



## MEMO

To: Board of Trustees  
From: Nick Williams, Investment Committee Staff Liaison  
Date: April 23, 2025  
Re: Investment Committee Update

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The Investment Committee met on March 24<sup>th</sup>, 2025. At this meeting the Committee met with the Foundation's investment consultant, RVK, to review the December 2024 investment performance. For the year ended December 31, 2024, the endowment was valued at \$149,866,303 and earned 6.9% for the calendar year. This return was less than the policy index return of 9.87% and ranked us in the 87<sup>th</sup> percentile for all endowments and foundations less than \$250M.

The Committee spent considerable time evaluating the reasons for this underperformance and addressing areas of improvement. Due to the defensive position of the Foundation's portfolio, we will underperform peers when equity markets produce large returns. As was noted in previous updates, the Committee has been disappointed in the performance of ASB Allegiance Real Estate and terminated this investment in July of 2024. Due to the structure of the investment this will be a slow unwind so we will continue to see the impact of this funds performance for a while. Additionally, RVK highlighted the underperformance of one of the equity managers, Brown Advisory Sustainable Growth. The Committee had asked RVK to bring recommendations of other managers for this space. After discussion, the Committee voted to allocate 50% of the existing Brown Advisory allocation to the JP Morgan Large Cap Growth Fund.

Next, RVK reviewed their asset allocation suggestions for 2025. Based on the Foundation's investment policy guidelines and their economic outlook RVK suggested no changes to the Foundation's asset allocation. RVK noted that the Foundation remains well diversified and positioned for long-term success across a full market cycle. The Committee agreed with RVK's assessment to not change the Foundation's asset allocation.

Subsequent to the Committee meeting we have seen periods of market fluctuations. RVK continues to provide weekly updates to the staff and Executive Committee on the valuation of the endowment. As of April 21, 2025, the estimated market value of the endowment was \$148.1 million and the estimated calendar year to date return was -2.1%. While disappointing to see these negative results we continue to be above the 2025 budgeted management fee's breakeven point of \$143M. This is the value the Foundation's management fees budget is based off of and we continue to be well above that point.

The Committee and RVK will continue to monitor the situation. We will be having the Foundation's annual investment review with its donors on May 19<sup>th</sup> and invite all of you to attend if interested.