



2012 - 13 ET #6.3
2012 - 13 Council #16.0
2012 - 13 EBD #13.2
(2012 - 13 Midwinter Meeting)

Endowment Trustees

Report to Council/Executive Board

- Membership Information Session -

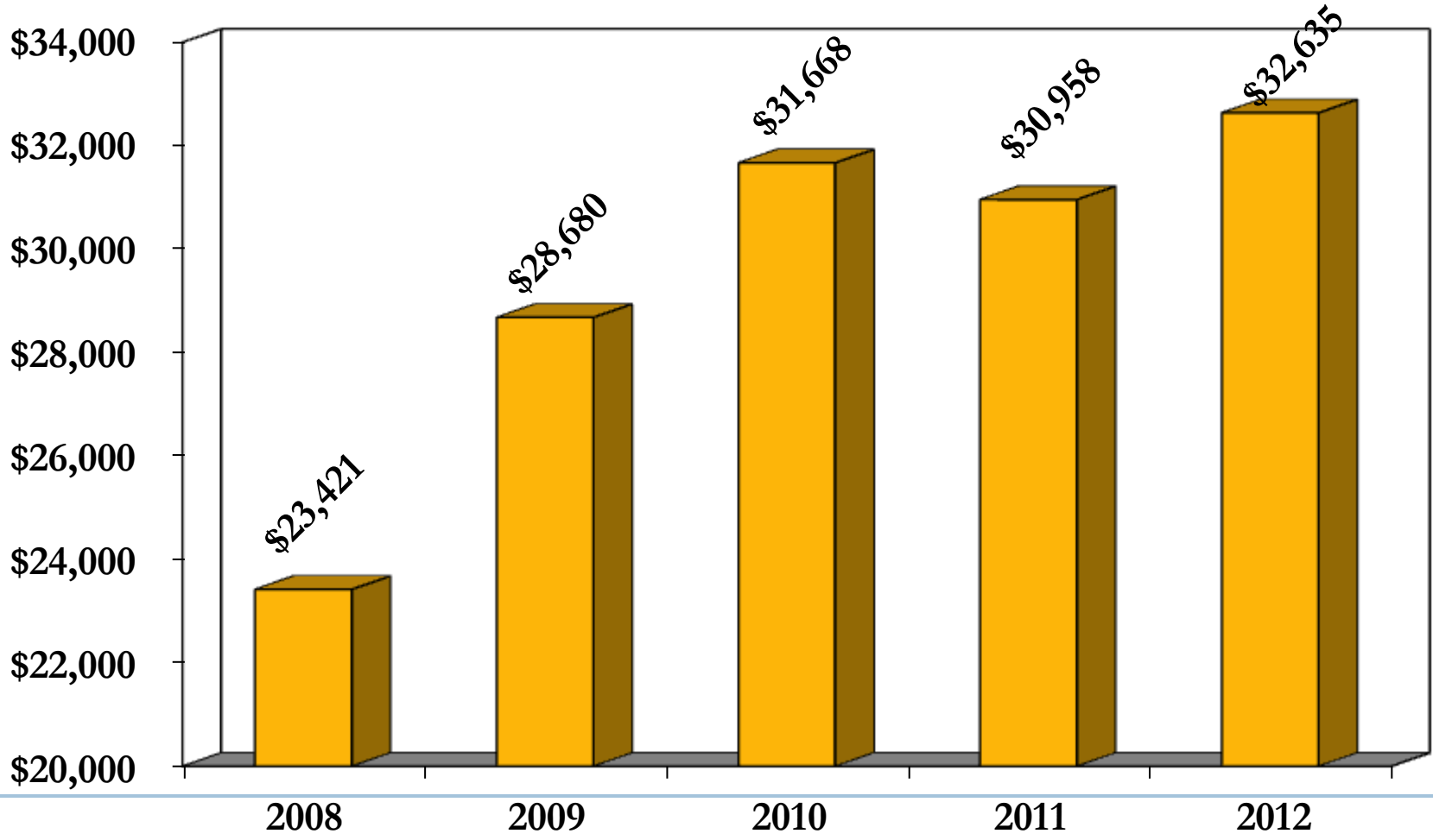
John Vitali – Senior Trustee
Saturday – January 26, 2013



Issues That Affected the Market in 2012

- The slow resolution of the European sovereign debt crisis
 - Nine Euro nations saw their debt rating downgraded
- Volatility was extreme throughout the year.
- Bad derivative trades at JP Morgan causes a \$2 billion loss.
- Legislative gridlock in Washington was problematic throughout the year.
- Federal Reserve a third round of quantitative easing.
- Events leading up to the November Presidential election.
- Hurricane Sandy devastates parts of the Northeast.
- “Fiscal Cliff” brinksmanship.

