

Q1 FY2019

George H. Clark Memorial Scholarship Fund Quarterly Investment Report September 30, 2018



Office of the City Treasurer - City of Sacramento

John Colville, City Treasurer

Q1 FY2019

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.

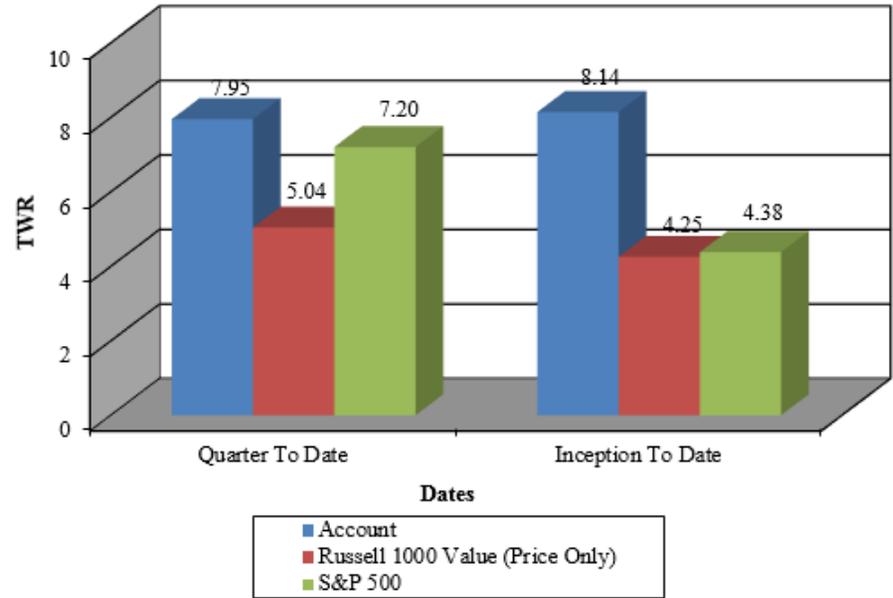
OBJECTIVES

- 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.

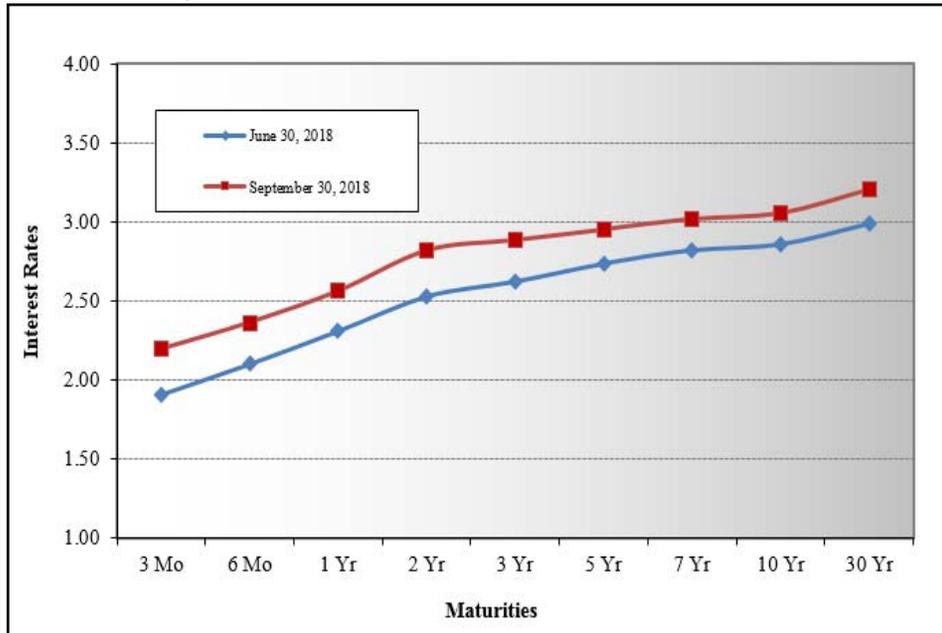
City of Sacramento
George H. Clark Memorial Scholarship Fund
 September 30, 2018

Performance

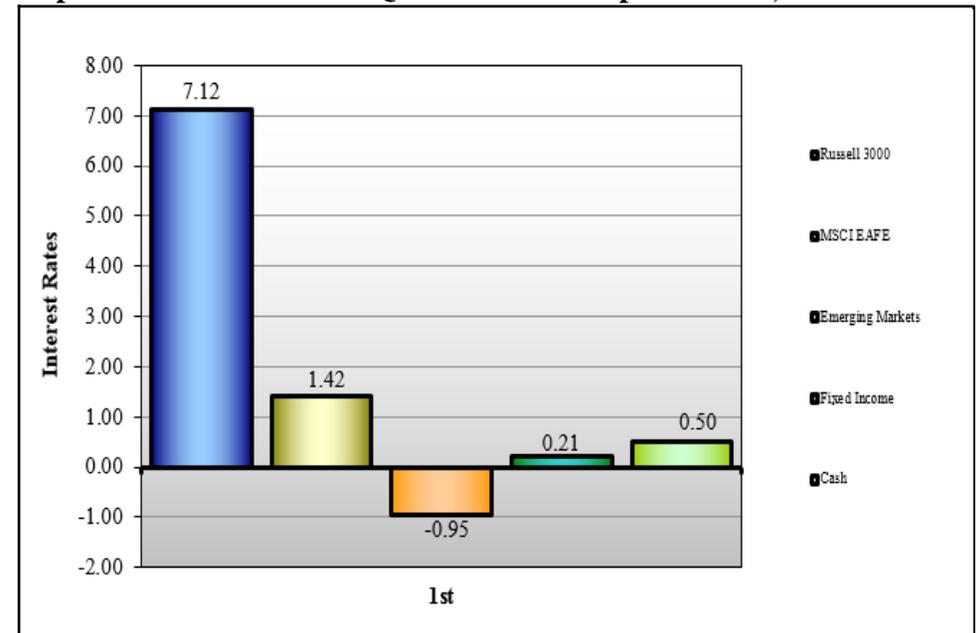
	Quarter To Date	Inception To Date
Account	7.95	8.14
Russell 1000 Value (Price Only)	5.04	4.25
S&P 500	7.20	4.38



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



Capital Market Returns - Quarter Ended September 30, 2018



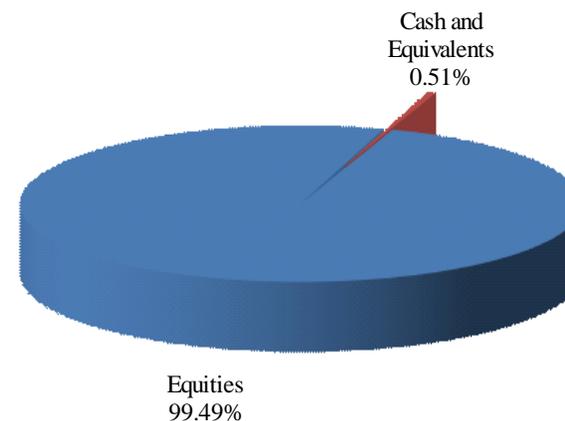
City of Sacramento
George H. Clark Memorial Scholarship Fund
 September 30, 2018

