



2013 - 14 ET #6.5
2013- 14 EBD #13.3
(2013 - 14 Spring Meeting)

Endowment Trustees Report to Executive Board

(Long-Term Investment Fund)



Rod Hersberger – Senior Trustee
Saturday – April 12, 2014

Salient Market Points

Positive Signs in the Market

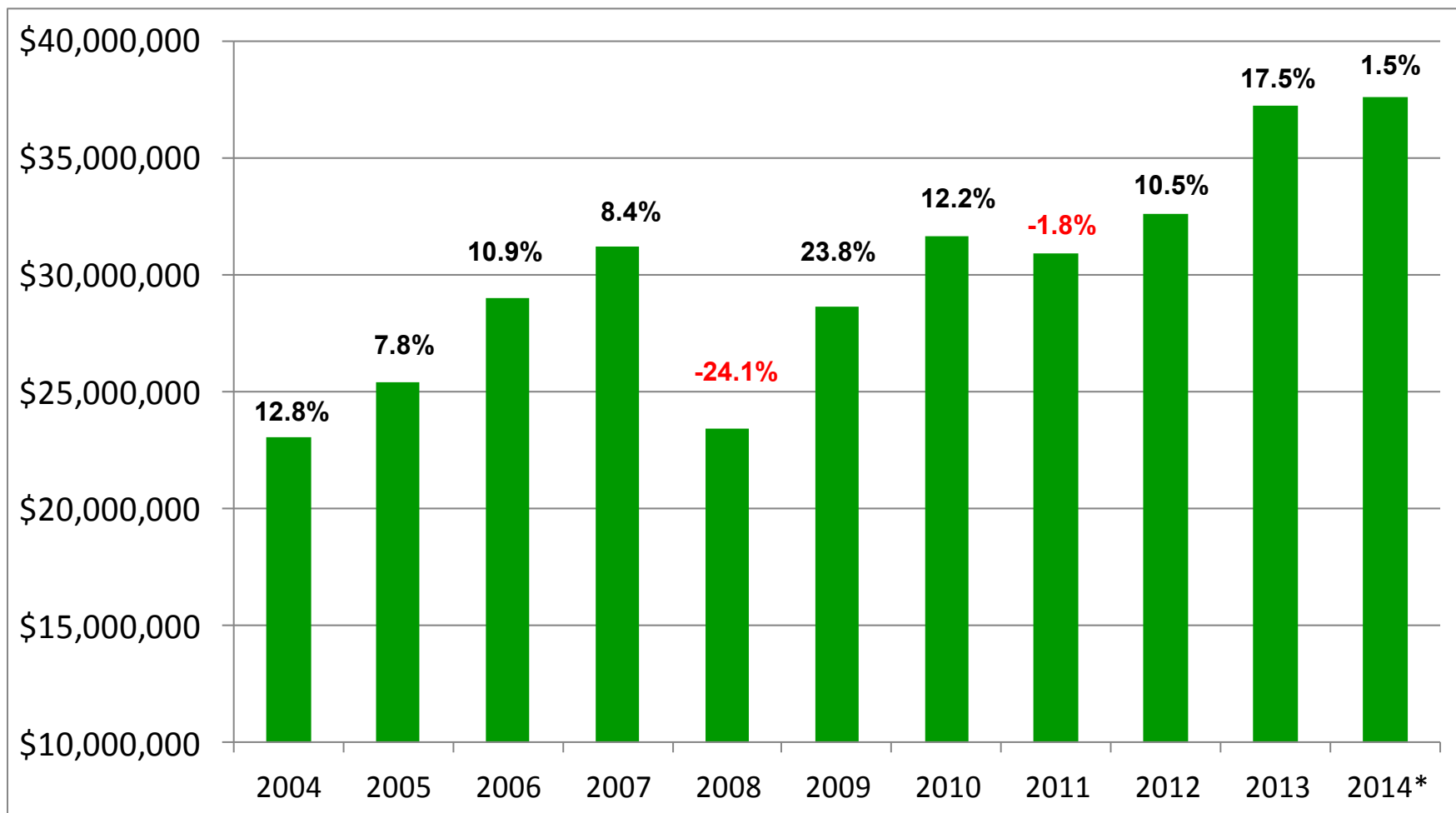
- Decoupling between the developed and emerging markets continues
- Corporate earnings remain strong
- A more supportive business environment developing
- Pent up demand due to severe winter weather
- Direct foreign investment in US is rebounding
- Less fiscal drag compared to this time last year

