



# Portfolio Review

Presenting to:

College of the Siskiyous

September 17, 2019

# Contents

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- Introduction to Sand Hill Global Advisors
- Investment Policy Statement Review
- Economic and Market Outlook
- Portfolio Appraisals





# Introduction

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# Introduction to Sand Hill: Who We Are

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## Mission Statement

*We are dedicated to providing exceptional wealth advisory services by forming partnerships with our clients built on trust, understanding, and thoughtful counsel.*

- In the investment management business since 1982
- Client assets exceed \$2.05 billion\*
- Fiduciary approach focused on independent investment advice and financial planning
- Results-oriented philosophy executed through an insightful, team-based approach
- Employee-owned

\* \$2.05 billion in discretionary and non-discretionary assets as of December 31, 2018.



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# An Objective Partner

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## Independence

*We are committed to the fiduciary standard, independence and objectivity in our research and in the implementation of client portfolios.*

We all sit on the same side of the table:

- Sand Hill embraces an open-architecture, best-in-class approach to investing, and emphasizes overall cost-effectiveness.
- Sand Hill's ultimate objective is to provide clients with superior results over time and net of fees.
- Sand Hill operates on a fee-only basis.
- Sand Hill does not pay or receive compensation for product placement or referrals.
- Sand Hill embraces the CFA and CFP® Code of Ethics and Standards of Professional Conduct.



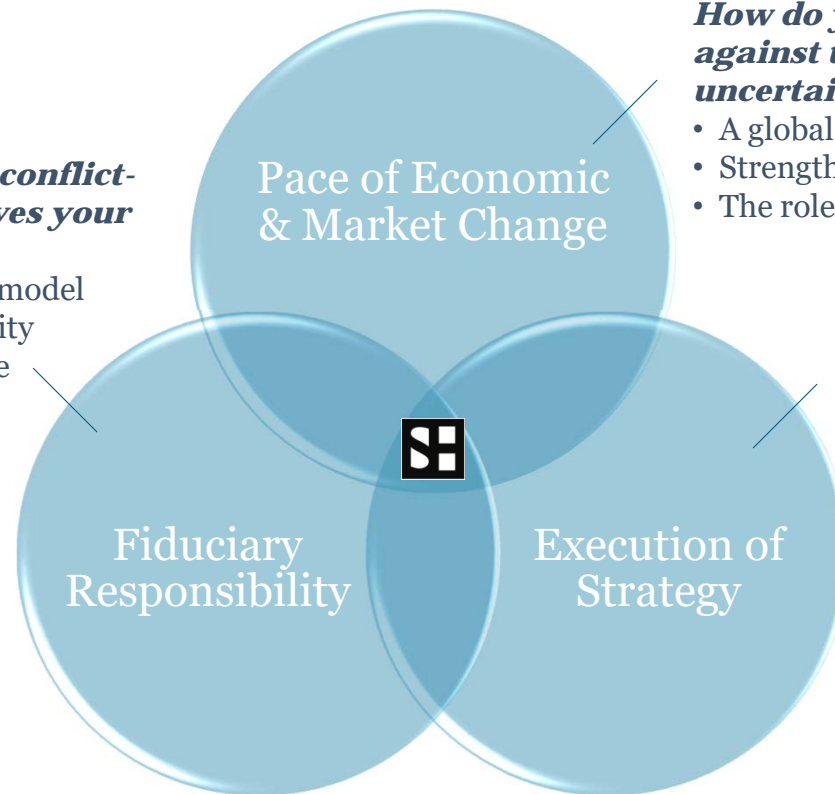
# Challenges Facing Trustees Today

## Solutions

*Sand Hill operates at the intersection of these demanding responsibilities.*

***How do you implement a conflict-free relationship that serves your best interest?***

- The failure of the brokerage model
- The commitment to objectivity
- The leverage of size and scale



***How do you construct a portfolio against the backdrop of today's uncertain economic times?***

- A global macro framework
- Strength of a dedicated team-based approach
- The role of alternatives in a portfolio

***How do you optimize execution?***

- The discipline to rebalance
- The sustainability of your assets
- Excessive fees erode returns



# Operational Partnership

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## Implementation

*Our team is a complement and extension of your existing operational infrastructure.*

- Many of our non-profit clients have limited staff dedicated to the administrative needs of the organization.
- We offer the necessary resources and support to satisfy your organization's reporting requirements.
- Our dedicated team provides coordination and oversight of all cash flow transactions and investment activity. Additional services include:
  - Detailed and customized quarterly and annual reports.
  - Direct coordination with your organization's CPA.
  - Portfolio reconciliation, trade clearance and settlement.
  - College of the Siskiyous Foundation's CEO and CFO project needs.
  - Liaison between independent custodian, the manager and the client.
  - Transfer and new account documentation.
  - Finance and Audit Committee requests.
- We utilize Fidelity Investments and Charles Schwab as independent custodians.



# Investment Philosophy

## Strategic Asset Allocation

*Choosing the right asset classes has a powerful influence on a portfolio's overall performance and is a key element in managing risk.*

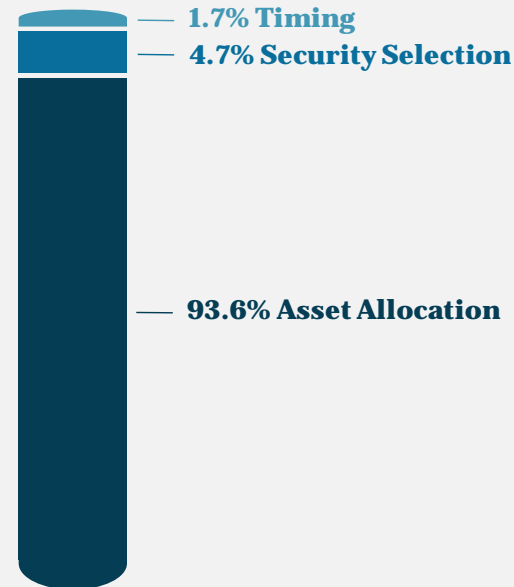
### The Asset Allocation Decision

#### Determining the Right Mix of Assets for Your Portfolio

Asset allocation is the strategy of diversifying your portfolio over a variety of asset classes.

It's based on the principle that investments in various asset classes will likely react to changing market trends in different ways, helping to reduce overall portfolio risk and potentially increase overall portfolio returns.

This chart illustrates the findings of a pivotal study conducted on the nation's largest pension funds. The study found that over 93% of a portfolio's return can be explained by the asset allocation decision.



Source: "Determinants of Portfolio Performance," by Brinson/Hood/Beebower. Financial Analysts Journal, May/June 1991.

