

IN PERPETUUM

CATHOLIC FOUNDATION OF EASTERN PENNSYLVANIA

Q2 UPDATE ❖ AUGUST 2018

*"Give thanks to the Lord
for He is good. His love
endures forever."*

PSALM 136.1

Q2 Portfolio beats benchmarks, continues to add value for partners

Three key factors have contributed to the outperformance of key benchmarks for the Catholic Foundation of Eastern Pennsylvania: an institutional investment approach, manager selection of funds and low fees.

The overall aggregate performance of the Catholic Foundation's portfolio returned 8.73% versus a benchmark of 8.15% for the fiscal year ending June 30, 2018. Since its inception almost three years ago, the portfolio realized an annualized return of 7.80% beating its blended benchmark of 6.62%. The overall aggregate performance for Q2 was 0.84%.

"Our managers at Concord Advisory Group overall have beaten the benchmark which means they have added value," Tom Scalici, Vice President of the Catholic Foundation, said.

Several major trends have dominated market activity this year. Economic activity in the United States has generally been good with corporate earnings rising to record highs. As a result, U.S. stocks have posted positive, but more modest returns than last year. Technology stocks have once again been the best performing sector year-to-date. The rising dollar has negatively impacted the return of international stocks while rising interest rates have hurt the return of bonds. Currently, the rhetoric over trade wars has been creating uncertainty around long-term economic policy and that has been causing some angst amongst investors. Through June 30th, the S&P 500 was up 2.65%, the ACWI was down 0.43% and the Barclay Aggregate was off 1.62%.

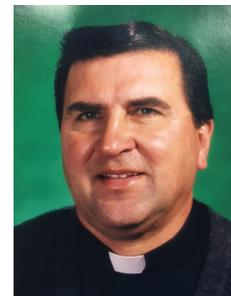
The Foundation added \$650,000 in new deposits during Q2 and \$1,400,000 year-to-date. Total assets under management is \$5.36 million across 24 endowment funds and one cemetery designated fund.

Msgr. Wargo sees endowment funds as vital for parish's future success

Monsignor Robert Wargo, pastor of St. Joseph the Worker Parish in Orefield, knows all too well the time and energy needed to raise funds for key parish programs. In the 46 years since his ordination as a priest, Monsignor Wargo has helped to raise millions of dollars in the half a dozen parishes where he has been stationed. He recalls organizing a successful \$125,000 fundraising effort for a parish cemetery only to learn years after his re-assignment that the funds set aside were used for another purpose.

Years later, Monsignor realized that if he had put the money into an endowment fund with clear stipulations on spending outlined in a formal agreement, that small parish cemetery would not have become a burden for its parishioners.

"A pastor's job is to work with parish lay leaders to make sure the parish is in a good financial state," Wargo said. "It's important to have income for the future so we may carry on the mission of Christ."



It's for this reason Monsignor Wargo has created four endowment funds managed by the Catholic Foundation of Eastern Pennsylvania to provide future income for various parish and school programs. With clear guidelines on spending, the endowment funds honor the intent of the original donors as well as the future donors whose contributions will help each of the funds grow. The four funds include:

- St. Joseph the Worker Parish Endowment Fund
- Frances and Michael Huszar College Scholarship Endowment Fund
- St. Joseph the Worker Angel Scholarship Endowment Fund
- St. Vincent de Paul Society of St. Joseph the Worker Parish Endowment

"When the Catholic Foundation started, I saw it as an opportunity to ensure the financial future of our parish," Wargo said.



Interested in more information on the marketing and/or planned giving partner programs?
Please send an email to info@CatholicFoundationEP.org.



 **Catholic Foundation**
OF EASTERN PENNSYLVANIA



St. Peter's Copley inks first cemetery designated fund agreement

St. Peter Parish in Copley became the first parish to establish a Parish Cemetery Designated Fund with the Catholic Foundation. The parish finalized the agreement in early June 2018.

Catholic parishes in the Diocese of Allentown that oversee a cemetery may participate in the newly created donor designated cemetery fund program started by the Catholic Foundation. Cemeteries are required by law to set aside a portion of the sale of burial plots in a perpetual care account. The purpose is to cover the long-term maintenance and upkeep of the cemetery.

The Catholic Foundation is the best option for parishes to invest and manage perpetual care cemetery funds. There are several key benefits that support the donor designated cemetery fund as a "true long-term care" option:

- Protects the intent of the funds
- Higher rate of investment return
- Keeps up with inflation
- Allows for flexibility in withdrawals

Three other parishes have created cemetery designated funds. However, the process was not completed before the second quarter ended on June 30th.



'Added value' benefits offered by the Catholic Foundation

- Independent from Diocese
- Professionally managed
- Improves financial controls
- Continuous monitoring of investments
- Investments respect Catholic values
- Lower investment fees
- Fundraising guidance
- Marketing / Promotion support
- Planned Giving Workshops
- Legal work for agreements
- Annual regulatory filings & audits
- Solidarity



To start, contribute or remember a fund in your will/trust for your favorite Catholic parish, school, learning center or non-profit, please contact **Pete Waldron, Executive Director of the Catholic Foundation of Eastern Pennsylvania** at **610-439-7681** or **petewaldron@catholicfoundationep.org**



IN PERPETUUM

The Latin word meaning forever.

CFEP is an independent, charitable organization designed to manage assets, generate perpetual income and provide financial stability for Catholic parishes, educational institutions and non-profits.

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