

Retirement Board Meeting
November 10, 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 10:01 a.m.

Motion was made by Scott Hunt to approve the minutes from the Retirement Board meeting held on October 9, 2025. Motion was seconded by Lisa Kozorosky. Motion carried. Vote unanimous 4-0.

Keith Rager arrived at 10:02 a.m.

Public Comments: None

Ed Cernic reviewed the retirement summary. There are currently 1,166 retirees as of October 31, 2025. October's retirement payroll was \$1,491,350.66.

Michael Stem from AmeriServ attended the meeting. Michael Stem presented the Board with the market value of the investments as of November 7, 2025. The market value was \$280,047,681.88. Ed Cernic questioned the amount of cash for Kayne Anderson. Pat Wing had reached out to Kayne Anderson and this is a recurring theme for them. They advised the market is a little over value where they operate so they are holding more. Motion was made by Ed Cernic to accept the AmeriServ report. Motion was seconded by Lisa Kozorosky. Motion carried. Vote unanimous 5-0.

Pat Wing, Marquette Associates, presented to the Board. He provided a quick overview of the market environment. The U.S. economy decelerated but grew at a solid pace in the third quarter, with economists forecasting real GDP increased at an annualized rate of 2.5%. The modest slowdown was due in large part to a smaller contribution to growth from net exports, though the quarter saw an uptick in consumer and government spending. With the private sector on stable footing as the calendar approaches to the end of 2025, it appears the economy may also get a boost from fiscal policy in 2026. The reconciliation bill passed earlier this year will have its largest positive impact on economic growth next year as tax cuts and credits are largely front loaded, while spending cuts are backloaded. With that said, inflation is still above the fed's target around 3% year over year. There are some signs it could tick up in the short term. Global equities continued to rally in the third quarter, with U.S. equities outperforming developed non-U.S. equities, while emerging markets led the way. U.S. equities were up 8%, and Emerging Markets were up 11%; highly influenced by what is happening in China. The pattern has continued when markets are doing very well it is generally being led by AI narrative. When they are not doing well it's those stocks that are getting hit in the downside. The three sectors that did better than the broad market is Communication Services, Consumer Discretionary and Information Technology. Pat Wing gave an overview of the fund. Looking ahead, Principal real estate is winding down and we have started to get the money back. The additional infrastructure managers are all set up and ready to be funded on April 1, 2026. The new Ironsides Fund will be doing a capital call in 2026 during the first quarter. The market value of the fund as of September 30, 2025 was \$280.9 million, which is the highest amount the fund has ever been. In the third quarter the portfolio returned 4.9% (net) vs. the policy index of 5.0%. Positive attributions for the quarter were from asset allocation, outperformance by Emerald and Schroeder. Negative attributions for the quarter were from underperformance by Kayne Anderson(KAR), Vanguard International Growth and FNB. Pat then reviewed the individual funds. The U.S. equity composite returned 7.9% vs. 8.2%. Twin was modestly behind their benchmark and that's to be expected because of the types of stocks that drove the market. Vanguard Value and Growth were both in line with their respective benchmarks. Kayne Anderson were in the red well behind their benchmark based on the types of stocks that outperformed. Kayne Anderson has a pretty concentrated portfolio – 30-35 stocks; so, if they are going to behind this much then there were issues with the stocks they owned. Pat Wing is recommending that the Board puts them on the watch list and bring them in for the February quarterly meeting.

- Motion was made by Ed Cernic at the recommendation of Marquette to put Kayne Anderson on the watch list and have them attend the February quarterly meeting and if there is not substantial change in their performance, the Board will have to make a decision on their future with the retirement fund. Motion was seconded by Thomas Chernisky. Motion carried. Vote unanimous 5-0.

Emerald is currently on the watch list. They have had an exceptional last couple of quarters. Emerald returned 18.3 % vs. 12.2 % for the last quarter. Pat Wing is recommending to the Board to take Emerald off the watch list.

- Motion was made by Ed Cernic at the recommendation of Marquette to take Emerald off of the watch list. Motion was seconded by Keith Rager. Motion carried. Vote unanimous 5-0.

Keith Rager left the meeting at 10:38 a.m.

Non-U.S. Equity composite was modestly behind the benchmark 6.6% vs. 6.9%. Schroder had a good quarter 8.4% vs. 8.0%, Fidelity returned 6.7% vs 6.9% and Vanguard International Growth returned 4.5% vs. 5.7%. Real Estate was up 1.1% vs 0.5% and Infrastructure was up 2% vs. 1.4%. The Fixed Income composite was in line with the benchmark 1.5% vs. 1.5%. C.S. McKee and Baird both returned 1.6% vs. 1.5. FNB returned 1.4% vs. 1.5%.

