REGULAR MEETING OF THE ANNUITY AND PENSION BOARD EMPLOYES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE 789 N. WATER ST. (Employes' Retirement System) WEDNESDAY, SEPTEMBER 24, 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 July 22, 2025.
 - B. Special Board Meeting Held September 11, 2025.
- II. Chief Investment Officer Report.
- III. Investment Committee Report.
 - A. Approval of 2026 Private Equity Commitment Recommendation.
 - B. Approval of Callan LLC Investment Consultant Contract.
- IV. Administration & Operations Committee Report.
 - A. Approval of Annual Report of the Annuity & Pension Board 87th Edition, December 31, 2024.
- V. New Business.
 - A. Consider Cavanaugh Macdonald Funding Policy Alternatives with Possible Approval of Further Action.
 - B. Approval of Fiduciary Liability and Cyber Insurance Coverages.

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)(c), for considering employment, promotion, compensation or performance evaluation data of any public employe over which the governmental body has jurisdiction or exercises responsibility. The Board may then vote to reconvene in open session following the closed session.

- C. Request by Executive Director Candidate to Reschedule Interview Appointment.
- D. Retirements, Death Claims, and Refunds (July and August).
- E. Conference Requests September 24, 2025 Board Meeting.

VI. Medical Reports.

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following items (VI.B.), as provided in Section 19.85(1)(f), Wisconsin State Statutes, for considering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems or the investigation of charges against specific persons except where par. (b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations.

- A. All Duty & Ordinary Disability Applications & Re-examinations (August and September).
- B. Disability Findings Joel Rodriguez.

VII. 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 (VII.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.

VIII. Informational.

- A. Conferences.
- B. Class Action Income 2025 YTD.
- C. Report on Bills.
- D. Deployment of Assets.
- E. Securities Lending Revenue and Budget Report.
- F. Preliminary Performance Report and Asset Allocation.

MEETING REMINDERS

SPECIAL MEETING OF THE ANNUITY AND PENSION BOARD

WEDNESDAY, OCTOBER 1, 2025 – 9:00 A.M.

789 N. WATER ST.

SPECIAL MEETING OF THE ANNUITY AND PENSION BOARD

THURSDAY, OCTOBER 2, 2025 – 9:00 A.M.

789 N. WATER ST.

REGULAR MEETING OF THE ANNUITY AND PENSION BOARD

TUESDAY, OCTOBER 28, 2025 – 9:00 A.M.

789 N. WATER ST.

APPROVAL OF MINUTES

- A.
- Regular Meeting Held July 22, 2025. Special Board Meeting Held September 11, 2025. B.

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

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

The meeting was called to order at 9:01 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

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: Andrew Brown, Lance Friedensohn, Lindsay Higerd, Korn Ferry; Patrick McClain, City Attorney's Office; Terry Siddiqui, DS Consulting, Inc., eight members of the public called in to the meeting.

Approval of Minutes.

Regular Meeting Held June 24, 2025. It was moved by Mr. Bell, seconded by Mr. Christianson, and unanimously carried, to approve the Regular Meeting Held June 24, 2025.

Chief Investment Officer Report. Mr. Sauer noted the Fund value as of June 30, 2025 was \$6.18 billion. He said the Fund return of 2.2%, net of fees, outperformed the blended benchmark by approximately 30 basis points. Mr. Sauer said for the primary drivers of relative performance, Private Equity added 60 basis points. He said this was a month, and it has been talked about a lot in the past, where Private Equity is compared to a lagged Public Markets benchmark, plus a premium, so that finally flipped and went in the Fund's favor as the Private Equity reports that came in and were reflected in June all added up to a slight positive in the aggregate. The Fund was compared to a benchmark that was down approximately 4% so that added 60 basis points to the Fund's returns. Mr. Sauer commented that Public Equity Style Bias detracted 16 basis points, primarily from the Fund's Value Bias. He said the Overall Allocation detracted 12 basis points.

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June was the last month where the Fund was compared to the old benchmark targets, which meant the Fund was underweight Public Equity, with a resulting overweight to Fixed Income and Absolute Return. In a month where Public Equity was the best performing asset class, this was a detractor. Mr. Sauer noted that the new allocation targets take effect in July, He stated the Fund was also overweight Private Equity was not due to the benchmark change, and the Fund will be more overweight Private Equity when the benchmark change occurs. Mr. Sauer said with the Private Equity benchmark being negative, the overweight to Private Equity detracted. He said the Fund outperformed the benchmark in the year-to-date and longer time periods while underperforming in the one-year time period. Mr. Sauer stated through July 21, 2025, the Fund is up 0.4% month-to-date, which brings the year-to-date return to 6.2%, net of fees, and the Fund value to \$6.21 billion. He noted six out of the Fund's 14 active mandates are outperforming year to date. He said the Fixed Income and Absolute Return asset classes are outperforming their respective benchmarks year to date, net of fees. Mr. Sauer said year to date, the Fund had a change in the value of investments of \$375.0 million, received contributions of \$233.5 million, and paid out benefits and expenses of \$256.9 million. He said the monthly withdrawals are \$10.9 million from Brandes, \$7.2 million from the S&P500 Index, \$6.0 million from DFA International, and \$4.1 million from Polen, Discussion ensued.

Mr. Silber said the transition that the Fund previously initiated was completed last month and that feedback from the transition manager and the Transaction Cost Analysis provider indicate that it was a good transition in that they were able to minimize costs. He said meetings are scheduled with both the transition manager and the TCA provider to have any outstanding questions answered. Mr. Silber said the Fund's return is a little over 6%, net of fees, through mid-July, as Mr. Sauer reported, which is close to the Fund's discount rate of 6.8% and Callan's 10-year projected return of 7.1%. He noted when he looks at the returns of the Fund's asset classes, there are positives in the Public Equity portfolio, which as of yesterday, is up over 10%. Mr. Silber said the Fund's Fixed Income and Absolute Return allocations are both up over 4%, net of fees, which is a nice return six months into the year. He said the return for the liquid Real Assets manager Principal is about 8%, net of fees, which exceeds what Callan would tell us to expect on average over a 10-year period. Mr. Silber said Private Equity and Private Real Estate are two parts of the portfolio where the returns have not met Callan's long-term return expectations in the last few years. He said there are various reasons for it, but Callan has previously said the portfolio is structured well, the managers are performing above median, and it is an asset class challenge, not an investment manager selection issue. Mr. Silber stated to turn a good Fund year into a great year, it would be necessary for Private Equity and Private Real Estate to participate, and hopefully, patience is rewarded over the long-term going forward. He said for asset allocation, he is cognizant of overweights to both of the Fund's Private and Public equity allocations, and from a liquidity standpoint there are no issues. He commented that it is good practice to avoid selling in a secondary market and to treat the long-term illiquid asset classes as long-term investments, leaving Public Equity as the lever to deal with the Fund's equity over weights. Mr. Silber stated as long as stocks are going up, and we see an asset allocation compared to our targets that is overweight in Private Equity and Public Equity, more money will likely be taken from Public Equity to pay benefits month-to-month. He said for liquidity, the Fund currently has about three months of cash on hand to pay benefits. Mr. Silber said between now and the end of the year, about \$40 million more is paid out each month than brought in. He concluded by stating the next Investment meeting is September 4 where Callan will be doing the annual Private Equity Pacing Analysis and providing a cryptocurrency education. Discussion ensued with Mr. Konrad requesting a presentation at the next Investment meeting on how Private Equity investments are valued.

New Business.

Consultation with Korn Ferry. Messrs. Brown and Friedensohn and Ms. Higerd thanked the Board for choosing Korn Ferry to partner with the Board for the opportunity to find the Board's next Executive Director. Mr. Brown noted he and Ms. Higerd are big parts of Korn Ferry's Pension Fund Practice, Public Sector Pension Practice. Mr. Brown stated today they would provide quick introductions of the team and learn a meeting cadence for the life of the search. He said Korn Ferry would go out to the market and discuss with candidates who are seeking new opportunities or the ones not seeking new opportunities as a viable option they should consider. Mr. Brown stated Korn Ferry would like to know from the committee what the ideal candidate would be and what the specific needs are. He displayed sample resumes and profiles to see if they are viable candidates and then solicit feedback. Mr. Allen commented that if individual personalities and candidates are discussed, it would be necessary to go into closed session. Ms. Higerd asked if there is information to share about the background of the individual the Board is looking for as there are always intangibles Korn Ferry is looking to gather. Ms. Ford asked Korn Ferry if they had already recruited candidates. Mr. Brown said this is the beginning of the kick-off process and focus on individual candidates. He noted the candidates they will show the Board are interested in new opportunities and Korn Ferry is looking for feedback on the profiles of the candidates. Mr. Allen said after the June Board meeting, they shared with Korn Ferry the existing job description that was approved by the Common Council for the Executive Director position. Mr. Brown noted they are in the early stages of accepting applications and the posting will be on Korn Ferry's website, which will also be filtered to LinkedIn. Mr. Brown added that they are headhunters and actively solicit interest from candidates. Mr. Brown said Korn Ferry would show a couple profiles and one resume.

Mr. Bell 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 employe over which the governmental body has jurisdiction or exercises responsibility. The Board may then vote to reconvene in open session following the closed session.

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

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

The Board reconvened in open session at 10:18 a.m.

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

Administrative Withdrawal \$6,478.20

Full Refund \$202,210.32

Active Death Benefits reported \$0.00

Deferred Death \$0.00

Deferred Death-Member Only Refund \$0.00

Ordinary Death Benefits reported \$220,027.50

Retired Death Benefits reported \$16,214.95

Survivor Death – Termination Benefits reported \$6,758.03

Refund of Member Contributions paid \$90,854.53

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

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

David Silber, Apogem Due Diligence

Thomas Courtright

Sponsor: Apogem Capital Location: Richmond, VA

Date(s): September 16-17, 2025 Estimated Cost: \$1,100.00 per person

Keith Dickerson DFA Institutional Executive Forum

Sponsor: Dimensional Fund Advisors

Location: New York, NY Date(s): October 8-9, 2025

Estimated Cost: \$1,500.00

David Silber U.S. Partnerships Retreat for Allocator Leaders 2025

Sponsor: with.Intelligence

Location: Miami, FL

Date(s): November 16-19, 2025

Estimated Cost: \$1,800.00

Mr. Allen approval for a meeting at the Robert W. Baird Conference in Kohler, WI on behalf of the Deferred Compensation Plan, where he is a Trustee on that Board and Baird is an investment manager for Fixed Income. He noted it is the second Monday in September and there is no fee or transportation costs.

It was moved by Mr. Bell, seconded by Mr. Heling, and unanimously carried, to approve the Conference Requests – July 22, 2025 Board Meeting.

Approval of 2024 Basic Financial Statements – Unaudited. Mr. Gopalan went over the financial statements at a high level. He said the financial statements are currently under audit by the Legislative Audit Bureau (LAB) so that is why the statements say unaudited. He said once the audit is completed, he will go over the audit and the full financial statement (the Annual Comprehensive Financial Report (ACFR)) at a later Board meeting. Mr. Gopalan said under Wisconsin State Statutes, the LAB audits are confidential until they issue their audit opinion and report. He said the ACFR will be released at the same time the LAB releases their report to the Wisconsin Legislature. He said coordinating the release of the two reports is why the Board's approval is needed today for the unaudited report. Mr. Allen noted a summary of the financial statement will be provided to the members as has been done for 80-plus years. Mr. Gopalan said this will be the $87^{t\hat{h}}$ version and will go out with the member statements after the audit is completed. He said that overall, Staff is confident that the financial statements are materially correct and he does not expect the numbers to change, but the audit is still ongoing and if the numbers would change, the updated statement would have to go back to the Board for approval. Mr. Gopalan referred the Board to page two of the Statement of Fiduciary Net Position and said three Funds are listed and each has their own column. He noted there are two Pension Trust Funds, the Global Combined Fund and the Non-Consenter Retirement Funds. He stated these Funds were created as a result of the Global Pension Settlement. Mr. Gopalan said any ERS member who has consented to the Global Pension Settlement (the GPS), would receive their benefits paid from the Global Combined Fund. He said most members have consented or will consent at retirement in exchange for increased benefit payments. Mr. Gopalan stated the Non-Consenter Retirement Funds are made up of three legacy plans: the Retirement Fund, the Combined Retirement Fund, and the General Employee Duty Disability Fund. He said there is only about \$16 million dollars in the latter Fund. Mr. Gopalan stated the third Fund, labeled the Custodial Fund, is the Employers' Reserve Fund. He said it is the Custodial Fund because it is technically the employers' asset and the ERS administers it, but the Common Council for the City of Milwaukee has the ultimate decisionmaking on that Fund. Mr. Gopalan discussed the numbers and said the net position at the end of 2024 was \$5.95 billion. He said the net position (assets minus liabilities) increased by \$150 million in 2024 for assets to invest and pay future benefits for the members. Mr. Gopalan referred the Board members to page three to the Statement of Changes in Fiduciary Net Position – Unaudited. He said this is the income statement and in 2024, there were \$251 million in contributions between the employers and the members. Mr. Gopalan said there was \$403 million in net investment income, with the net investment income totaling \$654 million. He commented that \$500 million was paid out, and \$490 million of that was for benefit payments. Mr. Gopalan said plan assets increased by \$150 million in 2024, while paying out half a billion dollars in benefits. He added that this is a good example of what happens as a result of returns slightly exceeded the 6.8% discount rate. Mr. Gopalan concluded the rest of the financial statements including the notes. Discussion ensued.

It was moved by Mr. Bell, seconded by Mr. Christianson, and unanimously carried, to approve the Approval of 2024 Basic Financial Statements – Unaudited.

Approval to Suspend Disability Benefits for Non-Compliance with Outside Earnings Limitation. Mr. Allen said nine individuals did not comply in fulfilling their outside earnings reporting obligations under the Charter's offset provisions by failing to submit a copy of their 1040s. He said if they are suspended, but do correct their non-compliance, they will receive their

full retroactive payment of their suspended benefits. Mr. Bell asked how the list compared to previous years and Messrs. Allen and Gopalan said it is less than previously. Mr. Gopalan said once persons are suspended, they usually comply to provide their outside earnings. Mr. Gopalan added that for some of the people, it is not the first time they had faced suspension.

It was moved by Mr. Bell, seconded by Mr. Klusman, and unanimously carried, to approve the Approval to Suspend Disability Benefits for Non-Compliance with Outside Earnings Limitation, list of nine.

Approval of August Resolution. Mr. Bell presented the following 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.

Discussion ensued. It was moved by Mr. Klusman, seconded by Mr. Konrad, and unanimously carried, to approve the Approval of August Resolution.

Medical Reports.

Police – Re-examinations – Duty

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

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

Recommendation

Vidal Colon Graham Kunisch Stacy Lopez-Devereaux Elmer Montano	Approval Approval Approval Approval
<u>Fire – Applications – Duty</u>	Recommendation
Jamie Morgan	Denial

<u>Fire – Re-examinations – Duty</u> <u>Recommendation</u>

Gilbert Baltutis Approval Maurya Lomen Approval

<u>Fire – Applications – Ordinary</u> <u>Recommendation</u>

Jamie Morgan Approval

Effective 10/16/2024

<u>Fire – Re-examinations – Ordinary</u> <u>Recommendation</u>

Samuel Uribe Approval

General City – Re-examinations – Ordinary Recommendation

Ibrahim DaisApprovalFreddie LewisApprovalAngela MoralesApproval

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

Unfinished Business.

Pending Legal Opinions and Service Requests Report. Mr. McClain said that Assistant City Attorney Travis Gresham would be working with him, as well as Messrs. Silber and Sauer, on the Statement of Investment Policy Review that the Board discussed last month as well as the Investment Consultant Agreement for Callan.

Pending Legislation Report. Mr. Allen said there is nothing to report this month on the 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.

Pending Litigation Report. Mr. Bell noted the Litigation Report has a placeholder for closed session but Mr. McClain said none of his items require closed session. He stated that in May the Board requested a more robust Litigation Report. He said there are no cases pending for Circuit Court as of two months ago. Mr. McClain provided an in-depth report for three cases pending at the Court of Appeals. He said the case of MPA and Kurt Lacina v. the City of Milwaukee was originally filed in 2022 and at the Court of Appeals since 2023 and is one of the oldest pending cases in District 1, being the 20th oldest case out of 676 cases pending before the

District 1 Court of Appeals. Mr. McClain said in this case, the plaintiffs challenged the ERS' interpretation of the worker's compensation offset provision found in Section 36.12 of the Milwaukee City Charter. He stated that the provision requires that ERS offset duty disability benefits by any amounts which may be paid or payable under the provisions of any state worker's compensation program or similar law on account of the same disability. Kurt Lacina, the plaintiff in this case, was a police officer and was involved in a motor vehicle accident in 2008 from which he received \$52,000 in worker's compensation for his physical injuries. Mr. McClain said he applied for and was denied DDR at that time and in 2012, was involved in another motor vehicle accident which re-aggravated the same injury and applied for DDR for mental injuries related to his physical injuries and was approved. He said a question arose as to whether his newly-granted duty disability benefit for mental injuries should be offset by his prior worker's compensation award for physical injuries. Mr. McClain said a City Attorney opinion was issued indicating that the benefit should be offset because the mental and physical injuries were inextricably linked and attributable to the same accident. He said Mr. Lacina sued, along with the Milwaukee Police Association, claiming that that interpretation was in error. Mr. McClain said the lawsuit stated two claims: first, that the phrase "paid or payable" as used in Section 36.12 only contemplates future benefits; that is benefits payable after an award of duty disability and not before an award of duty disability; and second, that the phrase "same disability" as used in Section 36.12 does not permit an offset for duty disability benefits granted for mental injuries based on a worker's compensation award for physical injuries. He said the mental/physical divide was dispositive for the offset provision. Mr. McClain said on January 30, 2023, the City Attorney's office received an unfavorable decision from the Circuit Court which found in favor of Mr. Lacina, the City Attorney's office appealed on February 20, 2023 with briefing concluded on October 28, 2023 and the case was submitted without briefs on February 26, 2025. He concluded there is no pending action on this case and he is waiting for a decision from the Court of Appeals.

Mr. McClain discussed the second case Benjean Lara v. City of Milwaukee, et al. He said this case was originally filed in Circuit Court in 2022 and reached the Court of Appeals in 2023. Mr. McClain then stated those dates are incorrect and are more recent than that. He said this case involved a Certiorari appeal of the denial of Mr. Lara's duty disability benefits. Mr. McClain stated that Mr. Lara claimed that he had become permanently disabled as a result of a traumatic brain injury after hitting his head on a desk at work. He said his application was denied by the Medical Council, the Board adopted that recommendation from the Medical Council and Mr. Lara appealed under Chapter 68 of the Wisconsin Statutes. Mr. McClain said the duty disability appeals process is governed by state statutes and the Chapter 68 statute outlines a three-tiered appeals process for challenging decisions made by administrative agencies. He noted the first step in that process is an independent review by a neutral third party, that is essentially a document review, and if the decision still stands, the individual is entitled to an appeal hearing at which they are entitled to present evidence and call witnesses. Mr. McClain said it is a de novo hearing on the subject matter of the appeal, and finally if the appeal hearing still does not go the applicant's way, they can file a judicial appeal seeking reversal in circuit court. He said the Medical Council and Board's decision on Mr. Lara's application was affirmed by an independent reviewer and then went to an appeal hearing where the hearing examiner recommended reversal. He said the hearing examiner's report either omitted or misstated significant portions of the evidentiary record, and as a result, the Board directed the hearing examiner to file a more complete report which the hearing examiner did. Mr. McClain said he did file a more complete report but restated his initial conclusions and the Board

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took the matter under advisement, did its own review of the evidence with the assistance of a different Assistant City Attorney who issued its own determination on August 29, 2023, denying Mr. Lara's appeal. He said Mr. Lara undertook a series of actions in circuit court challenging the Board's decision to deny his application. Mr. McClain said Mr. Lara filed a mandamus action seeking to force the ERS to grant his application based on the hearing examiner's recommendation. He said the ERS was successful in getting that matter dismissed because mandamus was not the proper procedure to challenge the Board's decision. Mr. McClain said Mr. Lara then filed an appeal under Chapter 68 which is the proper procedure. He noted it went to briefing and on July 22, 2024, the circuit court affirmed the Board's action finding that the Board was entitled to make its own decision despite the recommendation of the hearing examiner as long as it took certain procedural steps which the Board had complied with. Mr. McClain stated the court also found that the Board's decision, while procedurally proper, was also supported by the evidentiary record. He said the circuit court confirmed that the Board's interpretation of the evidence was reasonable given the totality of the circumstances. He noted Mr. Lara appealed in August 2024 and in January 2025, the briefing was completed, recently the court of appeals indicated it was interested in hearing oral arguments on this matter and the City Attorney's office is waiting a scheduling order from the court of appeals. Mr. McClain said the oral argument would likely take place in November, after the oral argument, the case would be taken under advisement by the court of appeals and a decision would likely be expected in late 2026 or early 2027.

Mr. McClain said Mr. Lacina has a second lawsuit pending with the ERS and it is relatively recent as it was initiated last year. He stated it is a dispute over when 90% duty disability retirement beneficiaries are permitted to cease their annual medical re-examinations. Mr. McClain said duty disability retirement beneficiaries are required to submit to annual re-examinations until their minimum service retirement age, which for many police officers, is age 57. He noted some duty disability retirees can convert to a service retirement at a lower age than 57 and because they are converting to a different benefit than a duty disability benefit, they stop having medical reexaminations for duty disability. Mr. McClain said Mr. Lacina claimed he was entitled to convert at a lower age than 57; however, the rules governing conversion do not apply to 90% duty disability beneficiaries. He said this matter was brought to the Board in early 2024 and the City Attorney's Office recommended against granting Mr. Lacina's request which the Board did and refused to accept the request. Mr. Lacina subsequently filed suit, saying the provision for cessation of reexams for 75% for duty disability beneficiaries should also be applied to 90% beneficiaries. Mr. McClain said Mr. Lacina also tacked on an additional claim that was not raised prior to the litigation that the Medical Panel was no longer entitled to re-examine him because he is a 90% duty disability beneficiary and that he should be allowed instead to just submit a report from his personal physician and as the Board is likely aware, that provision is a matter of discretion, not requirement. Mr. McClain concluded that as of June 13, 2025, the circuit court denied Mr. Lacina's claims at summary judgment and dismissed the case. He said the court confirmed that 90% duty disability beneficiaries must continue to undergo medical re-examinations until minimum service retirement age, which for Mr. Lacina, is age 57 and the court rejected the argument that the reexamination waiver for 90% duty disability beneficiaries is mandatory and confirmed that that is an option that the Board can select but is not required to select. Mr. McClain added that the City Attorney's office filed a notice of judgment on June 23, 2025 which would have shortened Mr. Lacina's appeal period to July 28, 2025. He said Mr. Lacina last week did file a notice of appeal and as a result, the case is no longer in circuit court but is now before the court of appeals. Mr.

McClain said it takes a few months to get a briefing schedule and it will be before the end of next year before a decision is expected on this matter.

Mr. McClain added that the Litigation Report also includes administrative appeals that are pending for disability benefit denials. He noted that he recuses himself when the Board discusses a pending administrative appeal matter because he represents the ERS and is a participant in the appeal process. Discussion ensued.

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 Legislative Committee Meeting Held June 24, 2025.

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

- 4) Report on Bills.
- 5) Deployment of Assets.
- 6) Securities Lending Revenue and Budget Report.
- 7) 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. DeCleene and seconded by Ms. Ford to adjourn the meeting.

Mr. Bell adjourned the meeting at 11:22 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 Employes' Retirement System, 789 N. Water Street, Suite 300.)

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

Minutes of the Special Board Meeting held September 11, 2025 via teleconference

The meeting was called to order at 9:04 a.m.

Board Members Present: Matthew Bell, Chair

Justin DeCleene
Deborah Ford
Timothy Heling
Tom Klusman
Rudy Konrad
Nik Kovac

Board Members Not Present: Bill Christianson (excused)

Retirement System Staff Present: Jerry Allen, Executive Director

Jan Wills, Board Stenographer

Others Present: Andrew Brown, Lindsay Higerd, Lance Friedensohn, Korn Ferry; Terry Siddiqui, DS Consulting, Inc.; two members of the public called in.

Special Board Meeting

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

I. Review of Selection of Candidates for the Executive Director Position – Presented by Korn Ferry.

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

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

The Board adjourned from closed session at 11:00 a.m.

Bernard J. Allen Secretary and Executive Director

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

CHIEF INVESTMENT OFFICER REPORT

Milwaukee Employes' Retirement System - September 24, 2025

Fund as of August 31, 2025

*Fund value of \$6.25b.

*Fund return of 2.0% in August, net of fees, outperformed by approximately 49bp.

*Primary Relative Perf. Drivers:

Public Equity Style Bias 24bps
Primarily US Small Cap

Manager Selection
Private Equity 22bps

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

Sept. Update (as of 9/16/25)

*Fund return 1.2% MTD
*Fund return 9.6% YTD
*Fund value \$6.32b

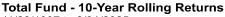
*6 out of 14 active mandates outperforming YTD.

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

*Investment Change: \$571.7m *Contributions: 238.8m *Benefits & Expenses: 342.0m

Monthly Withdrawals:

AQR \$3.9m





Growth of \$100 - Total Fund & ERS Benchmark 11/28/1997 to 8/31/2025 700 600 500 400 300 200 100 '98 '00 '02 '04 '06 '08 '10 '12 '14 '16 '18 '20 '22 '24 ERS Total Fund (net) — ERS Benchmark

Return Data

Source Data: Monthly Return

	1 Month	YTD	1 Year	5 Year	10 Year	15 Year	20 Yea
Total Fund (net)	2.0	8.3	8.0	9.3	8.3	8.8	7.0
ERS Benchmark	1.5	7.7	9.0	8.1	8.0	8.6	7.0

Total Fund - 10-Year Rolling Excess Returns 11/28/1997 to 8/31/2025

2.0 1.5 1.0 0.5

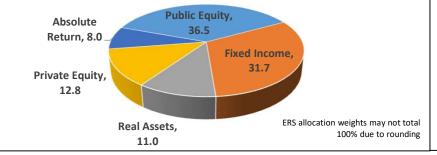
-0.5

-1.0

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	-0.5	1.1
ERS Benchmark	7.0	9.1			0.6	0.0	1.0

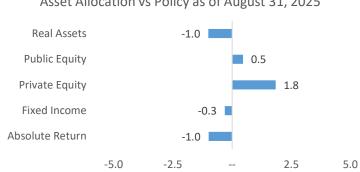
ERS Allocation as of August 31, 2025



Asset Allocation vs Policy as of August 31, 2025

'08'09'10'11 '12'13'14'15'16'17'18'19'20'21'22'23'24'25

ERS Total Fund (net) - Annualized



Milwaukee Employes' Retirement System - September 24, 2025 **Public Equity - 10-Year Rolling Returns** Asset Class - 10-Year Rolling Excess Returns 06/30/2000 to 8/31/2025 06/30/2000 to 8/31/2025 16 3.0 2.5 14 12 1.5 10 1.0 8 0.5 6 0.0 -0.5 -1.0'17 '18 '19 '20 '13 '14 '15 '16 ERS Fixed Income - Annualized Excess Return ERS Public Equity - Annualized Excess Return ERS Public Equity (net) - Return **Return Data** Risk Adjusted Returns (6/30/14 - 8/31/25)* Sharpe Max Ratio Drawdown 1 Month YTD 1 Year 5 Year 10 Year 15 Year 20 Year Return Std Dev **Public Equity** 3.4 14.4 12.9 12.8 11.2 11.6 8.5 Public Equity (net) 9.4 15.0 0.5 -25.3 Public Equity (net) 3.4 14.1 12.4 12.4 10.8 11.2 8.1 Fixed Income (net) 2.2 6.4 0.0 -13.6 Public Equity Benchmark 8.3 2.7 14.3 15.5 11.8 10.9 11.3 Absolute Return (net) 6.3 8.8 0.5 -27.1 MSCI ACWI IMI NR USD 2.7 11.8 10.5 8.1 Absolute Return - 7-Year Rolling Returns 14.3 15.5 10.8 06/30/2014 to 8/31/2025 Fixed Income - 10-Year Rolling Returns 8 06/28/1996 to 8/31/2025 10 8 6 2 '07 '08 '09 '10 '11 '12 '13 '14 '15 '16 '17 '18 '19 '20 '21 '22 '23 '24 ERS Fixed Income (net) - Return '21 '22 ERS Absolute Return (net) - Return **Return Data** 5 Year 10 Year 15 Year 20 Year **Return Data** 1 Month YTD 1 Year Fixed Income 1.4 6.0 4.8 1.9 2.8 3.2 4.3 1 Month YTD 1 Year 5 Year 10 Year Inception* Fixed Income (net) 2.7 4.2 Absolute Return (net) 1.4 6.0 4.7 1.8 3.0 0.7 5.7 10.4 12.0 6.6 6.3 1.8 0.6 7.5 Bbg US Agg Bond TR USD 1.2 5.0 3.1 -0.7 2.2 3.1 4.9 6.1 5.1 4.9 90-Day T-Bill + 3%

^{*}Absolute Return inception date is June 30, 2014

III.

INVESTMENT COMMITTEE REPORT

- Approval of 2026 Private Equity Commitment Recommendation. Approval of Callan LLC Investment Consultant Contract. A.
- B.

Conclusion & Recommendations

Program Summary

The program captures the institutional private equity opportunity set broadly, across with two core managers (70%) providing diversified exposure and two specialty managers (30%) enhancing liquidity and market-cap breadth

Funding Summary

The program's NAV expected to decline gradually over time as part of CMERS' de-risking glidepath, aiming for a 4% private equity target in 10 years

Performance

Strong, consistent performance, with returns continuing to rank in the second quartile.

Recommendation

No re-investments this year, with a smaller level of commitments budgeted for next year, pending future pacing analyses

AGREEMENT BETWEEN THE EMPLOYES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE

AND CALLAN LLC

Agreement made this 1st day of January 2026, by and between Callan LLC ("Callan"), organized under the laws of the State of California, having its place of business at 120 N. LaSalle St. Suite 2100, Chicago, Illinois 60602, and the Employes' Retirement System of the City of Milwaukee ("ERS"), a body corporate organized and existing under the laws of the State of Wisconsin and the ordinances of the City of Milwaukee, with principal offices at 200 East Wells Street, Milwaukee, Wisconsin, 53202.

I. RECITALS

- A. The Annuity and Pension Board ("Board") is charged with the general administration and operation of the ERS and with making effective the provisions of the ERS under the provisions of sec. 36-15 of the Milwaukee City Charter ("Charter"), a copy of which is attached as **Exhibit C.**
- B. The Board is empowered to engage such services as shall be required to transact business as provided under sec. 36-15 of the Charter.
- C. Under sec. 36-09-6, all of the business of the ERS shall be transacted in the name of the ERS of the City of Milwaukee.
- D. Under sec. 36-09-1 of the Charter, the Board shall contract for investment management services.
- E. Under sec. 36-09-1, the Board shall evaluate the performance of the investment manager on a systematic and regularly scheduled basis and shall have the full power and sole discretion to contract for an independent performance valuation of the investment manager.

- F. Callan represents to the Board that it possesses an expertise in investment consultation and is willing to provide evaluative services and other services to the Board on the terms and conditions hereinafter set forth.
- G. Callan is duly organized, validly existing, and in good standing under the laws of the state of its organization and has full corporate power and authority to carry on its business as now being conducted and has the power and authority to execute, deliver, and perform this Agreement.
- H. Callan has taken all corporate or other actions necessary to authorize the execution, delivery, and performance of this Agreement, and this Agreement is a valid and binding obligation of Callan enforceable against it in accordance with its terms except as may be limited by federal and state laws affecting the rights of creditors generally and except as may be limited by legal or equitable remedies.
- I. Callan has made, obtained, and performed all other registrations, authorizations, licenses, or examinations required by any governmental authority in order to execute, deliver, and perform this Agreement.

II. APPOINTMENT

In consideration of the mutual promises contained herein, the parties agree as follows:

- A. <u>Appointment as Investment Consultant.</u> The Board hereby appoints Callan as the "Investment Consultant" for the ERS. Callan acknowledges that it is a fiduciary as defined under sec. 3(21)(A) of the Employees' Retirement Income Security Act of 1974, as amended ("ERISA") (notwithstanding the fact that the terms and provisions of ERISA may not be applicable to this Agreement), and acknowledges that it is undertaking fiduciary responsibility (as further outlined under section IV.B ("Standard of Care; Fiduciary Responsibilities")).
- B. <u>Nonexclusive</u>. This is not an Agreement to exclusively purchase the subject goods and/or services from Callan. The ERS may choose to award a contract to another service provider providing the same or similar services to the ERS, at any time. Irrespective of any estimated

purchase amounts in any previous bid and/or request for proposals and/or scope of services, this Agreement does not guarantee any specific amount of business for Callan.

C. Liabilities of Callan and the Board.

- 1. Callan shall be liable for its and its agents' own willful misconduct, breach of fiduciary duty, negligence, fraud, bad faith, failure to act and unauthorized acts in relation to the performance of its duties and responsibilities under this Agreement and as required by applicable law. For the purpose of the immediately preceding sentence, Callan's agents shall include, to the extent applicable, its officers, employees, affiliates, contractors and designees.
- 2. The Board shall not be liable for any acts or omissions of Callan in connection with Callan's discharge of its duties under this Agreement.

III. CALLAN DUTIES

A. At times directed by the Board, Callan shall:

- 1. Provide objective and independent advice and recommendations to the ERS and the Board
- 2. Guide the Board through its overall investment activities, highlighting any special points of interest and explaining the primary reasons for the fund's relative investment performance.
- 3. Evaluate the performance of the fund's managers and the fund itself in terms of written objectives and guidelines established by the Board and amended from time to time. Have periodic discussions with investment managers on investment performance and organizational issues.
- 4. Coordinate effectively with ERS' staff, actuary, custodial bank and any other specialized consultants retained by the ERS and respond to inquiries between meetings in an appropriate and timely manner.
- 5. Work with ERS' staff and actuary to conduct an asset/liability study of the Fund upon the completion of the ERS' Experience Study (typically every three years).
- 6. Work with ERS staff and actuary to recommend an appropriate long-term expected return to the Board for use in ERS' Actuarial Valuation.
- 7. Provide consulting services and recommendations for ERS' traditional asset classes of equity and fixed income managers including the selection of individual managers.
- 8. Provide consulting services and recommendations for the selection of vendors for non-traditional asset classes.

- 9. Provide consulting services and recommendations in regards to the custodian or custodians for the fund and security lending program or programs.
- 10. Provide consulting services and recommendations in regards to the creation of a Transition Manager Panel.
- 11. Attend all Investment Committee meetings, as well as special meetings pertaining to investments that may be otherwise necessary from time to time. Additionally, at the Board's discretion, be available for two educational meetings per year.
- 12. Establish, review, and make recommendations for changes and updates to investment policy, objectives and guidelines.
- 13. Report and provide ongoing evaluation of the performance of the fund and its managers.
 - a) Provide commentary that is explanatory in nature, rather than technical, and completely objective giving sufficient information to enable the Board to reach valid conclusions.
 - b) Provide reports that are concise, preferably limited to a reasonable number of pages, including one page of clear definitions and caveats, on the basis of any comparisons that are made. Narrative reports should be clear.
 - c) Submit performance evaluation reports in time for distribution to the appropriate committee, sub-committee or the Board.
 - d) Provide helpful insights into legitimate expectations for the future, and, in this way, aid the Board in establishing appropriate investment policies.
 - e) Quarterly Performance Reporting: Quarterly Reports shall be submitted to the Board. In particular, the following must be included:
 - i. Performance analysis of the fund with an appropriate peer group with comparative values provided for the quarters, 12-month, and three-year and five-year periods. Comparative analysis should include peer groups, indices, and established benchmarks.
 - ii. Percentage of fund committed to equities, fixed income and short-term investments, as well as real estate and private equity or any other asset class. Percentage of fund committed to each manager in equities, fixed income or other public market securities.
 - iii. Performance analysis with both net and gross return figures on the fund's major asset classes including equity and fixed income. Comparative values need to be provided for the quarter, 12-month, and three-year and five-year periods. Comparative analysis should include peer groups, indices, and established benchmarks.

- iv. Performance analysis for each equity and fixed income manager. Comparative values need to be provided for the quarter, 12-month, and three and five year periods. Comparative analysis should include peer groups, indices, and established benchmarks.
 - (a) Analysis of whether the results have been satisfactory in relation to the market environment that prevailed during the period, and whether results were competitive with results achieved by other managers.
 - (b) Analysis of whether results have been consistent with a manager's stated investment strategy.
 - (c) The report should clearly articulate the reasons a manager has substantially underperformed its stated benchmarks.
- v. Narrative of fund performance, asset class performance, and manager performance.
 - (a) Narrative should bring to the Board's attention significant factors affecting performance, a manager, an asset class, or the fund.
 - (b) Review how the manager and fund performed.
- vi. Callan will report the returns of non-traditional managers (such as private equity) as reported by the managers in Callan's quarterly report.
- vii. Upon ERS' request, Callan will provide detailed performance and attribution analysis:
 - (a) Equity holding by industry group.
 - (b) Investment managers' projected strategy, including comment on points of concurrence or contention.
 - (c) Actions of managers, including comment on the validity of the direction of the strategy followed by the managers.
 - (d) Callan will include its proprietary performance attribution models to determine the underlying causes of each manager's performance.
 - (e) Industry and quality diversification on a comparative basis.
 - (f) Yields (dividend and interest) in segments of the portfolio.

- (g) Attribution analysis by asset class.
- (h) Risk return comparisons of the fund, domestic equity, international equity, fixed income, and managers in those asset classes.
- (i) Portfolio characteristics of equity and equity analysis.
- (j) Comparison of returns calculated by each equity or fixed income manager and the custodian or subsequent return calculating source.

B. Asset/Liability Analysis and Portfolio Structure Analysis.

- l. Callan will assist the ERS with the review and creation of investment policies.
- 2. Callan will assist the ERS in formally reviewing asset allocation and investment policy as necessary, but at least annually, based on major market changes or changes in the financial condition of the ERS.
- 3. For asset allocation, Callan will use its asset/liability software, which will model the impact of different combinations of asset allocations on the long-term funding levels of the ERS plan. Callan will present these combinations to the Board. Based upon the modeling process, Callan will review and recommend changes for the ERS strategic asset allocation in a written statement of investment policy.
- 4. For portfolio structure analysis, Callan will review the structure and mandates of all asset classes.
 - a. This analysis will examine and review asset classes and their allocation levels.

 Analysis will look at all appropriate portfolio characteristics including: active and passive strategies, different investment styles, capitalization and asset classes and combinations.
 - b. Callan will aid the Investment Committee and/or Board in determining the most appropriate structure for each element of the ERS portfolio.

C. <u>Manager Selection.</u>

1. Callan will advise on investment manager retention and termination and will assist the ERS with the selection of managers using its proprietary database and expert knowledge of investment managers. The database includes information on each firm's background, ownership structure, SEC registration date, number of investment professionals, and assets under management by asset class, client type, and geographic location. Investment information for each manager's product(s) includes the database and covers each product's assets, representative clients, historical performance, number of accounts, and portfolio characteristics such as market

- capitalization and valuation ratios. Callan will allow managers reasonable access to enter their data into Callan's database.
- 2. Callan also conducts numerous meetings with investment managers as part of its general due diligence process in its manager search activities. These meetings take place virtually, in Callan's offices or in the investment managers' offices.
- 3. Should a need arise for the ERS to hire a new manager(s), Callan will prepare a report identifying and comparing manager candidates that are appropriate for ERS' needs. After final candidates are identified, Callan will actively participate in the manager interviews, which result in the selection of asset managers for each asset category. Once a final selection is made by the Board or Committee, Callan will assist in contract and fee negotiations and prepare suitable investment guidelines to be approved by the Board, including the establishment of appropriate performance benchmarks for each manager. ERS acknowledges that the Consultant is not providing any legal advice or consultation; ERS Board shall look solely to its legal counsel for such advice or consultation.
- D. <u>Real Estate Consulting Services.</u> As part of its role as Investment Consultant, Callan shall provide real estate consulting services as follows:

1. Investment Policy and Guidelines.

a. Periodically review and recommend changes to the Real Estate Investment Policy as appropriate. The Policy will include, at a minimum, the long term objectives for the real estate portfolio, risk management policies and procedures, investment and asset management control and monitoring procedures, total portfolio and, as appropriate, manager/fund/general partner level benchmarks, and the level of discretion and the corresponding fiduciary roles for participants in the decision-making process.

2. Strategic Plan and Pacing Study.

- a. Consultant shall prepare, monitor and maintain a comprehensive Strategic Plan for the Portfolio that includes:
 - i. Real Estate Investment Goals and Objectives Addresses real allocation target, fit of real estate within the broader portfolio context, investment and risk objectives, management objectives and structure, and legal/statutory requirements.
 - ii. Existing Portfolio Review Analyzes and considers the characteristics and positioning of the portfolio, its effectiveness in various market conditions, and the strengths and weaknesses of each underlying investment. As appropriate, each manager/fund/general partner will be profiled focusing on whether each investment manager is fulfilling its duties, outlining strengths and risks, providing items to monitor or recommendations for change, if any, to be implemented by ERS, and continued retention or termination of each manager/fund/general partner, as appropriate. The Pacing Study is incorporated into the review of the portfolio, the managers, and the strategic options for

program growth.

- iii. Current Market Overview Covers the state of the real estate markets, institutional investment strategies, developments and trends in real estate investing, and anticipated future developments that will impact institutional investment strategies and the ERS portfolio.
- iv. Implementation Options Outlines the various strategies for accomplishing the objectives within the context of the market environment, existing portfolio and the available opportunity set.
- v. Recommendations Summarizes the conclusions, recommendations, and action plan. The action plan will include any steps required to bring the existing real estate portfolio into compliance with the objectives and policies established in the Strategic Plan and Investment Policy. Examples of recommended actions may include: a) manager searches; b) additions or redemptions from existing investment positions; d) development of investment criteria; and e) fees and expense analyses.
- b. In conjunction with the Strategic Plan, the Consultant will conduct a Pacing Study based on cash flow projections provided by each real estate manager/fund/general partner, as appropriate. The Consultant will review each manager/fund/general partner's cash flow, as appropriate projections and provide commentary on the reasonableness of the assumptions and approach.
- c. The Strategic Plan and Pacing Study will be updated annually or more frequently depending on market conditions.

3. <u>Investment Sourcing and Selection.</u>

- a. Using a structured, ongoing process, screen the global universe of available real estate investments, primarily in the U.S. (for both open and closed end real estate investment funds). Broadly identify opportunities that are consistent with ERS' investment policy and real estate strategic investment plan.
- b. Upon approval by ERS, conduct a (i) manager search using the Consultant's Search Process or (ii) complete investment specific due diligence using the Consultant's Evaluation Process to identify and analyze specific investments and to make recommendations to ERS.
- c. Present investment recommendations to the Board and ERS staff along with all necessary supporting details and analysis.
- d. Provide assistance to ERS and the Board's legal counsel to negotiate, in the best interests of ERS, relevant fees and investment terms. ERS acknowledges that the Consultant is not providing any legal advice or consultation; ERS Board shall look solely to its legal counsel for such advice or consultation.

4. Portfolio Monitoring and Performance Measurement.

- a. Gather and maintain performance data for each individual investment manager.

 This information will include cash flows and dates, net asset values, commitments (total, funded, and unfunded), fees, cost basis, returns, property type and geographic diversification, leverage, strategy and fund details, and organizational information.
- b. Provide a comprehensive performance report for the real estate investment program to ERS within 120 days of the close of each quarter. Reporting is subject to manager reporting time frames.

The report shall measure performance of ERS' real estate assets against investment objectives and performance benchmarks adopted by ERS as part of its Strategic Plan and Investment Policy.

The reports shall include, at a minimum: market overview and outlook, allocation breakdown by geography, strategy, property type and leverage, update on each investment position fund, listing of each fund by strategy, date of commitment to each fund, commitment amount to each fund, drawdown amounts by fund, outstanding commitment by fund, distribution amounts by fund, fund net asset values, and IRR and multiples of each fund, plus all fees (e.g. management, incentive, etc.) and expenses by fund. The report will also include qualitative information on each manager/general partner's organization. Performance metrics may include IRRs, equity multiples, and time weighted returns. All returns will be independently calculated by Callan.

- c. Present regarding performance of the real estate investment program to the ERS Board on a mutually agreeable schedule. Callan will include in the presentation the performance of the portfolio as a whole and each real estate investment relative to its anticipated performance, policy objectives and benchmarks, current market conditions, identify material issues and the compliance of the portfolio which may impact the investment's performance and recommend a course of action to enhance returns and/or mitigate risk.
- d. Provide on-going monitoring and regular updates/assessments of relevant operational and/or strategic changes with investment managers/fund/general partners, as appropriate, including, but not limited to, performance, organization, ownership, investment products, and disclosure issues. The Board shall retain the exclusive right to engage or terminate funds/managers.
- e. Advise ERS on breaches or violations of investment management agreements, fund agreements, and side letter provisions.
- f. Review and recommend, from an investment perspective, proposed changes to investment management agreements, fund agreements, and side letters.
- g. Review and provide independent verification to ERS of investment manager fees, distributions, and capital calls.

5. Meeting Attendance.

a. Callan shall be available to attend Board meetings and other meetings as needed.

6. Research and Education.

- a. Provide investment research and publications on real estate market conditions and opportunities.
- b. Provide educational and/or training sessions on real estate investing to ERS staff and Board as necessary.
- c. Advise ERS on new investment vehicles, techniques, trends, and major changes in existing practices within the industry.

7. Other.

- a. Conduct special projects or other activities as requested by the ERS.
- b. Provide real estate portfolio values and methodology to ERS auditor for its annual audit based on information collected by Callan from the managers/funds/general partners. Callan does not provide valuation services.
- c. Assist in the reconciliation of cash flows and other items with ERS custodian.
- d. Respond to questions or issues that arise in the course of administering the real estate portfolio.
- E. <u>Special Services.</u> Callan will also support the ERS with special services. These include, but are not limited to, the following:
 - 1. Education Callan will assist in the education of the Board or ERS staff on any issues relevant to its investment program.
 - Research Callan prepares periodic research commentaries on topics of interest to
 its clients that will be made available to the ERS. Quarterly newsletters and "Focus"
 pieces will also be provided.
 - 3. Special Projects The consulting services includes work on any special projects related to the ERS Investment Program that are not expected to take more than twenty hours to complete. Projects anticipated to take more than twenty hours should be outlined appropriately in a project plan and mutually agreed upon between the parties.

F. Records; Confidentiality, Public Records Law Compliance

Callan shall maintain accurate and detailed records of its evaluation of the performance
of ERS' fund and its managers. Callan's records relating solely and exclusively to the
fund, including, but not limited to, reports, files, correspondence, and memorandums,
("ERS Records") shall be open upon notice and during business hours for inspection
and audit by the Board or by any person or persons designated by the Board. Upon

reasonable notice, Callan shall make the persons responsible for creating and maintaining ERS Records available to the Board during such review for the purpose of responding to the Board's reasonable inquiries.

- 2. All aspects of this contract and any work related to the ERS, including, but not limited to, pensioner, financial, and legal records, findings, and documentation such as memos, letters, and reports will be treated with the highest degree of confidentiality, to the extent that such records are not subject to the Wisconsin Public Records Law, as discussed below. Further, information shall not be considered confidential to the extent that such information: (i) is already known to Callan free of any restriction at the time it is obtained from the Board or the ERS; (ii) is subsequently learned from an independent third party free of any known restriction and without breach of this Agreement; (iii) becomes publicly available through no wrongful act of Callan; (iv) is independently developed by Callan without reference to any confidential information of the ERS; or (v) is required to be disclosed by law, regulation, court order or subpoena, provided that Callan will exercise reasonable efforts to notify the ERS prior to disclosure.
- 3. Both parties understand that the ERS is bound by the Wisconsin Public Records Law, Wis. Stat. §§ 19.31-39 ("Public Records Law"), and as such, all terms of this agreement are subject to and conditioned on that law. Under the Public Records Law, the ERS Records (as they relate to this Agreement) are subject to public disclosure, unless there is a statutory, common law, or public policy reason for nondisclosure (e.g., trade secrets exception).

Callan acknowledges and agrees that it is obligated to assist the ERS in retaining and producing records that are subject to the Wisconsin Public Records Law when such public records request includes a request for production of contractor records (specifically the production of records that are maintained by Callan in its capacity as a contractor, as required pursuant to sec. 19.36(3) of the Public Records Law), and that failure to do so shall constitute a material breach of this Agreement, and Callan must defend and hold the ERS harmless from liability due to such breach. Callan agrees that it shall assist the ERS and the Milwaukee City Attorney's Office in complying with the Public Records law in relation to requests for production of contractor records where such records are maintained by Callan. In the event the ERS or the Board receives a public records request for records relating to Callan, any information designated Callan as its confidential and proprietary information will be considered in conjunction with ERS' response to the public records request. Decisions on behalf of the ERS to withhold public disclosure of records subject to this law must be supported by a statement of the public-policy basis for denial. Callan agrees to cooperate with any reasonable request for assistance by the ERS and the Milwaukee City Attorney's Office to support nondisclosure decisions. Except as otherwise authorized, those records shall be maintained for a period of seven years after receipt of final payment under this Agreement. Upon termination of this Agreement, Callan shall tender all ERS Records to the Board.

G. Notwithstanding the foregoing, ERS acknowledges that the Consultant is not providing any legal advice or consultation; ERS Board shall look solely to its legal counsel for such advice or consultation.

- H. <u>Compliance</u>. Callan shall take whatever actions are necessary to ensure that Callan complies at all times with this Agreement and all applicable laws. Callan shall immediately report to the Board (i) any violation of applicable law by Callan or any of the Callan's employees or agents, (ii) any notice of investigation by any governmental authority of possible violations of applicable law, and (iii) any third-party claim or action alleging violations of applicable law.
- I. Changes Affecting Callan. Callan shall promptly (and in advance, if practicable) inform the Board in writing of any significant changes affecting Callan including: (a) changes that are required to be disclosed under the Investment Adviser's Act, (b) changes in the legal structure of Callan, (c) changes in the financial condition of Callan that materially affect Callan's qualification or capacity to continue to provide investment consultation services, and (d) any significant changes affecting consultation services, including changes in personnel in the following positions at Callan: principal consultants to the account, as identified in **Exhibit D** hereto. In the event that either consultant is unable to continue with the account, Callan shall promptly replace such consultant with a consultant of comparable qualifications. The Board shall have the right and the option to interview and approve any such replacement consultant.
- J. <u>ERS Visit.</u> On reasonable notice an ERS representative shall be afforded the opportunity to visit Callan at its office.

IV. COVENANTS OF CALLAN

A. <u>Confidential Information.</u> Callan covenants that all information and advice furnished by Callan to the Board hereunder, including its agents and employees, shall be treated as confidential and shall not be disclosed to third parties except as requested by regulatory authorities during routine audits or to the custodian, broker-dealers, auditors, or the Board's consultants, or as agreed to by the ERS (which agreement shall not be unreasonably withheld), or as otherwise required by the law or the Board.

B. <u>Standard of Care: Fiduciary Responsibilities.</u> Callan hereby covenants to provide the level of professional services prevailing in its industry in conjunction with its activities under this Agreement. Callan shall personally, as an independent contractor and not as an employee of the ERS, perform the services set forth in this Agreement. Callan agrees that the Services shall be performed in accordance with generally accepted professional practices and in a manner consistent with the highest level of care and skill exercised under similar conditions by members of Callan's profession practicing in Wisconsin. Performance of the Services shall conform to all applicable federal, state and local laws and regulations.

Callan further acknowledges that it is a fiduciary with respect to the investment advice it provides to the Board to the extent that such advice satisfies the definition of investment advice as fiduciary in nature under ERISA and related Department of Labor Regulations. Callan's acceptance of such fiduciary status is solely with respect to its role as an investment advisor and real estate consultant. Callan's responsibility does not include discretionary control of any plan or the assets contained therein and cannot make any promise or guarantee regarding the future investment performance of such assets. Callan has no responsibility for the actions or advice of any other investment advisors or service providers.

- C. <u>Subcontractors</u>. Callan covenants that, consistent with Wis. Stat. § 66.0135(3), Callan shall pay any of its subcontractors for satisfactory work within seven (7) days of Callan's receipt of payment from the ERS or seven (7) days from receipt of an invoice from the subcontractor, whichever is later. If Callan fails to make timely payment to a subcontractor, Callan shall pay interest at the rate of 12 percent per year, compounded monthly, beginning with the 8th calendar day after Callan's receipt of payment from the ERS or receipt of an invoice from the subcontractor, whichever is later.
- D. <u>Nondiscrimination</u>. Callan covenants that it will not discriminate against any qualified employee or qualified applicant for employment because of an individual's sex, race, religion,

color, national origin or ancestry, age, disability, lawful source of income, marital status, sexual orientation, gender identity or expression, victimhood of domestic abuse or sexual assault, past or present membership in the military service, HIV status, domestic partnership, genetic identity, homelessness, familial status, or an individual's affiliation or perceived affiliation with any of these categories, pursuant to Milwaukee Code of Ordinances ("MCO") Section 109-9. Callan must insert this clause into any and all subcontracts for work performed pursuant to this Agreement.

- E. <u>Living Wage.</u> Pursuant to Milwaukee Code of Ordinances 310-13, unless contrary to federal, state or local law, all workers, whether permanent or temporary, fulltime or part-time, employed in any work performed as part of a service contract with a contracting agency, as defined in sub. 2-c, shall receive and be paid a sum of not less than the living wage in effect at the time a contract is awarded. No contractor may use the living wage requirement of this subsection to reduce the wage paid to any person employed by the contractor. "Living wage" means the average of the amount required to produce, for 2,080 hours worked, an annual income equal to the U.S. department of health and human services' most recent poverty guideline for a family of 3 and family of 4 in the 48 contiguous states, as determined by the city clerk on March 1 of each year. The required living wage as of March 1, 2019 is \$11.32. Callan shall execute the "Affidavit of Compliance with Living Wage Provision" located on the City of Milwaukee's Department of Administration Purchasing Division Website, located at https://city.milwaukee.gov/Purchasing/Forms.htm#.XL-kWDBKiUk.
- F. <u>Registration.</u> Callan is a registered investment advisor under the Investment Advisor's Act of 1940, as amended, and will notify the ERS of any material change in its registration.

V. COMPENSATION OF CALLAN

For traditional investment consulting services rendered by Callan under Article II, for the first year of this Agreement, the ERS will pay Callan an annual fee of \$254,372 payable in

equal monthly installments, after receipt of a proper and complete invoice which must be submitted to the ERS monthly. Thereafter, the fee for performance of the service will increase by 2.0%, annually, beginning January 1, 2027.

For real estate consulting services rendered by Callan, as set forth in Article III (D) of this Agreement, for the first year of this Agreement, the ERS will pay Callan an annual fee of \$108,243 payable in equal monthly installments, after receipt of a proper and complete invoice which must be submitted to the ERS monthly. Thereafter, the fee for performance of the service will increase by 2.0% from the base fee of \$108,243 annually, beginning January 1, 2027.

Additionally, for Non-Core Performance Measurement and Monitoring services rendered by Callan for the first year of this Agreement, the ERS will pay Callan an annual fee of \$8,660 payable in equal monthly installments, after receipt of a proper and complete invoice which must be submitted to the ERS monthly. Thereafter, the fee for performance of the service will increase by 2.0%, from the base fee of \$8,660 annually, beginning January 1, 2027.

The above annual fees do not include services for a Transition Event Analysis (an additional fee of \$25,000), a Transition Manager Pool or Bench Search (an additional fee of \$45,000), Custody Conversion Consulting (an additional fee of \$45,000), or a Full Custodial Search (an additional fee of \$75,000).

The ERS strives to make timely payment on all invoices. Callan shall submit an invoice and/or other documentation required pursuant to this Agreement (collectively referred to as the "Invoice") to the ERS on a monthly basis for any fees accrued during the preceding month within thirty (30) days of the end of said month. Pursuant to Common Council File No. 101137, if the ERS does not make payment within 45 days after receipt of the Invoice, the ERS shall pay simple interest beginning with the 31st calendar day after submission of the Invoice at the rate of one percent per month. No attorney's fees, expenses, or other collection costs may be billed to the ERS unless otherwise agreed in writing. No interest shall be applied to any outstanding amounts where Callan has been sent notice that

the amount owed to Callan is subject to a good faith dispute within 45 days of the receipt of the Invoice provided the notice was sent by first-class mail, personally delivered, or otherwise sent in accordance with any notice provisions in this Agreement. In the event that the 45th day after receipt of the Invoice is a Saturday, Sunday or national holiday, such payment may be made on the following business day without interest being owed to Callan. The ERS's failure to pay in a timely fashion does not relieve Callan of its obligation to perform the services it has been retained for.

VI. DURATION AND TERMINATION

This Agreement shall become effective on the date first above written and shall continue in effect until terminated as hereinafter provided. This Agreement may be terminated at any time without payment of any penalty by the Board on not less than 60 days written notice to Callan or by Callan on not less than 120 days written notice. Upon termination, (a) the ERS shall pay Callan fees for services performed prorated to the date of termination and (b) Callan shall have no further obligations under this Agreement including, without limitation, any obligation to update any investment manager research reports, investment manager ratings changes or related information. This Agreement shall automatically terminate in the event of its assignment by Callan, unless the ERS consents in writing to such assignment. (Callan's current ownership is as follows: Callan LLC)

VII. REPRESENTATIONS OF ERS

- A. The ERS acknowledges that Callan will continue to provide services enumerated under Article II to other entities.
- B. The ERS acknowledges and agrees that it shall retain all decision making authority with respect to the management and administration of its fund, including appointment and termination of investment managers and final decisions regarding investment policy.

VIII. INDEMNIFICATION AND LIMITATION OF LIABILITY

A. Callan shall indemnify the ERS and its officers, agents and employees for all losses, damages, costs, expenses, judgments, accrued interest, liabilities, or decrees arising out of any claim,

action in a court, or proceeding before an administrative agency that is brought against the ERS or any of its subcontractors, officers, agents, or employees for the acts or omissions of Callan or any of its subcontractors, officers, agents, or employees in whole or in part in the performance of the covenants, acts, matters or things covered by this Agreement, or for injury or damage caused by the alleged acts or omissions of Callan or any of its subcontractors, its officers, agents or employees. The ERS will, at its sole option, decide whether to tender the defense of any claim, action in court, or proceeding before an administrative agency in which Callan has a duty to indemnify to Callan or Callan's insurer and upon such tender it shall be the duty of Callan and Callan's insurer to defend such claim, action, or proceeding without cost or expense to the ERS or its officers, agents, or employees using counsel selected by Callan and Callan's insurer and approved by the ERS. Callan shall not settle any claim, action in any court, or proceeding before an administrative agency relating to the ERS unless the ERS consents to the settlement in writing.

Without limiting the indemnification obligations provided in this Agreement, Callan shall provide and maintain, at its own expense, errors and omissions insurance policies, as indicated in Section IX of this Agreement. This provision of the Agreement shall continue to obligate the parties hereto even after Callan's duties, with respect to the Board and the plan, terminate if the claim or cause of action relates directly or indirectly to acts or omissions of Callan occurring white previously serving the Board or the plan. This indemnification shall survive any termination of this Agreement.

B. In connection with the performance of the services, Callan shall not be liable for any (i) losses or expenses incurred as a result of any act or omission by any investment manager, custodian or other third party, except to the extent resulting from Callan's negligence or breach of its duties or (ii) act taken, or omission or recommendation made except to the extent resulting from its negligence or breach of its duties and obligations under this Agreement. Notwithstanding the foregoing, Callan may be liable for acts of good faith and nothing in this Agreement shall be construed to waive any privilege, right of recovery, cause of action, defense, remedy, category of damages, or immunity to

which the ERS is entitled under common law, or federal, state, or local law; waiver of any of the foregoing may only be accomplished in writing by an individual with the authority to bind the ERS.

IX. INSURANCE

A. Throughout the term of this Agreement, Contractor is solely responsible for meeting its insurance needs, but shall, at a minimum, carry insurance that meets the requirements set forth in this section. Any failure to comply with these minimum requirements during the term of this Agreement is a material breach of this Agreement and the ERS may, in its sole discretion, immediately terminate this Agreement without prior notice. The Contractor shall send the ERS an up to date Certificate of Insurance and/or Policy at any time that the ERS shall request a copy of the same within fourteen (14) days of the ERS's request. The Contractor shall be required to send the ERS an up to date Certificate of Insurance any time the Contractor's insurance coverage materially changes immediately upon such change.

The Contractor is to confirm that it, <u>and all subcontractors</u>, have the following types and amounts of insurance protection:

1. General Requirements

- A certificate of insurance acceptable to ERS evidencing the insurance requirements to be provided. The certificate shall state that the issued insurance policies meet the requirements as outlined below. All certificates are to be provided within 30 days of final execution of this Contract. If such certificate is not received, the ERS has the authority to declare this Contract terminated.
- Callan shall provide the ERS thirty (30) day written notice of cancellation, non-renewal or material change by any insurers providing the coverage required by ERS for the duration of this Contract.
- Insurance companies must be acceptable to ERS and must have a current A.M. Best rating of A- VIII or better.
- All policies shall be written on an occurrence form, other than professional liability as noted below.
- If subcontractors are used, each must meet all requirements in sections A and B.

2. Commercial General Liability (GL)

Commercial General Liability \$1,000,000 each occurrence

General Aggregate \$2,000,000 aggregate

Personal & Advertising Injury \$1,000,000 each occurrence

Limit

Products – Completed Operations \$2,000,000 aggregate

Aggregate

Medical Expense \$5,000 each person

• Coverage must be equivalent to ISO form CG0001 or better.

- The ERS shall be added as an additional insured using ISO form CG2026 or its equivalent.
- Coverage shall be modified to include a Waiver of Subrogation Endorsement in favor of ERS including its directors, officers, agents, employees and volunteers.
- The policy shall include independent contractors (owners/contractors protective) and contractual liability.
- Coverage will apply on a primary and non-contributory basis. We suggest **the** following wording:

"If you have agreed in a written contract that this policy will be primary and without right of contribution from any insurance in force for an Additional Insured for liability arising out of your operations, and the contract was executed prior to the bodily injury, property damage, personal injury or advertising injury, then this insurance will be primary over, and we will not seek contribution from, such insurance."

• Coverage shall apply to the risks associated with or arising out of the services provided under this contract.

3. Automobile Liability

Combined Single Limit \$1,000,000 each accident

Medical Expense \$10,000 each person

• If the Contractor owns or has any long term leased vehicles, coverage must be for Any Auto (Symbol 1). If there are no owned or long term

leased vehicles, then coverage must be for Hired and Non-Owned Auto Liability (Symbols 8 and 9).

- Coverage shall be modified to include a Waiver of Subrogation Endorsement in favor of ERS including its directors, officers, agents, employees and volunteers.
- The ERS shall be added as an additional insured.
- Coverage shall include contractual liability for risks assumed in this contract.
- Coverage shall apply to the risks associated with or arising out of the services provided under this contract.
- If Federal, or State government(s) require a Motor Carrier filing, such filing shall be made available to ERS upon request.

4. Umbrella

Umbrella (excess) Liability \$4,000,000 per occurrence

\$4,000,000 aggregate

 The Umbrella Liability insurance shall provide coverage excess of the Employer's Liability, Commercial General Liability and Auto Liability Coverages, including the amendments stated above.

5. Worker's Compensation and Employer's Liability

Workers' Compensation Coverage Statutory

Bodily Injury by Accident \$100,000 each accident

Bodily Injury by Disease \$500,000 policy limit

Bodily Injury by Disease \$100,000 each employee

- Employer's Liability at limits noted above or higher limits if needed to meet Umbrella underlying insurance requirements.
- Coverage shall be modified to include a Waiver of Subrogation Endorsement in favor of ERS including its directors, officers, agents, employees and volunteers.

6. Crime Insurance

Employee Dishonesty

(see below)

- The Crime Insurance shall provide coverage for Third Party Employee Dishonesty.
- This policy limit must be at least equal to the maximum amount of ERS funds the Contractor accumulated in its office or in an account in a depository.
- The policy shall include an expanded definition of property to include ERS owned property and monies.

7. <u>Professional Liability</u>

Combined Single Limit

\$10,000,000 policy limit

- Coverage must remain in effect for a period of not less than two years beyond the termination date of the contract.
- If a claims-made form is used and a change of insurer occurs during the contract period, continuity of coverage must be maintained by either retaining the original retroactive date or exercising the extended reporting period endorsement option from the expired policy for a period of not less than two years, if the replacement insurer will not preserve the original retroactive date.

8. <u>Cyber Insurance</u>

Cyber Insurance

\$5,000,000 Each Claim and

\$5,000,000 Annual

Aggregate

 Coverage shall include cost of notification, cost of identity protection and repair insurance for affected individuals and third party liability.

X. INFORMATION TO BE PROVIDED

Callan shall assume the information the Board or the ERS supplies (or that is supplied on their behalf) is accurate and complete. Callan's responsibilities (and the associated project fees) do not include independent verification of required information. Problems with information quality and/or delays in

providing such information may result in a delay in the project delivery date or an increase in fees as mutually agreed between the parties.

XI. OWNERSHIP AND CONFIDENTIALITY

All reports, studies, analysis, memoranda, information, records, and related data and materials resulting from this Agreement ("Documents") are the ERS's exclusive property. Notwithstanding the foregoing, the ERS acknowledges that Callan shall retain all of its rights in its methodologies, methods of analysis, ideas, concepts, know-how, techniques, skills, knowledge and experience possessed by Callan before the commencement of the term of this Agreement or acquired by Callan during the provision of the services hereunder. The ERS has the right to use the Documents for any purpose without compensation to Callan unless otherwise provided for in the Agreement. All of the Documents are confidential and Callan agrees that it will not, without prior written approval from the ERS, make the Documents available to any individual, agency, public body or organization except as required by the Agreement or as may be required by any applicable law or legal process. Upon request of the ERS, Callan shall deliver all Documents to the ERS and then destroy all copies of the Documents, whether in written, electronic or other form or media, in a commercially reasonable manner and also certify in writing to the ERS that all Documents have been returned to the ERS and destroyed in a commercially reasonable manner at no cost to the ERS. Callan shall comply with all directions provided by the ERS with respect to the return and destruction of the Documents within fourteen (14) days of the ERS's request for the same. Notwithstanding anything contained herein to the contrary, Callan shall retain copies of confidential information in accordance with policies and procedures implemented by Callan in order to comply with applicable law, regulation, professional standards or document retention or compliance policies.

XII. RECEIPT OF FORM ADV

The ERS acknowledges receipt of Callan's disclosure statement, Form ADV, Parts 2A and 2B, which contain information regarding Callan's services, fees, business practices and the background of its

advisory persons, a copy of which is attached hereto as **Exhibit E**. The ERS also agrees that future offers to provide, or the provision of, Form ADV, Parts 2A and 2B or other information required by applicable regulation may be sent to it electronically, at the email addresses provided to Callan by the ERS prior to such time.

