

COUNTY OF LEHIGH
EMPLOYEES' RETIREMENT PLAN
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2012 AND 2011

COUNTY OF LEHIGH
EMPLOYEES' RETIREMENT PLAN
YEARS ENDED DECEMBER 31, 2012 AND 2011

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Zelenkofske Axelrod LLC

INDEPENDENT AUDITOR'S REPORT

Retirement Board of Trustees
County of Lehigh

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Lehigh Employees' Retirement Plan (the "Plan") which comprise the statements of plan net position and statements of changes in plan net position available for benefits as of and for the years ended December 31, 2012 and 2011, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position available for benefits of the Plan as of December 31, 2012 and 2011, and the changes in net position available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Harrisburg	Lehigh Valley	Philadelphia	Pittsburgh
830 Sir Thomas Court, Suite 100 Harrisburg, PA 17109 717.561.9200 Fax 717.561.9202	1101 West Hamilton Street Allentown, PA 18101-1043 610.871.5077 Fax 717.561.9202	2370 York Road, Suite A-5 Jamison, PA 18929 215.918.2277 Fax 215.918.2302	3800 McKnight E. Drive, Suite 3805 Pittsburgh, PA 15237 412.367.7102 Fax 412.367.7103

Zelenkofske Axelrod LLC

Other Matters

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America have determined is necessary to supplement, although not required to be part of, the basic financial statements.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules of assets held for investment are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplemental schedules of assets held for investment are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Zelenkofske Axelrod LLC

ZELENKOFKSKE AXELROD LLC

Allentown, Pennsylvania
June 26, 2013

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
STATEMENT OF PLAN NET POSITION

<u>ASSETS</u>	<u>DECEMBER 31,</u>	
	<u>2012</u>	<u>2011</u>
CASH	\$ 38,203,454	\$ 45,675,633
RECEIVABLES:		
INTEREST AND DIVIDENDS	825,887	955,734
EMPLOYEE CONTRIBUTIONS	114,846	84,044
DUE FROM BROKERS	-	441,744
TOTAL RECEIVABLES	940,733	1,481,522
INVESTMENTS: (AT FAIR VALUE)		
UNITED STATES GOVERNMENT OBLIGATIONS	21,831,285	34,915,620
CORPORATE, GOVERNMENTAL & FOREIGN BONDS	70,527,117	65,295,143
DOMESTIC COMMON STOCKS	113,107,956	107,985,198
MUTUAL FUND - ALTERNATIVES	37,337,288	16,955,415
MUTUAL FUND - COMMON STOCKS	49,468,517	31,828,487
MUTUAL FUND - CORPORATE BONDS	3,001,824	-
MUTUAL FUND - FOREIGN STOCKS	57,472,947	41,565,136
HEDGE FUNDS	-	14,078,108
TOTAL INVESTMENTS	352,746,934	312,623,107
TOTAL ASSETS	391,891,121	359,780,262
<u>LIABILITIES</u>		
EMPLOYEE CONTRIBUTIONS REFUNDABLE	63,004	80,815
RETIREMENT AND DEATH BENEFITS PAYABLE	231,961	490,484
OTHER PAYABLES	233,220	178,711
DUE TO BROKERS	933,887	-
TOTAL LIABILITIES	1,462,072	750,010
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u>\$ 390,429,049</u>	<u>\$ 359,030,252</u>

The accompanying notes are an integral part of the financial statements

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
STATEMENTS OF CHANGES IN PLAN NET POSITION

<u>ADDITIONS</u>	<u>YEAR ENDED DECEMBER 31,</u>	
	<u>2012</u>	<u>2011</u>
CONTRIBUTIONS:		
EMPLOYEE	\$ 6,452,031	\$ 6,457,637
COUNTY	11,076,512	10,428,623
	<u>17,528,543</u>	<u>16,886,260</u>
INVESTMENT INCOME:		
INTEREST AND DIVIDENDS	9,628,130	7,767,896
NET APPRECIATION (DEPRECIATION) IN FAIR VALUE OF INVESTMENTS:		
UNITED STATES GOVERNMENT OBLIGATIONS	(462,453)	786,745
CORPORATE & FOREIGN BONDS	2,395,281	2,881,217
DOMESTIC STOCKS	12,509,529	14,548,283
MUTUAL FUND ALTERNATIVES	1,516,702	(2,919,552)
MUTUAL FUND - COMMON STOCKS	4,076,723	(11,867,912)
MUTUAL FUND - CORPORATE BONDS	(11,040)	1,839,216
MUTUAL FUND - FOREIGN STOCKS	6,571,019	(7,920,589)
PARTNERSHIPS -- REAL ESTATE	766,785	1,207,449
HEDGE FUNDS	234,025	(655,491)
	<u>27,596,571</u>	<u>(2,100,634)</u>
LESS INVESTMENT EXPENSES:	<u>(1,388,562)</u>	<u>(1,156,593)</u>
NET INVESTMENT INCOME	<u>35,836,139</u>	<u>4,510,669</u>
MISCELLANEOUS	<u>26,771</u>	<u>32,487</u>
TOTAL ADDITIONS	<u>53,391,453</u>	<u>21,429,416</u>
<u>DEDUCTIONS</u>		
EMPLOYEE CONTRIBUTIONS REFUNDED	800,220	644,816
RETIREMENT BENEFITS	20,668,805	18,317,031
DEATH BENEFITS	483,507	1,512,702
ADMINISTRATIVE EXPENSES	40,124	44,388
	<u>21,992,656</u>	<u>20,518,937</u>
TOTAL DEDUCTIONS	<u>21,992,656</u>	<u>20,518,937</u>
NET INCREASE IN PLAN NET POSITION	31,398,797	910,479
NET POSITION RESTRICTED FOR PENSION BENEFITS:		
BEGINNING OF YEAR	<u>359,030,252</u>	<u>358,119,773</u>
END OF YEAR	<u>\$ 390,429,049</u>	<u>\$ 359,030,252</u>

The accompanying notes are an integral part of the financial statements

COUNTY OF LEHIGH
EMPLOYEES' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The County of Lehigh Employees' Retirement Plan's (the "Plan") financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Methods Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from estimates recorded.

NOTE 2: PLAN DESCRIPTION

The County of Lehigh Employees' Retirement Fund ("Plan"), a single-employer plan, was established in 1942 and is a contributory defined benefit pension plan. Plan benefits and obligations are under the authority of Pennsylvania State Act Number 96 of 1971 and can be amended by Act of the General Assembly of the Commonwealth of Pennsylvania. All County employees with the expectation of working over 1,000 hours per year are required to participate in the Plan. Elected officials have the option to participate, while other full-time employees must participate. Although the Plan presents separate financial statements, it is also reported as a Pension Trust Fund of the County's financial reporting entity. Contributions to the Plan made by the County and its employees are accumulated and transferred to Wells Fargo Bank, the Plan's custodian. The Plan is administered by the Retirement Board of Trustees. The Plan's assets are invested with the following investment advisors based on recommendations from Cornerstone Advisor's Assets Management Inc., the Plan's consultant: Agincourt Capital Management, LLC, American Funds EuroPacific – MSCI EAFE Fund, CBRE Clarion Securities, LLC, C.S. McKee, LP, Eaton Vance – S&P Leveraged Loan Fund, Edgar Lomax Company, Emerald Advisers, Inc., Mondrian Investment Partners, Inc., Nuveen Preferred – S&P Preferred Stock Fund, PIMCO Commodity – Dow AIG Commodity Fund, Sterling Capital Management, LLC, Sustainable Growth Advisors, LP, The Philadelphia Trust Company, Vanguard – S&P 500 Fund, Vanguard – MSCI EAFE Fund, Vanguard SCV Index, and Vanguard ST Corporate Bond, the Plan's investment advisors.

Plan members are required to contribute 5% of their annual covered salary. Each member may voluntarily contribute up to an additional 10% above the minimum. Employee contributions earn interest at up to 5.5% a year, which is the maximum rate allowable by law. The County is required to contribute at an actuarially determined rate.

COUNTY OF LEHIGH
EMPLOYEES' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2012 AND 2011

NOTE 2: PLAN DESCRIPTION (CONTINUED)

An employee becomes fully vested after five years of service. Normal retirement age is attained when an employee reaches age 60, regardless of years of service, or age 55 and completion of 20 years of service.

