



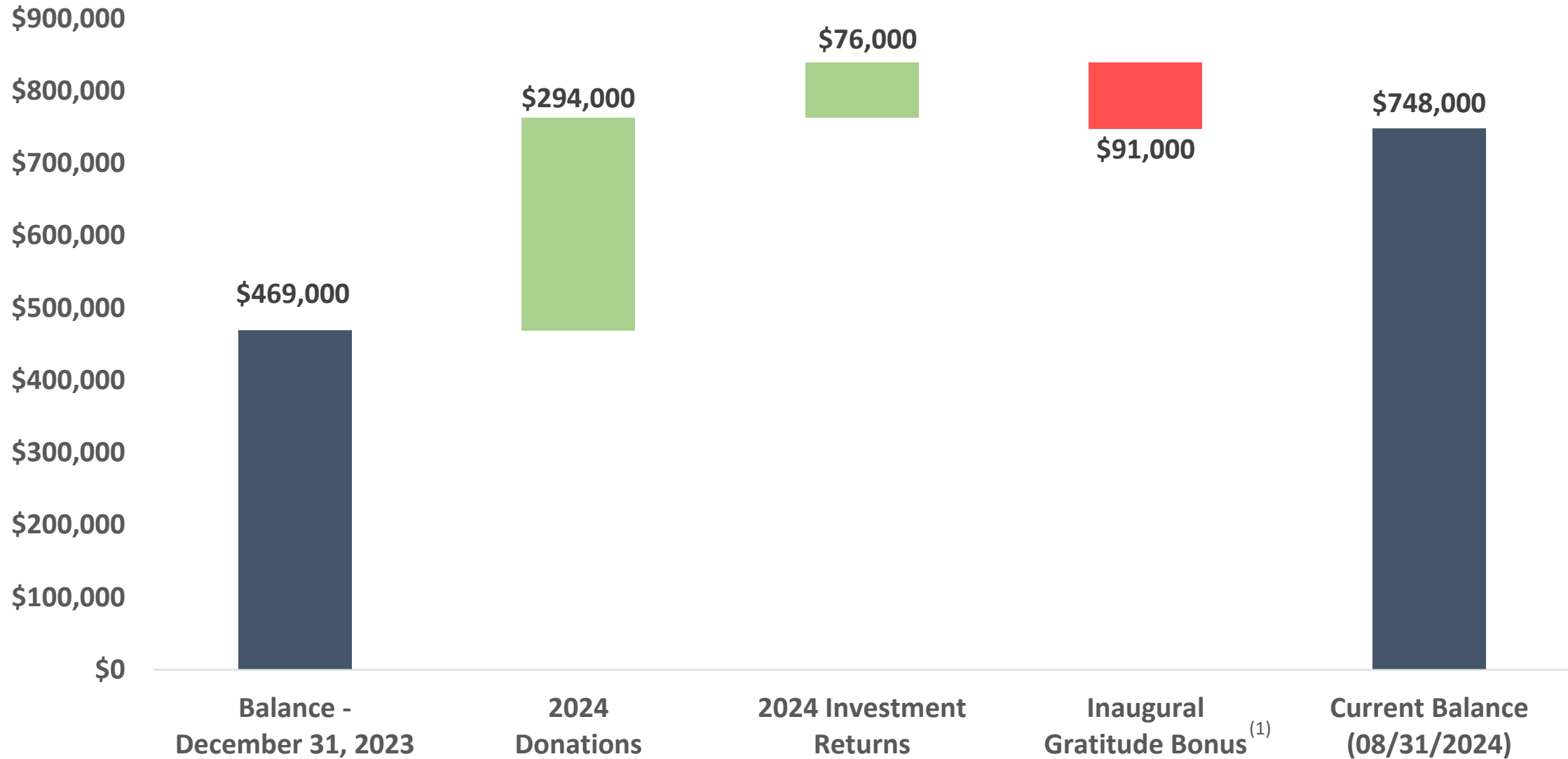
ST. VINCENT DE PAUL
CATHOLIC PARISH & SCHOOL

Teacher Endowment Fund Update – October 2024

Agenda

- **Financial Review of Teacher Endowment**
- **Review of Inaugural “Gratitude Bonus” (i.e. Retention Bonus)**
- **Discussion of Ongoing Fundraising Requirements to Create Sustainable and Growing Teacher Bonuses**
- **Selection of Investment Advisor for Teacher Endowment Fund**

Financial Review of Teacher Endowment



(1) Bonus was paid September 27, 2024.

