

Feoffees of the Grammar School Trust Performance Summary March 31, 2019

Part 1: Trust Overview and Performance Summary

Investment Commentary

For the first quarter of 2019, net of fees, the total portfolio returned 10.5%. For trailing 1 year, the return was 5.5%. For trailing 3 years, the annualized return was 8.8% and for trailing 5 years, the annualized return was 6.2%. Returns for all periods were better than the custom benchmark.

Mortgage and Loan Update

The balance of mortgages due at March 31, 2019 is \$496,178. This is comprised of three mortgages.

Table 1: Endowment Summary

Endowment Items	Value as of 3/31/19
Actively Invested Funds and cash held in accounts	\$30,852,088
Mortgages	\$496,178
Total	\$31,348,266

Part 2: Investment Allocation

The overall endowment is allocated based on the asset class targets set forth by the Feoffees in the Investment Policy Statement created in 2013. This mix is reviewed quarterly. The goal of the allocation is to provide long term growth with an emphasis on risk management. The allocation of the portfolio is listed below.

Allocation vs. Investment Policy			Policy Allocation Range	
Asset Class	\$ Total	% Total	Low	High
Cash	\$ 1,372,869	4.4%	5.0%	10.0%
Fixed Income	\$ 4,588,253	14.6%	10.0%	20.0%
<i>High Quality</i>	\$ 4,092,075	13.1%		
<i>Mortgages</i>	\$ 496,178	1.6%		
Total Fixed Income	\$ 5,961,122	19.0%	15.0%	30.0%
Domestic Equity	\$ 16,495,227	52.6%	35.0%	55.0%

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International Equity	\$ 3,296,369	10.5%	5.0%	15.0%
Total Equities	\$ 19,791,596	63.1%	40.0%	70.0%
Directional Alternatives	\$ 2,401,592	7.7%	5.0%	15.0%
Absolute Return Alternatives	\$ 1,907,646	6.1%	0.0%	5.0%
Commodities	\$ 1,286,310	4.1%	0.0%	5.0%
Total Non-Traditional	\$ 5,595,547	17.8%	5.0%	25.0%
Total	\$ 31,348,266	100.0%		

Feoffees of the Grammar School Trust Performance Summary June 30, 2019

Part 1: Trust Overview and Performance Summary

Investment Commentary

For the second quarter of 2019, net of fees, the total portfolio returned 3.7%. Year to date the portfolio returned 14.6% net of fees. For trailing 1 year, the return was 6.3%. For trailing 3 years, the annualized return was 9.8% and for trailing 5 years, the annualized return was 6.2%. Returns for all periods exceeded the custom benchmark.

Mortgage and Loan Update

The balance of mortgages due at June 30, 2019 is \$493,184. There are only three mortgages outstanding.

Table 1: Endowment Summary

Endowment Items	Value as of 6/30/19
Invested Funds and cash held in accounts	\$31,272,367
Mortgages	\$493,184
Total	\$31,765,551

Part 2: Investment Allocation

The overall endowment is allocated based on the asset class targets set forth by the Feoffees in the Investment Policy Statement created in 2013. This mix is reviewed quarterly. The goal of the allocation is to provide long term growth with an emphasis on risk management. The allocation of the portfolio is listed below.

Allocation vs. Investment Policy			Policy Allocation Range		Compliance
Asset Class	\$ Total	% Total	Low	High	to Policy
Cash	\$ 560,692	1.8%	5.0%	10.0%	<i>Under</i>
Fixed Income	\$ 4,645,033	14.6%	10.0%	20.0%	Yes
<i>High Quality</i>	\$ 4,151,849	13.1%			
<i>Mortgages</i>	\$ 493,184	1.6%			
Total Fixed Income	\$ 5,205,725	16.4%	15.0%	30.0%	Yes

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Domestic Equity	\$ 17,498,975	55.1%	35.0%	55.0%	<i>Over</i>
International Equity	\$ 3,162,689	10.0%	5.0%	15.0%	<i>Yes</i>
Total Equities	\$ 20,661,664	65.0%	40.0%	70.0%	<i>Yes</i>
Directional Alternatives	\$ 2,354,224	7.4%	5.0%	15.0%	<i>Yes</i>
Absolute Return Alternatives	\$ 2,271,381	7.2%	0.0%	5.0%	<i>Over</i>
Commodities	\$ 1,272,557	4.0%	0.0%	5.0%	<i>Yes</i>
Total Non-Traditional	\$ 5,898,162	18.6%	5.0%	25.0%	<i>Yes</i>
Total	\$ 31,765,551	100.0%			

Part 3: Annual Distribution

The Annual Distribution was made to the school committee prior to the June 30, 2019 due date. The distribution was \$679,022. This is a result of the calculated distribution of \$779,022 less the requested hold-back of \$100,000.