

**All Souls Episcopal Church
Endowment Board
September 8, 2019 Meeting Minutes**

Attending: Jim Lewis (chair), David Hollis (secretary), Jim Solomon, Jadon Hartsuff, Art Warren, and Rob Gibbs

Call to order

Jim Lewis called the meeting to order at 12:40 p.m.

Approval of minutes

The board approved the minutes of the May 16, 2019 meeting as presented.

Endowment investment report

Jim Solomon presented reports on the performance of the endowment and rectory funds. The endowment fund balance of \$2,421,819 is up 11.08% year-to-date (up 3.71% from 9/30/18). The portfolio is recovering from the poor fourth quarter 2019 market downturns. The rectory fund balance of \$542,404 is up 11.13% year-to-date. The rectory fund investment strategy is substantially the same as the endowment fund, yielding similar results. (See attached report details.)

Parish financial statement audit

David Hollis reminded the board that Canon law requires parishes to perform an independent financial statement audit annually. He asked the group to discuss having the endowment fully or partially fund the audit cost. The sense of the board is that funding an audit is an operating expense of the parish and should not be paid from the endowment.

Legacy Society

The board discussed several activities and work streams to recognize parishioners who have made planned giving commitments to the church and engage others who might consider making similar arrangements. The group highlighted four items:

- Host a Legacy Society event to recognize those who have made commitments and offer them an opportunity to learn more about the parish and the endowment
- Engage select individuals in small groups (e.g., individual, rector, endowment board chair) to discuss giving plans
- Broaden our stewardship activities to include annual giving, major gifts, and legacy gifts
- Include letter from the endowment board in one of the quarterly pledge statement mailings (annually)

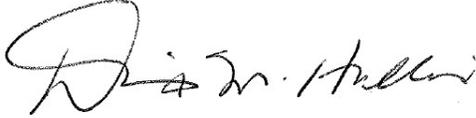
Jim Lewis will host a small group at his home on Saturday, October 12. Rob Gibbs and Art Warren will coordinate.

2020 endowment grants timeline

The 2020 grant application process will open February 1, 2020, and remain open for up to six weeks.

The meeting adjourned at 1:35 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "David M. Hollis". The signature is written in a cursive, flowing style.

David M. Hollis
Secretary

All Souls Episcopal Church

August 31, 2019 Report

To All Board Members:

This is an abbreviated report since our reporting year ends on September 30, 2019. More detailed information regarding holdings, returns, etc. will be reported in early October. This report will include the recommended grant withdrawal for 2020.

Endowment Fund:

Balance as of 8/31/19:	\$2,421,819
Balance as of 12/31/18:	\$2,185,446
Unaudited Return since 9/30/18:	+3.71%
Unaudited Return YTD:	+11.08%
S&P Return YTD:	+13.54%

(The current balance reflects the withdrawal of \$44,000 for grants on 6/4/19.)

Since our fiscal year runs from Oct 1 to Sept. 31, we are still recovering from an extremely poor 4th quarter 2019 equity market.

All of our mutual funds have performed well in a difficult market environment. Returns have ranged from +5.35% to +19.72% year to date. Our mid-cap mutual fund is currently "underweighted" in terms of assets, so we will consider additional deposits when we experience extreme volatility in the overall market.

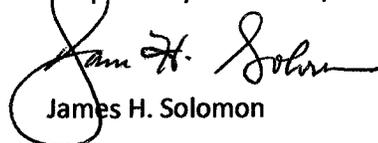
We still have ~~\$214k~~ ^{\$184k} in cash available for reinvestment.

Our ETF positions have not fared as well as our mutual funds. Although the technology and S&P index ETF's have performed well (+9.25 & +7.83% respectively) our total ETF return has been negatively impacted by emerging market and Europe positions.

Cash has been deployed periodically when we have experienced days of extreme volatility. Additional investments have been made in the technology, S&P 500, and the banking ETF's. Weightings in ETF holdings in general, are well below older, established positions in our mutual funds.

Bonds (Fixed Income) comprise a little over 20% of the entire portfolio. As bonds have matured, we have weighed buying new longer-term bonds vs. adding to equity positions. Future interest rates help determine whether or not to add to the existing bond ladder as each bond matures.

Respectfully submitted,



James H. Solomon

Rectory Fund:

Balance as of 8/31/2019: \$542,404

Balance as of 12/31/2018: \$487,282

Unaudited Return 2019 YTD: +11.13%

(Balance YTD reflects withdrawal of \$30k for housing allowance.)

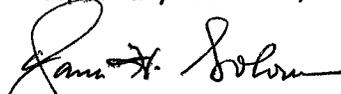
The current equity to fixed mix is approximately 45% to 42% respectively. Over the past couple of years, equity investments have been made in the same mutual funds and ETF's as found in the Endowment Fund.

There is approximately \$45k in cash which has been set aside for the housing disbursement in 2020.

We will continue to monitor the performance of both equity and bond exposure, to weigh whether or not to make further bond investments as individual bonds mature. This decision will be based on the longer-term environment for interest rates.

The Rectory Fund has traditionally been more conservatively invested. However, it remains prudent to consider adding to equity positions from time to time.

Respectfully submitted,


James H. Solomon
8/31/19