

FY 2022

# *Ann Land/Bertha Henschel Endowment Fund* Annual Investment Report

June 30, 2022

City of  
**SACRAMENTO**  
Office of the City Treasurer

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

John Colville, City Treasurer

FY 2022



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## **INTRODUCTION**

William Land donated \$271,720 to the City for the poor, indigent and needy citizens of Sacramento in 1914. Bertha Henschel and several others donated \$278,000 in 1953. As such, the original bequeaths totaling \$549,720 are to remain in perpetuity, and all income derived from these funds are to be paid for the stated purpose. Additionally, should the book value of these funds ever fall below the original principal amount, investment income shall be retained in the corpus until it is reestablished to the original amount.

These funds are distinct and separate trust funds with common goals. However, for purposes of investment management, they are managed collectively and reported separately. Ann Land investments approximate 25% of the assets and Bertha Henschel investments approximate 75% of the assets.

The Ann Land-Bertha Henschel Memorial Funds Commission ("the Commission") was created and exists pursuant to the provisions of Sacramento City Code. The Commission consists of eight members who are appointed by Mayor and Council. The powers and duties of the Commission include the disbursement of the income of the funds. The City Treasurer by code is designated with the authority and responsibility for the investment of the funds.

## **STRATEGY**

- Adhere to prudent investment practices to provide for the preservation and growth of principal; and
- Permit the Ann Land and Bertha Henschel Memorial Commission to prudently maximize income payments to assist the poor, indigent and needy.

## **OBJECTIVES**

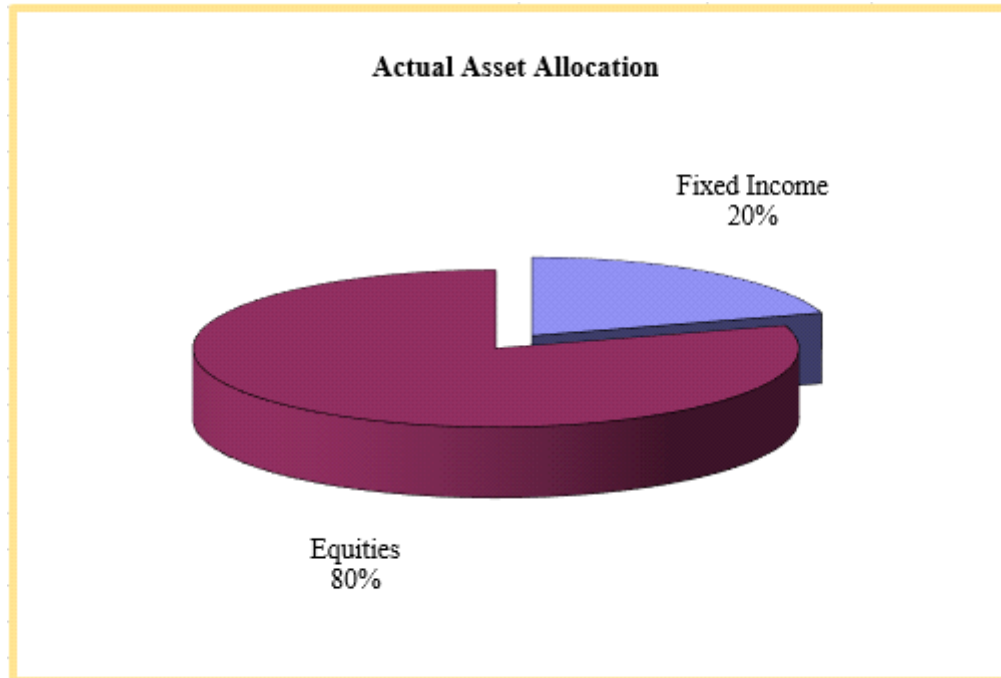
- Earn a cash rate of return from investments such that, when added to the indigent fund balance, at least \$110,000-160,000 can be expended, per Commission direction, to assist the poor, indigent and needy; and
- Provide for moderate growth of principal and income.

