

Retirement Board Meeting
August 4, 2025

Present:	Commissioner	Scott Hunt Keith Rager Thomas Chernisky
	Controller	Ed Cernic Kristine Segear Dana Descavish
	Treasurer	Lisa Kozorosky

Pledge of Allegiance

Commissioner Hunt called the meeting to order at 10:00 a.m.

Motion was made by Lisa Kozorosky to approve the minutes from the Retirement Board meeting held on July 10, 2025. Motion was seconded by Scott Hunt. Motion carried. Vote unanimous 3-0.

Keith Rager arrived at 10:01 a.m.

Public Comments: None

Ed Cernic reviewed the retirement summary. There are currently 1,163 retirees as of July 31, 2025. July's retirement payroll was \$1,471,513.64.

Thomas Chernisky arrived at 10:03 a.m.

Michael Stem from AmeriServ attended the meeting. Michael Stem presented the Board with the market value of the investments as of August 1, 2025. The market value was \$268,806,499.75. Ed Cernic questioned the amount of cash for Kayne Anderson. Pat Wing had reached out to Kayne Anderson and they responded the cash balance was due to actively selling out of a position. They are currently working on adding new positions. Motion was made by Ed Cernic to accept the AmeriServ report. Motion was seconded by Lisa Kozorosky. Motion carried. Vote unanimous 5-0.

Actuaries Michael Spadaro and Craig Graby from GRS presented to the Board. Michael advised the Board that Korn Ferry exited the public sector pension space and vetted Gabriel, Roeder, Smith and Company (GRS) to transition services. GRS can do the work and have the people who were formally with Korn Ferry. The contract and fees would be all the same structure. Craig Graby presented the results of the Actuarial Valuation as of January 1, 2025. The Actuarially Determined Contribution is made up of two parts, the Normal Cost (contribution for current year of service accrued and the Amortization Payment (contribution to pay down unfunded liability). The data and assets are from the December 31, 2024. After the 2022 losses, the County put in place a smoothing method on the assets. The actuarial liability as of January 1, 2025 is \$280,223,976.00. The actuarial value of assets is \$259,892,030.00 and the unfunded liability is \$20,331,946.00; that is then paid off through the amortization payments. The fund's funded ratio is 92.7%. The employer normal cost which is the cost of benefits accruing during the year is 14.56%, but 9% is paid by employees leaving 5.56% as the employer side. The amortization is 9.35% which makes a total of 14.91%. Most of what is driving the increase in the unfunded liability is the investment losses. The mortality table that will be in effect January 1, 2026 for the plan will be the Pub-2010. Cambria County has a very mature plan with the average employee age being forty-seven (47) and the average service is a little over eleven (11) years of service.

- Motion was made by Ed Cernic to accept the actuary report. Motion was seconded by Lisa Kozorosky. Motion carried. Vote unanimous 5-0.

Pat Wing, Marquette Associates, presented to the Board. The U.S. economy rebounded in the second quarter, with economists forecasting real GDP growth at an annual pace of 2.2%. Consumer spending was the key driver of the acceleration in the economic activity. Tariff revenue surged during the quarter, generating \$27 billion in June alone, which was more than 3x higher than a year earlier. Still, little impact from tariffs on inflation or economic activity has been seen at this point. Economists and market participants may get a better sense of the tariff impact in the coming months. Morgan Stanley estimates that tariffs begin to impact inflation about four months after implementation (August) and begin to impact economic growth about eight months after implementation (December). The Global equities posted strong gains in the second quarter as markets saw a considerable rally off the April lows in the wake of a 90-day pause on reciprocal tariffs that were announced just a week earlier. The Equity Markets were up between 11-12% and Bonds up north of 1%. The two best performing sectors were communication services; up 19% for the quarter and information technology up 24% for the quarter.

Pat advised the Board that the market value as of June 30, 2025 was \$270.6 million. The net investment change for the second quarter was \$17.5 million. During the second quarter the portfolio returned 6.8% (net) vs. the policy index of 6.9%. Private Equity and Private Debt market values are as of March 31, 2025, adjusted for cash flows, since June 30, 2025 statements will likely not be available until August 31, 2025. Positive attributions for the quarter were outperformance by Emerald, Non-U.S. Equity active managers, IFM and Principal. Negative attributions for the quarter were underperformance by Twin, Kayne Anderson and FNB. All asset classes are within the Board approved permissible ranges per the Investment Policy statement. The biggest driver of success isn't necessarily the managers used; it is the strategic asset allocation. The Board has made good and thoughtful decisions over the years and that's been the key driver.

