



ENDOWMENT POOL UPDATE

June 30, 2017

Monthly Investment Performance Report

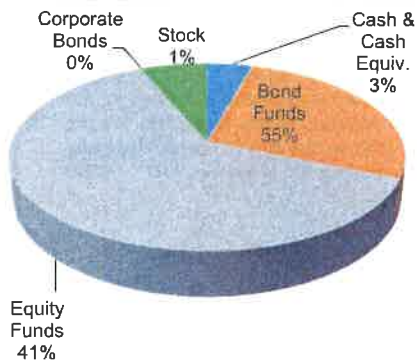
OVERVIEW

Snow College's Endowment Pool grows with support by Snow College friends and alumni. Distributions from the Endowment Pool play a significant role in funding scholarships for Snow College students and help the College achieve its core mission themes of: Tradition of Excellence, Culture of Innovation, and Atmosphere of Engagement.

The investment management of endowment assets requires balancing portfolio risks and expected returns to meet long-term objectives. The goal of the Endowment is to provide a steady stream of income to fund scholarships for Snow College students while preserving the purchasing power of the assets for the benefit of future generations.

INVESTMENT ALLOCATION

The asset allocation includes a diverse mix of investments with the following target allocation: 58% fixed income, 40% global marketable equities, and 2% cash and cash equivalents. Actual holdings for the current period ended are:



| | | |
|------------------------|-------|------------------|
| Cash & Cash Equiv. | 4.4% | 386,826 |
| Bond Funds | 26.8% | 2,373,980 |
| Equity Funds | 62.4% | 5,520,984 |
| Corporate Bonds | 0.0% | - |
| Stock | 6.4% | 569,243 |
| Endowment | | 6,847,924 |
| Quasi-Endowment | | 2,003,109 |
| Total Endowment | | 8,851,032 |

ACTIVITY

No Activity

RETURNS



Market over Book Value:

| | Jun-17 | FY '16 | FY '15 |
|------------------------|-----------|-----------|-----------|
| Book Value | 8,298,381 | 7,471,334 | 5,830,374 |
| Market Value | 8,851,032 | 7,765,092 | 6,246,276 |
| Unrealized Gain/(Loss) | 6.7% | 3.9% | 7.1% |

We think the Fed is certainly taking longer than expected to normalize rates and longer than the Fed has operated historically. If we look back to the last tightening cycle—admittedly more than a decade ago—the Fed moved its benchmark short-term interest rate from 1% to over 5%, so a more than 4% move in roughly two years, hiking virtually at every meeting. Looking at the current tightening cycle, the Fed started moving its benchmark rate up a year and a half ago, and today it is less than 1% higher. So it's a considerably different situation. — Franklin Templeton

Endowment Returns:

Period Ending: 6/30/2017

| | Jun-17 | FY '17 YTD | FY '16 |
|------------------------|--------|------------|-----------|
| Income | 31,786 | 173,383 | 151,988 |
| Unrealized Gain/(Loss) | 2,907 | 516,339 | (157,488) |
| Rate of Return | 0.42% | 8.88% | -0.09% |

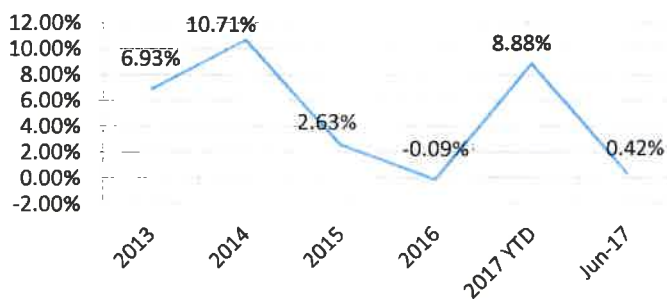
| | FY '15 | FY '14 | FY '13 |
|------------------------|----------|---------|-----------|
| Income | 233,696 | 280,870 | 694,022 |
| Unrealized Gain/(Loss) | (72,388) | 371,898 | (276,715) |
| Rate of Return | 2.63% | 10.71% | 6.93% |



Monthly Investment Performance Report

RETURNS (continued)

Rate of Return



MARKET OUTLOOK

May's disappointing employment report, which saw just 138,000 jobs added to nonfarm payrolls, coming on the heels of sluggish Q1 GDP growth, raised additional doubts about whether the post-election bump in confidence surveys and the stock market will translate in tangible economic gains this year. The softer economic news has coincided with lower readings on inflation at the consumer level. Forecasts for Q2 growth have been steadily downgraded and doubts are beginning to surface about how quickly the Federal Reserve will be able to normalize rates.

