



**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 1925  
Chicago, Illinois 60602**

**Minutes for the November 23, 2021, 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, Mr. Lawrence Wilson

**Staff Present:** Regina Tuczak, Executive Director; Michael Maratea, Director, Finance and Administration; Gary LeDonne, Director, Benefits Administration; Fernando Vinzons, Director, Investments; Virgilio Calahong, Senior Investment Analyst; Jodi Weinstein, IT Administrator

**Others Present:** John Jackson, Callan LLC; Pete Keliuotis, Callan LLC; Ann O'Bradovich, Callan LLC

Trustee Ochalla, Chair of the Investment Committee, presided over the meeting. He stated that a quorum of the Committee was physically present, and that Trustee Nevius requested to participate in the meeting by video.

***Motion to Permit Trustee Nevius to Participate by Video.*** It was moved by Trustee Hughes and seconded by Trustee Blair, pursuant to the Open Meetings Act, 5 ILCS 120/7, that Trustee Nevius be permitted to participate in the Investment Committee meeting by video.

**Roll Call Vote:**

**AYES:** Blair, Hughes, McFadden, Ochalla, Wilson

**NAYS:** None

**Vote Result:** MOTION ADOPTED

**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 August 24, 2021, and September 1, 2021, 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 August 24, 2021, and September 1, 2021, Investment Committee meetings be approved and adopted.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

2. Review and Consideration of Callan Recommendations Regarding Private Equity Portfolio Review

Mr. Keliotis of Callan LLC provided a general overview of private equity as an asset class, describing the strategies available, investment program structures, return characteristics, and performance measurement. From the provided background, he transitioned to a discussion of the Fund's private equity program and structure, discussing the history, investment managers, and current performance. He continued with projections for future funding of the private equity program to maintain the current asset allocation, and concluded with Callan's recommendation for the 2022 private equity commitment.

***Motion to Approve a \$40M Investment with Mesirow Private Equity for 2022.*** Based on Callan LLC's private equity portfolio review, it was moved by Trustee Blair and seconded by Trustee Hughes that the Investment Committee recommend to the Board to approve a \$40M investment to Mesirow Private Equity for 2022, subject to approval and receipt of the 2022 IGA contribution.

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

3. Hedge Fund Portfolio Review and Trustee Education

Mr. Keliotis began with a general overview of hedge funds as an asset class, discussing the different hedge fund styles and the role of hedge funds in a portfolio. He continued with a review of both Cook County's and Forest Preserve's respective hedge fund programs, discussing the asset allocation and program structures for each. He transitioned to a review of the investment managers, Blackstone and The Rock Creek Group, illustrating each manager's portfolio, performance record, and peer group analysis. He concluded the discussion with Callan's observations, and noted no current changes are proposed to the hedge fund program.

4. Third Quarter 2021 Performance Review

Mr. Jackson began with a review of third quarter 2021 and trailing period performance for the Cook County Fund as prepared and presented by Callan LLC. The Cook County Fund had a market value of \$13.4 billion, an increase of \$16 million from the prior quarter. All asset classes were within 2% of their respective policy target ranges with the exception of private equity, which was overweight by 4%. Mr. Jackson continued with general market commentary, noting a slowdown for equity markets in Q3 following strong growth worldwide in the first half of the year. He transitioned to asset class performance, drawing attention to the overweight in private equity as having added to the Q3 outperformance. For the trailing year, the Fund's net 23.17% return outperformed the benchmark's 19.89% return. Overweight positions to the domestic equity and private equity asset classes, as well as active management in the fixed income asset class all added value. He concluded this discussion with manager updates, highlighting recent news and events impacting select investment managers.

Mr. Jackson then transitioned to third quarter 2021 and trailing period performance for the Forest Preserve Fund as prepared and presented by Callan LLC. The Forest Preserve Fund had a market value of \$224.0 million, a \$3.7 million decrease compared to the prior quarter. Fixed income was underweight to its target allocation by 5.9%, whereas both domestic equity and international equity exceeded their strategic targets but remained within permissible ranges. For the trailing year, the Fund's 19.86% net return outperformed the benchmark's 17.74% return. All asset classes except real estate contributed to the one-year performance.

5. Investment Related Administrative Matters

The Committee convened an Executive session, pursuant to Section 2(c)(7) of the Open Meetings Act, to discuss investment contracts.

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

It was moved by Trustee Blair and seconded by Trustee Hughes 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) to discuss Agenda Items 5a, 5b(i) and 5b(ii).

Roll Call Vote:

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

NAYS: None

Vote Result: MOTION ADOPTED

***Motion to Adjourn Executive Session***

It was moved by Trustee Hughes 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 BY VOICE VOTE

a. Policy Matters

No motion was made or was required for this item following the return to an Open Session.

- b. Investment Manager Fee Analysis-
  - i. Review and Consideration of Amended Fee Proposal for BNY Mellon Fixed Income (Discussed in Executive Session)

***Motion to Approve an Amendment to the Forest Preserve Fund's BNY Mellon Fixed Income IMA Reflecting a Fee Reduction***

It was moved by Trustee Blair and seconded by Trustee Hughes that the Investment Committee recommend to the Board to approve an amendment to the Forest Preserve Fund's BNY Mellon Fixed Income IMA reflecting a fee reduction, subject to satisfactory completion of the amendment.

Roll Call Vote:

AYES: Blair, Hughes, Nevius, Ochalla, Wilson

NAYS: None

- ii. Other Investment Manager Matters

No motion was made or was required for this item following the return to an Open Session.

- 6. Old Business/New Business

There was no old business/new business discussed.

- 7. Adjournment.

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

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE