CITY OF HARTFORD

PENSION COMMISSION

Gene Goldman, Commissioner – Shawn Wooden, Commissioner – Michele Parrotta, Commissioner
Nicholas Trigila, Employee Representative – City Treasurer Carmen Sierra, Commission Secretary

# AGENDA

## PENSION COMMISSION MEETING
**Friday, April 24, 2026**
**9:00 a.m.**

## INVESTMENT PROGRAM

**I. Review of Regular Meeting Minutes**

- **Minutes of March 27, 2026**

**II. Investment Consultant – NEPC**

- **Work Plan Update**

**III. Other Business**

- **MERF Portfolio Verbal Update**
- **Public Comments**

CITY OF HARTFORD

OFFICE OF THE CITY TREASURER

CARMEN I. SIERRA
CITY TREASURER

# MEMORANDUM

PENSION COMMISSION
INVESTMENT PROGRAM

**To:** Pension Commission

**From:** Carmen I. Sierra, Secretary
Delando Clarke, Assistant Secretary

**Date:** April 20, 2026

**Subject:** **Review of Minutes from the Meeting of March 27, 2026**

CITY OF HARTFORD

OFFICE OF THE CITY TREASURER

CARMEN I. SIERRA
CITY TREASURER

# MINUTES

## PENSION COMMISSION MEETING
**Friday, March 27, 2025**
**9:00 a.m.**

## INVESTMENT PROGRAM

**MEMBERS PRESENT:** Joshua Gottfried, Committee Chairman; Gene Goldman, Commissioner ; Shawn Wooden, Commissioner ; Delando Clarke, Assistant Secretary

**MEMBERS EXCUSED:** Carmen I. Sierra, Trustee; Nicholas Trigila, Employee Representative

**STAFF PRESENT:** P. Wayne Moore, Chief Investment Officer; Chris Koler, Deputy Chief Investment Officer; Rebecca Melley, Investment Associate and Veneice McKenzie-Tibby, Senior Project Manager

**OTHERS PRESENT:** Chay Iv, Chief Administrative Officer; Will DuPree, NEPC; Jonovan Sackey, NEPC; Doug Moseley, NEPC; Leigh Ann Ralls, Chief Financial Officer and Finance Director, Richard Pokorski, Director of Benefits Administration; Bill Beccaro, Attorney; Gary Draghi, Consultant; Ellen Kucenski, USI Consulting Group; Brianne Fayed, USI Consulting Group; Lori Mizerak, Deputy Corporation Counsel; Marily Rossetti, Council Member; TJ Clarke, Council President; Kelly Bilodeau, Council Member; Lisa Silvestri, Public; Damaris Rivera, Public; Thomas Phillips, Public; Alyssa Peterson, Public; James Geraci, Public; Brendan Canary, Public; Marilyn Cruz Aponte, Public; James Rutkauski, Public;

Paul Motta, Public; Jeanne Webb, Public; Deborah Santostefano, Public and Gary Carter, Public

**Commission Chair Joshua Gottfried called the meeting to order at 11:18 a.m.**

**Chairman Gottfried made a motion to amend the agenda. The motion was approved.**

I. Review of Minutes of the Meeting of February 27, 2026

Chairman Gottfried introduced the item and asked for questions, comments, or corrections.

**A motion was made, seconded, and accepted to table the approval meeting minutes of February 27, 2026.**

**A motion was made, seconded, and accepted to request that the transcripts be provided to the Pension Commission from the prior two meetings**

II. **General Investment Consultant – NEPC**

**Private Debt Update**

Mr. Will DuPree, NEPC, provided a high-level perspective on the private credit market and the status of the MERF's Private credit allocation. Mr. DuPree noted that due to being a first mover in the credit space, the MERF private credit portfolio remained well diversified. He stated that direct lending represented the MERF's initial focus within the private credit market. Mr. DuPree further emphasized that this strategic diversification effectively insulated the portfolio from the structural mismatches and risks currently impacting domestic peers. Mr. DuPree advocated for the current shift toward European private credit, noting that the region offered more attractive valuations, lower capital saturation than the U.S. market, and access to stable, mature industries.

## Real Estate Performance Quarter Ended December 31, 2025

Mr. DuPree reported that as of September 30, 2025, the MERF real estate program has $125.8 million in active commitments with $91.4 million returned via distributions.

Mr. DuPree reported that DPI (Distributed to Paid-In- Capital) was at .78x and TVPI (Total Value/Paid In) was 1.37x, within their target ranges, with the net since inception Internal Rate of Return posting at 6.6%.

Mr. DuPree reviewed the real estate portfolio performance, noting that the market appeared to have bottomed out following a challenging 2022. He reported that the portfolio had begun to rebound, generating a one-year return of 2.62% and a year-to-date return of 2.25%. He attributed this recovery primarily to real estate debt holdings, which served as an "anchor" during the rising rate environment.

