



# 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, April 30, 2026**

**IC Members Present:** Sherri Crawford (Chair), Maria Coe, Joseph Hoffman, Dwight Dively

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

**Others Present:** Mike Monaco (MMPL), Gary Smith (City Attorney's Office), Rose Dean (NEPC), Dan Hennessy (NEPC), Thao Nguyen (NEPC), Martha Burke (ARSCE), Scott McConnell (Ares), Kaitlyn Zheng (Ares), Keith Ashton (Ares), Joe Ebisa (With.Intelligence), Lindsay Saienni (Fin News), Brett Johnson

#### **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 March 26, 2026 Investment Committee Meeting.

**Motion:** Upon motion by Sherri Crawford, seconded by Dwight Dively, the Investment Committee approved the minutes from the March 26, 2026 Investment Committee Meeting. The motion passed unanimously (4-0).

#### **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 7.1% to Credit Fixed Income as of December 31, 2026 which is close to the target weight of 7.0%. The asset class is managed by Arcomt, Ares, Monarch, PIMCO, and ACORE. The asset class provides meaningful income that can be used to meet short-term cash flow needs. SCERS Credit Fixed Income performance has been consistent with the index.

In the last 12 months, SCERS committed \$20 million to ACORE Opportunity Fund II. Going forward, staff will continue evaluating private credit managers to gradually increasing their sub-asset class weight to the 60% target and further diversify into other strategies and asset types.

NEPC does not see systemic risk in private credit despite recent headlines, including prominent company defaults like First Brands and investor withdrawals from retail funds. SCERS does not have exposure to these companies or funds. There is an opportunity to take advantage of dislocations and opportunities in secondary markets.

### **Private Credit Manager Recommitment – Monarch Capital Partners VII**

Staff recommended a commitment of up to \$30 million to Monarch Capital Partners VII LP (“MCP VII”), an opportunistic credit strategy. This recommendation is consistent with the Board’s adopted strategic asset allocation that includes a 7% target weight to Credit Fixed Income. MCP VII would be SCERS’s second allocation to Monarch. SCERS committed \$30 million to Monarch Capital Partners VI LP (“MCP VI”) in 2023. NEPC concurred with this recommendation. NEPC is in the final stages of evaluating MCP VII as a Focused Placement List (“FPL”) strategy. NEPC had assigned a top rating of 1 to MCP VI.

**Motion:** Upon motion by Sherri Crawford, seconded by Dwight Dively, the Investment Committee recommended that the Board of Administration commit up to \$30 million to Monarch Capital Partners VII, pending satisfactory legal review. The motion passed unanimously (4-0).

### **Private Credit Manager Commitment – Ares Pathfinder Fund III**

Staff recommended a commitment of up to \$30 million to Ares Pathfinder III (“Pathfinder III”), an asset based private credit strategy. Pathfinder III is managed by Ares Management Corporation (“Ares”). Ares is an existing public credit manager for SCERS. NEPC concurred with this recommendation and has selected Pathfinder III as a preferred strategy on their Focused Placement List (“FPL”) with a top rating of 1.

Staff reviewed Ares’s organization and strategy and presented the investment and operational rating matrices. Ares is a publicly traded firm with \$623 billion in assets under management. Pathfinder III will invest in large, diversified portfolios of assets generally consisting of loans/leases, receivables, and royalties/fees.

Scott McConnell, Kaitlyn Zheng, and Keith Ashton of Ares joined the meeting to review Pathfinder III and answer questions from committee members.

**Motion:** Upon motion by Sherri Crawford, seconded by Dwight Dively, the Investment Committee recommended that the Board of Administration commit up to \$30 million to Ares Pathfinder Fund III, pending satisfactory legal review. The motion passed unanimously (4-0).

### **Adjourn Meeting**

The meeting was adjourned at 12:48 pm.