

BERKS COUNTY EMPLOYEE'S RETIREMENT FUND MINUTES  
SEPTEMBER 20, 2007

Commissioner Judith Schwank called the meeting to order at 10:06 a.m. Attending were Sandy Graffius, Secretary, and members Thomas Gajewski and Mark Scott. The following County staff attended: Alan Miller, County Solicitor, Suzanne Baer, Pension Coordinator and Judi Lumis, Office of the Controller. Richard Stice, CFA, Vice President, Investments and Todd S. Jessup Director, Marketing and Client Service from Rigel Capital, LLC also attended.

The minutes of the August 15, 2007 meeting were approved on motion by Ms Graffius and second by Mr. Scott. Motion carried.

The Board received the following communications:

Presentations:

Rigel Capital, LLC: Mr. Jessup said the initial value of the portfolio as of June 7, 2006 was \$9,505,724 and as of August 31, 2007 was \$11,143,298. Performance for the second quarter was 7.4% verses a benchmark of 6.9%, with year to date through August 31, 2007 11.3% verses 8.2%.

There have been significant changes in the sector weight of the portfolio with decreased health care and financial weights and increased technology.

Mr. Stice said Rigel uses fundamental research along with technical and quantitative indicators to pick stocks that are capable of contributing to the portfolio. The portfolio is reviewed daily for stocks to be added or trimmed for risk control considerations. Rigel is focused on identifying great growth companies that are also great growth stocks.

Mr. Stice said Rigel had a record amount of assets under management at \$2.3 billion. Rigel has nineteen individuals in their firm with two solely dedicated to client servicing and two dedicated to development. The firm is in the process of reconstructing their web site to make it possible for clients check their portfolio daily.

Correspondence:

Dresdner Bank transaction confirmations

Letters from Chase Investment Counsel regarding Recent Market Volatility and Commission Recapture, Broker Commissions 8/1/07 through 8/31/07.

Emerald Advisers, Inc. 2007 2<sup>nd</sup> Quarter Mid Cap Growth Investment Review

LJR Recapture Services Trading Summary, January 1, 2007 through July 31, 2007

McDonnell Investment Management, LLC Fixed Income Insight, Third Quarter 2007, Review & Outlook of the 2007 Economy and Market

Templeton Portfolio Advisors Quarterly Report as of June 30, 2007

BNY ConvergeX Statement of Financial Condition, June 30, 2007

Lynch, Jones & Ryan, Inc. Commission Recapture Activity for month ending August 31, 2007

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S E I Trade Confirmation - Trade date August 10, 2007 and Daily Brokerage Activity June 30, 2007 through August 31, 2007

Vanguard U.S. Stock Index Large-Cap Funds Prospectus dated April 27, 2007 and Large Cap Portfolios Semiannual report dated June 30, 2007

Westfield Capital Management Form ADV Part II dated August 15, 2007

Bank statements

August, 2007 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)

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

Solicitations:

General

Hammond Associates, St. Louis, MO.

Biondo Investment Advisors, LLC, Milford, PA

Pacer Financial Inc., TIGERS (Three Indexes for Growth Enhanced by Revenues), Paoli, PA.

View for the Mast, Mastholm Asset Management, LLC.

Conferences

Sub-Advised Fund Forum, September 17-18, 2007, Boston, MA.

PAPERS (Pa. Assoc. of Public Employees Retirement Systems), September 26, 2007, Pittsburgh, PA.

IMN (Information Management Network), October 23-24, 2007, San Francisco, CA.

Old Business:

The Board discussed the erroneous contributions to the Fund by employees who were ineligible for membership and the tax implications for the refund of these contributions. It was agreed to delay the payment of a refund to Louis Rizzuto until a letter from him was received and an opinion was also received from Reinsel Kuntz Leshner LLP, a firm under contract by the County to perform its annual audit.

New Business:

Mr. Scott moved, seconded by Mr. Gajewski, to approve the employee buy back requests as listed. Motion carried.

Melodie Ann Breidenstein, buy-back, service time at \$7,068.96

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John S. Falter, buy-back military service at \$4,424.84

The Board authorized the disbursements on motion by Mr. Scott and second by Ms. Graffius. Motion carried.

Annuities and refunds for September, 2007

|           |                     |
|-----------|---------------------|
| Refunds   | \$394,878.78        |
| Annuities | <u>\$604,267.21</u> |
| Total     | \$999,145.99        |

\$3,752.00 to Hay Group for 2007 Benefit statements

\$16,250.00 to Peirce Park Group for third quarter 2007 consulting

\$30,602.00 to Engle-Hambright & Davies, Inc. for Fiduciary Liability Policy Renewal

\$26.92 to M&T Bank as Custodians (Vanguard Value Index Fund)

Mr. Scott moved, seconded by Ms. Graffius to authorize disbursements of invoices previously ratified but not authorized for payment

\$57,310.10 to Franklin Templeton Investments for Investment Advisory Fees for quarter ended June 30, 2007

\$19,516.07 to Westfield Capital Management for Management Fees April 1, 2007 through June 30, 2007

Meeting recessed at 11:46 a.m. and adjourned at 11:48 a.m.