

BERKS COUNTY EMPLOYEE'S RETIREMENT FUND MINUTES
JANUARY 16, 2013

Chairman Christian Leinbach called the meeting to order at 10:00 a.m. Attending were Sandy Graffius, Secretary; Nelson Long, Treasurer and members Kevin Barnhardt and Mark Scott. The following County staff attended: Alan Miller, Solicitor and Suzanne Baer, Pension Coordinator and Grazyna Nykiel, Senior Government Accountant. Pat Blizzard, Mike Burke, Jon Waite and Russ Ewing from SEI Global Institutional Group; Malcolm Cowen from Cornerstone and Coreen Thomas, representative of UFCW also attended.

The minutes of the December 12, 2012 meeting were approved as presented.

The Board received the following communications:

Presentations:

SEI Investment Management Corporation:

A 4th Quarter Review was provided by SEI which included Capital Markets Overview, Economic and Market Outlook, Plan Assets & Metrics and Plan Performance.

Fund Performance Year to Date Ending December 31, 2012

FUND	SEI (%)	INDEX (%)
Discipline Equity	17.36	16.00
Small/Mid Cap	16.16	17.88
World Equity ex-US	18.70	16.83
Core Fixed Income	7.23	4.22
High Yield Bond	17.24	15.55
Emerging Market Debt	19.15	17.18
SEI Special Situation Funds	7.69	0.11
Core Property	8.54	7.82

Total Portfolio Returns Year to Date as of December 31, 2012 12.4%; Index of 11.1%

Market Value as of January 14, 2013: \$365,281,186, a gain of \$5,230,873

SEI presented Board with three proposed Asset Portfolios along with their recommendations. Following a discussion, Mr. Barnhart moved, seconded by Mr. Scott to accept SEI's recommended Asset Allocation. Motion carried.

BERKS COUNTY EMPLOYEE'S RETIREMENT FUND MINUTES
 JANUARY 16

ASSET CLASS	CURRENT	PROPOSAL
Disciplined Equity	31.5	12.5
US Managed Volatility	-	12.5
Small/Mid Cap Equity	5.8	6.0
World Equity ex-US	6.6	10.0
US High Yield	3.3	4.0
Emerging Markets Debt	2.5	3.0
Special Situations Fund	8.0	8.0
Core Property Fund	8.0	8.0
Ultra Short	17.7	9.0
Opportunistic Income	-	9.0
Core Fixed Income	16.6	18.0

The Board agreed to review the Asset Allocations with SEI at the April Board meeting.

Cornerstone:

Mr. Cowens gave a presentation on behalf of Cornerstone, a privately owned firm providing full service investment consulting to middle market institutional clients. He provided the Board with data comparing Berks Fund's performance with other Counties in Pennsylvania.

Correspondence:

Letter and check in the amount of \$23,050.80 for distribution from the Countrywide Financial Corporation Securities Litigation.

Bank statements

December, 2012 statement from SEI Trust Company account 15963-C

BERKS COUNTY EMPLOYEE'S RETIREMENT FUND MINUTES
JANUARY 16

December, 2012 statement from National Penn Bank for checking
account 216784425

Solicitations:

General: None

Conferences: None

Old Business: None

New Business:

The Board discussed The Commissioners' resolution authorizing twelve monthly Retirement Fund (ARC) contributions to the Berks County Retirement Fund commencing January 16, 2013 in the amount of \$283, 334. 00 each, totaling the budgeted amount of \$3,400,000.00 until further notice pending the actuarial valuation from Hay Group. No action taken.

The Board authorized the disbursements on motion by Mr. Barnhardt and second by Mr. Nelson. Motion carried.

Annuities and refunds for December, 2012

Annuities	\$ 972,680.90
Refund	<u>\$ 428,474.58</u>
Total	\$1,401,155.48

Meeting adjourned at 11:39 a.m.