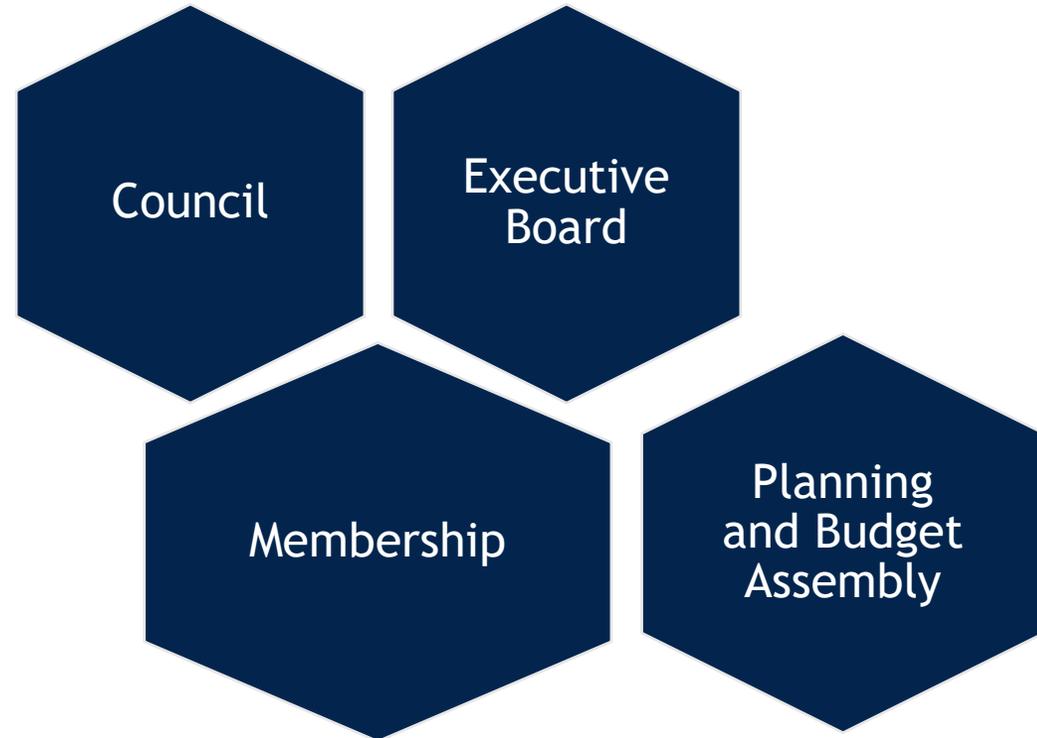


Endowment Trustees Report

Saturday - June 25, 2022
Sunday - June 26, 2022
Monday - June 27, 2022



Mario Gonzalez - Senior Trustee

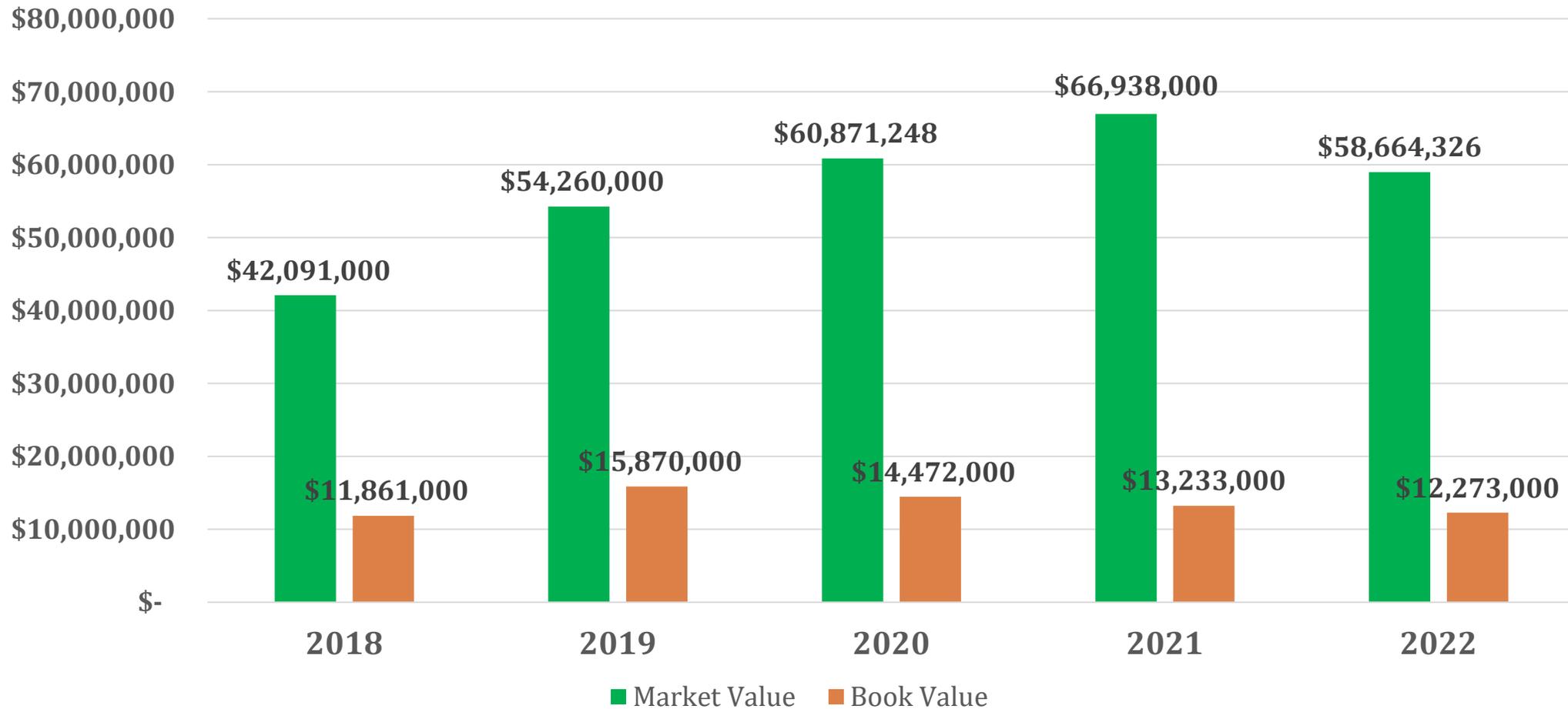
Notable Issues Influencing the Financial Markets

- The Ukraine/Russia crisis has dampened the global growth outlook
- Inflation is expected to be persistently higher for longer:
 - Currently at 8.3%
 - Massive monetary and fiscal stimulus over the last two years
- The Federal Reserve continues to signal its intention to aggressively raise interest rates to contain inflation
- Oil and gasoline prices continue to escalate
- Strong labor market. 3.6% unemployment; lowest in nearly 50 years
- US consumers are currently flush with cash and lower financial obligations
- The US supply chain remains disjointed
- Energy, mining and agricultural commodity prices expected to remain elevated