The total fund composite returned 6.8% vs. the benchmark of 6.9%. The total equity composite which is a weighted average of U.S. and Non-U.S. equities, was 11.1% vs. the benchmark of 11.2%. The underperformance came from the U.S. Equity; Twin was at 10% vs. their benchmark of 11.1%, Kayne Anderson 3.9% vs. benchmark 5.0%. Emerald was up 20.7% vs. their benchmark of 12%. The Non-U.S. equity composite was 13.6% vs. their benchmark of 12%. Schroeder returned 14.3% vs. 11% and Vanguard International Grow returned 14.5% vs. 13.7%. Real Estate returned 1.8% vs. 0.8%. IFM returned 2.6% vs. 1.6%. U.S. Fixed Income composite was 1.5% vs. 1.7%. FNB returned 1.2% vs. 1.7%. Ed Cernic spoke about FNB and he pointed out the ranking is in the 95th percentile. He wants to have Pat do a fixed income manager search. The Board agrees.

- Motion was made by Ed Cernic to authorize Marquette do a fixed income manager search and bring two (2) fixed income managers to the quarterly meeting scheduled for November 10, 2025. Motion was seconded by Lisa Kozorosky. Motion carried. Vote unanimous 5-0.

Pat Wing provided a quick update on the Ironsides Funds. The amount of \$43 million has been contributed to all the Ironsides funds in aggregate over time. The distributions received was \$47 million. There is still \$21.5 million remaining. These funds have worked well for the Fund. Ironsides is launching a new Opportunities fund but it will be a little different. The Ironsides funds we have now are closed end funds. The new Opportunities Fund that will be called an Evergreen fund meaning it operates in perpetuity. Where the underlying investments will be generally comparable but from an administrative perspective it's going to be much easier to navigate moving forward and the fees will be generally the same. There will be an investment period where they will call the money over a time period but then those investments mature and pay interest instead of sending it all back, they can reinvest it in new investments. The administrative fees would be comparable to the funds we have now which are 75 – 85 bps. Pat would like Constitution Capital Partners to come to the September 11, 2025 meeting to report not only on the Funds they have but to speak more about the Evergreen Fund.

Pat Wing recommending rebalancing the portfolio. Move \$1 million from Twin Capital, \$500,000 from Vanguard Value, \$500,000 from Vanguard Growth and \$60,000 from cash and give \$1 million to C.S. McKee and \$1,060,000 to Baird.

- Motion was made by Ed Cernic at the recommendation of Marquette to move \$1 million from Twin Capital, \$500,000 from Vanguard Value, \$500,000 from Vanguard Growth and \$60,000 from cash and give \$1 million to C.S. McKee and \$1,060,000 to Baird. Motion was seconded by Lisa Kozorosky. Motion carried. Vote unanimous 5-0.
- Motion was made by Ed Cernic to accept Marquette's report. Motion was seconded by Thomas Chernisky. Motion carried. Vote unanimous 5-0.

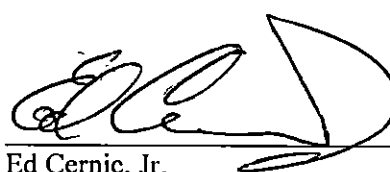
Old Business: None

New Business:

1. Motion was made by Ed Cernic to consent to the assignment of contract from Korn Ferry to Gabriel, Roeder, Smith and Company (GRS) per the Boards solicitor's recommendation. Motion was seconded by Keith Rager. Motion carried. Vote unanimous 5-0.
2. FNB is requesting we sign a contract changing the Investment Management Agreement. This information was received from Tina Dallape from FNB. The Board would like to have Ms. Dallape from FNB attend the September 11, 2025 meeting to explain the contract change.
3. Ironsides Opportunities Annex GP Fund made a distribution of \$60,693.63 on July 21, 2025.
4. Motion was made by Ed Cernic to ratify the action taken by the Commissioner's office at the recommendation of the Controller's office on the following retirees: Andrew Litvin Sr., Terri Davis, Linda Rogers, John Kindja and Timothy Braniff. Motion was seconded by Keith Rager. Motion carried. Vote unanimous 5-0.

Next meeting is scheduled for Thursday, September 11, 2025 immediately following the 10:00 a.m. Commissioner's meeting in the Jury Room. Constitution Capital Partners will be presenting.

Motion was made to adjourn the meeting by Keith Rager. Meeting adjourned at 11:25 a.m.



Ed Cernic, Jr.