

The regular monthly meeting of the Retirement Board of Allegheny County was held on July 20, 2023, in the Gold Room, 4th Floor, County Courthouse. The meeting was called to order at 12:00 p.m.

Roll Call of the Board members was conducted: Ted Puzak, Amy Weise representing Corey O'Connor, Rich Fitzgerald, Jennifer Liptak, Sarah Roka, Frank DiCristofaro, and John Weinstein.

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

Ken Kaszak, Investment Advisor, provided his professional background including he wrote an article that was published in the Pittsburgh Business Times about the importance of paying low fees on your assets. He met with clients to discuss basis points being an equity income investor. His clients' portfolios are performing well. The county's pension has too much money in the index. The Equal Weighted Index has outperformed the market weighted index.

APPROVAL OF BOARD MINUTES

The Board unanimously approved a motion by Board member Frank DiCristofaro, duly seconded by Board member Sarah Roka, to approve the minutes of the Board's meeting on June 15, 2023.

APPROVAL OF FINANCIAL STATEMENTS

The Board unanimously approved a motion by Board member Frank DiCristofaro, duly seconded by Board member Sarah Roka, to approve the May 2023 Financial Statements. The reports are generated by Board Secretary, Controller Corey O'Connor.

- 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 approve the July 2023 invoices.

JULY VENDOR EXPENSES

VENDOR	DATE	AMOUNT
GRIDIRON PARTNERS MGMT PARTNERS-FI		\$ -
GRIDIRON MGMT PARTNERS-MA		\$ -
CIM INVESTMENT MANAGEMENT (Fixed Income)		\$ -
CIM INVESTMENT MANAGEMENT (Small Cap)		\$ -
CIM INVESTMENT MANAGEMENT (Israel Bonds)		\$ -
CSM ADVISORS, LLC		\$ -
COOKSON PEIRCE & CO INC		\$ -
EARNEST PARTNERS		\$ -
EMERALD ADVISERS (All Cap)		\$ -
EMERALD ADVISERS (Small Cap)		\$ -
EMSTONE ADVISERS, LLC		\$ -
FEDERATED (Core Broad)		\$ -
F.N.B. WEALTH MANAGEMENT		\$ -
FIDELITY INVESTMENTS (Select Int'l Plus)		\$ -
FRAGASSO FINANCIAL ADVISORS		\$ -
iNetworks OF, LLC		\$ -
SEGALL, BRYANT & HAMILL	1/1/23-3/31/23	\$ 54,532.78
STATE STREET GLOBAL ADVISORS (MSCI World)		\$ -
STATE STREET GLOBAL ADVISORS (S&P 500)		\$ -
TWIN CAPITAL MANGEMENT		\$ -

Total Vendor Invoices for Approval

\$54,532.78

PENSION APPLICATIONS

The Board unanimously approved a motion by Board member Sarah Roka, duly seconded by Board member Frank DiCristofaro, to approve the pension applications filed with the Retirement Office for the month of July 2023.

- Early Voluntary 9
- Full Retirement 13

MANAGER'S REPORT

Walter Szymanski

The Dashboard reports as of July 20, 2023: Retiree Payroll is up 8.00% YTD, as of prior month ending \$11,549,563.40. Total Contributions Made are up 6.13%. Contributions Refunded are down -36.55%. Life Insurance Paid Claims are down -

9.68%. Paid Claims are down -12.47%. Total Retirements YTD are down -46.67%. Pension Estimates are up 2.37% YTD. Capital Calls are down -17.57%. Capital Calls as of prior board meeting \$222,415.50. Blackrock Liquidity beginning balance \$2,112,548.95 and Cash Account balance \$10,729,852.50

Office Budget up to date as of June 30, 2023.

The RFP was posted to the website on July 10, 2023. No responses yet.

Board Approval

With no objections from the board, the cancellation of the August board meeting will be posted to the website and the Post-Gazette.

SOLICITOR'S REPORT

Brian Gabriel

The Solicitor's Report is current as of July 13, 2023, with no new items to bring to the attention of the board. The board presented no questions.

CONSULTANT'S REPORT

AndCO

Chris Brokaw

Recommendation

AndCo recommends to sell \$2 million each, SSgA S&P 500 Index Fund and Twin Capital Enhanced Equity for future benefit payments. The current portfolio allocation to US Equity is above target through July 19, 2023, due to good performance the 1st half of the year. The recommendation to trim back equity exposure by \$4 million will bring the estimated allocation back to approximately 17.0%, closer to the targeted allocation of 16.5%.

The Board unanimously approved a motion by Board member Frank DiCristofaro, duly seconded by Board member Sarah Roka, to sell \$2 million of the SSgA S&P 500 Index Fund and sell \$2 million of the Twin Capital Enhanced Equity portfolio based on the recommendation of the consultant.

Market update through June 30, 2023

S&P 500 Total Return for the month was a positive 6.61% and YTD was 16.88%. Small Cap, Russell 2000 Index positive for the month at 8.13%. Positive performance continued through July. International stocks, represented by the MSCI EAFE NR posted positive returns for the month of 4.55%. Also, MSCI EM NR posted a positive return at 3.80% for the month. Strong performance across the board for the Equity Market. Fixed Income, due to rising rates, the U.S. Aggregate was down -0.36%.

Growth stocks performing very well YTD versus the negative performance in 2022. Large Cap Growth YTD with a positive performance at 29.0%, generated by stocks like Amazon and Apple. Mega Cap growth stocks performing better than the rest of the market in the YTD period, smaller capitalization securities generating positive, but lower returns. Mid Cap Growth returned 15.9% and Small Cap Growth 13.5% YTD. Significant recovery YTD from 2022 in the sector returns, notably in the Information Tech, Communication Services, and Consumer Discretionary, which performed anywhere between 32% to 42%.

Portfolio Update Through May 31, 2023

Asset Allocation & Performance – The Total Fund value at the end of the month was \$925,434,202. Total Fund performance YTD is up 1.88%. Strong performers were US Equity returning 8.21% YTD, and the Non-US Equity posted positive returns at 6.51% YTD. Real Estate Composite holdings posted a negative return at -4.19% YTD, the Real Estate Composite holdings are recorded on a quarterly basis. Private Equity has a market value of \$198,538,270 with a negative performance YTD of -2.96%. Private Equity outperformed Public Equity in 2022. In 2023, the Public Equity and Fixed Income are generating positive returns after the suffering losses in 2022.

Asset Allocation –Private Equity is \$198 million or 21.5% of the portfolio and continues to generate distributions from the portfolio. Within High Yield, the board approved the liquidation of Soundpoint at the last meeting which will produce cash for the portfolio. The Private Real Estate portfolio investment distributes income to support the cash flows of the portfolio. There is an outstanding redemption of \$13 million, from an original \$20 million request, that is being paid down on a quarterly basis. Cash flow management is an important part of the portfolio. The manager’s report shows the current monthly cash flow is \$6 – 7 million.

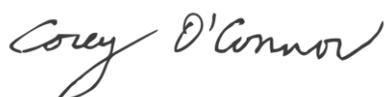
NEW BUSINESS

Next meeting September 21, 2023.

ADJOURNMENT

The Board unanimously approved a motion by Board member Frank DiCristofaro, duly seconded by Board member Sarah Roka, to adjourn at 12:23 p.m.

Sincerely,



Corey O'Connor
Controller

