

**PENSION INVESTMENT ADVISORY BOARD**  
**MEETING MINUTES**

A meeting of the Mt. Lebanon, PA Pension Investment Advisory Board (PIAB) was held Thursday, August 11, 2016 at 9:00 am in room D of the municipal building at 710 Washington Road, Pittsburgh, PA 15228.

The meeting was called to order at 9:10 am. In attendance were Board members Kevin Renne, Mark Mistretta, Chris McMahon, Advisor Marc Ammaturo (PFM), Commissioner Steve Silverman and Staff member Andrew McCreery.

Mark Mistretta moved to approve the minutes from May 4, 2016. Chris McMahon seconded the motion. The motion carried unanimously.

Mr. Ammaturo began a presentation on Asset Allocation Modeling.

Topics covered:

- Capital Market Assumptions for asset classes.
  - Assumptions for short-term projections and long-term projections
- Long-term assumptions for based on Mt. Lebanon's asset allocation from the Investment policy statements. Expected return in the model is 7.5% expected return.
- Intermediate assumptions are modeled at a 5.8% expected return.

A motion by Mark Mistretta was made to request the actuary to project future funding requirements based on intermediate assumption of 5.8%. The motion was seconded by Chris McMahon. The motion carried unanimously.

Mr. Ammaturo updated the Board on the results of the 2nd quarter 2016.

- Volatility due to Brexit
- S&P up 2.5%
- Domestic stock market up 8% though August 10, 2016
- International sold off in 2<sup>nd</sup> quarter
- Reduction in international activity due to growth rate overseas and the Brexit event
- Emerging Markets outperformed developed markets in the 2<sup>nd</sup> quarter
- Publicly traded real estate had a positive 7% return in the quarter
- Fixed income continues to do well for the year
- For the quarter, plans are slightly ahead of targets for the quarter, 1.75%
- 3<sup>rd</sup> quarter is trending higher through the beginning of August, 5%
- Terminated both PNC and Babson in the second quarter. Assets transferred to other funds in July 2016
- Added investments that have the ability to invest in emerging markets

- Publically traded REITs added value to the plan since being added in April 2016
- Slightly de-risking plans, evidenced by terminating Babson and Wells Fargo
- Underweight in international equity. Overweight in domestic equity (added to with REITs) and fixed income

Meeting Adjourned 10:12 am.