

**COMMONWEALTH OF PENNSYLVANIA  
STATE EMPLOYEES' RETIREMENT SYSTEM**

**SERS # 09-013.2**

**SECOND AMENDMENT TO MANAGEMENT AGREEMENT FOR  
RUSSELL 2000 INDEX & RUSSELL 2000 VALUE INDEX  
PORTFOLIO MANAGEMENT.**

This Second Amendment made as of this 9<sup>th</sup> day of November, 2016 (the "Second Amendment"), by and between the **COMMONWEALTH OF PENNSYLVANIA STATE EMPLOYEES' RETIREMENT SYSTEM** (herein "SERS") and **MELLON CAPITAL MANAGEMENT CORPORATION**, a registered investment advisor, with its principal office and place of business 50 Fremont Street, Suite 3900, San Francisco, CA 94105, ("MANAGER"),

**WITNESSETH:**

**WHEREAS**, SERS and MANAGER have previously entered into a Management Agreement for Pennsylvania Equity Portfolio Management, SERS # 09-013, dated September 1, 2009 (the "Agreement"), as amended; and

**WHEREAS**, SERS wishes to update Exhibit A of the Agreement; and

**WHEREAS**, SERS and MANAGER wish to amend Exhibit B of the Agreement by adding new Russell 2000 Index and Russell 2000 Value Index strategies; and

**WHEREAS**, SERS and MANAGER wish to amend Exhibit C of the Agreement by adding a fee structure for the new Russell 2000 Index and new Russell 2000 Value Index strategies.

**NOW, THEREFORE**, in consideration of the foregoing recitals that are incorporated herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:


1. The above recitals are incorporated into this Second Amendment as if fully set forth herein.
2. Exhibit A of the Agreement is hereby deleted in its entirety and replaced with the attached Exhibit A dated January 27, 2016.

3. Exhibit B of the Agreement is hereby supplemented with the attached new Russell 2000 Index and Russell 2000 Value Index strategies.
4. Exhibit C of the Agreement is hereby supplemented with the attached fee schedule for the new Russell 2000 Index and Russell 2000 Value Index strategies.
5. Capitalized terms used in this Second Amendment and not otherwise defined herein shall have the meanings specified for such terms in the Agreement.
6. Except as expressly provided otherwise herein, all other provisions and terms of the Agreement remain in full force and effect.
7. This Second Amendment may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.


[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto, each intending to be legally bound hereby, have caused this Second Amendment to be executed as of the date first written above.

