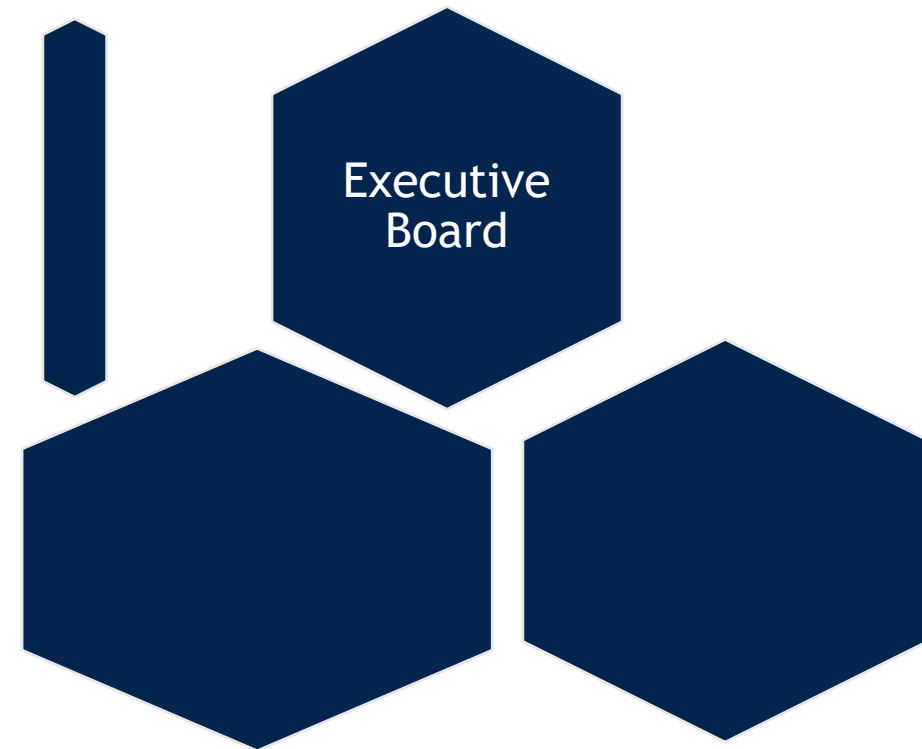


Endowment Trustees Report

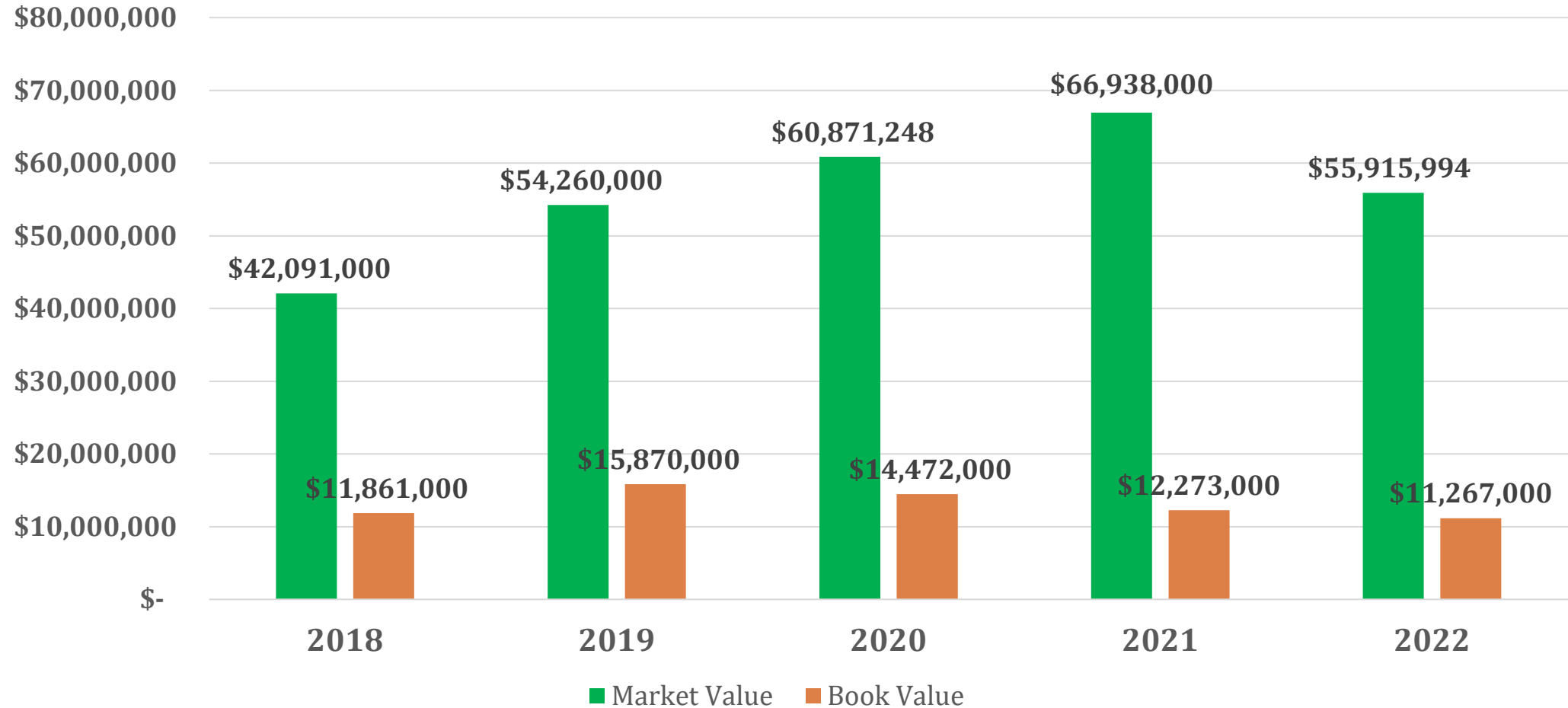
ET #13.0
EBD #13.0
2022 - 2023 Fall Meeting



Mario Gonzalez - Senior Trustee
