



Reform Pension Board

מועצת הגמלאות
המקדמת

2011 Annual Report

June 30, 2011 / 28 Sivan 5771

המקדמת

Reform Pension Board Mission Statement

Committed to the values and vitality of Reform Judaism, we serve Union for Reform Judaism (URJ) congregations, their professionals and staff, our professional associations and their members. We enable them to pursue their shared goal of financial security by providing retirement plans, life and disability insurance, and other programs that benefit participating organizations, individuals, and the Reform Movement.



Message from the Chair and Executive Director

The plan year 2011 was a year of significant achievement for the Reform Pension Board. Strong investment performance coupled with several initiatives underscored the RPB's commitment to offering excellent retirement, life and long-term disability insurance programs for the benefit of the Reform Movement.

The RPB investment program benefited from the positive gains in the global equity and bond markets and delivered solid returns to our participants' holdings for the twelve months ended June 30, 2011. Please turn to the Investment Committee report beginning on page 6 for the specific details on the RPB investment performance.

During the plan year, we improved and further automated our systems, provided our congregations and participants with valuable information and set the groundwork for important changes in the future. In addition, we engaged a new outside investment consultant and smoothly transitioned our board leadership.

Improved Systems, Website and Information

One of the key upgrades to our operating systems this past year was the introduction of the RPB Pension Tracking System (PTS). This Internet-based system allows our congregations and other employers to enter and update participant information directly. The benefits of using PTS include the ability for all transactions to be scheduled, edited and completed electronically, and employers and participants automatically receive email confirmations of all data changes and contributions. Monthly statements provide congregations and participants with a simple process to ensure that expected payments have been completed.

Throughout the plan year, we worked on a significant update to our website and launched the redesigned site in October 2011. The new site offers easy access to information about all aspects of the RPB with simple-to-use frequently asked question sections throughout. We look forward to adding features during the 2012 plan year, including more information in the congregational leadership section, links to our investment managers and other RPB service providers, and the addition of educational opportunities such as webinars and retirement tools.

Another effort to present accurate and useful information to congregations and participants was the development of the rabbinic salary study in late 2010. Working with the Union for Reform Judaism (URJ) and the Central Conference of American Rabbis (CCAR), the RPB provided crucial support and resources to facilitate the production of this study. Future studies, which will be completed on a biennial basis, will include additional relevant data such as healthcare benefits.



Evolving Investment Program and Participant Choice

The Pension Board engaged a new investment consultant, Summit Strategies Group, in February 2011. The outside investment consultant provides substantial support to the RPB Investment Committee and to the entire organization. Summit has quickly come up to speed on all aspects of the RPB investment program and has offered a fresh perspective on the structure of our funds. Specifically, Summit has recommended that we reconfigure our investment funds to align with specific investment objectives. The new program is an evolutionary change from the current system and is scheduled to be implemented starting in January 2013. We believe it will provide participants with well-defined investment choices and flexibility going forward. We look forward to sharing the specifics of this program in early 2012, and an extensive communication and education program is planned for both our participants and congregations throughout calendar year 2012.

Smooth Transition and Continuity of Board Leadership

In addition to the engagement of a new outside investment consultant, the Reform Pension Board has had a noteworthy leadership transition. John Stern completed his second four-year term as RPB Chairman at the end of 2010. During John's two terms, he introduced innovative initiatives, strengthened existing programs and continued to build the RPB program to benefit our participants, our congregations and the Reform Movement. We thank John for his extraordinary leadership of the Reform Pension Board and congratulate him on being elected Honorary Chairman.

The Reform Pension Board elected Daryl Messinger as its next Chair as of January 1, 2011, having served on the board since 2008. Daryl is a vice chair of the URJ Board of Trustees and an accomplished communications and investment executive.

The RPB said farewell to two board members and welcomed three new members to our board:

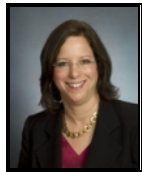
- Mark Jacobson, who was a long-time RPB Board member representing the National Association for Temple Administration (NATA), completed his term during the plan year. Mark chaired the RPB Administration Committee with great distinction and led two important RPB financial task forces. We thank Mark for his many years of leadership and service. Mark Jacobson is the executive director of The Temple in Atlanta.



