

**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 August 29, 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 11:00 a.m.

Investment Committee

Members in attendance: Kevin Ochalla (Chair), Tanya Anthony, Diahann Goode, 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

Others Present: Mary Pat Burns, Burke, Burns & Pinelli, Ltd.; John Jackson, Callan, LLC; Ann O'Bradovich, Callan, LLC; Joe McGuane, Callan, LLC; Pete Keliuotis, Callan, LLC

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

1. Review and Approval of:
 - a. May 30, 2024, Investment Open and Closed Meeting Minutes

It was moved by Trustee Richardson and seconded by Trustee Reed, that the minutes from the open session and the closed session of Investment Committee meeting on May 30, 2024, be approved and that the minutes from the closed session remain closed.

Vote Result: MOTION ADOPTED BY VOICE VOTE

2. Investment Staff Report

Stephen Wolff, Director of Investments, provided a summary of the status of the Fund's recent allocations for private infrastructure investments. He also presented a timeline for an RFP to search for a private credit manager. It was expected that the RFP would be released on

October 1, 2024, and that contracts with the new investment managers would be finalized by the end of 2Q 2025. He reported that the Fund's exposure to securities traded in the Russian markets had been reduced. Because freezes imposed due to the current political environment had been loosened, the Fund was able to sell some securities and recover value. The finalists for the RFP for a non-core real estate emerging manager were expected present their respective strategies at the Investment Committee meeting on September 17, 2024, and would be available to answer questions from the trustees. The expected RFPs for 2025 were identified and included an RFP for the Fund's Investment Consultant. It was noted that Callan's contract was due to expire in 2025 and that under the Illinois Pension Code, the Fund was required to conduct a search for the position. He planned to have education sessions for trustees that would be tailored to assist them to better understand the Fund's investment status and needs.

3. Investment Matters

It was moved by Trustee Richardson and seconded by Trustee Anthony 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 the sale or purchase of securities, investments or investment contracts.

Roll Call Vote:

AYES: Anthony, Goode, Ochalla, Pray, Reed, Richardson

NAYS: None

Vote Result: MOTION ADOPTED

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

Vote Result: MOTION ADOPTED BY VOICE VOTE

After the return to an open session, the following motions were made.

a. Review and Consideration and Possible Termination of International Equity Manager

It was moved by Trustee Richardson and seconded by Trustee Goode, based upon the recommendations made by Callan and the Fund's Director of Investments, that the Investment Committee recommend to the Board that the identified International Equity Investment Manager be terminated and that the assets be transitioned by utilizing a transition manager as discussed in the Executive Session.

Roll Call Vote:

AYES: Anthony, Goode, Ochalla, Pray, Reed, Richardson

NAYS: None

Vote Result: MOTION ADOPTED

b. Review and Consideration of Possible Extension of Transition Manager Agreements

It was moved by Trustee Richardson and seconded by Trustee Goode, based upon the recommendations made by Callan and the Fund's Director of Investments, that the Investment Committee recommend to the Board that the Executive Director be authorized, subject to review by the Fund's fiduciary counsel, to execute the one-year term extensions with the existing roster of Transition Managers as discussed in the Executive Session.

Roll Call Vote:

AYES: Anthony, Goode, Ochalla, Pray, Reed, Richardson

NAYS: None

Vote Result: MOTION ADOPTED

c. Review and Consideration of Possible Modification to Existing Investment Management Fees

There was no motion made or required to be made for Item 3c following the return to the open session.

d. Review and Consideration of Possible Termination of Domestic Equity Manager

It was moved by Trustee Richardson and seconded by Trustee Goode, based upon the recommendations made by Callan and the Fund's Director of Investments, that the Investment Committee recommend that the Board terminate the identified Domestic Equity Investment Manager and that the assets be directly transitioned as discussed in the Executive Session.

Roll Call Vote:

AYES: Anthony, Goode, Ochalla, Pray, Reed, Richardson

NAYS: None

Vote Result: MOTION ADOPTED

e. Portfolio Target Allocation Considerations

There was no motion made or required to be made for Item 3e following the return to an open session.

4. Private Equity Program Review

a. Consideration and Possible Recommendation of 2025 Private Equity Allocation

Pete Keliuotis, Callan, LLC, provided a summary of the Cook County Fund's private equity portfolio. He stated that as of December 31, 2023, the portfolio's net asset value

was \$837 million, which represented 6% of the Fund’s total assets. The invested amount was within the current policy target range of 0% to 9%, but above the target allocation of 5%. The current program, implemented in 2012, had matured and performance had been strong. The annual performance summary reflects that private equity investments significantly outperformed the Russell 2000 public market equivalent. The portfolio was generally diversified but was overweight in North American and technology companies. The allocation to emerging managers remained at about 10% of the portfolio. While the current allocation was greater than the target, future capital commitments were needed to obtain the target allocation of 5% over time. Callan and Fund’s Director of Investments recommended that the Cook County Fund commit \$120 million to the Mesirow Private Equity Fund of Funds in 2025.

