



# Seattle Retirement

## Seattle City Employees' Retirement System

**Investment Committee Meeting**  
Pacific Building, 720 3<sup>rd</sup> Avenue, Suite 900, Seattle  
(206) 386-1293

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### Minutes, Thursday, January 30, 2025

**IC Members Present:** Sherri Crawford (Chair), Judith Blinder, Maria Coe, Kimberly Loving, Jamie Carnell, Dan Strauss

**IAC Members Present:** Dwight McRae

**SCERS Staff Present:** Jeff Davis, Jason Malinowski, Leola Ross, George Emerson, Mengfei Cao, Nina Melencio, Mark Schimizzze

**Others Present:** Mike Monaco (MMPL), Gary Smith (City Attorney's Office), Rose Dean (NEPC), Dan Hennessy (NEPC), Joe Ebisa (With.Intelligence), Andrew Robinson (FAS), Thao Nguyen (NEPC), Lindsay Saienni (Fin News), Joseph Boateng

#### Call to Order

Sherri Crawford, chair, called the meeting to order at 11:00 am.

#### Public Comment

There was no public comment.

#### Minutes

Approved Minutes from the November 21, 2024 Investment Committee.

**Motion:** Upon motion by Sherri Crawford, seconded by Judith Blinder, the Investment Committee approved the minutes from the November 21, 2024 Investment Committee meeting. The motion passed unanimously (5-0).

#### Investment Consultant Evaluation

Jason Malinowski briefly reviewed results from the annual investment consultant evaluation. There was generally positive feedback from the Investment Committee and Investment Advisory Committee members, as well as staff. Ratings ranged from "Somewhat Agree" to "Strongly Agree" on the positive statements that respondents were asked to address.

**(11:02 am – Dan Strauss joined the meeting.)**

Ms. Blinder noticed that the consultant received slightly lower scores in innovation and ESG. She did notice that staff gave high scores on the question regarding collaboration.

Mr. Malinowski replied that the consultant's rating on ESG has been improving the past few years. They have consistently scored lowest with "consultant provides innovative approaches to tackle the issues facing SCERS." This may be due to innovation meaning different things to different people and not necessarily being a positive in the financial sector. NEPC has fully supported SCERS in some of the unique projects that have been undertaken, even though those ideas may have come from staff. Dr. Ross stated that this was not a negative but rather a characteristic on how consultants approach client relationships.

Ms. Coe suggested that the question be reframed for next year's evaluation. Mr. Malinowski and Rose Dean, of NEPC, agreed to do so.

### **Investment Outlook and Capital Market Assumptions – NEPC**

Ms. Dean reported on NEPC's 2025 Investment Outlook and Capital Market Assumptions and answered questions from the committee members.

Inflation is lingering and the economy is still doing quite well. NEPC is not seeing significant weakness in the market. It remains to be seen how the new administration will impact markets.

On an annual basis, NEPC identifies the market themes that they believe will impact the investment landscape over the coming year. These themes represent factors that are likely to exert significant influence on markets and investor sentiment. NEPC's key market themes entering 2025 are pockets of euphoria; AI spending; tariffs explained; and world affairs.

Ms. Dean reviewed NEPC's building block framework for developing asset class return assumptions. The 10-year expected return for SCERS's investment portfolio increased from 6.3% to 6.7% over 2024 largely driven by an adjustment to the equity return assumption methodology. Expected volatility remains the same. The 30-year expected return increased slightly from 7.6% to 7.8%.

Mr. Malinowski said that the fund's actuary, Milliman, uses a 6.75% investment return assumption to determine the contribution rate, which was last updated during the 2022 experience study. NEPC's capital market expectations over the 30-year horizon are now higher than this investment return assumption, which is a good situation. Historically, the investment return assumption has been reduced during experience studies, which leads to an increased contribution rate. As of now, it would likely not be necessary to reduce the investment return assumption further.

### **Adjourn Meeting**

<b><u>Motion:</u></b>	Upon motion by Sherri Crawford, seconded by Judith Blinder, the Investment Committee voted to adjourn the meeting at 11:48 am. The motion passed unanimously (6-0).
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# Seattle Retirement

## Seattle City Employees' Retirement System

**Investment Committee Meeting**  
Pacific Building, 720 3<sup>rd</sup> Avenue, Suite 900, Seattle  
(206) 386-1293

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### Minutes, Thursday, February 27, 2025

**IC Members Present:** Sherri Crawford (Chair), Judith Blinder, Joseph Hoffman, Dan Strauss, Kimberly Loving, Jamie Carnell

**IAC Members Present:** Keith Traverse (Chair), Dwight McRae, Cathy Cao, Steve Hill

**SCERS Staff Present:** Jeff Davis, Jason Malinowski, Paige Alderete, Leola Ross, George Emerson, Mengfei Cao, Nina Melencio

**Others Present:** Gavin Parr (MMPL), Jesse Franz (LEG), Joe Ebisa (With.Intelligence), Martha Burke, Rose Dean (NEPC), Dan Hennessy (NEPC), Andrew Robinson (FAS), Lindsay Saeinni (Fin News), Thao Nguyen (NEPC), Hope Redmond (BlackRock)

#### Call to Order

Sherri Crawford, Chair, called the meeting to order at 11:00 am.

#### Public Comment

There was no public comment.

#### Minutes

Approved Minutes from the January 30, 2025 Investment Committee.

**Motion:** Upon motion by Sherri Crawford, seconded by Kimberly Loving, the Investment Committee approved the minutes from the January 30, 2025 Investment Committee meeting. The motion passed unanimously (7-0).

#### Quarterly Performance Review – Q4 2024

Dan Hennessey, of NEPC, reviewed SCERS's investment performance for the period that ended December 31, 2024. SCERS returned 8.7% net-of-fees for 2024, outperforming the Strategic Policy Benchmark by 0.4%. Assets increased from \$3.99 billion to \$4.32 billion over the last year. The funded status is estimated at 76.5% on an actuarial basis, and 85.1% on a market basis that revalues the liability based on current capital market assumptions.