Periodic disappointments are nothing new. It simply does not take all that much to pull growth off track when real GDP growth is firmly centered on a 2 percent pace. That said, we are still holding onto our expectations that tax reform will be passed either late this year or early next and that some sort of infrastructure program will move through Congress as well. We fully expect the Fed to raise interest rates two more times this year and announce plans to begin scaling back its balance sheet either late this year or in early 2018.

Economic activity is firming up, despite the disappointing employment data. Real personal consumption got off to a solid start and should rise at a 3.3 percent pace for Q2. Business fixed investment also appears to be growing modestly, helped in part by the continuing revival in energy production. We are looking for real GDP to rise at a 2.5 percent pace for the quarter and increase 2.2 percent in 2017. – Wells Fargo Advisors

| | AVERAGE ANNUAL RETURN | | | |
|--|-----------------------|------------|--------|------------|
| | Month | Fiscal YTD | FY '16 | FY 3 Years |

| | | | | | |
|---------------------|--------|--------|--------|--------|--------|
| Total Endowment | 0.42% | 8.88% | -0.09% | 20.44% | 38.26% |
| S&P 500 | 0.48% | 15.46% | 1.73% | 30.67% | 58.93% |
| ACWI Index | -0.32% | 16.47% | -5.42% | 12.46% | 16.54% |
| Barclays Agg. Index | -0.45% | -3.15% | 3.50% | 4.47% | 5.36% |

UNITS

To be added.

DONATIONS

| | June # of Donations | Jun-17 | FY '17 YTD | Total Balances |
|--|---------------------|------------------|--------------------|---------------------|
| Restricted Donations | | | | |
| Endowment Donations | 13 | \$1,571 | \$118,966 | 8,851,032 |
| Scholarship Donations | 70 | 107,456 | 332,177 | 1,480,512 |
| Other Donations | 35 | 36,444 | 965,433 | * |
| Unrestricted Donations | | | | |
| Donations to Foundation | 25 | 872 | 124,379 | 204,548 |
| Total Restricted & Unrestricted | 143 | \$146,343 | \$1,540,955 | \$10,536,093 |

* These donations are donated to various fund budgets and are mingled and spent with other sources of those fund budgets

| Total Donations | | | | |
|------------------------|------------|------------------|--------------------|--|
| External Donations | 37 | \$144,185 | \$1,509,056 | |
| Employee Donations | 106 | 2,158 | 31,899 | |
| Total Donations | 143 | \$146,343 | \$1,540,955 | |

IN-KIND DONATIONS

June Donations: TBD FY '17 YTD: TBD



CASH MANAGEMENT POOL UPDATE

June 30, 2017

Monthly Investment Performance Report

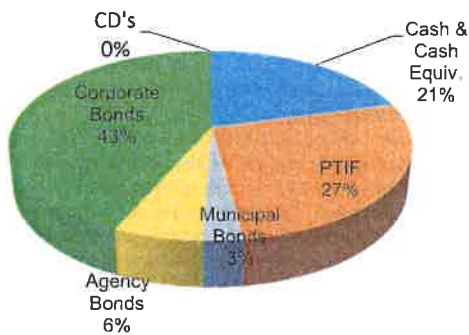
OVERVIEW

The College manages the Cash Management Pool according to the following objectives:

- Investments are made in accordance with the Utah State Money Management Act as well as other applicable laws, rules, policies, and regulations
- Protection and safety of principal
- Liquidity or availability of funds
- Maximization of the rate of return consistent with objectives stated above
- And with the exercise of judgment, care, and due diligence.

