Retirement Board Meeting
May 11, 2026

Present:	Commissioner	Scott Hunt
	.	Thomas Chernisky
	Controller	Ed Cernic
		Kristine Segear
		Matthew Bouch
		Emily Krug
	Treasurer	Lisa Kozorosky

Pledge of Allegiance

Commissioner Hunt called the meeting to order at 10:01 a.m.

Public Comments: None

Motion was made by Lisa Kozorosky to approve the minutes from the Retirement Board meeting held on April 2, 2026. Motion was seconded by Scott Hunt. Motion carried. Vote unanimous 3-0.

Ed Cernic reviewed the retirement summary. There are currently 1,176 retirees as of April 30, 2026 which continues to increase along with our monthly payroll amount which is now over $1.5 million.

Michael Stem from AmeriServ attended the meeting. Michael Stem presented the Board with the market value of the investments as of May 8, 2026. The market value was $292,753,376.87. Ed Cernic questioned the cash account having a balance of $1,063,245.72, which Kristine Segear said was the distributions from Ironside.

Motion was made by Ed Cernic to approve both the Retirement Summary and the AmeriServ Report. Motion was seconded by Lisa Kozorosky. Motion carried. Vote Unanimous 3-0.

Tom Chernisky arrived at 10:05 a.m.

Pat Wing, Marquette Associates, presented to the Board. Starting with Exhibit II: The U.S. economy likely accelerated in Q1 with economists forecasting the real GDP growth 2.3% with the actual coming in at 2%. The Iranian conflict and the closure of the Strait of Hormuz is getting a ton of press and that is going to impact the economic data over the next month or two. The biggest issue is with the closure of the Strait of Hormse the flow of oil is not as great as it typically is so right now Countries are releasing their SPRs, strategic petroleum reserves, and drawdowns of commercial oil stocks to stem the bleed for the lack of oil flowing through the Strait. Things are ok right now but if this continues over the next month or two then things could become problematic as the inventories would be drawn down to levels, they could no longer be drawn down any further so we really need to some resolution by the end of July at the latest or we could see a serious problem from an energy perspective. The energy price shock has gotten a lot of press but a lot of other things flow through the Strait including critical industrial and agricultural commodities, including copper, helium and approximately 1/3 of the world's fertilizer passes through the Strait. This has caused fertilizer prices to go through the roof which in theory will impact the prices on food in the coming months. Inflation may continue to have an impact over the next quarter or two even if energy prices calm down. From the Market or Policy perspective the market is no longer pricing in any rate cuts by the Federal Reserve in 2026. The Market does not care, the Market sees this dynamic as a temporary blimp and is not going to have a long-term impact, consumers are still spending and AI build out continues and the Market is hyper focused on that. U.S. Equities were still down at 4% and most other assets classes were marginally down but did better compared to U.S. Equities. Bond are basically flat so we saw interest rate rising putting downward pressure on bond prices which negated any income. Infrastructure up almost 2%.

Pat provided an overview of the portfolio. Exhibit III, the market value as of 3/31/26 was $276.6 million, net investment change of $-3.8 million, the portfolio return was -1.4%(net) vs. policy index of -1.8%. Positives for the quarter, U.S. Equity structure meaning we have more money in the outperformers Emerald and Schroder. Negatives for the quarter, underperformance by TWIN, Kayne Anderson and Vanguard Int'l Growth within equities and underperformance by IFM. Still waiting for JP Morgan and Brookfield to call for that money likely in July and those funds will come from fixed income, this was approved by the Board last year. Also, additional Private Debt funding, as a reminder the Board approved a commitment for a new Ironside fund which we thought they were going to call for in April but now is looking more like July. They started making investment and use of a line of credit to start then they will call for the funds to pay off the line of credit. Regional Equity split we discussed briefly in February but with so much to cover today we will circle back to this in August. The quarter started at $283.4M with $3M in outflow cash flow from CS McKee for benefit payments and $3.8M in net investment change ending $276.6M. We are still within the range of the Investment Policy statement at the end of the quarter. Peer comparison ranking, although we were better than Policy, we were -1.4 and ranked 69 overall for total fund composite, and similar at the 1 year as well. What is driving that is we have 4.5-5 to 1 in Non-U.S. Equities to U.S. Equities vs most are 3-1 and Non-U.S. have done extremely well. We will revisit this as well at the August meeting. Total Equity Composite, -2.7% vs -3.3% for the benchmark this is a weighted average of the U.S. and Non-U.S. Equity Market. Looking at U.S. Equities in aggregate the five managers were at -3.3% better than the broad market at -4.0% and starting with the first manager TWIN their average was -4.4% which was mostly in line with the benchmark of -4.2% what drove the outperformance was Kayne Anderson at 0.4% and Emerald at -0.4% it wasn't how they did compared to benchmark but how Small Caps did. Kayne Andersons benchmark was 5% and Emeralds was -2.8% which together is basically +2% and that is better than the broad market at -4%. Non-U.S. basically flat during the quarter. Schroder 3.4% vs benchmark of 1.8%, they had been on the watchlist but as you can see, they are now outperforming the benchmark. Vanguard was behind their benchmark at -5.1% vs benchmark of 3.6%, so Pat would like to bring them in later this year to see where they are at. Infrastructure one of the few at a positive with IFM at 1.7% which is slightly below the benchmark of 2.1%. In U.S. Fixed Income the three managers were 0.1% vs benchmark of 0.0%. FNB was behind but have now come in line with benchmark after their internal changes. Private Equity and Private Debt $33M committed with $7.3M still unfunded and unlikely to be called. If you note the cumulative contributions at $43.2M which is higher than the commitment because they can call or ask for the funds and then return them and they can call them back again. However, our cumulative distributions are $49.3M with $19.47M still in remaining value so that $43.3M has turned into ~$70M. The new fund should start calling capital in the next few months.

