



**The  
Family  
Tree** Raising families up.

**Investment Sub-committee**

Monday, September 14, 2020

Stephanie McCormick, Chair

Finance Committee Goal: Make The Family Tree a strong and viable organization.

**AGENDA**

- |  |                         |
|--|-------------------------|
| 1. Welcome                                   | Stephanie McCormick/Pat |
| 2. Mission Moment                            | Pat Cronin              |
| 3. Approval of May 2020 Minutes              | Stephanie McCormick     |
| 4. Portfolio Net Worth & Performance Summary | Phil Saracino           |
| 5. MS Mutual Fund Performance                | Phil Saracino           |
| 6. FY 20 Weinberg Endowment Drawdown         | Phil Saracino/Committee |
| 7. Announcements                             | Pat Cronin              |

Zoom Meeting ID: 959 601 1293      Dial-In (301) 715 8592

*Important Dates*

General Board Meeting, Tuesday, October 20, 2020 at 5:30pm @ TBD.



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[familytreemd.org](http://familytreemd.org)

## Investment Committee Conference Call Minutes May 11, 2020

### MINUTES

The meeting began at 12:00p.m.

**MEMBERS PRESENT:** Tom McDonald, Denise Weglicki, John Meyerhoff, Stephanie McCormick (Chair), Josh Slater Ted Smith.

**STAFF PRESENT:** Phil Saracino, Mary Francioli, Pat Cronin

**Guest: None**

#### AGENDA OVERVIEW:

1. Welcome, Mission moment
2. Approval of minutes
3. Portfolio Net Worth & Performance Summary/Mutual Fund Summary
4. Open Discussion/Commentary

RECORDER:

*Phil Saracino*

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Phil Saracino

### **AGENDA ITEM #1 WELCOME & Mission Moment**

Pat shared a mission moment about how the organization is handling the COVID 19 pivot Stephanie, Chair, welcomed the Committee.

### **AGENDA ITEM #2 - Approval of Minutes**

**SUMMARY OF DISCUSSION:** Minutes of the March 9 meetings were reviewed and approved by the committee.

### **AGENDA ITEM # 3- Net Worth/Performance Summary**

#### **SUMMARY OF DISCUSSION:**

The Finance Director Reviewed the portfolio's volatile swings since the last meeting. It was down 5% in February, an additional 10% in March but rebounded 7% in April. To date in May it is flat and fiscal YTD it is down 3.5%

The Finance Director reviewed a portfolio snapshot that encompassed all holdings. In total, the organization had almost \$2.9 million dollars invested (1.7 Next Gen and 1.00 Weinberg) at 4/30/20. The portfolio in its entirety is allocated 69% equities and 31% Fixed Income, which is within the allowed range of the Investment policy goal allocation. It has generated almost \$79,000 in Interest, dividends and Capital Gains fiscal Year to Date

At the CYTD time frame (as of 4/30/20) our actively managed portfolio (With fees removed) has outperformed the blended index that mimics the portfolio target allocation. However, the reverse is true at the 1YR, 3YR and 5YR time frames.

The committee also quickly reviewed the mutual fund/ETF performance through 4/30/20. It was noted that the actively managed mutual funds outperformed their indexes (provided downside protection)

### **AGENDA ITEM #4 Open discussion/Commentary**

#### **SUMMARY OF DISCUSSION:**

The Finance Director then gave the committee a quick synopsis of the potential for projected cash flow needs of the organization. One option, should the cash flow concerns become a reality, is accessing the Next Gen fund. In light of the potential need for cash and unknowns regarding markets going forward, the committee decided not to get back into the high yield arena as had been suggested by Morgan Stanley. They thought perhaps raising some cash now from the sale of some equities might be a better option. The finance director will forward 4/30 Mutual fund balances and policy targets so the committee could formulate a better approach than just selling a percentage of all assets.

