

BERKS COUNTY EMPLOYEE'S RETIREMENT FUND MINUTES
AUGUST 22, 2008

Co-Chairman Christian Leinbach called the meeting to order at 10:00 a.m. Attending Sandy Graffius; Secretary, Nelson Long, Treasurer; and members Chairman Mark Scott and Kevin Barnhardt. The following County staff attended: Alan Miller, County Solicitor; Suzanne Baer, Pension Coordinator and Judi Lumis, Office of the Controller. Michael W. Shone, President, Peirce Park Group and Charles Greenberg, Paul Klauder and Don Haverly, SEI Global Institutional Group also attended.

The minutes of the July 17, 2008 meeting were approved on motion by Mr. Barnhardt and second by Ms. Graffius.

The Board received the following communications:

Presentations:

Mr. Shone presented historic information on equities including performance on different capitalizations and styles and combination of both followed by the performance report.

Mr. Shone said the total fund is above the policy index for the quarter and year to date above the policy index by .08%. There had been excellent performance from the active equity growth managers with Emerald up 3.6% above its bench mark for the quarter and 6.6% above its bench mark for the year. Mr. Shone said Westfield had an outstanding quarter with over 10 percentage points about its benchmark for the quarter and 14% for the year. Pzena was down 10.7% for the quarter and 12.1% for the year. Fixed income managers came close to the benchmark performance after fees with Global funds outperforming the benchmark for the quarter.

Mr. Shone said the Fund was down 1.08% for the quarter while S&P was down 2.7%, International down 2.3% and Fixed down 1.5%.

Mr. Shone said he sent his recommendations for Pzena via email to the Board members prior to the meeting.

Investment contract issues: Mr. Shone said the investment policy states a maximum of 5% in any one security for an equity manager at purchase and growth to 8%. Scheider said since they had a very concentrated portfolio, at times they will grow up to 9%. Mr. Shone does not believe the investment policy should be changed because it deals with the overall plan; however, the guidelines within the individual managers' contracts could be different than the investment policy. Mr. Shone believed there should be a uniform contract for each manager prepared on behalf of the Board and not by the individual managers.

Correspondence:

Fax received from Shirley Koch stating she would not be attending August Retirement Fund meeting.

Peirce Park Group Market Environment Report dated June 30, 2008

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Grant & Eisenhofer's Second Quarter 2008 Monitoring Report ending June 30, 2008

Check in the amount of \$1,323.42 representing pro rata share of distribution of the Global Crossing, Ltd. Securities Litigation

Emerald Advisers, Inc. 2008 2nd Quarter Mid Cap Growth Review and Commentary

GMO Trust Supplement to GMO Trust Prospectus dated June 30, 2008 and Investment Review for Month ending July 31, 2008

LJR Recapture Services trading summary January 1, 2008 through June 30, 2008

McDonnell Investment Management, LLC Investment Report for period ending June 30, 2008

Pzena Investment Management Portfolio Review March 31, 2008 through June 30, 2008, Letter regarding Case of Fannie Mae and Freddie Mac and Quarterly Report to Clients

Westfield Capital Management Large Cap Growth Equity Investment Commentary Second Quarter 2008 and Portfolio Review dated June 30, 2008

Bank statements

July, 2008 statements from M & T Trust Company for accounts 77062 (cash); 1551134028 (Emerald); 2002696 (Chase), 2002697 (Rigel), 2002698 (Westfield); 76982 (Templeton); 79316 (Vanguard-Short Term) 77065, (Vanguard Intermediate Term) 1011511, (Vanguard Value Index) 1011510, (McDonnell-fixed), 9554168005 (Scheider) and 1003440 (Pzena), 1012456 (GMO), and 1012457 (Vanguard Global)

July, 2008 statements from Wachovia for checking account 210000020087.