Clark Koertner from Segall Bryant & Hamill (SBH) presented their Small Cap Value to the Board. SBH relies on its in-depth proprietary research to uncover investments that have the potential to offer consistent returns over the long term and downside protection through market cycles. SHBs experienced small cap equity investment team conducts bottom-up research, looking for companies with management teams that are focused on sustainable and/or improving return on investment capital (ROIC) and low embedded expectations. SHB employs a disciplined ROIC focus, which helps them discover catalysts for change that the Street has not identified and may be overlooked by competitors. During the last 30 years, Russell 2000 companies with the highest ROICs have outperformed their peers on a quarterly basis 75% of the time. Early identification of companies with the potential to show improving ROIC has generated strong returns over time. The fee for this investment is 70 bps.

Matthew Tangel and James Wallerius from Systematic presented their Small Cap Value to the Board. Systematics investment strategy is to invest in high-quality, undervalued companies with superior financial strength, strong free cash flow and lower relative levels of debt that they believe will outperform over full market cycles. Systematic has $4.8 billion in total firm Assets and 30+ years of experience. Systematic has 70 institutional accounts and about 40% of assets are managing money for accounts like Cambria County however they are not yet managing any money for PA Counties. Systematic strives to invest in the Healthiest Small/Mid-Sized Companies that possess tremendous financial flexibility. Systematic invests in 161 companies. The fee for this investment is 85 bps the average is 90 bps, but Systematic does not want to lose an opportunity because of fees.

After the managers departed the Board had discussion regarding the fees and the strategies. Kayne Anderson's fee is 80 bps, the average for an active manager in this case is 90 bps. Pat was asked for his opinion; they have clients with both managers. Pat mentioned about negotiating the fees with Systematic. Ed Cernic said his recommendation is to request 75 bps from Systematic.

Pat then went on to present his rebalancing to the Board. Pat's recommendation is to move $2M from Vanguard Growth Index Fund Instl; $1.5M from Emerald Small Cap Growth; $1,050,000 from Goldman Sachs FS Gov't MMkt placing $3M into C.S. McKee Fixed Income and $1,550,000 into Baird Intermediate Term Bond Fund Instl. Further, he recommends once the new Small Cap Value manager is in place to liquidate Kayne Anderson currently at $9,177,119 and transfer the whole amount to the new manager. Ed Cernic made a motion to accept Marquette Associates rebalancing, liquidating Kayne Anderson and transferring the funds to the new manager Systematic pending Pat negotiating the fees with Systematic at 75 bps up to 80 bps. Motion was seconded by Lisa Kozorosky. Motion carried. Vote unanimous 4-0.

Pat then reviewed deferred fixed income annuities. A deferred fixed income annuity is a contract with an insurance company where you contribute money, which earns a guaranteed fixed rate of interest for a set period. There are three phases. Invest the money; rate guarantee period where the rate is locked for a set period of time, for example 5 years, after which a new rate is set; distribution phase where you withdraw the funds or convert the balance into another deferred annuity. Fixed annuities are largely "CD-like". Ed Cernic urged the Board to consider this investment as it is a "guarantee" of interest. Ed Cernic made a motion to have Pat bring recommendations for the next meeting to invest $5M in Deferred Fixed Income Annuities. Motion was seconded by Lisa Kozorosky. Motion carried. Vote unanimous 4-0.

Motion was made by Ed Cernic to accept Pat Wings report. Motion was seconded by Tom Chernisky. Motion carried. Vote unanimous 4-0.

Old Business: None

New Business:

1. Motion was made by Ed Cernic at the recommendation of Marquette Associates to rebalance the portfolio from April 8, 2026, move $1M from Baird Intermediate Term Bond Fund Instl to AmeriServ Retirement Fund checking account. Motion was seconded by Lisa Kozorosky. Motion carried. Vote unanimous 4-0.

2. Motion was made by Ed Cernic to ratify invoices being paid out of the retirement fund in the amount of:

MARQUETTE ASSOCIATES	$ 23,750.00
Latrobe Printing and Publishing Company	125.81
FIRST NATIONAL BANK OF PA (Credit Card)	125.00
CNHI, LLC	190.13
AMERISERV TRUST & FINANCIAL SERVICE	21,333.34
TWIN CAPITAL MANAGEMENT INC	25,875.47
Gabriel Roeder Smith & Company	2,562.00
FIRST NATIONAL TRUST COMPANY	7,969.50
EMERALD ADVISERS INC	13,607.94
CSM ADVISORS, LLC	19,707.63
KAYNE ANDERSON RUDNICK INVESTMENT MANAGEMENT	17,545.75
	$132,792.57

Motion was seconded by Scott Hunt. Motion carried. Vote unanimous 4-0.

3. Motion was made by Ed Cernic to accept the Ironside distributions of $585,142.32 on 4/17/26 and $473,866.12 on 5/1/26. Motion was seconded by Lisa Kozorosky. Motion carried. Vote unanimous 4-0.

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: Helen Bassett (vested); Sharon Kraycirik; Tracy Selak; Michele Tomera; Gina Sowers; Kathy Kissell; and Christine Charney (vested). Motion was seconded by Tom Chernisky. Motion carried. Vote unanimous 4-0.

5. No Executive Session held.

Next meeting is scheduled for Thursday, June 4, 2026 at 10:00 a.m. in the Jury Room.

Motion was made to adjourn the meeting by Tom Chernisky. Meeting adjourned at 11:55 a.m.

Ed Cernic Jr.