

The regular monthly meeting of the Retirement Board of Allegheny County was held on June 18, 2015, in the Gold Room, 4th Floor, Courthouse, Pittsburgh, Pennsylvania at 12:00p.m.

When the roll call of the Board Members was made, Board members John Weinstein, Amy Weise representing Chelsa Wagner, Frank DiCristofaro, Walter Szymanski, Rich Fitzgerald, Jennifer Liptak and Ted Puzak were recorded as being present.

Also present were Tim Johnson, Executive Director; Calvin Born, Jonathan Berger and David Lindberg of Wilshire Associates; Ed Boyer of Asset Strategy; and Brian Gabriel of Campbell, Durant, Beatty, Palombo & Miller.

PUBLIC COMMENT

None

APPROVAL OF BOARD MINUTES

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. DiCristofaro, to approve the minutes of the May 21, 2015, Board Meeting.

APPROVAL OF MONTHLY FINANCIAL STATEMENTS

The Board unanimously approved a motion by Mr. DiCristofaro, duly seconded by Mr. Szymanski, to receive and file the monthly financial statements from April 30, 2015.

APPROVAL OF INVOICES

The Board unanimously approved a motion by Ms. Weise, duly seconded by Mr. Szymanski, to approve the following June invoices:

VENDOR	DATE	AMOUNT
FEDERATED	1/1/15 - 3/31/15	\$ 15,719.79
PYRAMIS GLOBAL (Emrg Mrks)	1/1/15 - 3/31/15	\$ 28,645.37
PYRAMIS GLOBAL (Select Int'l)	1/1/15 - 3/31/15	\$ 72,622.94

Total Vendor Invoices for June Approval

\$ 116,988.10

APPROVAL OF APPLICATIONS AS PRESENTED

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. DiCristofaro, to approve 17 Early Voluntary applications and 14 Full Retirement and 2 Buy Back Payment Request applications for June 2015.

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. DiCristofaro, to deny the Disability application of member # 72289 based on the opinion Dr. Costa and the independent examiners Drs. McGonigal, Kasdan, DiCroce and Valeriano that the applicant is not totally/permanently disabled from gainful employment in Allegheny County.

EXECUTIVE DIRECTOR'S REPORT

Mr. Johnson provided his monthly status report of the Retirement Board, highlighting the following:

- In regard to the PIA (Philadelphia International Advisors) transition to SBH (Segall Bryant Hamill), all of the necessary parties met via conference call this month to prepare a comprehensive plan to initiate the strategy transition. A detailed timeline was provided in the Retirement Board Book. The change of investment advisor will be complete on July 1, 2015.
- Tyler has deployed and DCS has installed a revised version of the Web Calculator. Security and functionality issues that were received have been addressed. A list of specific enhancements has been provided in the Retirement Board Book for the board members. Select departments and board members have received a test version and the feedback has been positive so far. The Web Calculator will be ready to launch very soon.
- Securities Monitoring recommendation has been postponed to July to include CPR results from the questionnaire.
- In regards to Disability Benefits, there was a visit to Phase XIV Advisors, Inc. in May to review and update the procedure for administering applications, appeals, re-examinations and annual evaluations. MC will be adding the e-mail notification section onto the checklist. The Retirement Office and Phase XIV will now utilize the same tracker to improve accountability and performance.
- In regards to the Case Sabatini extension, bids will be reviewed from Case Sabatini as well as other auditors and a recommendation will be made later this summer to the Board.
- In the News, brought to the attention by Treasurer Weinstein, Illinois Supreme Court struck down Senate Bill 1. This was the pension reform law enacted in 2013 by former Gov. Pat Quinn.

Mr. Puzak inquired as to when a member under the age of 60 goes on disability in the county, how often are they reevaluated by Dr. Costa. Mr. Johnson explained that this just began reevaluating in 2014 and there are approximately 30 members that meet this criterion. The first five have already been reevaluated. The Board has the discretion to move on to individuals over 60 if they choose. But to be cost efficient, the board is currently just reevaluating those under 60 who have the largest benefit. Full pension benefits are still received by these members as well but regardless of age in order to receive this benefit one must have twelve years of service with the County. Mr. Weinstein inquired if there were any members on disability that were under 55 that are law enforcement or public safety who would be reevaluated as well. Mr. Johnson replied that some public safety members who are under 50 and are on disability and that they too will be reevaluated as well.

REPORT OF THE SOLICITOR

Mr. Gabriel provided the board with the Monthly Confidential Report as of June 10, 2015. There was one recommendation in regards to Wilshire that was discussed at last month's meeting. Wilshire is recommending a restructuring of the Board's investment with Pyramis to a more simplified structure that includes just one investment vehicle, the Pyramis ACWI ex US Pool. This recommendation changes the legal structure of the investment but not the characteristics of the investment. This change will reduce the overall investment management fee paid for the same strategy and simplify performance reporting for the investment. Mr. Gabriel has reviewed the trust/Agreement documents and is recommending the Board's approval of these documents.