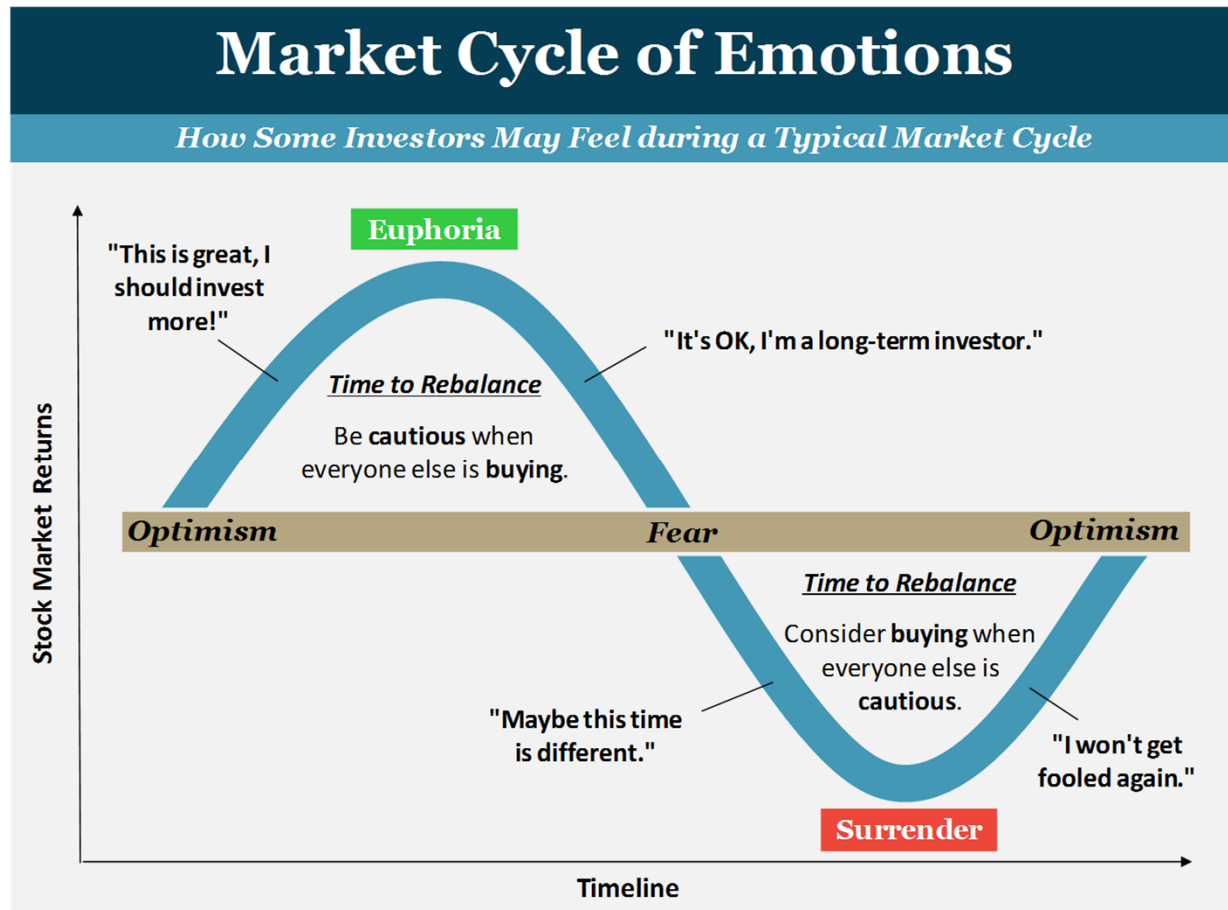




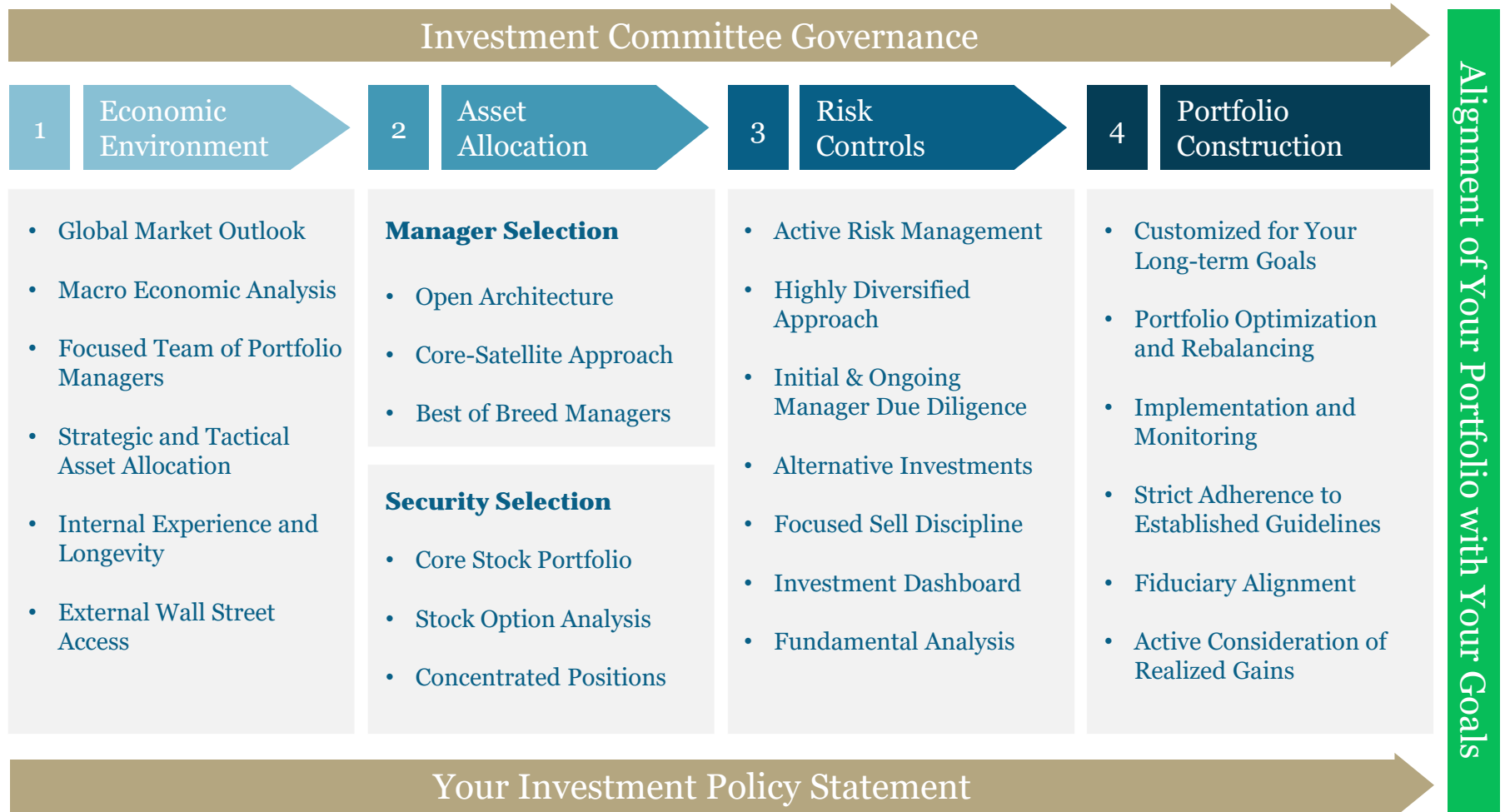
# Investment Strategy

## Rebalancing

*A long-term, contrarian approach that is designed to take advantage of market volatility.*



# Investment Process



# Summary of Portfolio Risk Controls

## Research

*We think about risk before return.*

Risk	Description
<b>Asset Durability Risk</b>	<ul style="list-style-type: none"><li>• Balancing goals with time horizon, risk tolerance and cash flow requirements</li><li>• Extensive upfront and ongoing financial planning overlay</li><li>• Monte Carlo cash flow analysis, consideration of your complete financial picture</li></ul>
<b>Portfolio Risk</b>	<ul style="list-style-type: none"><li>• The Sand Hill Investment Dashboard</li><li>• Discipline to rebalance against extremes</li><li>• Stress testing of portfolios</li></ul>
<b>Concentration Risk</b>	<ul style="list-style-type: none"><li>• Global allocation leads to diversification across multiple currencies</li><li>• Highly diversified approach across a large number of underlying holdings</li><li>• Defined rule sets for portfolio construction</li></ul>
<b>Implementation Risk</b>	<ul style="list-style-type: none"><li>• Team managed</li><li>• Highly liquid strategies</li><li>• Intense verification process</li></ul>
<b>Operational Risk</b>	<ul style="list-style-type: none"><li>• Independent custodians, auditors, accountants, and performance auditing</li><li>• Governance - Investment Committee oversight</li><li>• Significant infrastructure scaled to support organization's needs</li></ul>





# Investment Policy Statement

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College of the Siskiyous Foundation

**INVESTMENT  
POLICY  
STATEMENT**

Approved:

August 2019

Table of Contents

SUMMARY ..... 3

I. ACCOUNT CIRCUMSTANCES ..... 4

II. INVESTMENT OBJECTIVES ..... 4

**1. Portfolio Return Objectives** .....4

**2. Portfolio Risk Tolerance** .....5

**3. Withdrawal Requirements** .....5

**4. Time Horizon**.....5

**5. Tax Considerations** .....5

III. POLICY & ASSET ALLOCATION ..... 5

**1. Diversification** .....5

**2. Investment Vehicles** .....5

**3. Current Asset Allocation** .....5

**4. Rebalancing**.....6

IV. INVESTMENT GUIDELINES ..... 6

**1. Individual Equity Securities in the Direct Account** .....6

**2. Individual Fixed Income Securities in Direct Accounts** .....6

**3. Commingled Funds, Mutual Funds and Index Funds** .....7

**4. Real Estate** .....7

**5. Alternative Investments** .....7

**6. Cash/Cash Equivalents** .....7

V. BROKERAGE AND PROXY POLICY ..... 7

VI. CONTROLS AND MONITORING ..... 7

**1. Quarterly Reviews** .....7

**2. Watch List**.....8

APPENDIX ..... 9

**Benchmark Composition** .....9

**Glossary** .....9

**SUMMARY**  
**INVESTMENT POLICY STATEMENT**

**College of the Siskiyous Foundation**

<b><u>Client's Name:</u></b>	College of the Siskiyous Foundation
<b><u>Portfolio Account Detail:</u></b>	College of the Siskiyous Foundation <i>Scholarship Account, Mercy Endowment, Title Three Fund, Rainy Day Fund, General Endowment</i>
<b><u>Investment Objective:</u></b>	Generate a return in excess of the blended portfolio benchmark over a complete market cycle
<b><u>Withdrawal Requirement:</u></b>	The five accounts serve different purposes and have historically experienced different withdrawal rates. In general, withdrawals of less than 5% are expected annually.
<b><u>Time Horizon:</u></b>	Overall portfolio allocated with a long-term time-horizon in mind.
<b><u>Risk Tolerance:</u></b>	Moderate
<b><u>Target Return:</u></b>	Over the long-term, exceed the blended portfolio benchmark, net of fees with similar risk.
<b><u>Target Allocation:</u></b>	Balanced Strategy
<b><u>Evaluation Benchmark:</u></b>	The passive indices in similar weights to the target asset allocation.

## INVESTMENT POLICY STATEMENT

### College of the Siskiyou Foundation

This policy statement outlines the assumptions and understandings under which Sand Hill Global Advisors (the "Advisor" or "SHGA") is to manage the capital account of the College of the Siskiyou Foundation (COSF). The content herein has been composed based upon meetings with the Board of Directors and staff in which discussions covered COSF's goals, attitudes, expectations, risk tolerance, desires for liquidity, and present and future cash flow requirements.

It is agreed that the Advisor will meet with the Investment Committee on a quarterly basis to report on the status of the portfolio and to receive and provide information that will aid in the management of the portfolio. This investment policy statement will be reviewed at least annually as to its appropriateness given any significant changes in COSF's needs or in light of significant shifts in the economy or the investment markets. Day-to-day contact with COSF will be made via the telephone and e-mail.

#### I. ACCOUNT CIRCUMSTANCES

The investments in this capital account represent a major asset of the College of the Siskiyou Foundation, and as such, are intended to be managed in a manner that will promote their preservation and growth in excess of inflation over the long-term.

#### II. INVESTMENT OBJECTIVES

COSF seeks to achieve growth of the portfolio at a moderate rate in excess of inflation. Preservation of capital is an important consideration; therefore, portfolio volatility should be kept similar to that of the evaluation benchmark as a whole.

##### 1. Portfolio Return Objectives

- **Total Portfolio Return:** Achieve a time-weighted, real rate of return of 2.5%, after fees and program costs. This return will be sought using a diversified style of investment management, providing an average annual return that will be measured over a complete market cycle assumed to be five years.
- **Blended Benchmark Return:** Over rolling five-year cycles, to achieve a return that exceeds the Blended Benchmark, net of fees with similar risk.



2. **Portfolio Risk Tolerance** - The risk to the portfolio must be moderate, since the portfolio provides a source of funds that allows COSF to perpetuate its mission.
3. **Withdrawal Requirements** - The five accounts serve different purposes and have historically experienced different withdrawal rates. In general, withdrawals of less than 5% are expected annually. The *Title III Fund* can withdraw the lesser of 4% of total assets or 50% of cumulative gains less cumulative withdrawals.
4. **Time Horizon** - Overall portfolio will be allocated with a long-term time-horizon in mind.
5. **Tax Considerations** - None, since this organization is tax exempt.
6. **Illiquidity** - The overall portfolio should maintain 90% daily liquidity.

### **III. POLICY & ASSET ALLOCATION**

1. **Diversification** - Given the objective for moderate risk with growth, the portfolio will be managed as a diversified portfolio. We believe that diversification of assets is sound investment policy and that allocation of assets across various sectors as well as types of securities will minimize risk while improving performance.

**Investment Vehicles** - The portfolio's investments will be allocated over various asset classes, either directly or through pooled or commingled investment accounts (mutual funds and index funds), that might include domestic and foreign equities, bonds, real estate, alternative investments, and cash or cash equivalents. With each asset class, Sand Hill Global Advisors will weigh factors including expense, market efficiency, transparency of information, and diversification to determine whether direct investments or commingled investments are in COSF's best interests.

#### 2. **Asset Allocation:**

	<b><u>Bottom Range</u></b>	<b><u>Target</u></b>	<b><u>Top Range</u></b>
<b>TOTAL EQUITY</b>	39%	52%	65%
<b>TOTAL FIXED INCOME</b>	20%	30%	40%
<b>REAL ASSETS</b>	0%	8%	15%
<b>ABSOLUTE RETURN</b>	0%	8%	15%
<b>CASH/CASH EQUIVALENTS</b>	0%	2%	15%

- Generally, the allocation will be within the ranges shown above; however, SHGA is permitted to have a more defensive position that may result from significant cash inflows. The ultimate implementation will be achieved over a transitional period of time involving staggered commitments. Additionally, SHGA will seek the approval of the COSF

Investment Committee whenever deviating the targeted strategy in excess of 10 points of risk, as defined by the combined weight of equities and real assets.

3. **Rebalancing:** The portfolio will be reviewed regularly by SHGA and rebalanced whenever the weighting of a major asset class deviates or a tactical opportunity presents itself.

#### **IV. INVESTMENT GUIDELINES**

Sand Hill Global Advisors may utilize an appropriate combination of individual securities in a direct account and specialized third party, commingled fund or mutual fund alternatives to implement the asset allocation. Third-party offerings will be used to enhance the portfolio's diversification in certain asset classes that require specialized expertise or where liquidity may be limited. In each case, the potential for added value, institutional share class fees and cost effectiveness will be a major consideration. Such categories will include passive strategies such as index funds or exchange-traded funds (ETFs), and active strategies such as international, emerging markets or REIT mutual funds.

##### **1. Individual Equity Securities in the Direct Account:**

- Each directly owned security position, at the time of purchase, will normally represent about 3% to 5% at cost of the direct investment account equity portion of the large cap equities. In no case will an individual security, at the time of purchase, represent more than 10% of the total cost of the direct account portfolio. Over time, individual securities will not exceed more than 10% of the total market value of the direct account portfolio and specific sectors/industries will not represent any more than 25% of the direct portfolio market value.
- The majority of any direct equity position in the portfolio will meet the Advisor's primary quality guidelines. These will be securities of U.S. companies or multinational companies. Individual securities are judged on the basis of several factors including debt, cash flow, market capitalization, and asset growth. In addition, several non-quantitative characteristics are considered such as management strength, dominance of market position, and product acceptance. It is important that the quality of the portfolio should be viewed as a whole. As part of the allocation process, there may be occasions when smaller companies may be included because of the opportunities they offer without altering the risk profile of the portfolio.

##### **2. Individual Fixed Income Securities in Direct Accounts:**

- With the exception of U. S. Government securities and Federal Government Agency securities, no more than 5% at cost of the portfolio may be invested in the securities of a single issuer.
- Corporate issuers will be U. S. or multinational corporations.
- Up to 5% of the total account may be invested in below investment grade securities, commonly referred to as "high yield debt", but only through adequately diversified investment vehicles.

