Investment Committee

The Investment Committee met on Wednesday, April 22, 2026, and again on Wednesday, May 20, 2026.

At the April meeting, the Committee received presentations from the Pension Fund's U.S. large cap value managers Cooke & Bieler and Seizert Capital Partners, and from NEPC, the Pension Fund's general and private markets consultant.

Representatives from Cooke & Bieler discussed their strategy, current market opportunities, portfolio characteristics, and performance. As of March 31, 2026, Cooke & Bieler managed approximately $167 million for the Pension Fund, and their trailing annualized net performance for the past 1-year, 3-year, 5-year, 7-year, and inception-to-date time periods are 9.5%, 12.3%, 8.4%, 10.8%, and 10.0%, respectively. Cooke & Bieler has lagged its benchmark, the Russell 1000 Value Index, net of fees, on an annualized basis across all periods mentioned except for the 7-year period where the net return of 10.8% slightly exceeded the benchmark return of 10.6%. Although the relationship for this strategy dates to 2018, our partnership with Cooke & Bieler dates to 2014 when the Pension Fund was one of the first institutional investors in their U.S. small cap value strategy, which we terminated earlier this year. After the presentation, the Committee instructed staff and NEPC to continue to monitor Cooke & Bieler's performance and to make sure to highlight the performance in the upcoming quarterly reviews. No further action was taken.

The Committee then heard from Seizert Capital Partners. Our partnership with Seizert dates to 2018, when we had an Emerging Manager Program and Seizert was recommended by the Emerging Manager Consultant, Attucks Asset Management. When the Pension Fund ended its Emerging Manager Program in September 2022, Seizert was one of three managers that was promoted into the Pension Fund's broader portfolio. Seizert representatives discussed their strategy, current market opportunities, portfolio characteristics, and performance. As of March 31, 2026, Seizert manages approximately $143 million for the Pension Fund, with trailing 1-year, 3-year, 5-year, and inception-to-date annualized net returns of 3.7%, 10.9%, 8.3%, and 9.8%, respectively. Although Seizert has outperformed its benchmark, the Russell 1000 Value, since inception at a 9.8% return versus 8.9%, it has lagged its benchmark net of fees on an annualized basis in the latest 1-year, 3-year, and 5-year periods. The Committee instructed staff and NEPC to keep them updated on the performance of the strategy over the next couple of quarters. No further action was taken.

The Committee also received a presentation from NEPC on the Pension Fund's asset allocation. After reviewing key market themes and asset class assumptions, NEPC proposed two different options for adjusting our asset allocation. Both options involve increasing our total equity, leaning into U.S. stocks relative to non-U.S. stocks, and leaning into equity risk relative to fixed income, while continuing to allocate to private markets. The two options are set out in your binder behind Tab "I" Section 4. Both "mixes" increase U.S. large cap equity from 23% to 27%, increase U.S. small/mid cap equity from 7% to 8%, and decrease non-U.S. developed equity from 11% to 9%. They differ in how they would decrease the fixed income allocations. Mix A would only adjust Absolute Return Fixed Income, reducing it from 3% to 0%; Mix B would make slight reductions to Absolute Return Fixed Income, U.S. Aggregate Bond, and U.S. Leveraged Loan allocations by decreasing each by 1%. After discussions, the Committee voted unanimously to recommend to the Board to adopt Mix B.

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To implement those changes, at the May meeting of the Committee, CIO Cary Hally recommended the following implementation strategy: reducing the fixed income allocations by withdrawing a total of $170 million from certain fixed income managers - specifically, withdrawing $35 million from Payden & Rygel (Unconstrained Fixed Income), $75 million from MacKay Shields U.S. Treasury Portfolio (Core Bonds), and

$60 million from Garcia Hamilton (Core Bonds). Thereafter, increasing our U.S. equity allocations by redeploying the funds across multiple asset classes, including $25 million to Northern Trust Russell 1000 Index (Domestic Large Cap Equity); $20 million each to William Blair Small Cap Growth and Northern Trust Russell 2000 Value Index (Domestic Small Cap Equity); $25 million to WCM International Growth (International Equity), $15 million each to Earnest Partners and Barrow Hanley (International Equity); and $30 million to MacKay Shields (High Yield Fixed Income). Finally, it was recommended that we reserve $20 million for the Pension Fund's cash needs and deposit those funds into the Pension Fund's Northern Trust Cash Account. After discussions, the Committee voted unanimously to recommend the Board execute the recommended asset allocation implementation strategy.

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Because of the changes to our asset allocation, the Pension Fund also needs to update our Investment Policy Statement. NEPC and staff walked the Committee through the proposed revisions that reflect the updated asset allocation. A copy of the revised Policy can be found behind Tab "I" Section 4 of your binders. After discussions, the Committee voted unanimously to recommend that the Board accept the proposed changes to the Investment Policy Statement.

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Also at the May meeting, the Committee received a presentation from Manulife | Comvest Credit Partners, also known as MCCP, on a potential re-up commitment into Comvest Credit Partners Evergreen Fund. MCCP is one of the Pension Fund's private debt managers. They were formally known as Comvest Credit Partners, which was the private debt arm of Comvest Partners. In November 2025, Manulife acquired a majority stake in Comvest Credit Partners and it became MCCP. The Pension Fund originally started its relationship with Comvest Private Equity in 2014 by investing in one of their flagship private equity funds, and we invested again in one of their private equity funds in 2021. In 2023, the Pension Fund invested $25 million into Comvest Credit Evergreen Fund. Since inception, that fund has generated a net IRR of 11.89% as of December 31, 2025. MCCP presented an overview of the firm, strategy, portfolio, and outlook. Both staff and NEPC recommended investing an additional $25 million in the Evergreen Fund. After discussions, the Committee voted unanimously to recommend to the Board to commit $25 million to Comvest Credit Partners Evergreen Fund.

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Finally, NEPC presented a quarterly performance review. As of March 31, 2026, the market value of the Pension Fund was approximately $4.4 billion. The total fund return for the quarter was -0.9%, and the 1-year return was 10.5%. U.S. equites returned -4.0% for the quarter and 13.4% for the 1-year period, and non-U.S. equities returned 1.5% for the quarter and 28.6% for the 1-year period. Total fixed income returned -0.2% for the quarter and 4.7% for the 1-year period. As requested by the Committee in April, NEPC's presentation highlighted the performance of Cooke & Bieler Large Cap Value and Seizert Capital Partners. Garcia Hamilton, the Pension Fund's core bond manager, was discussed. It has only 10 basis points of outperformance since inception. NEPC and staff noted that core bonds have not performed strongly given the market environment over the past five years. The total portfolio is close to its target allocations and within approved ranges. No action was taken.

[End of my report]