Potential Market Risks

- Current “Bull” market turned 5 years old in March
- Accelerating slow down in China’s growth rate
- Japan’s continuing contraction
- Ukrainian/Russia crisis

Market Value and Return @ 2-28-14

\$37,622,278



*Two months ending 2-28-24

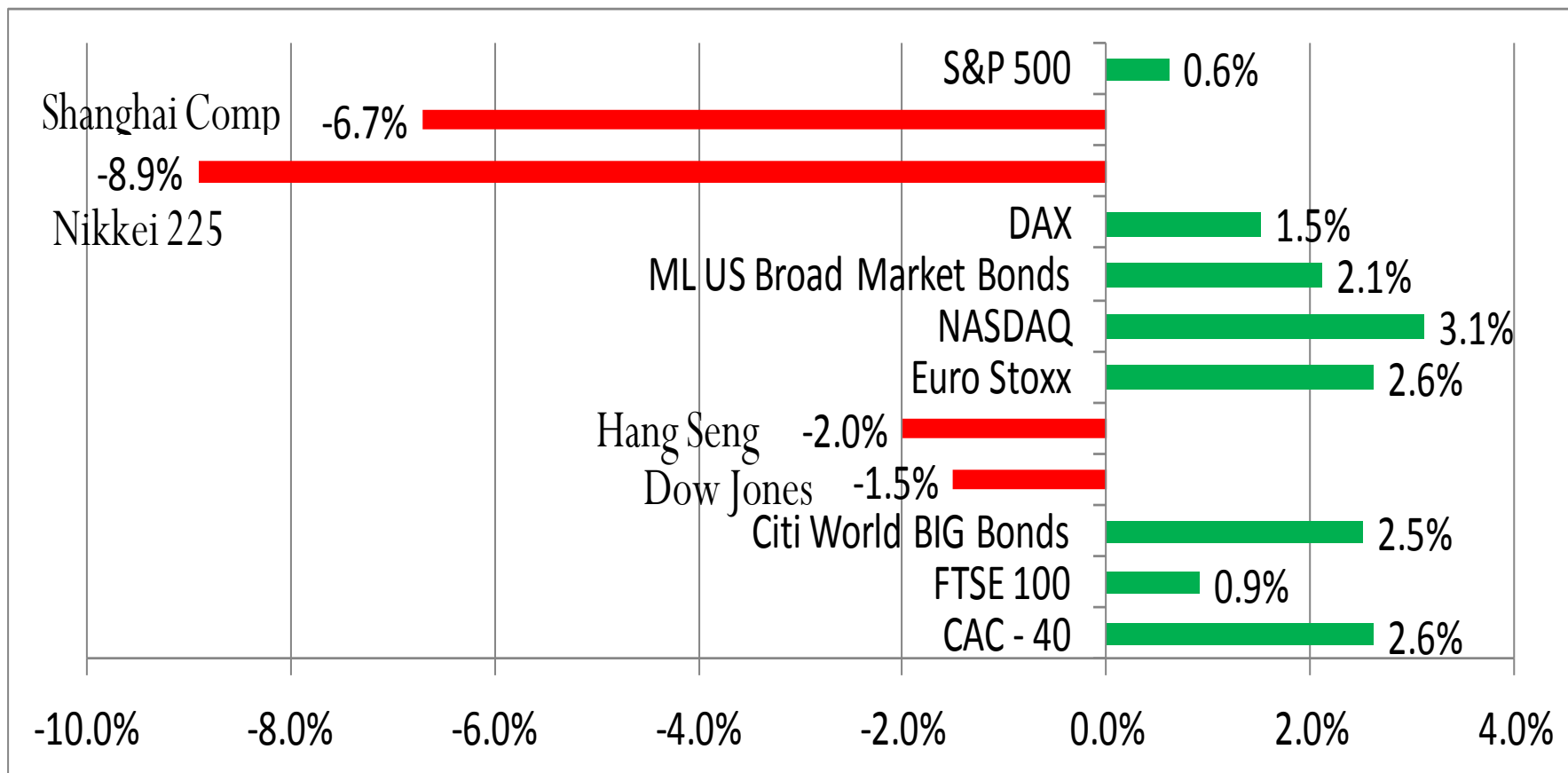
Time Weighted Rate of Return

	Opening	Contributions	Interest	Appreciation	Closing	ROR*	ROR*
	<u>Balance</u>	<u>(Withdrawals)</u>	<u>Dividends</u>	<u>(Depreciation)</u>	<u>Balance</u>	<u>Period</u>	<u>Cumulative</u>
January - 2014	\$ 37,288,932	\$ (249,368)	\$ 34,040	\$ 1,304,302	\$36,527,420	3.67%	3.67%
February - 2014	<u>\$ 36,527,420</u>	<u>\$ 7,069</u>	<u>\$ 39,924</u>	<u>\$ (802,621)</u>	<u>\$ 7,622,278</u>	-2.06%	1.54%
Total	\$ 37,288,932	\$ (242,299)	\$ 73,964	\$ 501,681	\$37,622,278	NA	1.54%

*Rate of Return

World Market Performance

- Calendar Year Market Returns @ 2-28-14



Manager Allocation and Style

<u>Manager</u>	<u>Value</u>	<u>%</u>
London Company -Lareg Cap Core	\$ 5,870,973	15.6%
Merrill Lynch Personal Advisor*	\$ 11,600,726	30.8%
Lord Abbett - Convertibles	\$ 1,192,965	3.2%
IDP - Large Cap Value	\$ 3,087,011	8.2%
The Endowment Fund - Alternatives	\$ 1,830,239	4.9%
IDP - International Value	\$ 4,444,293	11.8%