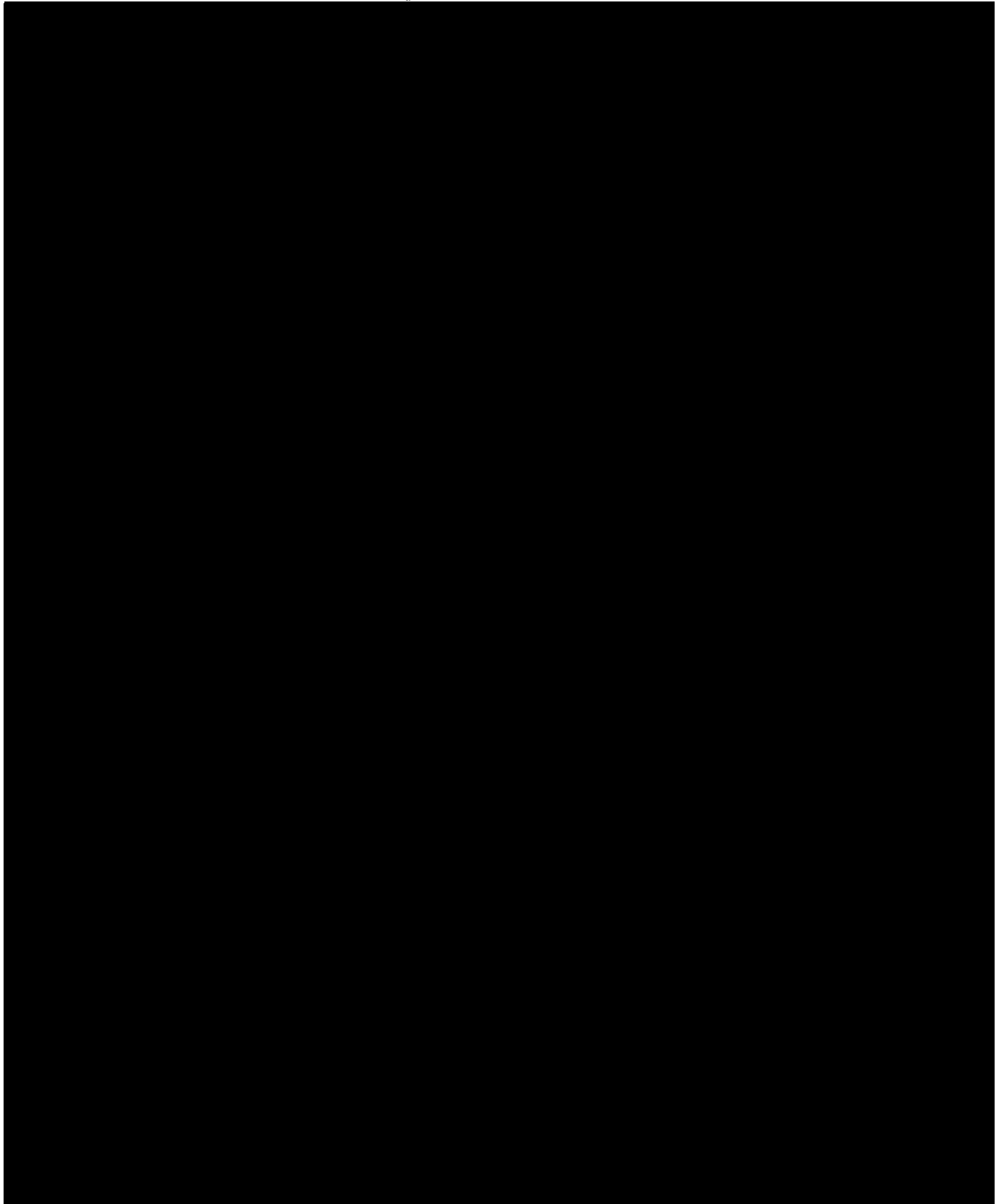
**MELLON CAPITAL MANAGEMENT CORPORATION**  
Federal Tax Identification Number: [REDACTED]

BY:  11/1/10  
TITLE: **Rose Huening-Clark** Date  
**Managing Director**

**COMMONWEALTH OF PENNSYLVANIA**  
**STATE EMPLOYEES' RETIREMENT SYSTEM**  
Federal Tax Identification Number: [REDACTED]