Review of Inaugural “Gratitude Bonus”

- **Review the Current Environment:**

- Overall pay for a Catholic teacher in the Archdiocese of Denver is approximately 25% to 33% lower than the pay of Denver public schools
- While there is a mission element to teaching at a Catholic school, it is imperative that we strive to support our teachers with higher overall pay through creative means

- **Goals for Initial “Gratitude Bonus”**

- Target a flat % of base salary to fairly compensate teachers with more experience and advanced degrees
- Provide bonus that is a meaningful % of Base Salary **and** provide the bonus near the beginning of the school year to show support to the returning teachers
- Distribute a higher percentage of overall Endowment balance than the long-term target of 6%
- Set a target distribution % that teachers can rely on and that can be sustainably grown over time

Review of Inaugural “Gratitude Bonus” (cont.)

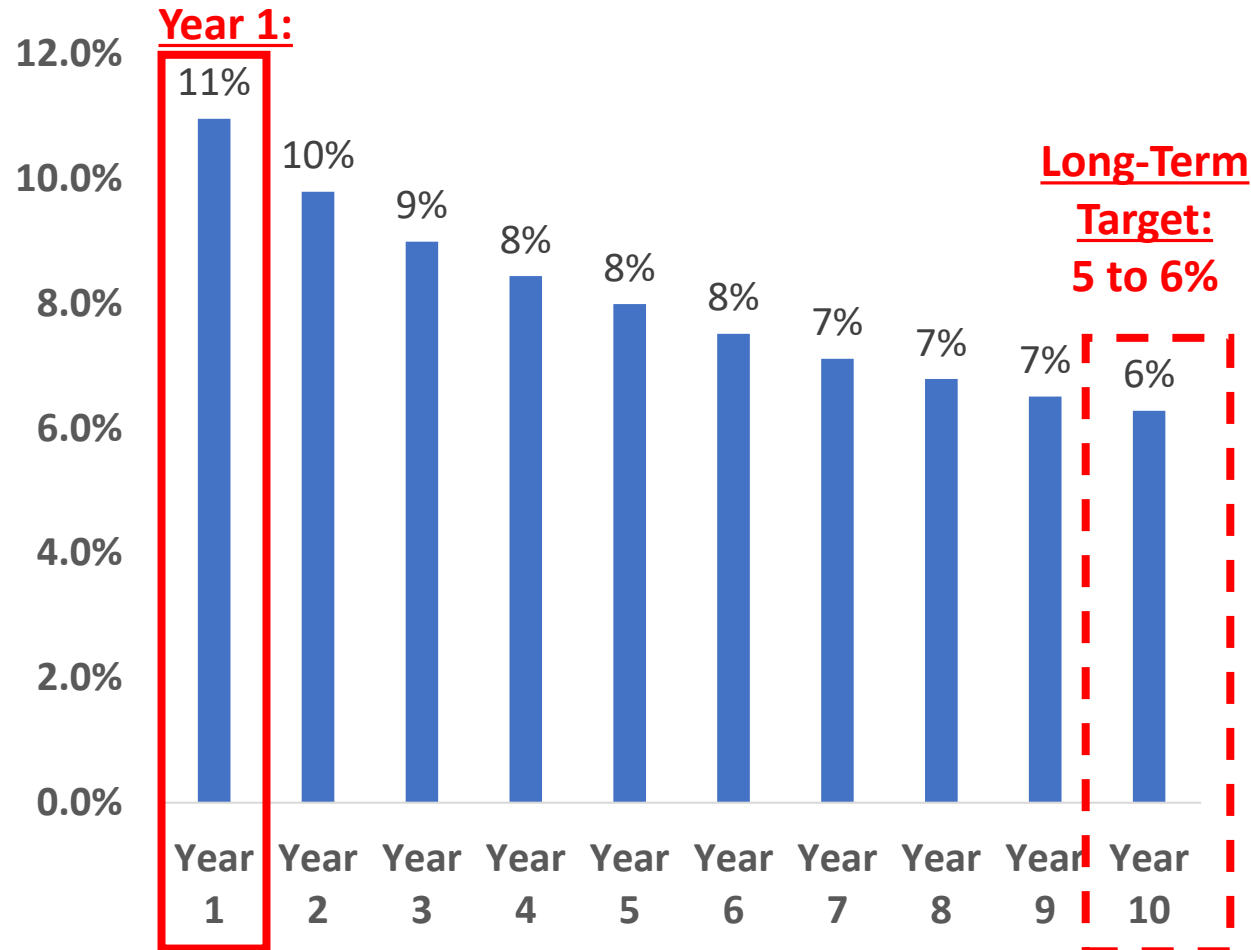
- **Inaugural “Gratitude Bonus” Highlights:**

- Bonus was paid September 27, 2024 to all returning full and part-time teachers at SVdP
- Bonus was equal to 7.5% of base salary levels (~\$3K to \$5K per teacher, depending on salary level, which is based on experience and advanced education)
- Total distribution represented 11% of the Teacher Endowment balance - this is **double** the standard target for an endowment, which is typically closer to 5% to 6% annually
- Due to the generosity of the SVdP community, the initial distribution of ~\$91K was over \$30K higher than the initial targeted distribution prior to the Gala

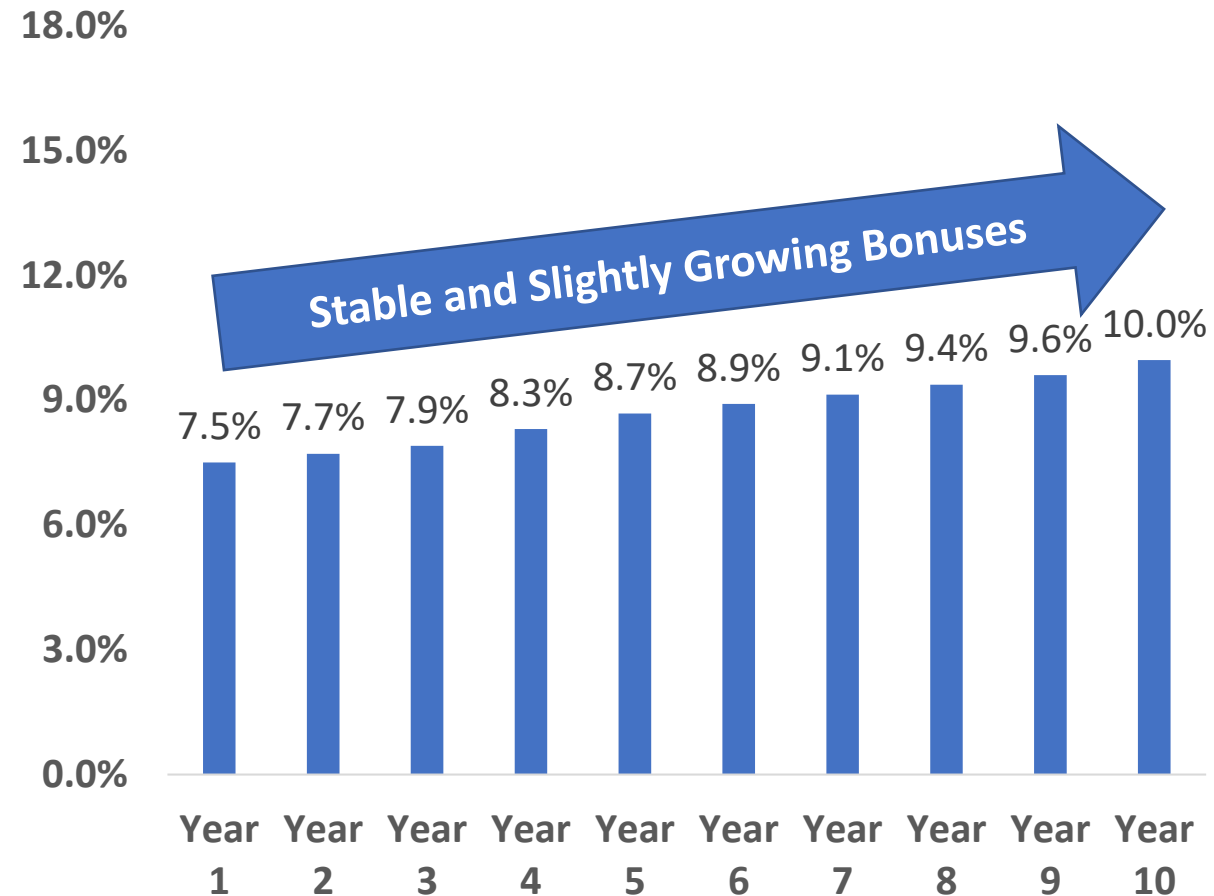
Scenario 1 to Grow SVdP Teacher Endowment:

Assumes SVdP Raises \$200K per year

% of Endowment Fund Distributed



Bonus as % of Base Salaries

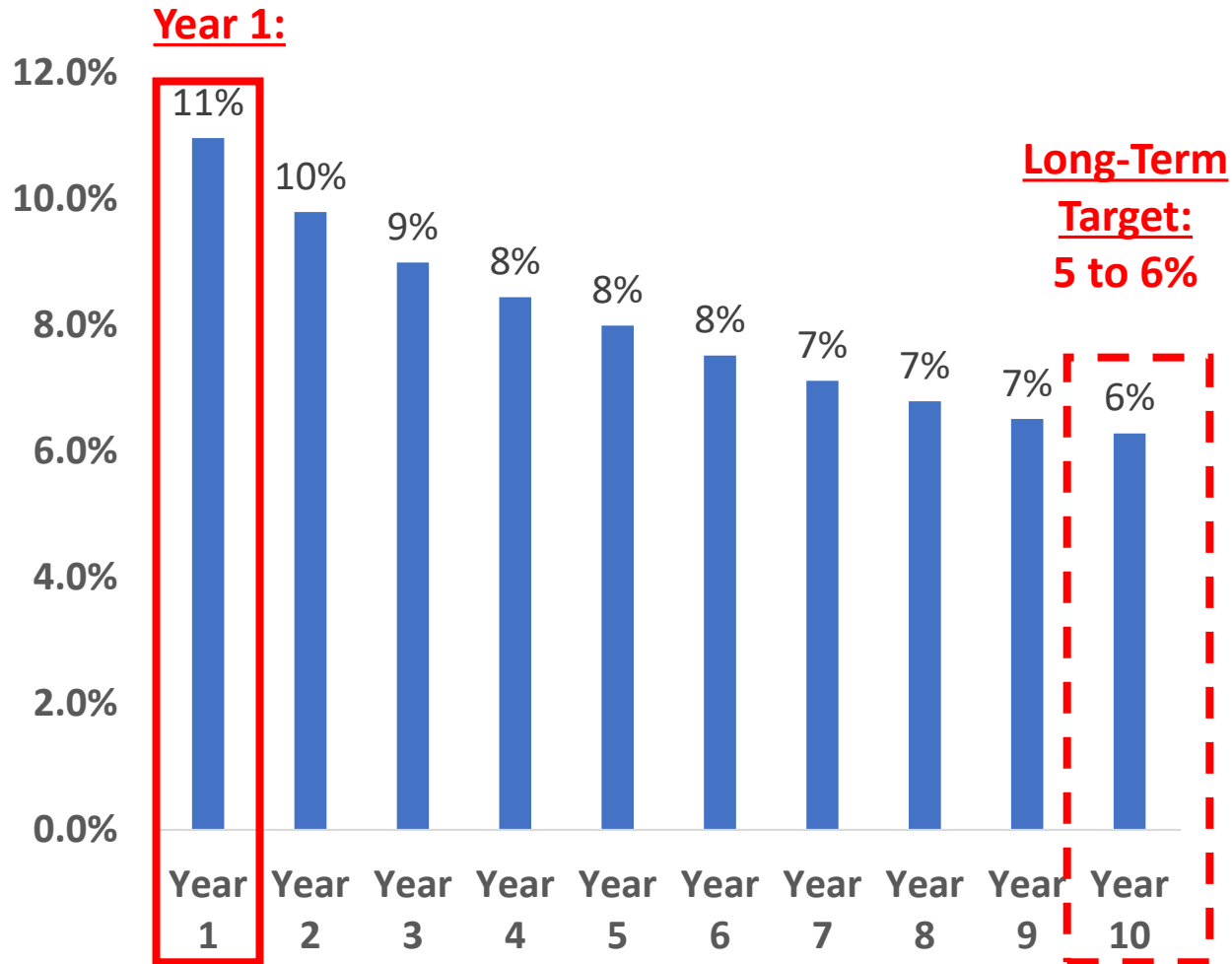


Note: For forecast purposes, assumes 2.0% inflation and retained teachers increase over time.

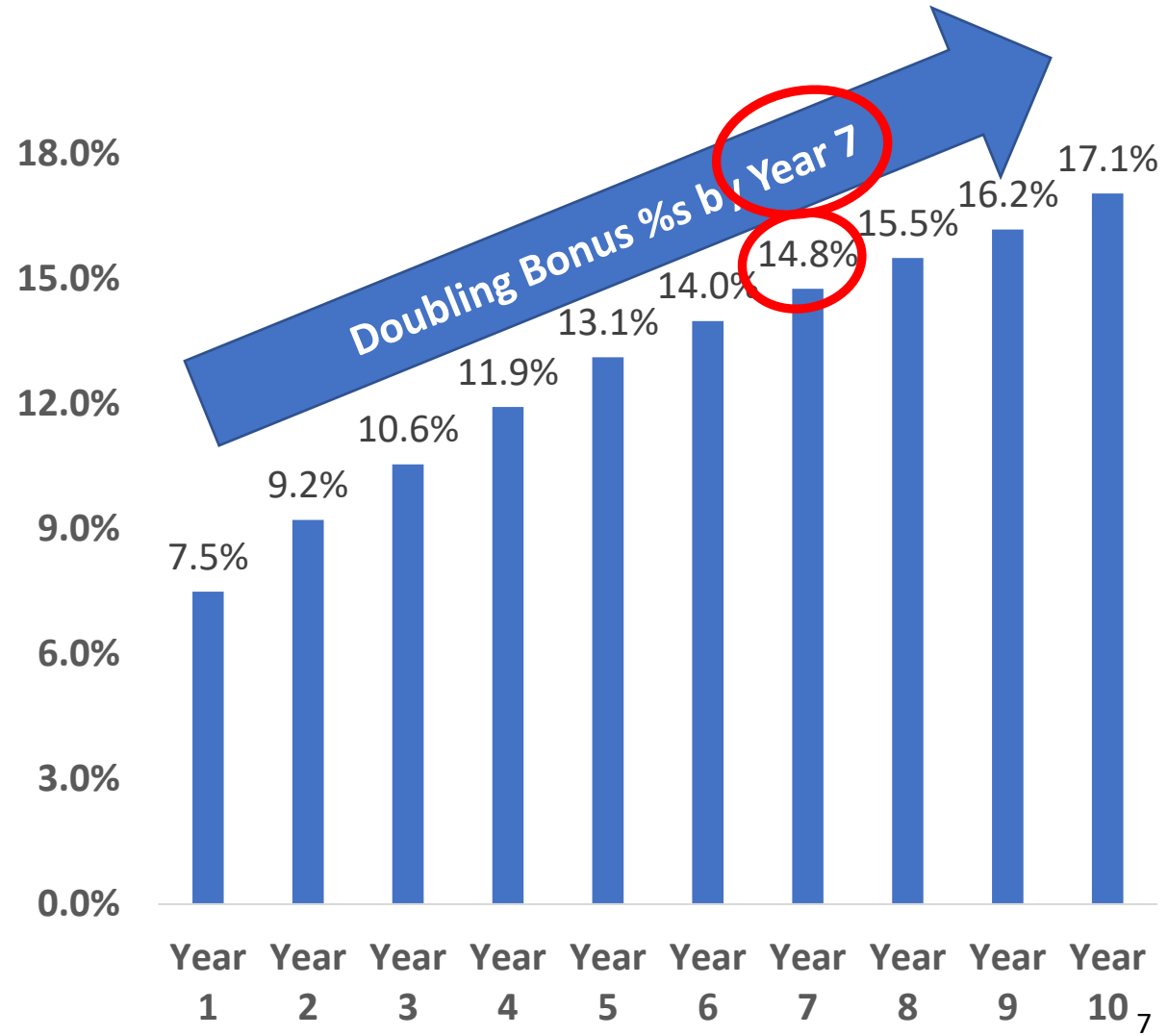
Scenario 2 to Grow SVdP Teacher Endowment

Assumes SVdP Raises \$400K per year

% of Endowment Fund Distributed



Bonus as % of Base Salaries

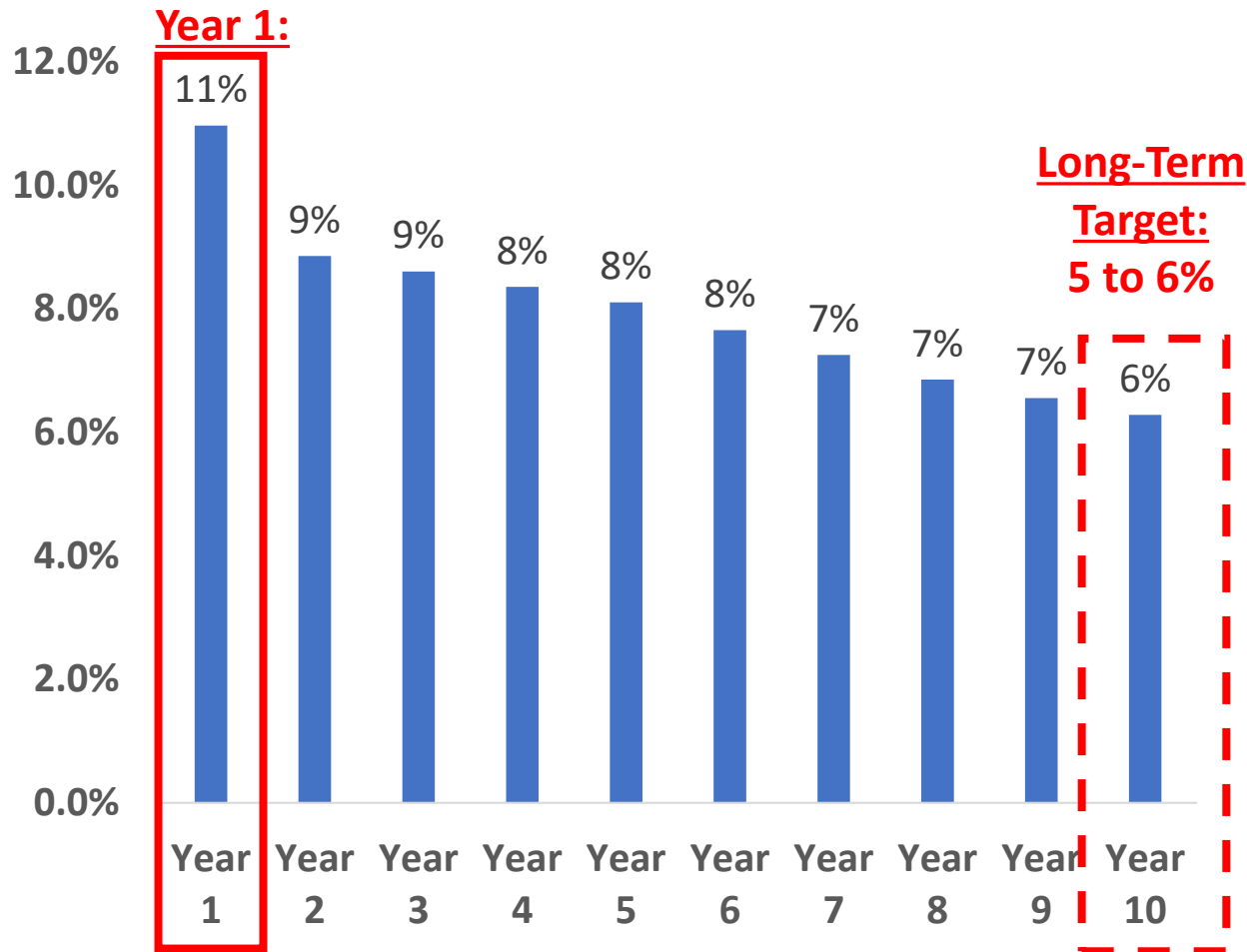


Note: For forecast purposes, assumes 2.0% inflation and retained teachers increase over time.

