

Q1 FY2019

Ethel Hart Mutual Endowment Fund Quarterly Investment Report September 30, 2018



Office of the City Treasurer - City of Sacramento

John Colville, City Treasurer

Q1 FY2019

INTRODUCTION

In 1993, Ethel MacLeod Hart left a bequest of \$1,498,719.07 to the City of Sacramento for the “.. use, enjoyment and comfort of senior citizens.” On the recommendation of the Ethel MacLeod Hart Advisory Committee a permanent endowment of \$1,000,000 was established. The balance of the bequest was retained in an operating fund account (Hart Operating Fund) and used over the next five-year period for appropriate projects. Annually the amount available for disbursement will be reported to the Board by Rosanne Bernardy, Superintendent of the Office of Human Services. The Hart Trust Endowment Fund (“the Fund”) will be invested with a growth objective. The minimum return objective on these dollars over a five year period is \$400,000 or roughly 7% compounded annually.

The Advisory Committee is responsible for providing advice to City staff and the City Council on the appropriate use of the Ethel MacLeod Hart Trust Fund for Senior Citizens consistent with the terms of the bequest, the interest of the donor, and the approved general guidelines. The Advisory Committee consists of seven members appointed by the Mayor. Appointees must be residents of the City and at least sixty (60) years of age. Two Advisory Committee members must be representatives of specific organizations: American Association of Retired Persons and Sacramento County Adult and Aging Commission.

STRATEGY

- * Adhere to prudent investment practices to provide for the preservation and growth of principal; and

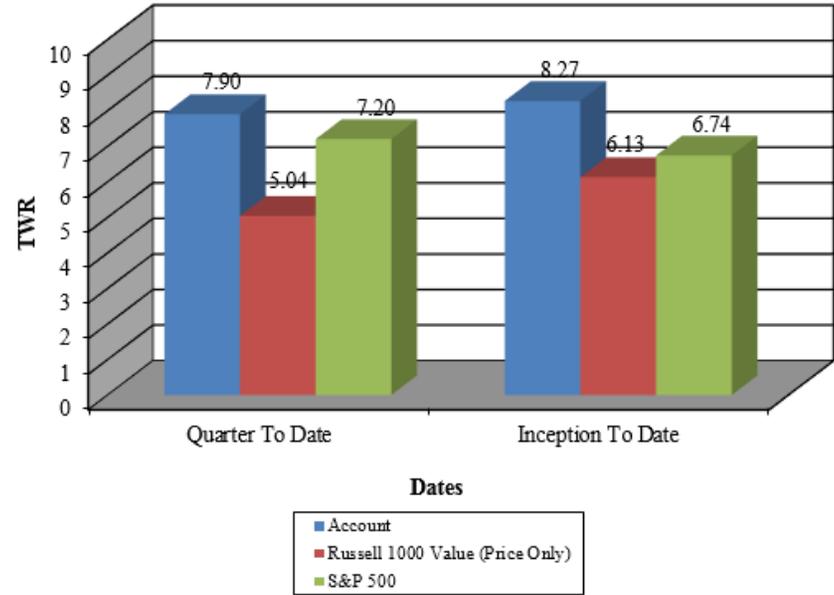
OBJECTIVES

- * The objective for this fund is growth and capital preservation; and
- * To earn a total rate of return on the Hart Trust Endowment Fund to meet the return objectives of \$400,000 (approximately 7% compounded annually) over subsequent five-year periods; and
- * Provide liquidity for the Hart Operating Fund for the “..use, enjoyment and comfort of senior citizens” based on recommendations to City Council by the Advisory Committee.

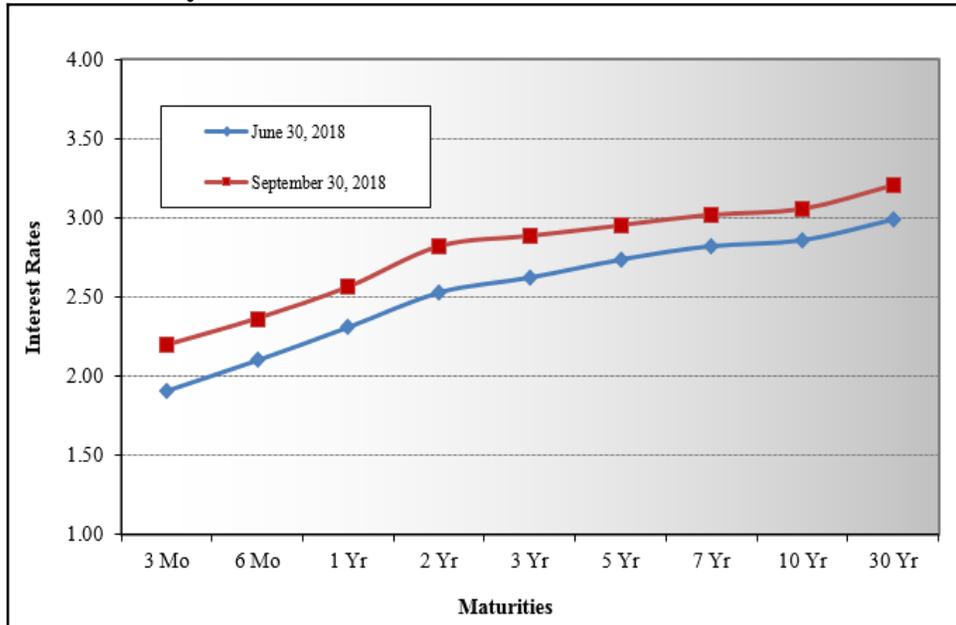
City of Sacramento
Ethel Hart Mutual Endowment Fund
 September 30, 2018

Performance

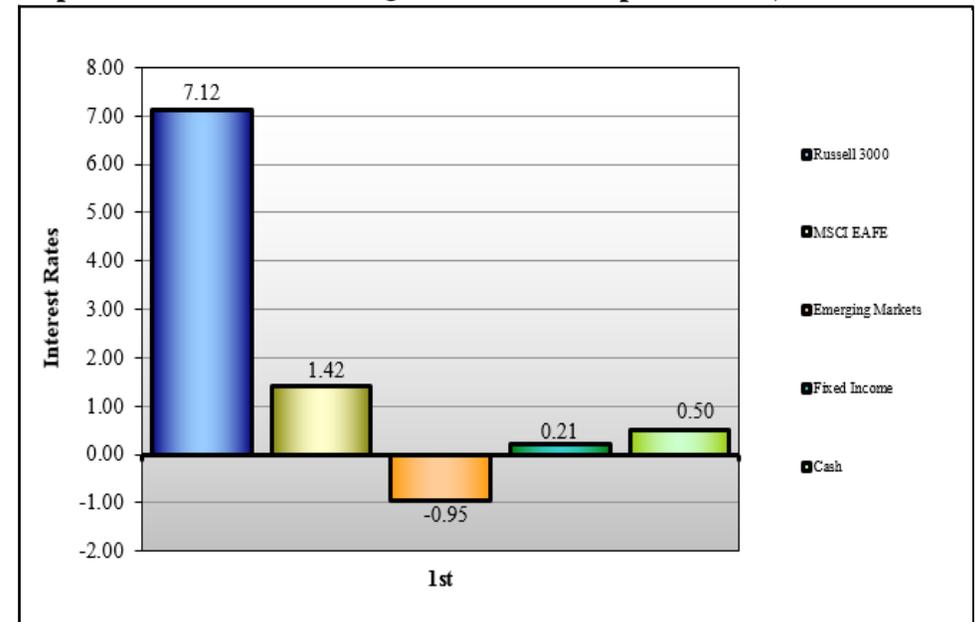
	Quarter To Date	Inception To Date
Account	7.90	8.27
Russell 1000 Value (Price Only)	5.04	6.13
S&P 500	7.20	6.74



