BEFORE THE CITY OF PITTSBURGH

COMPREHENSIVE MUNICIPAL PENSION TRUST FUND

BOARD MEETING

Thursday, February 5, 2026, 1:00 PM

TRANSCRIPT OF PROCEEDINGS

BOARD MEMBERS:

Ralph Sicuro - Chair
Rachael Heisler/Controller - Vice-Chair
Richard Ruffolo - Treasurer
David Lavelle/Council President
Rea Price - Deputy Director
William Urbanic -Treasurer

Jennifer Gula - Executive Director
Frederick Frank, Esq. - Solicitor
Robin Thompson - Financial Analyst
Jamie Wesner - Marquette
Robert Swartzwelder
Christian Jonczak
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PROCEEDINGS

MR. SICURO: We will call our meeting to order and we will first begin with roll call. Ralph Sicuro here. Controller Rachael Heisler?

MS. HEISLER: Present.

MR. SICURO: Rich Ruffolo?

MR. RUFFOLO: Here.

MR. SICURO: Council President Dan Lavelle?

MR. LAVELLE: Here.

MR. SICURO: Deputy Director Rea Price?

MS. PRICE: Here.

MR. SICURO: Treasurer William Urbanic?

MR. URBANIC: Here.

MR. SICURO: We have one vacancy.

MR. FRANK: We have a quorum.

MR. SICURO: Anyone here for public comments?

(No response.)

MR. SICURO: Seeing none.

Approval of the minutes.

MS. HEISLER: Make a motion to approve the minutes from the December 2025 quarterly meeting.

MR. RUFFOLO: I will second it.

MR. SICURO: Any discussion on the motion?

Seeing none. All those in favor signify by saying aye.
(All say aye.)
MR. SICURO: Opposed? None.
Bills and Communication. First we have a report from our executive director.
MS. GULA: Good afternoon, everyone. The funding of the pension is $1.263 billion which is 77.89 percent funded as of December 31, 2025. The return on the portfolio over the last 12 months ending the 31st of December is 13.1 for the invested portfolio and 11.5 for the composite. Year-to-date the portfolio is 13.1 in the invested portfolio and 11.5 for the total fund.
The parking asset, which is also valued through the end of December is valued at $324 million, and there is a statement provided in your packet which shows the individual pension funding level and overall liability as of the 31st of December 2025.
Additionally, the fourth quarter funding payment was transferred to the fund on October 28, 2025, and it was $13.3 million for the parking asset, $12.1 million for the MMO and $7.2 million for the art which meets the actuarial recommended contribution for a total of $32.8 million. Total funds transferred for 2025 was $100.4 million.
Does anyone have any questions?

MR. SICURO: Any questions?
MS. HEISLER: Would it be possible to get that in writing either prior to the meeting or afterwards for the record for us to have?
MS. GULA: Sure. What we can even include is we set up a schedule which shows which payments and how much each quarter will be distributed, and we can distribute that ahead of time.
MS. HEISLER: That would be great.
MR. SICURO: I was going to ask if we could have your report, if that's not too much trouble, to have that in advance. If there is questions beforehand we can ask you.
MS. GULA: Yes.
MR. SICURO: Next is the investment consultant report, and we have Jamie Wesner from Marquette.
MR. WESNER: We will be going through the booklet that I passed out to review portfolio performance and market performance for 2025. We also have a preliminary market tracker in here for January 2026 just to show how the overall markets have performed. As we know, markets are volatile and even just the first few days of February have highlighted that volatility. Some of the trades that happened were

working well in terms of the AI related stocks that have sold off a little bit over the last couple of days. We will talk about that and particularly in the context of how that affects your portfolio.

And for the newer trustees, I want to walk through a little bit of just asset allocation, how we have the portfolio framed. What our long-term goals are and how we have things positioned and how we made modifications over the last few years.

If we go behind Exhibit 1 in the booklet, just a quick update on the market. I would like to hit the bottom footnotes first. For all the trustees, if you need any additional education or just need some insight in terms of market volatility or performance, our research team puts out regular updates via email. We also have additional information via LinkedIn or our YouTube page. So just in terms of learning new stuff, those are resources that are there. But myself and the whole Marquette team is always there if you have any questions in terms of kind of just introducing yourself to the materials that are in our regular presentation.

Up at the top we do have forming partners this year. I will just highlight the one that some of you might have familiarity with. Bill Torre, who is a Pitt native, Duquesne and Pitt alum. We hired him after he was working here in Pittsburgh 9 years ago and is a great addition to our partnership as are the other three individuals as well.

I am going to skip over the next page which is the January tracker. It is here for your information. I will reference it loosely when I go over the December figures, but I don't want to create a disconnect by discussing January market performance and then December portfolio performance.

We will go behind Exhibit II which is highlighting everything as of year end 2025. Most all of the figures within the tracker here, but within the report as well, are through year end except for a few of the alternatives. Some of the alternative investments, private equity, private debt, some of those figures take longer to report, and so some of those figures will only be as of the last reporting date. Most of those would be September 30, 2025.

But as we look at 2025 as a whole, it was an exceptionally strong year. Given all the volatility that took place, given, you know, tariff discussions back in April 2025 and the market selling off, continued geo-political unrest, challenges at home with domestic policy, with immigration, it is very surprising to many that the markets climbed the wall of worry which is a term often used and are significantly higher.