## **Investment Advisory Committee Annual Report**

Keith Traverse, Cathy Cao, Steven Hill, and Dwight McRae of the Investment Advisory Committee (IAC) attended the February 27, 2025 Investment Committee meeting. Mr. Traverse, Chair of IAC, presented the 2024 IAC Annual Report on behalf of the IAC. The report included major developments for SCERS in 2024; fund performance as of Q3 2024; IAC's 2024 activities; strategic guidance; and their recommendations for 2025.

The IAC pointed out the progress that SCERS has made in the past decade. SCERS's actuarially funded status was 76% as of 9/30/24, which is a notable improvement to the 66% funded status ten years ago.

The IAC offered strategic guidance that is intended to endure over the long term. The guidance serves as a reminder to commit to financial sustainability, focus on fee effectiveness, align investment beliefs with processes and resources, and support continual learning and sound governance. The IAC feels that SCERS is currently operating consistent with this guidance.

The IAC's recommendations for 2025 fall under the following priority areas:

- Active Risk
- Liquidity Risk
- Inflation Sensitivity
- Professional Development
- Meeting Cadence and Staff Delegation

Ms. Crawford stated that she has been on the board since 2012 and has seen the transition to being proud of where SCERS is now. She has been impressed and appreciative of the guidance that IAC gives SCERS. Ms. Loving echoed Ms. Crawford's sentiment.

There was a discussion on the meeting cadence and staff delegation priority area. Ms. Loving feels that the current meeting cadence meets the board's needs. Ms. Blinder likes the way the committee has delegated to staff and that the level of oversight is appropriate.

Mr. Malinowski noted that Jeff Davis met with the IAC prior to today's meeting regarding the staff response to the IAC Annual Report that is included in the meeting packet. The IAC's strategic guidance and recommendations continue to be helpful for SCERS in planning and prioritization.

## **Annual Investment Review and Planning Session**

Mr. Malinowski, Leola Ross, George Emerson, and Mengfei Cao presented the Annual Investment Review and Planning Session. They were joined by Rose Dean and Dan Hennessy of NEPC.

Mr. Malinowski congratulated Ms. Cao for her promotion to Senior Investment Officer. She will have primary responsibility for real estate and continue to be the lead in operational due diligence.

During 2024, SCERS conducted an RFP process for general investment consultant. The Board chose to retain NEPC for an additional five years. Staff advanced the environmental, social, and governance (ESG) program, including conducting the inaugural diversity, equity and inclusion (DEI) survey of SCERS's investment managers. Staff completed the operational due diligence review of SCERS's existing investment managers and reviewed its investment operations model and transition management approach. Staff is near completion with onboarding MSCI's Total Plan Manager, a portfolio analytics and risk platform that will streamline and improve portfolio management and monitoring. Staff also reviewed Hightower's acquisition of NEPC.

During 2025, SCERS plans to recruit a new member for the Investment Advisory Committee. SCERS's expanded toolkit will be fully integrated into the investment process to improve efficiency and rigor. Staff will continue advancement of the ESG program and promote greater Board investment education and staff professional development. Staff will also review asset class policy indices for opportunities to improve alignment.

Staff members reviewed the 2024 activity and 2025 plans for each asset class.

Ms. Dean provided NEPC's perspective. SCERS is thoughtful in its implementation of IAC recommendations. There has been increased staff focus on data and risk management with the adoption of MSCI Total Plan Manager with close coordination with NEPC to ensure increased accuracy in portfolio reporting. Staff have also efficiently utilized their intern program to support staff initiatives.

### **Adjourn Meeting**

The meeting was adjourned at 12:45 pm.



# Seattle Retirement

## Seattle City Employees' Retirement System

**Investment Committee Meeting**  
Pacific Building, 720 3<sup>rd</sup> Avenue, Suite 900, Seattle  
(206) 386-1293

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### **Minutes, Thursday, March 27, 2025**

IC Members Present: Sherri Crawford (Chair), Judith Blinder, Maria Coe, Joseph Hoffman, Jamie Carnell, Kimberly Loving

SCERS Staff Present: Jeff Davis, Jason Malinowski, Paige Alderete, Leola Ross, George Emerson, Mengfei Cao, Nina Melencio

Others Present: Mike Monaco (MMPL), Gary Smith (City Attorney's Office), Joe Ebisa (With.Intelligence), Rose Dean (NEPC), Dan Hennessy (NEPC), Thao Nguyen (NEPC), Georgi Korovski (With.Intelligence), Lindsay Saienni (Fin News), Andrew Robinson (FAS), Hope Redmond (BlackRock), Chris Beall (NOVA), Allison Kingsley (NOVA)

#### **Call to Order**

Sherr Crawford, Chair, called the meeting to order at 11:00 am.

#### **Public Comment**

There was no public comment.

#### **Minutes**

Approved Minutes from the February 27, 2025 Investment Committee.

**Motion:** Upon motion by Sherri Crawford, seconded by Jamie Carnell, the Investment Committee approved the minutes from the February 27, 2025 Investment Committee meeting. The motion passed unanimously (6-0).

#### **Infrastructure Deep Dive**

George Emerson and Leola Ross presented the annual deep dive of the Infrastructure asset class and briefly reviewed the market environment and SCERS's infrastructure allocation and activity. Infrastructure is a growing asset class that is a diversifier to Equity, with attractive inflation protection and liability alignment. SCERS will have two manager recommendations at today's meeting.

SCERS has a current and target allocation to Infrastructure of 2.9% and 5.0%, respectively, as of December 31, 2024. Infrastructure performance has modestly exceeded absolute return expectations and been in-line with the

asset class index. SCERS continues to allocate to new funds/managers to achieve the target allocation of 5%. Current managers include Brookfield, Global Infrastructure Partners (GIP), Stonepeak, and Tiger Infrastructure Partners. Recent manager updates include Brookfield Board Chair and Senior Executive, Mark Carney, leaving the firm to become Canadian Prime Minister and GIP being acquired by BlackRock in 2024. There was a discussion on the electrical needs of data centers due to artificial intelligence (AI). There is a big opportunity for private capital to help meet the demand. Coal continues to be retired and replaced by renewable energy.

In the last 12 months staff have evaluated BlackRock's acquisition of GIP and reaffirmed the commitment of \$17.5 million to GIP V; committed \$20 million to Stonepeak Fund V; and performed a comprehensive review of mid-market infrastructure managers. For 2025, staff will continue to monitor the market environment for emerging infrastructure sectors and themes given the dynamic impact of technological innovation and government policy. At today's meeting, staff and NEPC will be recommending two middle market infrastructure funds following a comprehensive search.

