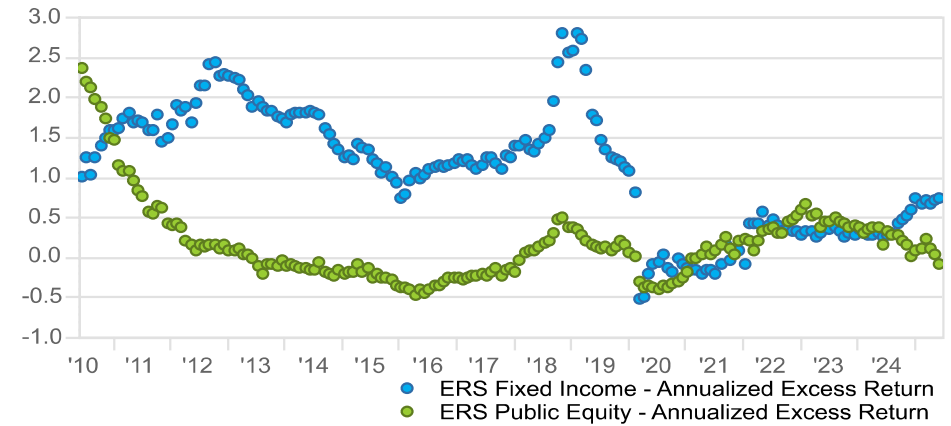
Public Equity - 10-Year Rolling Returns

06/30/2000 to 6/30/2025



Asset Class - 10-Year Rolling Excess Returns

06/30/2000 to 6/30/2025

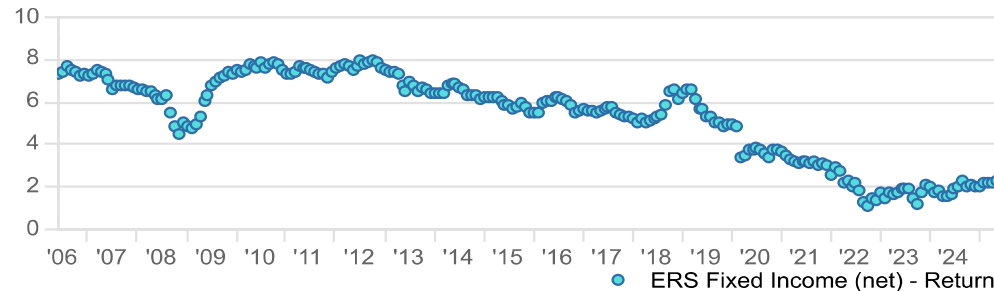


Return Data

	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Public Equity	4.0	9.7	14.3	14.3	10.2	11.5	8.5
Public Equity (net)	3.9	9.5	13.9	13.9	9.8	11.1	8.1
Public Equity Benchmark	4.5	9.8	15.9	13.4	9.9	11.2	8.2
MSCI ACWI IMI NR USD	4.5	9.8	15.9	13.4	9.7	10.5	8.2

Fixed Income - 10-Year Rolling Returns

06/28/1996 to 6/30/2025



Return Data

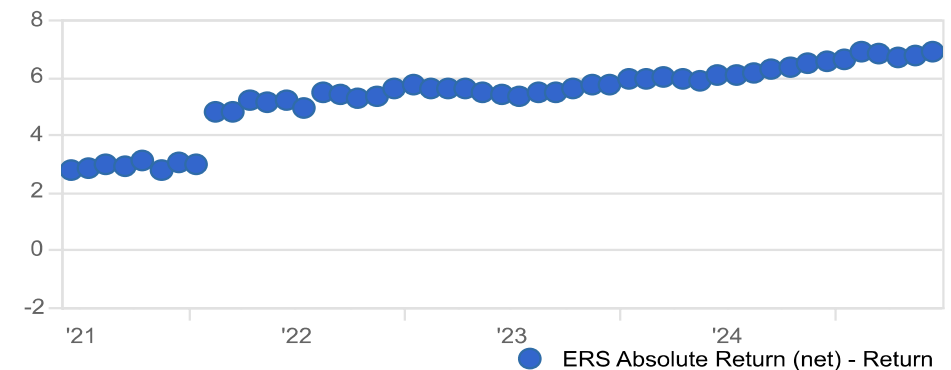
	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Year
Fixed Income	1.7	4.7	7.4	2.1	2.6	3.3	4.3
Fixed Income (net)	1.7	4.7	7.3	2.0	2.5	3.2	4.1
Bbg US Agg Bond TR USD	1.5	4.0	6.1	-0.7	1.8	2.3	3.1

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

	Return	Std Dev	Sharpe Ratio	Max Drawdown
Public Equity (net)	9.1	15.1	0.5	-25.3
Fixed Income (net)	2.1	6.4	0.0	-13.6
Absolute Return (net)	6.3	8.8	0.5	-27.1

Absolute Return - 7-Year Rolling Returns

06/30/2014 to 6/30/2025



Return Data

	1 Month	YTD	1 Year	5 Year	10 Year	Inception*
Absolute Return (net)	1.3	4.6	10.9	12.8	6.3	6.3
90-Day T-Bill + 3%	0.6	3.7	7.7	6.0	5.1	4.9

*Absolute Return inception date is June 30, 2014

III.

NEW BUSINESS

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (III.A.), 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.

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- B. Retirements, Death Claims, and Refunds (June).
- C. Conference Requests – July 22, 2025 Board Meeting.
- D. Approval of 2024 Basic Financial Statements - Unaudited.
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- F. Approval of August Resolution.

Retirement Type	Retirement SubType	Last Name	First Name	Retirement Date	Option	Department
Regular	Deferred	TSELENTIS	THEOFILOS	2/17/2020	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	ROBERTS	LESLIE	2/18/2020	MAX	LIBRARY - CENTRAL LIBRARY
Regular	Deferred	HUNT	LORI	4/9/2020	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Involuntary Separation	YANG	FENGHUA	1/17/2024	MAX	MILWAUKEE METROPOLITAN SEWERAGE DISTRICT
Regular	Deferred	SHANNON	JENNIFER	6/22/2024	MAX	EMPLOYEES' RETIREMENT SYSTEM
Regular	Deferred	SLIWINSKI	DEBRA	1/9/2025	MAX	CITY OF MILWAUKEE
Regular	Deferred	KRUEGER	PIROSKA	2/3/2025	MAX	CITY OF MILWAUKEE
Regular	Involuntary Separation	STEGALL	HERBERT	3/7/2025	MAX	CITY OF MILWAUKEE
Regular	Deferred	HARTMAN	KATHY	3/15/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	ENGELBART	SUZANNE	5/2/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	FABISH	JOANNE	5/3/2025	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	HIRSCH	MICHAEL	5/4/2025	75	MILWAUKEE METROPOLITAN SEWERAGE DISTRICT
Regular	Deferred	SPICER	RICKY	5/6/2025	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	HARDWICK	LISA	5/7/2025	MAX	BOARD OF ZONING APPEALS
Regular	Involuntary Separation	FLOWERS	TRAVIS	5/14/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	RUFFIN	STEPHENIE	5/16/2025	MAX	DEPT OF NEIGHBORHOOD SRVCS
Regular	Service	AYALA	RODOLFO	5/17/2025	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Deferred	KASS	MARK	5/19/2025	100	MILWAUKEE METROPOLITAN SEWERAGE DISTRICT
Regular	Involuntary Separation	DONAHUE	TAMI	5/21/2025	75	HACM
Regular	Deferred	KING-JAEGER	GINA	5/22/2025	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	BOLES	KEVIN	5/24/2025	50	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	DZIEWIONTKOSKI	MARY	5/24/2025	MAX	DPW-INFRASTRUCTURE-ST/BRIDGES
Regular	Service	PASZKOWSKI	GREG	5/24/2025	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	WALTER	JOSEPH	5/24/2025	75	MILWAUKEE POLICE DEPARTMENT
Regular	Service	WILCOX	DAMON	5/25/2025	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Deferred	ROPEL	DAVID	5/27/2025	MAX	DPW-OPS-FLEET SERVICES
Regular	Involuntary Separation	PAYNE	JOSEPH	5/29/2025	MAX	LIBRARY - ADMINISTRATION SRVC
Regular	Deferred	HARTL	DAVID	5/30/2025	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	GUTIERREZ	ROBERT	5/30/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	TOMASINO	VINCENT	5/30/2025	MAX	DPW-INFRASTRUCTURE-ELECTRICAL
Regular	Service	BUEGE	LORI	5/31/2025	MAX	DEPT OF NEIGHBORHOOD SRVCS
Regular	Service	HUDSON	ONIA	5/31/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	KRONBERG	DIANE	5/31/2025	MAX	DCD - MGMT & SPECIAL PROJECTS
Regular	Service	LANG	JOSHUA	5/31/2025	50	FIRE - FIREFIGHTING

Board Report - June 2025
Deaths

Type	Last Name	First Name	Death Date	Payment Date	Amount
Ordinary Death	SATHER	JEFFREY	3/24/2024	6/30/2025	\$ 187,558.77
Ordinary Death	WALKER	DARRELL	5/18/2025	6/30/2025	\$ 32,468.73
Retiree Death-Termination	BELL	PEARL	4/10/2025	6/30/2025	\$ 101.82
Retiree Death-Termination	GASZAK	EILEEN	5/21/2025	6/30/2025	\$ 742.23
Retiree Death-Termination	GEISLER	PAUL	1/21/2025	6/30/2025	\$ 2,841.17
Retiree Death-Termination	JACKSON	SALLY	3/25/2025	6/30/2025	\$ 241.78
Retiree Death-Termination	KOEL	ARTHUR	5/17/2025	6/30/2025	\$ 1,191.54
Retiree Death-Termination	LEDERHAUS	JANET	5/27/2025	6/30/2025	\$ 1,829.56
Retiree Death-Termination	LEWKO	LA VERNE	4/28/2025	6/30/2025	\$ 914.18
Retiree Death-Termination	MAUER	JOAN	5/26/2025	6/30/2025	\$ 1,208.37
Retiree Death-Termination	MILLER	AURELIA	3/7/2025	6/30/2025	\$ 54.06
Retiree Death-Termination	NETERVAL	ELVIRA	1/24/2025	6/30/2025	\$ 86.47
Retiree Death-Termination	SATTLER	PAULINE	3/25/2025	6/30/2025	\$ 2,384.75
Retiree Death-Termination	SOBCZAK	DANIEL	1/27/2025	6/30/2025	\$ 1,447.50
Retiree Death-Termination	SUVAKA	GEORGE	4/14/2024	6/30/2025	\$ 1,437.47
Retiree Death-Termination	WEHAUSEN	JOHN	1/10/2025	6/30/2025	\$ 377.66
Retiree Death-Termination	ZARLING	EUGENE	10/19/2016	6/30/2025	\$ 848.32
Retiree Death-Termination	ZESS	CHRISTINE	11/9/2024	6/30/2025	\$ 508.07
Surv Death-Termination	BONENFANT	JUNE	2/16/2025	6/30/2025	\$ 655.63
Surv Death-Termination	EGAN	PENELOPE	1/21/2025	6/30/2025	\$ 726.83
Surv Death-Termination	FLUKE	GERALDINE	4/7/2025	6/30/2025	\$ 137.01
Surv Death-Termination	HOFFMANN	MARY	3/21/2025	6/30/2025	\$ 859.48
Surv Death-Termination	KIDD	SAMUEL	4/20/2025	6/30/2025	\$ 666.54
Surv Death-Termination	MARKOWSKI	LOIS	12/13/2023	6/30/2025	\$ 322.58
Surv Death-Termination	NETERVAL	ELVIRA	1/24/2025	6/30/2025	\$ 1,301.90
Surv Death-Termination	OSIECZONEK	LORRAINE	7/24/2024	6/30/2025	\$ 452.93
Surv Death-Termination	SCHULTZ	IRENE	2/13/2025	6/30/2025	\$ 679.54
Surv Death-Termination	TOBIASZ	BETTY	5/16/2025	6/30/2025	\$ 919.05
Surv Death-Termination	WEHAUSEN	JOHN	1/10/2025	6/30/2025	\$ 36.54

TOTAL \$ 243,000.48

Retiree Death-Cont Opt

ADAMSKI

NICHOLAS

5/27/2025

6/1/2025

Type	Last Name	First Name	Death Date	Payment Date	Amount
Retiree Death-Cont Opt	BRANDSTETTER	KEVIN	5/14/2025	6/1/2025	
Retiree Death-Cont Opt	BURKE	THOMAS	6/13/2025	6/1/2025	
Retiree Death-Cont Opt	FARBERG	KAY	2/19/2025	6/1/2025	
Retiree Death-Cont Opt	HOEPFNER	THOMAS	5/27/2025	6/1/2025	
Retiree Death-Cont Opt	KOLASKE	NEAL	6/9/2025	6/1/2025	
Retiree Death-Cont Opt	MARTIN	DENNIS	6/2/2025	6/1/2025	
Retiree Death-Cont Opt	MARTINEZ	CRAIG	5/21/2025	6/1/2025	
Retiree Death-Cont Opt	SCOTT	ROBERT	5/23/2025	6/1/2025	
Retiree Death-Cont Opt	SCULLY	GERALD	6/14/2025	6/1/2025	
Retiree Death-Cont Opt	SIELEN	BERNARD	5/8/2025	6/1/2025	
Retiree Death-Cont Opt	TARACHOW	MARVIN	5/30/2025	6/1/2025	
Retiree Death-Cont Opt	THOMAS	DEAN	6/16/2025	6/1/2025	
Retiree Death-Cont Opt	VIETH	JAMES	5/26/2025	6/1/2025	
Retiree Death-Cont Opt	WALDERA	ROBERT	5/27/2025	6/1/2025	
Retiree Death-Cont Opt	ZAUTKE	GREGORY	5/25/2025	6/1/2025	

