



EBD #13.0
BARC #13.0
2019 – 2020 Fall Meeting

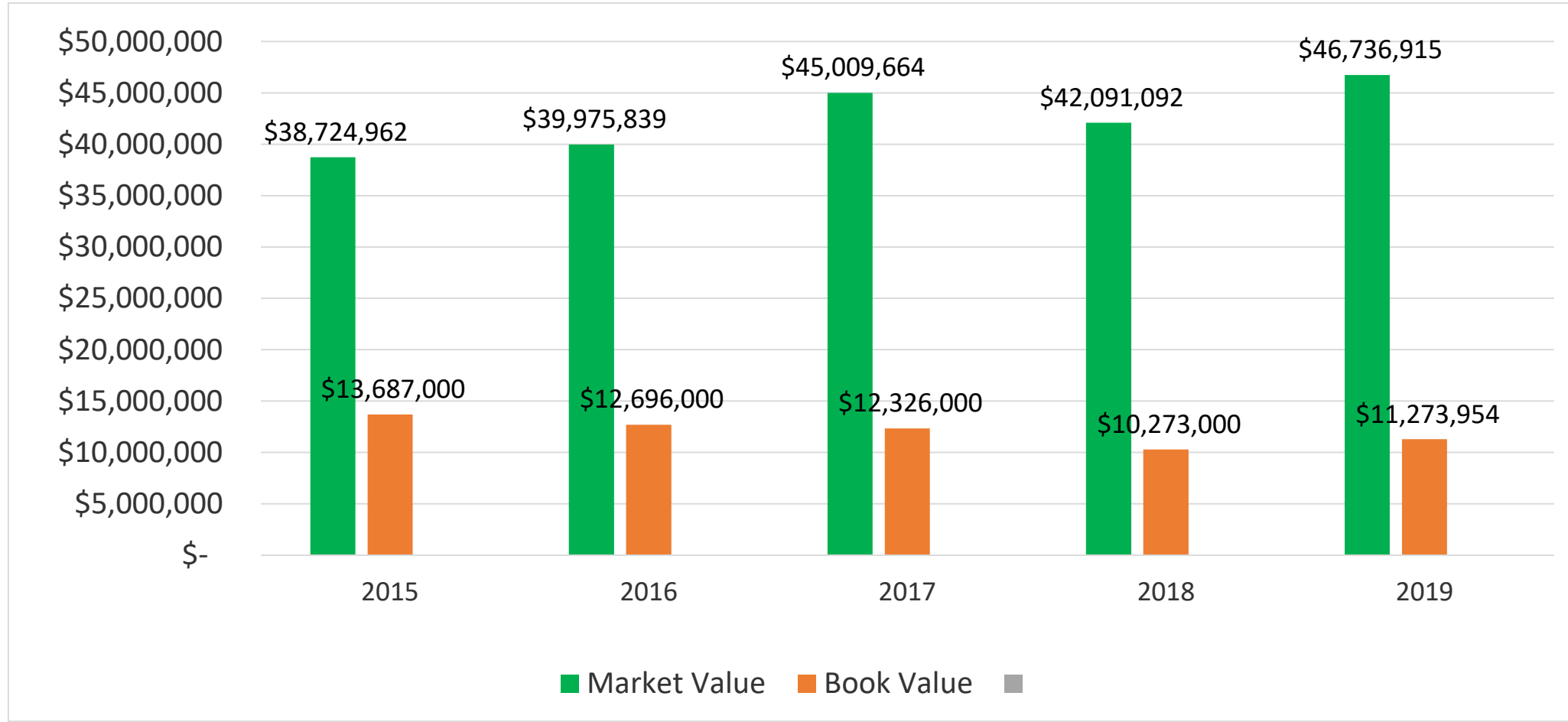
Endowment Trustee Report to the ALA Executive Board

