



CITY OF SAN DIEGO



Rules and Economic Development Committee

City of San Diego

Funds Commission Status Update

October 23, 2013

David Walters, Funds Commission Chair
Michael Laven, Canterbury Consulting



Overview

- Funds Commission
- Individual Funds
 - Edwin A. Benjamin
 - Effie E. Sergeant
 - Los Penasquitos Canyon Preserve
 - Gladys Edna Peters
 - Jane Cameron
 - Mt. Hope Cemetery
- Investment Performance



Funds Commission

- City Charter §41(a)
- Supervision and control over all trust, perpetuity and investment funds
- Five Commissioners – one bank official, two citizens, City Attorney and City Treasurer, ex officio
- Six trust funds – each with individual investment policies



Edwin A. Benjamin Library Memorial Fund (1964)

- Established to improve library resources, services and construction or improvement of library buildings
- The **Benjamin Memorial Branch Library** is located in Allied Gardens
- Long term investment strategy incorporating capital appreciation and income
- Asset allocation target 65% stocks/35% bonds



Effie E. Sergeant Memorial Fund (1994)

- Established by Chloe B. Sergeant, in memory of her mother, to be used for enhancements to the **North Park Branch Library**
- Long term investment strategy incorporating capital appreciation and income
- Asset allocation target 65% stocks/35% bonds



Los Penasquitos Canyon Preserve Fund (1996)

- Result of land exchange in 1986
- Approximately \$1 million set aside for maintenance and enhancement of Preserve
- Long term investment strategy incorporating capital appreciation and income
- Asset allocation target 65% stocks/35% bonds



Gladys Edna Peters Memorial Fund (1997)

- To be used exclusively for procurement and maintenance of large print books and magazines, and related equipment and supplies, for the **Rancho Bernardo Branch Library**
- Long term investment strategy incorporating capital appreciation and income
- Asset allocation target 65% stocks/35% bonds



Jane Cameron Library Fund (2009)

- To be used exclusively for the expansion or improvement of the **La Jolla/Riford Branch Library**, or the improvement or maintenance of its collection
- Long term investment strategy incorporating capital appreciation and income
- Asset allocation target 65% stocks/35% bonds



Mt. Hope Cemetery Perpetuity Fund

- Charter §55 – Preservation of all public burial grounds and cemeteries
- 20% of sales deposited into fund
- Remaining 80%, plus investment earnings, support operating expenses of the cemetery
- Income requirement drives asset allocation toward emphasis on bonds and dividend-paying stocks
- Target allocation 65% bonds/35% stocks



Investment Performance

As of September 30, 2013

| | Allocation | | | Performance(%) | | | | | | |
|----------------------------|-------------------|-----------|--------------|----------------|---------|---------|---------|----------|-----------------|----------------|
| | Market Value (\$) | 1 Quarter | Year To Date | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Since Inception | Inception Date |
| Pensaquitos - Composite | 2,963,292 | 5.5 | 11.7 | 14.7 | 10.0 | 9.2 | 6.1 | 7.6 | 7.3 | 08/01/1996 |
| Pensaquitos - Policy Index | | 4.9 | 11.2 | 12.5 | 10.2 | 8.2 | 5.2 | 7.0 | 7.0 | |
| Benjamin Composite | 1,169,424 | 5.4 | 11.2 | 14.0 | 9.5 | 8.7 | 6.2 | 7.5 | 7.0 | 07/01/1997 |
| Benjamin - Policy Index | | 4.9 | 11.2 | 12.5 | 10.2 | 8.2 | 5.2 | 7.0 | 6.0 | |
| Sergeant - Composite | 528,893 | 5.4 | 11.9 | 14.8 | 10.0 | 9.3 | 6.2 | 7.6 | 7.6 | 04/01/1995 |
| Sergeant - Policy Index | | 4.9 | 11.2 | 12.5 | 10.2 | 8.2 | 5.2 | 7.0 | 7.5 | |
| Peters - Composite | 381,530 | 5.4 | 11.9 | 14.8 | 10.0 | 9.3 | 6.2 | 7.6 | 6.6 | 03/01/1998 |
| Peters - Policy Index | | 4.9 | 11.2 | 12.5 | 10.2 | 8.2 | 5.2 | 7.0 | 5.5 | |
| Cameron Composite | 3,834,660 | 5.5 | 11.2 | 14.0 | 9.7 | N/A | N/A | N/A | 10.1 | 08/01/2009 |
| Cameron - Policy Index | | 4.9 | 11.2 | 12.5 | 10.2 | 8.2 | 5.2 | 7.0 | 10.9 | |
| Cemetery Fund Composite | 10,621,134 | 2.7 | 6.2 | 6.9 | 6.6 | 6.3 | 3.9 | 4.6 | 5.1 | 06/01/1997 |
| Cemetery - Policy Index | | 2.8 | 5.0 | 5.8 | 6.9 | 7.1 | 5.4 | 6.0 | 6.2 | |