U.S. Treasury Yield Curve - Fiscal Year 2018-19



Capital Market Returns - Quarter Ended September 30, 2018



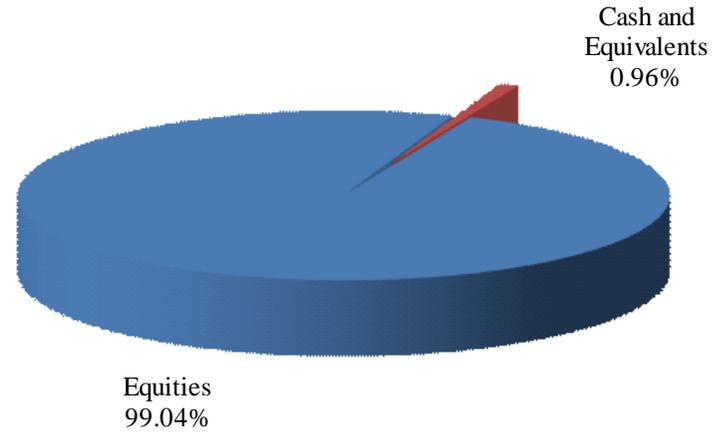
City of Sacramento
Ethel Hart Mutual Endowment Fund
 September 30, 2018

Activity

From 06-30-18 to 09-30-18

Portfolio Value on 06-30-18	2,402,202
Contributions	0
Withdrawals	-300,000
Realized Gains	-1,790
Unrealized Gains	169,985
Interest	660
Dividends	15,204
Portfolio Value on 09-30-18	2,286,261

Actual Asset Allocation



Top 10 Holdings

Securities	Market Value	Pct.
Select Sector Spdr Tr Sbi Int-Finl	179,270	7.84
Boeing Co Com	120,867	5.29
Ishares Tr Russell 1000 Val	120,289	5.26
Microsoft Corp	114,370	5.00
Ishares US Technology ETF	97,010	4.24
Apple Inc.	94,811	4.15
Jpmorgan Chase & Co	84,630	3.70
Home Depot Inc	82,860	3.62
Merck & Co Inc (new)	78,034	3.41
Select Sector Spdr Tr Sbi Cons Discr	70,332	3.08

City of Sacramento
PORTFOLIO APPRAISAL
Ethel Hart Mutual Endowment Fund
September 30, 2018

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Cur. Yield	S & P	Moody	Bond Status	Call Put Date
CASH AND EQUIVALENTS														
	divacc	Dividend Accrual		3,537		3,537		3,537	0.15	4.00				
	miscintrec	Misc Interest Receivable		4		4		4	0.00	4.00				
	PoolA	Pool A Cash		17,783		17,783		17,783	0.78	2.89				
	intreceiv	Pool A Interest Receivable		564		564		564	0.02	2.89				
				<u>21,888</u>		<u>21,888</u>		<u>21,888</u>	0.96	3.07				
COMMON STOCK														
INDUSTRIALS														
325	ba	Boeing Co Com	139.46	45,323	371.90	120,867		120,867	5.29	1.84	A+			
300	de	Deere & Co Com	81.10	24,329	150.33	45,099		45,099	1.97	1.84	B+			
300	hon	Honeywell	109.78	32,933	166.40	49,920		49,920	2.18	1.97	A-			
250	iyt	Ishares Tr Transp Ave Idx	77.24	19,310	204.55	51,137		51,137	2.24	1.03				
380	unp	Union Pac Corp Com	109.96	41,786	162.83	61,875		61,875	2.71	1.97	A			
				<u>163,680</u>		<u>328,899</u>		<u>328,899</u>	14.39	1.76				
COMMUNICATION SERVICES														
1,100	t	At&t Inc	37.42	41,159	33.58	36,938		36,938	1.62	5.96	B			
600	dis	Disney (Walt) Com	43.82	26,292	116.94	70,164		70,164	3.07	1.44	A+			
1,000	vz	Verizon Communications Inc	39.15	39,153	53.39	53,390		53,390	2.34	4.51	B			
				<u>106,604</u>		<u>160,492</u>		<u>160,492</u>	7.02	3.50				
CONSUMER DISCRETIONARY														
400	hd	Home Depot Inc	79.80	31,920	207.15	82,860		82,860	3.62	1.99	A+			
250	mcd	Mcdonald's Corp	52.28	13,070	167.29	41,822		41,822	1.83	2.77	A			
600	xly	Select Sector Spdr Tr Sbi Cons Discr	29.60	17,760	117.22	70,332		70,332	3.08	1.10				
				<u>62,750</u>		<u>195,014</u>		<u>195,014</u>	8.53	1.84				
CONSUMER STAPLES														
1,100	mo	Altria Group Inc	26.65	29,317	60.31	66,341		66,341	2.90	5.31	A-			
1,120	ko	Coca Cola Co Com	36.12	40,455	46.19	51,733		51,733	2.26	3.38	B+			
300	pep	Pepsico Inc	117.43	35,229	111.80	33,540		33,540	1.47	3.32	A-			
450	pg	Procter & Gamble Co	88.20	39,690	83.23	37,453		37,453	1.64	3.45	A			
				<u>144,691</u>		<u>189,067</u>		<u>189,067</u>	8.27	4.06				
ENERGY														
540	cvx	Chevron Corporation	102.80	55,510	122.28	66,031		66,031	2.89	3.66	B			
580	xom	Exxon Mobil Corporation	83.25	48,286	85.02	49,312		49,312	2.16	3.86	B+			
525	xle	Select Sector Spdr Tr Sbi Int-Energy	75.56	39,667	75.74	39,763		39,763	1.74	2.59				
				<u>143,464</u>		<u>155,106</u>		<u>155,106</u>	6.78	3.45				
FINANCIAL														
750	jpm	Jpmorgan Chase & Co	45.10	33,825	112.84	84,630		84,630	3.70	2.84	A-			
700	met	Metlife Inc Com	42.57	29,802	46.72	32,704		32,704	1.43	3.60	B+			
6,500	xlf	Select Sector Spdr Tr Sbi Int-Finl	13.41	87,177	27.58	179,270		179,270	7.84	1.74				

City of Sacramento
PORTFOLIO APPRAISAL
Ethel Hart Mutual Endowment Fund
September 30, 2018

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Cur. Yield	S & P	Moody	Bond Status	Call Put Date
800	usb	U. S. Bancorp	31.49	25,192	52.81	42,248		42,248	1.85	2.80	A-			
				175,996		338,852		338,852	14.82	2.32				
HEALTHCARE														
250	iyh	Ishares US Healthcare ETF	76.89	19,222	202.90	50,725		50,725	2.22	1.02				
500	jnj	Johnson & Johnson	61.41	30,704	138.17	69,085		69,085	3.02	2.43	A-			
1,100	mrk	Merck & Co Inc (new)	47.16	51,875	70.94	78,034		78,034	3.41	2.71	B-			
1,200	pfe	Pfizer Inc	25.02	30,024	44.07	52,884		52,884	2.31	3.09	B+			
				131,826		250,728		250,728	10.97	2.37				
INFORMATION TECHNOLOGY														
420	aapl	Apple Inc.	90.36	37,951	225.74	94,811		94,811	4.15	1.29	B+			
300	ibm	International Bus Mach	122.35	36,705	151.21	45,363		45,363	1.98	4.15	A-			
500	iyw	Ishares US Technology ETF	44.52	22,260	194.02	97,010		97,010	4.24	0.74				
1,000	msft	Microsoft Corp	24.44	24,435	114.37	114,370		114,370	5.00	1.61	B+			
				121,352		351,554		351,554	15.38	1.61				
UTILITIES														
400	d	Dominion Energy Inc	36.45	14,579	70.28	28,112		28,112	1.23	4.75	B			
600	pnw	Pinnacle West Cap Corp	47.13	28,276	79.18	47,508		47,508	2.08	3.51	A-			
1,000	xlu	Select Sector Spdr Tr Sbi Int-Utils	42.25	42,250	52.65	52,650		52,650	2.30	3.44				
				85,105		128,270		128,270	5.61	3.76				
PASSIVE INDEX														
950	iwd	Ishares Tr Russell 1000 Val	129.47	122,996	126.62	120,289		120,289	5.26	2.23				
				1,258,464		2,218,272		2,218,272	97.03	2.48				
AMERICAN DEPOSITORY RECEIPTS														
ENERGY														
1,000	bp	BP Plc Sponsored Adr	42.25	42,250	46.10	46,100		46,100	2.02	5.29				
				42,250		46,100		46,100	2.02	5.29				
TOTAL PORTFOLIO				1,322,602		2,286,261	0	2,286,261	100.00	2.54				

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
Ethel Hart Mutual Endowment Fund
 From 07-01-18 To 09-30-18

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
<u>Sales</u>							
COMMON STOCK							
08-16-2018	08-20-2018	100	Blackrock Inc Com	477.32	47,732	341.58	13,574
08-16-2018	08-20-2018	2,000	General Electric Co	12.30	24,600	34.68	-44,767
08-16-2018	08-20-2018	250	McDonald's Corp	161.99	40,497	52.28	27,427
07-19-2018	07-23-2018	550	Philip Morris Intl Inc Com	79.50	43,726	48.11	17,264
08-16-2018	08-20-2018	1,200	Spdr S&p Insurance Etf	31.77	38,118	13.55	21,862
					194,673		35,361
Total Sales					194,673		35,361

Q2 FY2019

**Ethel Hart Mutual Endowment Fund
Quarterly Investment Report
December 31, 2018**



Office of the City Treasurer - City of Sacramento

John Colville, City Treasurer

Q2 FY2019

INTRODUCTION

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The Advisory Committee is responsible for providing advice to City staff and the City Council on the appropriate use of the Ethel MacLeod Hart Trust Fund for Senior Citizens consistent with the terms of the bequest, the interest of the donor, and the approved general guidelines. The Advisory Committee consists of seven members appointed by the Mayor. Appointees must be residents of the City and at least sixty (60) years of age. Two Advisory Committee members must be representatives of specific organizations: American Association of Retired Persons and Sacramento County Adult and Aging Commission.