Market and Book Value as of 5-31-22*

\$58,664,326

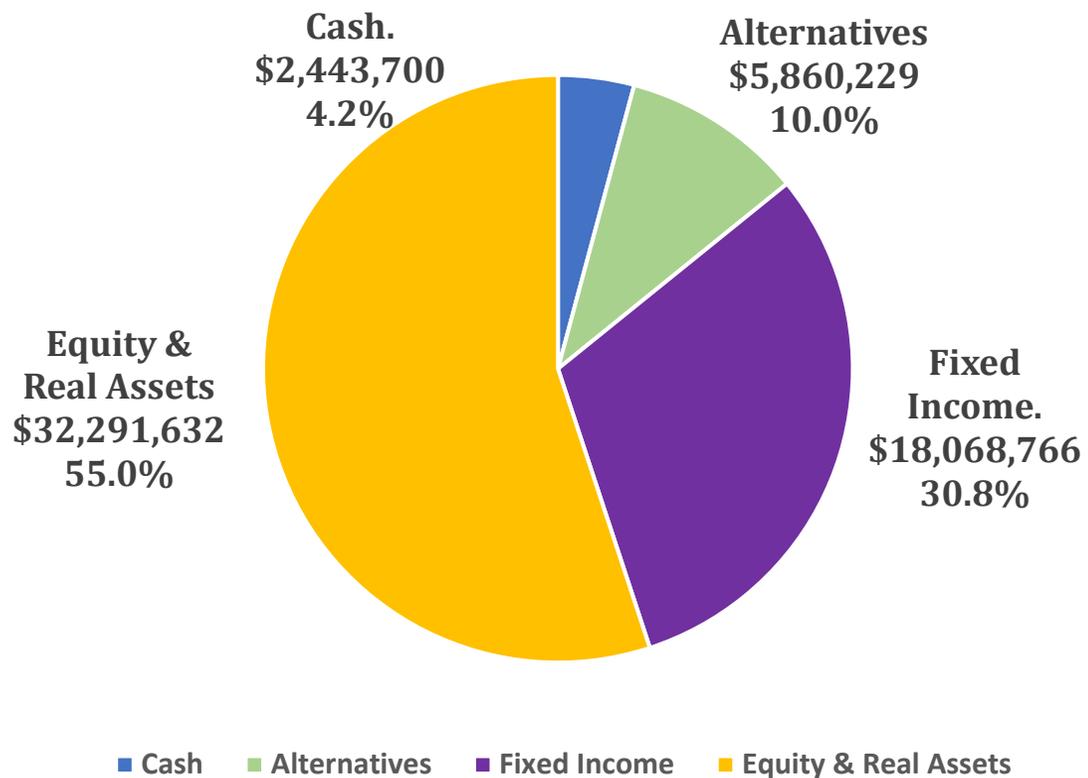
Exhibit #1



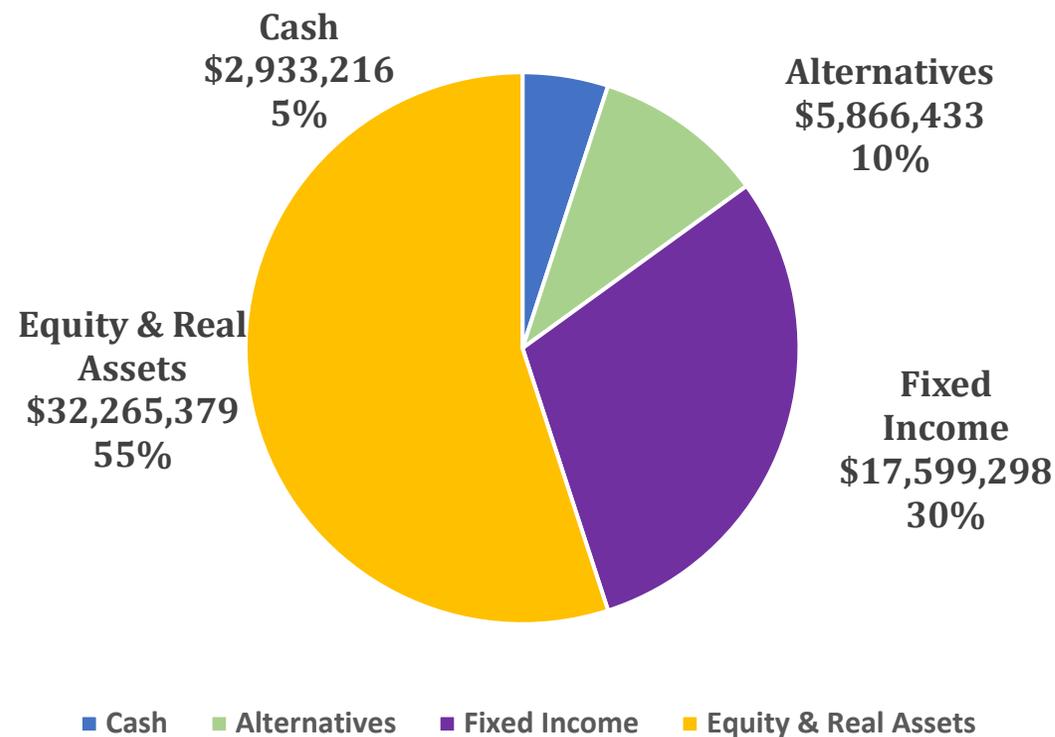
*Calendar year to date – 5 months. All other years are 12-month results