Patricia Wand – Senior Endowment Trustee

Fall Meeting – Chicago, IL
Sunday – October 20, 2019
Saturday – October 26, 2019

Market/Book Value and Return* @ 8-31-19

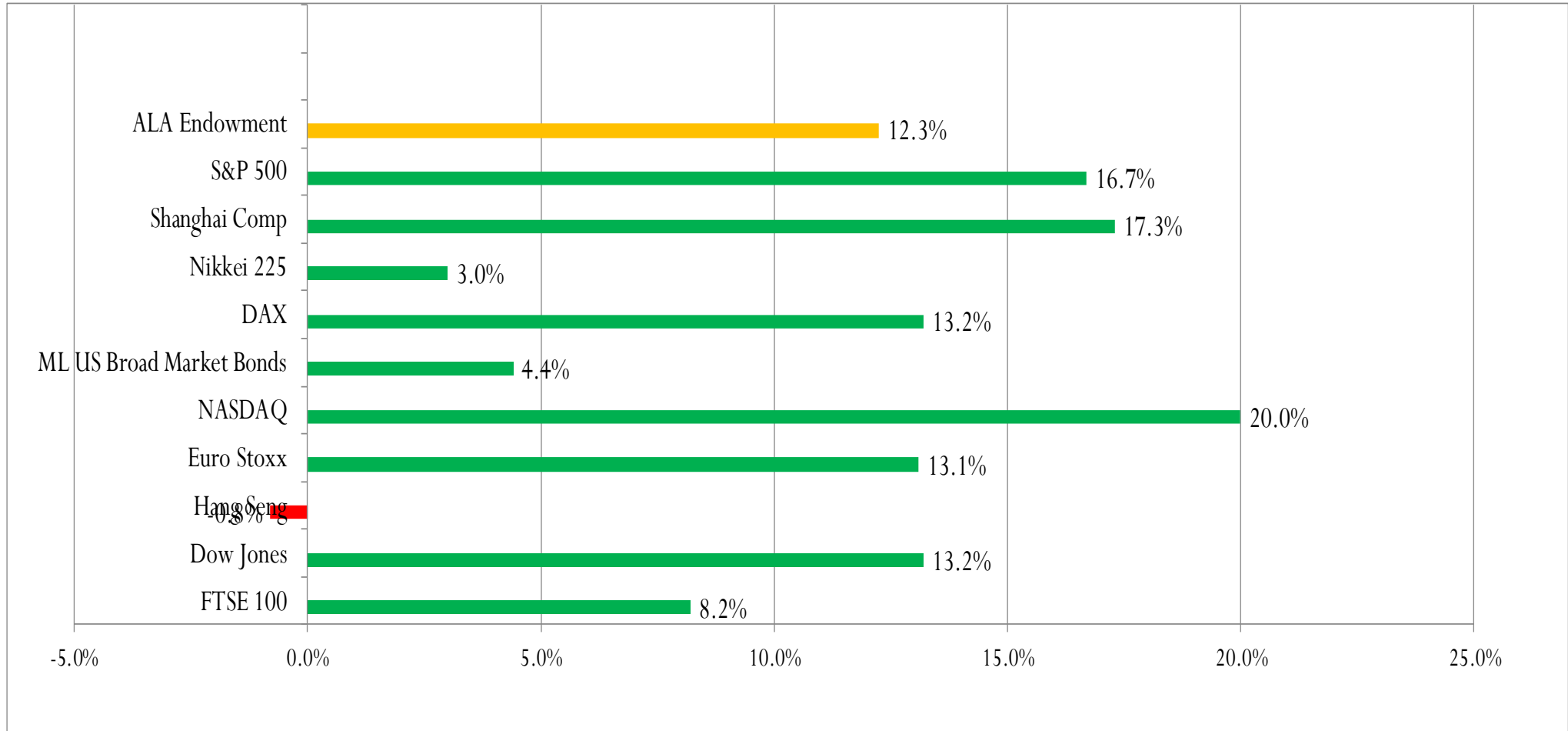
\$46,736,915



*Calendar year to date (eight months) through 8-31-19

World Market Performance

- Calendar Year Market Returns @ 8-31-19



Time Weighted Rate of Return

Period	Opening	Contributions (Withdrawals)	Interest / Dividends	Appreciation / Depreciation	Closing	ROR*	ROR*
	Balance				Balance	Period	Cumulative
August – 2019	\$ 47,203,068	\$ -	\$ 45,073	\$ (511,225)	\$ 46,736,916	-0.98%	12.42%
July – 2019	\$ 47,464,621	\$ (587,103)	\$ 83,883	\$ 241,668	\$ 47,203,068	0.68%	13.53%
June – 2019	\$ 45,517,657	\$ -	\$ 130,612	\$ 1,816,352	\$ 45,615,049	-13.00%	12.77%
May – 2019	\$ 47,281,573	\$ -	\$ 51,558	\$ (1,815,474)	\$ 45,517,657	-3.73%	8.14%
April – 2019	\$ 45,955,726	\$ -	\$ 69,598	\$ 1,256,248	\$ 47,281,573	2.89%	12.33%
March – 2019	\$ 45,383,035	\$ -	\$ 92,661	\$ 480,030	\$ 45,955,726	1.26%	9.18%
February – 2019	\$ 44,443,399	\$ -	\$ 78,617	\$ 861,019	\$ 45,383,035	2.11%	7.82%
January – 2019	\$ 42,091,092	\$ -	\$ 20,118	\$ 2,332,190	\$ 44,443,399	5.59%	5.59%
Total	\$ 45,900,664	\$ (587,103)	\$ 572,120	\$ 4,660,808	\$ 46,736,916	NA	12.42%

