



**Stock  
Yards.**  
Bank & Trust

WEALTH  
MANAGEMENT  
& TRUST

*Hindman Settlement School*  
*May 28, 2021*

## *Hindman Settlement School Administrative Review*

May 28, 2021

### *Authorized Signers*

Sherry W. Powers	Chairman
Michael L. Sloane, II	Vice-Chairman
Susie Merida	Interim Executive Director

### *Institution Information*

Hindman Settlement School  
Attn. Teresa Ramey  
51 Center Street  
Hindman, KY 41822

Statement Cycle:	Quarterly
Delivery Method:	Mail

### *Other Interested Parties*

Sherry Powers  
[Sherry.powers@eku.edu](mailto:Sherry.powers@eku.edu)

Michael Sloane II  
[msloaneii@aol.com](mailto:msloaneii@aol.com)

Susie Merida  
[susie@baglex.com](mailto:susie@baglex.com)

Statement Cycle:	Monthly
Delivery Method:	Web

***Remittance Information***

\$33,296.55 to Hindman Settlement School  
on a quarterly basis from Hindman SS General  
Endowment Trust

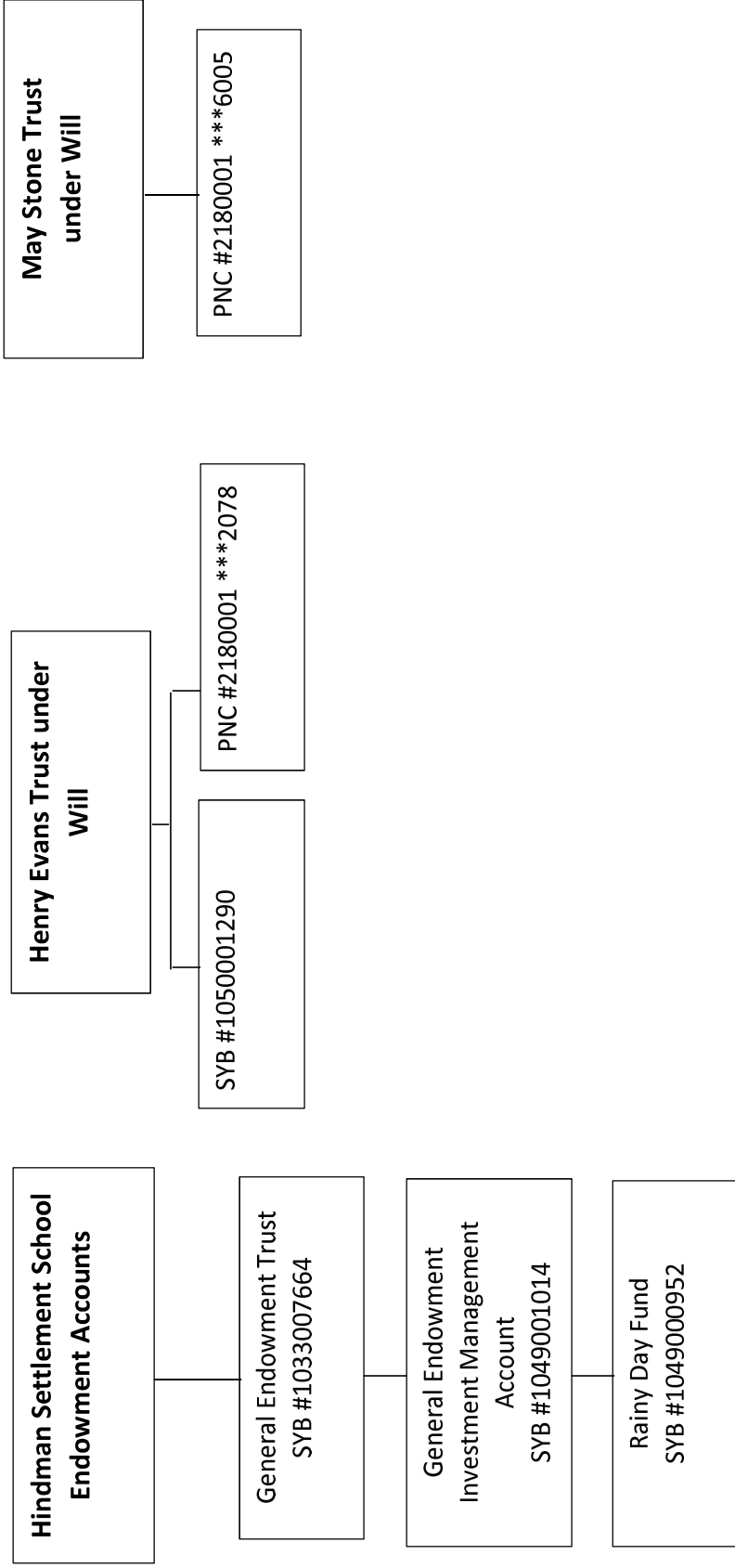
\$53,300.45 to Hindman Settlement School  
on a quarterly basis from Hindman SS  
Investment Management Account

