

IN PERPETUUM

CATHOLIC FOUNDATION OF EASTERN PENNSYLVANIA

Q4 UPDATE ❖ FEBRUARY 2018

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

PSALM 136.1

Q4

Foundation growth continues with strong Q4 market output

The U.S. equity markets and the developed international markets ended the year at record highs and propelled the continued upward growth of the investment portfolio for the Catholic Foundation of Eastern Pennsylvania.

The overall aggregate performance of the Catholic Foundation’s portfolio far exceeded expectations. The portfolio saw a 4.24% return for Q4 and 16.34% YTD. At the start of 2017, the Catholic Foundation was overseeing almost \$2.7M in assets. As of December 31, 2017 the total was just under \$4.0 million. Total investment gains YTD was more than \$475,000.

“Our investment portfolio ended 2017 on a strong note,” Paul Huck, Chairman of the Catholic Foundation, said. “Our goal is to provide the best oversight for our investments so our endowment funds continue to grow and provide adequate future income for Catholic causes and institutions.”

In addition to investment growth, three new endowment funds totaling \$482,500 were added in the 4th quarter. The Foundation also received year-end contributions to four existing endowment funds.

Scalici Family Fund provides lasting support for favorite Catholic causes

Leadership, volunteer involvement and passion are the key factors that led Tom and Amy Scalici of Allentown to start an endowment fund with the Catholic Foundation of Eastern Pennsylvania. The Scalici Family Fund, created in October 2017, supports three worthy Catholic causes in perpetuity: St. John Vianney Regional School, the Mercy School and Catholic Charities.

“It was a confluence of circumstances,” Scalici, CEO of Cornerstone Advisors Asset Management, said. “I have always felt it was important to lead by example.”



Both Tom and Amy have served in leadership positions and supported many Catholic organizations including their parish Cathedral of St. Catharine of Siena. Tom is a founding board member of the Catholic Foundation and is its current vice president. He also is finishing up his fifth year as board chairman for St. John Vianney

School. Amy participates in various church and school committees and currently sings in the Cathedral’s Living Word Choir.

The couples’ involvement, as well as their children’s involvement, exposed them to the needs in our community.

“When our daughters attended Central Catholic High School, they volunteered at Mercy,” Amy said. “We all gained a much greater appreciation for the good work performed by the faculty and staff, and the impact they have on students with special needs.”

“It made sense to support Mercy as well as Catholic Charities who also plays a vital role in the lives of people who truly need help.”

With their family endowment fund in place, the Scalicis believe their support will have lasting impact.

“I have spent my career managing a prudent investment process for retirement plans, institutions and individuals,” Tom said. “Every Catholic institution needs funding so they may remain sustainable over the long run.”

“An endowment fund with the Catholic Foundation provides consistent annual funding that will support an organization perpetually. Over time, the gift will grow which means the annual amount distributed to them will grow accordingly,” Tom said.





Endowments ensure the future of Catholic education

More than 75 percent of the endowments managed by the Catholic Foundation are education related. Many of the funds were started with a focus on preserving access to a Catholic school education. Individual donors and parishes knew that the best way to ensure future funding for scholarships and education programs was to invest in an endowment. A school or scholarship endowment means that funds will be available year after year, and often bridges the gap between tuition revenue and other contributed revenue such as special events and annual fund.

Since the Catholic Foundation started in 2013, it has paid out an estimated \$160,000 in annual distributions to schools or institutions designated for each educational endowment.

There are 16 education endowment funds managed by the Catholic Foundation. In addition to parish elementary schools, endowments support Catholic high schools, special education centers, and seminarians. The most recent acquisition was Allentown Central Catholic's Green & Gold (G&G) Fund. Bob Buck, G&G Treasurer and



a CPA with Buckno Lisicky & Company, said, "It made sense to move the fund into the Catholic Foundation. With access to a broader investment portfolio, our fund will earn a better rate of return, grow faster and work harder to support educational programs at Allentown Central Catholic."

Education endowment funds at the Catholic Foundation include:

- ACCHS Green & Gold Education Endowment Fund
- Assumption BVM School Endowment Fund
- Reverend Joseph A. Barnes Scholarship Endowment Fund
- Berks County Catholic School Scholarship Endowment Fund
- Bishop Thompson Scholarship Endowment Fund
- Catholic School Scholarship Endowment Fund
- Rev. Stephen J. Halabura Seminary Endowment Fund
- Hispanic Scholarship Endowment Fund
- John Paul II Center for Special Learning Endowment Fund
- Albert J. Neupauper Education Endowment Fund
- St. Anne's [Bethlehem] Education Endowment Fund
- St. Jane De Chantal Education Endowment Fund
- St. Joseph the Worker Angel Scholarship Endowment Fund
- St. Theresa School Endowment Fund
- Scalici Family Endowment Fund
- Charles A. Wagner Scholarship Endowment Fund

Three new funds, \$482,500 added in Q4

- ❖ **Reverend Joseph A. Barnes Scholarship Endowment Fund**
Fund provides annual scholarships to foster the religious education of children through faith formation, character and academic development in a Catholic school setting for the children of parishioners of Immaculate Conception Parish, Douglassville, PA to attend Immaculate Conception Academy.
- ❖ **St. Joseph the Worker Angel Scholarship Endowment Fund**
Fund to benefit children in economic need who want to attend St. Joseph the Worker Elementary School.
- ❖ **Scalici Family Endowment Fund**
Fund to benefit the annual funds of three organizations: The Mercy School, Catholic Charities and St. John Vianney Regional Elementary School.

Contributions help existing endowments grow

More than \$265,000 in cash, stock or IRA transfers were contributed during Q4 2017 in seven existing endowments.

- Assumption BVM School (Pottsville) Endowment Fund
- Catholic Charities Endowment Fund
- Rev. Stephen J. Halabura Seminary Endowment Fund
- Hispanic Scholarship Endowment Fund
- St. Joseph the Worker Angel Fund
- St. Theresa (Hellertown) Parish Endowment
- St. Vincent de Paul Society Endowment Fund at St. Joseph the Worker

Please remember the Catholic Foundation in your will & trusts.

We would be happy to discuss with you and your financial adviser how to create a new endowment fund or make a gift to an existing fund that supports your favorite Catholic cause.



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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To start, contribute or remember a fund in your will, please contact Pete Waldron, Executive Director CFEP petewaldron@catholicfoundationep.org

