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# Endowment Trustees Report

*(Long-Term Investment / Endowment Fund)*

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Rod Hersberger – Senior Trustee  
Thursday – April 19, 2018  
Saturday – April 21, 2018

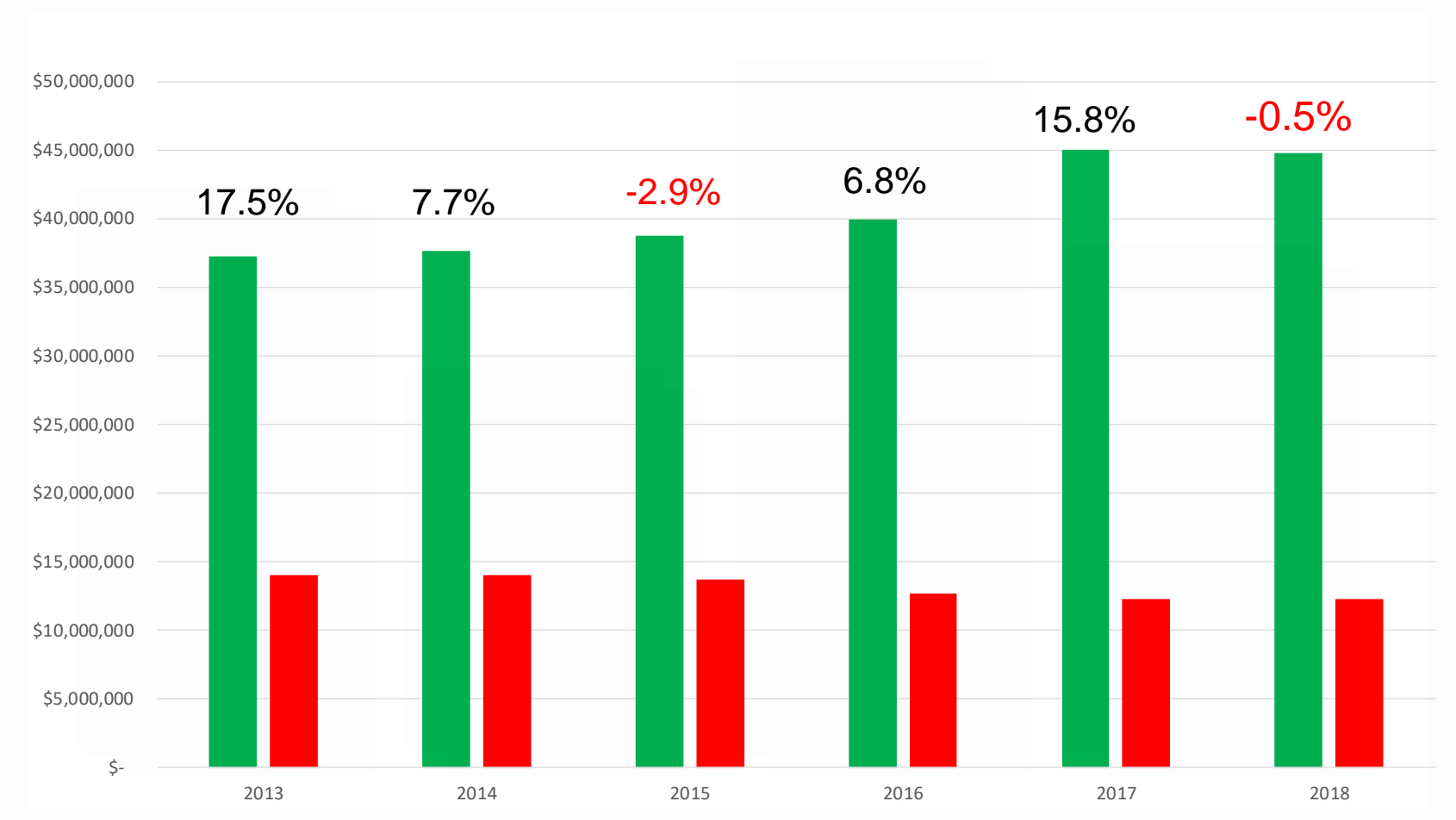


# Issues Impacting the Market

- Volatility in US stocks had one of its biggest quarterly rises ever
- Volatility was impacted by investor concerns over inflation, rising interest rates and growing global trade tensions (tariffs on steel and aluminum)
- Volatility is expected to continue rising as monetary policy continues its tightening cycle
- Technology stocks took the brunt of the market downturn over fears of greater government regulation for the industry
- The profit cycle remains a cornerstone of the current bull market and corporate earnings growth continues to be strong
- The yield on the benchmark 10-year Treasury Note posted its third consecutive quarterly gain
- Despite the uncertainty over current issues facing the market, the economic outlook remains positive

