

**MEETING OF THE INVESTMENT COMMITTEE OF THE RETIREMENT BOARD
OF THE COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND
OF COOK COUNTY AND EX OFFICIO FOR THE FOREST PRESERVE DISTRICT
EMPLOYEES' ANNUITY AND BENEFIT FUND OF COOK COUNTY**

**70 W Madison St, Suite 1925
Chicago, Illinois 60602**

Minutes for the May 30, 2024, IC Meeting

The County Employees' and Officers' Annuity and Benefit Fund of Cook County and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County Fund are herein collectively referred to as the "Fund."

Call to Order and Roll Call at 9:00 a.m.

Investment Committee

Members in attendance: Kevin Ochalla (Chair), Hal Dardick, Lakeisha Marvel, Patrick McFadden, Jerry Pray, Tracy Reed, Samuel Richardson, Jr.,

Staff Present: Brent Lewandowski, Executive Director; Saron Tegege, Deputy Executive Director; Stephen Wolff, Director of Investments, Margaret Fahrenbach, Legal Advisor; Teagan Kusbel, Summer Intern

Others Present: Mary Pat Burns, Burke, Burns & Pinelli, Ltd.; John Jackson, Callan, LLC; Ann O'Bradovich, Callan, LLC; Barb Bernard, Callan, LLC; Kurt Summers, Blackstone; Gio Cutaia, Blackstone; Brett Newman, Blackstone

The Chair opened the meeting for public comment, but no one present addressed the Investment Committee.

1. Review and Approval of:
 - a. February 27, 2024, Investment Committee Minutes

It was moved by Trustee Reed and seconded by Trustee Richardson, that the minutes from the Investment Committee meeting on February 27, 2024, be approved.

Vote Result: MOTION ADOPTED BY VOICE VOTE

2. Review and Consideration of Approval of Real Estate Strategic Plan and Performance Review

It was moved by Trustee Pray and seconded by Trustee Richardson pursuant to Section 2(c)(7) of the Open Meetings Act, 5 ILCS 120/2(c)(7), that the Investment Committee convene an Executive Session to discuss investment contracts.

Roll Call Vote:

AYES: Dardick, Marvel, McFadden, Ochalla, Pray,
Reed, Richardson,

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Reed and seconded by Trustee Richardson that the Executive Session be adjourned and that the Investment Committee return to an open session.

Vote Result: MOTION ADOPTED BY VOICE VOTE

Following the return to an open session, Barb Bernard of Callan, LLC, provided a summary of the performance of the real estate portfolios of the County Fund and the Forest Fund as of December 31, 2023. She stated that income returns were positive across all real estate sectors, but that appreciation was negative due to challenges with occupancy and higher interest rates. For the County Fund, the real estate portfolio was below the 9% target, but was within the Policy range. The portfolio was also in line with the stated limits for Core, Non-Core and REIT investments. The total Core Funds and Non-Core Funds outperformed their benchmarks over the trailing one, three, five and ten year periods. Long term underperformance for certain funds was attributable to investments in office properties and regional malls. The REIT returns significantly outperformed the benchmark over the past year and also outperformed the benchmark across the three and five year periods. The portfolio was well positioned by property type and geographic location. It was oriented to income producing properties with 72% of the market value invested in Core Funds.

The real estate target for the Forest Fund was reduced in 2024 from 10% to 9% of the overall portfolio. The portfolio exceeded the current real estate target and was outside the Policy range. While the legislative change in employer contributions should allow for more diversification in this asset class, Callan noted that the overall investment in real estate needed to be brought within the Policy range.

The trustees asked that Callan provide the actual amount under management for each of the real estate funds in future reports, rather than just providing the percentage of the portfolio each investment manager maintained.

3. Investment Report

Brent Lewandowski, Executive Director, provided an update on investment matters. He reported that the allocations for investment in infrastructure funds was on-going. The Board had approved a mandate to the Pantheon Global Infrastructure Fund IV in the amount of \$150M. The subscription documents were completed in time to meet the closing date of

December 29, 2023. The first capital call of \$72M was made on February 9, 2024, and the remaining capital calls were expected to be completed within the next 12 months. The Board approved a mandate of \$50M each for the IFM Global Infrastructure Fund (“IFM”) and the Brookfield Super-Core Infrastructure Partners Fund (“Brookfield”). The subscription documents for IFM were completed and the capital calls were expected over the next six to twelve months. The Fund received the subscription agreement for Brookfield and was in the process of completing the required documents.

