

# Q1 FY2023

## Ethel Hart Mutual Endowment Fund Quarterly Investment Report September 30, 2022



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

John Colville, City Treasurer

Q1 FY2023

## **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 Stephanie Wilson, Recreation Superintendent for the Department of Youth, Parks, and Community Enrichment. The Hart Trust Endowment Fund (“the Fund”) will be invested with a growth objective. The minimum return objective over a five-year period is \$400,000 or roughly 2.87% compounded annually based on current Fund market value.

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 minimum return objective of \$400,000 over subsequent five-year period; 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.

## Q1 MARKET OVERVIEW

### **Equities:**

Domestic equities continued a downward trend during the quarter due to inflation that has proven to be significant and could be long lasting. The Dow Jones dropped 6.67%, while the S&P 500 lost 5.28%. The Federal Funds Rate was raised by another 0.75%, with at least two more rate hikes being expected before year-end. Consumer Discretionary was the only sector to show a positive return. Every other sector was in the red, as markets endured another rough quarter. The Fed is faced with a daunting challenge over the next 18-24 months. While it prefers to execute a “soft landing” coming out of the current recession, there is very little chance that will happen. The Fed must, therefore, skillfully execute policy to avoid a long and enduring contraction of the economy.

### **Fixed Income/Rates:**

Fixed income yields rose sharply across the yield curve, in response to the action of The Fed. The yield curve remained inverted, as short-term issues carried higher rates than those further out on the curve. One year treasuries, which began the quarter yielding 2.77%, shot all the way up to 3.99% by September 30<sup>th</sup>. Meanwhile, the 10-year treasury yield began the quarter at 3.01% and finished it at 3.83%. High inflation is becoming a way of life for Americans. Many economists are projecting a Federal Funds Rate at or near 5.00% (it is currently 3.00%) by the end of 2023. That will push rates for mortgages, credit cards, and car loans higher, further restricting the purchasing power of consumers.

### **Economy:**

Technically, the American economy is in a recession, as there have been two consecutive quarters of contractions in real GDP. A contraction is also expected when the numbers for the current quarter are released. Inflation checked in at 8.2% during September, which is an improvement over the summer, but still near highs last seen four decades ago. Energy and food prices continue to push higher, making the economy the biggest concern of Americans leading into November’s midterm election. Should Republicans win a majority of both houses of Congress, we will see political gridlock for at least the next two years, putting further pressure on The Fed to enact the right policy at the right time to ease the economy through this recessionary period.

### **International Markets:**

International and emerging markets continued to struggle. Europe is headed for a difficult winter as the reliance on Russian energy over the last decade has left them woefully short of reliable fuel as temperatures start to drop. European voters are showing their displeasure, as Italy and England have already voted for a change in leadership, with many other countries expected to follow suit. Overall, international holdings continued their struggles as the MSCI EAFE & MSCI EM indices closed the quarter down 10.37% and 12.48% respectively.

### **Performance vs. Benchmark:**

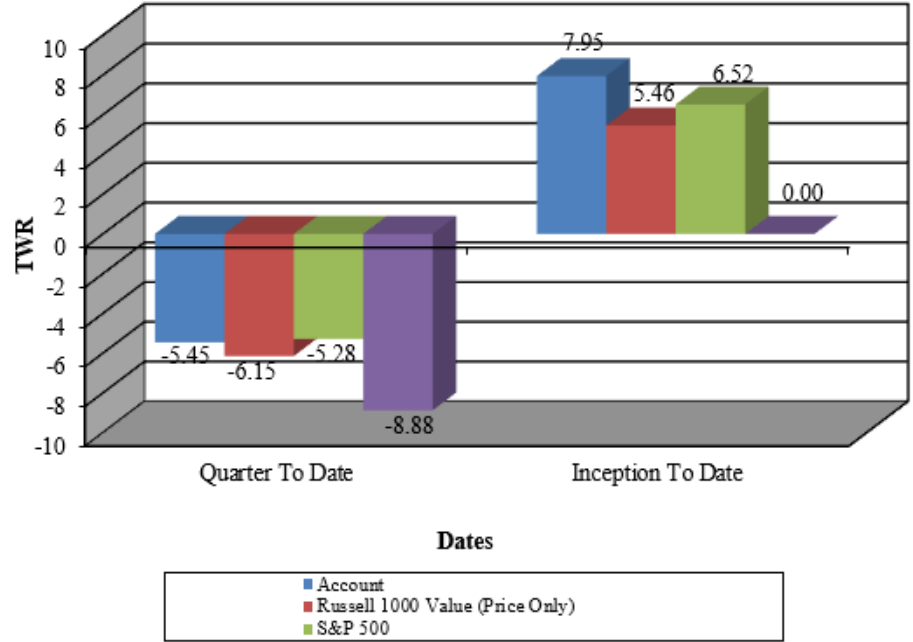
The Ethel Hart Endowment Fund had a Q4 return of -5.45%, outperforming its benchmark, the iShares Select Dividend ETF (PR) which had a return of -8.88%.

City of Sacramento  
**Ethel Hart Mutual Endowment Fund**  
 September 30, 2022

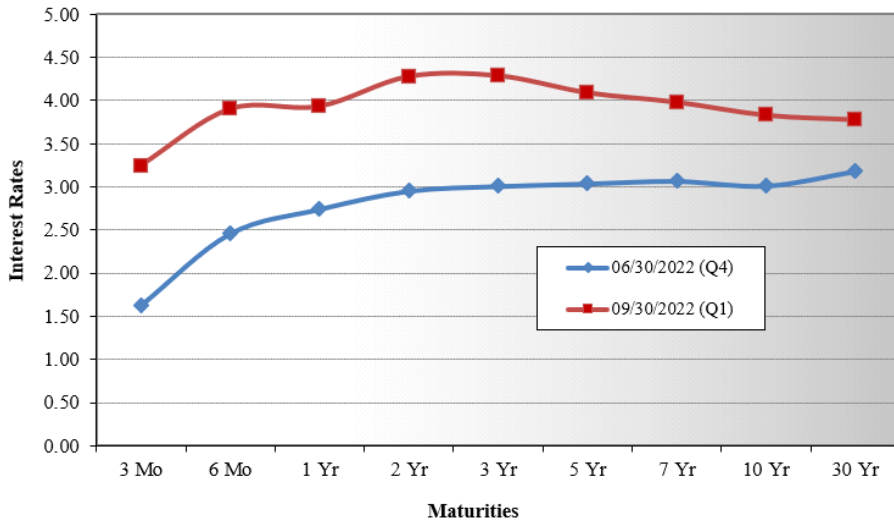
## Performance

	Quarter To Date	Inception To Date
Account	-5.45	7.95
Russell 1000 Value (Price Only)	-6.15	5.46
S&P 500	-5.28	6.52
iShares Select Dividend ETF Price Return	-8.88	? *

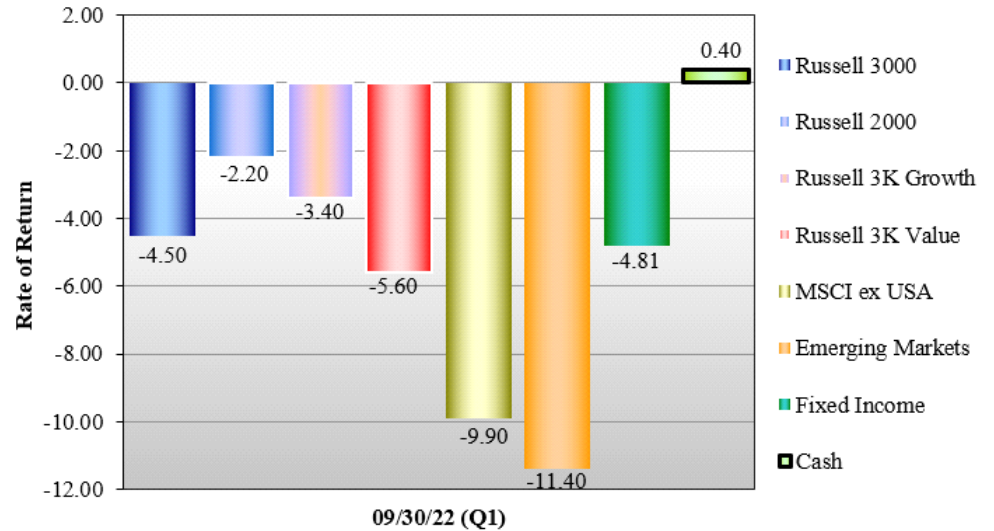
\*Index commencement date was 11/30/2003



U.S. Treasury Yield Curve - QE 06/30/2022 (Q4) vs QE 09/30/2022 (Q1)



Capital Market Returns - Quarter Ended 09/30/2022 (Q1)



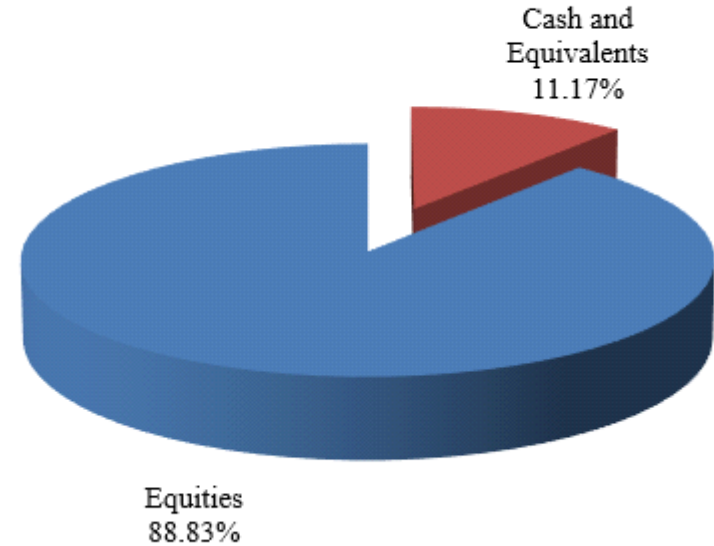
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**Ethel Hart Mutual Endowment Fund**  
 September 30, 2022