Solicitations:

General:

None

Conferences;

Third Annual Middle Atlantic States Public Employee Retirement Systems Forum, October 27-28, 2008, Chantilly, VA

13th Annual Super Bowl of Indexing, December 7-19, 2008, Phoenix, AZ

16th Annual Mid-Sized Retirement & Pension Plan
Management Conference, October 14-17, 2008, Chicago,
IL

Taft-Hartley Pension Investing Summit 2008, October 2-3,
Las Vegas, NE

New England Public Employee Retirement Systems
Forum, October 2-3, 2008, Boston, MA

2008 Executive Compensation Conference, September 11-
12, 2008, New York, NY

Great Plains Public Employee Retirement Systems Forum,
November 13-14, 2008, Kansas City, MO

IMN's U.S. World Series of Exchange Traded Funds,
September 22-23, 2008, Phoenix, AZ

Old Business:

None

New Business:

Meeting recessed from 10:55 am and reconvened at 11:06 A.M.

Mr. Klauder said SEI is a publicly traded organization in business since 1968 and was located in Oaks, Pa. Mr. Klauder said SEI uses a Manager of Managers concept. This concept allows the trustees to focus more energy around asset allocation decisions and the impact those decisions have on the financial position, contributions, and Annual Retirement Contributions (ARC). SEI has a fiduciary responsibility in choosing, selecting and the evaluation of investment managers. Mr. Klauder said SEI has \$178 billion in assets under management in this concept. It allows funds to get assets to managers in a cost effective manner. SEI has over 110 individuals who have the responsibility of taking and evaluate money managers around the globe. The firm will take responsibility for choosing and overseeing those managers.

Mr. Long moved, seconded by Ms. Graffius, to approve the employee buy back requests. Motion carried.

. Maureen J. Majka, one year of service at \$2,387.27.

Linda Sue Spak, one year, four months of service at \$2,087.59.

Following a discussion, Mr. Long moved, second by Ms. Graffius to take the funds necessary to pay the expenses through year end from the fixed assets. Motion carried.

Ms. Graffius moved, second by Mr. Long to approve the renewal of the Fiduciary Liability Insurance Policy. Motion carried.

Following a discussion, it was agreed by the Board to obtain additional information before making a decision on the Liability Insurance Policy for the Thrift Savings Plan.

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Mr. Scott moved, second by Ms. Graffius to terminate the Fund's relationship with Peirce Park Group and initiate a relationship with SEI Group. Motion carried with Mr. Long a no vote.

The Board authorized the disbursements on motion by Ms. Graffius and second by Mr. Scott, and authorized the September disbursements after review by Judi Lumis in the Controller's office. Motion carried.

Annuities and refunds for August, 2008

Annuities	\$ 671,303.22
Refunds	<u>\$ 261,378.08</u>
Total	\$ 932,681.30

\$18,750.00 to Chase Investment Counsel for the Statement of Management Fees for period April 1, 2008 through June 30, 2008

\$23,986.33 to Emerald Advisors Inc. for Investment Counseling Fees for the period of April 1, 2008 through June 30, 2008

\$175.00 to M&T Investment Group for Custodian fees for Vanguard Institution Index Fund for period ending July 15, 2008

\$720.00 to M&T Investment Group for Custodian fees for Vanguard Institution Index Fund for period ending July 15, 2008

\$27,819.59 to M&T Investment Group for Custodian fees for fund managed by Emerald Advisory Inc. for period ending July 15, 2008

\$29,175.65 to McDonnell Investment Management, LLC for Management of Assets, April 1, 2008 thru June 30, 2008

\$28,120.96 to Pzena Investment Management LLC for Management Fees for period April 1, 2008 through June 30, 2008

\$51,895 to Schneider Capital Management for Management Fees for period April 1, 2008 through June 30, 2008

\$30,236.78 to Westfield Capital Management for Management Fees for period April 1, 2008 to June 30, 2008

\$47.85 to Reading Eagle Company for Legal Notice of August 4, 2008

Mr. Scott moved, second by Ms. Graffius, that the Solicitor and Controller be authorized to notify the individual managers including the custodian, M&T Bank, commission recapture firms and Dresdner Bank of the termination of the relationship and transfer the assets under their management or custody to SEI. Motion carried.

Meeting adjourned at 12:10 a.m.