***Remittance Policy/ Trust Distribution Provisions***

The Trustee shall make distributions to the Hindman Settlement School (“School”) each year equal to the greater of (i) the entire net income of the Trust; or (ii) as selected by the School for such year, a percentage of the fair market value of the Trust assets, not to exceed five percent (5%) in any given year. Such fair market value of Trust assets shall be calculated based on the average thereof over a period of the three immediately preceding years using the May 31 Trust asset values for each such year. Said percentage payout as so calculated and selected, shall become effective as of the first day of the School’s next fiscal year or on such other date as specified by the School. The amount payable hereunder each year shall be distributed by the Trustee to the Treasurer of the School throughout the fiscal year, to be used and devoted by such Treasurer solely to the current expenses of carrying on said School, including the salaries of teachers therein, perpetually or so long as said School shall be continued and maintained at its present location or (in case that location should at any time be, for any cause, permanently abandoned) at some other point in the county of Knott, Letcher, Pike, Floyd, Martin, Lawrence, or Johnson, in the State of Kentucky, where the Executive Board of said School may hereafter determine to locate, establish and conduct said School.

*Disclaimer: This is a summary and not a substitute for the actual terms of the document.*

# HINDMAN SETTLEMENT SCHOOL





**Selected Period Performance**

	Market Value	3 Months	Fiscal Year to Date (1 Year)	1 Year	3 Years	5 Years	10 Years	Inception to Date 01/01/2003
<b>TOTAL NET OF FEES</b>	<b>8,798,611</b>	<b>11.21</b>	<b>17.00</b>	<b>17.00</b>	<b>12.93</b>	<b>12.38</b>	<b>10.00</b>	<b>8.93</b>
52R3000/13EAFEEn/35BCAGG	9.87	14.81	14.81	10.11	10.48	9.15	8.25	
<b>TOTAL EQUITY</b>	<b>6,921,640</b>	<b>14.45</b>	<b>21.01</b>	<b>21.01</b>	<b>16.12</b>	<b>15.78</b>	<b>13.28</b>	<b>11.38</b>
68SP500/8RMID/4R2/20EAFEN	14.28	16.32	16.32	11.86	13.48	12.01	10.19	
S&P 500 TR	12.15	18.40	18.40	14.18	15.22	13.88	10.62	
Russell Mid Cap TR USD	19.91	17.10	17.10	11.61	13.40	12.41	11.99	
Russell 2000 TR USD	31.37	19.96	19.96	10.25	13.26	11.20	11.01	
MSCI EAFE NR USD	16.05	7.82	7.82	4.28	7.45	5.51	7.46	
MSCI EM NR USD	19.70	18.31	18.31	6.17	12.81	3.63	11.26	
<b>TOTAL FIXED INCOME</b>	<b>1,699,180</b>	<b>1.26</b>	<b>7.40</b>	<b>7.40</b>	<b>4.33</b>	<b>3.76</b>	<b>2.85</b>	<b>3.23</b>
Barclays US Govt/Credit Interm TR USD	.48	6.43	6.43	4.67	3.64	3.11	3.75	
<b>CASH &amp; EQUIVALENTS</b>	<b>177,791</b>	<b>.01</b>	<b>.39</b>	<b>.39</b>	<b>1.33</b>	<b>.96</b>	<b>.48</b>	<b>1.24</b>
BofA US Treasury Bill 3 Mon	.03	.67	.67	1.61	1.20	.64	1.33	