The Board approved a follow-on allocation for the County Fund to the Mesirow Financial Real Estate Fund V in the amount of \$45M. The matter was under legal review.

Callan had conducted an asset allocation study for the Forest Fund following the legislation that required actuarial based funding. Based upon Callan’s recommendation, the Board approved a private equity allocation for the Forest Fund’s portfolio. Fund staff had been working with Mesirow to secure terms and conditions leveraging the existing County Fund relationship in order to minimize the overall costs to the Forest Preserve Fund in private equity. The matter was in legal review.

The subscription agreement for Artemis Real Estate Partners Income and Growth Fund II, LP, was executed and submitted on behalf of the County Fund to the partnership. The closing was scheduled for May 29, 2024, and the partnership would begin to submit capital calls at the end of the year.

The Board approved an RFP to search for a non-core emerging manager real estate fund for the County Fund. The RFP had been issued and the finalists were expected to appear at the Investment Committee meeting in the third quarter.

4. First Quarter 2024 Performance Review

John Jackson, Callan ,LLC, presented the 1Q 2024 performance reviews for both the County Fund and the Forest Fund. He noted that the equity markets continued their momentum from the end of 2023, but that the bond markets were still recovering. The federal interest rates were mostly flat since July, 2023, but were expected to rise in late 2024. The County Fund had a market value of \$13.2B which was an increase of \$482M from the 4Q 2023 ending value of \$12.8B. He reported that all the asset classes were within target ranges. The allocation for domestic equity exceeded its targeted weight because the infrastructure and private credit strategies had not yet been implemented. The County Fund returned 4.45% and outperformed its benchmark return of 3.97% for the quarter. Over the trailing year, the Fund returned 12.37% versus the benchmark return of 12.34%. Over the trailing 3-year period, the Fund generated a return of 4.96% outpacing the benchmark return of 4.55%. For the last 5-year period, the Fund earned 8.25%, which exceeded the benchmark return of 7.96%. For the last 10-year period, the Fund returned 7.08% which was a slight edge over the benchmark return of 7.05%. The Fund outperformed its peer group median over the last five and ten year periods.

The Forest Fund had a market value of \$204.2M which was an increase of \$6.7M from the 4Q 2023 ending value of \$197.5M. The allocation of the Fund was in line with expectations. The Forest Fund was overweight in its allocations for international equity and domestic equity, which were offset by underweights in private equity and private credit because these strategies had not yet been implemented. The Forest Fund returned 5.01% which outperformed the benchmark return of 4.30%. Over the trailing year, the Fund had a return of 12.79% versus a benchmark return of 12.69%. Over the last 3-year period, the Fund returned 4.81% and outperformed the benchmark return of 4.32%. For the last 5-year period, the Fund returned 7.66% and exceeded the benchmark return of 7.46%. For the last 10- year period, the Fund returned 6.99%, and outperformed the benchmark return of 6.83%. The Fund trailed the peer group median over the last five years and performed in line with the median over the last ten years.

5. New/Old Business

It was moved by Trustee Dardick and seconded by Trustee Richardson pursuant to Section 2(c)(7) of the Open Meetings Act, 5 ILCS 120/2(c)(7) that the Investment Committee convene an Executive Session to discuss investment contracts.

Roll Call Vote:

AYES: Dardick, Marvel, McFadden, Ochalla, Pray,
Reed, Richardson,

NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Dardick and seconded by Trustee Marvel that the Executive Session be adjourned and that the Investment Committee return to an open session.

Vote Result: MOTION ADOPTED BY VOICE VOTE

Following the return to an open session, it was moved by Trustee Richardson and seconded by Trustee Pray that the Investment Committee recommend to the Board that the County Fund and the Forest Fund revise their redemption requests filed with the J.P. Morgan Strategic Property Fund (SPF) so that the requests were less than 20% of the net asset values and would allow the County Fund and Forest Fund to participate in the Fee Credit Program offered by SPF.

Vote Result: MOTION ADOPTED BY VOICE VOTE

6. Adjournment

It was moved by Trustee Richardson and seconded by Trustee Reed that the meeting be adjourned.

Vote Result: MOTION ADOPTED BY VOICE VOTE