

The regular monthly meeting of the Retirement Board of Allegheny County was held on Thursday, November 21, 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 Liptak, Puzak, Szymanski, Wagner and Weinstein were recorded as being present. Board members Fitzgerald and Gallagher were absent.

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

PUBLIC COMMENT

Patricia Cray, President of the Allegheny County Retirees Association, requested that beneficiaries of the pension fund receive a Cost of Living Adjustment (COLA) increase of \$25 per month, beginning January 2014.

APPROVAL OF BOARD MINUTES

The Board unanimously approved a motion by Ms. Liptak, duly seconded by Mr. Szymanski, to approve the minutes of the October 17, 2013, Board Meeting.

APPROVAL OF MONTHLY FINANCIAL STATEMENTS

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Ms. Liptak, to receive and file the monthly financial statements from September 30, 2013.

APPROVAL OF INVOICES

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

APEX CAPITAL MANAGEMENT	\$8,085.74	7/1/13 to 9/30/13
ASSET STRATEGY CONSULTANTS	\$25,000.00	7/1/13 to 9/30/13
BNY MELLON ASSET SERVICING	\$17,500.00	7/1/13 to 9/30/13
BNY MELLON, ADMIN FEES	\$7,806.20	7/1/13 to 9/30/13
PALOMBO & MILLER	\$8,163.84	SEPTEMBER, 2013
CIM INVESTMENT MANAGEMENT	\$10,464.52	7/1/13 to 9/30/13
CLEVELAND CAPITAL MANAGERS	\$9,640.81	7/1/13 to 9/30/13
MANAGERS	\$14,682.93	7/1/13 to 9/30/13
EARNEST PARTNERS	\$25,642.25	7/1/13 to 9/30/13
ECKERT SEAMANS	\$5,000.00	SEPTEMBER, 2013
EMERALD ADVISORS	\$27,273.73	7/1/13 to 9/30/13
FRAGASSO FINANCIAL ADVISORS	\$8,992.00	7/1/13 to 9/30/13
PENN CAPITAL	\$69,845.35	7/1/13 to 9/30/13
PFM GROUP	\$8,333.33	SEPTEMBER, 2013
PHILADELPHIA INTERNATIONAL	\$41,696.20	7/1/13 to 9/30/13

PYRAMIS GLOBAL (Emrg Mrks)	\$27,622.26	7/1/13 to 9/30/13
PYRAMIS GLOBAL (Select Canadian)	\$506.29	7/1/13 to 9/30/13
PYRAMIS GLOBAL (Select Int'l)	\$71,902.45	7/1/13 to 9/30/13
SCHNEIDER DOWNS	\$4,000.00	SEPTEMBER, 2013
SWARTHMORE GROUP	\$4,380.35	7/1/13 to 9/30/13
TWIN CAPITAL MANAGEMENT	\$17,496.57	7/1/13 to 9/30/13

APPROVAL OF APPLICATIONS AS PRESENTED

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. Szymanski, to approve 16 Retirement applications and 1 Previous Service Buyback from November 2013.

APPROVAL OF DISABILITY PENSION APPLICATION

Mr. Puzak moved, duly seconded by Ms. Wagner, to approve the Disability application of Member #93721. Members Weinstein, Liptak, Szymanski, Puzak and Wagner voted in the affirmative.

APPROVAL OF DISABILITY PENSION APPLICATION

Mr. Puzak moved, duly seconded by Mr. Szymanski, to approve the Disability application of Member #84270. Members Weinstein, Liptak, Szymanski, Puzak and Wagner voted in the affirmative.

EXECUTIVE DIRECTOR'S REPORT

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

- Wilshire documents have been added to the Board Book.
- National Save for Retirement Week had a great turnout with over 40 attendees and resulted in a strategic partnership with ACRA.
- Progress continues with Tyler – the pension management system, with the target to install November 22, 2013.

