

The regular monthly meeting of the Retirement Board of Allegheny County was held on May 21, 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, Rich Fitzgerald, Jennifer Liptak and Ted Puzak were recorded as being present.

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

Mr. Weinstein noted that an Executive Retirement Board Meeting took place earlier on May 21, 2015.

PUBLIC COMMENT

Patricia Cray, President of the Allegheny County Retirees Association, expressed her gratitude on behalf of the retirees as well as herself for the Board's recent approval for a COLA increase for pensioners.

APPROVAL OF BOARD MINUTES

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. DiCristofaro, to approve the minutes of the April 16, 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 March 31, 2015.

APPROVAL OF INVOICES

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

VENDOR	DATE	AMOUNT
APEX CAPITAL MANAGEMENT	1/1/15 - 3/31/15	\$ 9,988.60
CIM INVESTMENT MANAGEMENT	1/1/15 - 3/31/15	\$ 20,067.35
CS MCKEE INVESTMENT MANAGERS	1/1/15 - 3/31/15	\$ 15,827.22
EARNEST PARTNERS	1/1/15 - 3/31/15	\$ 30,151.76
EMERALD ADVISERS	1/1/15 - 3/31/15	\$ 29,564.85
FRAGASSO FINANCIAL ADVISORS	1/1/15 - 3/31/15	\$ 10,049.00
FUSION INVESTMENT GROUP	1/1/15 - 3/31/15	\$ 4,546.98
MELLON CAPITAL	1/1/15 - 3/31/15	\$ 20,136.28
PENN CAPITAL	1/1/15 - 3/31/15	\$ 68,647.34
PHILADELPHIA INTERNATIONAL	1/1/15 - 3/31/15	\$ 38,536.69
SSgA	1/1/15 - 3/31/15	\$ 3,586.21
SWARTHMORE GROUP	1/1/15 - 3/31/15	\$ 4,564.05

Total Vendor Invoices for May Approval

\$ 278,137.59

APPROVAL OF APPLICATIONS AS PRESENTED

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. Szymanski, to approve 8 Early Voluntary applications and 14 Full Retirement applications for May 2015.

The Board unanimously approved a motion by Mr. Szymanski, duly seconded by Mr. DiCristofaro, to deny the Disability application # 90821 based on the opinion Dr. Costa and the independent examiners Drs. Prisk, McGonigal, and DiCroce that the petitioner 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:

- The Web Calculator has been tested by the members of the Board as well as the Treasurer, County Executive, Controller and HR Offices. As a result of the feedback, programming issues have been submitted to Tyler. Next week a demo will be provided, with corrections and updates that were requested by the Controller's Office as well as DCS, to Mr. Johnson and anyone from the Board who wishes to participate. The Web Calculator will then be retested by the Board and select offices before its release.
- A customer Satisfaction Survey was designed to help improve and focus on priorities in the services provided by the Retirement Office.
- A recommendation was made to extend Case Sabatini's current agreement for two more years. The current contract expires after the 2014's audit. Mr. Johnson recommended that Case Sabitini's contract, which is signed by the County, be extended to include 2015 and 2016 at a cost of \$16,000.00 per year. Ms. Wagner stated that per County Ordinance the Controller's Office is to determine when any extension is made on an agreement. She asked that the Retirement Office stay in contact with the Controller's Office when it comes to future extensions. Mr. Weinstein asked that further information be gathered on Case Sabatini to include the breakdown of the \$16,000.00, before approving the extension.
- A table was provided of a survey that Mr. Johnson performed to where he compared and rated the five firms that are providing Securities Monitoring as of date. The second table provided is the monies recovered for each of the firms where Kessler Topaz Meltzer & Check had a significant total. The reason for the low rating for Cohen Placitella & Roth is due to a lack of response from them. Ms. Wagner stated that she would like to review what Cohen Placitella & Roth have brought in regards to recommendations over the past couple of years. Mr. Johnson stated that he would send copies of the survey responses to the members of the board for them to review. Ms. Wagner also commented on the Securities Litigation that that she felt it would beneficial to see the actual numbers per year each firm has recommended litigation to the RBAC. She also inquired if at the end of 2011 the Retirement Board moved from having just one firm (Kessler Topaz Meltzer & Check) to adding an additional four firms. Mr. Johnson confirmed this was the case. There was an inquiry by Ms. Wagner as to how Mr. Johnson arrived at the number two when hiring and firing firms during his recommendation. Mr. Johnson replied it was arbitrary. Mr. Johnson stated that he brought about the recommendation in 2011 to expand the number of litigation firms due to the fact that the Retirement Office was receiving notices from firms that were pursuing class action litigation. A sub committee was formed and reached a conclusion that five firms would be the total

number of litigation firms needed. Mr. Puzak inquired as to how the litigations are distributed throughout the firms. Mr. Johnson replied that the firms find the cases and bring them to the Retirement Office.

A recommendation to fire two firms and hire two new firms was placed on hold for the next meeting in order to gather more information.

Mr. Weinstein reminded the board that all the work of these firms are of no cost to the board and all on a contingent basis.

- The 2013 Annual Report will be sent to all active and retired members in June.

REPORT OF THE SOLICITOR

Mr. Gabriel provided the board with the Monthly Confidential Report as of May 14, 2015. Mr. Gabriel noted that the majority of new and updated information could be found in sections 8, 11 and 12. In regards to section 12, a letter was distributed for the board to review. There were no additional items or questions.

CONSULTANT'S REPORT:

WILSHIRE ASSOCIATES

Jonathan Berger provided a summary of the Capital Market Review. The U.S. Stock market was up 1.6% in the first quarter. In the past three years the U.S. Stock Market has gained by 60%. The Wilshire 5000 Total Market Index was up 0.54% MTD with a 2.16% YTD. Large Cap with a 2.09% YTD has lagged Small Cap which had a 2.70% YTD. In Non- U.S. Equity the MSCI AC World ex U.S. had been up 8.72% YTD with most of the return was coming from Europe. MSCI Emerging Markets were double at 10.10% YTD. In Fixed Income the rates continue to decline in the first quarter but are beginning to bounce back. Barclays U.S. Aggregate was at -0.36% QTD and 1.24% YTD. The Bloomberg Commodity Index had been down -0.55% YTD but up 5.73% MTD.

Ms. Felicia Bennett provided highlights from the Flash Report on Actual Allocation vs Policy Allocation as of April 30, 2015. When comparing the actual allocation to the policy target Commodities are underweight by -5.9% yet the Total U.S. Equity being overweight by 5.8%. the Total Market Value was estimated at \$853,624 million. U.S Equity Composite was slightly ahead of benchmark at 0.27% CYTD while Non- U.S. Equity Composite was slightly down at -0.12% CYTD. Global Equity was ahead of its benchmark at 2.22% CYTD. Core Fixed Income was down -0.21 MTD but is ahead 1.39% CYTD. Real Estate Composite was behind -1.89% CYTD. Due to an update to a manager in the Commodities Composite the preliminary return showed a -5.38% CYTD but now have a final positive return of 7.14% CYTD. Total Fund x Private Equity was 1.33% MTD and 3.69% CYTD. Frangrasso outperformed with a 1.12% MTD but lagged at -0.40% MTD. Mellon Equity is ahead 0.53% YTD but behind -0.53% MTD.

Twin Capital was -0.10 MTD but ahead of its benchmark 0.58% YTD. Apex was up 1.98% MTD but still behind at -0.72% YTD. Earnest & Emerald are active Small Cap managers and both have outperformed CYTD. CIM Small Cap also outperformed 0.79% CYTD. Philadelphia International was ahead 0.38% MTD but lagged -1.19% YTD. Fusion and Global Equity are both ahead of their benchmarks for the month. All Fixed Income managers have added value for the month. Oaktree high yield slightly underperforming at -0.19% CYTD but this underperformance is expected to be temporary. PENN Capital high Yield was ahead at 0.23% MTD. TIPS manages were all slightly behind their benchmark for the month. In Real Estate, Morgan Stanley is ahead at 2.97% CYTD. In Private Equity, Altair ended up ahead of their benchmark at 0.86% MTD but lagged at -3.99% CYTD. Gresham Strategic Commodities lagged their benchmark at -5.21% MTD.

ASSET STRATEGY CONSULTANTS

Mr. Ed Boyer stated that during the Executive Session earlier the following recommendations were discussed:

- That an additional \$3 million commitment be given to the current Ironsides III Co- Investment Fund. This fund already has a \$3 million commitment currently.

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. Szymanski to allocate an additional \$3 million to Ironsides III Co- Investment Fund based on the recommendation of the consultant.

- A \$3 million investment in Accolade V who are expected to invest 50% in venture Capital and Private Equity Funds.

The Board unanimously approved a motion by Mr. Puzak, duly seconded Mr. Fitzgerald to invest the \$3 million in Accolade V based on the recommendation of the consultant.

- To increase the allocation to I-Networks by \$3 million based upon their success.

The Board unanimously approved a motion by Mr. Szymanski, duly seconded Mr. DiCristofaro to allocate an additional \$3 million to I-Networks based on the recommendation of the consultant.

- To switch from the current investment in the Altair Hedged Equity Partners to their other fund called Altair Partners II LP. The value as of March 31, 2015 was \$2,550,395.00 and this action would be a transfer of the assets to the recommended fund.

The Board unanimously approved a motion by Mr. Puzak, duly seconded by Mr. Szymanski to transfer the funds from Altair Hedged Equity Partners to Altair Partners II LP based on the recommendation of the consultant.

Mr. Boyer commended the Mr. Johnson and the work of the Retirement Office for all of the hard work they do.

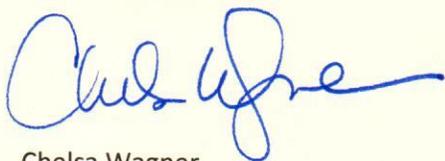
NEW BUSINESS

None

ADJOURNMENT

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

Respectfully submitted,



Chelsa Wagner,
Secretary