

**REGULAR MEETING OF THE ANNUITY AND PENSION BOARD  
EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF MILWAUKEE  
789 N. WATER ST. (Employees' Retirement System)  
THURSDAY, FEBRUARY 26, 2026 – 9:30 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](http://www.cmers.com)) prior to the meeting.*

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

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

**REGULAR MEETING**

- I. Appointment of Committees for 2026.
  - A. Administration & Operations Committee.
  - B. Investment Committee.
  - C. Legislative Committee.
  - D. Litigation Committee

- II. Approval of Minutes.
  - A. Annual Meeting Held January 28, 2026.

**III. Chief Investment Officer Report.**

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (III.A.), as provided in Section 19.85(1)(e), Wisconsin Statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Board may then vote to reconvene in open session following the closed session.

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

**IV. Investment Committee Report.**

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following items (IV.A. and IV.B.), as provided in Section 19.85(1)(e), Wisconsin Statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Board may then vote to reconvene in open session following the closed session.

- A. Consider, Discuss, and Potentially Approve Fixed Income Manager Search Finalists.
- B. Consider, Discuss, and Potentially Approve Recommendation regarding Morgan Stanley Prime Property Fund, LLC consent to Restructure.
- C. Approval of Real Assets Structure.
- D. Approval of Statement of Investment Policy Update.

- V. New Business.
  - A. Retirements, Death Claims, and Refunds (January).
  - B. Conference Requests – February 26, 2026 Board Meeting.
  
- VI. Medical Reports.
  - A. All Duty & Ordinary Disability Applications & Re-examinations (February).
  
- VII. Unfinished Business.
  - A. Pending Legal Opinions and Service Requests Report.
  - B. Pending Legislation Report.

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.
  - E. Approval of 2026 A&O Committee Audit Charter.
  
- VIII. Informational.
  - A. Conferences.
  - B. Class Action Income 2026 YTD.
  - C. Adjusted Quarterly Cost Basis of Equity.
  - D. Report on Bills.
  - E. Securities Lending Revenue and Budget Report.
  - F. Preliminary Performance Report and Asset Allocation.

**MEETING REMINDERS**

**ADMINISTRATION & OPERATIONS COMMITTEE MEETING**

**THURSDAY, MARCH 19, 2026 – 9:00 A.M.**  
 789 N. WATER ST.

**REGULAR MEETING OF THE ANNUITY AND PENSION BOARD**

**WEDNESDAY, MARCH 25, 2026 – 9:00 A.M.**  
 789 N. WATER ST.

I.

APPOINTMENT OF COMMITTEES FOR 2026

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

II.

APPROVAL OF MINUTES

- A. Annual Meeting Held January 28, 2026.

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

Minutes of the Annual Meeting  
held January 28, 2026 via teleconference

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

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

Board Members Not Present:    Nik Kovac (arrived 10:10 a.m.)

Retirement System Staff Present: Patrick McClain, Executive Director  
  Daniel Gopalan, Chief Financial Officer  
  Gust Petropoulos, Deputy Director - Disability  
  David Silber, Chief Investment Officer  
  Keith Dickerson, Pension Investment Analyst - Senior  
  Thomas Courtright, Pension Investment Analyst – II  
  Mary Turk, Business Operations Analyst

Others Present: Lauri Rollings, City Attorney’s Office; Lauren Albanese, Financial News; Terry Siddiqui, DS Consulting, Inc., 11 members of the public called in to the meeting.

**Introduction of Newly-Elected and Re-Elected Board Members.** Mr. Bell welcomed Mr. John Barmore to the Board and said he was elected last Fall and this will be his first meeting of 2026. Mr. Barmore thanked the Chair and said he looked forward to getting back up to speed with everybody. He said he felt fortunate he knows everybody on the Board and Mr. McClain has been very supportive and fantastic and it is good to have him on board as the new Executive Director. Mr. Barmore stated he looked forward to working with everyone and concluded with a “thank you.” Mr. Bell said the other introduction was himself from last Fall’s election as the Re-Elected Board Member. He stated he looks forward to another four years on the Board and said that the collaborative nature of this Board is second to none and he appreciates everyone’s hard work and to be a part of the team.

**Officers for 2026.**

**Election of Chair.** Mr. Bell first asked for any comments or questions. Mr. Heling stated he would put forward a motion to keep Mr. Bell as Chairman. Mr. Bell asked if there was a second and Mr. Christianson seconded the motion. Mr. Bell asked three times for nominations for the Chair of the Annuity and Pension Board. He said that not hearing any further nominations, he stated there was a motion put forward by Mr. Heling for the election of Mr. Bell, followed by a

second by Mr. Christianson. Mr. Bell said not hearing any objections, he stated the election of the Chair would be himself, Matt Bell. He stated he appreciated everyone for this confidence moving forward and thanked the Board.

**Election of Vice-Chair.** Mr. Bell stated he would like to put forth a motion for Mr. Kovac for Vice-Chair of the Annuity and Pension Board. Mr. Bell asked for a second for Mr. Kovac and Mr. Konrad made a second for Mr. Kovac for Vice-Chair. Mr. Bell asked three more times for any other nominations for Election of Vice-Chair for 2026. It was moved by Mr. Bell, seconded by Mr. Konrad, and unanimously carried, to elect Mr. Kovac as Vice-Chair of the Annuity and Pension Board for 2026.

### **Approval of Minutes.**

**Regular Meeting Held December 23, 2025.** It was moved by Mr. Christianson, seconded by Mr. Heling and unanimously carried, to approve the Regular Meeting Held December 23, 2025.

**Chief Investment Officer Report.** Mr. Silber stated that items IV.A., IV.B., and IV.C are all related. One of our current investment managers has had some investment developments that Staff believes are notable and would like to discuss with the Board, and then request direction from the Board. Mr. Silber noted that these discussions need to be done in closed session for competitive reasons, so Staff is requesting that the Board now convene in closed session to discuss this matter.

Mr. Bell advised that the Annuity and Pension Board may vote to convene in closed session on the following items (IV.A., IV.B., and IV.C.), as provided in Section 19.85(1)(e), Wisconsin Statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Board may then vote to reconvene in open session following the closed session.

- A. Consider, Discuss, and Potentially Approve Recommendation regarding Investment Manager.
- B. Consider, Discuss, and Potentially Approve Statement of Investment Policy Update.
- C. Consider, Discuss, and Potentially Approve Real Estate Investment Policy Update.

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

The Board convened in closed session at 9:10 a.m.

The Board re-convened in open session at 10:05 a.m.

**Consider, Discuss, and Potentially Approve Recommendation regarding Investment Manager.** Mr. Bell put forth a motion to approve recommendation by Mr. Silber regarding Investment Manager as discussed in closed session. It was moved by Mr. Bell, seconded by Mr. Barmore, and unanimously carried, to approve Recommendation regarding Investment Manager.

**Consider, Discuss, and Potentially Approve Statement of Investment Policy Update.**

Mr. Bell put forth a motion to approve Investment Policy Update as discussed in closed session. It was moved by Mr. Bell, seconded by Mr. Heling, and unanimously carried, to approve Statement of Investment Policy Update.

**Consider, Discuss, and Potentially Approve Real Estate Investment Policy Update.**

Mr. Bell put forth a motion to approve Real Estate Investment Policy Update as discussed in closed session. It was moved by Mr. Bell, seconded by Ms. Ford, and unanimously carried, to approve Real Estate Investment Policy Update.

Mr. Kovac arrived at 10:10 a.m.

Mr. Silber stated it is a privilege to provide the performance report on the Fund for 2025 and the start of 2026. He noted Staff received the last outstanding statement overnight so, even though all the numbers are not reflected by the custodian yet, Staff feels really good about the estimates it is providing the Board this morning. Mr. Silber said the Fund value as of December 31, 2025 was \$6.38 billion. He said the Fund return in the month of December was 0.9%, net of fees. Mr. Silber said the return for the entire 2025 calendar year is 12.9%, net of fees. He stated in December the Fund underperformed by 47 basis points, and that is driven by the way the Fund benchmarks Private Equity, which was responsible for 90 basis points of underperformance during the month. Mr. Silber said that outside of Private Equity, there are a lot of positives going on in the rest of the portfolio. He stated Staff talks a lot about how they benchmark Private Equity, and noted it is weighing down relative returns in all the other time periods as well. Mr. Silber said that the Fund's Private Equity allocation had a 2.44% return in the fourth quarter, as calculated by its custodian, and the benchmark return was 8.58%. Mr. Silber said it is benchmarked to the Russell 3000 which is a larger-cap U.S. stock benchmark and large U.S. stocks have done really well. He noted for the year, Staff said that it's custodian calculated an 8.53% net of fee return for Private Equity, which is close to what Callan's capital market projections are, and the benchmark was 19.41%. Mr. Silber noted Callan said the majority of the Fund's Private Equity managers are in the top quartile or second quartile. He said it is more of an asset class issue in that Private Equity in these recent time periods is not keeping up with the U.S. large-cap benchmark. Mr. Silber commented that outside of Private Equity, the Fund outperformed for the year. He noted in December that 11 out of the Fund's 14 active mandates outperformed. Mr. Silber said the DFA Strategies combined added 10 basis points. He said the Overweight to Private Equity contributed as well. Mr. Silber said the Fund is outperforming during the five- and 10-year time periods, despite the Private Equity headwind. He said for the 15-year time period, there is very slight underperformance and for the 20-year time period, there is slight underperformance. Mr. Silber said the net of fee returns for 5-, 10, and 15-years are over 8%. Mr. Silber said for 2025, the Fixed Income and Absolute Return asset classes outperformed their respective benchmarks, net of all fees. He said eight of the 15 active mandates outperformed and that number 15 includes William Blair who was underperforming when we moved on from them earlier in 2025. Mr. Silber said the 12.9% net of fee return translates into \$763.5 million dollars in investment gains. He said the Fund had outflows of \$517.3 million dollars, the vast majority of that being benefits. Mr. Silber said the Fund received \$281.1 million in contributions. He said in the first few weeks of January, the Fund return is up 2.1% so far. Mr. Silber stated the Fund value is \$6.72 billion and a number that high has never been reported by the Fund. He said on December 31, 2024, the Fund value was \$5.86 billion

dollars, and since then the Fund has had \$519.4 million dollars in outflows, \$493 million dollars in contributions, and over \$900 million in investment gains. He said eight of the 11 active mandates are outperforming in the first few weeks of 2026. Mr. Silber mentioned the 2.1% return equates to \$137 million in investment gains. Mr. Silber said the Fund has received \$206.7 million in contributions in this calendar year and the first benefit payments will be made tomorrow. He concluded the Fund has enough cash on hand to pay benefits this month. Discussion ensued.

### **New Business.**

**Authorization to Sign Vouchers.** Mr. McClain stated the Authorization to Sign Vouchers is a standard annual housekeeping item that is put on the Annual Meeting in January of every year. He said Chapter 36 requires the Board to authorize the signatories for signing vouchers as well as authorizing transfers from the Fund's custodian Northern Trust. Mr. McClain stated the reason it is on the January meeting is that the Board tends to get a new Chair and Vice-Chair, and just as a matter of governance, reviewing this once a year is a best practice. He noted the current authorization does not change and the Board last revisited this in December to add himself, in which Mr. McClain thanked the Board. Mr. McClain mentioned that given that the Board re-elected the Chairman and Vice-Chairman, the authorized signatories should not change. He concluded, barring any questions, a motion to approve would be in order and because it is a resolution, it technically requires an approval. It was moved by Mr. Bell, seconded by Mr. Barmore, and unanimously carried, to approve the Authorization to Sign Vouchers.

**Retirements, Death Claims, and Refunds (December).** Mr. McClain presented the following activity for the month of December 2025.

Administrative Withdrawal	\$25,470.67
Full Refund	\$157,950.77
Active Death Benefits reported	\$0.00
Deferred Death	\$0.00
Deferred Death-Member Only Refund	\$66,955.71
Ordinary Death Benefits reported	\$0.00
Retired Death Benefits reported	\$6,946.29
Survivor Death – Termination Benefits reported	\$6,924.90
Refund of Member Contributions paid	\$0.00

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

**Conference Requests – January 28, 2026 Board Meeting.** Mr. Bell presented the conference requests for January.

Thomas Courtright	Morgan Stanley Global Real Assets
Sponsor:	Morgan Stanley
Location:	Los Angeles, CA
Date(s):	March 17-19, 2026
Estimated Cost:	\$1,750.00

Erich Sauer	Real Estate Americas Annual Meeting and possible additional manager meeting
Sponsor:	JP Morgan
Location:	New York, NY
Date(s):	April 21-22, 2026
Estimated Cost:	\$1,500.00

Keith Dickerson	DFA Annual Institutional Symposium
Sponsor:	Dimensional Fund Advisors (DFA)
Location:	Austin, TX
Date(s):	April 21-23, 2026
Estimated Cost:	\$1,850.00

It was moved by Mr. Bell, seconded by Mr. DeCleene, and unanimously carried, to approve the Conference Requests – January 28, 2026 Board Meeting.

**Approval of 2025 Securities Lending Budget.** As a matter of information, Board members received from Mr. Gopalan the “Annual Summary, Securities Lending Income and Expenses: 2025” report. Mr. McClain stated this is another annual routine business item. He said the Charter requires the Board to sweep Securities Lending earnings from the expense fund into the combined fund each year, otherwise it reverts to the retirement fund, which is essentially the GPS Non-Consentors’ Fund. He said the Board Rules require that this action occur in January which is why it is before the Board. Mr. Gopalan provided some background on the Securities Lending program and stated it is administered by the ERS’ custodian Northern Trust. He said the Securities Lending program allows securities held in separate accounts with Northern Trust to be borrowed by other entities. Mr. Gopalan said the securities borrowers then pay Northern Trust a premium for borrowing those shares and Northern Trust splits the income on an 80/20 split, meaning for every dollar of income, the ERS gets 80 cents and Northern Trust takes 20 cents in fees. He said the borrowers of the ERS’ securities are required to put up at least 102% of the market value of the borrowed securities as collateral and generally the ERS requires cash collateral from the borrowers. Mr. Gopalan then discussed the income and expenses for 2025 and said in 2025, the ERS had just under \$868,000 of Securities Lending income and the ERS paid Northern Trust about \$170,000 in fees. He said in January of last year, the ERS transferred \$920,000 from the Securities Lending Fund to the Combined Fund, leaving the ERS with an ending balance of \$697,278 dollars. Mr. Gopalan said in order to prevent the funds from getting closed out to the Non-Consentor funds, the ERS will need to transfer \$698,000 dollars from the Securities Lending Expense Fund to the Combined Fund. He concluded that on the final page of the report, there is a

10-year trend of the Securities Lending. Mr. Gopalan said earlier in 2016 through 2019, the ERS income was up over one million dollars per year, but has gone down substantially. He said that was due to how the ERS asset allocation was set up as there was a lower number of securities held in separate accounts and the ERS has higher collateral requirements than other lenders. Mr. Gopalan stated other lenders allow non-cash collateral such as stocks or bonds. He said comparing 2025 and 2024, the difference of the lower income of \$220,000 can be attributed to lower market premiums for the borrowed securities. Mr. Gopalan said the premiums the ERS charges the borrowers for having the ERS' securities, was down about 12 basis points (the premium) in 2025 when compared to 2024, which was a difference of \$260,000. He added that there needs to be an approval to transfer \$698,000 from the Securities Lending Fund to the Combined Fund. Mr. Bell stated he would put forth a motion to approve the 2025 Securities Lending Budget and transfer the funds as discussed. It was moved by Mr. Bell, seconded by Mr. Barmore, and unanimously carried, to approve the Approval of 2025 Securities Lending Budget.