2023 and '24 were exceptionally strong years for equity markets. We entered 2025 at pretty rich valuations. Meaning stocks were priced to a very positive outcome, positive earning growth, and a lot of that wasn't necessarily realized, but we continued to see equity prices go up. So in 2023 and '24 the S&P 500 was up 20 to 25 percent in those two years. This year or 2025, the S&P 500 was up 17.9 percent, another exceptionally strong year. The analyzed 10 year return for the S&P 500 is nearly 15 percent. So we are coming off an exceptionally strong decade of equity market growth.

Not to say that that can't continue but when you valuations exceptionally high and coming off a very strong performance, it has historically proved to be challenging to continue that type of performance without some type of kind of disrupting factor. It could be AI, but that remains to be seen. And that actually is going to be able to be quantified as significantly as some anticipate.

The fixed income market in the upper right side of the page, a lot of the fixed income market was influenced by the pressures that were put on the Federal Reserve and the Fed did cut interest rates three times this year. So when interest rates get lowered, bond prices go up, and the Federal Reserve really doesn't influence the short end of the yield curb. If you look at the chart in the top center of the page you can see that the Fed influences the left hand side of that, kind of short term, kind of less than a year in duration and doesn't have the effect on the longer term interest rates.

Longer term interest rates are what affect mortgage rates, and the president has been vocal about his frustrations of rates being higher than he would like. Everyone would like lower interest rates, but the one challenge is if you have interest rates that are lower than necessary, that spurs inflation and you get a situation like we had in 2022 where interest rates had to go up significantly.

It is a balancing act. That's why the Federal Reserve has historically been a non-partisan, independent body, and that's one of the challenges right now is it remaining that way, and a lot of that discussion and pressure that's come from the administration on to the Federal Reserve affects the fixed income markets.

We did get a new Fed chair nominee, Kevin Warsh. We will see if he gets confirmed. We will see that process. There is a lot of political land mines that kind of stand in the way of his confirmation, and its potential to introduce volatility to the markets.

As a reminder, the current Fed chair Powell is in his role until May of this year. When he leaves that role, he still has two years left on his term as a Fed governor. The potential is that he would stay in that role to continue to influence Fed policy. Historically when a Fed chair's term chair is up, they resign their Fed governorship position. He prefers not to do that to continue to have influence, and Senator Tillis from North Carolina who has vowed to hold up the confirmation of the new Fed chair nominee has said he will not allow Powell to be forced out of his governor position as a term of negotiation with the litigation that potentially is going on against the Fed in terms of overruns for their facility renovations. A lot of moving pieces. Politics does not typically play into Fed policy this way but it has. It has played in to the market performance.

We typically say government elected officials influence fiscal policy and not monetary policy. Right now the lines are being blurred across the board. So that is going to continue to influence interest rates, but as a takeaway for 2025 our markets were up 7 percent. All parts of the portfolio were performing in a positive nature. So that's certainly a nice thing to see.

Across the fixed income landscape, just the other parts of the portfolio, the low investment grade fixed income performed about the same as the investment grade. So lower quality bonds which typically give a higher yield with higher risk gave us about the same return as the investment grade for last year. Most of the bond returns were pretty similar.

Shifting back to equities, if you look at the colored squares, the green squares and more notably the blue squares in the middle of the page, this highlights the different performances for the US equity market. We continued to see in 2025, large caps outperformed small caps, and growth stocks outperformed value stocks. That has been a trend that has been pretty persistent in the US markets for the last decade. We have had periods where that hasn't held true, but for the most part that has been the trend over the long term for the US equity markets.

January and February we have seen a little bit of reversal. Small caps outperformed in January and value stocks outperformed in January. Does one month make a trend, certainly not, but it is interesting to see that volatility in the US market.

Another trend long-term, you know, a decade long trend that did break in 2025 was the US outperformed the international stocks. So this is the second table down on the left-hand side of the page. The non US equity returns, and it will be the second row of figures there, the ACWI ex. US benchmark. That is the broad international benchmark. You can see for 2025 that year-to-date figure was up 32.4 percent. So you got a solid 14 plus percent more from international markets versus US markets. So that was certainly a break in the long-term trend of the US outperforming.

One of the factors for US outperforming for so long has been US markets -- our markets are almost half exposed to technology between true IT and consumer services -- sorry -- communications services. That makes up 45 percent of the S&P 500. So tech and tech adjacent.

Internationally it is only 20 percent of the markets. So if tech is leading the markets higher, the US is typically going to outperform. Last year one of the reasons that international markets performed so well is that the US dollar weakened, and we got an 11 percent extra return on our international stocks because of the weakening dollar. So that was another positive factor for international stocks over 2025.

And then internationally also, differing from the US value, outperformed growth. The growth companies are more consumer discretionary. Think of the luxury good brands. Those companies did not grow as much in terms of their prices last year, and we saw more value stocks like European defense companies performed much better, and that's why value internationally outperformed growth so significantly.