Board Report - June 2025

				Withdrawals	
Type	Last Name	First Name	Payment Date	Amount	
Administrative Withdrawal	HALL	MARIAH	6/30/2025	\$	549.90
Administrative Withdrawal	RUFF	JASON	6/30/2025	\$	5,928.30
Full Refund	ASSIGBLEY	CAVONNA	6/30/2025	\$	9,643.01
Full Refund	BERRY	VANESSA	6/30/2025	\$	4,400.30
Full Refund	BROWN	CURTIS	6/30/2025	\$	29,793.66
Full Refund	BURNS	LEON	6/30/2025	\$	50,311.40
Full Refund	CIRINO	DORCAS	6/30/2025	\$	3,830.74
Full Refund	COOK	KEONTA	6/30/2025	\$	2,393.69
Full Refund	GARRISON	LOVIE	6/30/2025	\$	2,715.52
Full Refund	GOMILLIA	VERNON	6/30/2025	\$	9,440.38
Full Refund	HARRIS-BUFORD	DOMINIQUE	6/30/2025	\$	839.09
Full Refund	HERR	KAIM	6/30/2025	\$	294.81
Full Refund	JACKSON	BENJAMIN	6/30/2025	\$	3,082.38
Full Refund	MAXWELL	MICHALE	6/30/2025	\$	32,754.71
Full Refund	MORELAND	SERINA	6/30/2025	\$	12,679.29
Full Refund	POLLEN	NOEL	6/30/2025	\$	6,294.93
Full Refund	ROBERTS	CAREY	6/30/2025	\$	4,188.30
Full Refund	SANCHEZ	ANGELICA	6/30/2025	\$	1,565.41
Full Refund	SANDERS	DANTE	6/30/2025	\$	2,219.33
Full Refund	SCAGGS	LOGAN	6/30/2025	\$	301.53
Full Refund	TOLIVER	ANTWYAN	6/30/2025	\$	1,222.05
Full Refund	VARGAS	ROBERT	6/30/2025	\$	11,820.37
Full Refund	WHITE	CHAZIDI	6/30/2025	\$	4,875.82
Full Refund	WHITE	REGINA	6/30/2025	\$	7,543.60
Member Only Refund	ANDREWS	ROMEO	6/30/2025	\$	1,951.36
Member Only Refund	AUSTIN	KYIESHA	6/30/2025	\$	1,166.01
Member Only Refund	BROWN	TIFFANY	6/30/2025	\$	171.68
Member Only Refund	CARTER	TARSHA	6/30/2025	\$	2,158.10
Member Only Refund	COOPER	DODY	6/30/2025	\$	1,945.80
Member Only Refund	DO	SOMPHONE	6/30/2025	\$	752.87
Member Only Refund	FEY	BARRY	6/30/2025	\$	5,158.26
Member Only Refund	FODGE	AUSTIN	6/30/2025	\$	3,823.92
Member Only Refund	GIDARISINGH	SARINA	6/30/2025	\$	1,698.41

Type	Last Name	First Name	Payment Date	Amount
Member Only Refund	GREEN	KIMBERLY	6/30/2025 \$	259.55
Member Only Refund	HENLEY	DONITA	6/30/2025 \$	4,214.50
Member Only Refund	HICKS	DILLON	6/30/2025 \$	5,753.34
Member Only Refund	ISLAS	AURELIA	6/30/2025 \$	582.60
Member Only Refund	JENSEN	ZACHARY	6/30/2025 \$	571.91
Member Only Refund	JOHNSON	KENDRA	6/30/2025 \$	2,205.00
Member Only Refund	KEULER	KRYSTAL	6/30/2025 \$	6,123.66
Member Only Refund	KNAEBE	CANDACE	6/30/2025 \$	3,555.47
Member Only Refund	LEE	FREDERICK	6/30/2025 \$	1,527.76
Member Only Refund	LITTLE-LYLE	ERICA	6/30/2025 \$	4,474.63
Member Only Refund	MAXWELL	MICHALE	6/30/2025 \$	896.52
Member Only Refund	MAZABA	CATHERINE	6/30/2025 \$	1,611.27
Member Only Refund	MCBRIDE	TENIA	6/30/2025 \$	2,858.33
Member Only Refund	MCCLAIN	TIFFANY	6/30/2025 \$	1,273.77
Member Only Refund	MCCLINTOCK	ANTHONY	6/30/2025 \$	4,607.81
Member Only Refund	MOORE	AMIRAH	6/30/2025 \$	1,361.24
Member Only Refund	MULTANI	SHARON	6/30/2025 \$	934.93
Member Only Refund	MUTZENBAUER	NICOLETTE	6/30/2025 \$	2,876.54
Member Only Refund	OGREN	ANN	6/30/2025 \$	5,326.55
Member Only Refund	ORTEGA	GISELA	6/30/2025 \$	3,190.49
Member Only Refund	PINKSTON	ANGELA	6/30/2025 \$	471.87
Member Only Refund	PUTMAN	ALICIA	6/30/2025 \$	1,560.78
Member Only Refund	REHAK	TINA	6/30/2025 \$	290.25
Member Only Refund	RIVERA	DANIEL	6/30/2025 \$	2,125.97
Member Only Refund	RODGERS	PATRICIA	6/30/2025 \$	121.22
Member Only Refund	RODRIGUEZ	NANCY	6/30/2025 \$	1,872.65
Member Only Refund	RUSSELL-CAMARA	IAN	6/30/2025 \$	4,371.51
Member Only Refund	SEGOVIA VAN BERKEL	LUCIA	6/30/2025 \$	1,958.51
Member Only Refund	VALES	CORDELIAH	6/30/2025 \$	327.44
Member Only Refund	WILSON-MITCHELL	KAYLI	6/30/2025 \$	1,023.54
Member Only Refund	WRIGHT	BRIANNA	6/30/2025 \$	2,349.58
Member Only Refund	XOLO	KIARA	6/30/2025 \$	1,348.93

TOTAL \$ 299,543.05

Conference Requests – July 2025 Board Meeting

David Silber,
Thomas Courtright

Sponsor:

Location:

Date(s):

Estimated Cost:

Apogem Due Diligence

Apogem Capital

Richmond, VA

September 16-17, 2025

\$1,100.00 per person

Keith Dickerson

Sponsor:

Location:

Date(s):

Estimated Cost:

DFA Institutional Executive Forum

Dimensional Fund Advisors

New York, NY

October 8-9, 2025

\$1,500.00

David Silber

Sponsor:

Location:

Date(s):

Estimated Cost:

U.S. Partnerships Retreat for Allocator Leaders 2025
with.Intelligence

Miami, FL

November 16-19, 2025

\$1,800.00

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF MILWAUKEE**

UNAUDITED BASIC FINANCIAL STATEMENTS

For the Year Ended December 31, 2024

Employees' Retirement System of the City of Milwaukee
789 North Water Street, Suite 300
Milwaukee, Wisconsin 53202

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
Statement of Fiduciary Net Position – Unaudited
As of December 31, 2024
(in thousands)

	Pension Trust Funds		Custodial Fund	
	Non-Consenter			
	Global	Retirement	Employers'	Total
	Combined Fund	Funds	Reserve Fund	
ASSETS				
CASH AND CASH EQUIVALENTS	\$ 92,598	\$ 1,231	\$ 967	\$ 94,796
INVESTMENTS (Notes 1 and 8)				
Fixed income	1,862,914	4,829	88,465	1,956,208
Public equity	2,268,995	5,882	-	2,274,877
Absolute return	472,323	1,224	-	473,547
Real assets	662,520	1,716	-	664,236
Private equity	768,598	1,992	-	770,590
Total Investments	6,035,350	15,643	88,465	6,139,458
RECEIVABLES AND OTHER ASSETS				
Employer (Note 1)	216	-	-	216
Member (Note 1)	885	-	-	885
Actuarially determined contributions (Note 2)	2,067	18	-	2,085
Interest, dividends and foreign tax recoverable (Note 1)	17,346	44	16	17,406
Investments sold	209,272	545	-	209,817
Software development and equipment, net of depreciation (Note 1)	235	-	-	235
Securities lending collateral (Note 8)	235,365	-	-	235,365
Lease assets, net of accumulated amortization (Note 9)	1,342	-	-	1,342
Subscription-based information technology arrangements, net of accumulated amortization (Note 10)	229	-	-	229
Total Receivables and Other Assets	466,957	607	16	467,580
Total Assets	6,594,905	17,481	89,448	6,701,834
LIABILITIES				
CURRENT LIABILITIES				
Benefits payable	1,326	-	-	1,326
Unearned contributions	6,347	-	-	6,347
City of Milwaukee (Note 6)	1,133	-	-	1,133
Securities lending obligation (Note 8)	233,619	-	-	233,619
Investments purchased	500,756	1,298	-	502,054
Short-term lease liability (Note 9)	259	-	-	259
Total Current Liabilities	743,440	1,298	-	744,738
LONG-TERM LIABILITIES				
Long-term lease liability (Note 9)	1,277	-	-	1,277
Total Liabilities	744,717	1,298	-	746,015
NET POSITION				
Restricted for:				
Pensions	5,850,188	16,183	-	5,866,371
Other Governments	-	-	89,448	89,448
TOTAL NET POSITION	\$ 5,850,188	\$ 16,183	\$ 89,448	\$ 5,955,819

Unaudited

The accompanying notes to financial statements are an integral part of these financial statements.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
Statement of Changes in Fiduciary Net Position – Unaudited
For the Fiscal Year Ended December 31, 2024
(in thousands)

	Pension Trust Funds		Custodial Fund	
	Global	Non-Consenter	Employers'	
	Combined Fund	Retirement Funds	Reserve Fund	Total
ADDITIONS				
Contributions				
Employer (Note 2)	\$ 217,292	\$ 348	\$ -	\$ 217,640
Member	34,084	5	-	34,089
Total Contributions	251,376	353	-	251,729
Investment Income				
From Investing Activity:				
Net appreciation in fair value of investments	321,181	834	1,549	323,564
Interest, dividends, and other investment income	151,829	393	3,000	155,222
Total Investing Activity Income	473,010	1,227	4,549	478,786
Less: Direct investment expense (Note 6)	(70,052)	-	(210)	(70,262)
Net Investing Activity Income	402,958	1,227	4,339	408,524
From Securities Lending Activity:				
Securities lending income	15,924	-	-	15,924
Less: Securities lending borrower rebates and fees (Note 6)	(15,924)	-	-	(15,924)
Net Securities Lending Activity Income	-	-	-	-
Total Net Investment Income	402,958	1,227	4,339	408,524
Total Additions	654,334	1,580	4,339	660,253
DEDUCTIONS				
Administrative expenses (Note 6)	(9,287)	-	-	(9,287)
Benefits paid (Note 2)	(487,830)	(147)	-	(487,977)
Refunds of contributions	(3,665)	(7)	-	(3,672)
Interfund transfers (Note 3)	276	(276)	-	-
Total Deductions	(500,506)	(430)	-	(500,936)
NET INCREASE IN NET POSITION	153,828	1,150	4,339	159,317
NET POSITION RESTRICTED				
Beginning of Year	5,696,360	15,033	85,109	5,796,502
End of Year	\$ 5,850,188	\$ 16,183	\$ 89,448	\$ 5,955,819

Unaudited

The accompanying notes to financial statements are an integral part of these financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS – UNAUDITED

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
NOTES TO BASIC FINANCIAL STATEMENTS – UNAUDITED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

For accounting and financial reporting purposes, the Employees' Retirement System of the City of Milwaukee ("ERS", "the Retirement System", "the System", or "the Plan") conforms with accounting principles generally accepted in the United States and reporting standards as promulgated by the Governmental Accounting Standards Board (GASB), which designates accounting principles and financial reporting standards applicable to the Plan. This report includes solely the accounts of the Plan.

As required by generally accepted accounting principles (GAAP), the System's financial statements include all funds for which financial transactions are recorded in its accounting system and for which the Annuity and Pension Board exercise administrative responsibility. The operations of ERS are accounted for in the funds described below. All the funds presented are classified as fiduciary funds.

Pension Trust Funds

Global Combined Fund: This fund is used to account for all pension-related activity, other than the activity attributed to members belonging to the Non-Consenter Retirement Fund.

Non-Consenter Retirement Fund: This fund is used to account for activity related to members who have not consented to the Global Pension Settlement, including collection of employer contributions, earnings on investments, and the payment of benefits to the fund's members.

Custodial Fund

Employers' Reserve Fund: This fund is used to account for holding voluntary employer contributions made by participating employers and the investment earnings on those contributions.

Reporting Entity

The reporting entity for the ERS consists of the primary government and any legally separate organizations in which ERS owns a majority of the equity interest.

Majority Equity Interests

CMERS Low Beta, LLC - CMERS Low Beta, LLC was created by the ERS to serve as a hedge fund of funds investment vehicle for the Retirement System. CMERS Low Beta, LLC is a legally separate entity governed by a board of directors appointed by the Annuity and Pension Board of the ERS. UBS Hedge Fund Solutions, LLC serves as investment manager for the hedge fund of funds portfolio. Although it is a legally separate entity, CMERS Low Beta, LLC is reported and included as part of the ERS because it meets the definition of an investment as defined in GASB 72 and the investment is measured in accordance with the requirements of that same standard. MUFG Fund Services (Canada) Limited is the administrator and Ernst and Young is the external auditor for the LLC. Separate financial statements are issued annually for CMERS Low Beta, LLC.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
NOTES TO BASIC FINANCIAL STATEMENTS – UNAUDITED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

CMERS Low Beta 2, LLC - CMERS Low Beta 2, LLC was created by the ERS to serve as a hedge fund of funds investment vehicle for the Retirement System. CMERS Low Beta 2, LLC is a legally separate entity. Goldman Sachs Asset Management serves as investment manager for the hedge fund of funds portfolio. Although it is a legally separate entity, CMERS Low Beta 2, LLC is reported and included as part of the ERS because it meets the definition of an investment as defined in GASB 72 and the investment is measured in accordance with the requirements of that same standard. SEI Investments Company is the administrator and PricewaterhouseCoopers International Limited is the external auditor for the LLC. Separate financial statements are issued annually for CMERS Low Beta 2, LLC.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Investment income is recorded when earned and expenses are recorded when they are incurred. Plan member and employer contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Contributions

The Retirement System records employee contributions as they are earned and employer contributions in the period that they relate to. Contributions earned but not yet received from the City of Milwaukee, participating city agencies and members are reported as contributions receivable. Overpayments and prepayments of contributions are reported as liabilities.

Cash and Cash Equivalents

Cash and cash equivalents are composed of cash in local banks, cash held by the custodian, and cash equivalents. Cash equivalents are defined as short-term, highly liquid investments that are both (a) readily convertible to known amounts of cash and (b) so near maturity they present insignificant risk of changes in value due to changes in interest rates. Investments with an original maturity of three months or less are considered cash equivalents. Restricted securities held as collateral for Securities Lending are not included as cash equivalents.

Methods Used to Value Investments

Investments of the Retirement System are reported at fair value in accordance with applicable GASB statements. Fair value is defined as the amount that a plan can reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller. The fair value of investments is based on published market prices and quotations from major investment brokers at current exchange rates, as available. Many factors are considered in arriving at that value. In general, however, bonds and mortgage obligations are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Receivables and payables relating to investment transactions that were initiated but not settled at year-end, are recorded as assets or liabilities.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
NOTES TO BASIC FINANCIAL STATEMENTS – UNAUDITED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Real estate consists of equity and debt participation in diversified real estate investments. The majority of properties in the portfolio are offices, industrial warehouses, multi-family and retail. Real estate investments are carried at fair value as of December 31, 2024. Annual assessments performed by independent professional appraisers are used for market values, which approximate fair values.

Private equity consists of equity and debt participation in diversified private equity investments. The majority of investments in the portfolio consist of buyouts and venture capital. Private equity investments are carried at fair value as of December 31, 2024.

The Retirement System may have investments in certain derivative vehicles, including interest rate, credit, and currency futures; bond futures; deliverable and non-deliverable forward contracts; bond forwards; currency forwards; U.S. equity indices, and U.S. equity index futures; total return swaps; and to-be-announced (TBA) securities. The ERS allows UBS Hedge Fund Solutions, LLC to allocate funds within CMERS Low Beta, LLC and Goldman Sachs Asset Management to allocate funds within CMERS Low Beta 2, LLC to hedge fund managers who may invest in derivatives including, but not limited to, the derivatives listed earlier. Derivative investments comply with the Annuity and Pension Board Investment Policy and Guidelines. Additional information on derivatives for ERS, including the notional and contractual amounts, market values and unrealized gains and losses of holdings, are contained in Note 8.