Endowment Fund Asset Allocation

Actual Allocation



Target Allocation Per IPS



Equity and Real Assets Manager Allocation

Domestic Large/Mid Cap

S&P 500 Fossil Fuel Reserve Free	\$	11,653,653	19.9%
Clearbridge Large Cap ESG	\$	8,810,586	15.0%
Nuveen Small Cap ESG	\$	1,890,909	3.2%
Ariel Fund	\$	<u>1,191,902</u>	<u>2.0%</u>
Total	\$	23,547,050	40.1%

International Equity

Capital Group International	\$	2,303,094	3.9%
Domini International ESG	\$	1,125,640	1.9%
IShares ESG Aware EFT	\$	1,158,593	2.0%
GS GQG International Opportunities	\$	<u>1,439,230</u>	<u>2.5%</u>
Total	\$	6,026,557	10.3%

Real Assets

Vanguard US REIT ETF	\$	1,466,731	2.5%
Nuveen Real Asset Income	\$	<u>1,251,294</u>	<u>2.1%</u>
Total	\$	2,718,025	4.6%

Fixed Income and Alternatives/Cash Manager Allocation

Fixed Income			
Guggenheim Total Return	\$	4,243,755	7.2%
PIMCO Income	\$	4,327,091	7.4%
Calvert ESG Short Duration	\$	6,465,737	11.0%
Lord Abbett Short Duration	\$	<u>3,032,183</u>	<u>5.2%</u>
Total	\$	18,068,766	30.8%

Alternatives and Cash			
Blackstone 2015 Alts Trust	\$	1,019,075	1.7%
KKR 2016 Custom Equity Opportunities	\$	939,633	1.7%
Blackstone 2018 Alts Trust	\$	2,172,106	3.7%
JLL Income Property Trust	\$	1,321,809	2.3%
The Endowment Fund	\$	<u>407,606</u>	<u>0.6%</u>
Total Alternatives	\$	<u>5,860,229</u>	<u>10.0%</u>
Cash	\$	<u>2,443,700</u>	<u>4.2%</u>
Total	\$	8,303,929	14.2%