STRATEGY

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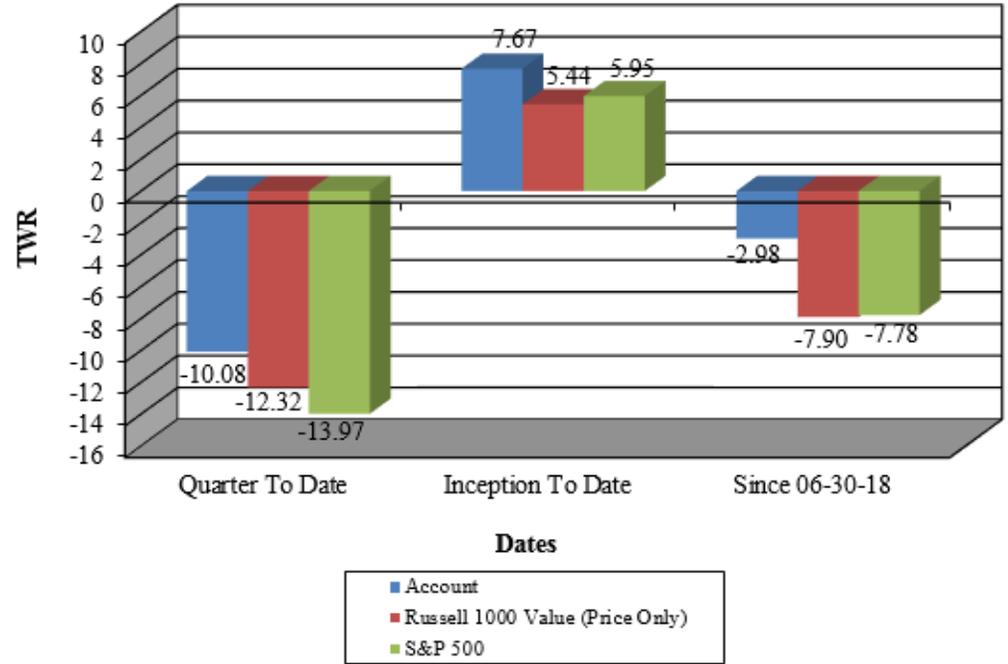
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- * To earn a total rate of return on the Hart Trust Endowment Fund to meet the return objectives of \$400,000 (approximately 4% compounded annually) over subsequent five-year periods; and
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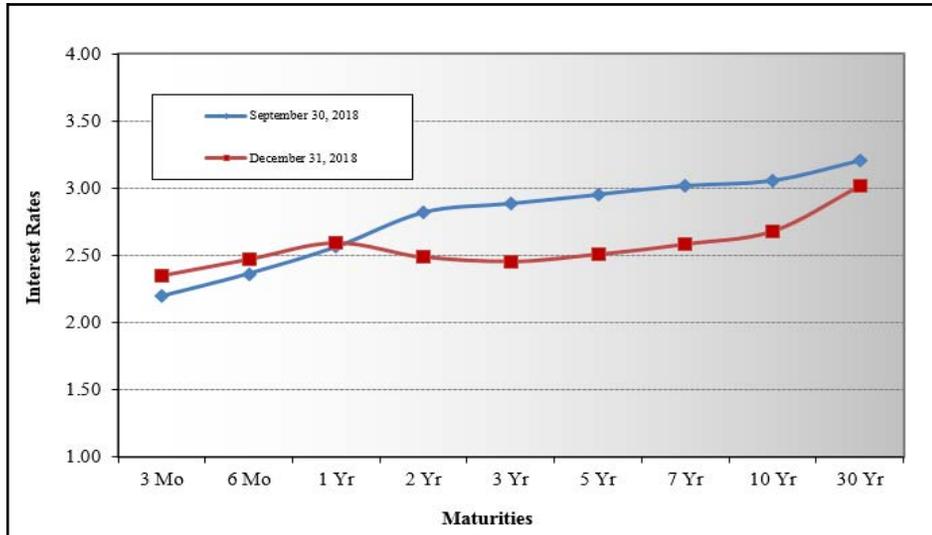
City of Sacramento
Ethel Hart Mutual Endowment Fund
 December 31, 2018

Performance

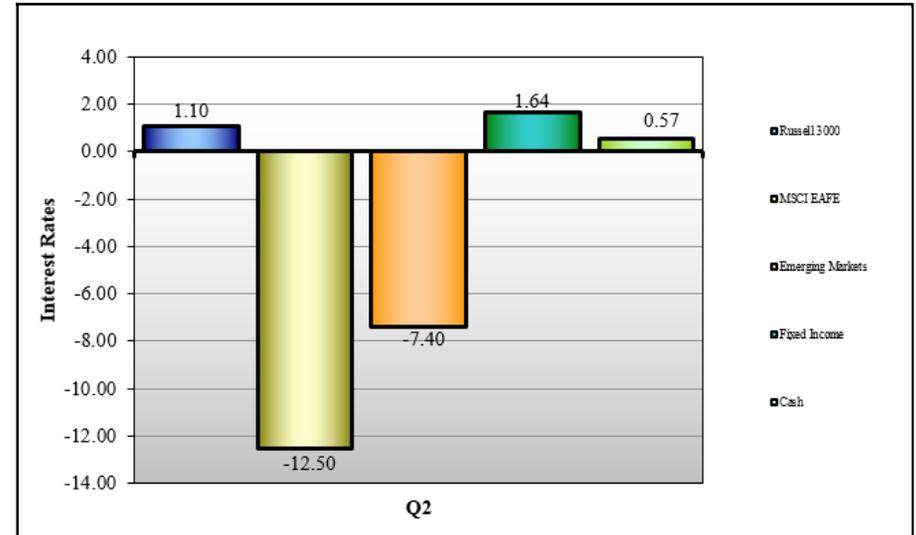
	Quarter To Date	Inception To Date	Since 06-30-2018
Account	-10.08	7.67	-2.98
Russell 1000 Value (Price Only)	-12.32	5.44	-7.90
S&P 500	-13.97	5.95	-7.78



U.S. Treasury Yield Curve - Fiscal Year 2018-19



Capital Market Returns - Quarter Ended December 31, 2018



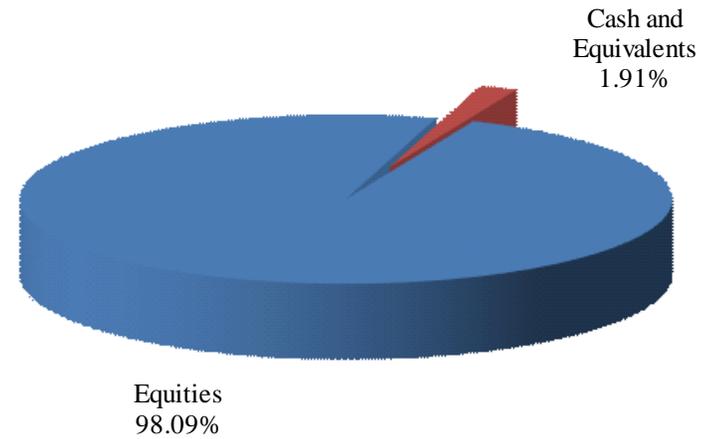
City of Sacramento
Ethel Hart Mutual Endowment Fund
 December 31, 2018