- From time to time, the Committee may adopt specific working guidelines specifying minimum ownership levels in Treasury securities.

**3. Commingled Funds, Mutual Funds and Index Funds:**

- The fund selection process will incorporate criteria such as investment style and process, experience of the investment team, organizational stability and performance analysis such as long-term, risk-adjusted returns, manager tenure, relative performance in up and down markets, consistency of management style, and relative expense ratios. Special care will be taken in the selection of the appropriate type of security or class of shares to minimize the expense ratio and transaction costs. When appropriate, negotiations will occur with custodians for the waiver of loads, minimums, and transaction fees.

**4. Real Estate:**

- The real estate portion may be comprised of privately and publicly held real estate investments.

**5. Alternative Investments:**

- Alternative investments will be broadly defined, but not limited to, as investments in absolute return funds, commodities and gold, real return strategies, venture capital, and other. These categories are to be implemented only through diversified investment vehicles. In the case of absolute return private partnerships, the diversification should be achieved through the use of a “fund of funds”.

**6. Cash/Cash Equivalents:**

- Cash equivalent positions will be instruments with ratings of A-2, P-2 or higher. U.S. Treasury Bills, Eurodollar Certificates of Deposit, time deposits, money market funds, and repurchase agreements are acceptable instruments.

**V. BROKERAGE AND PROXY POLICY**

- SHGA will seek best execution for all transactions effected for COSF. Securities and cash will be held in custody at Fidelity Investments.
- Proxy voting has been delegated to SHGA. SHGA uses Broadridge to vote proxies.

**VI. CONTROLS AND MONITORING**

The COSF Investment Committee will monitor the total portfolio performance as follows:

1. **Quarterly Reviews** – The COSF Investment Committee will review the investment performance of SHGA and the individual managers (retained by SHGA) in the portfolio with respect to the risk and return objectives established for COSF. The review may include

topics such as the overall business management, organizational changes and other relevant factors.

- 2. Watch List** – In the event that any individual manager is significantly underperforming over the long-term, SHGA will maintain a higher level of oversight and may put the firm on a watch list.

Prepared By:



Brian Dombkowski, CFA  
Chief Executive Officer

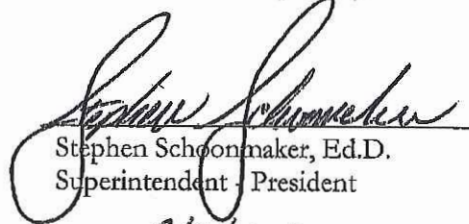
Date: 9/12/19



Brenda Vingello, CFA  
Chief Investment Officer

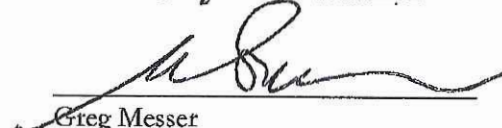
Date: 9/10/19

Reviewed and Accepted By:



Stephen Schoonmaker, Ed.D.  
Superintendent - President

Date: 9/9/2019



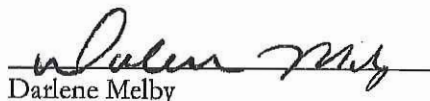
Greg Messer  
President, COS Foundation Board

Date: 9/9/19



Dawn Marie Slabaugh  
Director, COS Foundation

Date: 9/3/19



Darlene Melby  
Vice President, Administrative Services

Date: 9/9/19



Kent Gross  
Director, Fiscal Services

Date: 9/9/19

## APPENDIX

### **1. Benchmark Composition**

The Blended Benchmark will be used for the total portfolio review and to review SHGA. Individual asset classes will be reviewed using the indices most appropriate and assigned to each manager or investment style.

The Blended Benchmark is composed as follows:

<u>Asset Class</u>	<u>Index</u>	<u>Weight</u>
<b>Equity</b>		
Domestic Large Capitalization	S&P500 Index	30%
Domestic Small Capitalization	Russell 2000 Index	9%
Foreign	MSCI All-Cap World Index excl. USA	13%
<b>Fixed Income</b>	Barclays Aggregate Index	30%
<b>Real Estate</b>	NAREIT Index	4%
<b>Absolute/Real Return Strategy</b>	Barclays 1-3 Year Aggregate Index	8%
<b>Commodities/Natural Resources</b>	Bloomberg Commodity Index	4%
<b>Cash/Cash Equivalents</b>	U.S. T-Bill 30 day Index	2%

### **2. Glossary**

#### **EQUITY MARKET INDICATORS**

The market indicators included in this report are regarded as measures of equity or fixed-income performance results. The returns shown reflect both income and capital appreciation.

**Russell 2000 Index** is composed of the 2000 smallest stocks in the Russell 3000 Index, representing approximately 11% of the U.S. equity market capitalization.

**Standard & Poor's 500 Index** is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The

index is capitalization-weighted, with each stock weighted by its proportion of the total market value of all 500 issues. Thus, larger companies have a greater effect on the index.

#### **FIXED-INCOME MARKET INDICATORS**

**Barclays Capital Aggregate Bond Index** is a combination of the Mortgage Backed Securities Index and the intermediate and long-term components of the Government/Credit Bond Index.

#### **INTERNATIONAL EQUITY MARKET INDICATORS**

**Morgan Stanley Capital International (MSCI) All Cap World Index (ACWI) Ex-US Index** is composed of approximately 6,000 equity securities representing the stock exchanges of Europe, Australia, New Zealand, the Far East and Emerging Market nations capturing 99% of the global investable market outside of the US. The index captures large, mid and small-cap companies. The index is capitalization-weighted and is expressed in terms of U.S. dollars.

#### **OTHER INDICES**

**National Association of Real Estate Investment Trusts (NAREIT) Index** is the only REIT index to include all REITs currently trading on the New York Stock Exchange, the NASDAQ National Market System and the American Stock Exchange. It is also the first index to include monthly historical statistics from 1972. It is often used as a publicly traded approximation for the illiquid private real estate market.

**Barclays 1-3 Yr Aggregate Bond Index** is a combination of the Mortgage Backed Securities Index and the shorter duration components of the Government/Credit Bond Index.

**Bloomberg Commodity Index** is designed to be a highly liquid and diversified benchmark for the commodity futures market. Commodities as an asset class have historically demonstrated returns that are negatively correlated with returns of stocks and bonds and that are positively correlated with inflation measures.

**U.S. T-Bill 30 day Index** is the benchmark used to measure cash. It is also considered to be the "risk-free rate" for purposes of performance measurement.

# Investment Outlook

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## An Overview of Our Current Forecast -- Q3 2019 --

This information has been developed internally and/or obtained from sources which Sand Hill Global Advisors, LLC ("SHGA"), believes to be reliable; however, SHGA does not guarantee the accuracy, adequacy or completeness of such information nor do we guarantee the appropriateness of any investment approach or security referred to for any particular investor. This material is provided for informational purposes only and is not advice or a recommendation for the purchase or sale of any security. This information reflects subjective judgments and assumptions, and unexpected events may occur. Therefore, there can be no assurance that developments will transpire as forecasted. This material reflects the opinion of SHGA on the date made and is subject to change at any time without notice. SHGA has no obligation to update this material. We do not suggest that any strategy described herein is applicable to every client of or portfolio managed by SHGA. In preparing this material, SHGA has not taken into account the investment objectives, financial situation or particular needs of any particular person. Before making an investment decision, you should consider, with or without the assistance of a professional advisor, whether the information provided in this material is appropriate in light of your particular investment needs, objectives and financial circumstances. Transactions in securities give rise to substantial risk and are not suitable for all investors. No part of this material may be (i) copied, photocopied, or duplicated in any form, by any means, or (ii) redistributed without the prior written consent of SHGA.



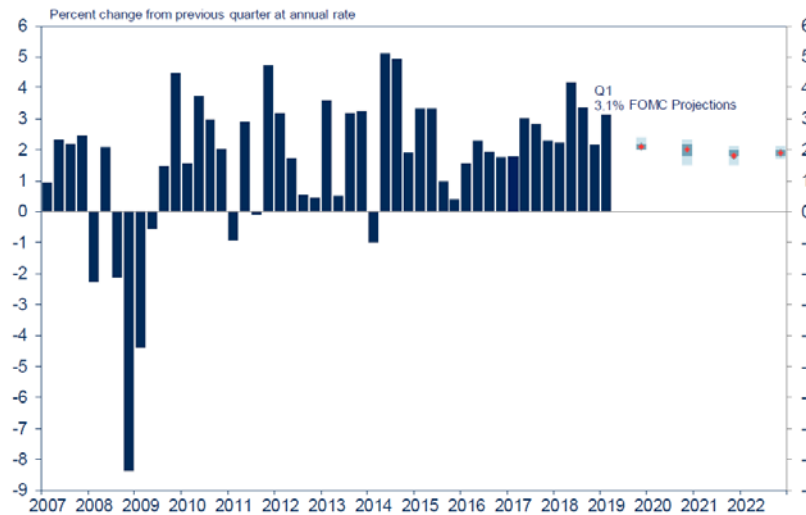


# Economic Growth



- GDP in the U.S. grew at a strong average rate of 3.2% over the four trailing quarters ending in Q1 of this year. We expect growth to ease over the balance of this year as tax-related stimulus has been replaced by growing trade tensions, a strong U.S. dollar and slowing global growth. We saw evidence of this trend during the second quarter as strong consumption was offset by slowing capital expenditures, resulting in growth of 2.1%.
- The U.S. Federal Reserve has significantly changed course and recently lowered interest rates during its July meeting in response to slowing inflation and global growth. This has caused interest rates to decline and financial conditions to loosen. Lower interest rates, a strong labor market and the significant equity market recovery experienced during the first half of this year should support continued economic growth although a recent step-up in trade tensions could offset this positive impact.
- If monetary policy continues to stay loose, this could encourage more financial risk-taking activity which may lead to the ultimate end of this economic cycle. In the intermediate term, barring an economic shock or an extended trade war, we believe a period of more normalized economic growth is likely.

### U.S. Real Gross Domestic Product



GDP growth is anticipated to slow to 2% following a 12-month period of above average growth. The projections shown here are from the Summary of Economic Projections were released by the Federal Reserve Board and Federal Open Market Committee during their June 2019 meeting.

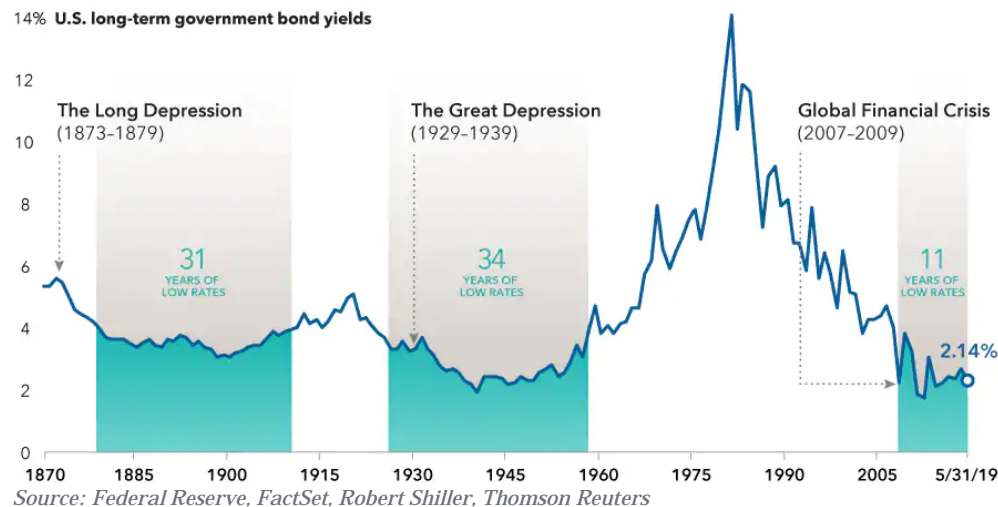
Source: Bureau of Economic Analysis



# Interest Rates



- In response to slowing economic growth, central banks around the world have become much more accommodative and this has driven interest rates lower, particularly within developed markets.
- In the U.S., the Federal Reserve signaled a rate hike pause earlier this year which developed into a rate cut as inflation has remained stubbornly low and global growth has stagnated. By the middle of the third quarter the bond market was suggesting the Federal Reserve may cut rates three times over the next 12 months. In our view, this expectation could be too pessimistic, and we continue to favor short duration vehicles within our fixed income allocation which offer the same yield and less interest rate risk than longer duration bonds.
- The yield curve has inverted three times this year and this measure has been a good predictor of recessions in the past. Looking back historically, the time between inversion and recession has varied significantly and has been between 6 and 31 months. The biggest question facing the market today is how much longer this economic cycle can persist. Given the lack of excesses in the global economy, low inflation and accommodative central banks, the current environment suggests it will not end any time soon.



The current low-interest rate environment (defined as interest rates being below 4%) has persisted for 11 years. Looking back at history, there have been other periods when rates have remained low for extended periods of time. This suggests that this low rate environment could continue unless inflation begins to pick-up.

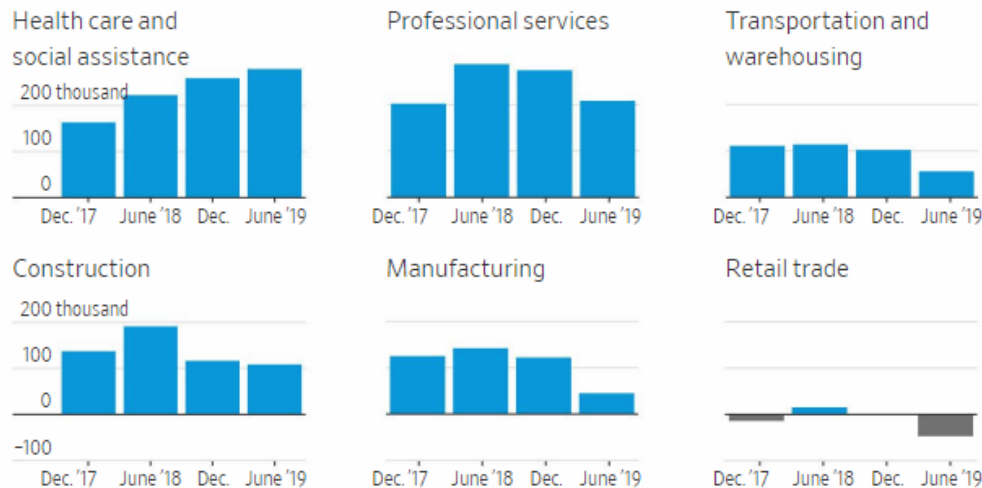


# Employment Market



- Despite some uneven trends in job growth, the labor market has continued to exhibit strength. As of July, employment gains had averaged 140,000 per month for the trailing three-month period.
- During the first half of this year, job growth slowed significantly during February and May. However, these months were preceded by very strong growth making them appear to be anomalies. In reality, they are likely signs that job growth is beginning to slow, which is a natural development given that unemployment is at a 50-year low.
- Wage growth has continued to track above 3%, suggesting that wages are finally starting to be impacted by a tight labor market.

## Change in Payrolls Over the Previous Six Months



Growth in services jobs has been a significant driver of overall job growth during the last six months, while manufacturing and retail job growth has softened.

Source: Labor Department, WSJ



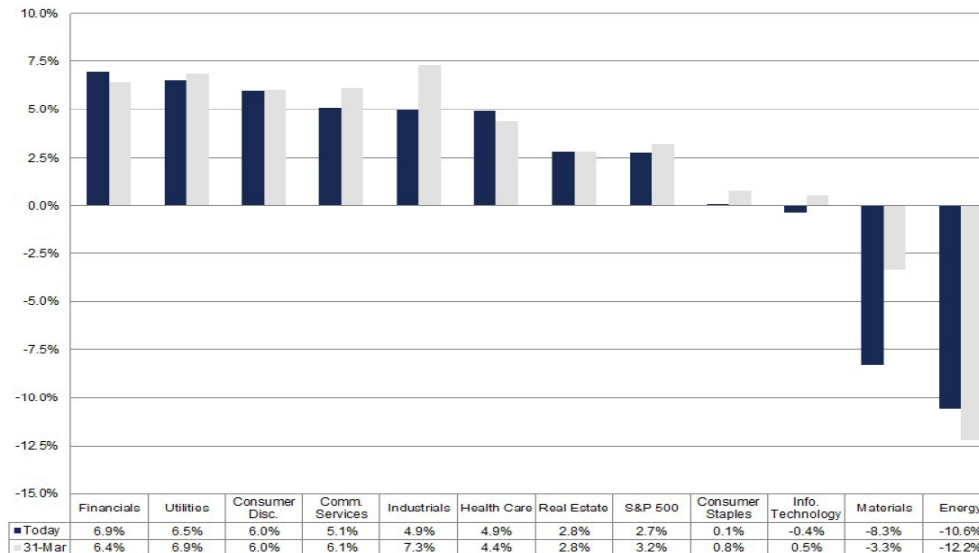
# Corporate Earnings



- Corporate earnings growth is projected to slow meaningfully from last year's blistering pace as the tailwind from the major corporate tax cut has been replaced by global trade tensions and a stronger U.S. dollar. Some pressures may be alleviated during the second half of the year if either tariffs are lifted as part of any trade deal with China or a pick-up in global growth and/or lower interest rates in the U.S. results in dollar weakness.
- The majority of second quarter earnings will be reported throughout July and into early August and expectations for growth appear to be quite modest with a decline of 2.6% currently being projected. As we enter the second half of the year, we should be able to gain more insight into fourth quarter trends. As of early July, the fourth quarter is the only quarter this year where earnings growth is projected to be positive at +6.3%.
- During the third quarter we should also gain a little more visibility into potential earnings trends in 2020. If global growth stabilizes, it could result in a year of more normalized results. Historically, earnings for the S&P 500 index have grown at an average pace of 8.5%.

**S&P 500 Earnings Growth: CY 2019**

(Source: FactSet)



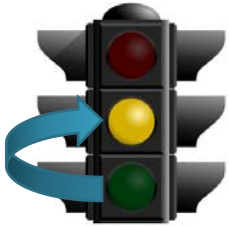
Earnings growth projections have moderated and assume just 2.7% growth for the full year 2019.

Source: FactSet



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# International Developed Markets



- Earlier this year it appeared as though many of the challenges Europe had been facing, including a change in car emission standards, social problems in France, a spike in Italian bond yields and an uncertain Brexit outcome were likely to subside as this year progressed. However, global trade tensions between the U.S. and both Europe and China have continued to weigh on European economic growth, Italian bond yields have been volatile, and the election of Boris Johnson has increased the likelihood of a hard Brexit.
- From a political standpoint, Japan continues to be one of the most stable countries in the developed world with Prime Minister Abe enjoying unprecedented approval ratings. Efforts to improve corporate governance appear to be working as stock buy-backs doubled over the last twelve months and both dividend yields and return on investment have been increasing. We continue to favor specific exposures to this geography.
- As global economic growth has slowed, the ability of central banks in both Europe and Japan to enact further stimulus is questionable as interest rates in both regions are currently negative. While fiscal stimulus is a possibility, the timing is less certain as projects can take years to be approved.



Globally, negative yielding debt has grown to \$16.4T. About \$1T of this is corporate debt and the remainder is sovereign. This suggests that a little less than one third of sovereign global debt now has a negative yield.

Source: Bloomberg



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# Emerging Markets



- China's economy now contributes one third of global GDP growth and thus it has an increasingly significant impact on the global economy. An economic slowdown there, that was partially self-inflicted as President Xi worked to de-risk the country's financial system, impacted the global economy during the second half of last year. This has since been put on pause and replaced with economic stimulus as the Chinese President carefully navigates the current environment.
- The Chinese government's stepped-up stimulus efforts have been offset by trade tensions and a recent devaluation of the country's currency. In our view, an agreeable resolution to trade is in the best interest of all parties involved and we expect this to eventually happen although the timing is uncertain. Any sign of additional progress toward an agreement could lead to a meaningful market recovery for this asset class, particularly given its attractive valuation and growth prospects.
- Outside of China, fundamentals of the broad emerging market universe are relatively sound with balance sheets stronger than expected across the board, particularly following the rise of the U.S. dollar, and with fiscal deficits that are in good shape. Furthermore, the recent reduction in U.S. interest rates should help emerging market countries as they will now be able to lower interest rates themselves.

Percentage of Top 50 Stocks Each Year That Are Outside the U.S.



Over the last 10 years the strength of U.S. stocks has caused many to question the merits of investing globally. Growth in many emerging market economies significantly outpaces that of the U.S. and, in most years, the majority of top performing individual stocks are outside of the U.S.

Source: RIMES, MSCI as of 5/31/19. Returns in U.S. dollars. S&P 500 Index and MSCI ACWI ex USA used for U.S. and non-U.S. returns.

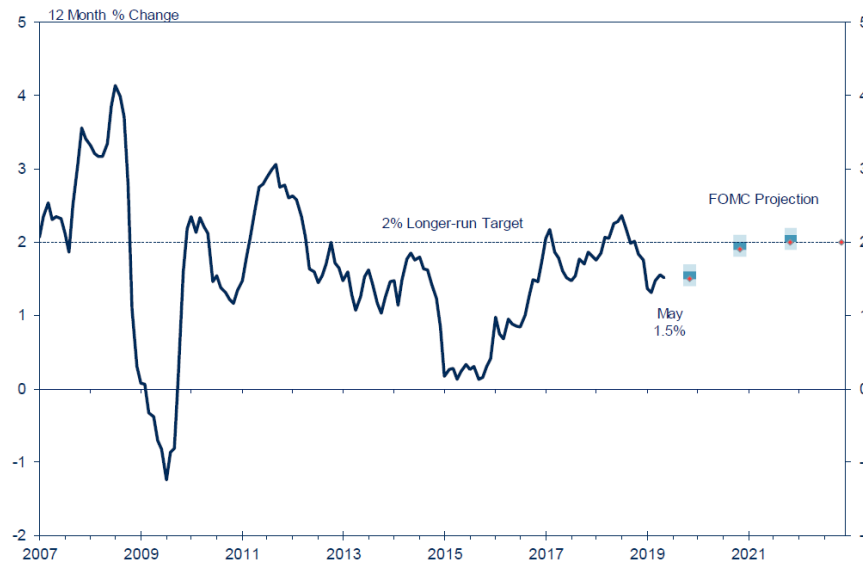


# Inflation Outlook



- Inflation has been below 2% for most of the last decade, a phenomenon that has been quite surprising given the significant liquidity that central banks have injected into the global economy.
- In the U.S., there are several possible explanations for this softness including a significant step-up in alternative forms of compensation that aren't captured in traditional measures of wage growth plus policy-driven declines in the cost of healthcare and the Federal Reserve's own commitment to keeping inflation low which, following 30 years of contained inflation, has led businesses and consumers to move away from building inflation adjustments into contracts.
- The low level of inflation was a significant factor in the Federal Reserve's decision to pause rate hikes, and now potentially lower interest rates. If the Federal Reserve lowers interest rates and economic activity accelerates, inflation may finally begin to rise above 2%.

Personal Consumption Expenditure (PCE) Price Index



Inflation continues to be below the Federal Reserve's target, which will be a factor in the Fed's decision to potentially lower interest rates this month.

