



## Silver Key Foundation Board of Directors Meeting

### AGENDA

Thursday, April 27 ~ 4:00 PM

David Lord Conference Room ~ Silver Key Campus

	Topic	Owner	Action
I.	<b>Call to Order</b> A. Establish Quorum	David Lord, Chair	
II.	<b>Guests:</b> <ul style="list-style-type: none"> <li>Dani and or Leah from MGL Partners</li> </ul>	Jason DeaBueno, CEO	
III.	<b>Changes to the Agenda</b>	David Lord, Chair	
IV.	<b>Consent Items</b>	David Lord, Chair	
	A. Agenda		Vote: Agenda
	B. Minutes from 1/17/2023		Vote:
V.	<b>CEO Report</b>	Jason DeaBueno	No Votes/No Action
VI.	<b>Board Reports</b> A.	Jason DeaBueno, CEO	
VII.	<b>Committee Reports</b> A. Finance  B. Development Committee –	Val Anders, CFO and Mike Rowe, Treasurer  Cari Karns and Jason	A. Vote: Transfer of funds and review Investment Trust report.  B. No Votes/No Action
VIII.	<b>Old Business</b>	David Lord, Chair	Upcoming events: <ul style="list-style-type: none"> <li>Summit, July 11<sup>th</sup></li> <li>Ask event in the fall 2023</li> </ul>
IX.	<b>New Business</b>	David Lord, Chair	Board Retreat, Friday, May 26 <sup>th</sup>
X.	<b>Adjourn</b>		Vote:



## Silver Key Foundation Board of Directors Meeting

### Meeting Minutes

Tuesday, January 17, 2023

David Lord Conference Room ~ Silver Key Campus

	Topic	Owner	Action
I.	Call to Order/Establish Quorum for Operations /Introductions	Shahera Shalabi, Chair	Call to order at 4:05 pm  In attendance - Dave Bunkers, Laurie Wood, Beatriz Arsuaga, Laura Kronick, Marie Lambert, Skip Morgan, Howard Black, Mike Rowe, Valerie Anders, Shahera Shalabi, Jason DeaBueno, Greg Broeckelman, Lauren Burrus, Steve Noblitt, Lt., Derek Wilson, Cari Karns (on Zoom), Joanne Dreher (recorder). Absent: Lynn Jones, David Lord, Dick Wilhelm, Cindy Johnson, and Steve Hunsinger
II.	Establish Quorum for Foundation/Introductions	Shahera Shalabi, Chair	Quorum established for the operations and foundation boards. Operations 9 Foundation 8
III.	Guest Speakers		<b>Guests:</b> <b>EB&amp;K Auditors presented a summary of the audit.</b> <b>Steve Post, Investment, presented a summary of the investments.</b>
III.	Changes to the Agenda	Shahera Shalabi, Chair	
IV.	Consent Items		Vote:
	A. Agenda		Operations motioned: 1 <sup>st</sup> by Howard, and 2 <sup>nd</sup> Steve N., all in favor. Foundation, motioned: 1 <sup>st</sup> by Skip, and 2 <sup>nd</sup> Greg, all in favor
	B. Minutes		Operations motioned: 1 <sup>st</sup> by Howard, and 2 <sup>nd</sup> Steve N., all in favor. Foundation, motioned: 1 <sup>st</sup> Skip and 2 <sup>nd</sup> Greg, all in favor.
V.	CEO Report	Jason DeaBueno, CEO	<b>G. Ehn case and update:</b> Jason provided the background of the case and that the result was inconclusive. Howard shared that there were disappointments with how DHS staff had handled the case. There has been training for the supervisors at DHS since. <b>Financial Challenges:</b> Jason shared that there's a gap due to the increase in clients and decrease in funding that had



