

# THE INDEPENDENT CATHOLIC FOUNDATION

*For The Diocese of Altoona-Johnstown*

VOL. 14 NO. 2

Fall 2014

## What is Catholic Investing?

On July 1 of this year, the Foundation changed portfolio managers to Christian Brothers Investment Services (CBIS). This change was made after an almost year long search. The primary reason (along with their past investment results) was because of their adherence to Catholic values; they are defined here.

Catholic Responsible Investing (CRI) is an investment strategy designed specifically to help Catholic institutions pursue their missions by providing sound financial returns

while remaining faithful to the teachings of the Church.

Specifically, CRI includes:

- Catholic Investment Screening
- Active Ownership
- Diversified Asset Management

Catholic Responsible Investing extends a faith-based mission to encompass the management of an investment portfolio — allowing the two to work in harmony. Too often, investments are viewed separately from the rest of the organization, solely as a means of funding

activities. CRI is a powerful management process that allows an organization to express its Catholic beliefs through its investments. By targeting financial return and social return, fiduciaries can establish a broad vision for an organization's mission and can demonstrate that all aspects of the organization can be integrated into it.

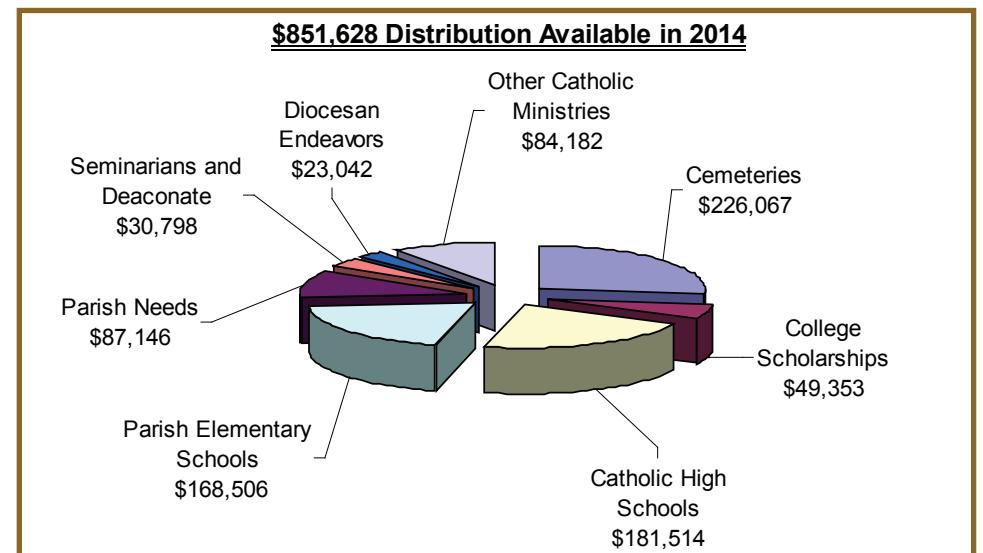
You may learn more about our investment managers by visiting: <http://cbisonline.com/us/>



## Over 850,000 available to Diocesan Ministries

Acting on the recommendation of the Finance Committee and our external consultants, the Board of Trustees of the Foundation announced a 4 1/4 % distribution of funds for the fiscal year that ended June 30. The distribution available, based on a percentage of the monies in the investment portfolio totaled \$851,628. This amount is calculated as a percentage of the market value of each individual endowment that comprises the Foundation's assets under management. This years

distribution represents over \$134,000 or almost a 19% increase from last year's available funds. The portfolio value for this calculation was over \$20.4 million and is based on the last three year average of each endowment. Once again the independent catholic and diocesan schools and their students were the main recipients of the funding. Educational pursuits were eligible for almost half of this total followed by Diocesan cemeteries.



## *From the President and Executive Director*

As we greet the crisp and cooler days of fall, we wanted to visit again through this edition of the Foundation's newsletter FOCUS. It has been a busy time since we visited in the early summer. This edition of the newsletter is about "success cases". We feature several instances of what is possible when faith and finance come together and how the Foundation can facilitate that meeting. We ended the fiscal year on June 30th having had another great fiscal year. We were blessed with over \$1.1 million

in contributions to new or existing endowments, and for the first time in the Foundation's history had assets under management of over \$23 million. This milestone was achieved through the above mentioned contributions and significant investment returns. The funds distribution availability of over \$851,000 was a record. We are humbled by this success and pray that God continues to smile on our efforts. Another significant change was the move to Christian Brothers Investment Services as

our portfolio manager (see related article below). We hope you enjoy this edition of the newsletter and trust it provides insight on how you can remember your parish or favorite Catholic ministry in your estate planning. Please feel free to contact our office or any Trustee to discuss how we may be of service.

