Milwaukee County Employees' Retirement System Pension Board
September 15, 2026, Investment Committee Meeting

MINUTES

Call to Order
Investment Committee Chairperson Anthony Johnson called the Investment Committee to order at 10:03 a.m. on Tuesday, September 15, 2026. The meeting was held virtually via Microsoft Teams.

Committee Members Present:
Mark Grady
Anthony Johnson
Jeremy Lucas

Other Board Members Present:
Paula Johnson-Boorse joined at 10:25am

Others Present:
Erika Bronikowski, Retirement Plan Services
Annamarie Kirsanoff, Retirement Plan Services
Jennifer Pickett, Milwaukee County Office of Corporation Counsel
Chris Caparelli, Marquette Associates Inc.
Michael Snooks, Marquette Associates Inc.
Jeff Allen, Silvercrest
Allen Gray, Silvercrest
Roger Vogel, Silvercrest
Alex Waldorf, Silvercrest

1. **Topic: Chairperson's Report**

   Chair Johnson welcomed everyone to the meeting and stated there was nothing major to report on for his Chairperson's report.

2. **Topic: Meeting Minutes – May 12, 2026**

   A motion to approve the May 12, 2026, meeting minutes was made by Trustee Grady and seconded by Trustee Lucas. The motion passed unanimously via voice vote.

3. **Topic: Investment Manager Update**

   Mr. Caparelli welcomed the representatives from Silvercrest. He explained they are a Small Cap Value Manager and last presented about a year ago.

   Silvercrest representatives Jeff Allen, Allen Grady, Roger Vogel, and Alex Waldorf provided an informational update on the Small Cap Value portfolio.

   Mr. Grady from Silvercrest provided an overview of the team and the firm. He explained that the firm reported stable organizational leadership, ongoing succession planning for Mr. Vogel's upcoming retirement, and no compliance issues. He added that their assets under management totaled approximately $24 billion discretionary and $37 billion advised. He continued, adding that the team has had low turnover and then he confirmed their adherence to Milwaukee County ERS Investment Policy Statement guidelines.

   Mr. Vogel then presented a portfolio review, gave an update on performance, and provided market commentary. He discussed the challenging environment for active value strategies, driven by momentum stocks, AI-related trade, ETF and algorithmic trading, and diminished emphasis on fundamentals. He then highlighted recent mergers & acquisition activity as a positive catalyst for value recognition.

   Mr. Waldorf described the impact of the Russell index rebalancing, which limited relative performance despite declines in high-beta names removed from the benchmark.

The team reiterated commitment to their long-term philosophy centered on high-quality, attractively valued companies, while adjusting portfolio balance to include more near-term “working” names and reducing patience for persistent underperformers.

Discussion with Committee members covered market dynamics, potential impacts of weakening AI sentiment, conditions for improving value performance, and the merits of active versus passive management. Trustees noted that underperformance was widespread among active managers and that indexing may not solve structural issues in the small-cap universe. The Silvercrest team advised staying the course, asserting trends driving index outperformance were unsustainable.

Mr. Caparelli acknowledged that allocation size allowed patience with the strategy and discussed benchmark contributors, sector exposures, and future expectations.

4. **Topic: Market Update and Report on Plan Assets**

Mr. Caparelli reviewed ERS’ performance, noting that 2026 has generally been a good year for the Portfolio and that year-to-date, the Portfolio is up 7.8%. He delivered a capital market review noting strong performance across most asset classes, with core bonds remaining weak and inflation running near four percent due to energy and technology-related costs. He continued, noting that the Federal Reserve has begun considering interest rate increases, and the 10-year Treasury has moved above five percent, which may support long-term return expectations for Fixed Income and could reduce Portfolio risk.

Mr. Caparelli continued, noting that U.S. Equities continued strong performance, particularly energy and technology, with tech comprising 40 percent of the S&P 500. International and Emerging Markets also posted solid gains, while Private Debt and Private Equity saw improved exit activity.