Pat Wing then reviewed the Annual PA Pension Plan Report. Of the 62 eligible PA Counties, 48 participated. This report provides an opportunity to compare aspects of your county's pension plan and fund in relation to those of other Pennsylvania counties. Cambria County's plan is the most mature fund in this report.

- Motion was made by Ed Cernic to accept Marquette's report. Motion was seconded by Thomas Chernisky. Motion carried. Vote unanimous 4-0.

Tina Dallape, Relationship Advisor from FNB thanked the Board and let them know that her priority is to ensure they are meeting the Boards expectations and financial goals of the account. She introduced Jeffrey Schlegel, Senior Portfolio Manager who has over 35 years of industrial experience and 25 of those years in the fixed income area. Jeff presented to the Board. There has been a lot of changes at FNB. Sam Piccioni retired and other retirements occurred at the top. The new Chief Investment Officer is Chad Oviatt. As part of this transition, we've been evaluating books of business and want to make sure we are right channeling relationships on the investment team. FNB is generally constructive on the U.S. Economy but are mindful of the fact there is a lot of near-term uncertainty and volatility on the horizon. Credit conditions remain very robust in terms of defaults, corporate balance sheets are very strong there's a lot of liquidity in the system and they are not worried about any credit deterioration particularly in the investment grade space which is where the bulk of the portfolios investment grade corporate bonds. Recently added exposure to treasury inflation primarily as part of our short-term treasury allocation so there is inflation protection. From a position standpoint, they have been hitting the reset button because of the cloudiness that's out there to get close to benchmark allocations. With the exception being they still maintain an overweight to short term investment grade corporate bonds. They enable to grab higher income levels, higher coupons with minimal interest rate risk in terms of sensitivity. FNB's total market value is \$21,056,736 and the last quarter's return was 1.84% vs. 1.89%. Over the past couple months there have been adjustments made to the portfolio. The portfolio doesn't have a lot of exposure to 3-7 years maturities because of the barbell approach. The strength in the bond market has been in that segment and we have been significantly underweight. The other area that impacted the portfolio is that 10% of portfolio is less than six months of maturity; half of that money is coming due between now and December 15, 2025. That money will be used to fill in any remaining gaps in the maturity structure which right now is a 2-3-year maturity space and will beef up the exposure. A lot of moving parts, but the first goal is to get the performance relative to benchmark tightened up and once stabilized shift the focus more towards total return. Ed Cernic asked Jeff where he thinks FNB will be in six months. Jeff responded they will be tighter to the benchmark and should see positive improvement in the first quarter of 2026.

- Motion was made by Ed Cernic to accept FNB's report. Motion was seconded by Lisa Kozorosky. Motion carried. Vote unanimous 4-0.

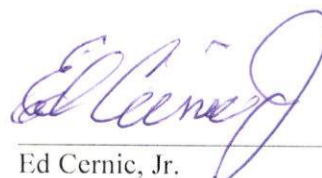
Old Business: None

New Business:

1. The Board discussed a cost-of-living increase and at this time it is not feasible. Motion was made by Ed Cernic to not issue a cost-of-living adjustment (COLA) for 2026. Motion was seconded by Scott Hunt. Motion carried. Vote unanimous 4-0.
2. Motion was made by Ed Cernic to set the interest credit for 2026 to 4.75% Motion was seconded by Lisa Kozorosky. Motion carried. Vote unanimous 4-0.
3. Motion was made by Ed Cernic to ratify invoices being paid out of the retirement fund in the amount of \$111,691.99. Motion was seconded by Lisa Kozorosky. Motion carried. Vote unanimous 4-0.
4. Ed advised the Board that we received suggested dates from Marquette for 2026 quarterly meetings. Dana is working with the Commissioner's office on finalizing a schedule.
5. 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: Martin Daughenbaugh and Laura Putman. Motion was seconded by Thomas Chernisky. Motion carried. Vote unanimous 4-0.

Next meeting is scheduled for Thursday, December 4, 2025 immediately following the 10:00 a.m. Commissioner's meeting in the Jury Room.

Motion was made to adjourn the meeting by Thomas Chernisky. Meeting adjourned at 11:19 a.m.



Ed Cernic, Jr.