An employee's normal retirement benefit is the total of the employee's annuity based upon the actuarial value of the employee's accumulated contributions and a County annuity equal to the product of the final average salary (highest three years), applicable class rate, and length of membership service in each class. The County annuity will be increased in instances where a member has prior service credits. Disability retirement benefits are determined using 25% of the final average salary for the three highest years. Administrative costs of the Plan are financed through earnings of the Plan.

Membership of the Plan consisted of the following at January 1, 2012 and 2011; the dates of the most recent actuarial valuations:

	<u>2012</u>	<u>2011</u>
Retirees and Beneficiaries		
Currently Receiving Benefits	1,379	1,338
Terminated Employees Entitled to Benefits But Not Yet Receiving Them	<u>69</u>	<u>59</u>
	1,448	1,397
Active Plan Members	<u>2,078</u>	<u>2,122</u>
Total Plan Members	<u>3,526</u>	<u>3,519</u>

NOTE 3: DEPOSIT AND INVESTMENT RISK

The cash and investments of the Plan are accumulated by the County and transferred to the Plan's custodian. Plan assets are invested by the Retirement Board of Trustees based on the recommendations of the Plan's investment advisors.

As of December 31, 2012, the County had the following debt investments and maturities within its Employee Retirement Plan Fund:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than 1	1-5	6-10	More Than 10
U.S. Government Treasuries	\$ 16,509,819	\$ 4,405,781	\$ 3,182,922	\$ 6,544,195	\$ 2,376,921
U.S. Government Agencies	5,321,466	-	2,416,041	555,061	2,350,364
Corporate Bonds	70,527,117	5,057,500	14,914,172	18,996,046	31,559,399
Total	<u>\$ 92,358,402</u>	<u>\$ 9,463,281</u>	<u>\$ 20,513,135</u>	<u>\$ 26,095,302</u>	<u>\$ 36,286,684</u>

COUNTY OF LEHIGH
EMPLOYEES' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2012 AND 2011

NOTE 3: DEPOSIT AND INVESTMENT RISK (CONTINUED)

Interest Rate Risk – The County's Retirement Plan Investment Policy states that emphasis shall be placed on providing adequate and timely investment cash flow to permit benefit payments from the Retirement Plan when due. Fixed income investment allocation is targeted to 35% (with an allowable range of +/- 10%) of the portfolio. The investments may be adjusted to meet economic and/or investment market conditions.

Credit Risk – The County's Retirement Investment Policy states that the overall rating of the fixed income assets shall be at least "A". In cases where the yield spread adequately compensates for additional risk, "BAA" or "BBB" ratings can be purchased up to a maximum of 20% of the total market value of fixed income securities. The County is in compliance with the Retirement Investment Policy. Fixed income securities invested in mutual funds are excluded from the table below.

As of December 31, 2012, the County's retirement investments had a credit rating as follows:

<u>Investment Type</u>	<u>Credit Quality Rating</u>	<u>Percent of Investment Type</u>
Cash Equivalent	AA+	100%
U.S. Government Treasuries	AA+	100%
U.S. Government Agencies	AA+	100%
Corporate Bonds	AAA	6%
Corporate Bonds	AA+	31%
Corporate Bonds	AA	4%
Corporate Bonds	AA-	4%
Corporate Bonds	A+	8%
Corporate Bonds	A	11%
Corporate Bonds	A-	19%
Corporate Bonds	BBB+	8%
Corporate Bonds	BBB	8%
Corporate Bonds	BBB-	1%

Custodial Credit Risk – For deposits and investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's Retirement Investment Policy states that fixed income investments shall be high quality, marketable securities with a preponderance of the fixed income investments in (1) U.S. Treasury, federal agencies and U.S. Government guaranteed obligations, and (2) investment grade corporate assets including convertibles.

The entire cash and cash equivalent balance in the Retirement Fund was collateralized with securities held by the pledging financial institutions, or their trust departments or agents, but not in the County's name.

COUNTY OF LEHIGH
EMPLOYEES' RETIREMENT PLAN
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2012 AND 2011

NOTE 4: ACTUARIAL VALUATION INFORMATION

Annual Pension Cost and Net Pension Obligation - The County has an actuarial valuation prepared on an annual basis. The pension benefit obligation was determined as part of the actuarial valuation at January 1, 2012. Significant actuarial assumptions used include:

Actuarial Cost Method	Entry Age
Asset Valuation Method	Act 44 Methodology
Actuarial Assumptions:	
Investment Rate of Return*	7.5%
Projected Salary Increases*	4%
* Includes Inflation at	3%

The asset valuation assumption was modified for the 1/1/11 actuarial valuation. There are 14 years remaining on the amortization resulting from this change.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2008	\$364,082,316	\$361,684,784	(\$2,397,532)	100.7%	\$ 98,169,076	(2.4%)
1/1/2009	\$351,739,670	\$386,231,423	\$34,491,753	91.1%	\$104,774,896	32.9%
1/1/2010	\$344,533,257	\$405,281,058	\$60,747,801	85.0%	\$108,008,635	56.2%
1/1/2011	\$363,022,473	\$430,640,974	\$67,618,501	84.3%	\$109,572,720	61.7%
1/1/2012	\$381,216,401	\$452,851,496	\$71,635,095	84.2%	\$109,197,576	65.6%

The County's Annual Required Contribution for 2012, 2011 and 2010 was determined as part of the January 1, 2012, 2011 and 2010 actuarial valuations. The annual pension costs were \$11,076,512, \$10,428,623 and \$9,632,648 for each of the fiscal years ended December 31, 2012, 2011, and 2010, respectively. The County has contributed 100% of the annual pension cost. The net pension obligations were \$0 for each of the fiscal years ended December 31, 2012, 2011, and 2010.

Schedule of Employer Contributions

Year Ended	Annual Required Contribution (ARC)	Annual Pension Cost (APC)	Percentage of ARC Contributed
December 31, 2007	4,979,055	4,979,055	100%
December 31, 2008	3,475,185	3,475,185	100%
December 31, 2009	8,046,712	8,046,712	100%
December 31, 2010	9,632,648	9,632,648	100%
December 31, 2011	10,428,623	10,428,623	100%
December 31, 2012	11,076,512	11,076,512	100%

SUPPLEMENTAL
INFORMATION

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2012

SHARES	DESCRIPTION	COST	CURRENT VALUE
<u>U.S. GOVERNMENTS & AGENCIES</u>			
381,619	U S TREAS INFL IND 1.875% 7/15/13	\$ 393,486	\$ 387,760
2,119,852	US TREAS INFL IND 0.625% 4/15/13	2,003,925	2,117,203
1,190,298	US TREAS INFL INFL IND 1.250% 4/15/14	1,167,137	1,227,127
1,874,371	US TREAS INFL IND NT 0.500% 4/15/15	1,885,771	1,955,795
1,005,000	US TREASURY BOND 2.750% 11/15/42	989,613	968,257
144,000	US TREASURY BOND 4.500% 2/15/36	192,105	189,517
920,000	US TREASURY BOND 4.500% 8/15/39	1,068,592	1,219,147
885,000	US TREASURY NOTE 1.625% 8/15/22	883,004	879,194
254,000	US TREASURY NOTE 1.625% 11/15/22	253,727	251,221
1,870,000	US TREASURY NOTE 2.000% 11/30/13	1,901,563	1,900,818
4,930,000	US TREASURY NOTE 2.65% 8/15/20	5,393,709	5,413,780
	U.S. GOVERNMENT OBLIGATIONS	\$ 16,132,632	\$ 16,509,819
<u>FEDERAL AGENCY</u>			
750,000	FED FARM CREDIT BK 3.000% 1/18/24	\$ 750,825	\$ 750,000
555,000	FED HOME LN BK 1.625% 8/21/19	555,132	555,061
234,000	FED NATL MTG ASSN 6.210% 8/06/38	355,444	355,240
412,000	TENN VALLEY AUTH 5.250% 9/15/39	538,645	542,077
506,000	TENN VALLEY AUTH 5.880% 4/01/36	675,784	703,047
2,418,000	VR FED FARM CREDIT 0.26763% 1/17/17	2,417,990	2,416,041
	TOTAL FEDERAL AGENCY	\$ 5,293,820	\$ 5,321,466
	TOTAL U.S. GOVERNMENT OBLIGATIONS:	\$ 21,426,452	\$ 21,831,285

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2012

SHARES	DESCRIPTION	COST	CURRENT VALUE
	<u>CORPORATE BONDS</u>		
120,000	ALLSTATE CORP 7.450% 5/16/19	\$ 146,371	\$ 157,364
99,000	AMAZON.COM INC 2.500% 11/29/22	98,275	97,576
35,000	AMERICAN EXPRESS 7.000% 3/19/18	43,906	44,220
365,000	AMERICAN EXPRESS CO 7.25% 5/20/14	417,497	397,197
287,000	AMERICAN EXPRESS CRE 2.800% 9/19/16	297,415	303,660
155,000	AMERIPRISE FINANCIAL 5.300% 3/15/20	171,253	183,473
267,000	AMGEN INC 3.450% 10/01/20	263,046	285,802
85,000	AMGEN INC 5.750% 3/15/40	91,611	103,492
165,000	ANHEUSER-BUSCH I NBEV 2.875% 2/15/16	171,854	174,752
100,000	AOL TIME WARNER INC 7.700% 5/01/32	122,859	139,818
430,000	APACHE CORP 2.625% 1/15/23	427,717	429,192
155,000	ARCHER DANIELS MIDLA 7.000% 2/01/31	201,038	207,591
356,000	AT&T INC 1.600% 2/15/17	355,758	360,179
332,000	AT&T INC 2.625% 12/01/22	331,741	332,548
167,000	AT&T INC 3.00% 2/15/22	174,418	173,683
295,000	AT&T INC 6.400% 5/15/38	325,504	382,780
115,000	ATMOS ENERGY CORP 4.950% 10/15/14	126,926	123,239
305,000	BANK OF AMERICA CORP 6.500% 8/01/16	338,584	352,202
200,000	BARCLAYS BANK PLC 5.000% 9/22/16	214,862	224,178
330,000	BEAR STEARNS & CO 5.700% 11/15/14	365,343	358,601
410,000	BEAR STEARNS CO INC 6.400% 10/02/17	471,147	492,410
266,000	BERKSHIRE HATHAWAY 4.400% 5/15/42	279,093	275,193
146,000	BHP BILLITON FIN USA 1.875% 11/21/16	145,225	150,538
145,000	BOEING CO 6.000% 3/15/19	184,668	180,611
350,000	BOTTLING GROUP LLC 5.125% 1/15/19	409,315	413,266
20,000	BP CAPITAL MARKETS 1.375% 11/06/17	19,984	20,018
518,000	BP CAPITAL MARKETS 3.200% 3/11/16	517,523	552,561
310,000	BP CAPITAL MARKETS 3.200% 3/11/16	323,376	330,683
175,000	BRITISH TELECOM PLC 8.625% 12/15/30	246,176	278,019
160,000	BUNGE LIMITED FINANC 8.500% 6/15/19	200,128	205,870
200,000	BURLINGTON NORTH SAN 5.750% 3/15/18	229,766	241,962
150,000	CANADIAN NATL RESOUR 5.700% 5/15/17	174,003	176,696
160,000	CANADIAN PACIFIC RR 7.250% 5/15/19	201,778	199,704
275,000	CAPITAL ONE FINANCIA 6.750% 9/15/17	335,434	335,852
386,000	CATERPILLAR INC 7.900% 12/15/18	474,909	523,594
268,000	CHEVRON CORP 2.355% 12/05/22	268,448	268,440
30,000	CISCO SYSTEMS INC 5.500% 1/15/40	31,147	38,128
191,000	CISCO SYSTEMS INC 5.900% 2/15/39	253,392	248,577
474,000	CITIGROUP INC 5.000% 9/15/14	480,778	498,691
375,000	CITIGROUP INC 6.125% 11/21/17	417,979	446,310
130,000	CLIFFS NATURAL RESOU 4.875% 4/01/21	133,767	129,111
278,000	COCA-COLA CO/THE 3.150% 11/15/20	260,227	302,514
400,000	COMCAST CORP 5.900% 3/15/16	459,724	459,572
200,000	COMCAST CORP 6.300% 11/15/17	226,170	245,352
100,000	CONOCO FUNDING CO 7.250% 10/15/31	126,336	147,329
222,000	CONOCOPHILLIPS 5.750% 2/01/19	250,305	273,042
107,000	CONS EDISON CO OF NY 7.125% 12/01/18	134,359	139,749
320,000	CSX CORP 6.250% 3/15/18	374,766	390,093
115,017	CSX TRANS 6.251% 1/15/23	115,017	139,171
179,648	CSX TRANSPORTATION 8.375% 10/15/14	179,648	199,410
165,000	CVS CAREMARK CORP 2.750% 12/01/22	164,771	165,614
165,000	DEUTSCHE TELEKOM INT 8.750% 6/15/30	225,039	247,210
75,000	DEVON FINANCING CORP 7.875% 9/30/31	98,218	109,082
180,000	DIAGO CAPITAL PLC 4.828% 7/15/20	208,135	211,907
230,000	DOMINION RESOURCES 8.875% 1/15/19	314,656	314,796
245,000	DOW CHEMICAL CO/THE 8.550% 5/15/19	321,638	330,770
70,000	DUN & BRADSTREET COR 2.875% 11/15/15	72,188	71,010

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2012

CORPORATE BONDS (CONTINUED)			
198,000	E.I. DU PONT DE NEMO 6.000% 7/15/18	228,195	244,358
110,000	ENTERPRISE PRODUCTS 5.250% 1/31/20	120,116	130,711
100,000	EQT CORP 8.125% 6/01/19	119,875	123,783
200,000	FORD MOTOR CREDIT CO 3.000% 6/12/17	199,214	205,484
200,000	GENERAL DYNAMICS COR 1.000% 11/15/17	198,752	198,904
500,000	GENERAL ELEC CAP COR 5.400% 2/15/17	553,965	575,050
433,000	GENERAL ELEC CAP COR 5.625% 5/01/18	438,473	514,200
294,000	GENERAL ELECTRIC CO 2.700% 10/09/22	294,116	299,677
85,000	GEORGE WASHINGTON UN 1.827% 9/15/17	85,000	86,567
542,000	GEORGE WASHINGTON UN 3.485% 9/15/22	548,250	573,333
80,000	GEORGIA POWER COMPAN 5.400% 6/01/18	94,258	96,406
253,000	GLAXOSMITHKLINE CAP 1.500% 5/08/17	252,092	256,679
110,000	GLAXOSMITHKLINE CAP 5.650% 5/15/18	127,967	133,984
207,000	GOLDMAN SACHS GROUP 3.625% 2/07/16	210,863	219,114
200,000	GOLDMAN SACHS GROUP 6.000% 5/01/14	213,982	212,850
120,000	GOLDMAN SACHS GROUP 6.150% 4/01/18	132,193	140,972
150,000	GOODRICH CORP 6.125% 3/01/19	173,241	185,439
288,000	GOOGLE INC 3.625% 5/19/21	285,234	320,498
155,000	HCP INC 6.700% 1/30/18	176,015	186,944
140,000	HEWLETT-PACKARD CO 4.300% 6/01/21	145,477	138,670
195,000	HEWLETT-PACKARD CO 4.375% 9/15/21	197,555	193,305
457,000	IBM CORPORATION 5.700% 9/14/17	496,361	551,901
270,000	INTEL CORP 2.700% 12/15/22	269,440	269,622
115,000	INTERPUBLIC GROUP CO 6.250% 11/15/14	126,142	124,488
40,000	INTL PAPER CO 7.500% 8/15/21	52,608	52,347
175,000	INTL PAPER CO 7.950% 6/15/18	213,339	226,245
100,000	INTUIT INC 5.750% 3/15/17	113,878	115,354
416,000	JPMORGAN CHASE & CO 3.150% 7/05/16	426,047	440,731
115,000	KELLOGG CO 3.125% 5/17/22	114,008	120,519
240,000	KINDER MORGAN ENER 5.950% 2/15/18	275,701	287,354
160,000	KOHL'S CORPORATION 6.250% 12/15/17	192,847	191,760
100,000	KROGER CO. 6.400% 8/15/17	118,684	120,702
300,000	LIFE TECHNOLOGIES CO 4.400% 3/01/15	321,333	319,743
225,000	LINCOLN NATIONAL COR 4.300% 6/15/15	238,838	242,042
119,000	LOYOLA UNIV OF CHICA 3.199% 7/01/22	121,557	120,452
260,000	MERRILL LYNCH & CO 6.400% 8/28/17	283,501	305,334
145,000	MET LIFE GLOB FUNDIN 7.717% 2/15/19	187,425	190,096
259,000	MICROSOFT CORP 4.200% 6/01/19	275,638	298,578
200,000	MIDAMERICAN ENERGY 6.125% 4/01/36	220,262	252,468
263,000	NATIONAL RURAL UTIL 1.000% 2/02/15	262,164	264,949
330,000	NATIONAL RURAL UTIL 5.450% 4/10/17	384,740	386,602
278,000	NBC UNIVERSAL MEDIA 5.150% 4/30/20	294,085	329,558
150,000	NEWS AMER INC 6.200% 12/15/34	147,570	181,673
75,000	NORFOLK SOUTHN 7.800% 5/15/27	97,897	105,545
120,000	NOVARTIS SECS INVEST 5.125% 2/10/19	137,852	143,420
200,000	ONTARIO (PROVINCE OF 4.400% 4/14/20	235,873	235,530
185,000	OWENS & MINOR INC 6.350% 4/15/16	199,858	202,917
189,000	P/P LOCKHEED MARTIN 4.070% 12/15/42	186,924	185,744
145,000	PACIFIC GAS & ELECTR 5.625% 11/30/17	160,501	175,061
100,000	PACIFIC GAS & ELECTR 5.625% 11/30/17	117,880	120,732
415,000	PACIFICORP 3.850% 6/15/21	414,228	468,012
250,000	PEMEX PROJ FDG MASTE 5.750% 3/01/18	277,350	291,875
402,000	PEPSICO INC 3.125% 11/01/20	420,882	430,811
64,000	PEPSICO INC 7.900% 11/01/18	80,006	86,365
170,000	PHILIP MORRIS INTL 5.650% 5/16/18	179,264	206,106
240,000	PHILIP MORRIS INTL 5.650% 5/16/18	290,169	290,974
278,000	PNC FUNDING CORP 3.330% 3/8/22	276,454	293,070
194,000	PROCTOR & GAMBLE CO/ 1.450% 8/15/16	192,440	197,676
259,000	PROGRESS ENERGY CARO 2.800% 5/15/22	268,431	265,972

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2012

CORPORATE BONDS (CONTINUED)			
100,000	PROGRESS ENERGY INC 6.000% 12/01/39	108,971	121,057
350,000	PRUDENTIAL FINANCIAL 3.000% 5/12/16	350,595	369,534
95,000	PUGET SOUND ENERGY 5.795% 3/15/40	125,036	121,172
125,000	QUEBEC PROV CDA 7.125% 2/09/24	173,681	173,720
160,000	REED ELSEVIER PLC 8.625% 1/15/19	206,162	206,302
225,000	RIO TINTO FIN USA LT 3.500% 11/02/20	224,293	238,505
200,000	ROPER INDUSTRIES IN C 6.250% 9/01/19	239,064	239,026
100,000	SAFEWAY INC 6.350% 8/15/17	116,297	113,572
358,000	SEMPRA ENERGY 6.150% 6/15/18	421,693	439,202
218,000	SHELL INTERNATIONAL 2.25% 1/6/23	215,798	215,369
50,000	SHELL INTERNATIONAL 6.375% 12/15/38	60,352	70,249
171,000	STATOIL ASA 5.250% 4/15/19	170,446	170,600
325,000	STATOILHYDRO ASA 5.250% 4/15/19	379,311	389,698
290,000	SYMANTEC CORP 2.750% 9/15/15	296,145	299,935
55,000	TARGET CORP 7.000% 7/15/31	68,071	76,682
100,000	TC PIPELINES LP 4.650% 6/15/21	103,930	106,334
325,000	TELEFONICA EMISIONES 6.221% 7/03/17	346,351	361,563
320,000	TIME WARNER CABLE IN 6.750% 7/01/18	380,197	399,738
265,000	TOYOTA MOTOR CREDIT 2.800% 1/11/16	274,647	278,791
20,000	UNITED TECHNOLOGIES 3.100% 6/01/22	19,985	21,180
45,000	UNITED TECHNOLOGIES 6.125% 2/01/19	56,743	56,080
105,000	UNITEDHEALTH GROUP 6.875% 2/15/38	124,490	144,181
328,000	US BANCORP 1.650% 5/15/17	327,387	334,199
65,000	VALERO ENERGY CORP 6.625% 6/15/37	69,805	80,083
350,000	VERIZON COMMUNICATIO 5.500% 2/15/18	398,090	420,305
30,000	VERIZON COMMUNICATIO 6.400% 2/15/38	35,489	40,616
334,000	VERIZON COMMUNICATIO 8.750% 11/01/18	356,404	463,749
65,000	VERIZON GLOBAL FDG 7.750% 6/15/32	82,167	95,750
70,000	VODAFONE GROUP 6.150% 8/27/37	78,883	92,588
425,000	WACHOVIA CORP 5.750% 2/01/18	479,002	509,167
60,000	WAL-MART STORES INC 5.625% 4/01/40	73,058	77,822
150,000	WAL-MART STORES INC 5.875% 4/05/27	172,850	200,835
541,000	WAL-MART STORES INC 6.500% 8/15/37	667,800	760,754
158,000	WALT DISNEY COMPANY/ 2.750% 8/16/21	156,580	164,965
325,000	WALT DISNEY COMPANY/3.750% 6/01/21	324,782	359,119
160,000	WASTE MANAGEMENT INC. 6.100% 3/15/18	184,838	193,066
165,000	WELLPOINT INC. 3.700% 8/15/21	166,729	173,540
331,000	WELLS FARGO COMPANY 5.65% 12/11/17	373,753	394,784
200,000	XEROX CORPORATION 6.400% 3/15/16	231,340	225,374
150,000	YUM! BRANDS INC 6.250% 3/15/18	174,420	182,348
	TOTAL CORPORATE BONDS	\$ 36,297,856	\$ 38,095,212

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2012

<u>MORTGAGE/ASSET-BACKED SECURITIES</u>				
90,000.00	BANC OF AMERICA COMM 4.933% 7/10/45	\$	95,530	\$ 98,615
114,175.88	BEAR STEARNS CO 4.740% 3/13/40		116,174	114,393
111,872.65	BEAR STEARNS COML MT 4.735% 9/11/42		113,096	114,341
125,000.00	COMMERCIAL MORTGAGE 2.350% 5/15/45		127,499	131,548
79,578.12	FED HOME LN MTG CORP 4.500% 8/15/27		82,463	81,786
29,111.88	FED HOME LN MTG CORP 4.500% 8/15/38		30,449	29,831
231,857.46	FED NATL MTG ASSN 5.000% 8/25/35		235,773	259,840
719,682.58	FHLMC POOL #A89941 4.500% 11/01/39		746,671	772,284
165,135.96	FHLMC POOL #A96413 4.000% 1/01/41		165,130	176,446
3,883,435.68	FHLMC POOL #C09004 3.500% 7/01/42	4,109,080		4,141,335
2,341.16	FHLMC POOL #C35867 8.500% 1/01/30		2,397	2,419
934,281.35	FHLMC POOL #E09015 2.500% 12/01/27		975,886	976,810
420,633.69	FHLMC POOL #G13224 4.500% 5/01/23		446,923	447,689
565,963.59	FHLMC POOL #J07813 4.500% 5/01/23		601,336	602,366
99,580.00	FHLMC POOL #Q13086 3.000% 11/01/42		104,388	104,207
144,265.44	FNMA POOL #AA5223 4.000% 3/01/39		149,473	154,761
150,070.59	FNMA POOL #AB3865 3.500% 11/01/41		153,635	162,469
173,979.82	FNMA POOL #AD6960 4.500% 7/01/40		178,764	188,540
175,860.15	FNMA POOL #AD8268 4.500% 9/01/40		180,030	190,578
234,590.84	FNMA POOL #AE7582 4.500% 11/01/40		239,723	254,224
739,709.44	FNMA POOL #AE7758 3.500% 11/01/25		758,896	785,150
1,101,750.03	FNMA POOL #AE 9093 4.000% 12/01/40	1,109,669		1,182,244
72,584.06	FNMA POOL #AH0257 4.000% 12/01/40		70,684	77,887
303,921.29	FNMA POOL #AH3394 4.000% 1/01/41		313,466	326,126
1,195,042.33	FNMA POOL #AH3431 3.500% 1/01/26	1,231,277		1,268,454
206,164.38	FNMA POOL #AH3586 4.000% 1/01/41		208,371	221,227
246,176.63	FNMA POOL #AH3986 4.000% 2/01/41		254,177	264,239
193,212.38	FNMA POOL #AH7384 4.000% 3/01/41		200,964	207,388
229,503.39	FNMA POOL #AH9719 4.500% 4/01/41		238,791	249,142
164,040.03	FNMA POOL #AK4940 3.500% 3/01/42		169,519	175,031
381,424.91	FNMA POOL #AK7347 3.500% 3/01/42		397,397	407,812
65,734.02	FNMA POOL # A08044 3.500% 7/01/42		70,500	70,918
108,930.69	FNMA POOL #MA0514 4.000% 9/01/40		113,892	116,889
283,909.42	FNMA POOL #MA0735 4.000% 4/01/41		288,700	304,740
114,939.00	FNMA POOL #MA1063 3.000% 4/01/22		121,171	121,372
7,331.20	FNMA POOL #252571 7.000% 7/01/29		7,224	8,768
8,165.93	FNMA POOL #253678 6.500% 2/01/16		8,441	8,623
29,613.52	FNMA POOL #256022 5.500% 12/01/35		32,353	32,361
3,893.18	FNMA POOL #491066 7.000% 10/01/28		3,942	4,654
284,202.00	FNMA POOL #725546 4.500% 6/01/19		303,652	306,501
1,969,098.69	FNMA POOL #725946 5.500% 11/01/34	2,144,395		2,154,253
1,113,233.21	FNMA POOL #735591 5.000% 6/01/35	1,191,166		1,215,116
697,627.71	FNMA POOL #888637 6.000% 9/01/37		770,879	763,770
244,968.15	FNMA POOL #932389 4.500% 1/01/40		246,231	264,705
60,573.31	FNMA POOL #995050 6.000% 9/01/37		66,725	66,316
84,563.83	FORD CREDIT AUTO OWN 6.070% 5/15/14		87,035	85,074
26,222.43	GMAC COML MTG SEC IN 4.079% 5/10/36		26,710	26,301
1,302.60	GNMA POOL #470162 7.500% 3/15/29		1,280	1,324
2,985.52	GNMA POOL #478975 8.500% 12/15/29		3,069	3,537
1,269.46	GNMA POOL #494029 7.500% 7/15/29		1,287	1,291
39,776.80	GNMA POOL #780742 7.000% 9/15/24		40,465	46,530
509,000.00	GS MTG SEC CORP 4.751% 7/10/39		507,353	548,982
231,732.02	J P MORGAN CHASE COM 4.625% 3/15/46		233,168	232,126
305,000.00	J P MORGAN CHASE COM 5.578% 2/12/49		332,769	357,698
115,000.00	JP MORGAN CHASE COM 3.1491% 8/15/46		116,150	124,406
282,907.22	JP MORGAN CHASE COMM 5.434% 1/15/49		294,852	319,264
11,792.40	LB-UBS COML MTG TR 4.394% 3/15/32		11,885	11,802
339,000.00	TIMBERSTAR TR I 5.668% 10/15/36		383,679	388,975
25,576.97	TOYOTA AUTO RECEIVAB 1.040% 2/18/14		25,642	25,600

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2012

<u>MORTGAGE/ASSET-BACKED SECURITIES (CONTINUED)</u>			
69,000.00	UBS COML MTG TR 2.18% 5/10/45	70,035	72,076
108,000.00	UBS-BARCLAYS COMMER 2.5328% 12/10/45	110,700	109,725
110,000.00	UBS-BARCLAYS COMMERC 3.517% 5/10/63	112,193	119,164
313,065.70	UNION PAC RR CO PASS 8.000% 1/10/21	365,310	380,354
161,000.00	VNO MORTGAGE TRUST 2.9956% 11/15/30	165,024	166,175
220,228.83	VR BEAR STEARNS CO 4.680% 8/13/39	232,617	224,631
52,000.00	VR CITIGROUP COML 5.36012% 4/15/40	54,746	54,633
409,000.00	VR COMMERCIAL MORT 5.80004% 12/10/49	454,661	485,986
192,000.00	VR COMMERCIAL MTG 7.39947% 1/17/32	174,000	198,908
8,216.88	VR FNMA POOL #832254 2.345% 8/01/35	8,182	8,764
171,915.40	VR FNMA POOL #896476 4.698% 5/01/36	184,003	184,742
47,421.05	VR FNMA POOL #968528 4.657% 1/01/38	48,088	50,127
234,000.00	VR GE DEALER FLOOR 0.85877% 2/20/17	234,000	235,161
204,951.09	VR GMAC COMMERCIAL 5.44178% 5/10/40	217,288	207,947
103,000.00	VR JP MORGAN CHASE 5.23787% 12/15/44	109,329	114,748
430,000.00	VR JP MORGAN CHASE 5.82004% 6/15/49	452,004	461,274
111,000.00	VR LB-UBS COML MTG 5.124% 11/15/32	117,469	113,511
299,871.64	VR LB-UBS COMMERCIAL 4.685% 7/15/32	314,069	303,347
245,000.00	VR LB-UBS COMMERCIAL 5.430% 2/15/40	267,369	281,179
266,197.82	VR WACHOVIA BANK 1.76025% 6/15/49	276,679	273,018
36,000.00	VR WACHOVIA BANK COM 5.083% 3/15/42	39,035	38,946
9,575.72	WACHOVIA BANK COMMER 4.380% 10/15/41	9,354	9,572
409,604.06	WACHOVIA BK COML MTG 3.989% 6/15/35	420,036	412,411
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	MORTGAGE-BACKED PASS-THROUGH	\$ 25,678,437	\$ 26,287,477
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	<u>OTHER FIXED INCOME SECURITIES</u>		
392,000	AMERICAN HONDA 1.000% 8/11/15	\$ 391,181	\$ 394,211
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	TOTAL OTHER FIXED INCOME SECURITIES	\$ 391,181	\$ 394,211
		<hr/>	<hr/>
	<u>PREFERRED/CONVERTIBLE SECURITIES</u>		
500,000	MLN MORGAN STANLEY 11/25/12	\$ 5,000,000	\$ 5,057,500
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	TOTAL PREFERRED/CONVERTIBLE SECURITIES	\$ 5,000,000	\$ 5,057,500
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	<u>MUNICIPAL BONDS</u>		
595,000	OHIO ST UNIV GEN RCP 4.910% 6/01/40	\$ 582,903	\$ 692,717
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	TOTAL MUNICIPAL BONDS SECURITIES	\$ 582,903	\$ 692,717
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	TOTAL CORPORATE, GOVERNMENTAL & FOREIGN BONDS	\$ 67,950,377	\$ 70,527,117
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COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2012

SHARES	DESCRIPTION	COST	CURRENT VALUE
	<u>DOMESTIC COMMON STOCK</u>		
1,583	ABAXIS INC	\$ 56,702	\$ 58,729
16,250	ABBOTT LABS	789,015	1,064,375
11,500	ABERCROMBIE & FITCH CO CL A	411,389	551,655
2,072	ACADIA HEALTHCARE CO INC	46,620	48,381
6,764	ACADIA HEALTHCARE CO INC	85,194	157,939
7,183	ACHILLION PHARMACEUTICALS INC	60,136	57,536
6,023	ACHILLION PHARMACEUTICALS INC	55,885	48,244
11,000	ADVANCE AUTO PTS INC	741,335	795,850
1,582	AFFILIATED MANAGERS GROUP, INC COM	139,186	205,897
8,518	AKORN INC	112,556	113,800
9,781	AKORN INC	105,849	130,674
1,349	ALBEMARLE CORP COM	79,644	83,800
1,058	ALEXION PHARMACEUTICALS INC	104,030	99,177
704	ALLIANCE DATA SYS CORP	86,810	101,911
1,514	ALLIED NEVADA GOLD CORP	48,518	45,617
2,298	ALLEID NEVADA GOLD CORP	31,805	69,239
14,500	ALLSTATE CORP	389,246	582,465
4,740	ALNYLAM PHARMACEUTICALS INC	82,047	86,505
3,439	ALPHA NAT RES INC	23,673	33,496
4,893	AMARIN CORPORATION PLC ADR	49,107	39,584
1,800	AMAZON COM INC COM	365,652	451,566
5,100	AMERICAN CAMPUS CMNYTS INC	200,521	235,263
6,100	AMERICAN ELECTRIC POWER INC	231,750	260,348
5,400	AMERICAN EXPRESS CO	265,716	310,392
11,610	AMERICAN EXPRESS CO	625,497	667,343
1,700	AMERICAN TOWER CORP	116,999	131,359
1,243	AMETEK INC COM	38,654	46,700
679	AMPHENOL CORP CL A	39,907	43,931
3,247	ANACOR PHARMACEUTICALS INC	19,563	16,884
3,000	APACHE CORP	300,017	235,500
3,016	APOGEE ENTERPRISES INC	52,465	72,294
1,950	APPLE INC	650,212	1,037,737
300	APPLE INC	156,916	159,652
1,970	APPLE INC	794,948	1,048,381
4,151	ARUBA NETWORKS INC	88,474	86,092
6,906	ARUBA NETWORKS INC	110,928	143,230
23,750	AT&T INC	714,144	800,613
19,000	AT&T INC	564,350	640,490
14,400	AUTOMATIC DATA PROCESSING INC	758,160	819,792
3,748	AVALONBAY CMNTYS INC	386,854	508,191
2,260	AXIS CAPITAL HOLDINGS LTD	66,593	78,286
5,500	BAKER HUGHES INC COM	273,800	224,662
22,200	BAKER HUGHES INC COM	511,628	570,540
2,597	BANK NEW YORK MELLON CORP COM	89,337	86,922
4,374	BANK OF THE OZARKS INC	106,777	146,398
1,300	BAXTER INTL INC	64,774	86,658
1,504	BEACON ROOFING SUPPLY INC	43,174	50,053
7,500	BERKSHIRE HATHAWAY INC	596,227	672,750
8,855	BIOSCRIP INC	78,223	95,368
2,343	BJS RESTAURANTS INC	45,440	77,085
6,060	BLACK DIAMOND INC	52,956	49,692
4,835	BODY CENTRAL CORP	73,156	48,248
15,000	BOEING CO	1,068,832	1,130,400
6,200	BOSTON PROPERTIES INC	529,976	656,022
3,580	BRAVO BRIO RESTAURANT GROUP	66,547	48,079
5,400	BRE PPYTS INC CL A 1 COM & 1	221,390	274,482
7,220	BRIGHTCOVE INC	92,851	65,269
2,900	BRISTOL MYERS SQUIBB CO	84,707	94,511
25,000	BROADCOM CORPORATION COM	826,881	830,250
3,867	BRUNSWICK CORP	95,059	112,491
526	CABOT OIL & GAS CORP CL A	24,471	26,163
3,398	CALPINE CORP/NEW	59,218	61,606
2,900	CAPITAL ONE FINANCIAL GROUP	148,656	167,997
2,220	CARDINAL FINL CORP	33,893	36,186

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2012

<u>DOMESTIC COMMON STOCK (CONTINUED)</u>			
830	CARLISE COS INC	43,743	48,771
2,768	CARMIKE CINEMAS INC	35,984	41,520
7,500	CATERPILLAR INC	652,103	672,064
2,648	CAVIUM INC	67,559	82,644
5,500	CBL & ASSOC PPTYS INC COM	93,092	116,655
26,000	CBS CORP NEW	844,661	989,300
1,325	CEPHEID	41,968	44,865
2,965	CEPHEID	106,198	100,395
9,390	CERNER CORP COM	584,906	727,819
409	CF INDS HLDGS INC	53,379	83,092
2,226	CHART INDUSTRIES INC	124,152	148,450
1,255	CHART INDUSTRIES INC	65,072	83,695
2,376	CHENIERE ENERGY INC	23,396	44,621
7,750	CHEVRON CORP	811,336	838,085
6,700	CHEVRON CORP	695,539	724,538
2,044	CHICAGO BRIDGE & IRON COMPANY N.V.	77,678	94,739
2,746	CHICOS FAS INC COM	42,245	50,691
972	CHUY'S HOLDINGS INC	14,524	21,714
3,864	CIRRUS LOGIC INC	115,204	111,940
6,800	CISCO SYSTEMS INC	137,780	133,616
1,295	CITRIX SYS INC COM	84,658	84,978
1,068	CLEAN HARBORS INC	74,085	58,751
11,750	CLOROX CO	773,829	860,335
6,442	COBIZ FINANCIAL INC - RR	44,394	48,122
21,900	COCA COLA CO	752,046	793,875
10,600	COLGATE PALMOLIVE CO	956,818	1,108,124
2,500	COLONIAL PPTYS TR COM SH BEN INT	33,861	53,425
13,200	COMPANHIA DE BEBIDAS-PRF ADR	431,506	554,268
2,005	CONCEPTUS INC	40,589	42,105
17,000	CONOCOPHILLIPS	724,080	985,830
11,200	CONOCOPHILLIPS	624,394	649,488
42,000	CORNING INC	695,928	530,040
3,143	CROCS INC	35,670	45,228
31,000	CSX CORP	640,258	611,630
5,900	CUBESMART	41,551	85,963
12,200	CVS/CAREMARK CORPORATION	551,977	589,870
39,460	DANONE ADR	535,268	528,369
14,500	DDR CORP	158,811	227,070
10,000	DEVON ENERGY CORPORATION	531,347	520,400
2,630	DIAMONDBACK ENERGY INC	46,018	50,286
2,440	DICKS SPORTING GOODS INC	119,130	110,996
1,900	DIGITAL RLTY TR INC	109,584	128,991
4,693	DOLLAR TREE INC	212,501	190,348
19,500	DOMINION RES INC VA	1,023,134	1,010,100
9,800	DOUGLAS EMMETT INC	197,878	228,340
9,600	DOW CHEMICAL CO	268,111	310,362
17,500	DU PONT E I DE NEMOURS & CO	881,762	787,124
13,000	DU PONT E I DE NEMOURS & CO	641,443	584,721
15,000	DUKE REALTY CORPORATION	208,911	208,050
27,250	E M C CORP MASS	523,317	689,425
536	EAGLE MATLS INC	18,672	31,356
644	EASTMAN CHEM CO COM	43,174	43,824
11,500	EBAY INC	372,816	586,474
17,360	EBAY INC	562,565	885,320
13,620	ECOLAB INC	704,354	979,278
13,300	ELI LILLY & CO COM	654,016	655,956
2,100	EMERSON ELECTRIC CO	100,267	111,216
4,900	ENTERGY CORP NEW COM	336,226	312,375
9,600	EQUITY RESIDENTIAL PPTYS TR SH BE	417,776	544,032
1,075	ESSEX PPTY TR COM	142,456	157,649
4,860	EXACT SCIENCES CORP	47,868	51,467
7,902	EXACTTARGET INC	175,199	158,040
6,005	EXACTTARGET INC	135,765	120,100
3,600	EXELON CORPORATION	155,213	107,064
11,500	EXPRESS SCRIPTS HOLDING CO	719,246	621,000
13,400	EXXON MOBIL CORPORATION	1,140,932	1,159,770

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2012

<u>DOMESTIC COMMON STOCK (CONTINUED)</u>			
4,100	EXXON MOBIL CORPORATION	328,497	354,855
1,259	FARO TECHNOLOGIES INC	54,666	44,921
3,728	FARO TECHNOLOGIES INC	104,517	133,015
8,030	FASTENAL CO	341,490	374,600
2,200	FEDERAL RLTY INVT TR SH BEN IN	169,395	228,844
3,022	FEMALE HEALTH CO/THE	21,225	21,698
6,520	FIFTH & PACIFIC CO INC	76,619	81,174
886	FINANCIAL ENGINES INC	18,212	24,578
1,996	FINISAR CORP	26,028	32,515
1,815	FINISAR CORP	29,641	29,566
4,382	FIRST HORIZON NATL CORP	43,409	43,426
6,530	FIRST HORIZON NATL CORP	64,067	64,712
1,889	FMC TECHNOLOGIES INC	77,465	80,906
57,500	FORD MOTOR COMPANY	646,131	744,625
6,562	FORTINET INC	145,318	137,933
3,820	FORTINET INC	64,689	80,296
1,949	FORUM ENERGY TECHNOLOGIES INC	42,923	48,238
1,703	FORUM ENERGY TECHNOLOGIES INC	38,029	42,149
4,060	FRANCESCA'S HOLDINGS CORP	91,582	105,276
3,300	FREEPORT-MCMORAN COPPER & GOLD INC	111,595	112,860
6,500	F5 NETWORKS INC	536,056	631,475
912	F5 NETWORKS INC	84,694	88,601
2,738	GAP INC	64,157	84,988
5,900	GENERAL DYNAMICS CORP	395,702	408,693
4,900	GENERAL ELECTRIC CO	81,355	102,851
19,085	GENERAL GROWTH PROPERTIE-W/I	293,266	378,837
11,461	GLIMCHER RLTY TR COM	120,161	127,102
3,749	GNC HOLDINGS INC	129,340	124,767
2,725	GNC HOLDINGS INC	63,323	90,688
5,350	GOLDMAN SACHS GROUP INC	641,510	682,446
2,600	GOLDMAN SACHS GROUP INC	334,847	331,656
1,000	GOOGLE INC	601,626	707,380
1,240	GOOGLE INC	705,293	877,151
2,731	GREATBATCH INC	58,516	63,468
2,120	GUIDEWIRE SOFTWARE INC	62,395	63,006
4,135	GULFPORT ENERGY CORP	111,774	158,040
3,125	GULFPORT ENERGY CORP	77,638	119,438
7,100	HALLIBURTON CO	245,963	246,299
13,500	HCP INC	493,091	609,660
8,800	HEALTH CARE REIT INC	474,121	539,352
6,289	HEALTHCARE RLTY TR COM	140,986	150,999
20,000	HEINZ H J CO	1,074,417	1,153,600
1,800	HEINZ H J CO	94,287	103,824
4,063	HERBALIFE LTD	163,459	133,835
12,750	HESS CORP	745,909	675,240
26,600	HEWLETT PACKARD CO	781,203	379,050
1,543	HIBBETT SPORTS INC	45,763	81,316
4,600	HIGHWOOD PPTYS INC COM	147,084	153,870
1,986	HMS HLDGS CORP	44,734	51,477
2,340	HMS HLDGS CORP	57,223	60,653
2,616	HOMEAWAY INC	61,012	57,552
37,350	HOST HOTELS & RESORTS INC	507,808	585,275
17,310	HOVNIANIAN ENTERPRISES-A	36,636	121,170
7,500	ILLUMINA INC	204,319	416,925
1,788	INCYTE CORPORATION	40,885	29,699
4,720	INCYTE CORPORATION	96,270	78,399
1,400	INFINITY PHARMACEUTICALS INC	38,619	49,000
1,455	INFOBLOX INC	30,263	26,146
2,424	INFORMATICA CORP	70,635	73,496
3,078	INGREDION INC	170,139	198,316
3,924	INPHI CORP	45,482	37,592
6,238	INTEGRATED DEVICE TECHNOLOGY INC	41,296	45,537
50,000	INTEL CORP	1,119,115	1,031,000
4,900	INTERNATIONAL BUSINESS MACHS CORP	926,341	938,595
7,000	INTERNATIONAL FLAVORS & FRAGRANCES	321,656	465,780
2,330	INTEROIL CORP	146,372	129,385

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2012

<u>DOMESTIC COMMON STOCK (CONTINUED)</u>			
1,180	INTUITIVE SURGICAL INC	485,167	578,637
2,336	IPC THE HOSPITALIST CO INC	88,815	92,763
2,969	IPG PHOTONICS CORP	138,398	197,884
2,889	IPG PHOTONICS CORP	73,971	192,552
4,572	IXIA	57,593	77,633
2,945	JACK IN THE BOX INC	75,528	84,227
1,681	JARDEN CORP	86,820	86,908
1,541	JAZZ PHARMACEUTICALS PLC	78,670	82,058
2,880	JAZZ PHARMACEUTICALS PLC	133,863	153,360
4,367	JDS UNIPHASE CORP	56,918	58,955
5,274	JIVE SOFTWARE INC	85,541	76,631
6,000	JOHNSON & JOHNSON	395,386	420,600
762	JONES LANG LASALLE INC	56,026	63,962
3,650	JOY GLOBAL INC	278,454	232,797
20,000	JPMORGAN CHASE & CO	691,318	879,382
10,400	JPMORGAN CHASE & CO	394,521	457,279
2,125	KBR INC	64,980	63,580
5,400	KILROY REALTY CORP COM	211,387	255,798
21,170	KIMCO RLTY CORP	380,729	409,004
5,990	KODIAK OIL & GAS CORP	54,100	53,012
18,001	KRAFT FOODS GROUP INC	753,534	818,505
8,800	L-3 COMMUNICATIONS CORP COM	665,276	674,256
10,000	LABORATORY CRP OF AMER HLDGS	910,513	866,200
1,909	LANDSTAR SYS INC COM	105,692	100,146
7,100	LASALLE HOTEL PROPERTIES COM	192,236	180,269
2,407	LENNAR CORPORATION CLASS A COMMON	84,424	93,079
7,100	LIBERTY PPTY TR SH BEN INT	218,782	254,109
3,100	LOCKHEED MARTIN CORP	239,843	286,099
30,000	LOWES COS INC	895,669	1,065,600
5,800	LOWES COS INC	130,013	206,016
6,976	MACERICH CO COM	293,595	406,701
21,224	MAGNUM HUNTER RESOURCES CORP	78,437	84,684
25,433	MAGNUM HUNTER RESOURCES CORP	151,377	101,478
2,045	MAKO SURGICAL CORP	27,842	26,278
718	MARTHA STEWART LIVING-CL A	2,417	1,759
3,773	MATTRESS FIRM HOLDING CORP	109,974	92,552
2,793	MATTRESS FIRM HOLDING CORP	78,269	68,512
10,000	MCDONALDS CORP	907,586	882,100
6,400	MCDONALDS CORP	574,411	564,544
2,093	MEDIVATION INC	59,506	107,078
2,488	MEDIVATION INC	53,965	127,286
15,250	MEDTRONIC INC	599,214	625,555
13,800	MEDTRONIC INC	512,243	566,076
9,700	MERCK & CO INC NEW	337,979	397,118
2,528	MERITAGE HOMES CORPORATION	89,315	94,421
2,071	MICHAEL KORS HOLDINGS LTD	80,320	105,683
25,401	MICRON TECHNOLOGY INC	175,626	161,042
2,225	MICROSEMI CORP COM	38,505	46,814
8,500	MICROSOFT CORP	231,982	227,032
1,142	MIDDLEBY CORP	98,521	146,416
5,135	MILLENNIAL MEDIA INC	75,467	64,342
25,000	MONDELEZ INTERNATIONAL INC	570,571	636,330
9,480	MONSANTO CO NEW	689,369	897,282
2,829	MULTIMEDIA GAMES HOLDINGS CO INC	44,843	41,615
2,692	MWI VETERINARY SUPPLY INC	129,307	296,120
7,196	MYLAN LABS INC	157,453	197,530
22,500	MYLAN LABS INC	481,250	617,625
11,600	NATIONAL OILWELL INC COM	833,725	792,860
1,552	NORDSON CORP	79,581	97,962
5,600	NORFOLK SOUTHERN CORP	350,959	346,304
3,730	NOVO NORDISK A/S - ADR	461,935	608,773
11,096	NPS PHARMACEUTICALS INC	89,297	100,974
9,083	NVIDIA CORP	120,993	111,358
3,300	OCCIDENTAL PETE CORP	322,455	252,813
1,458	OIL STATES INTERNATIONAL INC	102,254	104,305
2,787	OMNICELL INC	40,539	41,443