Activity

From 09-30-18 to 12-31-18

Portfolio Value on 09-30-18	2,286,261
Contributions	0
Withdrawals	0
Realized Gains	299
Unrealized Gains	-246,394
Interest	135
Dividends	15,483
Portfolio Value on 12-31-18	2,055,783

Actual Asset Allocation



Top 10 Holdings

Securities	Market Value	Pct.
Select Sector Spdr Tr Sbi Int-Finl	154,830	7.53
Ishares Tr Russell 1000 Val	105,497	5.13
Boeing Co Com	104,812	5.10
Microsoft Corp	101,570	4.94
Merck & Co Inc (new)	84,051	4.09
Ishares US Technology ETF	79,965	3.89
Jpmorgan Chase & Co	73,215	3.56
Home Depot Inc	68,728	3.34
Apple Inc.	66,251	3.22
Disney (Walt) Com	65,790	3.20

City of Sacramento
PORTFOLIO APPRAISAL
Ethel Hart Mutual Endowment Fund
 December 31, 2018

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Cur. Yield	S & P	Moody	Bond Status	Call Put Date
CASH AND EQUIVALENTS														
	divacc	Dividend Accrual		3,172		3,172		3,172	0.15	4.00				
	miscintrec	Misc Interest Receivable		8		8		8	0.00	4.00				
	PoolA	Pool A Cash		35,302		35,302		35,302	1.72	2.41				
	intreceiv	Pool A Interest Receivable		682		682		682	0.03	2.41				
				<u>39,164</u>		<u>39,164</u>		<u>39,164</u>	1.91	2.54				
COMMON STOCK														
INDUSTRIALS														
325	ba	Boeing Co Com	139.46	45,323	322.50	104,812		104,812	5.10	2.55	A+			
300	de	Deere & Co Com	81.10	24,329	149.17	44,751		44,751	2.18	2.04	B+			
300	hon	Honeywell	105.24	31,573	132.12	39,636		39,636	1.93	2.48	A-			
250	iyt	Ishares Tr Transp Ave Idx	77.24	19,310	165.01	41,252		41,252	2.01	1.35				
380	unp	Union Pac Corp Com	109.96	41,786	138.23	52,527		52,527	2.56	2.31	A			
				<u>162,320</u>		<u>282,979</u>		<u>282,979</u>	13.77	2.24				
COMMUNICATION SERVICES														
1,100	t	At&t Inc	37.42	41,159	28.54	31,394		31,394	1.53	7.15	B			
600	dis	Disney (Walt) Com	43.82	26,292	109.65	65,790		65,790	3.20	1.61	A+			
1,000	vz	Verizon Communications Inc	39.15	39,153	56.22	56,220		56,220	2.73	4.29	B			
				<u>106,604</u>		<u>153,404</u>		<u>153,404</u>	7.46	3.72				
CONSUMER DISCRETIONARY														
400	hd	Home Depot Inc	79.80	31,920	171.82	68,728		68,728	3.34	2.40	A+			
250	mcd	Mcdonald's Corp	52.28	13,070	177.57	44,392		44,392	2.16	2.61	A			
600	xly	Select Sector Spdr Tr Sbi Cons Discr	29.60	17,760	99.01	59,406		59,406	2.89	1.34				
				<u>62,750</u>		<u>172,526</u>		<u>172,526</u>	8.39	2.09				
CONSUMER STAPLES														
1,100	mo	Altria Group Inc	26.65	29,317	49.39	54,329		54,329	2.64	6.48	A-			
1,120	ko	Coca Cola Co Com	36.12	40,455	47.35	53,032		53,032	2.58	3.29	B+			
300	pep	Pepsico Inc	117.43	35,229	110.48	33,144		33,144	1.61	3.36	A-			
450	pg	Procter & Gamble Co	88.20	39,690	91.92	41,364		41,364	2.01	3.12	A			
				<u>144,691</u>		<u>181,869</u>		<u>181,869</u>	8.85	4.22				
ENERGY														
540	cvx	Chevron Corporation	102.80	55,510	108.79	58,747		58,747	2.86	4.12	B			
580	xom	Exxon Mobil Corporation	83.25	48,286	68.19	39,550		39,550	1.92	4.81	B+			
525	xle	Select Sector Spdr Tr Sbi Int-Energy	75.56	39,667	57.35	30,109		30,109	1.46	3.54				
				<u>143,464</u>		<u>128,406</u>		<u>128,406</u>	6.25	4.20				
FINANCIAL														
750	jpm	Jpmorgan Chase & Co	45.10	33,825	97.62	73,215		73,215	3.56	3.28	A-			
700	met	Metlife Inc Com	42.57	29,802	41.06	28,742		28,742	1.40	4.09	B+			
6,500	xlf	Select Sector Spdr Tr Sbi Int-Finl	13.41	87,177	23.82	154,830		154,830	7.53	2.08				

City of Sacramento
PORTFOLIO APPRAISAL
Ethel Hart Mutual Endowment Fund
 December 31, 2018

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Cur. Yield	S & P	Moody	Bond Status	Call Put Date
800	usb	U. S. Bancorp	31.49	25,192	45.70	36,560		36,560	1.78	3.24	A-			
				175,996		293,347		293,347	14.27	2.72				
HEALTHCARE														
250	iyh	Ishares US Healthcare ETF	76.89	19,222	180.81	45,202		45,202	2.20	1.95				
500	jnj	Johnson & Johnson	61.41	30,704	129.05	64,525		64,525	3.14	2.60	A-			
1,100	mrk	Merck & Co Inc (new)	47.16	51,875	76.41	84,051		84,051	4.09	2.88	B-			
1,200	pfe	Pfizer Inc	25.02	30,024	43.65	52,380		52,380	2.55	3.30	B+			
				131,826		246,158		246,158	11.97	2.73				
INFORMATION TECHNOLOGY														
420	aapl	Apple Inc.	90.36	37,951	157.74	66,251		66,251	3.22	1.85	B+			
300	ibm	International Bus Mach	122.35	36,705	113.67	34,101		34,101	1.66	5.52	A-			
500	iyw	Ishares US Technology ETF	44.52	22,260	159.93	79,965		79,965	3.89	0.92				
1,000	msft	Microsoft Corp	24.44	24,435	101.57	101,570		101,570	4.94	1.81	B+			
				121,352		281,887		281,887	13.71	2.02				
UTILITIES														
400	d	Dominion Energy Inc	36.45	14,579	71.46	28,584		28,584	1.39	4.67	B			
600	pnw	Pinnacle West Cap Corp	47.13	28,276	85.20	51,120		51,120	2.49	3.46	A-			
1,000	xlu	Select Sector Spdr Tr Sbi Int-Utils	42.25	42,250	52.92	52,920		52,920	2.57	3.33				
				85,105		132,624		132,624	6.45	3.67				
PASSIVE INDEX														
950	iwd	Ishares Tr Russell 1000 Val	129.47	122,996	111.05	105,497		105,497	5.13	2.71				
				1,257,104		1,978,698		1,978,698	96.25	2.87				
AMERICAN DEPOSITORY RECEIPTS														
ENERGY														
1,000	bp	BP Plc Sponsored Adr	42.25	42,250	37.92	37,920		37,920	1.84	6.43				
				42,250		37,920		37,920	1.84	6.43				
TOTAL PORTFOLIO				1,338,518		2,055,783	0	2,055,783	100.00	2.93				

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
Ethel Hart Mutual Endowment Fund
 From 10-01-18 To 12-31-18

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
<u>Sales</u>							
COMMON STOCK							
10-16-2018	10-18-2018	30	Garrett Motion Inc Com	15.25	457	11.49	113
11-05-2018	11-07-2018	50	Resideo Technologies Inc	24.02	1,201	20.31	186
					1,659		299
Total Sales					1,659		299

Q3 FY2019

Ethel Hart Mutual Endowment Fund Quarterly Investment Report March 31, 2019



Office of the City Treasurer - City of Sacramento

John Colville, City Treasurer

Q3 FY2019

INTRODUCTION

In 1993, Ethel MacLeod Hart left a bequest of \$1,498,719.07 to the City of Sacramento for the “.. use, enjoyment and comfort of senior citizens.” On the recommendation of the Ethel MacLeod Hart Advisory Committee a permanent endowment of \$1,000,000 was established. The balance of the bequest was retained in an operating fund account (Hart Operating Fund) and used over the next five-year period for appropriate projects. Annually the amount available for disbursement will be reported to the Board by Rosanne Bernardy, Superintendent of the Office of Human Services. The Hart Trust Endowment Fund (“the Fund”) will be invested with a growth objective. The minimum return objective on these dollars over a five year period is \$400,000 or roughly 4% compounded annually.