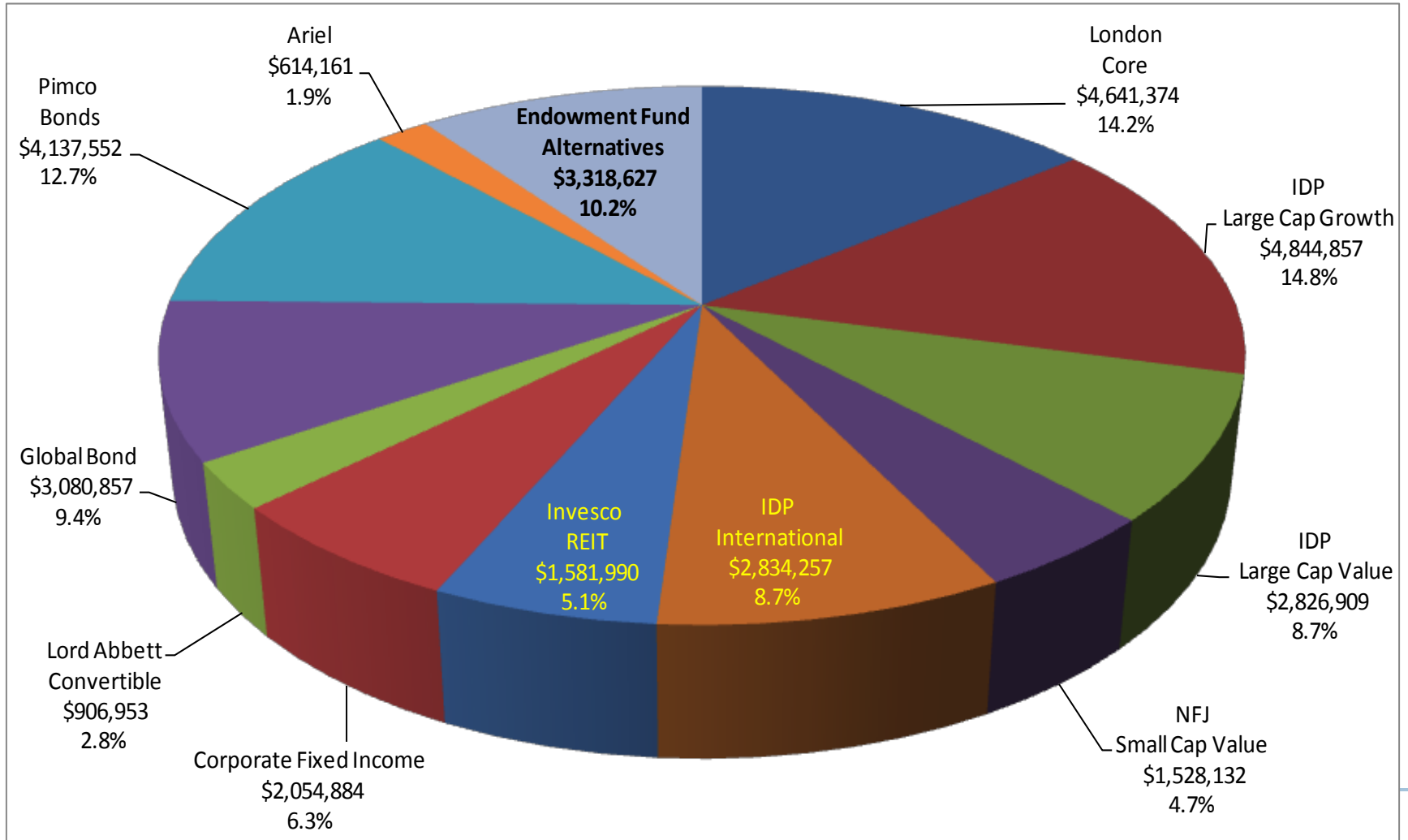
\$32,633,463



Endowment Fund Manager Allocation & Style @ 12-31-12

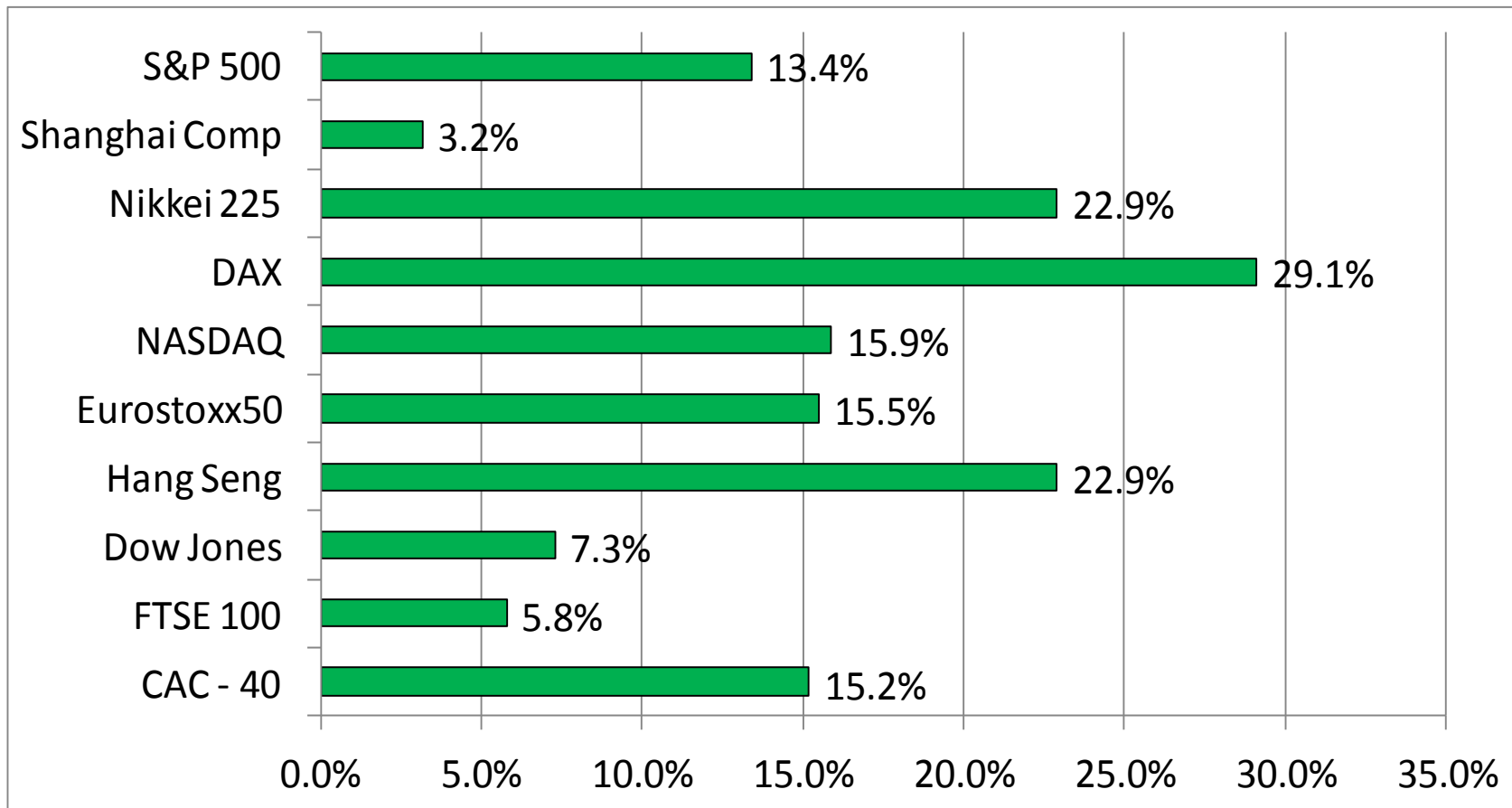
Exhibit #3

\$32,633,463



World Market Performance

- Market Returns Twelve Months 12-31-12



Performance Gains

Exhibit #5

Calendar Year Ending-12/31/12

<u>Managers</u>	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Returns</u>	<u>Index</u>
London – Core	\$ 4,641,374	14.2%	12.6%	17.5%
IDP – Large Cap Growth	\$ 4,844,857	14.8%	12.4%	15.2%
IDP – Large Cap Value	\$ 2,826,909	8.7%	14.0%	17.5%
NFJ – Small Cap Value	\$ 1,528,132	4.7%	3.4%	18.0%
Ariel Capital - SRI	\$ 614,161	1.8%	18.8%	18.5%
IDP - International	\$ 2,834,257	8.7%	17.9%	17.9%
Endowment Fund*	\$ 3,318,627	10.2%	-0.6%	3.4%
Invesco - REIT	<u>\$ 1,844,900</u>	<u>5.7%</u>	16.6%	19.7%
Total Equity	\$22,453,217	68.8%		

*Performance reported on a one month lag.

Calendar Year Ending-12/31/12 (Con' t)