**Activity**

From 06-30-22 to 09-30-22

<b>Portfolio Value on 06-30-22</b>	<b>2,946,849</b>
Contributions	0
Withdrawals	0
Realized Gains	-1,774
Unrealized Gains	-183,370
Interest	1,043
Dividends	23,359
<b>Portfolio Value on 09-30-22</b>	<b>2,786,107</b>

**Actual Asset Allocation**



**Top 10 Holdings**

Securities	Market Value	Pct.
Pool A Cash	306,320	10.99
Block H & R Inc	170,160	6.11
Select Sector Spdr Tr Sbi Int-Utills	114,642	4.11
At&t Inc	113,516	4.07
Select Sector Spdr Tr Sbi Int-Energy	113,431	4.07
Home Depot Inc	103,477	3.71
Select Sector Spdr Tr Sbi Int-Finl	95,634	3.43
Merck & Co Inc (new)	94,732	3.40
International Bus Mach	89,107	3.20
Ishares Tr Russell 1000 Val	88,393	3.17

City of Sacramento  
**PORTFOLIO APPRAISAL**  
*Ethel Hart Mutual Endowment Fund*  
September 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		3,830		3,830		3,830	0.14	4.00			
	PoolA	Pool A Cash		306,320		306,320		306,320	10.99	1.59			
	intreceiv	Pool A Interest Receivable		1,034		1,034		1,034	0.04	1.59			
				<u>311,183</u>		<u>311,183</u>		<u>311,183</u>	11.17	1.62			
<b>COMMON STOCK</b>													
<b>INDUSTRIALS</b>													
300	hon	Honeywell	105.24	31,573	166.97	50,091		50,091	1.80	2.47	A-		
800	ip	Intl Paper Co	51.93	41,544	31.70	25,360		25,360	0.91	5.84	B-		
380	unp	Union Pac Corp Com	109.96	41,786	194.82	74,032		74,032	2.66	2.67	A		
				<u>114,903</u>		<u>149,483</u>		<u>149,483</u>	5.37	3.14			
<b>COMMUNICATION SERVICES</b>													
7,400	t	At&t Inc	22.25	164,667	15.34	113,516		113,516	4.07	7.24	B		
1,000	vz	Verizon Communications Inc	39.15	39,153	37.97	37,970		37,970	1.36	6.87	B		
				<u>203,821</u>		<u>151,486</u>		<u>151,486</u>	5.44	7.15			
<b>CONSUMER DISCRETIONARY</b>													
375	hd	Home Depot Inc	119.60	44,849	275.94	103,477		103,477	3.71	2.75	A+		
<b>CONSUMER STAPLES</b>													
1,100	mo	Altria Group Inc	26.65	29,317	40.38	44,418		44,418	1.59	9.31	A-		
790	ko	Coca Cola Co Com	36.12	28,535	56.02	44,256		44,256	1.59	3.14	B+		
300	pep	Pepsico Inc	117.43	35,229	163.26	48,978		48,978	1.76	2.82	A-		
300	pg	Procter & Gamble Co	88.20	26,460	126.25	37,875		37,875	1.36	2.89	A		
				<u>119,541</u>		<u>175,527</u>		<u>175,527</u>	6.30	4.56			
<b>ENERGY</b>													
540	cvx	Chevron Corporation	102.80	55,510	143.67	77,582		77,582	2.78	3.95	B		
500	etr	Entergy Corp New Com	119.77	59,885	100.63	50,315		50,315	1.81	4.01	B		
580	xom	Exxon Mobil Corporation	83.25	48,286	87.31	50,640		50,640	1.82	4.03	B+		
1,400	oke	Oneok Inc New Com	76.09	106,527	51.24	71,736		71,736	2.57	7.30			
1,575	xle	Select Sector Spdr Tr Sbi Int-Energy	65.94	103,859	72.02	113,431		113,431	4.07	4.24			
				<u>374,067</u>		<u>363,704</u>		<u>363,704</u>	13.05	4.72			
<b>FINANCIAL</b>													
4,000	hrb	Block H & R Inc	20.94	83,765	42.54	170,160		170,160	6.11	2.73	A-		
750	jpm	Jpmorgan Chase & Co	45.10	33,825	104.50	78,375		78,375	2.81	3.83	A-		
2,500	key	Keycorp New Com	20.69	51,732	16.02	40,050		40,050	1.44	4.87	A-		
1,450	met	Metlife Inc Com	46.62	67,593	60.78	88,131		88,131	3.16	3.29	B+		
1,000	pru	Prudential Finl Inc Com	81.94	81,936	85.78	85,780		85,780	3.08	5.60	B-		
3,150	xlf	Select Sector Spdr Tr Sbi Int-Finl	13.41	42,247	30.36	95,634		95,634	3.43	2.22			
800	usb	U. S. Bancorp	31.49	25,192	40.32	32,256		32,256	1.16	4.76	A		
				<u>386,291</u>		<u>590,386</u>		<u>590,386</u>	21.19	3.55			

City of Sacramento  
**PORTFOLIO APPRAISAL**  
*Ethel Hart Mutual Endowment Fund*  
September 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>HEALTHCARE</b>													
260	jnj	Johnson & Johnson	61.41	15,966	163.36	42,474		42,474	1.52	2.77	A-		
1,100	mrk	Merck & Co Inc (new)	45.06	49,563	86.12	94,732		94,732	3.40	3.20	B-		
660	pfe	Pfizer Inc	23.78	15,692	43.76	28,882		28,882	1.04	3.66	B+		
				81,222		166,087		166,087	5.96	3.17			
<b>INFORMATION TECHNOLOGY</b>													
560	aapl	Apple Inc.	22.59	12,650	138.20	77,392		77,392	2.78	0.67	B+		
750	ibm	International Bus Mach	123.42	92,568	118.81	89,107		89,107	3.20	5.56	A-		
650	iyw	Ishares US Technology ETF	11.13	7,235	73.37	47,690		47,690	1.71	0.47			
320	msft	Microsoft Corp	24.44	7,819	232.90	74,528		74,528	2.67	1.17	B+		
				120,272		288,718		288,718	10.36	2.27			
<b>UTILITIES</b>													
1,100	d	Dominion Energy Inc	64.67	71,132	69.11	76,021		76,021	2.73	3.86	B		
825	nee	NextEra Energy Inc Com	85.94	70,901	78.41	64,688		64,688	2.32	2.17			
600	pnw	Pinnacle West Cap Corp	47.13	28,276	64.51	38,706		38,706	1.39	5.27	A-		
1,750	xlu	Select Sector Spdr Tr Sbi Int-Utils	51.77	90,605	65.51	114,642		114,642	4.11	3.10			
				260,915		294,058		294,058	10.55	3.38			
<b>PASSIVE INDEX</b>													
700	dvy	Ishares Select Dividend ETF	102.98	72,086	107.22	75,054		75,054	2.69	3.67			
650	iwd	Ishares Tr Russell 1000 Val	129.47	84,155	135.99	88,393		88,393	3.17	2.20			
				156,241		163,447		163,447	5.87	2.88			
				1,862,121		2,446,373		2,446,373	87.81	3.72			
<b>AMERICAN DEPOSITORY RECEIPTS</b>													
<b>ENERGY</b>													
1,000	bp	BP Plc Sponsored Adr	42.25	42,250	28.55	28,550		28,550	1.02	4.63			
				42,250		28,550		28,550	1.02	4.63			
<b>TOTAL PORTFOLIO</b>				<b>2,215,555</b>		<b>2,786,107</b>	<b>0</b>	<b>2,786,107</b>	<b>100.00</b>	<b>3.49</b>			

City of Sacramento  
**PURCHASE/SALE AND GAIN/LOSS**  
*Ethel Hart Mutual Endowment Fund*  
 From 07-01-22 To 09-30-22

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<b>09-30-2022</b> <u>Price</u>	<u>Difference</u>
<u>Purchases</u>							
<b>COMMON STOCK</b>							
09-21-2022	09-23-2022	75	Home Depot Inc	278.79	20,909	275.94	-3
09-21-2022	09-23-2022	825	NextEra Energy Inc Com	85.94	70,901	78.41	-8
					91,810		
Total Purchases					91,810		



City of Sacramento  
**PURCHASE/SALE AND GAIN/LOSS**  
*Ethel Hart Mutual Endowment Fund*  
 From 07-01-22 To 09-30-22

<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>							
09-21-2022	09-23-2022	330	Coca Cola Co Com	60.40	19,932	36.12	8,012
09-21-2022	09-23-2022	150	Procter & Gamble Co	137.48	20,623	88.20	7,393
					40,555		15,405
Total Sales					40,555		15,405

## Ethel Hart Mutual Endowment Fund Quarterly Investment Report December 31, 2022



## **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 Stephanie Wilson, Recreation Superintendent for the Department of Youth, Parks, and Community Enrichment. The Hart Trust Endowment Fund (“the Fund”) will be invested with a growth objective. The minimum return objective over a five-year period is \$400,000 or roughly 2.57% compounded annually based on current Fund market value.

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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## Q2 MARKET OVERVIEW

### **Equities:**

Domestic equities finished 2022 on a strong note, as there were signs that inflation may be waning. The Dow Jones surged 15.39% during the final calendar quarter, while the S&P 500 gained 7.08%. Strength was seen across the board, which reversed the 2022 trend of underperformance from every sector, with the exception of Energy. Although economic data has been trending in the right direction, there is a long way to go before inflation is tamed. The upcoming year will likely be a bit of a roller coaster, with more lows than highs as The Fed tries to cool the economy and guide it toward a soft landing.

### **Fixed Income/Rates:**

Actions of The Fed caused fixed income yields to rise sharply on the front end of the yield curve, while yields on maturities beyond one year ended the quarter very close to where they began it. The yield curve inversion became more pronounced, signaling a recession is on the horizon. One-year treasuries began the quarter yielding 3.99% and ended 2022 at 4.71%. Meanwhile, the 10-year treasury yield began the quarter at 3.83% and finished it at 3.86%. The spread between short and long term yields is as high as it has been since the early 1980's and presents policy makers with a formidable challenge as they do everything they can to craft and implement a fiscal strategy that will help the economy avoid a long and/or deep economic slowdown.

### **Economy:**

Gross Domestic Product estimates for the final calendar quarter of 2022 are rather rosy. Analysts are projecting growth of 3.5% as they analyze other numbers that have been released. Prices are rising at a slower pace, as CPI (Inflation) checked in at 6.5% for December, which continues a positive downward trend since the end of the summer. Most of the deceleration was due to energy prices coming down. Prices in other sectors, such as food and leisure, continued to push higher, so most Americans barely noticed a difference in their everyday lives. In fact, recent surveys show that consumers have less confidence in the direction of the economy than they have had at almost any point since March of 2020. The Federal Reserve Board is expected to boost the Federal Funds Rate above 5.00% by the end of 2023. That will push rates for mortgages, credit cards, and car loans higher, further restricting the purchasing power of consumers and slowing economic growth (and, hopefully, inflation).

### **International Markets:**

International and emerging markets ended 2022 on a high note. Markets moved upward as many overseas countries saw their economies show signs of recovery following the shutdowns of 2020. Overall, international holdings made positive moves for the first time in a long time, as the MSCI EAFE & MSCI EM advanced 17.19% and 8.66% respectively during the quarter.

### **Performance vs. Benchmark:**

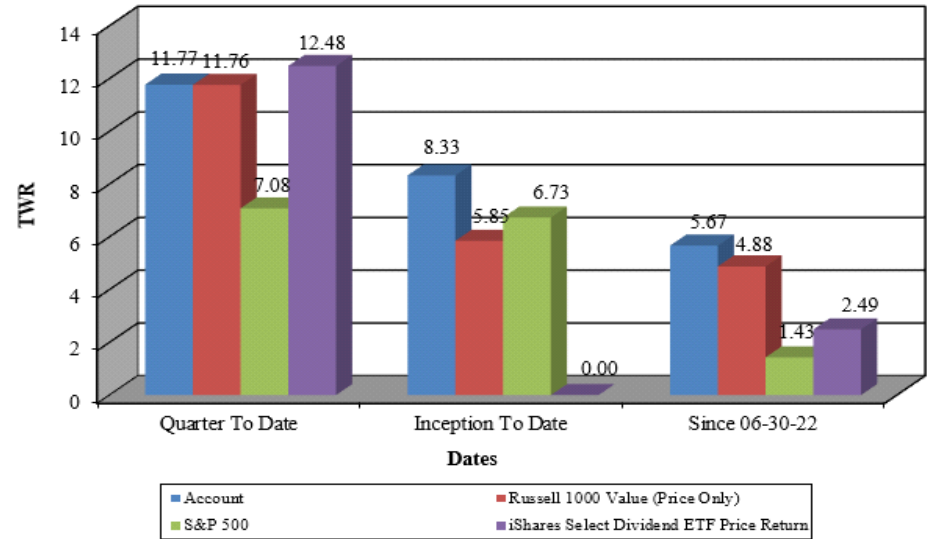
The Ethel Hart Endowment Fund had a Q2 return of 11.77%, slightly underperforming its benchmark, the iShares Select Dividend ETF (PR) which had a return of 12.48%.

City of Sacramento  
**Ethel Hart Mutual Endowment Fund**  
 December 31, 2022

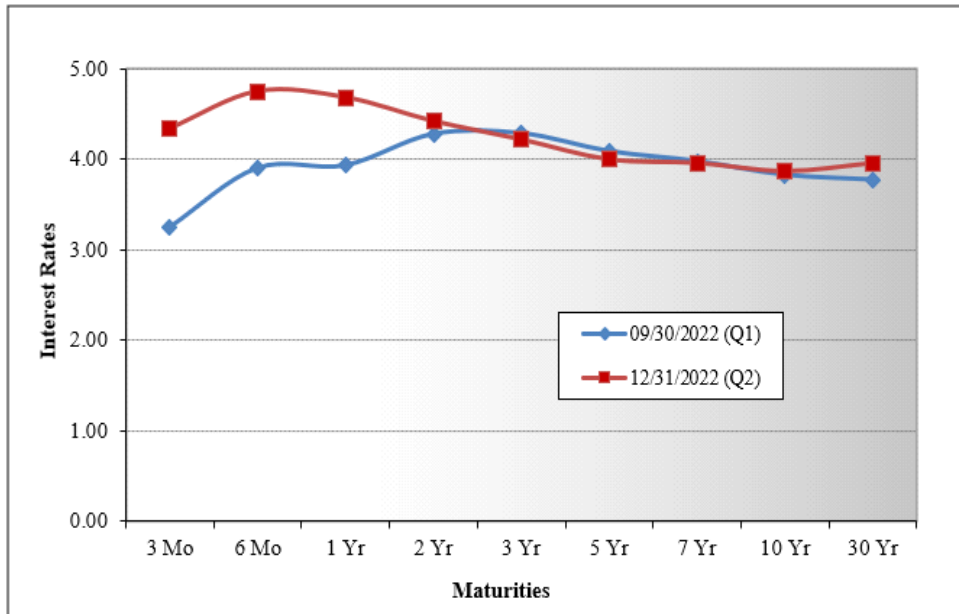
## Performance

	Quarter To Date	Inception To Date	Since 06-30-2022
Account	11.77	8.33	5.67
Russell 1000 Value (Price Only)	11.76	5.85	4.88
S&P 500	7.08	6.73	1.43
iShares Select Dividend ETF Price Return	12.48	? *	2.49

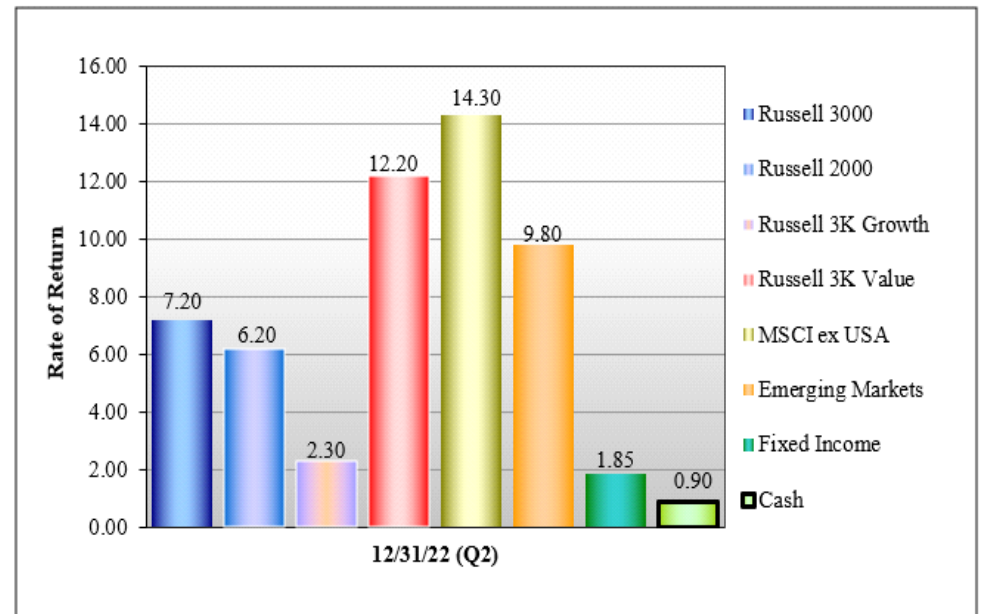
\*Index commencement date was 11/30/2003



U.S. Treasury Yield Curve - QE 09/30/2022 (Q1) vs QE 12/31/2022 (Q2)



Capital Market Returns - Quarter Ended 12/31/2022 (Q2)