Environmental, Social and Governance (ESG) and Diversity Portfolio Holdings

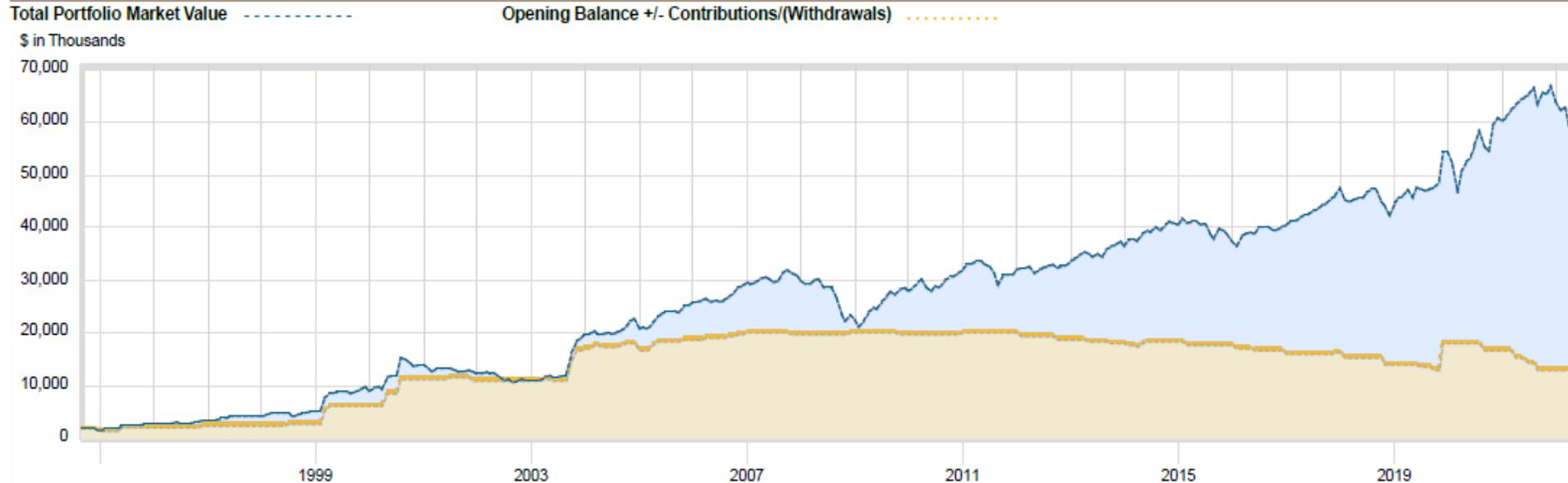


	<u>Portfolio Value</u>	<u>% of ESG Portfolio</u>	<u>% of Total Portfolio</u>
S&P 500 Fossil Free Reserve	\$ 11,653,653	34.5%	19.9%
Clearbridge Large Cap ESG	\$ 8,810,586	26.1%	15.0%
Calvert ESG Short Duration	\$ 6,465,737	19.2%	11.0%
Nuveen Small Cap ESG	\$ 1,890,909	5.6%	3.2%
Domini ESG International	\$ 1,125,640	3.3%	1.9%
iShares ESG Aware ETF	<u>\$ 1,158,593</u>	<u>3.5%</u>	<u>2.0%</u>
Total ESG	\$ 31,105,118	92.2%	53.0%
Ariel Investments	\$ 1,191,902	3.5%	2.0%
GS GQG International	<u>\$ 1,439,230</u>	<u>4.3%</u>	<u>2.5%</u>
Total Diversity	\$ 2,631,132	7.8%	4.5%
Grand Total	<u>\$ 33,736,250</u>	<u>100.0%</u>	<u>57.5%</u>
Portfolio Total	<u>\$ 58,664,326</u>		

Endowment historical cash flows as of 5/31/2022

Exhibit #6

Performance period: 10/17/1994 to 05/31/2022



Categories	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Entire Period
Opening 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	66,937,475	1,623,562
Contributions/(Withdrawals) (\$)	(732,294)	519,511	(877,651)	(991,964)	(369,494)	(2,053,057)	4,009,133	(1,448,275)	(3,772,171)	722	10,650,465
Interest/Dividends (\$)	1,213,067	1,396,836	1,497,064	1,252,452	1,214,040	1,528,605	1,190,682	1,631,792	2,260,553	481,094	24,013,377
Appreciation/(Depreciation) (\$)	4,174,694	1,529,812	(2,629,543)	1,030,899	5,039,768	(3,285,121)	6,969,361	6,303,367	7,701,942	(8,754,965)	21,773,038
Closing Balance (\$)	37,288,932	40,735,091	38,724,962	40,016,349	45,900,664	42,091,092	54,260,268	60,747,152	66,937,475	58,664,326	58,664,326
Time Weighted Return (%)	16.71	7.67	(2.89)	6.13	15.82	(4.04)	19.44	14.85	16.73	(12.36)	579.85

***Book Value is the net total of contributions and withdrawals made by ALA. Contributions/withdrawals will increase or decrease both Book Value and total portfolio value by identical amounts.**