All investments are made in accordance with the provisions of Section 36-09 of Chapter 36 of the Milwaukee City Charter. The provisions require several funds of the Retirement System to be invested within the requirements of ss. 40.03(1) (n) and 62.63 (3) Wisconsin Statutes. During 2024, investments were in compliance with the Annuity and Pension Board Investment Policy and Guidelines.

Investments in stocks of corporations in 2024, as measured quarterly by their cost, did not exceed 35.6% of the total assets.

The Retirement System invests in financial instruments such as U.S. Treasury Strips, collateralized mortgage obligations and asset backed securities. Investment managers may temporarily invest small amounts of available cash in short-term investments prior to purchasing securities.

The Retirement System's international equity managers may invest in warrants and foreign exchange forward contracts as a hedge for foreign currency fluctuations. The unrealized gains and losses on these positions as of December 31, 2024, are detailed in Note 8.

Investment securities, in general, are exposed to various risks, such as, but not limited to, interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term.

These value changes could materially affect the amounts reported in the Statement of Fiduciary Net Position.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
NOTES TO BASIC FINANCIAL STATEMENTS – UNAUDITED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Investment Income

Dividends, interest and realized gains and losses are recorded as earned. Generally, investment income is allocated between the two pension trust funds based on fund balances at the beginning of the year. However, investment income earned in the securities lending program is allocated fully to the Global Combined Fund (see Note 8 for further information on the securities lending program). Investment income earned in the Employers' Reserve Fund is held separately from the pension trust funds and is recorded as earned to the Employers' Reserve Fund only.

Estimates

The financial statements are presented in conformity with generally accepted accounting principles. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Capitalization

The Retirement System capitalizes hardware and software development costs using a capitalization threshold of \$5,000. Amounts incurred for hardware (including printers, monitors, disk drives, network infrastructure, switches) are capitalized in a yearly hardware pool and depreciated over three years. Capitalized costs are depreciated over their useful lives, with a half of a year's depreciation expensed in the year of acquisition.

Costs related to the development of the Pension Management Information System were capitalized as Software Development costs. The system went live in 2006 and as of December 31, 2014, the development costs were fully depreciated.

As of December 31, 2024, the cost of the Retirement System's hardware and software development totaled approximately \$19,820,000 and accumulated depreciation totaled approximately \$19,585,000. During 2024, depreciation of approximately \$357,000 was recognized and included in Administrative Expenses in the accompanying Statement of Changes in Fiduciary Net Position.

Leases

The Retirement System enters into lease agreements as a lessee for financing the temporary acquisition of office space and equipment. The present value of future payments is recorded as an intangible right-to-use lease asset and amortized using the straight-line method over the term of the lease. As of December 31, 2024, the underlying lease assets totaled approximately \$2,143,000 and the related accumulated amortization totaled approximately \$801,000. During 2024, amortization of approximately \$267,000 was recognized and included in Administrative Expenses in the accompanying Statement of Changes in Fiduciary Net Position.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
NOTES TO BASIC FINANCIAL STATEMENTS – UNAUDITED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Subscription-Based IT Arrangements

The Retirement System enters into subscription-based IT arrangements (SBITAs) to use vendor-provided information technology. SBITAs provide the System with the right to use the vendor's information technology for a period of time. The present value of future payments is recorded as an intangible right-to-use lease asset and amortized using the straight-line method over the term of the lease. As of December 31, 2024, the underlying lease assets totaled approximately \$537,000 and the related accumulated amortization totaled approximately \$308,000. During 2024, amortization of approximately \$169,000 was recognized and included in Administrative Expenses in the accompanying Statement of Changes in Fiduciary Net Position.

Contingencies

Claims and judgments are recorded if all the conditions of GASB pronouncements are met. Claims and judgments are recorded as expenses when the related liabilities are probable and management can reasonably estimate the amounts.

Tax Status

The Plan is a tax-exempt governmental plan qualified under Section 401 and exempt under Section 501(a) of the Internal Revenue Code.

New Pronouncements

In December 2023, the GASB issued Statement No. 102, "Certain Risk Disclosures". The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement will become effective in the 2025 fiscal year. When Statement No. 102 becomes effective, the application of this standard may result in the restatement of a portion of these financial statements.

In April 2024, the GASB issued Statement No. 103, "Financial Reporting Model Improvements". The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement will become effective in the 2026 fiscal year. When Statement No. 103 becomes effective, the application of this standard may result in the restatement of a portion of these financial statements.

In September 2024, the GASB issued Statement No. 104, "Disclosure of Certain Capital Assets". The objective of this Statement is to improve financial reporting by providing users of financial statements with essential information about certain types of capital assets. State and local governments will be required to provide detailed information about capital assets in the notes to financial statements. The requirements of this Statement will become effective in the 2026 fiscal year.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
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2. DESCRIPTION OF RETIREMENT SYSTEM

The following description of the more common provisions of the Employees' Retirement System of the City of Milwaukee is provided for financial statement purposes only. The provisions reflect changes to the Retirement System enacted in 2000, known as the Global Pension Settlement (GPS). GPS increased benefits to current and future retirees and also allowed changes to the ERS administration, including permitting the use of ERS funds to pay costs related to plan administration. The 99.3% of existing members who have consented to GPS are accounted for in the Global Combined Fund. Members who have not consented are accounted for in one or more of the non-consenter funds. Refer to Chapter 36 of the City of Milwaukee Charter for more complete information.

GPS requires that members enrolled through June 28, 2000 provide written consent to ERS in order to be eligible for the benefit enhancements of GPS. Members enrolled after June 28, 2000, are automatically eligible and are included in the Combined Fund.

Subsequent to completion of the January 1, 2024 actuarial valuation, five members who were enrolled as of June 28, 2000 and had not consented to GPS, elected to consent.

Plan Administration

The Retirement System was established pursuant to the Retirement Act (Chapter 396 of the Laws of Wisconsin of 1937) to provide payment of retirement and other benefits to employees of the City of Milwaukee (City). Chapter 441 of the Laws of Wisconsin of 1947 made the benefits contractual and vested. The ERS is a cost-sharing, multi-employer plan, which provides benefits to employees of the City of Milwaukee (including Fire and Police), Milwaukee Metropolitan Sewerage District, Wisconsin Center District, Veolia Water Milwaukee LLC, Milwaukee Housing Authority, and non-certified staff of Milwaukee Public Schools (Agencies). City employees comprise approximately 56.2% of the active participants in the Retirement System.

The Annuity and Pension Board ("the Board") governs the ERS, and serves as trustee of the System's funds. The Board consists of eight members, composed as follows:

- Three representatives appointed by the President of the Milwaukee Common Council,
- Three representatives elected by the active members of the ERS,
- One member elected by retired members of the ERS, and
- The City of Milwaukee Comptroller, who serves as ex-officio voting member.

The 2023 Wisconsin Act 12 authorized the City of Milwaukee to impose a sales tax for limited purposes, subject to certain conditions. Under the Act and the subsequent amendments to the City Charter by the Milwaukee Common Council, the plan has closed to new members as of January 1, 2024.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
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2. DESCRIPTION OF RETIREMENT SYSTEM (cont.)

Membership

Full-time employees, part-time employees who are eligible under adopted rules and regulations, and elected officials who have evidenced their intent to join are members of the Retirement System. The Plan is closed to new members as of January 1, 2024.

At January 1, 2024, the measurement date, the membership of the plan was as follows:

Plan members currently receiving benefits	13,867
Inactive plan members entitled to, but not yet receiving benefits	6,136
Current employees:	
Vested	6,995
Non-vested	<u>3,113</u>
Total	<u>30,111</u>

This membership data is as of January 1, 2024, and reasonably approximates membership data through December 31, 2024.

Contributions

Member contributions to the ERS are required under Chapter 36-08-7. The City of Milwaukee, in its legislative capacity, has sole authority to make changes to Chapter 36, and to set contribution requirements and benefit terms. In 2023, the WI Legislature passed WI Act 12, which sets the amortization period for employer contributions. It is a section 401(a), Internal Revenue Code, qualified cost-sharing, multiple-employer defined benefit plan for participating public employees.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
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2. DESCRIPTION OF RETIREMENT SYSTEM (cont.)

Contribution rates, as a percentage of earnable compensation, are as follows:

- a) General Employees
 - i. Tier 1 (enrolled prior to January 1, 2014) – 5.5%
 - ii. Tier 2 (enrolled on or after January 1, 2014) – 4.0%
- b) Firemen and Policemen – 7.0%
- c) Elected Officials
 - i. Tier 1
 - i. Enrolled prior to January 1, 2014 and elected to an office prior to January 1, 2014 – 7.0%
 - ii. Enrolled prior to January 1, 2014, and elected for the first time to an office on or after January 1, 2014, and employee was paying contributions prior to being elected – employees pay contributions at the rate they were paying prior to becoming an elected official
 - iii. Enrolled prior to January 1, 2014, and elected for the first time to an office on or after January 1, 2014, and employer was paying contributions on behalf of the employees prior to being elected – employer pays 7.0%
 - ii. Tier 2 (enrolled on or after January 1, 2014) – 4.0%

Commencing in 1999, contributions of one dollar of each police officer's longevity pay per year are made by police officers on their own behalf. This excludes sergeant of police, detective lieutenant and any ranks above same.

In addition to the above percentage contributions, additional contributions were required of general city employees who were enrolled as active members after January 1, 2000. To participate in the Global Combined Fund, each new member was required to contribute 1.6% of his or her pensionable earnings for a period of eight years. However, the 1.6% required contributions did not apply to members required to make member contributions under 36-08-7-a or c.

The Retirement System requires regular payroll contributions from its agencies and members for all active employees covered by the plan on a biweekly basis.

Employer contributions are calculated by the actuary, and there is a one-year contribution lag. The *second* January 1, 2023 valuation calculated the employer contributions due for the 2024 plan year. The 2024 plan year contributions were due December 31, 2024, and contributions paid after January 1, 2024 accrued interest at 6.8% per annum.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
NOTES TO BASIC FINANCIAL STATEMENTS – UNAUDITED
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2. DESCRIPTION OF RETIREMENT SYSTEM (cont.)

Benefits Provided

The normal retirement benefit is a monthly pension for the life of the member. A service retirement allowance is payable to any member who meets one of the following eligibility criteria:

<u>Class</u>	<u>Enrollment Date</u>	<u>Eligibility for Service Retirement*</u>
General City	Prior to January 1, 2014	Age 60, or age 55 with 30 years of creditable service
General City	On/after January 1, 2014	Age 65, or age 60 with 30 years of creditable service
Fire	Prior to July 30, 2016	Age 57, or age 49 with 22 years of creditable fire or police service
Fire	On/after July 30, 2016	Age 57, or age 52 with 25 years of creditable fire service
Police	Prior to December 20, 2015	Age 57, or any age with 25 years of creditable fire or police service
Police	On/after December 20, 2015	Age 57, or age 50 with 25 years of creditable police service

**These eligibility criteria assume consent to the provisions of the Global Pension Settlement (GPS); most members have consented to GPS.*

For General City employees, the service retirement allowance is 2%, or 1.6% for members enrolled on or after January 1, 2014, of the member's final average salary (the highest average of earnable compensation during any 3 years preceding retirement, death or termination) for each year of creditable service. The service retirement allowance for General City employees who retire after January 1, 1989, cannot exceed 70% of their final average salary.

For police officers and firefighters, the retirement allowance is 2.5% of their final average salary (computed on the year of creditable service during which earnable compensation was highest) for each year of creditable service. The retirement allowance for firefighters hired after March 1, 1989, and police officers hired after July 1, 1989, is limited to 90% of their final average salary (excluding any imputed service credit provided under the GPS).

For elected officials enrolled prior to January 1, 2014, the retirement allowance is 2.6% of their final average salary for each year of creditable service as an elected official for years before 1996 and is limited to 70% of the final average salary. For the years 1996 and forward, the accrual rate is 2.5% (For the Mayor, the accrual rate is 2.0%) for creditable service, imputed military service, or seasonal service and is limited to 70% of their final average salary. However, elected officials who were enrolled prior to 2014 and are first elected to office on or after January 1, 2014, have an accrual rate of 2% for each year if they contribute 5.5% of their earnable compensation, or 2.5% for each year if they contribute 7% of their earnable compensation. For elected officials enrolled on or after January 1, 2014, the accrual rate is 1.6% of their final average salary for each year of creditable service as an elected official, and is limited to 70% of their final average salary.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
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2. DESCRIPTION OF RETIREMENT SYSTEM (cont.)

Chapter 36 of the Milwaukee City Charter addresses pension escalators. General City employees participating in the Global Combined Fund and enrolled prior to January 1, 2014 and retiring on a service retirement allowance on or after January 1, 2000, are eligible for a pension escalator of 1.5% on the second, third and fourth anniversaries of their retirement, and 2% on each anniversary thereafter. Police officers and firefighters participating in the Global Combined Fund retiring on a service retirement allowance on or after January 1, 2000, are eligible for a pension escalator based upon the percentage increase in the prior year's Consumer Price Index-All Urban Consumers (CPI-U), effective on their first anniversary and each anniversary thereafter. The percentage increase is determined annually by measuring the change in the Index from November to November of each year. The pension escalator is guaranteed to be at least two percent, but is capped at three percent.

General City employees enrolled on or after January 1, 2014, retiring on a service retirement allowance are eligible for a pension escalator of 2% on their fifth anniversary of retirement and each anniversary thereafter.

Rules governing pension escalators provided to retirees retiring prior to January 1, 2000, before the Global Pension Settlement, differ from those described herein. In addition, a one-time "catch up" adjustment was provided in January of 1996 to employees who retired on a service retirement allowance on or before September 30, 1987, to partially offset the increase in inflation. For a complete description of the escalator rules, see Chapter 36 of the Milwaukee City Charter.

3. CONSENT STATUS CHANGES

Members who have not consented to the GPS have either objected to the settlement or never responded. The deadline to consent of April 24, 2004, has been extended indefinitely for those who never responded. Often, non-responders consent to GPS at the time they apply for benefits. As of the January 1, 2024 actuarial valuation, 226 members were non-consenting, including 33 active members, 182 inactive members, and 11 benefit recipients. During 2024, 5 members elected to consent to the GPS, resulting in a transfer of approximately \$276,000 to the Global Combined Fund from the non-consenter funds.

4. EMPLOYERS' RESERVE FUND

The City of Milwaukee and other Agencies participating in the Retirement System may voluntarily contribute to the Employers' Reserve Fund, which was established per Section 36-08-8 of Chapter 36. Deposits to the Employers' Reserve Fund may be used to fund employer contribution requirements, but this requires a formal resolution directing a fund transfer. Employers' Reserve Fund resources are invested according to City of Milwaukee investment policies.