Source: Bureau of Economic Analysis

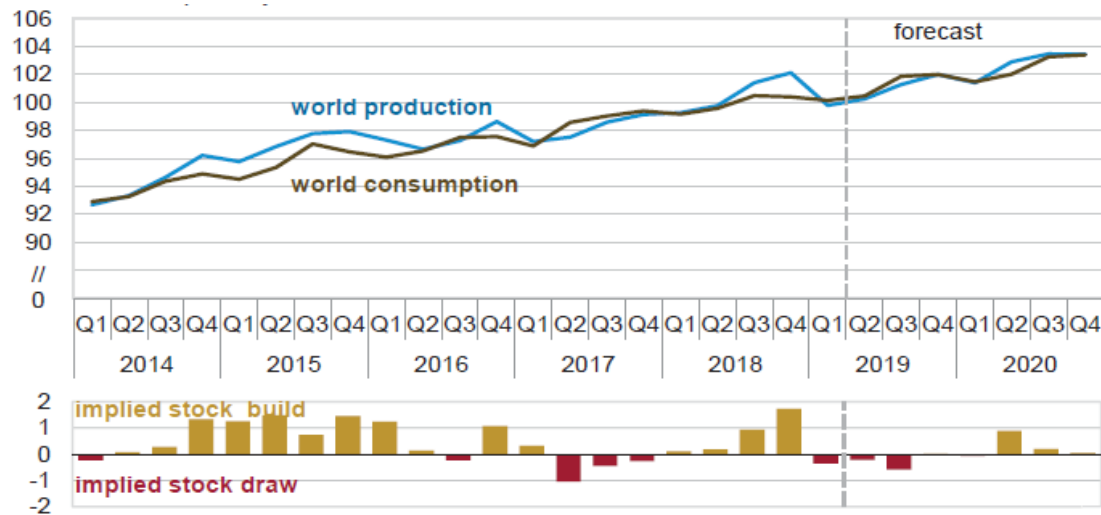


# Commodity Markets



- Commodity prices have been impacted by a combination of trade tensions, weather and global economic developments, resulting in significant price fluctuations from one month to the next. Globally, central banks have stepped up levels of accommodation and this should support continued levels of economic growth and concurrently, consumption of commodities.
- OPEC recently agreed to extend production cuts for another 6-9 months which should support oil prices. Additionally, supply is being impacted by a decline in Iranian exports that are a direct result of U.S. sanctions.
- Outside of energy, industrial metals should benefit from economic stabilization in China and agricultural commodities should see price increases following the devastating floods in the Midwest region of the U.S. as well as a trade resolution between the U.S. and China.

**World Production & Consumption Forecast**



World production and consumption of oil are expected to be essentially in-line during the remainder of 2019 and into 2020.

Source: Short-Term Energy Outlook, June 2019



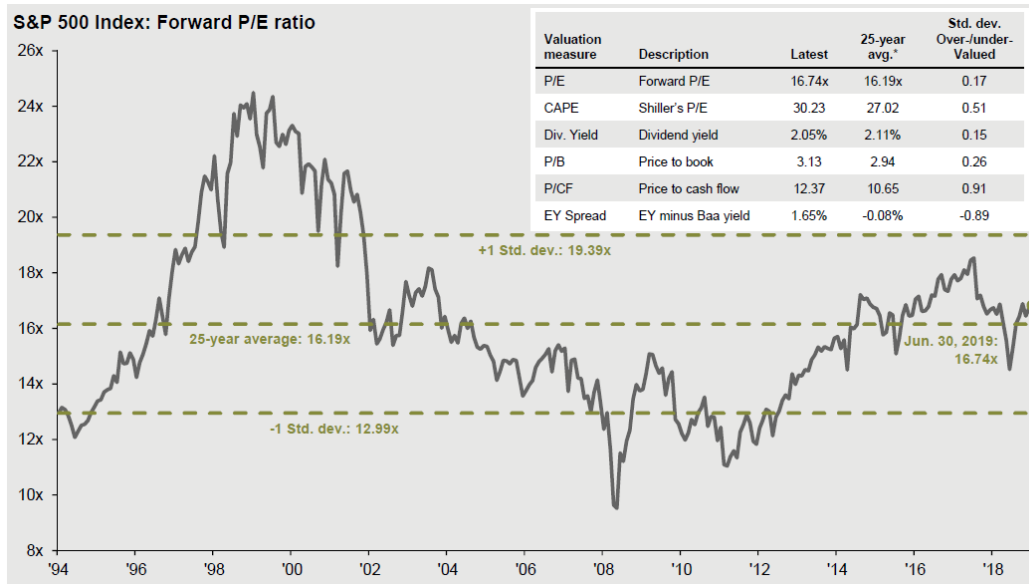
Source: eia (U.S. Energy Information Administration)



# Valuation



- The U.S. equity market has experienced a significant recovery this year and as of early July, is near all-time highs. Earnings growth estimates have come down for 2019 and are now assuming less than 3% growth from 2018 levels which were positively impacted by lower corporate tax rates. Using these projections, valuation is in-line with historical averages.
- Assuming inflation remains moderate, interest rates remain low, and the outlook for 2020 earnings growth assumes a more normalized high-single-digit growth year, a multiple in the 17-18x range may be achievable, in our view. Using 2020 projected earnings of \$178 for the S&P 500, our fair value range is 3,100-3,200 over the next 6-9 months. Making a case for significant upside from these levels would require a material change in economic momentum resulting in higher than projected earnings estimates and higher multiples.
- In other parts of the world, valuations are more reasonable and, in some cases, are projected to grow at a faster pace than the U.S. As a result, we have maintained an overweight position in international equity.



Valuation, as of June 30th, is in-line with 25 year historical averages. In our view, in order for multiples to expand from current levels we would need to see positive revisions to forward earnings estimates.

Source: FactSet, JPM



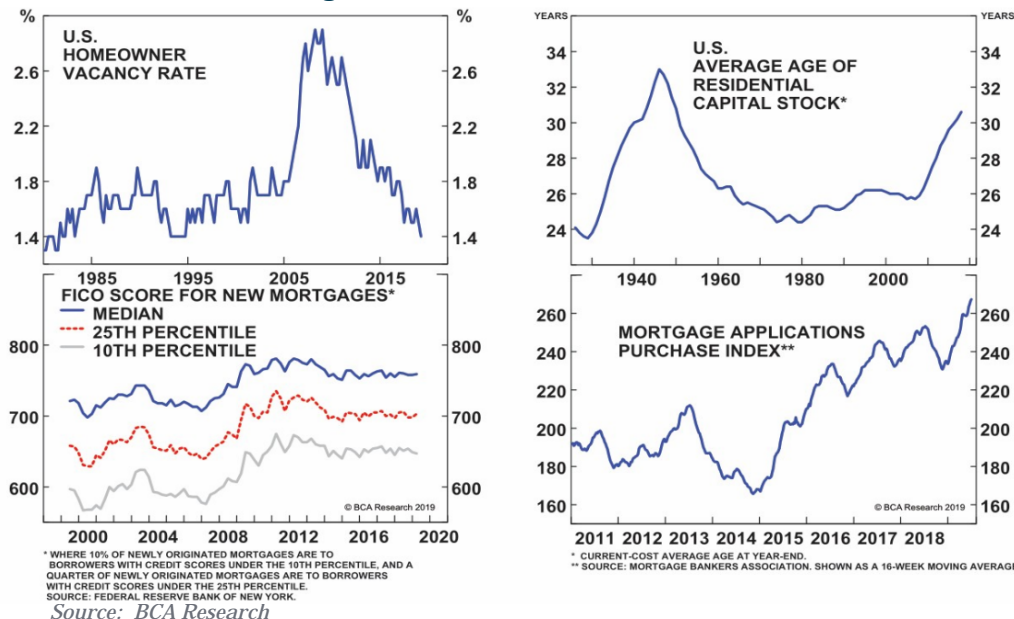
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# Housing Market



- A pick-up in mortgage rates and the recent cap on deductibility of state and local taxes likely contributed to a slowdown in the coastal housing market. More recently, mortgage rates have declined from their highs and consumers are benefitting from a very robust job market and relatively low energy prices which had led to some stabilization in general.
- Meanwhile, rising raw material costs, as well as labor shortages, are impacting the construction of new homes and this is weighing on new home building activity. Recent commentary from publically traded homebuilders suggests trends may be picking up as mortgage rates have declined.
- Recent data suggests the rate of homeownership in the U.S. is on the rise as the cost of renting continues to escalate, making ownership more financially attractive. Catch-up new home construction will likely unfold over time as millennial household formation finally takes hold, contributing to GDP growth.

## Housing Fundamentals Are Still Good



Housing trends have softened but are still quite good as mortgage applications remain strong, the average age of homes rises, vacancy rates are low and FICO scores for new mortgages are relatively high.



# SHGA Economic and Market Overview

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## References

- All GDP references are from the Bureau of Economic Analysis, U.S. Department of Commerce. Quarterly GDP estimates are revised three times before they are considered to be final.
- All references to yields and the yield curve are from the U.S. Federal Reserve.
- All wage growth and employment references are from the monthly nonfarm payroll figures reported by the Bureau of Labor Statistics.
- Historical corporate earnings figures and future projections are from Bloomberg and FactSet.
- Emerging market and developed market growth rates are based on IMF (International Monetary Fund) records and projections.
- PCE = U.S. Personal Consumption Expenditures Index measures the change in prices of goods and services purchased by consumers in the United States. This is the Federal Reserve's preferred measure of inflation and is produced monthly by the Bureau of Economic Analysis.
- Homeownership is reported, and measured, by the U.S. Census Bureau and tracks the percentage of homes that are occupied by their owner, not the percentage of adults who own their own home.

The information and opinions stated are as of the date shown on the front of this presentation, and, unless otherwise indicated, do not represent a complete analysis of every material fact concerning any industry, security or investment. Statements of fact have been obtained from sources deemed reliable, but no representation is made as to their completeness or accuracy. The opinions expressed are not intended as individual investment advice or as a recommendation of any particular security, strategy or investment product.





# Portfolio Appraisals

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*Portfolio Appraisal*

*College of the Siskiyous Foundation (Title Three Fund Trading)*

*9/1/2019 to 9/13/2019*

**Balanced Portfolio Appraisal**

<i>Equity</i>	<i>Quantity</i>	<i>Price</i>	<i>Market Value</i>	<i>Percent of Assets</i>	<i>Cost</i>	<i>Unrealized Gain/Loss</i>	<i>Gain/Loss Percent</i>	<i>Estimated Annual Income</i>	<i>Current Yield</i>	
<b>Large Cap Blend</b>										
9/12/2019	iShares S&P 100 Index	530.00	\$133.75	\$70,887.50	3.78 %	\$71,095.84	-\$ 208.34	-0.29 %	\$ 1,376.34	1.94 %
9/12/2019	SPDR S&P 500 ETF Trust	1,234.00	\$301.29	\$371,791.86	19.81 %	\$372,878.41	-\$ 1,086.55	-0.29 %	\$ 6,691.73	1.80 %
9/12/2019	Vanguard S&P 500	339.00	\$276.65	\$93,784.35	5.00 %	\$94,090.81	-\$ 306.46	-0.33 %	\$ 1,809.14	1.93 %
Large Cap Blend Totals				\$536,463.71	28.59 %	\$538,065.06	-\$ 1,601.35	-0.30 %	\$ 9,877.22	1.84 %
<b>Mid Cap Blend</b>										
9/12/2019	Invenomic Fd Super Inst	2,785.15	\$11.45	\$31,890.00	1.70 %	\$31,915.00	-\$ 25.00	-0.08 %	\$ 0.00	0.00 %
Mid Cap Blend Totals				\$31,890.00	1.70 %	\$31,915.00	-\$ 25.00	-0.08 %	\$ 0.00	0.00 %
<b>Small Cap Blend</b>										
9/12/2019	iShares Russell 2000	570.00	\$157.04	\$89,512.80	4.77 %	\$89,558.34	-\$ 45.54	-0.05 %	\$ 1,062.90	1.19 %
Small Cap Blend Totals				\$89,512.80	4.77 %	\$89,558.34	-\$ 45.54	-0.05 %	\$ 1,062.90	1.19 %
<b>Small Cap Growth</b>										
9/12/2019	Ivy Small Cap Growth I	3,024.46	\$23.34	\$70,590.99	3.76 %	\$70,591.00	-\$ 0.01	0.00 %	\$ 0.00	0.00 %