INVESTMENT ALLOCATION

Target allocations are 20-25% immediate liquidity (Cash & Cash Equivalents, PTIF), 30% agency bonds, 45% corporate bonds. Actual holdings for the current period ended are:



| | | |
|-------------------------|-------|-------------------|
| Cash & Cash Equiv. | 20.7% | 3,769,903 |
| PTIF | 27.1% | 4,930,679 |
| Municipal Bonds | 2.8% | 501,750 |
| Agency Bonds | 6.0% | 1,097,662 |
| Corporate Bonds | 43.4% | 7,911,917 |
| CD's | 0.0% | - |
| Total Investment | | 18,211,911 |

RETURNS



Market over Book Value:

| | Jun-17 | FY '16 | FY '15 |
|------------------------|------------|------------|------------|
| Book Value | 18,177,608 | 18,384,730 | 17,381,835 |
| Market Value | 18,211,911 | 18,909,113 | 17,321,188 |
| Unrealized Gain/(Loss) | 0.2% | 2.9% | -0.3% |

We think the Fed is certainly taking longer than expected to normalize rates and longer than the Fed has operated historically. If we look back to the last tightening cycle—admittedly more than a decade ago—the Fed moved its benchmark short-term interest rate from 1% to over 5%, so a more than 4% move in roughly two years, hiking virtually at every meeting. Looking at the current tightening cycle, the Fed started moving its benchmark rate up a year and a half ago, and today it is less than 1% higher. So it's a considerably different situation. – Franklin Templeton

Investment Returns:

| | Period Ending: 6/30/2017 | | |
|------------------------|--------------------------|------------|----------|
| | Jun-17 | FY '17 YTD | FY '16 |
| Income | 23,568 | 272,697 | 261,916 |
| Unrealized Gain/(Loss) | (7,033) | (1,083) | (32,297) |
| Rate of Return | 0.08% | 1.44% | 1.33% |

ACTIVITY

No Activity

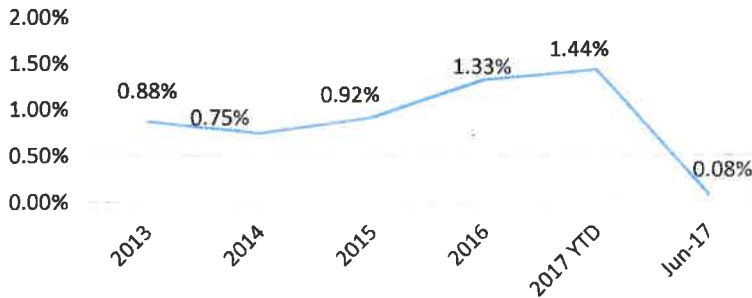
| | FY '15 | FY '14 | FY '13 |
|------------------------|----------|----------|----------|
| Income | 235,841 | 218,874 | 284,831 |
| Unrealized Gain/(Loss) | (76,534) | (79,251) | (62,977) |
| Rate of Return | 0.92% | 0.75% | 0.88% |



Monthly Investment Performance Report

RETURNS (continued)

Rate of Return



PTIF

"The Utah Public Treasurers Investment Fund (PTIF), or the 'Pool,' invests to maintain safety of principal, liquidity and a competitive return on short term investments."

The current PTIF 360 day rate is 1.32471719

The allocation of PTIF funds as of 2/28/17 is:

- 72.65% Corporates
- 13.49% Commercial Paper
- 11.65% Money Market
- 0.36% CD's
- 1.85% Repos

MARKET OUTLOOK

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AVERAGE ANNUAL RETURN

| | Month | Fiscal YTD | FY '16 | FY 3 Years | FY 5 Years |
|---------------------|--------|------------|--------|------------|------------|
| Total Investments | 0.08% | 1.44% | 1.33% | 2.05% | 6.64% |
| S&P 500 | 0.48% | 15.46% | 1.73% | 30.67% | 58.93% |
| ACWI Index | -0.32% | 16.47% | -5.42% | 12.46% | 16.54% |
| Barclays Agg. Index | -0.45% | -3.15% | 3.50% | 4.47% | 5.36% |

LIQUIDITY OF INVESTMENTS

| Investment Types | 0-3 Months | 3-12 Months | 1-3 Years | 3-5 Years |
|--------------------|------------|-------------|-----------|-----------|
| Cash & Cash Equiv. | 3,769,903 | - | - | - |
| PTIF | 4,930,679 | - | - | - |
| Municipal Bonds | - | 501,750 | - | - |
| Agency Bonds | - | - | 249,711 | 847,951 |
| Corporate Bonds | 719,124 | 2,601,027 | 4,591,766 | - |
| CD's | - | - | - | - |
| | 9,419,706 | 3,102,777 | 4,841,477 | 847,951 |
| Percent of Total | 51.72% | 17.04% | 26.58% | 4.66% |