The Policy Index consists of 45% S&P 500 / 20% MSCI EAFE / 35% Barclays Capital Aggregate ,with the exception of the Cemetery Fund which has a Policy Index consisting of 25% S&P 500 / 10% MSCI EAFE / 65% Barclays Capital Aggregate. Performance is net of Manager fees.



Investment Performance

Calendar Year Performance

| | Allocation Market Value (\$) | Performance(%) | | | | | | | | | |
|----------------------------|---------------------------------------|----------------|-------|------|------|--------|------|------|------|------|------|
| | | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 |
| Pensaquitos - Composite | 2,963,292 | 13.8 | (1.8) | 14.7 | 22.8 | (23.4) | 7.0 | 12.7 | 5.5 | 11.9 | 23.5 |
| Pensaquitos - Policy Index | | 12.3 | 1.4 | 11.2 | 20.5 | (25.5) | 7.3 | 13.7 | 5.8 | 10.4 | 21.6 |
| Benjamin Composite | 1,169,424 | 13.5 | (2.0) | 14.4 | 20.0 | (21.5) | 8.2 | 12.8 | 6.0 | 10.7 | 20.7 |
| Benjamin - Policy Index | | 12.3 | 1.4 | 11.2 | 20.5 | (25.5) | 7.3 | 13.7 | 5.8 | 10.4 | 21.6 |
| Sergeant - Composite | 528,893 | 13.7 | (1.8) | 14.7 | 22.7 | (23.0) | 7.0 | 11.8 | 5.6 | 11.7 | 23.1 |
| Sergeant - Policy Index | | 12.3 | 1.4 | 11.2 | 20.5 | (25.5) | 7.3 | 13.7 | 5.8 | 10.4 | 21.6 |
| Peters - Composite | 381,530 | 13.7 | (1.8) | 14.7 | 23.0 | (23.2) | 6.9 | 12.2 | 5.5 | 11.8 | 23.4 |
| Peters - Policy Index | | 12.3 | 1.4 | 11.2 | 20.5 | (25.5) | 7.3 | 13.7 | 5.8 | 10.4 | 21.6 |
| Cameron Composite | 3,834,660 | 13.6 | (2.0) | 14.8 | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Cameron - Policy Index | | 12.3 | 1.4 | 11.2 | 20.5 | (25.5) | 7.3 | 13.7 | 5.8 | 10.4 | 21.6 |
| Cemetery Fund Composite | 10,621,134 | 8.5 | 3.8 | 6.5 | 10.5 | (14.7) | 4.8 | 9.6 | 3.8 | 5.4 | 9.0 |
| Cemetery - Policy Index | | 8.6 | 4.6 | 9.3 | 13.8 | (12.3) | 7.1 | 9.2 | 4.2 | 7.5 | 13.2 |

The Policy Index consists of 45% S&P 500 / 20% MSCI EAFE / 35% Barclays Capital Aggregate, with the exception of the Cemetery Fund which has a Policy Index consisting of 25% S&P 500 / 10% MSCI EAFE / 65% Barclays Capital Aggregate.
Performance is net of Manager fees.



Questions?