**Consider and Potentially Take Action on Suspension of Duty Disability Retirement Benefits for DeRonn Gillum.** As a matter of information, Board members received from Mr. Petropoulos the "DeRonn D. Gillum – Duty Disability Benefits" memo. Mr. Petropoulos stated the memo summarized the ERS' experience with Mr. Gillum during the past year during his annual re-exam. He said he felt it necessary to bring this to the Board's attention that there is no cooperation from Mr. Gillum with his required annual re-examination and to give it to the Board to consider and take action as part of the Board's role. Mr. Petropoulos said a granular look at it could not be done in open session because it might reflect upon private health information. Mr. McClain reminded the Board that Chapter 36 expressly authorizes it to suspend benefits for disability beneficiaries who are non-compliant with their re-examination requirements. He stated this happens periodically and he has said this before in his prior capacity as ERS' counsel, that under Mr. Petropoulos' leadership, the disability program has really tightened up and is being extremely well-run. Mr. McClain noted that historically, there were some issues with it and more non-compliance than we experienced at this point. He gave Mr. Petropoulos a nod, saying he has really righted the ship and tightened things up and is doing an excellent job running this program. Mr. McClain commented that this request to the Board is part of that maintenance of effort and enforcing the obligations that the Charter requires. Mr. Petropoulos thanked him and stated it is much rarer now to experience non-compliance, but there are a few. He stated Mr. Gillum was the last person who was suspended a couple of years ago. Mr. Petropoulos noted if Mr. Gillum comes in compliance, he would be made whole for the time that he was suspended, but if he is under suspension for a year, the Board would have the option to cancel his benefit altogether.

It was moved by Mr. Bell, seconded by Mr. Konrad, and unanimously carried, to approve Suspension of Duty Disability Retirement Benefits for DeRonn Gillum.

**Annual Obligation of Trustees and ERS Officers to Submit Annual Statement of Economic Interests.** Mr. McClain stated that as everyone on the Board knows by City ordinance, City officers and various other officials are required to file the Annual Statement of Economic Interests. He mentioned it is due on February 28 and there are late fees attached to it if it is not in on time. Mr. McClain noted there is also an online option which makes it easy and submits itself. He concluded that last year's statements can be obtained from the Ethics Board.

**Medical Reports.****All Duty & Ordinary Disability Applications & Re-examinations (January 2026).**

Mr. Petropoulos presented certifications (January 2026) of the Fire and Police Medical Panel Physicians and the Medical Council relative to Duty & Ordinary Disability Retirement benefits as follows:

<u>Police – Re-examinations – Duty</u>	<u>Recommendation</u>
Natasha Padgett	Approval
Michael Pendergast	Approval
<u>Fire – Re-examinations – Duty</u>	<u>Recommendation</u>
Christopher Gauthier	Approval
<u>Fire – Re-examinations – Ordinary</u>	<u>Recommendation</u>
Craig Weiss	Approval
<u>General City – Re-examinations – Duty</u>	<u>Recommendation</u>
Sahagian Grimes	Approval
<u>General City – Applications – Ordinary</u>	<u>Recommendation</u>
Lisa Spangler Effective 08/31/2025	Approval
<u>General City – Re-examinations – Ordinary</u>	<u>Recommendation</u>
Teofilo Maldonado	Approval
Saverio Bruno	Approval

Mr. Petropoulos stated that Mr. Bruno is exempt under the in-person exam waiver, which means that he has aged out and is no longer required to be undergoing re-exams. It was moved by Mr. Bell, seconded by Mr. Heling, and unanimously carried, to approve the Duty & Ordinary Disability Applications & Re-examinations for January 2026.

**Unfinished Business.** Mr. Bell said he wanted to take this opportunity to welcome the ERS' newly-assigned Assistant City Attorney Lauri Rollings to the team. Ms. Rollings said it is a pleasure to work with the Board as she is newly-appointed to the City Attorney's Office as it is the beginning of her third week on the job. She said prior to joining the City Attorney's Office, she spent 10 years as an Executive Director of Construction Contractor Associations and in that capacity, served as a Trustee on multi-employer pension funds and said she is intimately familiar

with the difficult decisions the Board needs to make as fiduciaries on a daily basis and is excited to assist the Board in any way she can. Ms. Rollings said prior to being an Executive Director, she was in municipal government as a Senior Staff Attorney at Milwaukee Metropolitan Sewerage District and is excited to be back working in municipal government. She noted she had other legal experience beyond that, but those are the two most relevant things to her role here. Ms. Rollings said she is very excited to work with everyone.

**Pending Legal Opinions and Service Requests Report.** Ms. Rollings stated they are still in a continuing-to-monitor situation with regard to Collection of Delinquency Agency Employer Pension Contributions. She noted Mr. McClain previously advised on this matter that it has been looked into whether or not it would be feasible or sensible to pursue litigation to recover delinquent contributions from the housing authority. Ms. Rollings stated at this point, the City Attorney's Office is confident based on advice received from outside counsel that our current policy of remaining in communication with them and continuing to receive payments as they are available is the correct course of action at this point. Mr. McClain reminded the Trustees, and for the benefit of Mr. Barmore who may or may not have been present at the meetings where this was previously discussed, when he was at the City Attorney's Office and consulted with IceMiller which is the ERS' outside tax counsel and also did some consulting with other retirement systems who had been in a similar boat, and between those two consultations, and discussions within the City Attorney's Office, it was determined that continuing to work with HACM as long as they are ready, willing, and able to do so, and they have indicated they are, continuing to work with them to collect contributions on an ongoing basis, is really the best way to proceed. He concluded he and Ms. Rollings will continue to monitor this and will continue to provide updates as they develop. Mr. Konrad suggested that, if the issue was still developing, it might make sense to withdraw the pending opinion request from the report. Mr. McClain said this suggestion was a good one, and advised that he would continue to provide updates regarding HACM's contribution in the Executive Director's Report. Discussion ensued.

### **Pending Legislation Report.**

Mr. McClain noted there were two proposed rule changes referred to the Legislative Committee in December and there will likely be a Legislative Committee Meeting in February before the Board meeting. He stated that Part 4 of the Legislation Report refers to the Proxy Voting Legislation that is being debated at the state level. Mr. McClain said that, as of yesterday, those bills are still in committee and there is no updated information regarding how viable they are. However, within the last 72 hours, a new bill was introduced at the state level relative to proxy advisory firms. He said it is not on the report because it was introduced after the report was sent out. Mr. McClain noted the new legislation directly targets proxy advisory firms rather than putting the regulatory onus on the pension plans within the state: the WRS, the county, and the ERS plan. He stated he would follow up with the representatives at the City to see if they had any insight on this to see if the Legislature is looking to go in a different direction and put some of these regulations on the advisory firms themselves rather than on the pension plan. Mr. McClain concluded he would have more on this next month.

### **Pending Litigation 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.

The Board did not convene in closed session as noticed.

Mr. McClain noted he and Ms. Rollings discussed these matters yesterday and there is no movement from last month. All of the litigation cases are in a holding pattern and are waiting for decisions from the Court of Appeals, which is a long process.

**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.

**Approval of 2026 A&O Committee Audit Charter.** Mr. McClain stated this occurs once a year and is the formal delegation by the Board to the A&O Committee to oversee the financial audit. He stated there are no substantive changes to the Audit Charter from last year other than updating the dates. Mr. McClain said prior to Act 12, the A&O Committee played the role in selecting the auditors, reviewing the audit scope and approach, and pre-approving audit services. He said Act 12 modified that arrangement by creating a statutory obligation for ERS' financial statements to be audited by the state Legislative Audit Bureau (LAB). Mr. McClain said over the last two years, Mr. Gopalan and his team have worked hard to reach an arrangement with LAB that satisfies their statutory obligations, but also maximizes the ERS' continued oversight role throughout the process and have done a great job with this charter. He noted that the LAB is subject to statutory confidentiality requirements. This means that communications ERS would normally receive regarding the audited financial statements cannot occur with LAB because of LAB's statutory requirement to keep those matters confidential until they publish their final report. Mr. McClain stated that the audit charter confirms that the Board will comply with Act 12, clarifies that the Board retains the authority to determine the reasonableness of the LAB's fees for the audit, and also authorizes Staff to execute the Audit Engagement Letter. He indicated that unless there were any questions, a motion to approve would be in order. Mr. Christianson commented on the last bullet point where one of the reporting responsibilities of the committee is to "evaluate the committee's and individual member's performance on a regular basis and report to the Board." He said he did not recall that happening before and asked what form is that expected to take. Mr. Gopalan said it is making sure that the members of the A&O Committee are paying attention to things and that is the biggest item and just aware of what is going on in the administration and operations of the ERS. He noted a formal program could be set up and could do a survey. Mr. Christianson was just wondering if there were guidelines or guidance on what it would look like and said it could be talked about at an A&O Committee. Mr. McClain added that the Chair of the A&O Committee does report to the Board at the conclusion of this process. He stated that, if the Board prefers, a certain product could be included as a regular part of the audit charter. Mr. Barmore requested a redline on the charter updates, even it is just a date change, and as a Trustee,

he said it is easier to process the information knowing what the changes are from the last year. Mr. McClain said certainly this can be done and if the Board wants to delay approval of this item, there is leeway as it used to be approved in May. When first working with the LAB, the item was moved up to the January and it has been kept there since. He said a redline could be provided to the Board and brought back for approval at a future meeting. Mr. Barmore agreed to this and Mr. Bell asked Mr. McClain to put it back on the agenda for next month.

Mr. Bell asked if Mr. Kovac had joined the meeting and then stated that Mr. Kovac was nominated again and chosen for Vice-Chairman of the Board. Mr. Kovac stated he had been on the meeting for about an hour and is happy to serve as Vice-Chairman.

**Informational.**

- 1) Conferences.
- 2) Class Action Income 2025.
- 3) Minutes of the Investment Committee Meeting Held December 4, 2025.
- 4) Minutes of the Administration & Operations Committee Meeting Held December 17, 2025.
- 5) Copies of the Board Rules and Regulations and ERS Ethics Policy.

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

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

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 Mr. Kovac to adjourn the meeting.

Mr. Bell adjourned the meeting at 11:12 a.m.

Patrick J. McClain  
Secretary and Executive Director

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

### III.

#### CHIEF INVESTMENT OFFICER REPORT

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following item (III.A.), as provided in Section 19.85(1)(e), Wisconsin Statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Board may then vote to reconvene in open session following the closed session.

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

# Milwaukee Employees' Retirement System - February 26, 2026

## Fund as of January 31, 2026

\*Fund value of \$6.67b.

\*Fund return of 1.9% in Jan., net of fees, outperformed by approximately 44bps.

\*Primary Relative Perf. Drivers:  
Public Equity Style Bias 39bps  
Primarily Small Cap and Value

Manager Selection 11bps  
10 out of 14 active managers outperformed

\*Fund is underperforming in the 1- and 20-year periods, while outperforming or in line in all other time periods.

## Feb. Update (as of 2/19/26)

\*Fund return 1.1% MTD  
\*Fund return 3.0% YTD  
\*Fund value \$6.74b

\*8 out of 13 active mandates outperforming YTD.

\*Public Equity asset class and Total Fund are exceeding their respective benchmarks YTD, net of fees.

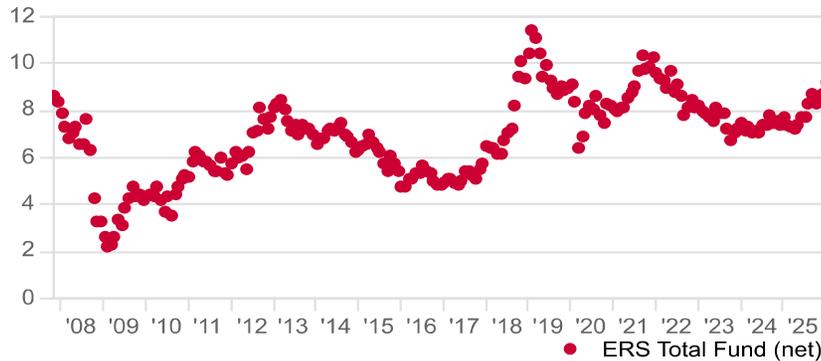
\*Investment Change: \$196.7m  
\*Contributions: 210.8m  
\*Benefits & Expenses: 43.4m

## Monthly Withdrawals:

AQR \$4.2m  
DFA Int'l SCV \$7.1m

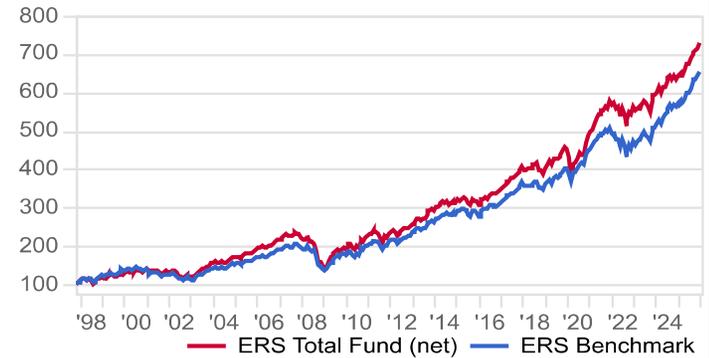
## Total Fund - 10-Year Rolling Returns

11/28/1997 to 1/31/2026



## Growth of \$100 - Total Fund & ERS Benchmark

11/28/1997 to 1/31/2026



## Return Data

Source Data: Monthly Return

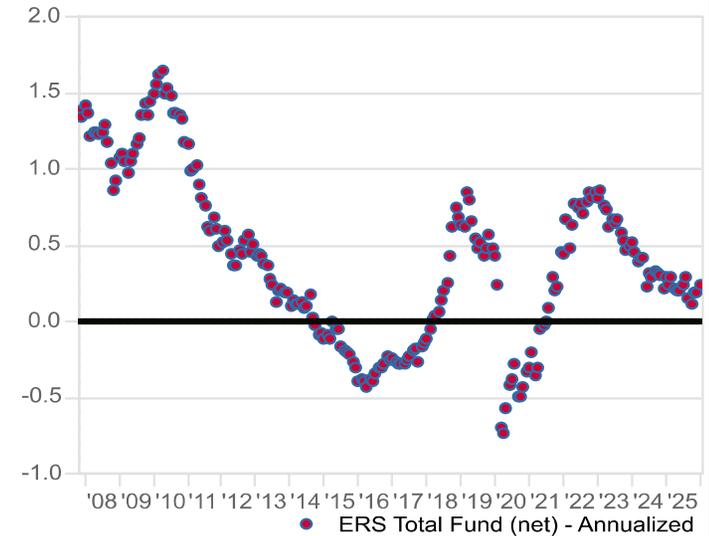
	1 Month	1 Year	5 Year	10 Year	15 Year	20 Year
Total Fund (net)	1.9	13.0	8.5	9.2	8.2	6.9
ERS Benchmark	1.4	13.9	7.8	9.0	8.2	7.0

## Total Fund - 20-Year Risk & Return Data

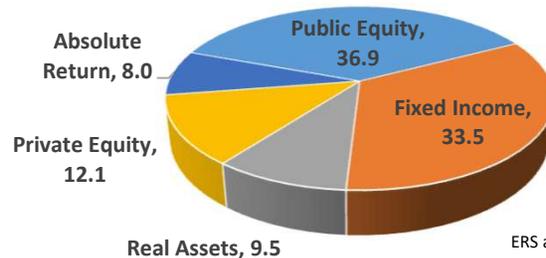
	Return	Std Dev	Tracking Error	Info Ratio (arith)	Sharpe Ratio	Alpha	Beta
Total Fund (net)	6.9	10.2	2.5	0.0	0.5	-0.6	1.1
ERS Benchmark	7.0	9.1	--	--	0.6	0.0	1.0

## Total Fund - 10-Year Rolling Excess Returns

11/28/1997 to 1/31/2026

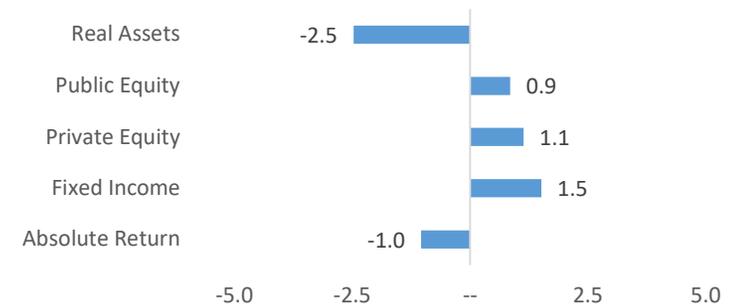


## ERS Allocation as of January 31, 2026



ERS allocation weights may not total 100% due to rounding

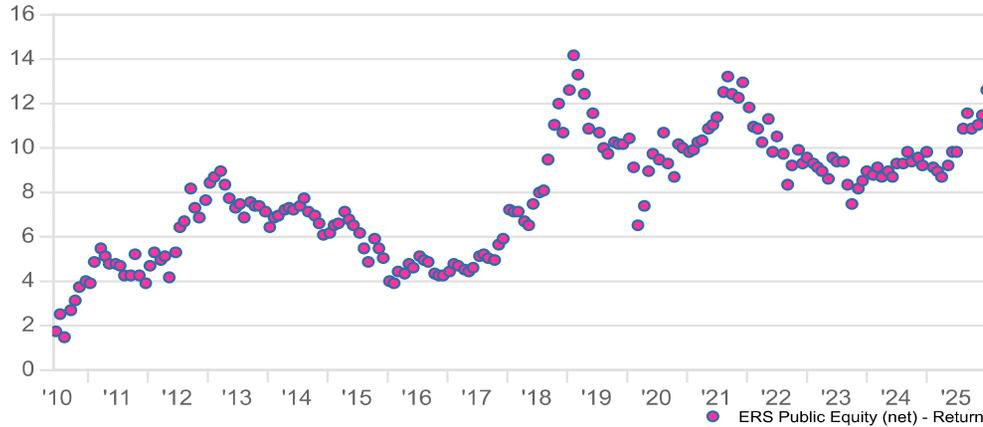
## Asset Allocation vs Policy as of January 31, 2026



# Milwaukee Employees' Retirement System - February 26, 2026

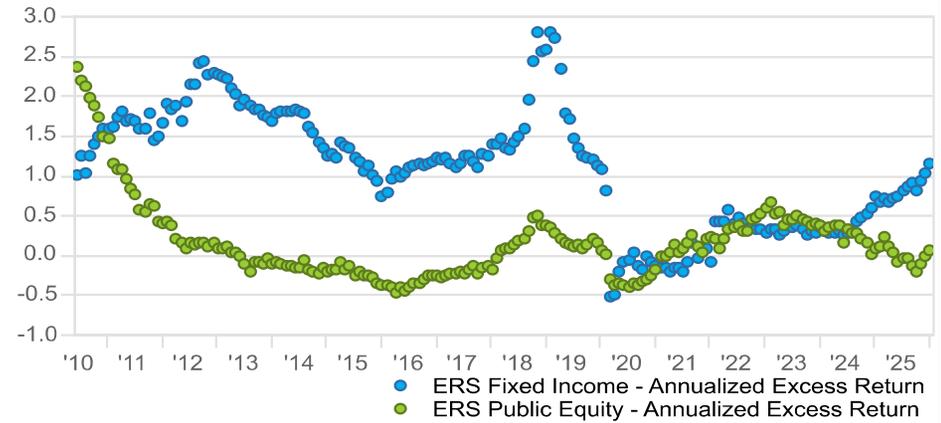
## Public Equity - 10-Year Rolling Returns

06/30/2000 to 1/31/2026



## Asset Class - 10-Year Rolling Excess Returns

06/30/2000 to 1/31/2026



## Return Data

	1 Month	1 Year	5 Year	10 Year	15 Year	20 Year
Public Equity	4.3	22.6	12.1	13.0	10.8	8.5
Public Equity (net)	4.3	22.2	11.7	12.6	10.4	8.2
Public Equity Benchmark	3.3	22.1	11.5	12.5	10.5	8.4
MSCI ACWI IMI NR USD	3.3	22.1	11.5	12.5	9.8	8.1

## Risk Adjusted Returns (6/30/14 - 1/31/26)\*

	Return	Std Dev	Sharpe Ratio	Max Drawdown
Public Equity (net)	10.0	14.7	0.5	-25.3
Fixed Income (net)	2.3	6.3	0.1	-13.6
Absolute Return (net)	6.7	8.6	0.5	-27.1

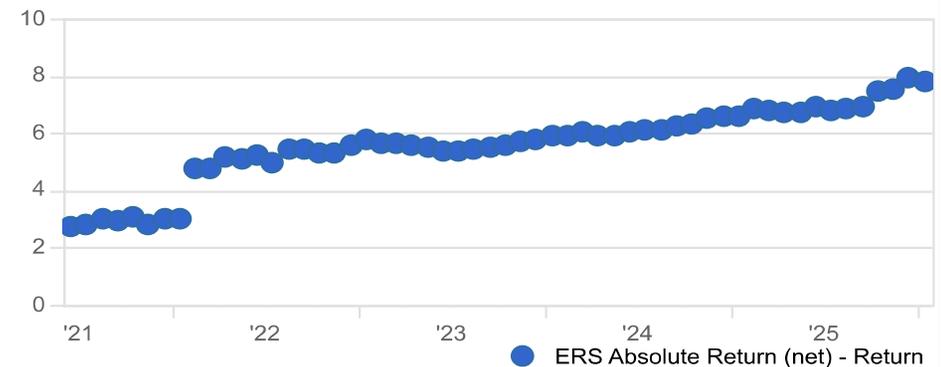
## Fixed Income - 10-Year Rolling Returns

06/28/1996 to 1/31/2026



## Absolute Return - 7-Year Rolling Returns

06/30/2014 to 1/31/2026



## Return Data

	1 Month	1 Year	5 Year	10 Year	15 Year	20 Year
Fixed Income	0.2	7.9	2.1	3.2	3.2	4.4
Fixed Income (net)	0.2	7.8	2.0	3.0	3.1	4.2
Bbg US Agg Bond TR USD	0.1	6.8	-0.2	1.9	2.4	3.3

## Return Data

	1 Month	1 Year	5 Year	10 Year	Inception*
Absolute Return (net)	1.4	10.8	12.5	6.9	6.7
90-Day T-Bill + 3%	0.6	7.2	6.4	5.3	5.0

\*Absolute Return inception date is June 30, 2014

#### IV.

#### INVESTMENT COMMITTEE REPORT

Please be advised that the Annuity and Pension Board may vote to convene in closed session on the following items (IV.A. and IV.B.), as provided in Section 19.85(1)(e), Wisconsin Statutes, to deliberate or negotiate the purchasing of public properties, the investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a closed session. The Board may then vote to reconvene in open session following the closed session.

- A. Consider, Discuss, and Potentially Approve Fixed Income Manager Search Finalists.
- B. Consider, Discuss, and Potentially Approve Recommendation regarding Morgan Stanley Prime Property Fund, LLC consent to Restructure.
- C. Approval of Real Assets Structure.
- D. Approval of Statement of Investment Policy Update.



## Memorandum

**To:** City of Milwaukee Employees' Retirement System  
**From:** Callan LLC  
**Date:** February 12, 2026  
**Subject:** Real Assets Benchmark and Structure Changes

In January 2026, CMERS approved terminating the investment manager that was responsible for implementing the 3.3% exposure to Public Diversified Real Assets.

As next steps, Callan and Staff evaluated Real Assets portfolio structure alternatives with and without various components of Public Diversified Real Assets. Considerations included:

- Implications of various Public Diversified Real Assets sub-asset class scenarios from implementation, timing, manager selection, and interim re-balancing efforts
- Current status of Private Real Estate manager lineup
- Using Callan's 2025 Capital Market Assumptions, review of model scenarios with and without Public Diversified Real Assets, and impacts on CMERS Total Fund modeled volatility and total return

Callan and Staff recommend allocating 3.3% to the existing Private Real Estate portfolio, in line with the Fund's existing Real Estate manager targets, in proportion with the approved structure in November 2025. Further, Callan and Staff recommend interim allowable bands as the capital is rebalanced to the new target.

	Prior Target	February Proposal
Core Real Estate	8.7%	12.0%
Non-Core Real Estate	0.0%	0.0%
Total Real Estate	8.7%	12.0%
Public Diversified Real Assets	3.3%	0.0%
<b>Total Real Assets</b>	<b>12.0%</b>	<b>12.0%</b>

## Callan Capital Market Assumptions 2026

<b>Asset Class</b>	<b>Target</b>	<b>Target ex Public DRA</b>
CMERS Public Equity	36.00%	36.00%
CMERS Fixed Income	31.00%	31.00%
Cash Equivalents	1.00%	1.00%
CMERS Public Diversified Real Assets	3.30%	0.00%
Core Real Estate	8.70%	12.00%
Private Equity	11.00%	11.00%
Absolute Return	9.00%	9.00%
<b>Totals</b>	<b>100.00%</b>	<b>100.00%</b>

<b>Expected Return*</b>	<b>7.03%</b>	<b>7.06%</b>
<b>Projected Standard Deviation</b>	<b>11.57%</b>	<b>11.53%</b>
<b>Projected Sharpe Ratio</b>	<b>0.34</b>	<b>0.34</b>

**STATEMENT OF INVESTMENT POLICY**  
Updated ~~January~~February 2026

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

Individual manager guidelines are updated upon Annuity and Pension Board Approval

## TARGET ALLOCATIONS

The Board has determined that the following asset allocation policy is appropriate for the Fund. This allocation policy will be reviewed periodically and may be modified, if appropriate, in light of changes in the structure or goals of the Fund. The Target, Minimum, and Maximum allocations are monitored by Staff using data from the Custodian's Manager Mix Daily Data report (Daily Data), modified as necessary by Staff to incorporate performance estimates, and any other information that impacts market value estimates, that are not incorporated into the Daily Data. To calculate the numerator, each individual investment manager mandate, with the exception of the Employees' Reserve Fund, is sorted into one of the categories below, and the entire estimated market value of each respective mandate is added together for each respective category. The denominator represents the Total Market Value from the Daily Data, excluding the Employees' Reserve Fund, modified as necessary to incorporate any information that impacts market value estimates not yet incorporated into the Custodian's data.

<u>Public Equity</u>	<u>Target</u>	<u>Minimum</u>	<u>Maximum</u>
Domestic Equity			
Passive Large Cap	6.4%		
Active Large Cap	4.0%		
Active Mid/Small Cap	5.8%		
Total Domestic Equity	<b>16.2%</b>		
Total International Equity	<b>12.6%</b>		
Total Global Equity	<b>7.2%</b>		
<b>Total Public Equity</b>	<b>36%</b>	<b>32%</b>	<b>40%</b>
<u>Fixed Income</u>			
Cash	1%	0%	5.0%
Passive Fixed Income	7.75%		
Active Fixed Income	23.25%		
<b>Total Fixed Income</b>	<b>32%</b>	<b>27%</b>	<b>35%/37%*</b>
<u>Real Assets</u>			
— Private Real Estate	<b>8.7%</b>		
— Public Diversified Real Assets	<b>3.3%</b>	<b>-0%</b>	<b>5.3%</b>
<b>Total Real Assets Private Real Estate</b>	<b>12%</b>	<b>9%/6%**</b>	<b>15%</b>
<u>Private Equity</u>	<b>11%</b>	<b>8%</b>	<b>16%</b>
<u>Absolute Return</u>	<b>9%</b>	<b>6%</b>	<b>14%</b>
<b>Total</b>	<b>100%</b>		

\*Fixed Income Maximum 37% through June 30, 2026 to accommodate an investment manager restructure. Maximum reverts back to 35% on July 1, 2026.

\*\*~~Total Real Assets Private Real Estate~~ Minimum 6% through March 31, 2027 to accommodate an investment manager restructure. Minimum reverts back to 9% on April 1, 2027.

TOTAL FUND PERFORMANCE REVIEW AND EVALUATION

Investment Objectives

Performance Standard	Index
<u>Time Horizon</u> One market cycle (rolling 5-year periods).	Exceed the return on a benchmark Index net of fees. <sup>1</sup>

Investment Guidelines

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

<sup>1</sup> As measured by a composite index designed to track the target asset allocation.

From: To:	1/1/00- 4/30/06	5/1/06- 6/30/08	7/1/08- 9/30/10	10/1/10- 12/31/12	1/1/13- 12/31/13	1/1/14- 12/31/14	1/1/15- 12/31/15	1/1/16- 6/30/16	7/1/16- 12/31/16	1/1/17- 3/31/18	4/1/18- 12/31/18	1/1/19- 12/31/19	1/1/20- 3/31/21	4/1/21- 3/31/22	4/1/22- 9/30/22	10/1/22- 6/30/23	7/1/23- 6/30/25	7/1/25- Present 3/31/26	4/1/26- Present
ACWI IMI (net)	-	-	-	-	-	-	-	56%	56%	55%	50%	47%	43%	44%	44%	44%	39%	36%	36%
Bloomberg U.S. Agg.	30%	28%	28%	28%	28%	28%	28%	25%	22%	22%	25%	25%	26%	23%	23%	23%	29%	32%	32%
NFI-ODDE (1 Qtr Arrears)	-	-	-	-	-	-	7%	7%	7%	7%	7.7%	7.7%	7.7%	9.1%	9.1%	9.7%	9.7%	8.7%	128.7%
90-Day T-bill + 3%	-	-	-	-	-	-	5%	5%	8%	8%	9%	9%	10%	10%	10%	10%	7%	9%	9%
Russell 3000 + 2% (1 Qtr Arrears)	-	-	-	-	-	-	-	-	-	-	-	-	10%	10%	10%	10%	12%	11%	11%
15% Bloomberg U.S. TIPS / 30% S&P Global Infrastructure / 15% S&P Global Natural Resources / 25% FTSE EPRA/NAREIT Developed / 15% Bloomberg Commodity Total Return	-	-	-	-	-	-	-	-	-	-	-	-	-	3.9%	3.3%	3.3%	3.3%	3.3%	-3.3%
35% Barclays TIPS / 20% S&P Global Infrastructure / 20% Global Natural Resources / 10% FTSE EPRA/NAREIT Developed / 15% Bloomberg Commodity Total Return	-	-	-	-	-	-	-	3%	3%	3.3%	3.3%	3.3%	3.3%	3.9%	-	-	-	-	-
Russell 3000 + 3% (1 Qtr Arrears)	-	-	-	2%	2%	2%	2%	4%	4%	5%	5%	8%	-	-	-	-	-	-	-
40% ACWI / 40% Barclays TIPS / 20% Bloomberg Commodity Total Return	-	-	-	-	-	-	-	3%	-	-	-	-	-	-	-	-	-	-	-
Russell 3000	50%	45%	45%	33%	31%	31%	28%	-	-	-	-	-	-	-	-	-	-	-	-
MSCI EAFE (net)	15%	20%	20%	22%	22%	22%	20%	-	-	-	-	-	-	-	-	-	-	-	-
ACWI (net)	-	-	-	-	-	10%	10%	-	-	-	-	-	-	-	-	-	-	-	-
NCREIF (NPI 1 Qtr Arrears)	-	-	7%	7%	7%	7%	-	-	-	-	-	-	-	-	-	-	-	-	-
MSCI World (net)	-	-	-	10%	10%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NCREIF (NPI)	5%	7%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**STATEMENT OF INVESTMENT POLICY**  
**Updated February 2026**

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<u>Public Equity</u>	<u>Target</u>	<u>Minimum</u>	<u>Maximum</u>
Domestic Equity			
Passive Large Cap	6.4%		
Active Large Cap	4.0%		
Active Mid/Small Cap	5.8%		
Total Domestic Equity	<b>16.2%</b>		
Total International Equity	<b>12.6%</b>		
Total Global Equity	<b>7.2%</b>		
<b>Total Public Equity</b>	<b>36%</b>	<b>32%</b>	<b>40%</b>
<u>Fixed Income</u>			
Cash	1%	0%	5.0%
Passive Fixed Income	7.75%		
Active Fixed Income	23.25%		
<b>Total Fixed Income</b>	<b>32%</b>	<b>27%</b>	<b>35%/37%*</b>
<u>Private Real Estate</u>	<b>12%</b>	<b>9%/6%**</b>	<b>15%</b>
<u>Private Equity</u>	<b>11%</b>	<b>8%</b>	<b>16%</b>
<u>Absolute Return</u>	<b>9%</b>	<b>6%</b>	<b>14%</b>
<b>Total</b>	<b>100%</b>		

\*Fixed Income Maximum 37% through June 30, 2026 to accommodate an investment manager restructure. Maximum reverts back to 35% on July 1, 2026.

\*\*Private Real Estate Minimum 6% through March 31, 2027 to accommodate an investment manager restructure. Minimum reverts back to 9% on April 1, 2027.

TOTAL FUND PERFORMANCE REVIEW AND EVALUATION

Investment Objectives

Performance Standard	Index
<p><b>Time Horizon</b> One market cycle (rolling 5-year periods).</p>	<p>Exceed the return on a benchmark Index net of fees.<sup>1</sup></p>

Investment Guidelines

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

<sup>1</sup> As measured by a composite index designed to track the target asset allocation.

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

V.

NEW BUSINESS

- A. Retirements, Death Claims, and Refunds (January).
- B. Conference Requests – February 26, 2026 Board Meeting.

Retirement Type	Retirement SubType	Last Name	First Name	Retirement Date	Option	Department
Regular	Deferred	PALASZEWSKI	CAROL	7/19/2013	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	BURNETT	ODESSA	9/18/2021	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	BENTHIEN	STEVEN	6/20/2023	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	GLADNEY	NEDRA	7/17/2024	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Deferred	IFARINDE	ALFRED	10/29/2025	MAX	DPW - WATER DEPARTMENT
Regular	Deferred	ESSER	ROBERT	11/16/2025	MAX	CITY OF MILWAUKEE
Regular	Deferred	CLEARY	COLLEEN	11/30/2025	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Deferred	CRIDER	TODD	12/2/2025	MAX	DPW-OPS-FLEET SERVICES
Regular	Deferred	RIVAS CASTILLO	JOSEPHINE	12/2/2025	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	SALFER	DONNA	12/2/2025	MAX	MILWAUKEE PUBLIC LIBRARY
Regular	Service	MOELLER	LYNNE	12/3/2025	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Deferred	WARNKE	LUKE	12/4/2025	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	BOGUST	RAYMOND	12/4/2025	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	HANDY	BILLY	12/8/2025	50	DPW-WATER-DISTRIBUTION
Regular	Service	LAURA	JOHN	12/8/2025	75	DPW-OPS-SANITATION
Regular	Involuntary Separation	PRICE	SHARON	12/12/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	HARRIS	KATHY	12/12/2025	MAX	HEALTH-LABORATORIES
Regular	Early	HERRING	TONY	12/13/2025	MAX	DPW-OPS-SANITATION
Regular	Service	KENDZIERSKI	JAMES	12/13/2025	MAX	DPW-OPS-FLEET SERVICES
Regular	Service	SMITH	LYN	12/13/2025	75	CITY OF MILWAUKEE
Regular	Deferred	HROBSKY	DONNA	12/18/2025	75	WISCONSIN CENTER DISTRICT
Regular	Service	NASH	PAMELA	12/20/2025	50	COMPTROLLER
Regular	Service	PIOTROWSKI	JON	12/20/2025	MAX	DPW-WATER-LINWOOD
Regular	Service	SANTAMARIA	SANDRA	12/20/2025	100	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	BOYACK	CHAD	12/21/2025	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	SCHULZ	JASON	12/21/2025	100	MILWAUKEE POLICE DEPARTMENT
Regular	Deferred	NOWAK	DENNIS	12/23/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	BUECHNER	STEVEN	12/23/2025	MAX	DPW-OPS-SANITATION
Regular	Service	DAVILA	DAVID	12/23/2025	50	DPW-OPS-SANITATION
Regular	Service	WAWRZYNIAKOWSKI	SUZANNE	12/23/2025	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	NEVINS	EDWARD	12/26/2025	50	FIRE - FIREFIGHTING
Regular	Deferred	SCHARA	MICHELLE	12/29/2025	100	HEALTH DEPARTMENT
Regular	Service	ADAMS	JOE	12/30/2025	MAX	MILWAUKEE POLICE DEPARTMENT
Regular	Service	ZIELINSKI	TIMOTHY	12/30/2025	100	MILWAUKEE POLICE DEPARTMENT
Regular	Service	MASON	LARRY	12/31/2025	100	DPW-INFRASTRUCTURE-ELECTRICAL
Regular	Service	ROSS	BARBARA	12/31/2025	MAX	DPW-OPS-SANITATION
Regular	Service	SYKES	SANDRA	12/31/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	THOMAS	LORETTA	12/31/2025	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	GREER	LINDA	1/1/2026	MAX	MILWAUKEE PUBLIC SCHOOLS
Regular	Service	MARTINEZ	KENNETH	1/1/2026	100	FIRE - FIREFIGHTING

**Board Report - January 2026**

					<b>Deaths</b>
<b>Type</b>	<b>Last Name</b>	<b>First Name</b>	<b>Death Date</b>	<b>Payment Date</b>	<b>Amount</b>
Deferred Death	GILLES	SEAN	5/27/2024	1/30/2026	\$ 53,408.20
Retiree Death-Termination	BROCKMAN	DONALD	2/25/2025	1/30/2026	\$ 3,473.38
Retiree Death-Termination	BUDISH	JOYCE	12/8/2025	1/30/2026	\$ 278.76
Retiree Death-Termination	COX	MAYLENE	2/5/2024	1/30/2026	\$ 104.40
Retiree Death-Termination	CZARNEZKI	JOHN	12/9/2025	1/30/2026	\$ 1,146.07
Retiree Death-Termination	JERSILD	BERTHA	9/8/2025	1/30/2026	\$ 121.93
Retiree Death-Termination	KOCH	DOROTHY	10/21/2025	1/30/2026	\$ 299.94
Retiree Death-Termination	MARR	JAMES	11/25/2025	1/30/2026	\$ 1,852.58
Retiree Death-Termination	MC KEAN	J. THOMAS	11/6/2025	1/30/2026	\$ 622.62
Retiree Death-Termination	MONT	CAROLINE	11/28/2025	1/30/2026	\$ 830.66
Retiree Death-Termination	NEU	PAUL	11/16/2025	1/30/2026	\$ 1,752.99
Retiree Death-Termination	RYAN	CHARLOTTE	11/17/2025	1/30/2026	\$ 1,494.76
Retiree Death-Termination	SAMPSON	GERTHEEN	12/14/2025	1/30/2026	\$ 123.85
Retiree Death-Termination	STEPHENS	HAROLD	11/13/2025	1/30/2026	\$ 1,322.16
Retiree Death-Termination	STEWART	VINCENT	9/30/2025	1/30/2026	\$ 365.88
Retiree Death-Termination	TEMP	GARY	8/12/2025	1/30/2026	\$ 2,431.32
Retiree Death-Termination	WALKER	WILLIAM	11/1/2025	1/30/2026	\$ 118.09
Retiree Death-Termination	WOJNAR	THOMAS	10/26/2025	1/30/2026	\$ 1,269.18
Surv Death-Termination	HAREBO	ELIZABETH	11/22/2025	1/30/2026	\$ 1,363.76
Surv Death-Termination	KALIVODA	JUDITH	11/19/2025	1/30/2026	\$ 1,396.84
Surv Death-Termination	KRASS	BEVERLY	11/18/2025	1/30/2026	\$ 676.53
Surv Death-Termination	NEUMAN	SHIRLEY	9/9/2025	1/30/2026	\$ 782.68
Surv Death-Termination	RASMUSSEN	ELIZABETH	11/8/2025	1/30/2026	\$ 361.04
Surv Death-Termination	RYAN	CHARLOTTE	11/17/2025	1/30/2026	\$ 1,475.84
Surv Death-Termination	SCHLOTTER	BETTY	9/17/2025	1/30/2026	\$ 751.48
Surv Death-Termination	TAGESON	BEVERLY	11/29/2025	1/30/2026	\$ 1,710.84
<b>TOTAL</b>					<b>\$ 79,535.78</b>
Retiree Death-Cont Opt	ARMBRUSTER	FREDERICK	1/20/2026	1/1/2026	
Retiree Death-Cont Opt	BACKES	KRISTINE	12/30/2025	1/1/2026	
Retiree Death-Cont Opt	BEFFA	GERALD	12/18/2025	1/1/2026	
Retiree Death-Cont Opt	GALASZEWSKI	MARK	1/20/2026	1/1/2026	

Type	Last Name	First Name	Death Date	Payment Date	Amount
Retiree Death-Cont Opt	HOBBL	WILLIAM	1/7/2026	1/1/2026	
Retiree Death-Cont Opt	KOBER	LAWRENCE	12/18/2025	1/1/2026	
Retiree Death-Cont Opt	LAWRENCE	ALICE	12/30/2025	1/1/2026	
Retiree Death-Cont Opt	LIBBY	RODNEY	12/14/2025	1/1/2026	
Retiree Death-Cont Opt	LORINCZ	JOSEPH	12/20/2025	1/1/2026	
Retiree Death-Cont Opt	MITCHELL	MICHAEL	1/5/2026	1/1/2026	
Retiree Death-Cont Opt	SEIBEL	FRANK	1/4/2026	1/1/2026	
Retiree Death-Cont Opt	TANGLE	JOHNNIE	1/2/2026	1/1/2026	
Retiree Death-Cont Opt	WEBER	MARTIN	12/25/2025	1/1/2026	
Retiree Death-Cont Opt	WHITTOW	WAYNE	12/21/2025	1/1/2026	
Retiree Death-Cont Opt	WUTTKEN	GARY	12/12/2025	1/1/2026	

