



# **Endowment Trustee Report to the Executive Board and Membership Information Session**

Patricia Wand – Senior Endowment Trustee

Annual Conference Virtual 2021  
Friday – June 25, 2021  
Sunday – June 27, 2021  
Wednesday – June 30, 2021

# Endowment Trustee Activities

- Trustees support ALA's goal of equity, diversity and inclusion in our investment decisions.
  - Added minority owned GS GQG Partners ETF to portfolio in February
- Maintained ESG holdings at approx. 51.7% of portfolio
- Monitoring the investment market during pandemic
  - In continuous contact and communication with investment advisor The Bhatia Group, Merrill Lynch
- Educating Trustees, Executive Board, and members
  - Glossary of Investment Terms (PDF on Treasurers and Trustees websites)
  - Endowment Management Cost Structure (report)
  - Endowment Benefits to ALA & Units (report)
  - Frequently Asked Questions (FAQ) about ALA Endowment (report)
- Supported EB in filling two Endowment Trustee vacancies
  - Recruited qualified applicants
  - Reviewed final applicant pool

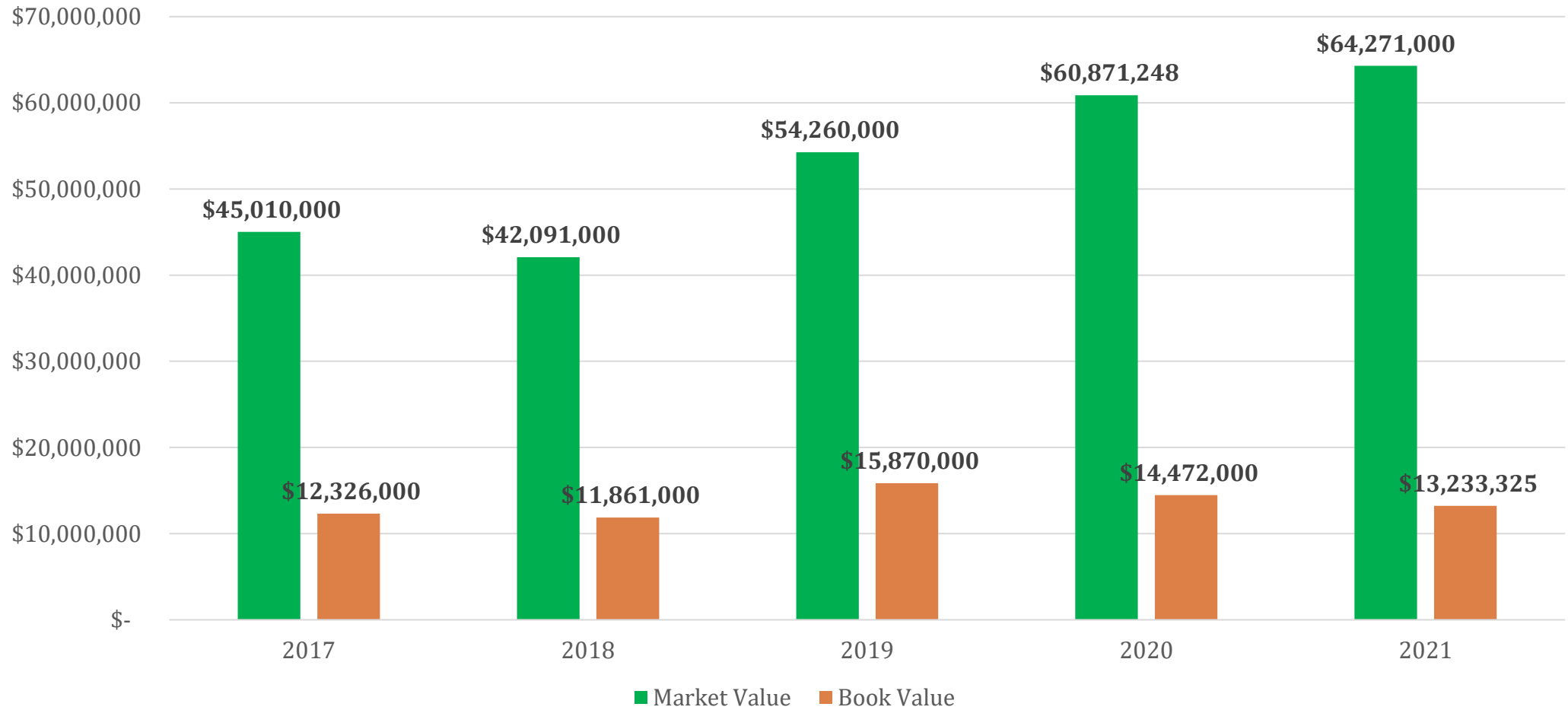


# Salient Points Influencing the Markets

- Global expansion is powered by synchronized growth of the US and China economies
- US economy experiences an aggressive fiscal stimulus plus a boost from the speed of vaccine deployment
- Housing starts and new building permits on the rise
- Continued low interest rates
- Job creation accelerates and jobless claims falling
- Many US consumers prepared to act as catalysts for the economy

# Market and Book Value as of 5-31-21\*

## \$64,270,831



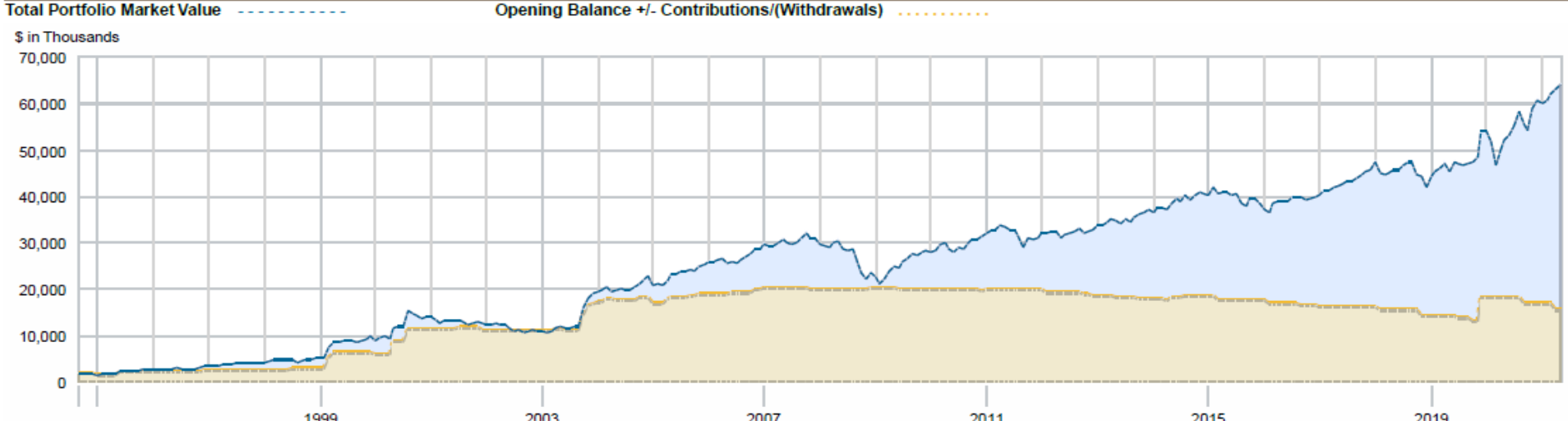
\*Calendar year to date – 5 months.

# Endowment Historical Cash Flows as of 5/31/21

## Portfolio Cash Flows and Performance: Yearly



Performance period: 10/17/1994 to 05/31/2021



Categories	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Entire Period
Opening Balance (\$)	30,958,281	32,633,466	37,288,932	40,735,091	38,724,962	40,016,349	45,900,664	42,091,092	54,260,268	60,747,152	1,623,562
Contributions/(Withdrawals) (\$)	(1,307,336)	(732,294)	519,511	(877,651)	(991,964)	(369,494)	(2,053,057)	4,009,133	(1,448,275)	(1,188,590)	13,233,325
Interest/Dividends (\$)	1,219,543	1,213,067	1,396,836	1,497,064	1,252,452	1,214,040	1,528,605	1,190,682	1,631,792	358,617	21,630,346
Appreciation/(Depreciation) (\$)	1,762,978	4,174,694	1,529,812	(2,629,543)	1,030,899	5,039,768	(3,285,121)	6,969,361	6,303,367	4,353,652	27,179,713
Closing Balance (\$)	32,633,466	37,288,932	40,735,091	38,724,962	40,016,349	45,900,664	42,091,092	54,260,268	60,747,152	64,270,831	64,270,831