# Market Value, Book Value and Return @ 3-31-18

\$44,821,221\*



\*Calendar year to date through 3-31-18

# Manager Allocation and Style

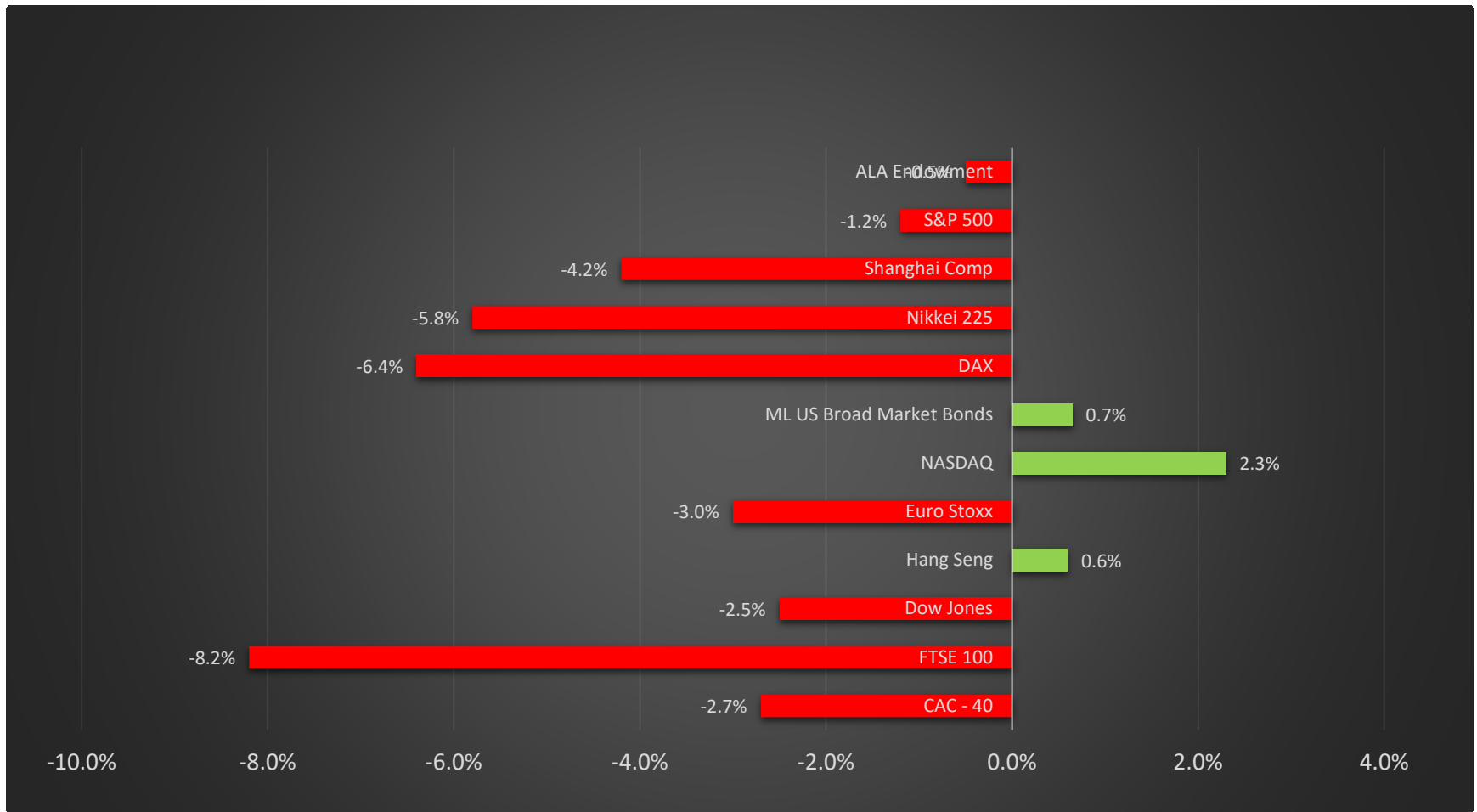
<u>Manager</u>	<u>Value</u>	<u>%</u>
Clearbridge ESG - Large Cap Core	\$ 9,013,029	20.1%
Merrill Lynch Personal Advisor* - (MLPA)	\$ 21,925,253	48.9%
The Endowment Fund/KKR/Blackstone/ JLL - Alternatives	\$ 3,773,561	8.4%
Capital Group - International	\$ 2,116,095	4.7%
Equity Income & Growth - ETF	<u>\$ 7,993,283</u>	<u>17.8%</u>
<b>Total</b>	<b>\$ 44,824,221</b>	<b>100.00%</b>

\*MLPA is a platform under which ALA can access different managers of various investing styles in the form of mutual funds and ETF's - 9 managers.