- Rabbi Ellen Weinberg Dreyfus completed her term as president of the CCAR during our plan year and, therefore, her CCAR *ex-officio* position on the RPB Board. We thank her for her service to the RPB during her term. Rabbi Dreyfus is the rabbi of B'nai Yehuda Beth Sholom in Homewood, Illinois.
- We are glad to welcome back Michael Kimmel to the RPB Board. Having served the RPB previously as an *ex-officio* board member representing the URJ, Michael was appointed to the RPB Board as a NATA representative this time. Michael Kimmel is the executive director of Congregation Rodeph Sholom in New York City.
- We are pleased to welcome current CCAR president, Rabbi Jonathan Stein as an *ex-officio* board member. Rabbi Stein is the senior rabbi of Temple Shaaray Tefila in New York City.
- In addition, we are pleased that URJ chief operating officer, Barbara Saidel, has joined the board as an *ex-officio* member.

Our accomplishments are achieved through the dedication, hard work and collaboration of the RPB Board members, committee members and staff. Each member of this team is focused on providing the highest level of service to our participants, congregations and Reform Movement institutions. Our sincere and heartfelt thanks go to each person who helped make the RPB plan year 2011 a success.

Sincerely,



A handwritten signature in cursive script that reads "Daryl Messinger".

Daryl Messinger
Chair



A handwritten signature in cursive script that reads "Robert M. Koppel".

Robert M. Koppel
Executive Director



Report from the Investment Committee

2011 Plan Year Review

Aided by strong financial markets, the broad RPB portfolio outperformed its relative benchmark. This performance was achieved despite a number of difficult economic and political issues.

RPB Investment Results

Highlights of the RPB performance for the 2011 plan year included:

- The RPB Equity Fund was up by 31.6%, which matched the RPB's blended equity benchmark. The performance was achieved as a result of domestic, international and global equity holdings. The specific results of each of these segments of the portfolio were as follows:
 - The domestic portion of the RPB equity portfolio increased by 32.8% vs. the benchmark of 32.4%.
 - The international and global portions portfolio increased by 29.0% vs. the benchmark of 29.8%.
- The RPB Bond Fund increased by 9.6% vs. the benchmark of 8.5%.
- The RPB Stable Value Fund increased by 1.7% vs. the benchmark of 3.0%.

See the RPB Net of Fee Comparative Performance Report link below for individual manager and fund results as of June 30, 2011. For more information about the RPB portfolio and individual managers, please access the additional links below:

- [Performance and Allocation Charts](#) as of June 2011
- [Performance and Allocation Charts as of September 2011](#)
- [Fund Descriptions](#)
- [Fund Attributes Chart](#)



Changes to the RPB Portfolio during Plan Year 2011

Changes to the RPB Equity Fund

- There were no changes to the domestic equity managers during the plan year.
- AllianceBernstein was replaced by Artisan Partners as the international value manager.

Changes in the RPB Bond Fund

- BlackRock Financial Management, previously the core bond manager, was terminated, and assets were transferred to two new managers, Income Research & Management, a core bond manager, and Stone Harbor Investment Partners, an emerging market debt manager.

Changes in the RPB Stable Value Fund

- No changes were made to the RPB Stable Value Fund during the plan year.