Finally with the merging markets, I know there is a lot of moving pieces here, but with the emerging markets, which is a subset of international equities, if you look at the table below which says regional returns, the bottom three countries listed there are the three largest emerging market countries -- China, Brazil and India. China is the largest, India is the second largest and then Brazil is third.

China was up 31 percent, Brazil was up 50 percent. India was up 2 and a half percent. So the performance of active managers in that space is really going to be influenced by what their country exposure was.

There are some emerging market managers that intentionally under weight China because the information we get out of China in terms of their government statistics but even individual company information and reporting requirements, there is less confidence in the integrity of that data. So managers that under weighted China intentionally underperformed last year, and you will see that for one of your managers in your portfolio. I wanted to highlight that because when you see it in that table it is pretty eye catching.

MR. LAVELLE: Why is China considered an emerging market?

MR. WESNER: It is the second largest economy in the world right now which does seem counter intuitive, but because it's still considered a developing market because the various factors that the benchmarking agencies utilize, things like per capita GEP. So when you think of China in terms of number of individuals in China who are still rural in nature that are earning very little on a day-to-day basis, you know, those factors can still have China as an merging market. The Chinese economy measured in aggregate is the second largest economy in the world.

MS. HEISLER: How much of it is dictated by the administration's trading priorities?

MR. WESNER: In terms of international performance?

MS. HEISLER: Yes.

MR. WESNER: It definitely has an influence. When you look at the challenges that we have had with various, you know, the tariffs going out last year, in a lot of these international countries, I forget the exact terms that Canada has used -- the coalition of the small and middle and just trying to work around and trade around the US. That is definitely something that prevented I think the international markets by going down as much as one would have thought. If you said these tariff levels were going to be implemented, you would have thought you would have seen weaker performance, but there were more work-arounds identified and I think those will continue.

You've seen other trading partners, Canada, doing certain trade deals with countries like China and others kind of trying to go around the US. That will influence all parties involved. It is kind of the de-globalization of trade.

I think that term has gotten used a little too loosely. The US has kind of stepped out of some of that globalization. But other countries realize that isolationism is not in their best interest. They need to identify other trading partners outside the US to fill the gaps that are left at these higher tariffs.

A lot of uncertainties, and for managers that are trying to pick stocks that are going to navigate this environment, it is challenging. Because you are not just looking at the fundamentals of companies. You have to see how geo-politics are going to influence the costs that are put on the trading of goods and how much it cost to ship goods from one country to another. A lot of factors that have always been present, but I think the priority of factors has been re-ranked.

MS. HEISLER: Thank you.

MR. WESNER: And then everything else, and I use that term loosely to say alternatives so hedge funds, private equity, private debt, real estate infrastructure, anything that was hedging performance was not going to perform as well in 2025 because you wanted the full exposure to the equity markets. So diversifying strategies typically, although they may have reduced volatility last year, they also reduced absolute returns.

It is a challenging time now when you have three years in a row where strong equity markets caused investors to maybe question a little bit diversifying strategies. Why do you have these strategies in the portfolio that are holding us back. We just have to go back to 2022 where equity markets were down 20 percent and bond markets were down 12 to 13 percent as a reminder that a lot of those diversified strategies helped us as a portfolio not be down nearly as much as those two major markets. It is challenging environment.

And then the most volatile area, commodities, 2025 was volatile, but we have seen even that volatility increase dramatically in 2026. Gold prices last year up, you know, 60 plus percent. We saw silver prices more than double. We saw a day last week where silver prices were down 30 percent in a single day. We have seen just extreme volatility in precious metals. Bitcoin has now dropped below -- they dropped below 67,000 which is a multi-year low for Bitcoin, and there is potential risks of a downward spiral.

People lever themselves or borrow to buy an asset, a speculative asset. When that asset goes down you get margin calls and that can just further cause more price declines. There is a lot of risks that are out there in terms of kind of commodity or currency linked investments.

We don't have any exposure to things like Bitcoin. Very few institutional investors do, and this is the reason why, the speculative nature of the immense volatility. It would be nice if someone bought a Bitcoin at $1,000 a coin, but very few people did and it not an institutionalized market place. It makes it very hard with those with a fiduciary responsibility like yourselves to put that in a portfolio like this.

MR. SICURO: Jamie, before you move on, in the real estate side, we know that during COVID that had a negative on real estate. We have come far from that, and we are not seeing much of a rebound in the real estate side. It seems to be rather low. Is there a reason behind that?

MR. WESNER: The biggest challenge that it faces is the office sector. We have seen so many office spaces continue to have leases where the tenant just either, A, goes out of business; B, trying to sublet out where they have too much space or when leases are up for renewal, they are taking half of the space. I have seen a couple of my clients in Chicago who have dedicated space, they have taken on half the footprint of what they had before, but now have nicer buildings and pay less rent. And those Class B and Class C buildings are now very hard to rent.

There is always talk about office to residential conversions. Again, if you look at things, the plumbing stack in this building, it does not work. It is hard to retrofit an old office building for residential use. Some have been reworked in data centers and things like that, but there is still a lot being worked through in the office space. And then the other major parts of real estate, industrial has still done relatively well. It was growing very fast from '22 to '24, but it slowed down a bit, and then multi-family housing, the challenge there is with higher interest rates, there have been very little in terms of new construction.