XIII. MISCELLANEOUS

- A. <u>Severability.</u> In the event any provision of this Agreement is considered void, illegal or invalid for any reason, said provision shall not affect the remaining provisions of this Agreement. The void, illegal or invalid provision shall be fully severable and this Agreement shall be construed as though the voided, illegal or invalid position had never been inserted in the Agreement.
- B. <u>Amendment.</u> This Agreement may be amended any time by the action of the Board and Callan in writing. No such amendment shall be effected to permit the use of assets or any part thereof for purposes not authorized by the Charter.
- C. Entire Agreement. This Agreement and the documents referenced herein or attached hereto constitute the entire agreement between the parties concerning the subject matter hereof and supersede all prior agreements, discussions, representations, warranties and covenants between the parties concerning the subject matter hereof. In any instance of conflicting language between this Agreement and its attachments/exhibits, the following order of priority shall apply:
 - 1. This Agreement
 - 2. Exhibit A Callan's RFP 2019 Response Documents
 - 3. Exhibit B ERS Request for Proposal
 - 4. Exhibit C: 36-15 Milwaukee City Charter
 - 5. Exhibit D: Principal Consultants to account
 - 6. Exhibit E: ADV Parts 2A and 2B

Any amendments, changes or modifications to this agreement shall be in writing and

- executed by the parties.
- D. <u>Conflict of Interest.</u> Pursuant to Milwaukee Code of Ordinances 4-27, any contract in which a member of the City of Milwaukee Common Council is an interested party shall be null and void, and the ERS may sue to recover any amounts paid on such contract.
- E. <u>ERS's Right to Audit.</u> At any time during normal business hours and as often as the ERS, or if federal or state grants or aids are involved, or as the appropriate federal or state agency may deem necessary, there shall be made available to the ERS or such agency for examination all of its records with respect to all matters covered by this Agreement and Callan shall permit the ERS or such agency to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement.
- F. Maintenance of Books and Records. Callan shall at all times during the term of the Contract, maintain complete and accurate books and records of its operations in a form consistent with generally accepted accounting principles and practices. Such books and records shall be available for inspection by the ERS or its authorized agent at any time during reasonable business hours, and shall be available for inspection for a period of no less than seven years from the end of the Agreement period, or portion thereof in the event of termination.
 - G. <u>Incorporation by Reference.</u> This Agreement shall be subject to the applicable provisions of the Charter and shall in all respects be construed in a manner consistent with the purposes of the Charter. In the event of any inconsistencies or conflict between the terms of this Agreement and the Charter, the provisions of the Charter shall govern.
- H. Successors. The term "Board" shall include any successor or substitute member.
- I. <u>Amendments to Applicable Laws.</u> Any references to a section of the ordinances or other applicable laws shall be deemed to include a reference to any amendments thereof, and any successor provisions thereto; provided however, that such amendments and successor

- provisions to any ordinance have been provided to the Manager by the Board.
- J. <u>Choice of law/venue</u>. This Agreement, and all questions arising in connection herewith shall be governed by and construed in accordance with the internal laws of the State of Wisconsin. Venue for any action arising out of or in any way related to this Agreement shall be exclusively in the City of Milwaukee for matters arising under state law and in federal district court in the eastern district of Wisconsin for matters arising under federal jurisdiction.
- K. <u>Headings</u>. Headings of paragraphs are inserted for convenience of reference. They are not part of this Agreement and not to be considered in its construction.
- L. <u>Assignability.</u> This Agreement or any of the rights, duties, or obligations of the parties hereunder, shall not be assigned by either party without the express written consent and approval of the other party.
- M. <u>Callan's Investment Manager Client List Disclosure.</u> ERS acknowledges receipt of Callan's disclosure list of investment manager clients, provided under a specific pledge of confidentiality, no later than the date of the execution of this Agreement.
- N. <u>Policy Regarding Securities Advice.</u> Callan shall not be responsible for reviewing or advising on the merits or risks of individual securities or derivatives holdings or purchase, sale or hedging strategies, the propriety of an individual security or derivative within a manager's investment management mandate, or on the conformity of individual securities holdings with the ERS' investment policy and guidelines. Callan shall not be responsible for providing advice to plan participants or beneficiaries; however, Callan affirms its responsibility for advising ERS as otherwise set forth in this Agreement, including, but not limited to, regarding asset allocation and manager selection.

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In Witness Whereof, the parties hereto have executed this Agreement the day and year first above written.

	CALLAN LLC.
	By: Michael Joecken, Callan, LLC Date:
	EMPLOYES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
	By: Matthew P. Bell, President, ERS Date:
	By: Bernard J. Allen, Secretary and Executive Director, ERS Date:
COUNTERSIGNED:	
Bill Christianson, Comptroller, City of Milwaukee Date:	
Examined and approved as to form and execution this	
Travis J. Gresham, Assistant City Attorney Date:	

AGREEMENT BETWEEN THE EMPLOYES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE AND CALLAN LLC

Agreement made this alst day of January 2026, by and between Callan LLC ("Callan"), organized under the laws of the State of California, having its place of business at 120 N. LaSalle St. Suite 2100, Chicago, Illinois 60602, and the Employes' Retirement System of the City of Milwaukee ("ERS"), a body corporate organized and existing under the laws of the State of Wisconsin and the ordinances of the City of Milwaukee, with principal offices at 200 East Wells Street, Milwaukee, Wisconsin, 53202.

I. RECITALS

- A. The Annuity and Pension Board ("Board") is charged with the general administration and operation of the ERS and with making effective the provisions of the ERS under the provisions of sec. 36-15 of the Milwaukee City Charter ("Charter"), a copy of which is attached as **Exhibit C.**
- B. The Board is empowered to engage such services as shall be required to transact business as provided under sec. 36-15 of the Charter.
- C. Under sec. 36-09-6, all of the business of the ERS shall be transacted in the name of the ERS of the City of Milwaukee.
- D. Under sec. 36-09-1 of the Charter, the Board shall contract for investment management services.
- E. Under sec. 36-09-1, the Board shall evaluate the performance of the investment manager on a systematic and regularly scheduled basis and shall have the full power and sole discretion to contract for an independent performance valuation of the investment manager.

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- F. Callan represents to the Board that it possesses an expertise in investment consultation and is willing to provide evaluative services and other services to the Board on the terms and conditions hereinafter set forth.
- G. Callan is duly organized, validly existing, and in good standing under the laws of the state of its organization and has full corporate power and authority to carry on its business as now being conducted and has the power and authority to execute, deliver, and perform this Agreement.
- H. Callan has taken all corporate or other actions necessary to authorize the execution, delivery, and performance of this Agreement, and this Agreement is a valid and binding obligation of Callan enforceable against it in accordance with its terms except as may be limited by federal and state laws affecting the rights of creditors generally and except as may be limited by legal or equitable remedies.
- I. Callan has made, obtained, and performed all other registrations, authorizations, licenses, or examinations required by any governmental authority in order to execute, deliver, and perform this Agreement.

II. APPOINTMENT

In consideration of the mutual promises contained herein, the parties agree as follows:

- A. <u>Appointment as Investment Consultant.</u> The Board hereby appoints Callan as the "Investment Consultant" for the ERS. Callan acknowledges that it is a fiduciary as defined under sec. 3(21)(A) of the Employees' Retirement Income Security Act of 1974, as amended ("ERISA") (notwithstanding the fact that the terms and provisions of ERISA may not be applicable to this Agreement), and acknowledges that it is undertaking fiduciary responsibility (as further outlined under section IV.B ("Standard of Care; Fiduciary Responsibilities")).
- B. <u>Nonexclusive</u>. This is not an Agreement to exclusively purchase the subject goods and/or services from Callan. The ERS may choose to award a contract to another service provider providing the same or similar services to the ERS, at any time. Irrespective of any estimated

purchase amounts in the any previous, bid and/or request for proposals and/or scope of services, this

Agreement does not guarantee any specific amount of business for Callan.

C. <u>Liabilities of Callan and the Board.</u>

- Callan shall be liable for its and its agents' own willful misconduct, breach of
 fiduciary duty, negligence, fraud, bad faith, failure to act and unauthorized
 acts in relation to the performance of its duties and responsibilities under this
 Agreement and as required by applicable law. For the purpose of the
 immediately preceding sentence, Callan's agents shall include, to the extent
 applicable, its officers, employees, affiliates, contractors and designees.
- 2. The Board shall not be liable for any acts or omissions of Callan in connection with Callan's discharge of its duties under this Agreement.

III. CALLAN DUTIES

A. At times directed by the Board, Callan shall:

- 1. Provide objective and independent advice and recommendations to the ERS and the
- Guide the Board through its overall investment activities, highlighting any special points of interest and explaining the primary reasons for the fund's relative investment performance.
- Evaluate the performance of the fund's managers and the fund itself in terms of written
 objectives and guidelines established by the Board and amended from time to time.
 Have periodic discussions with investment managers on investment performance and
 organizational issues.
- Coordinate effectively with ERS' staff, actuary, custodial bank and any other specialized consultants retained by the ERS and respond to inquiries between meetings in an appropriate and timely manner.
- Work with ERS' staff and actuary to conduct an asset/liability study of the Fund upon the completion of the ERS' Experience Study (typically every three years).
- 6. Work with ERS staff and actuary to recommend an appropriate long-term expected return to the Board for use in ERS' Actuarial Valuation.
- Provide consulting services and recommendations for ERS' traditional asset classes of equity and fixed income managers including the selection of individual managers.
- Provide consulting services and recommendations for the selection of vendors for nontraditional asset classes.

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- Provide consulting services and recommendations in regards to the custodian or custodians for the fund and security lending program or programs.
- Provide consulting services and recommendations in regards to the creation of a Transition Manager Panel.
- 11. Attend all Investment Committee meetings, as well as special meetings pertaining to investments that may be otherwise necessary from time to time. Additionally, at the Board's discretion, be available for two educational meetings per year.
- 12. Establish, review, and make recommendations for changes and updates to investment policy, objectives and guidelines.
- Report and provide ongoing evaluation of the performance of the fund and its managers.
 - a) Provide commentary that is explanatory in nature, rather than technical, and completely objective giving sufficient information to enable the Board to reach valid conclusions.
 - b) Provide reports that are concise, preferably limited to a reasonable number of pages, including one page of clear definitions and caveats, on the basis of any comparisons that are made. Narrative reports should be clear.
 - Submit performance evaluation reports in time for distribution to the appropriate committee, sub-committee or the Board.
 - Provide helpful insights into legitimate expectations for the future, and, in this way, aid the Board in establishing appropriate investment policies.
 - e) Quarterly Performance Reporting: Quarterly Reports shall be submitted to the Board. In particular, the following must be included:
 - Performance analysis of the fund with an appropriate peer group with comparative values provided for the quarters, 12-month, and threeyear and five-year periods. Comparative analysis should include peer groups, indices, and established benchmarks.
 - ii. Percentage of fund committed to equities, fixed income and short-term investments, as well as real estate and private equity or any other asset class. Percentage of fund committed to each manager in equities, fixed income or other public market securities.
 - iii. Performance analysis with both net and gross return figures on the fund's major asset classes including equity and fixed income. Comparative values need to be provided for the quarter, 12-month, and three-year and five-year periods. Comparative analysis should include peer groups, indices, and established benchmarks.

- iv. Performance analysis for each equity and fixed income manager. Comparative values need to be provided for the quarter, 12-month, and three and five year periods. Comparative analysis should include peer groups, indices, and established benchmarks.
 - (a) Analysis of whether the results have been satisfactory in relation to the market environment that prevailed during the period, and whether results were competitive with results achieved by other managers.
 - (b) Analysis of whether results have been consistent with a manager's stated investment strategy.
 - (c) The report should clearly articulate the reasons a manager has substantially underperformed its stated benchmarks.
- Narrative of fund performance, asset class performance, and manager performance.
 - (a) Narrative should bring to the Board's attention significant factors affecting performance, a manager, an asset class, or the find
 - (b) Review how the manager and fund performed.
- vi. Callan will report the returns of non-traditional managers (such as private equity) as reported by the managers in Callan's quarterly report.
- vii. Upon ERS' request, Callan will provide detailed performance and attribution analysis:
 - (a) Equity holding by industry group.
 - (b) Investment managers' projected strategy, including comment on points of concurrence or contention.
 - (c) Actions of managers, including comment on the validity of the direction of the strategy followed by the managers.
 - (d) Callan will include its proprietary performance attribution models to determine the underlying causes of each manager's performance.
 - (e) Industry and quality diversification on a comparative basis.
 - (f) Yields (dividend and interest) in segments of the portfolio.

- (g) Attribution analysis by asset class.
- (h) Risk return comparisons of the fund, domestic equity, international equity, fixed income, and managers in those asset classes
- (i) Portfolio characteristics of equity and equity analysis.
- Comparison of returns calculated by each equity or fixed income manager and the custodian or subsequent return calculating source.

B. Asset/Liability Analysis and Portfolio Structure Analysis.

- 1. Callan will assist the ERS with the review and creation of investment policies.
- Callan will assist the ERS in formally reviewing asset allocation and investment policy
 as necessary, but at least annually, based on major market changes or changes in the
 financial condition of the ERS.
- 3. For asset allocation, Callan will use its asset/liability software, which will model the impact of different combinations of asset allocations on the long-term funding levels of the ERS plan. Callan will present these combinations to the Board. Based upon the modeling process, Callan will review and recommend changes for the ERS strategic asset allocation in a written statement of investment policy.
- For portfolio structure analysis, Callan will review the structure and mandates of all asset classes.
 - a. This analysis will examine and review asset classes and their allocation levels. Analysis will look at all appropriate portfolio characteristics including: active and passive strategies, different investment styles, capitalization and asset classes and combinations.
 - Callan will aid the Investment Committee and/or Board in determining the most appropriate structure for each element of the ERS portfolio.

C. Manager Selection.

1. Callan will advise on investment manager retention and termination and will assist the ERS with the selection of managers using its proprietary database and expert knowledge of investment managers. The database includes information on each firm's background, ownership structure, SEC registration date, number of investment professionals, and assets under management by asset class, client type, and geographic location. Investment information for each manager's product(s) includes the database and covers each product's assets, representative clients, historical performance, number of

accounts, and portfolio characteristics such as market 7

_capitalization and valuation ratios. Callan will allow managers reasonable access to enter their data into Callan's database.

- Callan also conducts numerous meetings with investment managers as part of its general due diligence process in its manager search activities. These meetings take place <u>virtually</u>, in Callan's offices or in the investment managers' offices.
- 3. Should a need arise for the ERS to hire a new manager(s), Callan will prepare a report identifying and comparing manager candidates that are appropriate for ERS' needs. After final candidates are identified, Callan will actively participate in the manager interviews, which result in the selection of asset managers for each asset category. Once a final selection is made by the Board or Committee, Callan will assist in contract and fee negotiations and prepare suitable investment guidelines to be approved by the Board, including the establishment of appropriate performance benchmarks for each manager. CMERS acknowledges that the Consultant is not providing any legal advice or consultation; CMERS Board shall look solely to its legal counsel for such advice or consultation.
- D. <u>Real Estate Consulting Services.</u> As part of its role as Investment Consultant, Callan shall provide real estate consulting services as follows:

1. Investment Policy and Guidelines.

a. Periodically review and recommend changes to the Real Estate Investment Policy as appropriate. The Policy will include, at a minimum, the long term objectives for the real estate portfolio, risk management policies and procedures, investment and asset management control and monitoring procedures, total portfolio and, as appropriate, manager/fund/general partner level benchmarks, and the level of discretion and the corresponding fiduciary roles for participants in the decision-making process.

2. Strategic Plan and Pacing Study.

- Consultant shall prepare, monitor and maintain a comprehensive Strategic Plan for the Portfolio that includes:
 - Real Estate Investment Goals and Objectives Addresses real allocation target, fit of real estate within the broader portfolio context, investment and risk objectives, management objectives and structure, and legal/statutory requirements.
 - ii. Existing Portfolio Review Analyzes and considers the characteristics and positioning of the portfolio, its effectiveness in various market conditions, and the strengths and weaknesses of each underlying investment. As appropriate, each manager/fund/general partner will be profiled focusing on whether each investment manager is fulfilling its duties, outlining strengths and risks, providing items to monitor or recommendations for change, if any, to be implemented by MERS, and continued retention or termination of each manager/fund/general partner, as appropriate. The Pacing Study is incorporated into the review of the portfolio, the managers, and the strategic options for

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program growth.

- iii. Current Market Overview Covers the state of the real estate markets, institutional investment strategies, developments and trends in real estate investing, and anticipated future developments that will impact institutional investment strategies and the CMERS portfolio.
- iv. Implementation Options Outlines the various strategies for accomplishing the objectives within the context of the market environment, existing portfolio and the available opportunity set.
- v. Recommendations Summarizes the conclusions, recommendations, and action plan. The action plan will include any steps required to bring the existing real estate portfolio into compliance with the objectives and policies established in the Strategic Plan and Investment Policy. Examples of recommended actions may include: a) manager searches; b) additions or redemptions from existing investment positions; d) development of investment criteria; and e) fees and expense analyses.
- b. In conjunction with the Strategic Plan, the Consultant will conduct a Pacing Study based on cash flow projections provided by each real estate manager/fund/general partner, as appropriate. The Consultant will review each manager/fund/general partner's cash flow, as appropriate projections and provide commentary on the reasonableness of the assumptions and approach.
- c. The Strategic Plan and Pacing Study will be updated annually or more frequently depending on market conditions.
- 3. <u>Investment Sourcing and Selection.</u>
 - a. Using a structured, ongoing process, screen the global universe of available real estate investments, primarily in the U.S. (for both open and closed end real estate investment funds). Broadly identify opportunities that are consistent with CMERS' investment policy and real estate strategic investment plan.
 - b. Upon approval by <u>CMERS</u>, conduct a (i) manager search using the Consultant's Search Process or (ii) complete investment specific due diligence using the Consultant's Evaluation Process to identify and analyze specific investments and to make recommendations to <u>CMERS</u>.
 - c. Present investment recommendations to the Board and <u>CMERS</u> staff along with all necessary supporting details and analysis.
 - d. Provide assistance to <u>CMERS</u> and the Board's legal counsel to negotiate, in the best interests of <u>CMERS</u>, relevant fees and investment terms. <u>CMERS</u> acknowledges that the Consultant is not providing any legal advice or consultation; <u>CMERS</u> Board shall look solely to its legal counsel for such advice or consultation.

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- 4. Portfolio Monitoring and Performance Measurement.
- a. Gather and maintain performance data for each individual investment manager position. This information will include cash flows and dates, net asset values, commitments (total, funded, and unfunded), fees, cost basis, returns, property type and geographic diversification, leverage, strategy and fund details, and organizational information.
- b. Provide a comprehensive performance report for the real estate investment program to CMERS within 120 days of the close of each quarter. Reporting is subject to manager reporting time frames.

The report shall measure performance of <u>CMERS'</u> real estate assets against investment objectives and performance benchmarks adopted by <u>CMERS</u> as part of its Strategic Plan and Investment Policy.

The reports shall include, at a minimum: market overview and outlook, allocation breakdown by geography, strategy, property type and leverage, update on each investment position fund, listing of each fund by strategy, date of commitment to each fund, commitment amount to each fund, drawdown amounts by fund, outstanding commitment by fund, distribution amounts by fund, fund net asset values, and IRR and multiples of each fund, plus all fees (e.g. management, incentive, etc.) and expenses by fund. The report will also include qualitative information on each manager/general partner's organization. Performance metrics may include IRRs, equity multiples, and time weighted returns. All returns will be independently calculated by Callan.

- c. Present regarding performance of the real estate investment program to the CMERS
 Board on a mutually agreeable schedule. Callan will include in the presentation the performance of the portfolio as a whole and each real estate investment relative to its anticipated performance, policy objectives and benchmarks, current market conditions, identify material issues and the compliance of the portfolio which may impact the investment's performance and recommend a course of action to enhance returns and/or mitigate risk.
- d. Provide on-going monitoring and regular updates/assessments of relevant operational and/or strategic changes with investment managers/fund/general partners, as appropriate, including, but not limited to, performance, organization, ownership, investment products, and disclosure issues. The Board shall retain the exclusive right to engage or terminate funds/managers.
- Advise <u>CMERS</u> on breaches or violations of investment management agreements, fund agreements, and side letter provisions.
- f. Review and recommend, from an investment perspective, proposed changes to investment management agreements, fund agreements, and side letters.

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Review and provide independent verification to CMERS of investment manager fees, distributions, and capital calls.

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5. Meeting Attendance.

Callan shall be available to attend Board meetings and other meetings as needed.

Research and Education.

- Provide investment research and publications on real estate market conditions and opportunities.
- b. Provide educational and/or training sessions on real estate investing to EMERS staff and Board as necessary.
- Advise EMERS on new investment vehicles, techniques, trends, and major changes in existing practices within the industry.

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7. Other.

E.

Conduct special projects or other activities as requested by the CMERS.

b. Provide real estate portfolio values and methodology to CMERS auditor for its annual audit based on information collected by Callan from the managers/funds/general partners. Callan does not provide valuation services.

Assist in the reconciliation of cash flows and other items with CMERS custodian. c.

d. Respond to questions or issues that arise in the course of administering the real estate portfolio.

Special Services. Callan will also support the ERS with special services. These include, but are not limited to, the following:

- Education Callan will assist in the education of the Board or ERS staff on any issues relevant to its investment program.
- 2. Research - Callan prepares periodic research commentaries on topics of interest to its clients that will be made available to the ERS. Quarterly newsletters and "Focus" pieces will also be provided.
- 3. Special Projects - The consulting services includes work on any special projects related to the ERS Investment Program that are not expected to take more than twenty hours to complete. Projects anticipated to take more than twenty hours should be outlined appropriately in a project plan and mutually agreed upon between the parties.

Records; Confidentiality, Public Records Law Compliance

Callan shall maintain accurate and detailed records of its evaluation of the performance

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of ERS' fund and its managers. Callan's records relating solely and exclusively to the fund, including, but not limited to, reports, files, correspondence, and memorandums, ("ERS Records") shall be open upon notice and during business hours for inspection and audit by the Board or by any person or persons designated by the Board. Upon reasonable notice, Callan shall make the persons responsible for creating and maintaining ERS Records available to the Board during such review for the purpose of responding to the Board's reasonable inquiries.

- All aspects of this contract and any work related to the ERS, including, but not limited to, pensioner, financial, and legal records, findings, and documentation such as memos, letters, and reports will be treated with the highest degree of confidentiality, to the extent that such records are not subject to the Wisconsin Public Records Law, as discussed below. Further, information shall not be considered confidential to the extent that such information: (i) is already known to Callan free of any restriction at the time it is obtained from the Board or the ERS; (ii) is subsequently learned from an independent third party free of any known restriction and without breach of this Agreement; (iii) becomes publicly available through no wrongful act of Callan; (iv) is independently developed by Callan without reference to any confidential information of the ERS; or (v) is required to be disclosed by law, regulation, court order or subpoena, provided that Callan will exercise reasonable efforts to notify the ERS prior to disclosure.
- 3. Both parties understand that the ERS is bound by the Wisconsin Public Records Law, Wis. Stat. §§ 19.31-39 ("Public Records Law"), and as such, all terms of this agreement are subject to and conditioned on that law. Under the Public Records Law, the ERS Records (as they relate to this Agreement) are subject to public disclosure, unless there is a statutory, common law, or public policy reason for nondisclosure (e.g., trade secrets exception).

Callan acknowledges and agrees that it is obligated to assist the ERS in retaining and producing records that are subject to the Wisconsin Public Records Law when such public records request includes a request for production of contractor records (specifically the production of records that are maintained by Callan in its capacity as a contractor, as required pursuant to sec. 19.36(3) of the Public Records Law), and that failure to do so shall constitute a material breach of this Agreement, and Callan must defend and hold the ERS harmless from liability due to such breach. Callan agrees that it shall assist the ERS and the Milwaukee City Attorney's Office in complying with the Public Records law in relation to requests for production of contractor records where such records are maintained by Callan. In the event the ERS or the Board receives a public records request for records relating to Callan, any information designated Callan as its confidential and proprietary information will be considered in conjunction with ERS' response to the public records request. Decisions on behalf of the ERS to withhold public disclosure of records subject to this law must be supported by a statement of the public-policy basis for denial. Callan agrees to cooperate with any reasonable request for assistance by the ERS and the Milwaukee City Attorney's Office to support nondisclosure decisions. Except as otherwise authorized, those records shall be maintained for a period of seven years after receipt of final payment under this Agreement. Upon termination of this Agreement, Callan shall tender all ERS Records to the Board.

- G. Notwithstanding the foregoing, <u>CM_ERS</u> acknowledges that the Consultant is not providing any legal advice or consultation; <u>CM_ERS</u> Board shall look solely to its legal counsel for such advice or consultation.
- H. <u>Compliance</u>. Callan shall take whatever actions are necessary to ensure that Callan complies at all times with this Agreement and all applicable laws. Callan shall immediately report to the Board (i) any violation of applicable law by Callan or any of the Callan's employees or agents, (ii) any notice of investigation by any governmental authority of possible violations of applicable law, and (iii) any third-party claim or action alleging violations of applicable law.
- I. Changes Affecting Callan. Callan shall promptly (and in advance, if practicable) inform the Board in writing of any significant changes affecting Callan including: (a) changes that are required to be disclosed under the Investment Adviser's Act, (b) changes in the legal structure of Callan, (c) changes in the financial condition of Callan that materially affect Callan's qualification or capacity to continue to provide investment consultation services, and (d) any significant changes affecting consultation services, including changes in personnel in the following positions at Callan: principal consultants to the account, as identified in **Exhibit D** hereto. In the event that either consultant is unable to continue with the account, Callan shall promptly replace such consultant with a consultant of comparable qualifications. The Board shall have the right and the option to interview and approve any such replacement consultant.
- J. <u>ERS Visit.</u> On reasonable notice an ERS representative shall be afforded the opportunity to visit Callan at its office.

IV. COVENANTS OF CALLAN

A. <u>Confidential Information.</u> Callan covenants that all information and advice furnished by Callan to the Board hereunder, including its agents and employees, shall be treated as confidential and shall not be disclosed to third parties except as requested by regulatory authorities during routine audits or to the custodian, broker-dealers, auditors, or the Board's consultants, or as agreed to by the

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ERS (which agreement shall not be unreasonably withheld), or as otherwise required by the law or the Board. 14

B. <u>Standard of Care: Fiduciary Responsibilities.</u> Callan hereby covenants to provide the level of professional services prevailing in its industry in conjunction with its activities under this Agreement. Callan shall personally, as an independent contractor and not as an employee of the ERS, perform the services set forth in this Agreement. Callan agrees that the Services shall be performed in accordance with generally accepted professional practices and in a manner consistent with the highest level of care and skill exercised under similar conditions by members of Callan's profession practicing in Wisconsin. Performance of the Services shall conform to all applicable federal, state and local laws and regulations.

Callan further acknowledges that it is a fiduciary with respect to the investment advice it provides to the Board to the extent that such advice satisfies the definition of investment advice as fiduciary in nature under ERISA and related Department of Labor Regulations. Callan's acceptance of such fiduciary status is solely with respect to its role as an investment advisor and real estate consultant. Callan's responsibility does not include discretionary control of any plan or the assets contained therein and cannot make any promise or guarantee regarding the future investment performance of such assets. Callan has no responsibility for the actions or advice of any other investment advisors or service providers.

- C. <u>Subcontractors</u>. Callan covenants that, consistent with Wis. Stat. § 66.0135(3), Callan shall pay any of its subcontractors for satisfactory work within seven (7) days of Callan's receipt of payment from the ERS or seven (7) days from receipt of an invoice from the subcontractor, whichever is later. If Callan fails to make timely payment to a subcontractor, Callan shall pay interest at the rate of 12 percent per year, compounded monthly, beginning with the 8th calendar day after Callan's receipt of payment from the ERS or receipt of an invoice from the subcontractor, whichever is later.
- D. <u>Nondiscrimination</u>. Callan covenants that it will not discriminate against any qualified employee or qualified applicant for employment because of an individual's sex, race, religion,

color, national origin or ancestry, age, disability, lawful source of income, marital status, sexual orientation, gender identity or expression, victimhood of domestic abuse or sexual assault, past or present membership in the military service, HIV status, domestic partnership, genetic identity, homelessness, familial status, or an individual's affiliation or perceived affiliation with any of these categories, pursuant to Milwaukee Code of Ordinances ("MCO") Section 109-9. Callan must insert this clause into any and all subcontracts for work performed pursuant to this Agreement.

E. <u>Living Wage.</u> Pursuant to Milwaukee Code of Ordinances 310-13, unless contrary to federal, state or local law, all workers, whether permanent or temporary, fulltime or part-time, employed in any work performed as part of a service contract with a contracting agency, as defined in sub. 2-c, shall receive and be paid a sum of not less than the living wage in effect at the time a contract is awarded. No contractor may use the living wage requirement of this subsection to reduce the wage paid to any person employed by the contractor. "Living wage" means the average of the amount required to produce, for 2,080 hours worked, an annual income equal to the U.S. department of health and human services' most recent poverty guideline for a family of 3 and family of 4 in the 48 contiguous states, as determined by the city clerk on March 14 of each year. The required living wage as of March 14, 2019 is \$11.32. Callan shall execute the "Affidavit of Compliance with Living Wage Provision" located on the City of Milwaukee's Department of Administration Purchasing Division Website, located at https://city.milwaukee.gov/Purchasing/Forms.htm#.XL-kW-VDBKiUk.

F. <u>Registration.</u> Callan is a registered investment advisor under the Investment Advisor's Act of 1940, as amended, and will notify the ERS of any material change in its registration.

V. COMPENSATION OF CALLAN

For traditional investment consulting services rendered by Callan under Article II, for the first two years.year of this Agreement, the ERS will pay Callan an annual fee of \$254,372

\$235,000 payable in

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equal monthly installments, after receipt of a proper and complete invoice which must be submitted to the ERS monthly. Thereafter, the fee for performance of the service will increase by 2.0%, annually, beginning January 1, 2027, 2023.

For real estate consulting services rendered by Callan, as set forth in Article III (D) of this Agreement, for the first year of this Agreement, the ERS will pay Callan an annual fee of \$108,243 \$135,000 payable in equal monthly installments, after receipt of a proper and complete invoice which must be submitted to the ERS monthly. For the second year of this Agreement, the ERS will pay Callan an annual fee of \$100,000 payable in equal monthly installments after receipt of a proper and complete invoice which must be submitted to the ERS monthly. Thereafter, the fee for performance of the service will increase by 2.0% from the base fee of \$108,243 \$100,00 annually, beginning January 1, 20272023.

Additionally, for Non-Core Performance Measurement and Monitoring services rendered by Callan for the first two yearsyear of this Agreement, the ERS will pay Callan an annual fee of \$8,660 \$8,000 payable in equal monthly installments, after receipt of a proper and complete invoice which must be submitted to the ERS monthly. Thereafter, the fee for performance of the service will increase by 2.0%, from the base fee of \$8,660 annually, beginning January 1, 20272023.

The above annual fees do not include services for a Transition Event Analysis (an additional fee of \$25,000), a Transition Manager Pool or Bench Search (an additional fee of \$45,000), Custody Conversion Consulting (an additional fee of \$45,000), or a Full Custodial Search (an additional fee of \$75,000).

The ERS strives to make timely payment on all invoices. Callan shall submit an invoice and/or other documentation required pursuant to this Agreement (collectively referred to as the "Invoice") to the ERS on a monthly basis for any fees accrued during the preceding month within thirty (30) days of the end of said month. Pursuant to Common Council File No. 101137, if the ERS does not make payment within 45 days after receipt of the Invoice, the ERS shall pay simple interest beginning

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with the 31st calendar day after submission of the Invoice at the rate of one percent per month. No attorney's fees, expenses, or other collection costs may be billed to the ERS unless otherwise agreed in writing. No interest shall be applied to any outstanding amounts where Callan has been sent notice that the amount owed to Callan is subject to a good faith dispute within 45 days of the receipt of the Invoice provided the notice was sent by first-class mail, personally delivered, or otherwise sent in accordance with any notice provisions in this Agreement. In the event that the 45th day after receipt of the Invoice is a Saturday, Sunday or national holiday, such payment may be made on the following business day without interest being owed to Callan. The ERS's failure to pay in a timely fashion does not relieve Callan of its obligation to perform the services it has been retained for.

VI. DURATION AND TERMINATION

This Agreement shall become effective January 1, 2021 on the date first above written and shall continue in effect until December 31, 2025 terminated as hereinafter provided. The parties may mutually agree to extend this Agreement by not more than three (3) additional years beyond the initial five (5) year period. This Agreement may be terminated at any time without payment of any penalty by the Board on not less than 60 days written notice to Callan or by Callan on not less than 120 days written notice. Upon termination, (a) the ERS shall pay Callan fees for services performed prorated to the date of termination and (b) Callan shall have no further obligations under this Agreement including, without limitation, any obligation to update any investment manager research reports, investment manager ratings changes or related information. This Agreement shall automatically terminate in the event of its assignment by Callan, unless the ERS consents in writing to such assignment. (Callan's current ownership is as follows: Callan LLC)

VII. REPRESENTATIONS OF ERS

A. The ERS acknowledges that Callan will continue to provide services enumerated under Article II to other entities.

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B. ___The ERS acknowledges and agrees that it shall retain all decision making authority with respect to the management and administration of its fund, including appointment and termination of investment managers and final decisions regarding investment policy.

VIII. INDEMNIFICATION AND LIMITATION OF LIABILITY

A. Callan shall indemnify the ERS and its officers, agents and employees for all losses, damages, costs, expenses, judgments, accrued interest, liabilities, or decrees arising out of any claim, action in a court, or proceeding before an administrative agency that is brought against the ERS or any of its subcontractors, officers, agents, or employees for the acts or omissions of Callan or any of its subcontractors, officers, agents, or employees in whole or in part in the performance of the covenants, acts, matters or things covered by this Agreement, or for injury or damage caused by the alleged acts or omissions of Callan or any of its subcontractors, its officers, agents or employees. The ERS will, at its sole option, decide whether to tender the defense of any claim, action in court, or proceeding before an administrative agency in which Callan has a duty to indemnify to Callan or Callan's insurer and upon such tender it shall be the duty of Callan and Callan's insurer to defend such claim, action, or proceeding without cost or expense to the ERS or its officers, agents, or employees using counsel selected by Callan and Callan's insurer and approved by the ERS. Callan shall not settle any claim, action in any court, or proceeding before an administrative agency relating to the ERS unless the ERS consents to the settlement in writing.