The Advisory Committee is responsible for providing advice to City staff and the City Council on the appropriate use of the Ethel MacLeod Hart Trust Fund for Senior Citizens consistent with the terms of the bequest, the interest of the donor, and the approved general guidelines. The Advisory Committee consists of seven members appointed by the Mayor. Appointees must be residents of the City and at least sixty (60) years of age. Two Advisory Committee members must be representatives of specific organizations: American Association of Retired Persons and Sacramento County Adult and Aging Commission.

STRATEGY

- * Adhere to prudent investment practices to provide for the preservation and growth of principal; and

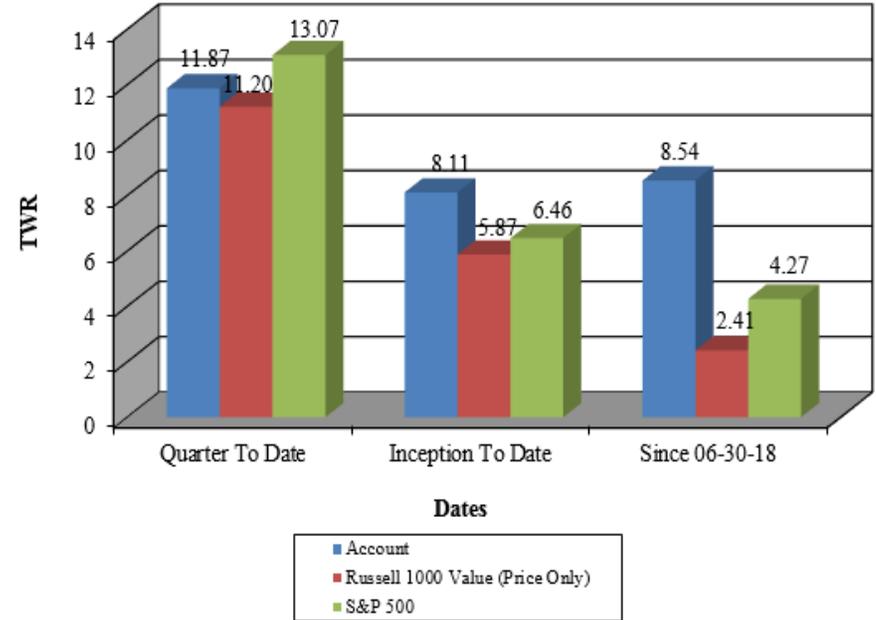
OBJECTIVES

- * The objective for this fund is growth and capital preservation; and
- * To earn a total rate of return on the Hart Trust Endowment Fund to meet the return objectives of \$400,000 (approximately 4% compounded annually) over subsequent five-year periods; and
- * Provide liquidity for the Hart Operating Fund for the “..use, enjoyment and comfort of senior citizens” based on recommendations to City Council by the Advisory Committee.

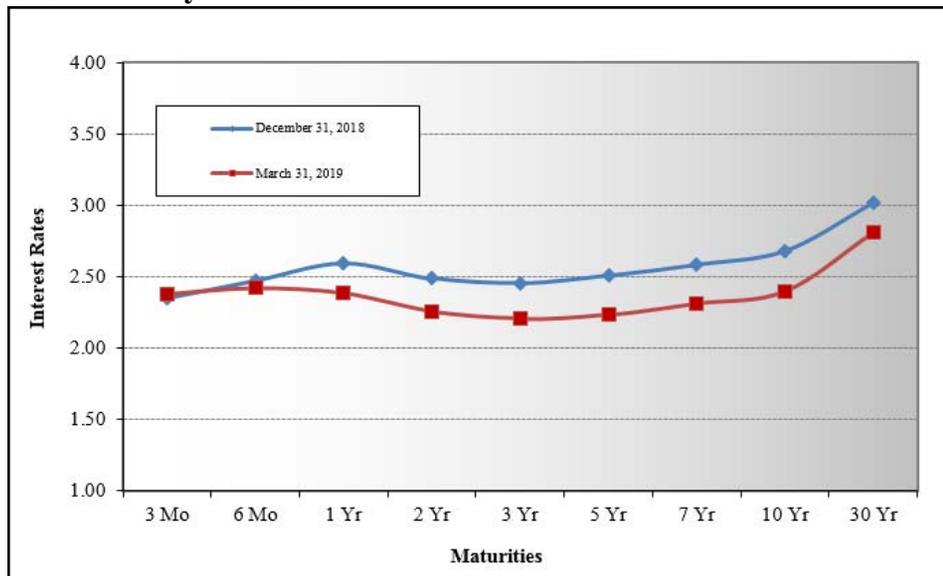
City of Sacramento
Ethel Hart Mutual Endowment Fund
 March 31, 2019

Performance

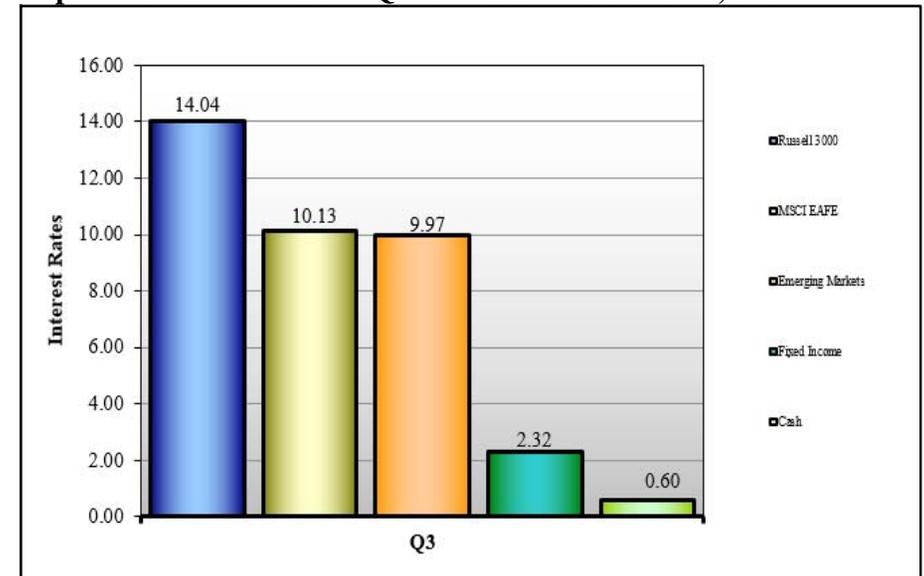
	Quarter To Date	Inception To Date	Since 06-30-2018
Account	11.87	8.11	8.54
Russell 1000 Value (Price Only)	11.20	5.87	2.41
S&P 500	13.07	6.46	4.27



U.S. Treasury Yield Curve - Fiscal Year 2018-19



Capital Market Returns - Quarter Ended March 31, 2019



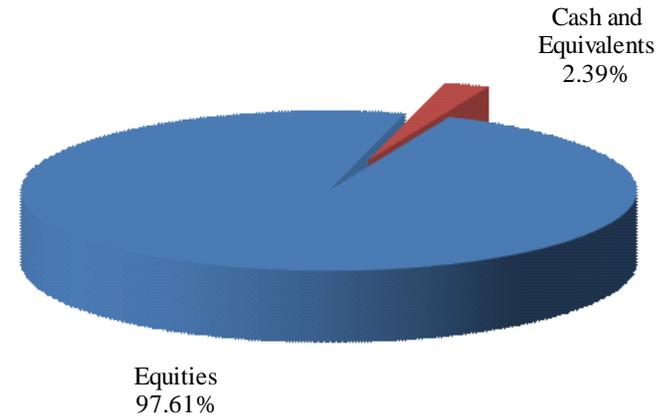
City of Sacramento
Ethel Hart Mutual Endowment Fund
 March 31, 2019

Activity

From 12-31-18 to 03-31-19

Portfolio Value on 12-31-18	2,055,783
Contributions	0
Withdrawals	0
Realized Gains	0
Unrealized Gains	228,191
Interest	1,101
Dividends	14,768
Portfolio Value on 03-31-19	2,299,843