We do have a housing crisis in the US. It is certainly more of a crisis in different parts of the country, but when you are not building new homes, and the cost of construction is too high, that is tough.

We have a current administration who says they want to eliminate red tape for new construction which is great, but the challenge is a lot of the construction costs have gone up because of tariffs on Canadian lumber, and that hurts the construction industry.

There is all these different factors that play together, and there is no simple solution. Interest rates are one thing. If interest rates come down, it is beneficial to real estate as a whole, especially the housing, but there are other factors that are going in the other direction and making things more challenging. I wish there was more of an outlook for a

V-shaped recovery within real estate, but it is more like a hockey stick recovery. We went down pretty severely especially in office and it is going to be a gradual recovery. The hope is you get back to where real estate is giving us 5 to 7 percent net returns that are a good diversifier.

You can see from last year, when we got the final numbers for last year, we do have December preliminary numbers for the indices, and they are up a little less than 5 percent, and managers as well are kind of in that same range. I would say 3 and a half to 5 and a half percent is the range. Those who went down the most typically have come back the most, but it hasn't been any type of V-shaped recovery.

MR. LAVELLE: Why is energy down?

MR. WESNER: That's what has kept overall commodity prices -- if you look at the top row in the table, GSCI is that Goldman Sachs commodity index, only up 7 percent, but you can see the line below that, precious metals up 80 percent. Energy makes up about two-thirds of the commodities benchmark, and again, it is another thing that is almost counter-intuitive. You would think with all these geo-political issues, no resolution in the Russian/Ukraine situation, continued unrest in the Middle East. Highlighted by not only what is going on in Israel but with Iran. But energy prices continue to come down. Even with the Venezuela situation, I am sure many of you are familiar with the idea that the energy, the oil that is pumped out of Venezuela is not the same quality of oil that is pumped in the US or other parts of the world, and it is very difficult to convert that oil into gasoline or other things that we use here in the US.

So the question is whether that continues that downward trend and energy prices continue. We have gone up a little bit this year. Oil is up to about $65 a barrel, but that is definitely something that is, I would say, kind of bucking the trend of commodity prices going higher.

So within the portfolio, going to the next page and just highlighting the kind of overall lineup of managers. For the newer trustees, this looks like a long list of the managers on page two. The bottom half of that list is alternative strategies, and I will say the top half of that list makes up 80 percent of the assets, maybe 85 to 90 percent of the assets, and the bottom half is more 10 to 15 percent of the assets. Those alternatives investments.

When we make investments in alternative asset classes like private equity or private debt, we often have to make an investment in a closed vehicle and then three or four years later we make another investment with that same manager in their next vehicle. You end up with multiple line items with the same manager name which is a subsequent fund. That's why you see so many down there in some of those alternative asset classes.

The larger areas of the exposure for example the S&P 500 index fund, that fund alone has over $200 million in assets. So I just want to highlight some of these names, you see a lot of names, but it is not a lot of dollars in some of those smaller names and older positions within the portfolio.

If we look at the performance on page 3 for the quarter, so the fourth quarter of 2025 we matched the portfolio benchmark at 2.3 percent. For the year we were under the benchmark, and it is the first time in quite a while you've been under the benchmark. Most of that driven by active managers who had more conservative strategies in place that underperformed given the environment that we were in. Long term you are pretty close to your policy benchmark across the board.

Another thing I will point out on the bottom right-hand table, summary of cash flows, given the strong equity performance over the last five years or really over the last decade, the fact that you are in a positive cash flow perspective has benefited you tremendously. Many pension funds are in a negative cash flow position, which means you have to sell assets periodically to fund benefit payments. You are not contributing enough to the portfolio. Because you haven't had to sell any assets, that means more assets in the portfolio, in the markets to go up more with investment performance.

So if you look at that, five years ago you started off with $600 million in investable assets. You've added $43 million in positive contributions, and you've had almost $300 million in investment gains which brings you to the $939 million. And this does not include the parking assets. So the total value your executive gave you earlier, that's going to be reflected on the following page which will include the parking assets.

Those are very positive figures. I always like to highlight things where again the hard work you have done from a budgeting perspective and the sacrifices you've made to fund the pension have really paid off in terms of investment performance.

The additional allocation including the parking assets as reflected on pages 4 and 5. So that total market value of $1.26 billion is highlighted there. The parking asset is a fixed asset. So we try to look at the asset allocation of the portfolio excluding the parking asset. Because as a group we have no control over the performance of the parking asset. It is based on the cash flows that have been committed by the city over the next few decades, and that basically calculates the present value of the asset which is reflected in this page.

Your fixed income managers, which go down a little bit below, CS McKee and Loop Capital are two newer managers introduced in the portfolio in 2025. We funded them with -- each of those managers had two $25 million commitments of capital to them. So you can see the most commitment of capital was made in the fourth quarter of last year. We have had the nice problem, if you want to call it that, of having to consistently rebalance down from equities because they have been performing so well. So in order to fund those new commitments to fixed income, we trimmed from our winners. We trimmed from US equities. So we have taken about $45 million last quarter from equities and moved that back up into fixed income.

On page 5 you will see some of the alternative managers. Not a lot of movement there.

