

MINUTES OF MEETING
of the SPECIAL FUND INVESTMENT COMMITTEE
Telephonic Meeting
800 West Washington Street
Phoenix, AZ 85007
Monday, February 23, 2026 – 1:00 p.m.

Present:	Michael Kennington	Member (Telephonic)
	Aaron Bickham	Member (Telephonic)
	Dennis P. Kavanaugh	Member (Telephonic)
	Gaetano J. Testini	Member (Telephonic)
	Larry Witt	Meketa Investment Group, Inc. (Telephonic)
	Imran Zahid	Meketa Investment Group, Inc. (Telephonic)
	Sylvia Simpson	Chief Accounting Officer (Telephonic)
	Janine Locke	Chief Procurement Officer (Telephonic)
	Kara Dimas	Safety Program Manager (Telephonic)
	Anniemarie Tisi	Commission Secretary (Telephonic)

Mr. Kavanaugh convened the meeting at 1:00 p.m. noting a quorum present.

Review and Approval of Regular Meeting Minutes of January 27, 2026.

The regular meeting minutes for the January 27, 2026 meeting were unanimously approved on motion of Mr. Kennington, second of Mr. Bickham.

Review, Discussion and/or Action regarding Special Fund Investment Activity, including Asset Allocation Targets and Ranges.

Ms. Simpson reviewed Special Fund investment activity, noting equities at 51.6% (above the 45% target), fixed income at 46% (below the 50% target but within range), and cash at approximately \$10 million. She reported that \$8.5 million was transferred for the recent building purchase. No questions were raised.

Mr. Witt reviewed the markets for January noting the Federal government shut down for October, which was the longest government shutdown in history, but despite that the markets performed well with stocks up and large cap growth leading the way. International markets were up about 2% and foreign equities were positive for the month. The bond indexes were positive. Markets are down so far in November, erasing the gains, but the month is not yet over. Overall October was a nice month.

Mr. Zahid noted the First Eagle redemption was complete as of last week. The cash balance increased \$14 million from the proceeds of First Eagle and \$8.5 million was used for the purchase of a building in Tucson. He reviewed the performance of the individual money managers for the month of January, GW&K, DePrince, Pear Tree Polaris, Reams, Dolan McEniry, and Arena.

Mr. Kavanaugh noted that a rebalancing recommendation was appropriate for discussion and invited Mr. Witt, Meketa Investment Group, Inc. representative. Mr. Witt reviewed the rebalancing recommendation report and discussed the portfolio allocation as of the end of January, excluding approximately \$9 million needed for the recent building purchase. He noted that equities were overweight by approximately 6%, or \$27 million, while fixed income and cash were

underweight relative to target allocations. He reported that cash represented approximately 2.5% of the portfolio compared to the 5% target. Mr. Witt stated that rebalancing closer to the target allocation would be prudent and discussed potential options, including reallocating equity exposure to fixed income and cash. He also discussed specific managers and recommended reallocating assets from overweight equity managers to fixed income, including the Reams Core strategy.

Committee members discussed the recommendation, expressing support for rebalancing given current market conditions.

Mr. Bickman made a motion to redeem \$11 million from Pear Tree and allocating it to cash, and to redeem \$13 million from DRZ and to allocate \$13 million to the Reams Core strategy. Mr. Kennington seconded the motion and the motion passed unanimously.

Review, Discussion and/or Action regarding Special Fund Investments where Original Cost Exceeds Current Market Value by 25% or Greater.

Ms. Simpson noted there were 61 items in the report with 46 being in the index fund. There are reports from GW&K and DePrince, and there were 16 additions this month.

Discussion and Action regarding Potential New Property in Tucson.

Mr. Testini provided an update to the Committee regarding the Tucson property. He reported that escrow has been completed and that the purchase price was reduced to \$8.5 million. Mr. Kavanaugh noted that the reduction was made in light of the discovery that the building's air conditioning units are approximately 27 years old. Mr. Testini further shared that the keys to the property were received on February 17, 2026.

Mr. Testini stated that the plan is to complete necessary upgrades and tenant improvements to the building before the end of the calendar year. These improvements are intended to prepare the facility for future staff occupancy.

No questions were raised by the Committee members following the update. No formal actions were taken.

Announcements and Scheduling of Future Meetings.

The Committee scheduled the next meeting of the Investment Committee for March 30, 2026 at 1:00 p.m.

There being no further business to come before the Committee and no public comment, Mr. Kavanaugh adjourned the meeting at 1:25 p.m.

SPECIAL FUND INVESTMENT COMMITTEE

By  _____
Gaetano J. Testini, Director

ATTEST:



Anniemarie Tisi, Commission Secretary