October 17, 2022
October 22, 2022

Market and Book Value as of 8-31-22*

\$55,915,994



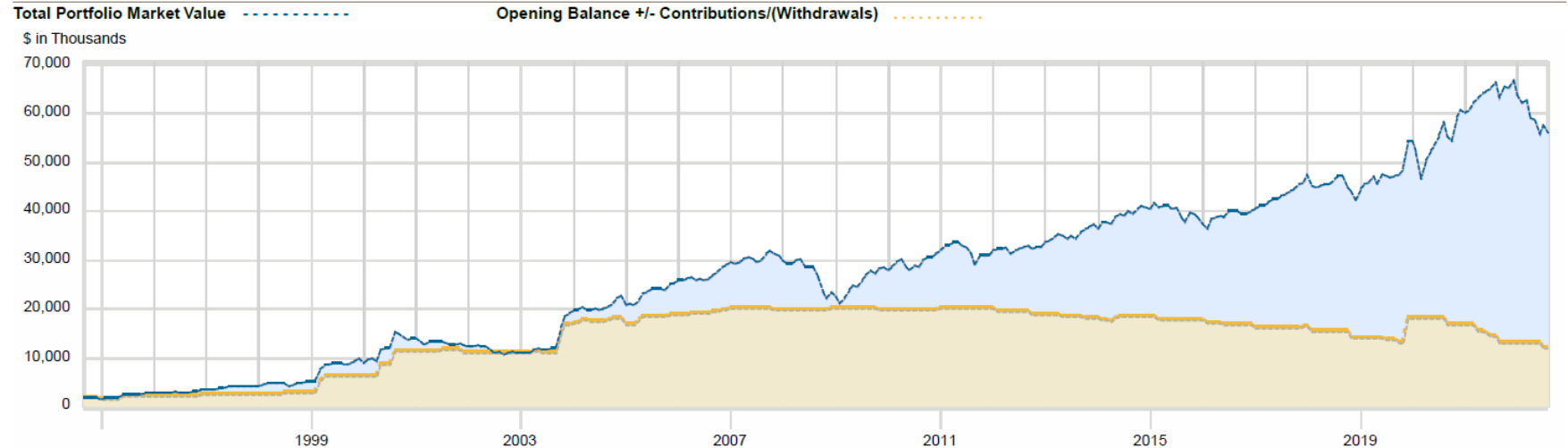
*Calendar year to date – 8 months. All other years are 12-month results

Endowment historical cash flows as of 8/31/2022

Portfolio Cash Flows and Performance: Yearly



Performance period: 10/17/1994 to 08/31/2022



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)	(1,006,452)	9,643,291
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	1,060,987	24,593,270
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	(11,076,016)	19,451,987
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	55,915,994	55,915,994
Time Weighted Return (%)	16.71	7.67	(2.89)	6.13	15.82	(4.04)	19.44	14.85	16.73	(14.98)	559.50

***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 = \$11.3 million

Investment Earnings = \$44.0 million

Endowment Asset Allocation as of 8/31/2022

Asset Allocation						
	Value	Min	Actual	Target	Max	+/-
Equity & Real Assets	\$ 30,711,985	30%	55%	55%	70%	0%
Domestic Large/Mid Cap	\$ 22,698,913	20%	41%	40%	50%	1%
S&P 500 Fossil Fuel Reserves Free	\$ 11,154,327		20%			
Clearbridge Large Cap ESG	\$ 8,629,282		15%			
Nuveen ESG Small Cap	\$ 1,839,789		3%			
Ariel Fund	\$ 1,075,515		2%			
International Equity	\$ 5,465,299	0%	10%	10%	20%	0%
Capital Group International	\$ 2,160,925		4%			
Domini ESG International	\$ 1,007,916		2%			
iShares ESG Aware MSCI EAFE ETF	\$ 1,025,252		2%			
GS GQG International Opportunities	\$ 1,271,206		2%			
Real Assets	\$ 2,547,772	0%	5%	5%	15%	0%
Vanguard U.S. REIT ETF	\$ 1,377,013		2%			
Nuveen Real Asset Income	\$ 1,170,759		2%			
Fixed Income	\$ 17,688,230	25%	32%	30%	65%	2%
Guggenheim Total Return	\$ 4,118,691		7%			
PIMCO Income	\$ 4,217,047		8%			
Calvert ESG Short Duration	\$ 6,366,137		11%			
Lord Abbett Short Duration	\$ 2,986,356		5%			
Alternatives	\$ 6,542,487	0%	12%	10%	25%	2%
Blackstone 2015 Alts Trust	\$ 862,875		2%			
KKR 2016 Custom Equity Opps	\$ 867,284		2%			
Blackstone 2018 Alts Trust	\$ 2,120,671		4%			
JLL Income Property Trust	\$ 1,330,674		2%			
Partners Group Private Equity (Master Fund) <i>New</i>	\$ 1,019,544		2%			
The Endowment Fund	\$ 341,438		1%			
Cash	\$ 973,293	0%	2%	5%	10%	-3%
Total	\$ 55,915,994		100%	100%		

*Highlighted cells indicate ESG focused investment

**Highlighted cells indicate Diverse-Owned Investment Manager

** Blackstone 2015 & 2018 commitment: \$2,000,000. KKR commitment: \$750,000

Total ESG Allocation (Including Diverse Owned Mngr.) = 60%

Source: ML CRC reporting system

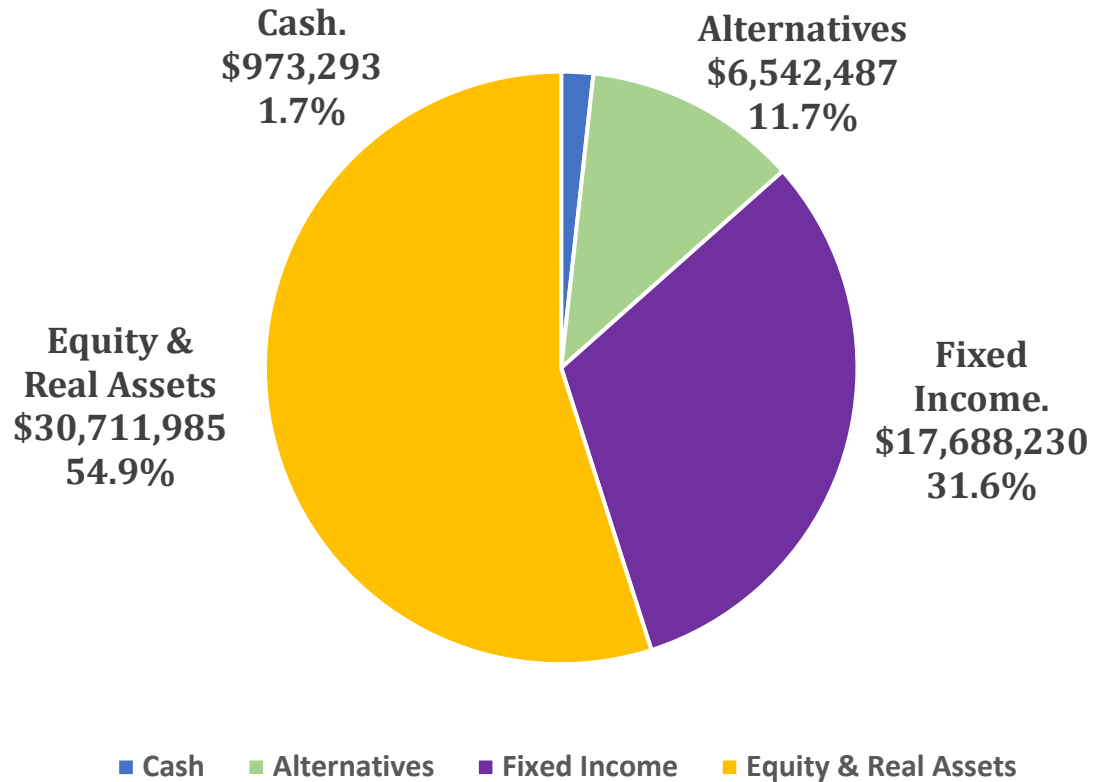


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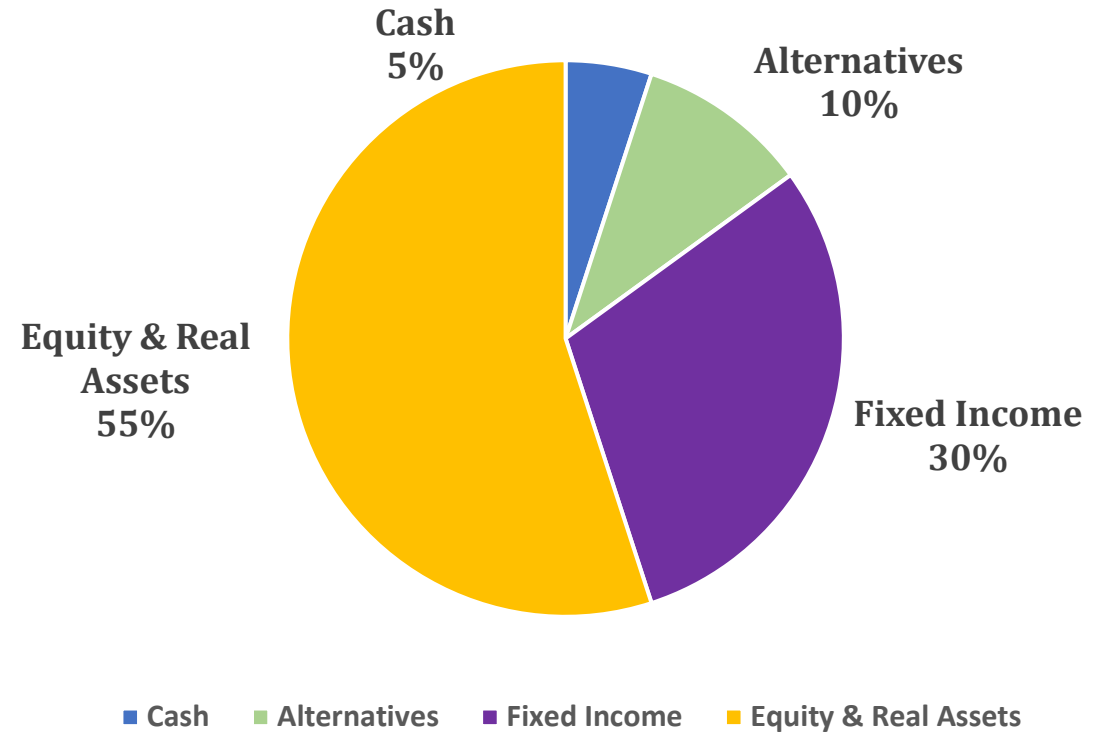
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Endowment Fund Asset Allocation

