



Endowment Trustees Report

(Long-Term Investment Fund)

Rod Hersberger – Senior Trustee
Saturday – October 26, 2013



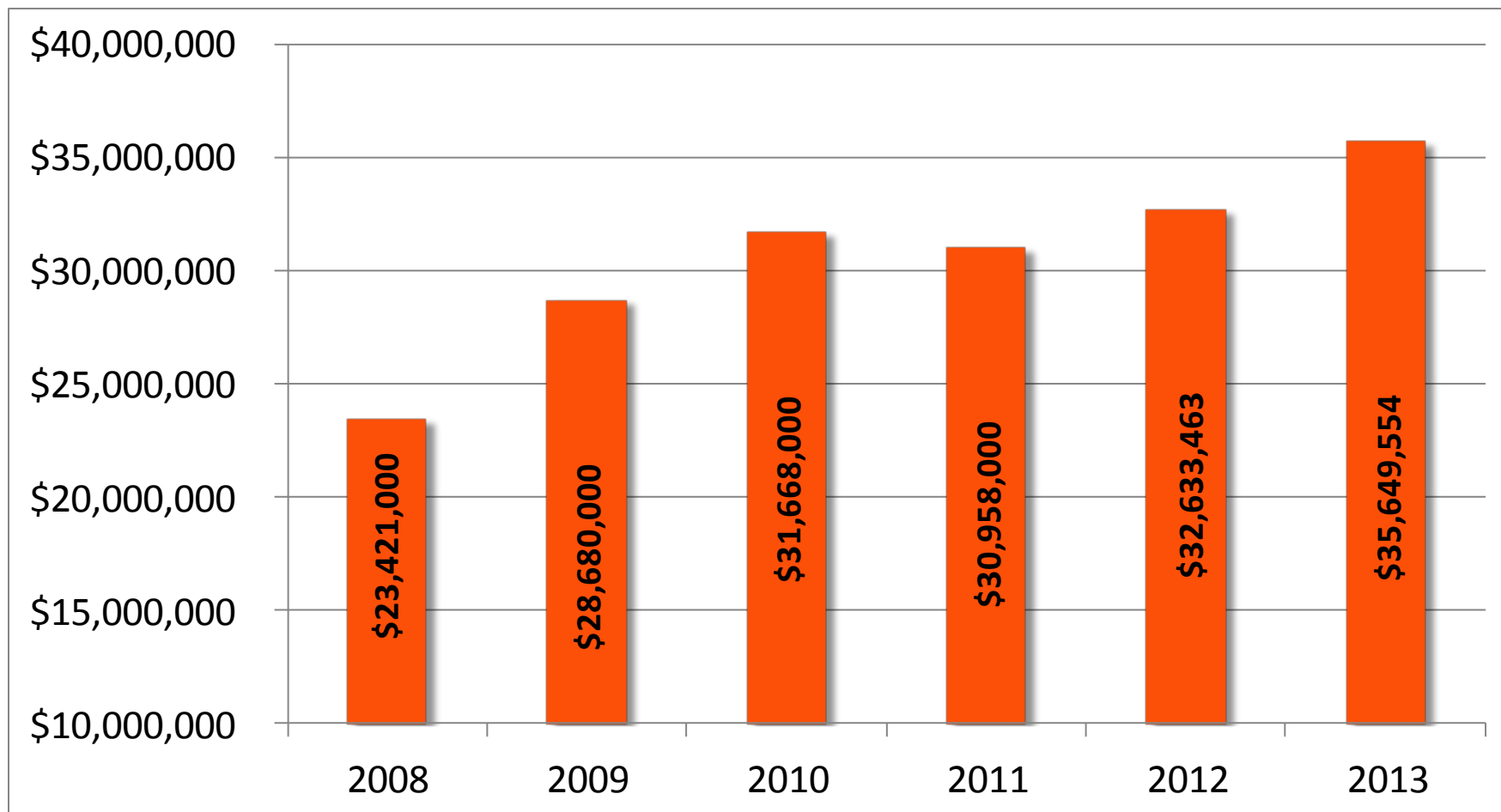
Issues Impacting the Market

- 3rd Quarter -

- Washington politics lead to a shutdown of the federal government.
- The start of a slow down in Federal Reserve purchases i.e. tapering, is put on hold.
- Economic indicators continue to be stubbornly soft.
- International stocks (European) beginning to show sustained improvement.
- Stocks, particularly the S&P 500, near all-time highs i.e. not much room for future stock price appreciation.