They were all pretty close to our targets. So we have not moved money into or out of those strategies.

Continuing on to page 6 some of the alternative managers. What's not reflected on the top of page 6 was the $20 million commitment to Brightwood that was approved by the board at the December meeting. We are finalizing those agreements now, but you will have a commitment to Brightwood Fund VI which we will try to keep as a consistent allocation to that manager and asset class. You do see reflected down here, which has been approved and contract signed on, under private equity you will see Siguler Guff Fund VI. It has dashes in terms of market value because it is not called capital yet, which you have made a commitment to that investment and signed those contracts. The first two funds you have had with them have been exceptionally strong performers, and we expect the same level of performance from them in the future.

I will jump forward to page 9. So as we look at page 9 this shows the total portfolio. One thing you will note is you might say if you look at the summary of cash flows at the bottom of page 9, you say well, you just told us a few pages prior you have positive net cash flows. Because this includes the parking asset, the distributions from the parking asset that you receive are counted as negative cash flows. That's where you see this showing negative numbers because it takes what is in the invested portfolio with also the parking asset cash flows are viewed as negative because they are going out of that asset and into cash within the portfolio, and that cash is spent for benefit payments.

But, again, going from including the parking asset 10 years ago, the total portfolio value is $663 million, and now you are a little less than double that over the last period, and investment earnings that have $744 million. So the same principles that we discussed earlier still apply there.

MR. SICURO: Why is the ending market value the same each year?

MR. WESNER: So the starting value is going to be -- starting date is going to be different, but the ending date is the same for all of those time periods. So that ending market value will still be 12/31/2025 and the starting value would be different for each of those time periods.

In terms of overall performance -- I will jump forward a few pages. I will jump forward to page 13, and so while the parking asset provides us with many benefits, in years like 2023, 2024, 2025 when the equity markets are performing very well, then even the kind of 7 percent, you know, or 7 and quarter percent rate of return that you get from the parking asset, because that's your assumed rate of return from the pension is actually dilutive to portfolio performance.

I would never want to say that a 7 and quarter percent consistent return is bad for a portfolio, but your relative performance is going to be lower in those strong years. It basically averages out over the long term.

We do reflect performance two different ways. One is the total fund composite which includes the parking asset, and the other is the total invested portfolio which does not include the parking asset.

If you look at those performance figures over the 10 year, they are very close. So the total fund is up an annualized 8.4 percent net of fees. The total invested portfolio is up an annualized 8.7 percent net of fees. Very close performance between those two.

When we think about those long-term rankings we never want to be the top or the bottom because that means you are either overexposed or underexposed to equities. Kind of you are going to get long-term performance, best long-term performance by hitting singles and doubles and year after year having above average but not necessarily the top decile performance because there is only one way to get top decile performance which is the overexposed to the best performing asset class.

Your individual managers, everyone performing I would say on this page as expected. So the bottom half of page 13 is your fixed income managers. The performance as expected there. Federated local manager does a core plus strategy for you. They are your largest exposure. CS McKee is another Marquette top pick which happens to be a local manager here, is one of the new managers. Then Loop Capital is the second new manager down there.

US Equity which are on page 14, your overall US Equity portfolio performed exceptionally well versus the defined benefit plan universe. You were in the top third of the universe last year, but you had one active manager that did really well, Frontier in mid cap growth, up 18 percent versus 12 percent for the benchmark. Palisade which is another active manager. We saw a lot of historically strong performing small cap managers underperform significantly, and Palisade was one of them. Palisade is getting close to a 3 year track record now. We will have a discussion of whether we need to put a strategy like that on to alert status.

When we made that allocation nearly three years ago, we gave them half of the money, and we left the other half indexed with Vanguard, and it was kind of them getting the rest of the money was predicated on them performing well. They haven't. We still haven't given them the rest of the money that has been indexed and you can also see index strategy has given you better performance.

We will monitor that closely, but we are getting that three year figure and that could be on alert status if we don't see a change in overall performance.

On the emerging manager side, these are two local managers. One is Gridiron which does a closed end fixed income strategy. The other is Twin Capital which has an enhanced index. Gridiron, it looks like it is below benchmark, and it is. That benchmark is not really ideal for them. Their benchmark versus a core universe. This is a strategy that I have a lot of familiarity with in my past career working for a closed end fund bond manager. Is it portfolio or strategy that can take advantage of market dislocations. We have not had one since they have been investing for you.

So that underperformance is not surprising, but when we do get that market dislocation, I do expect them to be pretty aggressive in repositioning the portfolio. They have about $5 million in assets. They are a good local emerging manager, and I do think their strategy has some upside potential.

International equities -- international equities if you look at the middle bar, that broad benchmark up 9.2 percent over the last 10 years. You are in the top 14 percent of public pension fund peer group for international equities over the last decade, but the last year we underperformed pretty significantly. Two of the three managers, you know, had more material misses, but your largest manager, MFS, a stellar long-term performer was off about 8 percent last year. So more conservative positioning. They didn't participate as much in the rally.

State Street and the SSgA and then ABS emerging markets, they missed by 2 to 3 percent, but it is challenging when all three miss. But longer term these are three strong managers and no concerns over that short-term market volatility.