He then reviewed ERS Plan assets through August, noting Silvercrest remained on performance alert and UBS had been terminated, with most other managers meeting expectations. Mr. Caparelli then reviewed the ERS cash flows, noting that markets contributed $141 million to the Plan year-to-date, and the net cash flow is negative $96 million.

In response to a question from Trustee Grady, Mr. Caparelli confirmed the UBS redemption queue continued to shrink, with expectations of full redemption potentially within two years.

The Committee discussed Private Equity cashflows, measurement differences between IRR and time-weighted returns, and how future distributions should be allocated depending on whether the Private Equity target remains at nine percent. Total fund performance year-to-date was 7.8 percent through August and 9.1 percent over ten years. Looking ahead, Mr. Caparelli explained that he expects equity returns may be near seven percent and Fixed Income may be near five percent, emphasized the ongoing role of Private Equity in the Portfolio. He noted that an upcoming asset allocation study is covered under a separate item on today’s agenda for Committee discussion, which could inform future allocation changes.

5. **Topic: Request for Annual Review of Investment Policy Statement**

Ms. Bronikowski introduced the item, noting that she circulated a memo that includes the current Investment Policy Statement (IPS). This item is intended for the Committee to have the opportunity to request a review and update the IPS.

In response to a question from Trustee Lucas regarding long-term planning, Mr. Caparelli stated that the asset allocation study request later in today’s meeting can serve as a long-term planning tool. The results of the asset allocation study would then affect the IPS.

Upon conclusion of the discussion, there was a motion from Chair Johnson to recommend that the Board request Marquette Associates review the IPS. The motion was seconded by Trustee Lucas and passed unanimously.

6. **Topic: Annual Asset Allocation Study Request**

   Ms. Bronikowski explained that the Board Charter requires a review of asset allocation annually. This item is intended for the Committee to have the opportunity to request an asset allocation study.

   There was a motion from Trustee Lucas to request that Marquette Associates perform an asset allocation study. The motion was seconded by Chair Johnson and passed unanimously

7. **Topic: Rule 1044 Review: Chair Authorization of Non-Material Changes**

   Ms. Bronikowski explained that this item was discussed at Appeals and Rules Committee because it's related to an existing rule. However, since these requests are largely related to investments, the Appeals and Rules Committee requested that the Investment Committee review it.

   She noted that investment managers sometimes request approvals for non-material changes on short deadlines that don't align with Board meeting schedules, and this item is intended to get the Committee's input before proceeding with a Rule amendment. She added that this will also be reviewed by the Governance Committee.

   Ms. Bronikowski explained that under the current Pension Board Rule 1044, the Chair cannot sign these non-material consents without prior Board approval, causing delays or the need for special meetings. The proposed solution is to amend Rule 1044 to allow the Chair to sign non-material consent requests when timing doesn't allow for a Board meeting. The amendments would include guardrails such as review by Marquette Associates, counsel, and the RPS Director.

   Chair Johnson noted that he was comfortable with the proposal given that there will be oversight from Marquette Associates, counsel and the RPS Director.

   Trustee Grady noted that while he was in support of the proposal, he wanted to ensure the Committee was aware that when the Chair executes an agreement, the Board is bound by it. He added that having multiple people review any such agreement would protect against issues arising from the Chair signing an agreement that the Board doesn't support.

8. **Topic: Education on Investment Performance Reporting and Benchmarking**

   Ms. Bronikowski explained that this item is part of the Board's educational programming. Marquette Associates will be providing education on investment benchmarking.

   The Committee discussed whether to receive the education at this meeting or save it for the next meeting. Mr. Caparelli noted that delaying the education would provide an opportunity for Marquette to update the discussion to include some of the items that were brought up at this meeting in the context of index updates related to the presentation from Silvercrest.

   Upon conclusion of the discussion, Chair Johnson indicated this education would move to the next meeting due to time constraints.

9. **Topic: Adjournment**

   The meeting ended at 11:55 a.m.