

PENSION INVESTMENT ADVISORY BOARD
MEETING MINUTES

A meeting of the Mt. Lebanon, PA Pension Investment Advisory Board (PIAB) was held February 12, 2019 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 Kevin Renne, Paul Kraus, Rich Marchione, and Mike Evan (via phone). Advisor Perry Giovannelli (PFM), Managing Director Marc Ammaturo (PFM), Steve McLean (Commissioner) and Staff member Terri Windstein.

Rich Marchione moved to approve the minutes from November 11, 2018. Paul Kraus seconded the motion. The motion carried 3-0.

Mr. Ammaturo updated the Board on the results of the 4th Quarter 2018 and year-end results.

- Market conditions
 - December was the worst month for the market in 2018. The good news is that as of today the Domestic Equity market has rebounded and is up 9% from year end.
 - International Equity has rebounded 6% from year end.
 - Fixed Income 4th quarter showed some positive returns, which is a good sign in a raising rate environment. This is the only market that performed well in the 4th quarter.
 - The end of the year market fears were caused by concerns over trade tariffs, federal interest rate increases and the comment that they are far from neutral concerning 2 more increases in federal interest rates in 2019.
 - Mr. Ammaturo commented that PFM is not a short term day trader, they are long term and they are making decisions on market data. Growth is slowing but there is still growth and there are no signs of recession and contraction at this point.
 - Stocks are undervalued right now and this is a good time to buy.
 - Equus Capital is performing very well. There is always a quarter lag on performance measures.
- Plan Returns
 - Mr. Marchione had asked about changes in manager balances. Mr. Giovannelli will send a chart showing change in market managers. Mr. Ammaturo stated that they hold shifting meetings for portfolios and usually make 3-4 trades a year. They look at the 5 – 30 year plan while making decisions.
 - Overall portfolio is up 5.5% in February.
 - If US economy contracts, PFM will shift to interest rate risk (US Gov't) quickly from credit risk (High Yield).

Meeting Adjourned at 9:55 am.