Hedge strategies kind of the same thing. I talked before about hedge strategies didn't go up as much. We are not as worried about that in a strong up market. Parametric which is your largest exposure was up the most over the last -- over the long term here, but ABS and Parametric both up 13 to 15 percent. Entrust still has some reporting to come in, and those figures should go up when we get the rest of the reporting from them.

Real estate, 4 and a half percent for your real estate managers on average. Again, rebounding. Rreef is our long-term manager going forward. We will continue to diversify this real estate positioning.

And then just wrapping up the private debt, Partners Group and Brightwood respectively, those two managers performing as we would like, and a lot of upside there.

And then private equities on page 17, your largest exposures are within the Siguler Guff strategies which have been the best performers. The Crescent strategies are more private debt. You see those have been consistent, strong performers, but not nearly the upside Siguler Guff gave you. So Siguler Guff is our long-term strategy there within private equity.

Fees are listed at the end of this report. I won't go over it. But just for transparency we always have the fees you are paying to managers at the end of the book. And, again, every dollar we can save in terms of management fees is another dollar that's in the plan to meet benefit payments. Between negotiating contracts with managers and utilizing index funds that are low cost, we can keep the overall cost of managing the portfolio as low as possible.

Any questions? I know there is a lot, a lot moving within the market these days.

MR. SICURO: Any questions for Jamie?

(No response.)

MR. SICURO: Seeing none, thank you very much.

Our Solictor's report. Mr. Frank.

MR. FRANK: Good afternoon. I am going to hit the key items that I worked on since our last meeting. We had a rather extensive right-to-know law request from the Center for Retirement Research. It is a nonprofit associated with Boston College. They wanted all the GASB reports back to 2015. Completing the report was somewhat time-consuming. Robin was very helpful in helping me gather all the reports. My sense is this is just simply a research company, and there is no other agenda in these requests.

As you will see later in our agenda our agreement with our actuary Foster & Foster will be expiring in March. I worked with their executive on the extension of the agreement which is subject to your approval. Mr. Chair, I think it is better that I talk about it when it comes up on the agenda.

Similarly, our agreement with the investment consultant Marquette Associates is due for an extension. I worked with Mr. Wesner on the addendum, and, again, will be considering that later in the agenda, and I can answer questions. Any questions?

MR. SICURO: Anyone have any questions for Mr. Frank?

(No response.)

MR. SICURO: Seeing none, thank you very much.

We are under the Presentation of Resolutions. Resolution No. 1, authorizing the payment for professional services rendered by Frank, Gale, Bails and Pocrass PC for the month of December 2025 through January 2026. Payment is authorized for services rendered for $6,700. Do we have a motion?

MR. URBANIC: Motion.

MR. RUFFOLO: Seconded.

MR. SICURO: Motion made by Mr. Urbanic, seconded by Mr. Ruffolo. Any discussion on the motion?

(No response.)

MR. SICURO: Seeing none. All those signify by saying aye.

(All say aye.)

MR. SICURO: Opposed?

(No response.)

MR. SICURO: Motion moved. That is it for our Presentation. We are now under New Business. First item is Resolution 2 which is the consideration of the extension of Foster & Foster Consulting Actuaries, Incorporated for a three year agreement. Do we want to do the motion first --

MR. FRANK: No. 2 is Marquette.

MR. SICURO: I apologize. The No. 2 resolution is extension of the Marquette Associates for a three year agreement and a 10 percent fee increase. Can I get a motion, and then we will go into discussion once it is seconded.

MS. HEISLER: I would make a motion to enter into an extension with our relationship Marquette Associates.

MR. SICURO: Motion made by Miss Heisler.

MR. LAVELLE: Second it.

MR. SICURO: We are under discussion, and we can turn it over to Mr. Frank for some information.

MR. FRANK: The addendum that we have been operating under has expired. The last fee increase that Marquette received was in May of '23. So it is coming up on three years. This resolution provides for a 10 percent increase which we can do without requiring an RFP under the state pension act, and that's the resolution, and it will extend it for an additional three years.

MR. SICURO: Thank you, Mr. Frank. Mr. Urbanic?

MR. URBANIC: Yes. When was the last time we bid the RFP for the fund?

MR. FRANK: Long time because the original agreement with Marquette was June 1, 2011. So it would have been sometime prior -- it would have been 2011, 2010 that we would have done an RFP.

MR. WESNER: I think it was 2010. The last fee increase was in May of 2020, and that agreement expired in 2023. So it has been six years since the last fee increase. 10 percent is a one and half percent annualized increase.

MR. RUFFOLO: It was done because Mercer who was prior got out of the municipal.

MR. WESNER: Yes.

MR. URBANIC: Just what I have learned over my tenure here and elsewhere, typically the best practice is to do an RFP every seven years. I am not saying we have to, but we should think about it as we go on the way. I think Marquette and Jamie in particular has provided an excellent service to this City and to this pension fund. But at the same time we should consider it to stay above the fray, and along with Foster & Foster too.

MR. SICURO: We will get to that. That's a little different. On my portion, Marquette has done a great job, and to me looking at our -- going back to look at page 11, hitting above our assumed rate of a return over a 10 year period, I think that's a good achievement. Your strategy that you have provided to all of us and we have adjusted over a number of years, we have met or exceeded our mark and protected our fund from the down-turn in the markets. I think the strategy has worked very well. Not overly aggressive but still being able to meet those assumed rate of returns.

