

GRAND COUNCIL, CRYPTIC MASONS OF FLORIDA

INVESTMENT COMMITTEE REPORT

2021-2022

The investments under the oversight of this Investment Committee are maintained by our investment advisers at Edward Jones & Co., and presently total \$719,975 as of 31 March 2022, up from \$702,670 a year ago. This represents a 2.46% NET increase in Grand Council invested assets, even after the required 5.00% payout on Perpetual membership funds, and even after the losses incurred in February and March of 2022. These dollars are broken up into two major portfolios:

Administrative Account - The first portfolio is the Administrative Account, also sometimes referred to as the General Fund. As of 31 March 2022, the total value was \$335,804 – vs. \$317,257 as of one year ago, for an increase of \$18,547, even after the decline in values experienced during the months of February and March of this year. This account has a target investment mix of 60% equities, and 40% bonds and other fixed instruments.

At 31 December 2021, the total value of this account was \$352,458, vs. \$305,319, at 31 December 2020, for an increase of \$47,139, or an 15.44% investment return. It is significant to note that our governing documents allow 75% of this annual increase to be included in the Budget for the following year, which could currently increase our available funds for charitable and necessary operating expenditures by \$35,354.

The original primary goal of the Administrative Account was to put the Grand Council in a position to be able to place less reliance upon Per Capita dues increases in the future, as this Fund grew. Instead of using these funds as originally intended, the funds have been allowed to accumulate, while significant Per Capita increases have been recommended and approved in recent years. During this past year, a total of \$Zero was paid out of this Fund account.

Life and Perpetual Account – The second portfolio is the Life and Perpetual Account, often referred to as the Sacred Fund. As of 31 March 2022, the total value was \$384,171 – vs. \$385,414 a year ago, for a decrease of (\$1,243), after the decline in values experienced during the months of February and March of this year, and after the payout of the 5.0% annual perpetual payments to constituent Councils. This account has a target investment mix of 50% equities and 50% bonds and other fixed instruments. As interest rates rise, the underlying value of a fixed-rate bond portfolio generally goes down.

At 31 December 2021, the total value of this account was \$402,911, vs. \$378,793 at 31 December 2020, for an increase of \$24,118, or a 6.37% NET investment return, after the required 5% perpetual fund payout.

I would like to take this opportunity on behalf of myself and the other members of the Investment Committee to thank the Most Illustrious Wm. Allen Sorbie, MIGM, for allowing us to serve the Grand Council this past year.

Courteously and Fraternaly,

Wm. Lee Popham Sr., Chairman, PDDGM 2012
Paul W. Friend, MIPGM
Charles L Hollinger, MIPGM
David Rosenthal, Illustrious Grand Steward