Reporting period: April 01, 2021 to April 30, 2021

Inception Date: January 01, 2003

Hindman Aggregate (AGGHINDMAN)

## Selected Period Performance

	Market Value	3 Months	Fiscal Year to Date (4 Months)	1 Year	3 Years	5 Years	10 Years	Inception to Date 01/01/2003
<b>TOTAL NET OF FEES</b>	<b>8,231,314</b>	<b>7.80</b>	<b>6.90</b>	<b>37.31</b>	<b>15.22</b>	<b>13.69</b>	<b>9.99</b>	<b>9.16</b>
52R3000/13EAFEn/35BCAGG	6.91	6.41	30.35	12.61	11.45	9.12	8.46	
<b>TOTAL EQUITY</b>	<b>6,251,657</b>	<b>10.85</b>	<b>9.83</b>	<b>49.20</b>	<b>19.30</b>	<b>17.89</b>	<b>13.33</b>	<b>11.73</b>
68SP500/8RMID/4R2/20EAFEN	11.87	11.06	46.95	15.89	15.56	12.19	10.62	
S&P 500 TR	12.98	11.84	45.98	18.67	17.42	14.17	11.09	
Russell Mid Cap TR USD	13.95	13.65	59.57	16.71	15.58	12.69	12.54	
Russell 2000 TR USD	9.55	15.07	74.91	15.23	16.48	11.63	11.65	
MSCI EAFE NR USD	7.74	6.59	39.88	6.27	8.87	5.22	7.70	
MSCI EM NR USD	1.71	4.83	48.71	7.51	12.50	3.59	11.34	
<b>TOTAL FIXED INCOME</b>	<b>1,871,837</b>	<b>-1.42</b>	<b>-1.80</b>	<b>1.78</b>	<b>3.80</b>	<b>2.49</b>	<b>2.34</b>	<b>3.07</b>
Barclays US Govt/Credit Interm TR USD	-1.10	-1.37	1.09	4.71	2.80	2.81	3.60	
<b>CASH &amp; EQUIVALENTS</b>	<b>107,820</b>	<b>.01</b>	<b>.01</b>	<b>1.23</b>	<b>.96</b>	<b>.48</b>	<b>1.22</b>	<b>1.22</b>
BofA US Treasury Bill 3 Mon	.02	.03	.11	1.45	1.18	.63	1.31	

## Hindman Settlement School

Estimated Spending Policy Calculation for FY2020-21

	Total Endowment & Evans Trust	
5/31/2018	\$	10,789,267
5/31/2019	\$	10,625,167
5/31/2020	\$	10,397,141
Total:	\$	31,811,575
Average:	\$	10,645,200
Avg x 4.5%	\$	479,034

FY	Rate	Amount
2012 / 2013	5.00%	\$ 416,335.00
2013 / 2014	5.00%	\$ 444,352.00
2014 / 2015	5.00%	\$ 434,387.00 *
2015 / 2016	5.00%	\$ 468,363.00 *
2016 / 2017	4.90%	\$ 501,788.00
2017 / 2018	4.80%	\$ 491,401.00
2018 / 2019	4.70%	\$ 487,785.00
2019 / 2020	4.60%	\$ 487,244.00
2020 / 2021	4.50%	\$ 479,034.00

\* Reduced by \$25,000 to cover \$50,000 withdrawal July 2014



*ENDOWMENT FUND  
INVESTMENT POLICY STATEMENT*

**I. PURPOSE**

The purpose of this Investment Policy is to establish a clear understanding of the investment objectives of Hindman Settlement School's Endowment Fund. The Endowment Fund includes several separate named endowments, referred to collectively as "the Fund." This Investment Policy describes the performance standards that will be utilized by Hindman Settlement School to evaluate investment performance on a continuing basis, provide a framework within which the investment advisor will make investment decisions and establish the guidelines for communication between the Board of Directors and the Fund's investment managers.

**II. INVESTMENT OBJECTIVES**

The primary objective of Hindman Settlement School's Investment Policy is to maintain the real purchasing power of the Fund after inflation, costs and spending. The long-term objective is to provide for growth and income without undue exposure to risk. These objectives shall be accomplished with a risk tolerance consistent with a balanced strategy for diversification utilizing fixed income, equities and cash equivalents. Investment managers will invest to produce a total return commensurate with Hindman Settlement School's spending policy, risk parameters, targeted benchmarks and time horizon.

It is intended that the time horizon for the performance objectives to be achieved by the investment manager will be over a three-year period. The Board of Directors reserves the right, however, to evaluate and make any necessary changes regarding the investment manager over a shorter or longer time period when it deems such action to be in the best interest of the Hindman Settlement School Endowment Fund.

All parties are expected to comply with all applicable trust, fiduciary and due diligence requirements that experienced investment professionals would reasonably be expected to follow, and to comply with all applicable federal, state and local laws, rules and regulations.

**III. ASSET ALLOCATION**

Subject to the investment guidelines that follow, the portfolio may be invested in the following major asset classes within the percentage range of allocation:

Asset Class	Target	Range
Equity	70%	60-80%

Fixed Income	25%	15-35%
Cash Equivalents	0%	0-10%
Specialized Investments	5%	0-10%

All investment managers are expected to remain within these ranges unless they have written consent from the Board of Directors or Executive Committee stating that they may deviate from the above guidelines. Specialized investments (such as hedge funds, private placements and real estate) require the review of the Investment Committee and approval of the Board of Directors or Executive Committee prior to investment. Such investments may be directed by the Board of Directors or Executive Committee to be held separately for accounting and reporting of ongoing performance.

#### IV. INVESTMENT GUIDELINES

The Equity portion of the allocation should be broadly diversified within the following parameters:

*Equity Securities – Permitted Investments include but are not limited to:*

- U.S. Common & Preferred Stocks
- U.S. Convertible Securities
- U.S. Equity Mutual Funds
- Equity Exchange Traded Funds
- International Common & Preferred Stocks
- International Equity Mutual Funds

Domestic Market Capitalization and International targeted ranges for diversification:

Asset Class	Target	Range	Benchmark
Large Cap	60%	50 - 70%	Standard & Poor 500 Index
Mid Cap	15%	0 - 25%	Russell Mid Cap Index
Small Cap	5%	0 - 15%	Russell 2000 Index
International	15%	0 - 25%	MSCI EAFE Index
Emerging Markets	5%	0 - 15%	MSCI EAFE Emerging Markets Index

The Fixed-Income portion of the allocation should be broadly diversified within the following parameters:

*Fixed-Income Securities – Permitted Investments include but are not limited to:*

- U.S. Governments
- U.S. Mortgage & Asset Backed
- Fixed-Income Mutual Funds
- High-Yield Bond Mutual Funds
- U.S. Corporate Bonds
- Taxable Municipal Bonds
- Fixed-Income Exchange Traded Funds
- International Bond Funds

Fixed-Income specific asset classes targeted ranges for diversification:

U.S. Government and Agencies	50 - 100%
U.S. Mortgages & Asset Backed	0 - 30%

Corporate Bonds	0 - 30%
High-Yield Bond Funds	0 - 10%
International Bond Funds	0 - 10%

In addition, the fixed-income allocation should target an intermediate term average maturity not to exceed 10 years. Individual securities purchased must be rated by S&P and/or Moody's and be of investment grade Baa/BBB or higher. No individual or aggregate issue shall exceed 5% of the manager's portfolio by market value with the exception of U.S. Government and its agency obligations.

Short-term cash reserves portion of the allocation:

*Cash Equivalents – Permitted Investments include but are not limited to:*

- Money Market Mutual Funds
- Short-term Money Market Instruments

*Specialized Investments – Permitted Investments include but are not limited to:*

- Alternative Investments
- Private Equity Funds
- Hedge Funds
- Commodities
- Real Estate Investment Trusts (REITS)
- Real Estate Tenants-in-Common/Funds

*Additional Investments Guidelines and Comments – No specialized investments are permitted without the written consent of the Executive Committee or Board of Directors of Hindman Settlement School.*

V. BENCHMARKS

Portfolio performance will be measured against the following benchmarks:

Asset Class	Benchmark (Static Blended Benchmarks)
Total Equity	68% S & P 500; 8% Russell MC; 4% Russell 2000; 20% EAFE Net
Total Fixed Income	Barclays Intermediate Government Credit Index (BIGC)
Total Portfolio	52% Russell 3000; 13% MSCI EAFE; 35% BIGC

The Custodian shall also provide performance information based on dynamic blended benchmarks to compare the current weighting of the specific portfolio to the same weighting of the specific benchmark indices.