In 2024, there were no contributions made to the Employers' Reserve Fund and there were no transfers out of the fund to pay contributions. As of December 31, 2024, the City of Milwaukee is the only employer participating in the fund and the balance of the fund is approximately \$89,448,000.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
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5. NET PENSION LIABILITY

The components of the pension liability at December 31, 2024, were as follows (in thousands):

Total pension liability	\$ 7,965,043
Plan fiduciary net position	<u>(5,866,371)</u>
Net pension liability	<u><u>\$ 2,098,672</u></u>

Plan fiduciary net position as a percentage of the total pension liability	73.7%
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Actuarial Assumptions: The last actuarial valuation was performed as of January 1, 2024, and these amounts were used to roll-forward the total pension liability for the year ended December 31, 2024. The valuation was determined using the following actuarial assumptions, which were applied to all prior periods included in the measurement:

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
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5. NET PENSION LIABILITY (cont.)

Valuation Date	January 1, 2024
Actuarial Cost Method	Entry Age Normal - Level Percentage of Pay
Amortization Method	Level dollar, closed
Asset Valuation Method	5-year smoothing of difference between expected return on actuarial value and actual return on market value
Actuarial Assumptions:	
Long-term Rate of Return, Net of Investment Expense, Including Price Inflation	6.8%
Projected Salary Increases, including wage inflation	General City: 3.0% - 7.5% Police & Fire: 3.0% - 19.0%
Inflation Assumption	2.5%
Cost of Living Adjustments	Varies by employee group and decrement type (see plan provisions)
Mortality Assumption	Pre-retirement mortality rates for General employees were based on the Pub-2010 Below Median General Employee Mortality Table with a one-year age setback for males and a two-year age set forward for females, projected generationally using SOA Scale MP-2021. Pre-retirement mortality rates for Police and Firemen were based on the Pub-2010 Median Public Safety Employee Mortality Table with a one-year age set forward for males and females, projected generationally using SOA Scale MP-2021. Post-retirement mortality rates for General retirees were based on the Pub-2010 Below Median General Retiree Mortality Table with a one-year age setback for males and a two-year age set forward for females, projected generationally using SOA Scale MP-2021. Post-retirement mortality rates for Police and Firemen retirees were based on the Pub-2010 Median Public Safety Retiree Mortality Table with a one-year age set forward for males and females, projected generationally using SOA Scale MP-2021. Mortality rates for survivors of General employees were based on the Pub-2010 Below Median Contingent Survivors Mortality Table with a one-year age setback for males and a two-year age set forward for females, projected generationally using SOA Scale MP-2021. Mortality rates for survivors of Police and Firemen were based on the Pub-2010 Median Contingent Survivors Mortality Table with a one-year age set forward for males and females, projected generationally using SOA Scale MP-2021. Disabled mortality rates for General employees were based on the Pub-2010 Non-Safety Disabled Retiree Mortality Table with a one-year age setback for males and a two-year age set forward for females, projected generationally using SOA Scale MP-2021. Disabled mortality rates for Police and Firemen were based on the Pub-2010 Safety Disabled Retiree Mortality Table with a one-year age set forward for males and females, projected generationally using SOA Scale MP-2021.
Experience Study	The actuarial assumptions used in this valuation, are based on the results of the most recent experience study covering the five-year period ending December 31, 2021, except for the investment return assumption. The investment return assumption was lowered from 7.50% to 6.80% effective with the <i>Second</i> January 1, 2023 actuarial valuation.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
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5. NET PENSION LIABILITY (cont.)

The total pension liability as of December 31, 2024 was determined by rolling forward the total pension liability as of January 1, 2024 to December 31, 2024.

The actuarial assumptions used in this valuation were based on the results of the most recent experience study covering the five-year period ending December 31, 2021. The experience study was performed by Cavanaugh MacDonald, LLC and adopted by the Board at the February 27, 2023 meeting.

The rate of return assumption was based on the Retirement System's target asset allocation. In the experience review, the consultants developed best estimate ranges of expected future real rates of return (net of inflation) for the portfolio, based on the expected returns of each major asset class and their weights within the portfolio.

The consultants used an econometric model that forecasts a variety of economic environments and then calculates asset class returns based on functional relationships between the economic variables and the asset classes. Expected investment expenses were subtracted and expected inflation was added to arrive at the long-term expected nominal return. The rate for the long term expected return was selected for the portfolio such that there was a better than 50% likelihood of the emerging returns exceeding the expected return.

Best estimates of arithmetic real rates of return (net of inflation) for each major asset class included in the Retirement System's target asset allocation were developed as part of the most recent experience study completed as of December 31, 2021 are listed in the table below:

Asset Class	Target Asset Allocation	Long-term Expected Real Rate of Return*
Public Equity	44.0%	7.3%
Fixed Income & Cash	23.0%	3.1%
Real Estate	9.7%	5.1%
Real Assets	3.3%	4.6%
Private Equity	10.0%	10.0%
Absolute Return	10.0%	3.6%
	100.0%	

** Rates provided by the System's investment consultant,
Callan Associates*

Discount Rate: The discount rate used to measure the total pension liability was 6.8 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the City and Agencies will be made at contractually required rates, as determined by the actuary. Based on those assumptions, the ERS' fiduciary net position was projected to be available to make projected future benefit payments for current members. The crossover analysis produced a single rate of 6.8 percent, which reflects the long-term expected rate of return on ERS investments. Based on the analysis, the discount rate was applied to all periods of projected benefit payments to determine the total pension liability.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
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5. NET PENSION LIABILITY (cont.)

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability calculated using the discount rate of 6.8 percent, a discount rate that is 1-percentage-point lower (5.8 percent) and a discount rate that is 1-percentage-point higher (7.8 percent) (in thousands):

	<u>1% Decrease (5.8%)</u>	<u>Current Discount (6.8%)</u>	<u>1% Increase (7.8%)</u>
Net pension liability	\$ 3,076,583	\$ 2,098,672	\$ 1,288,474

6. EXPENSES

As provided under Section 36-08-9 of Chapter 36 of the Milwaukee City Charter, administrative and investment expenses of the Retirement System are the direct obligation of the Global Combined Fund. Expenses are normally paid by the City of Milwaukee and then reimbursed to the City by ERS.

Direct investment expenses were approximately \$70,262,000 and securities lending fees and rebates were approximately \$15,924,000, making total investment-related expenses approximately \$86,186,000. The administrative expenses of approximately \$9,287,000 were charged to the Retirement System in 2024.

7. INCOME TAX STATUS

The most recent determination letter is dated February 7, 2017, with the Internal Revenue Service (IRS) stating that the Retirement System, as then designed and in conjunction with the proposed amendments required by the IRS, was in compliance with the applicable requirements of the Internal Revenue Code. The Retirement System's management believes that the plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, the accompanying basic financial statements reflect no provision for income taxes.

8. INVESTMENTS

Investment Policies

The Retirement System's policy for the allocation of invested assets is established, and amended, as needed, by the ERS Board. ERS publishes its latest Investment Policy on its website. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Retirement System.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
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8. INVESTMENTS (cont.)

Rate of Return

For the year ended December 31, 2024, the annual money-weighted rate of return on ERS investments, net of pension plan investment expense, was 6.9% percent, as calculated by the custodian. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Fair Value Measurement

The Retirement System categorizes their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. ERS had the following recurring fair value measurements as of December 31, 2024 (in thousands):

Investment Type	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Public Equity	\$ 2,173,113	\$ 1,100,662	\$ 1,072,451	\$ -
Fixed Income	1,956,208	188,001	1,768,207	-
Public Diversified Real Assets	181,361	-	181,361	-
Total assets in the Fair Value Hierarchy	\$ 4,310,682	\$ 1,288,663	\$ 3,022,019	\$ -
Investments measured at Net Asset Value *	1,828,776			
Investments at Fair Value	<u>\$ 6,139,458</u>			

** Per GASB 72, investments that are measured using the net asset value per share (or its equivalent) are not classified in the fair value hierarchy. The fair value presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the Statement of Fiduciary Net Position.*

The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority (Level 1) to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority (Level 3) to unobservable inputs.

Level 1: Unadjusted quoted prices for identical instruments in active markets.

Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3: Valuations derived from valuation techniques in which significant inputs are unobservable.

The following is a description of the valuation methodologies used for assets measured at fair value. There were no changes to the methodologies during the year ended December 31, 2024.

U.S. treasury securities, equity securities, Real Estate Investment Trusts, and Exchange Traded Funds classified in Level 1 are valued using prices quoted in active markets for those securities.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
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8. INVESTMENTS (cont.)

Debt and debt derivative securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

Index linked debt securities are valued by multiplying the external market price feed by the applicable day's Index Ratio. Level 2 debt securities also have nonproprietary information from multiple independent sources that were readily available to market participants who are known to be actively involved in the market. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities.

The System's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. When inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation.

Real estate, hedge fund-of-funds, private equity, and one limited partnership classified as public equity are valued using the net asset value (NAV) per share (or its equivalent). These investments are considered "alternative investments" and, unlike more traditional investments, generally do not have readily obtainable fair values and take the form of limited partnerships. These investments are valued based on the partnerships' audited financial statements. If December 31 statements are available, those values are used. If December 31 values are not available, the valuation is adjusted from the most recently available valuation taking into account subsequent calls and distributions, adjusted for unrealized appreciation/depreciation, other income, and fees.

The summary of unfunded commitments for these types of alternative investments is reported below (in thousands).

Investment Type	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Private Equities	\$ 770,590	\$ 481,369	N/A	N/A
Real Assets - Core	473,863	12,500	Quarterly	90 Days
Absolute Return	473,547	-	Monthly - 30 Months	30 - 180 Days
Public Equities	101,764	-	Twice per Month	15 days
Real Assets - Non-Core	9,012	6,439	N/A	N/A
Totals	<u>\$ 1,828,776</u>	<u>\$ 500,308</u>		

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
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8. INVESTMENTS (cont.)

Private Equities

This consists of four “fund of funds” managers that invest in a multitude of underlying private equity funds. The primary investment type of the underlying funds is buyout, venture capital, and growth equity. Investments can never be redeemed from the funds. Instead, distributions are received through the liquidation of the underlying assets of the funds. It is expected that the funds will be liquidated over the next 15-20 years. The funds are valued on a quarterly basis using appraisals based on the best estimate of fair value.

Public Equities

Public equities consist of a limited partnership that primarily invests in emerging market public equity and equity related securities (equity index futures, equity index swaps) and currency forwards. The fund may also invest in fixed-income securities, exchange-traded funds, options, warrants, equity swaps, futures, and other derivatives. Withdrawals are available on the 15th and the last calendar day of each month, with written notice given 15 calendar days before the redemption date. The fund is valued monthly based upon the best estimate of fair value.

Real Estate Investments – Non-Core

This consists of 11 closed-end funds that invest primarily in U.S. commercial real estate. Investments can never be redeemed from the funds. Instead, distributions are received through the liquidation of the underlying assets of the funds. It is expected that the funds will be liquidated over the next 3 to 6 years. The funds are valued on a quarterly basis using appraisals based on the best estimate of fair value.

Real Estate Investments – Core

This consists of five open-end funds that invest primarily in U.S. commercial real estate. Investments can be redeemed from the funds on a quarterly basis with 90 days' notice, subject to availability of sufficient capital to cover the redemption. The funds are valued on a quarterly basis using appraisals based on the best estimate of fair value.

Absolute Return

This consists of hedge funds-of-funds with the goal of providing CMERS returns regardless of how the overall markets does. The redemption notice period can vary between 30 to 180 days. The redemption frequency can vary from monthly to every 30 months. The lock-up period can vary from none up to three years of hard lock-up. The investor gate level ranges from none to 5%. At the fund gate level, the gating can vary from none to 25%.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
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8. INVESTMENTS (cont.)

Deposits and Custodial Credit Risk

Custodial credit risk is the risk that, in the event a financial institution or counterparty fails, the Retirement System will not be able to recover the value of its deposits, investments, or securities. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the Retirement System's name, and held by the counterparty. As of December 31, 2024, no investments or securities were exposed to custodial credit risk.

The Retirement System is also exposed to custodial credit risk for uncollateralized cash and cash equivalents that are not covered by federal depository insurance. As of December 31, 2024, approximately \$73,000 of cash and cash equivalents was exposed to custodial credit risk.

The Retirement System was established to provide for the present and future retirement, disability, and death and survivor benefit payments for all city and city agency employees. All of the funds of the Retirement System taken in the aggregate constitute a special trust subject to applicable local, state, and federal laws, including but not limited to sections 36-15, 36-09-1, and 36-09-6 of the Milwaukee City Charter.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. As of December 31, 2024, the Retirement System has no single issuer that exceeds 5% of total investments. Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are excluded.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Retirement System's investment guidelines limit how much each fixed income manager may deviate duration from their respective benchmarks. Duration is the approximate percentage change in price for a 100-basis-point change in yield. Depending on the investment manager, the duration of the Retirement Systems active fixed income managers must either be between 50% and 250% of the duration of the Bloomberg U.S. Aggregate Index or +/- 2 years of the Bloomberg U.S. Aggregate Index. As of December 31, 2024, the segmented time distribution of the various investment types of debt securities for the Retirement System is as follows (in thousands):

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
NOTES TO BASIC FINANCIAL STATEMENTS – UNAUDITED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

8. INVESTMENTS (cont.)

Investment Type	Fair Value	Years to Maturity			
		1 Year or Less	1 to 5 Years	6 to 10 Years	More than 10 Years
Asset Backed Securities	\$ 130,064	\$ 1,757	\$ 99,801	\$ 12,625	\$ 15,881
Bank Loans	12,582	-	5,546	7,036	-
Commercial Mortgage-Backed	57,823	-	6,538	95	51,190
Corporate Bonds	455,101	8,108	193,665	201,696	51,632
Corporate Convertible Bonds	6,295	245	5,945	11	94
Government Agencies	1,717	-	1,177	-	540
Government Bonds	726,977	3,276	378,143	167,507	178,051
Government Mortgage Backed Securities	288,268	-	3,683	1,489	283,096
Index Linked Government Bonds	7,392	-	-	-	7,392
Municipal/Provincial Bonds	2,712	-	-	-	2,712
Non-Government Backed C.M.O.s	79,391	-	-	-	79,391
Short Term Bills and Notes	191,602	191,602	-	-	-
Sukuk	1,894	-	1,894	-	-
Totals	\$ 1,961,818	\$ 204,988	\$ 696,392	\$ 390,459	\$ 669,979

Foreign Currency Risk

Foreign currency risk is the risk that changes in currency exchange rates will adversely affect the fair value of an investment or deposit. For separate accounts, ERS investment guidelines allow foreign currency contracts for defensive hedging purposes. In addition, the guidelines recommend adequate diversification by country and currency. As of December 31, 2024, the Retirement System's exposure to foreign currency risk, expressed in U.S. Dollars, is as follows (in thousands):

Foreign Currency	Equities	Fixed Income	Real Assets	Private Equity	Total Fair Value
Australian dollar	\$ 5,562	\$ -	\$ -	\$ -	\$ 5,562
Brazilian real	10,942	-	-	-	10,942
British pound sterling	77,983	5,083	-	-	83,066
Canadian dollar	17,483	2,727	-	-	20,210
Danish krone	4,833	-	-	-	4,833
Euro	169,854	782	-	104	170,740
HK offshore Chinese Yuan Renminbi	2,751	-	-	-	2,751
Hong Kong dollar	23,098	-	-	-	23,098
Indonesian rupiah	-	4,650	-	-	4,650
Japanese yen	73,130	-	20	-	73,150
Mexican peso	9,564	-	-	-	9,564
New Taiwan dollar	2,263	-	-	-	2,263
New Zealand dollar	109	-	-	-	109
Norwegian krone	458	-	-	-	458
Singapore dollar	1,821	-	-	-	1,821
South African rand	-	3,583	-	-	3,583
South Korean won	16,646	-	-	-	16,646
Swedish krona	5,817	-	-	-	5,817
Swiss franc	38,329	-	-	-	38,329
Totals	\$ 460,643	\$ 16,825	\$ 20	\$ 104	\$ 477,592

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
NOTES TO BASIC FINANCIAL STATEMENTS – UNAUDITED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

8. INVESTMENTS (cont.)

Credit Risk of Debt Securities

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Retirement System's investment guidelines require its fixed income managers to have an Investment Grade average portfolio. The Retirement System's active fixed income managers are allowed to hold a maximum of 20% of their respective portfolio's fair value in issues rated B- or B3, and an additional 5% may be invested in non-rated issues. The quality ratings of investments in fixed income securities of the Retirement System as described by Standard & Poor's as of December 31, 2024, are as follows (in thousands):

Rating	Fair Value	% of Total
AAA	\$ 80,037	4.1%
AA	11,493	0.6%
A	133,088	6.8%
BBB	266,406	13.6%
BB	68,369	3.5%
B	18,277	0.9%
CCC	3,217	0.2%
CC	2,690	0.1%
C	580	0.0%
US Government	1,177,192	60.0%
Not Rated	200,469	10.2%
	<u>\$ 1,961,818</u>	<u>100.0%</u>

The risk above is disclosed only for investments evidenced by securities in separate accounts and commingled funds. Assets held in commingled funds are classified based on the individual fund's characteristics as of December 31, 2024.