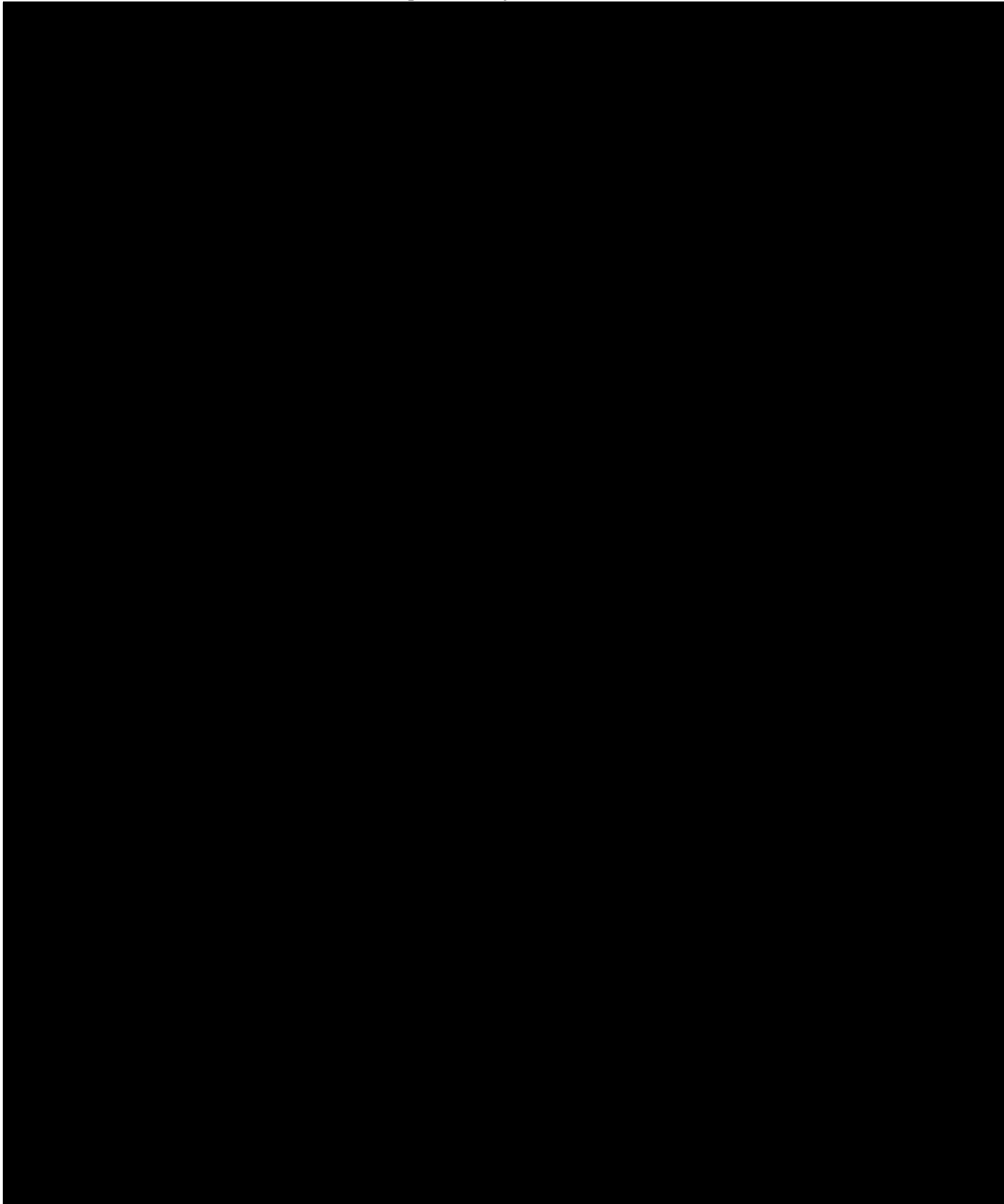
BY:  11/9/10  
TITLE: \_\_\_\_\_ Date

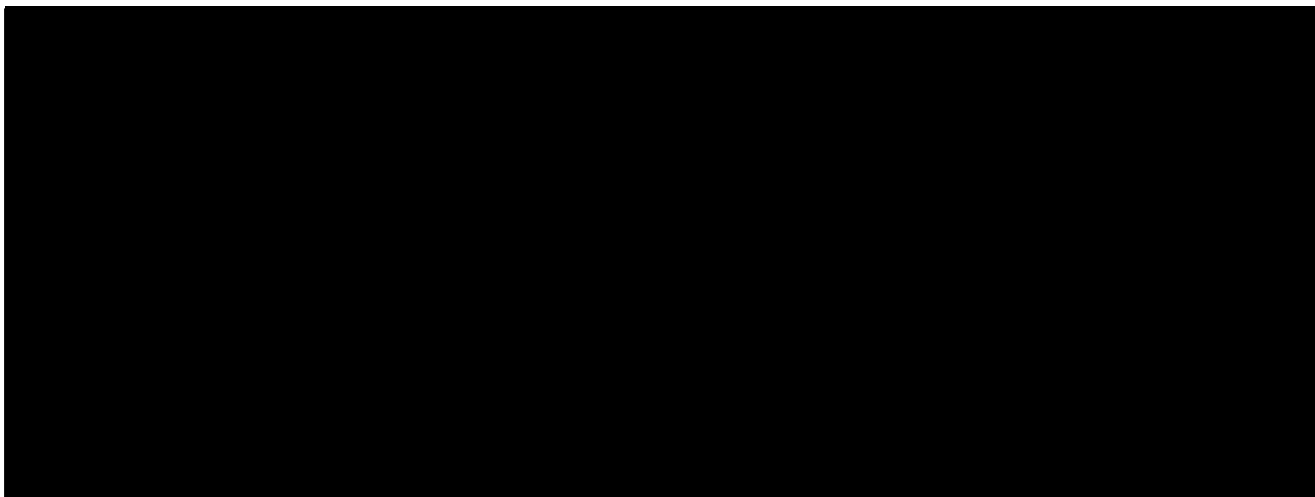
**Investment Strategy Statement  
Commonwealth of Pennsylvania State Employees' Retirement System  
Russell 2000 Index  
Managed by  
Mellon Capital Management Corporation**