Actual Allocation



Allocation Per Investment Policy Statement



Equity and Real Assets Manager Allocation

Domestic Large/Mid Cap

		<u>% Domestic</u>	<u>% Portfolio</u>
S&P 500 Fossil Fuel Reserve Free	\$ 11,154,327	49.1%	19.9%
Clearbridge Large Cap ESG	\$ 8,629,282	38.0%	15.4%
Nuveen Small Cap ESG	\$ 1,839,789	8.1%	3.3%
Ariel Fund	<u>\$ 1,075,515</u>	<u>4.7%</u>	<u>1.9%</u>
Total	\$ 22,698,913	100.0%	40.6%

International Equity

		<u>% International</u>	<u>% Portfolio</u>
Capital Group International	\$ 2,160,925	39.5%	3.9%
Domini International ESG	\$ 1,007,916	18.4%	1.8%
IShares ESG Aware EFT	\$ 1,025,252	18.8%	1.8%
GS GQG International Opportunities	<u>\$ 1,271,206</u>	<u>23.3%</u>	<u>2.3%</u>
Total	\$ 5,465,299	100.0%	9.8%

Real Assets

		<u>% Real Estate</u>	<u>% Portfolio</u>
Vanguard US REIT ETF	\$ 1,377,013	54.0%	2.5%
Nuveen Real Asset Income	<u>\$ 1,170,759</u>	<u>46.0%</u>	<u>2.1%</u>
Total	\$ 2,547,772	100.0%	4.6%

Fixed Income and Alternatives/Cash Manager Allocation

Fixed Income				Alternatives and Cash			
		%	%			%	%
		<u>Fixed Income</u>	<u>Portfolio</u>			<u>Alternatives</u>	<u>Portfolio</u>
Guggenheim Total Return	\$ 4,118,691	23.3%	7.4%	Blackstone 2015 Alts Trust	\$862,875	11.5%	1.5%
PIMCO Income	\$ 4,217,047	23.8%	7.5%	KKR 2016 Custom Equity Opportunities	\$867,284	11.5%	1.6%
Calvert ESG Short Duration	\$ 6,366,137	36.0%	11.4%	Blackstone 2018 Alts Trust	\$2,120,671	28.2%	3.8%
Lord Abbett Short Duration	\$ 2,986,356	16.9%	5.3%	JLL Income Property Trust	\$1,330,674	17.7%	2.4%
				The Endowment Fund	\$341,438	4.5%	0.6%
Total	\$ 17,688,231	100.0%	31.6%	Partners Group	\$1,019,544	13.6%	1.8%
				Total Alternatives	\$6,542,486	87.1%	11.7%
				Cash	\$973,293	12.9%	1.7%
				Total	\$7,515,779	100.0%	13.4%