Actual Asset Allocation



Top 10 Holdings

Securities	Market Value	Pct.
Select Sector Spdr Tr Sbi Int-Finl	167,115	7.27
Boeing Co Com	123,961	5.39
Microsoft Corp	117,940	5.13
Ishares Tr Russell 1000 Val	117,315	5.10
Ishares US Technology ETF	95,300	4.14
Merck & Co Inc (new)	91,487	3.98
Apple Inc.	79,779	3.47
Home Depot Inc	76,756	3.34
Jpmorgan Chase & Co	75,922	3.30
Johnson & Johnson	69,895	3.04

City of Sacramento
PORTFOLIO APPRAISAL
Ethel Hart Mutual Endowment Fund
 March 31, 2019

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Cur. Yield	S & P	Moody	Bond Status	Call Put Date
CASH AND EQUIVALENTS														
	divacc	Dividend Accrual		2,457		2,457		2,457	0.11	4.00				
	fidfund	Fidelity Fund		610		610		610	0.03	2.04				
	miscintrec	Misc Interest Receivable		7		7		7	0.00	2.04				
	PoolA	Pool A Cash		51,056		51,056		51,056	2.22	2.50				
	intreceiv	Pool A Interest Receivable		904		904		904	0.04	2.50				
				<u>55,034</u>		<u>55,034</u>		<u>55,034</u>	2.39	2.56				
COMMON STOCK														
INDUSTRIALS														
325	ba	Boeing Co Com	139.46	45,323	381.42	123,961		123,961	5.39	2.16	A+			
300	de	Deere & Co Com	81.10	24,329	159.84	47,952		47,952	2.09	1.90	B+			
300	hon	Honeywell	105.24	31,573	158.92	47,676		47,676	2.07	2.06	A-			
250	iyt	Ishares Tr Transp Ave Idx	77.24	19,310	187.26	46,815		46,815	2.04	1.15				
380	unp	Union Pac Corp Com	109.96	41,786	167.20	63,536		63,536	2.76	2.11	A			
				<u>162,320</u>		<u>329,940</u>		<u>329,940</u>	14.35	1.95				
COMMUNICATION SERVICES														
1,100	t	At&t Inc	37.42	41,159	31.36	34,496		34,496	1.50	6.51	B			
600	dis	Disney (Walt) Com	43.82	26,292	111.03	66,618		66,618	2.90	1.59	A+			
1,000	vz	Verizon Communications Inc	39.15	39,153	59.13	59,130		59,130	2.57	4.08	B			
				<u>106,604</u>		<u>160,244</u>		<u>160,244</u>	6.97	3.56				
CONSUMER DISCRETIONARY														
400	hd	Home Depot Inc	79.80	31,920	191.89	76,756		76,756	3.34	2.83	A+			
250	mcd	McDonald's Corp	52.28	13,070	189.90	47,475		47,475	2.06	2.44	A			
600	xly	Select Sector Spdr Tr Sbi Cons Discr	29.60	17,760	113.85	68,310		68,310	2.97	1.23				
				<u>62,750</u>		<u>192,541</u>		<u>192,541</u>	8.37	2.17				
CONSUMER STAPLES														
1,100	mo	Altria Group Inc	26.65	29,317	57.43	63,173		63,173	2.75	5.57	A-			
1,120	ko	Coca Cola Co Com	36.12	40,455	46.86	52,483		52,483	2.28	3.41	B+			
300	pep	Pepsico Inc	117.43	35,229	122.55	36,765		36,765	1.60	3.03	A-			
450	pg	Procter & Gamble Co	88.20	39,690	104.05	46,822		46,822	2.04	2.76	A			
				<u>144,691</u>		<u>199,244</u>		<u>199,244</u>	8.66	3.87				
ENERGY														
540	cvx	Chevron Corporation	102.80	55,510	123.18	66,517		66,517	2.89	3.86	B			
580	xom	Exxon Mobil Corporation	83.25	48,286	80.80	46,864		46,864	2.04	4.06	B+			
525	xle	Select Sector Spdr Tr Sbi Int-Energy	75.56	39,667	66.12	34,713		34,713	1.51	3.13				
				<u>143,464</u>		<u>148,094</u>		<u>148,094</u>	6.44	3.75				
FINANCIAL														
750	jpm	Jpmorgan Chase & Co	45.10	33,825	101.23	75,922		75,922	3.30	3.16	A-			
700	met	Metlife Inc Com	42.57	29,802	42.57	29,799		29,799	1.30	3.95	B+			

City of Sacramento
PORTFOLIO APPRAISAL
Ethel Hart Mutual Endowment Fund
 March 31, 2019

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Cur. Yield	S & P	Moody	Bond Status	Call Put Date
6,500	xf	Select Sector Spdr Tr Sbi Int-Finl	13.41	87,177	25.71	167,115		167,115	7.27	2.05				
800	usb	U. S. Bancorp	31.49	25,192	48.19	38,552		38,552	1.68	3.07	A			
				175,996		311,388		311,388	13.54	2.63				
HEALTHCARE														
250	iyh	Ishares US Healthcare ETF	76.89	19,222	193.78	48,445		48,445	2.11	1.84				
500	jn	Johnson & Johnson	61.41	30,704	139.79	69,895		69,895	3.04	2.40	A-			
1,100	mrk	Merck & Co Inc (new)	47.16	51,875	83.17	91,487		91,487	3.98	2.65	B-			
1,200	pfe	Pfizer Inc	25.02	30,024	42.47	50,964		50,964	2.22	3.39	B+			
				131,826		260,791		260,791	11.34	2.58				
INFORMATION TECHNOLOGY														
420	aapl	Apple Inc.	90.36	37,951	189.95	79,779		79,779	3.47	1.54	B+			
300	ibm	International Bus Mach	122.35	36,705	141.10	42,330		42,330	1.84	4.45	A-			
500	iyw	Ishares US Technology ETF	44.52	22,260	190.60	95,300		95,300	4.14	0.79				
1,000	msft	Microsoft Corp	24.44	24,435	117.94	117,940		117,940	5.13	1.56	B+			
				121,352		335,349		335,349	14.58	1.70				
UTILITIES														
400	d	Dominion Energy Inc	36.45	14,579	76.66	30,664		30,664	1.33	4.79	B			
600	pnw	Pinnacle West Cap Corp	47.13	28,276	95.58	57,348		57,348	2.49	3.09	A-			
1,000	xlu	Select Sector Spdr Tr Sbi Int-Utils	42.25	42,250	58.17	58,170		58,170	2.53	3.10				
				85,105		146,182		146,182	6.36	3.45				
PASSIVE INDEX														
950	iwd	Ishares Tr Russell 1000 Val	129.47	122,996	123.49	117,315		117,315	5.10	2.43				
				1,257,104		2,201,089		2,201,089	95.71	2.64				
AMERICAN DEPOSITORY RECEIPTS														
ENERGY														
1,000	bp	BP Plc Sponsored Adr	42.25	42,250	43.72	43,720		43,720	1.90	5.58				
				42,250		43,720		43,720	1.90	5.58				
TOTAL PORTFOLIO				1,354,387		2,299,843	0	2,299,843	100.00	2.69				

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
Ethel Hart Mutual Endowment Fund
From 01-01-19 To 03-31-19

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
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No transactions within the specified date range were found!

Q4 FY2019

Ethel Hart Mutual Endowment Fund Quarterly Investment Report June 30, 2019



Office of the City Treasurer - City of Sacramento

John Colville, City Treasurer

Q4 FY2019

INTRODUCTION

In 1993, Ethel MacLeod Hart left a bequest of \$1,498,719.07 to the City of Sacramento for the “.. use, enjoyment and comfort of senior citizens.” On the recommendation of the Ethel MacLeod Hart Advisory Committee a permanent endowment of \$1,000,000 was established. The balance of the bequest was retained in an operating fund account (Hart Operating Fund) and used over the next five-year period for appropriate projects. Annually the amount available for disbursement will be reported to the Board by Rosanne Bernardy, Superintendent of the Office of Human Services. The Hart Trust Endowment Fund (“the Fund”) will be invested with a growth objective. The minimum return objective on these dollars over a five year period is \$400,000 or roughly 4% compounded annually.

