



John Strate, Chairman
Tammie Gaff, Secretary

Members:
Anthony Shea
Pat Fabian
Amanda C. Hiles

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Retirement Board **COUNTY OF ARMSTRONG**

ARMSTRONG COUNTY RETIREMENT BOARD

Meeting Minutes

March 12, 2025, 10:30 AM

The meeting of the Armstrong County Retirement Board (The Board) was called to order by Commissioner Strate in the Commissioners' Conference Room on Wednesday, March 12, 2025 at 10:30AM. The following attended, unless marked absent:

Board Members:

Commissioners John Strate (Chairman), Anthony Shea (Member), Pat Fabian (Member),
Controller Tammie Gaff (Secretary), Treasurer Amanda Hiles (Member) - ABSENT

Guests:

Mr. Pat Wing, Marquette Associates
Ms. Karen Notto, Chief Clerk
Mrs. Amanda Rybarik, Retirement Specialist
Mr. AJ Panian, Leader Times

The meeting was being electronically recorded.

Commissioner Strate led the Pledge of Allegiance.

It was motioned by Commissioner Fabian, seconded by Commissioner Shea, and carried unanimously to approve the Minutes of the December 11, 2024 Retirement Board Meeting.

It was motioned by Commissioner Shea, seconded by Controller Gaff, and carried unanimously to discuss and acknowledge the Peirce Park Group/Marquette Associates Cash Flow Summary Reports for 10/31/24 – 01/31/25. It was noted that during the same time period there was a net increase in the Combined Asset Market Value of \$961,403 (10/31/2024 - \$85,284,990 to 01/31/2025 - \$86,246,393).

It was motioned by Commissioner Shea, seconded by Controller Gaff, and carried unanimously to discuss and acknowledge the Trade Transactions for **NOVEMBER 2024 - JANUARY 2025**.

It was motioned by Commissioner Shea, seconded by Controller Gaff, and carried unanimously to discuss and acknowledge the Retirement Summary for **DECEMBER 2024 - FEBRUARY 2025**.

It was motioned by Controller Gaff, seconded by Commissioner Shea, and carried unanimously to discuss and acknowledge Retirement A/P Bills for **DECEMBER 2024 - \$21,191.86, JANUARY 2025 - \$39,748.94, and FEBRUARY 2025 - \$13,145.57.**

It was motioned by Commissioner Shea, seconded by Controller Gaff, and carried unanimously to open discussion on current business.

Mr. Wing presented an investment review, discussing the global economic environment, capital markets and performance of the Retirement Fund in Q4 2024. Notably, capital market returns were muted compared to Q3. U.S. equity markets posted a return of 2.6% in Q4, while non-U.S. equities underperformed notably thanks to a stronger U.S. dollar and strength in U.S. mega-cap growth stocks. Fixed income, meanwhile, was in the red amid rising interest rates. Regarding non-traditional asset classes, private real estate and private infrastructure posted solid gains, providing downside protection when most traditional assets were negative, while private credit return data for Q4 had not yet posted at the time of the meeting.

The Fund had an investment return of -1.3% for the quarter (all returns are net of investment management fees), lagging its policy benchmark return of -0.7%. Underperformance was driven by an underweight to mega-cap growth stocks. Mr. Wing noted that the Fund has exposure to these stocks but is underweight them relative to the broad U.S. equity market, given concerns about their valuation. For the year, the Fund had a preliminary return of 10.9%, which exceeded the 7.0% actuarial assumed rate of return.

He then reviewed quarter-to-date performance through February, noting that the environment was essentially the opposite of that seen in Q4. Equity markets continued to move higher, but non-U.S. equities outperformed U.S. stocks as the market saw a notable shift in leadership, with U.S. mega-cap growth stocks lagging the broad market. Fixed income also posted gains in the first two months of the year. The Fund was slightly ahead of its policy benchmark during the period (2.1% vs. 1.9%). He ended the discussion with an outlook for the economy, fixed income and equity markets.

Finally, Mr. Wing provided a brief update on the current real estate environment, noting that there were some signs of improvement but that looming debt maturities remained concerning. Marquette still believes that real estate plays an important role in the portfolio, but he noted that the asset class was materially underweight its 6% target allocation and proposed lowering the target allocation from 6% to 4% for the asset class. In turn, he proposed increasing the target allocation for Fixed Income from 24% to 25% and the target allocation for Private Credit/Bank Loans from 6% to 7%. He stated that the changes would necessitate an addendum to the Fund's Investment Policy Statement. After discussion, Commissioner Fabian moved to approve the proposed addendum. The motion was seconded by Commissioner Shea and passed unanimously.

It was motioned by Controller Gaff, seconded by Commissioner Shea, and carried unanimously to acknowledge the donation recipients from Marquette Associates on behalf of the Armstrong County Retirement Board for the past four years.

- 2024 – Armstrong County Community Foundation
- 2023 – Christmas for Kids
- 2022 – 1st Annual County of Armstrong Community Turkey Drive
- 2021 – Armstrong County Honor Guard

It was motioned by Commissioner Shea, seconded by Controller Gaff, and carried unanimously to adjourn the March 12, 2025 Retirement Board Meeting at 11:28 AM.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Tammie Gaff", with a stylized, cursive script.

Tammie Gaff
Secretary/Controller