**Board Report - January 2026**

				<b>Withdrawals</b>	
<b>Type</b>	<b>Last Name</b>	<b>First Name</b>	<b>Payment Date</b>		<b>Amount</b>
Administrative Withdrawal	BOYD	TWANDA	1/30/2026	\$	295.66
Administrative Withdrawal	DUNN	JAMES	1/30/2026	\$	2,995.74
Administrative Withdrawal	FRIAS RODRIGUEZ	YIREISY	1/30/2026	\$	2,754.12
Administrative Withdrawal	MCCLENDON	KERMIATH	1/30/2026	\$	3,040.63
Administrative Withdrawal	MOSEY	SARA	1/30/2026	\$	1,783.06
Administrative Withdrawal	MOUA	BAO	1/30/2026	\$	599.72
Administrative Withdrawal	SANCHEZ	GABRIELA	1/30/2026	\$	909.41
Administrative Withdrawal	WIEDMEYER	LINDY	1/30/2026	\$	6,762.40
Full Refund	COOK	SHARELL	1/30/2026	\$	4,687.99
Full Refund	DOMINGUEZ ZAVALA	BRETT	1/30/2026	\$	2,503.91
Full Refund	GRANT	MUKMYA	1/30/2026	\$	10,353.52
Full Refund	ILK	JENNIFER	1/30/2026	\$	6,082.38
Full Refund	MAIO	SARAH	1/30/2026	\$	40,375.89
Full Refund	MARTIN	VENUS	1/30/2026	\$	4,717.77
Full Refund	MILTON	PROMISE	1/30/2026	\$	7,745.34
Full Refund	PAVLOVIC	DRAGAN	1/30/2026	\$	389.25
Full Refund	PERKINS	YOLANDA	1/30/2026	\$	1,565.88
Full Refund	SMITH	NATASHA	1/30/2026	\$	366.41
Full Refund	SOSA	BIANCA	1/30/2026	\$	20,046.46
Full Refund	VARNER	CHEKETIA	1/30/2026	\$	885.14
Member Only Refund	ABUNAAJ	NUHA	1/30/2026	\$	3,553.13
Member Only Refund	BRILOWSKI	PAMELA	1/30/2026	\$	4,534.01
Member Only Refund	BRIMLEY-MASSEY	KAREN	1/30/2026	\$	826.57
Member Only Refund	CHEEKS	MARQUIS	1/30/2026	\$	576.74
Member Only Refund	DRISCOLL	GAGE	1/30/2026	\$	6,007.01
Member Only Refund	HONEYCUTT	DARLA	1/30/2026	\$	266.50
Member Only Refund	JURADO	MIZRAIM	1/30/2026	\$	812.41
Member Only Refund	MAYWEATHER	ANGELA	1/30/2026	\$	476.76
Member Only Refund	PAYNE	KAMILAH	1/30/2026	\$	691.03
Member Only Refund	PRUITT	REILLY	1/30/2026	\$	4,307.75
Member Only Refund	ROEDEL	CHARLES	1/30/2026	\$	9,738.63
Member Only Refund	ROMO MURILLO	ANA	1/30/2026	\$	2,603.00
Member Only Refund	SCHARMACH	THOMAS	1/30/2026	\$	3,304.88

Type	Last Name	First Name	Payment Date	Amount
Member Only Refund	SCHOTT	DOMINIC	1/30/2026 \$	1,942.10
Member Only Refund	WATKINS	XAVIER	1/30/2026 \$	687.38
Member Only Refund	WOODS	KENTRIANA	1/30/2026 \$	862.49
			<b>TOTAL \$</b>	<b>160,051.07</b>

## **Conference Requests – February 2026 Board Meeting**

Erich Sauer	Harrison Street Annual Investor Conference
Sponsor:	Harrison Street
Location:	Boulder, CO
Date(s):	May 4 - 7, 2026
Estimated Cost:	\$2,250.00

VI.

MEDICAL REPORTS

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

MERITS

CITY OF MILWAUKEE EMPLOYEES' RETIREMENT SYSTEM

Page Number: 1 OF 1

Medical Panel Approvals Report

DATE RAN : 02/18/2026

Approved by Executive Director

Pension Board Meeting Date 02/26/2026

TIME RAN : 12:55

DOCTOR DECISION

<u>Case Number</u>	<u>Name</u>	<u>Title</u>	<u>Employer</u>	<u>Case Type</u>	<u>Case Sub-Type</u>	<u>City</u>	<u>Union</u>	<u>Third</u>	<u>Disability Date</u>	<u>Comments</u>
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**NO RECORDS TO PROCESS**

*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.*

<u>Name</u>	<u>Title</u>	<u>Employer</u>	<u>CaseType</u>	<u>Case Sub-Type</u>	<u>Disability Date</u>	<u>Medical Council Meeting Date</u>	<u>In Person Exam Waiver</u>
KORDUCKI, ANDREW	FIRE FIGHTER	MFD	Duty Disability 75%	Re-Examination	05/25/2018	02/13/2026	
RAMSKUGLER, STEPHANIE	POLICE SERGEANT	MPD	Ordinary Disability	Re-Examination	04/23/2024	02/13/2026	
WARREN, KATRINA	POLICE OFFICER	MPD	Ordinary Disability	Re-Examination	06/07/2019	02/13/2026	
WILKIEWICZ, ANDREW	DETECTIVE	MILWAUKEE POLICE DEPARTME	Duty Disability 75%	Re-Examination	12/10/2023	02/13/2026	

Number of Cases: 4

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

## VII.

### UNFINISHED BUSINESS

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

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.
- E. Approval of 2026 A&O Committee Audit Charter.



## February 26, 2026 Board Meeting

### **PENDING LEGAL OPINIONS AND SERVICE REQUESTS REPORT**

#### **PART 1. LEGAL OPINIONS - OFFICE OF CITY ATTORNEY**

None.

#### **PART 2. LEGAL OPINIONS - OUTSIDE LEGAL COUNSEL**

None.

#### **PART 3. SERVICE REQUESTS - OFFICE OF CITY ATTORNEY**

None.

#### **PART 4. SERVICE REQUESTS - OUTSIDE LEGAL COUNSEL**

None.



## February 26, 2026 Board Meeting

### **PENDING LEGISLATION REPORT**

#### **PART 1. PENDING CHARTER ORDINANCES FOR COMMON COUNCIL ACTION**

None.

#### **PART 2. PENDING CHANGES TO THE RULES & REGULATIONS**

**Proposed Amendments to Board Rules II.C.6. and VII.G.2.c.**

\*\*See Pending Legislative Committee Referrals\*\*

#### **PART 3. PENDING LEGISLATIVE COMMITTEE REFERRALS**

**Proposed Amendments to Board Rules II.C.6. and VII.G.2.c.**

- 12/23/25 Referred to Legislative Committee.
- 02/26/26 On Committee agenda for review, consideration, and recommendation.

#### **PART 4. PENDING STATE LEGISLATION**

**Shareholder Proxy Voting Practices of Wisconsin Public Pension Trusts (AB 767, SB 763)**

Proposed legislative bills that would create requirements and limitations on shareholder proxy voting practices of the three Wisconsin public pension trusts - Wisconsin Retirement System, City of Milwaukee ERS and Milwaukee County ERS.

**Disclosure Requirements for Proxy Advisors (SB 879)**

Proposed bill that would require proxy advisors to disclose certain information when making recommendations regarding a company or proxy proposal that is different from the recommendation of the company's management.



## February 26, 2026 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\*\*

➤ **02/17/26** Court of Appeals affirmed Circuit Court decision granting summary and declaratory judgment to the plaintiffs.

#### **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** Oral argument held. Appellate Court decision pending.

#### **Kurt Lacina v Employees' 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\*\*

➤ **11/24/25** Awaiting assignment to Appellate panel.

## **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.

### **Frank Lockett; Administrative Case No. 1591**

➤ **03/17/26** Administrative appeal hearing scheduled.

## **Part 3. Notice of Claim filed with ERS**

### **Claim of Amina Bell.**

Spouse of deceased member claims that member's designation of a non-spouse survivor violated her marital property rights.

➤ **12/09/26** Notice of claim received.

## **Part 4. ERS Litigation through Outside Legal Counsel**

None.

# Employes' Retirement System – Executive Director's Report

February 2026

## I. Personnel Update

- A. After an internal posting, Corinne Anderson has been promoted to fill the vacant Benefit Services Coordinator position. The promotion will take effect on March 2, 2026. ERS will now work to fill the **Benefits Services Specialist position left vacant due to Ms. Anderson's promotion.**

## II. Member Services

- A. New retirees on payroll in January – 42, and 52 are currently anticipated for the February payroll.
- B. Retiree/Employee deaths entered in December - 54.
- C. A new group of Emergency Communicators started on 2/2/26 and 9 attended.
- D. A Retirement Workshop was added to the schedule for MPS which will be on 3/25/26.
- E. Below is a breakdown of to-date ERS benefits payouts/active/deferred counts:

Category	Count
<b>Annuitants</b>	
Death - Duty	23
Death - Ordinary	100
Disability - Duty	345
Disability - Ordinary	560
Retirement	12,863
Separation	40
<b>Total Annuitants</b>	<b>13,931</b>
<b>Active</b>	<b>8,672</b>
<b>Deferred</b>	<b>3,530</b>
<b>Total Population</b>	<b>26,133</b>

## III. Financial Services

- A. Outside Earnings letters will be mailed by March 15<sup>th</sup>. These letters are sent to members who have either elected early retirement or received certain types of disability payments and have not reached full retirement age. The affected members are required to submit their 2025 income tax returns to ERS.
- B. Staff met with the Legislative Audit Bureau to start working on the 2025 financial audit.

## IV. Information Services

- A. Upgrade FileNet P8 to IBM CloudPak4BA in progress.
- B. Network Redesign in progress.
- C. Backup Exec Upgrade in progress.
- D. Server Firmware Upgrade in progress.
- E. Printer Firmware Upgrade completed.
- F. PC Firmware Upgrade completed.
- G. WUG Upgrade completed.
- H. Video Conferencing System Upgrade completed.

V. Administration

- A. ERS held its annual all staff meeting to complete required policy training on February 18, 2026. Covered topics included security awareness, computer infrastructure and applications policies, building security, alternative work arrangements (AWA), telecommuting policies, records and personally identifiable information, and general office guidelines.
- B. I will be attending the Milwaukee Retiree’s Association on April 14, 2026 to introduce myself and give a brief plan status update.
- C. Please remember to submit your Statements of Economic Interests with the Ethics Board by February 28, 2026 to avoid penalties. The report form is available on the Ethics Board website at: <https://city.milwaukee.gov/ImageLibrary/Groups/ccClerk/Ethics-Board/SEI-2025.pdf>.
- D. HACM is currently in the process of reconstituting its leadership and implementing structural changes to address longstanding financial and governance issues. Of particular note, the agency is currently searching for a permanent replacement for Interim Secretary-Executive Director Ken Barbeau, who has served in the role since January 2024. On January 16, 2026, HACM’s Executive Search Committee forwarded the names of finalist candidates to the HACM Board for consideration. On January 30, 2026, the HACM Board voted to schedule four candidates for second round interviews.

The HACM Board is also conducting a formal review of the agency’s organizational structure. As part of this process, the HACM Board is working to create a standing Finance Committee, which will be responsible for the agency’s financial oversight, risk management, budgeting, audit review, and development of strategies for the agency’s long-term financial stability.

ERS provides quarterly billing statements to HACM regarding its outstanding actuarially determined employer contributions (“ADEC”). Below is a breakdown of HACM’s outstanding ADECs as of February 28, 2026.

<b>PY 2024 ADEC</b>	
<i>* Statutory Due Date of December 31, 2025</i>	
<b>Balance 1/1/2026</b>	<b>\$597,089</b>
Payment Received 1/2/26	(\$203,726)
Interest through 1/31/26	\$2,162
Interest through 2/28/26	\$2,174
<b>Balance 2/28/2026</b>	<b>\$397,700</b>

<b>PY 2025 ADEC</b>	
<i>* Statutory Due Date of December 31, 2026</i>	
<b>Balance 1/1/2026</b>	<b>\$2,024,259</b>
Interest through 1/31/26	\$11,128
Interest through 2/28/26	\$11,189
<b>Balance 2/28/2026</b>	<b>\$2,046,577</b>

<b>PY 2026 ADEC</b>	
<i>* Statutory Due Date of December 31, 2027</i>	
<b>Balance 1/1/2026</b>	<b>\$1,915,565</b>
Interest through 1/31/26	\$10,531
Interest through 2/28/26	\$10,588
<b>Balance 2/28/2026</b>	<b>\$1,936,684</b>

# Basic Website Metrics

	2025												2026
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
Users	2,004	2,003	1,781	1,837	1,544	1,517	1,523	1,541	3,185	4,649	3,000	4,492	<b>4,674</b>
Page Views	6,970	7,574	5,915	6,211	4,831	4,618	4,993	4,827	11,016	18,685	11,595	12,222	<b>14,697</b>
Ave. Visit	1:37	1:47	1:28	1:30	1:25	1:15	1:21	1:22	1:27	1:54	1:08	1:02	<b>1:26</b>

# **Employees' Retirement System of the City of Milwaukee**

## **Administration & Operations Committee Audit Charter January ~~2025~~ 2026**

### **Purpose**

The purpose of this Administration and Operations (A&O) Committee Audit Charter dated January ~~2025~~ 2026 is to assist the Board Members in fulfilling their oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the agency's process for monitoring compliance with laws and regulations and the code of conduct. Because of the existing member composition of the A&O Committee as well as the limited number of members, this committee will also have responsibility for the Internal Audit function.

### **I. AUTHORITY**

### **II. RESPONSIBILITIES**

- (1) Financial Statements**
- (2) System of Risk Management**
- (3) Internal Control**
- (4) Internal Audit**
- (5) External Audit of the Financial Statements**
- (6) Agency's Processes for Monitoring Compliance**
- (7) Special Investigations and Whistleblower Mechanism**
- (8) A&O Committee Management and Reporting Responsibilities**

### **III. MEETINGS**

### **I. AUTHORITY**

The A&O Committee has authority to request the Board to conduct or authorize investigation in to any matters within its scope of responsibility. It is empowered to:

- Comply with provisions of section 13.94(1)(x)-(y), Wisconsin Statutes, regarding the financial and actuarial audits of the ERS, review and approve audit fees charged by the Wisconsin Legislative Audit Bureau (LAB).
- Recommend independent auditors to be engaged by the agency, review and approve the planned and budgeted fees of the independent auditors, review and evaluate the performance of the independent auditors and obtain Board approval for any proposed discharge of the independent auditors.<sup>1</sup>
- Pre-approve all auditing and non-audit services.<sup>1</sup>

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<sup>1</sup> Pursuant to section 13.94(1)(x)-(y), Wisconsin Statutes, the WI LAB is mandated by the State of Wisconsin to perform financial and actuarial audits of ERS. For this reason, auditor interactions by the A&O Committee will exclude the audit of the annual financial statements.

