



2012 - 13 ET #6.1
2012- 13 EBD #13.1
(2012 - 13 Fall Meeting)

Endowment Trustees Report to Executive Board

(Long-Term Investment Fund)

John Vitali – Senior Trustee
Saturday – October 27, 2012

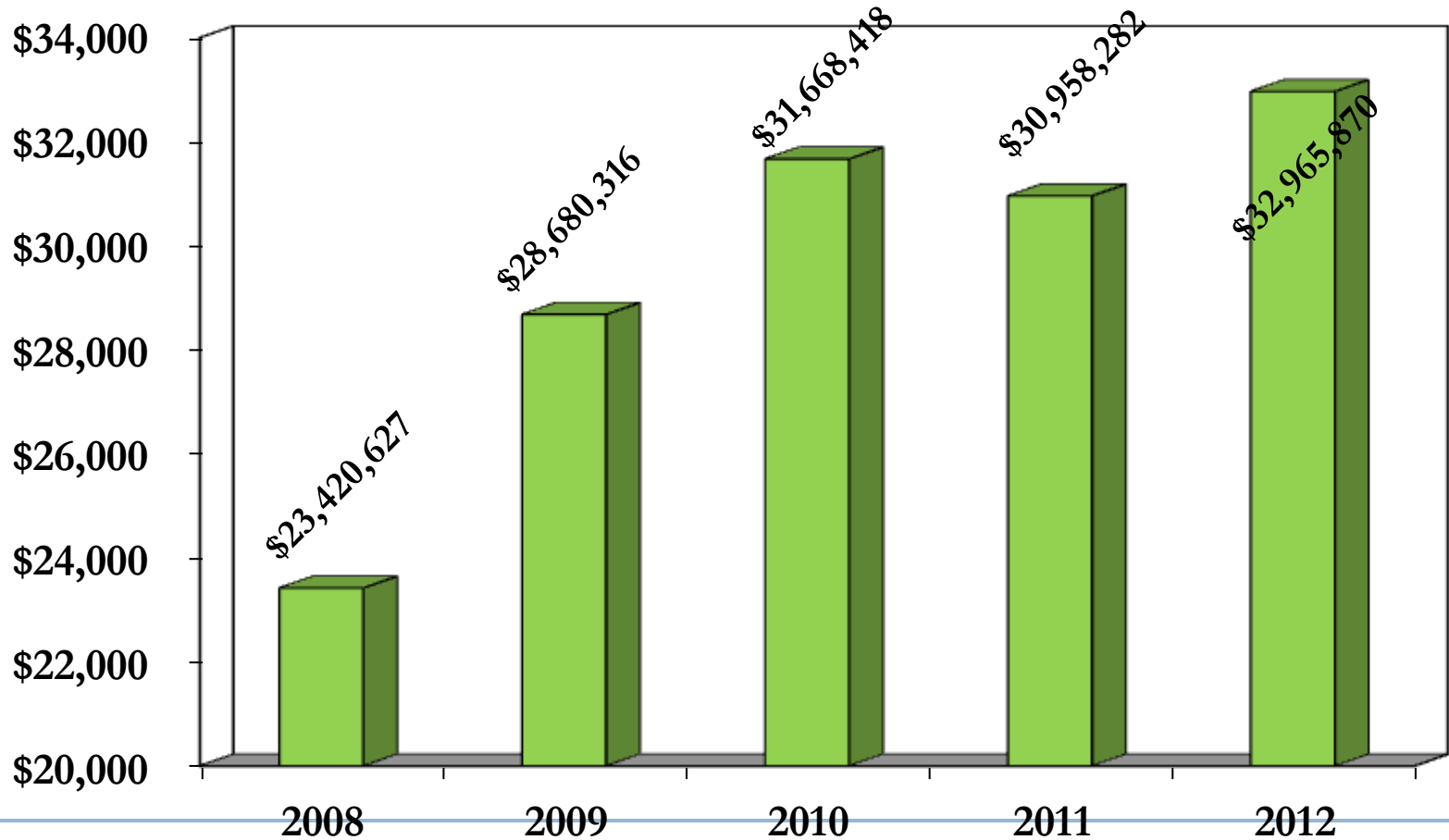


Issues Affecting the Market

- Monetary easing by central banks around the world continues
- Volatility continues to be extremely high
- Profitability of U.S. corporations slowing down
- Marginal progress being made with respect to European debt crisis
- Market has begun to discount a US debt compromise of \$250 - \$320 billion, although the “Fiscal Cliff” is still the #1 risk to the market
- Small caps firms have outperformed large caps firms and growth stocks have outperformed value stocks
- Bond market valuations are at extreme levels