Regarding portfolio diversification, Mr. DuPree stated that approximately 80% of the portfolio was allocated to Core and Core+ open-ended vehicles, while the majority of the remaining exposure was focused on value-add funds to capture higher upside. He highlighted that real estate debt currently represents 18% to 22% of the portfolio, with a target range of 20% to 30%, and indicated that the Commission is strongly considering adding further debt exposure in 2026.

Mr. DuPree concluded with an analysis of cash flows, noting that the portfolio had moved past its "J-curve" phase and entered a distribution-heavy harvesting phase. With approximately 92% of capital called, he projected a continued modest upward trend in net cash flow. Additionally, he highlighted the performance of Blue Owl's sale-leaseback strategy, noting that its focus on investment-grade tenants and long-term leases made it the second largest contributor to recent performance.

## Real Assets Performance Quarter Ended December 31, 2025

Mr. Moseley reviewed the real assets portfolio, noting that returns in this sector have outperformed real estate, which faced greater headwinds from interest rates and post-pandemic shifts in office usage. He reported a one-year Internal Rate of Return (IRR) of 7.45%, with longer-term performance remaining strong at a 15% five-year IRR and an 11% return since inception.

Mr. Mosely reported that DPI (Distributed to Paid-In- Capital) was at .65x and TVPI (Total Value/Paid In) was 1.5x, within their target ranges, with the net since inception internal rate of return posting at 11.4%.

Regarding diversification, Mr. Moseley detailed a core position held in a fund of funds, providing broad exposure to infrastructure, transportation, and energy-related projects. He noted that the remainder of the portfolio consists of traditional infrastructure and energy-related credit. As of the reporting period, the portfolio value stood at $56 million with $34 million in unfunded commitments, leaving the allocation approximately 1% below the policy target.

Addressing cash flow, Mr. Moseley expected a shift toward a neutral profile as older vintage funds wind down and more recent commitments return more capital. He projected the allocation would remain between 5% and 6% of the total fund, slightly under target pending a pacing update in the second half of the year. In response to Chairman Gottfried's inquiry regarding year-end expectations, Mr. Moseley indicated that early indicators for Q4 remained positive, driven by high demand for public-private energy and transportation infrastructure projects.

**Work Plan Update**

Mr. DuPree presented an updated work plan for the MERF through August 2026. He reported that the private credit recommendation due diligence remains in progress.

Mr. DuPree reported that May would focus on real estate due diligence, and he noted that the month would also be dedicated to the Q1 IPA, the Q4 private debt report, and the Q4 private equity report.

Mr. DuPree noted that June would include a Real Assets manager due diligence, private equity due diligence, and a hedge fund review. He emphasized that while the timeline for these private market commitments remains fluid, the goal would be to have all recommendations finalized prior to August.

**Rebalancing Update**

Mr. Christopher Koler, Deputy Chief Investment Officer, provided an update on the domestic rebalancing effort. Mr. Koler reported that the Edgewood and Channing redemptions were in process ($88 million and $40 million, respectively), and that this would be operationalized over three tranches. Mr. Koler additionally noted that as part of the domestic equity plan, a rebalancing notification was sent to Eagle Capital.

**The Commission accepted the report for advice.**

## III. Executive Session: U.S. Smid Cap Equity Manager Recommendation

**A motion was made, seconded and adopted to enter executive session for the above item.**

**A motion was made, seconded and adopted to exit the executive session.**

Jennison Partners U.S, Smid Cap Equity Fund

**A motion was made, seconded and adopted to approve Treasurer Sierra's recommendation, authorizing Treasurer Sierra to execute an initial investment of up to $30 million dollars to the Jennison Partners U.S. Smid Cap Equity product, subject to staff and outside counsel's satisfactory review of the business and legal terms of the investment.**

## IV. Other Business

Verbal Update

Ms. Rebecca Melley, Investment Associate, reported that as of March 27th, 2026, MERF's market value was approximately $1.2 billion dollars. She noted that pension payroll was funded earlier this month in the amount of $9.8 million dollars, and that the MERF's current cash position net of pension payroll is approximately $34.7 million dollars.

Ms. Melley reported that the MERF was set to receive the Q4 ADEC payment expected to be approximately $11.7 million.

Public Comments

Ms. Jeanne Webb, a City retiree, inquired about the funded status of the pension plan and the possibility of a Cost-of-Living Adjustment ("COLA"). Ms. Webb acknowledged that the Pension Commission does not hold authority to grant a COLA. She noted that retirees had not received a COLA since 2007 and requested clarification on the 25-year amortization schedule for the $42 million unfunded liability payment.

Chairman Gottfried and Mr. Goldman confirmed that the funding plan was bifurcated approximately five years ago. Under this structure, existing unfunded liabilities are amortized over 25 years, while new gains or losses are addressed over 15-year periods. Mr. Wooden clarified that if investment returns exceed the 6.75% Assumed Rate, the fund would reach 100% funding sooner rather than by reducing the annual fixed payment.

