



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

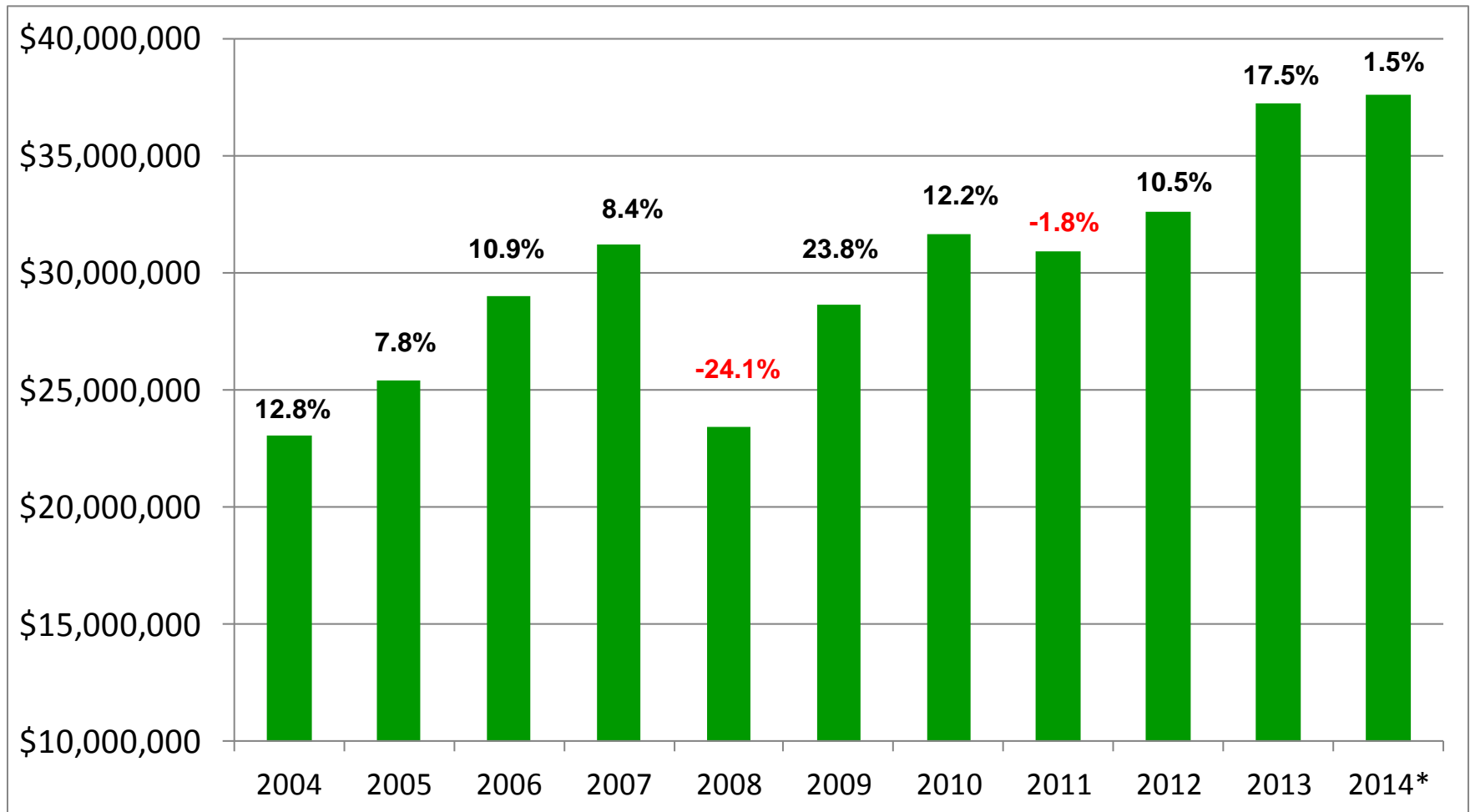
Accelerating slow down in China’s growth rate

Japan’s continuing contraction

Ukrainian/Russia crisis

Market Value and Return @ 2-28-14 Exhibit #2

\$37,622,278



*Two months ending 2-28-24

Time Weighted Rate of Return

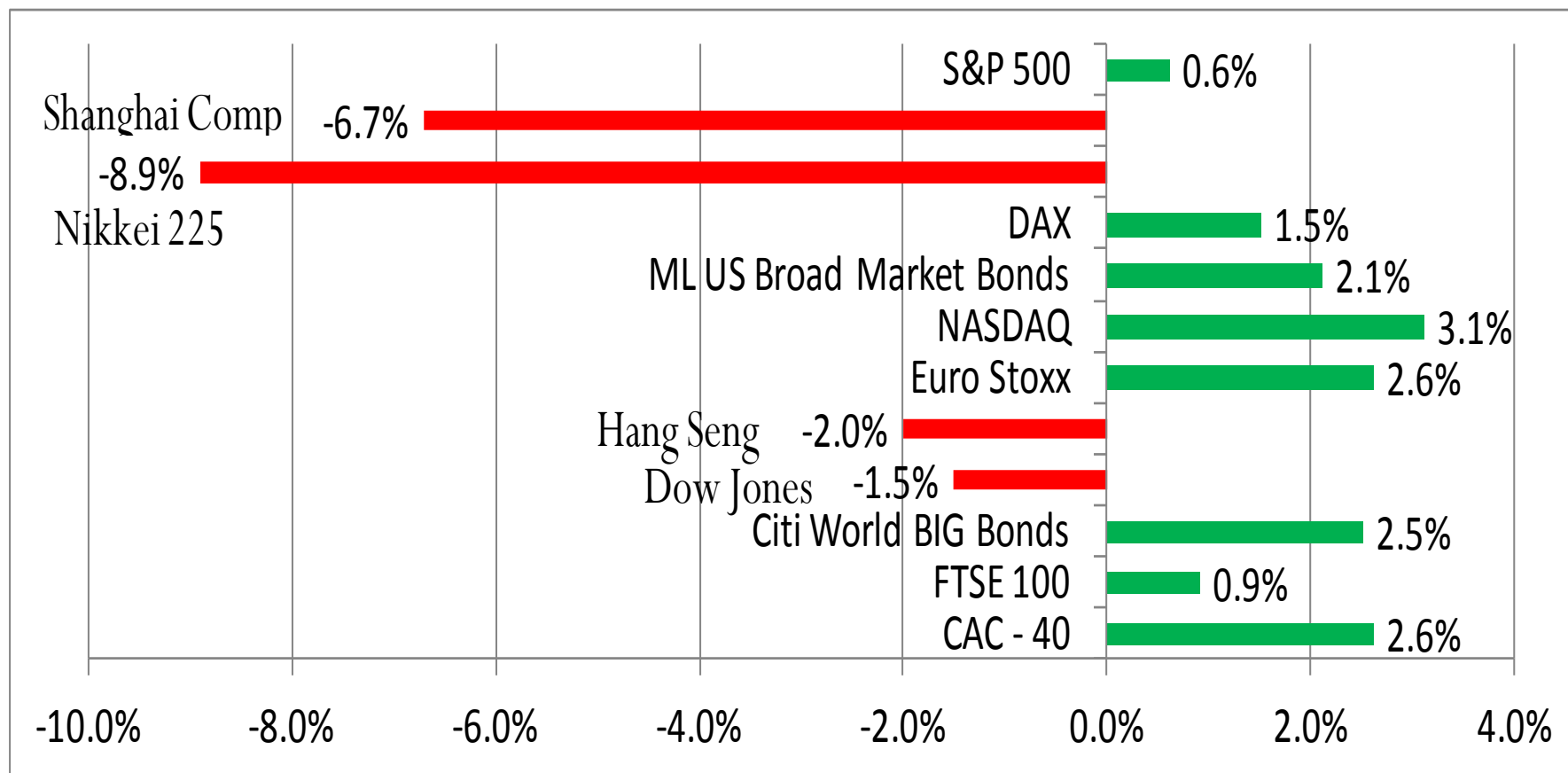
	Opening	Contributions	Interest	Appreciation	Closing	ROR*	ROR*
	<u>Balance</u>	<u>(Withdrawals)</u>	<u>Dividends</u>	<u>(Depreciation)</u>	<u>Balance</u>	<u>Period</u>	<u>Cumulative</u>
January - 2014	\$ 37,288,932	\$ (249,368)	\$ 34,040	\$ 1,304,302	\$36,527,420	3.67%	3.67%
February - 2014	<u>\$ 36,527,420</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

Exhibit #4

- 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

Exhibit #6

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%.