

## OUR NEW MISSION STATEMENT

The mission of the Armenian Church Endowment Fund ("ACEF") is to provide financial support to the Diocese, parishes, and related entities of the Armenian Apostolic Church through oversight of pooled investments under our management. ACEF's professional investment management services, with a long-term horizon and diversified asset allocation, are designed to provide financial sustainability that allows our endowed institutions, our Armenian culture, and our spirituality to thrive for generations to come.

## PORTFOLIO PERFORMANCE: 2024 YEAR IN REVIEW

2024 saw strong performance in the equity markets, primarily due to the enthusiasm around AI and resilient consumer spending. Once again, the "Magnificent Seven" drove market growth, accounting for one-third of the S&P 500 Index and half of its gains.

ACEF continues to invest in a diversified portfolio. Its long-term investment horizon coupled with its professional management strategy has helped to protect the endowment from market volatility during turbulent times, while distributing a steady return of capital to its beneficiaries. In January 2024, the market value of ACEF was \$146.3 million.<sup>1</sup> At year end, ACEF was valued at \$151.7 million<sup>2</sup>, which included \$3.7 million in new contributions and reinvestments and \$8.2 million in dividends, interest and appreciation, as well as the 2023 record-breaking distributions of \$6.5 million paid to beneficiaries in Spring 2024.

ACEF is pleased to report that its 2024 distribution to beneficiaries totaled \$6.4 million, marking its 22nd consecutive year of distributing 4.5% of its assets based on a rolling three-year market value average. Its annualized return for the five-year period ending December 31, 2024 was 7.1%.

<sup>1</sup>As of December 31, 2023; private investment funds marked to market as of September 30, 2023.

<sup>2</sup>As of December 31, 2024; private investment funds marked to market as of September 30, 2024.

In the past five years, ACEF has grown from \$116 million to \$152 million—a 31% increase after distributing 4.5% of assets to hundreds of beneficiaries each year

## ENDOWMENT ACTIVITIES (not including deferred gifts) In millions (\$)

For fiscal year ending December 31	2020	2021	2022	2023	2024	5-Year Aggregate
Beginning Balance	116	129	158	139	146	116
Contributions	5	7	3	3	4	22
Investment Earnings	12	28	(16)	11	8	43
Distributions	(4)	(6)	(6)	(7)	(6)	(29)
Ending Balance	129	158	139	146	152	152
Return	9.4%	20.9%	(12%)	7.6%	6.2%	7.1%

## CLERGY RETIREMENT MATCHING FUND

In 2024, the Clergy Retirement Matching Fund delivered its second match to Diocesan priests who contributed up to \$3,500 to their 403b retirement accounts. This unprecedented fund holds promise to be self-sustaining in the future and is helping to provide clergy and their families with additional financial security and stability for years to come. This fund was established in 2023 with monies from existing and new gifts targeted for clergy and an annual contribution from the Legacy Fund.



Photo by Mano Baghajian

# Institutionalizing ACEF for Continued Success

Since its inception in 1973, ACEF grew from \$1.1 million to \$146.3 million in 2023. Given this significant growth, the Board reviewed many of its policies and procedures, and as a result, has made several advancements the past few years to help institutionalize the organization. These include:

- Updated ACEF's mission statement to best reflect our goal
- Optimized portfolio investments, helping to improve returns and liquidity and to reduce risk
- Selected Bank of America, one of the world's leading banking institutions, as our investment advisor
- Updated ACEF's Investment Policy Statement
- Closely collaborated with Diocesan Council to establish the Clergy Retirement Matching Fund, strengthening relationships in the process
- Hired Lisa A. Kazanjian as Executive Director
- Updated our endowment agreements for increased protection of the portfolio
- Developed an outreach plan to boost awareness of ACEF

Greg Melconian, ACEF's Chairman of the Board, and Marie Vanerian, an active member of ACEF's Investment Committee and Co-chair of the Communications Committee, recently updated the delegates at the Diocesan Assembly in Woburn, Massachusetts on ACEF's financial performance and upcoming activities. Greg stated, "Thanks to our investors and donors, ACEF remains an important vehicle for the sustainability of our Church and our culture." In this regard, ACEF has been pursuing multiple initiatives including:



Greg Melconian, ACEF's Chairman of the Board, and Marie Vanerian, an active member of ACEF's Investment Committee and Co-chair of the Communications Committee, reported on ACEF's financial performance and upcoming activities at the Diocesan Assembly in Woburn Massachusetts.

- Reinforcing cyber security and acceptable use policies for increased protection
- Digitizing ACEF's back office to utilize electronic communications for added efficiency
- Employing digital transfer of funds instead of checks for increased security, safety and efficiency

ACEF's Board continues to explore and implement best practices to aid in its mission to provide financial sustainability for our Armenian Church, culture and spirituality for generations to come.

## ACEF BOARD NEWS

At our annual meeting in November, ACEF's Board of Directors bid farewell and 'thank you' to Chairman **Greg Zorthian** and Communications Committee Chair **Melanie Dadourian**, who were completing their board terms at year end. Greg served on the Board for 29 years, including the past three as Chair and a break (2012-2014) due to term limits. Among the many highlights of his term, he led the selection of a new bank advisor and helped establish the Clergy Retirement Matching Fund.

Melanie was instrumental in increasing awareness of ACEF. She spearheaded ACEF's social media efforts, 50th anniversary celebration and relaunch of our website. Greg and Melanie's expertise and unwavering commitment to our mission played a significant role in ACEF's financial and strategic

growth. The Board is grateful for their outstanding leadership and support.

Upon Greg's departure, the directors voted for a new slate of officers, unanimously approving Chairman **Gregory Melconian**, Group Head, Investment Banking, HSBC; Vice Chairman **Kirk Hachigian**, former CEO, Cooper Industries and Jeld-Wen; and Treasurer **Elizabeth Shaghalian Vranka**, a retired corporate lawyer with Simpson Thacher & Bartlett. **Robert Cannuscio**, an intellectual property lawyer with Faegre Drinker, Biddle & Reath, LLP, remains as Secretary.

Lastly, **Greg Amerkanian**, Senior Vice-President-Wealth Management and Financial Advisor at UBS and member of St. Thomas Armenian Church in Tenafly, New Jersey, agreed to serve another

three-year term on our board. We are grateful for his dedication and expertise as well as his valued participation as a member of our Investment and Nominations Committees.

*ACEF is under the guidance and supervision of its Board of Directors and an Investment Committee that includes sophisticated investors and financial services professionals, several of whom have been recognized among the nation's top advisors. In 2024, the Investment Committee continued to work with ACEF's investment advisor Bank of America Philanthropic Division on strategically reallocating the portfolio to generate competitive returns while mitigating risk, often leveraging investment opportunities that may not be available to individual churches and organizations.*