Activity

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

Portfolio Value on 06-30-18	1,214,747
Contributions	0
Withdrawals	-9,503
Realized Gains	-805
Unrealized Gains	87,597
Interest	46
Dividends	9,509
Portfolio Value on 09-30-18	1,301,591

Actual Asset Allocation



Operating Cash Account Activity

From Inception to 09-30-18

	Inception to FY18	<u>FY19 QE</u> 09-30-18	Inception to FY19
Beginning Balance		75,848	
Initial Contribution	83		83
Cash Transfers In *	450,613	9,503	460,116
Interest Income **	11,009		11,009
Scholarship Payments	-325,000	-15,000	-340,000
Investment Mgt Fees	-60,857		-60,857
Ending Balance	75,848	70,351	70,351

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

** July to September 2018 Pool A earnings are yet to be apportioned.

Top 10 Holdings

Securities	Market Value	Pct.
Ishares Tr Russell 1000 Val	192,462	14.79
Select Sector Spdr Tr Sbi Cons Discr	155,316	11.93
BP Plc Sponsored Adr	75,143	5.77
Ishares US Technology ETF	72,757	5.59
Apple Inc.	71,108	5.46
Johnson & Johnson	69,085	5.31
Select Sector Spdr Tr Sbi Int-Finl	68,950	5.30
Select Sector Spdr Tr Sbi Int-Utills	68,445	5.26
Caterpillar Inc Del Com	60,996	4.69
Deere & Co Com	60,132	4.62

City of Sacramento
PORTFOLIO APPRAISAL
George H. Clark Memorial Scholarship 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		2,618		2,618		2,618	0.20	4.00				
	miscintrec	Misc Interest Receivable		2		2		2	0.00	4.00				
	PoolA	Pool A Cash		3,923		3,923		3,923	0.30	2.89				
	intreceiv	Pool A Interest Receivable		39		39		39	0.00	2.89				
				<u>6,581</u>		<u>6,581</u>		<u>6,581</u>	0.51	3.33				
COMMON STOCK														
INDUSTRIALS														
400	cat	Caterpillar Inc Del Com	69.20	27,679	152.49	60,996		60,996	4.69	2.26	B+			
400	de	Deere & Co Com	59.47	23,789	150.33	60,132		60,132	4.62	1.84	B+			
185	hon	Honeywell	133.09	24,622	166.40	30,784		30,784	2.37	1.97	A-			
150	iyt	Ishares Tr Transp Ave Idx	77.22	11,583	204.55	30,682		30,682	2.36	1.03				
225	unp	Union Pac Corp Com	110.02	24,754	162.83	36,637		36,637	2.81	1.97	A			
				<u>112,427</u>		<u>219,231</u>		<u>219,231</u>	16.84	1.88				
COMMUNICATION SERVICES														
700	t	At&t Inc	39.82	27,874	33.58	23,506		23,506	1.81	5.96	B			
700	vz	Verizon Communications Inc	38.05	26,634	53.39	37,373		37,373	2.87	4.51	B			
				<u>54,508</u>		<u>60,879</u>		<u>60,879</u>	4.68	5.07				
CONSUMER DISCRETIONARY														
1,325	xly	Select Sector Spdr Tr Sbi Cons Discr	33.50	44,387	117.22	155,316		155,316	11.93	1.10				
CONSUMER STAPLES														
650	mo	Altria Group Inc	26.65	17,324	60.31	39,201		39,201	3.01	5.31	A-			
600	ko	Coca Cola Co Com	32.30	19,383	46.19	27,714		27,714	2.13	3.38	B+			
280	pg	Procter & Gamble Co	88.22	24,702	83.23	23,304		23,304	1.79	3.45	A			
				<u>61,408</u>		<u>90,220</u>		<u>90,220</u>	6.93	4.23				
ENERGY														
340	cvx	Chevron Corporation	118.00	40,119	122.28	41,575		41,575	3.19	3.66	B			
FINANCIAL														
2,200	nly	Annaly Cap Mgmt Inc Com	14.91	32,805	10.23	22,506		22,506	1.73	11.73	B-			
2,500	xlf	Select Sector Spdr Tr Sbi Int-Finl	14.83	37,081	27.58	68,950		68,950	5.30	1.74				
				<u>69,886</u>		<u>91,456</u>		<u>91,456</u>	7.03	4.20				
HEALTHCARE														
500	jnj	Johnson & Johnson	61.71	30,855	138.17	69,085		69,085	5.31	2.43	A-			
600	xlv	Select Sector Spdr Tr Sbi Healthcare	31.93	19,161	95.15	57,090		57,090	4.39	1.38				
				<u>50,016</u>		<u>126,175</u>		<u>126,175</u>	9.69	1.96				
INFORMATION TECHNOLOGY														
315	aapl	Apple Inc.	90.82	28,610	225.74	71,108		71,108	5.46	1.29	B+			

City of Sacramento
PORTFOLIO APPRAISAL
George H. Clark Memorial Scholarship Fund
 September 30, 2018

<u>Quantity</u>	<u>Security Symbol</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Accrued Interest</u>	<u>Market Value + Accrd. Int.</u>	<u>Pct. Assets</u>	<u>Cur. Yield</u>	<u>S & P</u>	<u>Moody</u>	<u>Bond Status</u>	<u>Call Put Date</u>
200	ibm	International Bus Mach	152.38	30,476	151.21	30,242		30,242	2.32	4.15	A-			
375	iyw	Ishares US Technology ETF	58.52	21,946	194.02	72,757		72,757	5.59	0.74				
				81,031		174,108		174,108	13.38	1.56				
UTILITIES														
1,300	xlu	Select Sector Spdr Tr Sbi Int-Utills	42.96	55,842	52.65	68,445		68,445	5.26	3.44				
PASSIVE INDEX														
1,520	iwd	Ishares Tr Russell 1000 Val	126.59	192,415	126.62	192,462		192,462	14.79	2.23				
				762,039		1,219,868		1,219,868	93.72	2.45				
AMERICAN DEPOSITORY RECEIPTS														
ENERGY														
1,630	bp	BP Plc Sponsored Adr	38.94	63,473	46.10	75,143		75,143	5.77	5.29				
				63,473		75,143		75,143	5.77	5.29				
TOTAL PORTFOLIO				832,093		1,301,591	0	1,301,591	100.00	2.62				

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
George H. Clark Memorial Scholarship 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>09-30-2018 Price</u>	<u>Difference</u>
<u>Purchases</u>							
COMMON STOCK							
07-20-2018	07-24-2018	420	Ishares Tr Russell 1000 Val	123.15	<u>51,723</u>	126.62	3
					51,723		
Total Purchases					<u>51,723</u>		