I have been very happy since I have been on this board, and it has been very pleasurable to work with you here and have your reports and be able to answer our questions. I certainly don't disagree with Mr. Urbanic's issue under the professional guidelines from the state that we should have these RFPs done. They do come with a considerable cost, the work-up to do them, but if that's what the board chooses to do, we would move forward, but we would have to then decline this resolution in order to do so.

MR. FRANK: Well, not necessarily. We could make the contract extension for a shorter period of time.

MR. SICURO: So we would amend.

MR. FRANK: We could amend it right on the floor.

MR. LAVELLE: I am going to ask you a question. You had mentioned page 11. I can see the return. Where do I identify the assumed rate of return?

MR. SICURO: That's from our actuary and that's our assumed rate of return adopted by the fund which is 7 percent.

MR. WESNER: The contract is always terminable by either party at 30 days notice. You don't lock yourself into any long-term commitment with the extension.

MR. URBANIC: If I may, my suggestion was to just have the board take a look at it. I would consider -- I will vote for a three year extension understanding that we can terminate at any time. I think from a best practice standpoint we should make a consideration and see what else is out there. But it is typically expensive as well.

MR. SICURO: I hear what you are saying. Obviously if that's what we want to do. I don't know if we want to do it at this meeting or we want to revisit it at a later point since we have opportunities we can do that at a later point.

MR. RUFFOLO: I agree with the three year extension and review it down the road. We have time to do that. It can be done any time.

MR. SICURO: Fair enough. Any more discussions on the resolution itself?

(No response.)

MR. SICURO: Seeing none. All those in favor of the Resolution No. 2, the extension of Marquette with the additional 10 percent fees, please say aye.

(All say aye.)

MR. SICURO: Opposed?

(No response.)

MR. SICURO: Motion moves. Thank you all for the discussion.

Now we have Resolution 3. This one is to consider the extension of Foster & Foster Consulting Actuaries, Incorporated's agreement of a three year period. Do we have a motion for discussion?

MR. RUFFOLO: I will make a motion for discussion.

MR. LAVELLE: Second.

MR. SICURO: We have a motion by Mr. Ruffolo, seconded by Mr. Lavelle. Under discussion. I wanted to clarify something before Mr. Urbanic started. Foster & Foster is working under the first contract; am I correct?

MR. FRANK: Correct.

MR. SICURO: There is a little different circumstances.

MR. URBANIC: I wasn't sure if they were a merger of the previous --

MR. SICURO: No. Is there any further discussions on the motion?

MR. RUFFOLO: Yes. In September the FOP requested documents, pension documents from Foster & Foster for our arbitration, contract arbitration. The request was initially made to our attorneys and our actuary. We never received this initial request. I know a month or two later there was another email that went out, but it did not get the information from there.

After the December meeting, after the regular course of business, I was informed that the law department had turned down supplying, providing these documents to us. I was informed the request had to go through a member or through our solicitor. Subsequently, Frederick was contacted by the law department on this. We still were never delivered -- to my knowledge we were still never delivered the documents that were requested.

I know that Foster & Foster is hired by the Pension Trust Board as the actuary, and I'm not 100 percent sure if they are hired by the City also, and over the years we have had independents. I know at least one contract that the actuary was both for the City and the Pension. I don't know if that's the case or not this year. I believe that these documents should have been provided to us either through the board, through the attorneys. Which I believe this was done in previous contracts, the attorneys requesting information about it or through Frederick. Thank you.

MR. FRANK: I advised that those documents should be released, because I felt they would be available to the public through a right-to-know request, and this is the first I am hearing they were not supplied. If somebody brought this to my attention I would have dealt with it.

MR. SICURO: So this is a bit of a concern that we had. I think we talked about this at one point where the City wanted to be able to utilize the actuary for their business, for things that they conducted. I could speak to my hat as the union president for the firefighters. They did use Foster & Foster in our negotiations. We didn't have a problem, but there was no information request on our end. So we didn't have the same circumstances.

Frederick, is there a problem if we say -- if we are going to agree to this extension and retain Foster & Foster, that it sounds like a bit of conflict of interest that we would ask they do not conduct business with Foster & Foster from the City side. If they want information for the City purposes they can request it as if anybody else is requesting it.

MR. FRANK: Well, I'm not sure at this point what, if any, and maybe our executive director can answer this, what Foster & Foster is doing for the City per se. It is doing it for the GASB reports they do for the three pension funds which are independent of the City. So I don't view it as a conflict unless they are doing something for the City. It is my understanding that the FOP had a different actuary that they are using. It was not Foster & Foster.

MR. SICURO: Again, in my experience, I don't want to speak for Mr. Ruffolo, he can do that part. I know that when Foster & Foster was present during our time, they were not there representing this board. They were there representing and being paid for -- there was no conflict as far as compensation -- they were there representing the City of Pittsburgh on matters dealing with pension entitlements or benefit entitlements. They were not an independent third party being asked questions from the dealings that I had with them and the City. I don't know if that is the same for Mr. Ruffolo's point of view when they were dealing with them. I didn't see a conflict in my case. It sounds like there was some sort of conflict in this particular case. I don't know if you want to speak on it.

