Seattle Retirement
Seattle City Employees' Retirement System

Investment Committee Meeting

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

Minutes, Thursday, January 29, 2026

IC Members Present:	Judith Blinder (Chair), Maria Coe, Joseph Hoffman, Kimberly Loving, Dan Strauss
IAC Members Present:	Dwight McRae
SCERS Staff Present:	Jeff Davis, Jason Malinowski, Paige Alderete, Nina Melencio, Leola Ross, George Emerson, Mengfei Cao, Harman Birring, Mark Schimizze
Others Present:	Mike Monaco (MMPL), Gary Smith (City Attorney's Office), Brett Johnson (PEI Group), Rose Dean (NEPC), Dan Hennessy (NEPC), Thao Nguyen (NEPC), Georgi Korovski (Peakload), Joe Ebisa (With Intelligence), Lindsay Saienni (Fin News), Ben Sheng (FundFire)

Call to Order

Judith Blinder, Chair, called the meeting to order at 11:00 am.

Public Comment

There was no public comment.

Minutes

Approved Minutes from the November 20, 2025 Investment Committee Meeting.

Motion:	Upon motion by Judith Blinder, seconded by Maria Coe, the Investment Committee approved the minutes from the November 20, 2025 Investment Committee Meeting. The motion passed 3-0-1 with Dan Strauss abstaining.

Rose Dean and Dan Hennessy of NEPC are attending today's meeting in-person. They are in town to participate in an investment staff planning session.

Mr. Malinowski introduced the investment team's new intern, Harman Birring. He is a student at Seattle University pursuing a Master of Science in Business Analytics.

Investment Consultant Evaluation

Jason Malinowski briefly reviewed the results from the annual investment consultant evaluation.

Scores were strong across the board and similar to the previous year. The weakest score, although still good at 4.4 out of 5, was related to ESG. Mr. Malinowski recently met with the NEPC head of public funds to brainstorm ideas to improve their ESG annual updates. Mr. Malinowski noted a drop in participation from members of the Investment Advisory Committee, so he will do more direct reach out in the future to increase participation.

(Kimberly Loving joined the meeting at 11:05 am)

Infrastructure Manager Recommitment – Stonepeak Opportunities Fund II

Staff recommended a commitment of up to $20 million to Stonepeak Opportunities Fund II LP ("SOF II"), a middle-market, value-add infrastructure strategy. SOF II is managed by Stonepeak Infrastructure Partners ("Stonepeak"). SCERS had previously committed $20 million to SOF II's predecessor fund, Stonepeak Opportunities Fund I. This recommendation is consistent with the pacing plan for the Infrastructure asset class that seeks to prudently and gradually increase the allocation to its 5% target weight.

George Emerson briefly reviewed the organization, strategy and fee structure and answered questions from committee members that related to the fund structure and firm ownership.

Ms. Dean provided NEPC's perspective on SOF II. NEPC concurs with this recommendation.

Motion:	Upon motion by Judith Blinder, seconded by Dan Strauss, the Investment Committee recommended that the Board of Administration commit up to $20 million to Stonepeak Opportunities Fund II, pending satisfactory legal review. The motion passed unanimously (5-0).

Investment Outlook and Capital Market Assumptions – NEPC

Mr. Hennessy reported on NEPC's 2026 Investment Outlook and Capital Market Assumptions and answered questions from the committee members.

2025 provided strong investment performance across asset classes amid resilient economic growth and heightened geopolitical uncertainty. Non-US equities outperformed US equities due in part to US dollar weakness.

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 2026 are:

- Navigating the AI Froth
- Look to the US Economy
- Do Not Fear the U.S. Dollar
- Labor Market Dynamics

Mr. Hennessy reviewed NEPC's building block framework for developing asset class return assumptions. The expected annualized return for the SCERS's investment portfolio is 6.0% over a 10-year time horizon and 7.6% over a 30-year time horizon. Both expected returns fell over the year given strong investment performance.

Mr. Malinowski said that SCERS's actuary, Milliman, uses a 6.75% investment return assumption to determine the contribution rate, which was last updated during the 2022 experience study. He added that SCERS is currently going through an Experience Study with Milliman. They reevaluate the reasonableness of the assumptions, including economic and demographic assumptions. The current return assumption of 6.75% seems consistent with NEPC's expectations when considering both time horizons. Milliman will present their preliminary feedback on the economic assumption at the Board's February meeting.

<u>Adjourn Meeting</u>

<u>Motion:</u>	Upon motion by <u>Judith Blinder</u>, seconded by <u>Dan Strauss</u>, the Investment Committee voted to adjourn the meeting at 12:18 pm. The motion passed unanimously (5-0).