



Reform Pension Board

Brit Emunah – A Covenant of Trust

September 22, 2008
22 Elul 5768

Dear Participant:

As you are all aware, the week that ended on Friday, September 19, 2008 witnessed some of the most tumultuous events in the financial markets in recent memory. Following are a few of the more noteworthy events that affected the markets:

- Fannie MAE and Freddie MAC, two government supported enterprises that are critical to the mortgage markets, were placed into conservatorship by the U.S. Treasury.
- Lehman Brothers, a venerable Wall Street investment bank, filed for bankruptcy.
- Bank of America purchased the largest U.S. brokerage firm, Merrill Lynch.
- AIG, the nation's largest insurer and a diversified financial institution, was rescued by the federal government with an \$85 billion loan.
- The federal government announced broad based steps to address the crisis in bad mortgage loans, credit availability and the operation of financial transactions considered abusive that are related to selling equities short.

The result of the above events and other financial news propelled the markets dramatically in both directions, down early in the week and then up on Thursday and Friday. The Reform Pension Board understands that this sharp volatility may have produced concerns for you as you think about your RPB account.

The RPB investment portfolios have obviously been affected both positively and negatively by the recent significant declines and advances. Although we will not accurately know the RPB investment performance until the books are closed and reconciled for September, it is encouraging to note that our portfolios had limited exposure to the specific companies mentioned above. Additionally, we have been informed by our consultant, RogersCasey, that none of our managers have experienced any operational issues.

This might sound repetitive, but we think it is important that we share our investment philosophy again:

The Reform Pension Board is a strategic, diversified, long-term investor. The Board's fundamental viewpoint is that investment decisions should be based on expected long-term performance. Changing an investment strategy in response to short-term market conditions has generally been an ineffective approach and is often counterproductive.

Please see reverse side.

REPRESENTING:

CENTRAL CONFERENCE OF AMERICAN RABBIS • UNION FOR REFORM JUDAISM • NATIONAL ASSOCIATION OF TEMPLE ADMINISTRATORS • NATIONAL ASSOCIATION OF TEMPLE EDUCATORS
PROGRAM DIRECTORS OF REFORM JUDAISM • PROGRESSIVE ASSOCIATION OF REFORM DAY SCHOOLS • EARLY CHILDHOOD EDUCATORS OF REFORM JUDAISM



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The RPB's strategic diversified investment strategy tends to mitigate our exposure to any specific company or investment class. The diversification effort works to prevent any individual investment style or event from having too large an impact on the entire portfolio's performance.

The Investment Committee of the RPB, with the assistance of our primary plan consultant, RogersCasey, reviews the performance of our investment managers carefully and regularly. This monitoring of investment performance is an ongoing process, which takes place in both good and bad times, and in calm and volatile markets.

We are aware that the time horizons of our participants are varied. The Investment Committee is in the process of evaluating our strategic approach to ensure that we are utilizing the appropriate investment vehicles to allow us to assist our participants in achieving and maintaining a dignified retirement.

We hope that this letter helps you understand how the Reform Pension Board approaches the financial markets during times such as these. Please feel free to contact either one of us with questions or concerns.

Sincerely,

John R. Stern
Chairman

Robert M. Koppel
Executive Director