#### **Infrastructure Manager Recommitment – Tiger Infrastructure Partners Fund IV LP**

Staff recommended a commitment of up to \$20 million to Tiger Infrastructure Partners Fund IV ("Tiger IV"), a North American and European sector-diversified, mid-market infrastructure strategy. Tiger IV is managed by Tiger Infrastructure Partners ("Tiger"). SCERS had previously committed \$20 million to Tiger Infrastructure Partners Fund III.

Ms. Ross briefly reviewed the organization and strategy. NEPC concurred with this recommendation and has selected Tiger IV as a preferred strategy on their Focused Placement List (FPL) with a top rating of 1.

<b><u>Motion:</u></b>	Upon motion by <u>Sherri Crawford</u> , seconded by <u>Jamie Carnell</u> , the Investment Committee recommended that the Board of Administration commit up to \$20 million to Tiger Infrastructure Partners Fund IV LP, pending satisfactory legal review. The motion passed unanimously (6-0).
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#### **Infrastructure Manager Commitment – NOVA Infrastructure Fund II LP**

Staff recommended a commitment of up to \$20 million to NOVA Infrastructure Partners Fund II (NOVA II), a North American, sector diversified, mid-market infrastructure strategy. NOVA II is managed by NOVA Infrastructure Partners (NOVA). NOVA II would be SCERS's first investment with NOVA.

Mr. Emerson reviewed the due diligence process that was conducted, NOVA's organization, and the fund strategy then introduced NOVA co-founders, Chris Beall and Allison Kingsley, who reviewed their target sectors, returns, and fund size.

NEPC concurred with this recommendation and has selected NOVA II as a preferred strategy on their Focused Placement List (FPL) with a top rating of 1.

<b><u>Motion:</u></b>	Upon motion by <u>Sherri Crawford</u> , seconded by <u>Kimberly Loving</u> , the Investment Committee recommended that the Board of Administration commit up to \$20 million to NOVA Infrastructure Fund II LP, pending satisfactory legal review. The motion passed unanimously (6-0).
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#### **Adjourn Meeting**

The meeting adjourned at 12:38 pm.



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### **Special Meeting of the Investment Committee** **Notes, Thursday, April 24, 2025, 12:00 pm to 1:30 pm**

**IC Members Present:** Sherri Crawford (Chair), Judith Blinder, Maria Coe, Jamie Carnell

**SCERS Staff Present:** Jeff Davis, Jason Malinowski, Paige Alderete, Leola Ross, Mengfei Cao, Sean Hayes, Nina Melencio, George Emerson

**Others Present:** Mike Monaco (MMPL), Gary Smith (City Attorney's Office), Rose Dean (NEPC), Joe Ebisa (With.Intelligence), Thao Nguyen (NEPC), Dan Hennessy (NEPC), Dwight McRae (IAC), Lindsay Saienni (Fin News)

#### **Call to Order**

Sherri Crawford, Chair, called the meeting to order at 12:00 pm.

#### **Public Comment**

There was no public comment.

#### **Minutes**

Approved Minutes from the March 27, 2025 Investment Committee.

**Motion:** Upon motion by Sherri Crawford, seconded by Maria Coe, the Investment Committee approved the minutes from the March 27, 2025 Investment Committee meeting. The motion passed unanimously (4-0).

#### **NEPC Market Outlook**

Leola Ross introduced Sean Hayes, the new Investment Research Intern. Mr. Hayes is a graduate student at the University of Washington pursuing a Master of Science in computational finance and risk management.

Dan Hennessy of NEPC provided information on recent market volatility and answered questions from the committee members. Recession risks are high should the Trump Administration's announced tariffs on imported goods remain, although NEPC expects them to be negotiated lower. The effective tariff rate of 20% would be the



highest level since the early 19<sup>th</sup> century. US equities have fallen materially. Volatility in the markets will most likely continue. NEPC recommends investors to stay the course and not pull away from markets when panic takes hold. They further recommend that investors rebalance.

Mr. Malinowski told the committee that SCERS rebalances monthly. As of this morning, SCERS's portfolio is estimated to have a return of -1% to -2% year-to-date, as international equities have performed well.

### **Public Equity Deep Dive**

Mengfei Cao and Leola Ross provided a deep dive discussion on the Public Equity asset class including a reintroduction to the asset class, a discussion of the market environment, and a review of the portfolio role, size, strategy, investment managers, and performance.

The primary role of Public Equity in the portfolio is to access global growth and drive the return of SCERS's investment portfolio, which is demonstrated by its large current and target allocations of 47.1% and 46%, respectively. The total return of the Public Equity asset class has been very strong over the short and long-term with performance closely tracking the index.

Ms. Coe had a question about proxy voting, as a follow-up to the ESG update in March. Dr. Ross responded that SCERS's proxy voting provider made a policy change as it relates to diversity, equity and inclusion. Staff wrote a letter to them highlighting their concerns and received a response yesterday. Staff will return to a future meeting with an update.

During the previous 12 months, staff have evaluated global equity managers in search of active strategies with strong excess-return potential over a market cycle; continued to focus on identifying and pursuing opportunities to achieve a more factor-neutral portfolio; and reviewed sub-asset class benchmarks.

Staff recommended changing the U.S. Public Equity benchmark from the Russell 3000 Index to the MSCI USA Investable Market Index. The two indices both cover U.S. all-cap public equity, have the same weighting method and have similar historical performance. This action will align the U.S. Public Equity benchmark with the Public Equity asset class benchmark, which is the MSCI All Country World Investable Market Index. Staff will work with the US Public equity managers to change their strategy benchmarks and allocations. NEPC concurred with staff's recommendation.

<b>Motion:</b>	Upon motion by <u>Sherri Crawford</u> , seconded by <u>Judith Blinder</u> , the Investment Committee recommended that the Board of Administration change the U.S. Public Equity benchmark from the Russell 3000 Index to the MSCI USA Investable Market Index effective July 1, 2025. The motion passed unanimously (4-0).
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Ms. Cao reported on the "Magnificent 7" which is a term coined by the investment community in 2023 to describe seven technology-related US mega cap companies that dominate in their respective industries. These companies include Apple, Amazon, Alphabet, Meta, Microsoft, Nvidia, and Tesla.

