The regular monthly meeting of the Retirement Board of Allegheny County was held on March 15, 2018 in the Gold Room, 4th floor, Courthouse, Pittsburgh, Pennsylvania. The meeting was called to order at 12:04 pm.

When the roll call of the Board members was made Board members Ted Puzak, Amy Weise (for Chelsa Wagner), Rich Fitzgerald, Sarah Roka, Frank DiCristofaro, and Janice Vinci (for John Weinstein) were recorded as being present.

Also present were Brian Gabriel of CDBPM Law and Walt Szymanski, the Retirement Office Manager.

PUBLIC COMMENT
There was no public comment

APPROVAL OF BOARD MINUTES
The Board unanimously approved a motion by Mr. DiCristofaro, duly seconded by Ms. Roka, to approve the minutes of the February 15, 2018 Board meeting.

APPROVAL OF MONTHLY FINANCIAL STATEMENTS
The Board unanimously approved a motion by Ms. Roka, duly seconded by Mr. DiCristofaro to accept the January 2018 Financial Statements. The reports are generated by the Controller’s Office (Board Secretary).

- Pension Fund Assets
- Statement of Changes in Plan Net Assets
- RBAC Balance Sheet

APPROVAL OF INVOICES
The Board unanimously approved a motion by Ms. Roka, duly seconded by Mr. DiCristofaro to accept the invoices for March.

VENDOR EXPENSES

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<thead>
<tr>
<th>VENDOR</th>
<th>DATE</th>
<th>AMOUNT</th>
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<tbody>
<tr>
<td>ALTAIR MANAGEMENT PARTNERS</td>
<td>10/1/17 - 12/31/17</td>
<td></td>
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<tr>
<td>CIM INVESTMENT MANAGEMENT (Fixed Income)</td>
<td>10/1/17 - 12/31/17</td>
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<tr>
<td>CIM INVESTMENT MANAGEMENT (Small Cap)</td>
<td>10/1/17 - 12/31/17</td>
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<tr>
<td>CIM INVESTMENT MANAGEMENT (Israel Bonds)</td>
<td>10/1/17 - 12/31/17</td>
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<td>CS MCKEE INVESTMENT MANAGERS</td>
<td>10/1/17 - 12/31/17</td>
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<tr>
<td>EARNEST PARTNERS</td>
<td>10/1/17 - 12/31/17</td>
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<tr>
<td>EMERALD ADVISERS (All Cap)</td>
<td>10/1/17 - 12/31/17</td>
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### PENSION APPLICATIONS

The Board unanimously approved a motion by Ms. Roka, duly seconded by Mr. DiCristofaro to approve the Pension applications filed with the Retirement Office in the month of March. The following applications have been filed:

- Early Voluntary – 11
- Full Retirement – 10
- Disability – 2 (note: both are benefit calculations for previously approved applications)

### MANAGER’S REPORT

Mr. Szymanski provided the monthly status report of the Retirement Board, highlighting the following:

The Dashboard as the month ending February 2018 for retiree payroll is up 4.4% YTD, contributions are up 9.91%, and contributions refunded are up 8.01%. Pension estimates are high, up 166.67% YTD. Total retirements for the year are up 46.77%, 91 this year versus 61 last year.

Capital Calls are down 29.66% with 25 for $5,781,251.27. Capital calls are a total of $2,830,582.06 for the month. At the end of February we are in line with the office budget.

Newsletter draft included will look for approval from the board next month.
The Board unanimously approved a motion by Ms. Roka, duly seconded by Mr. DiCristofaro to place Asset Strategy on a month to month basis until a new contract is approved. The current amount is $105,000 annually or $26,250 per quarter.

The 2018 Board Member election preparation has begun. The timeline and procedures will be brought to next month’s meeting for Board approval.

Act 125 Tyler Update: Testing is in process and issues are being addressed with Tyler. Weekly conference calls are being held between Tyler, Koryak and Retirement Staff. Updates will be provided to the Board at each upcoming meeting until full implementation takes place. We are hoping for a go live date of June 1st.

SOLICITOR’S REPORT

Solicitor’s Report is current as of March 8, 2018. Significant updates at 3(a), 6(b) and 13(a). No questions or additional comments.

WILSHIRE

David Lindberg, of Wilshire Associates, provided the Monthly Performance Review through January 31, 2018. At the end of January Asset Class performance was $954 million in total assets. Highlights throughout January, we liquidated commodities and the hedge fund DRZ. We then funded a second manager in MLP’s which was Harvest. Total fund for the month returned 1.97% which is in line with the index of 2.02%; trailing one year that is well ahead of the index with nearly 15% absolute return. Longer term 3 and 5 years ahead of the index about .5%; 8.65% absolute return over 3 years and about 8% over the past 5 years.

US Equity Composite is behind the index for January with a modest small cap over weight that detracted from performance here. Over the trailing one year there is strong relative and absolute performance in nearly 26% absolute return and ahead for the index by about 70 basis points. 3 managers with great performance Emerald and Ernest small cap and Emerald all cap all added value. Non Us 5.3% absolute return is marginally behind but in the past year well ahead of the index by nearly 2%. At 32% absolute return largely driven by Baily Gifford and the allocation to small cap. Global Equity we have one manager and 5.5% absolute equity for the month is a bit behind the index of 5.6%. Over the past one year a 20% absolute return is 7% behind the index of 27.5%.

Core Fixed incomes are ahead for the month, Federated and CS McKee were the best mangers for the month. High yield continues to remain to be challenged behind 30 basis points for the month which is about .5% on an absolute basis and behind about 1% for the past one year. TIPS is in line with the benchmark.

MLP’s are your new asset class and behind in January. Unfortunately Harvest was funded at an inopportune time as the market sold off the last week of January. Real Estate looking out over one year,
9.67% absolute return is 3% ahead of the index. Washington Alliance and Siguler Guff were the best performing managers. Hedge Funds have one manager after the liquidation of DRZ; past one year -15% absolute return can be largely contributed to DRZ.

Craig Morton, of Wilshire Associates, provided a brief Capital Market Review through February 28, 2018. The month of February was a sea of red with panic in the market. The volatility index, VIX, has been steady around 10 for over a year now. In early February it rose to 13 and to 17 and then jumped to 37. Now we are back down around 17 which is more reasonable. Part of the reason we saw this jump was the January employment report coming out and showing wage growth going up .2% to come to an annual rate of 2.9%. Investors were getting spoked that higher wage growth would lead to higher inflation. Fear of inflation lead to fears of interest rate increases coming from the Fed so rates jumped; the 10 year approached 3% equity markets sold off and then it began to calm down towards the end of the month. We saw on February 9th that wage growth has cooled off and equity markets are bouncing back.

For the month, US stocks were down about 3.7% for the beginning of March we are back up about 3%. International stocks sold off more aggressive, 4.7% they are flat this month and Bonds which were down about 1% and are also flat this month. We have almost made a round trip since the February sell off and will go into more detail on your managers next month.

NEW BUSINESS

No new business.

NOTE: Executive session was not held prior to the Board meeting.

ADJOURMENT

The Board unanimously approved a motion by Mr. Fitzgerald, duly seconded by Mr. DiCristofaro to adjourn at 12:16pm.

Respectfully submitted,

[Signature]

Chelsa Wagner, Secretary