

The regular monthly meeting of the Retirement Board of Allegheny County was held on June 16, 2022, 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, Tracy Royston, Rich Fitzgerald, Jennifer Liptak, Sarah Roka, and Frank DiCristofaro were in attendance. Tracy Royston facilitating the meeting.

Also, in attendance: Walter Szymanski, Manager, Retirement Office, Brian Gabriel, Campbell Durrant, Solicitor, Brad Rigby, Cowden Associates, Chris Brokaw, AndCo Consulting, and Ed Boyer, Asset Strategy.

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

None

APPROVAL OF BOARD MINUTES

The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro to approve the minutes of the April 21, 2022, board meeting.

APPROVAL OF FINANCIAL STATEMENTS

A. The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to ratify the approval of the March 2022 Financial Statements and approve the April 2022 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

The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro to ratify its approval of the May invoices.

MAY VENDOR EXPENSES

VENDOR	DATE	AMOUNT
GRIDIRON PARTNERS MGMT PARTNERS-FI	1/1/22-3/31/22	\$ 7,853.01
GRIDIRON MGMT PARTNERS-MA	1/1/22-3/31/22	\$ 6,420.20
CIM INVESTMENT MANAGEMENT (Fixed Income)	1/1/22-3/31/22	\$ 17,223.96
CIM INVESTMENT MANAGEMENT (Small Cap)	1/1/22-3/31/22	\$ 9,796.84
CIM INVESTMENT MANAGEMENT (Israel Bonds)	1/1/22-3/31/22	\$ 3,747.45
CSM ADVISORS, LLC	1/1/22-3/31/22	\$ 23,975.27
COOKSON PEIRCE & CO INC	1/1/22-3/31/22	\$ 1,635.00
EARNEST PARTNERS	1/1/22-3/31/22	\$ 36,747.28
EMERALD ADVISERS (All Cap)	1/1/22-3/31/22	\$ 9,266.39
EMERALD ADVISERS (Small Cap)	1/1/22-3/31/22	\$ 26,360.04
EMSTONE ADVISERS, LLC	1/1/22-3/31/22	\$ 2,666.15
FEDERATED (Core Broad)	1/1/22-3/31/22	\$ 24,166.76
F.N.B. WEALTH MANAGEMENT	1/1/22-3/31/22	\$ 2,417.56
FIDELITY INVESTMENTS (Select Int'l Plus)	1/1/22-3/31/22	\$ 25,864.63
FRAGASSO FINANCIAL ADVISORS	1/1/22-3/31/22	\$ 9,544.00
iNetworks OF, LLC	1/1/22-3/31/22	\$ 22,482.72
MELLON CAPITAL		\$ -
STATE STREET GLOBAL ADVISORS (MSCI World)	1/1/22-3/31/22	\$ 6,485.13
STATE STREET GLOBAL ADVISORS (S&P 500)	1/1/22-3/31/22	\$ 4,063.73
TWIN CAPITAL MANGEMENT	1/1/22-3/31/22	\$ 35,744.66

Total Vendor Invoices for Approval

\$276,460.78

PENSION APPLICATIONS

- A. *The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to ratify the approval of the pension applications filed with the Retirement Office for the month of May 2022.*

Early Voluntary	12
Full Retirement	21
Disability	1
Payment Plans	1

- B. *The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve the disability application of member #01444 and member #087068 upon the separate recommendations of three designated physicians that each member **IS** totally and permanently disabled from gainful employment in Allegheny County.*

- C. *The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to ratify the approval of the pension applications filed with the Retirement Office for the month of June 2022.*

Early Voluntary	8
Full Retirement	19
Disability	2
Payment Plans	1

MANAGER'S REPORT

Walter Szymanski

The Dashboard reports as of June 16, 2022, Retiree Payroll is up 8.06%, YTD. As of Prior Month, Ending \$11,007,864.38. Total Contributions made are down -2.54%. Contributions Refunded are up 98.12%. Number of refunds are up 41.92%. Total Retirements YTD up 30.14%. Pension Estimates are up 3.02%; Capital Calls down -26.78%. Capital Calls as of prior board meeting \$1,339,005.80, this balance reflects payroll moving cash to cover the payroll.

As requested,

RETIREE FUNDING	BEGINNING BALANCE	Transfer to Cash Account	ENDING BALANCE		
BLACKROCK LIQUIDITY	\$ 34,202,046.76	\$ 2,700,000.00	\$ 31,502,046.76		
	BEGINNING BALANCE	Transfer from Black Rock	Transfer to FNB for Payroll and Refunds	ENDING BALANCE	
CASH ACCOUNT	\$ 5,854,663.42	\$ 2,700,000.00	\$ 5,500,000.00	\$ 3,054,663.42	

The Office budget is as of May 31, 2022.