The Advisory Committee is responsible for providing advice to City staff and the City Council on the appropriate use of the Ethel MacLeod Hart Trust Fund for Senior Citizens consistent with the terms of the bequest, the interest of the donor, and the approved general guidelines. The Advisory Committee consists of seven members appointed by the Mayor. Appointees must be residents of the City and at least sixty (60) years of age. Two Advisory Committee members must be representatives of specific organizations: American Association of Retired Persons and Sacramento County Adult and Aging Commission.

STRATEGY

- * Adhere to prudent investment practices to provide for the preservation and growth of principal; and

OBJECTIVES

- * The objective for this fund is growth and capital preservation; and
- * To earn a total rate of return on the Hart Trust Endowment Fund to meet the return objectives of \$400,000 (approximately 4% compounded annually) over subsequent five-year periods; and
- * Provide liquidity for the Hart Operating Fund for the “..use, enjoyment and comfort of senior citizens” based on recommendations to City Council by the Advisory Committee.

Market Overview Q4 2019

US equity markets ended Q4 ~ 2.5-3.5% higher across the major indices despite increased trade turmoil. Trade tensions with China escalated in May, driving equities down ~ 6% and reversing gains from March. However, in June the markets reacted to renewed trade negotiations and the Fed's increasingly dovish tone, providing a sharp turnaround and helping to end the quarter in the green. The Ethel Hart Mutual Endowment Fund outperformed its benchmark, the Russell 1000 with a Q4 return of 4.24%, versus a 3.17% return of the benchmark.

The dovish tone from the Fed originated from a few different factors: global slowdown, weakening economic numbers and the ever-elusive inflation target. This led to a steady decline in treasury rates and an increased probability of a July rate cut. The treasury yield curve progressively became more inverted throughout the quarter as markets began to price in these expected cuts. We didn't quite see the extreme invert of the 2-year treasury yield and 10-year treasury yield that many experts believe to be a leading indicator for recessions. While an inverted yield curve should be noted, we're still seeing decent domestic economic figures.

Q4 GDP grew 2.1% (down from Q3's 3.1%) while unemployment and wage growth remained healthy (3.6% and 4.3% respectively). The area of concern fell on weakening consumer confidence and the slowing of business activity. Should the US/China trade tensions continue, we could see a continual slowing of the economy, and the potential need for more aggressive rate cuts to meet inflation and unemployment targets.

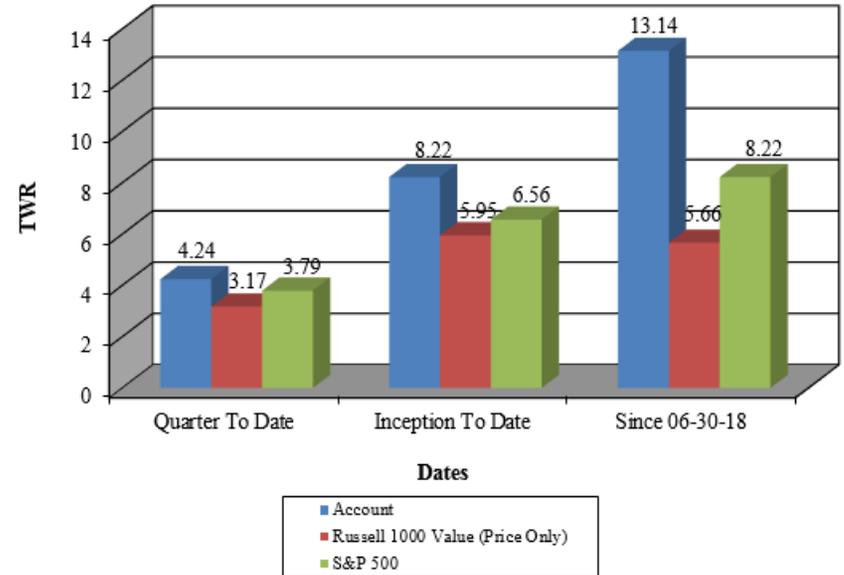
International equities continued to underperform in Q4. The MSCI EAFE which tracks international developed markets, returned 2.5%, and the MSCI Emerging Markets index returned -.31%. To counteract the poor performance of international markets, Central Banks have begun discussions of easing monetary policy in hopes of generating growth.

*Quarters are reflective of the City's fiscal year

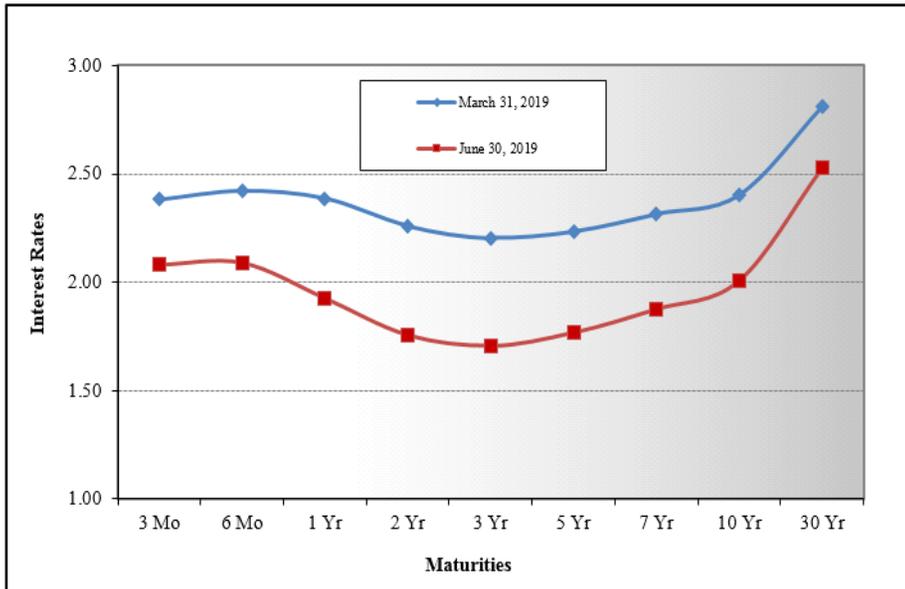
City of Sacramento
Ethel Hart Mutual Endowment Fund
 June 30, 2019

Performance

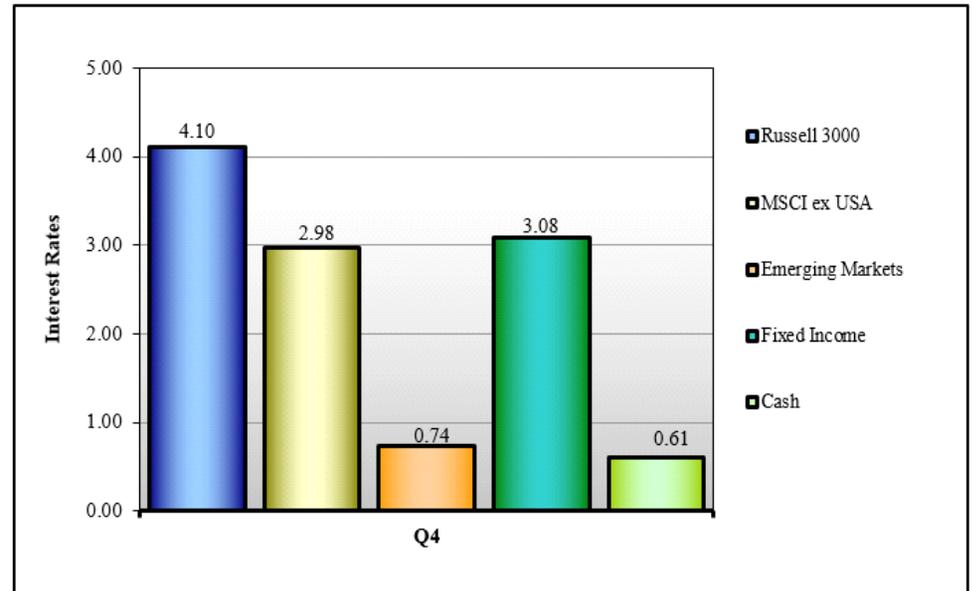
	Quarter To Date	Inception To Date	Since 06-30-2018
Account	4.24	8.22	13.14
Russell 1000 Value (Price Only)	3.17	5.95	5.66
S&P 500	3.79	6.56	8.22