Regarding the COLA, Chairman Gottfried reiterated that the Pension Commission lacks the authority to grant increases, as that power resides with the Mayor and City Council. Mr. Goldman advised that any proposed COLA should be vetted by the fund's actuary to determine the true fiscal impact. He further noted that, in theory, plan changes such as a COLA would be amortized through the 15-year "bucket" for new liabilities. Ms. Webb concluded by highlighting historical periods where the fund was over 100% funded and the impact of past funding decisions on current retirees.

Ms. Alyssa Peterson, a Hartford resident, addressed the Commission to advocate for a retiree COLA, emphasizing that the issue had become a "political hot potato" requiring factual pressure from outside entities. She suggested that the Treasurer seek a feasibility recommendation from the Municipal Accountability Review Board (MARB) regarding the use of the City's $48 million unassigned fund balance to fund a retiree increase. Ms. Peterson further requested that the Commission's advisors research several specific areas, including whether the original police pension fund assets have historically subsidized newer city hires and whether the pension costs generated by police overtime could be offset by budgetary savings from the department's high vacancy rate. Additionally, she proposed exploring the use of the rainy-day fund to buy out the pensions of short-term, high-salary employees to create sustainable savings for career retirees. Ms. Peterson concluded by stating she would submit her formal observations and research requests to the Commission in writing.

**A motion was made, seconded and adopted to schedule an ad hoc governance meeting for April 2nd, 2026, at 3:00 pm with the secretary of the commission to notify the town clerk's office before Tuesday, March 31st, 2026, at 3:00 pm.**

Commissioner Wooden and Goldman expressed their gratitude for Chairman Gottfried's dedicated service, leadership, and advocacy for the retirees.

Chairman Gottfried made a motion to adjourn the Investments portion of the meeting.

ATTEST: _____
Delando Clarke, Assistant Secretary

CITY OF HARTFORD

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CARMEN I. SIERRA
CITY TREASURER

**MEMORANDUM**

PENSION COMMISSION
INVESTMENT PROGRAM

**To:** Pension Commission

**From:** Carmen I. Sierra, Secretary
Delando Clarke, Assistant Secretary

**Date:** April 20, 2026

**Subject:** **Investment Consultant – NEPC**

NEPC representatives will discuss the following items. Please see the enclosed materials which they will utilize in their presentation.

- **Work Plan Update**

# APRIL 2026 MERF COMMITTEE MEETING

## CITY OF HARTFORD
## MERF PORTFOLIO

APRIL 2026

Will DuPree, Senior Consultant
Doug Moseley, Partner
Jonovan Sackey, Senior Investment Associate
Marc Leonard, Consulting Analyst

PROPRIETARY & CONFIDENTIAL

# UPDATED MERF WORK PLAN

PROPRIETARY & CONFIDENTIAL

# MERF WORK PLAN – UPDATED APRIL 2026

| 2026 MERF WORK PLAN | | | | | | |
|---|---|---|---|---|---|---|
| | April | May | June | July | Aug | Sept |
| **TOTAL PLAN** | | | | | | |
| Asset Allocation/Portfolio Review | | | | 2026 Asset Allocation Study | | |
| Quarterly Performance Review | | Q1 IPA | | | | Q2 IPA |
| Investment Policy Statement | | | | | | |
| Educational Pieces | | | | | | |
| | | | | | | |
| **TRADITIONAL ASSETS** | | | | | | |
| Asset Class Review | | | | | | |
| Manager Due Diligence | | | | | | |
| Manager Interviews | | | | | | |
| | | | | | | |
| **PRIVATE & OPPORTUNISTIC Debt** | | | | | | |
| PD Program Planning | | | | | | |
| PD Due Diligence/Presentations (as required) | | Private Credit Recommendation | | | | |
| PD Performance Report | | Q4 | | | | Q1 |
| | | | | | | |
| **REAL ESTATE + REAL ASSETS** | | | | | | |
| RE/RA Program Planning | | | | | | |
| RE/RA Due Diligence/Presentations (as required) | | | RE Manager Recommendation | RA Manager Recommendation | | |
| RE/RA Performance Report | | | Q4 | | | Q1 |
| | | | | | | |
| **PRIVATE EQUITY** | | | | | | |
| PE Program Planning | | | | | | |
| PE Due Diligence/Presentations (as required) | | | | | | |
| PE Performance Report | | | Q4 | | | Q1 |
| | | | | | | |
| **HEDGE FUNDS** | | | | | | |
| Hedge Fund Program Planning | | | | | | |
| HF Due Diligence/Presentations (as required) | | | | | | Hedge Fund Review |

# INFORMATION DISCLAIMER

**Past performance is no guarantee of future results.**

**The goal of this report is to provide a basis for substantiating asset allocation recommendations. The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.**

**Information on market indices was provided by sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.**

**All investments carry some level of risk. Diversification and other asset allocation techniques do not ensure profit or protect against losses.**

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**MEMORANDUM**

PENSION COMMISSION
INVESTMENT PROGRAM

**To:** Pension Commission

**From:** Carmen I. Sierra, Secretary
Delando Clarke, Assistant Secretary

**Date:** April 20, 2026

**Subject:** **Other Business**

- **MERF Portfolio Verbal Update**
- **Public Comments**