<u>Managers</u>	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Returns</u>	<u>Index</u>
Corporate Fixed Income	\$ 2,054,884	6.3%	6.8%	2.9%
Lord Abbett – Conv. Bonds	\$ 906,953	2.8%	12.1%	10.0%
Global Bonds	\$ 3,080,857	9.4%	17.1%	4.1%
Pimco - Bonds	<u>\$ 4,137,552</u>	<u>12.7%</u>	<u>7.7%</u>	<u>4.5%</u>
Total Fixed Income	\$10,180,246	31.2%		
Total Portfolio	\$32,633,463	100.00%	10.5%	12.1%

Manager Composite Performance

@ 9/30/12

<u>Managers</u>	<u>1 Year</u>	<u>Benchmark</u>	<u>3 Year</u>	<u>Benchmark</u>	<u>5 Year</u>	<u>Benchmark</u>
London Company - Core	25.6%	29.2%	NA	NA	NA	NA
IDP - Large Cap Growth	26.1%	30.9%	17.9%	11.8%	8.0%	(0.9%)
IDP - Large Cap Value	26.0%	30.9%	10.2%	11.8%	NA	NA
NFJ - Small Cap Value	15.1%	32.6%	7.8%	11.7%	1.2%	1.4%
Ariel Capital - SRI	31.6%	29.3%	12.6%	13.9%	3.3%	1.7%
IDP - International	16.7%	14.3%	3.8%	2.6%	NA	NA
Invesco - REIT	31.6%	33.8%	12.6%	20.7%	3.3%	2.3%
Corporate Fixed Income	NA	NA	NA	NA	NA	NA
Lord Abbett - Conv Bonds	13.2%	14.0%	6.1%	6.7%	2.6%	(0.4%)
