



Seattle Retirement

Seattle City Employees' Retirement System

Investment Committee Meeting
Pacific Building, 720 3rd Avenue, Suite 900, Seattle
(206) 386-1293

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.

Motion:	Upon motion by Sherri Crawford, seconded by Maria Coe, 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.