# World Market Performance

Exhibit #4

- Calendar Year Market Returns @ 3-31-18



# Time Weighted Rate of Return

	<u>Opening Balance</u>	<u>Contributions (Withdrawals)</u>	<u>Interest Dividends</u>	<u>Appreciation (Depreciation)</u>	<u>Closing Balance</u>	<u>ROR* Period</u>	<u>ROR* Cumulative</u>
March – 2018	\$ 45,204,025	\$ 3	\$ 150,110	\$ ( 532,917)	\$ 44,821,221	(0.85%)	(0.52%)
February – 2018	\$ 47,438,334	\$ 857,245	\$ 41,803	\$ (1,418,867)	\$ 45,204,025	(2.92%)	0.33%
January – 2018	\$ 45,900,664	\$ 0	\$ 33,734	\$ 1,503,935	\$ 47,438,334	3.35%	3.35%
<b>Total</b>	<b>\$ 47,438,334</b>	<b>\$ (857,245)</b>	<b>\$ 75,537</b>	<b>\$ 85,068</b>	<b>\$ 45,204,025</b>	<b>NA</b>	<b>0.33%</b>

\*Rate of Return

# Manager Performance @ 12-31-17 Exhibit #6

- 1, 3 and 5 Years -

Asset Class Investment Manager (Benchmark)	Allo- cation	Investment Structure	Manager Composite Performance *					
			1 Year	Index	3 Years	Index	5 Years	Index
<b>Equity &amp; Real Assets</b>								
<b>Domestic Large/Mid Cap</b>								
Equity Income & Growth ETF (S&P 500)	18.5%	ETF	19.0%	21.8%	10.2%	10.9%	14.9%	15.1%
Clearbridge Large Cap ESG (Russell 1000 Growth)*	19.4%	SMA	26.7%	30.2%	15.5%	13.8%	19.4%	17.3%
Principal Mid Cap (Russell Mid Cap)	5.4%	MF	25.0%	20.2%	11.5%	11.5%	16.5%	14.1%
Schwab U.S. Small Cap ETF (DJ U.S. Small Cap)	2.9%	ETF	14.5%	15.5%	9.3%	10.1%	14.9%	11.8%
<b>International Equity</b>								
Capital Group International (MSCI EAFE)*	4.6%	SMA	32.1%	25.0%	8.9%	7.8%	8.3%	7.9%
Lazard International Strategic (MSCI EAFE)	4.0%	MF	28.2%	25.0%	5.5%	7.8%	8.1%	7.9%
Oakmark International (MSCI EAFE)	4.0%	MF	30.2%	25.0%	9.8%	7.8%	10.6%	7.9%
<b>Real Assets</b>								
Vanguard U.S. REIT ETF (MSCI U.S. REIT)	2.4%	MF	6.2%	5.1%	4.7%	5.4%	9.5%	9.3%
Nuveen Real Asset Income (Nuveen Real Asset Blended Index)	2.6%	MF	12.0%	13.8%	5.8%	6.2%	8.0%	7.3%
<b>Fixed Income</b>								
<b>Domestic Fixed Income</b>								
PIMCO Income Fund (Barclays US Agg)	4.7%	MF	8.6%	3.5%	6.5%	2.2%	6.3%	2.1%
Double Line Total Return (Barclays US Agg)	4.6%	MF	3.9%	3.5%	2.8%	2.2%	3.0%	2.1%
Calvert ESG Short Duration (Barclays 1-5 Yr US Credit Index)	4.8%	MF	2.6%	2.3%	2.3%	2.0%	1.9%	1.8%
Guggenheim Total Return (Barclays US Agg)	4.6%	MF	6.7%	3.5%	4.7%	2.2%	4.8%	2.1%
Lord Abbett Short Duration (BAML 1-3 yr Gov/Corp)	5.6%	MF	2.7%	0.9%	2.4%	0.9%	2.1%	0.9%
<b>Alternative Investments</b>								
AQR Long/Short Equity Fund (MSCI World)	3.9%	MF	15.7%	22.4%	14.6%	9.3%	n/a	n/a
JLL Income Property Trust **	2.3%		8.2%		7.7%			
The Endowment Fund (HFRI Fund of Fds Divers)***	1.8%		4.7%					

\* SMF & ETF Returns are historical manager composite returns, not actual ALA account returns. Source: ML Investment Mgt & Guidance, ML Alt. Investments and Bloomberg

\*\* I share inception date is July 1, 2014

<sup>1</sup> Nuveen Real Asset Income Blend is comprised of 28% S&P Global Infrastructure Index, 21% FTSE EPRA/NAREIT Developed Index, 18% Wells Fargo Hybrid & Preferred REIT Index, 15% Barclays Global Capital Securities Index, 18% Barclays U.S. Corporate High Yield Index. Source: Nuveen

\*\*\* As of 11/30/17 Source: Endowment Client Service firm, Salient Partners

Note that various factors, including unpriced securities and certain adjustments, holdings or activity, may cause report results to differ from actual performance. Report results may also differ from results reported by other Merrill Lynch services. Past performance does not guarantee future results.