Market Value YTD @ 9-30-13

\$35,649,554



*YTD 9 months ending 9-30-13

Manager Composite Performance

@ 6/30/13*

<u>Managers</u>	<u>1 Year</u>	<u>Benchmark</u>	<u>3 Year</u>	<u>Benchmark</u>	<u>5 Year</u>	<u>Benchmark</u>
IDP - Large Cap Growth	14.4%	17.1%	14.4%	18.7%	NA	NA
London Company - Core	17.2%	25.3%	21.2%	18.5%	13.5%	6.7%
IDP - Large Cap Value	23.2%	25.3%	16.8%	18.5%	NA	NA
Ariel Capital - SRI	32.6%	27.7%	20.2%	19.5%	11.8%	8.9%
Principal - Small Cap Value	25.6%	24.2%	21.1%	18.7%	10.0%	8.8%
Goldman SMID – Small Cap	26.2%	24.2%	19.2%	18.7%	10.6%	8.8%
IDP - International	14.4%	18.6%	9.8%	9.2%	NA	NA
Invesco - REIT	7.9%	9.4%	16.5%	18.2%	6.6%	7.6%
PIMCO - Bonds	(0.9%)	(0.7%)	3.6%	3.6%	6.2%	5.2%
Loomis Sayles	4.3%	(0.7%)	7.0%	3.6%	7.8%	5.2%
Lord Abbett Income	4.6%	(0.7%)	7.3%	3.6%	8.5%	5.2%
Lord Abbett - Conv Bonds	17.2%	15.0%	9.2%	9.3%	6.0%	3.3%
Oppenheimer Int'l Bond	1.1%	(2.5%)	4.5%	3.6%	4.3%	2.5%
Templeton Global Bond	8.0	(2.5%)	6.8%	3.6%	9.6%	2.5%
Templeton Global Total Return	11.2%	(2.5%)	9.1%	3.6%	NA	NA
Endowment Fund - Alternatives	(1.8%)	7.2%	0.7%	3.0%	(2.3%)	(0.6%)

*Data generated quarterly and is the most recently available information.

Asset Allocation Strategy

ASSET ALLOCATION STRATEGY		POLICY GUIDELINES @ 8-31-13			
		Min	Target	Actual	Max
Domestic Large/Medium Cap Stocks		30%	45%	43.0%	50%
	London Company - Core			15.4%	
	IDP - Large Cap Value			9.5%	
	IDP - Large Cap Growth			15.9%	
	Ariel - SRI			2.2%	
Domestic Small/Medium Cap Stocks		0%	5%	8.6%	10%
	Principal/Goldman SMID			8.6%	
Alternative Investments		0%	10%	8.4%	15%
	Endowment Fund			8.4%	
International Equity		5%	10%	9.9%	15%
	IDP - International			9.9%	
Real Estate Investment Trust (REIT)		5%	5%	5.3%	15%
	Invesco			5.3%	
Investment Grade Fixed Income		20%	30%	24.8%	50%
	Global Fixed Income			8.5%	
	Corporate Fixed Income			5.1%	
	Lord Abbett			3.1%	
	PIMCO - Bonds			8.1%	
Total				100%	

Portfolio Concerns Going Forward

- The general economy is still expected to expand at a tepid 2.0% i.e. growth trajectory is shallow
- By historical standards this recovery is below trend. Is this the new normal?
- Expectations for another Federal government shutdown in January will weigh on the markets
- The long expected “Great Rotation” from bonds to equities is underway.
- Identifying assets that investors will want 5-10 years from now is the goal for most portfolio managers