

BERKS COUNTY EMPLOYEE'S RETIREMENT FUND MINUTES  
MAY 20, 2010

Co-Chairman Christian Leinbach called the meeting to order at 9:34 a.m. Attending were Sandy Graffius, Secretary via teleconference, and members Mark Scott, Co-Chairman and Kevin Barnhardt. The following County staff attended: Alan Miller, County Solicitor and Robert Patrizio, Budget Director. Keith Pivik, Chip Greenberg and Rodney Lumpkin from SEI Investments and Ronald S. Harland, Ph.D. from Specialty Pharmaceutical Products, LLC (SPP) also attended.

The minutes of the April 21, 2010 meeting were approved as presented on motion by Mr. Barnhardt and second by Mr. Scott. Motion carried.

A motion was made by Mr. Scott, second by Mr. Barnhardt, to suspend the rules of order. Motion carried.

The Board received the following communications:

Presentation:

Mr. Pivik reviewed the current asset allocation and two proposed portfolios which included a Special Situation Fund (SSF) allocation. Under Portfolio #2 the SSF allocation of 10% took approximately 5% each from fixed income and equity allocation. The expected return is 8% with a risk of 12.1%. Portfolio #3 allocates 7% to SSF with a risk of 12.0%.

Mr. Pivik said the Special Situation Fund is structured to capitalize on the prospects resulting from market dislocations by alternative investments. These investment types and allocations are not traditional or public and look for opportunities around the globe. The Special Situation Fund is designed for investors with a longer time horizon and has a two year lock up.

Mr. Pivik said this Fund has been up and running since October 1, 2009. SEI expects to have ten to fifteen managers in time and reach a billion dollar capacity by the end of the year.

Mr. Scott moved to accept the allocation reflected in portfolio number two with a standard fee of 1.15%, second by Mr. Barnhardt. Motion carried.

Mr. Scott moved, second by Ms Graffius, to approve a resolution to amend the Investment Policy Statement to allocate a minimum of fifty percent (50%) of fund assets to equity investments, a minimum of forty percent (40%) of fund assets to fixed income investments and a maximum of ten percent (10%) of fund assets for alternative investments as delineated by SEI Institutional Group. Motion carried.

Dr. Harland presented Specialty Pharmaceutical Products, L.L.C. investment opportunities to the Board.

Mr. Scott said consideration of the investment was mute until SEI or some other party with requisite analytical capabilities familiar with this type of investment could provide the Board with an opinion. Mr. Leinbach said the Board had Dr. Harland's contact information for any future follow up.

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Correspondence:

Bank statements

April, 2010 statement from SEI Trust Company account 15963-C

April, 2010 statement from National Penn Bank for checking  
Account 216784425

Solicitations:

General:

Chase Investment Counsel, Charlottesville, VA

Conferences: None

OLD BUSINESS: None

NEW BUSINESS

Mr. Scott moved, seconded by Mr. Barnhardt, to approve the buy back as listed:

John Scolastico to buy back service time of 1 mo., 2 days in the amount of  
\$147.00.

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

Annuities	\$762,363.47
Refund	<u>\$167,934.62</u>
Total	\$930,298.09

Meeting adjourned at 10:32 a.m.