The Forest Preserve Fund had initiated an allocation to private equity with a long-term target of 6%. Callan recommended that the Forest Preserve Fund utilize the Mesirow Private Equity Fund IX to implement the program and proposed future commitments to reach that allocation over five to six years while creating a diversified portfolio. Callan and the Fund’s Director of Investments recommended a commitment of \$10 million for 2024/2025.

It was moved by Trustee Reed and seconded by Trustee Richardson, based upon the recommendations from Callan and the Director of Investments, that the Investment Committee recommend that the Board authorize the Cook County Fund to allocate \$120 million to the Mesirow Private Equity Fund of Funds in 2025.

Roll Call Vote:

AYES: Anthony, Goode, Ochalla, Pray, Reed, Richardson
NAYS: None

Vote Result: MOTION ADOPTED

It was moved by Trustee Richardson and seconded by Trustee Anthony, based upon the recommendations from Callan and the Director of Investments, that the Investment Committee recommend that the Board authorize the Forest Preserve Fund to allocate \$10 million to the Mesirow Private Equity Fund IX in 2024/2025.

Roll Call Vote:

AYES: Anthony, Goode, Ochalla, Pray, Reed, Richardson
NAYS: None

Vote Result: MOTION ADOPTED

5. Hedge Fund Program Review

Joe McGuane, Callan, LLC, provided an overview of the Cook County and Forest Preserve Funds’ hedge fund programs. As of June 30, 2024, the Cook County Fund’s hedge fund allocation was \$580.5 million or 4.4% of the total portfolio. This amount was above the target

allocation of 3% but was within the target range. The hedge fund structure for the Cook County Fund was allocated between two managers. Blackstone's Burnham Harbor Fund, as the core manager for hedge fund investments, represented 70% of the allocation and Rock Creek's Kenwood Fund, as the satellite manager, represented 30% of the allocation. Rock Creek is a women-owned firm and continued to be a complement to Blackstone. As of June 30, 2024, the Forest Preserve Fund's hedge fund allocation was \$5.4 million or 2.7% of the total portfolio, which was below the 3% target allocation but within the established range. The Forest Preserve Fund's hedge fund program was managed solely by Blackstone. It was reported that Blackstone remained well qualified and continued to perform at or above average in relationship to its peers. Rock Creek also remained well qualified and continued to perform in line with its peers. Given the current satisfactory performance by the hedge fund investment managers, Callan did not propose any changes to the mandates for Blackstone or Rock Creek.

6. Second Quarter 2024 Performance Review

John Jackson, Callan, LLC, presented the 2Q 2024 performance reviews for both the Cook County Fund and the Forest Preserve Fund. The Cook County Fund had a market value of \$13.3 billion which was an increase of \$29.4 million from the 1Q 2024 ending value of \$13.2 billion. 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 fully implemented. The Cook County Fund returned 1.05% and underperformed its benchmark return of 1.41% for the quarter. Over the trailing year, the Fund returned 10.15% versus the benchmark return of 10.51%. Over the trailing 3-year period, the Fund generated a return of 3.15% and outperformed the benchmark return of 3.12%. For the last 5-year period, the Fund returned 7.77%, which exceeded the benchmark return of 7.56%. For the last 10-year period, the Fund returned 6.85% and edged the benchmark return of 6.83%. The Fund outperformed its peer group median over the last five and ten year periods.

The Forest Fund had a market value of \$200.6 million which was a decrease of \$3.6 million from the 1Q 2024 ending value of \$204.2 million. 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 0.51% and underperformed the benchmark return of 1.46%. Over the trailing year, the Fund had a return of 9.68% versus a benchmark return of 10.86%. Over the last 3-year period, the Fund returned 3.33% and outperformed the benchmark return of 3.18%. For the last 5-year period, the Fund returned 7.08% which was in line with the benchmark return of 7.11%. For the last 10-year period, the Fund returned 6.66%, edging the benchmark return of 6.62%. The Fund outperformed its peer group median over the last three and ten year periods.

7. New/Old Business

There was no new business or old business discussed.

6. Adjournment

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

Vote Result: MOTION ADOPTED BY VOICE VOTE

The next meeting of the Investment Committee was scheduled for
September 17, 2024, at 9:30 am.