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

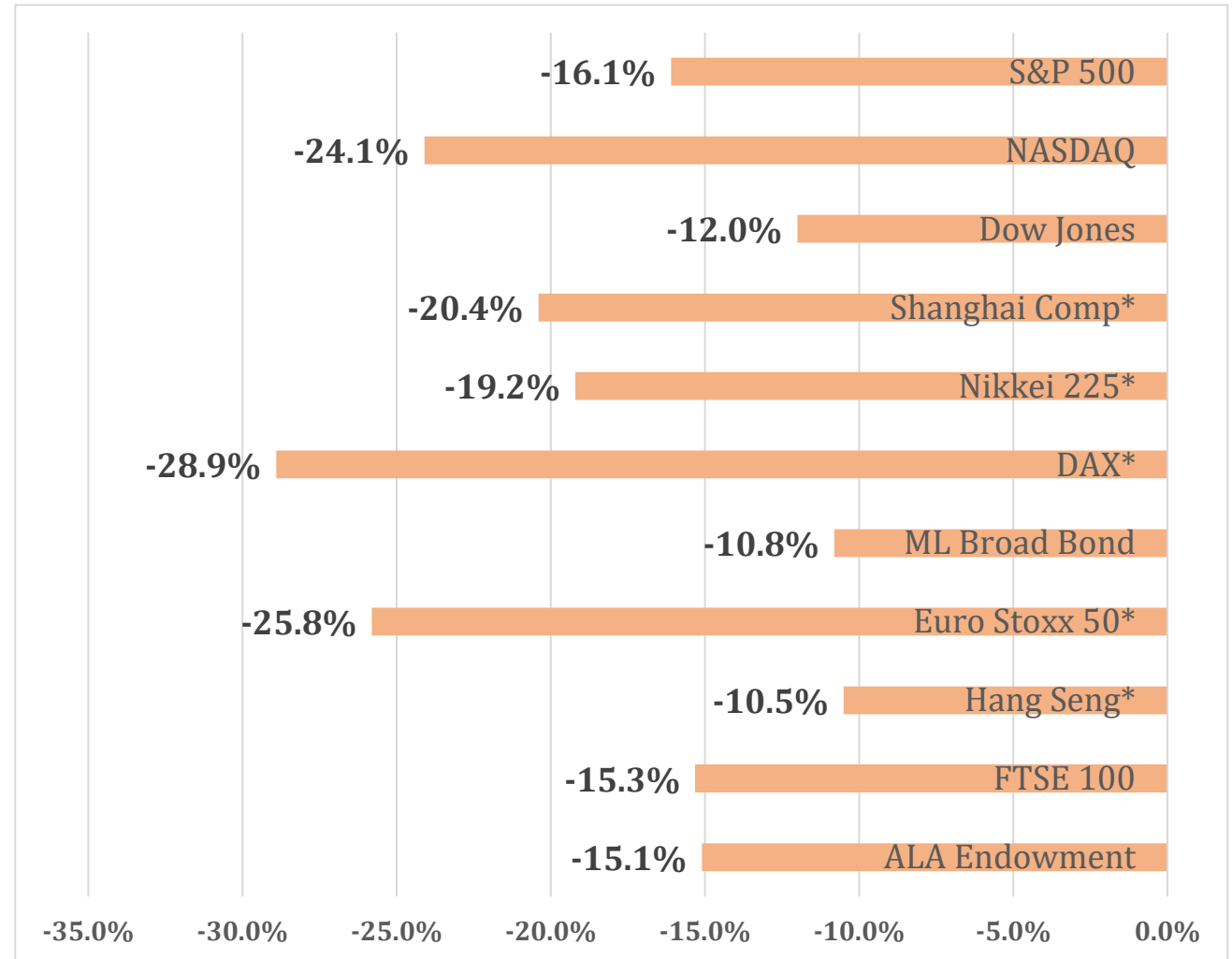


	<u>Portfolio Value</u>	<u>% of ESG Portfolio</u>	<u>% of Total Portfolio</u>
S&P 500 Fossil Free Reserve	\$11,154,327	33.4%	19.9%
Clearbridge Large Cap ESG	\$8,629,282	25.8%	15.4%
Calvert ESG Short Duration	\$6,366,137	19.1%	11.4%
Nuveen Small Cap ESG	\$1,839,789	5.5%	3.3%
Domini ESG International	\$1,007,916	3.0%	1.8%
iShares ESG Aware ETF	\$1,025,252	3.1%	1.8%
Partners Group	<u>\$1,019,544</u>	<u>3.1%</u>	<u>1.8%</u>
Total ESG	\$31,042,247	93.0%	55.5%
Ariel Investments	\$1,075,515	3.2%	1.9%
GS GQG International	<u>\$1,271,206</u>	<u>3.8%</u>	<u>2.3%</u>
Total Diversity	\$2,346,721	7.0%	4.20%
Grand Total	<u>\$33,388,968</u>	<u>100.0%</u>	<u>59.7%</u>
Portfolio Total	<u>\$55,915,994</u>		

Issues Influencing the Financial Markets

- July provided a positive breather after a difficult first half of 2022, but the market continues to slow down
- Significant strength in the U.S. labor market continues to support a soft landing for the economy
- The Ukraine/Russia war continues to dampen the global growth outlook
- Inflation is expected to be persistently higher for longer than expected
- The Federal Reserve continues to signal its intention to aggressively raise interest rates to contain inflation