The Magnificent 7 stocks trade at high valuations given an expectation of significant earnings growth. SCERS has a similar weight to the Magnificent 7 as the Public Equity benchmark. Staff support maintaining the current, largely passive, allocation to benefit from the built-in diversification of owning the market.

### **Adjourn Meeting**

<b>Motion:</b>	Upon motion by <u>Sherri Crawford</u> , seconded by <u>Maria Coe</u> , the Investment Committee voted to adjourn the meeting at 1:28 pm. The motion passed unanimously (4-0).
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# Seattle Retirement

## Seattle City Employees' Retirement System

**Investment Committee Meeting**  
Pacific Building, 720 3<sup>rd</sup> Avenue, Suite 900, Seattle  
(206) 386-1293

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### Minutes, Thursday, May 29, 2025

**IC Members Present:** Sherri Crawford (Chair), Judith Blinder, Maria Coe, Joseph Hoffman, Jamie Carnell, Kimberly Loving

**IAC Members Present:** Keith Traverse (Chair), Dwight McRae, Steve Hill, Cathy Cao

**SCERS Staff Present:** Jeff Davis, Jason Malinowski, Paige Alderete, Leola Ross, Mengfei Cao, Nina Melencio

**Others Present:** Mike Monaco (MMPL), Gary Smith (City Attorney's Office), Rose Dean (NEPC), Dan Hennes (NEPC), Joe Ebisa (With.Intelligence), Thao Nguyen (NEPC), Lindsay Saienni (Fin News), Graham Bippart, Andrew Robinson (FAS), Jorge Duarte (HEPP), Jessica Kronseder (HEPP), John Faust (HEPP)

#### Call to Order

Sherri Crawford, Chair, called the meeting to order at 11:00 am.

#### Public Comment

There was no public comment.

#### Minutes

Approved Minutes from the April 24, 2025 Investment Committee Special Meeting.

**Motion:** Upon motion by Sherri Crawford, seconded by Judith Blinder, the Investment Committee approved the minutes from the April 24, 2025 Investment Committee Special Meeting. The motion passed unanimously (6-0).

#### Real Estate Deep Dive – Staff

Mengfei Cao and Jason Malinowski reintroduced the Real Estate asset class, discussed the market environment, reviewed SCERS's Real Estate allocation and activity, reviewed the globalizing real estate project and recommended a commitment to Hines European Property Partners Fund.

SCERS's allocation to Real Estate is currently 10% as of March 31, 2025. The allocation is modestly below the target weight of 12%. Allocation has declined recently due to negative real estate performance and positive total

portfolio performance, in a reversal of conditions from 2022. SCERS has outperformed the asset class benchmark due to the international and non-core allocations.

During the last twelve months, SCERS has committed \$20 million to Brookfield Real Estate Secondaries LP and \$20 million to Sculptor Real Estate Fund V. Staff has continued to evaluate the universe of European core/core-plus real estate managers to complete the globalization of the core allocation.

SCER's Real Estate allocation has been transitioning from US core to diversified by strategy and geography. The remaining item is to add a European core/core plus strategy. Staff conducted a research project in 2018 which found that globalizing the Real Estate allocation would improve risk-adjusted return. NEPC concurred with staff's findings and has begun advocating for a more global Real Estate allocation. Staff recently re-underwrote the thesis and continues to be supportive.

### **Real Estate Manager Recommendation – Hines European Property Partners**

Mengfei Cao and Jason Malinowski presented staff's recommendation for an investment of up to €60 million in the Hines European Property Partners Fund ("HEPP"), a European core plus real estate strategy structured as an open-end fund.

Mr. Malinowski reviewed the due diligence process. Ms. Cao reviewed the organization, team, investment strategy, and investment rating matrix.

Daniel Hennessy of NEPC reviewed their recommendation. NEPC concurred with staff's recommendation.

Jorge Duarte, Jessica Kronseder, and John Faust of Hines European Property Partners ("HEPP") provided background information on the firm, reviewed the strategy, and answered questions from the committee members.

<b>Motion:</b>	Upon motion by <u>Sherri Crawford</u> , seconded by <u>Maria Coe</u> , the Investment Committee recommended that the Board of Administration invest up to €60 million in the Hines European Property Partners Fund ("HEPP"), pending satisfactory legal review. The motion passed unanimously (6-0).
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### **Q1 2025 Performance Review – NEPC**

This item was deferred to the June 26, 2025 Investment Committee meeting.

### **Adjourn Meeting**

The meeting was adjourned at 12:57 pm.



# Seattle Retirement

## Seattle City Employees' Retirement System

**Investment Committee Meeting**  
Pacific Building, 720 3<sup>rd</sup> Avenue, Suite 900, Seattle  
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### Minutes, Thursday, June 26, 2025

**IC Members Present:** Sherri Crawford (Chair), Judith Blinder, Maria Coe, Jamie Carnell,

**SCERS Staff Present:** Jeff Davis, Jason Malinowski, Paige Alderete, Leola Ross, Mengfei Cao, George Emerson, Sean Hayes, Nina Melencio

**Others Present:** Gavin Parr (MMPL), Gary Smith (City Attorney's Office), Rose Dean (NEPC), Joe Ebisa (With.Intelligence), Brett Johnson (PEI Group), Andrew Robinson (FAS), Lindsay Saienni (fin News), Mia Wallace

#### Call to Order

Sherri Crawford, Chair, called the meeting to order at 11:00 am.

#### Public Comment

There was no public comment.

#### Minutes

Approved Minutes from the May 29, 2025 Investment Committee Meeting.

**Motion:** Upon motion by Sherri Crawford, seconded by Maria Coe, the Investment Committee approved the minutes from the May 29, 2025 Investment Committee Meeting. The motion passed unanimously (4-0).

#### Quarterly Performance Report – NEPC

Rose Dean of NEPC reviewed SCERS's investment performance for the period that ended March 31, 2025. Jason Malinowski stated that NEPC will be at the July Investment Committee meeting in person.

The fund has returned 7.2% net of fees for the last 10 years, which is outperforming the Passive Reference Benchmark. In the one-year period which ended March 31, 2025, assets increased from \$4.1 billion to \$4.3 billion. The fund returned 5.3% for the one-year period.

As of March 31, 2025, the estimated actuarial funded status is 76.7%. The funded status from a market perspective, which reflects the market value of assets and revalues the liabilities based on current capital market assumptions is 84.1%.

Staff and NEPC worked together to make the performance report more informative. The new version is presented in today's report. Ms. Dean asked for feedback from the committee members. The members need more time to digest the new format. Ms. Blinder said that she liked the additional information provided. It gives her feedback over time to see if the fund is on track.

### **Investment Committee Reference Materials**

The Investment team and Sherri Crawford worked together to come up with a set of reference materials for committee members, which will be updated on a frequent basis and stored on the Board's SharePoint site.

The reference materials include a simple one pager on SCERS's asset classes and managers. There is also a comprehensive glossary of investment terms and trustee onboarding presentation.

Ms. Blinder liked the way the reference materials are laid out. Depending on how detailed the team wants to get, they may want to add efficient frontier and modern portfolio theory to the glossary. Also, Ms. Blinder suggested cross-referencing terms. Ms. Blinder also stated that the trustee orientation materials give a nice overview to a new trustee. She appreciated the SCERS timeline and noted that it was a good refresher for her.

The reference materials also include a calendar of Board educational opportunities. Ms. Crawford stated that she would look to Mr. Davis and Mr. Malinowski for recommendations on training opportunities. The Pacific Pension Institute (PPI) Roundtable had not been on her radar, but she found that it was a very good conference.

Mr. Malinowski asked the committee members to reach out to him if they have other suggestions for the reference materials.

### **Adjourn Meeting**

<b><u>Motion:</u></b>	Upon motion by <u>Sherri Crawford</u> , seconded by <u>Maria Coe</u> , the Investment Committee voted to adjourn the meeting at 11:48 am. The motion passed unanimously (4-0).
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### Minutes, Thursday, July 31, 2025

**IC Members Present:** Sherri Crawford (Chair), Judith Blinder, Joseph Hoffman, Jamie Carnell, Kimberly Loving

**IAC Members Present:** Dwight McRae

**SCERS Staff Present:** Jeff Davis, Jason Malinowski, Paige Alderete, Leola Ross, George Emerson, Sean Hayes, Nina Melencio, Mark Schimizze, William Kee

**Others Present:** Rose Dean (NEPC), Daniel Hennessy (NEPC), Brett Johnson (PEI Group), Joe Ebisa (With.Intelligence), Lindsay Saienni (Fin News), Joseph Boateng (Casey Family Programs), Ben Sheng (FundFire)

#### Call to Order

Sherri Crawford, Chair, called the meeting to order at 11:00 am.

#### Public Comment

There was no public comment.

#### Minutes

Approved Minutes from the June 26, 2025 Investment Committee Meeting.

**Motion:** Upon motion by Sherri Crawford, seconded by Judith Blinder, the Investment Committee approved the minutes from the June 26, 2025 Investment Committee Meeting. The motion passed unanimously (5-0).

#### Core & Long-Term Fixed Income Deep Dive

George Emerson presented the annual Core Fixed Income and Long-Term Fixed Income deep dives. He reintroduced both asset classes, discussed the market environment, reviewed the allocations and answered questions from committee members.

The primary role of Core Fixed Income in SCERS's portfolio is diversification and as a source of stability and liquidity to meet short-term cash flow needs and rebalance the portfolio. Core Fixed Income is represented by

high-quality borrowers and has low expected volatility, return, and sensitivity to equity markets. SCERS's target allocation to Core Fixed Income is 14% with a current allocation of 16.0%. Performance for Core Fixed Income continues to closely track the Bloomberg US Aggregate Index. SCERS's Core Fixed Income allocation is actively managed by PIMCO and Pugh Capital Management.

Long-Term Fixed Income is a newer asset class that was added to the portfolio in early 2024 following the most recent asset-liability study. The performance since inception has been modest given the increase in long-term interest rates. The primary role of Long-Term Fixed Income is diversification and its very strong alignment with SCER's long-lived liabilities. Long-Term Fixed Income is represented by fixed-rate and inflation-protected securities issued by the US government with more than 10 years remaining to maturity. SCERS's target allocation to Long-Term Fixed Income is 5% with a current allocation of 5.1%. SCERS's Long-Term Fixed Income allocation is passively managed by Russell Investments.

Over the last 12 months, there has not been much activity in either asset class. Staff continue to monitor and meet with existing managers as well as perform regular rebalancing as the market values change. Looking forward, staff will re-underwrite and re-evaluate the core fixed income portfolio alongside NEPC.

### **Benchmarking Primer**

Leola Ross as well as Rose Dean and Dan Hennessy, of NEPC, presented the benchmarking primer which included an introduction to benchmarks, characteristics that make a good benchmark, SCERS total portfolio benchmarks, and SCERS asset class benchmarks.

Benchmarks are used to measure the performance and risk of an investment portfolio. It serves as a reference point in making asset allocation decisions. SCERS has one target (actuarial rate of return) and two benchmarks (passive reference benchmark and strategic policy benchmark).

The Passive Reference Benchmark is a broad benchmark. The goal is to match or exceed this benchmark over a full market cycle. The Strategic Policy Benchmark is used for primary performance tracking. The goal is to match or exceed this benchmark over an intermediate period of five (5) years. It is tailored to the risk tolerance and the investment goals of SCERS. SCERS's asset allocation is very close to the strategic policy benchmark.

SCERS evaluates public market asset classes and managers using either broad market benchmarks or combinations of broad market benchmarks. Private market asset classes using either fund universe benchmarks or combinations of fund universe benchmarks. NEPC endorses both choices due to significant drawbacks with other types of benchmarks.

Mr. Malinowski added that staff plan to continue developing and sharing foundational educational materials with the committee such as this benchmarking primer. Staff welcome feedback on other topics that would be of interest to the committee.

### **Adjourn Meeting**

**Motion:** Upon motion, Sherri Crawford, seconded by Judith Blinder, the Investment Committee voted to adjourn the meeting at 12:07 pm. The motion passed unanimously (5-0).