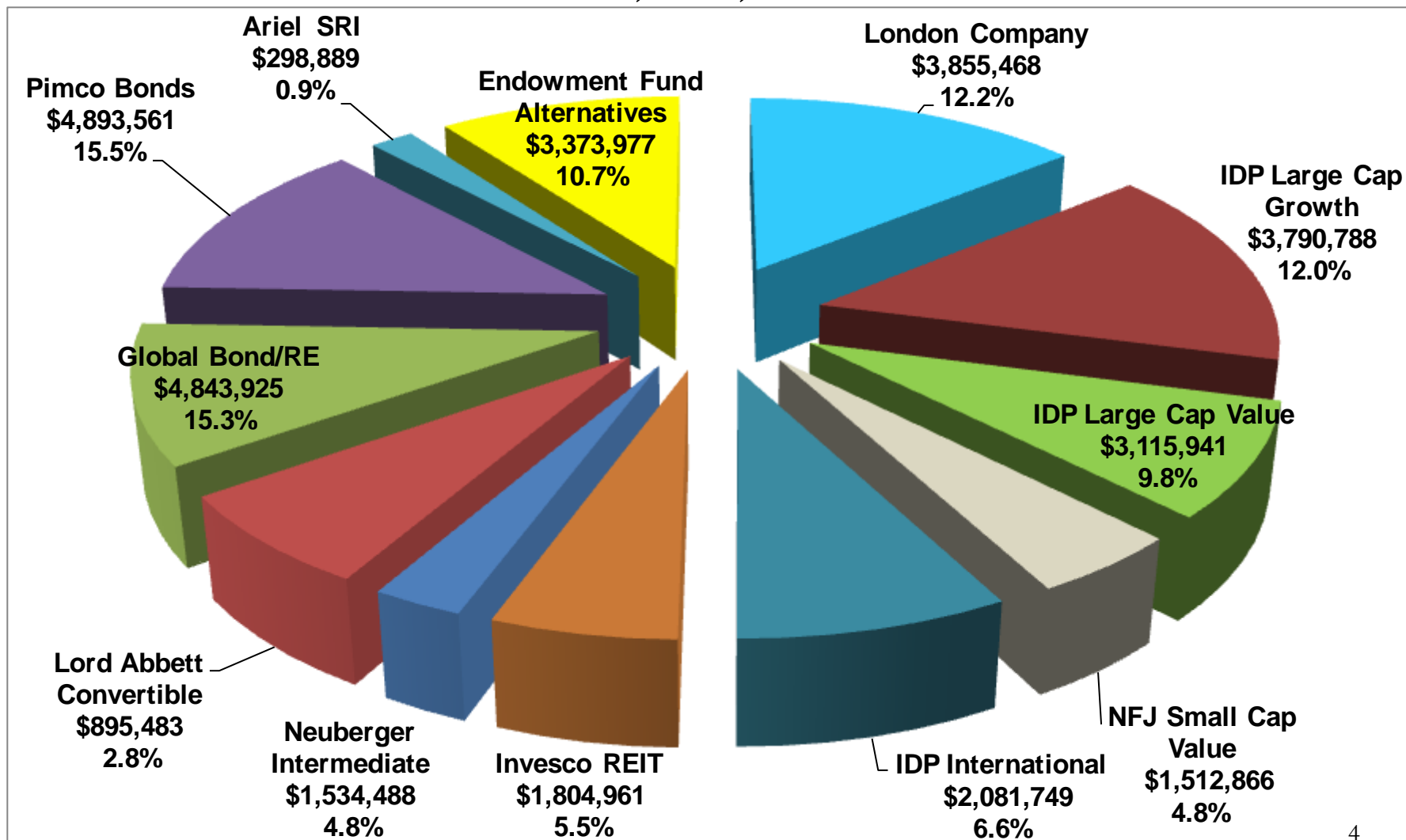
Market Value @ 9-30-12

\$32,965,870



Endowment Fund Manager & Asset Allocation @ 9-30-12

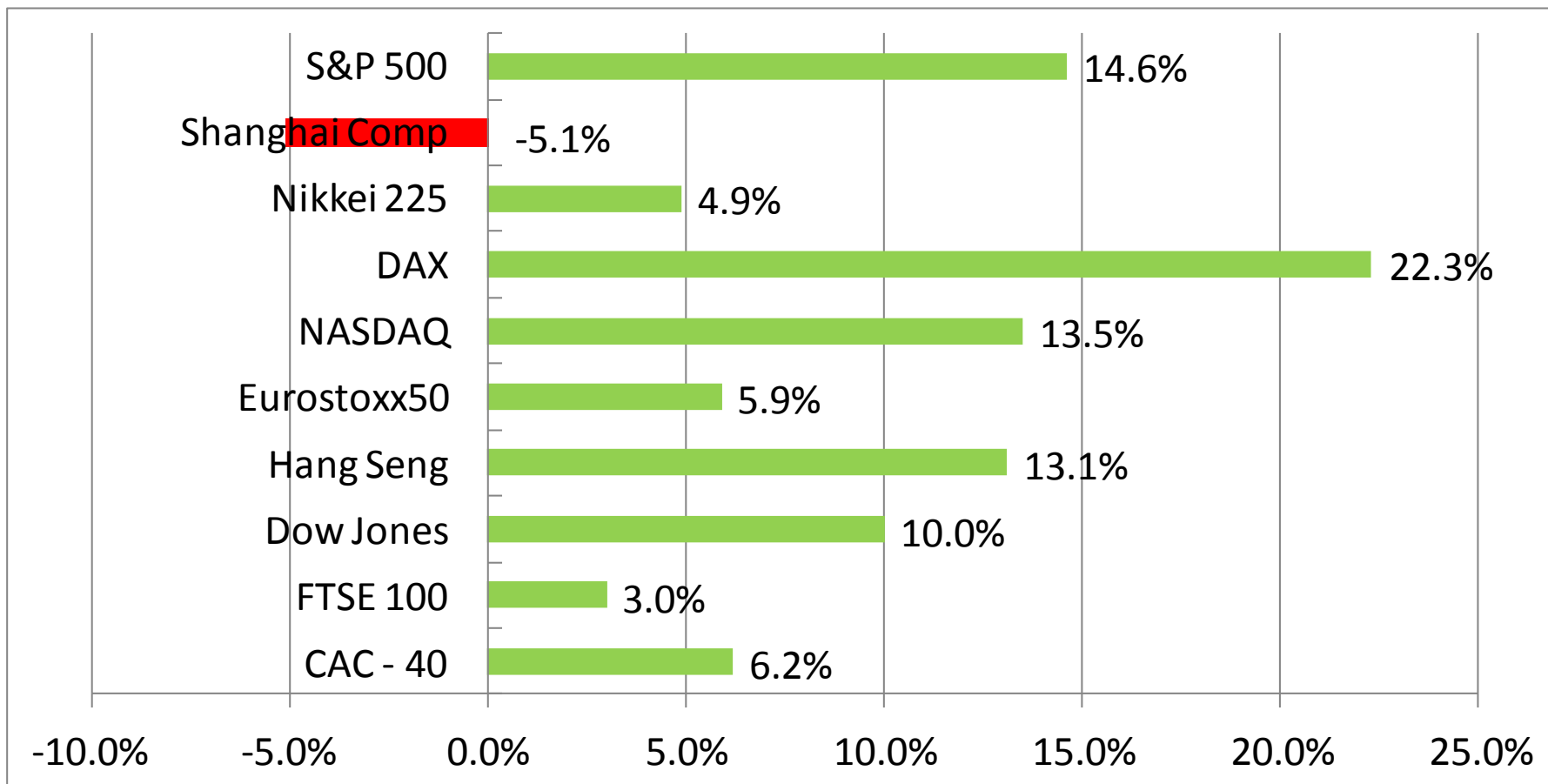
\$32,965,870



World Market Performance

Exhibit #4

- Market Returns for the 9 Months Ending 9-30-12



Manager Performance and Allocation

9 Months Ending - 9/30/12

| <u>Managers</u> | <u>Market Value</u> | <u>% of Portfolio</u> | <u>Returns</u> | <u>Index</u> |
|-------------------------|---------------------|-----------------------|----------------|--------------|
| London – Large Cap Core | \$ 4,645,667 | 14.1% | 12.5% | 15.7% |
| IDP – Large Cap Growth | \$ 4,944,588 | 15.0% | 14.5% | 16.8% |
| IDP – Large Cap Value | \$ 2,799,509 | 8.5% | 12.7% | 15.7% |
| NFJ – Small Cap Value | \$ 1,506,233 | 4.6% | 1.7% | 14.4% |
| Ariel Capital - SRI | \$ 600,082 | 1.8% | 16.6% | 14.0% |
| IDP - International | \$ 2,643,176 | 8.0% | 9.8% | 10.6% |
