

BERKS COUNTY EMPLOYEE'S RETIREMENT FUND MINUTES
JULY 15, 2009

Co-Chairman Christian Leinbach called the meeting to order at 10:00 a.m. Attending were Sandy Graffius, Secretary; Nelson Long, Treasurer and members Chairman Mark Scott, Christian Leinbach, Co-Chairman and Kevin Barnhardt. The following County staff attended: Alan Miller, County Solicitor and Suzanne Baer, Pension Coordinator. Donald Haverly and Terry Gerlich from SEI Global Institutional Group also attended.

The minutes of the June 18, 2009 meeting were approved as presented.

The Board received the following communications:

Presentation:

Mr. Gerlich said there was a sharp reversal in all the markets beginning in March, 2009 which continued through end of the second quarter. All of the asset classes were up, reversing the losses accumulated in the first quarter. Mr. Gerlich said treasuries were down after being up strongly in the past year.

Mr. Gerlich said staying with a diversified portfolio had paid off tremendously. The Fund had a wide exposure not only to quantitative managers but fundamental managers and in many cases exposure to fundamental managers was increased due to good performance in the current type of market cycle.

Mr. Gerlich reviewed the manager changes in the portfolio which included the termination of 2 managers and addition of 3 new managers. Mr. Gerlich said the more diversified exposure of alpha sources was beginning to show benefits.

Mr. Haverly reviewed the portfolio summary and allocation summary. The current portfolio allocation:

U.S. Equity	45.6%
Fixed Income	39.4%
International Equity	14.8%
Cash & Equivalents	0.2%

<u>Total Portfolio Returns:</u>	<u>1 Mo.</u>	<u>3 Mo.</u>	<u>YTD</u>	<u>ITD</u>
Total Portfolio Returns:	0.8%	14.7%	7.3%	-9.6%
Total Index:	0.2%	13.0%	5.2%	-9.2%

Mr. Haverly said the new allocation had added over 30 basis points or \$600,000 to the total return.

Correspondence:

Bank statements

June, 2009 statements from Wachovia for checking account
210000020087

June, 2009 statement from SEI Trust Company account 15963-C

BERKS COUNTY EMPLOYEE'S RETIREMENT FUND MINUTES
JULY 15, 1009

June, 2009 statement from National Penn Bank for checking
Account 216784425

Solicitations:

General:

J. P. Morgan Asset Management, New York, NY

Conferences:

17th Annual Mid-sized Retirement & Pension Plan
Management Conference, October 4-7, 2009, Chicago, IL.

A. Old Business:

Nothing discussed.

B. New Business:

Follow a discussion, the Board agreed to defer action on allocation of the remaining 2009 Annual Required Contribution (ARC) payment(s) until its 8/20/09 meeting; contingent upon a Commissioners' resolution to pay the remaining balance of the ARC in one payment.

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

Annuities and refunds for July, 2009

Annuities	\$ 700,697.70
Refund	<u>\$ 314,071.75</u>
Total	\$ 1,014,769.45

\$7,250 to Hay Group for actuarial services and expenses third quarter
(July-September) of 2009

Meeting adjourned at 10:55 a.m.