

PENSION INVESTMENT ADVISORY BOARD
MEETING MINUTES

A meeting of the Mt. Lebanon, PA Pension Investment Advisory Board (PIAB) was held November 16, 2021 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 Mike Evan, John Kerber, Chris Wiles, Rich Marchione, Commissioner Andrew Flynn, Advisors Perry Giovannelli and Tyler Braun (PFM) and Staff member Andrew McCreery.

John Kerber moved to approve the minutes from August 10, 2021. Chris Wiles seconded the motion. The motion carried 4-0.

Mr. Giovannelli updated the Board on the results of 3rd quarter 2021.

- Market conditions
 - Quarter was rough for Domestic Equity
 - Russell 3000 was -.1% for the quarter
 - Russell 2000 was -4.36% for the quarter.
 - Barclay's Aggregate is -.9% for the 1-year return.
 - 3rd quarter consumer confidence is declining
 - Supply chain issues permeated throughout the economy
 - Manufacturing still showing growth
 - Moving to neutral outlook on US Equity and non-US Equity, more positive on large-cap
 - Slightly negative outlook on emerging markets due to slow COVID vaccine deployment
 - Slightly negative outlook on fixed income. Federal Reserve is talking about adjusting the interest rate sooner than 2024.
 - Slightly positive on credit sensitive sectors.

- Plan Returns
 - Quarterly returns for all plans came in at -.21% to -.33% without the returns from our alternatives which come after the report date. Year to date, returns are above 8.5%.
 - 3-5 year benchmarks are outpacing the benchmarks.
 - Plans are slightly underweight in domestic and international equity, with approximately 7% of the portfolio in Other Growth investments.
 - Underweight in fixed income with an allocation to commodity funds and REITs, with approximately 4.7% of the portfolio in Other Income investments.

PFMs Tyler Braun and Perry Giovanelli presented a report on Asset Allocation Modeling for our three defined benefit pension plans. Based on the study, changes to the Investment Policy Statements will be made for 2022.

Commissioner Flynn asked what type of portfolio changes would need to happen to proactively change away from carbon emitting companies. PFM cited examples of clients they have done this with in the endowment, educations and governmental sectors.

Meeting Adjourned at 10:14 am.