| Endowment Fund | \$ 3,338,089 | 10.1% | 0.0% | 2.3% |
| Invesco - REIT | <u>\$ 1,804,961</u> | <u>5.5%</u> | 14.3% | 16.1% |
| Total Equity | \$22,282,305 | 67.6% | | |

Manager Performance and Allocation

9 Months Ending-9/30/12 (Con't)

| <u>Managers</u> | <u>Market Value</u> | <u>% of Portfolio</u> | <u>Returns</u> | <u>Index</u> |
|---------------------------|---------------------|-----------------------|----------------|---------------|
| Lord Abbett – Conv. Bonds | \$ 892,573 | 2.7% | 10.1% | 11.9% |
| Global Bonds | \$ 3,406,753 | 10.3% | 12.6% | 4.4% |
| Corporate Fixed Income | \$ 2,270,735 | 6.9% | 4.6% | 2.6% |
| Pimco - Bonds | <u>\$ 4,113,504</u> | <u>12.5%</u> | 6.9% | 4.2% |
| Total Fixed Income | \$10,683,565 | 32.4% | | |
| Total ALA Portfolio | <u>\$32,965,870</u> | <u>100.00%</u> | <u>9.2%</u> | <u>10.9%*</u> |

Asset Allocation Strategy

Exhibit #7

| ASSET ALLOCATION STRATEGY | | POLICY GUIDELINES @ 6-30-12 | | | |