Fair Values within this table may differ from the Statement of Fiduciary Net Position provided on page 2 due to Corporate Convertible Bonds classified as Public Equities on those pages.

Derivatives

The ERS' Statement of Investment Policy written objectives and guidelines governing the investment of Fund assets allows separate account investment managers to use forward contracts and derivatives traded on a recognized derivatives exchange for hedging and efficient portfolio management purposes if the Board approves their use within the individual manager's written guidelines. No assets shall be committed to futures, options, options on futures, forwards and other derivatives unless approved by the Board in writing.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
NOTES TO BASIC FINANCIAL STATEMENTS – UNAUDITED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

8. INVESTMENTS (cont.)

Prohibited investments in separate accounts include mortgage interest only, principal only, inverse floaters or other CMO derivatives that have uncertain or volatile duration or price movement.

In 2024, the Retirement System's separate account investment managers utilized currency forwards, bond futures, and credit default swaps. Currency forwards are necessary to purchase or sell non-U.S. securities. Bond forwards and futures are sometimes more liquid and easier to trade than the respective underlying security and can allow an investment manager to reduce the costs of constructing an efficient portfolio.

Currency Forwards

A foreign currency forward is a contractual agreement between two parties to pay or receive amounts of foreign currency at a future date in exchange for another currency at an agreed upon exchange rate. The Retirement System's International Equity, Global Equity, and two Fixed Income managers are allowed to enter into foreign exchange positions, such as forward and spot contracts, to hedge foreign currency exposure or obtain a currency for a pending cash transaction. The ERS has two Fixed Income managers who are allowed to invest globally, and they enter into spot contracts to obtain a currency for a pending cash transaction. The majority of the contracts are short-term in duration and mature within 90 days. Any exceptions require written permission of the ERS Board.

Bond Futures

A futures contract is a standardized contractual agreement between two parties, made through an organized exchange, to buy or sell a pre-determined amount of a bond at a future date in exchange for a price agreed upon today. The counterparty credit risk for a futures contract is generally less than privately negotiated forward contracts because the organized exchange acts as a clearinghouse that typically settles net changes to futures contract values daily. ERS had no futures contracts as of December 31, 2024.

The following table summarizes the aggregate notional or contractual amounts for the ERS' separate account managers as of December 31, 2024 (in thousands):

	Notational/ Contractual Amounts	Fair Value	Gain/(Loss)
Foreign exchange forward spot contracts receivable	\$ 47	\$ 47	\$ -
Foreign exchange forward spot contracts payable	(47)	(47)	-

These instruments are recorded in cash and cash equivalents, investment receivables, and investments in the Statements of Fiduciary Net Position. The changes in fair value are included in investment income in the Statement of Changes in Fiduciary Net Position.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
NOTES TO BASIC FINANCIAL STATEMENTS – UNAUDITED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

8. INVESTMENTS (cont.)

Fixed Income Index Credit Default Swaps

A credit default swap is a type of swap designed to transfer the credit exposure of a fixed income product from one party to another. ERS grants two of its managers the ability to sell protection on the CDS index. This position is equivalent to the credit risk of holding the underlying bonds, but carries significantly lower trading costs. The CDSs may not be used to create leverage, and must be fully collateralized by cash or US Treasury securities.

Derivative Risk

The total exposure of all hedges is limited to 100% of the total portfolio value, at market. Shorting currency exposure in countries without any underlying security exposure is prohibited.

The ERS is also exposed to market risk, the risk that future changes in market conditions may make an instrument less valuable. Exposure to market risk is managed through the limits placed on an investment manager within the Statement of Investment Policy.

The ERS is exposed to credit risk in the event of non-performance by counterparties to financial instruments. Typical counterparties for ERS are major financial institutions and broker-dealers. A counterparty's financial condition, cash on hand, and general credit worthiness is evaluated prior to entering into a transaction. In addition, ratings agencies' evaluations are reviewed.

The following table summarizes the counterparty credit risk amounts for the ERS for derivatives as of December 31, 2024 (in thousands):

<u>Investment Type</u>	<u>Exchange Traded</u>
Assets	
Swaps	
Credit Contracts	684
Total Value by Rating	<u><u>\$ 684</u></u>

Securities Lending

ERS started the securities lending program in 1993. ERS is authorized to operate the securities lending program under Chapter 36-09-6 of the Milwaukee City Charter. Eligible securities are loaned out through the ERS custodian, Northern Trust. ERS earns a daily fee for securities loaned and incurs a reduction in earnings per the indemnification agreement with the custodian. Each security loan is initially collateralized by securities or cash for at least 102% of its fair value (105% for international securities). Collateral is held by the custodian. Cash collateral received from borrowers is invested in a short-term investment pool, which is managed by Northern Trust. The custodian's lending program does not operate the collateral investments as a "matched program" where the length of the loaned assets is specifically matched to the length of the

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
NOTES TO BASIC FINANCIAL STATEMENTS – UNAUDITED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

8. INVESTMENTS (cont.)

portfolio investments. Loans are open and renewed each day until they are no longer needed. ERS does not have the ability to pledge or sell collateral unless there is a borrower default.

Revenue earned from securities lending is used to offset expenses of the Retirement System. If revenues are not expended within one calendar year following receipt, the remaining amount is distributed to the Non-Consenter Retirement Fund. For the year ended December 31, 2024, the Retirement System earned revenue from securities lending of approximately \$15,924,000 and paid custodian fees and rebates of approximately \$15,924,000. The ERS disbursed \$853,000 to offset some of the Retirement System's administrative costs.

As of December 31, 2024, ERS has securities on loan with a fair value of approximately \$228,275,000 and the short-term collateral investment pool has a fair value of approximately \$235,365,000.

<u>Investment Type</u>	<u>Securities on Loan</u>	
	<u>Fair Value</u>	
Global Equities	\$	7,689,235
US Agencies		219,088
US Corporate Fixed		89,063,333
US Equities		28,239,964
US Government Fixed		103,062,987
Totals	\$	<u>228,274,607</u>

The two main risks in securities lending are counterparty risk and collateral investment risk. Counterparty risk is the risk that the borrower defaults on a loan and is unable to return the security. The ERS' contract with Northern Trust indemnifies ERS of any losses suffered as a result of the securities lending program due to counterparty default. Collateral investment risk is the risk that an investment in a collateral option becomes impaired or decreases in value. ERS is responsible to refund any losses to the borrower as a result of losses in the collateral pool. As of December 31, 2024, the ERS' collateral pool was trading at or near fair value with no impairments.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
NOTES TO BASIC FINANCIAL STATEMENTS – UNAUDITED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

9. LEASES

The Retirement System has entered into lease agreements as a lessee for financing the temporary acquisition of office space and equipment. These agreements qualify as leases for accounting purposes and, therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. The obligations for the leased assets will be repaid from the Global Combined Fund.

Description	Lease Inception	Final Maturity	Interest Rate	Balance
Office Space - 789 N Water Street, Suite 300	1/1/2022*	3/1/2030	4.4%	\$ 1,240,627
Office Space - 10850 West Park Place, Suite 450	1/1/2022*	3/31/2030	4.0%	215,893
Office Space - Disaster Recovery Computer Facility	1/1/2022*	12/31/2029	7.5%	72,826
Equipment - Copiers	1/1/2022*	1/31/2025	7.5%	6,271
Total				<u>\$ 1,535,617</u>

* The lease inception date reflects the implementation date of GASB 87 for leases that commenced prior to the implementation of GASB 87.

Annual lease payment requirements to maturity for the lease liabilities are as follows:

Year	Principal	Interest	Total
2025	\$ 258,990	\$ 68,410	\$ 327,400
2026	272,175	56,696	328,872
2027	292,721	44,587	337,308
2028	314,410	31,563	345,973
2029	337,301	17,573	354,874
Thereafter	60,020	467	44,166
Total	<u>\$ 1,535,617</u>	<u>\$ 219,297</u>	<u>\$ 1,738,593</u>

10. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The Retirement System enters into subscription-based information technology arrangements (SBITAs) to use vendor-provided information technology. SBITAs provide the System with the right to use the vendor's information technology for a period of time. The present value of future payments is recorded as an intangible right-to-use lease asset and amortized using the straight-line method over the term of the lease. The total cost of the obligations for the subscription arrangements was paid at the arrangements' inception out of the Global Combined Fund and the Securities Lending program. Therefore, no subscription liability was recorded.

As of December 31, 2024, the total of SBITA assets was approximately \$537,000, the accumulated amortization was approximately \$308,000, and the net asset balance was approximately \$229,000.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
NOTES TO BASIC FINANCIAL STATEMENTS – UNAUDITED
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

11. COMMITMENTS & CONTINGENCIES

The Retirement System is involved in litigation and disputes arising during the normal course of operations. Management does not believe the settlement of such matters will have a material impact on the Retirement System's basic financial statements.

12. SUBSEQUENT EVENTS

The Retirement System has evaluated subsequent events occurring through the date the financial statements were available to be issued, for subsequent events requiring recording or disclosure in the Plan's financial statements.

The following (9) retirees were totally offset on the July 2025 payroll due to non-compliance of outside earnings required by Sections 36-07-2-a and 36-05-6-c of the Milwaukee City Charter.

503653	Donna Nehmer
536434	Teofilo Maldonado
508628	Freddie Lewis
504471	Katrina Warren
503859	James McNichol
536756	DeRonn Gillum
513624	Dorothy McLaurin
536211	Christian Hlavinka
584447	Jared Bertsche

Note: The July 2025 payroll closed on July 23, 2025. All outside earnings paperwork (Certification of Earnings form and tax return with supporting documentation, if required) that was properly completed and submitted to our office on or before July 23, 2025 was processed.

Resolution re: August Meeting

A RESOLUTION

WHEREAS, No regular meeting of the Board will be held during the month of August 2025; therefore, be it

RESOLVED, By the Annuity and Pension Board that the Secretary is authorized and directed to pay bills, retirement allowances, death claims and refund of contributions, and take whatever action may be necessary to administer the system, including approve disability reports of the Medical Council and Medical Panel applications, and report such action to the Board at the Regular Meeting on September 24, 2025. Denials will be held for action by the Board at its next regular meeting.

IV.

MEDICAL REPORTS

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

MERITS	CITY OF MILWAUKEE EMPLOYEES' RETIREMENT SYSTEM	Page Number:	1 OF 1
	Medical Panel Approvals Report	DATE RAN :	07/10/2025
Approved by Executive Director	Pension Board Meeting Date 07/22/2025	TIME RAN :	09:58

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>
921	BALTUTIS, GILBERT	FIRE FIGHTER	FIRE	DD 75%	Re-Examination	Approved	Approved		08/24/2011	
524	LOMEN, MAURYA	FIRE FIGHTER	FIRE	DD 75%	Re-Examination	Approved	Approved		02/01/2021	Exempt from Re-Exam
800	COLON, VIDAL	POLICE OFFICER	POLICE	DD 75%	Re-Examination	Approved	Approved		03/23/2010	
559	LOPEZ-DEVEREAUX, STACY	POLICE OFFICER	POLICE	DD 75%	Re-Examination	Approved	Approved		12/01/2022	
1132	KUNISCH, GRAHAM	POLICE OFFICER	POLICE	DD 90%	Re-Examination	Approved	Approved		03/17/2014	

Number of Cases:

5

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 :	07/17/2025
	Board Meeting: 07/22/2025	TIME RAN :	08:29

<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>
DAIS, IBRAHIM	OPERATION DRIVER WORKER	DPW	Ordinary Disability	Re-Examination	11/11/2022	07/11/2025	
LEWIS, FREDDIE	SEWER LABORER II	DPW- SEWER MAINTENANCE	Ordinary Disability	Re-Examination	09/21/2013	07/11/2025	
MONTANO, ELMER	POLICE OFFICER (Z)	MPD	Duty Disability 75%	Re-Examination	04/21/2023	07/11/2025	
MORALES, ANGELA	AUDITOR-LEAD	COMPTROLLER	Ordinary Disability	Re-Examination	03/01/2011	07/11/2025	
MORGAN, JAMIE	FIREFIGHTER Z	MILWAUKEE FIRE DEPARTMENT	Ordinary Disability	Application	10/16/2024	07/11/2025	
URIBE, SAMUEL	FIREFIGHTER	MFD	Ordinary Disability	Re-Examination	07/02/2018	07/11/2025	

Number of Cases: 6

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 EMPLOYEES' RETIREMENT SYSTEM	Page Number:	1 OF 1
	Medical Council Denials Report	DATE RAN :	07/17/2025
	Board Meeting: 07/22/2025	TIME RAN :	08:29

<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>
1588	MORGAN, JAMIE	FIREFIGHTER Z	MILWAUKEE FIRE DEPARTMENT	DD 75%	Application	10/16/2024	07/11/2025	

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.

V.

UNFINISHED BUSINESS

- A. Pending Legal Opinions and Service Requests Report.
- B. Pending Legislation Report.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (V.C.), 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.

- C. Pending Litigation Report.
- D. Executive Director's Report – Inventory of ERS Projects.



July 22, 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.
06/24/25 Amendment to Board Rule II as it relates to moving the deadline for receiving Board elections ballots is scheduled for consideration before the Legislative Committee.
06/24/25 Amendment to Board Rule II (Pension Board elections) was approved by the Board.
06/24/25 Service agreement for recruiting services approved by Pension Board.

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.