Without limiting the indemnification obligations provided in this Agreement, Callan shall provide and maintain, at its own expense, errors and omissions insurance policies, as indicated in Section IX of this Agreement. This provision of the Agreement shall continue to obligate the parties

hereto even after Callan's duties, with respect to the Board and the plan, terminate if the claim or cause of action relates directly or indirectly to acts or omissions of Callan occurring while previously serving the Board or the plan. This indemnification shall survive any termination of this Agreement.

B. In connection with the performance of the services, Callan shall not be liable for any

(i) losses or expenses incurred as a result of any act or omission by any investment manager, custodian or other third party, except to the extent resulting from Callan's negligence or breach of its duties or

(ii) act taken, or omission or recommendation made except to the extent resulting from its negligence or breach of its duties and obligations under this Agreement. Notwithstanding the foregoing, Callan may be liable for acts of good faith and nothing in this Agreement shall be construed to waive any privilege, right of recovery, cause of action, defense, remedy, category of damages, or immunity to which the ERS is entitled under common law, or federal, state, or local law; waiver of any of the foregoing may only be accomplished in writing by an individual with the authority to bind the ERS.

(i)(ii)

IX. INSURANCE

A. Throughout the term of this Agreement, Contractor is solely responsible for meeting its insurance needs, but shall, at a minimum, carry insurance that meets the requirements set forth in this section. Any failure to comply with these minimum requirements during the term of this Agreement is a material breach of this Agreement and the ERS may, in its sole discretion, immediately terminate this Agreement without prior notice. The Contractor shall send the ERS an up to date Certificate of Insurance and/or Policy at any time that the ERS shall request a copy of the same within fourteen (14) days of the ERS's request. The Contractor shall be required to send the ERS an up to date Certificate of Insurance any time the Contractor's insurance coverage materially changes immediately upon such change.

The Contractor is to confirm that it, <u>and all subcontractors</u>, have the following types and amounts of insurance protection:

1. General Requirements

- A certificate of insurance acceptable to ERS evidencing the insurance requirements to be provided. The certificate shall state that the issued insurance policies meet the requirements as outlined below. All certificates are to be provided within 30 days of final execution of this Contract. If such certificate is not received, the ERS has the authority to declare this Contract terminated.
- Callan shall provide the ERS thirty (30) day written notice of cancellation, non-renewal or material change by any insurers providing the coverage required by ERS for the duration of this Contract.
- Insurance companies must be acceptable to ERS and must have a current A.M. Best rating of A- VIII or better.
- All policies shall be written on an occurrence form, other than professional liability as noted below.
- If subcontractors are used, each must meet all requirements in sections A and B.

2. Commercial General Liability (GL)

Commercial General Liability \$1,000,000 each occurrence

General Aggregate \$2,000,000 aggregate

Personal & Advertising Injury \$1,000,000 each occurrence

Limit

Products – Completed Operations \$2,000,000 aggregate

Aggregate

Medical Expense \$5,000 each person

- Coverage must be equivalent to ISO form CG000l or better.
- · The ERS shall be added as an additional insured using ISO form

CG2026 or its equivalent.

- Coverage shall be modified to include a Waiver of Subrogation Endorsement in favor of ERS including its directors, officers, agents, employees and volunteers.
- The policy shall include independent contractors (owners/contractors protective) and contractual liability.
- Coverage will apply on a primary and non-contributory basis. We suggest the following wording:

"If you have agreed in a written contract that this policy will be primary and without right of contribution from any insurance in force for an Additional Insured for liability arising out of your operations, and the contract was executed prior to the bodily injury, property damage, personal injury or advertising injury, then this insurance will be primary over, and we will not seek contribution from, such insurance."

 Coverage shall apply to the risks associated with or arising out of the services provided under this contract.

3. Automobile Liability

Combined Single Limit \$1,000,000 each accident

Medical Expense \$10,000 each person

- If the Contractor owns or has any long term leased vehicles, coverage
 must be for Any Auto (Symbol 1). If there are no owned or long term
 leased vehicles, then coverage must be for Hired and Non-Owned Auto
 Liability (Symbols 8 and 9).
- Coverage shall be modified to include a Waiver of Subrogation Endorsement in favor of ERS including its directors, officers, agents, employees and volunteers.
- · The ERS shall be added as an additional insured.
- Coverage shall include contractual liability for risks assumed in this
 contract.
- Coverage shall apply to the risks associated with or arising out of the services provided under this contract.
- If Federal, or State government(s) require a Motor Carrier filing, such filing shall be made available to ERS upon request.

4. <u>Umbrella</u>

Umbrella (excess) Liability \$4,000,000 per occurrence

\$4,000,000 aggregate

 The Umbrella Liability insurance shall provide coverage excess of the Employer's Liability, Commercial General Liability and Auto Liability Coverages, including the amendments stated above.

5. Worker's Compensation and Employer's Liability

Workers' Compensation Coverage Statutory

Bodily Injury by Accident \$100100,000 each

accident Bodily Injury by Disease \$500,000 policy limit

Bodily Injury by Disease \$100,000 each employee

- Employer's Liability at limits noted above or higher limits if needed to meet Umbrella underlying insurance requirements.
- Coverage shall be modified to include a Waiver of Subrogation Endorsement in favor of ERS including its directors, officers, agents, employees and volunteers.

6. <u>Crime Insurance</u>

Employee Dishonesty (see below)

- The Crime Insurance shall provide coverage for Third Party Employee Dishonesty.
- This policy limit must be at least equal to the maximum amount of ERS funds the Contractor accumulated in its office or in an account in a depository.
- The policy shall include an expanded definition of property to include ERS owned property and monies.

7. <u>Professional Liability</u>

Combined Single Limit \$10,000,000 policy limit

 Coverage must remain in effect for a period of not less than two years beyond the termination date of the contract. If a claims-made form is used and a change of insurer occurs during the
contract period, continuity of coverage must be maintained by either
retaining the original retroactive date or exercising the extended reporting
period endorsement option from the expired policy for a period of not
less than two years, if the replacement insurer will not preserve the
original retroactive date.

8. Cyber Insurance

Cyber Insurance

\$5,000,000 Each Claim and

\$5,000,000 Annual

Aggregate

 Coverage shall include cost of notification, cost of identity protection and repair insurance for affected individuals and third party liability.

X. INFORMATION TO BE PROVIDED

Callan shall assume the information the Board or the ERS supplies (or that is supplied on their behalf) is accurate and complete. Callan's responsibilities (and the associated project fees) do not include independent verification of required information. Problems with information quality and/or delays in providing such information may result in a delay in the project delivery date or an increase in fees as mutually agreed between the parties.

XI. OWNERSHIP AND CONFIDENTIALITY

All reports, studies, analysis, memoranda, information, records, and related data and materials resulting from this Agreement ("Documents") are the ERS's exclusive property. Notwithstanding the foregoing, the ERS acknowledges that Callan shall retain all of its rights in its methodologies, methods of analysis, ideas, concepts, know-how, techniques, skills, knowledge and experience possessed by Callan before the commencement of the term of this Agreement or acquired by Callan during the provision of the services hereunder. The ERS has the right to use the Documents for any purpose without compensation to Callan unless otherwise provided for in the Agreement. All of the Documents

are confidential and Callan agrees that it will not, without prior written approval from the ERS, make the Documents available to any individual, agency, public body or organization except as required by the Agreement or as may be required by any applicable law or legal process. Upon request of the ERS, Callan shall deliver all Documents to the ERS and then destroy all copies of the Documents, whether in written, electronic or other form or media, in a commercially reasonable manner and also certify in writing to the ERS that all Documents have been returned to the ERS and destroyed in a commercially reasonable manner at no cost to the ERS. Callan shall comply with all directions provided by the ERS with respect to the return and destruction of the Documents within fourteen (14) days of the ERS's request for the same. Notwithstanding anything contained herein to the contrary, Callan shall retain copies of confidential information in accordance with policies and procedures implemented by Callan in order to comply with applicable law, regulation, professional standards or document retention or compliance policies.

XII. RECEIPT OF FORM ADV

The ERS acknowledges receipt of the Callan's disclosure statement, Form ADV, Part II Parts 2A and 2B, which contain information regarding Callan's services, fees, business practices and the background of Callan Investment Consulting, Inc. its advisory persons, a copy of which is attached hereto as Exhibit E. at least 48 hours prior to its execution of this Agreement. The ERS also agrees that future offers to provide, or the provision of, Form ADV, Parts II Parts 2A and 2B or other information required by applicable regulation may be sent to it electronically, at the email addresses provided to Callan by the ERS prior to such time.

XIII. MISCELLANEOUS

A. <u>Severability</u>. In the event any provision of this Agreement is considered void, illegal or invalid for any reason, said provision shall not affect the remaining provisions of this Agreement. The void, illegal or invalid provision shall be fully severable and this Agreement shall be construed as though the voided, illegal or invalid position had never been inserted in the Agreement.

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- B. <u>Amendment.</u> This Agreement may be amended any time by the action of the Board and Callan in writing. No such amendment shall be effected to permit the use of assets or any part thereof for purposes not authorized by the Charter.
- C. Entire Agreement. This Agreement and the documents referenced herein or attached hereto constitute the entire agreement between the parties concerning the subject matter hereof and supersede all prior agreements, discussions, representations, warranties and covenants between the parties concerning the subject matter hereof. In any instance of conflicting language between this Agreement and its attachments/exhibits, the following order of priority shall apply:
 - 1. This Agreement
 - 2. Exhibit A Callan's RFP 2019 Response Documents
 - 3. Exhibit B ERS Request for Proposal
 - 4. Exhibit C: 36-15 Milwaukee City Charter
 - 5. Exhibit D: Principal Consultants to account
 - 6. Exhibit E: ADV Parts 2A and 2B

Any amendments, changes or modifications to this agreement shall be in writing and executed by the parties.

- D. <u>Conflict of Interest.</u> Pursuant to Milwaukee Code of Ordinances 4-27, any contract in which a member of the City of Milwaukee Common Council is an interested party shall be null and void, and the ERS may sue to recover any amounts paid on such contract.
- E. <u>ERS's Right to Audit.</u> At any time during normal business hours and as often as the ERS, or if federal or state grants or aids are involved, or as the appropriate federal or state agency may deem necessary, there shall be made available to the ERS or such agency for examination all of its records with respect to all matters covered by this Agreement and Callan shall permit the ERS or such agency to audit, examine and make excerpts or transcripts from such records, and

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- to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment, and other data relating to all matters covered by this Agreement.
- F. Maintenance of Books and Records. Callan shall at all times during the term of the Contract, maintain complete and accurate books and records of its operations in a form consistent with generally accepted accounting principles and practices. Such books and records shall be available for inspection by the ERS or its authorized agent at any time during reasonable business hours, and shall be available for inspection for a period of no less than seven years from the end of the Agreement period, or portion thereof in the event of termination.
- G. <u>Incorporation by Reference.</u> This Agreement shall be subject to the applicable provisions of the Charter and shall in all respects be construed in a manner consistent with the purposes of the Charter. In the event of any inconsistencies or conflict between the terms of this Agreement and the Charter, the provisions of the Charter shall govern.
- H. Successors. The term "Board" shall include any successor or substitute member.
- I. <u>Amendments to Applicable Laws.</u> Any references to a section of the ordinances or other applicable laws shall be deemed to include a reference to any amendments thereof, and any successor provisions thereto; provided however, that such amendments and successor provisions to any ordinance have been provided to the Manager by the Board.
- J. <u>Choice of law/venue</u>. This Agreement, and all questions arising in connection herewith shall be governed by and construed in accordance with the internal laws of the State of Wisconsin. Venue for any action arising out of or in any way related to this Agreement shall be exclusively in the City of Milwaukee for matters arising under state law and in federal district court in the eastern district of Wisconsin for matters arising under federal jurisdiction.
- K. <u>Headings</u>. Headings of paragraphs are inserted for convenience of reference. They are not part of this Agreement and not to be considered in its construction.
- L. Assignability. This Agreement or any of the rights, duties, or obligations of the parties

- hereunder, shall not be assigned by either party without the express written consent and approval of the other party.
- M. <u>Callan's Investment Manager Client List Disclosure.</u> ERS acknowledges receipt of Callan's disclosure list of investment manager clients, provided under a specific pledge of confidentiality, no later than the date of the execution of this Agreement.
- N. <u>Policy Regarding Securities Advice.</u> Callan shall not be responsible for reviewing or advising on the merits or risks of individual securities or derivatives holdings or purchase, sale or hedging strategies, the propriety of an individual security or derivative within a manager's investment management mandate, or on the conformity of individual securities

holdings with the ERS' investment policy and guidelines. -Callan shall not be responsible for providing advice to plan participants or beneficiaries; however, Callan affirms its-

responsibility for advising ERS as otherwise set forth in this Agreement, including, but notlimited to, regarding asset allocation and manager selection.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

In Witness Whereof, the parties hereto have executed this Agreement the day and year first above written.

	CALLAN LLC.
	By: Michael Joecken, Callan, LLC Date:
	EMPLOYES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE
	By: Matthew P. Bell, President, ERS Date:
	By: Bernard J. Allen, Secretary and Executive Director, ERS Date:
COUNTERSIGNED:	
Bill Christianson, Comptroller, City of Milwa Date:	aukee
Examined and approved as to form and exec	eution this
Travis J. Gresham, Assistant City Attorney Date:	

ADMINISTRATION & OPERATIONS COMMITTEE REPORT

A. Approval of Annual Report of the Annuity & Pension Board 87th Edition, December 31, 2024.



The Employes' Retirement System of the City of Milwaukee

Annual Report of the Annuity and Pension Board 87th Edition • December 31, 2024

Dated August 13, 2025

STATEMENT OF PLAN NET POSITION FOR THE YEAR ENDED 12/31/2024 (in thousands)			
ASSETS			
Cash & Cash Equivalents	\$	94,796	
Investments at Estimated Fair Value			
Fixed Income	\$	1,956,208	
Public Equity		2,274,877	
Absolute Return		473,547	
Real assets		664,236	
Private equity		770,590	
Total Investments	\$	6,139,458	
Receivables and Other Assets			
Employer	\$	216	
Member	= -		
Actuarially determined contributions	2,085		
Interest, dividends and foreign tax recoverable	17,406		
Investments sold	209,817		
Software & equipment, net of depreciation	235		
Securities lending collateral	235,365		
Lease assets, net of amortizations	1,342		
Subscription-based IT arrangements, net of amort. 229			
Total Receivables and Other Assets	467,850		
TOTAL ASSETS	\$	6,701,834	
LIABILITIES			
Benefits payable	\$	1,326	
Unearned contributions		6,347	
City of Milwaukee		1,133	
Securities lending obligation		233,619	
Investments purchased	502,054		
Lease liability	1,536		
TOTAL LIABILITIES	\$	746,015	
NET POSITION RESTRICTED FOR PENSIONS & OTHER GOV'TS:	\$	5,955,819	

STATEMENT OF CHANGES IN PLAN NET POSITION FOR THE YEAR ENDED 12/31/2024				
	(in thousands)			
ADDITIONS	2024	2023		
Contributions				
Employer	\$ 217,640	\$ 171,042		
Member	34,089	32,688		
Total Contributions	\$ 251,729	\$ 203,730		
	,,_,	,		
Investment Income				
Net appreciation in fair value				
of investments	\$ 323,564	\$ 477,961		
Interest, dividends, and				
other investment income	155,222	130,427		
Less: Investment expense	(70,262)	(64,612)		
Securities lending income	15,924	18,886		
Less: Sec. Lending expenses	(15,924)	(16,784)		
Net Investment Income	<u>\$ 408,524</u>	<u>\$ 545,878</u>		
TOTAL ADDITIONS	\$ 660,253	\$ 749,608		
DEDUCTIONS				
Administrative expenses	\$ (9,287)	\$ (8,015)		
Benefits paid	(487,977)	(466,604)		
Refund of contributions	(3,672)	(4,444)		
TOTAL DEDUCTIONS	\$(500,936)	\$(479,063)		
FUND BALANCE CHANGES				
	•			
Net increase before fund	Ф. 150 217	Φ 270 545		
balance transfers	\$ 159,317	\$ 270,545		
Fund balance transfers	-	=		
Net increase after fund	*			
balance transfers	\$ 159,317	\$ 270,545		
NET POSITION RESTRICTED FOR PENSION BENEFITS& OTHER GOVERNMENTS:				
Beginning of year End of year	\$5,796,502 \$5,955,819	\$5,525,957 \$5,796,502		

ACTUARIAL BALANCE SHEET as of January 1, 2025					
(in thousands)					
ASSETS			LIABILITIES		
Market value of assets	\$	5,955,819	Present value of future benefits		
Market adjustment		157,138	Annuitants	\$	5,866,170
Actuarial value of assets	\$	6,112,957	Inactive members		196,876
Unfunded actuarial accrued liability		1,929,736	Active members		2,911,511
Present value of future anticipated contributions		931,864	TOTAL LIABILITIES	\$	8,974,557
Financial resources for actuarial accrued liability	\$	8,794.557			

MEMBERSH	IP STATISTICS as o	f 12/31/2024
	2024	2023
Active members	9,119	10,108
Retired, disability, and Survivorship	13,901	13,867
Deferred status members	6,203	6,136
TOTAL MEMBERSHIP	29,223	30,111

See Notes to the Basic Financial Statements

Section 36.15 (9) of the Milwaukee City Charter provides that the Annuity and Pension Board "shall publish annually a report showing the fiscal transactions of the retirement system for the preceding year, the amount of the assets of the system, and the financial condition of the system as disclosed by an actuarial valuation of the retirements system."

The Annuity and Pension Board submits herewith its annual report for the year ending December 31, 2024.

ANNUITY AND PENSION BOARD

as of 12/31/2024

Elected Representatives – Active Members

Matthew Bell James Campbell Molly Christianson

Elected Representatives – Retirees

Thomas Klusman, Retired

Appointed by the President of the Common Council

Nik Kovac, City of Milwaukee Budget & Management Director Deborah Ford, Retired Rudolph Konrad, Retired

Ex-Officio Member

Bill Christianson, City of Milwaukee Comptroller

ADMINISTRATIVE PERSONNEL

as of 12/31/2024

Bernard J. Allen - Executive Director and Secretary

Melody Johnson - Deputy Director

David M. Silber, CFA, CAIA – Chief Financial Officer

Daniel Gopalan, CPA – Chief Financial Officer

G. Spencer Coggs – Custodian of Funds, City of Milwaukee Treasurer

Evan Goyke – Legal Advisor, City of Milwaukee Attorney

INVESTMENT MANAGERS

Abbott Capital Management LLC Almanac Realty Investors, LLC Apogem Capital LLC Apollo Global Real Estate Management, L.P. AQR Capital Management, LLC BlackRock Investments, LLC Brandes Investment Partners, LP Bryanston Realty Partners LLC CastleArk Management LLC Deutsche Asset Management Dimensional Fund Advisors LP Earnest Partners LLC Fortress Investment Group Goldman Sachs Asset Management Greenfield Multi-State Partners, L.P. H/2 Capital Partners Harrison Street Core Property Fund, L.P. J.P. Morgan Investment Management Inc. LaSalle Investment Management, Inc.

J.P. Morgan Investment Management Inc.
LaSalle Investment Management, Inc.
Loomis, Sayles & Company, L.P.
Mesirow Financial, Inc.
MFS Investment Management
Morgan Stanley Real Estate Advisor, Inc.
Neuberger Berman

Northern Trust Securities, Inc.
Polen Capital Management, LLC
Principal Asset Management
Prologis, LP

Reams Asset Management R.W. Baird & Co., Inc. Stockbridge Capital Partners, LLC UBS Hedge Fund Solutions, LLC Walton Street Capital, L.L.C.

William Blair Investment Management, LLC

A list of investments held by the Employes' Retirement System as of December 31, 2024 is available for inspection at the System's office. The financial records of the Employes' Retirement System have been audited by the Wisconsin Legislative Audit Bureau for the year ending December 31, 2024. Complete audited Basic Financial Statements are available for inspection at the System's office or online at www.cmers.com

CONSULTANTS

Bernstein Litowitz Berger & Grossman LLP
Callan LLC
Cavanaugh Macdonald Consulting, LLC
CliftonLarsonAllen LLP
Foley & Lardner LLP
Global Trading Analytics, LLC
Ice Miller LLP
The Northern Trust Company
Reinhart Boerner Van Deuren
State of Wisconsin Legislative Audit Bureau
U.S. Bank National Association, NA
Wells Fargo Bank Wisconsin, NA

MEDICAL COUNCIL

Gregory Brotzman, M.D. David L. Drury, M.D. William Greaves, M.D.

Please check that your Beneficiary Designation is current.

Change of Beneficiary Designation forms are available at the ERS office at 789 North Water Street, Suite 300, Milwaukee, WI 53202 or by calling 414-286-3557 or 1-800-815-8418 or online at www.cmers.com

NEW BUSINESS

- A. Consider Cavanaugh Macdonald Funding Policy Alternatives with Possible Approval of Further Action.
- B. Approval of Fiduciary Liability and Cyber Insurance Coverages.
- C. Retirements, Death Claims, and Refunds (July and August).
- D. Conference Requests September 24, 2025 Board Meeting.



September 17, 2025

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

Re: Pros and Cons of Funding Policy Options

Members of the Board:

At the March 13, 2025 Board meeting, CavMac presented two alternate funding policy options for the Board's consideration. We updated this information for the January 1, 2025 actuarial valuation and the results are contained in this month's packet. These options were created in response to concerns brought up during the February 13, 2025 Investment Committee meeting. We noted at the time that the Board's current funding policy and the two alternatives all comply with Actuarial Standards of Practice to the extent allowable under 2023 Wisconsin Act 12. We have been asked to provide a summary of pros and cons of the proposed policies from the perspective of CMERS.

Policy	Pros	Cons
Current	 Lower total expected future employer contributions over the long term than Alternates Shorter time to full funding than Alternates 	
Alternate #1	 Higher 2026 Employer Contributions than Current Higher Contribution Stability than Current 	 Higher total expected future employer contributions over the long term than Current Longer time to full funding than Current
Alternate #2	 Higher 2026 Employer Contributions than Current – same as Alternate #1 Higher Contribution Stability than Alternate #1 	 Higher total expected future employer contributions over the long term than Alternate #1 Longer time to full funding than Alternate #1

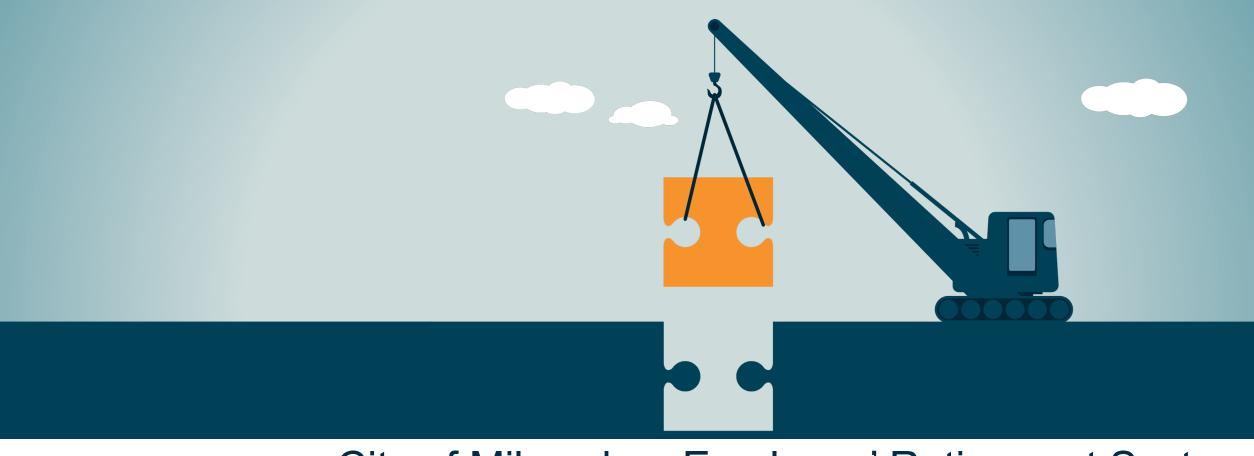
We are members of the American Academy of Actuaries, Associates of the Society of Actuaries, and meet the Qualification Standards of the American Academy of Actuaries. We are available to answer any questions or provide additional information as needed.

Respectfully submitted,

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

Aaron Chochon, ASA, EA, FCA, MAAA

Senior Actuary



City of Milwaukee Employes' Retirement System
Discussion of Funding Policy



BACKGROUND



At the February 2025 Investment Committee Meeting, Investment Staff and Callan expressed concern that the asymmetric 10-year amortization of asset losses results in investment allocations with lower returns to decrease risk and upside contribution volatility

CavMac discussed this with CMERS staff and afterwards formulated two alternative funding policies.

CavMac utilized stochastic modeling to measure the impact on future employer contributions under the current and the alternative funding policies. The results were based on preliminary January 1, 2025 valuation results and presented to the Board on March 13, 2025.

This presentation contains updated results based on the completed January 1, 2025 actuarial valuation report, which reflects higher liabilities and, therefore, employer contributions than expected.

FUNDING POLICY UNDER ACT 12



Excerpts from Act 12

... the required annual employer contribution shall be calculated using a 30-year amortization period and an annual investment return assumption that is the same as or less than the annual investment return assumption used by the Wisconsin Retirement System

Future unfunded actuarial accrued liability due to factors such as market returns and standard actuarial practices may be amortized on the basis of standard actuarial practices.

No trustee or administrator of a retirement system of a 1st class city shall be subject to liability for complying with this section.

Funding Policy under Act 12



- Actuarial Standard of Practice 4 (ASOP 4) allows us to not assess the 30-year amortization
 - 2.23 Prescribed Assumption or Method Set by Law—A specific assumption or method that is mandated or that is selected from a specified range or set of assumptions or methods that is deemed to be acceptable by applicable law (statutes, regulations, or other legally binding authority). For this purpose, an assumption or method set by a governmental entity for a plan that such governmental entity or a political subdivision of that entity directly or indirectly sponsors is not deemed to be a prescribed assumption or method set by law.
 - 3.24 Assessment of Assumptions and Methods Not Selected by the Actuary—For each measurement date, the actuary should assess whether an assumption or method not selected by the actuary is reasonable for the purpose of the measurement, other than 1) prescribed assumptions or methods set by law
- But we do assess the 30-year amortization and in our professional judgement it is not reasonable

Funding Policy under Act 12



These considerations make longer amortization more palatable

- Under Act 12, tax revenues stop when CMERS is fully funded or after 30 years has passed, whichever occurs first.
 - This suggests that a longer amortization policy may be appropriate for sustainability.
- The amortization is level dollar
 - Which means the UAAL is paid down each year (i.e., no negative amortization)
- Despite these considerations, Act 12 falls short of standard actuarial practice

Funding Policy under Act 12



- Act 12 prescribes much of the Funding Policy
 - Stable Contribution Policy repealed
 - 30-year amortization of the January 1, 2024 Initial UAAL
- "Future unfunded actuarial accrued factors such as market returns and liability due to standard actuarial practices may be amortized on the basis of standard actuarial practices"

Funding Policy Under Act 12



- Under the Board's layered 10-year level dollar amortization policy, the total actuarially determined employer contribution would increase by \$103.5 million, from \$239.2 million to \$342.7 million.
- No policy for amortizing future UAAL can replicate the Board's Funding Policy for a closed plan, which is a layered 10-year level dollar amortization.
- This does not absolve CavMac from complying with Actuarial Standards of Practice with respect to future changes in the UAAL.

Funding Policy Under Act 12



- CavMac recommended and the Board adopted the following amortization policy for future UAAL
 - Initial UAAL and actuarial gains over 30 years beginning January 1, 2024
 - Actuarial losses over 10 years
- In our opinion, the current amortization policy for future UAAL complies with Actuarial Standards of Practice
- Over the next several slides we consider two alternate policies for amortization of future UAAL
- In our opinion, these alternate policies comply with Actuarial Standards of Practice

POLICIES TO CONSIDER



Current

Maintain current UAAL

Initial UAAL and actuarial gains over 30 years beginning January 1, 2024

No minimum amortization payment

Actuarial losses over 10 years

Lawsuit amortized over nine years

Alternate 1

Increase UAAL as of January 1, 2026 by resetting AVA to market

All UAAL over 28 years beginning January 1, 2026

Minimum amortization equal to the January 1, 2026 UAAL payment

Actuarial gains and losses over 10 years

Lawsuit amortized over 28 years

Alternate 2

Increase UAAL as of January 1, 2026 by resetting AVA to market

All UAAL over 28 years beginning January 1, 2026

Minimum amortization equal to the January 1, 2026 UAAL payment

Actuarial gains and losses over 15 years

Lawsuit amortized over 28 years

ILLUSTRATIONS



The next four slides illustrate the impact of the policy on projected City contributions

CavMac performed a stochastic projection based on simplified projected returns and current valuation assumptions

Projections of City contributions performed by Callan will differ due to modeling glide path and refined return assumptions

A REMINDER ABOUT ACTUARIAL MODELS



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

• from "Actuarial Impact of CMERS Soft Close with Future Member Participating in WRS" dated January 25, 2023



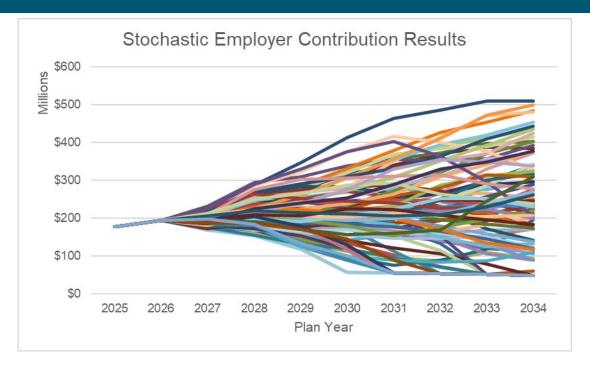
STOCHASTIC PROJECTIONS



- Stochastic modeling was performed to analyze and compare the different funding policies and how contribution levels are impacted over time
- 1,000 scenarios of random asset returns were modeled over a 30-year period
 - Future returns are based on the following expected risk and return
 - o Current assumption: 6.8%
 - Standard deviation: 12.5%
 - Measured ranges of outcomes
- Assumes all other actuarial assumptions are met every year in the future
- Recall, any projections of City contributions performed by Callan will likely differ

STOCHASTIC PROJECTIONS

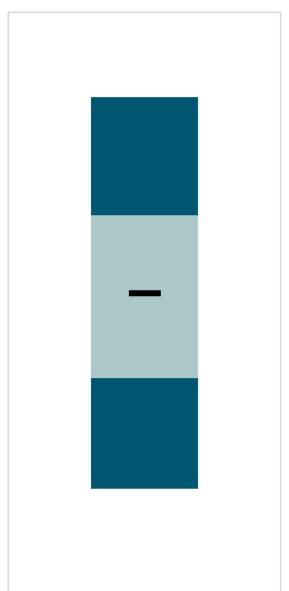




- Stochastic modeling uses "Monte Carlo" simulations to generate thousands of results for each year of the projection, based on the underlying capital market assumptions.
- Each line represents a single scenario (one set of 10-year returns)
- For analysis, results for each year are summarized, ranked and then shown as distributions (see next slide)

STOCHASTIC PROJECTIONS





95th Percentile (5% of outcomes are above this line)

75th Percentile (25% of outcomes are above this line)

50th Percentile (50% of outcomes are above this line, 50% are below this line – referred to as the Median)

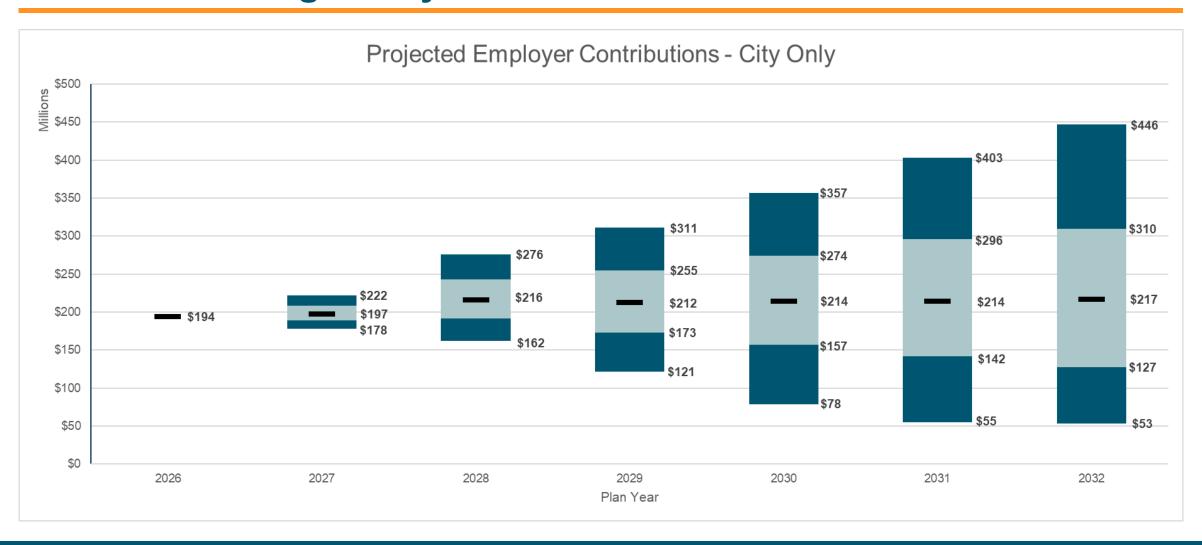
25th Percentile (75% of outcomes are above this line)

