2017 Annual Report

2017 was a banner year on several fronts. Our organization successfully unveiled its new corporate identity and navigated a leadership transition, all in the month of January. Taking a broader view, the US economy enjoyed generally improving conditions in 2017. After a lackluster first quarter, US GDP grew by a respectable annual average of 2.6%. This occurred while domestic manufacturing improved, consumer confidence and spending increased, and unemployment fell to 4.1% - the lowest level in recent memory. The big story for the year was the booming stock market, which returned its best results since 2013. It seemed all year that the market had no place to go but upward, and the 4th quarter in particular cemented that notion into place. Congress' passage of the Tax Cuts & Jobs Act in December became the icing on investors' 2017 cake. With the economy poised for vigorous near-term growth, the Federal Reserve Bank continued seeing inflationary signals. The Fed responded with three increases to its inter-bank borrowing rate and promised three more to come in 2018. Their actions were understandable, but by year end posed a question mark for the continued strength of the markets.

The aforementioned market strength was apparent in the broader indexes for both stocks and bonds. The S&P 500 Index returned 19.4% for the year, while the Bloomberg Barclay's Aggregate Bond Index returned 3.5%. Our portfolio, consisting of two bond funds, two equity funds, and a non-correlated alternative investment fund returned a combined 8.0% for the year. The bright spot was our Equity Growth Fund, which returned 20.8% for the year and surpassed its benchmark by two full percentage points. Both of our bond funds outperformed their respective benchmarks. With these results, our board maintained our endowment distribution rate at 3.5% to encourage growth within our endowment asset base. As economic conditions improve, we will keep a close eye on market performance as we strive to move this key performance measure closer to its 4% target. We are hopeful that our selection of a new investment consultant in the 4th quarter will reap even better investment results and higher distributions in the future.

Legacy Deo ended 2017 with 439 managed accounts valued at $42 million. The numbers speak for themselves: 12 new accounts, $1.1 million in donations, and 31 stock gifts were passed through to ministries. It was quite a year all-around.

Most importantly, in 2017 Legacy Deo distributed over $3.5 million to ministries and individuals. That was our best result in recent years and possibly in our history, thanks to a generous gift bestowed on two churches through a family's charitable trust. It perfectly illustrates our new organizational vision: that God's people, each and every one, will leave a legacy for faith and family. Many already have, yet there is much left to be done in pursuit of this lofty ideal. We praise God for his many blessings upon Legacy Deo in 2017.