06/13/25 **Investment Consultant Agreement**
Request for City Attorney's Office to draft and negotiate a contract for investment consultant services with Callan LLC.

06/13/25 **Statement of Investment Policy Review**
Request for the City Attorney's Office to review current Statement of Investment Policy and the changes recommended by Callan LLC.

PART 4. SERVICE REQUESTS - OUTSIDE LEGAL COUNSEL

06/06/25

Neuberger Berman Group LLC Contract

City Attorney's Office requested to negotiate the appropriate limited partnership agreement and side letter with Neuberger as it relates to the Secondary Opportunity Fund VI with NB.

06/06/25 City Attorney's Office approved referral of this contract service request to outside legal counsel, Reinhart.



July 22, 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

None.

PART 4. PENDING STATE LEGISLATION

None.



July 22, 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****

➤ **07/03/25** Pursuant to Court Order, Appellant's legal counsel has fifteen (15) days to provide the court with a list of five (5) dates mutually agreed upon that the parties are available for oral argument in November 2025.

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****

➤ **06/13/25** Circuit Court denied Petitioner's motion for declaratory judgment; case dismissed. Petitioner has 45 days to appeal decision.

➤ **06/25/25** Motion for reconsideration filed by Petitioner.

➤ **06/30/25** Circuit Court denies Petitioner's motion for reconsideration.

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

See prior Reports for case history

➤ 07/01/25 Appeal hearing held. Decision pending.

Part 3. Notice of Claim filed with ERS

None.

Part 4. ERS Litigation through Outside Legal Counsel

None.

Employees' Retirement System – Executive Director's Report

July 2025

I. Personnel Update

- A. ERS is working with DER to fill the ERS Human Resources Administrator and the ERS Fiscal Services Assistant vacancies.

II. Member Services

- A. New retirees on payroll in June - 37; 49 are currently anticipated for the July payroll.
- B. Retiree/Employee deaths entered in May - 32.
- C. A Retirement Workshop for General City was held on 6/6/25 and 53 attended.
- D. Below is a breakdown of to-date ERS benefits payouts/active/deferred counts:

Category	Count
Annuityants	
Death - Duty	23
Death - Ordinary	100
Disability - Duty	348
Disability - Ordinary	562
Retirement	12,842
Separation	41
Total Annuityants	13,916
Active	9,396
Deferred	3,456
Total Population	26,768

III. Financial Services

- A. True-up letters for 2025 actuarial contributions due 12/31/25 from City agencies will be mailed out in August.
- B. There are currently 16 outside earning non-responders. If the members' paperwork and tax returns with supporting documents are properly completed and submitted to our office on or before July 23rd they will be paid on the July 2025 payroll.
- C. We plan to finish up the recalculations and payments to the retired Local 215 due to the new contract. We expect to finish the calculations and pay out most of the affected members with the July 2025 payroll.

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. Network Redesign in progress.
- E. IP Address Review and Cleanup 2024 in progress.
- F. DNS Review and Cleanup 2024 in progress.
- G. AD Review and Cleanup 2024 in progress.
- H. Titan Upgrade for CMERS.com completed.

V. Administration

- A. Staff furnished Korn Ferry with documentation related to the ED position in connection with implementation of the succession project and preparation for that firm's consultation with the Board this month.
- B. The City Employee Benefit Department requested ERS to download ERS pension survivor and beneficiary data into the Work Day HR/Payroll system. Staff had requested guidance from the City Attorney's Office regarding ERS status as statutory plan administrator under state law, fiduciary duty considerations relating to sensitivity of member personal data confidentiality and the public record status of such data. Board Rule VI. E. provides that member personal records are considered confidential. This matter has been resolved to the satisfaction of all parties by simply providing a link on Work Day to MERITS Member Self Service for active employees.

Basic Website Metrics

	2024							2025					
	June	July	Aug	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Users	3,289	3,332	3,366	3,343	4,108	3,770	3,367	3,735	3,499	3,581	3,454	3,319	3,338
Page Views	10,455	11,124	10,956	11,294	14,359	14,191	11,751	14,508	14,814	12,773	11,684	12,215	10,251
Ave. Visit	1:12	1:18	1:21	1:23	1:34	1:47	1:31	1:39	1:34	1:37	1:20	1:31	1:20

VI.

INFORMATIONAL

- A. Conferences.
- B. Class Action Income 2025 YTD.
- C. Minutes of the Legislative Committee Meeting Held June 24, 2025.
- D. Report on Bills.
- E. Deployment of Assets.
- F. Securities Lending Revenue and Budget Report.
- G. Preliminary Performance Report and Asset Allocation.

Client Conferences 2025 – 2026

Board Meeting: July 22, 2025

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
July 25, 2025 11:30 am – 12:30 pm	2Q25 Market Intelligence Webinar Virtual	Callan Associates
September 8, 2025	Baird Advisors' 25 th Annual Institutional Investors Conference Kohler, WI	Robert W. Baird
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`
February 3 – 4, 2026	2026 Apogem Annual General Meeting Miami, FL	Apogem Capital
April 20 – 22, 2026	Callan 2026 National Conference Scottsdale, AZ	Callan Associates

Trustee Conferences 2025 – 2026

Board Meeting: July 22, 2025

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
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 8 – 9, 2025	Consultants & Institutional Investors Roundtable Chicago, IL	Institutional Investor
October 10 – 11, 2025	Investment Basics Austin, TX	International Foundation of Employee Benefit Plans
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 13, 2025	Pension Bridge Real Assets 2025 Austin, TX	with.Intelligence

Trustee Conferences 2025 – 2026

Board Meeting: July 22, 2025

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
November 19 – 20, 2025	Public Funds Conference Austin, TX	Pensions & Investments
January 26 – 28, 2026	2026 Visions, Insights & Perspectives (VIP) Americas Carlsbad, CA	Institutional Real Estate, Inc.
January 26 – 28, 2026	Legislative Conference Washington DC	NCPERS
March 9 – 11, 2026	CII Spring 2026 Conference Washington DC	Council of Institutional Investors
April 27 – 29, 2026	Public Funds Roundtable 2026 Beverly Hills, CA	Institutional Investor
April 28 - 29, 2026	12 th Annual Midwest Institutional Forum Chicago, IL	Markets Group
May 3 – 6, 2026	Global Conference Los Angeles, CA	Milken Institute
May 16 – 17, 2026	NCPERS Accredited Fiduciary (NAF) Program & Trustee Educational Seminar (TEDS) Las Vegas, NV	NCPERS
May 17 – 20, 2026	Annual Conference & Exhibition (ACE) Las Vegas, NV	NCPERS
June 6, 2026	10 th Annual Real Estate Midwest Forum Chicago, IL	Markets Group
September 30 – October 2, 2026	CII Fall 2026 Conference Boston, MA	Council of Institutional Investors

Upcoming Due Diligence Meetings

Date	Manager(s)	Team
August 11-12, 2025	Reams	Erich and Keith
September 10, 2025	Principal (New York)	Erich and Keith
September 16-17, 2025	Apogem	David and Tom

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
Kraft Heinz Co.	5/19/2025 \$	7,102
Benefitfocus, Inc.	6/3/2025 \$	75
Nissan Motor Co.	6/5/2025 \$	2,287
Magnachip Semiconductor Corp.	7/1/2025 \$	14,976
Foreign Exchange Qualified Settlement Fund	7/10/2025 \$	507
Total Class Action Income Received in 2025 YTD		\$ 109,439

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

Minutes of the Legislative Committee Meeting (Committee of the Whole)
held June 24, 2025

The meeting was called to order at 9:02 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 (excused)

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

Others Present: Patrick McClain, City Attorney Office; Terry Siddiqui, DS Consulting, Inc.; five members of the public called in for the meeting.

Approval of Proposed Amendment to Board Rule II.B.2. Ms. Ford said the item under consideration is the approval of Proposed Amendment to Board Rule II.B.2. Mr. Allen said this simply changes the deadline for receiving ballots for Trustee elections on election day from 8:00 am to 9:30 am because the post office advises the morning mail is not available until the later time. He said Mr. McClain advised that in any amendment to this Board Rule all references to the deadline should be changed to 9:30 am. Mr. Allen said we will also accept any votes that come in at 9:30 at the ERS and at the Election Commission so it is a global change from 8:00 am. to 9:30 a.m.

Ms. Ford asked if the in-person drop-off was new, but Mr. Allen said the ERS had done that for many years pre-dating his nearly 18-year tenure.

It was moved by Mr. Bell, seconded by Mr. Christianson, and unanimously carried, to approve a recommendation to the Board to adopt the proposed amendment to Board Rule II.B.2-3. There being no further business to come before the meeting, it was moved by Mr. Bell, seconded by Mr. Heling, and unanimously carried, to adjourn the meeting.

Ms. Ford adjourned the meeting at 9:06 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.)

Fiscal Year
2025
Department
Employees' Retirement System

City of Milwaukee
Departmental
Appropriation Budget Balances

As of: 2025-07-31

	Budget	2025-4	2025-5	2025-6	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	-	355,770.88	363,520.32	325,099.49	2,230,778.63	-	(2,230,778.63)
Overtime Premium	-	-	256.22	-	256.22	-	(256.22)
Other Worked Compensation	-	-	(79.70)	(159.40)	(239.10)	-	239.10
Time Paid Not Worked	-	54,206.03	52,712.49	75,249.42	446,239.46	-	(446,239.46)
Employee Salaries & Wages	\$ 5,379,533.00	409,976.91	416,409.33	400,189.51	\$ 2,677,035.21	\$ -	\$ 2,702,497.79
Fringe Benefits Applied	2,420,790.00	-	-	-	-	-	2,420,790.00
Fringe Benefits Applied	-	168,101.74	171,763.34	78,349.76	978,783.17	-	(978,783.17)
Applied Employee Benefits	\$ 2,420,790.00	168,101.74	171,763.34	78,349.76	\$ 978,783.17	\$ -	\$ 1,442,006.83
Operating Expenditures	16,013,400.00	-	-	-	-	-	16,013,400.00
Office Supplies	-	804.83	1,614.33	926.94	5,187.73	-	(5,187.73)
Magazines,Subscription	-	612.99	1,886.37	42.99	4,944.92	-	(4,944.92)
Postal and Mailing Services	-	13,192.69	13,301.44	25,535.95	78,811.51	-	(78,811.51)
Electricity	-	3,095.05	2,861.66	2,803.52	20,910.68	-	(20,910.68)
Other Operating Supply	-	-	-	-	3,394.81	-	(3,394.81)
Building Rental	-	40,568.74	40,002.78	40,002.78	277,748.52	-	(277,748.52)
Printing & Dupl Machine Rental	-	1,142.31	1,126.54	2,909.17	8,204.53	-	(8,204.53)
Consulting	-	39,465.58	44,907.58	37,429.04	211,756.21	-	(211,756.21)
Medical,Surgical & Lab	-	27,913.02	10,119.99	11,337.68	65,782.20	-	(65,782.20)
Administrative Charges	-	35,651.65	55,757.14	79,133.99	453,149.00	-	(453,149.00)
Other Professional Services	-	657,346.58	990,353.91	75,000.00	1,623,598.82	-	(1,623,598.82)
Systems Support	-	54,746.60	26,081.12	61,089.02	248,912.34	-	(248,912.34)
IT Infrastructure	-	-	-	-	12,029.80	-	(12,029.80)
Infrastructure	-	-	-	-	7,864.42	-	(7,864.42)
Telephone, Communications	-	10,665.43	7,043.84	7,601.00	45,960.87	-	(45,960.87)
Bldgs-Machinery & Equip Repair	-	1,370.73	-	422.00	5,809.73	-	(5,809.73)
Travel & Subsistence	-	2,257.09	6,147.73	4,842.84	20,138.03	-	(20,138.03)
Printing Services	-	24,224.73	266.36	-	25,390.24	-	(25,390.24)
Insurance-Non Health	-	-	-	-	12,398.00	-	(12,398.00)
Other Misc Services	-	1,023.42	246.90	2,294.98	18,158.94	-	(18,158.94)
Operating Expenditures	\$ 16,013,400.00	914,081.44	1,201,717.69	351,371.90	\$ 3,150,151.30	\$ -	\$ 12,863,248.70
All Equipment	713,000.00	-	-	-	-	-	713,000.00
Computer Server & Components	-	44,324.55	84,127.70	-	194,855.52	-	(194,855.52)
Total Equipment	\$ 713,000.00	44,324.55	84,127.70	-	\$ 194,855.52	\$ -	\$ 518,144.48
Total Regular Class	<u>\$ 24,526,723.00</u>	<u>1,536,484.64</u>	<u>1,874,018.06</u>	<u>829,911.17</u>	<u>\$ 7,000,825.20</u>	<u>\$ -</u>	<u>\$ 17,525,897.80</u>
<i>Other Departmental Appropriations:</i>							
Group Life Insurance Premium	4,200,000.00	332,973.63	342,315.08	335,348.13	2,044,406.91	-	2,155,593.09
Retiree's Benefit Adjustment	25,000.00	1,144.68	1,144.68	1,122.67	6,846.07	-	18,153.93
Other Classes	<u>\$ 4,225,000.00</u>	<u>334,118.31</u>	<u>343,459.76</u>	<u>336,470.80</u>	<u>\$ 2,051,252.98</u>	<u>\$ -</u>	<u>\$ 2,173,747.02</u>
Total Dept Appropriations	<u>\$ 28,751,723.00</u>	<u>1,870,602.95</u>	<u>2,217,477.82</u>	<u>1,166,381.97</u>	<u>\$ 9,052,078.18</u>	<u>\$ -</u>	<u>\$ 19,699,644.82</u>