			<p>ended that had been provided during COVID. The team has applied for additional funding of 1.9 million. We are currently waiting for the contract to receive the distribution of the funds. We will also be able to build back some of the funds when the apartments are complete. Donations are also less than previous years. The best way to give is through direct dollars to Silver Key. Several positions are currently not being filled and we are managing expenses carefully. We need the board to assist with marketing the private pay services: Reassurance+, Companionship, Meals, etc. Derek will send talking points and materials.</p> <p><b>2023 Silver Key Named one of the Best Workplaces by the Gazette:</b> Jason shared that we are one of the best workplaces.</p>
VI.	<p><b>Committee Reports:</b></p> <p>A. Finance B. Capital C. Executive D. Development E. Tri-Lakes F. Governance</p>	<p>A. Val Anders &amp; Dave Bunkers B. Jason D. C. Shahera D. Cari Karns E. Laura Kronick F. Howard Black</p>	<p>Vote:</p> <p><b>B. Ratify MHEG:</b> CC recommends MHEG.</p> <ul style="list-style-type: none"> <li>Motion made: Laura 1st, Dave 2nd, all in favor.</li> </ul> <p><b>C. Ratify Legacy Bank:</b> EC recommends Legacy Bank: Motion made: Steve N 1<sup>st</sup>, Skip 2<sup>nd</sup>, all in favor. Foundation Board decision is on pause and will be emailed.</p>
VII.	Old Business	Shahera Shalabi, Chair	
VIII.	New Business	Shahera Shalabi, Chair	<p>Vote:</p> <p>Ratify Silver Key Contingency Succession Plan: Motion made 1<sup>st</sup> by Beatiz and 2<sup>nd</sup> by Laura, all in favor.</p>
IX.	Adjourn at 5:25 pm	Shahera Shalabi, Chair	





**March 2022**

## **CEO Report**

Dear Board Members,

As we move into Spring, there are several things occurring that all our teams are working hard to plan for! Since the reduction in force, all team members are working to fill the void that exists on many fronts and doing a great job.

The first is the 2023 Silver Key Senior Summit...Here is the Save the Date and postcards are being printed for you to provide to your contacts. We are working to achieve an attendance of 2000 people which would be 800 more than last year.



The second event that has been scheduled a bit further out is our ground-breaking for the apartments. We had to find a new builder as the prior builder was unable to fully achieve the necessary and acceptable bids for the subcontracting work. The good news we now have an engaged local builder, and the subcontracting will go smoothly.

Related to one of the outstanding efforts that we are working to promote and inform the community about is the HOPE report.

Please see the Hope Summery Document on the next page. Included in your packet is the entire report.

Stay well,





## Comprehensive Senior Assistance Collaboration Increases Hope, Yielding Decreased 911 Calls and ED Visits

### WHAT?

Next50 Initiative provided a grant to help fund CSAP  
**Comprehensive Senior Assistance Program**

A collaboration between:

Silver Key, NAMI, CS Fire Department, & Innovations in Aging

- NAMI trained caregivers in mental health/wellness
- Silver Key and CSFD identified and provided services/hope evaluations to vulnerable seniors in El Paso County
- Innovations in Aging helped track/measure data

### WHY?

Older residents face roadblocks with coverage for mental health and support services as they transition to Medicare. Many older residents struggle to meet healthcare needs due to lack of awareness and understanding of resources. This leads vulnerable seniors to overuse EMS systems, including 911 calls and ED services, taxing the system and causing additional taxpayer burden.

### WHO PARTICIPATED?

Over 100 diverse caregivers trained in El Paso County  
> 600 vulnerable older residents served

681 clients served in total (580 from Silver Key; 21 from CSFD)  
214 clients had more than one interaction and 2+ Hope scales

### WHERE?

Greater Colorado Springs area (El Paso County)  
including Monument, Fountain, Manitou Springs, etc.

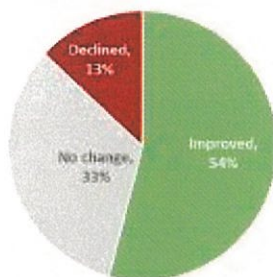
#### Location of clients by County Commissioner District

34% in Central (District 5)  
34% in West (District 3)                      9% in Northeast (District 2)  
19% in Southeast (District 4)                4% in North (District 1)

### WHEN?

Received Grant in July/August 2020

- NAMI trained caregivers from March 2021 – March 2022
- Clients received services/resources, and had hope measured between March 2021 – November 2022



*"I have never been through a training like this before... The impact and value that I received from the Mental Health First Aid training was not just educational for me at work but also from a personal perspective..."*

