

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

Minutes of the Investment Committee Meeting  
held March 13, 2025 via teleconference

The meeting was called to order at 11:50 a.m.

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

Board Members Not Present: Rudy Konrad (excused)

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

Others present: Jason Ellement, Mike Joecken, Adam Lozinski, Callan; Larry Langer, Aaron Chochon, Cavanaugh Macdonald; Lauren Albanese, Financial News; Terry Siddiqui, DS Consulting, Inc.; eight members of the public called into the meeting.

**Election of Vice Chair.** Mr. Klusman asked for nominations for Vice Chair. Mr. Klusman nominated Ms. Ford and she accepted. Mr. Klusman asked two more times for any more nominations. There were no additional nominations and Mr. Klusman congratulated Ms. Ford as Vice Chair of the Investment Committee.

**Callan Glide Path Presentation Phase III – Scenario Analysis.** As a matter of information, Committee members received a copy of Callan's Phase III – Scenario Analysis. Mr. Joecken said today's meeting would discuss Phase III. He said the first couple of phases focused on glide paths and de-risking the investment program over time, with the allocations to equities becoming more conservative through the passage of time and the rise of the funded status. Mr. Joecken said at the last meeting, some Committee members asked for the next discussion to focus on what is going to happen over the next five or 10 years, with the idea that a mix can be adopted, associated with a glide path, but it will be revisited as funded status improves. He said with Phase III today, the focus should be on the starting mix, with the current target representing glide path A, mix 1 representing glide path B, and mix 2 representing glide path D. Mr. Joecken noted Callan's Phase III presentation also shows the results of scenario analyses to provide an idea of what happens to

each mix's funded status and projected contributions over the next five or 10 years in case something bad happens. Discussion ensued.

Messrs. Ellement and Lozinski then discussed the following topics of Background, Phase III Scope & Objective, Historical Scenario Construction, including 1970s Stagflation, Tech Bubble, Global Financial Crisis, and Calendar Year 2022, and Summary. Discussion ensued.

Mr. Silber discussed his memo, which provides a summary of the Glide Paths that Callan analyzed in their Phase II and Phase III presentations. He said Callan's data showed there is at least a 50% probability that the Glide Paths presented can achieve a 100% funded status with a 5.5% discount rate by the year 2054. Discussion ensued.

**Approval of Glide Path.** Mr. Joecken said if the Committee does nothing, they are choosing Glide Path A. Mr. Klusman asked each Board member for their thoughts on whether they would choose Glide Path A or Glide Path D. Discussion ensued, and Glide Path B was also mentioned as an attractive choice to some Committee members. Mr. Klusman said Mr. Konrad also needs to weigh in on the decision. Mr. Klusman said they would carry the approval item over to the next meeting. He asked Messrs. Silber and Sauer to talk with Mr. Konrad regarding his thoughts. No approval was made at this meeting.

**Chief Investment Officer Report.** Mr. Silber said, as of March 12, 2025, the Fund has a positive return, net of fees, and is up 70 or 80 basis points year-to-date, which is roughly in line or slightly higher than the benchmark. He said the Fund is at \$6.04 billion as of yesterday. Mr. Silber said diversification is working so far in 2025. He noted bonds and international stocks are positive, hedge funds are flat, and value exposure in stocks is protecting the Fund year-to-date.

### **Informational.**

**Callan 4<sup>th</sup> Quarter Performance Report.** As a matter of information, Committee members received Callan's 4<sup>th</sup> Quarter Performance Report. Mr. Klusman stated this was for information and accepted it and placed it on file.

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

There being no further business, Mr. Klusman adjourned the meeting at 1:22 p.m.

Bernard J. Allen  
Secretary and Executive Director

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