5th Percentile (95% of outcomes are above this line)

Funding Policies to Consider



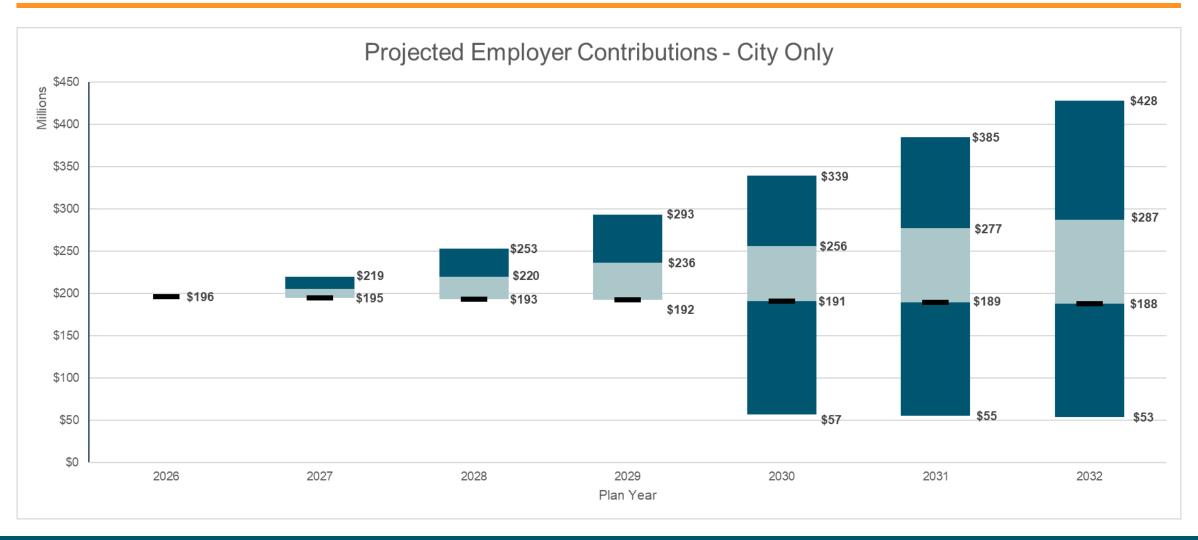
Current Funding Policy



Funding Policies to Consider



Alternative 1



Funding Policies to Consider



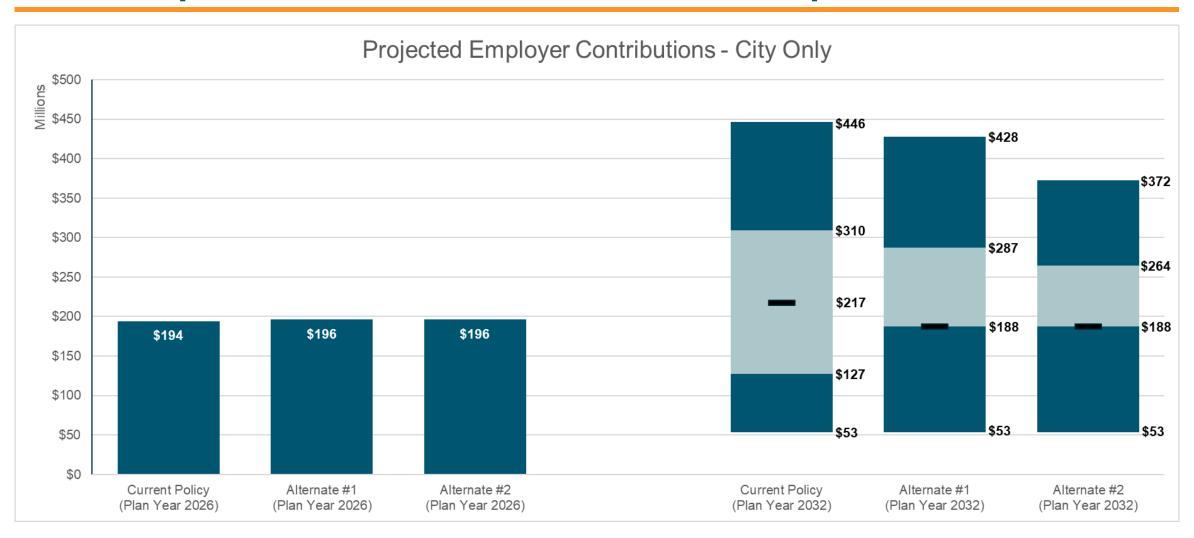
Alternative 2



COMPARISON



The comparison illustrates the difference in policies



COMMENTS



- At the median, the alternate policies result in higher City contributions now and lower City contributions later
- The alternate policies result in less variability but may take longer to pay down the unfunded actuarial accrued liability
 - Investment policy may be subject to change based on the funding status of the System



CONCLUSION



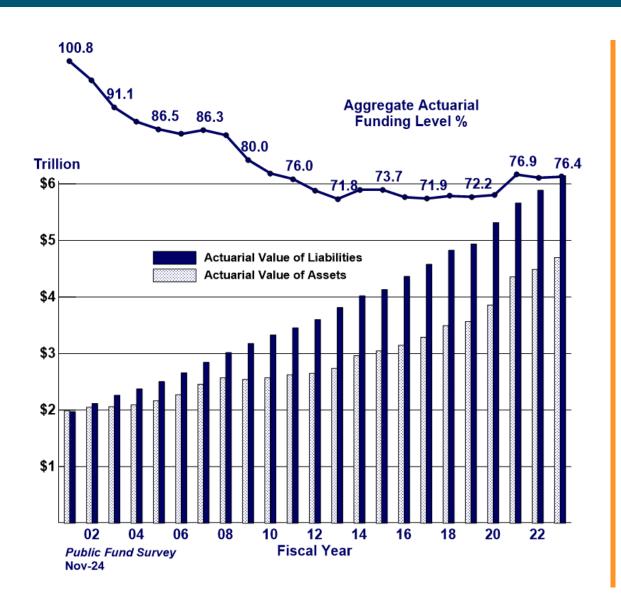
- In our professional opinion, all three funding policies discussed in this presentation are reasonable within the bounds described below:
 - The 30-year amortization period mandated under State Law (2023 WI Act 12) for the initial UAAL does not comply with actuarial standards of practice, which suggest a 10-year amortization period for a closed plan.
 - All three amortization policies for future actuarial gains and losses are reasonable and comply with actuarial standards of practice.
- The Board may consider asking Callan to analyze alternatives 1 and 2 to determine if they allow for more investment policy flexibility



Appendix

NATIONAL FUNDING LEVEL TREND

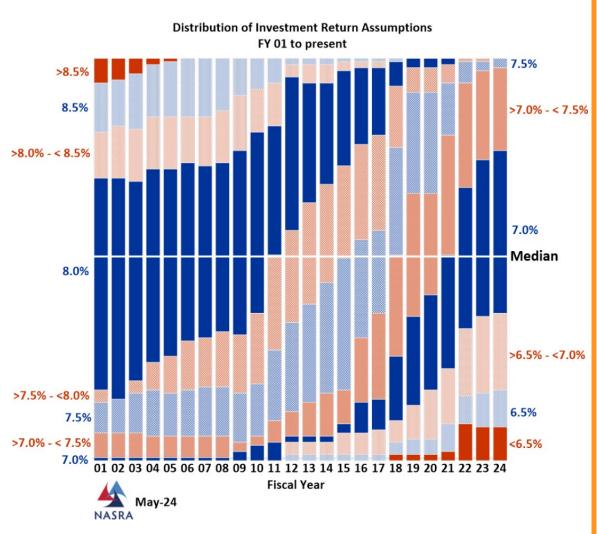




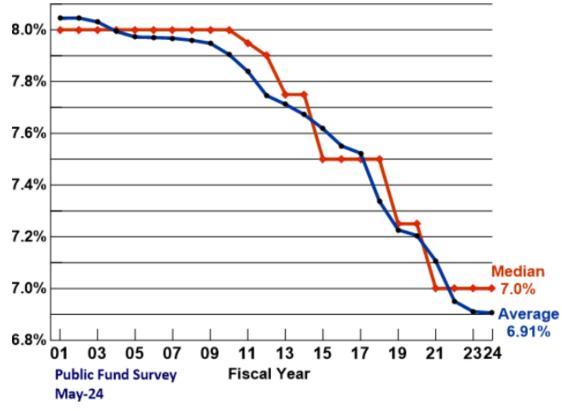


NATIONAL TREND IN INVESTMENT RETURN





Change to Average and Median Investment Return Assumption, FY 01 to present



B Brown & Brown

EMPLOYES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE

Fiduciary Liability

Insurance Proposal

Policy Term November 1, 2025 – November 1, 2026 Prepared for Meeting on September 24, 2025



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Consumer Disclosure	12
About Us	13



Disclaimer

This renewal proposal document is furnished as a matter of information for your convenience. It only summarizes the proposed policies, and does not reflect all of the terms, conditions, and exclusions of said policies. Moreover, the information contained herein reflects proposed coverage as of the effective dates of the proposed policies and does not include subsequent changes. This document does not alter, amend, or extend the coverage afforded by the insurance policies themselves.

As respects coverage placed on claims made contracts, coverage is provided for claims first made against the Insured during the policy period. Any claim made against an Insured must be reported during that policy period. Brown & Brown highly recommends ensuring all events which trigger the definition of Claim within the policy, even if they are under the retention/deductible, are reported to the current insurance carrier under the current policy period prior to expiration.

Understanding Claims-Made Policy

The claims-made policy provides coverage that is triggered when a claim is made against the insured during the policy period, providing the claim occurred after the retroactive date.

Current Policy Year:

The policy year begins on the effective date shown on the policy and expires on the expiration date also shown on the policy.

Prior Acts or Retroactive Date:

This date is shown on the policy. This provision eliminates coverage for claims that took place prior to the specified retroactive date, even if the claim is first made during the policy period.

Supplemental Extended Reporting Period (Tail Coverage):

This is a provision found within the claims-made policy that extends the length of the reporting period allowing the insured to report claims that are made against the insured after the policy has expired or been canceled, provided the claim took place during the expired/canceled policy. The ERP/Tail Coverage requires an additional premium and must be requested within the time frame as outlined in the policy.



Fiduciary Liability Premium Summary

FIDUCIARY LIABILITY				
Insurer	PROGRAM LIMITS	NOVEMBER 1, 2024 – NOVEMBER 1, 2025 PREMIUM	NOVEMBER 1, 2025 – NOVEMBER 1, 2026 PREMIUM	% CHANGE
Primary (Hudson)	Primary \$10M with \$500,000 Retention	\$107,794*	\$104,931*	-2.7%
1st Excess (RLI)	\$10M x/s Primary \$10M	\$84,205**	\$82,300**	-2.3%
2nd Excess (Chubb)	\$10M x/s Underlying \$20M	\$58,804***	\$57,630***	-2.0%
3rd Excess (Axis)	\$10M x/s Underlying \$30M	\$48,970^	\$48,000^	-2.0%
Non-Indemnifiable (RLI)	\$10M x/s Underlying \$40M	\$42,018^^	\$41,178^^	-2.0%
Total Policy Year Premiu	m All Layers:	\$341,791	\$334,039	-2.3%

Waiver of Recourse Premium included above by policy is; *\$100 / **\$200 / ***\$200 / ^\$200 / ^\Included in first layer

Marketing Results:

- For the 2025 renewal, Brown & Brown successfully negotiated a premium decrease of 2.3%, or \$7,752, for a total renewal premium of \$334,039. Additionally, there were no changes in limits, deductibles, or terms with the incumbent carriers on both the primary and excess layers.
 - Please note that the 3rd Excess carrier, Axis, did include an endorsement clarifying the definition of Sublimit.
- As a result of the successful renewal terms that Brown & Brown was able to negotiate, which
 included a reduction in premium, a formal marketing effort was not performed this year. We did
 inquire with the incumbent excess carriers on their interest in quoting the primary, but those
 carriers preferred to maintain their current excess positions in the program.

Fiduciary Liability

Program Description

The current ERS fiduciary liability insurance program provides a \$50,000,000 annual aggregate limit of liability which includes \$10,000,000 of Non-Indemnifiable Coverage, which is specifically carried to protect the Trustees. The primary policy is subject to a \$500,000 retention (\$0 as respects non-indemnifiable claims). The limit of \$50,000,000 is achieved through a layered approach. The current and the proposed insurers by policy remain the same, as follows:

Program Layers	Expiring Program Insurers
Primary \$10MIL	Hudson Insurance Company, a subsidiary of Odyssey Re Holdings Corp. (Euclid Specialty Managers; rebranded to Encore)
1st Excess \$10MIL	RLI Insurance Company
2 nd Excess \$10MIL	Federal Insurance Company (Chubb)
3 rd Excess \$10MIL	Axis Insurance Company
4 th Excess (Non-Indemnifiable Losses Only) \$10MIL	RLI Insurance Company

The above companies are high quality insurers with excellent AM Best ratings, evidenced on the ratings page.

Marketing Effort

- As a result of the successful renewal outcome that Brown & Brown was able to negotiate for the 2025 renewal, which included a 2.3% decrease in premium relative to expiring, a formal marketing effort was not performed this year. We did inquire with incumbent excess carriers about their interest in quoting primary or moving up in the program, and the carriers wished to maintain their current positions.
- The account was last formally marketed in 2021 to 16 markets, and those results were as follows:
 - 4 markets provided pricing indications that were significantly higher than the incumbents.
 - 12 markets declined because they could not compete on price, the program was too large for their appetite, or the market was not offering coverage to public entities.

Given the market feedback from past marketing efforts, lack of interest from current excess carriers to quote primary this year, and the premium reduction that was negotiated for the 2025 renewal, no formal marketing effort was performed.

Analysis of Results

- Despite the Plan seeing asset growth of roughly 3.5% since last renewal, the ability to negotiate a premium reduction of 2.3% is a favorable outcome for the 2025 renewal, especially with plans that have over \$5B in plan assets.
- All program participants continued to offer their expiring \$10MM program limit layers, which is also better than anticipated. The Fiduciary Liability market continues to pull back on capacity due to the litigation activity within this space. Reductions to \$5MM per layer are very common.
- Aside from the one clarification endorsement on the 3rd Excess (Axis) quote, coverage has been quoted per expiring.



Coverage Changes

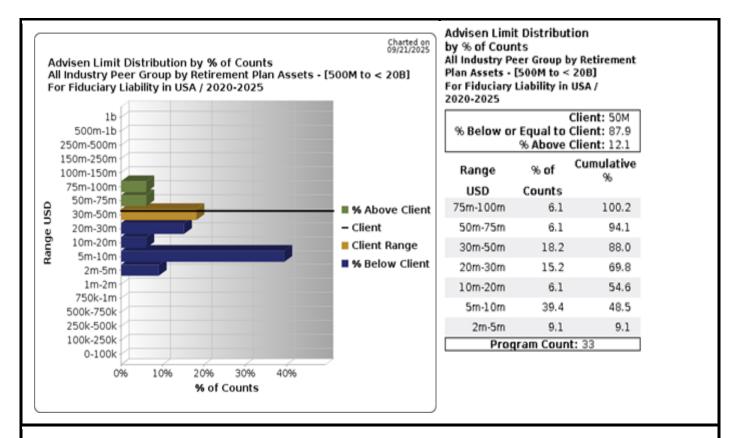
 Please note that the 3rd Excess carrier, Axis, did include an endorsement clarifying the definition of Sublimit. (Copy of this new endorsement is included on page 9 of this proposal)

Cyber Liability

Results for the November 1, 2025 Cyber Liability renewal are still in process.

Fiduciary Benchmarking - Limit

Advisen Peer Group for City of Milwaukee ERS				
Coverage Type:	Fiduciary Liability – Limit Benchmarking			
Company Type / Industries:	All			
Retirement Plan Asset Size:	\$500,000,000 Million to \$20 Billion (ERS is \$6,000,000,000)			
Number of Respondents:	33			
Limit	\$50,000,000			

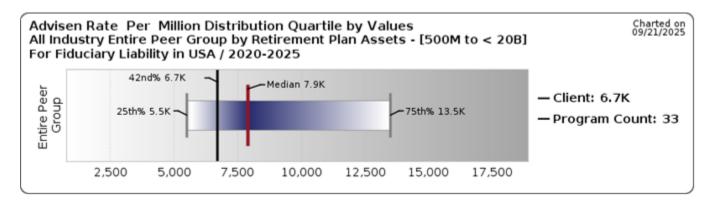


The Client's Limit of USD 50,000,000, when compared to the Single Peer Group - All, is in the High End of the range.

The chart above illustrates the percentage of program counts that are within each limit range.

Fiduciary Benchmarking - Rate

Advisen Peer Group for City of Milwaukee ERS				
Coverage Type:	Fiduciary Liability – Rate Benchmarking			
Company Type / Industries:	All			
Retirement Plan Asset Size:	\$500,000,000 Million to \$20 Billion (ERS is \$6,000,000,000)			
Number of Respondents:	33			
Limit	\$50,000,000			
Premium	\$334,039			



The Client's Rate Per Million of USD \$6,680.80 when compared to the Single Peer Group - All, is in the Low Middle range compared to the selected peer group.

Market Security Analysis (updated 9/19/25)

Insurer	Line of Coverage	AM Best Rating	Financial Strength Rating Outlook	Credit Rating Outlook
Hudson Insurance Company (Encore)	Fiduciary (Primary)	A+ / XV	Stable	Stable
RLI Insurance Company	Fiduciary (1 st Excess and High Non-Indemnifiable Layer)	A+ / XIV	Positive	Positive
Federal Insurance Company (Chubb)	Fiduciary (2 nd Excess)	A++ / XV	Stable	Stable
AXIS Insurance Company	Fiduciary (3 rd Excess)	A / XV	Stable	Stable

For more information see the Best Ratings System page provided at the end of this proposal, or go to the web and visit: http://www.ambest.com/ratings/index.html



Endorsement Number	Effective Date of Endorsement	Policy Number	Premium	
«eNo»	12:01 a.m. on «eEff»	«ePol»	«ePrem»	

DEFINITIONS ADDED - SUBLIMIT OR SUBLIMITED ENDORSEMENT

It is agreed that a new definition is added as follows:

Wherever the following words appear in the Policy, whether in bold or unbolded, they shall have the following meaning:

Sublimit or sublimited means any limit that is:

- 1. part of and erodes another limit of insurance, along with the policy aggregate limit of insurance;
- 2. not part of and does not erode the policy aggregate limit of insurance;
- 3. less than the highest limit of insurance, other than the policy aggregate limit of insurance, of the **Followed Policy** set forth in the Schedule of Underlying Insurance; or
- 4. not a monetary limit of insurance.

All other provisions of the policy remain unchanged.

Notice of Carrier Financial Status

Hays Companies, Inc., and its parent company, Brown & Brown, Inc. (collectively "Brown & Brown") do not certify, warrant or guarantee the financial soundness or stability of any insurance carrier or alternative risk transfer entity. We endeavored to place your coverage with an insurance carrier with an AM Best Company financial rating of "A-" or better.* While Brown & Brown cannot certify, warrant or guarantee the financial soundness or stability of a company or otherwise predict whether the financial condition of a company might improve or deteriorate, we are hereby providing you with notice and disclosure of financial condition so that you can make an informed decision regarding the placement of insurance coverage. Accordingly, this will serve as notice of the following with regard to the placement of the insurance indicated below and with regard to any subsequent renewal of such insurance:

- Brown & Brown may have other options for your insurance placement, including quotations with insurance
 carriers holding an "A-" or better rating from AM Best Company. Alternative quotes may be available with
 an A- or better rated carrier upon your request.
- The financial condition of insurance companies may change rapidly and that such changes are beyond the control of Brown & Brown.
- You have had the ability to review the financial information for this carrier as found in one or more of the following sources: a state department of insurance website, AM Best Company website, carrier or a carrier website.
- You have had an opportunity to consider the information provided regarding your insurance quote and insurance placement and review it with your accountants, legal counsel and advisors.

Market Security Explanation

Ratings

A++, A+ Superior
A and A- Excellent
B++, B+ Good
B and B- Fair
C++, C+ Marginal
C and C- Weak
D Poor

E Under Regulatory Supervision

F In Liquidation
S Rating Suspended

Rating Modifiers

U Under Review

The rating may change in the near term typically within 6 months. Generally this is event driven, with positive, negative or developing implications.

Rating Outlooks

Assigned to an Interactive Financial Strength Rating (A++ to D) to indicate its potential direction over an intermediate term, generally defined as 12 to 36 months.

Adjusted Policyholder's Surplus (\$000's)

Class I	Up	to	1,000
Class II	1,000	to	2,000
Class III	2,000	to	5,000
Class IV	5,000	to	10,000
Class V	10,000	to	25,000
Class VI	25,000	to	50,000
Class VII	50,000	to	100,000
Class VIII	100,000	to	250,000
Class IX	250,000	to	500,000
Class X	500,000	to	750,000
Class XI	750,000	to	1,000,000
Class XII	1,000,000	to	1,250,000
Class XIII	1,250,000	to	1,500,000
Class XIV	1,500,000	to	2,000,000
Class XV	2,000,000	or	Greater

Opinion Outlooks

(In Addition to Rating)

Positive:

Indicates possible rating upgrade due to favorable financial/market trends relative to the current rating level.

Negative:

Indicates possible rating downgrade due to unfavorable financial/market trends relative to the current rating level.

Stable:

Indicates low likelihood of a rating change



Learn more from AMBest.com

"Understanding Best's Ratings" can be found at

www.ambest.com/ratings/index.html

Consumer Disclosure

Disclosure of Sources of Compensation

Compensation. In addition to the commissions or fees received by us for assistance with the placement, servicing, claims handling, or renewal of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties, some of which may be owned in whole or in part by Brown & Brown, Inc., may also receive compensation for their role in providing insurance products or services to you pursuant to their separate contracts with insurance or reinsurance carriers. That compensation is derived from your premium payments. Additionally, it is possible that we, or our corporate parents or affiliates, may receive contingent payments or allowances from insurers based on factors which are not client-specific, such as the performance and/or size of an overall book of business produced with an insurer. We generally do not know if such a contingent payment will be made by a particular insurer, or the amount of any such contingent payments, until the underwriting year is closed. That compensation is partially derived from your premium dollars, after being combined (or "pooled") with the premium dollars of other insureds that have purchased similar types of coverage. We may also receive invitations to programs sponsored and paid for by insurance carriers to inform brokers regarding their products and services, including possible participation in company-sponsored events such as trips, seminars, and advisory council meetings, based upon the total volume of business placed with the carrier you select. We may, on occasion, receive loans or credit from insurance companies. Additionally, in the ordinary course of our business, we may receive and retain interest on premiums you pay from the date we receive them until the date of premiums are remitted to the insurance company or intermediary. In the event that we assist with placement and other details of arranging for the financing of your insurance premium, we may also receive a fee from the premium finance company.

If an intermediary is utilized in the placement of coverage, the intermediary may or may not be owned in whole or part by Brown & Brown, Inc. or its subsidiaries. Brown & Brown entities operate independently and are not required to utilize other companies owned by Brown & Brown, Inc., but routinely do so. In addition to providing access to the insurance company, the Wholesale Insurance Broker/Managing General Agent may provide additional services including, but not limited to: underwriting; loss control; risk placement; coverage review; claims coordination with insurance company; and policy issuance. Compensation paid for those services is derived from your premium payment, which may on average be 15% of the premium you pay for coverage and may include additional fees charged by the intermediary.

Questions and Information Requests. Should you have any questions, or require additional information, please contact this office at (612) 333-3323 or, if you prefer, submit your question or request online at http://www.bbinsurance.com/customerinquiry/

About Us



Key Differentiators

DECENTRALIZED SALES AND SERVICE MODEL

Local teams empowered to make decisions that best support their customers, backed by the powerful solutions, capabilities and carrier relationships of a top-five brokerage.

FINANCIAL PERFORMANCE

Consistent, industry-leading financial metrics and corresponding performance.

CULTURE

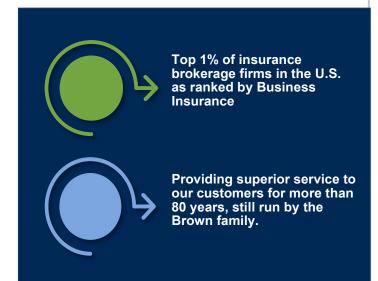
Strong, performance-based culture grounded in grit and integrity.

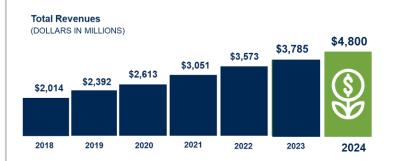
ENTREPRENEURIAL MERITOCRACY

providing long-term opportunities for talented leaders and teammates.

COMMUNITY SERVICE

Long-standing history of service to the communities in which our teams live and work.











Brown & Brown





Any solicitation or invitation to discuss insurance sales or servicing is being provided at the request of Hays Companies Inc., an owned subsidiary of Brown & Brown, Inc. Hays Companies Inc., only provides insurance related solicitations or services to insureds or insured risks in jurisdictions where it and its individual insurance professionals are properly licensed.

Retirement Type	Retirement SubType	Last Name	First Name	Retirement Date	Option	Department
Regular	Deferred	RILEY	PATRICK	2/20/2023	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Deferred	KYLES-BEAMON	KIMBERLY	7/2/2023	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Deferred	CLARK	DESIREE	6/4/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Service	JESKE	VERONICA	6/4/2025	100	DPW-WATER-DISTRIBUTION
egular	Deferred	LEE	THAI	6/6/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Deferred	ZIOLKOWSKI	GLENN	6/6/2025	MAX	MMSD
egular	Service	GAGLIANO	LISA	6/7/2025	MAX	MILWAUKEE POLICE DEPARTMENT
egular	Service	ROYAL	MARIAN	6/7/2025	MAX	MILWAUKEE PUBLIC LIBRARY
egular	Deferred	DEWALT	MARY	6/12/2025	100	LIBRARY
egular	Deferred	SIGH	KELLIE	6/12/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Service	JOSHUA	DIANE	6/13/2025	50	
egular	Service	DAY	ROSIE	6/14/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Service	FORD	DOROTHY			MILWAUKEE PUBLIC SCHOOLS
egular	Service	JOHNSON	VIRGINIA	6/14/2025	50	MILWAUKEE PUBLIC SCHOOLS
egular	Service	MADISON		6/14/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
	Service		FAYE	6/14/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
egular egular	Service	SMITH	WILLIE	6/14/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
_		WOLTER	DEBORAH	6/14/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Deferred	FANCHER	CASSANDRA	6/16/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Service	BURNETT	BEVERLY	6/17/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Service	DE GUZMAN	JUNE	6/17/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Service	DESCHLER	DEBORAH	6/17/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Service	KIMBER	MARTHA	6/17/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Service	KWASNIEWSKI	MARCIA	6/17/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Service	MIRELES	ANN	6/17/2025	75	MILWAUKEE PUBLIC SCHOOLS
egular	Service	NAUER	MARY	6/17/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Service	NOVELLI	GERMAN	6/17/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Service	NUNEZ	IVELISSE	6/17/2025	100	MILWAUKEE PUBLIC SCHOOLS
egular	Service	ROSALES	JOHN	6/17/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Service	SEIDL	NANCY	6/17/2025	MAX	CITY OF MILWAUKEE
egular	Service	SERAK	THOMAS	6/17/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Service	WOLF	DEBORAH	6/17/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Service	CALVERT	KERRY	6/19/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Service	CURRIE	CHANTAL	6/19/2025	50	MILWAUKEE PUBLIC SCHOOLS
egular	Deferred	BRANDT	STEPHANIE	6/21/2025	50	MILWAUKEE PUBLIC SCHOOLS
egular	Service	BYERS	GREGORY	6/21/2025	MAX	MILWAUKEE POLICE DEPARTMENT
egular	Service	HALVERSON	SHAWN	6/21/2025	50	MILWAUKEE POLICE DEPARTMENT
egular	Service	LABECKI	JAY	6/21/2025	100	HEALTH - ENVIRONMENTAL HEALTH
egular	Service	WALCZAK	STEVEN	6/21/2025	100	DPW-INFRASTRUCTURE-ST/BRIDGES
egular	Deferred	SNOWDEN	RODERICK	6/24/2025	MAX	CITY OF MILWAUKEE
egular	Involuntary Separation	HOBSON	TAMMY	6/26/2025	MAX	DPW-OPS-SANITATION
egular	Service	DEVEREAUX	DALE	6/26/2025	MAX	MILWAUKEE POLICE DEPARTMENT
egular	Involuntary Separation	MCNEAL	LATASHA	6/27/2025	MAX	DPW-OPS-SANITATION
egular	Service	WEBER	MARTIN	6/27/2025	50	MILWAUKEE PUBLIC SCHOOLS
egular	Deferred	STUIBER	NANETTE	6/28/2025	MAX	HEALTH DEPARTMENT
egular	Service	CODE	WILLIAM	6/28/2025		
egular	Service	FILSINGER	JAMES		50	FIRE - FIREFIGHTING
	Deferred	RICHARDS		6/28/2025	100	MILWAUKEE POLICE DEPARTMENT
egular			SUSAN	6/30/2025	MAX	HEALTH DEPARTMENT
egular	Service	GREENE	DAVID	6/30/2025	100	MILWAUKEE PUBLIC SCHOOLS
egular	Service	KREMER	DANIEL	6/30/2025	75	MILWAUKEE PUBLIC SCHOOLS
egular	Service	RATHELL	ARNITA	6/30/2025	50	MILWAUKEE PUBLIC SCHOOLS
egular	Service	SONNY	SYLVIA	6/30/2025	50	MILWAUKEE PUBLIC SCHOOLS

Retirement Type	Retirement SubType	Last Name	First Name	Retirement Date	Option	Department
Regular	Service	WINSKI	GERALD	6/30/2025	MAX	DPW-WATER-LINWOOD
Regular	Deferred	FERGUSON	LEONITA	7/1/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	CRANFIELD	WADE	7/1/2025		MILWAUKEE PUBLIC SCHOOLS
Regular	Service	HAYES	JULIETTE	7/1/2025	MAX	MILWAUKEE PUBLIC SCHOOLS

Board Report - July 2025 Deaths

Board Report - July 2023					
Туре	Last Name	First Name	Death Date	Payment Date	Amount
Ordinary Death	FARBERG	KAY	2/19/2025	7/31/2025 \$	75,196.53
Retiree Death-Termination	BERNS	DOLORES	6/12/2025	7/31/2025 \$	134.25
Retiree Death-Termination	GASZAK	ROBERT	8/20/2018	7/31/2025 \$	906.53
Retiree Death-Termination	KASKOWSKI	RUSSELL	5/5/2025	7/31/2025 \$	456.08
Retiree Death-Termination	KATCHKEY	MARVIN	2/11/2025	7/31/2025 \$	535.78
Retiree Death-Termination	LEWKO	LA VERNE	4/28/2025	7/31/2025 \$	457.09
Retiree Death-Termination	LLOYD	IDA	5/12/2025	7/31/2025 \$	196.03
Retiree Death-Termination	REZZA	RONALD	5/18/2025	7/31/2025 \$	1,435.94
Retiree Death-Termination	SANDERS	ERNESTINE	5/22/2025	7/31/2025 \$	214.62
Retiree Death-Termination	STAMPS	HILLMAN	7/13/2024	7/31/2025 \$	541.37
Retiree Death-Termination	SWEDOSKI	HARVEY	2/7/2025	7/31/2025 \$	696.47
Retiree Death-Termination	TORRES	MIGUEL	10/29/2024	7/31/2025 \$	110,614.23
Surv Death-Termination	ENGEL	ANNA	5/15/2025	7/31/2025 \$	882.22
Surv Death-Termination	GASZAK	EILEEN	5/21/2025	7/31/2025 \$	906.53
Surv Death-Termination	JORDAN	RUTH	11/11/2024	7/31/2025 \$	455.14
Surv Death-Termination	KAVALAR	DIANNE	5/14/2025	7/31/2025 \$	194.40
Surv Death-Termination	KIDD	SAMUEL	4/20/2025	7/31/2025 \$	333.27
Surv Death-Termination	KOCH	RUTH	6/19/2025	7/31/2025 \$	720.65
Surv Death-Termination	MARKOWSKI	LOIS	12/13/2023	7/31/2025 \$	322.58
Surv Death-Termination	MUZYNOSKI	JOYCE	4/14/2025	7/31/2025 \$	322.90
Surv Death-Termination	SASS	SHIRLEY	4/7/2025	7/31/2025 \$	581.94
Surv Death-Termination	WEGNER	EMMA	6/13/2025	7/31/2025 \$	1,961.02
				TOTAL \$	198,065.57
Retiree Death-Cont Opt	BRAEGER	CHARLES	7/7/2025	7/1/2025	
Retiree Death-Cont Opt	CONLEY	JANE	6/5/2025	7/1/2025	
Retiree Death-Cont Opt	CRAIN	DENNIS	6/26/2025	7/1/2025	
Retiree Death-Cont Opt	JOHNSON	NANCY	7/10/2025	7/1/2025	
Retiree Death-Cont Opt	LETTEER	ROBERT	6/17/2025	7/1/2025	
Retiree Death-Cont Opt	MADRITSCH	MARK	7/9/2025	7/1/2025	
Retiree Death-Cont Opt	MOE	KAREN	6/12/2025	7/1/2025	
Retiree Death-Cont Opt	SULLIVAN	DAVID	6/23/2025	7/1/2025	
Retiree Death-Cont Opt	VALANCE	MARSHA	6/29/2025	7/1/2025	
Retiree Death-Cont Opt	ZUBER	KENNETH	6/27/2025	7/1/2025	