Monthly Board Report

30-Jun-25

Account number COMALL

CITY OF MILW ALL ACCTS

Page 1 of 3

Manager Mix Report

Account Name/ Account Number	Cash/ % of account	Short Term/ % of account	Equity/ % of account	Fixed/ % of account	R.E. and Other/ % of account	Pendings/ % of account	Total Market Value/ % of consolidation
MILWAUKEE-CASH ACCOUNT	0.00	62,628,878.75	0.00	0.00	0.00	0.00	62,628,878.75
2605491	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	1.02%
MILWAUKEE-THE NORTHERN TRS	0.00	0.00	193,452,166.00	0.00	0.00	0.00	193,452,166.00
2605496	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	3.14%
MILWAUKEE-ERS EXPENSE FUND	0.00	263,832.91	0.00	0.00	0.00	0.00	263,832.91
2605504	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
MILWAUKEE-PABF BENEFIT PAYMENT	0.00	2,509.52	0.00	0.00	0.00	0.00	2,509.52
2610128	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
MILWAUKEE-DFA INTERNATIONAL	0.00	0.00	162,551,840.60	0.00	0.00	0.00	162,551,840.60
2619838	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	2.64%
MILWAUKEE-EARNEST -SL	0.00	3,053,562.82	168,027,272.20	0.00	0.00	0.00	171,080,835.10
2630942	0.00%	1.78%	98.22%	0.00%	0.00%	0.00%	2.77%
MILWAUKEE - UBS A&Q	0.00	0.00	0.00	0.00	286,185,210.50	0.00	286,185,210.50
2637239	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	4.64%
MILWAUKEE-DFA	0.00	0.00	177,773,606.20	0.00	0.00	0.00	177,773,606.20
2637848	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	2.88%
MILWAUKEE-BAIRD	0.00	36,352,259.27	0.00	56,927,467.14	0.00	-1,958,556.53	91,321,169.88
2674604	0.00%	39.81%	0.00%	62.34%	0.00%	-2.14%	1.48%
MILWAUKEE - BLACKROCK R1000V	0.00	0.00	186,942,235.90	0.00	0.00	0.00	186,942,235.90
4472746	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	3.03%
MILWAUKEE-LOOMIS SAYLE	9,509,280.23	0.00	4,497,794.08	721,203,887.20	-225,998,125.00	-1,427,831.50	507,785,005.00
CME01	1.87%	0.00%	0.89%	142.03%	-44.51%	-0.28%	8.24%
MILWAUKEE-BRANDES INT'L EQUITY	3,424,357.19	0.00	287,752,955.30	0.00	2,632,873.76	1,486,001.52	295,296,187.80
CME03	1.16%	0.00%	97.45%	0.00%	0.89%	0.50%	4.79%
MILWAUKEE-REAMS	107,166,519.30	0.00	0.00	899,451,927.00	7,576,334.08	-221,133,303.40	793,061,476.90
CME04	13.51%	0.00%	0.00%	113.42%	0.96%	-27.88%	12.86%
MILWAUKEE-BLAIR	20,006.79	0.00	47,709,663.86	0.00	1,306,726.52	0.00	49,036,397.17
CME05	0.04%	0.00%	97.29%	0.00%	2.66%	0.00%	0.80%
MILWAUKEE-MFS	2,698,532.11	0.00	200,092,416.30	0.00	479,631.24	0.00	203,270,579.60
CME12	1.33%	0.00%	98.44%	0.00%	0.24%	0.00%	3.30%

Monthly Board Report

30-Jun-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-POLEN 2644553	0.00 0.00%	2,012,678.74 1.79%	110,269,092.50 98.21%	0.00 0.00%	0.00 0.00%	0.00 0.00%	112,281,771.20 1.82%
MILWAUKEE - PRINCIPAL DRA -SL 2677436	0.00 0.00%	0.00 0.00%	191,343,994.80 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	191,343,994.80 3.10%
MILWAUKEE-BLACKROCK GLOBAL-SL 2683493	0.00 0.00%	0.00 0.00%	246,728,366.40 93.17%	0.00 0.00%	0.00 0.00%	18,100,000.00 6.83%	264,828,366.40 4.30%
MILWAUKEE - MESIROW IX / 4421480 4421480	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	11,398,217.00 100.00%	0.00 0.00%	11,398,217.00 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 - BLACKROCK US AGG / 4433045 4433045	0.00 0.00%	0.00 0.00%	0.00 0.00%	68,288,862.12 100.00%	0.00 0.00%	0.00 0.00%	68,288,862.12 1.11%
MILWAUKEE- AQR-SL 4468331	0.00 0.00%	0.00 0.00%	108,246,264.00 100.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	108,246,264.00 1.76%
MILWAUKEE-APTITUDE / 4479682 4479682	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	197,873,331.60 100.00%	0.00 0.00%	197,873,331.60 3.21%
MILWAUKEE-INV TRAN CME08	7,111,779.39 3.97%	0.00 0.00%	172,117,429.40 96.03%	0.00 0.00%	0.00 0.00%	0.00 0.00%	179,229,208.80 2.91%
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	427,808.40 0.32%	0.00 0.00%	133,337,420.80 99.69%	0.00 0.00%	0.00 0.00%	-18,647.06 -0.01%	133,746,582.20 2.17%
MILWAUKEE - BLACKROCK US G-SL MULTIPLE	0.00 0.00%	0.00 0.00%	0.00 0.00%	465,214,341.30 100.00%	0.00 0.00%	0.00 0.00%	465,214,341.30 7.54%
MILWAUKEE-PRIVATE EQUITY MULTIPLE	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	759,003,886.00 100.00%	0.00 0.00%	759,003,886.00 12.31%
MILWAUKEE-REAL ESTATE MULTIPLE	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%	490,274,047.19 100.21%	-1,048,902.77 -0.21%	489,225,144.39 7.93%

Monthly Board Report

30-Jun-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
Total for consolidation	130,358,283.41	104,313,722.01	2,393,663,831.47	2,211,086,484.76	1,532,532,132.89	-206,001,239.74	6,165,953,214.77
% for consolidation	2.11%	1.69%	38.82%	35.86%	24.85%	-3.34%	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.

IRS CIRCULAR 230 NOTICE: To the extent that this message or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law. For more information about this notice, see <http://www.northerntrust.com/circular230>

Employees' Retirement System
Securities Lending Income and Expenses: 2025
As of JUNE 30, 2025

Date	Amounts Expended			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
05/05/25	\$699.68	\$0.00	\$0.00	\$217,252.04
05/15/25	\$57,238.06	\$11,441.48	\$0.00	\$263,048.62
06/04/25	\$890.25	\$0.00	\$0.00	\$263,938.87
06/16/25	\$84,285.91	\$16,850.85	\$0.00	\$331,373.93
Current Totals	\$412,832.28	\$80,716.78	\$920,000.00	\$331,373.93

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

MERS PERFORMANCE ESTIMATES
June 30, 2025

Account	2024 Return	1st Quarter 2025	Apr 2025	May 2025	Jun 2025	2nd Quarter 2025	YTD Thru 6/30/2025
Northern Trust S&P 500 Index	25.00%	-4.27%	-0.68%	6.29%	5.08%	10.94%	6.20%
S&P 500	25.02%	-4.27%	-0.68%	6.29%	5.09%	10.94%	6.20%
Difference	-0.02%	0.00%	0.00%	0.00%	0.00%	-0.01%	0.00%
BlackRock Russell 1000 Value Index	14.38%	2.14%	-3.05%	3.51%	3.42%	3.79%	6.01%
Russell 1000 Value	14.37%	2.14%	-3.05%	3.51%	3.42%	3.79%	6.00%
Difference	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
DFA US Large Cap Value	13.84%	2.11%	-4.50%	2.98%	4.48%	2.75%	4.92%
Russell 1000 Value	14.37%	2.14%	-3.05%	3.51%	3.42%	3.79%	6.00%
Difference	-0.53%	-0.02%	-1.46%	-0.53%	1.06%	-1.04%	-1.09%
Polen	16.07%	-5.80%	-0.46%	6.15%	3.59%	9.45%	3.10%
S&P 500	25.02%	-4.27%	-0.68%	6.29%	5.09%	10.94%	6.20%
Difference	-8.95%	-1.53%	0.21%	-0.15%	-1.49%	-1.49%	-3.10%
Earnest	8.19%	-3.31%	-3.14%	3.99%	3.70%	4.45%	0.99%
Russell MidCap	15.34%	-3.40%	-1.03%	5.72%	3.73%	8.53%	4.84%
Difference	-7.15%	0.09%	-2.10%	-1.73%	-0.04%	-4.08%	-3.85%
DFA US Small Cap Value	7.87%	-8.03%	-5.17%	6.13%	4.78%	5.46%	-3.01%
Russell 2000 Value	8.05%	-7.74%	-4.02%	4.20%	4.95%	4.97%	-3.16%
Difference	-0.19%	-0.28%	-1.15%	1.93%	-0.17%	0.49%	0.15%
Brandes	7.09%	10.38%	3.68%	3.50%	3.14%	10.67%	22.17%
MSCI EAFE	3.82%	6.86%	4.58%	4.58%	2.20%	11.78%	19.45%
Difference	3.27%	3.52%	-0.90%	-1.08%	0.93%	-1.10%	2.72%
William Blair	3.44%	0.00%	4.61%	6.02%		10.90%	10.90%
MSCI ACWI ex US	6.09%	5.36%	3.69%	4.96%		8.83%	14.67%
Difference	-2.65%	-5.36%	0.92%	1.06%		2.07%	-3.77%
DFA Int'l Small Cap Value	7.89%	10.35%	4.51%	6.37%	4.33%	15.98%	27.99%
MSCI EAFE Small Cap	1.82%	3.69%	5.80%	5.61%	4.35%	16.59%	20.89%
Difference	6.07%	6.67%	-1.29%	0.77%	-0.02%	-0.61%	7.10%
AQR	6.62%	1.25%	-0.14%	5.20%	7.56%	13.00%	14.41%
MSCI EM	7.50%	2.93%	1.31%	4.27%	6.01%	11.99%	15.27%
Difference	-0.89%	-1.68%	-1.45%	0.93%	1.55%	1.01%	-0.86%
BlackRock ACWI Ex US Growth					1.05%	1.05%	1.05%
MSCI ACWI ex US Growth					1.15%	1.15%	1.15%
Difference					-0.10%	-0.10%	-0.10%
BlackRock Global Alpha Tilts	18.98%	-0.95%	0.67%	5.71%	4.49%	11.19%	10.13%
MSCI ACWI	17.49%	-1.32%	0.93%	5.75%	4.49%	11.53%	10.05%
Difference	1.49%	0.37%	-0.26%	-0.04%	0.00%	-0.34%	0.08%
MFS	11.87%	-3.28%	0.03%	4.85%	2.97%	7.99%	4.45%
MSCI ACWI	17.49%	-1.32%	0.93%	5.75%	4.49%	11.53%	10.05%
Difference	-5.62%	-1.95%	-0.90%	-0.90%	-1.52%	-3.53%	-5.60%
BlackRock Gov't Bond Index	0.79%	2.91%	0.63%	-1.01%	1.25%	0.86%	3.80%
Bloomberg Gov't Bond	0.62%	2.91%	0.63%	-1.02%	1.25%	0.85%	3.79%
Difference	0.16%	0.00%	0.00%	0.01%	0.00%	0.01%	0.01%
BlackRock Aggregate Bond Index*				0.59%	1.54%	2.14%	2.14%
Bloomberg US Aggregate				0.59%	1.54%	2.13%	2.13%
Difference				0.00%	0.00%	0.00%	0.01%
Reams	1.76%	2.91%	0.48%	-0.46%	1.81%	1.83%	4.79%
Bloomberg US Aggregate	1.25%	2.78%	0.39%	-0.72%	1.54%	1.21%	4.02%
Difference	0.51%	0.13%	0.08%	0.26%	0.27%	0.62%	0.77%
Loomis Sayles	5.26%	2.35%	0.58%	0.40%	1.83%	2.83%	5.25%
Bloomberg US Aggregate	1.25%	2.78%	0.39%	-0.72%	1.54%	1.21%	4.02%
Difference	4.01%	-0.43%	0.19%	1.12%	0.29%	1.62%	1.23%
UBS	10.57%	2.12%	0.44%	0.64%	0.49%	1.58%	3.73%
SOFR + 4%	9.31%	2.06%	0.68%	0.68%	0.67%	2.04%	4.14%
Difference	1.26%	0.06%	-0.23%	-0.04%	-0.18%	-0.46%	-0.41%
Aptitude	13.15%	0.51%	1.20%	1.71%	1.34%	4.31%	4.84%
SOFR + 4%	9.31%	2.06%	0.68%	0.68%	0.67%	2.04%	4.14%
Difference	3.84%	-1.55%	0.52%	1.03%	0.67%	2.27%	0.70%
Principal	3.28%	3.39%	-0.07%	2.12%	1.74%	3.82%	7.34%
Blended Benchmark	4.21%	4.73%	0.16%	2.18%	1.80%	4.19%	9.11%
Difference	-0.93%	-1.34%	-0.23%	-0.06%	-0.06%	-0.36%	-1.77%
Baird	5.16%	1.37%	0.54%	0.18%	0.55%	1.26%	2.65%
Bloomberg Govt/Credit 1-3 Year	4.36%	1.63%	0.76%	-0.13%	0.64%	1.27%	2.92%
Difference	0.80%	-0.25%	-0.22%	0.31%	-0.09%	-0.01%	-0.27%
Total MERS	6.85%	1.18%	0.28%	2.02%	2.19%	4.55%	5.78%

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).

Inception date for the BlackRock US Aggregate Index is May 21, 2025

William Blair performance runs through May 29, 2025.

Inception date for the BlackRock ACWI Ex US Growth Index is June 12, 2025

ACTUAL ALLOCATIONS

June 30, 2025

		Target*	Market Value	Allocation
EQUITY				
Public Equity				
Domestic				
Passive Large Cap Equity	Northern Trust (S&P 500)	3.19%	\$ 203,287,338	3.29%
	BlackRock (Russell 1000 Value)	3.19%	\$ 193,331,464	3.13%
	Sub-Total Passive Large Cap Equity	6.37%	\$ 396,618,802	6.42%
Active Large Cap Equity	Polen (S&P 500)	1.79%	\$ 116,317,534	1.88%
	DFA (Russell 1000 Value)	2.28%	\$ 139,734,027	2.26%
	Sub-Total Active Large Cap Equity	4.06%	\$ 256,051,561	4.15%
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	2.95%	\$ 177,406,384	2.87%
	DFA (Russell 2000 Value)	2.81%	\$ 186,266,449	3.02%
	Sub-Total Active Mid/Small Cap Equity	5.76%	\$ 363,672,833	5.89%
Total Domestic		16.20%	\$ 1,016,343,196	16.46%
International				
Active International Equity	Brandes (MSCI EAFE)	4.74%	\$ 307,377,405	4.98%
	William Blair (MSCI ACWI ex US)	3.61%	\$ 1,445,974	0.02%
	DFA (MSCI EAFE Small Cap)	2.62%	\$ 169,582,959	2.75%
	AQR (MSCI EM)	1.63%	\$ 110,514,400	1.79%
	Sub-Total Active International Equity	12.60%	\$ 588,920,738	9.54%
Passive International Equity		0.00%	\$ 208,610,565	3.38%
Total International		12.60%	\$ 797,531,304	12.91%
Global				
Active Global Equity	BlackRock (MSCI ACWI)	3.96%	\$ 257,777,895	4.17%
	MFS (MSCI ACWI)	3.24%	\$ 209,302,334	3.39%
Total Global		7.20%	\$ 467,080,229	7.56%
Total Public Equity		36.00%	\$ 2,280,954,729	36.93%
Private Equity				
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	3.85%	\$ 297,407,077	4.82%
	Mesirow (Russell 3000 Quarter Lag + 2%)	3.85%	\$ 300,777,927	4.87%
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.65%	\$ 82,253,162	1.33%
	Apogem (Russell 3000 Quarter Lag + 2%)	1.65%	\$ 103,999,922	1.68%
Total Private Equity		11.00%	\$ 784,438,088	12.70%
TOTAL EQUITY (Public Equity + Private Equity)		47.00%	\$ 3,065,392,817	49.63%
FIXED INCOME & ABSOLUTE RETURN				
Fixed Income				
Cash		1.00%	\$ 66,469,153	1.08%
Passive Fixed Income	BlackRock (Bloomberg US Government)	8.00%	\$ 471,029,146	7.63%
	BlackRock (Bloomberg US Aggregate)	0.00%	\$ 69,341,752	1.12%
	Sub-Total Passive Fixed Income	8.00%	\$ 540,370,899	8.75%
Active Fixed Income	Reams (Bloomberg US Aggregate)	14.20%	\$ 807,420,707	13.07%
	Loomis Sayles (Bloomberg US Aggregate)	8.81%	\$ 517,067,279	8.37%
	Sub-Total Active Fixed Income	23.00%	\$ 1,324,487,986	21.45%
Total Fixed Income		32.00%	\$ 1,931,328,038	31.27%
Absolute Return				
	Aptitude (SOFR + 4%)	3.86%	\$ 203,957,960	3.30%
	UBS (SOFR + 4%)	5.14%	\$ 289,427,431	4.69%
Total Absolute Return		9.00%	\$ 493,385,391	7.99%
TOTAL FIXED INCOME & ABSOLUTE RETURN		41.00%	\$ 2,424,713,429	39.26%
REAL ASSETS				
Private Real Estate - Core	JP Morgan (NFI-ODCE)	2.24%	\$ 94,535,282	1.53%
	Morgan Stanley (NFI-ODCE)	2.42%	\$ 147,388,974	2.39%
	LaSalle (NFI-ODCE)	2.06%	\$ 107,412,875	1.74%
	Prologis (NFI-ODCE)	1.17%	\$ 82,960,545	1.34%
	Harrison Street (NFI-ODCE)	0.81%	\$ 50,269,535	0.81%
	Sub-Total Private Real Estate - Core	8.70%	\$ 482,567,211	7.81%
Private Real Estate - Non-Core		0.00%	\$ 8,723,101	0.14%
Public Real Assets		3.30%	\$ 194,671,716	3.15%
TOTAL REAL ASSETS		12.00%	\$ 685,962,029	11.11%
TOTAL ERS			\$ 6,176,068,275	100.00%
Total City Reserve Fund			R. W. Baird	91,819,162