- Resolve any disagreements between management and the audit team encountered during the course of the audit including any restrictions on the scope of the work or access to required information.<sup>1</sup>
- Retain independent accountants, or others to advise the A&O Committee or assist in the conduct of an investigation as necessary.
- Seek any information required from employees, all of who are directed to cooperate with the committee's requests.

## **II. RESPONSIBILITIES**

The committee will oversee the following responsibilities:

### **(1) Financial Statements**

- Review significant accounting and reporting issues, including complex or unusual transactions, highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review the annual financial statements and consider whether they are complete, consistent with information known to committee members and reflect appropriate accounting principles.
- Review with the City Attorney or outside legal counsel the status of legal matters that may have an effect on the financial statements.
- Understand how management develops interim financial information, and the nature and extent of external and internal auditor involvement.
- Review interim financial reports with management and consider whether they are complete and consistent with the information known to committee members.

### **(2) System of Risk Management**

- Ensure that the organization has a comprehensive policy on risk management.
- Consider the effectiveness of the organization's risk management system, including risks of information technology systems.
- Consider the risks of business relationships with significant vendors and consultants.
- Review reports on management's self-assessment of risks and the mitigations of these risks.
- Understand the scope of the internal auditor's review of risk management over financial reporting and internal controls and obtain reports on significant findings and recommendations with management's responses.
- Hire outside experts and consultants in risk management as necessary.

### **(3) Internal Control**

- Consider the effectiveness of the organization's internal control system, including information technology security and control.
- Understand the scope of internal auditor's and external auditor's review of internal control over financial reporting and its processes and obtain reports on significant findings and recommendations with management's responses.
- Ensure that the organization has a comprehensive policy on internal control and compliance and periodically review the policies on ethics, the code of conduct and fraud.
- Review the role of the internal auditor's involvement in the governance process, including governance documentation and training.
- Ensure that contracts with external service providers contain appropriate record-keeping and audit language.

### **(4) Internal Audit**

- Assure and maintain through the organizational structure of the agency and by other means, the independence of the internal audit process. Review with management the department charter, objectives, plans, activities, staffing, budget, qualifications, and organizational structure of the internal audit function.
- Obtain the information and training needed to enhance the committee members' understanding of the purpose of internal audits so that the committee may adequately oversee the internal audit function.
- Ensure there are no unjustified restrictions or limitations placed on Internal Audit and internal audit staff. Ensure that internal auditors have access to all documents, information and systems in the organization.
- Receive and review all internal audit reports and management letters. Review any changes in the scope of their internal audit. Review the responsiveness and timeliness of management's follow-up activities pertaining to any reported findings and recommendations.
- Review the performance of Internal Audit periodically.

### **(5) External Audit of the Financial Statements**

Pursuant to section 13.94(1)(x)-(y), Wisconsin Statutes, the WI LAB is mandated by the State of Wisconsin to perform financial and actuarial audits of ERS. For this reason, auditor interactions by the A&O Committee will exclude the audit of the annual financial statements. The A&O Committee may, at its discretion, retain other audit firms to execute agreed upon procedures, preparation of employer schedules, internal audit, etc., and to have reports from such firms be presented to the A&O Committee for review, consideration, and action as deemed necessary.

Pursuant to the Laws of 1937, chapter 396, section 15(1), and consistent with the Wisconsin Supreme Court decision in *Milwaukee Police Assn. v. City of Milwaukee (2018)*, the Milwaukee City Charter

(Section 15-1), and the Annuity & Pension Board Rules & Regulations (Section IV.D), the Annuity & Pension Board retains the authority to approve the LAB audit Engagement Agreement Letter and authorize ERS staff to make representations on behalf of the Annuity & Pension Board regarding the reasonableness of actuarial assumptions determined by the Board.

During the external audit of the financial statements, ERS Management is authorized to sign the required management representation letter, including a representation that the actuarial assumptions and rates used by the System are those that are specifically approved by the Annuity and Pension Board, and that the authority to adopt such assumptions and rates resides exclusively with the Annuity and Pension Board.

Pursuant to section 13.94(1s)(c)(1m), Wisconsin Statutes, the WI Legislative Audit Bureau may charge the retirement system for the cost of auditing the financial statements. The A&O Committee shall continue to review the reasonableness of all charges for such audits and authorize payments of such charges.

#### **(6) Agency's Processes for Monitoring Regulatory Compliance**

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instance of noncompliance.
- Review the findings of any examinations by regulatory agencies and any auditor observations, including investigations of misconduct and fraud.
- Review the process for communicating to all affected parties the ethics policy, code of conduct and fraud policy to agency personnel and for monitoring compliance.
- Obtain regular updates from management and organization legal counsel regarding compliance matters.
- Monitor changes and proposed changes in laws, regulations and rules affecting the agency.

#### **(7) Special Investigations and Whistleblower Mechanism**

- Institute and oversee special investigations as needed.
- Provide an appropriate confidential mechanism for whistleblowers to provide information on potentially fraudulent financial reporting or breaches of internal control to the A&O Committee, City Comptroller's Fraud Hotline or City of Milwaukee Ethics Board.

#### **(8) A&O Committee Management and Reporting Responsibilities**

- Provide an open avenue of communication between internal audit, other external auditors, and management Board members.
- Confirm annually that all responsibilities outlined in this charter have been carried out and review the charter on an annual basis to determine updates.
- Report annually to the Board, members, retirees and beneficiaries describing the committee's composition, responsibilities and how they were discharged and any other pertinent

information, including approval of non-audit services and proposed changes and ensure appropriate disclosure as may be required by law or regulation.

- Evaluate the committee's and individual member's performance on a regular basis and report to the Board.

### **III. MEETINGS**

The A&O Committee will meet at least four times a year on a quarterly basis. All committee members are expected to attend each meeting. The agendas for meetings should be prepared and provided to members in advance, along with appropriate briefing materials. The committee may invite members of management or others to attend meetings and provide pertinent information as necessary. Minutes will be prepared by and filed with the Board members.

## VIII.

### INFORMATIONAL

- A. Conferences.
- B. Class Action Income 2026 YTD.
- C. Adjusted Quarterly Cost Basis of Equity.
- D. Report on Bills.
- E. Securities Lending Revenue and Budget Report.
- F. Preliminary Performance Report and Asset Allocation.

# Client Conferences 2026

**Board Meeting: February 26, 2026**

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
March 3 – 4, 2026 10:30 am – 2:00 pm	“Callan College” Introduction to Investments Virtual	Callan Associates
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
April 21 – 22, 2026	JP Morgan 2026 Real Estate Annual General Meeting New York, NY	JP Morgan
April 21 – 23, 2026	Dimensional Fund Advisors 2026 Annual Institutional Symposium Austin, TX	Dimensional Fund Advisors
May 5 – 7, 2026	2026 Annual Investor Conference – North America Boulder, CO	Harrison Street
June 16 – 17, 2026	Neuberger Berman Private Markets Annual Investors’ Meeting New York, NY	Neuberger Berman
June 18, 2026 8:00 am – 11:00 am	June Regional Workshop Chicago, IL	Callan Associates
September 22 – 23, 2026 10:30 am – 2:00 pm	“Callan College” Introduction to Investments Virtual	Callan Associates

# Trustee Conferences 2026

**Board Meeting: February 26, 2026**

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
March 5, 2026 4:30pm – 6:30pm	5 Themes to Watch in 2026 Milwaukee, WI (Journeyman Hotel)	CFA Society of Milwaukee
March 9 – 11, 2026	CII Spring 2026 Conference Washington DC	Council of Institutional Investors
March 18, 2026 4:30pm – 6:30pm	Beyond the Headlines: What's Really Happening in Private Markets Milwaukee, WI (Journeyman Hotel)	CFA Society of Milwaukee
April 20 – 22, 2026	The Annual (formerly Pension Bridge) Los Angeles, CA	with.Intelligence
April 21 – 22, 2026	12 <sup>th</sup> Annual Midwest Institutional Forum Chicago, IL	Markets Group
April 21 – 22, 2026	Private Markets – The LP Perspective Chicago, IL	Pensions&Investments
April 22 – 23, 2026	Investments Institute Austin, TX	International Foundation of Employee Benefit Plans
April 27 – 28, 2026	Investment Basics Scottsdale, AZ	International Foundation of Employee Benefit Plans
April 27 – 29, 2026	Public Funds Roundtable 2026 Beverly Hills, CA	Institutional Investor
May 3 – 6, 2026	Global Conference Los Angeles, CA	Milken Institute
May 11 – 14, 2026	Portfolio Concepts and Management (Wharton Course) Philadelphia, PA	International Foundation of Employee Benefit Plans
May 16 – 17, 2026	NCPERS Advanced Fiduciary (NAF) Institute & Trustee Essentials Training 2026 (formerly TEDS) Las Vegas, NV	NCPERS

# Trustee Conferences 2026

**Board Meeting: February 26, 2026**

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
May 17 – 20, 2026	Annual Conference & Exhibition (ACE) Las Vegas, NV	NCPERS
May 20, 2026	12 <sup>th</sup> Annual Redefining Fixed Income Forum 2026 Chicago, IL	Institutional Investor
May 21, 2026	Private Credit Series Chicago 2026 Chicago, IL	Institutional Investor
June 4, 2026	10 <sup>th</sup> 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 I San Diego, CA	International Foundation of Employee Benefit Plans
June 15 – 16, 2026	Public Plan Trustees Institute – Level II San Diego, CA	International Foundation of Employee Benefit Plans
July 13 – 15, 2026	Pension Bridge Private Equity Exclusive Chicago, IL	with.Intelligence
July 20 – 21, 2026	ALTSCHI Chicago, IL	Markets Group
July 22 – 23, 2026	5 <sup>th</sup> Private Equity Chicago Forum Chicago, IL	Markets Group
August 17 – 19, 2026	Public Pension Funding Forum 2026 Chicago, IL	NCPERS
September 23, 2026	12 <sup>th</sup> Annual Great Plains Institutional Forum Minneapolis, MN	Markets Group
September 28 – 29, 2026	Investment Basics Orlando, FL	International Foundation of Employee Benefit Plans

# Trustee Conferences 2026

**Board Meeting: February 26, 2026**

DATE(S)	CONFERENCE(S) / LOCATION(S)	SPONSOR(S)
September 30 – October 2, 2026	CII Fall 2026 Conference Boston, MA	Council of Institutional Investors
October 6 – 8, 2026	P&I Convergence 2026 New York, NY	Pensions&Investments
October 24 – 25, 2026	Public Plan Trustees Institute – Level I New Orleans, LA	International Foundation of Employee Benefit Plans
October 24 – 25, 2026	Public Plan Trustees Institute – Level II New Orleans, LA	International Foundation of Employee Benefit Plans
October 24 – 25, 2026	Fiduciary in Focus Workshop 2026 (formerly PATS) Nashville, TN	NCPERS
October 25 – 28, 2026	Public Safety Conference Nashville, TN	NCPERS

# Upcoming Due Diligence Meetings

Date	Manager(s)	Team
June 2026	Aptitude – Seattle	Erich and Tom
June 27 – July 1, 2026	UBS – London	Keith

### Class Action Income 2026 YTD

<b>Asset Description</b>	<b>Date(s)</b>	<b>Amount</b>
Viacom, Inc.	1/6/2026 \$	105
The Bank of New York Mellon	1/16/2026 \$	2
CITIBANK	1/16/2026 \$	2
Warner Brothers Discovery	1/22/2026 \$	2,927
Boston Scientific Corp.	2/12/2026 \$	217
<b>Total Class Action Income Received in 2026 YTD</b>	<b>\$</b>	<b>3,252</b>

## Adjusted Quarterly Cost Basis of Equity December 31, 2025

Date	Market Value of Total Fund	Equity as Percent of	Cost Value of Total Fund	Equity as Percent of
		Portfolio on a Market Value		Portfolio on Cost
		Basis %		Basis %
Dec-18	4,952,685,618	50.7%	4,457,976,536	48.9%
Mar-19	5,287,164,709	52.5%	4,458,818,165	48.5%
Jun-19	5,368,388,543	52.2%	4,439,503,880	48.5%
Sep-19	5,336,312,140	51.6%	4,409,684,126	48.6%
Dec-19	5,525,553,595	53.1%	4,370,713,537	48.7%
Mar-20	4,532,932,039	47.6%	4,421,955,418	47.5%
Jun-20	4,904,369,177	52.6%	4,216,408,115	50.3%
Sep-20	5,077,501,527	52.0%	4,228,679,409	49.0%
Dec-20	5,531,306,606	53.5%	4,270,905,026	47.9%
Mar-21	5,693,916,321	53.5%	4,338,199,305	46.1%
Jun-21	6,012,966,775	52.3%	4,337,113,221	45.0%
Sep-21	6,026,295,778	48.4%	4,378,190,704	42.2%
Dec-21	6,218,053,813	47.6%	4,473,429,725	41.0%
Mar-22	6,156,069,941	46.5%	4,642,000,891	41.1%
Jun-22	5,633,734,690	44.6%	4,548,655,130	43.9%
Sep-22	5,276,131,314	43.7%	4,538,899,040	44.8%
Dec-22	5,469,372,844	46.0%	4,476,020,934	44.5%
Mar-23	5,644,257,058	47.6%	4,501,213,423	44.4%
Jun-23	5,654,571,235	43.9%	4,551,510,198	39.4%
Sep-23	5,471,790,350	40.0%	4,563,372,935	35.9%
Dec-23	5,712,163,552	42.7%	4,524,515,830	36.6%
Mar-24	5,968,654,087	42.9%	4,668,405,133	35.6%
Jun-24	5,895,564,025	42.3%	4,634,369,429	35.6%
Sep-24	6,063,026,517	42.4%	4,630,995,120	34.7%
Dec-24	5,857,172,026	41.8%	4,603,392,549	35.3%
Mar-25	6,023,115,111	40.5%	4,762,571,210	34.2%
Jun-25	6,180,171,693	39.7%	4,811,461,076	32.7%
Sep-25	6,310,301,424	39.2%	4,820,747,511	31.5%
Dec-25	6,380,076,876	39.8%	4,809,222,618	31.7%

