

Q1
FY2016

George H. Clark Memorial Scholarship Fund

Quarterly Investment Report

September 30, 2015

City of
SACRAMENTO
Office of the City Treasurer

[Office of the City Treasurer - City of Sacramento](#)

Russell Fehr, City Treasurer

Q1 FY2016



INTRODUCTION

In 1951 the George H. Clark Memorial Scholarship was established. In accordance with a will established in 1921, the trustees are to consist of the City Manager, City of Sacramento, and the Superintendent of Sacramento City Unified School District with the highest student populous. On February 2, 2001, the City Treasurer received a contribution of \$627,618 in Memorial Cash Account portfolio.

The City of Sacramento George H. Clark Memorial Scholarship Fund will help deserving senior high school students in their pursuit of a college education that will make them valuable members of the community. Four (4) scholarships per year (\$5,000) each or \$20,000 will be awarded to senior high school students to help provide for a college education. The committee selects the annual recipients from a group of eligible students submitted by SCUSD based on pre-determined achievement criteria.

To honor Mr. Clark, the committee recommends that the awards be presented by the Mayor at a City Council meeting.

STRATEGY

- Adhere to prudent investment practices to provide for the preservation and growth of principal.
- The City maintains two cash accounts. One cash account (Operating Cash Account) receives interest and dividend income to accrue for scholarship payments. Mutual fund and equity capital gains are placed in the second cash account (Memorial Investment Cash Account) to accumulate until scholarship funds are being paid from the Operating Cash Account. If a shortfall of cash exists in the Operating Cash Account, funds from the Memorial Investment Cash Account will be used to secure the payments. Excess cash in the Memorial Investment Cash Account will be re-allocated as per investment strategy. The City Treasurer will determine the asset allocation deemed prudent to achieve the funds objective.

OBJECTIVES

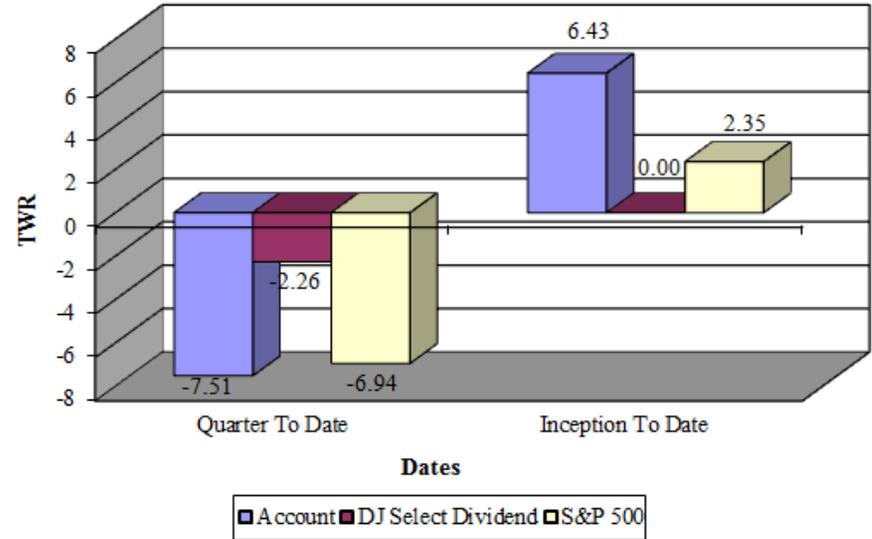
- The objective of this fund is income. The committee directed the Treasurer's office to invest funds for moderate growth of principal and adequate cash flow to pay for scholarships.
- Goal is to earn a cash return per year of \$20,000 thousand dollars to pay for four (4) scholarships per year.

City of Sacramento
George H. Clark Memorial Scholarship Fund
 September 30, 2015

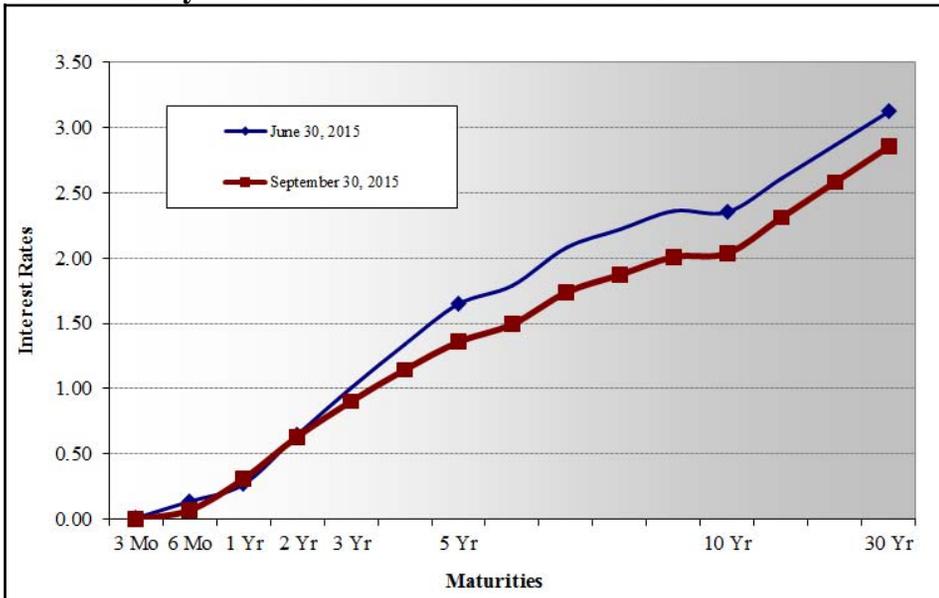
Performance

	Quarter To Date	Inception To Date
Account	-7.51	6.43
DJ Select Dividend	-2.26	?*
S&P 500	-6.94	2.35

