PENSION INVESTMENT ADVISORY BOARD
MEETING MINUTES

A meeting of the Mt. Lebanon, PA Pension Investment Advisory Board (PIAB) was held February 7, 2017 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 9:00 am. In attendance were Board members Mark Mistretta, Drew Kicinski, Kevin Renne, Chris McMahon, Advisor Perry Giovannelli (PFM), Commission Liaison Steve McLean and Staff member Andrew McCreery.

Drew Kicinski moved to approve the minutes from November 15, 2016. Kevin Renne seconded the motion. The motion carried unanimously.

Mr. Giovannelli updated the Board on the results of the 4th quarter 2016 and year to date results.

- Domestic market ended well for the year.
- S&P Domestic 11.96% for the year.
- Russell 3000 Index 12.74% for the year.
- Emerging Markets had a 11.19% for the year, but we don't know if this will continue for 2017.
- Bond market was looking to return about 5%, but with the rate hike at the end of the year from the Fed, it lagged in the 4th Quarter. Another rate increase could be coming as early as March 2017.
- GDP grew by 3.5% for the 3rd quarter 2016, estimates for the full year is 1.6%.
- Discussion of market conditions after the election in November 2016.
- PFM is watching closely Brexit ramifications in the market.
- PFM is also watching volatility relating to trade restrictions that are being discussed by the new administration.
- The pension plans missed the target plan policy for the year by an average of 140 Bps. The primary causes were due to the following:
  - The pension plans pulled back due to Brexit in the 3rd Quarter. The allocation was not effective, as returns in the 3rd quarter took off and the pension plans lagged behind (35 Bps).
  - 60 Bps was due to the manager selection. The hold over managers (2 of 3) did not perform well in the first two quarters.
- The plans continue to stay underweight with international equity, slightly overweight to domestic equity by 4%.

Meeting Adjourned 9:44 am.