U.S. Treasury Yield Curve - Fiscal Year 2018-19



Capital Market Returns - Quarter Ended June 30, 2019



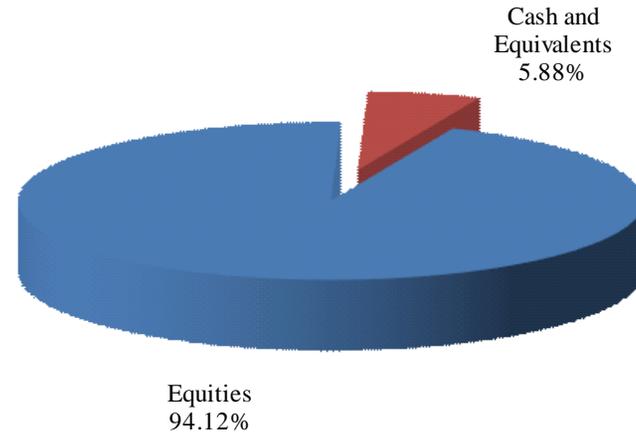
City of Sacramento
Ethel Hart Mutual Endowment Fund
 June 30, 2019

Activity

From 03-31-19 to 06-30-19

Portfolio Value on 03-31-19	2,299,843
Contributions	0
Withdrawals	0
Realized Gains	-801
Unrealized Gains	82,739
Interest	426
Dividends	15,092
Portfolio Value on 06-30-19	2,397,298

Actual Asset Allocation



Top 10 Holdings

Securities	Market Value	Pct.
Select Sector Spdr Tr Sbi Int-Finl	179,400	7.48
Pool A Cash	138,487	5.78
Ishares Tr Russell 1000 Val	120,859	5.04
Microsoft Corp	107,168	4.47
Ishares US Technology ETF	98,945	4.13
Merck & Co Inc (new)	92,235	3.85
Jpmorgan Chase & Co	83,850	3.50
Disney (Walt) Com	83,784	3.49
Home Depot Inc	83,188	3.47
Apple Inc.	83,126	3.47

City of Sacramento
PORTFOLIO APPRAISAL
Ethel Hart Mutual Endowment Fund
 June 30, 2019

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Cur. Yield	S & P	Moody	Bond Status	Call Put Date
CASH AND EQUIVALENTS														
	divacc	Dividend Accrual		2,457		2,457		2,457	0.10	4.00				
	miscintrec	Misc Interest Receivable		71		71		71	0.00	1.75				
	PoolA	Pool A Cash		138,487		138,487		138,487	5.78	2.51				
				141,016		141,016		141,016	5.88	2.54				
COMMON STOCK														
INDUSTRIALS														
200	ba	Boeing Co Com	139.46	27,891	364.01	72,802		72,802	3.04	2.26	A+			
300	de	Deere & Co Com	81.10	24,329	165.71	49,713		49,713	2.07	1.83	B+			
300	hon	Honeywell	105.24	31,573	174.59	52,377		52,377	2.18	1.88	A-			
250	iyt	Ishares Tr Transp Ave Idx	77.24	19,310	188.19	47,047		47,047	1.96	1.16				
380	unp	Union Pac Corp Com	109.96	41,786	169.11	64,262		64,262	2.68	2.09	A			
				144,888		286,201		286,201	11.94	1.90				
COMMUNICATION SERVICES														
1,100	t	At&t Inc	37.42	41,159	33.51	36,861		36,861	1.54	6.09	B			
600	dis	Disney (Walt) Com	43.82	26,292	139.64	83,784		83,784	3.49	1.26	A+			
1,000	vz	Verizon Communications Inc	39.15	39,153	57.13	57,130		57,130	2.38	4.22	B			
				106,604		177,775		177,775	7.42	3.21				
CONSUMER DISCRETIONARY														
400	hd	Home Depot Inc	79.80	31,920	207.97	83,188		83,188	3.47	2.62	A+			
250	med	Mcdonald's Corp	52.28	13,070	207.66	51,915		51,915	2.17	2.23	A			
600	xly	Select Sector Spdr Tr Sbi Cons Discr	29.60	17,760	119.20	71,520		71,520	2.98	1.27				
				62,750		206,623		206,623	8.62	2.05				
CONSUMER STAPLES														
1,100	mo	Altria Group Inc	26.65	29,317	47.35	52,085		52,085	2.17	7.10	A-			
1,120	ko	Coca Cola Co Com	36.12	40,455	50.92	57,030		57,030	2.38	3.14	B+			
300	pep	Pepsico Inc	117.43	35,229	131.13	39,339		39,339	1.64	2.91	A-			
450	pg	Procter & Gamble Co	88.20	39,690	109.65	49,342		49,342	2.06	2.72	A			
				144,691		197,797		197,797	8.25	4.03				
ENERGY														
540	cvx	Chevron Corporation	102.80	55,510	124.44	67,198		67,198	2.80	3.83	B			
580	xom	Exxon Mobil Corporation	83.25	48,286	76.63	44,445		44,445	1.85	4.54	B+			
525	xle	Select Sector Spdr Tr Sbi Int-Energy	75.56	39,667	63.71	33,448		33,448	1.40	3.35				
				143,464		145,091		145,091	6.05	3.93				
FINANCIAL														
750	jpm	Jpmorgan Chase & Co	45.10	33,825	111.80	83,850		83,850	3.50	2.86	A-			
700	met	Metlife Inc Com	42.57	29,802	49.67	34,769		34,769	1.45	3.54	B+			
6,500	xlf	Select Sector Spdr Tr Sbi Int-Finl	13.41	87,177	27.60	179,400		179,400	7.48	1.98				

City of Sacramento
PORTFOLIO APPRAISAL
Ethel Hart Mutual Endowment Fund
 June 30, 2019

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Cur. Yield	S & P	Moody	Bond Status	Call Put Date
800	usb	U. S. Bancorp	31.49	25,192	52.40	41,920		41,920	1.75	2.82	A			
				175,996		339,939		339,939	14.18	2.46				
HEALTHCARE														
250	iyh	Ishares US Healthcare ETF	76.89	19,222	195.27	48,817		48,817	2.04	1.83				
500	jnj	Johnson & Johnson	61.41	30,704	139.28	69,640		69,640	2.90	2.73	A-			
1,100	mrk	Merck & Co Inc (new)	47.16	51,875	83.85	92,235		92,235	3.85	2.62	B-			
1,200	pfe	Pfizer Inc	25.02	30,024	43.32	51,984		51,984	2.17	3.32	B+			
				131,826		262,676		262,676	10.96	2.64				
INFORMATION TECHNOLOGY														
420	aapl	Apple Inc.	90.36	37,951	197.92	83,126		83,126	3.47	1.56	B+			
300	ibm	International Bus Mach	122.35	36,705	137.90	41,370		41,370	1.73	4.70	A-			
500	iyw	Ishares US Technology ETF	44.52	22,260	197.89	98,945		98,945	4.13	0.80				
800	msft	Microsoft Corp	24.44	19,548	133.96	107,168		107,168	4.47	1.37	B+			
				116,465		330,609		330,609	13.79	1.66				
UTILITIES														
400	d	Dominion Energy Inc	36.45	14,579	77.32	30,928		30,928	1.29	4.75	B			
600	pnw	Pinnacle West Cap Corp	47.13	28,276	94.09	56,454		56,454	2.35	3.14	A-			
1,000	xlu	Select Sector Spdr Tr Sbi Int-Utils	42.25	42,250	59.63	59,630		59,630	2.49	3.10				
				85,105		147,012		147,012	6.13	3.46				
PASSIVE INDEX														
950	iwd	Ishares Tr Russell 1000 Val	129.47	122,996	127.22	120,859		120,859	5.04	2.35				
				1,234,785		2,214,583		2,214,583	92.38	2.61				
AMERICAN DEPOSITORY RECEIPTS														
ENERGY														
1,000	bp	BP Plc Sponsored Adr	42.25	42,250	41.70	41,700		41,700	1.74	5.85				
				42,250		41,700		41,700	1.74	5.85				
TOTAL PORTFOLIO				1,418,050		2,397,298	0	2,397,298	100.00	2.66				

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
Ethel Hart Mutual Endowment Fund
 From 04-01-19 To 06-30-19

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
<u>Sales</u>							
COMMON STOCK							
06-07-2019	06-11-2019	125	Boeing Co Com	353.62	44,203	139.46	26,771
06-07-2019	06-11-2019	200	Microsoft Corp	131.30	26,261	24.44	21,374
					70,464		48,145
Total Sales					70,464		48,145