Small Cap Growth Totals			\$70,590.99	3.76 %	\$70,591.00	-\$ 0.01	0.00 %	\$ 0.00	0.00 %
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**International Equity Markets**

9/12/2019	iShares MSCI EAFE	1,458.00	\$65.57	\$95,601.06	5.09 %	\$95,690.00	-\$ 88.94	-0.09 %	\$ 2,936.58	3.07 %
9/12/2019	Matthews Asia Pac Instl	1,377.47	\$26.41	\$36,379.01	1.94 %	\$36,379.00	\$ 0.01	0.00 %	\$ 115.32	0.32 %
International Equity Markets Totals				\$131,980.07	7.03 %	\$132,069.00	-\$ 88.93	-0.07 %	\$ 3,051.90	2.31 %

**International Emerging Markets**

9/12/2019	Matthews Pac Tiger Instl	2,325.46	\$28.20	\$65,578.00	3.49 %	\$65,578.00	\$ 0.00	0.00 %	\$ 608.48	0.93 %
9/12/2019	Vanguard FTSE Emerging Markets	892.00	\$41.97	\$37,437.24	2.00 %	\$37,474.75	-\$ 37.51	-0.10 %	\$ 976.29	2.61 %
International Emerging Markets Totals				\$103,015.24	5.49 %	\$103,052.75	-\$ 37.51	-0.04 %	\$ 1,584.77	1.54 %

Equity Totals				\$963,452.81	51.34 %	\$965,251.15	-\$ 1,798.34	-0.19 %	\$ 15,576.80	1.62 %
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<i>Fixed Income</i>	Quantity	Price	Market Value	Percent of Assets	Cost	Unrealized Gain/Loss	Gain/Loss Percent	Estimated Annual Income	Current Yield	
<b>Investment Grade</b>										
12/13/2011	American Bond Fund of America A	3,775.28	\$13.22	\$49,909.20	2.66 %	\$47,430.86	\$ 2,478.35	5.23 %	\$ 1,218.17	2.44 %
6/9/2014	AT&T Inc Bond 3.90% 3/11/2024	65,000.00	\$1.06	\$68,629.92	3.66 %	\$66,772.91	\$ 1,835.89	2.68 %	\$ 2,535.00	3.69 %
12/18/2014	CA St Pub Wks Brd Lease Rev 5.00% 12/1/2029	35,000.00	\$1.08	\$38,337.79	2.02 %	\$37,179.46	\$ 657.64	1.58 %	\$ 1,750.00	4.63 %
9/12/2019	Diamond Hill Short Duration Total Ret I	3,705.81	\$10.16	\$37,651.00	2.01 %	\$37,651.00	\$ 0.00	0.00 %	\$ 1,487.88	3.95 %
9/12/2019	DoubleLine Total Return Bond Instl	8,769.90	\$10.73	\$94,100.99	5.01 %	\$94,126.00	-\$ 25.01	-0.03 %	\$ 3,415.00	3.63 %
12/18/2014	Eklhart Indiana Sch Dist Pensi On Ref Bds Callable 3.25% 1/20/2027	25,000.00	\$1.02	\$25,583.88	1.36 %	\$24,328.78	\$ 1,133.22	4.66 %	\$ 812.50	3.19 %
6/9/2014	Enbridge Inc Sr Glbl Bd 3.50% 6/	45,000.00	\$1.04	\$47,080.75	2.49 %	\$45,066.31	\$ 1,603.19	3.55 %	\$ 1,575.00	3.37 %

10/2024

12/18/2014	Hubbard Cnty Minn GO Nurs Home Rev Bds 3.80% 10/1/2029	50,000.00	\$1.04	\$52,856.78	2.77 %	\$50,754.44	\$ 1,242.06	2.43 %	\$ 1,900.00	3.65 %
9/12/2019	iShares Ultra Short Term Bond	1,121.00	\$50.34	\$56,431.14	3.01 %	\$56,429.57	\$ 1.57	0.00 %	\$ 1,505.48	2.67 %
9/12/2019	Janus Multi-Sector Income I	3,775.13	\$9.97	\$37,638.00	2.01 %	\$37,638.00	\$ 0.00	0.00 %	\$ 1,710.78	4.55 %
6/9/2014	JP Morgan Chase & Co Fixed Rate 3.625% 5/13/2024	45,000.00	\$1.05	\$47,987.28	2.53 %	\$45,397.41	\$ 2,041.59	4.46 %	\$ 1,631.25	3.44 %
12/18/2014	Univ Houston Tx 4.45% 2/15/2026	40,000.00	\$1.05	\$42,177.79	2.24 %	\$42,439.23	-\$ 404.83	-0.92 %	\$ 1,780.00	4.23 %
9/12/2019	Vanguard Short-Term Investment- Grade Adm	4,569.37	\$10.71	\$48,938.00	2.61 %	\$48,973.00	-\$ 35.00	-0.07 %	\$ 1,436.35	2.94 %

## Investment Grade Totals

				\$647,322.52	34.36 %	\$634,186.97	\$ 10,528.67	1.64 %	\$ 22,757.41	3.53 %
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## Non-Investment Grade

12/18/2014	Genl Electric Cap Corp Internotes Survivor Option 3.70% 4/15/2030	27,000.00	\$0.93	\$25,451.39	1.33 %	\$27,034.65	-\$ 1,996.74	-7.38 %	\$ 999.00	3.99 %
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## Non-Investment Grade Totals

				\$25,451.39	1.33 %	\$27,034.65	-\$ 1,996.74	-7.38 %	\$ 999.00	3.99 %
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## Fixed Income Totals

				\$672,773.91	35.69 %	\$661,221.62	\$ 8,531.93	1.27 %	\$ 23,756.41	3.54 %
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**Alternatives**

	Quantity	Price	Market Value	Percent of Assets	Cost	Unrealized Gain/Loss	Gain/Loss Percent	Estimated Annual Income	Current Yield
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**Real Estate**

9/12/2019	Vanguard REIT Index	414.00	\$92.63	\$38,348.82	2.04 %	\$38,415.41	-\$ 66.59	-0.17 %	\$ 1,464.07	3.82 %
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## Real Estate Totals

				\$38,348.82	2.04 %	\$38,415.41	-\$ 66.59	-0.17 %	\$ 1,464.07	3.82 %
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**Absolute Return Funds**

9/12/2019	Absolute Convertible Arbitrage Instl Fund	2,478.60	\$10.70	\$26,521.00	1.41 %	\$26,546.00	-\$ 25.00	-0.09 %	\$ 164.50	0.62 %
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9/12/2019	JP Morgan Strat Inc Opp I	3,796.17	\$11.48	\$43,580.00	2.32 %	\$43,580.00	\$ 0.00	0.00 %	\$ 1,367.76	3.14 %
9/12/2019	Kellner Merger Instl	3,555.23	\$11.19	\$39,783.00	2.12 %	\$39,808.00	-\$ 25.00	-0.06 %	\$ 0.00	0.00 %
<b>Absolute Return Funds Totals</b>				\$109,884.00	5.86 %	\$109,934.00	-\$ 50.00	-0.05 %	\$ 1,532.26	1.39 %

**Commodities**

9/12/2019	Credit Suisse Commodity Return Strategy I	8,425.72	\$4.51	\$38,000.00	2.03 %	\$38,025.00	-\$ 25.00	-0.07 %	\$ 475.72	1.25 %
<b>Commodities Totals</b>				\$38,000.00	2.03 %	\$38,025.00	-\$ 25.00	-0.07 %	\$ 475.72	1.25 %
<b>Alternatives Totals</b>				\$186,232.82	9.92 %	\$186,374.41	-\$ 141.59	-0.08 %	\$ 3,472.05	1.86 %

<b>Cash</b>	<b>Quantity</b>	<b>Price</b>	<b>Market Value</b>	<b>Percent of Assets</b>	<b>Cost</b>	<b>Unrealized Gain/Loss</b>	<b>Gain/Loss Percent</b>	<b>Estimated Annual Income</b>	<b>Current Yield</b>	
<b>Money Market</b>										
9/13/2019	Fidelity Cash Fund**	30,865.44	\$1.00	\$30,865.44	1.64 %	\$30,865.44	\$ 0.00	0.00 %	\$ 95.17	0.31 %
9/13/2019	Fidelity Government Cash Reserves	26,191.32	\$1.00	\$26,191.32	1.40 %	\$26,191.32	\$ 0.00	0.00 %	\$ 520.37	1.99 %
<b>Money Market Totals</b>				\$57,056.76	3.04 %	\$57,056.76	\$ 0.00	0.00 %	\$ 615.54	1.08 %
<b>Cash Totals</b>				\$57,056.76	3.04 %	\$57,056.76	\$ 0.00	0.00 %	\$ 615.54	1.08 %
<b>Portfolio Totals</b>				\$1,879,516.30	100.00 %	\$1,869,903.94	\$ 6,592.00	0.35 %	\$ 43,420.79	2.31 %





*Portfolio Appraisal*

*College of the Siskiyous Foundation (Scholarship Account Trading)*

*9/1/2019 to 9/13/2019*

**Balanced Portfolio Appraisal**

<i>Equity</i>	<i>Quantity</i>	<i>Price</i>	<i>Market Value</i>	<i>Percent of Assets</i>	<i>Cost</i>	<i>Unrealized Gain/Loss</i>	<i>Gain/Loss Percent</i>	<i>Estimated Annual Income</i>	<i>Current Yield</i>	
<b>Large Cap Blend</b>										
9/12/2019	iShares S&P 100 Index	334.00	\$133.75	\$44,672.50	3.76 %	\$44,803.80	-\$ 131.30	-0.29 %	\$ 867.36	1.94 %
9/12/2019	SPDR S&P 500 ETF Trust	772.00	\$301.29	\$232,595.88	19.60 %	\$233,277.49	-\$ 681.61	-0.29 %	\$ 4,186.40	1.80 %
9/12/2019	Vanguard S&P 500	270.00	\$276.65	\$74,695.50	6.29 %	\$74,940.59	-\$ 245.09	-0.33 %	\$ 1,440.91	1.93 %
Large Cap Blend Totals				\$351,963.88	29.66 %	\$353,021.88	-\$ 1,058.00	-0.30 %	\$ 6,494.67	1.85 %
<b>Mid Cap Blend</b>										
9/12/2019	Invenomic Fd Super Inst	1,753.45	\$11.45	\$20,077.00	1.69 %	\$20,102.00	-\$ 25.00	-0.12 %	\$ 0.00	0.00 %
Mid Cap Blend Totals				\$20,077.00	1.69 %	\$20,102.00	-\$ 25.00	-0.12 %	\$ 0.00	0.00 %
<b>Small Cap Blend</b>										
9/12/2019	iShares Russell 2000	352.00	\$157.04	\$55,278.08	4.66 %	\$55,306.20	-\$ 28.12	-0.05 %	\$ 656.39	1.19 %
Small Cap Blend Totals				\$55,278.08	4.66 %	\$55,306.20	-\$ 28.12	-0.05 %	\$ 656.39	1.19 %
<b>Small Cap Growth</b>										
9/12/2019	Ivy Small Cap Growth I	1,870.65	\$23.34	\$43,660.99	3.68 %	\$43,661.00	-\$ 0.01	0.00 %	\$ 0.00	0.00 %

Small Cap Growth Totals				\$43,660.99	3.68 %	\$43,661.00	-\$ 0.01	0.00 %	\$ 0.00	0.00 %
<b>International Equity Markets</b>										
9/12/2019	iShares MSCI EAFE	898.00	\$65.57	\$58,881.86	4.96 %	\$58,936.64	-\$ 54.78	-0.09 %	\$ 1,808.67	3.07 %
9/12/2019	Matthews Asia Pac Instl	848.73	\$26.41	\$22,415.01	1.89 %	\$22,415.00	\$ 0.01	0.00 %	\$ 71.06	0.32 %
International Equity Markets Totals				\$81,296.87	6.85 %	\$81,351.64	-\$ 54.77	-0.07 %	\$ 1,879.73	2.31 %
<b>International Emerging Markets</b>										
9/12/2019	Matthews Pac Tiger Instl	1,463.97	\$28.20	\$41,284.01	3.48 %	\$41,284.00	\$ 0.01	0.00 %	\$ 383.06	0.93 %
9/12/2019	Vanguard FTSE Emerging Markets	561.00	\$41.97	\$23,545.17	1.98 %	\$23,570.60	-\$ 25.43	-0.11 %	\$ 614.01	2.61 %
International Emerging Markets Totals				\$64,829.18	5.46 %	\$64,854.60	-\$ 25.42	-0.04 %	\$ 997.08	1.54 %
Equity Totals				\$617,106.00	52.00 %	\$618,297.32	-\$ 1,191.32	-0.19 %	\$ 10,027.86	1.62 %

<b>Fixed Income</b>		Quantity	Price	Market Value	Percent of Assets	Cost	Unrealized Gain/Loss	Gain/Loss Percent	Estimated Annual Income	Current Yield
<b>Investment Grade</b>										
12/17/2014	Amazon Com Inc Sr Nt 3.80% 12/5/2024	45,000.00	\$1.08	\$49,075.20	4.10 %	\$45,708.11	\$ 2,896.84	6.26 %	\$ 1,710.00	3.52 %
9/12/2019	Diamond Hill Short Duration Total Ret I	2,323.13	\$10.16	\$23,603.00	1.99 %	\$23,603.00	\$ 0.00	0.00 %	\$ 932.74	3.95 %
9/12/2019	DoubleLine Total Return Bond Instl	5,498.23	\$10.73	\$58,996.00	4.97 %	\$59,021.00	-\$ 25.00	-0.04 %	\$ 2,141.01	3.63 %
9/12/2019	iShares Ultra Short Term Bond	703.00	\$50.34	\$35,389.02	2.98 %	\$35,388.04	\$ 0.98	0.00 %	\$ 944.11	2.67 %
9/12/2019	Janus Multi-Sector Income I	2,366.80	\$9.97	\$23,597.00	1.99 %	\$23,597.00	\$ 0.00	0.00 %	\$ 1,072.57	4.55 %
9/12/2019	JP Morgan Core Plus Bond Select	3,537.74	\$8.48	\$30,000.00	2.53 %	\$30,000.00	\$ 0.00	0.00 %	\$ 960.67	3.20 %
12/17/2014	Port Grandview WA GO Ref Bds 2012 3.80% 12/1/2031	45,000.00	\$1.02	\$46,443.70	3.87 %	\$44,524.19	\$ 1,430.26	3.21 %	\$ 1,710.00	3.72 %

7/8/2014	Rockford IL GO Sales Tax Alt Rev 4.30% 12/15/2026	60,000.00	\$1.04	\$63,174.03	5.27 %	\$60,766.09	\$ 1,770.11	2.89 %	\$ 2,580.00	4.13 %
9/12/2019	Vanguard Short-Term Investment- Grade Adm	2,864.43	\$10.71	\$30,678.00	2.58 %	\$30,713.00	-\$ 35.00	-0.11 %	\$ 900.41	2.94 %
9/12/2019	Vanguard Total Bond Market Index Admiral	5,256.29	\$11.05	\$58,082.00	4.89 %	\$58,117.00	-\$ 35.00	-0.06 %	\$ 1,601.79	2.76 %
<b>Investment Grade Totals</b>				\$419,037.95	35.17 %	\$411,437.43	\$ 6,003.19	1.46 %	\$ 14,553.29	3.48 %
<b>Fixed Income Totals</b>				\$419,037.95	35.17 %	\$411,437.43	\$ 6,003.19	1.46 %	\$ 14,553.29	3.48 %

<i><b>Alternatives</b></i>	<b>Quantity</b>	<b>Price</b>	<b>Market Value</b>	<b>Percent of Assets</b>	<b>Cost</b>	<b>Unrealized Gain/Loss</b>	<b>Gain/Loss Percent</b>	<b>Estimated Annual Income</b>	<b>Current Yield</b>	
<b>Real Estate</b>										
9/12/2019	Vanguard REIT Index	254.00	\$92.63	\$23,528.02	1.98 %	\$23,570.79	-\$ 42.77	-0.18 %	\$ 898.25	3.82 %
<b>Real Estate Totals</b>				\$23,528.02	1.98 %	\$23,570.79	-\$ 42.77	-0.18 %	\$ 898.25	3.82 %

**Absolute Return Funds**

9/12/2019	Absolute Convertible Arbitrage Instl Fund	1,543.55	\$10.70	\$16,516.00	1.39 %	\$16,541.00	-\$ 25.00	-0.15 %	\$ 102.45	0.62 %
9/12/2019	JP Morgan Strat Inc Opp I	2,363.94	\$11.48	\$27,138.00	2.29 %	\$27,138.00	\$ 0.00	0.00 %	\$ 851.73	3.14 %
9/12/2019	Kellner Merger Instl	2,213.85	\$11.19	\$24,773.00	2.09 %	\$24,798.00	-\$ 25.00	-0.10 %	\$ 0.00	0.00 %
<b>Absolute Return Funds Totals</b>				\$68,427.00	5.77 %	\$68,477.00	-\$ 50.00	-0.07 %	\$ 954.17	1.39 %

**Commodities**

9/12/2019	Credit Suisse Commodity Return Strategy I	5,099.78	\$4.51	\$23,000.00	1.94 %	\$23,025.00	-\$ 25.00	-0.11 %	\$ 287.93	1.25 %
<b>Commodities Totals</b>				\$23,000.00	1.94 %	\$23,025.00	-\$ 25.00	-0.11 %	\$ 287.93	1.25 %

Alternatives Totals			\$114,955.02	9.69 %	\$115,072.79	-\$ 117.77	-0.10 %	\$ 2,140.35	1.86 %	
<b>Cash</b>	<b>Quantity</b>	<b>Price</b>	<b>Market Value</b>	<b>Percent of Assets</b>	<b>Cost</b>	<b>Unrealized Gain/Loss</b>	<b>Gain/Loss Percent</b>	<b>Estimated Annual Income</b>	<b>Current Yield</b>	
<b>Money Market</b>										
9/13/2019	Fidelity Cash Fund**	6,627.42	\$1.00	\$6,627.42	0.56 %	\$6,627.42	\$ 0.00	0.00 %	\$ 20.43	0.31 %
9/13/2019	Fidelity Government Cash Reserves	30,706.91	\$1.00	\$30,706.91	2.59 %	\$30,706.91	\$ 0.00	0.00 %	\$ 610.09	1.99 %
Money Market Totals			\$37,334.33	3.15 %	\$37,334.33	\$ 0.00	0.00 %	\$ 630.52	1.69 %	
Cash Totals			\$37,334.33	3.15 %	\$37,334.33	\$ 0.00	0.00 %	\$ 630.52	1.69 %	
Portfolio Totals			\$1,188,433.30	100.00 %	\$1,182,141.87	\$ 4,694.10	0.40 %	\$ 27,352.03	2.30 %	



*Portfolio Appraisal*

*College of the Siskiyous Foundation (Rainy Day Fund Trading)*

*9/1/2019 to 9/13/2019*

**Balanced Portfolio Appraisal**

<i>Equity</i>	Quantity	Price	Market Value	Percent of Assets	Cost	Unrealized Gain/Loss	Gain/Loss Percent	Estimated Annual Income	Current Yield	
<b>Large Cap Blend</b>										
9/12/2019	Vanguard S&P 500	129.00	\$276.65	\$35,687.85	26.87 %	\$35,807.53	-\$ 119.68	-0.33 %	\$ 688.43	1.93 %
Large Cap Blend Totals			\$35,687.85	26.87 %	\$35,807.53	-\$ 119.68	-0.33 %	\$ 688.43	1.93 %	
<b>Small Cap Blend</b>										
9/12/2019	iShares Russell 2000	85.00	\$157.04	\$13,348.40	10.05 %	\$13,355.19	-\$ 6.79	-0.05 %	\$ 158.50	1.19 %
Small Cap Blend Totals			\$13,348.40	10.05 %	\$13,355.19	-\$ 6.79	-0.05 %	\$ 158.50	1.19 %	
<b>International Equity Markets</b>										
9/12/2019	iShares MSCI EAFE	76.00	\$65.57	\$4,983.32	3.75 %	\$4,987.96	-\$ 4.64	-0.09 %	\$ 153.07	3.07 %
International Equity Markets Totals			\$4,983.32	3.75 %	\$4,987.96	-\$ 4.64	-0.09 %	\$ 153.07	3.07 %	
<b>International Emerging Markets</b>										
9/12/2019	Vanguard FTSE Emerging Markets	173.00	\$41.97	\$7,260.81	5.47 %	\$7,272.07	-\$ 11.26	-0.15 %	\$ 189.35	2.61 %
International Emerging Markets Totals			\$7,260.81	5.47 %	\$7,272.07	-\$ 11.26	-0.15 %	\$ 189.35	2.61 %	

Equity Totals			\$61,280.38	46.15 %	\$61,422.75	-\$ 142.37	-0.23 %	\$ 1,189.36	1.94 %
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<i><b>Fixed Income</b></i>	Quantity	Price	Market Value	Percent of Assets	Cost	Unrealized Gain/Loss	Gain/Loss Percent	Estimated Annual Income	Current Yield
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**Non-Investment Grade**

7/8/2014	Goldman Sachs Group Inc 4.00% 3/3/2024	50,000.00	\$1.06	\$53,155.61	39.98 %	\$50,761.22	\$ 2,333.28	4.53 %	\$ 2,000.00	3.77 %
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Non-Investment Grade Totals			\$53,155.61	39.98 %	\$50,761.22	\$ 2,333.28	4.53 %	\$ 2,000.00	3.77 %
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Fixed Income Totals			\$53,155.61	39.98 %	\$50,761.22	\$ 2,333.28	4.53 %	\$ 2,000.00	3.77 %
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<i><b>Alternatives</b></i>	Quantity	Price	Market Value	Percent of Assets	Cost	Unrealized Gain/Loss	Gain/Loss Percent	Estimated Annual Income	Current Yield
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**Real Estate**

9/12/2019	Vanguard REIT Index	85.00	\$92.63	\$7,873.55	5.93 %	\$7,891.16	-\$ 17.61	-0.22 %	\$ 300.59	3.82 %
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Real Estate Totals			\$7,873.55	5.93 %	\$7,891.16	-\$ 17.61	-0.22 %	\$ 300.59	3.82 %
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**Absolute Return Funds**

9/12/2019	JP Morgan Strat Inc Opp I	670.21	\$11.48	\$7,694.00	5.79 %	\$7,694.00	\$ 0.00	0.00 %	\$ 241.48	3.14 %
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Absolute Return Funds Totals			\$7,694.00	5.79 %	\$7,694.00	\$ 0.00	0.00 %	\$ 241.48	3.14 %
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Alternatives Totals			\$15,567.55	11.72 %	\$15,585.16	-\$ 17.61	-0.11 %	\$ 542.07	3.48 %
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<i><b>Cash</b></i>	Quantity	Price	Market Value	Percent of Assets	Cost	Unrealized Gain/Loss	Gain/Loss Percent	Estimated Annual Income	Current Yield
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**Money Market**

9/13/2019	Fidelity Cash Fund**	-6,219.25	\$1.00	-\$6,219.25	-4.68 %	-\$6,219.25	\$ 0.00	0.00 %	-\$ 19.18	0.31 %
9/13/2019	Fidelity Government Cash Reserves	9,071.90	\$1.00	\$9,071.90	6.83 %	\$9,071.90	\$ 0.00	0.00 %	\$ 180.24	1.99 %
<b>Money Market Totals</b>				\$2,852.65	2.15 %	\$2,852.65	\$ 0.00	0.00 %	\$ 161.07	5.65 %
<b>Cash Totals</b>				\$2,852.65	2.15 %	\$2,852.65	\$ 0.00	0.00 %	\$ 161.07	5.65 %
<b>Portfolio Totals</b>				\$132,856.19	100.00 %	\$130,621.78	\$ 2,173.30	1.65 %	\$ 3,892.49	2.93 %



*Portfolio Appraisal*

*College of the Siskiyous Foundation (General Endowment Trading)*

*9/1/2019 to 9/13/2019*

**Balanced Portfolio Appraisal**

<i>Equity</i>	Quantity	Price	Market Value	Percent of Assets	Cost	Unrealized Gain/Loss	Gain/Loss Percent	Estimated Annual Income	Current Yield	
<b>Large Cap Blend</b>										
9/12/2019	Vanguard S&P 500	133.00	\$276.65	\$36,794.45	28.40 %	\$36,917.69	-\$ 123.24	-0.33 %	\$ 709.78	1.93 %
Large Cap Blend Totals				\$36,794.45	28.40 %	\$36,917.69	-\$ 123.24	-0.33 %	\$ 709.78	1.93 %
<b>Small Cap Blend</b>										
9/12/2019	iShares Russell 2000	83.00	\$157.04	\$13,034.32	10.06 %	\$13,040.95	-\$ 6.63	-0.05 %	\$ 154.77	1.19 %
Small Cap Blend Totals				\$13,034.32	10.06 %	\$13,040.95	-\$ 6.63	-0.05 %	\$ 154.77	1.19 %
<b>International Equity Markets</b>										
9/12/2019	iShares MSCI EAFE	137.00	\$65.57	\$8,983.09	6.93 %	\$8,991.45	-\$ 8.36	-0.09 %	\$ 275.93	3.07 %
International Equity Markets Totals				\$8,983.09	6.93 %	\$8,991.45	-\$ 8.36	-0.09 %	\$ 275.93	3.07 %
<b>International Emerging Markets</b>										
9/12/2019	Vanguard FTSE Emerging Markets	169.00	\$41.97	\$7,092.93	5.47 %	\$7,104.05	-\$ 11.12	-0.16 %	\$ 184.97	2.61 %
International Emerging Markets Totals				\$7,092.93	5.47 %	\$7,104.05	-\$ 11.12	-0.16 %	\$ 184.97	2.61 %



Equity Totals			\$65,904.79	50.87 %	\$66,054.14	-\$ 149.35	-0.23 %	\$ 1,325.46	2.01 %
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<b>Fixed Income</b>		Quantity	Price	Market Value	Percent of Assets	Cost	Unrealized Gain/Loss	Gain/Loss Percent	Estimated Annual Income	Current Yield
<b>Investment Grade</b>										
9/12/2019	iShares Core US Aggregate Bond	44.00	\$112.42	\$4,946.48	3.82 %	\$4,946.27	\$ 0.21	0.00 %	\$ 134.74	2.72 %
9/12/2019	iShares Ultra Short Term Bond	212.00	\$50.34	\$10,672.08	8.24 %	\$10,671.78	\$ 0.30	0.00 %	\$ 284.71	2.67 %
Investment Grade Totals				\$15,618.56	12.06 %	\$15,618.05	\$ 0.51	0.00 %	\$ 419.45	2.69 %

**Non-Investment Grade**

1/13/2015	BP Capital Markets PLC Bond 3.814% 2/10/2024	29,000.00	\$1.06	\$30,820.97	23.71 %	\$29,710.37	\$ 1,006.14	3.31 %	\$ 1,106.06	3.60 %
Non-Investment Grade Totals				\$30,820.97	23.71 %	\$29,710.37	\$ 1,006.14	3.31 %	\$ 1,106.06	3.60 %
Fixed Income Totals				\$46,439.53	35.76 %	\$45,328.42	\$ 1,006.65	2.19 %	\$ 1,525.51	3.29 %

<b>Alternatives</b>		Quantity	Price	Market Value	Percent of Assets	Cost	Unrealized Gain/Loss	Gain/Loss Percent	Estimated Annual Income	Current Yield
<b>Real Estate</b>										
9/12/2019	Vanguard REIT Index	83.00	\$92.63	\$7,688.29	5.93 %	\$7,705.60	-\$ 17.31	-0.22 %	\$ 293.52	3.82 %
Real Estate Totals				\$7,688.29	5.93 %	\$7,705.60	-\$ 17.31	-0.22 %	\$ 293.52	3.82 %

**Absolute Return Funds**

9/12/2019	JP Morgan Strat Inc Opp I	655.23	\$11.48	\$7,521.99	5.81 %	\$7,522.00	-\$ 0.01	0.00 %	\$ 236.08	3.14 %
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Absolute Return Funds Totals				\$7,521.99	5.81 %	\$7,522.00	-\$ 0.01	0.00 %	\$ 236.08	3.14 %
Alternatives Totals				\$15,210.28	11.74 %	\$15,227.60	-\$ 17.32	-0.11 %	\$ 529.60	3.48 %
<b>Cash</b>										
		<b>Quantity</b>	<b>Price</b>	<b>Market Value</b>	<b>Percent of Assets</b>	<b>Cost</b>	<b>Unrealized Gain/Loss</b>	<b>Gain/Loss Percent</b>	<b>Estimated Annual Income</b>	<b>Current Yield</b>
<b>Money Market</b>										
9/13/2019	Fidelity Cash Fund**	-3,307.04	\$1.00	-\$3,307.04	-2.55 %	-\$3,307.04	\$ 0.00	0.00 %	-\$ 10.20	0.31 %
9/13/2019	Fidelity Government Cash Reserves	5,412.73	\$1.00	\$5,412.73	4.18 %	\$5,412.73	\$ 0.00	0.00 %	\$ 107.54	1.99 %
Money Market Totals				\$2,105.69	1.63 %	\$2,105.69	\$ 0.00	0.00 %	\$ 97.34	4.62 %
Cash Totals				\$2,105.69	1.63 %	\$2,105.69	\$ 0.00	0.00 %	\$ 97.34	4.62 %
Portfolio Totals				\$129,660.29	100.00 %	\$128,715.85	\$ 839.98	0.65 %	\$ 3,477.91	2.68 %



*Portfolio Appraisal*

*College of the Siskiyous Foundation (Mercy Endowment Trading)*

*9/1/2019 to 9/13/2019*

**Balanced Portfolio Appraisal**

<i>Equity</i>	Quantity	Price	Market Value	Percent of Assets	Cost	Unrealized Gain/Loss	Gain/Loss Percent	Estimated Annual Income	Current Yield	
<b>Large Cap Blend</b>										
9/12/2019	Vanguard S&P 500	122.00	\$276.65	\$33,751.30	27.82 %	\$33,864.76	-\$ 113.46	-0.34 %	\$ 651.08	1.93 %
Large Cap Blend Totals			\$33,751.30	27.82 %	\$33,864.76	-\$ 113.46	-0.34 %	\$ 651.08	1.93 %	
<b>Small Cap Blend</b>										
9/12/2019	iShares Russell 2000	77.00	\$157.04	\$12,092.08	9.97 %	\$12,098.23	-\$ 6.15	-0.05 %	\$ 143.59	1.19 %
Small Cap Blend Totals			\$12,092.08	9.97 %	\$12,098.23	-\$ 6.15	-0.05 %	\$ 143.59	1.19 %	
<b>International Equity Markets</b>										
9/12/2019	iShares MSCI EAFE	121.00	\$65.57	\$7,933.97	6.54 %	\$7,941.35	-\$ 7.38	-0.09 %	\$ 243.71	3.07 %
International Equity Markets Totals			\$7,933.97	6.54 %	\$7,941.35	-\$ 7.38	-0.09 %	\$ 243.71	3.07 %	
<b>International Emerging Markets</b>										
9/12/2019	Vanguard FTSE Emerging Markets	158.00	\$41.97	\$6,631.26	5.47 %	\$6,641.98	-\$ 10.72	-0.16 %	\$ 172.93	2.61 %
International Emerging Markets Totals			\$6,631.26	5.47 %	\$6,641.98	-\$ 10.72	-0.16 %	\$ 172.93	2.61 %	

Equity Totals			\$60,408.61	49.80 %	\$60,546.32	-\$ 137.71	-0.23 %	\$ 1,211.30	2.00 %
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<b>Fixed Income</b>		Quantity	Price	Market Value	Percent of Assets	Cost	Unrealized Gain/Loss	Gain/Loss Percent	Estimated Annual Income	Current Yield
<b>Investment Grade</b>										
9/12/2019	iShares Core US Aggregate Bond	257.00	\$112.42	\$28,891.94	23.82 %	\$28,890.71	\$ 1.23	0.00 %	\$ 786.98	2.72 %
9/12/2019	iShares Ultra Short Term Bond	148.00	\$50.34	\$7,450.32	6.14 %	\$7,450.11	\$ 0.21	0.00 %	\$ 198.76	2.67 %
Investment Grade Totals				\$36,342.26	29.96 %	\$36,340.82	\$ 1.44	0.00 %	\$ 985.74	2.71 %

**Non-Investment Grade**

1/13/2015	Thomson Reuters Corp 3.85% 9/29/2024	6,000.00	\$1.04	\$6,341.77	5.15 %	\$6,193.38	\$ 52.78	0.83 %	\$ 231.00	3.70 %
Non-Investment Grade Totals				\$6,341.77	5.15 %	\$6,193.38	\$ 52.78	0.83 %	\$ 231.00	3.70 %
Fixed Income Totals				\$42,684.03	35.11 %	\$42,534.20	\$ 54.22	0.13 %	\$ 1,216.74	2.86 %

<b>Alternatives</b>		Quantity	Price	Market Value	Percent of Assets	Cost	Unrealized Gain/Loss	Gain/Loss Percent	Estimated Annual Income	Current Yield
<b>Real Estate</b>										
9/12/2019	Vanguard REIT Index	78.00	\$92.63	\$7,225.14	5.96 %	\$7,241.70	-\$ 16.56	-0.23 %	\$ 275.84	3.82 %
Real Estate Totals				\$7,225.14	5.96 %	\$7,241.70	-\$ 16.56	-0.23 %	\$ 275.84	3.82 %

**Absolute Return Funds**

9/12/2019	JP Morgan Strat Inc Opp I	611.85	\$11.48	\$7,024.00	5.79 %	\$7,024.00	\$ 0.00	0.00 %	\$ 220.45	3.14 %
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Absolute Return Funds Totals				\$7,024.00	5.79 %	\$7,024.00	\$ 0.00	0.00 %	\$ 220.45	3.14 %
Alternatives Totals				\$14,249.14	11.75 %	\$14,265.70	-\$ 16.56	-0.12 %	\$ 496.29	3.48 %
<b>Cash</b>		<b>Quantity</b>	<b>Price</b>	<b>Market Value</b>	<b>Percent of Assets</b>	<b>Cost</b>	<b>Unrealized Gain/Loss</b>	<b>Gain/Loss Percent</b>	<b>Estimated Annual Income</b>	<b>Current Yield</b>
<b>Money Market</b>										
9/13/2019	Fidelity Cash Fund**	-11,214.15	\$1.00	-\$11,214.15	-9.24 %	-\$11,214.15	\$ 0.00	0.00 %	-\$ 34.58	0.31 %
9/13/2019	Fidelity Government Cash Reserves	15,272.96	\$1.00	\$15,272.96	12.59 %	\$15,272.96	\$ 0.00	0.00 %	\$ 303.44	1.99 %
Money Market Totals				\$4,058.81	3.35 %	\$4,058.81	\$ 0.00	0.00 %	\$ 268.87	6.62 %
Cash Totals				\$4,058.81	3.35 %	\$4,058.81	\$ 0.00	0.00 %	\$ 268.87	6.62 %
Portfolio Totals				\$121,400.59	100.00 %	\$121,405.03	-\$ 100.05	-0.08 %	\$ 3,193.20	2.63 %