

The regular monthly meeting of the Retirement Board of Allegheny County was held on January 19, 2023, in the Gold Room, 4th Floor, County Courthouse. The meeting was called to order at 12:00 pm.

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

Also, in attendance: Walter Szymanski, Manager, Retirement Office, Brian Gabriel, Campbell Durrant, Solicitor, 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 December 15, 2022, board meeting.

APPROVAL OF FINANCIAL STATEMENTS

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

PENSION APPLICATIONS

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

Early Voluntary	3
Full Retirement	8

Mr. O'Connor, Secretary, recognized Rita Martini and James McKnight for their service to the Controller's Office and retirement from Allegheny County December 2022.

INDEPENDENT MEDICAL EXAM OPINION FOR DISABILITY APPLICATIONS APPROVALS

A. *The board unanimously approved a motion by Frank DiCristofaro, duly seconded by Corey O'Connor, to approve the disability application of member #081676 upon the recommendation of three designated physicians that the member **IS** totally and permanently disabled from gainful employment in Allegheny County.*

INDEPENDENT MEDICAL EXAM OPINION FOR DISABILITY APPLICATIONS DENIALS

A. *The board unanimously approved a motion by Corey O'Connor, duly seconded by Frank DiCristofaro, to deny the disability application of member #094259 upon the recommendation of three designated physicians that the member **IS NOT** totally and permanently disabled from gainful employment in Allegheny County.*

MANAGER'S REPORT

Walter Szymanski

The Dashboard reports as of January 19, 2023, Retiree Payroll is up 8.00%, YTD. As of Prior Month, Ending \$11,304,855.33. Total Contributions made are down - 4.64%. Contributions Refunded are up 34.74%. Total Retirements YTD down - 67.57%. Pension Estimates are down -33.33% YTD. Capital Calls are up 334.00% YTD. Capital Call as of prior board meeting \$25,355,205.15

As requested,

RETIREE FUNDING	BEGINNING BALANCE	Transfer to Cash Account	Change in Capital Value	ENDING BALANCE
BLACKROCK LIQUIDITY	\$ 6,865,011.97	\$ -	\$ -	\$ 6,865,011.97

	BEGINNING BALANCE	Transfer from Black Rock	Transfer to FNB for Payroll and Refunds	ENDING BALANCE
CASH ACCOUNT	\$ 16,269,222.03	\$ -	\$ 6,550,000.00	\$ 9,719,222.03

The Office budget is as of December 31, 2022.

Mr. Weinstein commended the Retirement Office Manager and Staff for coming in \$350,000.00 under budget in 2022.

SOLICITOR'S REPORT

Brian Gabriel

The solicitor's report is current as of January 12, 2023. Direct questions to Mr. Gabriel as needed.

CONSULTANT'S REPORT

AndCO

Chris Brokaw

Affirmative Action and Equal Employment Opportunity Policy – AndCo Adopted the policy in 2022. We wanted to share this information with our clients.

Market update through December 31, 2022.

Page 2 – Positive performance in equity markets for the last quarter of 2022. MSCI EAFE NR up 17.34%. This outperformance relative to US markets represents a reversal of the U.S. Stock Market relative outperformance over recent multi-year periods. Foreign currencies have recently appreciated versus the US dollar. For example, the Euro has appreciated from less than one Euro per US Dollar to 1.07 per US dollar. The foreign currency appreciation has been a tailwind to foreign equity performance in the past quarter. Fixed Income experienced strong positive returns– the U.S aggregate index returned 1.87% 4th QTR. Interest rates declined in the QTR and spreads compressed which increased corporate investment grade returns which were a positive 3.63%. U.S. Corporate High Yield bonds were up even more, returning 4.17%.

Page 5 - Asset Allocation & Performance, Total Fund as of November 30, 2022. The Total Fund value was \$953,083,448. The best performing asset class for the month was the Non-US Equity Composite which was up 13.58%, and also had the strongest outperformance relative to the benchmark. Overall portfolio performance was a positive 3.02%. Private Equity was negative for the month, declining -1.74% however YTD returns were essentially flat (-0.09%) while public equity was significantly negative.. The Real Estate Composite only reports on a quarterly basis, so it did not change this month, however, it was one of the best performing asset classes yer-to-date, returning 7.60%. Private Investments and Real Assets performed better than Public Markets YTD. In the month of November 2022, the public markets were relatively stronger.

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 \$14,236,287 into the retirement fund for the year-to-date period ending November 30, 2022.

Page 14 – Asset Allocation Compliance as of November 30, 2022. Rebalancing was

implemented at the end of December 2022 to fund new investments in infrastructure. That rebalancing would decrease the US Equity exposure and bring it towards its target. The Total Public Real Assets Composite was liquidated, eliminating the asset class from the portfolio. Its proceeds, and additional capital totaling \$25 million was used to fund the second infrastructure investment in the portfolio. This additional investment will take the Total Infrastructure allocation to its targeted amount. The Private Real Estate allocation will decline over time and generate liquidity for the portfolio. The Fund received its first of regular ongoing quarterly income distributions from the Morgan Stanley Prime Property Fund. The recent distribution was \$1 million distribution. At the End of the fourth quarter, the Fund received a portion (\$3 million) of its \$20 million liquidation request from the Morgan Stanley Prime Property Fund. The remaining \$17 million is in an exit queue and will be paid out over time on a quarterly basis.

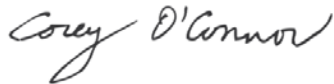
NEW BUSINESS

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

ADJOURNMENT

The Board unanimously approved a motion by Rich Fitzgerald, to adjourn at 12:25pm.

Sincerely,

A handwritten signature in cursive script that reads "Corey O'Connor".

Corey O'Connor
County Controller