

AMENDED BERKS COUNTY EMPLOYEE'S RETIREMENT FUND MINUTES
JANUARY 17, 2008

Chairman of the Board of Commissioners Mark Scott called the meeting to order at 10:00 a.m. Attending were Sandy Graffius, Secretary, Nelson H. Long, Treasurer and members Kevin Barnhardt and Christian Leinbach. The following staff attended: Alan S. Miller, Esq., County Solicitor; Suzanne Baer, Pension Coordinator and Judith Lumis of Controller's Office; and Kelly Laubach, Purchasing Manager. Michael Shone, Peirce Park Group, Bruce Turner, Chief Operation Officer and Robert E. Meyer, Data/Trading, Quadriserv also attended.

Mr. Scott named the officers pursuant to Pension Act 96. The Chairman is the Chairman of the Berks County Board of Commissioners, Mark C. Scott. The Treasurer is Berks County Treasurer, Nelson H. Long. The Secretary is Berks County Controller Sandy Graffius.

The Oath of Office was administered to Commissioners Christian Y. Leinbach and Kevin S. Barnhardt by Beverly A. LeVan from the Solicitor's Office.

Ms. Graffius moved, Mr. Scott seconded to appoint Mr. Leinbach Co-chairman of the Board. Motion carried.

On motion by Ms. Graffius and second by Mr. Long the Board adopted:

Regular meetings will be held monthly in the Commissioners' Boardroom at the Berks County Services Center, 633 Court Street, Reading, Pennsylvania

Special meetings may be called with 24 hours advance notice to the public by the Chairman or by written request by any member with request forwarded to the Secretary of the Retirement Fund Board.

The order of business will include:

- Approval of the minutes of the previous meeting
- Citizen comment and business from the floor
- Receipt of communications
- Old business
- New business
- Authorization to pay bills

The Board authorized the following persons and firms to perform professional services for the Board per established agreements or contracts, on motion by Mr. Scott, second by Mr. Barnhardt. Motion carried.

Solicitor: Alan S. Miller, Esq.

Consultant: Peirce Park Group, West Chester, Pennsylvania

Actuary: Hay Group, Philadelphia, Pennsylvania

Investment managers:

- Rigel Investment Advisory, Seattle, Washington
- The Vanguard Group, Malvern, Pennsylvania

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Chase Investment Counsel, Charlottesville, Virginia
Emerald Advisers, Inc., Lancaster, Pennsylvania
Pzena Investment Management, LLC, New York, New York
GMO, Boston, Massachusetts
Schneider Capital Management, Wayne, Pennsylvania
McDonnell Investment Management, Woodstock, Georgia
Westfield Capital Management, Boston, Massachusetts

Banking managers

Custodial account: M & T Investment Group, Harrisburg, Pennsylvania
Checking: Wachovia, Reading, Pennsylvania

Ms. Laubach reviewed the terms of the contract signed with Hay Group in April, 2005 with the Board. The contract will expire at the end of March, 2008. This professional service contract could be amended or extended with a negotiated rate. On motion by Mr. Scott, second by Ms. Graffius, Ms Laubach was directed to obtain a one year proposal from the Hay Group to be reviewed by the Commissioners. Motion carried

Mr. Scott moved, seconded by Ms. Graffius directing Ms. Laubach to obtain a multi-year proposal from the Hay Group to be reviewed by the Commissioners. Motion carried.

Mr. Scott moved, seconded by Mr. Long to authorize the Secretary to contact labor unions and groups representing County workers to invite them to name a representative and alternate to the Berks County Employee's Retirement Fund Advisory Council. Motion carried.

The minutes of the December 20, 2007 meeting were approved on motion by Mr. Scott second by Ms. Graffius. Motion carried.

The Board received the following communications:

Presentation:

QUADRISERV, INC.: Mr. Turner said Quadriserv, Inc., a broker; dealer located in New York City, is engaged in the securities lending business. Mr. Meyer said Quadriserv had been actively involved in collecting data from equity security lending corporations since 2001. In 2005, Quadriserv was funded by Bessemer Venture Partners to start a transaction business. Following the presentation, the Board directed Ms. Lumis to provide any information needed by Quadriserv to prepare an evaluation to comparing what their services to the existing services currently provided by Dresdner Bank Securities Lending and report the findings at the February Board meeting.

