

**Pension Trustees
Meeting Minutes
May 10, 2017**

The quarterly meeting of the Trustees of the Tredyffrin Township Police Pension Fund (TTPPF), Deferred Compensation Plan, and the OPEB Trust, to discuss the results of the previous quarter, was held on the above date at the Township Building. Trustees present were Warren Hyams, Stanford Nishikawa, and Richard Veith. Also in attendance were Finance Director Joseph DiRocco; Board of Supervisors Liaison Murph Wysocki; and Recording Secretary Patricia Hoffman. Attending from PFM Advisors were Alex Goldsmith and Mark Yasenчек.

The meeting was called to order at 7:30 AM.

Approval of Minutes

Motion made by Mr. Nishikawa, seconded by Mr. Hyams, and passed unanimously to approve the minutes from the February 8, 2017 meeting.

PFM Review

Mr. Goldsmith and Mr. Yasenчек joined the meeting at 7:35 a.m.

Mr. Yasenчек shared with the Trustees that he has been promoted to a new position with PFM and that Mr. Goldsmith will be our principal client consultant going forward.

Equities recorded strong performance in the first quarter. International equities outpaced domestic equities and emerging markets led the sector. Domestic large caps outperformed small caps, and growth stocks outperformed their value counterparts. These trends appear to be on track to continue for the second quarter. Real estate and fixed income showed modest returns in the first quarter.

PFM analysts are forecasting decent growth domestically in 2017, and are anticipating that domestic equities should perform strongly this year as a result of the pro-growth policies put forth by the new administration. However, internationally, there is some uncertainty due to global political concerns.

Mr. Goldsmith related that there is a high likelihood of a Fed rate hike in June.

Mr. Goldsmith reported that the TTPPF total return matched its target policy index over the last three years. He further added that TTPPF exceeded its stated actuarial assumption goal for five years ending 3/31/2017.

After discussion regarding the small/mid cap equity manager, SouthernSun, the Trustees decided to liquidate all remaining shares, and use the funds to meet TTPPF cash needs over the next quarter, thus removing SouthernSun entirely from the TTPPF portfolio.

PFM will update the Plan Sponsor Peer Group Analysis Report from 1, 2, 3, 5, and 7 years to 1, 3, 5, 7 and 10 years.

There was discussion regarding the US Small Cap equity Search and the Trustees deferred further discussion to the next meeting. Mr. Goldsmith will send a revised proposal including additional options.

Mr. Goldsmith and Mr. Yasenчек left the meeting at 8:30 a.m.

Cash Needs

TTPPF cash needs for the first quarter were met by making a large MMO contribution. The cash needs for the second quarter will be met by using the funds generated by the liquidation of SouthernSun shares, as well as the remaining MMO contribution.

Interest Rate Assumption

After discussion, a motion was made by Mr. Nishikawa, seconded by Mr. Veith, and passed unanimously to recommend to the Board of Supervisors to reduce the interest rate assumption for the Police Pension Plan from 7.5% to 7.25%.

OPEB TRUST

The OPEB Trust is fully invested in the Vanguard Life Strategy Growth fund. The Trustees asked if Mr. DiRocco could obtain Morningstar's analyst report on this fund.

Next Meeting

The next meeting is scheduled for August 9, 2017.

Adjournment

The meeting was adjourned at 8:53 a.m.

Respectfully submitted,

Patricia Hoffman
Recording Secretary