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

PROJECTED TARGET ALLOCATIONS

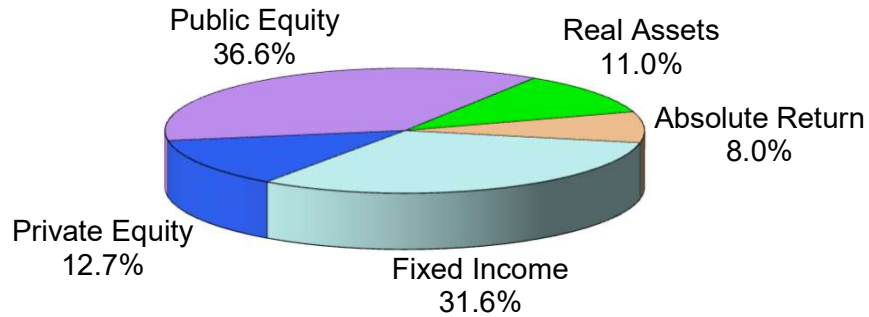
Jul 15, 2025

			Target*	Market Value	Allocation
EQUITY					
Public Equity					
Domestic					
Passive Large Cap Equity	Northern Trust (S&P 500)	3.19%	\$	197,497,213	3.20%
	BlackRock (Russell 1000 Value)	3.19%	\$	193,218,668	3.13%
	Sub-Total Passive Large Cap Equity	6.37%	\$	390,715,881	6.33%
Active Large Cap Equity	Polen (S&P 500)	1.79%	\$	115,790,751	1.88%
	DFA (Russell 1000 Value)	2.28%	\$	139,874,334	2.27%
	Sub-Total Active Large Cap Equity	4.06%	\$	255,665,085	4.14%
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	2.95%	\$	177,750,765	2.88%
	DFA (Russell 2000 Value)	2.81%	\$	189,831,132	3.08%
	Sub-Total Active Mid/Small Cap Equity	5.76%	\$	367,581,897	5.96%
Total Domestic		16.20%	\$	1,013,962,863	16.43%
International					
Active International Equity	Brandes (MSCI EAFE)	4.74%	\$	308,671,084	5.00%
	William Blair (MSCI ACWI ex US)	0.00%	\$	1,386,315	0.02%
	DFA (MSCI EAFE Small Cap)	2.62%	\$	163,427,137	2.65%
	AQR (MSCI EM)	1.63%	\$	108,463,789	1.76%
	Sub-Total Active International Equity	8.99%	\$	581,948,325	9.43%
Passive International Equity	BlackRock (MSCI ACWI ex US Growth)	3.61%	\$	208,227,210	3.37%
Total International		12.60%	\$	790,175,535	12.81%
Global					
Active Global Equity	BlackRock (MSCI ACWI)	3.96%	\$	247,591,179	4.01%
	MFS (MSCI ACWI)	3.24%	\$	208,888,177	3.39%
Total Global		7.20%	\$	456,479,355	7.40%
Total Public Equity		36.00%	\$	2,260,617,753	36.63%
Private Equity					
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	3.85%	\$	297,407,077	4.82%
	Mesirow (Russell 3000 Quarter Lag + 2%)	3.85%	\$	300,777,927	4.87%
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.65%	\$	82,253,162	1.33%
	Apogem (Russell 3000 Quarter Lag + 2%)	1.65%	\$	104,769,539	1.70%
Total Private Equity		11.00%	\$	785,207,705	12.72%
TOTAL EQUITY (Public Equity + Private Equity)		47.00%	\$	3,045,825,458	49.36%
FIXED INCOME & ABSOLUTE RETURN					
Fixed Income					
Cash		1.00%	\$	103,015,220	1.67%
Passive Fixed Income	BlackRock (Bloomberg US Government)	8.00%	\$	465,477,507	7.54%
	BlackRock (Bloomberg US Aggregate)	0.00%	\$	68,577,982	1.11%
	Sub-Total Passive Fixed Income	8.00%	\$	534,055,489	8.65%
Active Fixed Income	Reams (Bloomberg US Aggregate)	14.20%	\$	798,250,053	12.94%
	Loomis Sayles (Bloomberg US Aggregate)	8.81%	\$	514,346,355	8.34%
	Sub-Total Active Fixed Income	23.00%	\$	1,312,596,409	21.27%
Total Fixed Income		32.00%	\$	1,949,667,118	31.60%
Absolute Return					
	Aptitude (SOFR + 4%)	3.86%	\$	203,957,960	3.31%
	UBS (SOFR + 4%)	5.14%	\$	289,427,431	4.69%
Total Absolute Return		9.00%	\$	493,385,391	8.00%
TOTAL FIXED INCOME & ABSOLUTE RETURN		41.00%	\$	2,443,052,509	39.59%
REAL ASSETS					
Private Real Estate - Core	JP Morgan (NFI-ODCE)	2.24%	\$	89,986,531	1.46%
	Morgan Stanley (NFI-ODCE)	2.42%	\$	147,388,974	2.39%
	LaSalle (NFI-ODCE)	2.06%	\$	108,993,020	1.77%
	Prologis (NFI-ODCE)	1.17%	\$	82,462,782	1.34%
	Harrison Street (NFI-ODCE)	0.81%	\$	50,269,535	0.81%
	Sub-Total Private Real Estate - Core	8.70%	\$	479,100,842	7.76%
Private Real Estate - Non-Core	Non-Core Real Estate (NFI-ODCE)	0.00%	\$	8,580,021	0.14%
Public Real Assets	Principal (Blended Benchmark)	3.30%	\$	194,159,759	3.15%
TOTAL REAL ASSETS		12.00%	\$	681,840,623	11.05%
TOTAL ERS			\$	6,170,718,590	100.00%
Total City Reserve Fund		R. W. Baird	91,831,235		

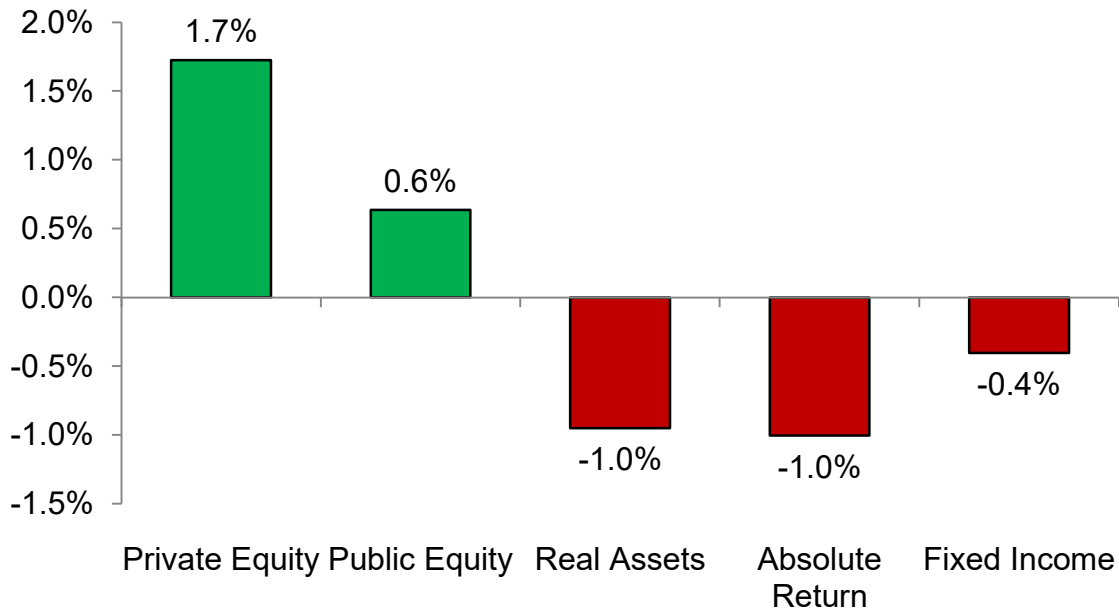
* Reflects targets approved at April 10, 2025 Investment Committee Meeting

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>July 15, 2025</u>		
Retiree Payroll Expense		\$ (244,105,677)	
PABF Payroll Expense		\$ -	
Expenses Paid		\$ (9,323,553)	
GPS Benefit Payments		\$ (2,576,859)	
Sub-Total Monthly Cash Outflows			\$ (256,006,089)
Monthly Cash Inflows thru	<u>July 15, 2025</u>		
Contributions		\$ 232,353,309	
PABF Contribution		\$ -	
Sub-Total Monthly Contributions			\$ 232,353,309
Capital Market Gain/(Loss)			<u>\$ 339,582,469</u>
Value including City Reserve & PABF Accounts as of	<u>July 15, 2025</u>		<u>\$ 6,262,549,824</u>
Less City Reserve Account ¹			\$ 91,831,235
Less PABF Fund ²			\$ 2,523
Net Projected ERS Fund Value as of	<u>July 15, 2025</u>		<u><u>\$ 6,170,716,067</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 7/16/2025

(in 000's)

	<u>12/31/2024</u>	<u>1/31/2025</u>	<u>2/28/2025</u>	<u>3/31/2025</u>	<u>4/30/2025</u>	<u>5/31/2025</u>	<u>6/30/2025</u>	<u>7/31/2025</u>	<u>8/31/2025</u>	<u>9/30/2025</u>	<u>10/31/2025</u>	<u>11/30/2025</u>	
<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	62,220	65,729						
Total Cash Available	34,353	195,240	158,015	139,991	81,748	62,220	65,729						
Less: Estimated Cash Needs for non-Investment Outflows	41,500	41,500	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	20,720	24,229						
<u>For Monthly Cash Outflows of:</u>													
Retiree Payroll Expense	(40,813)	(40,842)	(41,260)	(41,092)	(40,778)	(41,898)	(42,247)	(42,351)	(42,456)	(42,561)	(42,666)	(42,772)	(501,736)
Normal Retirement Payroll	(40,298)	(40,408)	(40,619)	(40,804)	(40,334)	(41,643)	(41,747)	(41,851)	(41,956)	(42,061)	(42,166)	(42,272)	(496,159)
Retiree Lump Sum Payments	(516)	(434)	(641)	(288)	(444)	(255)	(500)	(500)	(500)	(500)	(500)	(500)	(5,577)
Real Estate Capital Calls	(12,520)	-	-	-	-	-	-	-	-	-	-	-	(12,520)
Private Equity Capital Calls	(8,340)	(15,113)	(4,839)	(849)	(5,140)	(17,398)	(866)	-	-	-	-	-	(52,544)
Expenses Paid through City	(2,044)	(700)	(1,907)	(986)	(1,896)	(1,791)	(845)	(2,044)	(2,044)	(2,044)	(2,044)	(2,044)	(20,389)
PABF Payroll	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total Monthly Cash Outflows	(63,717)	(56,655)	(48,005)	(42,927)	(47,814)	(61,086)	(43,958)	(44,395)	(44,500)	(44,605)	(44,710)	(44,816)	(587,188)
<u>For Monthly Cash Inflows:</u>													
Sponsoring Agency and Employee Contribution	3,917	2,634	2,602	2,595	2,570	3,159	2,583	2,589	2,596	2,602	2,609	2,615	33,071
Real Estate Distributions	5,561	-	61	5,841	158	143	4,691	-	-	-	-	-	16,455
Private Equity Distributions	4,384	4,931	8,995	2,632	7,311	11,950	-	-	-	-	-	-	40,204
Miscellaneous Income	219	865	616	615	447	409	280	400	400	400	400	400	5,449
Security Lending Transfer	920	-	-	-	-	-	-	-	-	-	-	-	920
City and Agency Required Contribution	209,603	-	706	-	-	-	3,403	-	-	-	-	-	213,712
PABF Inflow	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-Total Monthly Cash Inflows	224,603	8,430	12,980	11,684	10,486	15,661	10,956	2,989	2,996	3,002	3,009	3,015	309,812
Net Monthly Cash Inflows/(Outflows) Before Withdrawals	160,887	(48,225)	(35,025)	(31,243)	(37,328)	(45,425)	(33,003)	(41,406)	(41,504)	(41,603)	(41,701)	(41,800)	(277,376)
Net Monthly Cash Surplus (Need)	153,740	105,515	81,491	67,248	2,920	(24,705)	(8,773)	(41,406)	(41,504)	(41,603)	(41,701)	(41,800)	169,421
<u>Monthly Cash Withdrawals (Additions)</u>													
AQR					5,500	3,800							
BlackRock Global Alpha Tilts					18,100	10,000							
BlackRock Russell 1000 Value Index					13,800								
BlackRock US Government Bond Index				(38,000)									
Blackrock US Aggregate Index Fund					(68,000)								
Brandes		11,000	11,000	13,000			10,900						
Dimensional Fund Advisors US Large Cap					9,900								
Dimensional Fund Advisors International			6,000	10,000	15,800		6,000						
Dimensional Fund Advisors US Small Cap					6,200								
Earnest													
Loomis Sayles					(11,000)								
MFS					7,100								
Northern Trust S&P 500 Index					14,100		7,200						
Polen					8,200		4,100						
Principal													
Reams				(30,000)									
Transition Account						25,103							
UBS A&Q													
Goldman/Aptitude													
William Blair				18,000		232							
Sub-Total Monthly Cash Withdrawals	-	11,000	17,000	(27,000)	41,400	39,134	28,200						
<u>Estimated Month-End Cash Balance</u>													
Cash Available	153,740	116,515	98,491	40,248	44,320	14,429	19,427						
Estimated Cash Needs for non-Investment Outflows	41,500	41,500	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	85,820	55,929	60,927						