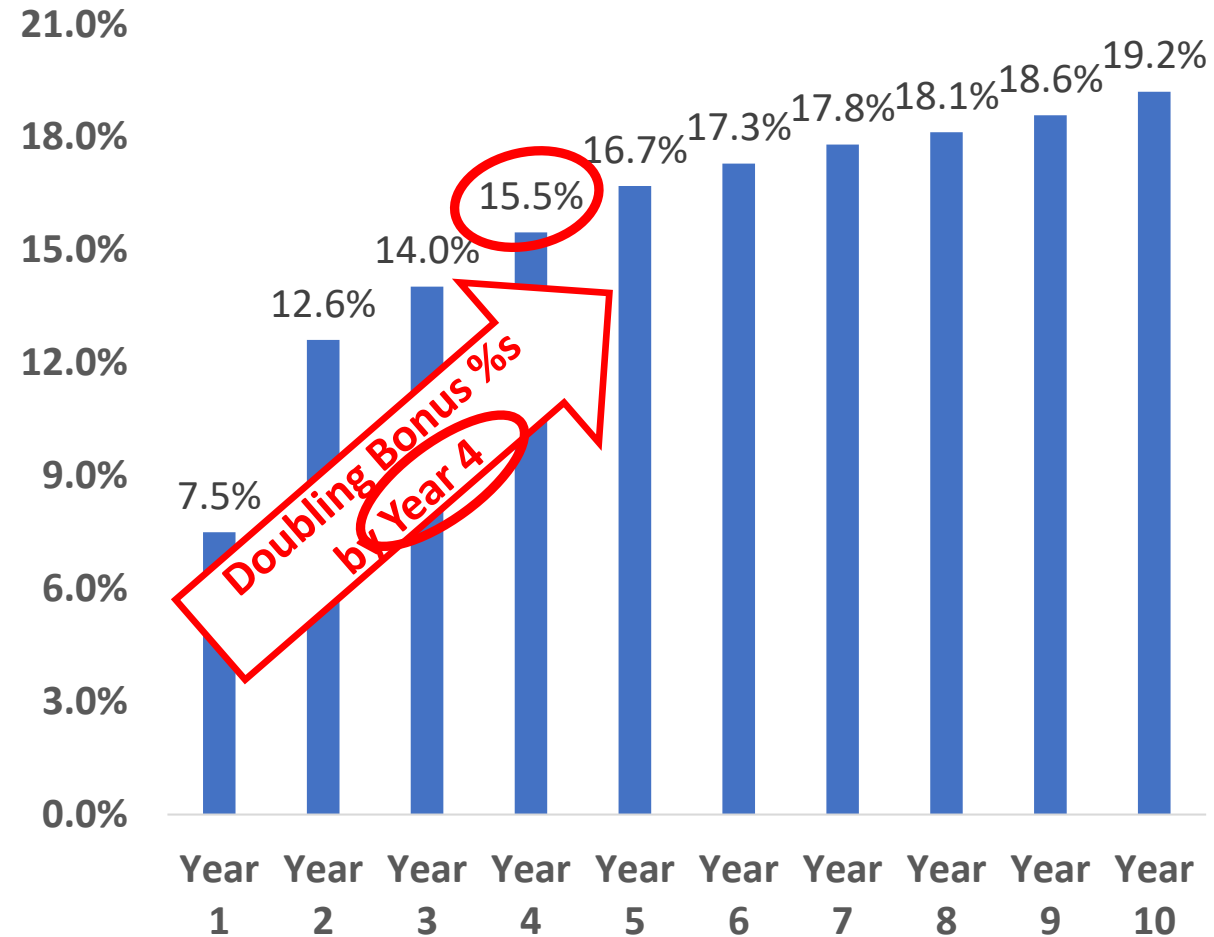
Scenario 3 to Grow SVdP Teacher Endowment:

Assumes SVdP Raises **\$1MM in Year 2** and **\$400K per year thereafter**

% of Endowment Fund Distributed



Bonus as % of Base Salaries



Note: For forecast purposes, assumes 2.0% inflation and retained teachers increase over time.

Selection of Investment Advisor

- Prior to October 2024, the Teacher Endowment Fund was invested in a variety of mutual funds offered through Ave Maria Mutual Funds
- While the Ave Maria funds have provided attractive returns, the goal of the Endowment Fund committee was to select an advisor that could manage the funds on a more active basis
- The Endowment Fund Committee contacted five different financial advisors and requested they respond to an RFP (“Request for Proposal”) that was put together by the Committee
- After reviewing the RFPs provided by four different advisors (Catholic Investment Services, Morgan Stanley, Merrill Lynch, Huntington Bank), the Committee interviewed three different advisors
- **Following the interview process, the Endowment Fund Committee unanimously agreed to hire Catholic Investment Services**

Overview of Catholic Investment Services (“CIS”)