Funds Invested Separately
Current Market Value
June 30, 2017

| <u>Stock Name</u> | <u>Total Shares</u> | <u>Original Source</u> | <u>Investment Date</u> | <u>Current Market Price</u> | <u>Current Market Value</u> |
|-------------------|---------------------|------------------------|------------------------|-----------------------------------|-----------------------------|
| AT&T | 1,976 | Gift | - | \$ 37.73 | \$ 74,554.48 |
| | | | | Total Current Market Value | \$ 74,554.48 |

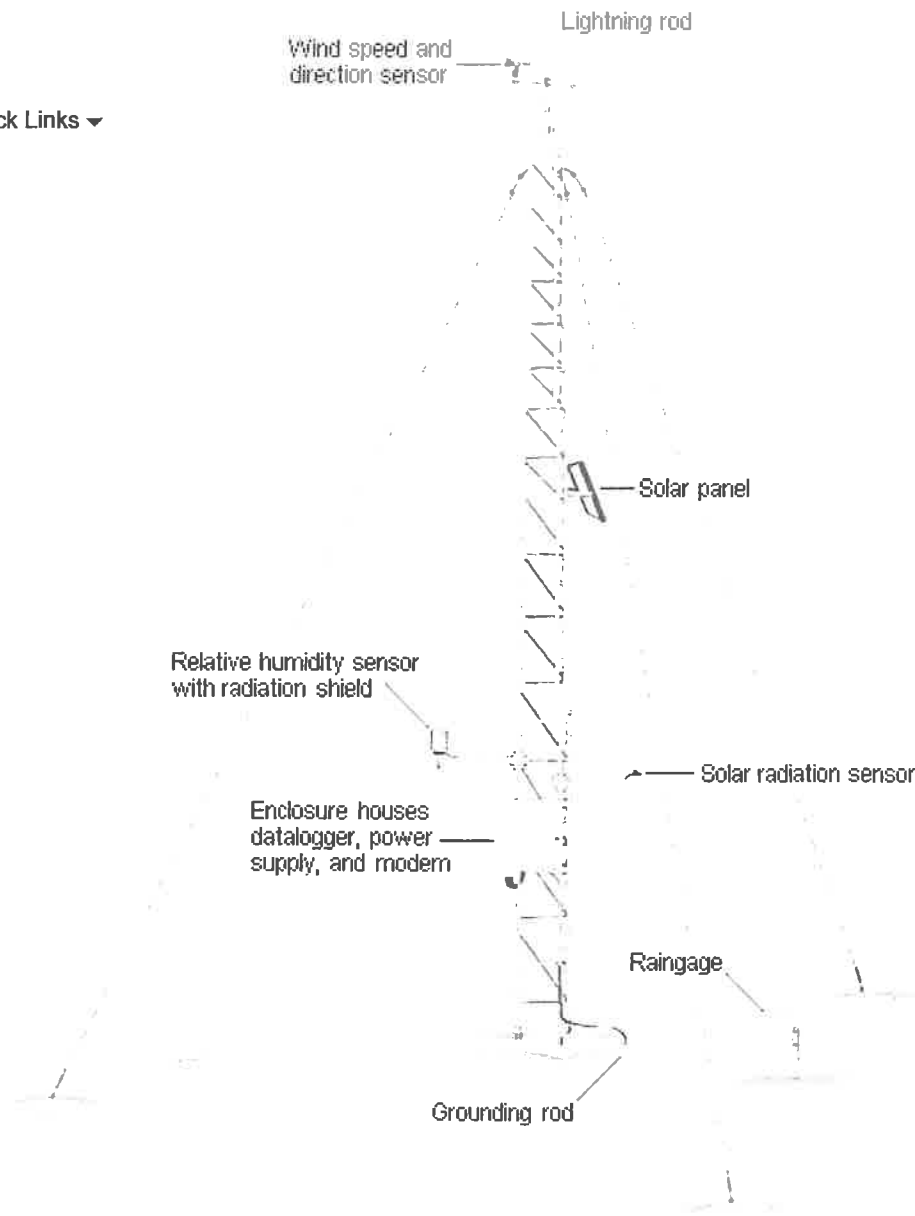
To the best of my knowledge, the investment activities of Snow College, comply in every respect with the State Money Management Act, the Rules of the State Money Management Council, and the policies of the State Board of Regents.


Jake Gettinger
VP of Finance and Administration

↓ Current location but more space needed ↓



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