



**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 1920  
Chicago, Illinois 60602**

**Minutes for the May 24, 2022, 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 9:30 a.m.

**Investment Committee**

**Members in attendance:** Mr. Kevin Ochalla (Chair), Mr. John Blair, Mr. Stephen Hughes, Mr. Patrick McFadden, Mr. Joseph Nevius, Ms. Tracy Reed and Mr. Lawrence Wilson (via video).

**Staff Present:** Regina Tuczak, Executive Director; Michael Maratea, Director, Finance and Administration; Gary LeDonne, Director, Benefits Administration; Fernando Vinzons, Director, Investments.

**Others Present:** Barbara Bernard, Callan LLC; Ann O'Bradovich, Callan LLC; Nicole Wubbena, Callan LLC; Jay Kloepfer, Callan LLC (via video); Nate Wong, Callan LLC (via video); John Jackson, Callan LLC (via video); Dario Buechi, Callan (via video); Tom Shingler, Callan LLC (via video).

Trustee Ochalla, Chair of the Investment Committee, presided over the meeting. He stated that a quorum of the Committee was present, six in-person and one participating via video or audio conference pursuant to the guidance provided most recently by the Governor's February 4, 2022 Disaster Proclamation, as well as the provisions of Public Act 101-0640.

**Public Comment**

Mr. Ochalla opened the meeting for public comment and, with no one having requested to address the Committee, considered the next item of business on the agenda.

1. Review and Approval of February 22, 2022, Investment Committee Meeting Minutes

***Motion for Approval and Adoption of Minutes.*** It was moved by Trustee Hughes and seconded by Trustee Blair that the minutes of the February 22, 2022, Investment Committee meeting be approved and adopted.

Roll Call Vote:

AYES: Blair, Hughes, McFadden, Nevius, Ochalla, Reed, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

2. Asset Liability Study Continued Discussion and Possible Recommendation

Ms. O’Bradovich began with a recap of the asset-liability studies presented at the January 25, 2022 and revisited requests made at the February 22, 2022 Investment Committee meetings. Through an Asset/Liability Study Supplement presentation for both funds, she presented the additional scenarios that the Investment Committee requested, and Callan’s recommendations for both the Cook County Fund and the Forest Preserve Fund. A lengthy Q&A session followed as the Committee considered the different target allocation options for both Funds,

***Motion to Approve Mix #3A for the Cook County Fund.***

It was moved by Trustee McFadden and seconded by Trustee Blair to recommend to the Board that Mix #3A be selected as the new target allocation for the Cook County Fund, as recommended by Callan Associates.

Roll Call Vote:

AYES: Blair, Hughes, McFadden, Nevius, Ochalla, Reed, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

***Motion to Approve Mix #3 for the Forest Preserve Fund.***

It was moved by Trustee McFadden and seconded by Trustee Hughes to recommend to the Board that Mix #3 be selected as the new target allocation for the Forest Preserve Fund, as recommended by Callan Associates in their .

Roll Call Vote:

AYES: Blair, Hughes, McFadden, Nevius, Ochalla, Reed, Wilson  
NAYS: None

Vote Result: MOTION ADOPTED

3. Real Estate Portfolio Overview and Pacing Review

Ms. Bernard began with a real estate market overview, contrasting the strength of the industrial and multifamily real estate sectors against the weakness experienced in the office and retail sectors. She discussed how the market has evolved throughout the Covid-19 pandemic and provided updates with regard to changing market dynamics for each real estate sector. She then transitioned to a discussion of the Cook County Fund’s real estate portfolio, reviewing the weights of core and non-core investments, geographic and property type diversification, investment manager performance, and individual manager developments to track.