**Fiscal Year**  
**2026**  
**Department**  
**Employees' Retirement System**

**City of Milwaukee**  
**Departmental**  
**Appropriation Budget Balances**

**2026-01-31**

	Budget	2026-1	Year to Date Expended	Year to Date PreEncumbrances	Remaining Budget
<i>Regular Departmental Appropriations:</i>					
Employee Salaries & Wages	5,384,455.00	-	-	-	5,384,455.00
Base Pay-Salary & Wage	-	248,558.14	248,558.14	-	(248,558.14)
Overtime Premium	-	52.90	52.90	-	(52.90)
Other Worked Compensation	-	357.41	357.41	-	(357.41)
Non-Worked Compensation	-	40,801.93	40,801.93	-	(40,801.93)
Time Paid Not Worked	-	207,748.32	207,748.32	-	(207,748.32)
Employee Salaries & Wages	\$ 5,384,455.00	497,518.70	\$ 497,518.70	\$ -	\$ 4,886,936.30
Fringe Benefits Applied	2,423,005.00	-	-	-	2,423,005.00
Applied Employee Benefits	\$ 2,423,005.00	-	\$ -	\$ -	\$ 2,423,005.00
Operating Expenditures	15,770,400.00	-	-	-	15,770,400.00
Postal and Mailing Services	-	272.49	272.49	-	(272.49)
Electricity	-	4,191.40	4,191.40	-	(4,191.40)
Building Rental	-	38,519.28	38,519.28	-	(38,519.28)
Administrative Charges	-	8,768.75	8,768.75	-	(8,768.75)
Telephone, Communications	-	2,844.77	2,844.77	-	(2,844.77)
Travel & Subsistence	-	34.98	34.98	-	(34.98)
Operating Expenditures	\$ 15,770,400.00	54,631.67	\$ 54,631.67	\$ -	\$ 15,715,768.33
All Equipment	1,058,000.00	-	-	-	1,058,000.00
Total Equipment	\$ 1,058,000.00	-	\$ -	\$ -	\$ 1,058,000.00
<b>Total Regular Class</b>	<b>\$ 24,635,860.00</b>	<b>552,150.37</b>	<b>\$ 552,150.37</b>	<b>\$ -</b>	<b>\$ 24,083,709.63</b>
<i>Other Departmental Appropriations:</i>					
Group Life Insurance Premium	4,200,000.00	356,321.29	356,321.29	-	3,843,678.71
Retiree's Benefit Adjustment	15,000.00	145.05	145.05	-	14,854.95
Other Classes	\$ 4,215,000.00	356,466.34	\$ 356,466.34	\$ -	\$ 3,858,533.66
<b>Total Dept Appropriations</b>	<b>\$ 28,850,860.00</b>	<b>908,616.71</b>	<b>\$ 908,616.71</b>	<b>\$ -</b>	<b>\$ 27,942,243.29</b>

**Employes' Retirement System**  
**Securities Lending Income and Expenses: 2026**  
**As of JANUARY 31, 2026**

<b>Date</b>	<b>Amounts Expended</b>			<b>Balance</b>
	<b>Income From Lending</b>	<b>Fees</b>	<b>Administrative Transfers</b>	
<b>Balance 12-31-25</b>				<b>\$697,277.74</b>
01/06/26	2,182.42	-	-	699,460.16
01/15/26	95,106.68	19,015.21	-	775,551.63
01/28/26			698,000.00	
<b>Current Totals</b>	<b>\$97,289.10</b>	<b>\$19,015.21</b>	<b>\$698,000.00</b>	<b>\$77,551.63</b>

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

**MERS PERFORMANCE ESTIMATES**  
January 31, 2026

Account	2025 Return	Jan 2026	YTD Thru 1/31/2026
<b>Northern Trust S&amp;P 500 Index</b>	17.88%	1.45%	1.45%
S&P 500	17.88%	1.45%	1.45%
Difference	0.00%	0.00%	0.00%
<b>BlackRock Russell 1000 Value Index</b>	15.92%	4.56%	4.56%
Russell 1000 Value	15.91%	4.56%	4.56%
Difference	0.01%	0.00%	0.00%
<b>DFA US Large Cap Value</b>	16.95%	4.82%	4.82%
Russell 1000 Value	15.91%	4.56%	4.56%
Difference	1.04%	0.26%	0.26%
<b>Polen</b>	5.18%	-5.52%	-5.52%
S&P 500	17.88%	1.45%	1.45%
Difference	-12.70%	-6.97%	-6.97%
<b>Earnest</b>	10.70%	5.83%	5.83%
Russell MidCap	10.60%	3.06%	3.06%
Difference	0.10%	2.78%	2.78%
<b>DFA US Small Cap Value</b>	9.15%	6.70%	6.70%
Russell 2000 Value	12.59%	6.86%	6.86%
Difference	-3.45%	-0.16%	-0.16%
<b>Brandes</b>	40.03%	5.40%	5.40%
MSCI EAFE	31.22%	5.22%	5.22%
Difference	8.81%	0.18%	0.18%
<b>DFA Int'l Small Cap Value</b>	52.07%	6.78%	6.78%
MSCI EAFE Small Cap	31.83%	5.79%	5.79%
Difference	20.24%	0.99%	0.99%
<b>AQR</b>	30.89%	10.63%	10.63%
MSCI EM	33.57%	8.85%	8.85%
Difference	-2.68%	1.78%	1.78%
<b>BlackRock ACWI Ex US Growth</b>		5.87%	5.87%
MSCI ACWI ex US Growth		5.52%	5.52%
Difference		0.35%	0.35%
<b>BlackRock Global Alpha Tilts</b>	25.05%	4.78%	4.78%
MSCI ACWI	22.34%	2.96%	2.96%
Difference	2.71%	1.81%	1.81%
<b>MFS</b>	8.77%	-0.82%	-0.82%
MSCI ACWI	22.34%	2.96%	2.96%
Difference	-13.57%	-3.79%	-3.79%
<b>BlackRock Gov't Bond Index</b>	6.24%	0.01%	0.01%
Bloomberg Gov't Bond	6.31%	-0.09%	-0.09%
Difference	-0.07%	0.10%	0.10%
<b>BlackRock Aggregate Bond Index</b>		0.21%	0.21%
Bloomberg US Aggregate		0.11%	0.11%
Difference		0.10%	0.10%
<b>Reams</b>	8.70%	0.10%	0.10%
Bloomberg US Aggregate	7.30%	0.11%	0.11%
Difference	1.40%	0.00%	0.00%
<b>Loomis Sayles</b>	9.78%	0.40%	0.40%
Bloomberg US Aggregate	7.30%	0.11%	0.11%
Difference	2.48%	0.29%	0.29%
<b>UBS</b>	9.75%	1.18%	1.18%
SOFR + 4%	8.34%	0.64%	0.64%
Difference	1.41%	0.54%	0.54%
<b>Aptitude</b>	11.94%	1.65%	1.65%
SOFR + 4%	8.34%	0.64%	0.64%
Difference	3.59%	1.01%	1.01%
<b>Principal</b>	14.82%	5.84%	5.84%
Blended Benchmark	16.54%	5.60%	5.60%
Difference	-1.72%	0.24%	0.24%
<b>Baird</b>	5.10%	0.28%	0.28%
Bloomberg Govt/Credit 1-3 Year	5.35%	0.23%	0.23%
Difference	-0.25%	0.05%	0.05%
<b>Total MERS</b>	<b>12.88%</b>	<b>1.89%</b>	<b>1.89%</b>

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, AQR, Principal, UBS, and Aptitude).

## ACTUAL ALLOCATIONS

Jan 31, 2026

		Target	Market Value	Allocation
<b>EQUITY</b>				
<b>Public Equity</b>				
Domestic				
Passive Large Cap Equity	Northern Trust (S&P 500)	3.19%	\$ 207,806,206	3.12%
	BlackRock (Russell 1000 Value)	3.19%	\$ 215,551,892	3.23%
	Sub-Total Passive Large Cap Equity	6.37%	\$ 423,358,098	6.35%
Active Large Cap Equity	Polen (S&P 500)	1.79%	\$ 102,822,207	1.54%
	DFA (Russell 1000 Value)	2.28%	\$ 155,307,200	2.33%
	Sub-Total Active Large Cap Equity	4.06%	\$ 258,129,407	3.87%
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	2.95%	\$ 200,721,829	3.01%
	DFA (Russell 2000 Value)	2.81%	\$ 208,520,114	3.13%
	Sub-Total Active Mid/Small Cap Equity	5.76%	\$ 409,241,943	6.14%
<b>Total Domestic</b>		<b>16.20%</b>	<b>\$ 1,090,729,448</b>	<b>16.35%</b>
International				
Active International Equity	Brandes (MSCI EAFE)	4.74%	\$ 336,543,945	5.05%
	DFA (MSCI EAFE Small Cap)	2.62%	\$ 193,520,066	2.90%
	AQR (MSCI EM)	1.63%	\$ 117,060,247	1.75%
	Sub-Total Active International Equity	8.99%	\$ 647,124,258	9.70%
Passive International Equity	BlackRock (MSCI ACWI ex US Growth)	3.61%	\$ 240,154,110	3.60%
<b>Total International</b>		<b>12.60%</b>	<b>\$ 887,278,368</b>	<b>13.30%</b>
Global				
Active Global Equity	BlackRock (MSCI ACWI)	3.96%	\$ 270,400,282	4.05%
	MFS (MSCI ACWI)	3.24%	\$ 208,484,391	3.13%
<b>Total Global</b>		<b>7.20%</b>	<b>\$ 478,884,673</b>	<b>7.18%</b>
<b>Total Public Equity</b>		<b>36.00%</b>	<b>\$ 2,456,892,489</b>	<b>36.83%</b>
<b>Private Equity</b>				
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	3.85%	\$ 300,472,842	4.50%
	Mesirow (Russell 3000 Quarter Lag + 2%)	3.85%	\$ 314,338,841	4.71%
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.65%	\$ 86,719,469	1.30%
	Apogem (Russell 3000 Quarter Lag + 2%)	1.65%	\$ 108,090,390	1.62%
<b>Total Private Equity</b>		<b>11.00%</b>	<b>\$ 809,621,542</b>	<b>12.14%</b>
<b>TOTAL EQUITY (Public Equity + Private Equity)</b>		<b>47.00%</b>	<b>\$ 3,266,514,031</b>	<b>48.97%</b>
<b>FIXED INCOME &amp; ABSOLUTE RETURN</b>				
<b>Fixed Income</b>				
Cash				
		1.00%	\$ 73,111,454	1.10%
Passive Fixed Income	BlackRock (Bloomberg US Government)	7.75%	\$ 506,145,884	7.59%
	BlackRock (Bloomberg US Aggregate)	3.41%	\$ 222,801,975	3.34%
	Sub-Total Passive Fixed Income	11.16%	\$ 728,947,859	10.93%
Active Fixed Income	Reams (Bloomberg US Aggregate)	9.92%	\$ 838,414,492	12.57%
	Loomis Sayles (Bloomberg US Aggregate)	9.92%	\$ 596,686,899	8.95%
	Sub-Total Active Fixed Income	19.84%	\$ 1,435,101,392	21.51%
<b>Total Fixed Income</b>		<b>32.00%</b>	<b>\$ 2,237,160,705</b>	<b>33.54%</b>
<b>Absolute Return</b>				
	Aptitude (SOFR + 4%)	3.86%	\$ 221,348,084	3.32%
	UBS (SOFR + 4%)	5.14%	\$ 309,822,559	4.64%
<b>Total Absolute Return</b>		<b>9.00%</b>	<b>\$ 531,170,643</b>	<b>7.96%</b>
<b>TOTAL FIXED INCOME &amp; ABSOLUTE RETURN</b>		<b>41.00%</b>	<b>\$ 2,768,331,348</b>	<b>41.50%</b>
<b>REAL ASSETS</b>				
Private Real Estate - Core	JP Morgan (NFI-ODCE)	1.85%	\$ 84,854,528	1.27%
	Morgan Stanley (NFI-ODCE)	2.32%	\$ 148,763,488	2.23%
	LaSalle (NFI-ODCE)	2.16%	\$ 111,995,570	1.68%
	Prologis (NFI-ODCE)	1.17%	\$ 82,114,468	1.23%
	Harrison Street (NFI-ODCE)	1.20%	\$ 49,585,293	0.74%
	Sub-Total Private Real Estate - Core	8.70%	\$ 477,313,348	7.16%
Private Real Estate - Non-Core	Non-Core Real Estate (NFI-ODCE)	0.00%	\$ 8,292,330	0.12%
Public Real Assets	Principal (Blended Benchmark)	3.30%	\$ 149,866,618	2.25%
<b>TOTAL REAL ASSETS</b>		<b>12.00%</b>	<b>\$ 635,472,296</b>	<b>9.53%</b>
<b>TOTAL ERS</b>			<b>\$ 6,670,317,675</b>	<b>100.00%</b>
<b>Total City Reserve Fund</b>		<b>R. W. Baird</b>		<b>94,221,306</b>