For informational purposes only. Account statement is official record of holdings, balances and security holdings.

# Four Month Summary of Endowment Fund @12-31-17

	OTHER LONG-TERM INVESTMENTS							
	LIFE MEMBER FUND	FUTURE FUND	CARNEGIE FUND	SPECTRUM FAMILY FUNDS	SCHOLARSHIPS	AWARDS	DIVISIONS	TOTAL
Beginning Balance - 9/1/17	\$1,588,992	12,894,965	\$1,689,882	\$ 6,459,147	\$ 2,833,271	\$ 9,458,117	\$ 8,084,664	\$ 43,009,038
ADDITIONS ( Accrual Basis ):								
Interest & Dividends	26,531	(62,633)	28,173	111,483	44,568	145,765	125,118	\$ 419,005
Contributions and Other	-	3,825	-	50,828	40,629	43,829	6,201	\$ 145,312
Market Value Gain/Loss - Realized	30,410	245,732	32,293	127,786	51,084	166,671	143,413	\$ 797,389
Market Value Gain/Loss - Unrealized	36,418	292,500	38,672	153,030	61,173	200,037	171,743	\$ 953,573
Total Revenues and Additions	93,359	479,424	99,138	443,127	197,454	556,302	446,475	\$ 2,315,279
DEDUCTIONS ( Accrual Basis ):								
Bank Fees	3,688	27,708	3,637	14,945	5,824	19,161	16,251	\$ 91,214
Project Expenses and Awards	-	-	11,970	141,000	18,750	57,520	-	\$ 229,240
Life Member Dues	(16,650)	-	-	-	-	-	-	\$ (16,650)
TOTAL DEDUCTIONS	20,338	27,708	15,607	155,945	24,574	76,681 #	16,251 #	\$ 337,104
Fund Balance Transfers	-	-	-	-	-	-	-	\$ -
Change in Net Assets	73,021	451,716	83,531	287,182	172,880	479,621	430,224	1,978,175
ENDING BALANCE - 12/31/17	\$1,662,013	\$13,346,681	\$1,773,413	\$ 6,746,329	\$ 3,006,151	\$ 9,937,738	\$ 8,514,888	\$ 44,987,213
% of Total Portfolio	3.7%	29.7%	3.9%	15.0%	6.7%	22.1%	18.9%	100.0%

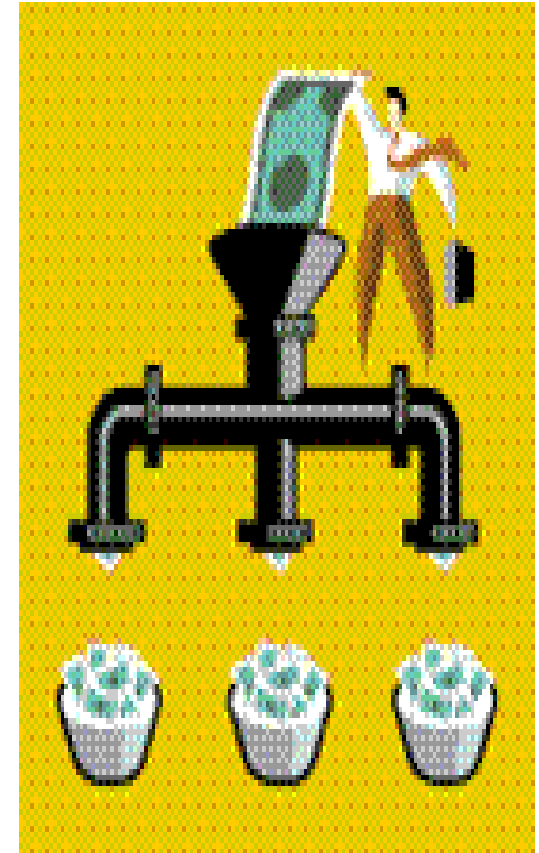


# Work of the Endowment Trustees

Exhibit #8

## *Recent Trustee Actions*

- Held the Trustees annual education meeting in NYC in February
- Made no recommended changes to the portfolio's asset allocation between equities (64%), bonds (24%) and alternatives (12%)
- Still pursuing a consultant for a strategic review of the endowment
- Reviewing additional support to the General Fund (New Business Development)
- Discussed, reviewed and provided input on a succession plan for the Senior Trustee position
- In the process of fulfilling the Council request to review portfolio holdings



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Thank you