# Seattle Retirement

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**Investment Committee Meeting**  
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### **Minutes, Thursday, August 28, 2025**

**IC Members Present:** Sherri Crawford (Chair), Judith Blinder, Maria Coe, Joseph Hoffman, Kimberly Loving

**IAC Members Present:** Keith Traverse (Chair), Cathy Cao, Steve Hill

**SCERS Staff Present:** Jeff Davis, Jason Malinowski, Paige Alderete, Leola Ross, George Emerson, Nina Melencio, Mark Schimizzze, William Kee

**Others Present:** Mike Monaco (MMPL), Gary Smith (City Attorney's Office), Rose Dean (NEPC), Thao Nguyen (NEPC), Daniel Hennessy (NEPC), Joe Ebisa (With.Intelligence), Bill Schrier (ARSCE), Russell Simon (Hamilton Lane)

#### **Call to Order**

Sherri Crawford, Chair, called the meeting to order at 11:00 am.

#### **Public Comment**

Bill Schrier, of ARSCE, asked about the availability of meeting packets.

#### **Minutes**

Approved Minutes from the July 31, 2025 Investment Committee Meeting.

**Motion:** Upon motion by Sherri Crawford, seconded by Judith Blinder, the Investment Committee approved the minutes from the July 31, 2025 Investment Committee Meeting. The motion passed unanimously (5-0).

#### **Investment Risk Annual Review**

Jason Malinowski presented the annual Investment Risk Review and provided background and context; reintroduced investment risk measures; identified key takeaways; and discussed liquidity risk. The review has been conducted annually since 2018 and was initially based on the recommendation of the Investment Advisory Committee.



Staff onboarded MSCI's Total Plan Manager, a portfolio analytics and risk platform, during 2024-2025. The platform has begun to streamline and improve staff's portfolio and risk monitoring. There are potential opportunities for improvement depending on system and data enhancements.

Mr. Malinowski reviewed different perspectives on investment risk, including plan risk, portfolio risk and benchmark relative risk. Plan risk relates to the mismatch of the assets as represented by the investment portfolio and system liabilities and is of critical importance to SCERS's mission. Portfolio risk is the conventional understanding of risk where the investment portfolio experiences poor performance. Benchmark relative risk relates to the mismatch of the investment portfolio and SCERS's benchmarks. Common risk measures include volatility, equity beta and tracking error.

Key takeaways of the annual investment risk review were provided. There is a 67% probability of meeting the 6.75% actuarial rate of return over the next 30 years based on NEPC's capital market assumptions. As compared to the current funded status of 76%, there is a 25% probability that funded status could be lower than 75% in 10 years and a 5% probability that it could be lower than 59%. The portfolio is expected to perform poorly in environments where the equity market performs poorly, as the equity market is the main determinant of portfolio performance. With that said, the portfolio is highly diversified by asset class, sector, geography, company, investment manager and strategy.

Mr. Malinowski presented the special topic of liquidity risk to address a recommendation by the Investment Advisory Committee. SCERS requires cash to pay benefits payments and maintain the investment strategy. At the same time, SCERS invests in private market asset classes that are illiquid and cannot be readily sold for cash. Private markets represent about 30% of portfolio. Staff conduct a liquidity stress test annually, which has consistently found that SCERS has low liquidity risk and ample access to cash. 62% of the current portfolio is very liquid and an additional 10% is somewhat liquid. If there were a dramatic market stress unfolding over three years, SCERS is still expected to have 55% allocated to liquid investments. In such a scenario, SCERS would be expected to sell fixed income investments to pay benefit payments and capital calls.

## **Q2 2025 Quarterly Performance Report – NEPC**

Dan Hennessy of NEPC reviewed SCERS's investment performance for the period that ended June 30, 2025.

The fund returned 11.0% for the 1-year period ending June 30, 2025, and assets increased to \$4.6 billion. Equities were positive over the period with both US and international stocks posting strong returns. Most of SCERS's asset classes have outperformed their benchmarks.

As of June 30, 2025, the estimated actuarial funded status is 76.5%. The funded status from a market perspective, which reflects the market value of assets and revalues the liabilities based on current capital market assumptions is 85.8%.

## **Adjourn Meeting**

<b><u>Motion:</u></b>	Upon motion by <u>Sherri Crawford</u> , seconded by <u>Judith Blinder</u> , the Investment Committee voted to adjourn the meeting at 12:38 pm. The motion passed unanimously (5-0).
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# Seattle Retirement

## Seattle City Employees' Retirement System

**Investment Committee Meeting**  
Pacific Building, 720 3<sup>rd</sup> Avenue, Suite 900, Seattle  
(206) 386-1293

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### Minutes, Thursday, September 25, 2025

**IC Members Present:** Sherri Crawford (Chair), Judith Blinder, Maria Coe, Joseph Hoffman, Jamie Carnell

**IAC Members Present:** Dwight McRae

**SCERS Staff Present:** Jeff Davis, Jason Malinowski, Leola Ross, Paige Alderete, George Emerson, Mengfei Cao, Nina Melencio, William Kee

**Others Present:** Mike Monaco (MMPL), Gary Smith (City Attorney's Office), Rose Dean (NEPC), Martha Burke, Kevin Balaod (With.Intelligence), Andrew Robinson (FAS), Lindsay Saenni (Fin News), Thao Nguyen (NEPC), Daniel Hennessy (NEPC), Ben Pocs, Sarah Goldblum (ACORE), Warren de Haan (ACORE), Mike Romo (ACORE)

#### Call to Order

Sherri Crawford, Chair, called the meeting to order at 11:00 am.

#### Public Comment

There was no public comment.

#### Minutes

Approved Minutes from the August 28, 2025 Investment Committee Meeting.

**Motion:** Upon motion by Sherri Crawford, seconded by Judith Blinder, the Investment Committee approved the minutes from the August 28, 2025 Investment Committee Meeting. The motion passed unanimously (5-0).

#### Credit Fixed Income Deep Dive

George Emerson and Mengfei Cao presented the annual deep dive of the Credit Fixed Income asset class and provided background information, including its role in the total portfolio and its attributes.

SCERS has an allocation of 7.0% to Credit Fixed Income as of June 30, 2025 which matches the target weight of 7.0%. The asset class is managed by Arcmont, Ares, Monarch, and PIMCO. SCERS's Credit Fixed Income

portfolio has performed in line with the asset class index. Public credit has outperformed private credit over the last 1 and 3 years.

In the last 12 months, SCERS committed \$40 million to Arcmont Direct Lending Fund V. Going forward, staff will continue evaluating private credit managers to gradually increase their sub-asset class weight to the 60% target and further diversify into other strategies and asset types. At today's meeting, staff and NEPC will recommend a commitment of up to \$20 million to ACORE Opportunistic Credit II.

### **Credit Fixed Income Manager Recommendation – ACORE Opportunistic Credit II**

Staff recommended a commitment of up to \$20 million to ACORE Opportunistic Credit II (AOC II), a US real estate debt strategy. AOC II is managed by ACORE Capital (ACORE). ACORE is a private credit manager and would be SCERS's fourth private credit manager.

NEPC concurred with this recommendation and has selected AOC II as a preferred strategy on their Focused Placement List (FPL) with a top rating of 1.

Mr. Emerson and Ms. Cao reviewed the diligence process, organization, strategy, and ratings matrix.

Rose Dean, of NEPC, stated that this is an opportune time for this type of strategy, and the team is experienced. She noted a few areas to monitor, including team turnover.

Mr. Emerson introduced Mike Romo and Warren de Haan of ACORE who provided information about their firm and strategy and answered questions from committee members.

**Motion:** Upon motion by Sherri Crawford, seconded by Judith Blinder, the Investment Committee recommended that the Board of Administration commit up to \$20 million to ACORE Opportunistic Credit II, LP, pending satisfactory legal review. The motion passed unanimously (5-0).

### **Adjourn Meeting**

**Motion:** Upon motion by Sherri Crawford, seconded by Judith Blinder, the Investment Committee voted to adjourn the meeting at 11:49 am. The motion passed unanimously (5-0).



# Seattle Retirement

## Seattle City Employees' Retirement System

**Investment Committee Meeting**  
Pacific Building, 720 3<sup>rd</sup> Avenue, Suite 900, Seattle  
(206) 386-1293

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### Minutes, Thursday, October 30, 2025

**IC Members Present:** Sherri Crawford (Chair), Judith Blinder, Maria Coe, Joseph Hoffman, Jamie Carnell

**IAC Members Present:** Dwight McRae

**SCERS Staff Present:** Jeff Davis, Jason Malinowski, Leola Ross, Paige Alderete, George Emerson, Mengfei Cao

**Others Present:** Mike Monaco (MMPL), Gary Smith (City Attorney's Office), Rose Dean (NEPC), Daniel Hennessy (NEPC), Phillip Nelson (NEPC), Thao Nguyen (NEPC), Andrew Robinson (FAS), Joe Ebisa (With Intelligence), Ben Sheng (Money Media), Brett Johnson (PEI), Veronica Tapia

### Call to Order

Sherri Crawford, Chair, called the meeting to order at 11:00 am.

### Public Comment

There was no public comment.

### Minutes

Approved Minutes from the September 25, 2025 Investment Committee Meeting.

**Motion:** Upon motion by Sherri Crawford, seconded by Judith Blinder, the Investment Committee approved the minutes from the September 25, 2025 Investment Committee Meeting. The motion passed unanimously (5-0).

### NEPC Market Outlook

Phillip Nelson, of NEPC, presented NEPC's market outlook and answered questions from the committee members.

Mr. Nelson discussed the market impact of the government shutdown, weakening US dollar, artificial intelligence, and the Fed rate cuts. NEPC recommends their clients stick to their strategic asset allocation and maintain sufficient liquidity for cashflow needs.

Ms. Blinder asked about the price of oil. Mr. Nelson responded that it is a puzzle that the oil price has been falling despite a reasonably strong economy. He suggested that it may be due to a supply and demand imbalance.

### **Private Markets Benchmark Recommendation**

Staff recommended changing benchmarks for the private market asset classes effective January 1, 2026. The recommended benchmarks come from a recent release by MSCI of Private Capital Closed-End Fund Indexes that are constructed from the fund universe tracked by MSCI for their investor clients. The MSCI indexes included in this recent release are frozen, meaning that they will not be subject to future revision, which is an important feature for performance reporting.

Jason Malinowski revisited the concept of a benchmark, the reason to change, and compared the annualized performance for the existing and recommended benchmarks. The reason for changing the Private Equity and Infrastructure benchmarks is to move from custom indexes maintained by SCERS's custodian to standardized indexes maintained by a prominent index vendor. The same fund universe underlies both the existing and recommended indexes. The reason for changing the Real Estate benchmark is to improve alignment between the benchmark and SCERS's real estate portfolio in terms of strategy composition and risk/return profile.

Mr. Hoffman asked whether other benchmarks had been considered and how staff became comfortable with the newly launched benchmark. Mr. Malinowski explained that MSCI had released unfrozen indexes in early 2024, so the frozen versions represent the new development. Mr. Malinowski further stated that Cambridge is the other prominent private market index provider, but their indexes rely on managers' self-reported performance, which introduces selection bias.

NEPC concurred with this recommendation. Rose Dean, of NEPC, stated that this is an improvement for existing benchmarks and could reduce unnecessary tracking error between SCERS's portfolio and the benchmark.

<b>Motion:</b>	Upon motion by <u>Sherri Crawford</u> , seconded by <u>Judith Blinder</u> , the Investment Committee recommends that the Board of Administration adopt effective January 1, 2026 the MSCI Global Private Equity Closed-End Fund Index (Frozen; USD) as the Private Equity benchmark, the MSCI Global Private Infrastructure Closed-End Fund Index (Frozen; USD) as the Infrastructure benchmark, and a blend of 70% NCREIF ODCE Index and 30% MSCI Global Private Real Estate Closed-End Fund Index (Frozen; USD) as the Real Estate benchmark.
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### **Cost Effectiveness and Fee Study**

Jason Malinowski presented the Cost Effectiveness and Fee Analysis which detailed the investment costs incurred across the portfolio and evaluated their cost effectiveness. SCERS's accounting team works closely with BNY in tracking investment manager costs including management fees, performance fees, and fund expenses. SCERS then submits this cost data to an annual survey conducted by CEM Benchmarking.