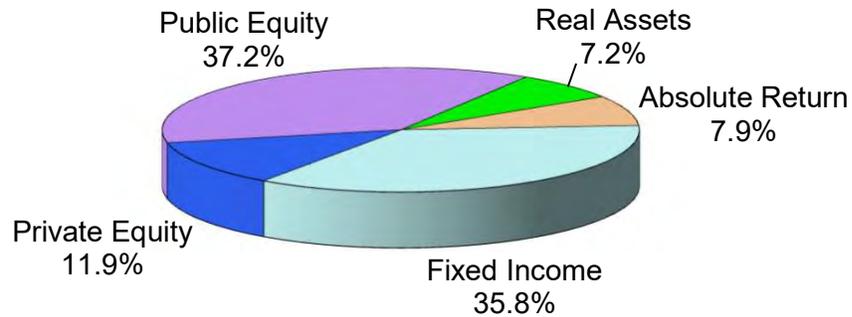
## PROJECTED TARGET ALLOCATIONS

Feb 19, 2026

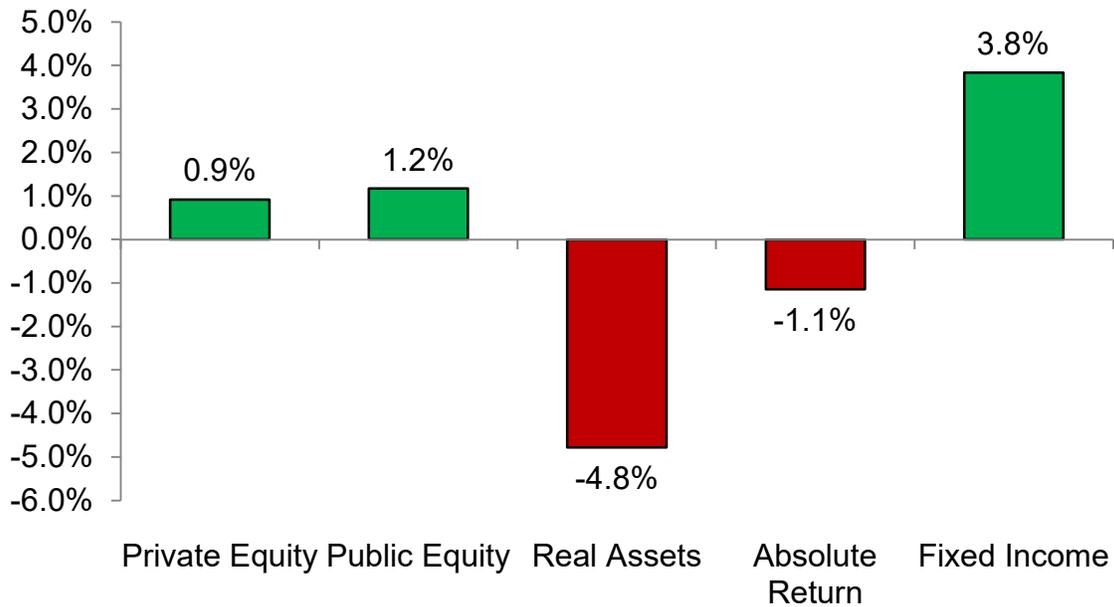
		Target	Market Value	Allocation
<b>EQUITY</b>				
<b>Public Equity</b>				
Domestic				
Passive Large Cap Equity	Northern Trust (S&P 500)	3.19%	\$ 205,664,457	3.05%
	BlackRock (Russell 1000 Value)	3.19%	\$ 219,621,079	3.26%
	Sub-Total Passive Large Cap Equity	6.37%	\$ 425,285,536	6.31%
Active Large Cap Equity	Polen (S&P 500)	1.79%	\$ 96,033,700	1.42%
	DFA (Russell 1000 Value)	2.28%	\$ 160,556,439	2.38%
	Sub-Total Active Large Cap Equity	4.06%	\$ 256,590,139	3.80%
Active Mid/Small Cap Equity	Earnest Partners (Russell MidCap)	2.95%	\$ 208,389,158	3.09%
	DFA (Russell 2000 Value)	2.81%	\$ 219,408,274	3.25%
	Sub-Total Active Mid/Small Cap Equity	5.76%	\$ 427,797,433	6.34%
<b>Total Domestic</b>		<b>16.20%</b>	<b>\$ 1,109,673,108</b>	<b>16.45%</b>
International				
Active International Equity	Brandes (MSCI EAFE)	4.74%	\$ 352,424,222	5.23%
	DFA (MSCI EAFE Small Cap)	2.62%	\$ 203,526,698	3.02%
	AQR (MSCI EM)	1.63%	\$ 119,805,381	1.78%
	Sub-Total Active International Equity	8.99%	\$ 675,756,300	10.02%
Passive International Equity	BlackRock (MSCI ACWI ex US Growth)	3.61%	\$ 245,438,015	3.64%
<b>Total International</b>		<b>12.60%</b>	<b>\$ 921,194,316</b>	<b>13.66%</b>
Global				
Active Global Equity	BlackRock (MSCI ACWI)	3.96%	\$ 271,333,254	4.02%
	MFS (MSCI ACWI)	3.24%	\$ 204,351,961	3.03%
<b>Total Global</b>		<b>7.20%</b>	<b>\$ 475,685,215</b>	<b>7.05%</b>
<b>Total Public Equity</b>		<b>36.00%</b>	<b>\$ 2,506,552,638</b>	<b>37.17%</b>
<b>Private Equity</b>				
	Abbott Capital (Russell 3000 Quarter Lag + 2%)	3.85%	\$ 298,732,842	4.43%
	Mesirow (Russell 3000 Quarter Lag + 2%)	3.85%	\$ 314,338,841	4.66%
	Neuberger Berman (Russell 3000 Quarter Lag + 2%)	1.65%	\$ 86,135,872	1.28%
	Apogem (Russell 3000 Quarter Lag + 2%)	1.65%	\$ 104,607,796	1.55%
<b>Total Private Equity</b>		<b>11.00%</b>	<b>\$ 803,815,350</b>	<b>11.92%</b>
<b>TOTAL EQUITY (Public Equity + Private Equity)</b>		<b>47.00%</b>	<b>\$ 3,310,367,988</b>	<b>49.09%</b>
<b>FIXED INCOME &amp; ABSOLUTE RETURN</b>				
<b>Fixed Income</b>				
Cash				
		1.00%	\$ 178,701,154	2.65%
Passive Fixed Income	BlackRock (Bloomberg US Government)	7.75%	\$ 512,025,226	7.59%
	BlackRock (Bloomberg US Aggregate)	3.41%	\$ 225,236,130	3.34%
	Sub-Total Passive Fixed Income	11.16%	\$ 737,261,355	10.93%
Active Fixed Income	Reams (Bloomberg US Aggregate)	9.92%	\$ 848,982,010	12.59%
	Loomis Sayles (Bloomberg US Aggregate)	9.92%	\$ 651,369,611	9.66%
	Sub-Total Active Fixed Income	19.84%	\$ 1,500,351,621	22.25%
<b>Total Fixed Income</b>		<b>32.00%</b>	<b>\$ 2,416,314,130</b>	<b>35.83%</b>
<b>Absolute Return</b>				
	Aptitude (SOFR + 4%)	3.86%	\$ 220,285,613	3.27%
	UBS (SOFR + 4%)	5.14%	\$ 309,822,559	4.59%
<b>Total Absolute Return</b>		<b>9.00%</b>	<b>\$ 530,108,172</b>	<b>7.86%</b>
<b>TOTAL FIXED INCOME &amp; ABSOLUTE RETURN</b>		<b>41.00%</b>	<b>\$ 2,946,422,302</b>	<b>43.69%</b>
<b>REAL ASSETS</b>				
Private Real Estate - Core	JP Morgan (NFI-ODCE)	1.85%	\$ 84,854,528	1.26%
	Morgan Stanley (NFI-ODCE)	2.32%	\$ 148,763,488	2.21%
	LaSalle (NFI-ODCE)	2.16%	\$ 111,995,842	1.66%
	Prologis (NFI-ODCE)	1.17%	\$ 83,432,627	1.24%
	Harrison Street (NFI-ODCE)	1.20%	\$ 49,585,293	0.74%
	Sub-Total Private Real Estate - Core	8.70%	\$ 478,631,779	7.10%
Private Real Estate - Non-Core	Non-Core Real Estate (NFI-ODCE)	0.00%	\$ 8,290,999	0.12%
Public Real Assets	Principal (Blended Benchmark)	3.30%	\$ -	0.00%
<b>TOTAL REAL ASSETS</b>		<b>12.00%</b>	<b>\$ 486,922,778</b>	<b>7.22%</b>
<b>TOTAL ERS</b>			<b>\$ 6,743,713,068</b>	<b>100.00%</b>
<b>Total City Reserve Fund</b>		<b>R. W. Baird</b>		<b>94,461,275</b>

# PROJECTED VERSUS POLICY ALLOCATIONS

## Asset Mix Using Projected Balances



## Asset Allocation vs. Current Policy Benchmark



## YTD Market Value Change

December 31, 2025 Market Value including City Reserve & PABF Accounts			\$ 6,474,031,325
Monthly Cash Outflows thru	<u>February 19, 2026</u>		
Retiree Payroll Expense		\$ (41,298,427)	
PABF Payroll Expense		\$ -	
Expenses Paid		\$ (2,053,000)	
GPS Benefit Payments		\$ (65,686)	
Sub-Total Monthly Cash Outflows		\$ (43,417,112)	\$ (43,417,112)
Monthly Cash Inflows thru	<u>February 19, 2026</u>		
Contributions		\$ 210,828,125	
PABF Contribution		\$ -	
Sub-Total Monthly Contributions		\$ 210,828,125	\$ 210,828,125
Capital Market Gain/(Loss)			\$ 196,732,006
Value including City Reserve & PABF Accounts as of	<u>February 19, 2026</u>		\$ 6,838,174,344
Less City Reserve Account <sup>1</sup>			\$ 94,461,275
Less PABF Fund <sup>2</sup>			\$ 2,585
Net Projected ERS Fund Value as of	<u>February 19, 2026</u>		\$ 6,743,710,483

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.

## 2026 ESTIMATED MONTHLY CASH FLOWS

Revised 2/20/2026

(in 000's)

	<u>12/31/2025</u>	<u>1/31/2026</u>	<u>2/28/2026</u>	<u>3/31/2026</u>	<u>4/30/2026</u>	<u>5/31/2026</u>	<u>6/30/2026</u>	<u>7/31/2026</u>	<u>8/31/2026</u>	<u>9/30/2026</u>	<u>10/31/2026</u>	<u>11/30/2026</u>	
<b>Beginning Cash Account Balance</b>													
Townsend Cash Account	-	-	-	-	-	-	-	-	-	-	-	-	
Cash Contribution Account	-	-	-	-	-	-	-	-	-	-	-	-	
Milwaukee Cash Account	53,360	71,342											
<b>Total Cash Available</b>	<b>53,360</b>	<b>71,342</b>											
Less: Estimated Cash Needs for non-Investment Outflows	41,500	41,500											
<b>Cash Available for Other Outflows</b>	<b>11,860</b>	<b>29,842</b>											
<b>For Monthly Cash Outflows of:</b>													
	<u>Jan-2026</u>	<u>Feb-2026</u>	<u>Mar-2026</u>	<u>Apr-2026</u>	<u>May-2026</u>	<u>Jun-2026</u>	<u>Jul-2026</u>	<u>Aug-2026</u>	<u>Sep-2026</u>	<u>Oct-2026</u>	<u>Nov-2026</u>	<u>Dec-2026</u>	<u>Total 2026</u>
Retiree Payroll Expense	(41,364)	(41,902)	(42,005)	(42,109)	(42,213)	(42,317)	(42,422)	(42,527)	(42,632)	(42,737)	(42,843)	(42,948)	(508,018)
Normal Retirement Payroll	(41,298)	(41,402)	(41,505)	(41,609)	(41,713)	(41,817)	(41,922)	(42,027)	(42,132)	(42,237)	(42,343)	(42,448)	(502,452)
Retiree Lump Sum Payments	(66)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(5,566)
Real Estate Capital Calls	(136)	-	-	-	-	-	-	-	-	-	-	-	(136)
Private Equity Capital Calls	(59)	(3,870)	-	-	-	-	-	-	-	-	-	-	(3,930)
Expenses Paid through City	(2,053)	(552)	(2,053)	(2,053)	(2,053)	(2,053)	(2,053)	(2,053)	(2,053)	(2,053)	(2,053)	(2,053)	(23,135)
PABF Payroll	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-Total Monthly Cash Outflows</b>	<b>(43,613)</b>	<b>(46,324)</b>	<b>(44,058)</b>	<b>(44,162)</b>	<b>(44,266)</b>	<b>(44,370)</b>	<b>(44,475)</b>	<b>(44,580)</b>	<b>(44,685)</b>	<b>(44,790)</b>	<b>(44,896)</b>	<b>(45,001)</b>	<b>(535,219)</b>
<b>For Monthly Cash Inflows:</b>													
Sponsoring Agency and Employee Contribution	4,429	2,506	2,513	2,519	2,525	2,531	2,538	2,544	2,550	2,557	2,563	3,588	33,363
Real Estate Distributions	1,736	-	-	-	-	-	-	-	-	-	-	-	1,736
Private Equity Distributions	11,965	7,368	-	-	-	-	-	-	-	-	-	-	19,333
Miscellaneous Income	183	351	300	300	300	300	300	300	300	300	300	300	3,535
Security Lending Transfer	698	-	-	-	-	-	-	-	-	-	-	-	698
City and Agency Required Contribution	205,085	-	-	-	-	-	-	-	-	-	-	-	205,085
PABF Inflow	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sub-Total Monthly Cash Inflows</b>	<b>224,096</b>	<b>10,226</b>	<b>2,813</b>	<b>2,819</b>	<b>2,825</b>	<b>2,831</b>	<b>2,838</b>	<b>2,844</b>	<b>2,850</b>	<b>2,857</b>	<b>2,863</b>	<b>3,888</b>	<b>263,750</b>
<b>Net Monthly Cash Inflows/(Outflows) Before Withdrawals</b>	<b>180,483</b>	<b>(36,098)</b>	<b>(41,246)</b>	<b>(41,343)</b>	<b>(41,441)</b>	<b>(41,539)</b>	<b>(41,637)</b>	<b>(41,736)</b>	<b>(41,834)</b>	<b>(41,933)</b>	<b>(42,032)</b>	<b>(41,113)</b>	<b>(271,469)</b>
<b>Net Monthly Cash Surplus (Need)</b>	<b>192,342</b>	<b>(6,256)</b>	<b>(41,246)</b>	<b>(41,343)</b>	<b>(41,441)</b>	<b>(41,539)</b>	<b>(41,637)</b>	<b>(41,736)</b>	<b>(41,834)</b>	<b>(41,933)</b>	<b>(42,032)</b>	<b>(41,113)</b>	<b>(229,767)</b>
<b>Monthly Cash Withdrawals (Additions)</b>													
AQR		4,200											
BlackRock Global Alpha Tilts													
BlackRock Russell 1000 Value Index													
BlackRock US Government Bond Index	(24,000)												
Blackrock US Aggregate Index Fund	(151,000)												
Brandes													
Dimensional Fund Advisors US Large Cap													
Dimensional Fund Advisors International		7,100											
Dimensional Fund Advisors US Small Cap													
Earnest													
Loomis Sayles	(55,000)	(50,000)											
MFS													
Northern Trust S&P 500 Index													
Polen													
Principal	67,500	148,213											
Reams													
Transition Account		7											
UBS A&Q													
Goldman/Aptitude													
<b>Sub-Total Monthly Cash Withdrawals</b>	<b>(162,500)</b>	<b>109,520</b>											
<b>Estimated Month-End Cash Balance</b>													
Cash Available	29,842	103,264											
Estimated Cash Needs for non-Investment Outflows	41,500	41,500											
<b>Total Cash Estimated on Hand For Next Month</b>	<b>71,342</b>	<b>144,764</b>											