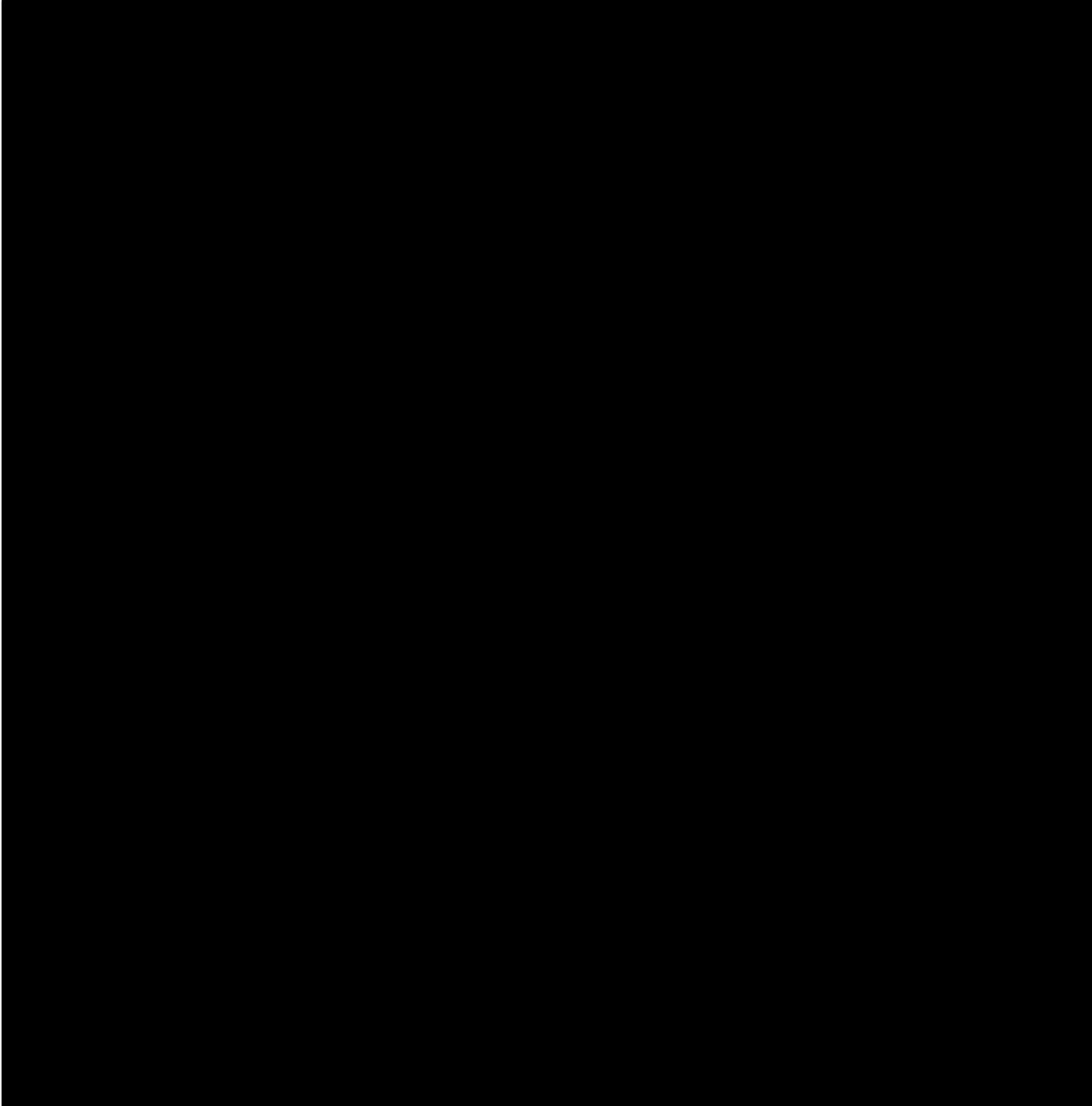


**Investment Strategy Statement**  
**Commonwealth of Pennsylvania State Employees' Retirement System**  
**Russell 2000 Value Index**  
**Managed by**  
**Mellon Capital Management Corporation**





**Fee Schedule**  
**Commonwealth of Pennsylvania State Employees' Retirement System**  
**Russell 2000 Index**  
**Managed by**  
**Mellon Capital Management Corporation**





**Fee Schedule**  
**Commonwealth of Pennsylvania State Employees' Retirement System**  
**Russell 2000 Value Index**  
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