Board Approvals:

- *The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro, to accept and approve the 2021 audited financial statements and schedules from Case Sabatini.*
- *The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka, to approve the 2021 annual report.*

SOLICITOR'S REPORT

Brian Gabriel

The solicitor's report is current as of June 9, 2022. Direct questions to Mr. Gabriel as needed.

Action Items under SHAREHOLDER AND CLASS ACTION LITIGATION

1. *The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Sarah Roka to approve to authorize Labaton Sucharow to send a books and records demand to Sailpoint Technology Holdings, Inc., and to enforce the demand if the company does not produce sufficient documents before the stockholder vote on the proposed merger with Thomas Bravo.*
2. *The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristofaro to ratify the May 2022 motion authorizing the Rosen Law Firm to move for the ACERS to serve as the lead plaintiff in a securities class action filed against Stronghold Digital Mining, Inc. (Stronghold) in the U.S. District Court for the Southern District of New York.*

CONSULTANT'S REPORT

AndCO

Chris Brokaw

Market update through May 31, 2022.

Page 2 – Market was positive, S&P 500 Total Return up for the month at 0.18%; Russell 2000 Index up 0.15% month; International Equity, MSCI EAFE NR, developed market, up for the month at 0.75%. Interest rates were not as volatile in May as in previous months. Bond returns were positive in the month with the Barclay's Aggregate up 0.64%. Month to date (June 16, 2022), the markets have been volatile. Short term interest rate hike fallout and the announcement of the 8.6% annual CPI inflation number have led to the greater volatility.

Question arose regarding the strategy for liquidation or purchasing new funds because of the recent need for benefit payments. What kind of a recommendation does AndCo have with cash purchases for long-term or should there be a hold pattern while the market is volatile? AndCo stated that the long term expected actuarial return for the fund is 7.75%. The fund is and has been fully invested in the capital markets to seek to meet that return expectation. The fund has been fully invested in a diversified portfolio that seeks to achieve the fund's goals.

Page 4 – Total Fund at \$1,012,380.393. the Liquid Policy portfolio which is used to fund benefit payments contains is at \$33.9 million and has diversified exposure to the capital markets. Cash Account at \$5.2 million, can partially fund expected cash flows at month end. For the public markets US Equity is down for the month at -8.76% and Non-US Equity is also down for the month at- 7.29% driven by the volatile market. The Core Fixed w Israel Bonds Composite is down -3.03% and High Yield Fixed Composite down -3.39%, the investments have been relatively more stable than the broad bond market in a rising rate environment. Total Private Equity has a great degree of diversification in relative to some of the other asset classes; for the month up it was up 0.65% and was the best performing asset class in the portfolio. The portfolio allocation to private equity was 23.1% at month end.

Comments on infrastructure investment, approved in October 2021 along with the source of funds. AndCo recommends moving forward with this investment. AndCo recommends funding the required cash outflows with cash and the Liquid Policy Portfolio.

Page 7 Morgan Stanley Prime Property Fund 80% of the real estate investment, also known as core real estate, consists of industrial properties, office buildings, apartment buildings, healthcare, etc. which generate income over time. Value added real estate was talked about in May 2022.

Recommendation to interview 2 managers and commit a proposed \$15

million commitment to real estate, a private investment that recycles the other private investments and maintains the real estate allocation in the portfolio. After further discussion, the Board decided to revisit the recommendation at a future Board meeting.

Retirement System of Allegheny County, Statement of Investment Policy update, document was amended June 16, 2021, relates to the fund may invest in various Hedge Fund strategies.

The board unanimously approved a motion by Sarah Roka, duly seconded by Frank DiCristiofaro approve the amended (IPS) Retirement System of Allegheny County, Statement of Investment Policy which now includes Hedge Funds on June 16, 2022.

Asset Strategy

Ed Boyer

Corey Blue fund is closing, and the funds are expected to be in the account by the end of the month, approx. \$2.3 million. Previously approved investment with iNetworks documents will be signed by Chairman Weinstein in the next couple of weeks. Continue to see some realizations throughout the balance of the year, difficult environment to transact deals and will watch to see how this plays out.

NEW BUSINESS

- 1) Request for Performance Review Motion Presented by Mr. Fitzgerald, during the April 21, 2022, board meeting requested the preparation of a RFP for an audit of the Fund's investment performance by the Dept. of Auditor General. During the June 16th meeting, Mr. Fitzgerald informed the Board that the Department of Auditor General would not be able to conduct a timely review. The board discussed the motion being read as "Motion to request that an RFP be prepared by the Retirement Office for an audit and review of the Retirement Fund's investment policies, practices and performance as measured against best practices and the performance of similar pension funds." The board agreed that an in person open session is needed for further discussion.

The board unanimously approved a motion by Frank DiCristiofaro, duly seconded by Sarah Roka to table the motion until the July 21, 2022, RBAC meeting.

ADJOURNMENT

The Board unanimously approved a motion by Frank DiCristofaro, to adjourn at 12:51pm.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Tracy Royston', with a large, stylized flourish at the end.

Tracy Royston, Acting Secretary