Book Value = \$12.3 million

Investment Earnings = \$45.8 million

Time Weighted Rate of Return

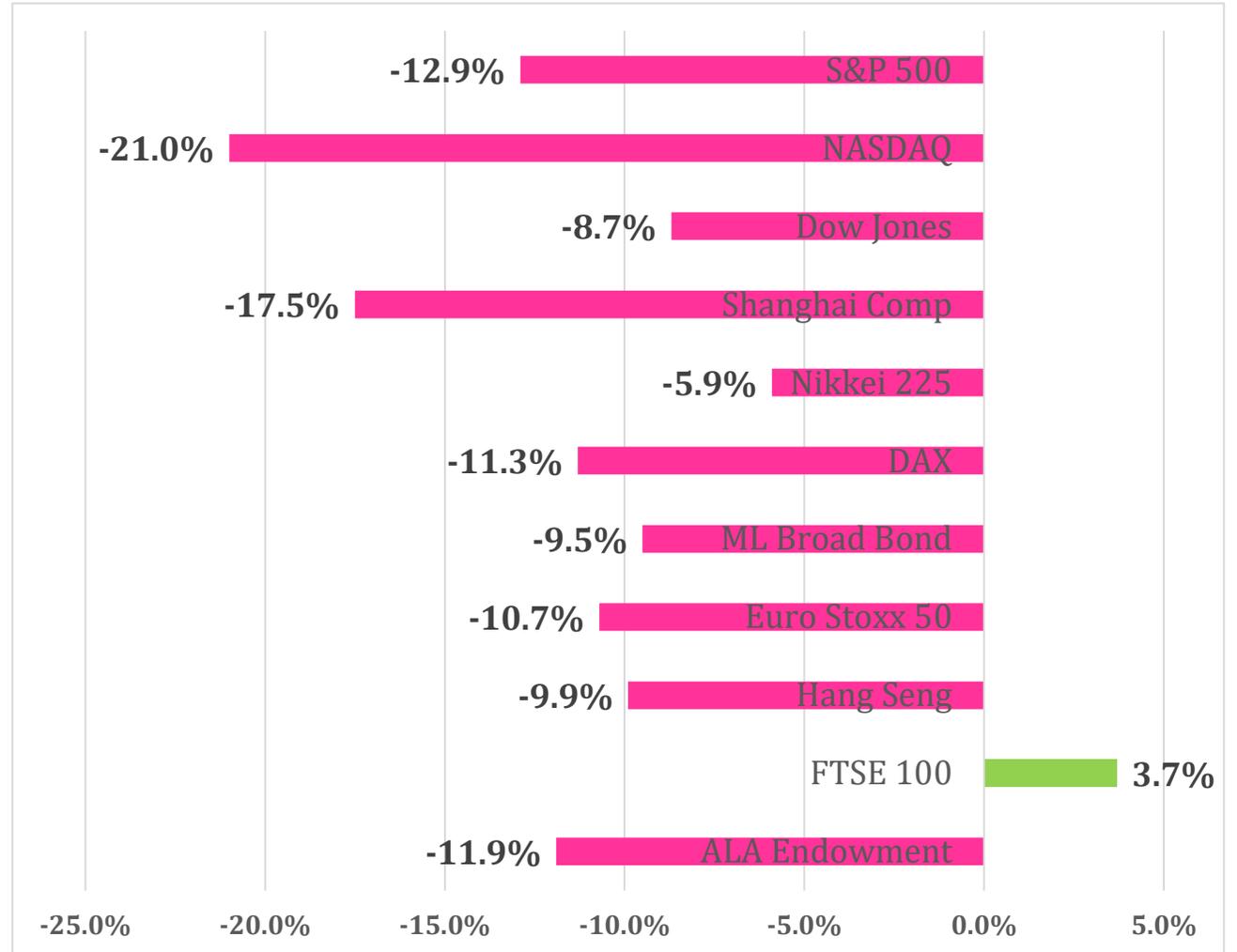
Year-To-Date 5-31-22

<u>Period</u>	<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>
May - 2022	\$ 58,992,387	\$ 0	\$ 62,704	\$ (390,765)	\$ 58,664,326	(0.56%)	(12.36%)
April - 2022	\$ 62,749,007	\$ 0	\$ 59,983	\$ (3,816,602)	\$ 59,992,387	(5.99%)	(11.87%)
March - 2022	\$ 62,054,031	\$ 0	\$ 282,751	\$ 412,224	\$ 62,749,007	1.12%	(6.26%)
February - 2022	\$ 63,726,906	\$ 0	\$ 44,803	\$ (1,717,678)	\$ 62,054,031	(2.63%)	(7.30%)
January - 2022	\$ 66,937,475	\$ 722	\$ 30,854	\$ (3,242,145)	\$ 63,726,906	(4.80%)	(4.80%)
December - 2021**	\$ 65,284,718	\$ (722)	\$ 888,885	\$ 764,595	\$ 66,937,475	2.53%	16.73%*
2022 Totals		\$ 722	\$ 481,094	\$ (8,754,965)	\$ 58,664,326	NA	(12.36%)

*Cumulative return for calendar year 2021.

**Not included in 2022 totals.

Returns for the World's Major Indices



Endowment Trustee Activities

- Invested in a new private equity manager Partners Group Fund (ESG) – A \$1.0 million commitment*
 - Investment will be made in mid-June 2022, for a 1.7% increase in ESG holdings bringing the ESG total to 59.2%