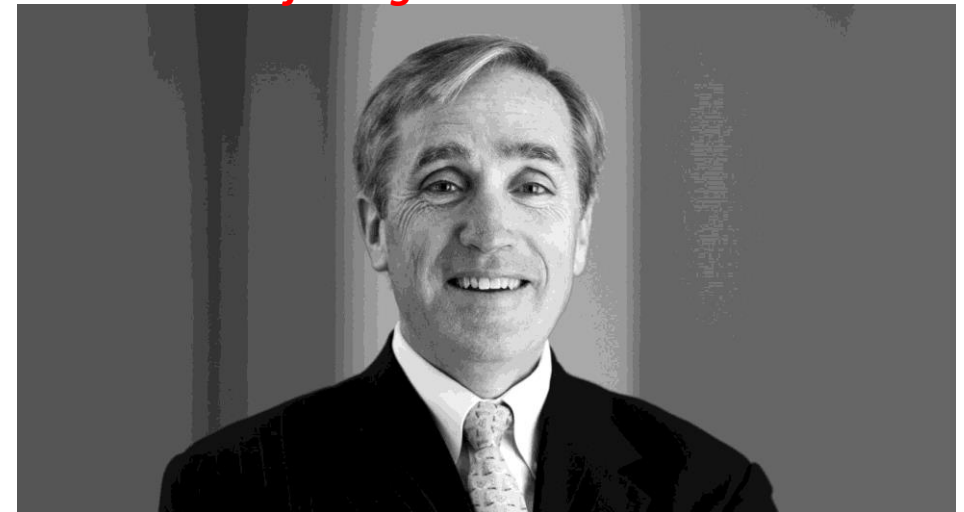


- CIS was founded in 2013 by Scott Malpass, former CIO of the University of Notre Dame and Jack Brennan, former CEO Of Vanguard, to allow Catholic institutions to pursue strong investment returns while staying true to their religious principles
- CIS is a non-profit, and thus driven solely by the success of the investors in their funds
- From CIS’ board of trustees, to the firm’s leaders and team, to the fund investment partners, CIS is unified in its mission: **to build long-term prosperity for Catholic institutions so they can endure and serve well into the future.**

Scott Malpass –
Former CIO, University of Notre dame



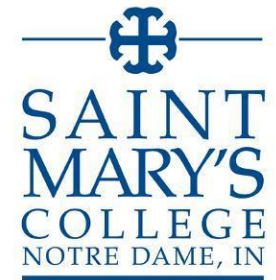
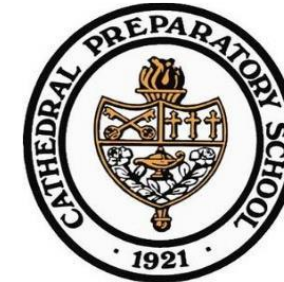
Jack Brennan -
Former CEO of Vanguard



Overview of CIS (Cont.)

- CIS offers a variety of diversified funds with approximately **\$1 Billion of assets under management today**
- The largest diversified fund offered by CIS is their Catholic Endowment Fund (“CEF”)
- The Catholic Endowment Fund is a diversified fund that offers exposure to global equities, fixed income and liquid alternative investments
- At the core of the CEF is CIS’ proprietary responsible investment policy, which is aligned with the U.S. Conference of Catholic Bishops guidelines
- CEF is managed by **Wellington Management**, one of the largest and most well respected asset managers in the World with **over \$1 Trillion of assets under management and founded in 1928**

Select Current Investors in CEF



SVdP will represent the first grade school to invest capital with CIS – the primary educational investors are Catholic Universities and large Catholic preparatory high schools

Catholic Endowment Fund Allocation

CIS Global Equity		65%
<i>Global best ideas portfolio with high active share. This strategy blends two unique alpha sources: high conviction tenured portfolio managers from across Wellington's fundamental equity teams and career global industry analysts from the research group.</i>		
Global Fundamental Equity	Global Research Equity	
CIS Diversifying Strategies		25%
<i>Multi-strategy hedge fund focused on diversification and downside mitigation; seeks to generate consistent returns across the market cycle</i>		
Equity L/S Financial Services	Equity L/S Technology	
U.S. Equity Multi-Sector L/S	Macro Equity Opportunities	
CIS Fixed Income		10%
<i>High quality fixed income for liquidity & diversification</i>		
Global Treasuries ex-China	Global IG Corporate Bonds	



All-In Fees: ~0.85% to 0.90%
 (0.2% to CIS + 0.5% to Wellington +
 Operational Expenses of 0.15%/0.2%)

Questions?