Investment-related costs for 2024 were \$29.1 million (0.71% of fund assets), including \$26.6 million (0.65%) in investment manager fees and \$2.5 million (0.06%) in other costs. SCERS investment-related costs are modestly higher than the median US public pension. Over the last ten years, SCERS has outperformed on a net-of-fees basis the Reference Passive Benchmark that represents an investable portfolio that is available at a very low cost.

Ms. Dean of NEPC stated that fees are an important consideration to long-term portfolio performance. SCERS closely considers fees when evaluating new managers and strategies.

## **Adjourn Meeting**

**Motion:** Upon motion by Sherri Crawford, seconded by Judith Blinder, the Investment Committee voted to adjourn the meeting at 12:29 pm. The motion passed unanimously (5-0).



# Seattle Retirement

## Seattle City Employees' Retirement System

**Investment Committee Meeting**  
Pacific Building, 720 3<sup>rd</sup> Avenue, Suite 900, Seattle  
(206) 386-1293

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### Minutes, Thursday, November 20, 2025

**IC Members Present:** Sherri Crawford (Chair), Judith Blinder, Joseph Hoffman, Kimberly Loving

**IAC Members Present:** Keith Traverse (Chair), Steven Hill, Dwight McRae, Lauren Thompson

**SCERS Staff Present:** Jeff Davis, Jason Malinowski, Leola Ross, Mengfei Cao, George Emerson, Nina Melencio

**Others Present:** Mike Monaco (MMPL), Gary Smith (City Attorney's Office), Rose Dean (NEPC), Martha Burke (ARSCE), Brett Johnson (PEI Group), Joe Ebisa (With.Intelligence), Daniel Hennessy (NEPC), Russell Simon (Hamilton Lane), Andrew Robinson (FAS), Thao Nguyen (NEPC), Lauren Albanese (FinNews)

#### Call to Order

Sherri Crawford, Chair, called the meeting to order at 11:00 am.

#### Public Comment

There was no public comment.

#### Minutes

Approved Minutes from the October 30, 2025 Investment Committee Meeting.

**Motion:** Upon motion by Sherri Crawford, seconded by Judith Blinder, the Investment Committee approved the minutes from the October 30, 2025 Investment Committee Meeting. The motion passed unanimously (4-0).

#### Real Estate Manager Recommitment – Brookfield Real Estate Solutions II

Staff recommended a commitment of up to \$20 million to Brookfield Real Estate Solutions II ("BRES II"), a global diversified real estate secondaries fund.

BRES II would be SCERS's sixth investment in a Brookfield real estate fund across their flagship strategy and this secondaries strategy. NEPC concurred with this recommendation and has selected the fund as a preferred strategy on their Focused Placement List (FPL) strategy with a top rating of 1.

Mengfei Cao summarized the recommendation and reviewed the organization, strategy, and fund terms. BRES II is expected to invest primarily in General Partner-led recapitalizations. The BRES team is integrated within Brookfield's broad platform, which provides a unique advantage compared to other secondaries managers.

**Motion:** Upon motion by Sherri Crawford, seconded by Judith Blinder, the Investment Committee recommended that the Board of Administration commit up to \$20 million to Brookfield Real Estate Solutions II, pending satisfactory legal review. The motion passed unanimously (4-0).

### **Private Equity Deep Dive**

Jason Malinowski introduced Lauren Thompson. Ms. Thompson is the newest member of the Investment Advisory Committee and was appointed by the Board in September.

Mr. Malinowski presented the annual deep dive of the Private Equity asset class that included its portfolio allocation and activity, and liquidity considerations and answered questions from committee members.

Private equity is a critical return driver of SCERS's investment portfolio and has the highest expected return of any asset class although it is characterized by high volatility and sensitivity to economic growth, high fees, and low liquidity. SCERS has a current and target allocation of 11.5% (as of September 30, 2025) and 11%, respectively. The Board had previously approved changing the asset class benchmark to the MSCI Global Private Equity Closed-End Fund Index effective January 1, 2026.

SCERS invests with two multi-manager firms, Adams Street Partners and Horsley Bridge Partners, in the Private Equity asset class. There are no material changes for either. Private Equity performance has exceeded expectations over longer time periods.

Daniel Hennessy of NEPC reviewed the market environment.

### **Private Equity Manager Recommitment – Adams Street Partners-SCERS IV**

Staff recommended a commitment of up to \$300 million to Adams Street Partners-SCERS IV ("ASP IV"). This would be the 4<sup>th</sup> account of a custom private equity multi-manager strategy.

NEPC concurred with this recommendation and has selected Adams Street's co-investment fund series as a preferred strategy on their Focused Placement List (FPL) with a top rating of 1.

SCERS began investing with Adams Street Partners in 2014. Since that time, performance has met expectations and there have been limited organization or team changes.

ASP IV would be similarly constructed as its predecessor account, investing in the buyout sub-asset class on a global basis. ASP IV is expected to be 70% to 85% allocated to primary fund investments and 15% to 30% allocated to co-investments through Adams Street's co-investment fund series.

Judith Blinder commented that SCERS has a large existing investment with Adams Street Partners. Mr. Malinowski responded that staff are comfortable with this level since it is a multi-manager strategy and that manager concentration has been reduced going forward by hiring Horsley Bridge Partners in 2022 to manage the venture capital sub-asset class.



**Motion:** Upon motion by Sherri Crawford, seconded by Judith Blinder, the Investment Committee recommended that the Board of Administration commit up to \$300 million to Adams Street Partners-SCERS IV, pending satisfactory legal review. The motion passed unanimously (4-0).

### **Q3 2025 Quarterly Performance Report – NEPC**

Rose Dean of NEPC reviewed SCERS's investment performance for the period that ended September 30, 2025. The fund returned 11.2% for the 1-year period ending September 30, 2025, and assets increased to \$4.8 billion.

Mr. Traverse acknowledged that it has been a very good period for asset returns for the portfolio.

### **Adjourn Meeting**

**Motion:** Upon motion by Sherri Crawford, seconded by Judith Blinder, the Investment Committee voted to adjourn the meeting at 12:46 pm. The motion passed unanimously (4-0).