Board Report - July 2025 Withdrawals

Board Report - July 2025				Withdiawais
Туре	Last Name	First Name	Payment Date	Amount
Administrative Withdrawal	ALLEN	LATISHA	7/31/2025 \$	1,169.71
Administrative Withdrawal	DE LEON-CASTILLO	MARIA	7/31/2025 \$	338.83
Administrative Withdrawal	GARNER	ANTONIO	7/31/2025 \$	81.62
Administrative Withdrawal	GIELOW	NANETTE	7/31/2025 \$	1,524.80
Administrative Withdrawal	GONZALEZ-FONTANEZ	SEBASTIAN	7/31/2025 \$	614.94
Administrative Withdrawal	HAYNES	TANYA	7/31/2025 \$	639.34
Administrative Withdrawal	HOPKINS	TIANNIA	7/31/2025 \$	252.52
Administrative Withdrawal	KETTNER	MATTHEW	7/31/2025 \$	6,674.94
Administrative Withdrawal	KUKOWSKI	JEREMY	7/31/2025 \$	5,002.48
Administrative Withdrawal	MARTIN	BRANDON	7/31/2025 \$	1,609.87
Administrative Withdrawal	RASHAED	MARIAMA	7/31/2025 \$	663.50
Administrative Withdrawal	RENDON MENDOZA	MARIA	7/31/2025 \$	381.98
Administrative Withdrawal	SELKRIDGE	ANGELINA	7/31/2025 \$	1,213.34
Administrative Withdrawal	STANFORD	ALETHEA	7/31/2025 \$	1,302.71
Administrative Withdrawal	SUMINSKI	STEPHEN	7/31/2025 \$	3,651.74
Administrative Withdrawal	VANDEN WYMELENBERG	CARRIE	7/31/2025 \$	1,211.51
Administrative Withdrawal	WREN	SHONTIERRA	7/31/2025 \$	449.31
Full Refund	BALDWIN	JEANNETTE	7/31/2025 \$	7,081.30
Full Refund	DOWELL-WILLIS	TAMIKA	7/31/2025 \$	346.22
Full Refund	DOWERY	ANTHONY	7/31/2025 \$	3,308.55
Full Refund	EARLY	LAQUANDA	7/31/2025 \$	3,725.30
Full Refund	GATSON	TAMIKA	7/31/2025 \$	11,947.66
Full Refund	GIBSON	LATOYIA	7/31/2025 \$	19,265.83
Full Refund	HARRER	MICHELLE	7/31/2025 \$	17,892.11
Full Refund	HARRIS	LASHONDA	7/31/2025 \$	4,596.23
Full Refund	HURST	SHIRLEY	7/31/2025 \$	18,066.34
Full Refund	HUSBAND	DIKEMBE	7/31/2025 \$	4,983.59
Full Refund	JOHNSON	GWENDOLYN	7/31/2025 \$	15,085.54
Full Refund	JOHNSON	STEPHANIE	7/31/2025 \$	11,598.75
Full Refund	JOINES	ALEX	7/31/2025 \$	13,285.91
Full Refund	LAMPLEY	SHARON	7/31/2025 \$	3,892.36
Full Refund	LEE	TENG	7/31/2025 \$	69,647.86
Full Refund	MUNOZ TORRES	TERESA	7/31/2025 \$	3,669.93

Туре	Last Name	First Name	Payment Date	Amount
Full Refund	O'BRIEN	REBECCA	7/31/2025 \$	15,256.87
Full Refund	OJEDA	MARIA	7/31/2025 \$	7,030.07
Full Refund	SANDERS	CARNIYAH	7/31/2025 \$	428.12
Full Refund	SMITH	DOROTHY	7/31/2025 \$	3,043.80
Full Refund	SMITH	MARY	7/31/2025 \$	10,770.88
Full Refund	THAO	OMIS	7/31/2025 \$	41,984.38
Full Refund	WELLMAN	MARILYN	7/31/2025 \$	4,067.81
Full Refund	ZBICHORSKI	ANASTASIA	7/31/2025 \$	32,612.09
Member Only Refund	AGORO	ADEBISI	7/31/2025 \$	651.82
Member Only Refund	ARABIYAT	ROSEMARIE	7/31/2025 \$	4,400.53
Member Only Refund	BALISTRERI	MICHAEL	7/31/2025 \$	4,309.27
Member Only Refund	BRECKE	SARAH	7/31/2025 \$	6,218.68
Member Only Refund	BUFORD	TIERRA	7/31/2025 \$	1,105.86
Member Only Refund	CARTER	TARSHA	7/31/2025 \$	2,158.23
Member Only Refund	CASILLAS	BEHLEN	7/31/2025 \$	3,585.37
Member Only Refund	CASTILLO	MARIA	7/31/2025 \$	3,917.27
Member Only Refund	CLARK	RAIVAUGHN	7/31/2025 \$	563.02
Member Only Refund	CROSS	ESSENCE	7/31/2025 \$	148.22
Member Only Refund	DEVCIC	TERESA	7/31/2025 \$	982.76
Member Only Refund	FRANKLIN	BIANCA	7/31/2025 \$	2,268.08
Member Only Refund	GEE	JALESA	7/31/2025 \$	3,922.11
Member Only Refund	GILLIGAN	SEAN	7/31/2025 \$	3,549.90
Member Only Refund	HILL	KRISTIN	7/31/2025 \$	481.14
Member Only Refund	HUNT	SABRINA	7/31/2025 \$	2,619.32
Member Only Refund	KNAEBE	CANDACE	7/31/2025 \$	3,562.91
Member Only Refund	MADISON	FAYE	7/31/2025 \$	6,013.50
Member Only Refund	MARTINEZ	STEPHANIE	7/31/2025 \$	851.02
Member Only Refund	MCCLENTON	TAKIEA	7/31/2025 \$	626.66
Member Only Refund	MOORE	TIMOTHY	7/31/2025 \$	1,688.28
Member Only Refund	MUELLER	JENNIFER	7/31/2025 \$	1,087.14
Member Only Refund	RAMIREZ	MARGARITA	7/31/2025 \$	3,305.76
Member Only Refund	RILEY	PENNY	7/31/2025 \$	870.83
Member Only Refund	SCHULTZ	GANTRY	7/31/2025 \$	677.18
Member Only Refund	SEGURA	ELAINE	7/31/2025 \$	276.33

Туре	Last Name	First Name	Payment Date	Amount
Member Only Refund	SMITH	CARMON	7/31/2025 \$	1,357.15
Member Only Refund	SMITH	KALITA	7/31/2025 \$	561.71
Member Only Refund	STOEGER	ELISABETH	7/31/2025 \$	681.99
Member Only Refund	TAYLOR	SEQUANNA	7/31/2025 \$	1,272.66
Member Only Refund	UNDERWOOD-MOORE	APRIL	7/31/2025 \$	1,446.79
Member Only Refund	WADE	KAMRYN	7/31/2025 \$	3,490.95
Member Only Refund	WILLIAMS	TAMELLIA	7/31/2025 \$	1,310.86
Member Only Refund	YANG-SILVAS	KA ZOUA	7/31/2025 \$	487.66
			TOTAL \$	420,821.60

Board Report - August 2025 Retirements

Retirement Type	Retirement SubType	Last Name	First Name	Retirement Date	Option	Department
legular	Deferred	ASHLEY	AIRFEIL	1/10/2011	MAX	CITY OF MILWAUKEE
egular	Service	PHIFER	LINDA	10/16/2021	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Deferred	MIKULOVSKY	JAMES	7/25/2022	MAX	DPW - SEWER MAINTENANCE
tegular	Deferred	BUCK	NUNTIATA	12/28/2022	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Deferred	COLE	ALUCIA	4/25/2023	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Deferred	WEIRICK	ELIZABETH	5/6/2023	MAX	COMMON COUNCIL - CITY CLERK
legular	Involuntary Separation	SPRECHER	TABITHA	10/7/2023	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	WEIRICK	JAMES	7/9/2024	MAX	DEPT OF CITY DEVELOPMENT
egular	Deferred	BEAMON	CHARLETTE	8/15/2024	MAX	CITY OF MILWAUKEE
egular	Service	BENNER	BRENDA	9/10/2024	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Service	REED-HARDY	CRYSTAL	5/17/2025	MAX	HACM
egular	Deferred	JONES	ANDREW	5/24/2025	50	MPD - ADMINISTRATION
egular	Service	MARES	PATRICIA	6/16/2025	MAX	DCD - MGMT & SPECIAL PROJECTS
egular	Service	BURKS	THERESE	7/1/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Service	BAJOREK	FRANK	7/5/2025	50	WISCONSIN CENTER DISTRICT
egular	Service	DONAHUE	DAVID	7/5/2025	MAX	DPW-OPS-FLEET OPS
egular	Service	KLOSIEWSKI	PATRICIA	7/8/2025	50	CITY ATTORNEY
egular	Service	WENTWORTH	CRAIG	7/8/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
egular	Deferred	NOWAK	LEO	7/10/2025	100	DPW-OPS-FORESTRY
Regular	Service	DAERING	TERESA	7/10/2025	MAX	MILWAUKEE POLICE DEPARTMENT
tegular	Deferred	AXTMAN	TY	7/11/2025	MAX	MMSD
egular	Service	BOWERS	BILLY	7/11/2025	100	ASSESSOR'S OFFICE
legular	Service	DUNN	DEBRA	7/12/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
legular	Service	MAGEE	LINDA	7/12/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
legular	Deferred	WASHINGTON	LISA	7/13/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
legular	Deferred	CABAN	JESSIE	7/14/2025	100	HACM
tegular	Deferred	BLUMENBERG	BRIAN	7/16/2025	MAX	MILWAUKEE POLICE DEPARTMENT
legular	Deferred	RIVERA	LUIS	7/16/2025	75	MILWAUKEE PUBLIC SCHOOLS
tegular	Deferred	SAAVEDRA-RIVERA	JULIETA	7/16/2025	75	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	WRAY	JESSIE	7/16/2025	60	HEALTH - ENVIRONMENTAL HEALTH
Regular	Service	BEVEL	KENNETH	7/17/2025	50	DPW-INFRASTRUCTURE-ST/BRIDGES
Regular	Service	ZINDA	DUANE	7/18/2025	MAX	DPW-OPS-FLEET SERVICES
legular	Service	GARCIA	NORMA	7/19/2025	75	MILWAUKEE PUBLIC SCHOOLS
tegular	Service	JAGERS	ANTHONY	7/19/2025	50	DPW-INFRASTRUCTURE-ELECTRICAL
Regular	Service	KLUG	JEREMY	7/19/2025	75	MILWAUKEE POLICE DEPARTMENT
Regular	Service	REINHARDT	TODD	7/19/2025	MAX	DPW-OPS-FLEET SERVICES
Regular	Service	SCHLEI	BRADLEY	7/19/2025	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	ALVARADO	RODOLFO	7/20/2025	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	WILLIS-WHITLEY	YOLANDA	7/20/2025	75	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	NASH	JAMES	7/21/2025	MAX	FIRE - FIREFIGHTING
Regular	Service	ADAMS	TRACY	7/24/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	JACKSON	KEVIN	7/25/2025	MAX	CITY OF MILWAUKEE
legular	Deferred	MARTIN	KATHY	7/25/2025	MAX	DPW-OPS-SANITATION
legular	Service	CHEESEMAN	MARK	7/26/2025	100	DPW-OPS-FLEET SERVICES
legular legular	Service	WILLIAMS	WINDELL	7/26/2025	50	DPW-INFRASTRUCTURE-ST/BRIDGES
Regular	Service	FREUND	ADAM	7/31/2025	MAX	FIRE - FIREFIGHTING
Regular	Service	TROJANOWSKI	JOHN	7/31/2025	100	DPW-OPS-FLEET SERVICES
Regular	Service	ZGOLA	JEFFREY	7/31/2025	100	FIRE - FIREFIGHTING
Regular	Conversion (Duty Disability to Regular)	NATION	SHIRLEY	8/1/2025	MAX	CITY OF MILWAUKEE
	Deferred	STELTER	JUDITH	8/1/2025	50	MILWAUKEE PUBLIC SCHOOLS
Regular	Deletted	SILLIEN	2001111	0/1/2025	30	WILLY TOKEL I ODLIG GOTTOOLS

Retirement Type	Retirement SubType	Last Name	First Name	Retirement Date	Option	Department
Regular	Service	MONAGHAN	KEVIN	8/1/2025	50	FIRE - FIREFIGHTING
Regular	Service	MURPHY	CHERYL	8/1/2025	100	DPW-INFRASTRUCTURE-ST/BRIDGES
Regular	Service	ROCKETT	SHENEAL	8/1/2025	MAX	CITY OF MILWAUKEE

Board Report - August 2025

Doard Report - August 2025					Deatilis
Туре	Last Name	First Name	Death Date	Payment Date	Amount
Deferred Death	JONES	PAUL	7/24/2024	8/29/2025	6,363.29
Retiree Death-Termination	BARTH	PAMELA	7/25/2025	8/29/2025	6,540.39
Retiree Death-Termination	BAUER	LYNN	6/26/2025	8/29/2025	341.16
Retiree Death-Termination	BRADLEY	CHARLOTTE	3/18/2025	8/29/2025	161.77
Retiree Death-Termination	FIELDS	JESSIE	6/19/2025	8/29/2025	\$ 495.10
Retiree Death-Termination	KESSLER	GERALD	7/20/2025	8/29/2025	\$ 1,880.40
Retiree Death-Termination	MC MAHON	JOHN	7/21/2025	8/29/2025	\$ 2,245.24
Retiree Death-Termination	MEDDAUGH	ELVERA	3/15/2025	8/29/2025	\$ 38.14
Retiree Death-Termination	NEHMER	DONNA	7/27/2025	8/29/2025	\$ 66,570.05
Retiree Death-Termination	RAUSCH	DOLORES	6/24/2025	8/29/2025	\$ 541.17
Retiree Death-Termination	RETZER	RICHARD	7/30/2025	8/29/2025	\$ 2,146.81
Retiree Death-Termination	SANDERS	ERNESTINE	5/22/2025	8/29/2025	\$ 107.31
Retiree Death-Termination	SAYAS	BENJAMIN	7/19/2025	8/29/2025	\$ 1,216.00
Retiree Death-Termination	SCHWERTFEGER	RICHARD	6/14/2025	8/29/2025	\$ 242.71
Retiree Death-Termination	STRAND	CHERYL	5/23/2025	8/29/2025	\$ 22,467.87
Retiree Death-Termination	WIRTH	CINDY	6/14/2025	8/29/2025	\$ 41,336.20
Surv Death-Termination	BARTON	DONNA	12/24/2021	8/29/2025	\$ 1,753.12
Surv Death-Termination	BAUER	LYNN	6/26/2025	8/29/2025	\$ 4,664.94
Surv Death-Termination	BRADLEY	CHARLOTTE	3/18/2025	8/29/2025	\$ 2,100.26
Surv Death-Termination	KESSLER	GERALD	7/20/2025	8/29/2025	\$ 197.80
Surv Death-Termination	LUDWIG	KATHLEEN	3/24/2025	8/29/2025	\$ 1,688.65
				TOTAL	\$ 163,098.38
Retiree Death-Cont Opt	CHANDLER	STEVEN	8/12/2025	8/1/2025	
Retiree Death-Cont Opt	EARL	PAMELA	7/29/2025	8/1/2025	
Retiree Death-Cont Opt	KIRK	ANNA	7/18/2025	8/1/2025	
Retiree Death-Cont Opt	LUEBBEN	DOROTHY	7/18/2025	8/1/2025	
Retiree Death-Cont Opt	MAHER	LAWRENCE	7/31/2025	8/1/2025	
Retiree Death-Cont Opt	RITCHIE	DAVID	8/9/2025	8/1/2025	
Retiree Death-Cont Opt	RODEWALD	WILLIAM	8/4/2025	8/1/2025	
Retiree Death-Cont Opt	SCHWEI	GEORGE	8/1/2025	8/1/2025	
Retiree Death-Cont Opt	WARRAS	GEORGE	7/26/2025	8/1/2025	

Board Report - August 2025

Withdrawals

Board Report - August 20	25			withdrawais
Type	Last Name	First Name	Payment Date	Amount
Administrative Withdrawal	AVERY	DANISHA	8/29/2025 \$	2,716.27
Administrative Withdrawal	GRAY	SANIA	8/29/2025 \$	38.82
Administrative Withdrawal	HELSEL	TYLER	8/29/2025 \$	422.15
Administrative Withdrawal	LAWRENCE-NASH	TIFFANY	8/29/2025 \$	1,595.87
Administrative Withdrawal	MIKULECKY	JENIFER	8/29/2025 \$	378.76
Administrative Withdrawal	PETGES	HALEY	8/29/2025 \$	1,021.38
Administrative Withdrawal	REESE	DEVIN	8/29/2025 \$	2,398.38
Administrative Withdrawal	ROSS	CRISS	8/29/2025 \$	844.11
Administrative Withdrawal	SAINT PIERRE	CHRISTIN	8/29/2025 \$	6,598.78
Administrative Withdrawal	SHEBEN	MICHAELA	8/29/2025 \$	175.96
Administrative Withdrawal	WESTRICH	CHRISTINE	8/29/2025 \$	270.62
Full Refund	APONTE-LABOY	MIRIAM	8/29/2025 \$	1,218.77
Full Refund	COLEMAN	MATTHEW	8/29/2025 \$	8,281.17
Full Refund	CRAWFORD	WARREN	8/29/2025 \$	5,327.77
Full Refund	GRIFFIN	TERRANCE	8/29/2025 \$	5,300.67
Full Refund	HALL	GLENN	8/29/2025 \$	37,885.75
Full Refund	HARRIS	KENDRICK	8/29/2025 \$	3,664.08
Full Refund	HUMITZ	MEGAN	8/29/2025 \$	10,782.52
Full Refund	METCALF	RENEE	8/29/2025 \$	3,126.78
Full Refund	RODRIGUEZ	YADIRA	8/29/2025 \$	27,432.61
Full Refund	SOUBEIGA	LUELLA	8/29/2025 \$	29,677.09
Member Only Refund	ADEKUNLE-GREENWOOD	DEVIN	8/29/2025 \$	516.63
Member Only Refund	CHAPPELLE	LEE ANNE	8/29/2025 \$	3,241.34
Member Only Refund	DAVID	JOSEPH	8/29/2025 \$	1,431.67
Member Only Refund	DI BERARDINO	DESIREE	8/29/2025 \$	4,537.64
Member Only Refund	HICKS	ANTHONY	8/29/2025 \$	2,414.53
Member Only Refund	LITTLE	NAKELA	8/29/2025 \$	2,862.71
Member Only Refund	MALONE	LATUSHA	8/29/2025 \$	3,207.62
Member Only Refund	MELENDEZ AVILES	KIARA	8/29/2025 \$	1,274.32
Member Only Refund	OSBORNE	JOCELYN	8/29/2025 \$	325.10
Member Only Refund	SHEAHAN	KELSEY	8/29/2025 \$	395.13
Member Only Refund	SMITH	JAMAAL	8/29/2025 \$	6,332.05
Member Only Refund	TATE	BRITTANY	8/29/2025 \$	3,657.78

Type	Last Name	First Name	Payment Date	Amount
Member Only Refund	THIELE	LYNETTE	8/29/2025 \$	3,709.37
Member Only Refund	WHITLEY	RANDALL	8/29/2025 \$	1,757.58
Member Only Refund	WINSTON	MICHAELA	8/29/2025 \$	524.24
			TOTAL \$	185,346.02

Conference Requests – September 2025 Board Meeting

David Silber Consultants & Institutional Investors Roundtable

Sponsor: Institutional Investor

Location: Chicago, IL

Date(s): October 7-9, 2025

Estimated Cost: \$600.00

Thomas Courtright MFS Global II Conference 2025

Sponsor: MFS

Location: Boston, MA

Date(s): November 3-7, 2025

Estimated Cost: \$600.00

Keith Dickerson Pensions and Investments Public Funds Conference

Sponsor: Pensions and Investments

Location: Austin, TX

Date(s): November 18-20, 2025

Estimated Cost: \$1,500.00

MEDICAL REPORTS

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following items (VI.B.), as provided in Section 19.85(1)(f), Wisconsin State Statutes, for considering financial, medical, social or personal histories or disciplinary data of specific persons, preliminary consideration of specific personnel problems or the investigation of charges against specific persons except where par. (b) applies which, if discussed in public, would be likely to have a substantial adverse effect upon the reputation of any person referred to in such histories or data, or involved in such problems or investigations.

- A. All Duty & Ordinary Disability Applications & Re-examinations (August and September).
- B. Disability Findings Joel Rodriguez.

Approved by Executive Director

CITY OF MILWAUKEE EMPLOYES' RETIREMENT SYSTEM

Medical Panel Approvals Report

Pension Board Meeting Date 08/26/2025

Page Number:

1 OF 1 09/11/2025

DATE RAN: TIME RAN:

10:18

DOCTOR DECISION

<u>Case</u> <u>Number</u>	Name	<u>Title</u>	Employer	Case Type	Case Sub- Type	<u>City</u>	<u>Union</u>	<u>Third</u>	<u>Disability</u> <u>Date</u>	Comments
65	MACGUIRE, TERESA	FIRE FIGHTER	FIRE	DD 75%	Re-Examination	Approved	Approved		07/01/2021	Exempt from Re-Exam
901	PRICE, WALTER	FIRE FIGHTER	FIRE	DD 75%	Re-Examination	Approved	Approved		02/29/2012	Exempt from Re-Exam
1249	KIELPINSKI, JOHN	FIRE LIEUTENAN	T MFD	DD 75%	Re-Examination	Approved	Approved		03/01/2025	Exempt from Re-Exam
1143	KENDZIORSKI, ROBERT	POLICE OFFICER	POLICE	DD 75%	Re-Examination	Approved	Approved		12/08/2013	

Number of Cases:

4

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

Approved by Executive Director

CITY OF MILWAUKEE EMPLOYES' RETIREMENT SYSTEM

Medical Panel Approvals Report

Pension Board Meeting Date 09/24/2025

Page Number:

1 OF 1

DATE RAN:

09/12/2025 08:57

TIME RAN:

DOCTOR DECISION

Case Number	<u>Name</u>	<u>Title</u>	Employer	Case Type	Case Sub- Type	City	<u>Union</u>	Third	<u>Disability</u> <u>Date</u>	Comments
832	UNDERWOOD, CHRISTOPHER	FIRE LIEUTENANT	FIRE	DD 75%	Re-Examination	Approved	Approved		04/01/2024	
77	BELMORE, NICOLE	POLICE OFFICER	POLICE	DD 75%	Re-Examination	Approved	Approved		11/01/2023	

Number of Cases:

2

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.

CITY OF MILWAUKEE EMPLOYES' RETIREMENT SYSTEM

Medical Council Approvals Report

Board Meeting: 08/26/2025

Page Number:

1 OF 1

DATE RAN:

09/11/2025

TIME RAN:

07:46

<u>Name</u>	<u>Title</u>	Employer	<u>CaseType</u>	Case Sub-Type	Disability Date	Medical Council Meeting Date	In Person Exam Waiver
HARRISON, CORDELIA	BUILDING SERV HELPER II	MPS	Ordinary Disability	Application	10/19/2024	08/08/2025	
KOWALSKI, DENNIS	FIRE LIEUTENANT X	MFD	Ordinary Disability	Re-Examination	06/25/2019	08/08/2025	
LOCKETT, FRANK	INFRASTRUCTURE REPAIR WOR	DEPARTMENT OF PUBLIC WORK	Ordinary Disability	Application	01/04/2025	08/08/2025	
MARTIN, DELORISE	INFRASTRUCTURE REPAIR WOR	DPW	Ordinary Disability	Application	03/21/2025	08/08/2025	
STAINBACK, JACK	FIREFIGHTER	MILWAUKEE FIRE DEPARTMENT	Ordinary Disability	Re-Examination	05/07/2022	08/08/2025	
WILSON, TOMMY	POLICE OFFICER	MPD	Ordinary Disability	Re-Examination	10/02/2018	08/08/2025	

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.

CITY OF MILWAUKEE EMPLOYES' RETIREMENT SYSTEM

Medical Council Approvals Report

Board Meeting: 09/24/2025

Page Number:

1 OF 1

DATE RAN:

09/11/2025

TIME RAN:

07:28

Name	Title	Employer	<u>CaseType</u>	Case Sub-Type	Disability Date	Medical Council Meeting Date	In Person Exam Waiver
BRATEL, BRAD	WATER FIELD SUPERVISO	R DPW	Duty Disability 75%	Re-Examination	12/02/2022	09/10/2025	
SCHULZE, MATTHEW	POLICE OFFICER	MPD	Duty Disability 75%	Re-Examination	03/24/2020	09/10/2025	
STEPPKE, CHAD	Police	MPD	Ordinary Disability	Re-Examination	12/04/2020	09/10/2025	
TATE HUTCHINS, EUGENIA	OPERATIONS DRIVER WORKER	DPW-SANITATION	Duty Disability 75%	Re-Examination	08/06/2008	09/10/2025	

Number of Cases:

4

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

ſ	MERITS CITY OF MILWAUKEE EMPLOY	ES' RETIREMENT SYSTEM	Page Number:	1 OF 1
l	Medical Council D	Penials Report	DATE RAN:	09/11/2025
	Board Meeting:	09/24/2025	TIME RAN:	07:28

<u>Case</u> <u>Number</u>	Name	<u>Title</u>	Employer	<u>CaseType</u>	Case Sub-Type	Disability Date	Medical Council Meeting Date	In Person Exam Waiver
1591	LOCKETT, FRANK	INFRASTRUCTURE REPAIR WOR	DEPARTMENT OF PUBLIC WORK	DD 75%	Application	01/04/2025	08/08/2025	

Number of Cases:

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

VII.

UNFINISHED BUSINESS

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

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



September 24, 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

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.

08/28/25 ERS received the IC Agreement.

09/04/25 Investment Consultant Agreement approved by the Investment Committee.

09/24/25 On Pension Board Agenda.

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.

08/18/25 Internal Audit Services Request for Proposal and Contract

ERS requests the City Attorney's Office to review RFP draft for internal audit services.

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.

08/29/25 Received NB Side Letter and LPA.

09/04/25 Neuberger Berman documents approved by the Investment Committee pursuant to RR VII.G.2.b.



September 24, 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.



September 24, 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**
- ➤ 11/05/25 Case scheduled for Oral Argument.

Kurt Lacina v Employes' Retirement System, et al; Case Nos. 2025AP001597 and 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**
- > 07/16/25 Notice of Appeal filed by Plaintiff and the Milwaukee Police Association.
- > 08/05/25 Statement on Transcript filed.
- > 09/04/25 Circuit court record transmitted to court of appeals.
- > 10/14/25 Appellant's brief due.

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**
- > 08/01/25 Received Hearing Examiner's Findings; Board's denial upheld. Member informed ERS staff he does not intend to appeal Findings. Hearing Examiner's Report will be presented to the Board at its September 24, 2025 meeting.

Part 3. Notice of Claim filed with ERS

None.

Part 4. ERS Litigation through Outside Legal Counsel

None.

Employes' Retirement System – Executive Director's Report

September 2025

I. Personnel Update

A. ERS is working with DER to fill the ERS Fiscal Services Assistant vacancy.

II. Member Services

- A. New retirees on payroll in July 58; in August 52, and 35 are currently anticipated for the September payroll.
- B. Retiree/Employee deaths entered in June 37 and in July 33.
- C. A Retirement Workshop for General City was held on 8/8/25 and 56 attended. The last Retirement Workshop for General City for 2025 will be on 11/21/25. The last one for MPD will be on 10/10/25 and the last one for MFD will be on 10/11/25.
- D. A New Employee Orientation was held for a Fire Recruit Class on 8/4/25 and 59 attended, for a Police Recruit Class on 8/5/25 and 45 attended, for a Fire Cadet Class on 8/18/25 and 27 attended, for a Police Aide Class on 8/19/25 and 9 attended, for Emergency Communicators on 8/28/25 and 8 attended, and, for Police Transfers on 9/2/25 and 3 attended.
- E. There will be 5 Open Enrollment Fairs and 2 Virtual Retiree Enrollment Fairs where ERS will attend to answer questions.
- F. Below is a breakdown of to-date ERS benefits payouts/active/deferred counts:

Category	Count
Annuitants	
Death - Duty	23
Death - Ordinary	102
Disability - Duty	349
Disability - Ordinary	560
Retirement	12,895
Separation	40
Total Annuitants	13,969
Active	9,036
Deferred	3,501
Total Population	26,506

III. Financial Services

- A. In August, ERS sent out unclaimed property letters to 344 members who have funds that ERS is holding on their behalf. If the members respond, ERS will make arrangements to pay out the unpaid balances. As of 9/5/25 we have received 70 responses.
- B. The Wisconsin Legislative Audit Bureau completed their audit of the 2024 Annual Comprehensive Financial Report (ACFR). ERS received an unqualified (clean) opinion audit on its financial statements. Staff gave a presentation on the ACFR to the A&O Committee on September 18th.
- C. The ERS 2026 Budget Hearing is scheduled for October 14th at 1:00pm. ERS is scheduled to be the last department presenting to the Finance and Personnel Committee for the day.

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 completed.
- F. DNS Review and Cleanup 2024 completed.
- G. AD Review and Cleanup 2024 completed.
- H. System Galaxy Security System Upgrade completed.

V. Administration

- A. Korn Ferry made a progress report to the Board in closed at a special meeting on September 11, 2025 regarding its search activity for the Executive Director position. Two additional special Board meetings are scheduled on October 1st and 2nd in connection with the search.
- B. ERS representatives are scheduled to meeting with the membership of the Milwaukee Retiree Assoc. at its annual member meeting on October 7th at the request of the City Employee Benefits Dept. to respond to any inquiries regarding enrollment for City's new health benefit offering for post-age 65 retirees. The City is introducing a Medicare Part C plan (Medicare Advantage plan) through United Health Care in place of the City's current Medicare Part B (Medigap health plan). The City will continue to sponsor Medicare Part D prescription drug coverage as well.
- C. Staff forwarded the ballots and other election mailing materials to United Mailing Services for processing and mailing in connection with both Annuity & Pension Board Trustee Elections being held November 7th. The mailing target date is September month end.

Basic Website Metrics

2024 | 2025

	July	Aug	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
Users	3,332	3,366	3,343	4,108	3,770	3,367	3,735	3,499	3,581	3,454	3,319	3,338	3,271
Page Views	11,124	10,956	11,294	14,359	14,191	11,751	14,508	14,814	12,773	11,684	12,215	10,251	10,844
Ave. Visit	1:18	1:21	1:23	1:34	1:47	1:31	1:39	1:34	1:37	1:20	1:31	1:20	1:20

Basic Website Metrics

2024 | 2025

					_								
	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Users	3,366	3,343	4,108	3,770	3,367	3,735	3,499	3,581	3,454	3,319	3,338	3,271	3,171
Page Views	10,956	11,294	14,359	14,191	11,751	14,508	14,814	12,773	11,684	12,215	10,251	10,844	10,313
Ave. Visit	1:21	1:23	1:34	1:47	1:31	1:39	1:34	1:37	1:20	1:31	1:20	1:20	1:19

VIII.

INFORMATIONAL

- A. Conferences.
- B. Class Action Income 2025 YTD.
- C. Report on Bills.
- D. Deployment of Assets.
- E. Securities Lending Revenue and Budget Report.
- F. Preliminary Performance Report and Asset Allocation.