# Time Weighted Rate of Return

## Year-To-Date (YTD) 5-31-21

<u>Period</u>	<u>Opening Balance</u>	<u>Contributions (Withdrawals)</u>	<u>Interest &amp; Dividends</u>	<u>Appreciation (Depreciation)</u>	<u>Closing Balance</u>	<u>ROR Period</u>	<u>ROR Cumulative</u>
May - 2021	\$ 63,238,014	\$ -	\$ 53,778	\$ 979,039	\$ 64,270,831	1.6%	7.5%
April - 2021	\$ 62,097,229	\$ (1,238,590)	\$ 71,558	\$ 2,307,817	\$ 63,238,014	3.8%	5.9%
March -2021	\$ 60,871,248	\$ -	\$ 119,930	\$ 1,106,057	\$ 62,097,229	2.0%	2.1%
February – 2021	\$ 60,159,389	\$ 50,000	\$ 100,933	\$ 560,926	\$ 60,871,248	1.1%	0.1%
January – 2021	\$ 60,747,153	\$ -	\$ 12,419	\$ (600,182)	\$ 60,159,389	(1.0%)	(1.0%)
<b>Total</b>	<u>\$ 60,747,153</u>	<u>\$ (1,188,590)</u>	<u>\$ 358,618</u>	<u>\$ 4,353,657</u>	<u>\$ 64,270,831</u>	<u>NA</u>	<u>7.5%</u>

# Managers, Styles, and Allocations

## 5-31-21

<u>Manager</u>	<u>Value</u>	<u>%</u>
Clearbridge ESG - Large Cap Core	\$ 14,054,469	21.9%
Merrill Lynch Personal Advisor* - (MLPA)	\$ 41,460,094	64.5%
The Endowment Fund/KKR/Blackstone/JLL – Alternatives**	\$ 5,446,935	8.5%
Capital Group - International	<u>\$ 3,309,332</u>	<u>5.1%</u>
Total	<u>\$ 64,270,831</u>	<u>100.0%</u>

\*MLPA is a platform under which ALA can access different managers of various investing styles in the form of mutual funds and ETF's - 13 managers – detail on next slide.

\*\*JLL (1.9%), Endowment Fund (0.8%), KKR (1.5%), and Blackstone (3.7%).

# Merrill Lynch Personal Advisor

## Managers, Style, and Allocations

5-31-21

		Portfolio
<u>Manager</u>	<u>Value</u>	<u>%</u>
Principal Midcap Fund	\$ 3,642,264	5.7%
Calvert Short Duration (ESG)	\$ 3,405,260	5.3%
Doubleline Total Return	\$ 3,090,158	4.8%
Guggenheim Total Return	\$ 3,225,704	5.0%
Lord Abbett Short	\$ 3,084,585	4.8%
Domini Impact International (ESG)	\$ 1,324,541	2.1%
Lazard International Strategic	\$ 1,511,585	2.4%
Nuveen ESG Small Cap	\$ 2,336,902	3.6%
Nuveen Real Asset Income	\$ 1,317,036	2.0%
GS GQG Partners	\$ 1,476,400	2.3%
Pimco Income Fund	\$ 3,011,523	4.7%
Vanguard Real Estate	\$ 1,478,723	2.3%
S&P 500 Fossil Fuel Free Reserves ESG	\$ 12,053,346	18.8%
Cash	\$ 502,066	0.8%
<b>Total</b>	<b>\$ 41,460,094</b>	<b>64.5%</b>

\*Recently added to portfolio.



# Future Endowment Trustee Activities

Welcome! Mario Gonzalez, incoming Senior Trustee

- Update the Policy and Procedure Manual (2019)
- Analyze and review role and goal of ESG investments
- Analyze disbursement of funds from endowment
- Enhance relationship with Development Office to raise funds for endowment book value
- Review process for selecting Trustees



# ALA Endowment Trustees

**CONTACT: patwand@american.edu - or - mgonzalez@passaicpubliclibrary.org**

**Patricia A. Wand, Senior Trustee 2015 - 2021**

**Mario Gonzalez 2017 - 2023**

**James G. Neal 2019 - 2022**

**Rhea Lawson 2020 - 2023**

**Brian E. C. Schottlaender 2015 - 2021**

**Janice Welburn 2019-2022**

**Maggie Farrell, Treasurer**

*Supported by ALA Finance staff and The Bhatia Group, Merrill Lynch Investment Advisers*



## **Charge**

To hold, invest, reinvest and disburse endowment funds as directed by the Executive Board; recommend endowment operating procedures and assumptions to the Executive Board; select endowment investment managers; report endowment status to the Executive Board, Council and Membership.