

The regular monthly meeting of the Retirement Board of Allegheny County was held on February 16, 2023, in the Gold Room, 4<sup>th</sup> Floor, County Courthouse. The meeting was called to order at 12:00 pm.

Roll Call of the Board members was made: Board members Ted Puzak, Corey O'Connor, Rich Fitzgerald, Frank DiCristofaro and Janice Vinci on behalf of John Weinstein were in attendance.

Also, in attendance: Walter Szymanski, Manager of Retirement Office, Brian Gabriel, Solicitor from Campbell Durrant, and Chris Brokaw, AndCo Consulting.

## **PLEDGE OF ALLEGIANCE**

## **PUBLIC COMMENT**

None

## **APPROVAL OF BOARD MINUTES**

*The board unanimously approved a motion by Corey O'Connor, duly seconded by Frank DiCristofaro to approve the minutes of the January 19 2023, board meeting.*

## **APPROVAL OF FINANCIAL STATEMENTS**

*A. The board unanimously approved a motion by Corey O'Connor, duly seconded by Frank DiCristofaro, to approve the December 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**

*A. The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Corey O'Connor, to approve the following February 2023 invoices:*

<b>VENDOR</b>	<b>DATE</b>	<b>AMOUNT</b>
GRIDIRON PARTNERS MGMT PARTNERS-FI	10/1/22-12/31/22	\$ 20,840.34
GRIDIRON MGMT PARTNERS-MA	10/1/22-12/31/22	\$ 5,858.36
CIM INVESTMENT MANAGEMENT (Fixed Income)	10/1/22-12/31/22	\$ 16,643.22
CIM INVESTMENT MANAGEMENT (Small Cap)	10/1/22-12/31/22	\$ 8,972.29
CIM INVESTMENT MANAGEMENT (Israel Bonds)	10/1/22-12/31/22	\$ 3,690.52
CSM ADVISORS, LLC	10/1/22-12/31/22	\$ 19,312.82

VENDOR (Continued)	DATE	AMOUNT
COOKSON PEIRCE & CO INC	10/1/22-12/31/22	\$ 1,574.00
EARNEST PARTNERS	10/1/22-12/31/22	\$ 34,421.72
EMERALD ADVISERS (All Cap)	10/1/22-12/31/22	\$ 7,271.57
EMERALD ADVISERS (Small Cap)	10/1/22-12/31/22	\$ 23,250.64
EMSTONE ADVISERS, LLC	10/1/22-12/31/22	\$ 2,506.10
FEDERATED (Core Broad)	10/1/22-12/31/22	\$ 19,342.81
F.N.B. WEALTH MANAGEMENT	10/1/22-12/31/22	\$ 2,269.47
FIDELITY INVESTMENTS (Select Int'l Plus)	10/1/22-12/31/22	\$ 22,724.54
FRAGASSO FINANCIAL ADVISORS	10/1/22-12/31/22	\$ 8,685.00
iNetworks OF, LLC	10/1/22-12/31/22	\$ 22,482.72
MELLON CAPITAL	10/1/22-12/31/22	\$ 911.93
SEGALL, BRYANT & HAMILL	10/1/22-12/31/22	\$ 49,912.46
STATE STREET GLOBAL ADVISORS (MSCI World)	10/1/22-12/31/22	\$ 5,564.80
STATE STREET GLOBAL ADVISORS (S&P 500)	10/1/22-12/31/22	\$ 3,406.03
TWIN CAPITAL MANGEMENT	10/1/22-12/31/22	\$ 31,793.79

Total Vendor Invoices for Approval

\$311,435.13

## PENSION APPLICATIONS

A. *The board unanimously approved a motion by Corey O'Connor, duly seconded Frank DiCristofaro, to approve the pension applications filed with the Retirement Office for the month of February 2023.*

Early Voluntary	3
Full Retirement	22

## MANAGER'S REPORT

### Walter Szymanski

The Dashboard reports as of February 16, 2023: Retiree Payroll is up 8.00% YTD as of January 31, 2023 at \$11,315,051.57 v \$10,838,371.78 as of January 2022. Total Contributions Made are up 4.94%. Contributions Refunded are down 91.75%. Total Retirements YTD are down 36.07%. Pension Estimates are down 1.45% YTD. Capital Calls are up 130.61% YTD.