*Dino S. Persio, Esq., President*  
*Bill Tiergeist, Executive Director*

## SUCCESS AS SIBLINGS HONOR THEIR PARENTS

In the summer of 2013 edition of FOCUS we featured four Hazenstab siblings who funded an endowment to honor their parents. John & Kathleen Hazenstab had been long time parishioners of St. John the Evangelist in Lakemont. John passed away in March 2008 and Kathleen passed in January 2012. The four children used their mother's passing and the disbursement of the estate, as an opportunity to honor their parents in a meaningful way. This past August the first annual distribution was made to the parish and school; the first of distributions that will be paid annually, forever. "We were amazed that if each of us contributed a modest amount from our portion of the estate that the payout would begin so soon and would be a meaningful amount to the parish" commented one of the daughters. "And it will go on forever; what a tribute to our Mom and Dad" she continued. Many people think permanent endowments are a tool of the wealthy. This is a great example of how they are available to almost anyone. The minimum to create a named endowment is \$10,000 and can be funded over several years during a persons lifetime. An endowment (or scholarship) can also be created through a planned gift during a person's estate planning or by their heirs as in the above example. Details are available at the Foundation office.



### Gifts of Appreciated Stocks

With the robust growth in the stock markets over the past several years, many people are owners of highly appreciated stocks. This may be an excellent way to support a favorite catholic ministry. If you have owned the equities for longer than one year, you can avoid capital gains taxes by donating the appreciated stock directly to the Foundation. The Foundation receives the proceeds of the sale of those equities and the donor receives full credit of the appreciated value of the donation. Check with your tax advisor for the best way to accomplish this.



Bishop McCort Catholic High School has the distinction of receiving the largest single check that is delivered each year by the Foundation. In August of this year, a check for almost \$118,000 was delivered to Principal Tom Fleming. The one check represents almost 15% of all available funds. The Bishop McCort development department is responsible for the creation of nine new scholarship endowments in just the last two years. This check represents the funds made available from 27 different scholarships, some originating over 20 years ago. The purpose of the scholarships, of course, is to aid with tuition, but additionally they were created to

honor a teacher by former students, celebrate the anniversary of graduation, or to honor parents or family. Several recent scholarships were created through estate planning.



## SUCCESS OF A PARISH



After educational pursuits, support for parishes and their cemeteries is the second largest category of distribution, accounting for well over one-third of the monies available. Holy Name Parish in Ebensburg is an example of what is possible. Holy Name has three separate endowments with the Foundation: parish support, school support and a third for perpetual care for their cemetery. When all three endowments are totaled, they represent the parish with the most funds invested with the Foundation. This translates to the single largest distribution check to any single

parish. Shown in the photo is Foundation Executive Director Bill Hiergeist delivering that check. Their first parish endowment was funded in the early 90s; the other two slightly later. Starting with now retired Msgr. Arnold Gaus and continuing with current pastor Msgr. David Lockard, the parishioners work hard every year and make substantial additions to each endowment, thus increasing the income stream back to the parish. Msgr. Lockard continues to be a strong supporter of the Foundation having seen the benefits while at his last assignment in State College.

## SUCCESS FOR A PARISH IN MANY WAYS

The parishioners of St. Matthew Church in Tyrone are blessed. Blessed, not only because of their pastor and the great teachers in the school, but blessed because past generations of parishioners have remembered the parish and school in their estate planning. St. Matthew's has endowments to provide income to the parish, the parish cemetery, the elementary school and several that provide college scholarships to parishioners. It

is not uncommon for a parish to have multiple endowments. However, it is uncommon in that St. Matthew's has multiple endowments for college scholarships. Recently a parishioner of St. Catherine Parish (Mt. Union) created a college scholarship for students of that parish in his estate plans. That endowment should begin to offer scholarships in the 2015-16 academic year. Information on how to remember your parish in your will is available at the Foundation office or from any Trustee.



*St. Matthew Church; Tyrone*

This chart represents actual performance over the past ten years. If someone would have created an endowment (or scholarship) in 2003 with \$10,000 the market value of that endowment would have grown to over \$13,000. Additionally, during those same ten years, the beneficiary would have received over \$4,800. "Over \$8,000 in growth and income, that's pretty amazing" commented one pastor as he and Director Hiergeist were talking about creating an endowment for his parish. A gift to a permanent endowment is a gift forever!

Growth and Distribution Over The Past Ten Years  
June 30, 2003 - June 30, 2014

	Market Value	Annual Income Stream
2003	\$10,000	
2004	\$10,444	\$350
2005	\$10,742	\$358
2006	\$11,097	\$416
2007	\$12,270	\$484
2008	\$11,587	\$512
2009	\$ 9,872	\$466
2010	\$10,467	\$450
2011	\$11,975	\$439
2012	\$11,499	\$431
2013	\$12,132	\$453
2014	\$13,351	\$491
	10 Year Distribution	\$ 4,849

## WELCOME AND THANKS

At its June meeting, the Foundation welcomed a new Trustee. Joining the board for a three year term is Matt DiFrancesco. Matt is owner of DiFrancesco Financial Concierge in Johnstown. He and his wife are members of Our Mothers of Sorrows. Outgoing President Vince Barbera also offered a special thanks to Tom Taricani for his years of service. Tom, a past president, was leaving the Board because his term had expired.

He also welcomed our incoming President Dino Persio.

Vincent J. Barbera, Esq  
St. Peter  
Somerset  
Immediate Past-President

James A. Carrieri  
St. Therese,  
Altoona  
Vice-President

Peter D. Delricco  
Church of the Good Shepherd,  
State College

Matthew J. DiFrancesco  
Our Mother of Sorrows  
Johnstown

Hampton H. "Hap" Durbin  
St. Therese of the Child Jesus  
Altoona

Monica M. Garver  
Resurrection  
Johnstown

Rocco D. Gillott  
Saint Kateri Tekakwitha  
Spring Mills

Rita Halverson  
St. Peter  
Somerset

William M. Hiergeist (Ex-Officio)  
St. Matthew  
Tyrone

Anthony J. Kamnikar  
St. John Gualbert  
Johnstown  
Treasurer

Joseph Keller  
St. Mary  
Altoona

Thomas J. Kristofco  
St. Michael  
Hollidaysburg

Robert F. Leahey  
Our Lady of Victory  
State College

Marty Marasco  
Our Lady of Mount Carmel  
Altoona

Dino Persio, Esq.  
Holy Name  
Ebensburg  
President

Serena Stevens  
St. John the Evangelist  
Lakemont  
Secretary

John J. Wolf  
Cathedral  
Altoona



*Trustees attending the annual meeting in June at the Blairmont Club in Hollidaysburg*

### Please Note

In all instances it is advisable to speak with legal counsel, a Financial advisor and/or a tax consultant. No information contained in this newsletter or on the Foundation website should be considered legal advice.

### Think About It

Have you left the Church in your Will? Because The Independent Catholic Foundation is legally separate from the Church, we are the ideal entity to serve as the fiduciary intermediary for you to leave a legacy of your faith. The Foundation is a unique resource. Our portfolio is invested according to our Morally-Responsible Investment Policy, in compliance with Catholic doctrine. We can assist in designing the most appropriate giving instruments, such as Donor-Advised Accounts, offering security and growth for your donated funds.

To learn about other opportunities and funds that have been established or to establish a fund for your parish or ministry, or to discover a variety of giving options for you and your family, including some that produce income for you, contact the Foundation office.

### Separate from, but committed to, *the Diocesan Church*

The Foundation is an independent entity – legally separate from the Diocese of Altoona-Johnstown – committed to the long-term strength and viability of Catholic institutions within the eight-county diocese. The Foundation is overseen by a board of trustees comprised of 17 lay men and women. The Diocese (as a legal entity) and the Diocesan Bishop have no role in the management of the Foundation, which is a 501(c)(3) nonprofit organization [a public charity]. Endowment funds are owned by the Foundation and can not be attached for Diocesan operating funds or any needs of the Diocese.

### For more information:

Individuals, businesses, organizations or parishes are welcome to inquire about the Independent Catholic Foundation by contacting any Trustee or our office. Executive Director, Bill Hiergeist can be reached at the Foundation office.

For a list of current Trustees, please visit our web-site at [www.icfdaj.org](http://www.icfdaj.org)

Please visit our web-site at [www.icfdaj.org](http://www.icfdaj.org)

All inquires are held in the strictest confidence.

Bill Hiergeist, Executive Director (814) 201-2080 (814) 201-2092 (fax) (E-mail address) [Bill@icfdaj.org](mailto:Bill@icfdaj.org)  
3618 Fifth Ave., Suite 1 • Altoona, PA 16602