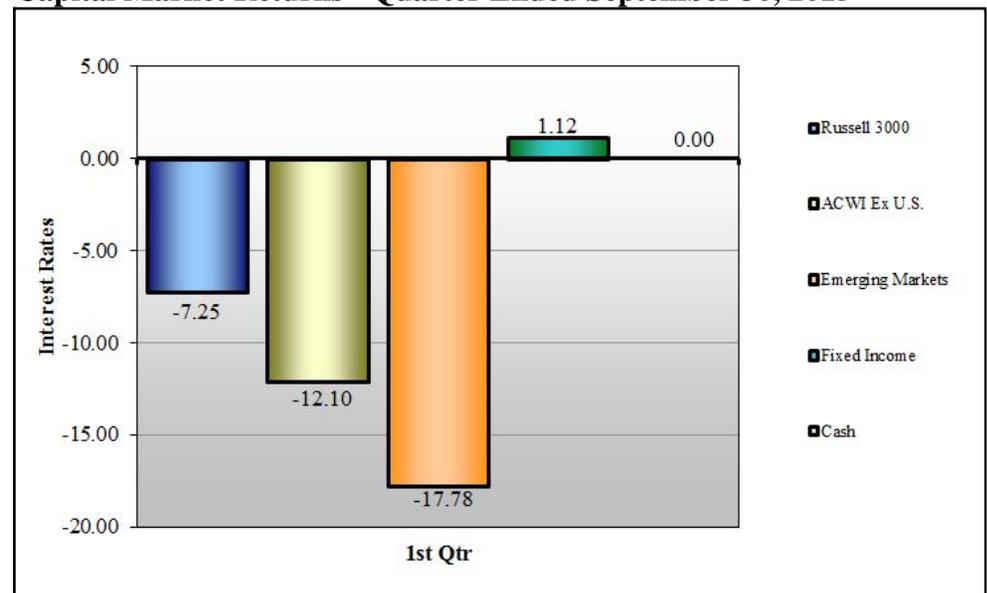
* Index commencement date was 11/30/03



U.S. Treasury Yield Curve - Fiscal Year 2015-16



Capital Market Returns - Quarter Ended September 30, 2015



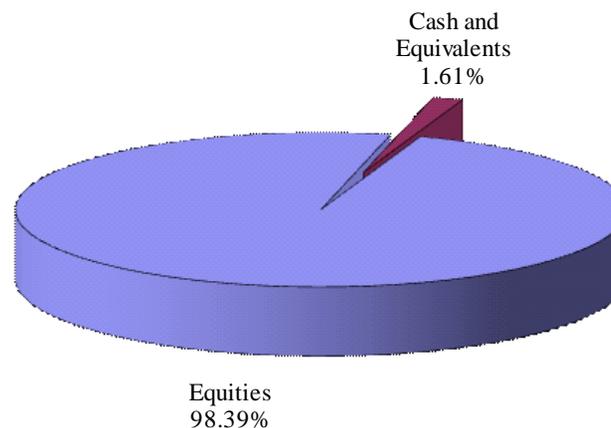
City of Sacramento
George H. Clark Memorial Scholarship Fund
 September 30, 2015

Activity

From 06-30-15 to 09-30-15

Portfolio Value on 06-30-15	963,160
Contributions	0
Withdrawals	-6,385
Realized Gains	0
Unrealized Gains	-78,897
Interest	52
Dividends	6,732
Portfolio Value on 09-30-15	884,662

Actual Asset Allocation



Operating Cash Account Activity

From Inception to 09-30-15

	Inception to FY15	<u>FY16 QE</u> 09-30-15	Inception to FY16
Beginning Balance ¹		50,002	
Initial Contribution	83		83
Cash Transfers In *	362,530	6,384	368,914
Interest Income **	9,060		9,060
Scholarship Payments	-270,000	-20,000	-290,000
Investment Mgt Fees	-51,671		-51,671
Ending Balance	50,002	36,386	36,386

* Cash Transfers In = monies transferred from Memorial Investment Cash Account to Operating Cash Account to pay for scholarships and other expenses.

** July to September 2015 Pool A earnings are yet to be apportioned.

¹ Beginning balance was adjusted to include May-June 2015 Pool A interest earnings and cash transferred from Memorial Investment Cash Account to Operating Cash Account.

Top 10 Holdings

Securities	Market Value	Pct.
Select Sector Spdr Tr Sbi Cons Discr	118,816	13.43
Ishares US Technology ETF	118,680	13.42
Philip Morris Intl Inc Com	51,564	5.83
Johnson & Johnson	46,675	5.28
Select Sector Spdr Tr Sbi Int-Finl	45,320	5.12
Monsanto C0 New Com	42,670	4.82
Ishares Tr Transp Ave Idx	41,973	4.74
Select Sector Spdr Tr Sbi Healthcare	39,738	4.49
Altria Group Inc	35,360	4.00
Apple Inc.	34,744	3.93

City of Sacramento
PORTFOLIO APPRAISAL
George H. Clark Memorial Scholarship Fund
 September 30, 2015

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		2,696		2,696		2,696	0.30	4.00				
	PoolA	Pool A Cash		11,496		11,496		11,496	1.30	1.14				
	intreceiv	Pool A Interest Receivable		34		34		34	0.00	1.14				
				<u>14,226</u>		<u>14,226</u>		<u>14,226</u>	1.61	1.68				
COMMON STOCK														
MATERIALS														
500	mon	Monsanto C0 New Com	60.42	30,211	85.34	42,670		42,670	4.82	2.53	A			
INDUSTRIALS														
400	cat	Caterpillar Inc Del Com	69.20	27,679	65.36	26,144		26,144	2.96	4.71	A+			
400	de	Deere & Co Com	59.47	23,789	74.00	29,600		29,600	3.35	3.24	A			
300	iyt	Ishares Tr Transp Ave Idx	77.22	23,166	139.91	41,973		41,973	4.74	1.09				
				<u>74,634</u>		<u>97,717</u>		<u>97,717</u>	11.05	2.71				
TELECOMMUNICATION SERVICES														
700	t	At&t Inc	39.82	27,874	32.58	22,806		22,806	2.58	5.77	B+			
700	vz	Verizon Communications Inc	38.05	26,634	43.51	30,457		30,457	3.44	5.19	B			
				<u>54,508</u>		<u>53,263</u>		<u>53,263</u>	6.02	5.44				
CONSUMER DISCRETIONARY														
1,600	xly	Select Sector Spdr Tr Sbi Cons Discr	33.50	53,600	74.26	118,816		118,816	13.43	1.46				
CONSUMER STAPLES														
650	mo	Altria Group Inc	26.65	17,324	54.40	35,360		35,360	4.00	4.15	A-			
600	ko	Coca Cola Co Com	32.30	19,383	40.12	24,072		24,072	2.72	3.29	A			
650	pm	Philip Morris Intl Inc Com	52.41	34,066	79.33	51,564		51,564	5.83	5.14				
				<u>70,773</u>		<u>110,996</u>		<u>110,996</u>	12.55	4.43				
ENERGY														
250	cvx	Chevron Corporation	123.23	30,806	78.88	19,720		19,720	2.23	5.43	A-			
300	eye	Ishares US Energy ETF	37.85	11,356	34.32	10,296		10,296	1.16	3.21				
1,113	kmi	Kinder Morgan Inc Del Com	41.38	46,056	27.68	30,808		30,808	3.48	7.08	B			
				<u>88,218</u>		<u>60,824</u>		<u>60,824</u>	6.88	5.89				
FINANCIAL														
2,200	nly	Annaly Cap Mgmt Inc Com	14.91	32,805	9.87	21,714		21,714	2.45	12.16	B			
2,000	xlf	Select Sector Spdr Tr Sbi Int-Finl	13.60	27,195	22.66	45,320		45,320	5.12	1.94				
450	kie	Spdr S&p Insurance Etf	41.72	18,775	67.52	30,384		30,384	3.43	1.83				
				<u>78,776</u>		<u>97,418</u>		<u>97,418</u>	11.01	4.18				
HEALTHCARE														
500	jnj	Johnson & Johnson	61.71	30,855	93.35	46,675		46,675	5.28	3.21	A+			

City of Sacramento
PORTFOLIO APPRAISAL
George H. Clark Memorial Scholarship Fund
 September 30, 2015

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
600	xlv	Select Sector Spdr Tr Sbi Healthcare	31.93	19,161	66.23	39,738		39,738	4.49	1.50				
				50,016		86,413		86,413	9.77	2.42				
INFORMATION TECHNOLOGY														
315	aapl	Apple Inc.	90.82	28,610	110.30	34,744		34,744	3.93	1.89	B+			
1,200	iyw	Ishares US Technology ETF	58.52	70,227	98.90	118,680		118,680	13.42	1.24				
				98,836		153,424		153,424	17.34	1.39				
UTILITIES														
600	xlu	Select Sector Spdr Tr Sbi Int-Utils	30.14	18,084	43.29	25,974		25,974	2.94	3.61				
				617,654		847,516		847,516	95.80	3.08				
AMERICAN DEPOSITORY RECEIPTS														
ENERGY														
750	bp	BP Plc Sponsored Adr	42.25	31,687	30.56	22,920		22,920	2.59	7.79				
				31,687		22,920		22,920	2.59	7.79				
TOTAL PORTFOLIO				663,568		884,662	0	884,662	100.00	3.18				

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
George H. Clark Memorial Scholarship Fund
From 07-01-15 To 09-30-15

<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!

