

The regular monthly meeting of the Retirement Board of Allegheny County was held on July 15, 2021 via Teams Meeting/Conference Call. The meeting was called to order at 12:00 pm.

Roll Call of the Board members was made: Board members, Ted Puzak, Chelsa Wagner, Rich Fitzgerald, Jennifer Liptak, Sarah Roka, Frank DiCristofaro, and John Weinstein were in attendance.

Also, in attendance: Walter Szymanski, Manager, Retirement Office, Brian Gabriel, Campbell Durrant, Solicitor, Chris Brokaw and Tim Walters, AndCo Consulting, Ed Boyer, Asset Strategy, and Perry Giovannelli, PFM.

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

No public comments were made.

APPROVAL OF BOARD MINUTES

The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro, to approve the minutes of the June 17, 2021 board meeting.

APPROVAL OF FINANCIAL STATEMENTS

The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro, to approve the May 2021 Financial Statements. The reports are generated by the Controller's Office Board Secretary.

- Pension Fund Assets
- Statement of Changes in Plan Net Assets
- RBAC Balance Sheet

APPROVAL OF INVOICES

No July invoices to review.

PENSION APPLICATIONS

The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve pension applications filed with the Retirement Office for the month of July 2021.

- Early Voluntary 7
- Full Retirement 15

MANAGER'S REPORT

Walter Szymanski

The Dashboard Retiree Payroll is up 5.44%, YTD. Total Contribution Made are up 5.57%. Contributions Refunded are up 29.53%%. Total Retirements YTD down -16.99% Capital Calls down -69.80%. Capital Calls as of prior board meeting \$227,643.78

The Office budget is as of June 30, 2021.

Board Approval Request

- a. The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro to approve and adopt the proposed Findings, Conclusions and Recommendation of the Hearing Officer in Appeal No. 2021-3 thereby denying the Appeal.*

SOLICITOR'S REPORT

Brian Gabriel

The solicitor's report is current as of July 8, 2021. Direct questions to the Mr. Gabriel as needed. No questions were presented at this time.

Labaton Sacharow Class Lawsuit Recommendation: Based on their investigation, the" core of the action's theory is that the offering materials issued to investors and filed with the SEC in connection with the SPO failed to disclose that, prior to the SPO, Ping was struggling to transition from its traditional licensing model to a Software as a Service"(SaaS) model, and that this transition was negatively impacting the Company's business and financial results. As a result of the foregoing, Ping's positive statements about its operations and financial prospects set

forth in its Registration Statement were materially false and misleading when made.”

The RBAC acquired Ping stock on the July 2020 SPO and incurred an estimated statutory damage under the Securities Act of \$9,640 on these shares and it is estimated that the Fund has incurred a total loss of \$29,609 on its Ping investment during the relevant time period.

The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka to approve the Labaton Sucharow recommendation that the RBAC Fund file a securities class action to preserve the Securities Act claims.

CONSULTANT’S REPORT

AndCO

Chris Brokaw

Rebalancing Recommendation:

AndCo recommends the transactions listed below to harvest gains to decrease the US Equity allocation and to increase the Liquid Policy Portfolio allocation:

1. Sell \$15 million of the SSgA S&P Index Fund. US Equity has returned 42.4% over the past trailing year. 19.3% of the portfolio is invested in US Equity. Reducing the allocation by this suggested amount will reduce the allocation to 17.9%, bringing it closer to the target allocation of 16.5%.
2. Purchase \$15 million of the BlackRock Liquidity iShares Public Pension Fund. The investment will increase the allocation to 3.5%. The fund currently has a 2.1% allocation and a target allocation of 5.0% of the portfolio. The fund does not charge a fee at the fund level and the weighted average fee for the underlying ETFs is 0.08%.

The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka to approve the recommendation to sell \$15 million of the US Equity and purchase \$15 million of the Liquid Policy Portfolio allocations bringing them towards their long-term asset allocation targets.

Market update through June 30, 2021.

Page 1 – Equities- The S&P 500 Total Return for the month up 2.33% and YTD 15.25%, 1 Year up 40.79%, and the 1 Year, small cap, Russell 2000 Index at returned 62.03%. Over the past 1 Year period the MSCI EAFE NR is up 32.35% and the MSCI EM NR is up 40.90%, The Federal Government deposited to each qualifying child

under 17 a \$300 advance payment of the child tax credit. This is the most recent of multiple stimulus programs that have supported and continue to support the economy. In the Fixed Income markets, interest rates have held steady leading to positive returns for the month. US Corporate High Yield returned 2.25% YTD and 0.30% for the month. Federal Reserve met this week and increased their expectations for future inflation.

Page 2 – Performance- Total Fund positive return for the month of May was 1.11% and 6.88% for the year-to-date period. US Equity posted a positive return of 12.08% YTD and has generated the best asset class return year-to-date. Non-US Equity earned 2.31% and had the best return for the month. Private Equity performed well for the month, returning 2.22%.

Page 7-9 Cash Flows – May 1, 2021 the account held \$3.5 million in cash. With the cash in the account and the net distributions from private investments, the fund was able to use the cash to pay the benefit payments. Private Equity market value was \$198 million as of May 31, 2021.

Page 10 Asset Allocation – US and Non- US Equity was above target. Private Equity in the middle of the page slightly above its the targeted allocation. Fixed Income was a bit under target. the reallocation of the \$15 million discussed will move the allocations toward the targets, specifically the Liquid Policy Portfolio Composite will increase and US Equity allocation will decrease.

Asset Strategy

Ed Boyer

Robust pipeline of companies that will be going public over the balance of the year and a lock up period of 6 months. Liquidity will start up in the 4th quarter however you may not see a return of the capital until the 1st quarter of 2022 due to a delayed reaction from the legalities of the lockups. Notably Greenspring and Constitution. Greenspring, a larger allocation of the portfolio, current value of \$27 billion, has 7 allocations IRR is tracking nearly 26%. Greenspring received an offer to be purchased from a publicly traded company called Stepstone, an alternative investment business with limited exposure to venture capital. The combination of the two companies makes sense. None of your existing investments are impacted by the agreement. Consent form being sent to the RBAC to approve Chairman Weinstein to sign.

The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro to approve the recommendation for the solicitor to review the consent form for the sale of Greenspring and the authorization for the RBAC President to sign the consent form.

PFM

Perry Giovannelli

Transaction FAQ for PFM as of July 7, 2021. PFM entered into an agreement with U.S. Bancorp Asset Management Inc. (USBAM) closing set for December 2021. PFM will become a division of USBAM and continue to operate as a separate registered investment advisor. A few managers are retiring, Marty Margolis who was a founding partner in the 1970's, and Eric Thole, CEO from Seattle. Joh Spagnola (OCIO) will continue with a role in leadership. PFM will have a new agreement for the RBAC to review sometime in September or October.

NEW BUSINESS

1. Uta Schwan-Ulbrich an Allegheny County retiree turned 100 on June 26th, she worked in the Department of Community Services and retired December 1986, 35 years ago. The board is sending her a certificate of recognition.
2. Congratulations to Amy Weise, Deputy Controller, Controller's Office, on her recent marriage.
3. September 16, 2021 RBAC will be held in person.
4. August 2021 meeting will be canceled.

ADJOURNMENT

The Board unanimously approved a motion by Mr. Weinstein to adjourn at 12:29pm.

Respectfully submitted,



Chelsa Wagner, Secretary