*Rate of Return

Managers, Style, and Allocation

<u>Manager</u>	<u>Value</u>	<u>%</u>
Clearbridge ESG - Large Cap core	\$ 10,635,479	22.8%
Merrill Lynch Personal Advisor* - (MLPA)	\$ 19,466,556	41.7%
Blackstone/KKR/Endowment Fund/ AQR Long Short/ JLL - Alt	\$ 5,707,161	12.2%
Capital Group - International	\$ 2,198,320	4.7%
Equity Income & Growth - ETF	\$ 8,729,399	18.7%
Total	\$ 46,736,915	100.0%

*MLPA is a platform under which ALA can access different managers of various investing styles in the form of mutual funds and ETF's - 12 managers.

Merrill Lynch Personal Advisor

Managers, Style, and Allocations

Manager	Value	%
Principal Midcap Fund	\$ 2,491,112	12.8%
Calvert Short Duration	\$ 2,211,563	11.4%
Doubleline Total Return	\$ 2,049,402	10.5%
Guggenheim Total Return	\$ 2,019,989	10.4%
Lord Abbett Short	\$ 2,057,297	10.6%
Domini Impact International	\$ 923,580	4.7%
Lazard International Strategic	\$ 1,060,715	5.4%
Nuveen ESG Small Cap	\$ 1,359,505	7.0%
Nuveen Real Asset Income	\$ 1,197,391	6.2%
Oakmark International	\$ 982,661	5.0%
Pimco Income Fund	\$ 1,875,749	9.6%
Vanguard Real Estate	\$ 1,237,592	6.4%
Total	\$ 19,466,556	100.0%

**Endowment
Performance
as of 8-31-19**

<u>Annualized Benchmark Comparison</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
Gross Returns	3.2%	8.5%	6.1%	8.2%
Net Returns	2.6%	7.8%	5.5%	7.6%
Benchmark 1 Policy	4.4%	8.0%	6.4%	9.1%
Benchmark 2 Inflation - Consumer Price Index + 4%	4.0%	5.9%	6.1%	5.6%
<u>June 30, 2018 NACUBO* Peer Comparisons</u>	<u>1 Year</u>	<u>3 Years</u>	<u>5 Years</u>	<u>10 Years</u>
ALA Endowment	9.9%	6.8%	8.1%	6.8%
Endowments under \$25 million	7.6%	6.2%	7.5%	5.8%
Endowments \$25 million - \$50 million	7.5%	6.0%	7.0%	6.1%
Endowments \$51 million - \$100 million	7.7%	6.0%	7.0%	5.7%
Endowments \$101 million - \$250 million	7.9%	6.0%	7.1%	5.6%
Endowments \$251 million - \$500 million	8.5%	6.1%	7.3%	5.7%
Endowments \$501 million - \$1 billion	8.7%	6.2%	7.4%	5.6%

*Source: 2018 study of college & university endowment returns

Endowment Trustees launch new year

Recent Trustee Actions

- Welcomed new Trustees Jim Neal, Janice Welburn, and Maggie Farrell, Treasurer
- Publishing electronic policy and procedure manual on Endowment Trustee web page
- Updating Trustees web page
- Liquidated investment (\$1.4 million – 3%) in the AQR Long/Short equity fund and reallocated equally among the portfolio's five fixed income managers
- Re-balanced the portfolio, increasing the allocation for fixed income to the minimum level of 25% for this asset category - Equities (65.9%), fixed Income (24.9%) and Alternatives (12.2%)
- Implementing plan to maintain balance of \$50,000 for small endowed accounts
- Expanding Trustee education
 - Sr. Trustee attended Commonfund Investment Stewardship Academy
 - Determined next steps in implementing outcomes of 2018-2019 Strategic Review
 - Participated in Commonfund Investment Survey to collect personal responses, analyze results, and compare to peer group investors

