

The regular monthly meeting of the Retirement Board of Allegheny County was held on Thursday, July 18, 2013, in the Gold Room, 4th Floor, Courthouse, Pittsburgh, Pennsylvania at 12:00 p.m.

An executive session was held prior to the meeting.

When the roll call of the Board Members was made, Board members Fitzgerald, Liptak, Puzak, Szymanski, Wagner and Weinstein were recorded as being present. Board member Gallagher was absent.

Also present were Tim Johnson, Executive Director; Felicia Bennett and Chris Shelby of Wilshire Associates; and Brian Gabriel of Campbell, Durant, Beatty, Palombo & Miller.

APPROVAL OF BOARD MINUTES

The Board unanimously approved a motion by Ms. Liptak, duly seconded by Mr. Fitzgerald, to approve the minutes of the June 20, 2013, Board Meeting.

APPROVAL OF MONTHLY FINANCIAL STATEMENTS

The Board unanimously approved a motion by Mr. Fitzgerald, duly seconded by Mr. Szymanski, to receive and file the monthly financial statements from May 31, 2013.

APPROVAL OF INVOICES

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

Asset Strategy Consultants	\$25,000.00	4/1/13 to 6/30/13
BNY Mellon Asset Servicing	\$17,500.00	4/1/13 to 6/30/13
Campbell Durrant	\$10,018.14	June 30, 2013
Eckert Seamans	\$5,000.00	May 31, 2013
PFM Group	\$8,333.33	June 30, 2013
Pyramis Global	\$29,786.21	April 19, 2013
Schneider Downs	\$4,000.00	June 30, 2013
Wilshire Associates, Inc.	\$53,925.00	4/1/13 to 6/30/13

APPROVAL OF APPLICATIONS AS PRESENTED

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. Fitzgerald, to approve 29 Retirement applications and 2 modifications.

EXECUTIVE DIRECTOR'S REPORT

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

- The chart on the second page of the report indicates the various benefits administered by the RBAC.

- As per Controller Wagner's request in June, a list of the RBAC job summaries is included.
- Mr. Johnson thanked Amy Griser and Chris Carragher for assisting with the conversion from ADP to JDE for payroll.
- As per President Weinstein's request in June, an analysis of the Retiree Life Insurance Claim process is listed. Mr. Johnson indicated that delays are usually due to getting information from the claimant.
- Update on HB 546 from Dave Mayernik.
- Pension Summit newsletter is also enclosed.

REPORT OF THE SOLICITOR

Mr. Gabriel provided to the Board the Solicitor's Monthly Confidential Report.

Mr. Gabriel asked for additional direction for responding to Attorney Guber (#13 b). President Weinstein authorized the solicitor to draft a letter back saying the Board is not interested in pursuing the case at this time, based on the circumstances.

CONSULTANT'S REPORT

WILSHIRE ASSOCIATES

Mr. Shelby provided a summary of the Capital Market review and the Monthly Performance Summary.

Mr. Bernanke's comments to a House panel have stabilized the market due to his prior comments in June. The US Economy added 195,000 nonfarm, payroll jobs to the books, keeping unemployment at 7.6% for the month of June. The ISM non-manufacturing index declined to 52.2% for the 42nd consecutive month of non-manufacturing sector expansion. Consumer numbers decreased by 4 points to 84.1 in June. Gold is trading down, around \$1,280 per ounce; Housing starts declined 9.9% in June, up over 10.4% versus a year ago. Crude oil prices are trading up, near \$105 per barrel.

US Equity markets had very strong equity market performance YTD, with the Wilshire 5000 up 19.6% through yesterday's close. YTD, Consumer Discretionary leads US large cap sectors, up 25.0%, while Material is the largest laggard, up 6.6%. The Non-US Equity Markets are not as strong as US Equity Markets, with an Emerging Markets having returned -9.1% YTD and Developed Markets having returned +7.4% YTD. The 10-year Treasury nominal yield is good, 2.52%; real yield at 0.38%. Overall, US Equity Managers performed strong in the month of June. Emerging markets and Commodities are down over 10%.

Ms. Bennett discussed the Monthly Performance Summary for periods ending June 30, 2013. Equity markets were strong and up 6% in the US for the month of June, but everything else was

negative. For Asset Allocation, the total market value is just under \$771.1 million at the end of June. Fragasso is behind 2.86 and Cleveland Capital was the best this quarter at 7.24.

The Non US Equity Composite, had a mixed performance. Pyramis and Philadelphia International added some value this month. ERECT Fund Composite was 5.81%. No numbers for private equity yet. Total fund was flat for the quarter.

Ms. Bennett summarized the Recommended Cash Flows for August and September 2013.

NEW BUSINESS

APPROVAL TO AMEND ENGAGEMENT OF KEVIN ACKLIN, ESQ. WITH THE FIRM OF SAUL EWING FOR APPEAL HEARING OFFICER

The Board unanimously approved a motion by Ms. Wagner, duly seconded by Mr. Szymanski, to amend the engagement of Kevin Acklin, Esq. with the law firm of Saul Ewing.

APPROVAL TO AWARD ALLOCATION TO OAKTREE CAPITAL

The Board unanimously approved a motion by Mr. Fitzgerald, duly seconded by Mr. Szymanski, to award a \$20 million allocation to Oaktree Capital Real Estate Opportunity Fund.

APPROVAL TO AMEND CONTRACT AGREEMENT WITH WASHINGTON ALLIANCE

The Board unanimously approved a motion by Mr. Fitzgerald, duly seconded by Ms. Liptak, to amend the contract from 2011 to a \$5 million allocation to Washington Alliance.

APPROVAL TO TRANSFER FUNDS FROM ERECT FUND I TO ERECT FUND II

The Board unanimously approved a motion by Mr. Fitzgerald, duly seconded by Ms. Liptak, to transfer \$1.8 million from ERECT Fund I to ERECT Fund II program.

APPROVAL TO REINVEST MATURE ISRAELI BOND

The Board unanimously approved a motion by Ms. Wagner, duly seconded by Mr. Szymanski, to reinvest the \$1 million Israeli bond to a three-year Jubilee issue bond that yields 1.75%.

APPROVAL TO CANCEL AUGUST BOARD MEETING

The Board unanimously approved a motion by Ms. Wagner, duly seconded by Mr. Puzak, to cancel the August Board Meeting due to summer recess. The next Board meeting will be Thursday, September 19, 2013.

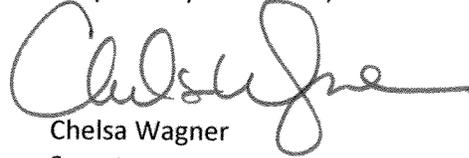
APPROVAL TO EXTEND BUY-BACK PERIOD FOR REVIOUS SERVICE FOR MS. KRISTEN KNESTRICK

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. Szymanski, to allow Ms. Knestrick 90 days to pay back \$500 towards her retirement.

ADJOURNMENT

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Ms. Wagner, to adjourn the meeting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Chelsa Wagner", with a long horizontal flourish extending to the right.

Chelsa Wagner
Secretary