

50 Years of Investing as a Community for the Armenian Church

by Stephan S. Nigohosian



ACEF Board circa 1973



ACEF Board circa 2002

Fifty years ago, a group of forward-thinking leaders of the Armenian-American community recognized the need to build a solid financial foundation for the Armenian Church that would fund its financial needs in perpetuity. These visionaries—Haig Kavookjian, Dadour Dadourian, Edward Mardigian, Harry Tatosian, Dickran Missirlian, George Bashian, Suren Fesjian, Gould Kardashian and Barry Zorthian—laid the groundwork by investing the money that remained from the construction of New York City’s St. Vartan Armenian Cathedral. Upon the approval and signing of a Trust Agreement on June 20, 1973, including the participation and support of then-Archbishop Torkom Manoogian, the Armenian Church Endowment Fund (ACEF) was born.

Today, ACEF’s goal is to maximize financial returns on the 2,100 endowed funds within its portfolio. As a result, Diocesan programs and services,

parishes and affiliated organizations benefit from the combined investment experience and expertise of ACEF’s Board Members. “Parishes can invest for the long haul and be confident that their money is being invested by financial professionals who are devoted to ensuring the longevity of the Armenian Church,” says Investment Committee Co-Chair, Kirk S. Hachigian. “The Fund provides a wonderful opportunity for each parish to reap the benefits of investing as a community without the challenges of managing their own money locally.”

Over its 50-year history, the ACEF Fund has grown from \$1.8 million in 1979 to \$140 million today, which can be attributed to the consistent professional management by its leadership and the number of participating organizations. “Despite fluctuations in returns, ACEF has achieved its goal of distributing 4.5% of assets to beneficiaries each year for the last twenty

consecutive years,” reports ACEF Chairman Gregory Zorthian, whose father was among the organization’s founders. “It enables communities to build churches, meet their operating expenses, fund educational programs to educate the next generation of Armenian-Americans about the rich history of their heritage, and many other important initiatives to ensure the future of the Armenian Church.”

With an eye to the future, ACEF remains on the cutting edge of technology to reach its audience. Current and future resources it is focused on developing include the launch of a new, informative website and social media channels to feature information about the organization in a timely and contemporary manner. With the continued dedication and support of the Armenian community, ACEF continues to play a key role in building a solid financial foundation for the future of the Armenian Church for the next fifty years and beyond.

HISTORICAL PERFORMANCE

During the five years ended December 31, 2022, ACEF has grown from **\$94 million** to **\$139 million** while still distributing 4.5% of assets.

2022 Year in Review

2022 was a volatile year for the capital markets, which reacted to fears of a looming recession, the Federal Reserve's efforts to tame inflation and the war in Ukraine, among other things. The Armenian Church Endowment Fund (ACEF) finished 2022 with a portfolio valued at \$139.6 million, which represented an 11.8% decrease from \$157.5 million at the end of 2021. Despite this decline, the portfolio outperformed the 70% equity/30% bond portfolio benchmark, which was down 16.3% for 2022, and was in the top quartile of similarly

situated private endowments. ACEF distributed a record \$6.0 million to its beneficiaries, marking the 20th consecutive year it has dispersed 4.5% of assets it manages. The fund is under the guidance and supervision of its Board of Directors and Investment Committee, which is comprised of financial services professionals.

The ACEF Board is pleased to announce that it has hired Bank of America Private Bank as our new investment advisor. In 2022, the Board conducted a thorough Request for Proposal process to identify a firm who could serve as a fiduciary and provide discretionary investment management.

Endowment activities for the fiscal year ended December 31

(not including deferred gifts)

For the fiscal year ended December 31	2018	2019	2020	2021	2022
Beginning Balance	105	100	116	129	158
Gifts	4	4	5	7	3
Investment Earnings	(5)	16	12	28	(16)
Spending—Distribution	(4)	(4)	(4)	(6)	(6)
Ending Balance	100	116	129	158	139

(\$ in millions)

ACEF BOARD NEWS

Robert E. Cannuscio rejoined ACEF after a one year hiatus due to term limits. Rob had previously served as a Board Member from 2013–2021. He is a partner at the law firm of



Faegre Drinker Biddle & Reath, where he specializes in Intellectual Property Law. Rob is a member of St. Sahag & St. Mesrob Church in Wynnewood, PA.

Gregory Melconian joined the organization as a Board Member. Greg is a member of the senior leadership team of HSBC's Investment Banking Division and has more than



25 years of investment banking experience. He served on the St. Nersess Seminary board and is a member of St. Stepanos Church in Elberon, NJ.

Richard Papalian, currently retired, has been CEO of Papalian Capital Partners, Inc., a privately held real estate investment firm. He currently serves as Chair of the



Diocesan Council and Treasurer of St. Nersess Seminary. Richard is an active member of St. Gregory the Enlightener in White Plains, NY.



In 2022, ACEF welcomed **The Very Rev. Fr. Mesrop Parsamyan**, Primate of the Eastern Diocese, as the new President of ACEF.



Nancy Berberian stepped down from the Board at the end of her three-year term. The ACEF Board would like to express its gratitude for Nancy's service on ACEF's Audit Committee.