

PENSION INVESTMENT ADVISORY BOARD
MEETING MINUTES

A meeting of the Mt. Lebanon, PA Pension Investment Advisory Board (PIAB) was held August 7, 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 Paul Kraus, Rich Marchione, Rachel Willsey, Mike Evan (via phone) and Drew Kicinski, Advisor Perry Giovannelli (PFM) and Staff member Andrew McCreery.

Paul Kraus moved to approve the minutes from May 15, 2019. Rich Marchione seconded the motion. The motion carried 3-0. Mike Evan and Rachel Willsey abstained.

Mr. Giovannelli updated the Board on the results of the 2nd Quarter 2019 and year-to-date results.

- Market conditions
 - 2nd quarter ended on a positive note.
 - Volatility in the quarter due to China and United States trade concerns.
 - Domestic and international equities were 2-4% return for the quarter on average, with double digit returns year to date.
 - Fixed income had solid returns for the quarter, considering the lagging returns in the recent past.
 - GDP projections were lowered to 1.5% for 2019.
 - Employment numbers continue to be strong.
 - Manufacturing returns have started to dip to a trend level that may be a sign of economic easing.
 - PFM has become neutral on a large cap basis. The economic forecast has caused PFM to be more confident in small to mid cap investments.
 - PFM feels credit-sensitive fixed income could add value.

- Plan Returns
 - PFM has added a small cap manager in the 2nd quarter.
 - 2nd quarter returns were below benchmark due to adding small cap and mid cap equity investments as well as a pull back from the large cap equity market.
 - The asset allocation in each portfolio has returned to target allocations.

Mr. Giovannelli presented an Asset / Liability Modeling analysis to the PIAB. He also presented information on alternative investments in private real estate.

Mr. McCreery stated the January 1, 2019 actuarial reports have been received and forwarded to the Board and Commission.

Meeting Adjourned at 10:30 am.