

# The Trust Report

Developmental Disabilities Life Opportunities Trust

Fall 2004

## First Annual Trust Holder Meeting a Success

Attendees to the first annual trust holder meeting September 23 learned first hand how well the trust is doing and had a chance to ask questions of Senior Investment Officer Diana Wills of the Washington State Investment Board.

Her presentation gave an overview of how the Investment Board is set up and how it invests the private and public funds of the endowment trust.

Participants also engaged in a lively exchange with Ed Holen, Trust Fund Executive Director, and Patti Bell, Trust Fund Enrollment and Disbursement Manager.

### What We Learned

The Investment Board, created in 1981 to manage the long-term assets of the state, is comprised of 15 members – 10 with voting rights and five without. Their mission is to invest with integrity, prudence and skill to meet or exceed the financial objectives of those they serve.

***The WSIB invests \$57.1 billion dollars (as of 8/31/04) for 33 funds. More than \$7.5 million is invested for the DD Life Opportunities Trust.***

The 33 WSIB funds include 15 retirement funds, four state insurance funds for injured workers, and 14 permanent and other trust funds, including the DDLOT.

The Life Opportunities Trust was placed under the investment management of the WSIB in 2000.

Objectives for our trust are to: 1) maximize return at a prudent level of risk based on identified investment time horizons, 2) ensure sufficient income is available to fund the expected needs, and 3) invest in a manner that will not compromise public confidence in the program.

### Investments & Returns

At the time of the presentation, the WSIB was investing more than \$7.5 million for the Life Opportunities Trust. Public funds (state money) and private funds (individual and family funds) are invested differently.

Public funds have an investment mix of 22.5% fixed income, 12.2% U.S. Equity, 24.1% cash portfolio and 41.2% TIPS portfolio.

Private funds are invested 60% in stocks and 40% in bonds. The stock portion is expected to track the performance of the Dow Jones Wilshire 5000; and the bond portion is expected to track with the Lehman Aggregate Bond Index.

The trust's public funds posted returns of 6.00% since inception in 2000, 5.79% for the past three years, and 6.80% for the last single year.

The trust's private funds posted returns of 8.09% for the last two years and 8.6% for the last single year.

The performance numbers shown are after investment expenses but before DDLOT trust expenses.

## Life Styles

### Scott Family Values Trust & Financial Advice

Sue and Bob Scott first heard about the endowment trust fund when it was a legislative bill. It wasn't until they had done considerable research that they enrolled.

After listening to a presentation in Yakima and reading printed materials, the couple went to their financial advisor to get an expert opinion. He told them it was an excellent idea to invest in the fund, and asked them for more materials so he could share with other clients.

***The green light from their financial advisor helped the Scotts make a final decision.***

They completed the application and mailed the \$600 enrollment check right away.

Meanwhile, Sue was concerned about other families. She didn't want to support something that would exclude low-income families. When she learned that families need only invest \$25 a month and could make payment arrangements for the set up fee, she was relieved.

For now the Scotts continue making quarterly payments toward their 30-year-old daughter Shari's trust.

They view the fund as both a safety net for the future and a way to save for things that enrich Shari's life.

*Continued on back...*

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## Check Out New Website

We've recently launched our new website, which includes extensive information about the Life Opportunities Trust, enrollment information and other features.

Visit the Developmental Disabilities Life Opportunities Trust website at <http://www.ddlot.org>.

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## Newsletter Improved for Members' Readability

By now you've noticed we've updated the design of *The Trust Report*. The new format is intended to improve

readability for our members. We will continue to deliver news about the Developmental Disabilities Life Opportunities Trust through this quarterly newsletter. For comments about what you'd like to see in the newsletter, email Ed Holen at [edh@cted.wa.gov](mailto:edh@cted.wa.gov).

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## By the Numbers

We are pleased to welcome 47 new enrollees between July 1 and September 30. That brings our total to 298 enrollments in the DD Life Opportunities Trust. Of those, 159 are Trust I accounts funded by families and guardians and 139 are

Trust II accounts funded by individuals with developmental disabilities themselves.

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## Next Governing Board Meeting in December

The next quarterly Governing Board meeting will be December 16, 2004 from 10 a.m. to 2 p.m. at the SeaTac Red Lion Hotel. All meetings of the Governing Board are open to the public. 2005 meeting dates follow.

March 10, 2005

June 9, 2005

September 22, 2005

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### Life Styles continued from Page 1

Shari loves to travel and funds could be used to help pay for an attendant on trips. The Scotts have also purchased specialized items including braces for Shari's feet, an adult-size jogging stroller, a wheelchair, and an augmentative communication device or electronic talker. Knowing the trust will be available in the future to pay for these items is reassuring. The trust also allows the Scotts to invest in Shari's future without jeopardizing

her SSI and medical coupons.

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***Most importantly, Sue feels confident with the Washington State Investment Board.***

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She believes the right checks and balances are in place and is delighted with the fund's success to date.

Sue attributes the success in large part to state matching funds on contributions and fees, and the great oversight of the WSIB.

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## Moving Soon?

If you have moved or are planning to move, contact us **to change your contact information**. Call Patti Bell at the Arc at 1-888-754-8798.

## Questions? Feedback?

We welcome your comments and feedback. Let us know how we can do better. Call or email Ed Holen at 1-800-634-4473 or [edh@cted.wa.gov](mailto:edh@cted.wa.gov).

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