## **SOLICITOR'S REPORT**

### **Brian Gabriel**

The solicitor's report is current as of February 9, 2023. Brian discussed a request for the Allegheny County Employees' Retirement System to join in an amicus brief to be filed in the U.S. Supreme Court on behalf of investors in Pirani v. Slack Tech. It was the recommendation of the solicitor for the Board to approve this request.

*A. The board unanimously approved a motion by Rich Fitzgerald, duly seconded by Frank DiCristofaro, to authorize BLB&G to include the Retirement System in its amicus brief to be filed with the U.S. Supreme Court.*

Brian discussed a recommendation by Grant & Eisenhofer to pursue an action against AMC Entertainment Holdings, Inc. It was the recommendation of the Solicitor for the Board to approve this request.

*B. The board unanimously approved a motion by Rich Fitzgerald, duly seconded by Frank DiCristofaro, to approve a recommendation by G&E to authorize the filing of a Complaint in Equity in the Court of Chancery of the State of Delaware after an appropriate representation agreement is executed.*

## **CONSULTANT'S REPORT**

### **AndCO**

#### **Chris Brokaw**

AndCo recommended executing the Artemis consent.

Artemis requested their Limited Partners' consent to an amendment to the Limited Partnership Agreement. The Amendment requests an increase of the hard cap (maximum commitments for the fund) from \$1.8 billion up to \$2.186 billion (excluding commitments made by the GP and affiliates of the GP) and an extension of the final closing from March 6, 2023, to a date no later than May 31, 2023. The requests result from the GP attempting to accommodate three new, prospective LPs and their respective approval processes. One LP is the UN Pension Plan and the other two are unnamed foreign entities. Artemis has indicated that their pipeline of potential investments is robust and can accommodate the additional \$386.0 million, or 21% of the original fund size. Artemis indicated that they are only seeking the extension of the final closing date to accommodate the approval process for these three prospective LP investors.

*A. The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Rich Fitzgerald, to approve the amendment with Artemis to increase the cap and extend the closing.*

## **Market update through January 31, 2023.**

Page 1 – Significant returns during the month of January.- Capital markets started the year with positive returns across most asset classes. Continuing positive economic news coupled with relatively benign inflation data helped equity return between 6% and 8% depending on the index. Fixed Income returns were in the 3% to 4% range.

Page 4 - Asset Allocation & Performance. – The Total Fund value as of December 31, 2022 was \$931,455,640. Total Fund performance for the month of December was -1.57%. The portfolio return was ahead of the benchmark. Positive relative performance in Core Fixed Income and Real Estate led the monthly performance. For the fourth quarter 2022, the portfolio returned 3.59% and was in line with its benchmark return. Non-US Equity led quarterly returns with a positive 15.25%. For the calendar year 2022, the portfolio declined -9.25%. The Real Estate Composite helped mitigate the negative returns, and was up 7.15%. Private Equity held up better than the public markets returning -0.63% for the year.

The Private Equity Portfolio continues to generate cash. Even though capital contributions are being made to new investments, a lot of the mature investments are paying out, therefore, Net cash flows are being distributed from their portfolio. Net flows were \$16,249,843 into the retirement fund for Calendar year 2022.

Page 14 – Asset Allocation Compliance as of December 31, 2022. Rebalancing was implemented at the end of December 2022 to fund new investments in infrastructure. Cash was raised across the portfolio, with most of it coming from the liquidation of the Public Real Assets Investment (a US Treasury Inflation Protected Securities Fund). The \$25 million is in cash as of December 31, 2022. It was invested as of January 1, 2023 in IFM Global Infrastructure portfolio that was previously approved for investment by the Retirement Board earlier in 2022. The Infrastructure asset class is now invested at its target allocation. The fund will receive income distributions on a quarterly basis from the investments in Real Estate and Infrastructure. Those cash flows will help fund the benefit payments in the portfolio. There is also \$17 million remaining from a \$20 million liquidation request from the Morgan Stanley Prime Real Estate Fund. The \$17 million is in a queue at the fund and will be paid out over time on a quarterly basis.

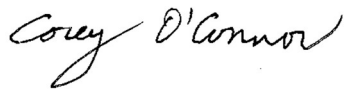
## **NEW BUSINESS**

A. Next RBAC meeting will be held on March 16, 2023.

**ADJOURMENT**

*The Board unanimously approved a motion by by Frank DiCristofaro, seconded by Rich Fitzgerald, to adjourn at 12:20pm.*

Sincerely,

A handwritten signature in cursive script that reads "Corey O'Connor". The signature is written in black ink and is positioned below the word "Sincerely,".

Corey O'Connor  
County Controller