

BSA Investment committee annual report, 2019-2020
Submitted July 20, 2020

BSA investment committee:

Elizabeth Kellogg (chair, 2022)

Ned Friedman (2023)

Gretchen LeBuhn (2023)

Ian Gilman (student representative, 2021)

Ex officio:

Lucinda McDade (Treasurer)

Maia Thomas (pro bono financial adviser, 2022)

Linda Watson (President)

Heather Cacanindin (Executive Director)

Overview:

BSA investments have had a remarkably strong year given the turbulent times for the market. The overall value of the endowment was \$5,944,267.51 as of June 30, 2020, which represents a strong recovery from the major drop in the markets in March.

Value of the Investment Portfolio on June 30 in the past five years is as follows:

2019 - \$5,654,026

2018 - \$5,115,488

2017 - \$5,017,958

2016 - \$4,450,349

2015 - \$4,825,405

Thus the current value continues the upward trend of previous years.

The current allocation is 75% in equities, 6.69 in fixed income and preferreds, and 15.78 in alternatives and the remainder in cash.

Society and Sectional Funds as part of Total Portfolio:

TOTAL MS Investment Portfolio \$5,944,268

Designated Funds (BSA/Sections) \$1,737,394.20

Undesignated Funds \$4,206,873

BSA Designated Funds \$138,105

BSA Awards \$1,505

BSA Endowment \$505,147

BSA Restricted Funds \$642,209

SUBTOTAL BSA Funds \$1,286,966

Sectional Accounts \$137,573

Sectional Awards \$141,660

Sectional Endowments/Restricted \$171,197

SUBTOTAL Sectional Funds \$450,430

Current activities:

Working with our financial advisor Bryan Boesen at Morgan Stanley, over the last year we discussed moving toward a portfolio that follows Environmental, Sustainability, and Good Governance (ESG) guidelines. A concern about ESG holdings in the past has been whether they perform as well as portfolios invested with the ESG restriction. However, recent data suggests that an ESG portfolio would achieve returns comparable to our current portfolio. Given that, at our annual meeting on July 20, the committee asked Bryan to shift our investments as necessary to target companies that meet industry-standard ESG criteria.

Also at our annual meeting, we discussed revising the BSA policy document to provide clearer direction to Bryan and to make sure that our investments reflect the mission of the society. This revision will be a priority for the coming months.