

Endowment Committee report for 2021

In 2021 the Pennsylvania Southeast Conference (PSEC) Endowment Committee met quarterly to review the performance of the investments and statements from the 5 investment managers that are currently managing portions of the PSEC Endowment. We also worked to draft a policy to define the responsibilities of the committee and investment managers, the types of securities in which the endowment may be invested, and the criteria for selecting and evaluating the performance of the investments. We expect to have that policy ready for Consistory to review and approve in early 2022.

Endowment Committee members as of September 30, 2021 are:

Tony Villareal - Conference Moderator	Bill Worley – Conference Minister
Bob Fogal - Conference Treasurer	Bill Buskirk Darryl Hamm
Steven Yost Scott Muirhead	There is one vacancy on the committee.

As has been the case since 2014, withdrawals from the Endowment Fund continue to be made in compliance with PA Act 141. That law permits withdrawals to be a percentage of the total value of the fund, rather than limiting withdrawal to only the amount of dividends and interest that the investments generate. This has been beneficial during the past few years when interest rates have been extremely low, and permits the fund to benefit from investments in companies that are profitable and growing rapidly, but paying only a small dividend or no dividend at all. For 2021 the withdrawal rate was 3%.

Since 2016 we have been transferring 10% of our investment at United Church Funds each year from a balanced fund to another UCF balanced fund that excludes fossil fuel investments. For 2021 we increased the transfer amount to 20%, in order to accelerate the transition and because the fund with the fossil fuel restriction has performed better than the other fund for the past couple years. As of September 30, 2021 we have transferred a total of 70% of our UCF investments to the balanced fund that excludes fossil fuel investments. The remaining 30% at United Church Funds will be transferred within the next three years.

Bill Buskirk