- Rebalanced the portfolio by reducing the overweighting in the equity position by 1% to target and reallocating to private equity
- Approved the establishment of the Joann Sweetland Lum Memorial Fund endowment**
- Updated and codified the guidelines and procedures for the selection of Endowment Trustee applicants and Trustees seeking a second three-year term
- Set a timeline for the establishment of guidance and criteria for a “Request for Information/Proposal” for the ALA Investment Advisor
- Set a timeline for updating “Investment Policy Statement”

*Funded by available cash and a reduction of \$500,000 from the Capital Group International

**Subject to a change in the composition of the awarding/selection committee



ALA Endowment Trustees

CONTACT: mgonzalez@passaicpubliclibrary.org

Mario Gonzalez, Senior Trustee – 2023

Brett Bonfield – 2024

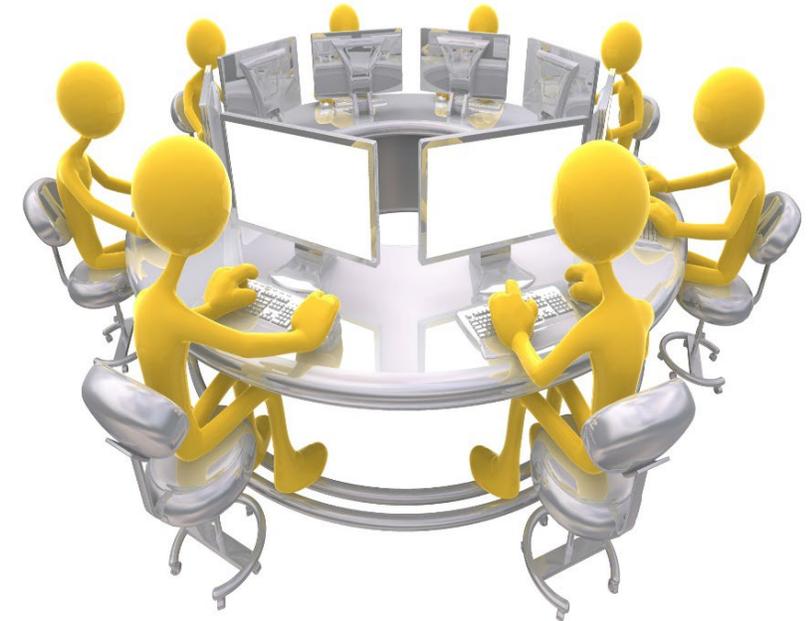
Maggie Farrell, Treasurer – 2022

Rhea Lawson – 2023

James G. Neal – 2022

Janice Welburn – 2022

Shali Zhang – 2024



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

Charge

To hold, invest, reinvest and disburse endowment funds; select endowment investment managers; report endowment status to the Executive Board, Council and Membership.