REPORT FROM DAVE MAYERNIK RE: PENSION BILL

HOUSE BILL 546, sponsored by Rep. Turzai and Dermody, passed with seven negative votes and went to the Senate Finance Committee. The Bill was reported unanimously out of the Senate Finance Committee and can be voted on at any given time. They are expecting the Bill to be out of the Senate and House by the end of the year.

REPORT OF THE SOLICITOR

Mr. Gabriel provided to the Board the Solicitor's Monthly Confidential Report and had nothing further to report.

CONSULTANT'S REPORT

WILSHIRE ASSOCIATES

Mr. Shelby provided a summary of the Capital Market review.

The Federal Reserve announced on September 18th that they will continue their large-asset purchasing program, "QE3." The ISM non-manufacturing index increased to 55.4% in October for the 46th consecutive month of non-manufacturing sector expansion. October unemployment rate was little changed at 7.3%; +204,000 nonfarm payroll jobs were added. Consumer sentiment decreased to 72.0 in November, the lowest level since December 2012. Gold is trading around \$1,250 per ounce; Housing starts decreased by 3.2% in October, but are up 6.0% versus a year ago. Crude oil prices are trading near \$95 per barrel.

US Equity markets showed the Wilshire 5000 up 27.6% through yesterday's close. The S&P 500 is led by Health Care sector, up 37.9% YTD; Telecommunications is the biggest laggard, up 13.0%. The Non-US Equity Markets had Emerging Markets having returned -3.4% YTD and Developed Markets having returned +16.7% YTD. The 10-year Treasury nominal yield is good, 2.80%.

(Mr. Fitzgerald was now seated.)

Mr. Lindberg discussed the Monthly Performance Summary for periods ending September 30, 2013. The biggest weight differences are: overweight Public Equities by 6%, but getting closer and closer to the target, and the under weights are Public Real Estate and Commodities, that still need to build out further. For Asset Allocation, the total market value is \$793.3 million at the end of September, near the \$800 million peak. There have been some great returns in the Asset Classes, including US Equity, High Yield and the TIPS portfolio over the 5 year period. Overall, performance is positive just about everywhere in the fund. Nice value has been added across the Board from Emerald Advisors.

Mr. Lindberg also discussed the preliminary Flash Report for period ending October 31, 2013. US Equity Composite was up over 40.9%. Fixed Income has been flat due to the rising rates for bonds. Total fund performance is about a 10% return through the end of October and is still over \$800 million.

(Mr. Fitzgerald & Ms. Liptak exited the meeting.)

Ms. Bennett discussed Singuler Guff that was interviewed in February 2013.

APPROVAL TO AWARD ALLOCATION TO SINGULER GUFF

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Ms. Wagner, to award a \$15 million allocation to Singuler Guff, distressed Real Estate Fund.

EMERALD ADVISORS

John Thompson and David Volpe from Emerald Advisors spoke about being an advisor for Allegheny County over the past nine years. Valuations that are still reasonable, sincere earnings growth and innovation at the likes of energy, technology and health care are the three things that Emerald Advisors feel contribute to their success.

ASSET STRATEGY CONSULTANTS

Mr. Boyer had two recommendations to report for this month.

APPROVAL TO AWARD ALLOCATION TO iNETWORKS

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. Puzak, to award a \$1 million allocation to iNetworks, based on a new partnership agreement approved by the Solicitor.

Mr. Boyer also recommended agreement changes to the first amendment for Pharos III Ltd Partnership. No vote was required.

NEW BUSINESS

APPROVAL TO EXTEND DIVERSIFIED PREMIER CONSULTANT'S CONTRACT

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. Szymanski, to extend Diversified Premier Consultant's contract from January 2014 through December 2018.

APPROVAL FOR THE DISTRIBUTION OF 2013 ANNUAL REPORT

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Ms. Wagner, to authorize Mr. Johnson to distribute the 2013 Annual Report based on final approval of the Board's edits via email.

APPROVAL FOR THE ELECTIONS GUIDELINES

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. Szymanski, to approve the Elections Guidelines.

ADJOURNMENT

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

Respectfully submitted,



Chelsa Wagner
Secretary