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
George H. Clark Memorial Scholarship 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							
07-19-2018	07-23-2018	650	Philip Morris Intl Inc Com	79.50	51,676	52.41	17,610
					51,676		17,610
Total Sales					51,676		17,610

Q2 FY2019

George H. Clark Memorial Scholarship Fund Quarterly Investment Report December 31, 2018



Office of the City Treasurer - City of Sacramento

John Colville, City Treasurer

Q2 FY2019

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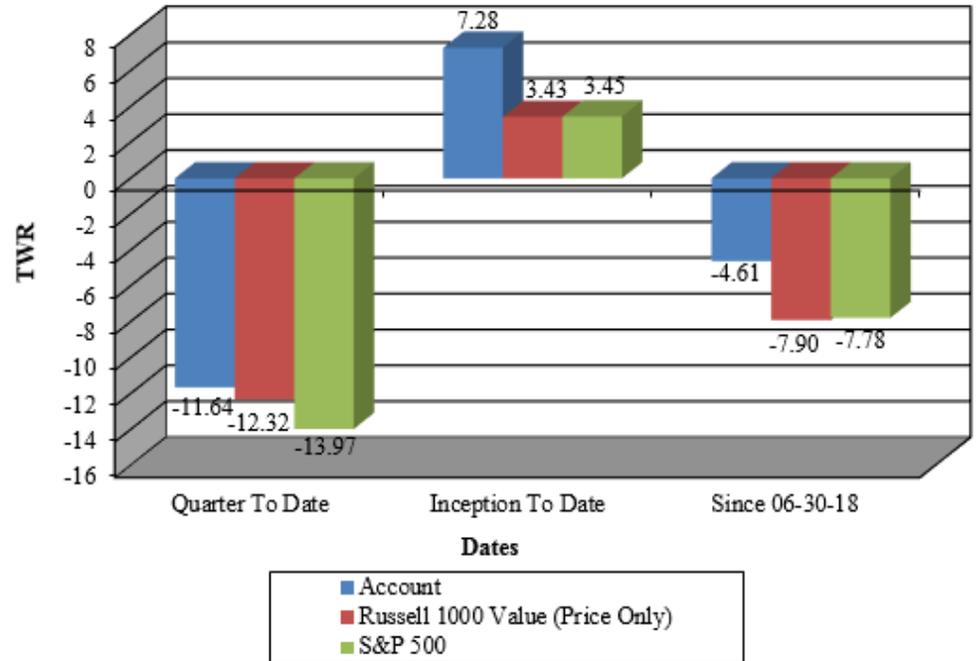
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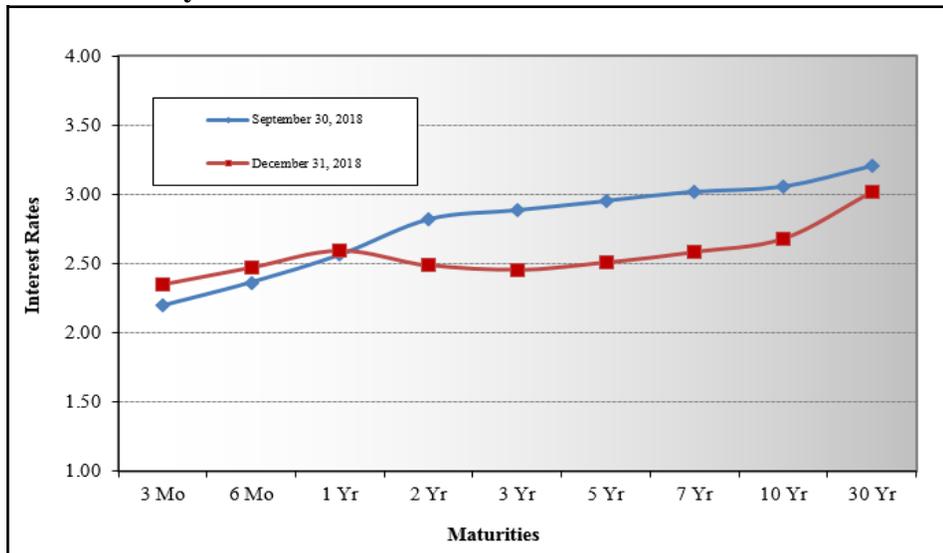
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Performance

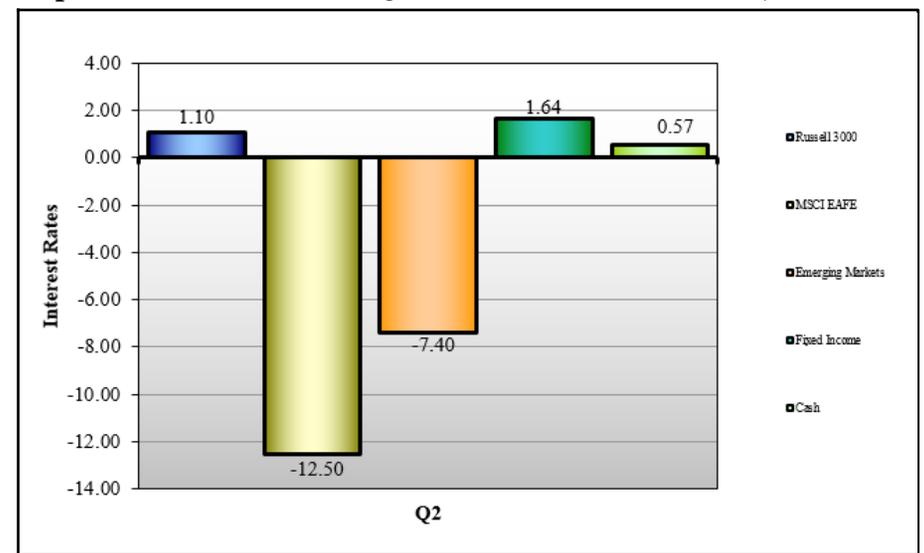
	Quarter To Date	Inception To Date	Since 06-30-2018
Account	-11.64	7.28	-4.61
Russell 1000 Value (Price Only)	-12.32	3.43	-7.90
S&P 500	-13.97	3.45	-7.78



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



Capital Market Returns - Quarter Ended December 31, 2018



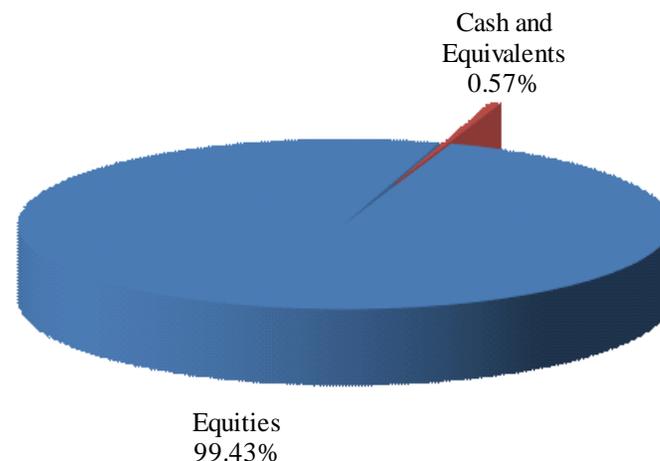
City of Sacramento
George H. Clark Memorial Scholarship Fund
 December 31, 2018

Activity

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

Portfolio Value on 09-30-18	1,301,591
Contributions	0
Withdrawals	-10,023
Realized Gains	4
Unrealized Gains	-160,060
Interest	35
Dividends	8,882
Portfolio Value on 12-31-18	1,140,429

Actual Asset Allocation



Operating Cash Account Activity

From Inception to 12-31-18

	Inception to FY18	FY19 QE		Inception to FY19
		09-30-18	12-31-18	
Beginning Balance		75,848	70,352	
Initial Contribution	83			83
Cash Transfers In *	450,613	9,504	10,023	470,140
Interest Income **	11,009			11,009
Scholarship Payments	-325,000	-15,000		-340,000
Investment Mgt Fees	-60,857			-60,857
Ending Balance	75,848	70,352	80,375	80,375

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

** July to December 2018 Pool A earnings are yet to be apportioned.

Top 10 Holdings

Securities	Market Value	Pct.
Ishares Tr Russell 1000 Val	168,796	14.80
Select Sector Spdr Tr Sbi Cons Discr	131,188	11.50
Select Sector Spdr Tr Sbi Int-Utills	68,796	6.03
Johnson & Johnson	64,525	5.66
BP Plc Sponsored Adr	61,810	5.42
Ishares US Technology ETF	59,974	5.26
Deere & Co Com	59,668	5.23
Select Sector Spdr Tr Sbi Int-Finl	59,550	5.22
Select Sector Spdr Tr Sbi Healthcare	51,906	4.55
Caterpillar Inc Del Com	50,828	4.46

City of Sacramento
PORTFOLIO APPRAISAL
George H. Clark Memorial Scholarship 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		1,484		1,484		1,484	0.13	4.00				
	miscintrec	Misc Interest Receivable		3		3		3	0.00	4.00				
	PoolA	Pool A Cash		4,944		4,944		4,944	0.43	2.41				
	intreceiv	Pool A Interest Receivable		65		65		65	0.01	2.41				
				<u>6,496</u>		<u>6,496</u>		<u>6,496</u>	<u>0.57</u>	<u>2.77</u>				
COMMON STOCK														
INDUSTRIALS														
400	cat	Caterpillar Inc Del Com	69.20	27,679	127.07	50,828		50,828	4.46	2.71	B+			
400	de	Deere & Co Com	59.47	23,789	149.17	59,668		59,668	5.23	2.04	B+			
185	hon	Honeywell	127.59	23,605	132.12	24,442		24,442	2.14	2.48	A-			
150	iyt	Ishares Tr Transp Ave Idx	77.22	11,583	165.01	24,751		24,751	2.17	1.35				
225	unp	Union Pac Corp Com	110.02	24,754	138.23	31,102		31,102	2.73	2.31	A			
				<u>111,410</u>		<u>190,791</u>		<u>190,791</u>	<u>16.73</u>	<u>2.23</u>				
COMMUNICATION SERVICES														
700	t	At&t Inc	39.82	27,874	28.54	19,978		19,978	1.75	7.15	B			
700	vz	Verizon Communications Inc	38.05	26,634	56.22	39,354		39,354	3.45	4.29	B			
				<u>54,508</u>		<u>59,332</u>		<u>59,332</u>	<u>5.20</u>	<u>5.25</u>				
CONSUMER DISCRETIONARY														
1,325	xly	Select Sector Spdr Tr Sbi Cons Discr	33.50	44,387	99.01	131,188		131,188	11.50	1.34				
CONSUMER STAPLES														
650	mo	Altria Group Inc	26.65	17,324	49.39	32,103		32,103	2.82	6.48	A-			
600	ko	Coca Cola Co Com	32.30	19,383	47.35	28,410		28,410	2.49	3.29	B+			
280	pg	Procter & Gamble Co	88.22	24,702	91.92	25,738		25,738	2.26	3.12	A			
				<u>61,408</u>		<u>86,251</u>		<u>86,251</u>	<u>7.56</u>	<u>4.43</u>				
ENERGY														
340	cvx	Chevron Corporation	118.00	40,119	108.79	36,989		36,989	3.24	4.12	B			
FINANCIAL														
2,200	nly	Annaly Cap Mgmt Inc Com	14.91	32,805	9.82	21,604		21,604	1.89	12.22	B-			
2,500	xlf	Select Sector Spdr Tr Sbi Int-Finl	14.83	37,081	23.82	59,550		59,550	5.22	2.08				
				<u>69,886</u>		<u>81,154</u>		<u>81,154</u>	<u>7.12</u>	<u>4.78</u>				
HEALTHCARE														
500	jnj	Johnson & Johnson	61.71	30,855	129.05	64,525		64,525	5.66	2.60	A-			
600	xlw	Select Sector Spdr Tr Sbi Healthcare	31.93	19,161	86.51	51,906		51,906	4.55	1.57				
				<u>50,016</u>		<u>116,431</u>		<u>116,431</u>	<u>10.21</u>	<u>2.14</u>				
INFORMATION TECHNOLOGY														
315	aapl	Apple Inc.	90.82	28,610	157.74	49,688		49,688	4.36	1.85	B+			

City of Sacramento
PORTFOLIO APPRAISAL
George H. Clark Memorial Scholarship Fund
 December 31, 2018

<u>Quantity</u>	<u>Security Symbol</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Accrued Interest</u>	<u>Market Value + Accrd. Int.</u>	<u>Pct. Assets</u>	<u>Cur. Yield</u>	<u>S & P</u>	<u>Moody</u>	<u>Bond Status</u>	<u>Call Put Date</u>
200	ibm	International Bus Mach	152.38	30,476	113.67	22,734		22,734	1.99	5.52	A-			
375	iyw	Ishares US Technology ETF	58.52	21,946	159.93	59,974		59,974	5.26	0.92				
				81,031		132,396		132,396	11.61	2.06				
UTILITIES														
1,300	xlu	Select Sector Spdr Tr Sbi Int-Utills	42.96	55,842	52.92	68,796		68,796	6.03	3.33				
PASSIVE INDEX														
1,520	iwd	Ishares Tr Russell 1000 Val	126.59	192,415	111.05	168,796		168,796	14.80	2.71				
				761,022		1,072,124		1,072,124	94.01	2.84				
AMERICAN DEPOSITORY RECEIPTS														
ENERGY														
1,630	bp	BP Plc Sponsored Adr	38.94	63,473	37.92	61,810		61,810	5.42	6.43				
				63,473		61,810		61,810	5.42	6.43				
TOTAL PORTFOLIO				830,991		1,140,429	0	1,140,429	100.00	3.03				

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
George H. Clark Memorial Scholarship 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							
10-04-2018	10-04-2018	0	Garrett Motion Inc Com	17.00	8	13.93	2
10-16-2018	10-18-2018	18	Garrett Motion Inc Com	15.25	274	13.93	24
11-01-2018	11-01-2018	1	Resideo Technologies Inc	21.06	17	24.62	-3
11-05-2018	11-07-2018	30	Resideo Technologies Inc	24.02	721	24.62	-18
					1,021		4
Total Sales					1,021		4

Q3 FY2019

George H. Clark Memorial Scholarship Fund Quarterly Investment Report March 31, 2019



Office of the City Treasurer - City of Sacramento

John Colville, City Treasurer

Q3 FY2019

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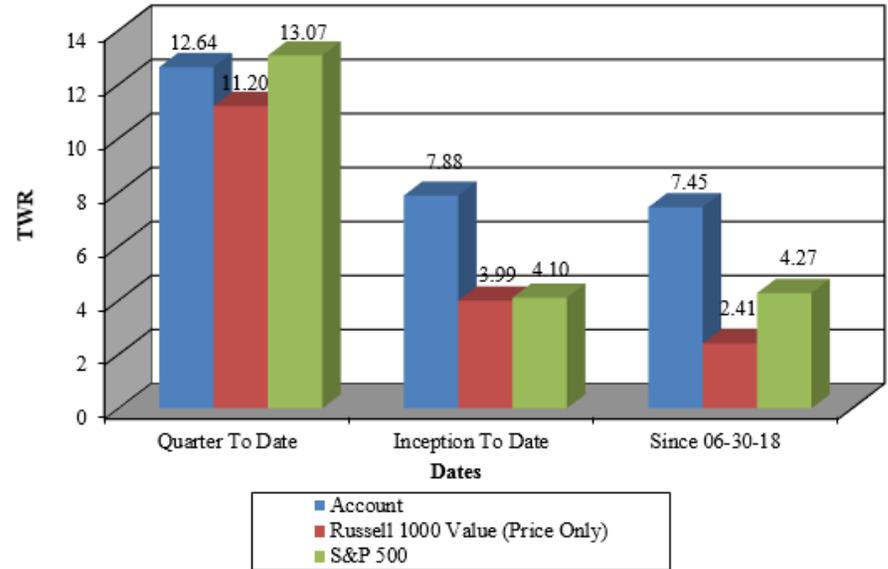
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- The objective of this fund is income. The committee directed the Treasurer's office to invest funds for moderate growth of principal and adequate cash flow to pay for scholarships.
- Goal is to earn a cash return per year of \$20,000 thousand dollars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

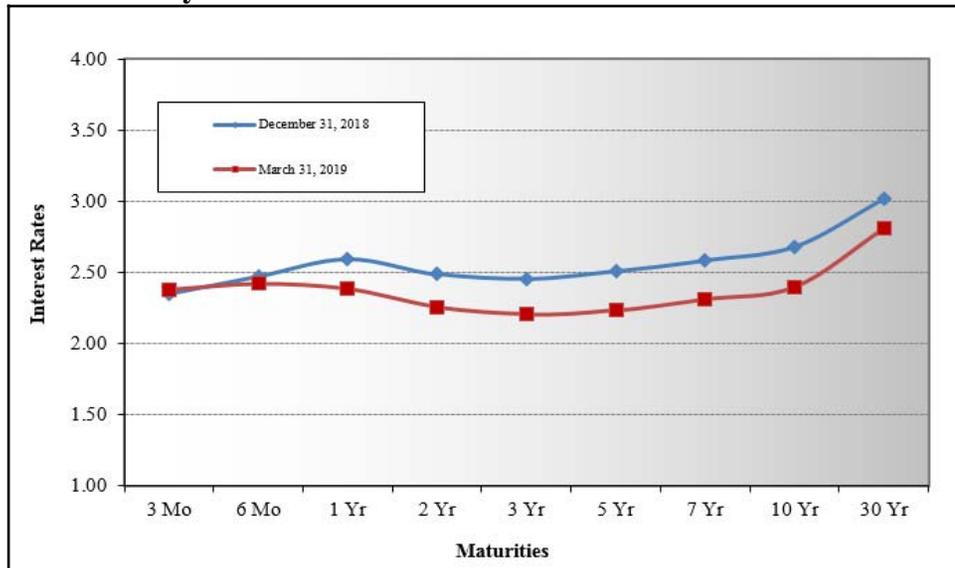
City of Sacramento
George H. Clark Memorial Scholarship Fund
 March 31, 2019

Performance

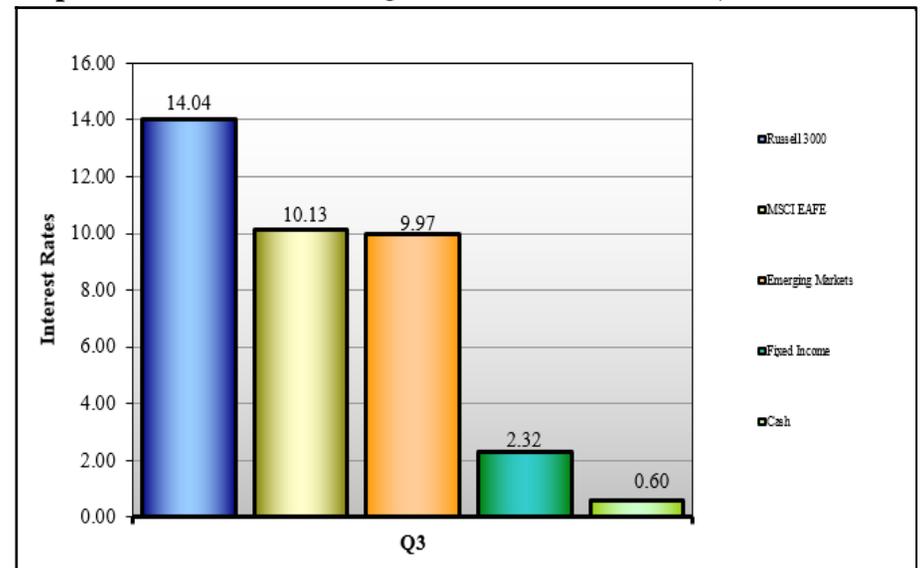
	Quarter To Date	Inception To Date	Since 06-30-2018
Account	12.64	7.88	7.45
Russell 1000 Value (Price Only)	11.20	3.99	2.41
S&P 500	13.07	4.10	4.27



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



Capital Market Returns - Quarter Ended March 31, 2019



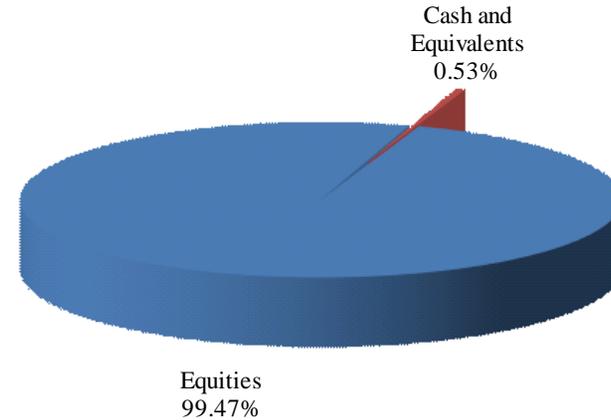
City of Sacramento
George H. Clark Memorial Scholarship Fund
 March 31, 2019

Activity

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

Portfolio Value on 12-31-18	1,140,429
Contributions	0
Withdrawals	-8,542
Realized Gains	0
Unrealized Gains	135,279
Interest	173
Dividends	8,640
Portfolio Value on 03-31-19	1,275,979

Actual Asset Allocation



Operating Cash Account Activity

From Inception to 03-31-19

	Inception to FY18	FY19 QE			Inception to FY19
		09-30-18	12-31-18	03-31-19	
Beginning Balance		75,848	70,352	80,375	
Initial Contribution	83				83
Cash Transfers In *	450,613	9,504	10,023	8,542	478,682
Interest Income **	11,009				11,009
Scholarship Payments	-325,000	-15,000			-340,000
Investment Mgt Fees	-60,857				-60,857
Ending Balance	75,848	70,352	80,375	88,917	88,917
* Cash Transfers In = monies transferred from Memorial Investment Cash Account to Operating Cash Account to pay for scholarships and other expenses.					
** July 2018 to March 2019 Pool A earnings are yet to be apportioned.					

Top 10 Holdings

Securities	Market Value	Pct.
Ishares Tr Russell 1000 Val	187,705	14.71
Select Sector Spdr Tr Sbi Cons Discr	150,851	11.82
Select Sector Spdr Tr Sbi Int-Utils	75,621	5.93
Ishares US Technology ETF	71,475	5.60
BP Plc Sponsored Adr	71,264	5.59
Johnson & Johnson	69,895	5.48
Select Sector Spdr Tr Sbi Int-Finl	64,275	5.04
Deere & Co Com	63,936	5.01
Apple Inc.	59,834	4.69
Select Sector Spdr Tr Sbi Healthcare	55,050	4.31

City of Sacramento
PORTFOLIO APPRAISAL
George H. Clark Memorial Scholarship 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		1,724		1,724		1,724	0.14	4.00				
	fidfund	Fidelity Fund		994		994		994	0.08	2.04				
	miscintrec	Misc Interest Receivable		2		2		2	0.00	2.04				
	PoolA	Pool A Cash		3,949		3,949		3,949	0.31	2.50				
	intreceiv	Pool A Interest Receivable		97		97		97	0.01	2.50				
				<u>6,767</u>		<u>6,767</u>		<u>6,767</u>	<u>0.53</u>	<u>2.81</u>				
COMMON STOCK														
INDUSTRIALS														
400	cat	Caterpillar Inc Del Com	69.20	27,679	135.49	54,196		54,196	4.25	2.54	B+			
400	de	Deere & Co Com	59.47	23,789	159.84	63,936		63,936	5.01	1.90	B+			
185	hon	Honeywell	127.59	23,605	158.92	29,400		29,400	2.30	2.06	A-			
150	iyt	Ishares Tr Transp Ave Idx	77.22	11,583	187.26	28,089		28,089	2.20	1.15				
225	unp	Union Pac Corp Com	110.02	24,754	167.20	37,620		37,620	2.95	2.11	A			
				<u>111,410</u>		<u>213,241</u>		<u>213,241</u>	<u>16.71</u>	<u>2.02</u>				
COMMUNICATION SERVICES														
700	t	At&t Inc	39.82	27,874	31.36	21,952		21,952	1.72	6.51	B			
700	vz	Verizon Communications Inc	38.05	26,634	59.13	41,391		41,391	3.24	4.08	B			
				<u>54,508</u>		<u>63,343</u>		<u>63,343</u>	<u>4.96</u>	<u>4.92</u>				
CONSUMER DISCRETIONARY														
1,325	xly	Select Sector Spdr Tr Sbi Cons Discr	33.50	44,387	113.85	150,851		150,851	11.82	1.23				
CONSUMER STAPLES														
650	mo	Altria Group Inc	26.65	17,324	57.43	37,329		37,329	2.93	5.57	A-			
600	ko	Coca Cola Co Com	32.30	19,383	46.86	28,116		28,116	2.20	3.41	B+			
280	pg	Procter & Gamble Co	88.22	24,702	104.05	29,134		29,134	2.28	2.76	A			
				<u>61,408</u>		<u>94,579</u>		<u>94,579</u>	<u>7.41</u>	<u>4.06</u>				
ENERGY														
340	cvx	Chevron Corporation	118.00	40,119	123.18	41,881		41,881	3.28	3.86	B			
FINANCIAL														
2,200	nly	Annaly Cap Mgmt Inc Com	14.91	32,805	9.99	21,978		21,978	1.72	12.01	B-			
2,500	xlf	Select Sector Spdr Tr Sbi Int-Finl	14.83	37,081	25.71	64,275		64,275	5.04	2.05				
				<u>69,886</u>		<u>86,253</u>		<u>86,253</u>	<u>6.76</u>	<u>4.59</u>				
HEALTHCARE														
500	jnj	Johnson & Johnson	61.71	30,855	139.79	69,895		69,895	5.48	2.40	A-			
600	xlw	Select Sector Spdr Tr Sbi Healthcare	31.93	19,161	91.75	55,050		55,050	4.31	1.53				
				<u>50,016</u>		<u>124,945</u>		<u>124,945</u>	<u>9.79</u>	<u>2.02</u>				

City of Sacramento
PORTFOLIO APPRAISAL
George H. Clark Memorial Scholarship Fund
March 31, 2019

<u>Quantity</u>	<u>Security Symbol</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Accrued Interest</u>	<u>Market Value + Accrd. Int.</u>	<u>Pct. Assets</u>	<u>Cur. Yield</u>	<u>S & P</u>	<u>Moody</u>	<u>Bond Status</u>	<u>Call Put Date</u>
INFORMATION TECHNOLOGY														
315	aapl	Apple Inc.	90.82	28,610	189.95	59,834		59,834	4.69	1.54	B+			
200	ibm	International Bus Mach	152.38	30,476	141.10	28,220		28,220	2.21	4.45	A-			
375	iyw	Ishares US Technology ETF	58.52	21,946	190.60	71,475		71,475	5.60	0.79				
				81,031		159,529		159,529	12.50	1.72				
UTILITIES														
1,300	xlu	Select Sector Spdr Tr Sbi Int-Utils	42.96	55,842	58.17	75,621		75,621	5.93	3.10				
PASSIVE INDEX														
1,520	iwd	Ishares Tr Russell 1000 Val	126.59	192,415	123.49	187,705		187,705	14.71	2.43				
				761,022		1,197,949		1,197,949	93.88	2.58				
AMERICAN DEPOSITORY RECEIPTS														
ENERGY														
1,630	bp	BP Plc Sponsored Adr	38.94	63,473	43.72	71,264		71,264	5.59	5.58				
				63,473		71,264		71,264	5.59	5.58				
TOTAL PORTFOLIO				831,262		1,275,979	0	1,275,979	100.00	2.75				

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
George H. Clark Memorial Scholarship 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

George H. Clark Memorial Scholarship Fund Quarterly Investment Report June 30, 2019



Office of the City Treasurer - City of Sacramento

John Colville, City Treasurer

Q4 FY2019

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.

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 George H. Clark Memorial Scholarship Fund underperformed its benchmark, the Russell 1000 with a Q4 return of 2.53%, versus a 3.17% return of the benchmark. The Clark Fund lagged the benchmark in April and May, but reversed course in June and outperformed the benchmark by .25%.

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.

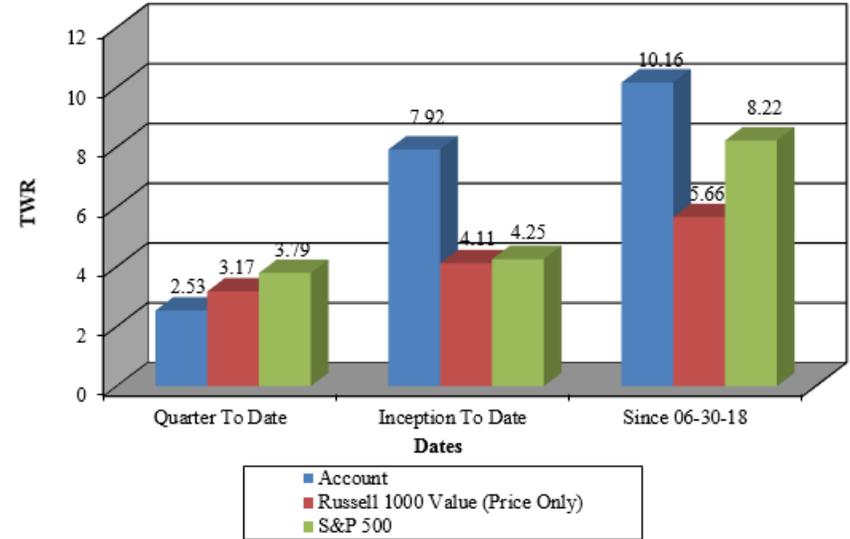
International equities continued to underperform in Q4. The MSCI EAFE which tracks international developed markets, returned 2.5%, and the MSCI Emerging Markets index returned -.31%. To counteract the poor performance of international markets, Central Banks have begun discussions of easing monetary policy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

*Quarters are reflective of the City's fiscal year

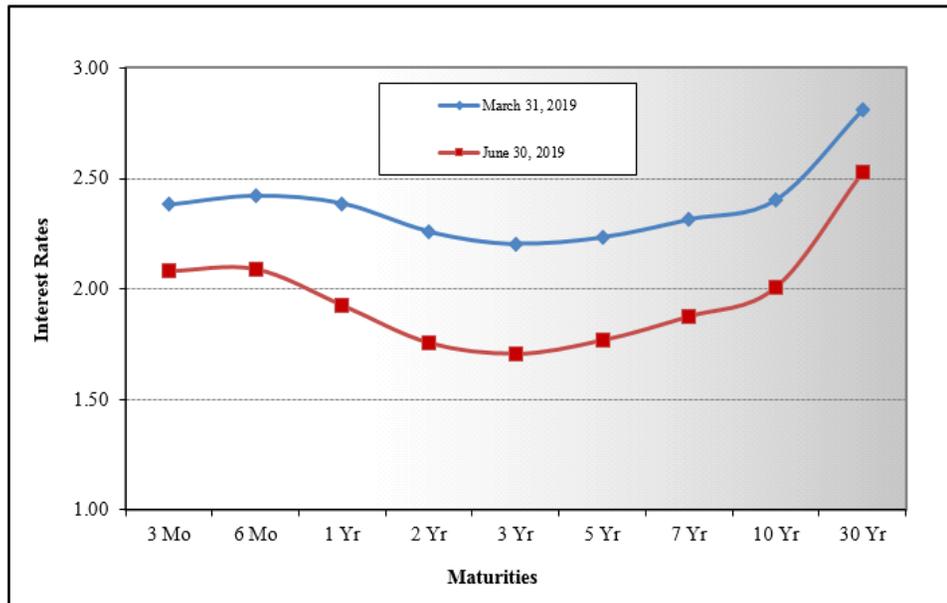
City of Sacramento
George H. Clark Memorial Scholarship Fund
 June 30, 2019

Performance

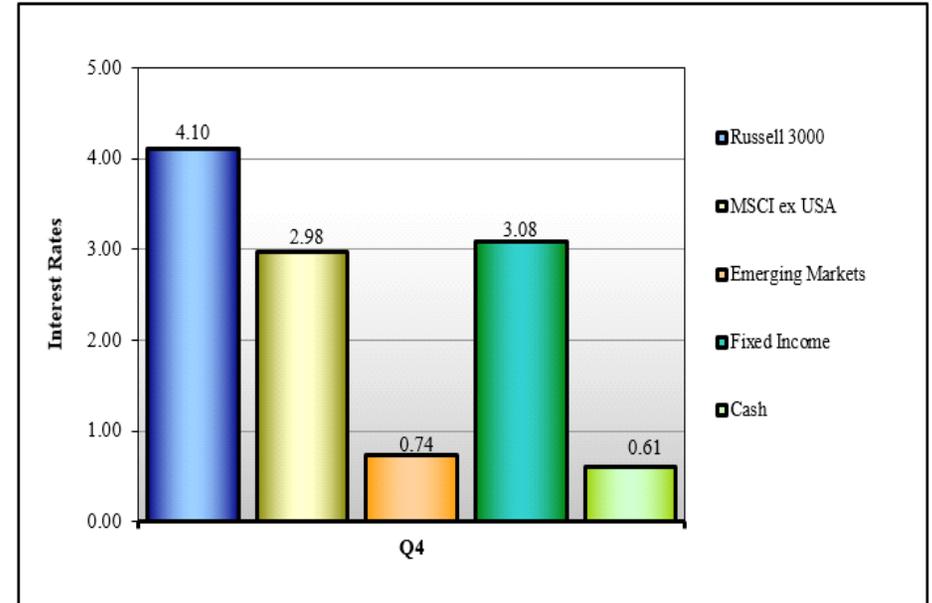
	Quarter To Date	Inception To Date	Since 06-30-2018
Account	2.53	7.92	10.16
Russell 1000 Value (Price Only)	3.17	4.11	5.66
S&P 500	3.79	4.25	8.22



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



Capital Market Returns - Quarter Ended June 30, 2019



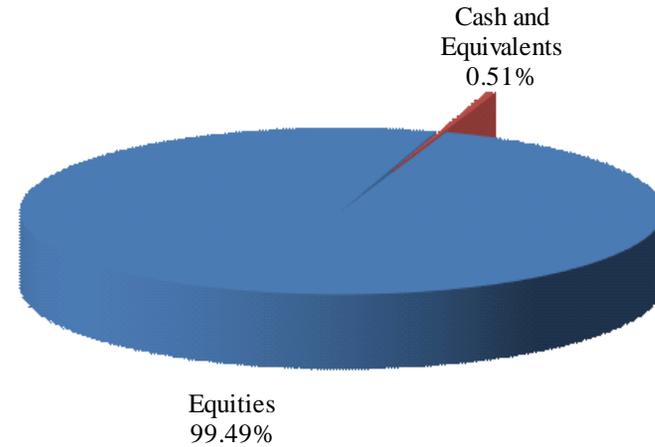
City of Sacramento
George H. Clark Memorial Scholarship Fund
 June 30, 2019

Activity

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

Portfolio Value on 03-31-19	1,275,979
Contributions	0
Withdrawals	-9,118
Realized Gains	0
Unrealized Gains	23,202
Interest	81
Dividends	8,830
Portfolio Value on 06-30-19	1,298,974

Actual Asset Allocation



Operating Cash Account Activity

From Inception to 06-30-19

	Inception	FY19 QE				Inception
	to FY18	09-30-18	12-31-18	03-31-19	06-30-19	to FY19
Beginning Balance		75,848	70,710	81,121	90,132	
Initial Contribution	83					83
Cash Transfers In *	450,613	9,504	10,023	8,542	9,118	487,800
Interest Income	11,009	358	389	469	562	12,786
Scholarship Payments	-325,000	-15,000				-340,000
Investment Mgt Fees	-60,857				-3,286	-64,143
Ending Balance	75,848	70,710	81,121	90,132	96,526	96,526

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

Top 10 Holdings

Securities	Market Value	Pct.
Ishares Tr Russell 1000 Val	193,374	14.89
Select Sector Spdr Tr Sbi Cons Discr	157,940	12.16
Select Sector Spdr Tr Sbi Int-Utils	77,519	5.97
Ishares US Technology ETF	74,209	5.71
Johnson & Johnson	69,640	5.36
Select Sector Spdr Tr Sbi Int-Finl	69,000	5.31
BP Plc Sponsored Adr	67,971	5.23
Deere & Co Com	66,284	5.10
Apple Inc.	62,345	4.80
Select Sector Spdr Tr Sbi Healthcare	55,584	4.28

City of Sacramento
PORTFOLIO APPRAISAL
George H. Clark Memorial Scholarship 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		1,614		1,614		1,614	0.12	4.00				
	miscintrec	Misc Interest Receivable		2		2		2	0.00	1.75				
	PoolA	Pool A Cash		4,944		4,944		4,944	0.38	2.51				
				6,560		6,560		6,560	0.51	2.88				
COMMON STOCK														
INDUSTRIALS														
400	cat	Caterpillar Inc Del Com	69.20	27,679	136.29	54,516		54,516	4.20	3.02	B+			
400	de	Deere & Co Com	59.47	23,789	165.71	66,284		66,284	5.10	1.83	B+			
185	hon	Honeywell	127.59	23,605	174.59	32,299		32,299	2.49	1.88	A-			
150	iyt	Ishares Tr Transp Ave Idx	77.22	11,583	188.19	28,228		28,228	2.17	1.16				
225	unp	Union Pac Corp Com	110.02	24,754	169.11	38,050		38,050	2.93	2.09	A			
				111,410		219,377		219,377	16.89	2.09				
COMMUNICATION SERVICES														
700	t	At&t Inc	39.82	27,874	33.51	23,457		23,457	1.81	6.09	B			
700	vz	Verizon Communications Inc	38.05	26,634	57.13	39,991		39,991	3.08	4.22	B			
				54,508		63,448		63,448	4.88	4.91				
CONSUMER DISCRETIONARY														
1,325	xly	Select Sector Spdr Tr Sbi Cons Discr	33.50	44,387	119.20	157,940		157,940	12.16	1.27				
CONSUMER STAPLES														
650	mo	Altria Group Inc	26.65	17,324	47.35	30,777		30,777	2.37	7.10	A-			
600	ko	Coca Cola Co Com	32.30	19,383	50.92	30,552		30,552	2.35	3.14	B+			
280	pg	Procter & Gamble Co	88.22	24,702	109.65	30,702		30,702	2.36	2.72	A			
				61,408		92,031		92,031	7.08	4.32				
ENERGY														
340	cvx	Chevron Corporation	118.00	40,119	124.44	42,310		42,310	3.26	3.83	B			
FINANCIAL														
2,200	nly	Annaly Cap Mgmt Inc Com	14.91	32,805	9.13	20,086		20,086	1.55	12.60	B-			
2,500	xlf	Select Sector Spdr Tr Sbi Int-Finl	14.83	37,081	27.60	69,000		69,000	5.31	1.98				
				69,886		89,086		89,086	6.86	4.37				
HEALTHCARE														
500	jjj	Johnson & Johnson	61.71	30,855	139.28	69,640		69,640	5.36	2.73	A-			
600	xlx	Select Sector Spdr Tr Sbi Healthcare	31.93	19,161	92.64	55,584		55,584	4.28	1.60				
				50,016		125,224		125,224	9.64	2.23				
INFORMATION TECHNOLOGY														
315	aapl	Apple Inc.	90.82	28,610	197.92	62,345		62,345	4.80	1.56	B+			
200	ibm	International Bus Mach	152.38	30,476	137.90	27,580		27,580	2.12	4.70	A-			

City of Sacramento
PORTFOLIO APPRAISAL
George H. Clark Memorial Scholarship 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
375	iyw	Ishares US Technology ETF	58.52	21,946	197.89	74,209		74,209	5.71	0.80				
				81,031		164,134		164,134	12.64	1.74				
UTILITIES														
1,300	xlu	Select Sector Spdr Tr Sbi Int-Utils	42.96	55,842	59.63	77,519		77,519	5.97	3.10				
PASSIVE INDEX														
1,520	iwd	Ishares Tr Russell 1000 Val	126.59	192,415	127.22	193,374		193,374	14.89	2.35				
				761,022		1,224,443		1,224,443	94.26	2.60				
AMERICAN DEPOSITORY RECEIPTS														
ENERGY														
1,630	bp	BP Plc Sponsored Adr	38.94	63,473	41.70	67,971		67,971	5.23	5.85				
				63,473		67,971		67,971	5.23	5.85				
TOTAL PORTFOLIO				831,055		1,298,974	0	1,298,974	100.00	2.77				

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
George H. Clark Memorial Scholarship 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>
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No transactions within the specified date range were found!