Client Conferences 2025 - 2026

Board Meeting: September 24, 2025

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
October 24, 2025 11:30 am – 12:30 pm	3Q25 Market Intelligence Webinar 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
March 17 – 19, 2026	2026 Global Real Assets Investor Conference & PRIME Advisory Committee Meeting Los Angeles, CA	Morgan Stanley
April 20 – 22, 2026	Callan 2026 National Conference Scottsdale, AZ	Callan Associates
May 4 – 7, 2026	2026 Annual Investor Conference – North America Austin, TX	Harrison Street

Trustee Conferences 2025 - 2026

Board Meeting: September 24, 2025

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
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
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
February 23 – 24, 2026	Public Plan Trustees Institute – Level I Orlando, FL	International Foundation of Employee Benefit Plans
March 9 – 11, 2026	CII Spring 2026 Conference Washington DC	Council of Institutional Investors
April 21 - 22, 2026	12 th Annual Midwest Institutional Forum Chicago, IL	Markets Group

Board Meeting: September 24, 2025

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)		
April 27 – 29, 2026	2026 Public Funds Roundtable Beverly Hills, CA	Institutional Investor		
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 4, 2026	10 th Annual Real Estate Midwest Forum Chicago, IL	Markets Group		
June 6, 2026	10 th Annual Real Estate Midwest Forum Chicago, IL	Markets Group		
June 10 – 12, 2026	2026 Visions, Insights & Perspectives (VIP) Infrastructure Chicago, IL	Institutional Real Estate, Inc.		
June 15 – 16, 2026	Public Plan Trustees Institute – Level II San Diego, CA	International Foundation of Employee Benefit Plans		
July 20 – 21, 2026	ALTSCHI Chicago, IL	Markets Group		
September 30 – October 2, 2026	CII Fall 2026 Conference Boston, MA	Council of Institutional Investors		
October 24 – 25, 2026	NCPERS Accredited Fiduciary (NAF) Program & Program for Advanced Trustee Studies (PATS) Nashville, TN	NCPERS		
October 25 – 28, 2026	Public Safety Conference Nashville, TN	NCPERS		

Upcoming Due Diligence Meetings

Date	Manager(s)	Team		
November or December, 2025	Harrison Street	Erich and Keith		

Class Action Income 2025 YTD

Asset Description	Date(s)	Amount
McKesson Corp.	1/10/2025	\$ 15,220
Tactile Systems Technology, Inc.	1/21/2025	\$ 1,576
General Motors Company	1/28/2025	\$ 355
Fifth Third Bancorp	2/5/2025	\$ 13,004
Valeant Pharmaceuticals Int'l	2/6/2025	\$ 20,849
Mohawk Industries, Inc.	2/21/2025	\$ 6,948
Fluor Corp.	3/24/2025	\$ 283
Viacom, Inc.	3/27/2025	\$ 1,943
American Realty Capital	4/2/2025	\$ 201
LIBOR-Based Financial Intruments	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
Cardinal Health, Inc.	7/16/2025	\$ 935
Bank of America Corp.	7/22/2025	\$ 413
Wells Fargo & Company	7/24/2025	\$ 262
Total Class Action Income Received in 2025 YTD		\$ 111,049

Fiscal Year 2025 Department

Employes' Retirement System

City of Milwaukee Departmental Appropriation Budget Balances As of: 2025-09-30

		Budget	2025-6	2025-7	2025-8	2025-9		Year to Date Expended		_ife to Date		Remaining Budget
Regular Departmental Appropriations:		J				2020 0		шхронава	•			Daagot
Employee Salaries & Wages		5,379,533,00	_	_	_							5,379,533.00
Base Pay-Salary & Wage		-	325,099.49	322,406,29	327,543.99			2,880,728,91		-		(2,880,728.91)
Overtime Premium		_	020,000.40	022,400.20	327,340.99	-		256.22		-		,
Other Worked Compensation		_	(159.40)		-	_		(239.10)		-		(256.22) 239.10
Time Paid Not Worked		_	75,249.42	75.025.64	69,887.99			591,153.09		-		
Employee Salaries & Wages	\$	5,379,533.00	400,189.51	397,431.93	397,431.98	-	\$		¢.	-	\$	(591,153.09) 1,907,633.88
Employed datalled a vvages	•	0,010,000.00	400,103.31	397,431.93	397,431.90	-	φ	3,471,099.12	Φ	-	Ф	1,907,033.00
Fringe Benefits Applied		2,420,790.00	-	-	-	_		-		-		2,420,790.00
Fringe Benefits Applied		-	153,609.51	152,336.98	=	-		1,206,379.90		-		(1,206,379.90)
Applied Employee Benefits	\$	2,420,790.00	153,609.51	152,336.98	-	-	\$	1,206,379.90	\$	-	\$	1,214,410.10
Operating Expenditures		16,013,400.00	_	_	_	_		_		_		16,013,400.00
Office Supplies		-	926.94	666.90	516.21	_		6,370.84		_		(6,370,84)
Magazines, Subscription		_	42.99	4,666.75	1,609.99	_		11,221.66		_		(11,221.66)
Postal and Mailing Services		_	25,535,95	12,966.48	20,922,47			112,700.46		-		(112,700.46)
Electricity		_	2,803.52	2,219.55	2,184.12	_		25,314.35		_		(25,314.35)
Other Operating Supply		_	2,000.02	5,184.00	9,465.88			18,044.69		-		(18,044.69)
Building Rental		_	40,002,78	40,002.78	40.002.78	-		357,754.08		-		
Printing & Dupl Machine Rental		_	2,909.17	40,002.70	303.87	676.80		9.185.20		-		(357,754.08)
Consulting		_	37,429.04	48,127.58	37,407.58	070.00				-		(9,185.20)
Medical,Surgical & Lab			18,434.88	1,147.00	5,615.54	-		297,291.37		-		(297,291.37)
Administrative Charges			79,133.99	97,191.48	74.383.22	-		79,641.94		-		(79,641.94)
Other Professional Services		-	75,000.00	914,389.20	873,441.95	-		631,392.71		-		(631,392.71)
Systems Support		-	61,089.02	43,545.96	,	-		3,411,429.97		-		(3,411,429.97)
IT Infrastructure		-	01,009.02		50,387.00	-		342,845.30		-		(342,845.30)
Infrastructure		-	605.70	9,900.00	28,791.86	-		50,721.66		-		(50,721.66)
Telephone, Communications		-		1,600.70	0.555.50	-		10,676.52		-		(10,676.52)
• •		-	8,056.36	7,330.25	2,555.50	-		56,301.98		-		(56,301.98)
Bldgs-Machinery & Equip Repair		-	711.25	1,066.00	1,302.60	-		8,467.58		-		(8,467.58)
Travel & Subsistence		-	4,842.84	8,474.25	1,898.62	-		30,510.90		-		(30,510.90)
Printing Services		-	613.00	-	-	-		26,003.24		-		(26,003.24)
Insurance-Non Health		-	-	-	-	-		12,398.00		-		(12,398.00)
Other Misc Services	_		2,294.98	518.25	508.85	-		19,186.04		-		(19,186.04)
Operating Expenditures	\$	16,013,400.00	360,432.41	1,198,997.13	1,151,298.04	676.80	\$	5,517,458.49	\$	-	\$	10,495,941.51
All Equipment		713,000.00	-	-	-	_		_		_		713,000.00
Computer Server & Components		-	-	-	-	-		194,855.52		-		(194,855.52)
Total Equipment	\$	713,000.00	-	-	-	-	\$	194,855.52	\$	-	\$	518,144.48
Total Regular Class	\$	24,526,723.00	914,231.43	1,748,766.04	1,548,730.02	676.80	\$	10,390,593.03	\$		\$	14,136,129.97
Other Departmental Appropriations:												
Group Life Insurance Premium		4,200,000.00	335,348.13	329,444.98	341,164.06	_		2,715,015,95		_		1,484,984.05
Retiree's Benefit Adjustment		25,000.00	1,122.67	1,122.67	1,122.67	_		9,091.41		_		15,908.59
Other Classes	\$	4,225,000.00	336,470.80	330,567.65	342,286.73		\$		\$	-	\$	1,500,892.64
			555, 1. 5.00	000,007.00	0.12,200.10			2,127,101.00	Ψ		Ψ	1,000,002.04
Total Dept Appropriations	\$	28,751,723.00	1,250,702.23	2,079,333.69	1,891,016.75	676.80	\$	13,114,700.39	\$	-	\$	15,637,022.61

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Manager Mix Report

Account Name/	Cash/	Short Term/	Equity/	Fixed/	R.E. and Other/	Pendings/	Total Market Value/
Account Number	% of acount	% of acount	% of acount	% of acount	% of acount	% of acount	% of consolidation
MILWAUKEE-CASH ACCOUNT	0.00	82,130,407.64	0.00	0.00	0.00	0.00	82,130,407.64
2605491	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	1.31%
MILWAUKEE-THE NORTHERN TRS	0.00	0.00	200,576,495.60	0.00	0.00	0.00	200,576,495.60
2605496	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	3.21%
MILWAUKEE-ERS EXPENSE FUND	0.00	397,804.66	0.00	0.00	0.00	0.00	397,804.66
2605504	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.01%
MILWAUKEE-PABF BENEFIT PAYMENT	0.00	2,527.82	0.00	0.00	0.00	0.00	2,527.82
2610128	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
MILWAUKEE-DFA INTERNATIONAL	0.00	0.00	163,842,529.20	0.00	0.00	0.00	163,842,529.20
2619838	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	2.62%
MILWAUKEE-EARNEST -SL	0.00	5,943,778.39	174,005,931.50	0.00	0.00	336.90	179,950,046.80
2630942	0.00%	3.30%	96.70%	0.00%	0.00%	0.00%	2.88%
MILWAUKEE - UBS A&Q	0.00	0.00	0.00	0.00	291,517,659.40	0.00	291,517,659.40
2637239	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	4.66%
MILWAUKEE-DFA	0.00	0.00	188,743,469.10	0.00	0.00	0.00	188,743,469.10
2637848	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	3.02%
MILWAUKEE-BAIRD	0.00	34,964,318.99	0.00	57,016,110.66	0.00	0.00	91,980,429.65
2674604	0.00%	38.01%	0.00%	61.99%	0.00%	0.00%	1.47%
MILWAUKEE - BLACKROCK R1000V	0.00	0.00	194,445,227.80	0.00	0.00	0.00	194,445,227.80
4472746	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	3.11%
MILWAUKEE-LOOMIS SAYLE	28,123,646.93	0.00	2,362,120.20	773,032,797.50	-282,319,171.90	-3,754,994.11	517,444,398.60
CME01	5.44%	0.00%	0.46%	149.39%	-54.56%	-0.73%	8.27%
MILWAUKEE-BRANDES INT'L EQUITY	5,777,821.63	0.00	289,147,811.60	0.00	2,655,584.64	-907,117.29	296,674,100.60
CME03	1.95%	0.00%	97.46%	0.00%	0.90%	-0.31%	4.74%
MILWAUKEE-REAMS	141,538,763.30	0.00	0.00	881,751,666.80	4,368,238.57	-221,611,758.20	806,046,910.50
CME04	17.56%	0.00%	0.00%	109.39%	0.54%	-27.49%	12.89%
MILWAUKEE-BLAIR	25,018.28	0.00	0.53	0.00	1,295,294.78	0.00	1,320,313.59
CME05	1.89%	0.00%	0.00%	0.00%	98.11%	0.00%	0.02%
MILWAUKEE-MFS	3,772,383.09	0.00	206,695,658.70	0.00	483,640.97	0.00	210,951,682.80
CME12	1.79%	0.00%	97.98%	0.00%	0.23%	0.00%	3.37%

Manager Mix Report

Page 2 of 3

Account Name/	Cash/	Short Term/	Equity/	Fixed/	R.E. and Other/	Pendings/	Total Market Value/
Account Number	% of acount	% of acount	% of acount	% of acount	% of acount	% of acount	% of consolidation
MILWAUKEE-POLEN	0.00	1,592,435.70	111,922,415.20	0.00	0.00	0.00	113,514,850.90
2644553	0.00%	1.40%	98.60%	0.00%	0.00%	0.00%	1.82%
MILWAUKEE - PRINCIPAL DRA -SL	0.00	0.00	193,775,791.40	0.00	0.00	0.00	193,775,791.40
2677436	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	3.10%
MILWAUKEE-BLACKROCK GLOBAL-SL	0.00	0.00	242,310,492.30	0.00	0.00	8,900,000.00	251,210,492.30
2683493	0.00%	0.00%	96.46%	0.00%	0.00%	3.54%	4.02%
MILWAUKEE - MESIROW IX / 4421480	0.00	0.00	0.00	0.00	11,676,166.00	0.00	11,676,166.00
4421480	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.19%
MILWAUKEE - ABBOTT 2025 / 4430172	0.00	0.00	0.00	0.00	3,486,540.00	0.00	3,486,540.00
4430172	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.06%
MILWAUKEE - BLACKROCK US AGG / 4433045	0.00	0.00	0.00	69,171,706.79	0.00	0.00	69,171,706.79
4433045	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	1.11%
MILWAUKEE - BLK ACWI X US GROW / 4433153	0.00	1,000.00	206,033,378.10	0.00	0.00	0.00	206,034,378.10
4433153	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	3.29%
MILWAUKEE- AQR-SL	0.00	0.00	106,862,005.00	0.00	0.00	0.00	106,862,005.00
4468331	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	1.71%
MILWAUKEE-APTITUDE / 4479682	0.00	0.00	0.00	0.00	204,087,217.80	0.00	204,087,217.80
4479682	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	3.26%
MILWAUKEE-INV TRAN	99.03	0.00	0.00	0.00	0.00	0.00	99.03
CME08	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
MILWAUKEE-CME03 SANCTIONED P/F / CME103	0.00	0.00	2,821,313.13	0.00	0.00	0.00	2,821,313.13
CME103	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.05%
MILWAUKEE - DFA US LCV	467,703.10	0.00	140,286,407.30	0.00	0.00	119,947.99	140,874,058.40
CME15	0.33%	0.00%	99.58%	0.00%	0.00%	0.09%	2.25%
MILWAUKEE - BLACKROCK US G-SL	0.00	0.00	0.00	469,227,968.80	0.00	0.00	469,227,968.80
MULTIPLE	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	7.50%
MILWAUKEE-PRIVATE EQUITY	0.00	0.00	0.00	0.00	767,972,586.00	0.00	767,972,586.00
MULTIPLE	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	12.28%
MILWAUKEE-REAL ESTATE	0.00	-221,782.65	0.00	0.00	487,178,992.76	217,073.71	487,174,283.82
MULTIPLE	0.00%	-0.05%	0.00%	0.00%	100.00%	0.04%	7.79%

CITY OF MILW ALL ACCTS

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Manager Mix Report

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Account Name/	Cash/	Short Term/	Equity/	Fixed/	R.E. and Other/	Pendings/	Total Market Value/
Account Number	% of acount	% of acount	% of acount	% of acount	% of acount	% of acount	% of consolidation
Total for consolidation	179,705,435.36	124,810,490.55	2,423,831,046.66	2,250,200,250.55	1,492,402,749.02	-217,036,511.00	6,253,913,461.23
% for consolidation	2.87%	2.00%	38.76%	35.98%	23.86%	-3.47%	100.00%

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

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Manager Mix Report

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Account Name/	Cash/	Short Term/	Equity/	Fixed/	R.E. and Other/	Pendings/	Total Market Value/
Account Number	% of acount	% of acount	% of acount	% of acount	% of acount	% of acount	% of consolidation
MILWAUKEE-CASH ACCOUNT	0.00	91,827,051.73	0.00	0.00	0.00	0.00	91,827,051.73
2605491	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	1.45%
MILWAUKEE-THE NORTHERN TRS	0.00	0.00	197,430,373.10	0.00	0.00	0.00	197,430,373.10
2605496	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	3.12%
MILWAUKEE-ERS EXPENSE FUND	0.00	459,593.37	0.00	0.00	0.00	0.00	459,593.37
2605504	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.01%
MILWAUKEE-PABF BENEFIT PAYMENT	0.00	2,537.12	0.00	0.00	0.00	0.00	2,537.12
2610128	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
MILWAUKEE-DFA INTERNATIONAL	0.00	0.00	168,417,390.80	0.00	0.00	0.00	168,417,390.80
2619838	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	2.66%
MILWAUKEE-EARNEST -SL	0.00	5,771,563.02	175,597,380.50	0.00	0.00	0.00	181,368,943.50
2630942	0.00%	3.18%	96.82%	0.00%	0.00%	0.00%	2.87%
MILWAUKEE - UBS A&Q	0.00	0.00	0.00	0.00	291,466,423.20	0.00	291,466,423.20
2637239	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	4.61%
MILWAUKEE-DFA	0.00	0.00	197,874,325.30	0.00	0.00	0.00	197,874,325.30
2637848	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	3.13%
MILWAUKEE-BAIRD	0.00	35,281,790.42	0.00	57,311,215.22	0.00	0.00	92,593,005.64
2674604	0.00%	38.10%	0.00%	61.90%	0.00%	0.00%	1.46%
MILWAUKEE - BLACKROCK R1000V	0.00	0.00	195,651,200.10	0.00	0.00	0.00	195,651,200.10
4472746	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	3.10%
MILWAUKEE-LOOMIS SAYLE	28,137,418.65	0.00	1,933,775.30	590,415,245.70	-90,957,218.76	-2,872,874.68	526,656,346.20
CME01	5.34%	0.00%	0.37%	112.11%	-17.27%	-0.55%	8.33%
MILWAUKEE-BRANDES INT'L EQUITY	3,223,453.38	0.00	290,019,056.50	0.00	2,741,489.31	0.00	295,983,999.20
CME03	1.09%	0.00%	97.98%	0.00%	0.93%	0.00%	4.68%
MILWAUKEE-REAMS	121,332,535.60	0.00	0.00	936,279,836.20	3,140,157.90	-244,247,349.60	816,505,180.10
CME04	14.86%	0.00%	0.00%	114.67%	0.38%	-29.91%	12.92%
MILWAUKEE-BLAIR	12.16	0.00	0.00	0.00	1,323,189.06	0.00	1,323,201.22
CME05	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.02%
MILWAUKEE-MFS	2,750,733.28	0.00	208,980,633.90	0.00	492,889.14	0.00	212,224,256.30
CME12	1.30%	0.00%	98.47%	0.00%	0.23%	0.00%	3.36%

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Account Name/	Cash/	Short Term/	Equity/	Fixed,	R.E. and Other	/ Pendings/	Total Market Value
Account Number	% of acount	% of acount	% of acount	% of acount	% of acount		% of consolidation
MILWAUKEE-POLEN	0.00	1,254,632.30	109,661,024.70	0.00	0.00	0.00	110,915,657.00
2644553	0.00%	1.13%	98.87%	0.00%	0.00%	0.00%	1.75%
MILWAUKEE - PRINCIPAL DRA -SL	0.00	0.00	199,535,309.70	0.00	0.00	0.00	199,535,309.70
2677436	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	3.16%
MILWAUKEE-BLACKROCK GLOBAL-SL	0.00	0.00	244,227,459.10	0.00	0.00	6,200,000.00	250,427,459.10
2683493	0.00%	0.00%	97.52%	0.00%	0.00%	2.48%	3.96%
MILWAUKEE - MESIROW IX / 4421480	0.00	0.00	0.00	0.00	21,636,166.00	0.00	21,636,166.00
4421480	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	21,036,168.00
MILWAUKEE - ABBOTT 2025 / 4430172	0.00	0.00	0.00	0.00	3,486,540.00	0.00	3,486,540.00
4430172	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.06%
MILWAUKEE - BLACKROCK US AGG / 4433045	0.00	0.00	0.00	69,996,552.41	0.00	0.00	69,996,552.41
4433045	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	, ,
MILWAUKEE - BLK ACWI X US GROW / 4433153	0.00	0.00	211,388,967.60	0.00	0.00		1.11%
4433153	0.00%	0.00%	100.00%	0.00%	0.00%	0.00 0.00%	211,388,967.60
MILWAUKEE- AQR-SL	0.00	0.00	106,862,005.00	0.00	0.00		3.34%
4468331	0.00%	0.00%	100.00%	0.00%	0.00%	0.00	106,862,005.00
MILWAUKEE-APTITUDE / 4479682	0.00	0.00	0.00	0.00		0.00%	1.69%
4479682	0.00%	0.00%	0.00%	0.00%	205,502,118.30 100.00%	0.00	205,502,118.30
MILWAUKEE-INV TRAN	0.23	0.00	0.00	0.00%		0.00%	3.25%
CME08	100.00%	0.00%	0.00%	0.00%	0.00	0.00	0.23
MILWAUKEE-CME03 SANCTIONED P/F / CME103	0.00	0.00			0.00%	0.00%	0.00%
CME103	0.00%	0.00%	2,821,313.13 100.00%	0.00	0.00	0.00	2,821,313.13
MILWAUKEE - DFA US LCV	588,568.30	0.00%		0.00%	0.00%	0.00%	0.04%
CME15	0.41%	0.00%	142,798,705.60	0.00	0.00	0.00	143,387,273.90
MILWAUKEE - BLACKROCK US G-SL	0.00		99.59%	0.00%	0.00%	0.00%	2.27%
MULTIPLE	0.00%	0.00	0.00	474,187,311.50	0.00	0.00	474,187,311.50
MILWAUKEE-PRIVATE EQUITY	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	7.50%
MULTIPLE	0.00%	0.00	0.00	0.00	763,453,387.00	0.00	763,453,387.00
MILWAUKEE-REAL ESTATE		0.00%	0.00%	0.00%	100.00%	0.00%	12.08%
MULTIPLE	0.00	0.00	0.00	0.00	488,049,895.23	-977,098.11	487,072,797.13
MOLIII LL	0.00%	0.00%	0.00%	0.00%	100.20%	-0.20%	7.71%

CITY OF MILW ALL ACCTS

Manager Mix Report

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Account Name/	Cash/	Short Term/	Equity/	Fixed/	R.E. and Other/	Pendings/	Total Market Value/
Account Number	% of acount	% of acount	% of acount	% of acount	% of acount	% of acount	% of consolidation
Total for consolidation	156,032,721.60	134,597,167.96	2,453,198,920.33	2,128,190,161.03	1,690,335,036.38	-241,897,322.39	6,320,456,684.88
% for consolidation	2.47%	2.13%	38.81%	33.67%	26.74%	-3.83%	100.00%

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

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Employes' Retirement System Securities Lending Income and Expenses: 2025 As of AUGUST 31, 2025

Amounts Expended

Income		Administrative	
From Lending	Fees	Transfers	Balance
			\$919,258.43
\$213,231.68	\$41,240.76	\$920,000.00	171,249.35
\$199,600.60	\$39,476.02	\$0.00	331,373.93
\$1,056.23	\$0.00	\$0.00	332,430.16
\$80,150.28	\$16,023.02	\$0.00	396,557.42
\$1,353.20	\$0.00	\$0.00	397,910.62
\$75,265.52	\$15,047.91	\$0.00	458,128.23
\$570 657 51	¢111 707 71	6030 000 00	\$458,128.23
	\$213,231.68 \$199,600.60 \$1,056.23 \$80,150.28 \$1,353.20	From Lending Fees \$213,231.68 \$41,240.76 \$199,600.60 \$39,476.02 \$1,056.23 \$0.00 \$80,150.28 \$16,023.02 \$1,353.20 \$0.00 \$75,265.52 \$15,047.91	From Lending Fees Transfers \$213,231.68 \$41,240.76 \$920,000.00 \$199,600.60 \$39,476.02 \$0.00 \$1,056.23 \$0.00 \$0.00 \$80,150.28 \$16,023.02 \$0.00 \$1,353.20 \$0.00 \$0.00 \$75,265.52 \$15,047.91 \$0.00

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

MERS PERFORMANCE ESTIMATES August 31, 2025

		1st Quarter	2nd Quarter			YTD Thru
Account	2024 Return	2025	2025	Jul 2025	Aug 2025	8/31/2025
Northern Trust S&P 500 Index S&P 500	25.00% 25.02%	-4.27% <u>-4.27%</u>	10.94% 10.94%	2.24% 2.24%	2.03% 2.03%	10.78% <u>10.79%</u>
Difference	-0.02%	0.00%	-0.01%	0.00%	0.00%	0.00%
BlackRock Russell 1000 Value Index	14.38%	2.14%	3.79%	0.58%	3.19%	10.02%
Russell 1000 Value	14.37%	2.14%	3.79%	0.57%	3.19%	10.01%
Difference	0.01%	0.00%	0.00%	0.00%	0.01%	0.01%
DFA US Large Cap Value	13.84%	2.11%	2.75%	0.82%	4.34%	10.37%
Russell 1000 Value Difference	14.37% -0.53%	<u>2.14%</u> -0.02%	<u>3.79%</u> -1.04%	0.57% 0.24%	3.19% 1.15%	<u>10.01%</u> 0.36%
Polen	16.07%	-0.02 % -5.80%	9.45%	1.15%	0.16%	4.45%
S&P 500	25.02%	-3.80 % -4.27%	10.94%	2.24%	2.03%	10.79%
Difference	-8.95%	-1.53%	-1.49%	-1.09%	-1.87%	-6.34%
Earnest	8.19%	-3.31%	4.45%	1.43%	3.34%	5.86%
Russell MidCap	15.34%	-3.40%	8.53%	1.86%	2.50%	9.45%
Difference	-7.15%	0.09%	-4.08%	-0.42%	0.84%	-3.59%
DFA US Small Cap Value	7.87%	-8.03%	5.46%	1.33%	8.49%	6.63%
Russell 2000 Value	8.05%	<u>-7.74%</u>	4.97%	1.77%	8.47%	6.90%
Difference	-0.19%	-0.28%	0.49%	-0.44%	0.02%	-0.27%
Brandes	7.09%	10.38%	10.67%	1.03%	3.40%	27.61%
MSCI EAFE Difference	3.82% 3.27%	<u>6.86%</u> 3.52%	<u>11.78%</u> -1.10%	<u>-1.40%</u> 2.43%	<u>4.26%</u> -0.87%	<u>22.79%</u> 4.82%
William Blair*	3.44%	0.00%	10.90%	2.4370	-0.07 70	10.90%
MSCI ACWI ex US	6.09%	5.36%	8.83%			14.67%
Difference	-2.65%	-5.36%	2.07%			-3.77%
DFA Int'l Small Cap Value	7.89%	10.35%	15.98%	0.11%	6.48%	36.43%
MSCI EAFE Small Cap	1.82%	3.69%	16.59%	-0.08%	4.63%	26.38%
Difference	6.07%	6.67%	-0.61%	0.19%	1.86%	10.05%
AQR	6.62%	1.25%	13.00%	0.14%	1.28%	16.04%
MSCI EM	<u>7.50%</u>	<u>2.93%</u>	<u>11.99%</u>	<u>1.95%</u>	<u>1.28%</u>	<u>19.02%</u>
Difference BlackRock ACWI Ex US Growth*	-0.89%	-1.68%	1.01% 1.05%	-1.81% -1.23%	0.00% 2.59%	-2.98% 2.38%
MSCI ACWI ex US Growth			1.15%	-1.23%	2.82%	2.74%
Difference			-0.10%	-0.02%	-0.23%	-0.36%
BlackRock Global Alpha Tilts	18.98%	-0.95%	11.19%	1.39%	3.34%	15.39%
MSCI ACWI	<u>17.49%</u>	<u>-1.32%</u>	<u>11.53%</u>	1.36%	2.47%	14.30%
Difference	1.49%	0.37%	-0.34%	0.03%	0.87%	1.09%
MFS	11.87%	-3.28%	7.99%	0.79%	0.60%	5.91%
MSCI ACWI Difference	<u>17.49%</u> -5.62%	<u>-1.32%</u> -1.95%	<u>11.53%</u> -3.53%	<u>1.36%</u> -0.57%	<u>2.47%</u> -1.87%	<u>14.30%</u> -8.39%
BlackRock Gov't Bond Index	0.79%	2.91%	0.86%	-0.38%	1.06%	4.49%
Bloomberg Gov't Bond	0.62%	2.91%	0.85%	-0.39%	1.05%	4.47%
Difference	0.16%	0.00%	0.01%	0.01%	0.00%	0.02%
BlackRock Aggregate Bond Index*			2.14%	-0.25%	1.19%	3.10%
Bloomberg US Aggregate			<u>2.13%</u>	<u>-0.26%</u>	1.20%	3.08%
Difference	4.700/	0.040/	0.00%	0.02%	0.00%	0.02%
Reams Pleamberg US Aggregate	1.76% 1.25%	2.91% 2.78%	1.83% 1.21%	-0.17% -0.26%	1.30% 1.20%	5.97% 4.99%
Bloomberg US Aggregate Difference	0.51%	0.13%	0.62%	0.09%	0.10%	0.98%
Loomis Sayles	5.26%	2.35%	2.83%	0.07%	1.76%	7.18%
Bloomberg US Aggregate	1.25%	2.78%	1.21%	-0.26%	1.20%	4.99%
Difference	4.01%	-0.43%	1.62%	0.34%	0.57%	2.19%
UBS	10.57%	2.12%	2.31%	-0.02%	0.74%	5.24%
SOFR + 4%	9.31%	<u>2.06%</u>	<u>2.04%</u>	0.68%	0.68%	<u>5.56%</u>
Difference	1.26%	0.06%	0.27%	-0.70%	0.06%	-0.32%
Aptitude SOFR + 4%	13.15%	0.51%	4.37%	0.69%	0.60%	6.27%
Difference	<u>9.31%</u> 3.84%	<u>2.06%</u> -1.55%	<u>2.04%</u> 2.33%	<u>0.68%</u> 0.01%	<u>0.68%</u> -0.08%	<u>5.56%</u> 0.71%
Principal	3.28%	3.39%	3.82%	-0.46%	2.97%	10.02%
Blended Benchmark	4.21%	4.73%	4.19%	-0.20%	3.16%	12.34%
Difference	-0.93%	-1.34%	-0.36%	-0.26%	-0.19%	-2.32%
Baird	5.16%	1.37%	1.26%	0.18%	0.67%	3.52%
Bloomberg Govt/Credit 1-3 Year	4.36%	1.63%	1.27%	-0.02%	0.88%	3.80%
Difference	0.80%	-0.25%	-0.01%	0.20%	-0.21%	-0.28%
Total MERS	6.85%	1.18%	4.62%	0.30%	2.01%	8.30%

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).

William Blair performance runs through May 29, 2025.
Inception date for the BlackRock ACWI Ex US Growth Index is June 12, 2025.