Q2
FY2016

George H. Clark Memorial Scholarship Fund

Quarterly Investment Report

December 31, 2015

City of
SACRAMENTO
Office of the City Treasurer

[Office of the City Treasurer - City of Sacramento](#)

Russell Fehr, City Treasurer

Q2 FY2016



INTRODUCTION

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The City of Sacramento George H. Clark Memorial Scholarship Fund will help deserving senior high school students in their pursuit of a college education that will make them valuable members of the community. Four (4) scholarships per year (\$5,000) each or \$20,000 will be awarded to senior high school students to help provide for a college education. The committee selects the annual recipients from a group of eligible students submitted by SCUSD based on pre-determined achievement criteria.

To honor Mr. Clark, the committee recommends that the awards be presented by the Mayor at a City Council meeting.

STRATEGY

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- The City maintains two cash accounts. One cash account (Operating Cash Account) receives interest and dividend income to accrue for scholarship payments. Mutual fund and equity capital gains are placed in the second cash account (Memorial Investment Cash Account) to accumulate until scholarship funds are being paid from the Operating Cash Account. If a shortfall of cash exists in the Operating Cash Account, funds from the Memorial Investment Cash Account will be used to secure the payments. Excess cash in the Memorial Investment Cash Account will be re-allocated as per investment strategy. The City Treasurer will determine the asset allocation deemed prudent to achieve the funds objective.

OBJECTIVES

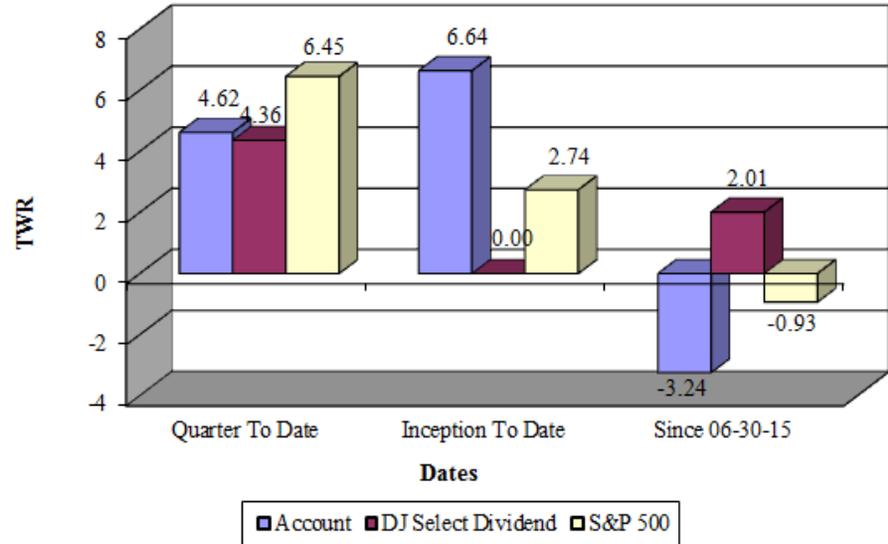
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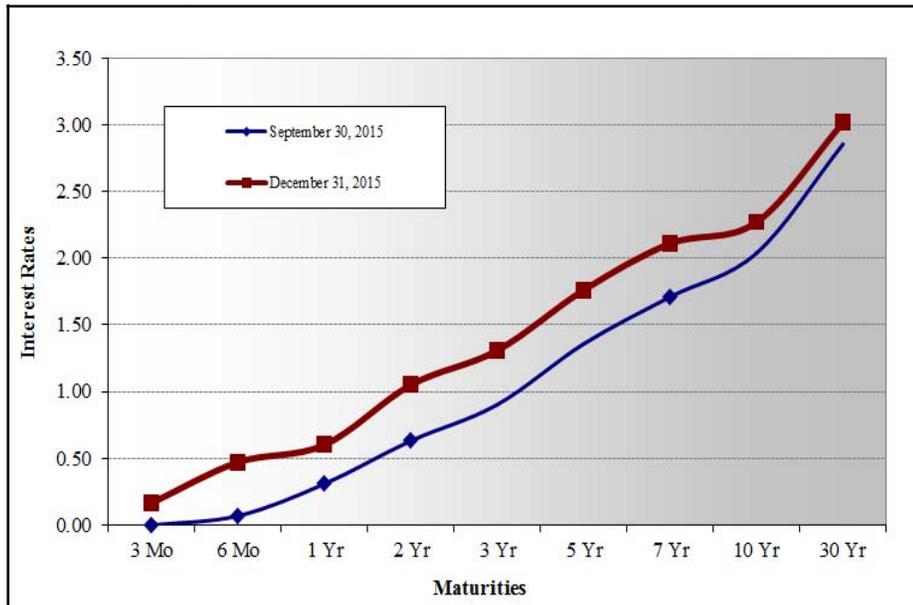
Performance

	Quarter To Date	Inception To Date	Since 06-30-15
Account	4.62	6.64	-3.24
DJ Select Dividend	4.36	?*	2.01
S&P 500	6.45	2.74	-0.93

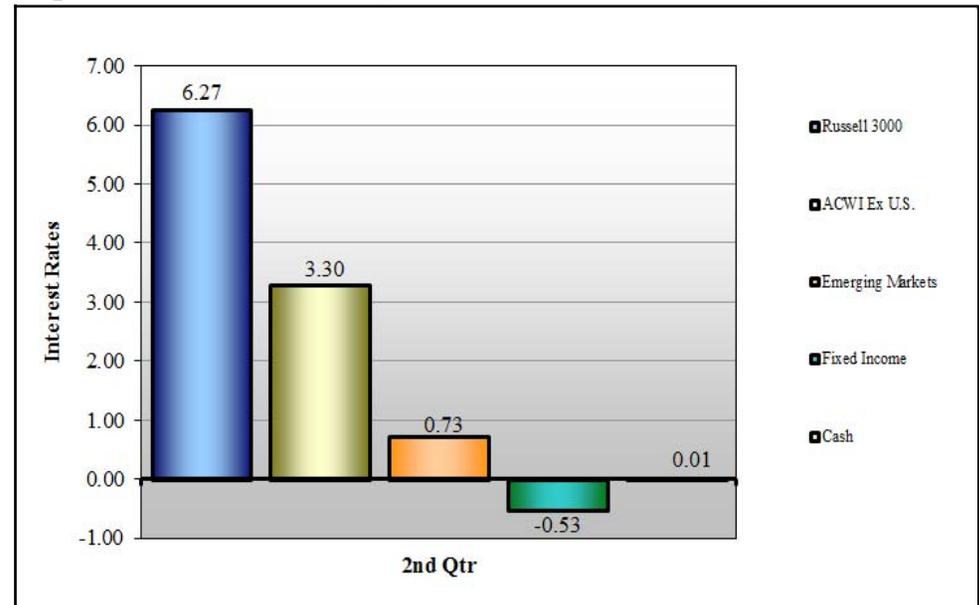
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U.S. Treasury Yield Curve - Fiscal Year 2015-16



Capital Market Returns - Quarter Ended December 31, 2015



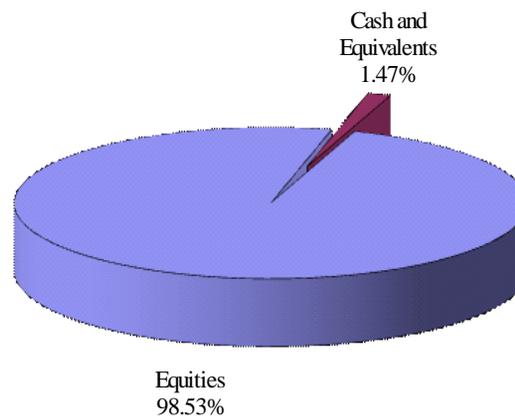
City of Sacramento
George H. Clark Memorial Scholarship Fund
 December 31, 2015

Activity

From 09-30-15 to 12-31-15

Portfolio Value on 09-30-15	884,662
Contributions	0
Withdrawals	-8,115
Realized Gains	0
Unrealized Gains	33,597
Interest	50
Dividends	7,332
Portfolio Value on 12-31-15	917,525

Actual Asset Allocation



Operating Cash Account Activity

From Inception to 12-31-15

	Inception to FY15	FY16 QE		Inception to FY16
		09-30-15	12-31-15	
Beginning Balance		50,002	36,387	
Initial Contribution	83			83
Cash Transfers In *	362,530	6,385	8,115	377,030
Interest Income **	9,060			9,060
Scholarship Payments	-270,000	-20,000		-290,000
Investment Mgt Fees	-51,671			-51,671
Ending Balance	50,002	36,387	44,502	44,502

* Cash Transfers In = monies transferred from Memorial Investment Cash Account to Operating Cash Account to pay for scholarships and other expenses.

** July to December 2015 Pool A earnings are yet to be apportioned.

Top 10 Holdings

Securities	Market Value	Pct.
Ishares US Technology ETF	128,436	14.00
Select Sector Spdr Tr Sbi Cons Discr	125,058	13.63
Philip Morris Intl Inc Com	57,141	6.23
Johnson & Johnson	51,360	5.60
Monsanto CO New Com	49,260	5.37
Select Sector Spdr Tr Sbi Int-Finl	47,660	5.19
Select Sector Spdr Tr Sbi Healthcare	43,218	4.71
Ishares Tr Transp Ave Idx	40,419	4.41
Altria Group Inc	37,836	4.12
Apple Inc.	33,157	3.61

City of Sacramento
PORTFOLIO APPRAISAL
George H. Clark Memorial Scholarship Fund
 December 31, 2015

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		1,930		1,930		1,930	0.21	4.00				
	PoolA	Pool A Cash		11,496		11,496		11,496	1.25	0.97				
	intreceiv	Pool A Interest Receivable		66		66		66	0.01	0.97				
				<u>13,493</u>		<u>13,493</u>		<u>13,493</u>	1.47	1.40				
COMMON STOCK														
MATERIALS														
500	mon	Monsanto C0 New Com	60.42	30,211	98.52	49,260		49,260	5.37	2.19	A			
INDUSTRIALS														
400	cat	Caterpillar Inc Del Com	69.20	27,679	67.96	27,184		27,184	2.96	4.53	A			
400	de	Deere & Co Com	59.47	23,789	76.27	30,508		30,508	3.33	3.15	A-			
300	iyt	Ishares Tr Transp Ave Idx	77.22	23,166	134.73	40,419		40,419	4.41	1.28				
				<u>74,634</u>		<u>98,111</u>		<u>98,111</u>	10.69	2.76				
TELECOMMUNICATION SERVICES														
700	t	At&t Inc	39.82	27,874	34.41	24,087		24,087	2.63	5.58	B+			
700	vz	Verizon Communications Inc	38.05	26,634	46.22	32,354		32,354	3.53	4.89	B			
				<u>54,508</u>		<u>56,441</u>		<u>56,441</u>	6.15	5.18				
CONSUMER DISCRETIONARY														
1,600	xly	Select Sector Spdr Tr Sbi Cons Discr	33.50	53,600	78.16	125,058		125,058	13.63	1.43				
CONSUMER STAPLES														
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600	ko	Coca Cola Co Com	32.30	19,383	42.96	25,776		25,776	2.81	3.07	A			
650	pm	Philip Morris Intl Inc Com	52.41	34,066	87.91	57,141		57,141	6.23	4.64				
				<u>70,773</u>		<u>120,754</u>		<u>120,754</u>	13.16	4.07				
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250	cvx	Chevron Corporation	123.23	30,806	89.96	22,490		22,490	2.45	4.76	A-			
300	eye	Ishares US Energy ETF	37.85	11,356	33.86	10,158		10,158	1.11	3.39				
1,113	kmi	Kinder Morgan Inc Del Com	41.38	46,056	14.92	16,606		16,606	1.81	13.67	B			
				<u>88,218</u>		<u>49,254</u>		<u>49,254</u>	5.37	7.48				
FINANCIAL														
2,200	nly	Annaly Cap Mgmt Inc Com	14.91	32,805	9.38	20,636		20,636	2.25	12.79	B			
2,000	xlf	Select Sector Spdr Tr Sbi Int-Finl	13.60	27,195	23.83	47,660		47,660	5.19	1.95				
450	kie	Spdr S&p Insurance Etf	41.72	18,775	69.50	31,275		31,275	3.41	1.65				
				<u>78,776</u>		<u>99,571</u>		<u>99,571</u>	10.85	4.10				
HEALTHCARE														
500	jnj	Johnson & Johnson	61.71	30,855	102.72	51,360		51,360	5.60	2.92	A+			

City of Sacramento
PORTFOLIO APPRAISAL
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 December 31, 2015

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INFORMATION TECHNOLOGY														
315	aapl	Apple Inc.	90.82	28,610	105.26	33,157		33,157	3.61	1.98	B+			
1,200	iyw	Ishares US Technology ETF	58.52	70,227	107.03	128,436		128,436	14.00	1.12				
				98,836		161,593		161,593	17.61	1.29				
UTILITIES														
600	xlu	Select Sector Spdr Tr Sbi Int-Utils	30.14	18,084	43.28	25,968		25,968	2.83	3.67				
				617,654		880,587		880,587	95.97	2.99				
AMERICAN DEPOSITORY RECEIPTS														
ENERGY														
750	bp	BP Plc Sponsored Adr	42.25	31,687	31.26	23,445		23,445	2.56	7.61				
				31,687		23,445		23,445	2.56	7.61				
TOTAL PORTFOLIO				662,835		917,525	0	917,525	100.00	3.09				

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
George H. Clark Memorial Scholarship Fund
From 10-01-15 To 12-31-15

<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!

Q3
FY2016

George H. Clark Memorial Scholarship Fund

Quarterly Investment Report

March 31, 2016

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John Colville, Interim City Treasurer

Q3 FY2016



INTRODUCTION

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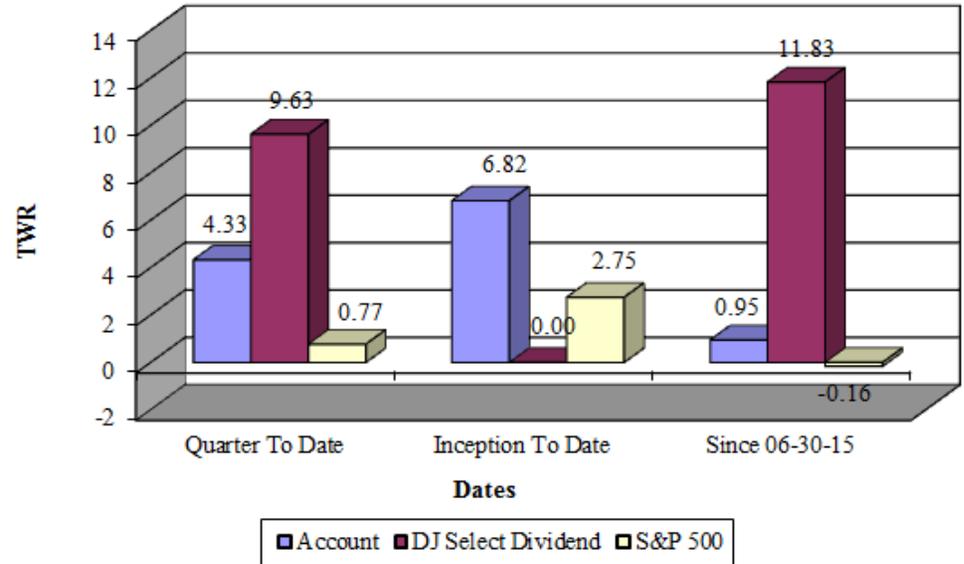
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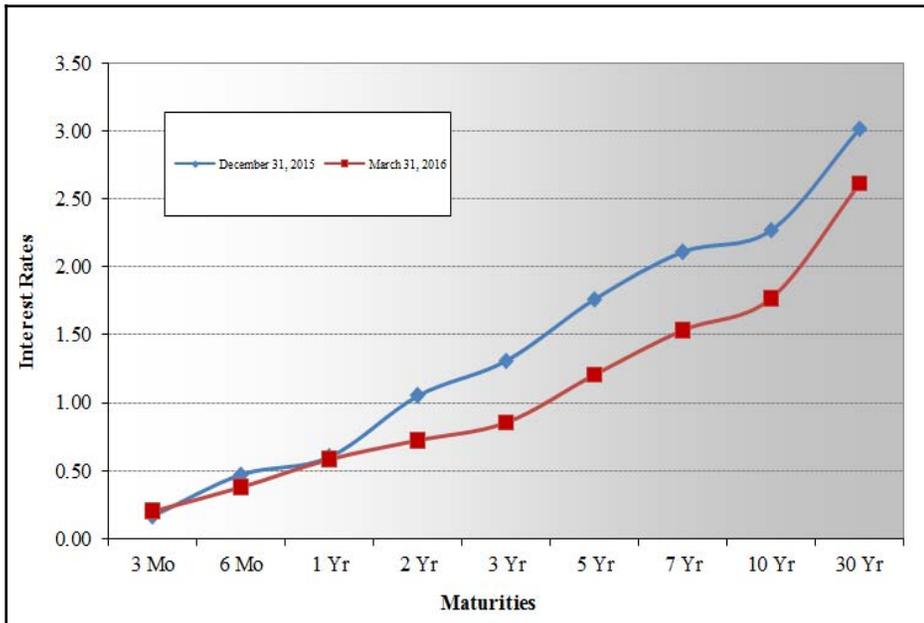
Performance

	Quarter To Date	Inception To Date	Since 06-30-15
Account	4.33	6.82	0.95
DJ Select Dividend	9.63	?*	11.83
S&P 500	0.77	2.75	-0.16

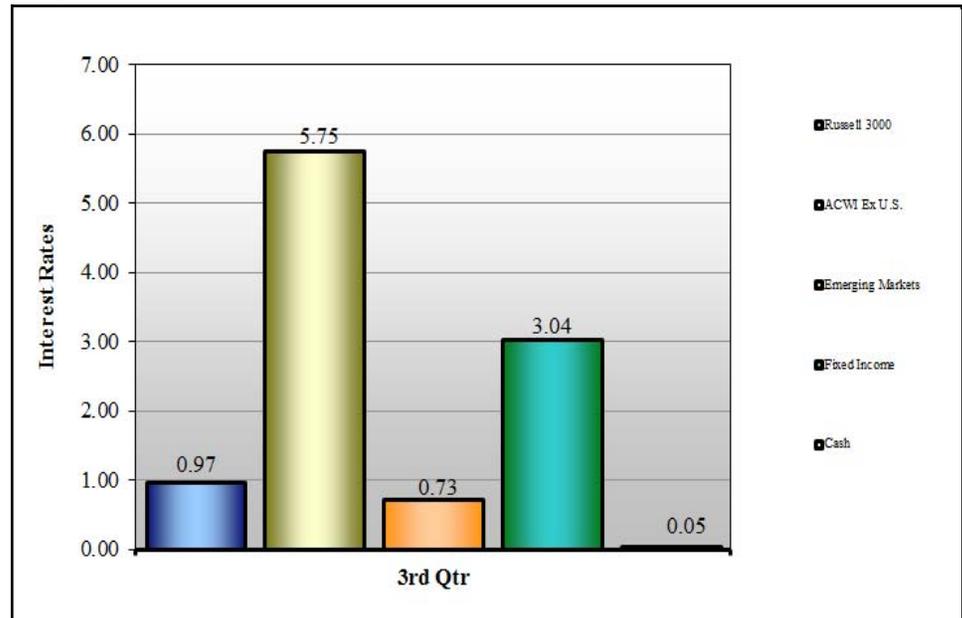
* Index commencement date was 11/30/03



U.S. Treasury Yield Curve - Fiscal Year 2015-16



Capital Market Returns - Quarter Ended March 31, 2016



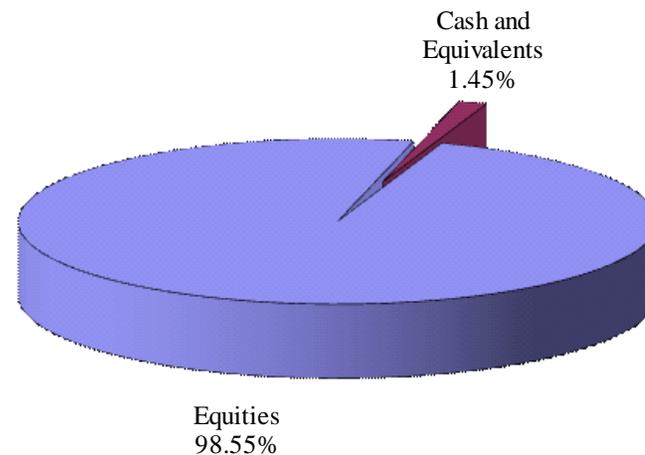
City of Sacramento
George H. Clark Memorial Scholarship Fund
 March 31, 2016

Activity

From 12-31-15 to 03-31-16

Portfolio Value on 12-31-15	917,525
Contributions	0
Withdrawals	-6,526
Realized Gains	0
Unrealized Gains	32,741
Interest	36
Dividends	6,736
Portfolio Value on 03-31-16	950,513

Actual Asset Allocation



Operating Cash Account Activity

From Inception to 03-31-16

	Inception to FY15	FY16 QE			Inception to FY16
		09-30-15	12-31-15	03-31-16	
Beginning Balance		50,002	36,387	44,502	
Initial Contribution	83				83
Cash Transfers In *	362,530	6,385	8,115	6,526	383,556
Interest Income **	9,060				9,060
Scholarship Payments	-270,000	-20,000			-290,000
Investment Mgt Fees	-51,671				-51,671
Ending Balance	50,002	36,387	44,502	51,028	51,028

* Cash Transfers In = monies transferred from Memorial Investment Cash Account to Operating Cash Account to pay for scholarships and other expenses.

** July 2015 to March 2016 Pool A earnings are yet to be apportioned.

Top 10 Holdings

Securities	Market Value	Pct.
Ishares US Technology ETF	130,200	13.70
Select Sector Spdr Tr Sbi Cons Discr	126,560	13.31
Philip Morris Intl Inc Com	63,771	6.71
Johnson & Johnson	54,100	5.69
Select Sector Spdr Tr Sbi Int-Finl	45,000	4.73
Monsanto C0 New Com	43,870	4.62
Ishares Tr Transp Ave Idx	42,723	4.49
Altria Group Inc	40,729	4.28
Select Sector Spdr Tr Sbi Healthcare	40,668	4.28
Verizon Communications Inc	37,856	3.98

City of Sacramento
PORTFOLIO APPRAISAL
George H. Clark Memorial Scholarship Fund
 March 31, 2016

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		2,140		2,140		2,140	0.23	4.00				
	PoolA	Pool A Cash		11,496		11,496		11,496	1.21	1.18				
	intreceiv	Pool A Interest Receivable		103		103		103	0.01	1.18				
				13,739		13,739		13,739	1.45	1.62				
COMMON STOCK														
MATERIALS														
500	mon	Monsanto C0 New Com	60.42	30,211	87.74	43,870		43,870	4.62	2.46	A			
INDUSTRIALS														
400	cat	Caterpillar Inc Del Com	69.20	27,679	76.54	30,616		30,616	3.22	4.02	A-			
400	de	Deere & Co Com	59.47	23,789	76.99	30,796		30,796	3.24	3.12	A-			
300	iyt	Ishares Tr Transp Ave Idx	77.22	23,166	142.41	42,723		42,723	4.49	1.13				
				74,634		104,135		104,135	10.96	2.57				
TELECOMMUNICATION SERVICES														
700	t	At&t Inc	39.82	27,874	39.17	27,419		27,419	2.88	4.90	B+			
700	vz	Verizon Communications Inc	38.05	26,634	54.08	37,856		37,856	3.98	4.18	B			
				54,508		65,275		65,275	6.87	4.48				
CONSUMER DISCRETIONARY														
1,600	xly	Select Sector Spdr Tr Sbi Cons Discr	33.50	53,600	79.10	126,560		126,560	13.31	1.49				
CONSUMER STAPLES														
650	mo	Altria Group Inc	26.65	17,324	62.66	40,729		40,729	4.28	3.61	A-			
600	ko	Coca Cola Co Com	32.30	19,383	46.39	27,834		27,834	2.93	3.02	A			
650	pm	Philip Morris Intl Inc Com	52.41	34,066	98.11	63,771		63,771	6.71	4.16				
				70,773		132,334		132,334	13.92	3.75				
ENERGY														
250	cvx	Chevron Corporation	123.23	30,806	95.40	23,850		23,850	2.51	4.49	B+			
300	iey	Ishares US Energy ETF	37.85	11,356	34.78	10,434		10,434	1.10	3.20				
1,113	kmi	Kinder Morgan Inc Del Com	41.38	46,056	17.86	19,878		19,878	2.09	2.80	B			
				88,218		54,162		54,162	5.70	3.62				
FINANCIAL														
2,200	nly	Annaly Cap Mgmt Inc Com	14.91	32,805	10.26	22,572		22,572	2.37	11.70	B			
2,000	xlf	Select Sector Spdr Tr Sbi Int-Finl	13.60	27,195	22.50	45,000		45,000	4.73	2.21				
450	kie	Spdr S&p Insurance Etf	41.72	18,775	69.24	31,158		31,158	3.28	1.72				
				78,776		98,730		98,730	10.39	4.22				
HEALTHCARE														
500	jjj	Johnson & Johnson	61.71	30,855	108.20	54,100		54,100	5.69	2.77	A			

City of Sacramento
PORTFOLIO APPRAISAL
George H. Clark Memorial Scholarship Fund
 March 31, 2016

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
600	xlv	Select Sector Spdr Tr Sbi Healthcare	31.93	19,161	67.78	40,668		40,668	4.28	1.57				
				50,016		94,768		94,768	9.97	2.25				
INFORMATION TECHNOLOGY														
315	aapl	Apple Inc.	90.82	28,610	108.99	34,332		34,332	3.61	1.91	B+			
1,200	iyw	Ishares US Technology ETF	58.52	70,227	108.50	130,200		130,200	13.70	1.21				
				98,836		164,532		164,532	17.31	1.36				
UTILITIES														
600	xlu	Select Sector Spdr Tr Sbi Int-Utils	30.14	18,084	49.62	29,772		29,772	3.13	3.24				
				617,654		914,139		914,139	96.17	2.73				
AMERICAN DEPOSITORY RECEIPTS														
ENERGY														
750	bp	BP Plc Sponsored Adr	42.25	31,687	30.18	22,635		22,635	2.38	7.89				
				31,687		22,635		22,635	2.38	7.89				
TOTAL PORTFOLIO				663,081		950,513	0	950,513	100.00	2.84				

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
George H. Clark Memorial Scholarship Fund
From 01-01-16 To 03-31-16

<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
FY2016

George H. Clark Memorial Scholarship Fund

Quarterly Investment Report

June 30, 2016

City of
SACRAMENTO
Office of the City Treasurer

[Office of the City Treasurer - City of Sacramento](#)

John Colville, Interim City Treasurer

Q4 FY2016



INTRODUCTION

In 1951 the George H. Clark Memorial Scholarship was established. In accordance with a will established in 1921, the trustees are to consist of the City Manager, City of Sacramento, and the Superintendent of Sacramento City Unified School District with the highest student populous. On February 2, 2001, the City Treasurer received a contribution of \$627,618 in Memorial Cash Account portfolio.

The City of Sacramento George H. Clark Memorial Scholarship Fund will help deserving senior high school students in their pursuit of a college education that will make them valuable members of the community. Four (4) scholarships per year (\$5,000) each or \$20,000 will be awarded to senior high school students to help provide for a college education. The committee selects the annual recipients from a group of eligible students submitted by SCUSD based on pre-determined achievement criteria.

To honor Mr. Clark, the committee recommends that the awards be presented by the Mayor at a City Council meeting.

STRATEGY

- Adhere to prudent investment practices to provide for the preservation and growth of principal.
- The City maintains two cash accounts. One cash account (Operating Cash Account) receives interest and dividend income to accrue for scholarship payments. Mutual fund and equity capital gains are placed in the second cash account (Memorial Investment Cash Account) to accumulate until scholarship funds are being paid from the Operating Cash Account. If a shortfall of cash exists in the Operating Cash Account, funds from the Memorial Investment Cash Account will be used to secure the payments. Excess cash in the Memorial Investment Cash Account will be re-allocated as per investment strategy. The City Treasurer will determine the asset allocation deemed prudent to achieve the funds objective.

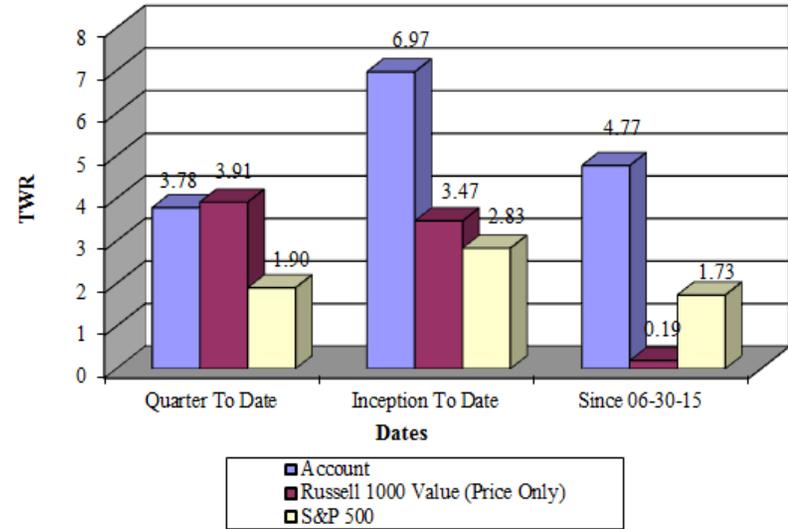
OBJECTIVES

- The objective of this fund is income. The committee directed the Treasurer's office to invest funds for moderate growth of principal and adequate cash flow to pay for scholarships.
- Goal is to earn a cash return per year of \$20,000 thousand dollars to pay for four (4) scholarships per year.

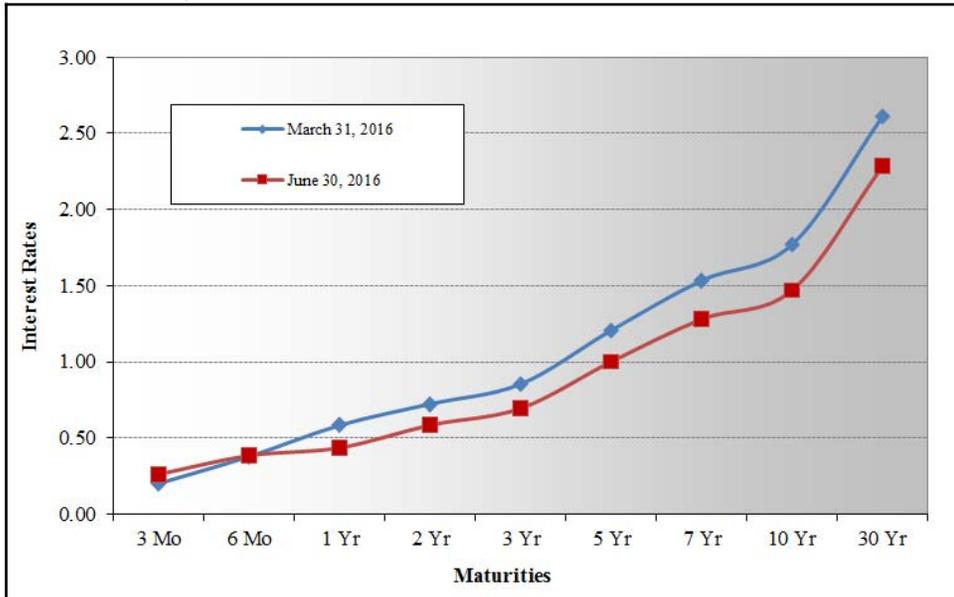
City of Sacramento
George H. Clark Memorial Scholarship Fund
 June 30, 2016

Performance

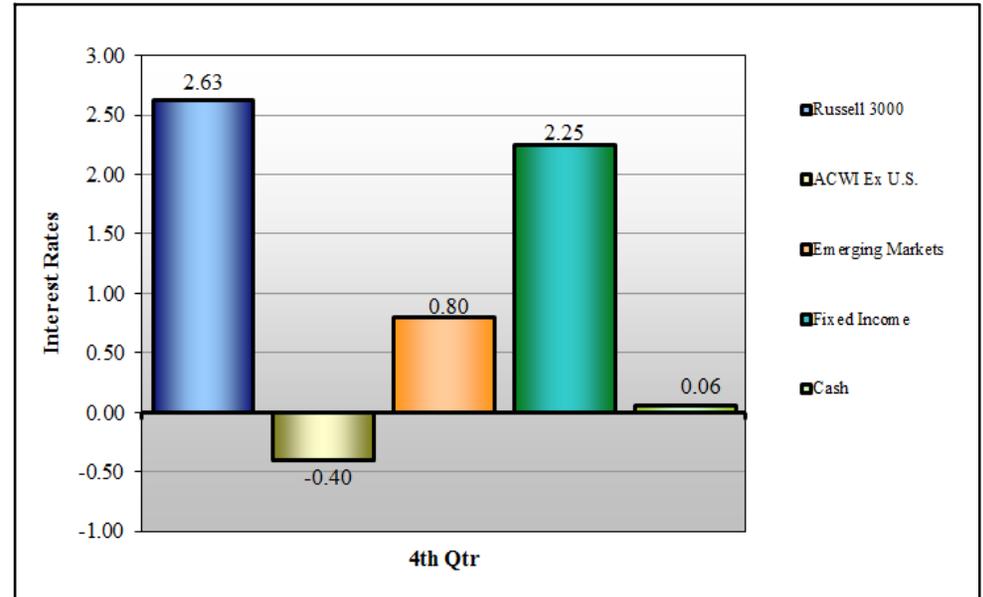
	Quarter To Date	Inception To Date	Since 06-30-15
Account	3.78	6.97	4.77
Russell 1000 Value (Price Only)	3.91	3.47	0.19
S&P 500	1.90	2.83	1.73



U.S. Treasury Yield Curve - Fiscal Year 2015-16



Capital Market Returns - Quarter Ended June 30, 2016



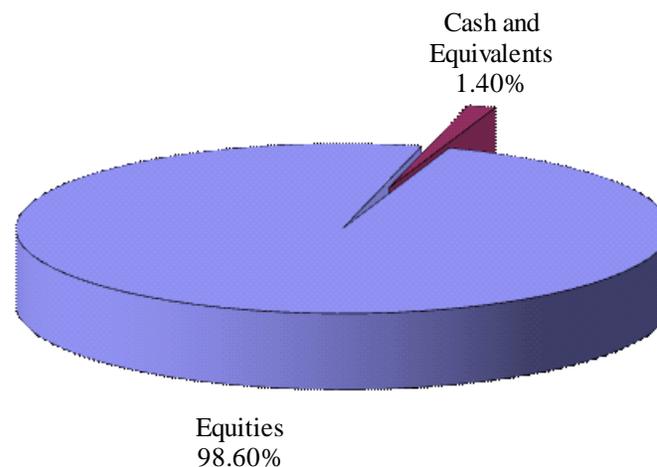
City of Sacramento
George H. Clark Memorial Scholarship Fund
 June 30, 2016

Activity

From 03-31-16 to 06-30-16

Portfolio Value on 03-31-16	950,513
Contributions	0
Withdrawals	-6,764
Realized Gains	0
Unrealized Gains	29,136
Interest	38
Dividends	6,697
Portfolio Value on 06-30-16	979,620

Actual Asset Allocation



Operating Cash Account Activity

From Inception to 06-30-16

	Inception to FY15	FY16 QE				Inception to FY16
		09-30-15	12-31-15	03-31-16	06-30-16	
Beginning Balance		50,002	36,472	44,665	51,191	
Initial Contribution	83					83
Cash Transfers In *	362,530	6,385	8,115	6,526	6,764	390,320
Interest Income **	9,060	85	78			9,223
Scholarship Payments	-270,000	-20,000				-290,000
Investment Mgt Fees	-51,671				-3,000	-54,671
Ending Balance	50,002	36,472	44,665	51,191	54,955	54,955

* Cash Transfers In = monies transferred from Memorial Investment Cash Account to Operating Cash Account to pay for scholarships and other expenses.

** January 2016 to June 2016 Pool A earnings are yet to be apportioned.

Top 10 Holdings

Securities	Market Value	Pct.
Ishares US Technology ETF	126,336	12.90
Select Sector Spdr Tr Sbi Cons Discr	124,896	12.75
Philip Morris Intl Inc Com	66,118	6.75
Johnson & Johnson	60,650	6.19
Monsanto C0 New Com	51,705	5.28
Select Sector Spdr Tr Sbi Int-Finl	45,710	4.67
Altria Group Inc	44,824	4.58
Select Sector Spdr Tr Sbi Healthcare	43,023	4.39
Ishares Tr Transp Ave Idx	40,242	4.11
Verizon Communications Inc	39,088	3.99

City of Sacramento
PORTFOLIO APPRAISAL
George H. Clark Memorial Scholarship Fund
 June 30, 2016

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		2,140		2,140		2,140	0.22	4.00				
	PoolA	Pool A Cash		11,496		11,496		11,496	1.17	1.20				
	intreceiv	Pool A Interest Receivable		74		74		74	0.01	1.20				
				<u>13,710</u>		<u>13,710</u>		<u>13,710</u>	1.40	1.64				
COMMON STOCK														
MATERIALS														
500	mon	Monsanto C0 New Com	60.42	30,211	103.41	51,705		51,705	5.28	2.09	A			
INDUSTRIALS														
400	cat	Caterpillar Inc Del Com	69.20	27,679	75.81	30,324		30,324	3.10	4.06	A-			
400	de	Deere & Co Com	59.47	23,789	81.04	32,416		32,416	3.31	2.96	A-			
300	iyt	Ishares Tr Transp Ave Idx	77.22	23,166	134.14	40,242		40,242	4.11	1.22				
				<u>74,634</u>		<u>102,982</u>		<u>102,982</u>	10.51	2.60				
TELECOMMUNICATION SERVICES														
700	t	At&t Inc	39.82	27,874	43.21	30,247		30,247	3.09	4.44	B+			
700	vz	Verizon Communications Inc	38.05	26,634	55.84	39,088		39,088	3.99	4.05	B			
				<u>54,508</u>		<u>69,335</u>		<u>69,335</u>	7.08	4.22				
CONSUMER DISCRETIONARY														
1,600	xly	Select Sector Spdr Tr Sbi Cons Discr	33.50	53,600	78.06	124,896		124,896	12.75	1.55				
CONSUMER STAPLES														
650	mo	Altria Group Inc	26.65	17,324	68.96	44,824		44,824	4.58	3.28	A-			
600	ko	Coca Cola Co Com	32.30	19,383	45.33	27,198		27,198	2.78	3.09	A			
650	pm	Philip Morris Intl Inc Com	52.41	34,066	101.72	66,118		66,118	6.75	4.01				
				<u>70,773</u>		<u>138,140</u>		<u>138,140</u>	14.10	3.59				
ENERGY														
250	cvx	Chevron Corporation	123.23	30,806	104.83	26,207		26,207	2.68	4.08	B+			
300	eye	Ishares US Energy ETF	37.85	11,356	38.36	11,508		11,508	1.17	2.63				
1,113	kmi	Kinder Morgan Inc Del Com	41.38	46,056	18.72	20,835		20,835	2.13	2.67	B			
				<u>88,218</u>		<u>58,551</u>		<u>58,551</u>	5.98	3.29				
FINANCIAL														
2,200	nly	Annaly Cap Mgmt Inc Com	14.91	32,805	11.07	24,354		24,354	2.49	10.84	B			
2,000	xlf	Select Sector Spdr Tr Sbi Int-Finl	13.60	27,195	22.85	45,710		45,710	4.67	2.22				
450	kie	Spdr S&p Insurance Etf	41.72	18,775	71.11	31,999		31,999	3.27	1.74				
				<u>78,776</u>		<u>102,063</u>		<u>102,063</u>	10.42	4.13				
HEALTHCARE														
500	jnj	Johnson & Johnson	61.71	30,855	121.30	60,650		60,650	6.19	2.64	A			

City of Sacramento
PORTFOLIO APPRAISAL
George H. Clark Memorial Scholarship Fund
 June 30, 2016

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
600	xlv	Select Sector Spdr Tr Sbi Healthcare	31.93	19,161	71.70	43,023		43,023	4.39	1.51				
				50,016		103,673		103,673	10.58	2.17				
INFORMATION TECHNOLOGY														
315	aapl	Apple Inc.	90.82	28,610	95.60	30,114		30,114	3.07	2.38	B+			
1,200	iyw	Ishares US Technology ETF	58.52	70,227	105.28	126,336		126,336	12.90	1.30				
				98,836		156,450		156,450	15.97	1.51				
UTILITIES														
600	xlu	Select Sector Spdr Tr Sbi Int-Utils	30.14	18,084	52.47	31,482		31,482	3.21	3.10				
				617,654		939,277		939,277	95.88	2.70				
AMERICAN DEPOSITORY RECEIPTS														
ENERGY														
750	bp	BP Plc Sponsored Adr	42.25	31,687	35.51	26,632		26,632	2.72	6.70				
				31,687		26,632		26,632	2.72	6.70				
TOTAL PORTFOLIO				663,052		979,620	0	979,620	100.00	2.79				

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
George H. Clark Memorial Scholarship Fund
From 04-01-16 To 06-30-16

<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!