- Oil and gasoline prices have dropped
- Uncertainty over the outcome of the mid-term elections in November

Returns for the World's Major Indices



*These are the ETF versions of the European/Asian benchmarks which better reflect the performance of these market vs their standard benchmarks i.e. DAX, Euro Stoxx 50, Nikkei 225 etc. due to currency conversion.

Endowment Trustee Activities

- Following best business practices, the Trustees are in the process of reviewing Request for Information/Proposals for investment advisor services
- We solicited 14 managers for submission and received 12
- Of the 12 submissions received, we have dwindled the field to 4
- Final invitations will be sent out to the finalists
- A final decision will be made at the Trustee's next meeting to be held November 1-2, 2022 in Chicago at ALA headquarters
- Provided an orientation to our newest Trustee, Peter Hepburn, ALA Treasurer
- Finalizing the revision of the Investment Policy Statement



ALA Endowment Trustees

CONTACT: mgonzalez@passaicpubliclibrary.org

Mario Gonzalez, Senior Trustee - 2023

Brett Bonfield - 2024

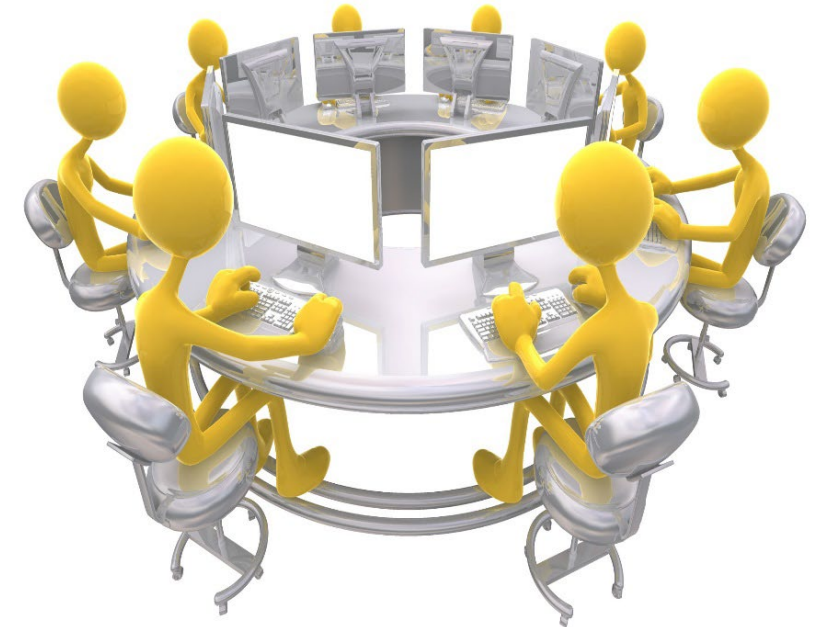
Peter Hepburn, Treasurer - 2025

Rhea Lawson - 2023

James G. Neal - Renewed to 2025

Janice Welburn - Renewed to 2025

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.