VI. SPENDING POLICY

The spending rate for the Fund will gradually reduce from 5% by 0.1% each year for five years beginning in 2016 as shown below:

2016:	4.9%
2017:	4.8%
2018:	4.7%

2019: 4.6%  
2020: 4.5%

The amount available for appropriation during each fiscal year shall be calculated by applying the spending rate to the average of the three prior years' Fund value on May 31. The spending rate will be reevaluated in 2020.

Subject to the intent of the donor, expressed in a gift instrument, Hindman Settlement School may appropriate for expenditure or accumulate so much of the Fund as the Board of Directors determines to be prudent for the uses, benefits, purposes and duration for which each of the separate endowments in the Fund is established.

Currently all proceeds from separate endowments in the Fund are reinvested until the separate endowment reaches \$10,000, at which time it is included in the 5% spending rate.

Any special appropriation or decision not to spend the amount indicated by the spending formula must be approved in advance by the Board of Directors or Executive Committee.

#### VII. INVESTMENT MANAGER REVIEW

This investment policy shall be reviewed annually. The investment manager(s) is/are encouraged and expected to provide any suggestion regarding appropriate adjustments in this statement or the manner in which investment performance is reviewed.

Adopted and signed this 22nd day of March, 2016.

Hindman Settlement School

Brent D. Huttenlocher

Authorized Signature

**LIST OF AUTHORIZED INDIVIDUALS  
FOR**

**ACCOUNT:** Hindman Settlement School General Endowment IMA

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By authorization of the Board of Directors as Secretary of the Hindman Settlement School Board of Directors, the following individuals are authorized to give direction to Stock Yards Bank & Trust Company for all purposes relating to the above referenced account.

Stock Yards Bank is authorized to act at the direction of any 2 of the following individuals and all directives require authorization by at least 2 of the following individuals.

This authorization shall remain in place until Stock Yards Bank & Trust Company is otherwise directed in writing.

<u>Sherry W. Powers, Chairman</u> Printed Name and Title	-	 Signature	Signed: Feb 12, 2021 7:51 PM EST
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<u>Michael L. Sloane, II Vice-Chairman</u> Printed Name and Title	-	 Signature	Signed: Feb 12, 2021 11:33 PM EST
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<u>Susie Merida, Interim Executive Director</u> Printed Name and Title	-	 Signature	Signed: Feb 12, 2021 4:41 PM EST
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<hr/> Printed Name and Title	-	<hr/> Signature	
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\*If more lines are needed, please attach a separate page.

Authorized By:

<u>George Fletcher, Secretary</u> Printed Name and Title	-	 Signature	Signed: Feb 15, 2021 11:03 AM EST
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Date: \_\_\_\_\_

## Hindeman Settlement School's Relationship Team

Please call us with any questions you may have. We're here to help!



**Kimberly Hudson, CFP®**  
Wealth Advisor

(502) 625-1086  
kimberly.hudson@syb.com

Kimberly Hudson is responsible for the administration of personal trust accounts and has over 10 years of experience in the Financial industry. Kim is a CERTIFIED FINANCIAL PLANNER™ and a member of the Estate Planning Council of Louisville. She graduated from the University of Evansville with a BS in Communications.

 **Stephanie Dillard**, Client Service Associate | (502) 625-1848 | stephanie.dillard@syb.com



**Keith Blakely, CFA®**  
Investment Advisor

(502) 625-1618  
keith.blakely@syb.com

A Chartered Financial Analyst®, Keith Blakely is responsible for portfolio and relationship management. In addition to being a Team Leader for the Investment Team, Keith is Chair of the Investment Strategy Committee, a member of the CFA Institute, and serves on the board for the CFA Society of Louisville. Keith graduated magna cum laude from the University of Louisville with a B.S. in Business Administration and is an alumni of Saint Xavier High School.

 **Ryan Lee**, Client Service Associate | (502) 625-3974 | ryan.lee@syb.com

## *Thank You*

As always, we value our relationship with you. We make it our business to stay on the cutting edge so that our clients receive the most up-to-date financial and investment information and services available. If you have any questions, don't hesitate to ask—it's our job to make your financial needs our top priority!

Thank you!