Ms. Lumis addressed the Board regarding Dresdner Bank's proposal to open a separate account for the investment of securities lending collateral currently invested in a pooled SEC registered money market fund. This change had been requested by other clients of comparable size to the County in order to save fees and reduce investment risk. Dresdner Bank plans to close the pooled account in

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August. The Board agreed to postpone making a decision until the February meeting.

PEIRCE PARK GROUP: Mr. Shone and Board discussed the information provided in the Pennsylvania County Pension Fund Database report and Asset Liability Study prepared by Peirce Park Group.

Following review and discussion, Mr. Long moved, Mr. Barnhardt seconded to allocate the following asset classes: 45% to Total Equities, 35% to Fixed Income and 20% to Global Equities. Motion carried.

Correspondence:

Dresdner Bank transaction confirmations

Peirce Park Group Market Index Performance period ended December 31, 2007

Hay Group Notification of tax forms needed to be ordered from Internal Revenue Service Bureau and completion instructions and 2007 Financial Report to be completed and 2008 Withholding Tables

Chase Investment Counsel Commission Recapture Broker Commissions from December 1, 2007 through December 31, 2007 and Invitation to their 35th Annual Client conference, Wednesday May 7 through May 9, 2008.

GMO Investment Management Review for quarter ending December 31, 2007

Pzena Investment Management Quarterly Report to Clients

Rigel Capital LLC comments on 4 quarter 2007 performance

Schneider Capital Management Fourth Quarter 2007 Review and Portfolio Appraisal dated January 15, 2008.

Westfield Capital Management Proxy Voting Report

BNY Converge Ex Group statement December 1, 2007 through December 31, 2007

LJR Recapture Services Trading Summary for period January 1, 2007 through November 30, 2007 and Summary indicating no activities for month ending December 31, 2007.

Email confirmation from Deb Ferraina, M&T Investment Group regarding rebalancing being completed per instructions in letter dated December 3, 2007

Letter received from Pzena Investment Management reading securities class action settlement involving Renaissance Holdings Ltd. (forwarded to M&T Bank)

Bank statements

December, 2007 statements from M & T Trust Company for accounts 77062 (cash); 1551134028 (Emerald); 2002696 (Chase), 2002697 (Rigel), 2002698 (Westfield); 76982 (Templeton); 79316 (Vanguard-

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Short Term) 77065, (Vanguard Intermediate Term) 1011511,
(Vanguard Value Index) 1011510, (McDonnell-fixed), 9554168005
(Scheider),1003440 (Pzena), 1012456 (GMO), and 1012457
(Vanguard Global)

December, 2007, statements from Wachovia for checking account
210000020087.

Solicitations:

General

Shay Financial Services, Inc., Wexford, Pennsylvania

Conferences

Mid-Sized Retirement & Pension Plan Management Conference,
March 11-14, 2008, Grand Hyatt, San Francisco, California

Public Funds Roundtable, April 23-25, 2008, The Ritz-Carlton, New
Orleans, Louisiana

New business

Meeting schedule was approved on a motion by Mr. Barnhardt, second by Mr.
Long, Motion carried.

Mr. Long moved, seconded by Ms. Graffius to approve litigation and monitoring
agreement presented by Grant & Eisenhofer, P.A. Motion carried.

Disbursement authorized by Mr. Long, seconded by Ms. Graffius. Motion
carried.

Annuities and refunds for January, 2008:

Annuities	\$625,625.35
Refunds	218,916.29
Total	\$844,586.64

\$45,432.23 to Franklin Templeton Investments for Investment Management
Fees for period ending December 7, 2007

\$107.30 to Kim's catering for lunch, January 17, meeting

\$56.45 to Reading Eagle Company for Legal Notice published December
31, 2007

The meeting adjourned at 1:47 PM.