Ms. Bernard transitioned to a pacing study for Cook County examining the amount of additional capital required to keep the Fund invested close to its 9% real estate target and within a 5-13% target range. The pacing study concluded an additional \$130 million to core real estate would be required to keep the Fund close to the 9% target allocation in 2021. Additionally, \$50 million to non-core emerging managers should also be allocated in 2021. She also noted that \$20-30 million in new annual capital commitments to non-core real estate would also be required to maintain the target real estate allocation in future years.

a. Blackstone Real Estate Partners X Discussion;

Ms. Bernard provided an assessment of Blackstone Real Estate Partners X (“BREP X”) as a suitable follow-on investment for the Fund. She compared and contrasted this fund with BREP VIII and BREP IX, the prior funds in the series and ones in which the Cook County Fund invested \$30M each. In evaluating BREP X, Ms. Bernard discussed the firm, strategy, and performance as well as Callan’s recommended strategy of follow-on investments for vintage year diversification. Callan concluded with a recommendation for a \$30 million follow-on mandate to BREP X. Funding for this commitment is to be sourced from the Fund’s cash flow.

***Motion to Approve a \$30 million Mandate to Blackstone Real Estate Partners IX.***

It was moved by Trustee McFadden and seconded by Trustee Reed to recommend to the Board that a \$30 million mandate be awarded to Blackstone Real Estate Partners X, as recommended by Callan Associates.

Roll Call Vote:

AYES: Blair, Hughes, McFadden, Nevius, Ochalla, Reed, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

Finally, Ms. Bernard reviewed the performance and strategy of the Forest Preserve Fund real estate portfolio. She noted the current allocation to real estate is slightly above target, but within the +/-4% policy range. No new investments are contemplated at the moment.

4. First Quarter 2022 Performance Review

Ms. O’Bradovich began with a review of first quarter 2022 performance for the Cook County Fund as prepared and presented by Callan Associates. The Cook County Fund had a market value of \$13.4 billion and all asset classes were within policy target ranges. Ms. O’Bradovich continued with general market commentary, noting the relative weakness in most asset classes as the market digested the impact of continuing supply chain issues, inflation and the outbreak of the war in Ukraine, all of which weighed heavily on the capital markets during the quarter. She transitioned to asset class performance, drawing attention to overweight values in domestic equity, real estate and private equity as primary contributors for the Fund’s maintaining a positive one-year return, well above its custom benchmark. Compared to peers, the Fund finished in the third quartile for performance in the first quarter but stayed in the second quartile the 1-, 3-, and 5-year trailing periods ended March 31, 2022. The Fund finished in the third quartile for the 10-year trailing period.

Ms. O’Bradovich then transitioned to first quarter 2022 performance for the Forest Preserve Fund as prepared and presented by Callan Associates. The Forest Preserve Fund had a market

value of \$219.2 million, a \$10.5 million decrease compared to Q4 2021. All asset classes were within one percent of their policy target ranges. The Fund underperformed its benchmark in Q1 2022 as well as for the 1-, 3-year periods but outperformed in the 5-, and 10- year trailing periods. Compared to its peers, the Fund finished in the first quartile for Q1 performance and the second quartile for the 1-, 5- and 10-year trailing periods.

Following the First Quarter 2022 Performance Review, the Committee convened an Executive session, pursuant to Section 2(c)(7) of the Open Meetings Act, to discuss a fixed income mandate.

***Motion to Convene an Executive Session***

It was moved by Trustee Blair and seconded by Trustee Nevius that the Investment Committee convene an Executive Session pursuant to Section 2(c)(7) of the Open Meetings Act, 5 ILCS 120/2(c)(7).

Roll Call Vote:

AYES: Blair, Hughes, McFadden, Nevius, Ochalla, Reed, Wilson

NAYS: None

Vote Result: MOTION ADOPTED

***Motion to Adjourn Executive Session***

It was moved by Trustee McFadden and seconded by Trustee Blair that the Investment Committee adjourn the Executive Session called pursuant to Section 2(c)(7) of the Open Meetings Act and return to open session.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

5. Trustee Education - ESG

Mr. Shingler provided an education session concerning ESG. He gave an overview of the considerations, applications and implementation that factor into ESG investing and tracking. He also reviewed how Callan integrates ESG commitment within its research process, and concluded with a review of 2021 survey results pertaining to ESG adoption, interest and reasons for incorporating ESG among institutional investors.

6. Adjournment

It was moved by Trustee Blair and seconded by Trustee Hughes that the meeting be adjourned.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE