

May 4, 2012  
Township Building

A regular meeting of the **PENSION BOARD** was held today, Chairman Daniel B. Norris presiding. Staff member present was Joseph Galdo, Director of Fiscal Affairs. Also present was Marc Ammaturo of PFM Advisors, William David Webb and Joanne Labiak.

1. Mr. Ammaturo reported on the overall performance of the economy and capital markets during the first quarter of 2012. The performance in the quarter was positive.

2. Mr. Ammaturo reported on the specific performance of all four (4) pension plans for the first quarter ending March 31, 2012 as follows:

a) **Police:** This plan had an 8.66% increase in earnings with over \$1,482,614 in positive gains/net flows for the quarter. The total portfolio value was \$24,558,533.

b) **Salaried:** This plan had an 8.49% increase in earnings with \$700,159 in positive gains/net flows for the quarter. The total portfolio value was \$11,481,459.

c) **Hourly:** This plan had an 8.73% increase in earnings with \$533,423 in positive gains/net flows for the quarter. The total portfolio value was \$8,141,640.

d) **Commissioners:** This plan had a 9.06% increase in earnings with \$13,805 in positive gains/net flows for the quarter. The total portfolio value was \$226,892.

3. Mr. Galdo reviewed the performance of the funds managed by C.S. McKee in all four (4) pension plans for the first quarter ending March 31, 2012 as follows:

a) **Police:** This plan had \$1,515,806 in positive returns/net flows for the quarter with \$22,882,147 in ending market value and a 6.62% increase in earnings.

b) **Salaried:** This plan had \$721,400 in positive returns/net flows for the quarter with \$9,997,754 in ending market value and a 7.21% increase in earnings.

c) **Hourly:** This plan had \$567,097 in positive returns/net flows for the quarter with \$6,952,226 in ending market value and an 8.15% increase in earnings.

d) **Commissioners:** This plan had \$15,085 in positive returns/net flows for the quarter with \$217,866 in ending market value and a 6.92% increase in earnings.

4. Mr. Ammaturo recommended the following reallocation of funds (see attached):

- Migrate 2% of funds from C.S. McKee Core Fixed Income to Oppenheimer Developing Markets (applicable to all four plans).
- Migrate 2% of funds from Cohen & Steers (REIT) to C.S. McKee All Cap Core (applicable to all plans *except* Commissioners Plan). This migration of funds to the All Cap Core would take the current


weighting from 42.3% to 44.3% which is slightly over the maximum range.

Upon motion of Mr. Norris, the Pension Board recommended the above asset reallocations.

5. Mr. Ammaturo would like to discuss the following issues at the next Pension Committee Meeting.

- Migrating the Township Pension Plans to a real-time format (called a "Discretionary Program") in which the investment committee for PFM Advisors handles the selection of investment vehicles, as well as the transactional side (buying/selling). This issue was brought up sometime ago but they would like to revisit the issue with the Township.
- Possibility of conducting a new Money Manager search for High Yield Fixed Income. It was disclosed that under the contract terms a new search would cost the plans \$5,000 in total for the new search.

There being no further business, the meeting was adjourned.



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David G. Kraynik  
Township Manager

Per: Joseph L. Galdo, Jr.  
Director of Fiscal Affairs

## Cheltenham Township Police Pension Plan Account Rebalancing Worksheet

Period Ending April 30, 2012

Asset Class/Style	Current Allocation (\$)	Current Allocation (%)	Target Allocation (%)	Allocation Difference (%)	Allocation Difference (\$)	Rebalancing Action
<b>DOMESTIC EQUITY (34%-44%)</b>						
C.S. McKee - All Cap Core	\$10,184,233	42.09%	39.00%	3.09%	\$746,661	
<b>INTERNATIONAL EQUITY (16%-26%)</b>						
C.S. McKee - International	\$3,392,132	14.02%	18.50%	-4.48%	(\$1,084,665)	
Oppenheimer - Emerging	\$575,063	2.38%	2.50%	-0.12%	(\$29,910)	
<b>INFLATION HEDGE (6%-14%)</b>						
Cohen & Steers - REIT	\$2,951,457	12.20%	10.00%	2.20%	\$531,566	
PIMCO - Commodities	\$1,633,692	6.75%	5.00%	1.75%	\$423,747	
<b>DOMESTIC FIXED INCOME (25%-35%)</b>						
C.S. McKee - Core Fixed	\$7,096,018	29.32%	30.00%	-0.68%	(\$163,653)	
Hartford - Annuity	\$5,430,430	22.44%	23.12%	-0.68%	(\$163,653)	
<b>CASH AND CASH EQUIVALENT (0%-10%)</b>						
	\$0	0.00%	0.00%	0.00%	\$0	
<b>Total Plan</b>	<b>\$24,198,903</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>\$0</b>	

## Cheltenham Township Salaried Employees' Pension Plan Account Rebalancing Worksheet

Period Ending April 30, 2012

Asset Class/Style	Current Allocation (\$)	Current Allocation (%)	Target Allocation (%)	Allocation Difference (%)	Allocation Difference (\$)	Rebalancing Action
<b>DOMESTIC EQUITY (34%-44%)</b>						
C.S. McKee - All Cap Core	\$4,609,384	40.80%	39.00%	1.80%	\$203,629	
<b>INTERNATIONAL EQUITY (16%-26%)</b>						
C.S. McKee - International	\$1,587,154	14.05%	18.50%	-4.45%	(\$502,755)	
Oppenheimer - Emerging	\$266,074	2.36%	2.50%	-0.14%	(\$16,346)	
<b>INFLATION HEDGE (6%-14%)</b>						
Cohen & Steers - REIT	\$850,489	7.53%	5.00%	2.53%	\$285,649	
PIMCO - Commodities	\$647,631	5.73%	5.00%	0.73%	\$82,791	
<b>DOMESTIC FIXED INCOME (25%-35%)</b>						
C.S. McKee - Core Fixed	\$3,336,074	29.53%	30.00%	-0.47%	(\$52,968)	
Hartford - Annuity	\$1,858,067	16.45%	16.92%	-0.47%	(\$52,968)	
<b>CASH AND CASH EQUIVALENT (0%-10%)</b>						
	\$0	0.00%	0.00%	0.00%	\$0	
<b>Total Plan</b>	<b>\$11,296,806</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>(\$0)</b>	

## Cheltenham Township Hourly Employees' Pension Plan Account Rebalancing Worksheet

Period Ending April 30, 2012

Asset Class/Style	Current Allocation (\$)	Current Allocation (%)	Target Allocation (%)	Allocation Difference (%)	Allocation Difference (\$)	Rebalancing Action
<b>DOMESTIC EQUITY (34%-44%)</b>						
C.S. McKee - All Cap Core	\$3,455,572	43.11%	39.00%	4.11%	\$329,704	
<b>INTERNATIONAL EQUITY (16%-26%)</b>						
C.S. McKee - International	\$1,121,450	13.99%	18.50%	-4.51%	(\$361,333)	
Oppenheimer - Emerging	\$189,742	2.37%	2.50%	-0.13%	(\$10,634)	
<b>INFLATION HEDGE (6%-14%)</b>						
Cohen & Steers - REIT	\$988,526	12.33%	10.00%	2.33%	\$187,021	
PIMCO - Commodities	\$605,355	7.55%	5.00%	2.55%	\$204,602	
	\$383,171	4.78%	5.00%	-0.22%	(\$17,581)	
<b>DOMESTIC FIXED INCOME (25%-35%)</b>						
C.S. McKee - Core Fixed	\$2,259,755	28.19%	30.00%	-1.81%	(\$144,758)	
Hartford - Annuity	\$1,079,491	13.47%	15.27%	-1.81%	(\$144,758)	
	\$1,180,264	14.73%	14.73%	0.00%	\$0	
<b>CASH AND CASH EQUIVALENT (0%-10%)</b>						
	\$0	0.00%	0.00%	0.00%	\$0	
<b>Total Plan</b>	<b>\$8,015,045</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>\$0</b>	

## Cheltenham Township Commissioners' Pension Plan Account Rebalancing Worksheet

Period Ending April 30, 2012

Asset Class/Style	Current Allocation (\$)	Current Allocation (%)	Target Allocation (%)	Allocation Difference (%)	Allocation Difference (\$)	Rebalancing Action
<b>DOMESTIC EQUITY (34%-44%)</b>						
C.S. McKee - All Cap Core	\$98,348	44.59%	39.00%	5.59%	\$12,336	
	\$98,348	44.59%	39.00%	5.59%	\$12,336	
<b>INTERNATIONAL EQUITY (16%-26%)</b>						
C.S. McKee - International	\$31,448	14.26%	18.50%	-4.24%	(\$9,353)	
Oppenheimer - Emerging	\$5,260	2.39%	2.50%	-0.11%	(\$253)	
<b>INFLATION HEDGE (6%-14%)</b>						
	\$23,616	10.71%	10.00%	0.71%	\$1,561	
Cohen & Steers - REIT	\$12,443	5.64%	5.00%	0.64%	\$1,416	
PIMCO - Commodities	\$11,173	5.07%	5.00%	0.07%	\$145	
<b>DOMESTIC FIXED INCOME (25%-35%)</b>						
	\$61,874	28.05%	30.00%	-1.95%	(\$4,290)	
C.S. McKee - Core Fixed	\$53,273	24.16%	26.10%	-1.95%	(\$4,290)	
Hartford - Annuity	\$8,601	3.90%	3.90%	0.00%	\$0	
<b>CASH AND CASH EQUIVALENT (0%-10%)</b>						
	\$0	0.00%	0.00%	0.00%	\$0	
<b>Total Plan</b>	<b>\$220,546</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>\$0</b>	