

The regular monthly meeting of the Retirement Board of Allegheny County was held on April 16, 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, Chelsa Wagner, Frank DiCristofaro, Walter Szymanski, Jennifer Liptak were recorded as being present and Ted Puzak was available via conference call .

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

PUBLIC COMMENT

No Public Comment

APPROVAL OF BOARD MINUTES

The Board unanimously approved a motion by Mr. DiCristofaro, duly seconded by Mr. Szymanski, to approve the minutes of the March 19, 2015, Board Meeting.

APPROVAL OF MONTHLY FINANCIAL STATEMENTS

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. DiCristofaro, to receive and file the monthly financial statements from February 28, 2015.

APPROVAL OF INVOICES

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

Mellon Capital	10/1/14-12/31-14	\$19,976.15
<u>Total Invoices for March Approval</u>		<u>\$19,976.15</u>

APPROVAL OF APPLICATIONS AS PRESENTED

The Board unanimously approved a motion by Mr. DiCristofaro, duly seconded by Mr. Szymanski, to approve 6 Early Voluntary applications, 16 Full Retirement applications and 1 Modification for April 2015.

EXECUTIVE DIRECTOR'S REPORT

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

- There had been a significant increase in new members during the month of April possibly triggered from the county seasonal workers.
- Pension Estimates were up to 125 MTD.
- Carol Uminski from the Retirement Office will be conducting a workshop in May and helping with paperwork of those employees who are preparing to retire.
- There were eight Capital Calls for the month totaling \$1,732,675.38.
- The Web Calculator was demonstrated to the County Executive, Treasurer, Controller and HR Offices and is expected to return their opinions on any improvements that can be made within the next two weeks.
- The request to retirees to consider Direct Deposit has resulted in over 50 changes so far.

- The results from the Securities Monitoring Report will be presented in May.

REPORT OF THE SOLICITOR

Mr. Gabriel provided the board with the Monthly Confidential Report, highlighting the following:

- In the Disability Pension Appeals, member #91649 which resulted in the approval after reevaluation during last month's meeting, a draft letter that was circulated dated April 16, 2015 was presented to the board. The purpose of the letter is to detail and explain particulars of retroactive disability pension payments.

The Board unanimously approved a motion by Mr. DiCristofaro, duly seconded by Ms. Wagner, to authorize the issuance of the draft letter to member #91649.

- A hearing took place in January 2015 in regards to the Disability Pension Appeals of member #83209. On February 28, 2015 the Proposed Finding of Facts and Conclusions of Law were submitted to the hearing officer. The hearing officer has submitted a recommendation to the board to deny the appeal.

The Board unanimously approved a motion by Mr. DiCristofaro, duly seconded by Ms. Wagner, to deny the appeal of member #83209 based on the Solicitor and Hearing Officer's recommendation.

CONSULTANT'S REPORT:

WILSHIRE ASSOCIATES

Ms. Felicia Bennett provided a summary of the Capital Market Review. The GDP finished 2014 with an annual rate of 2.2% during the fourth quarter. Interest Rates fell during the quarter. The ten-year Treasury yield ended the quarter down 23 basis points, finishing at 1.94%. As for Inflation, the CPI is down -0.1% for the year ending February 28. The ten-year breakeven inflation rate closed the first quarter at 1.82%, up from 1.68% last quarter. Employment increased an average 288,000 jobs per month during the fourth quarter. The unemployment rate during that time has fallen from 6.6% to 5.5% in February. In the Non-U.S. Equity, MSCI AC World ex U.S. was 3.49% QTD while Local Currency was at 8.94% QTD. U.S. Fixed Income returned 1.61% QTD. Commodities are down. The Bloomberg Commodity Index was down -5.94% QTD.

Mr. David Lindberg provided highlights from the Flash Report on Actual Allocation vs Policy Allocation as of March 31, 2015. The Total Assets were \$843,240 million which was up 2% for the quarter. Private Equity is still underweight policy -\$22,137 million. This negative money is balanced out by the \$44,395 million that is over in Public Equity. Commodities have been trailing with a -\$49,507 million. This is a section that will be up for discussion over next couple of months on what changes can be made so that target can be made. All of the Asset Classes had a good quarter hitting above their benchmarks with the exception of Commodities at -6.42% QTD. Emerging Managers that underperformed were Fragasso Large Core with -1.52% QTD and Apex Capital Management -2.94% QTD. Earnest Small Value was 2.52% ahead of their benchmark as well as Emerald Advisors who were ahead 2.85% of their benchmark QTD. The US Equity Composite was ahead 0.65% QTD. Baillie Gifford Intl Equity was ahead 0.16% QTD. Philadelphia International lagged behind its benchmark at -0.39% QTD while Pyramis Select International Equity ended at 0.55% QTD. The Non US Equity Composite was 4.07% QTD. In Global Equity, Fusion- Emerging Manager is starting off well at 1.30% QTD ahead of its benchmark. In Core Fixed Income, CIM Investment Management was behind the benchmark 21 basis points QTD. All High Yield Managers outperformed QTD. Altair was behind -2.27% QTD but ahead 0.21% MTD.

PFM ADVISORS

Ms. Margaret Belmondo stated that during the Executive Session, Stoneridge Investment Partners was invited to give a presentation of a recently launched strategy which includes 70% of Stoneridge's Fixed Income strategy. Emerald's Direct Lending product would receive 30% of the allocation with an expectation of a 4 to 7% total return. The recommendation is to allocate \$2.5 million (usually a \$5 million allocation) since this would be a new fund and sourcing it from Swathmore since it has been trailing its benchmark. The fees for the new strategy would be 35 basis points.

The Board unanimously approved a motion by Mr. DiCristofaro, duly seconded by Ms. Wagner to reduce the Swathmore allocation by \$2.5 million based on the recommendation of the consultant.

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Ms. Wagner to hire Stoneridge Investment Partners at an allocation of \$2.5 million and 35 basis points based on the recommendation of the consultant.

ASSET STRATEGY CONSULTANTS

Mr. Ed Boyer stated that Dupont Capital was interviewed during the Executive Session. They are the advisors of the pension plan for Dupont Chemical Company. It was recommended that \$3 million be allocated to their fund to fill in the Private Equity space. The fee would be 25 basis points for the first year and increasing to 50 basis points the second year and increasing over time.

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. DiCristofaro to award Dupont Capital an allocation of \$3 million based on the recommendation of the consultant.

Mr. Weinstein informed those present that an Executive Session took place earlier on April 16, 2015.

NEW BUSINESS

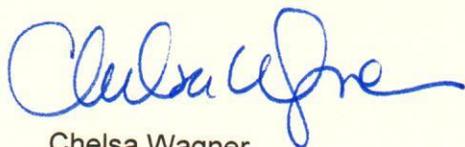
None

ADJOURNMENT

Mr. Weinstein informed those present that an Executive Session took place earlier on April 16, 2015.

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

Respectfully submitted,



Chelsa Wagner,
Secretary