|--|------------------------|-----------------------------|--------|--------|-----|
| | | Min | Target | Actual | Max |
| Domestic Large/Medium Cap Stocks | | 30% | 40% | 39.4% | 50% |
| | London Company - Core | | | 14.1% | |
| | IDP - Large Cap Value | | | 8.5% | |
| | IDP - Large Cap Growth | | | 15.0% | |
| | Ariel - SRI | | | 1.8% | |
| Domestic Small/Medium Cap Stocks | | 0% | 5% | 4.6% | 10% |
| | NFJ - Small Cap Value | | | 4.6% | |
| Alternative Investments | | 0% | 10% | 10.1% | 15% |
| | Endowment Fund | | | 10.1% | |
| International Equity | | 5% | 10% | 8.0% | 15% |
| | IDP - International | | | 8.0% | |
| Real Estate Investment Trust (REIT) | | 5% | 5% | 5.5% | 15% |
| | Invesco | | | 5.5% | |
| Investment Grade Fixed Income | | 20% | 30% | 32.4% | 50% |
| | Corporate Fixed Income | | | 6.9% | |
| | Global Fixed | | | 10.3% | |
| | Lord Abbett | | | 2.7% | |
| | PIMCO - Bonds | | | 12.5% | |
| Cash and Cash Equivalents | | 0% | 0% | 0% | 5% |
| | | | | 100% | |