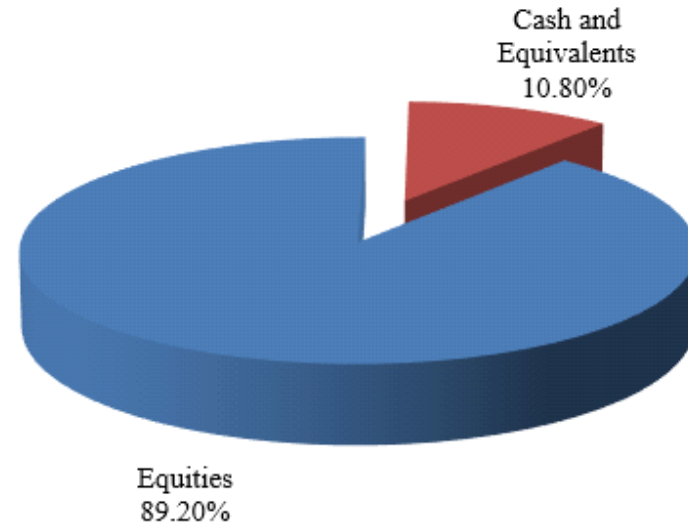
City of Sacramento  
**Ethel Hart Mutual Endowment Fund**  
 December 31, 2022

**Activity**

From 09-30-22 to 12-31-22

<b>Portfolio Value on 09-30-22</b>	<b>2,786,107</b>
Contributions	0
Withdrawals	0
Realized Gains	0
Unrealized Gains	302,836
Interest	1,199
Dividends	23,839
<b>Portfolio Value on 12-31-22</b>	<b>3,113,981</b>

**Actual Asset Allocation**



**Top 10 Holdings**

Securities	Market Value	Pct.
Pool A Cash	330,284	10.61
Block H & R Inc	146,040	4.69
Select Sector Spdr Tr Sbi Int-Energy	137,765	4.42
At&t Inc	136,234	4.37
Select Sector Spdr Tr Sbi Int-Utills	123,375	3.96
Merck & Co Inc (new)	122,045	3.92
Home Depot Inc	118,447	3.80
Select Sector Spdr Tr Sbi Int-Finl	107,730	3.46
International Bus Mach	105,667	3.39
Metlife Inc Com	104,936	3.37

City of Sacramento  
**PORTFOLIO APPRAISAL**  
*Ethel Hart Mutual Endowment Fund*  
 December 31, 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		3,726		3,726		3,726	0.12	4.00			
	PoolA	Pool A Cash		330,284		330,284		330,284	10.61	1.84			
	intreceiv	Pool A Interest Receivable		2,211		2,211		2,211	0.07	1.84			
				<u>336,222</u>		<u>336,222</u>		<u>336,222</u>	10.80	1.86			
<b>COMMON STOCK</b>													
<b>INDUSTRIALS</b>													
300	hon	Honeywell	105.24	31,573	214.30	64,290		64,290	2.06	1.92	A-		
800	ip	Intl Paper Co	51.93	41,544	34.63	27,704		27,704	0.89	5.34	B-		
380	unp	Union Pac Corp Com	109.96	41,786	207.07	78,687		78,687	2.53	2.51	A		
				<u>114,903</u>		<u>170,681</u>		<u>170,681</u>	5.48	2.75			
<b>COMMUNICATION SERVICES</b>													
7,400	t	At&t Inc	22.25	164,667	18.41	136,234		136,234	4.37	6.03	B		
1,000	vz	Verizon Communications Inc	39.15	39,153	39.40	39,400		39,400	1.27	6.62	B		
				<u>203,821</u>		<u>175,634</u>		<u>175,634</u>	5.64	6.16			
<b>CONSUMER DISCRETIONARY</b>													
375	hd	Home Depot Inc	119.60	44,849	315.86	118,447		118,447	3.80	2.41	A+		
<b>CONSUMER STAPLES</b>													
1,100	mo	Altria Group Inc	26.65	29,317	45.71	50,281		50,281	1.61	8.23	A-		
790	ko	Coca Cola Co Com	36.12	28,535	63.61	50,252		50,252	1.61	2.77	B+		
300	pep	Pepsico Inc	117.43	35,229	180.66	54,198		54,198	1.74	2.55	A-		
300	pg	Procter & Gamble Co	88.20	26,460	151.56	45,468		45,468	1.46	2.41	A		
				<u>119,541</u>		<u>200,199</u>		<u>200,199</u>	6.43	4.00			
<b>ENERGY</b>													
540	cvx	Chevron Corporation	102.80	55,510	179.49	96,925		96,925	3.11	3.16	B		
500	etr	Entergy Corp New Com	119.77	59,885	112.50	56,250		56,250	1.81	3.80	B		
580	xom	Exxon Mobil Corporation	83.25	48,286	110.30	63,974		63,974	2.05	3.30	B+		
1,400	oke	Oneok Inc New Com	76.09	106,527	65.70	91,980		91,980	2.95	5.69			
1,575	xle	Select Sector Spdr Tr Sbi Int-Energy	65.94	103,859	87.47	137,765		137,765	4.42	3.68			
				<u>374,067</u>		<u>446,894</u>		<u>446,894</u>	14.35	3.94			
<b>FINANCIAL</b>													
4,000	hrb	Block H & R Inc	20.94	83,765	36.51	146,040		146,040	4.69	3.18	A-		
750	jpm	Jpmorgan Chase & Co	45.10	33,825	134.10	100,575		100,575	3.23	2.98	A-		
2,500	key	Keycorp New Com	20.69	51,732	17.42	43,550		43,550	1.40	4.71	A-		
1,450	met	Metlife Inc Com	46.62	67,593	72.37	104,936		104,936	3.37	2.76	B+		
1,000	pru	Prudential Finl Inc Com	81.94	81,936	99.46	99,460		99,460	3.19	4.83	B-		
3,150	xlf	Select Sector Spdr Tr Sbi Int-Finl	13.41	42,247	34.20	107,730		107,730	3.46	2.04			
800	usb	U. S. Bancorp	31.49	25,192	43.61	34,888		34,888	1.12	4.40	A		
				<u>386,291</u>		<u>637,179</u>		<u>637,179</u>	20.46	3.32			

City of Sacramento  
**PORTFOLIO APPRAISAL**  
*Ethel Hart Mutual Endowment Fund*  
December 31, 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>HEALTHCARE</b>													
260	jnj	Johnson & Johnson	61.41	15,966	176.65	45,929		45,929	1.47	2.56	A-		
1,100	mrk	Merck & Co Inc (new)	45.06	49,563	110.95	122,045		122,045	3.92	2.63	B-		
660	pfe	Pfizer Inc	23.78	15,692	51.24	33,818		33,818	1.09	3.20	B+		
				81,222		201,792		201,792	6.48	2.71			
<b>INFORMATION TECHNOLOGY</b>													
560	aapl	Apple Inc.	22.59	12,650	129.93	72,761		72,761	2.34	0.71	B+		
750	ibm	International Bus Mach	123.42	92,568	140.89	105,667		105,667	3.39	4.68	A-		
650	iyw	Ishares US Technology ETF	11.13	7,235	74.49	48,418		48,418	1.55	0.50			
320	msft	Microsoft Corp	24.44	7,819	239.82	76,742		76,742	2.46	1.13	B+		
				120,272		303,589		303,589	9.75	2.17			
<b>UTILITIES</b>													
1,100	d	Dominion Energy Inc	64.67	71,132	61.32	67,452		67,452	2.17	4.35	B		
825	nee	NextEra Energy Inc Com	85.94	70,901	83.60	68,970		68,970	2.21	2.03			
600	pnw	Pinnacle West Cap Corp	47.13	28,276	76.04	45,624		45,624	1.47	4.55	A-		
1,750	xlu	Select Sector Spdr Tr Sbi Int-Utils	51.77	90,605	70.50	123,375		123,375	3.96	2.92			
				260,915		305,421		305,421	9.81	3.28			
<b>PASSIVE INDEX</b>													
700	dvy	Ishares Select Dividend ETF	102.98	72,086	120.60	84,420		84,420	2.71	3.43			
650	iwd	Ishares Tr Russell 1000 Val	129.47	84,155	151.65	98,572		98,572	3.17	2.15			
				156,241		182,992		182,992	5.88	2.74			
				1,862,121		2,742,829		2,742,829	88.08	3.36			
<b>AMERICAN DEPOSITORY RECEIPTS</b>													
<b>ENERGY</b>													
1,000	bp	BP Plc Sponsored ADR	42.25	42,250	34.93	34,930		34,930	1.12	3.88			
				42,250		34,930		34,930	1.12	3.88			
<b>TOTAL PORTFOLIO</b>				<b>2,240,593</b>		<b>3,113,981</b>	<b>0</b>	<b>3,113,981</b>	<b>100.00</b>	<b>3.21</b>			



City of Sacramento  
PURCHASE/SALE AND GAIN/LOSS  
*Ethel Hart Mutual Endowment Fund*  
From 10-01-22 To 12-31-22

<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>
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No transactions within the specified date range were found!

## Ethel Hart Mutual Endowment Fund Quarterly Investment Report March 31, 2023



## **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 Stephanie Wilson, Recreation Superintendent for the Department of Youth, Parks, and Community Enrichment. The Hart Trust Endowment Fund (“the Fund”) will be invested with a growth objective. The minimum return objective over a five-year period is \$400,000 or roughly 3.9% compounded annually based on current Fund market value.

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 minimum return objective of \$400,000 over subsequent five-year period; 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.

## Q3 MARKET OVERVIEW

### **Equities:**

Domestic equities experienced both ups and downs during the first three months of 2023, due mostly to a disconnect between economic news and investor perception of the economy. Momentum carried from the end of 2022 through the first month of 2023, but that was quickly halted by news that inflation was not declining at the rate many had hoped. A slowing job market helped boost morale at the end of the quarter, leading equity markets to rally through the end of March. Overall, the Dow Jones ended the quarter slightly down from where it began, while the S&P 500 managed to gain 7.03%. Investors are clearly searching for the type of stability that would enable them to confidently make long-term bets. At this point, there is still too much uncertainty to allow anyone to comfortably plan for anything but the very short-term.

### **Fixed Income/Rates:**

Short-term fixed income yields held steady through most of the quarter, as The Fed did not meet until March. At that point, yields rose on the news that there would be at least another rate hike, and possibly more, before any pause or reversal in policy. On the long end, yields rose early in the quarter on the hopes that the worst of inflation was behind us, but were reeled back in on the news that there would be additional hikes to the Federal Funds Rate. Three-month treasuries began the quarter yielding 4.36% and ended it at 4.69%. Meanwhile, the 10-year treasury yield began the quarter at 3.86% and crept above 4.00% before dipping to 3.47% at the end of March. The spread between short and long-term yields remained as high as it has been since the early 1980's, further challenging The Fed as it attempts to guide the economy through the shortest and mildest recession possible.

### **Economy:**

Gross Domestic Product numbers for the final calendar quarter of 2022 missed their rosy projections, checking in at only 2.6%. Prices continue to rise at a slower pace, as CPI (Inflation) checked in at 5.0% year-over-year during March. This continues an encouraging downward trend, but inflation remains at elevated levels not seen since the 1980s. Consumer confidence is waning, which led to a decrease in retail sales over the first quarter of 2023. The American economy is primarily fueled by consumption, so it is not a good sign when consumers lose faith in the condition and direction of the economy.

### **International Markets:**

International and emerging markets carried momentum into 2023. With supply chains fully open across the globe and the world adjusting to the reality of the war in Ukraine, international markets continued to rebound from the tough times they faced from 2020 through most of 2022. Overall, international holdings continued their advance, as the MSCI EAFE & MSCI EM increased 6.17% and 3.54% respectively during the quarter.

### **Performance vs. Benchmark:**

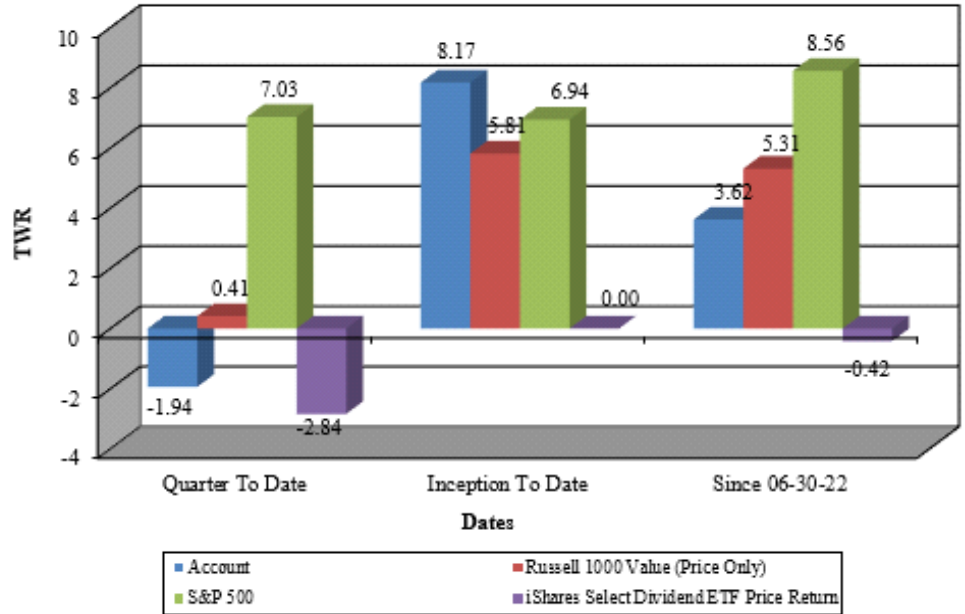
The Ethel Hart Endowment Fund had a Q3 return of **-1.94%**, outperforming its benchmark, the iShares Select Dividend ETF (PR) which had a return of **-2.84%**.

City of Sacramento  
**Ethel Hart Mutual Endowment Fund**  
 March 31, 2023

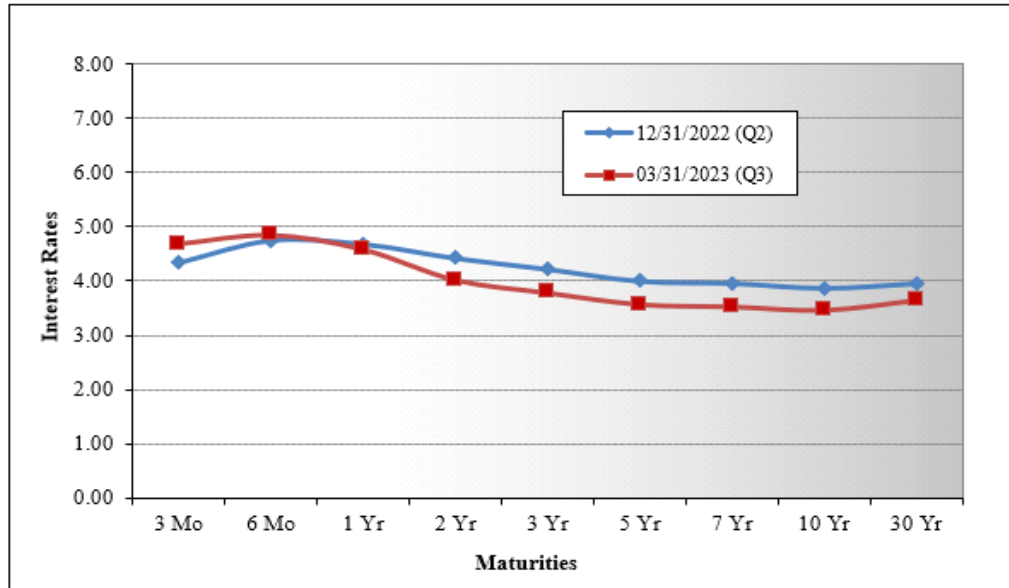
## Performance

	Quarter To Date	Inception To Date	Since 06-30-22
Account	-1.94	8.17	3.62
Russell 1000 Value (Price Only)	0.41	5.81	5.31
S&P 500	7.03	6.94	8.56
iShares Select Dividend ETF Price Return	-2.84	? *	-0.42

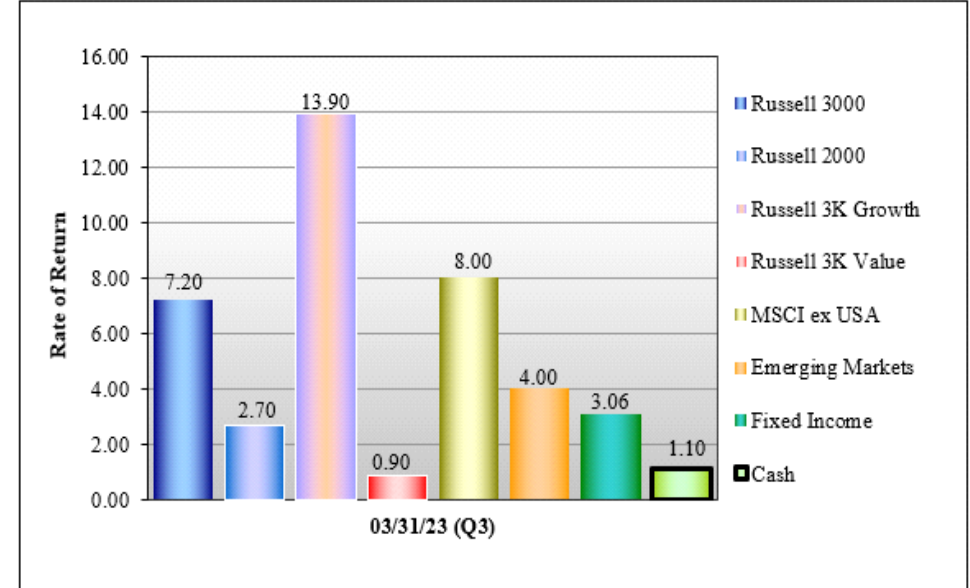
\*Index commencement date was 11/30/2003



U.S. Treasury Yield Curve - QE 12/31/2022 (Q2) vs QE 03/31/2023 (Q3)



Capital Market Returns - Quarter Ended 03/31/2023 (Q3)



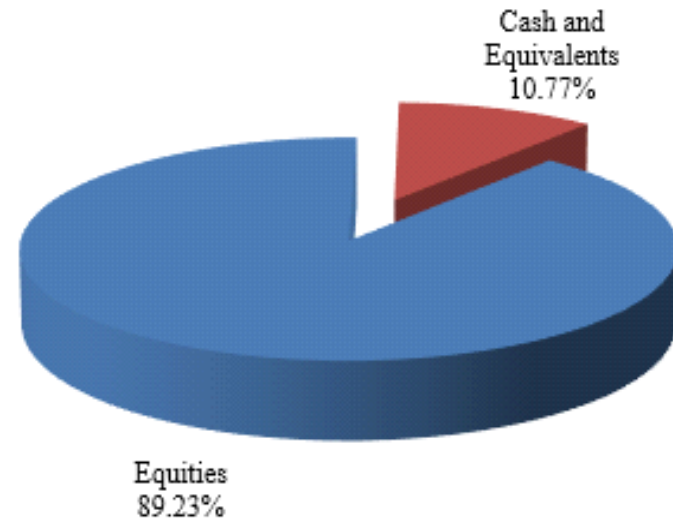
City of Sacramento  
**Ethel Hart Mutual Endowment Fund**  
 March 31, 2023

**Activity**

From 12-31-22 to 03-31-23

<b>Portfolio Value on 12-31-22</b>	<b>3,113,981</b>
Contributions	0
Withdrawals	0
Realized Gains	2,033
Unrealized Gains	-86,756
Interest	1,630
Dividends	22,618
<b>Portfolio Value on 03-31-23</b>	<b>3,053,507</b>

**Actual Asset Allocation**



**Top 10 Holdings**

Securities	Market Value	Pct.
Pool A Cash	322,082	10.55
Home Depot Inc	110,670	3.62
At&t Inc	103,950	3.40
International Bus Mach	98,317	3.22
Jpmorgan Chase & Co	97,732	3.20
Intel Corp	94,743	3.10
Select Sector Spdr Tr Sbi Int-Energy	93,184	3.05
Apple Inc.	92,344	3.02
Microsoft Corp	92,256	3.02
Select Sector Spdr Tr Sbi Int-Utills	89,351	2.93

City of Sacramento  
**PORTFOLIO APPRAISAL**  
*Ethel Hart Mutual Endowment Fund*  
 March 31, 2023

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		3,032		3,032		3,032	0.10	4.00			
	PoolA	Pool A Cash		322,082		322,082		322,082	10.55	2.33			
	intreceiv	Pool A Interest Receivable		3,799		3,799		3,799	0.12	2.33			
				<u>328,914</u>		<u>328,914</u>		<u>328,914</u>	10.77	2.35			
<b>COMMON STOCK</b>													
<b>INDUSTRIALS</b>													
300	hon	Honeywell	105.24	31,573	191.12	57,336		57,336	1.88	2.16	A-		
800	ip	Intl Paper Co	51.93	41,544	36.06	28,848		28,848	0.94	5.13	B-		
380	unp	Union Pac Corp Com	109.96	41,786	201.26	76,479		76,479	2.50	2.58	A		
				<u>114,903</u>		<u>162,663</u>		<u>162,663</u>	5.33	2.88			
<b>COMMUNICATION SERVICES</b>													
5,400	t	At&t Inc	22.25	120,163	19.25	103,950		103,950	3.40	5.77	B		
1,000	vz	Verizon Communications Inc	39.15	39,153	38.89	38,890		38,890	1.27	6.71	B		
				<u>159,316</u>		<u>142,840</u>		<u>142,840</u>	4.68	6.02			
<b>CONSUMER DISCRETIONARY</b>													
375	hd	Home Depot Inc	119.60	44,849	295.12	110,670		110,670	3.62	2.83	A+		
<b>CONSUMER STAPLES</b>													
1,100	mo	Altria Group Inc	26.65	29,317	44.62	49,082		49,082	1.61	8.43	A-		
790	ko	Coca Cola Co Com	36.12	28,535	62.03	49,004		49,004	1.60	2.97	B+		
2,000	cag	Conagra Inc Com	36.46	72,922	37.56	75,120		75,120	2.46	2.56	B+		
300	pep	Pepsico Inc	117.43	35,229	182.30	54,690		54,690	1.79	2.52	A-		
300	pg	Procter & Gamble Co	88.20	26,460	148.69	44,607		44,607	1.46	2.46	A		
				<u>192,463</u>		<u>272,503</u>		<u>272,503</u>	8.92	3.66			
<b>ENERGY</b>													
540	cvx	Chevron Corporation	102.80	55,510	163.16	88,106		88,106	2.89	3.70	B		
500	etr	Entergy Corp New Com	119.77	59,885	107.74	53,870		53,870	1.76	3.97	B		
580	xom	Exxon Mobil Corporation	83.25	48,286	109.66	63,603		63,603	2.08	3.32	B+		
1,400	oke	Oneok Inc New Com	76.09	106,527	63.54	88,956		88,956	2.91	6.01			
1,125	xle	Select Sector Spdr Tr Sbi Int-Energy	65.94	74,185	82.83	93,184		93,184	3.05	4.00			
				<u>344,393</u>		<u>387,719</u>		<u>387,719</u>	12.70	4.28			
<b>FINANCIAL</b>													
2,250	hrb	Block H & R Inc	20.94	47,118	35.25	79,312		79,312	2.60	3.29	A-		
750	jpm	Jpmorgan Chase & Co	45.10	33,825	130.31	97,732		97,732	3.20	3.07	A-		
2,500	key	Keycorp New Com	20.69	51,732	12.52	31,300		31,300	1.03	6.55	A-		
1,450	met	Metlife Inc Com	46.62	67,593	57.94	84,013		84,013	2.75	3.45	B+		
1,000	pru	Prudential Finl Inc Com	81.94	81,936	82.74	82,740		82,740	2.71	6.04	B-		
2,300	xlfi	Select Sector Spdr Tr Sbi Int-Finl	13.41	30,847	32.15	73,945		73,945	2.42	2.17			
1,550	tfc	Truist Finl Corp Com	46.86	72,640	34.10	52,855		52,855	1.73	6.10			

City of Sacramento  
**PORTFOLIO APPRAISAL**  
*Ethel Hart Mutual Endowment Fund*  
 March 31, 2023

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
800	usb	U. S. Bancorp	31.49	25,192	36.05	28,840		28,840	0.94	5.33	A		
				410,884		530,738		530,738	17.38	4.13			
<b>HEALTHCARE</b>													
880	gild	Gilead Sciences Inc	83.18	73,199	82.97	73,014		73,014	2.39	3.62	B+		
260	jnj	Johnson & Johnson	61.41	15,966	155.00	40,300		40,300	1.32	2.92	A-		
820	mrk	Merck & Co Inc (new)	45.06	36,947	106.39	87,240		87,240	2.86	2.74	B-		
660	pfe	Pfizer Inc	23.78	15,692	40.80	26,928		26,928	0.88	4.02	B+		
				141,805		227,481		227,481	7.45	3.21			
<b>INFORMATION TECHNOLOGY</b>													
560	aapl	Apple Inc.	22.59	12,650	164.90	92,344		92,344	3.02	0.56	B+		
2,900	intc	Intel Corp	25.57	74,167	32.67	94,743		94,743	3.10	1.53	B+		
750	ibm	International Bus Mach	123.42	92,568	131.09	98,317		98,317	3.22	5.03	A-		
650	iyw	Ishares US Technology ETF	11.13	7,235	92.81	60,326		60,326	1.98	0.47			
320	msft	Microsoft Corp	24.44	7,819	288.30	92,256		92,256	3.02	0.94	B+		
				194,440		437,987		437,987	14.34	1.84			
<b>UTILITIES</b>													
1,100	d	Dominion Energy Inc	64.67	71,132	55.91	61,501		61,501	2.01	4.78	B		
825	nee	NextEra Energy Inc Com	85.94	70,901	77.08	63,591		63,591	2.08	2.43			
600	pnw	Pinnacle West Cap Corp	47.13	28,276	79.24	47,544		47,544	1.56	4.37	A-		
1,320	xlu	Select Sector Spdr Tr Sbi Int-Utils	51.77	68,342	67.69	89,351		89,351	2.93	3.07			
				238,651		261,987		261,987	8.58	3.55			
<b>PASSIVE INDEX</b>													
700	dvy	Ishares Select Dividend ETF	102.98	72,086	117.18	82,026		82,026	2.69	3.63			
460	iwd	Ishares Tr Russell 1000 Val	129.47	59,556	152.26	70,040		70,040	2.29	2.18			
				131,642		152,066		152,066	4.98	2.96			
				1,973,346		2,686,653		2,686,653	87.99	3.50			
<b>AMERICAN DEPOSITORY RECEIPTS</b>													
<b>ENERGY</b>													
1,000	bp	BP Plc Sponsored Adr	42.25	42,250	37.94	37,940		37,940	1.24	3.76			
				42,250		37,940		37,940	1.24	3.76			
<b>TOTAL PORTFOLIO</b>				<b>2,344,509</b>		<b>3,053,507</b>	<b>0</b>	<b>3,053,507</b>	<b>100.00</b>	<b>3.38</b>			



City of Sacramento  
**PURCHASE/SALE AND GAIN/LOSS**  
*Ethel Hart Mutual Endowment Fund*  
 From 01-01-23 To 03-31-23

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>03-31-2023 Price</u>	<u>Difference</u>
<b><u>Purchases</u></b>							
<b>COMMON STOCK</b>							
02-23-2023	02-27-2023	2,000	Conagra Inc Com	36.46	72,922	37.56	1
02-23-2023	02-27-2023	880	Gilead Sciences Inc	83.18	73,199	82.97	0
02-23-2023	02-27-2023	2,900	Intel Corp	25.57	74,167	32.67	7
02-23-2023	02-27-2023	1,550	Truist Finl Corp Com	46.86	72,640	34.10	-13
					292,929		
Total Purchases					292,929		

City of Sacramento  
**PURCHASE/SALE AND GAIN/LOSS**  
*Ethel Hart Mutual Endowment Fund*  
 From 01-01-23 To 03-31-23

<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>							
02-23-2023	02-27-2023	2,000	At&t Inc	19.37	38,736	22.25	-5,768
02-23-2023	02-27-2023	1,750	Block H & R Inc	37.53	65,683	20.94	29,036
02-23-2023	02-27-2023	190	Ishares Tr Russell 1000 Val	154.58	29,370	129.47	4,771
02-23-2023	02-27-2023	280	Merck & Co Inc (new)	110.01	30,803	45.06	18,187
02-23-2023	02-27-2023	450	Select Sector Spdr Tr Sbi Int-Energy	84.32	37,945	65.94	8,271
02-23-2023	02-27-2023	850	Select Sector Spdr Tr Sbi Int-Finl	35.49	30,170	13.41	18,770
02-23-2023	02-27-2023	430	Select Sector Spdr Tr Sbi Int-Utills	66.66	28,664	51.77	6,401
					261,372		79,667
Total Sales					261,372		79,667

## Ethel Hart Mutual Endowment Fund Quarterly Investment Report June 30, 2023



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

John Colville, City Treasurer

Q4 FY2023

## **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**

- \* 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 minimum return objective of \$400,000 over subsequent five-year period; 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.

## Q4 MARKET OVERVIEW

### Equities:

Equity markets continued their rise during the quarter, as the S&P 500 finished the fiscal year with an increase of 8.30%, while the Dow Jones increased 3.41%. Domestic equities maintained strength despite inflationary pressure that has been around since early 2021. Technology stocks were the best performers during the quarter, with several of the largest companies reaching all-time highs (Apple's market value topped \$3 Trillion, which is a record for any company). Overall, equity markets are up 24% from October of 2022, which indicates a bull market, which is not exactly what would be expected when looking at current levels of inflation and the actions taken by The Federal Reserve to manage it.

### Fixed Income/Rates:

Short-term fixed income yields moved up during the quarter in response to further rate hikes from The Fed. Yields on 6-month Treasuries increased to 5.41%, which is a level not seen in over two decades. Yields further out on the curve also increased to levels not seen since 2001, as the 5-year Treasury hit 4.15% and the 10-year Treasury went over 3.80%. The 10-year has a major influence on mortgage rates, which helped push the rate on a conventional 30-year fixed rate loan to 7.15%. The spread between short and long-term yields remained as high as it has been since the early 1980's, however the economy still shows no impending signs of recession.

### Economy:

The U.S. economy grew at a rate of 2.1% during the quarter ending June 30, 2023, not straying much from the levels of previous quarters. Consistent growth in the economy goes against expectations, as The Fed continues to raise interest rates to combat inflation. At some point, based on historical trends, the economy should slow due to the restrictive measures that have been taken. CPI (Inflation) checked in at 3.0% year-over-year during June, continuing a downward trend in the measure, but still remaining above the target rate of 2.0%. Surveys of consumer confidence show that Americans have a very pessimistic view of the economy and do not expect it to improve any time soon. Consumption is the main driver of economic growth in the U.S., so this attitude among Americans could be an indicator of an impending economic slowdown.

### International Markets:

International and emerging markets trailed the performance of domestic markets during the quarter. The ongoing war in Ukraine, which continues to hamstring the delivery of energy and grain across Europe played a role in the slowing of overseas markets. Another factor was reported weakness in the Chinese economy, as a real estate bubble there appears on the verge of bursting, if it hasn't already done so. Overall, international holdings advanced, albeit slightly, as the MSCI EAFE & MSCI EM increased 1.37% and 0.25%, respectively, during the quarter.

### Performance vs. Benchmark:

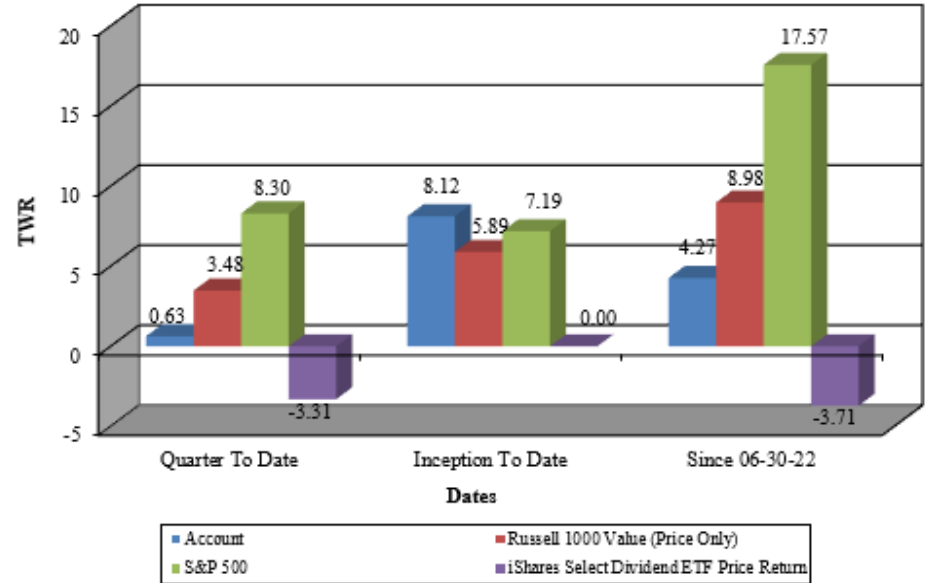
The Ethel Hart Endowment Fund had a Q3 return of 0.63%, outperforming its benchmark, the iShares Select Dividend ETF (PR) which had a return of -3.31%.

City of Sacramento  
**Ethel Hart Mutual Endowment Fund**  
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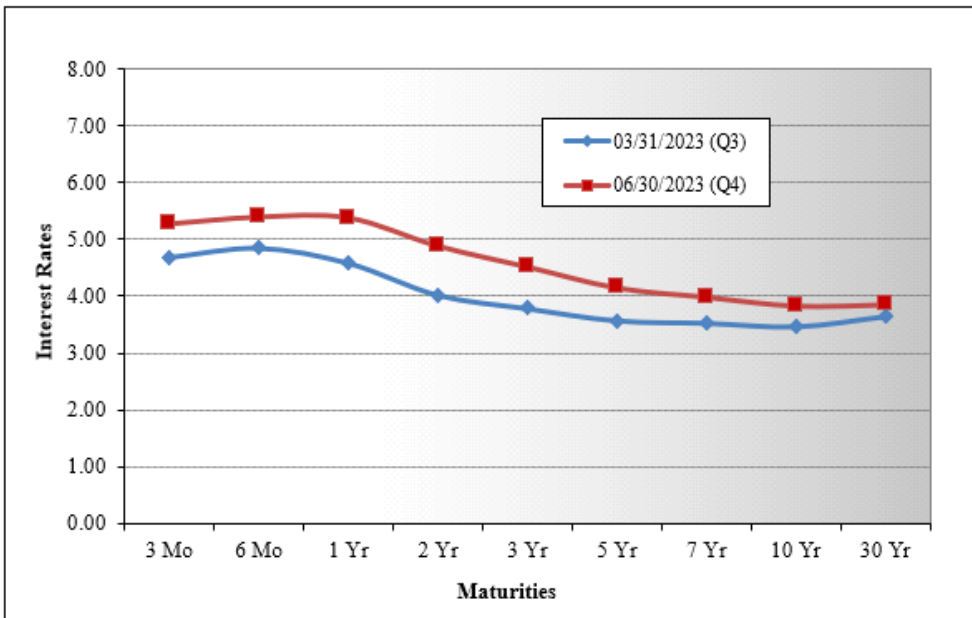
## Performance

	Quarter To Date	Inception To Date	Since 06-30-2022
Account	0.63	8.12	4.27
Russell 1000 Value (Price Only)	3.48	5.89	8.98
S&P 500	8.30	7.19	17.57
iShares Select Dividend ETF Price Return	-3.31	? *	-3.71

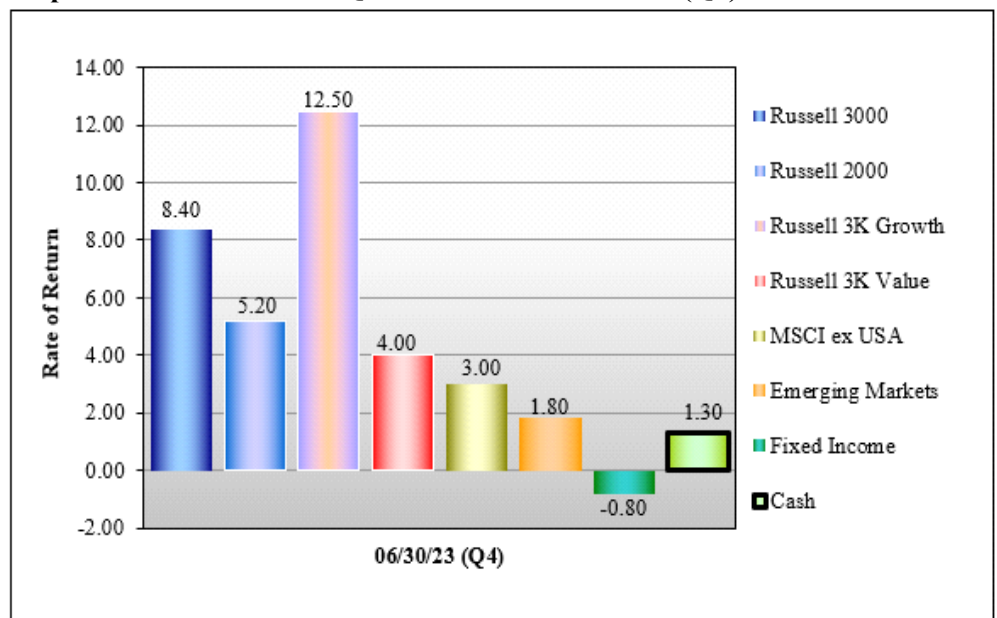
\*Index commencement date was 11/30/2003



U.S. Treasury Yield Curve - QE 03/31/2023 (Q3) vs QE 06/30/2023 (Q4)



Capital Market Returns - Quarter Ended 06/30/2023 (Q4)



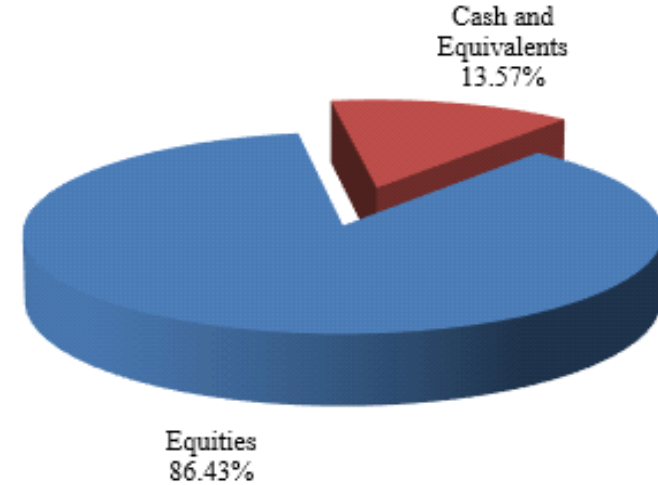
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**Activity**

From 03-31-23 to 06-30-23

<b>Portfolio Value on 03-31-23</b>	<b>3,053,507</b>
Contributions	0
Withdrawals	0
Realized Gains	-20,820
Unrealized Gains	15,304
Interest	2,348
Dividends	22,413
<b>Portfolio Value on 06-30-23</b>	<b>3,072,752</b>

**Actual Asset Allocation**



**Top 10 Holdings**

Securities	Market Value	Pct.
Pool A Cash	413,947	13.47
Home Depot Inc	116,490	3.79
Jpmorgan Chase & Co	109,080	3.55
Microsoft Corp	108,973	3.55
Apple Inc.	108,623	3.54
International Bus Mach	100,357	3.27
Intel Corp	96,976	3.16
Merck & Co Inc (new)	94,620	3.08
Select Sector Spdr Tr Sbi Int-Energy	91,316	2.97
Prudential Finl Inc Com	88,220	2.87

City of Sacramento  
**PORTFOLIO APPRAISAL**  
*Ethel Hart Mutual Endowment Fund*  
 June 30, 2023

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		3,032		3,032		3,032	0.10	4.00			
	miscintrec	Misc Interest Receivable		30		30		30	0.00	4.51			
	PoolA	Pool A Cash		413,947		413,947		413,947	13.47	2.79			
				417,009		417,009		417,009	13.57	2.80			
<b>COMMON STOCK</b>													
<b>INDUSTRIALS</b>													
300	hon	Honeywell	105.24	31,573	207.50	62,250		62,250	2.03	1.99	A-		
800	ip	Intl Paper Co	51.93	41,544	31.81	25,448		25,448	0.83	5.82	B-		
380	unp	Union Pac Corp Com	109.96	41,786	204.62	77,756		77,756	2.53	2.54	A		
				114,903		165,454		165,454	5.38	2.84			
<b>COMMUNICATION SERVICES</b>													
5,400	t	At&t Inc	22.25	120,163	15.95	86,130		86,130	2.80	6.96	B		
1,000	vz	Verizon Communications Inc	39.15	39,153	37.19	37,190		37,190	1.21	7.02	B		
				159,316		123,320		123,320	4.01	6.98			
<b>CONSUMER DISCRETIONARY</b>													
375	hd	Home Depot Inc	119.60	44,849	310.64	116,490		116,490	3.79	2.69	A+		
<b>CONSUMER STAPLES</b>													
1,100	mo	Altria Group Inc	26.65	29,317	45.30	49,830		49,830	1.62	8.65	A-		
790	ko	Coca Cola Co Com	36.12	28,535	60.22	47,574		47,574	1.55	3.06	B+		
2,000	cag	Conagra Inc Com	36.46	72,922	33.72	67,440		67,440	2.19	4.15	B+		
300	pep	Pepsico Inc	117.43	35,229	185.22	55,566		55,566	1.81	2.73	A-		
300	pg	Procter & Gamble Co	88.20	26,460	151.74	45,522		45,522	1.48	2.48	A		
				192,463		265,932		265,932	8.65	4.22			
<b>ENERGY</b>													
540	cvx	Chevron Corporation	102.80	55,510	157.35	84,969		84,969	2.77	3.84	B		
500	etr	Entergy Corp New Com	119.77	59,885	97.37	48,685		48,685	1.58	4.40	B		
580	xom	Exxon Mobil Corporation	83.25	48,286	107.25	62,205		62,205	2.02	3.39	B+		
1,400	oke	Oneok Inc New Com	76.09	106,527	61.72	86,408		86,408	2.81	6.19			
1,125	xle	Select Sector Spdr Tr Sbi Int-Energy	65.94	74,185	81.17	91,316		91,316	2.97	3.95			
				344,393		373,583		373,583	12.16	4.41			
<b>FINANCIAL</b>													
2,250	hrb	Block H & R Inc	20.94	47,118	31.87	71,707		71,707	2.33	4.02	A-		
750	jpm	Jpmorgan Chase & Co	45.10	33,825	145.44	109,080		109,080	3.55	2.75	A-		
1,450	met	Metlife Inc Com	46.62	67,593	56.53	81,968		81,968	2.67	3.68	B+		
1,000	pru	Prudential Finl Inc Com	81.94	81,936	88.22	88,220		88,220	2.87	5.67	B-		
2,300	xlf	Select Sector Spdr Tr Sbi Int-Finl	13.41	30,847	33.71	77,533		77,533	2.52	2.03			
800	usb	U. S. Bancorp	31.49	25,192	33.04	26,432		26,432	0.86	5.81	A		
				286,512		454,941		454,941	14.81	3.74			



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 June 30, 2023

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>HEALTHCARE</b>													
880	gild	Gilead Sciences Inc	83.18	73,199	77.07	67,822		67,822	2.21	3.89	B+		
260	jnj	Johnson & Johnson	61.41	15,966	165.52	43,035		43,035	1.40	2.88	A-		
820	mrk	Merck & Co Inc (new)	45.06	36,947	115.39	94,620		94,620	3.08	2.53	B-		
660	pfe	Pfizer Inc	23.78	15,692	36.68	24,209		24,209	0.79	4.47	B+		
				141,805		229,685		229,685	7.47	3.20			
<b>INFORMATION TECHNOLOGY</b>													
560	aapl	Apple Inc.	22.59	12,650	193.97	108,623		108,623	3.54	0.49	B+		
2,900	intc	Intel Corp	25.57	74,167	33.44	96,976		96,976	3.16	1.50	B+		
750	ibm	International Bus Mach	123.42	92,568	133.81	100,357		100,357	3.27	4.96	A-		
650	iyw	Ishares US Technology ETF	11.13	7,235	108.87	70,765		70,765	2.30	0.39			
320	msft	Microsoft Corp	24.44	7,819	340.54	108,973		108,973	3.55	0.80	B+		
				194,440		485,695		485,695	15.81	1.67			
<b>UTILITIES</b>													
1,100	d	Dominion Energy Inc	64.67	71,132	51.79	56,969		56,969	1.85	5.16	B		
825	nee	NextEra Energy Inc Com	85.94	70,901	74.20	61,215		61,215	1.99	2.52			
600	pnw	Pinnacle West Cap Corp	47.13	28,276	81.46	48,876		48,876	1.59	4.25	A-		
1,320	xlu	Select Sector Spdr Tr Sbi Int-Utils	51.77	68,342	65.44	86,381		86,381	2.81	3.21			
				238,651		253,441		253,441	8.25	3.68			
<b>PASSIVE INDEX</b>													
700	dvy	Ishares Select Dividend ETF	102.98	72,086	113.30	79,310		79,310	2.58	3.71			
460	iwd	Ishares Tr Russell 1000 Val	129.47	59,556	157.83	72,602		72,602	2.36	2.09			
				131,642		151,912		151,912	4.94	2.94			
				1,848,974		2,620,453		2,620,453	85.28	3.45			
<b>AMERICAN DEPOSITORY RECEIPTS</b>													
<b>ENERGY</b>													
1,000	bp	BP Plc Sponsored Adr	42.25	42,250	35.29	35,290		35,290	1.15	4.45			
				42,250		35,290		35,290	1.15	4.45			
<b>TOTAL PORTFOLIO</b>				<b>2,308,233</b>		<b>3,072,752</b>	<b>0</b>	<b>3,072,752</b>	<b>100.00</b>	<b>3.37</b>			

City of Sacramento  
**PURCHASE/SALE AND GAIN/LOSS**  
*Ethel Hart Mutual Endowment Fund*  
 From 04-01-23 To 06-30-23

<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>							
05-04-2023	05-08-2023	2,500	Keycorp New Com	8.96	22,412	20.69	-29,320
05-04-2023	05-08-2023	1,550	Truist Finl Corp Com	26.40	<u>40,922</u>	46.86	<u>-31,718</u>
					63,335		-61,037
Total Sales					<u>63,335</u>		<u>-61,037</u>