

Date: October 21, 2026
To: Board of Retirement
From: F. Robert Reveles, Retirement Financial Investment Officer
Subject: Investment Policy Statement (IPS) Review

Recommended Action:

Adopt the IPS as presented or as modified by the Board.

Fiscal and Financial Impacts:

There is no financial impact associated with the adoption of this policy.

Strategic Plan Importance and Risk Assessment:

This regular policy update directly advances the Board's governance goals to improve risk oversight and increase operational effectiveness.

Background and Discussion:

The 2026 IPS introduces updates to the Real Estate and Infrastructure sections, providing more sophisticated guidance on the liquidity constraints of semi-liquid private market vehicles. The updated language acknowledges fund-specific gating mechanisms, redemption queues, and valuation timing considerations, issues not clearly addressed in the 2023 version. These additions modernize the policy by better reflecting how private real estate and infrastructure vehicles operate in practice.

The Infrastructure section undergoes the most substantial change. The 2023 IPS benchmarks infrastructure primarily to the NCREIF ODCE Index and briefly discusses fund structures. In contrast, the 2026 IPS recasts the asset class with a more comprehensive definition, shifts the primary benchmark to CPI-U + 4%, and adds clearer guidance on evaluation using private and listed alternatives. It also expands the discussion of liquidity and structural risks inherent in private infrastructure vehicles, offering a more complete framework for oversight and performance evaluation.

Other changes across the document are relatively minor and stylistic. These include modernized terminology (e.g., "Public Equity" rather than "Equity Portfolios"), updated benchmark naming conventions (Bloomberg Aggregate replacing Barclays Aggregate), small governance-language refinements, and clarifications regarding the use and purpose of short-term liquidity. Overall, the 2026 IPS tightens language, enhances clarity in illiquid asset classes, and aligns the policy more closely with contemporary institutional investment practices.

These updates do not change asset allocation targets and do not introduce new reporting or operational requirements for the Board or Staff.

Staff recommend adoption of the updated IPS.

Attachment(s): **Investment Policy Statement**