

# IN PERPETUUM

CATHOLIC FOUNDATION OF EASTERN PENNSYLVANIA

Q4 UPDATE ❖ FEBRUARY 2019

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

PSALM 136.1

## Q4 Goodbye 2018! Optimism abounds for new year ahead

Investors could not slam the door fast enough on 2018 as U.S. equities posted their worst monthly performance since 2008 in December. The downfall was largely impacted by a change in investor sentiment, a slowing global economy, continuing trade disputes and tightening monetary policy.

Fixed income markets were broadly positive for the quarter as declining interest rates boosted bond prices. Alternative investment classes, including real estate and commodities, were also down sharply for the quarter while volatility spiked to the highest number in years.

The overall portfolio of the Catholic Foundation returned -9.71% for the Fourth Quarter, net of all fees. For the year ending December 31, 2018, performance was -9.36% net of all fees.

While the Q4 returns may have dipped, new activity in the Foundation continues to gain momentum. There were \$660,000 in new deposits during the quarter and \$3,060,000 year-to-date bringing total invested assets to almost \$6,500,000. Thirty-three endowments have been established since inception.

Early indicators have created optimism for 2019. January has been a very good month with the markets recovering more than half of what was lost in Q4 2018.

"We are strategic, long-term investors and therefore we use these declines in the market to add to our account positions," Paul Huck, chairman of the Catholic Foundation, said. "Over time, this is a strategy that should and has paid off."

## Foundation receives \$300,000 bequest from endowment partner

The Catholic Foundation received a gift of \$300,000 from the estate of Albert J. Neupauer in December 2018. The total value of the scholarship endowment fund started by Neupauer increased six times with the addition of his bequest.



Al Neupauer's recent bequest provides scholarships to students from Holy Trinity parish in Whitehall to attend any Catholic highschool in the Diocese.

Exactly one year before his death on August 21, 2018, Neupauer signed an agreement with the Catholic Foundation to establish the Albert J. Neupauer Education Endowment Fund. Neupauer wanted to provide young people at his parish of Holy Trinity in Whitehall the opportunity to attend a Catholic high school in the Diocese of Allentown. His initial gift of \$50,000, funded through the donation of stock, put the scholarship endowment in place.

"Al was a man of deep faith," Monsignor Daniel Yenushosky, pastor of Holy Trinity, said. "He saw this scholarship endowment as a way to teach the Catholic faith and values to our young people by making Catholic secondary education affordable for families in our parish."

*Neupauer Gift continued on page 2.*



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



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*Neupauer Gift continued from page 1.*

Neupauer solidified his commitment to Catholic education by finalizing his estate plans in October 2017. He included language in his will that left a portion of his estate after his death to the Catholic Foundation to support the endowment fund that bears his name.

***“The Catholic Foundation is the perfect repository for planned gifts,”***

*Pete Waldron, Executive Director  
Catholic Foundation of Eastern PA*

“Thanks to the generosity and planning of Al Neupauer, more young people will experience the academic excellence of a Catholic education,” Pete Waldron, Executive Director of the Catholic Foundation, said.

“The Catholic Foundation is the perfect repository for planned gifts,” Waldron said. The Foundation staff works with donors and their estate planning professionals to craft a personalized endowment program that supports the Catholic cause or causes closest to their heart.

“Mr. Neupauer wanted his gift to live forever and have a lasting impact on the youth of his parish,” Waldron said. “The Catholic Foundation is honored to help him make this happen.”

### **Foundation offers planned giving info sessions**

As an added value to endowment fund partners, the Catholic Foundation offers planned giving information sessions to their constituents. The session may be a stand-alone event or tagged onto the backend of a parish breakfast, event or meeting. Faithful donors will learn how smart estate and tax planning can help them create a major legacy gift for your institution either now or after their death. The session covers creating or updating wills, the types of planned gifts, the tax benefits of a planned or legacy gift and focusing your legacy vision. E-mail JoEllen Krajsa to schedule a session: [joellenkrajsa@catholicfoundationep.org](mailto:joellenkrajsa@catholicfoundationep.org).



### **Board approves donor designated fund option**

A fourth investment product that provides pastors with an intermediate investment option and more flexible access to their investment funds was approved by the Board of Directors of the Catholic Foundation at its October 2018 board meeting. During one-on-one meetings and in group presentations, pastors had expressed interest to the Foundation to consider a donor designated investment option.

“The Catholic Foundation wants to make sure we are serving the needs and interests of our endowment fund partners,” Paul Huck, Chairman of the Catholic Foundation, said. “We listened to their concerns and acted.”

Donor designated funds allow a parish more access to their investments for withdrawals throughout the year. Permanent and quasi endowment funds, which are designed for a long-term investment horizon, allow for the option of taking an annual distribution of 5% in March.

Fund partners may choose between an intermediate investment strategy (3 to 7 years) or the Foundation’s current long-term investment strategy.

Huck mentioned that a donor designated fund using the intermediate investment strategy makes sense for a parish/school building fund or ongoing maintenance fund.

### **Contributions help existing endowment funds grow**

Donors contributed \$438,000 to eight endowment or designated funds during Q4 2018.

- Bishop Thompson Scholarship Endowment Fund
- John Paul II Center for Special Learning Endowment Fund (2 gifts)
- Kolbe Academy Fund (2 gifts)
- Mercy School for Special Learning General Endowment Fund
- Albert J. Neupauer Education Endowment Fund
- St. Jane de Chantal Education Endowment Fund
- St. Joseph the Worker – St Vincent de Paul Endowment Fund
- St. Joseph the Worker – Angel Endowment Fund

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](mailto: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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