City of Sacramento  
**PORTFOLIO SUMMARY**  
*Ann Land/Bertha Henschel Endowment Fund*  
 June 30, 2022

Security Type	Total Cost	Market Value	Pct. Assets	Cur. Yield	Est. Annual Income
<b>Fixed Income</b>					
CORPORATE BONDS					
CONSUMER DISCRETIONARY	200,071	198,278	4.4	4.1	8,125
FINANCIAL	306,765	306,673	6.8	4.8	14,712
HEALTHCARE	246,249	228,841	5.1	3.3	7,450
TRANSPORTATION	200,385	181,470	4.0	3.8	6,841
CORPORATE BONDS	953,470	915,262	20.2	4.1	37,128
Accrued Interest		6,858	0.2		
	953,470	922,120	20.4	4.1	37,128
<b>Equities</b>					
COMMON STOCK					
INDUSTRIALS	131,061	294,745	6.5	2.5	7,470
COMMUNICATION SERVICES	185,652	188,707	4.2	5.1	9,674
CONSUMER DISCRETIONARY	30,938	148,128	3.3	2.2	3,312
CONSUMER STAPLES	323,170	553,114	12.2	4.3	23,837
ENERGY	125,249	226,210	5.0	6.7	15,269
FINANCIAL	171,827	172,975	3.8	2.1	3,642
HEALTHCARE	162,827	468,265	10.3	2.8	12,980
INFORMATION TECHNOLOGY	103,066	112,952	2.5	4.7	5,280
UTILITIES	202,605	314,427	6.9	3.2	9,922
PASSIVE INDEX	1,033,071	1,019,674	22.5	4.1	41,640
COMMON STOCK	2,469,467	3,499,198	77.3	3.8	133,028
AMERICAN DEPOSITORY RECEIPTS					
ENERGY	62,404	42,525	0.9	4.6	1,936

City of Sacramento  
**PORTFOLIO SUMMARY**  
*Ann Land/Bertha Henschel Endowment Fund*  
 June 30, 2022

Security Type	Total Cost	Market Value	Pct. Assets	Cur. Yield	Est. Annual Income
HEALTHCARE	39,174	52,236	1.2	4.5	2,339
AMERICAN DEPOSITORY RECEIPTS	101,578	94,761	2.1	4.5	4,275
	2,571,045	3,593,959	79.4	3.8	137,302
<b>Cash and Equiv.</b> CASH AND EQUIVALENTS	8,552	8,552	0.2	3.5	295
	8,552	8,552	0.2	3.5	295
<b>TOTAL PORTFOLIO</b>	<b>3,533,066</b>	<b>4,524,630</b>	<b>100.0</b>	<b>3.9</b>	<b>174,726</b>



City of Sacramento  
**PORTFOLIO APPRAISAL**  
*Ann Land/Bertha Henschel Endowment Fund*  
 June 30, 2022

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Cur. Yield	S & P	Bond Status	Call Put Date
<b>CASH AND EQUIVALENTS</b>													
	divacc	Dividend Accrual		6,913		6,913		6,913	0.15	4.00			
	miscintrec	Misc Interest Receivable		6		6		6	0.00	0.53			
	PoolA	Pool A Cash		1,633		1,633		1,633	0.04	1.15			
				8,552		8,552		8,552	0.19	3.45			
<b>CORPORATE BONDS</b>													
<b>CONSUMER DISCRETIONARY</b>													
100,000	609207am7	Mondelez Intl Inc 4.125% Due 05-07-28	99.97	99,970	100.27	100,265	619	100,884	2.22	4.11	BBB		02-07-28
100,000	855244ar0	Starbucks Corp 4.000% Due 11-15-28	100.10	100,101	98.01	98,013	511	98,524	2.17	4.08	BBB+		08-15-28
				200,071		198,278	1,130	199,408	4.39	4.10			
<b>FINANCIAL</b>													
60,000	126117ae0	CNA Financial Corp 7.250% Due 11-15-23	98.20	58,921	104.57	62,740	556	63,296	1.39	6.93	A-		
75,000	38141gwb6	Goldman Sachs Group Inc 3.850% Due 01-26-27	98.60	73,950	96.67	72,502	1,243	73,746	1.60	3.98	BBB+		01-26-26
100,000	49326eeg4	Keycorp Medium Term Nts Be 4.100% Due 04-30-28	99.31	99,312	96.40	96,401	695	97,096	2.13	4.25	BBB+		
75,000	269246bs2	E Trade Financial Corp 4.500% Due 06-20-28	99.44	74,582	100.04	75,030	103	75,133	1.66	4.50	A-		03-20-28
				306,765		306,673	2,597	309,270	6.79	4.80			
<b>HEALTHCARE</b>													
100,000	91324pdk5	Unitedhealth Group Inc 3.850% Due 06-15-28	99.44	99,438	99.37	99,368	171	99,539	2.20	3.87	A+		
150,000	125523cl2	Cigna Corp 2.400% Due 03-15-30	97.87	146,811	86.32	129,473	1,060	130,533	2.87	2.78	A-		12-15-29
				246,249		228,841	1,231	230,072	5.07	3.26			
<b>TRANSPORTATION</b>													
100,000	907818ey0	Union Pacific Corp 3.950% Due 09-10-28	100.38	100,385	98.81	98,807	1,218	100,025	2.19	4.00	A-		06-10-28
100,000	907818fq6	Union Pacific Corp 2.891% Due 04-06-36	100.00	100,000	82.66	82,663	683	83,345	1.83	3.50	A-		01-06-36
				200,385		181,470	1,901	183,370	4.02	3.77			
				953,470		915,262	6,858	922,120	20.26	4.06			
<b>COMMON STOCK</b>													
<b>INDUSTRIALS</b>													
350	cat	Caterpillar Inc Del Com	73.80	25,829	178.76	62,566		62,566	1.38	2.69	B+		
350	lmt	Lockheed Martin Corp	192.14	67,249	429.96	150,486		150,486	3.33	2.60	A		
850	rtx	Raytheon Technologies Com	44.69	37,982	96.11	81,693		81,693	1.81	2.29			
				131,061		294,745		294,745	6.52	2.53			

City of Sacramento  
**PORTFOLIO APPRAISAL**  
*Ann Land/Bertha Henschel Endowment Fund*  
 June 30, 2022

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Cur. Yield	S & P	Bond Status	Call Put Date
COMMUNICATION SERVICES													
2,950	t	At&t Inc	30.35	89,535	20.96	61,832		61,832	1.37	5.30	B		
2,500	vz	Verizon Communications Inc	38.45	96,116	50.75	126,875		126,875	2.81	5.04	B		
				185,652		188,707		188,707	4.18	5.13			
CONSUMER DISCRETIONARY													
600	mcd	Mcdonald's Corp	51.56	30,938	246.88	148,128		148,128	3.28	2.24	A		
CONSUMER STAPLES													
3,800	mo	Altria Group Inc	31.91	121,248	41.77	158,726		158,726	3.51	8.62	A-		
2,200	ko	Coca Cola Co Com	36.70	80,735	62.91	138,402		138,402	3.06	2.80	B+		
1,400	cl	Colgate Palmolive Co Com	30.86	43,201	80.14	112,196		112,196	2.48	2.35	A-		
1,000	pg	Procter & Gamble Co	77.99	77,985	143.79	143,790		143,790	3.18	2.54	A		
				323,170		553,114		553,114	12.24	4.31			
ENERGY													
500	cvx	Chevron Corporation	58.54	29,271	144.78	72,390		72,390	1.60	3.92	B		
984	enb	Enbridge Inc Com	20.87	20,537	42.26	41,584		41,584	0.92	6.44	B+		
2,350	mmp	Magellan Midstream Prt Com Unit Rp Lp	32.10	75,441	47.76	112,236		112,236	2.48	8.69			
				125,249		226,210		226,210	5.01	6.75			
FINANCIAL													
5,500	xlf	Select Sector Spdr Tr Sbi Int-Finl	31.24	171,827	31.45	172,975		172,975	3.83	2.11			
HEALTHCARE													
2,000	bmy	Bristol Myers Squibb Com	20.38	40,765	77.00	154,000		154,000	3.41	2.81	B-		
1,000	jnj	Johnson & Johnson	62.22	62,224	177.51	177,510		177,510	3.93	2.55	A-		
1,500	mrk	Merck & Co Inc (new)	39.89	59,838	91.17	136,755		136,755	3.03	3.03	B-		
				162,827		468,265		468,265	10.36	2.77			
INFORMATION TECHNOLOGY													
800	ibm	International Bus Mach	128.83	103,066	141.19	112,952		112,952	2.50	4.67	A-		
UTILITIES													
1,700	aee	Ameren Corp Com	61.28	104,184	90.36	153,612		153,612	3.40	2.61	B		
1,500	duk	Duke Energy Corp New Com New	65.61	98,421	107.21	160,815		160,815	3.56	3.68	B+		
				202,605		314,427		314,427	6.96	3.16			
PASSIVE INDEX													
13,850	pgf	Invesco Financial Preferred ETF	19.22	266,138	15.54	215,229		215,229	4.76	5.53			
15,700	pgx	Invesco Preferred ETF	15.07	236,599	12.34	193,738		193,738	4.29	5.64			
5,190	dvy	Ishares Select Dividend ETF	102.18	530,335	117.67	610,707		610,707	13.52	3.08			
				1,033,071		1,019,674		1,019,674	22.57	4.08			
				2,469,467		3,499,198		3,499,198	77.45	3.80			

City of Sacramento  
**PORTFOLIO APPRAISAL**  
*Ann Land/Bertha Henschel Endowment Fund*  
 June 30, 2022

<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 &amp; P</u>	<u>Bond Status</u>	<u>Call Put Date</u>
<b>AMERICAN DEPOSITORY RECEIPTS</b>													
ENERGY													
1,500	bp	BP Plc Sponsored Adr	41.60	62,404	28.35	42,525		42,525	0.94	4.55			
HEALTHCARE													
1,200	gsk	Glaxosmithkline Plc-Sponsored Adr	32.64	39,174	43.53	52,236		52,236	1.16	4.48			
				101,578		94,761		94,761	2.10	4.51			
<b>TOTAL PORTFOLIO</b>				<b>3,533,066</b>		<b>4,517,772</b>	<b>6,858</b>	<b>4,524,630</b>	<b>100.00</b>	<b>3.87</b>			



City of Sacramento  
**Ann Land/Bertha Henschel Endowment Fund**  
 June 30, 2022

Monthly Performance

Time Period	Portfolio	Percent Return Per Period							Cumulative TWR Basis = 100					
		Russell 1000 Value (Price Only)	iShares Select Dividend ETF Price Return	DJ Select Dividend Total Return	FTSE US Broad Investment-Grade Bond	Bloomberg US Aggregate Bond	S&P 500	Portfolio	Russell 1000 Value (Price Only)	iShares Select Dividend ETF Price Return	DJ Select Dividend Total Return	FTSE US Broad Investment-Grade Bond	Bloomberg US Aggregate Bond	S&P 500
06-30-2021								100.00	100.00	100.00	100.00	100.00	100.00	100.00
06-30-2021 to 07-31-2021	1.13	0.65	-0.84	-0.87	1.07	1.07	2.27	101.13	100.65	99.16	99.13	101.07	101.07	102.27
07-31-2021 to 08-31-2021	0.84	1.79	2.79	2.87	-0.16	-0.18	2.90	101.97	102.45	101.93	101.98	100.91	100.89	105.24
08-31-2021 to 09-30-2021	-2.68	-3.64	-3.49	-2.70	-0.89	-0.83	-4.76	99.24	98.73	98.37	99.23	100.02	100.05	100.23
09-30-2021 to 10-31-2021	2.03	4.94	2.88	2.93	-0.01	-0.03	6.91	101.25	103.61	101.20	102.13	100.01	100.02	107.16
10-31-2021 to 11-30-2021	-2.96	-3.71	-2.47	-2.40	0.29	0.28	-0.83	98.25	99.76	98.70	99.68	100.30	100.31	106.27
11-30-2021 to 12-31-2021	5.95	6.12	6.51	7.26	-0.30	-0.25	4.36	104.10	105.87	105.12	106.92	100.00	100.06	110.91
12-31-2021 to 01-31-2022	0.55	-2.46	1.21	1.29	-2.13	-2.07	-5.26	104.67	103.26	106.39	108.30	97.86	97.99	105.07
01-31-2022 to 02-28-2022	-1.04	-1.35	-0.21	-0.17	-1.30	-1.07	-3.14	103.58	101.87	106.17	108.12	96.59	96.95	101.78
02-28-2022 to 03-31-2022	1.89	2.63	3.49	4.10	-2.70	-2.66	3.58	105.53	104.55	109.87	112.55	93.98	94.37	105.42
03-31-2022 to 04-30-2022	-1.85	-5.75	-3.60	-3.48	-3.83	-3.63	-8.80	103.58	98.53	105.92	108.63	90.38	90.94	96.15
04-30-2022 to 05-31-2022	2.64	1.71	5.34	5.30	0.54	0.62	0.01	106.31	100.22	111.58	114.39	90.87	91.50	96.15
05-31-2022 to 06-30-2022	-4.77	-8.93	-9.57	-8.93	-1.57	-1.50	-8.39	101.24	91.27	100.90	104.18	89.45	90.13	88.08
<b>Date to Date</b>														
06-30-2021 to 06-30-2022	1.24	-8.73	0.90	4.18	-10.55	-9.87	-11.92							

City of Sacramento  
**Ann Land/Bertha Henschel Endowment Fund**  
 June 30, 2022

## Performance History

	<b>Latest 1 Year</b>	<b>Latest 3 Years</b>	<b>Latest 5 Years</b>	<b>Inception To Date</b>
Account	1.24	6.11	6.30	7.58
Russell 1000 Value (Price Only)	-8.73	4.39	4.60	6.45
iShares Select Dividend ETF Price Return	0.90	5.73	5.00	? *
DJ Select Dividend Total Return	4.18	10.03	9.15	? *
FTSE US Broad Investment-Grade Bond	-10.55	-0.92	0.88	5.57
Bloomberg US Aggregate Bond	-9.87	-0.89	0.84	4.84
S&P 500	-11.92	8.77	9.33	7.54

*\*Index commencement date was 11/30/03*

City of Sacramento  
**PERFORMANCE BY ASSET CLASS**  
Discounted Cash Flow Method Gross of Fees  
***Ann Land/Bertha Henschel Endowment Fund***  
From 06-30-21 To 06-30-22

	<u>Fixed Income</u>	<u>Call Options</u>	<u>Put Options</u>	<u>Equities</u>	<u>Cash and Equiv.</u>	<u>Total Portfolio</u>
Market Value on 06-30-21	835,617	0	0	3,736,120	59,125	4,630,862
Accrued Interest	4,555	0	0	0	0	4,555
Purchases/Contributions	322,711	0	0	287,460	597,018	0
Sales/Withdrawals	-132,441	0	0	-596,941	-647,923	-170,117
Transfers In	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0
Realized Gains	0	0	0	33,872	0	33,872
Unrealized Gains	-141,116	0	0	-6,965	0	-148,081
Interest Income	30,491	0	0	0	332	30,823
Dividend Income	0	0	0	140,413	0	140,413
Change in Accrued Interest	2,303	0	0	0	0	2,303
Market Value on 06-30-22	915,262	0	0	3,593,959	8,552	4,517,772
Accrued Interest	6,858	0	0	0	0	6,858
Total Gain before Fees	-108,322	0	0	167,320	332	59,330
IRR for 1.00 Years	-11.89%	0.00%	0.00%	4.65%	0.54%	1.30%
Annualized IRR	-11.89%	0.00%	0.00%	4.65%	0.54%	1.30%

City of Sacramento  
**PERFORMANCE BY ASSET CLASS**  
**GROSS OF FEES AT COST**  
*Ann Land/Bertha Henschel Endowment Fund*  
*From 06-30-21 To 06-30-22*

	<b>Fixed Income</b>	<b>Call Options</b>	<b>Put Options</b>	<b>Equities</b>	<b>Pool A Cash</b>	<b>Other Cash &amp; Equivalents</b>	<b>Total Cash and Equiv.</b>	<b>Total Portfolio</b>
Cost Value on 06-30-21	732,709	0	0	2,586,299	53,326	5,799	59,125	3,378,133
Accrued Interest	4,555	0	0	0	0	0	0	4,555
Purchases	222,711	0	0	254,347	0	423,416	423,416	900,474
Contributions	100,000	0	0	33,113	171,879	1,724	173,602	0
Sales	0	0	0	-423,416	0	-477,058	-477,058	-900,474
Withdrawals	-132,441	0	0	-173,526	-223,894	53,029	-170,865	-170,117
Transfers In	0	0	0	0	0	0	0	0
Transfers Out	0	0	0	0	0	0	0	0
Realized Gains	0	0	0	153,814	0	0	0	153,814
Amortization	0	0	0	0	0	0	0	0
Interest Income	30,491	0	0	0	322	9	332	30,823
Dividend Income	0	0	0	140,413	0	0	0	140,413
Change in Accrued Interest	2,303	0	0	0	0	0	0	2,303
Cost Value on 06-30-22	953,470	0	0	2,571,045	1,633	6,919	8,552	3,533,066
Accrued Interest	6,858	0	0	0	0	0	0	6,858
Average Cost Base	800,141	0	0	2,443,443	45,045	16,443	61,488	3,305,072
Total Gain before Fees	32,794	0	0	294,227	322	9	332	327,353
IRR for 1.00 Years	4.10%	0.00%	0.00%	12.04%	0.72%	0.06%	0.54%	9.90%
Annualized IRR	4.10%	0.00%	0.00%	12.04%	0.72%	0.06%	0.54%	9.90%

City of Sacramento  
**PURCHASE/SALE AND GAIN/LOSS**  
***Ann Land/Bertha Henschel Endowment Fund***  
*From 07-01-21 To 06-30-22*

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>06-30-2022 Price</u>	<u>Difference</u>
<b><u>Purchases</u></b>							
<b>CORPORATE BONDS</b>							
01-19-2022	01-21-2022	150,000	Cigna Corp 2.400% Due 03-15-30	97.87	146,811	86.32	-12
04-20-2022	04-22-2022	75,000	Goldman Sachs Group Inc 3.850% Due 01-26-27	98.60	73,950	96.67	-2
					220,761		
<b>COMMON STOCK</b>							
09-08-2021	09-10-2021	1,025	Ishares Select Dividend ETF	118.29	121,245	117.67	-1
01-20-2022	01-24-2022	90	Ishares Select Dividend ETF	125.69	11,312	117.67	-8
01-14-2022	01-19-2022	3,000	Select Sector Spdr Tr Sbi Int-Finl	40.60	121,790	31.45	-9
					254,347		
Total Purchases					475,108		

City of Sacramento  
**PURCHASE/SALE AND GAIN/LOSS**  
*Ann Land/Bertha Henschel Endowment Fund*  
From 07-01-21 To 06-30-22

<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>							
<b>COMMON STOCK</b>							
09-08-2021	09-10-2021	950	Blackstone Inc	127.55	121,170	35.62	87,334
01-14-2022	01-19-2022	1,670	Ishares Tr Russell 1000 Val	168.39	281,208	121.80	77,807
11-05-2021	11-09-2021	160	Kyndryl Hldgs Inc	25.05	4,008	29.75	-751
04-14-2022	04-14-2022	1	Warner Bros Discovery Inc	23.93	16	38.68	-10
04-18-2022	04-20-2022	713	Warner Bros Discovery Inc	23.86	17,013	38.68	-10,567
					423,416		153,814
Total Sales					423,416		153,814