MR. RUFFOLO: It is six months since we initiated action to get these documents, and we still to this date February, we still don't have them. Although now, I will point out to my president over here, it is a dead issue now because we proceeded to executive session.

MR. SICURO: Was Foster & Foster acting in that capacity representing this board or the City of Pittsburgh in those discussions or arbitrations?

MR. RUFFOLO: They were there but not providing the documents needed for us on our part.

MS. HEISLER: Foster & Foster wouldn't respond to you as a board member on this?

MR. RUFFOLO: I didn't send out direct information. It eventually went through our attorney, our attorneys, the lodge attorneys and a Jason Fine who was the previous actuary for this board and the City. But in previous contracts, our independent actuary requested information and got it. This was different this time. The request was made first through them and not through me.

MS. HEISLER: Maybe that was the difference.

MR. RUFFOLO: I got an email. I can't remember exactly. It was two months later so probably November, that they still had not -- the FOP had sent to him requesting the information and still had not got it. There was no response. At the December meeting we found out this information that Jason said he had been told no by the law department to provide those documents.

MS. HEISLER: The law department for this contract like --

MR. SICURO: That's where I believe they were acting as an agent of the City.

MS. HEISLER: Because the right-to-know request for this contract would have gone to Frederick.

MS. GULA: Right.

MR. FRANK: I spoke to the attorney that was representing the City, and I advised that I felt these were public documents and should be produced. Now, I thought it was resolved. This is the first I am hearing it is not.

MS. GULA: I can concur with Frederick because I was also privy to that conversation and told the city attorney that they should contact CMPTF Attorney Mr. Frank, and I know for a fact he advised and he also had further communication with me that that is what he told her, and she confirmed it. I didn't know they didn't receive the information.

MS. HEISLER: The solicitor's office wouldn't have anything to do with this request. I'm not saying they didn't. I am saying they shouldn't.

MR. URBANIC: Just to understand, the request is for existing information. It is not --

MR. RUFFOLO: For the valuation they reported on at the September meeting.

MR. URBANIC: That's pretty cut and dry. It is either done or not.

MR. FRANK: I think if we can have a policy here if there is any request for Foster & Foster information, it is directed to me, and I can make sure it happens.

MR. SICURO: We can do that through a policy.

MR. FRANK: Yes. I think that's what the procedure should be, and I will determine whether there is anything that shouldn't be produced, although I think it is unlikely. The other thing is -- some of the items that I saw that were being requested would be to create a document that didn't exist, and we are not required to do that in the right-to-know law.

MR. SICURO: I don't want to lose the train of thought on the policy so we don't miss this. Is this something we need to do right this minute or we have the executive director produce and present to the board for adoption?

MR. FRANK: We can do that in the next meeting. In the interim, I think maybe that should be understood how we are going to handle this so we don't have this problem.

MS. HEISLER: Request for information from comp board vendors can be directed to the solicitor of the fund, Mr. Frank.

MR. FRANK: Okay. We can have a resolution on the next one.

MR. SICURO: Thank you. We are still under Resolution 3. Is there any more discussion on Resolution 3?

(No response.)

MR. SICURO: Seeing none, all those in favor signify by saying aye.

(All say aye.)

MR. RUFFOLO: No vote. Opposed.

MR. SICURO: We have one opposed. Resolution passes.

Our last business under New Business is the election of the secretary of the board. Former municipal representative Mr. Cornell, who has sent his resignation in, was the secretary. We need to replace that position until our next meeting which we will do at our reorganization meeting in May. Do I have a nomination for secretary of the board?

MS. HEISLER: I would vote to nominate City Treasurer Mr. Bill Urbanic.

MR. LAVELLE: I will second it.

MR. SICURO: Second by Mr. Lavelle. Is there any other nominations?

(No response.)

MR. SICURO: Seeing none, any discussions on the nomination?

(No response.)

MR. SICURO: Seeing none. All those in favor say aye.

(All say aye.)

MR. SICURO: Opposed?

(No response.)

MR. SICURO: Congratulations, Mr. Urbanic. Are there any issues that anybody on the board would like to discuss?

MR. RUFFOLO: I would like to welcome the two new board members.

MR. SICURO: Very good. Congratulations. Welcome aboard. Hopefully you will be able to make all the meetings and participate in our subcommittees.

Do I have a motion to adjourn?

MS. HEISLER: Motion to adjourn.

MR. URBANIC: Second.

MR. SICURO: All those in favor signify by saying aye.

(All say aye.)

MR. SICURO: Opposed?

(No response.)

MR. SICURO: Thank you very much, everybody.

(Thereupon, at 2:06 p.m., the meeting was adjourned.)

R E P O R T E R ' S C E R T I F I C A T E

I hereby certify that the transcript of the proceedings and evidence contained herein are a true and accurate transcription of my stenographic notes taken by me at the time and place of the within cause; that the transcription was reduced to printing under my direction; and that this is a true and correct transcript of the same.

Sheila Stauffer ________________________ March 5, 2026

Sheila Stauffer

NETWORK DEPOSITION SERVICES