The Board unanimously approved a motion by Mr. DiCristofaro, duly seconded Mr. Szymanski to approve the documents provided by Wilshire in regards to Pyramis based on the solicitor's recommendation.

CONSULTANT'S REPORT:

WILSHIRE ASSOCIATES

Calvin Born and Jonathan Berger provided a summary of the Capital Market Review as of May 31, 2015. Mr. Born stated that the U.S. Equity Markets were up. The Wilshire 5000 Total Market Index was up 1.30% MTD. During this time Small Cap outperformed Large Cap and Growth Stocks outperformed Value Stocks. The Non- U.S. Equity Markets were down. MSCI AC World ex U.S. was up 7.02% YTD and the MSCI EAFE was up 8.60% YTD. The MSCI Emerging Markets was up 5.69% YTD. Mr. Berger notified the board that as of June 17, 2015, the Federal Reserve forecast for 2015 shows GDP forecast down from 2.5% to 1.9% and unemployment rates forecast went up from 5.1% to 5.2%. As for U.S. Fixed income, the Barclays U.S. Aggregate was up 1.00% YTD. The Barclays U.S. Corporate High Yield Index was up 4.07% YTD. In Non- U.S. Fixed Income, Barclays Global Aggregate was down -2.65% YTD. In Commodities, the Bloomberg Commodity Index was down -2.70% MTD and -3.23% YTD.

Mr. David Lindberg provided the highlights from the Flash Report on Actual Allocation vs Policy Allocation as of May 31, 2015. The Total Market Value was estimated at \$855,123 million. Private Equity is overweight at 40.9% vs Policy Target at 35.0%. Private Equity is underweight at 17.2% vs Policy Target at 20.0%. Core Fixed Income is underweight while High Yield is overweight. Real Estate is slightly overweight at \$5,775 million while Commodities is underweight- \$49,691 million. The U.S. Equity Composite was up 4.34% and 0.85% CYTD ahead of benchmark. Non U.S. Equity Composite was up 7.97% CYTD and 0.47% CYTD ahead of its benchmark. Global Equity was also ahead of its benchmark 2.12% CYTD. Core Fixed Income was 1.26% CYTD putting it at 0.26% CYTD ahead of its benchmark. High Yield Fixed Composite was behind on its benchmark at -0.44% CYTD as was TIPS Fixed Composite at -0.39% CYTD. Real Estate also lagged its benchmark at -0.83% CYTD. Due to the decline in the price of oil, the Commodities Composite was behind at -2.43% CYTD but still ahead of its benchmark at 0.81% CYTD. Total Fund x Private Equity was ahead at 4.07% CYTD and 0.75% ahead of its benchmark. In the Asset Classes, Fragasso Large Core was behind its benchmark at -1.41% CYTD as was Mellon Equity at -0.49% CYTD. Twin Capital was ahead of its benchmark at 0.97% CYTD as was Apex Capital at 0.35% CYTD. Earnest and Emerald Small Cap were both ahead of their benchmarks. Earnest was at 2.64% CYTD and Emerald at 5.53% CYTD. CIM Small Cap also was ahead of its benchmark at 1.45% CYTD as was Ballie Gifford at 0.74% CYTD. Philadelphia International lagged its benchmark at 0.85% CYTD but it will be converted as of June 30th into a Small Cap only. Pyramis was ahead of its benchmark at 1.77% CYTD. Non- U.S. Equity was 0.47% CYTD ahead of its benchmark as was Fusion- Emerging Manager at 2.12% CYTD. Global Equity was 2.12% CYTD ahead of its benchmark. Most of the Fixed Income hit their benchmark with the exception of Oaktree High Yield who was -0.45% CYTD behind its benchmark. PIMCO TIPS and WAMCO TIPS both lagged their benchmarks CYTD. Gresham Strategic Commodities lagged at -2.43% CYTD but still ahead of its benchmark at 0.81% CYTD.

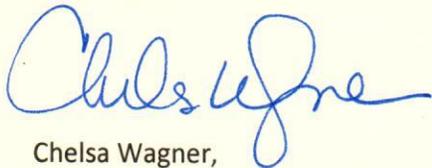
NEW BUSINESS

Mr. Weinstein reminded the board that there will be no Retirement Board meeting in August.

ADJOURNMENT

The Board unanimously approved a motion Mr. DiCristofaro, duly seconded by Mr. Szymanski to adjourn the meeting.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Chelsa Wagner". The signature is fluid and cursive, with a large initial "C" and a long, sweeping underline.

Chelsa Wagner,
Secretary