G. Leonard Teitelbaum
Chair, Investment Committee



Reform Pension Board Net of Fee Comparative Performance			
As of June 30, 2011			
	1 Year	3 Years	5 Years
EQUITY MANAGERS			
Domestic Equity			
Vanguard	30.6%	3.4%	3.0%
S&P 500 Index	30.7%	3.3%	2.9%
Eagle Capital	36.8%	N/A	N/A
LSV	29.2%	3.6%	1.6%
Russell 1000 Value Index	28.9%	2.3%	1.2%
Franklin Templeton	25.4%	3.4%	N/A
50% Russell 1000 Growth/50% S&P 500 Index	32.8%	4.2%	4.2%
Marsico Large Cap Growth	37.2%	4.4%	3.7%
Russell 1000 Growth Index	35.0%	5.0%	5.3%
Vanguard Small Cap ETF	39.4%	N/A	N/A
Russell 2000 Index	37.4%	7.8%	4.1%
DOMESTIC EQUITY FUND COMPOSITE	32.8%	4.4%	2.7%
Russell 3000 Index	32.4%	4.0%	3.4%
International Equity			
Artisan	N/A	N/A	N/A
MSCI EAFE Value Index	30.1%	(1.2%)	1.0%
Oechsle	27.5%	(1.4%)	0.7%
Wellington	31.8%	(7.2%)	(1.5%)
MSCI EAFE Growth Index	31.7%	(1.5%)	2.9%
iShares MSCI EAFE Small Cap Index	38.6%	N/A	N/A
MSCI EAFE Small Cap Index	36.9%	3.6%	2.7%
Walter Scott	25.1%	2.6%	5.0%
MSCI World	31.2%	1.0%	2.9%
Brandes Emerging Markets	26.7%	15.5%	15.0%
MSCI Emerging Markets Index	28.2%	4.5%	11.8%
INTERNATIONAL EQUITY COMPOSITE INDEX	29.0%	(0.2%)	2.8%
International Benchmark	29.8%	0.5%	3.8%
EQUITY FUND COMPOSITE	31.6%	3.0%	2.8%
Equity Benchmark	31.6%	3.0%	3.6%
BOND MANAGERS			
Core Bond			
IRM/BlackRock Transition Account	1.8%	6.1%	6.2%
IRM Core	N/A	N/A	N/A
Barclays Capital Aggregate Index	3.9%	6.5%	6.5%
Global Bond			
Colchester	8.6%	N/A	N/A
Citigroup World Government Bond	10.5%	5.8%	7.3%
Loomis Sayles	14.7%	N/A	N/A
Barclays Capital Global Aggregate Index	10.5%	6.0%	7.1%
High Yield			
Shenkman Capital	12.3%	9.0%	7.4%
BofA/Merrill Lynch US High Yield, BB-B Rated	14.7%	10.5%	8.2%
Emerging Market Debt			
Stone Harbor	N/A	N/A	N/A
JPMorgan EMBI+ Index	11.7%	10.4%	9.6%
TOTAL BOND FUND COMPOSITE	9.6%	7.6%	6.6%
Bond Composite Benchmark	8.5%	7.4%	7.0%
STABLE VALUE			
Dwight Stable Value	1.7%	2.4%	3.4%
Ryan 3-Yr GIC Master Index	3.0%	3.9%	4.1%

Notes: Returns for periods greater than one year are annualized
Past Performance does not guarantee future results.



Asset Mixes – Net of Fee Representative Performance as of June 30, 2011			
	1 Year	3 Years	5 Years
80% Equity/20% Bond	27.0%	4.2%	3.8%
80% Equity/20% Bond Benchmark	26.8%	4.2%	4.5%
70% Equity/20% Bond/10% Stable Value	23.9%	4.3%	4.0%
70% Equity/20% Bond/10% Stable Value Benchmark	23.8%	4.5%	4.7%
60% Equity/40% Bond	22.6%	5.3%	4.7%
60% Equity/40% Bond Benchmark	22.1%	5.3%	5.3%
50% Equity/50% Bond	20.4%	5.8%	5.0%
50% Equity/50% Bond Benchmark	19.8%	5.7%	5.7%
40% Equity/60% Bond	18.2%	6.2%	5.4%
40% Equity/60% Bond Benchmark	17.5%	6.1%	6.0%
20% Equity/80% Bond	13.9%	7.0%	6.1%
20% Equity/80% Bond Benchmark	12.9%	6.8%	6.5%
20% Equity/60% Bond/20% Stable Value	12.2%	6.0%	5.5%
20% Equity/60% Bond/20% Stable Value Benchmark	11.8%	6.2%	6.0%

Notes: Returns for periods greater than one year are annualized.
Past Performance does not guarantee future results.