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2012

<u>DOMESTIC COMMON STOCK (CONTINUED)</u>			
2,735	PACIFIC PREMIER BANCORP	27,457	28,006
6,060	PANDORA MEDIA INC	61,880	55,631
2,300	PEBBLEBROOK HOTEL TRUST	44,087	53,130
72,500	PEOPLE'S UNITED FINANCIAL INC	982,732	876,525
11,750	PEPSICO INC	738,355	804,053
1,500	PEPSICO INC	99,261	102,645
3,611	PEREGRINE SEMI CONDUCTOR CORP	56,182	55,284
2,950	PERRIGO CO	303,739	306,889
5,300	PERRIGO CO	514,601	551,359
32,800	PFIZER INC	637,003	822,601
1,729	PHOTOMEDEX INC	23,835	25,122
16,250	PNC FINANCIAL SERVICES GROUP	955,283	947,538
1,312	POLARIS INDS INC COM	79,481	110,405
5,900	POST PPTYS INC COM	258,009	294,705
5,070	PRAXAIR INC COM	518,930	554,912
12,500	PROCTOR & GAMBLE CO	768,040	848,625
1,500	PROCTOR & GAMBLE CO	95,616	101,835
15,981	PROLOGIS INC	510,258	583,147
3,030	PUBLIC STORAGE INC COM	303,007	439,289
2,053	QLIK TECHNOLOGIES INC	54,795	44,591
10,000	QUALCOMM INC	433,553	618,596
10,780	QUALCOMM INC	667,076	666,846
6,161	QUANTA SVCS INC COM	139,390	168,134
901	RAVEN INDS INC	26,068	23,750
12,900	RAYTHEON CO	587,298	742,524
3,197	REALOGY HOLDINGS CORP	96,154	134,146
15,470	RED HAT INC	690,264	819,291
1,819	RED ROBIN GOURMET BURGERS INC	59,236	64,193
3,400	REGENCY CENTERS CORP	164,872	160,208
9,459	REGIONS FINL CORP NEW	62,868	67,443
7,380	REGULUS THERAPEUTICS INC	29,520	46,494
4,842	REX ENERGY CORP	56,099	63,043
6,025	ROAD RUNNER TRANSPORTATION SYST	96,306	109,294
1,172	ROSS STORES INC	69,955	63,393
8,762	SABA SOFTWARE INC	89,510	76,580
1,711	SAGENT PHARMACEUTICALS INC	34,496	27,530
842	SALESFORCE COM INC	106,240	141,540
8,990	SAP AG - ADR	593,065	722,616
3,959	SAREPTA THERAPEUTICS INC	56,287	102,142
1,954	SBA COMMUNICATIONS CORP	99,764	138,695
8,770	SCHLUMBERGER LTD	694,061	607,749
2,487	SELECT COMFORT CORPORATION	74,991	65,085
4,568	SHFL ENTERTAINMENT INC	48,335	66,236
154	SHUTTERSTOCK INC	2,618	4,004
1,299	SIGNATURE BANK	63,747	92,671
9,341	SIMON PROPERTY GROUP INC	824,935	1,476,719
6,760	SINCLAIR BROADCAST GROUP INC CL A	75,526	85,311
4,860	SINCLAIR BROADCAST GROUP INC CL A	59,685	61,333
4,100	SL GREEN REALTY CORP COM	236,245	314,265
1,278	SM ENERGY CO	67,062	66,724
5,418	SMART BALANCE INC	66,026	69,892
2,418	SOURCEFIRE INC	116,420	114,178
2,241	SOURCEFIRE INC	55,391	105,820
2,500	SOUTHERN CO	102,345	107,025
2,137	SPIRIT AIRLINES INC	41,074	37,890
10,906	STANDARD PAC CORP NEW	66,954	80,159
12,990	STARBUCKS CORP COM	565,599	696,654
8,220	STARWOOD HOTELS & RESORTS WORLDWIDE	353,734	471,499
16,290	STATE STREET CORP	628,580	765,793
10,511	SUSQUEHANNA BANCSHARES INC PA COM	111,501	110,155
2,082	SVB FINL GROUP	118,602	116,530
1,606	SYNAGEVA BIOPHARMA CORP	78,358	74,342
1,464	SYNAGEVA BIOPHARMA CORP	68,850	67,769
5,700	TANGER FACTORY OUTLET CTR	153,467	194,940
8,400	TARGET CORP	508,943	497,028
2,900	TAUBMAN CTRS INC COM	147,168	228,288

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
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<u>DOMESTIC COMMON STOCK (CONTINUED)</u>			
10,750	TERADATA CORP	639,593	665,318
964	TEXAS CAP BANCSHARES INC	42,730	43,206
2,915	TEXAS CAP BANCSHARES INC	72,530	130,650
8,400	TEXAS INSTRUMENTS INC	250,184	259,476
1,194	THORATEC LABORATORIOS CORP COM	41,433	44,799
3,217	TILE SHOP HLDGS INC	47,554	54,142
4,994	TILLY'S INC	82,558	67,369
7,800	TIME WARNER INC	286,176	373,074
5,480	TOLL BROS INC	146,956	177,168
3,333	TREX COMPANY INC	102,671	124,088
1,947	TRIUMPH GROUP INC NEW COM	105,725	127,139
2,218	TRIUMPH GROUP INC NEW COM	88,906	144,835
22,500	TYSON FOODS INC CL A DEL	366,588	436,500
14,027	UDR INC	291,678	333,562
1,324	ULTA SALON COSMETICS & FRAGRAN	110,531	130,096
1,115	ULTA SALON COSMETICS & FRAGRAN	24,998	109,560
1,182	ULTIMATE SOFTWARE GROUP INC	34,017	111,593
600	UNION PACIFIC CORP	75,419	75,432
2,103	UNITED RENTAL INC COM	85,646	95,729
2,590	UNITED RENTAL INC COM	110,840	117,897
10,700	UNITEDHEALTH GROUP INC	535,332	580,368
3,139	URBAN OUTFITTERS INCORPORATED	94,469	123,551
33,750	US BANCORP DEL NEW	898,714	1,077,975
11,400	US BANCORP DEL NEW	319,125	364,116
4,845	USG CORP COM NEW	113,921	135,999
3,765	VALERO ENERGY CORP	89,440	128,462
8,540	VENTAS INC COM	404,770	552,709
2,383	VERASTEM INC	23,986	20,947
20,000	VERIZON COMMUNICATIONS	668,808	865,400
9,800	VERIZON COMMUNICATIONS	358,552	424,046
4,600	VISA INC-CLASS A SHRS	406,974	697,268
1,562	VITAMIN SHOPPE INC	55,966	89,596
4,858	VIVUS INC COM	87,836	65,194
4,071	VORNADO REALTY TRUST	301,601	326,006
526	WABTEC CORP	44,334	46,046
9,400	WAL MART STORES INC	538,612	641,362
20,700	WALGREEN CO	738,094	766,107
5,140	WALKER & DUNLOP INC	55,993	85,632
16,000	WASTE MANAGEMENT INC	510,445	539,840
31,250	WELLS FARGO & CO	969,796	1,068,125
16,300	WELLS FARGO & CO	568,777	557,134
1,486	WESCO INTL INC	91,718	100,201
2,360	WESCO INTL INC	84,543	159,135
3,406	WESTPORT INNOVATIONS INC	116,571	90,974
10,000	WHITING PETE CORP NEW	552,656	433,700
1,407	WHITING PETE CORP NEW	67,007	61,022
1,194	WHOLE FOODS MKT INC	91,470	108,845
3,600	WILLIAMS COS INC	98,801	117,864
570	WYNN RESORTS LTD	62,141	64,119
24,000	XYLEM INC/NY	699,415	650,400
10,960	YUM BRANDS INC	583,389	727,744
747	3D SYSTEMS CORPORATION	14,203	39,852
9,350	3M CO	860,555	868,148
800	3M CO	65,640	74,215
1,541	MAGNUM HUNTER RESOURCES CORP 10/14/13	-	31
TOTAL COMMON STOCKS		\$ 100,613,627	\$ 113,107,956

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2012

	<u>MUTUAL FUND ALTERNATIVES</u>		
1,372,475	EATON VANCE FLOATING RATE FD-1 #924	\$ 12,472,785	\$ 12,516,975
729,489	NUVEEN PREFERRED SECURIT-I 1969	12,531,726	12,707,689
1,824,190	PIMCO COMMODITY REAL RET STRAT-I#45	14,190,651	12,112,624
	TOTAL MUTUAL FUND ALTERNATIVES	\$ 39,195,162	\$ 37,337,288
	<u>MUTUAL FUND - COMMON STOCKS</u>		
252,735	VANGUARD INSTL INDEX FD #94	\$ 30,493,676	\$ 32,986,968
945,585	VANGUARD S/C VALUE INDEX-INS #865	16,417,512	16,481,549
	TOTAL MUTUAL FUND - COMMON STOCK	\$ 46,911,188	\$ 49,468,517
	<u>MUTUAL FUND - CORPORATE BONDS</u>		
277,176	VANGUARD SHORT-TERM-INVEST GRD#539	\$ 3,012,864	\$ 3,001,824
	TOTAL MUTUAL FUND - CORPORATE BONDS	\$ 3,012,864	\$ 3,001,824
	<u>MUTUAL FUND - FOREIGN STOCKS</u>		
460,581	AMERICAN EUROPACIFIC GRTH CL F2 #616	\$ 17,119,486	\$ 18,952,924
1,584,510	VANGUARD INST DEV MKTS IN-IS #885	16,000,766	15,322,214
1,581,589	MONDRIAN ALL CTRY EQ FD. L.P.	23,412,822	23,197,809
	TOTAL MUTUAL FUND - FOREIGN STOCK	\$ 56,533,074	\$ 57,472,947
	TOTAL INVESTMENTS	\$ 335,642,744	\$ 352,746,934