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**INSTITUTIONAL
INVESTMENT
SOLUTIONS**



PREPARED BY

Frank R. Burnette
Principal & Senior Consultant

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PREPARED FOR

**Beaver County
Retirement Board**

Abbreviated 2nd Quarter 2008 Report

Dated:

Thursday, August 27, 2008

GENERAL COMMENTS

- The review and analysis of the custody proposals is complete and this Consultant is prepared to make a recommendation in this regard.
- This Consultant and the County Finance Director have analyzed alternate method to fund the County's annual required pension contribution (ARC) and determined the current method best serves the County's needs and is manageable within the County's current budget process.
- Mellon foreign equity extended their fee schedule discount that was scheduled to expire this month thus saving the Fund from increased costs.
- This Consultant has reviewed the Fund's brokerage and determined that "best execution" is being instituted.
- This Consultant will continue to evaluate the Attilanus Fund and the Erect Fund within the context of the Fund's overall allocation to alternate investments.
- The RFP for new investment managers will be issued later this month.

REVIEW SCHEDULE

The Combined Pension Board meetings will be held quarterly at 10 AM on the third Wednesday of each month at 2 pm. Manager presentations will be scheduled for the meeting held during the second month of each quarter in accordance with the following schedule:

- Wednesday, November 19, 2008
- Wednesday, February 18, 2009
- Wednesday, May 20, 2009
- Wednesday, August 19, 2009
- Wednesday, November 18, 2009



Beaver County Employees' Retirement Fund

Performance Summary Table

Periods Ending 6/30/08

Manager	1 Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	7 Yrs	Incept Date	Incept Ret
Total Fund									
Total Return	-1.19	-5.86	-6.33	4.17	5.05	6.57	4.94	9/30/99	4.39
Policy Index	-1.69	-6.19	-5.01	4.71	4.92	6.78	4.60	9/30/99	4.40
Universe Median	-0.90	-5.73	-4.56	5.00	5.74	7.56	5.63		
Rank	65	52	76	72	76	83	74		
CIM All Cap Equity									
Total Return	-2.05	-11.17	-14.92	1.14	4.04	6.97	1.97	12/31/95	7.85
Policy Index	-2.47	-11.54	-13.22	2.15	4.41	7.92	2.65	12/31/95	7.95
Universe Median	-1.43	-10.63	-13.12	2.34	4.48	8.87	4.05		
Rank	59	56	68	64	73	93	96		
McKee All Cap Equity									
Total Return	-0.89	-10.16	-14.08	2.23	5.03	9.76	7.72	11/30/99	7.32
Russell 3000	-1.69	-11.05	-12.68	2.39	4.73	8.38	4.34	11/30/99	4.88
Universe Median	-1.43	-10.63	-13.12	2.34	4.48	8.87	4.05		
Rank	43	44	62	56	38	39	25		
Boston Co International Equity									
Total Return	-2.75	-12.52	-14.47	4.97				1/31/06	6.54
MSCI EAFE (Net)	-2.25	-10.96	-10.61	6.55				1/31/06	7.02
Universe Median	-1.31	-10.10	-8.28	8.91					
Rank	80	86	88	87					
CIM Fixed									
Total Return	-1.06	1.24	6.97	6.50	3.77	3.44	4.98	12/31/95	5.38
LB Govt/Credit	-1.52	0.98	7.24	6.63	3.84	3.58	5.56	12/31/95	5.89
Universe Median	-0.92	1.06	6.89	6.49	4.08	3.94	5.48		
Rank	61	40	49	49	69	84	84		
McKee Fixed									
Total Return	-0.26	2.77	9.21	7.65	5.20	4.74	6.20	11/30/99	6.67
LB U.S. Aggregate	-1.02	1.13	7.13	6.62	4.08	3.85	5.44	11/30/99	6.18
Universe Median	-0.92	1.06	6.89	6.49	4.08	3.94	5.48		
Rank	19	6	10	9	8	13	9		

Beaver County Employees' Retirement Fund
Performance Summary Table
 Periods Ending 6/30/08

Manager	1 Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	7 Yrs	Incept Date	Incept Ret
ERECT Funds									
Total Return	1.31	-1.85	-0.25					3/31/07	0.55
NCREIF Prop Index	0.56	2.17	9.20					3/31/07	11.22
Universe Median	0.10	1.30	7.16						
Rank	17	76	79						
Attilanus Fund I									
Total Return	-1.48	-1.13	2.63	8.39	14.04			3/31/05	-0.61
8% Annual Return	1.94	3.92	8.00	8.00	8.00			3/31/05	8.00

Beaver County Employees' Retirement Fund Total Fund Allocation By Manager Total Fund

June 30, 2008 \$192,117,842