IDP - Large Cap Growth	\$ 6,356,568	16.9%
Pimco - Fixed Income	<u>\$ 3,239,504</u>	<u>8.6%</u>
Total	\$ 37,622,279	100.0%

*MLPA is a platform under which ALA can access different managers in the form of mutual funds and ETF' s. There are 8 different managers in this account.

IDP – Institutional Discretionary Portfolio

SRI – Socially Responsible Investing

Asset Allocation Strategy

ASSET ALLOCATION STRATEGY		POLICY GUIDELINES @ 1-31-14			
		Min	Target	Actual	Max
Domestic Large/Medium Cap Stocks		30%	40%	51.4%	50%
	London Company - Core			15.6%	
	IDP - Large Cap Value			8.1%	
	IDP - Large Cap Growth			16.4%	
	Goldman SMID			4.6%	
	Principal Mid Cap			4.4%	
	Ariel - SRI			2.3%	
Domestic Small/Medium Cap Stocks		0%	5%	4.7%	10%
	NFJ - Small Cap Value			4.7%	
Alternative Investments		0%	10%	5.6%	15%
	Endowment Fund			5.6%	
International Equity		5%	10%	11.6%	15%
	IDP - International			11.6%	
Real Estate Investment Trust (REIT)		5%	5%	5.3%	15%
	Invesco			5.3%	
Investment Grade Fixed Income		20%	30%	26.1%	50%
	Corporate Fixed Income			9.5%	
	Global Fixed			5.6%	
	Lord Abbett			3.1%	
	PIMCO - Bonds			7.9%	

Trustee Actions

Motion: The Endowment Trustees recommend to the ALA Executive Board a spending/payout rate from the endowment fund for the FY15 budget of 5%.