Global Bond & Real Assets	NA	NA	NA	NA	NA	NA
PIMCO - Bonds	8.8%	5.4%	7.0%	6.3%	7.9%	6.5%
Endowment Fund - Alternatives	1.1%	2.8%	2.6%	1.7%	(1.2%)	(1.4%)
ALA Endowment						

Asset Allocation Strategy

ASSET ALLOCATION STRATEGY		POLICY GUIDELINES @ 9-30-12			
		Min	Target	Actual	Max
Domestic Large/Medium Cap Stocks		30%	40%	39.5%	50%
	London Company - Core			14.2%	
	IDP - Large Cap Value			8.7%	
	IDP - Large Cap Growth			14.8%	
	Ariel - SRI			1.8%	
Domestic Small/Medium Cap Stocks		0%	5%	4.7%	10%
	NFJ - Small Cap Value			4.7%	
Alternative Investments		0%	10%	10.2%	15%
	Endowment Fund			10.2%	
International Equity		5%	10%	8.7%	15%
	IDP - International			8.7%	
Real Estate Investment Trust (REIT)		5%	5%	5.7%	15%
	Invesco			5.7%	
Investment Grade Fixed Income		20%	30%	31.2%	50%
	Corporate Fixed Income			6.3%	
	Global Fixed			9.4%	
	Lord Abbett			2.8%	
	PIMCO - Bonds			12.7%	
Cash and Cash Equivalents		0%	0%	0%	5%
				100%	