**The Family Tree**  
**Portfolio Net Worth & Performance Summary**  
**As of 8/31/20**

	Balance	Balance	Performance Summary *			Dividends & Cap Gains	
	8/31/2019	8/31/2020	Month	Fiscal YTD	Basis	Month	Fiscal YTD
Morgan Stanley Money Market Fund	\$ 188,462	\$ 224,903 \$ -				\$ 3	\$ 8
<b>Next Generation Fund:</b>	\$ -						
Morgan Stanley	\$ 1,755,946	\$ 1,885,871	2.6%	6.3%	13.4%	539	\$ 883
	\$ -	\$ -					
<b>Total Next Generation:</b>	<b>\$ 1,755,946</b>	<b>\$ 1,885,871</b>	2.6%	6.3%	13.4%	539	883
	\$ -						
<b>Weinberg Fund:</b>	\$ -						
Morgan Stanley	\$ 1,039,356	\$ 1,067,090	2.5%	6.4%	18.2%	348	\$ 570
	\$ -	\$ -				-	
<b>Total Weinberg:</b>	<b>\$ 1,039,356</b>	<b>\$ 1,067,090</b>	2.5%	6.4%	18.2%	348	570
	\$ -						
<b>TOTAL BALANCES</b>	<b>\$ 2,983,764</b>	<b>\$ 3,177,863</b>	2.4%	5.9%	15.1%	\$ 890	\$ 1,461

Weinberg Endowment Draw 9/19 \$51,000

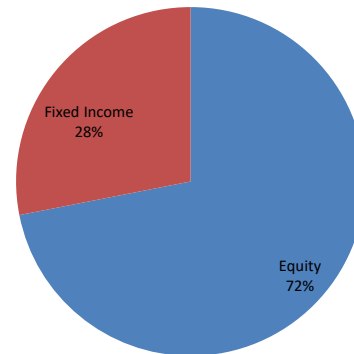
\*After netting for Fund Transfers, additions and Drawdowns but inclusive of Dividends and CG

<u>Percent of Balance Active vs Passive</u>	<u>Active</u>	<u>Passive</u>
Next Generation	51%	49%
Weinberg	57%	43%
<b>Total</b>	<b>52%</b>	<b>48%</b>

<b>Portfolio Performance &amp; Advisor Fees @ 8/31/20</b>				
	CYTD	1 Year	3 Year	5 Year
Advisor Fees	\$ 12,561	\$ 17,448	\$ 60,016	\$ 100,263
TFT Performance	1.3%	7.5%	5.9%	7.1%
TFT Performance (Net of Fees)	1.7%	8.1%	6.7%	7.9%
Performance of the Blended Index	3.2%	11.0%	8.0%	8.7%

<u>Portfolio Allocations (Weinberg)</u>	Value \$	Percent
Equity	\$ 751,098	70%
Fixed	\$ 315,992	30%
<b>Total</b>	<b>\$ 1,067,090</b>	<b>100%</b>
<u>Portfolio Allocations Next Generation</u>		
Equity	\$ 1,372,505	73%
Fixed	\$ 513,365	27%
<b>Total</b>	<b>\$ 1,885,871</b>	<b>100%</b>
<u>Portfolio Allocations Combined</u>		
Equity	\$ 2,123,603	72%
Fixed	\$ 829,357	28%
<b>Total</b>	<b>\$ 2,952,961</b>	<b>100%</b>

**Portfolio allocations @8/31/20**



# The Family Tree

Performance Analysis

Prepared by The Strosnider Dudderar Wealth Management Group

# Morgan Stanley

As of August 31, 2020

## Mutual Fund/ETF Performance

	Symbol	Expense Ratio	Year to Date	Return 1 Yr	Return 3 Yr	Return 5 Yr	Return 10 Yr
<b>Columbia Dividend Income Class I</b>	GSFTX	0.71%	-0.70%	8.83%	10.01%	11.99%	12.90%
% Rank in Category			10	11	6	2	3
# of Funds in Category			1085	1076	1017	901	652
<b>Russell 1000 Value</b>			<b>-9.35%</b>	<b>0.84%</b>	<b>4.50%</b>	<b>7.53%</b>	<b>11.05%</b>
<b>Calvert Equity I</b>	CEYIX	0.74%	15.70%	21.63%	22.06%	17.53%	16.57%
% Rank in Category			73	84	39	48	53
# of Funds in Category			1269	1263	1176	1050	779
<b>S&amp;P 500</b>			<b>9.74%</b>	<b>21.94%</b>	<b>14.51%</b>	<b>14.46%</b>	<b>15.16%</b>
<b>Ishares USA Minimum Volatility</b>	USMV	0.15%	0.39%	4.37%	11.22%	12.53%	-
% Rank in Category			80	93	61	47	-
# of Funds in Category			1214	1197	1103	966	743
<b>MSCI USA Minimum Volatility</b>			<b>0.10%</b>	<b>3.87%</b>	<b>10.68%</b>	<b>11.96%</b>	<b>13.57%</b>
<b>Ishares S&amp;P Midcap 400</b>	IJH	0.05%	-5.55%	4.23%	5.34%	8.06%	11.96%
% Rank in Category			50	46	47	28	29
# of Funds in Category			378	371	339	272	196
<b>S&amp;P Mid Cap 400</b>			<b>-5.55%</b>	<b>4.22%</b>	<b>5.38%</b>	<b>8.11%</b>	<b>12.05%</b>
<b>Ishares S&amp;P Smallcap 600</b>	IJR	0.06%	-11.06%	-0.48%	3.82%	7.47%	12.28%
% Rank in Category			59	54	33	19	8
# of Funds in Category			602	595	557	446	327
<b>S&amp;P SmallCap 600 Index</b>			<b>-11.07%</b>	<b>-0.55%</b>	<b>3.82%</b>	<b>7.47%</b>	<b>12.31%</b>
<b>Europacific Growth Class F</b>	AEPFX	0.58%	6.15%	18.96%	6.70%	8.58%	7.93%
% Rank in Category			53	44	59	51	53
# of Funds in Category			443	425	380	307	229
<b>MSCI EAFE Index</b>			<b>-4.28%</b>	<b>6.60%</b>	<b>2.83%</b>	<b>5.23%</b>	<b>6.37%</b>
<b>MFS International Value</b>	MINIX	0.73%	9.82%	19.87%	10.50%	11.52%	11.72%
% Rank in Category			35	38	18	15	6
# of Funds in Category			443	425	380	307	229
<b>First Eagle Global</b>	SGIIX	0.85%	0.17%	6.87%	5.05%	7.24%	8.19%
% Rank in Category			42	35	29	8	8
# of Funds in Category			387	377	315	276	176

Symbol	Expense Ratio	Year to Date	Return 1 Yr	Return 3 Yr	Return 5 Yr	Return 10 Yr	
<b>Ishares Edge MSCI Min Vol EAFE</b>	EFAV	0.20%	-6.25%	-0.56%	2.09%	4.91%	-
% Rank in Category		72	91	42	43	-	
# of Funds in Category		684	675	579	487	339	
<b>MSCI EAFE Min Vol Index</b>		<b>-5.86%</b>	<b>0.01%</b>	<b>2.41%</b>	<b>5.02%</b>	<b>7.02%</b>	
<b>Ishares ESG MSCI EM ETF</b>	ESGE	0.25%	0.78%	15.36%	3.44%	-	-
% Rank in Category		40	36	33	-	-	
# of Funds in Category		725	709	623	520	233	
<b>MSCI EM</b>		<b>0.45%</b>	<b>14.49%</b>	<b>2.83%</b>	<b>8.65%</b>	<b>3.76%</b>	
<b>Ishares Short Treasury Bond ETF</b>	SHV	0.15%	0.80%	1.46%	1.71%	1.19%	0.61%
% Rank in Category		65	67	79	89	89	
# of Funds in Category		184	183	151	116	52	
<b>Blackrock Total Return</b>	MAHQX	0.51%	6.86%	6.84%	5.15%	4.59%	4.56%
% Rank in Category		41	37	34	38	20	
# of Funds in Category		512	506	449	385	290	
<b>Barclays US Aggregate Bond Index</b>		<b>6.85%</b>	<b>6.47%</b>	<b>5.09%</b>	<b>4.33%</b>	<b>3.65%</b>	
<b>T. Rowe Price High Yield Fund</b>	PRHYX	0.71%	0.26%	2.97%	4.10%	5.61%	6.43%
% Rank in Category		51	53	37	26	18	
# of Funds in Category		606	604	560	486	318	
<b>ML High Yield Master Index</b>		<b>0.75%</b>	<b>3.71%</b>	<b>4.51%</b>	<b>6.27%</b>	<b>6.70%</b>	

#### Blended Index

35% S&P 500 / 10% S&P 400 Mid Cap / 10% S&P 600 Small Cap / 15% MSCI EAFE / 30% Barclays US Agg. Bond

3.16% 10.98% 7.95% 8.70% 9.79%

#### Other Notable Indexes

Dow Jones	1.30%	10.27%	11.58%	14.21%	13.79%
NASDAQ	39.56%	59.00%	27.76%	24.53%	22.63%

Dow Jones Industrial Average is a price-weighted index of the 30 "blue-chip" stocks and serves as a measure of the U.S. market, covering such diverse industries as financial services, technology, retail, entertainment and consumer goods. An investment cannot be made directly in a market index.

Barclays Capital 5-10 Government/Credit Bond Index is a total return index consisting of investment grade corporate debt issues as well as debt issues of U.S. government agencies and the U.S. Treasury. The debt issues all maintain maturities within a range of five to ten years. An investment cannot be made directly in a market index.

The MSCI EAFE® Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada. As of May 2005 the MSCI EAFE Index consisted of the following 21 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. An investment cannot be made directly in a market index.

NASDAQ Composite Index is a market-value-weighted index of all common stocks listed on NASDAQ. An investment cannot be made directly in a market index.

Russell 3000® Growth Index measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000 Growth or the Russell 2000 Growth indexes. An investment cannot be made directly in a market index.

S&P 500 Index is an unmanaged, market value-weighted index of 500 stocks generally representative of the broad stock market. An investment cannot be made directly in a market index.

S&P MidCap Index is a widely accepted, unmanaged total return index of 400 domestic stocks measuring the performance of the midsize company segment of the U.S. stock market. An investment cannot be made directly in a market index.

The information for this performance has been derived from sources believed to be reliable but is not guaranteed as to accuracy. Availability, prices and yields of the securities listed are subject to change. Performance quoted is based on past performance. You should consider the fund's investment objectives, risks, charges, and expenses carefully before investing. For additional information call your Smith Barney Financial Advisor, TheStrosnider Group at 1-800-837-5833 ext. 5389.

## Maryland Uniform Prudent Management Of Institutional Funds Act

It's the law that governs investments held by charitable institutions and the expenditure of funds from those endowments.

The Charitable institution must follow the rules as set forth by the donor and follow a prudence standard

Factors the Institution needs to consider before we drawdown and spend from the Weinberg Funds:

- 1 Duration and Preservation of the Fund
- 2 Purpose of the Institution and the Fund
- 3 General economic conditions
- 4 Possible Effects of Inflation and or Deflation
- 5 Expected total return from income and investment appreciation
- 6 The institution's other resources
- 7 The institution's investment policy.

The historic dollar value concept has been eliminated.

### FY 20 Weinberg Endowment Drawdown

Average Monthly Balance	\$	1,005,076
Max Annual Distribution of 5%	\$	50,254

# H & J Weinberg Foundation

Prepared by The Strosnider Dudderar Wealth Management Group  
As of August 31, 2020

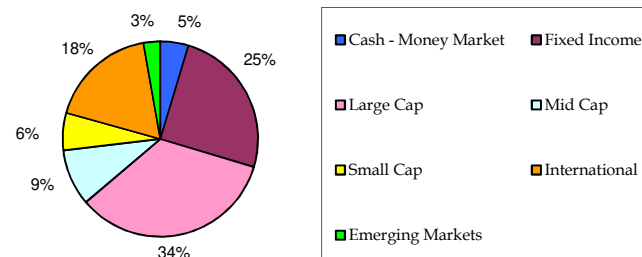
Morgan Stanley

## Current Asset Allocation

Asset Class	\$ Amount	% of Portfolio
Cash - Money Market	\$49,775	4.7%
Fixed Income	\$266,217	24.9%
Large Cap	\$365,048	34.2%
Mid Cap	\$99,470	9.3%
Small Cap	\$66,055	6.2%
International	\$190,885	17.9%
Emerging Markets	\$29,639	2.8%
<b>Totals:</b>	<b>\$1,067,090</b>	<b>100%</b>

70.4% Equities / 24.9% Fixed Income / 4.7% Cash

### Asset Allocation



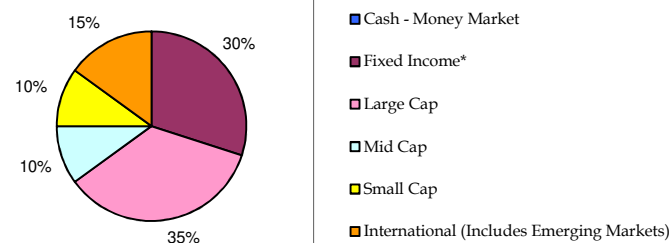
## Investment Policy Statement Target Asset Allocation

Asset Class	\$ Amount	% of Portfolio
Cash - Money Market	\$0	0.0%
Fixed Income*	\$320,127	30.0%
Large Cap	\$373,482	35.0%
Mid Cap	\$106,709	10.0%
Small Cap	\$106,709	10.0%
International (Includes Emerging Markets)	\$160,064	15.0%
<b>Totals:</b>	<b>\$1,067,090</b>	<b>100%</b>

\* Fixed Income Including Cash

70% Equities / 30% Fixed Income / 0% Cash

### Asset Allocation



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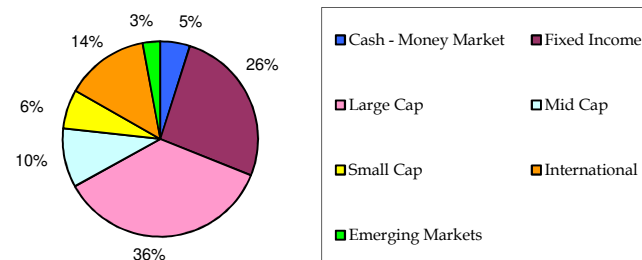
Morgan Stanley

## Proposed Asset Allocation After \$50K Distribution

Asset Class	\$ Amount	% of Portfolio
Cash - Money Market	\$49,775	4.9%
Fixed Income	\$266,217	26.2%
Large Cap	\$365,048	35.9%
Mid Cap	\$99,470	9.8%
Small Cap	\$66,055	6.5%
International	\$140,885	13.9%
Emerging Markets	\$29,639	2.9%
<b>Totals:</b>	<b>\$1,017,090</b>	<b>100%</b>

69.0% Equities / 26.2% Fixed Income / 4.9% Cash

### Asset Allocation



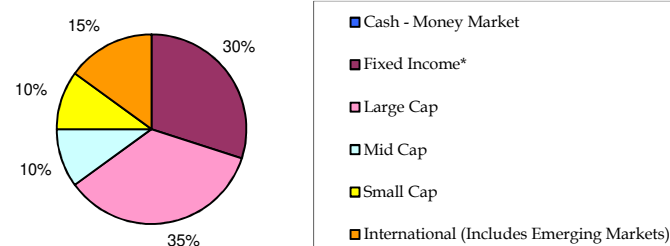
## Investment Policy Statement Target Asset Allocation

Asset Class	\$ Amount	% of Portfolio
Cash - Money Market	\$0	0.0%
Fixed Income*	\$305,127	30.0%
Large Cap	\$355,982	35.0%
Mid Cap	\$101,709	10.0%
Small Cap	\$101,709	10.0%
International (Includes Emerging Markets)	\$152,564	15.0%
<b>Totals:</b>	<b>\$1,017,090</b>	<b>100%</b>

\* Fixed Income Including Cash

70% Equities / 30% Fixed Income / 0% Cash

### Asset Allocation



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