**Reform Pension Board
Fund Attributes
As of June 30, 2011**

RPB Equity Fund	
Total RPB Equity Fund Assets as of 06/30/2011	\$576,538,394
Domestic Equity	
Assets	\$401,115,534
Weighted Avg. Mkt. Cap. \$MM	\$54,273
Price/Earnings Ratio	16.85
Price/Book Ratio	2.27
5 Yr. Historical EPS Growth Rate (%)	8.31
Current Yield (%)	1.63
International and Global Equity	
Assets	\$175,422,859
Weighted Avg. Mkt. Cap. \$MM	\$34,729
Price/Earnings Ratio	14.49
Price/Book Ratio	2.09
5 Yr. Historical EPS Growth Rate (%)	7.86
Current Yield (%)	2.06
RPB Bond Fund	
Total RPB Bond Fund Assets as of 6/30/2011	\$340,668,547
Core Mgrs. Eff. Duration	4.97
Core Mgrs. Avg. Credit Quality	AA
Global Mgrs. Eff. Duration	5.76
Global Mgrs. Avg. Credit Quality	AA
High Yield Mgr. Eff. Duration	3.91
High Yield Mgr. Avg. Credit Quality	B
Emerging Mkts Debt Eff. Duration	6.40
Emerging Mkts Debt Avg. Credit Quality	BB
RPB Stable Value Fund	
Total Book Value Assets as of 06/30/2011	\$102,601,217
Average Fund Duration	2.15
Average Credit Quality	AA
Average Stable Value Yield to Maturity	1.77



Federal Securities Laws and Their Application to the Reform Pension Board

The Reform Pension Plan is a “church plan” by Internal Revenue Service definition and therefore exempt from many of the rules and regulations contained in ERISA laws. We are required to annually inform all of our participants of our specific status with respect to the securities laws.

1. The Reform Pension Plan is not subject to registration, regulation, or reporting under the Investment Company Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, Title 15 of the United States Code, or state securities laws. Therefore, Plan participants and beneficiaries will not be afforded the protections of those provisions.
2. The Plan will continue to be subject to the Internal Revenue Code and its regulations regarding eligibility, governance and operations.
3. Pursuant to the terms of the Reform Pension Plan, all assets of the Plan are held for the exclusive benefit of the participants and their beneficiaries and no part of the corpus or income may be used for, or diverted to, purposes other than for the exclusive benefit of the participants and beneficiaries and the expenses of the administration of the Plan.



**Reform Pension Board
As of June 30, 2011**

Officers

Chair

Daryl Messinger

Secretary/Treasurer

G. Leonard Teitelbaum

Vice Chair

Rabbi Richard A. Block

Members of the Board

Rabbi Richard A. Block
Rabbi Steven A. Fox
Rabbi Samuel N. Gordon
Rabbi Lisa S. Greene
Michael A. Kimmel
Gus Kuhn, III
Michael H. Laufer
Daryl Messinger
Sharon Morton, RJE

Rabbi Bruce Raff, RJE
Carolyn A. Shane
Rabbi Howard Shapiro
Rabbi Arnold I. Sher
Lawrence Simon
John R. Stern
G. Leonard Teitelbaum
Rabbi Martin S. Weiner
Rabbi Eric H. Yoffie

Honorary Chairmen

Ronald M. Cohen
John R. Stern

Honorary Board Member

Rabbi Joseph Goldman

Advisory Members

David Baskin
Investment Committee Member

Austin Beutel
Investment Committee Member

Alan L. Belinkoff
Audit Committee Chair

Jane Kaplan
Socially Responsible Investment
Committee Member



Advisory Members (continued)

Ralph D. Sinsheimer
Investment Committee Member

Marshall A. Warshauer
Investment Committee Member

Legal Counsel

Joseph R. Rackman, Esq.

**Reform Pension Board Staff
As of June 30, 2011**

Robert M. Koppel
Executive Director

Paul T. Rockfeld
Chief Financial Officer
Director of Operations

Ingrid A. Aponte
Participant Account Manager

Debra H. Feldman
Communications Coordinator

Vanessa Stevens
Accounting Supervisor

Patrick J. James
Staff Accountant

Lois A. Allwood
Accounting Assistant

Andrew J. Buchhalter
Administrative Assistant

Maria V. Melore
Administrative Assistant





Reform Pension Board