ACTUAL ALLOCATIONS Aug 31, 2025

Trust (S&P 500) ck (Russell 1000 Value) Total Passive Large Cap Equity &P 500) Seell 1000 Value) Total Active Large Cap Equity Partners (Russell MidCap) Seell 2000 Value) Total Active Mid/Small Cap Equity (MSCI EAFE) Blair* (MSCI ACWI ex US) GCI EAFE Small Cap) Sec EM) Total Active International Equity ck (MSCI ACWI ex US Growth) ck (MSCI ACWI) Sek (MSCI ACWI)	3.19% 3.19% 6.37% 1.79% 2.28% 4.06% 2.95% 2.81% 5.76% 16.20% 4.74% 0.00% 2.62% 1.63% 8.99% 3.61% 12.60% 3.96% 3.24% 7.20% 36.00% 3.85% 3.85% 1.65% 1.65% 11.00%	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	197,430,373 195,651,200 393,081,573 110,915,657 143,387,274 254,302,931 181,368,944 197,874,325 379,243,269 1,026,627,773 298,805,312 1,323,201 168,417,391 108,231,228 576,777,132 211,371,315 788,148,447 250,404,645 212,224,256 462,628,902 2,277,405,122 296,812,649 319,279,815 82,563,419 103,342,098	3.1 3.1 6.2 1.7 2.3 4.0 2.9 3.1 6.0 16.4 4.7 9.2 3.3 12.6 4.0 3.4 4.7 4.7 9.2 3.3 12.6 4.0 4.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1
ck (Russell 1000 Value) Total Passive Large Cap Equity &P 500) ssell 1000 Value) Total Active Large Cap Equity Partners (Russell MidCap) ssell 2000 Value) Total Active Mid/Small Cap Equity (MSCI EAFE) Blair* (MSCI ACWI ex US) GCI EAFE Small Cap) SCI EM) Total Active International Equity ck (MSCI ACWI ex US Growth) ck (MSCI ACWI)	3.19% 6.37% 1.79% 2.28% 4.06% 2.95% 2.81% 5.76% 16.20% 4.74% 0.00% 2.62% 1.63% 8.99% 3.61% 12.60% 3.96% 3.24% 7.20% 36.00% 3.85% 3.85% 1.65%	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	195,651,200 393,081,573 110,915,657 143,387,274 254,302,931 181,368,944 197,874,325 379,243,269 1,026,627,773 298,805,312 1,323,201 168,417,391 108,231,228 576,777,132 211,371,315 788,148,447 250,404,645 212,224,256 462,628,902 2,277,405,122 296,812,649 319,279,815 82,563,419	3.1 6.2 1.7 2.3 4.0 2.9 3.1 6.0 16.4 4.7 9.2 3.3 12.6 4.0 3.4 7.4 4.7 5.1
ck (Russell 1000 Value) Total Passive Large Cap Equity &P 500) ssell 1000 Value) Total Active Large Cap Equity Partners (Russell MidCap) ssell 2000 Value) Total Active Mid/Small Cap Equity (MSCI EAFE) Blair* (MSCI ACWI ex US) GCI EAFE Small Cap) SCI EM) Total Active International Equity ck (MSCI ACWI ex US Growth) ck (MSCI ACWI)	3.19% 6.37% 1.79% 2.28% 4.06% 2.95% 2.81% 5.76% 16.20% 4.74% 0.00% 2.62% 1.63% 8.99% 3.61% 12.60% 3.96% 3.24% 7.20% 36.00% 3.85% 3.85% 1.65%	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	195,651,200 393,081,573 110,915,657 143,387,274 254,302,931 181,368,944 197,874,325 379,243,269 1,026,627,773 298,805,312 1,323,201 168,417,391 108,231,228 576,777,132 211,371,315 788,148,447 250,404,645 212,224,256 462,628,902 2,277,405,122 296,812,649 319,279,815 82,563,419	3.1 6.2 1.7 2.3 4.0 2.9 3.1 6.0 16.4 4.7 9.2 3.3 12.6 4.0 3.4 7.4 4.7 5.1
ck (Russell 1000 Value) Total Passive Large Cap Equity &P 500) ssell 1000 Value) Total Active Large Cap Equity Partners (Russell MidCap) ssell 2000 Value) Total Active Mid/Small Cap Equity (MSCI EAFE) Blair* (MSCI ACWI ex US) GCI EAFE Small Cap) SCI EM) Total Active International Equity ck (MSCI ACWI ex US Growth) ck (MSCI ACWI)	6.37% 1.79% 2.28% 4.06% 2.95% 2.81% 5.76% 16.20% 4.74% 0.00% 2.62% 1.63% 8.99% 3.61% 12.60% 3.96% 3.24% 7.20% 36.00% 3.85% 3.85% 1.65%	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	393,081,573 110,915,657 143,387,274 254,302,931 181,368,944 197,874,325 379,243,269 1,026,627,773 298,805,312 1,323,201 168,417,391 108,231,228 576,777,132 211,371,315 788,148,447 250,404,645 212,224,256 462,628,902 2,277,405,122 296,812,649 319,279,815 82,563,419	6.2 1.7 2.3 4.0 2.9 3.1 6.0 16.4 4.7 9.2 3.3 12.6 4.0 3.4 7.4 4.7 5.1
&P 500) ssell 1000 Value) .Total Active Large Cap Equity Partners (Russell MidCap) ssell 2000 Value) .Total Active Mid/Small Cap Equity (MSCI EAFE) Blair* (MSCI ACWI ex US) .ECI EAFE Small Cap) .ECI EM) .Total Active International Equity .ck (MSCI ACWI ex US Growth) .ck (MSCI ACWI) .c	1.79% 2.28% 4.06% 2.95% 2.81% 5.76% 16.20% 4.74% 0.00% 2.62% 1.63% 8.99% 3.61% 12.60% 3.96% 3.24% 7.20% 36.00% 3.85% 3.85% 1.65%	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	110,915,657 143,387,274 254,302,931 181,368,944 197,874,325 379,243,269 1,026,627,773 298,805,312 1,323,201 168,417,391 108,231,228 576,777,132 211,371,315 788,148,447 250,404,645 212,224,256 462,628,902 2,277,405,122 296,812,649 319,279,815 82,563,419	1.7 2.3 4.0 2.9 3.1 6.0 16.4 4.7 9.2 12.6 4.0 3.4 7.4 4.7 36.4
ssell 1000 Value) Total Active Large Cap Equity Partners (Russell MidCap) ssell 2000 Value) Total Active Mid/Small Cap Equity (MSCI EAFE) Blair* (MSCI ACWI ex US) GCI EAFE Small Cap) GCI EM) Total Active International Equity ck (MSCI ACWI ex US Growth) ck (MSCI ACWI)	2.28% 4.06% 2.95% 2.81% 5.76% 16.20% 4.74% 0.00% 2.62% 1.63% 8.99% 3.61% 12.60% 3.96% 3.24% 7.20% 36.00% 3.85% 3.85% 1.65%	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	143,387,274 254,302,931 181,368,944 197,874,325 379,243,269 1,026,627,773 298,805,312 1,323,201 168,417,391 108,231,228 576,777,132 211,371,315 788,148,447 250,404,645 212,224,256 462,628,902 2,277,405,122 296,812,649 319,279,815 82,563,419	2.3 4.0 2.9 3.1 16.4 4.7 2.7 9.2 3.3 12.6 4.0 3.4 7.4 3.6 4.7 3.6 4.7 4.7 4.7 4.7 4.7 4.7 4.7 4.7 4.7 4.7
Total Active Large Cap Equity Partners (Russell MidCap) ssell 2000 Value) Total Active Mid/Small Cap Equity (MSCI EAFE) Bair* (MSCI ACWI ex US) GCI EAFE Small Cap) SCI EM) Total Active International Equity ck (MSCI ACWI ex US Growth) ck (MSCI ACWI) sci (MSCI ACWI) SCI ACWI) sci (MSCI ACWI)	4.06% 2.95% 2.81% 5.76% 16.20% 4.74% 0.00% 2.62% 1.63% 8.99% 3.61% 12.60% 3.96% 3.24% 7.20% 36.00% 3.85% 1.65% 1.65%	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	254,302,931 181,368,944 197,874,325 379,243,269 1,026,627,773 298,805,312 1,323,201 168,417,391 108,231,228 576,777,132 211,371,315 788,148,447 250,404,645 212,224,256 462,628,902 2,277,405,122 296,812,649 319,279,815 82,563,419	4.0 2.9 3.3 6.0 16.4 4.1 9.2 12.1 4.1 3.4 7.4 36.4 4.1 5.1
Partners (Russell MidCap) ssell 2000 Value) .Total Active Mid/Small Cap Equity (MSCI EAFE) Blair* (MSCI ACWI ex US) .ECI EAFE Small Cap) .ECI EM .Total Active International Equity .Ex (MSCI ACWI ex US Growth) .Ex (MSCI ACWI) .EX (MSCI AC	2.95% 2.81% 5.76% 16.20% 4.74% 0.00% 2.62% 1.63% 8.99% 3.61% 12.60% 3.96% 3.24% 7.20% 36.00% 3.85% 3.85% 1.65%	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	181,368,944 197,874,325 379,243,269 1,026,627,773 298,805,312 1,323,201 168,417,391 108,231,228 576,777,132 211,371,315 788,148,447 250,404,645 212,224,256 462,628,902 2,277,405,122 296,812,649 319,279,815 82,563,419	2. 3. 6. 16. 4. 0. 2. 1. 9. 3. 12. 4. 3. 7. 36.
SSEII 2000 Value) Total Active Mid/Small Cap Equity (MSCI EAFE) Blair* (MSCI ACWI ex US) GCI EAFE Small Cap) GCI EM) Total Active International Equity ck (MSCI ACWI ex US Growth) ck (MSCI ACWI) GCI ACWI) Applial (Russell 3000 Quarter Lag + 2%) Russell 3000 Quarter Lag + 2%) or Berman (Russell 3000 Quarter Lag + 2%)	2.81% 5.76% 16.20% 4.74% 0.00% 2.62% 1.63% 8.99% 3.61% 12.60% 3.96% 3.24% 7.20% 36.00% 3.85% 1.65% 1.65%	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	197,874,325 379,243,269 1,026,627,773 298,805,312 1,323,201 168,417,391 108,231,228 576,777,132 211,371,315 788,148,447 250,404,645 212,224,256 462,628,902 2,277,405,122 296,812,649 319,279,815 82,563,419	3. 6. 16. 4. 0. 2. 11. 9. 3. 12. 4. 3. 7. 36. 4. 5. 1.
(MSCI EAFE) Blair* (MSCI ACWI ex US) BCI EAFE Small Cap) BCI EAFE Small Cap) CCI EMP Total Active International Equity Cck (MSCI ACWI ex US Growth) CCK (MSCI ACWI) CCK (MSCI	5.76% 16.20% 4.74% 0.00% 2.62% 1.63% 8.99% 3.61% 12.60% 3.96% 3.24% 7.20% 36.00% 3.85% 1.65% 1.65%	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	379,243,269 1,026,627,773 298,805,312 1,323,201 168,417,391 108,231,228 576,777,132 211,371,315 788,148,447 250,404,645 212,224,256 462,628,902 2,277,405,122 296,812,649 319,279,815 82,563,419	6. 16. 4. 0. 2. 1. 9. 3. 12. 4. 3. 7. 36. 4. 5. 1.
(MSCI EAFE) Blair* (MSCI ACWI ex US) BCI EAFE Small Cap) BCI EM) Total Active International Equity BCK (MSCI ACWI ex US Growth) BCK (MSCI ACWI) BCI ACWI) BCI ACWI) BCI ACWI) BCI ACWI	16.20% 4.74% 0.00% 2.62% 1.63% 8.99% 3.61% 12.60% 3.96% 3.24% 7.20% 36.00% 3.85% 1.65% 1.65%	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1,026,627,773 298,805,312 1,323,201 168,417,391 108,231,228 576,777,132 211,371,315 788,148,447 250,404,645 212,224,256 462,628,902 2,277,405,122 296,812,649 319,279,815 82,563,419	16. 4 0. 2 1. 9 3. 12. 4 3. 7 36.
Asialiar' (MSCI ACWI ex US) CI EAFE Small Cap) CI EMP CI E	4.74% 0.00% 2.62% 1.63% 8.99% 3.61% 12.60% 3.96% 3.24% 7.20% 36.00% 3.85% 1.65% 1.65%	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	298,805,312 1,323,201 168,417,391 108,231,228 576,777,132 211,371,315 788,148,447 250,404,645 212,224,256 462,628,902 2,277,405,122 296,812,649 319,279,815 82,563,419	4 4 3 7 36 4 5 1.
Asialiar' (MSCI ACWI ex US) CI EAFE Small Cap) CI EMP CI E	0.00% 2.62% 1.63% 8.99% 3.61% 12.60% 3.96% 3.24% 7.20% 36.00% 3.85% 1.65% 1.65%	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1,323,201 168,417,391 108,231,228 576,777,132 211,371,315 788,148,447 250,404,645 212,224,256 462,628,902 2,277,405,122 296,812,649 319,279,815 82,563,419	0 2 1 1 9 3 3 12 4 3 7 36 4 5 1
Asialiar' (MSCI ACWI ex US) CI EAFE Small Cap) CI EMP CI E	0.00% 2.62% 1.63% 8.99% 3.61% 12.60% 3.96% 3.24% 7.20% 36.00% 3.85% 1.65% 1.65%	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	1,323,201 168,417,391 108,231,228 576,777,132 211,371,315 788,148,447 250,404,645 212,224,256 462,628,902 2,277,405,122 296,812,649 319,279,815 82,563,419	0 2 1 1 9 3 3 12 4 3 7 36 4 5 1
CCI EAFE Small Cap) SCI EM) SCI EM) Total Active International Equity Sck (MSCI ACWI ex US Growth) SCI ACWI)	2.62% 1.63% 8.99% 3.61% 12.60% 3.96% 3.24% 7.20% 36.00% 3.85% 1.65% 1.65%	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	168,417,391 108,231,228 576,777,132 211,371,315 788,148,447 250,404,645 212,224,256 462,628,902 2,277,405,122 296,812,649 319,279,815 82,563,419	2 1 1 9 3 3 12 4 3 7 36 4 5 1
SCI EM) Total Active International Equity ck (MSCI ACWI ex US Growth) ck (MSCI ACWI) SCI ACWI) Applial (Russell 3000 Quarter Lag + 2%) Russell 3000 Quarter Lag + 2%) or Berman (Russell 3000 Quarter Lag + 2%)	1.63% 8.99% 3.61% 12.60% 3.96% 3.24% 7.20% 36.00% 3.85% 1.65% 1.65%	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	108,231,228 576,777,132 211,371,315 788,148,447 250,404,645 212,224,256 462,628,902 2,277,405,122 296,812,649 319,279,815 82,563,419	1 9 3 12 4 3 7 366 4 5
Total Active International Equity ck (MSCI ACWI ex US Growth) ck (MSCI ACWI) CCI ACWI) Appital (Russell 3000 Quarter Lag + 2%) Russell 3000 Quarter Lag + 2%) or Berman (Russell 3000 Quarter Lag + 2%)	8.99% 3.61% 12.60% 3.96% 3.24% 7.20% 36.00% 3.85% 3.85% 1.65%	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	576,777,132 211,371,315 788,148,447 250,404,645 212,224,256 462,628,902 2,277,405,122 296,812,649 319,279,815 82,563,419	9 3 12 4 3 7 36 4 5
ck (MSCI ACWI ex US Growth) ck (MSCI ACWI) GCI ACWI) Appital (Russell 3000 Quarter Lag + 2%) Russell 3000 Quarter Lag + 2%) tr Berman (Russell 3000 Quarter Lag + 2%)	3.61% 12.60% 3.96% 3.24% 7.20% 36.00% 3.85% 3.85% 1.65%	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	211,371,315 788,148,447 250,404,645 212,224,256 462,628,902 2,277,405,122 296,812,649 319,279,815 82,563,419	3 12 4 3 7 36 4 5
ck (MSCI ACWI) GCI ACWI) Applital (Russell 3000 Quarter Lag + 2%) Russell 3000 Quarter Lag + 2%) Br Berman (Russell 3000 Quarter Lag + 2%)	12.60% 3.96% 3.24% 7.20% 36.00% 3.85% 3.85% 1.65%	\$ \$ \$ \$	788,148,447 250,404,645 212,224,256 462,628,902 2,277,405,122 296,812,649 319,279,815 82,563,419	12 4 3 7 36 4 5
ipital (Russell 3000 Quarter Lag + 2%) Russell 3000 Quarter Lag + 2%) er Berman (Russell 3000 Quarter Lag + 2%)	3.24% 7.20% 36.00% 3.85% 3.85% 1.65% 1.65%	\$ \$ \$ \$	212,224,256 462,628,902 2,277,405,122 296,812,649 319,279,815 82,563,419	3 7 36 4 5
ipital (Russell 3000 Quarter Lag + 2%) Russell 3000 Quarter Lag + 2%) er Berman (Russell 3000 Quarter Lag + 2%)	3.24% 7.20% 36.00% 3.85% 3.85% 1.65% 1.65%	\$ \$ \$ \$	212,224,256 462,628,902 2,277,405,122 296,812,649 319,279,815 82,563,419	3 7 36 4 5
ipital (Russell 3000 Quarter Lag + 2%) Russell 3000 Quarter Lag + 2%) ir Berman (Russell 3000 Quarter Lag + 2%)	7.20% 36.00% 3.85% 3.85% 1.65% 1.65%	\$ \$ \$ \$	462,628,902 2,277,405,122 296,812,649 319,279,815 82,563,419	7 36 4 5
Russell 3000 Quarter Lag + 2%) er Berman (Russell 3000 Quarter Lag + 2%)	36.00% 3.85% 3.85% 1.65%	\$ \$ \$ \$	2,277,405,122 296,812,649 319,279,815 82,563,419	36 4 5
Russell 3000 Quarter Lag + 2%) er Berman (Russell 3000 Quarter Lag + 2%)	3.85% 3.85% 1.65% 1.65%	\$ \$ \$	296,812,649 319,279,815 82,563,419	4 5 1
Russell 3000 Quarter Lag + 2%) er Berman (Russell 3000 Quarter Lag + 2%)	3.85% 1.65% 1.65%	\$	319,279,815 82,563,419	5 1
Russell 3000 Quarter Lag + 2%) er Berman (Russell 3000 Quarter Lag + 2%)	3.85% 1.65% 1.65%	\$	319,279,815 82,563,419	5 1
er Berman (Russell 3000 Quarter Lag + 2%)	1.65% 1.65%	\$	82,563,419	1
• • •	1.65%			
Russell 3000 Quarter Lag + 2%)		\$	103.342.098	
	11.00%	_		
	47.00%	<u>\$</u> \$	3,079,403,103	49.
	1110070	_	0,0.0,.00,.00	
	1.009/	•	02 200 402	1
ok (Bloomhora US Covernment)	1.00%	\$		1
,				7
				8
				13
* ** * /				8
Total Active Fixed Income	23.00%	\$	1,343,074,689	95,651,200 93,081,573 60,915,657 43,387,274 54,302,931 81,368,944 97,874,325 79,243,269 66,627,773 10 98,805,312 1,323,201 68,417,391 98,231,228 76,777,132 11,371,315 188,148,447 12 1398,805,312 13,371,315 188,148,447 12 19,279,815 12,224,256 62,628,902 77,405,122 30 96,812,649 19,279,815 19,279,815 19,279,815 19,279,815 19,279,815 19,279,815 19,279,815 19,279,815 19,279,815 19,279,815 19,279,815 19,279,815 19,279,815 19,279,815 19,279,815 19,279,815 19,279,815 30,342,098 19,279,815 30,342,098 19,279,815 30,342,098 21,927,815 30,342,098 21,937,981 21,937,981 22,289,182 32,563,419 32,342,988 32,563,419 32,342,988 32,563,419 32,342,988 32,563,419 32,342,988 32,563,419 32,342,988 32,563,419 32,342,988 32,563,419 32,342,988 32,563,493 33,429 44,183,864 46,505,180 47,388,974 48,990,555 49,907,470 35 36,903,9000 47,388,974 49,904,581 88,478,822 99,535,310 69,901,704 11
	32.00%	\$	1,979,547,736	31
(SOFR + 4%)	3.86%	\$	206,736,460	3
DFR + 4%)	5.14%	\$	293,623,275	4
	9.00%	\$	500,359,735	8
	41.00%	\$	2,479,907,470	39
n (NFI-ODCE)	2.24%	\$	90,309,000	1
tanley (NFI-ODCE)	2.42%	\$	147,388,974	2
NFI-ODCE)	2.06%	\$	109,004,581	1
NFI-ODCE)	1.17%	\$	82,493,429	1
Street (NFI-ODCE)	0.81%	\$	49,691,590	0
Total Private Real Estate - Core	8.70%	\$	478,887,573	7
Real Estate (NFI-ODCE)	0.00%	\$	8,478,822	0
Blended Benchmark)	3.30%	\$	199,535,310	3
	12.00%	\$	686,901,704	11.
	((2)2222	\$		100.
			6.246.212.277	100.
	(SOFR + 4%) DFR + 4%) In (NFI-ODCE) tanley (NFI-ODCE) NFI-ODCE) NFI-ODCE) Street (NFI-ODCE) Total Private Real Estate - Core Real Estate (NFI-ODCE)	Sk (Bloomberg US Aggregate) 0.00% Total Passive Fixed Income 8.00% Sloomberg US Aggregate) 14.20% Sayles (Bloomberg US Aggregate) 8.81% Total Active Fixed Income 23.00% Street (NFI-ODCE) 2.24% Street (NFI-ODCE) 2.06% Street (NFI-ODCE) 0.81% Total Private Real Estate - Core 8.70% Real Estate (NFI-ODCE) 0.00% Street (Bloomberg US Aggregate) 1.00% Street (NFI-ODCE) 0.00% Street (Bloomberg US Aggregate) 1.00% Street (Bloomberg	ck (Bloomberg US Aggregate) 0.00% \$ Total Passive Fixed Income 8.00% \$ Bloomberg US Aggregate) 14.20% \$ dayles (Bloomberg US Aggregate) 8.81% \$ Total Active Fixed Income 23.00% \$ (SOFR + 4%) 3.86% \$ DFR + 4%) 5.14% \$ DFR + 4%) 9.00% \$ In (NFI-ODCE) 2.24% \$ tanley (NFI-ODCE) 2.42% \$ NFI-ODCE) 1.17% \$ Street (NFI-ODCE) 0.81% \$ Total Private Real Estate - Core 8.70% \$ Real Estate (NFI-ODCE) 0.00% \$ Blended Benchmark) 3.30% \$	sk (Bloomberg US Aggregate) 0.00% \$ 69,996,552 Total Passive Fixed Income 8.00% \$ 544,183,864 Bloomberg US Aggregate) 14.20% \$ 816,505,180 sayles (Bloomberg US Aggregate) 8.81% \$ 526,569,509 Total Active Fixed Income 23.00% \$ 1,343,074,689 (SOFR + 4%) 3.86% \$ 206,736,460 DFR + 4%) 5.14% \$ 293,623,275 9.00% \$ 500,359,735 41.00% \$ 2,479,907,470 In (NFI-ODCE) 2.24% \$ 90,309,000 tanley (NFI-ODCE) 2.42% \$ 147,388,974 NFI-ODCE) 2.06% \$ 109,004,581 NFI-ODCE) 1.17% \$ 82,493,429 Street (NFI-ODCE) 0.81% \$ 49,691,590 Total Private Real Estate - Core 8.70% \$ 478,887,573 Real Estate (NFI-ODCE) 0.00% \$ 8,478,822 Blended Benchmark) 3.30% \$ 199,535,310

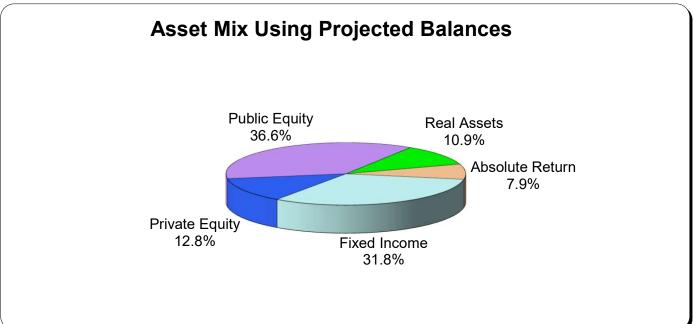
^{*}Remaining value in this account is primarily recoverable taxes

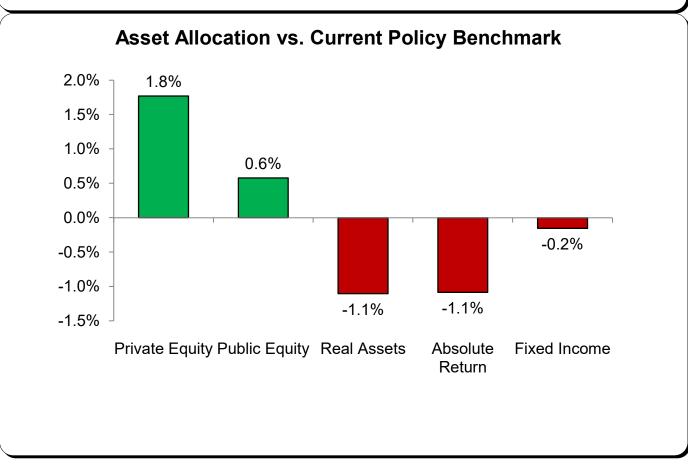
PROJECTED TARGET ALLOCATIONS Sep 16, 2025

		Target		Market Value	Allocation	
QUITY						
Public Equity						
Domestic	Northern Trust (SSD 500)	2 100/	e	202 084 422	2 201	
Passive Large Cap Equity	Northern Trust (S&P 500) BlackRock (Russell 1000 Value)	3.19% 3.19%	\$ \$	202,081,133 196,455,716	3.20 ⁴ 3.11 ⁴	
	Sub-Total Passive Large Cap Equity	6.37%	\$	398,536,848	6.30	
Active Large Cap Equity	Polen (S&P 500)	1.79%	\$ \$	114,800,485	1.829	
Active Large Cap Equity	DFA (Russell 1000 Value)	2.28%	\$	143,361,446	2.279	
	Sub-Total Active Large Cap Equity	4.06%	\$	258,161,932	4.089	
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	2.95%	\$	180,295,198	2.85	
, tout o maroman cup Equity	DFA (Russell 2000 Value)	2.81%	\$	197,270,341	3.129	
	Sub-Total Active Mid/Small Cap Equity	5.76%	\$	377,565,539	5.979	
Total Domestic		16.20%	\$	1,034,264,319	16.36	
International				, , , , , , , , , , , , , , , , , , , ,		
Active International Equity	Brandes (MSCI EAFE)	4.74%	\$	308,574,760	4.889	
. ,	William Blair* (MSCI ACWI ex US)	0.00%	\$	1,341,226	0.029	
	DFA (MSCI EAFE Small Cap)	2.62%	\$	174,031,304	2.759	
	AQR (MSCI EM)	1.63%	\$	111,330,541	1.769	
	Sub-Total Acitve International Equity	8.99%	\$	595,277,831	9.429	
Passive International Equity	BlackRock (MSCI ACWI ex US Growth)	3.61%	\$	218,654,571	3.469	
Total International		12.60%	\$	813,932,402	12.879	
Global						
Active Global Equity	BlackRock (MSCI ACWI)	3.96%	\$	251,016,078	3.979	
	MFS (MSCI ACWI)	3.24%	\$	213,240,101	3.379	
Total Global		7.20%	\$	464,256,180	7.349	
Total Public Equity		36.00%	\$	2,312,452,900	36.589	
Private Equity						
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	3.85%	\$	299,141,399	4.73	
	Mesirow (Russell 3000 Quarter Lag + 2%)	3.85%	\$	319,279,815	5.059	
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.65%	\$	82,457,054	1.309	
	Apogem (Russell 3000 Quarter Lag + 2%)	1.65%	\$	106,427,126	1.689	
Total Private Equity		11.00%	\$	807,305,394	12.77%	
OTAL EQUITY (Public Equity + Private	Equity)	47.00%	\$	3,119,758,294	49.35%	
XED INCOME & ABSOLUTE RETURN						
Fixed Income						
Cash		1.00%	\$	99,020,989	1.579	
Passive Fixed Income	BlackRock (Bloomberg US Government)	8.00%	\$	480,367,529	7.609	
	BlackRock (Bloomberg US Aggregate)	0.00%	_\$	71,125,682	1.139	
	Sub-Total Passive Fixed Income	8.00%	\$	551,493,211	8.729	
Active Fixed Income	Reams (Bloomberg US Aggregate)	14.20%	\$	831,105,479	13.159	
	Loomis Sayles (Bloomberg US Aggregate)	8.81%	\$	531,645,574	8.419	
	Sub-Total Active Fixed Income	23.00%	\$	1,362,751,052	21.559	
Total Fixed Income		32.00%	\$	2,013,265,253	31.849	
Absolute Return						
	Aptitude (SOFR + 4%)	3.86%	\$	206,736,460	3.279	
	UBS (SOFR + 4%)	5.14%	\$	293,623,275	4.649	
Total Absolute Return	ETHON	9.00%	\$	500,359,735	7.919	
OTAL FIXED INCOME & ABSOLUTE R	ETURN	41.00%	\$	2,513,624,987	39.76	
EAL ASSETS						
EAL ASSETS Private Real Estate - Core	JP Morgan (NFI-ODCE)	2.24%	\$	90,309,000	1.439	
	JP Morgan (NFI-ODCE) Morgan Stanley (NFI-ODCE)	2.24% 2.42%	\$	90,309,000 147,388,974		
	,				2.33	
	Morgan Stanley (NFI-ODCE)	2.42%	\$	147,388,974	2.33 ⁴	
	Morgan Stanley (NFI-ODCE) LaSalle (NFI-ODCE)	2.42% 2.06%	\$ \$	147,388,974 109,004,581	2.33 ^t 1.72 ^t 1.30 ^t	
	Morgan Stanley (NFI-ODCE) LaSalle (NFI-ODCE) Prologis (NFI-ODCE)	2.42% 2.06% 1.17%	\$ \$ \$	147,388,974 109,004,581 82,493,429	2.33 ¹ 1.72 ¹ 1.30 ¹ 0.79 ¹	
	Morgan Stanley (NFI-ODCE) LaSalle (NFI-ODCE) Prologis (NFI-ODCE) Harrison Street (NFI-ODCE)	2.42% 2.06% 1.17% 0.81%	\$ \$ \$	147,388,974 109,004,581 82,493,429 49,691,590	2.33% 1.72% 1.30% 0.79% 7.57%	
Private Real Estate - Core	Morgan Stanley (NFI-ODCE) LaSalle (NFI-ODCE) Prologis (NFI-ODCE) Harrison Street (NFI-ODCE) Sub-Total Private Real Estate - Core	2.42% 2.06% 1.17% 0.81% 8.70%	\$ \$ \$ \$	147,388,974 109,004,581 82,493,429 49,691,590 478,887,573	2.339 1.729 1.309 0.799 7.579 0.139	
Private Real Estate - Non-Core	Morgan Stanley (NFI-ODCE) LaSalle (NFI-ODCE) Prologis (NFI-ODCE) Harrison Street (NFI-ODCE) Sub-Total Private Real Estate - Core Non-Core Real Estate (NFI-ODCE)	2.42% 2.06% 1.17% 0.81% 8.70% 0.00%	\$ \$ \$ \$	147,388,974 109,004,581 82,493,429 49,691,590 478,887,573 8,480,286	2.33% 1.72% 1.30% 0.79% 7.57% 0.13% 3.19%	
Private Real Estate - Core Private Real Estate - Non-Core Public Real Assets OTAL REAL ASSETS	Morgan Stanley (NFI-ODCE) LaSalle (NFI-ODCE) Prologis (NFI-ODCE) Harrison Street (NFI-ODCE) Sub-Total Private Real Estate - Core Non-Core Real Estate (NFI-ODCE)	2.42% 2.06% 1.17% 0.81% 8.70% 0.00% 3.30%	\$ \$ \$ \$	147,388,974 109,004,581 82,493,429 49,691,590 478,887,573 8,480,286 201,455,149 688,823,008	2.339 1.729 1.309 0.799 7.579 0.139 3.199	
Private Real Estate - Core Private Real Estate - Non-Core Public Real Assets	Morgan Stanley (NFI-ODCE) LaSalle (NFI-ODCE) Prologis (NFI-ODCE) Harrison Street (NFI-ODCE) Sub-Total Private Real Estate - Core Non-Core Real Estate (NFI-ODCE)	2.42% 2.06% 1.17% 0.81% 8.70% 0.00% 3.30%	\$ \$ \$ \$	147,388,974 109,004,581 82,493,429 49,691,590 478,887,573 8,480,286 201,455,149	1.439 2.339 1.729 1.309 0.799 7.579 0.139 3.199 10.009	

^{*}Remaining value in this account is primarily recoverable taxes

PROJECTED VERSUS POLICY ALLOCATIONS





YTD Market Value Change

December 31, 2024 Market Value including City Reserve	& PABF Accounts			\$:	5,946,620,135
Monthly Cash Outflows thru Retiree Payroll Expense PABF Payroll Expense Expenses Paid GPS Benefit Payments Sub-Total Monthly Cash Outflows	September 16, 2025	\$	326,644,890) - (11,766,553) (3,559,841)	\$	(341,971,285)
Monthly Cash Inflows thru Contributions PABF Contribution Sub-Total Monthly Contributions	September 16, 2025	 \$ _\$	238,754,359	\$	238,754,359
Capital Market Gain/(Loss)				\$	571,696,870
Value including City Reserve & PABF Account	s as of September 16, 2025			\$ 6	6,415,100,080
Less City Reserve Account ¹				\$	92,893,791
Less PABF Fund ²				\$	2,542
Net Projected ERS Fund Value as of	September 16, 2025			\$ 6	5,322,203,747

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 9/17/2025 (in 000's)

	12/31/2024	1/31/2025	2/28/2025	3/31/2025	4/30/2025	5/31/2025	6/30/2025	7/31/2025	8/31/2025	9/30/2025	10/31/2025	11/30/2025	
Beginning Cash Account Balance													
Townsend Cash Account	-	-	-	-	-	-	-	-	-	-	-	-	
Cash Contribution Account	-	-	-	-	-	-	-	-	-	-	-	-	
Milwaukee Cash Account	34,353	195,240	158,015	139,991	81,748	62,220	65,729	81,752	91,475	-	-	-	
Total Cash Available	34,353	195,240	158,015	139,991	81,748	62,220	65,729	81,752	91,475	-	-	-	
Less: Estimated Cash Needs for non-Investment Outflows	41,500	41,500	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	40,252	49,975	-	-	-	
For Monthly Cash Outflows of:	Jan-2025	Feb-2025	Mar-2025	Apr-2025	May-2025	Jun-2025	Jul-2025	Aug-2025	Sep-2025	Oct-2025	Nov-2025	Dec-2025	Total 2025
Retiree Payroll Expense	(40,813)	(40,842)	(41,260)	(41,092)	(40,778)	(41,898)	(41,501)	(42,021)	(41,936)	(42,039)	(42,143)	(42,247)	(498,571)
Normal Retirement Payroll	(40,298)	(40,408)	(40,619)	(40,804)	(40,334)	(41,643)	(41,207)	(41,332)	(41,436)	(41,539)	(41,643)	(41,747)	(493,011)
Retiree Lump Sum Payments	(516)	(434)	(641)	(288)	(444)	(255)	(294)	(689)	(500)	(500)	(500)	(500)	(5,560)
Real Estate Capital Calls	(12,520)	-	-	-	-	-	-	-	-	-	-	-	(12,520)
Private Equity Capital Calls	(8,340)	(15,113)	(4,839)	(849)	(5,140)	(17,398)	(927)	(12,787)	(9,494)	-	-	-	(74,886)
Expenses Paid through City	(2,044)	(700)	(1,907)	(986)	(1,896)	(1,791)	(845)	(1,598)	(1,792)	(2,044)	(2,044)	(2,044)	(19,691)
PABF Payroll		`- ′		`- ´			`- ´	-	-	-	`-		-
Sub-Total Monthly Cash Outflows	(63,717)	(56,655)	(48,005)	(42,927)	(47,814)	(61,086)	(43,273)	(56,406)	(53,222)	(44,083)	(44,187)	(44,291)	(605,667)
For Monthly Cash Inflows:													
Sponsoring Agency and Employee Contribution	3,917	2,634	2,602	2,595	2,570	3,159	3,307	2,525	2,532	2,538	2,544	2,551	33,476
Real Estate Distributions	5,561	_,	61	5,841	158	143	5,565	110	-,	-,	_,	-,	17,440
Private Equity Distributions	4,384	4,931	8,995	2,632	7,311	11,950	4,009	7,290	4,748	_	_	_	56,251
Miscellaneous Income	219	865	616	615	447	409	276	378	353	400	400	400	5,377
Security Lending Transfer	920	-	-	013	-	-	210	-	-	-	-	-	920
. •	209,603	-	706	-	_	-	3,903	-	-	-	-	-	214,212
City and Agency Required Contribution PABF Inflow	209,603	-	706	-	-	-	3,903	-	-	-	-	-	214,212
Sub-Total Monthly Cash Inflows	224,603	8,430	12,980	11,684	10,486	15,661	17,061	10,303	7,633	2,938	2,944	2,951	327,675
Not Monthly Cook Inflorms (Conflorms) Profess With January	400.007	(40.005)	(05.005)	(04.040)	(07.000)	(45, 405)	(00.040)	(40,400)	(45 500)	(44.445)	(44.040)	(44.044)	(077.000)
Net Monthly Cash Inflows/(Outflows) Before Withdrawals	160,887	(48,225)	(35,025)	(31,243)	(37,328)	(45,425)	(26,212)	(46,103)	(45,590)	(41,145)	(41,243)	(41,341)	(277,992)
Net Monthly Cash Surplus (Need)	153,740	105,515	81,491	67,248	2,920	(24,705)	(1,983)	(5,851)	4,385	(41,145)	(41,243)	(41,341)	259,032
Monthly Cash Withdrawals (Additions)													
AQR					5,500	3,800		3,800	3,900				
BlackRock Global Alpha Tilts					18,100	10,000	8,900	6,200					
BlackRock Russell 1000 Value Index					13,800			5,000					
BlackRock US Government Bond Index				(38,000)									
Blackrock US Aggregate Index Fund					(68,000)								
Brandes		11,000	11,000	13,000	21,700		10,900	10,800					
Dimensional Fund Advisors US Large Cap					9,900			3,600					
Dimensional Fund Advisors International			6,000	10,000	15,800		6,000	6,000					
Dimensional Fund Advisors US Small Cap					6,200			6,900					
Earnest					-,			4,600					
Loomis Sayles					(11,000)			.,					
MFS					7,100								
Northern Trust S&P 500 Index					14,100		7,200	7,200					
Polen					8,200		4.100	2.800					
Principal					6,200		4,100	2,000					
Reams				(00,000)									
				(30,000)		05.400	110	(0)					
Transition Account						25,103	142	(0)					
UBS A&Q													
Goldman/Aptitude													
William Blair				18,000		232	93	25	0				
Sub-Total Monthly Cash Withdrawals	-	11,000	17,000	(27,000)	41,400	39,134	37,335	56,925	3,900	-	-	-	
Estimated Month-End Cash Balance													
Cash Available	153,740	116,515	98,491	40,248	44,320	14,429	35,352	51,075	8,285				
Estimated Cash Needs for non-Investment Outflows	41,500	41,500	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	76,852	92,575	49,785	-	-	-	