

Appendix A

Retirement System of Allegheny County Emerging, Minority and Women Owned Investment Manager Program Amended and Approved September 16, 2010

Guidelines

General Information

The Retirement System of Allegheny County has implemented the Emerging, Minority and Women Owned Investment Manager Program (the "Program") as a proactive effort to both enhance the return of the fund assets and assist regional emerging, minority owned, and women owned investment management firms. The Program may invest up to 7.5% of the total assets of the Retirement System of Allegheny County (the Fund) in investment management firms that meet the criteria for inclusion in this Program. The Retirement Board of Allegheny County shall retain discretion to manage this Program.

Objectives and Goals

The goal of the Program is to identify highly quality, minority and women owned investment managers, and emerging investment managers located in the tri-state area of Pennsylvania, Ohio and West Virginia, who can potentially be awarded larger allocations and integrated into the main investment program after three years if performance objectives are met. In pursuing this goal, a list of investment managers eligible for the Program will be created and maintained. An initial allocation of up to \$5 million may generally be assigned to each manager in the Program. Funding of managers in the Program will come from existing investments in the corresponding asset class. Program managers in aggregate will not represent more than 25% of any asset class category, and no more than 7.5% of the total assets of the Fund at the time of hire.

The Program may include alternative asset managers as well as public market managers. Allocations to alternative managers may represent up to one-third, but not more than one-third, of the total emerging manager program.

Qualifying managers are invited to submit an application to the Program and to submit information to the investment consultants' investment product performance database. All asset managers that meet the minimum eligibility criteria are encouraged to apply to the Program.

Emerging Manager Program Eligibility Criteria

To participate in the Program managers must meet the following minimum criteria:

1. The firm must maintain its headquarters in the tri-state area of Pennsylvania, Ohio or West Virginia.
2. The firm must be a Registered Investment Advisor under the Investment Advisors Act of 1940;

3. The firm must have experience in the management of institutional portfolios operated under prudent investor standards;

In addition, the firm is expected to comply with the following additional criteria, subject to final discretion of the Board:

4. Have a minimum of \$50 million in assets under management, but no more than \$3 billion in assets under management, at the time of hire;
5. The firm and / or the firm's principals in former associations should have a verifiable, historical 3 year performance record for the product being offered, compliant with Global Investment Performance Standards (GIPS®), and the principals must have at least five years of related investment management experience;
6. Have at least three distinctly different clients;
7. At the time of hiring and with each additional funding, the Fund should not comprise more than 25% of the capital in the manager's investment portfolio or 10% of the manager's total assets under management;
8. The manager should be willing to charge a fee no greater than those charged by the current Fund managers with similar characteristics in the corresponding asset class.

Minority and Women Owned Investment Manager Program Eligibility Criteria

To participate in the program managers must meet the following minimum criteria:

1. The firm must be certified as a Minority/ Women Business Enterprise within the Commonwealth of Pennsylvania.
2. The firm must be a Registered Investment Advisor under the Investment Advisors Act of 1940;
3. The firm must have experience in the management of institutional portfolios operated under prudent investor standards;

In addition, the firm is expected to comply with the following additional criteria, subject to final discretion of the Board:

4. Have a minimum of \$50 million in assets under management, but no more than \$3 billion in assets under management, at the time of hire;
5. The firm and / or the firm's principals in former associations should have a verifiable, historical 3 year performance record for the product being offered, compliant with Global Investment Performance Standards (GIPS®), and the principals must have at least five years of related investment management experience;
6. Have at least three distinctly different clients;

7. At the time of hiring and with each additional funding, the Fund should not comprise more than 25% of the capital in the manager's investment portfolio or 10% of the manager's total assets under management;
8. The manager should be willing to charge a fee no greater than those charged by the current Fund managers with similar characteristics in the corresponding asset class.

Manager Selection

Qualifying firms are selected based on the experience and qualifications of the firm's principals, the depth and stability of the organization, the soundness of the investment philosophy and process, and a satisfactory quantitative evaluation of the product's risk and performance records. Minority and Women Owned firms with a local presence will be given preference over firms located outside of the tri-state area.

Funding

Selected managers will generally receive an initial allocation of up to \$5 million. In certain circumstances, greater or lesser amounts may be necessary or desired given the nature of the investment and the overall Fund allocation. The manager's objectives will determine the source of funding and the managers will be included in the overall asset allocation of the Fund. Managers are then eligible for up to two additional allocations or reductions, subject to satisfactory performance and sufficient capacity within the asset allocation policy. Managers selected under this Program may not represent more than 25% of an asset class category.

Evaluation

Managers in this Program will be evaluated in the same manner as those in the Fund's general investment program, and will be held to the same rigorous performance criteria. Each manager will be assigned a performance benchmark and will be evaluated on an absolute and peer relative basis.

Managers participating in this Program may be terminated for any reason, including, but not limited to, poor performance, personnel changes, organizational changes, deviation from their investment style, and compliance violations. In addition, emerging managers of public market portfolios whose assets under management exceed \$5 billion are no longer eligible for participation in the Program and may either be terminated, or with Board approval, transferred out of the Program into the main investment program.

Graduation from the Emerging Manager Program

After a minimum three year period, emerging managers will be considered for graduation into the main investment program. The Board will consider the following factors in determining whether a manager should transfer from the Program into the larger Fund portfolio:

1. Stability in organization
2. Growth in assets under management and client base
3. Continued evolution and improvement in investment process

4. Strong investment performance

In addition to the factors listed above, the needs of the overall Fund investment program will be considered when making manager decisions.