Estimated Potential Tax Savings from CSAP Effort to Date	<p>Projected estimate of taxpayer savings from 214 tracked clients:</p> <p>– another 387 clients helped in post period, the ongoing impact of mental health training/awareness, and invaluable lessons learned</p>	<p><u>\$271,300 estimated savings from CSAP clients to date</u> (<i>\$29.7K in 911 calls + \$208K in ED visits + \$33.6K in ED transport</i>)</p>
Estimated Potential Tax Savings in El Paso County, Colorado	<p>Potential annual tax burden savings among 18,500 vulnerable seniors in El Paso County</p>	<p><u>\$23.5MM per year potential savings for county</u> (<i>\$2.6MM in 911 calls + \$18MM in ED visits + \$2.9MM in ED transport</i>)</p>



## Governance Decisions, Monitoring & Accountability

### 1. Housing

- a. There are several moving parts related to the effort and all signs indicated that a closing will be scheduled for ~June 1, 2023.

#### Board Dialogue/Consultation

- Update about the local construction entity.

### 2. Separated Employee – Porchlight Friends!

- Former staff has been recruiting volunteers and clients for her newly established business in companionship.

#### Board Dialogue/Consultation

- Answer any questions that the board has about this unfortunate situation.

### 3. Matters for Approval

- None.

### 4. Risk and Compliance – Issues that the board needs visibility to and expected updates to conclusion.

#### 3.1. Risk and Compliance Management

Issue	Level of Risk (1 Low; 2 Medium; 3 High)	Comments
1. Volunteer passed away during shift as a driver	1	Staff and volunteers were supported through EAP and family outreach has occurred.  Exploring options related to 1 <sup>st</sup> Aid/CPR training for all interested staff.
2. Two of the three separated staff signed the severance agreement.	2-3	Third staff did not and may be exploring some claim to the system.

#### 3.2. Risk and Compliance Updates or Incidents

1. .

### 3.3. Funder Obligation Concerns

Funder	Level of Risk (1 Low; 2 Medium; 3 High)	Details & Comments
MMOF	2	Continues to be a delay.

### 2.3. Funder Obligation Concerns Updates

1. Nutrition audit will be occurring later in March, and all should go well.	1	No issues at this point.
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## Informational

### 5. Update on Operational Activities

- Staff are working to ensure quality services and evaluating a new integrated health care record that may be more seamlessly able to integrate across many service lines.
- Budgeting process is in action at this point.
- Now a host site for medical students training.

### Key Accomplishments

- Decided to move forward with the Summit.
- First HCPF Contract for Respite Services (Companionship) Contract Procured.
- Expanded connection with Next Chapter for Veteran Support Resources.
- Tenant Based Rental Assistance has started.
- Myron Stratton reports that the partnership with Habitat for Humanity has “made the trustees feel so good about the ideas that partnerships can work as they fund so many that do not.”



# SILVER KEY SENIOR SERVICES FOUNDATION, INC.

Nine Months Ending March 31, 2023

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## ➤ CONTRIBUTIONS

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There were no contributions in the current quarter

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➤ <b>SPEND POLICY:</b>	1-1-2019 from 5.50% to 5.0%
	1-1-2021 from 5.0% to 4.75%
	7-1-2021 from 4.75% to 4.50%

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## CONSOLIDATED OPERATING & EMERGENCY ASSISTANCE ENDOWMENTS

Operating Endowment 4.50% (Trailing 36 Month average)

Shore Endowment Net Income only

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## ➤ DISTRIBUTION

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	6/30/2022	9/30/2022	12/31/2022	3/31/2023
	<u>4th QTR</u>	<u>1st QTR</u>	<u>2nd QTR</u>	<u>3rd Qtr</u>
Endowment	67,325.90	67,408.09	67,250.40	67,271.29
Shore Endowment	12,216.45	16,438.50	20,595.98	10,473.52
<b>TOTAL</b>	<u>79,542.35</u>	<u>83,846.59</u>	<u>87,846.38</u>	<u>77,744.81</u>

**Motions required:** Distribute **\$165,591.19** to Silver Key Senior Services - Ent Checking Account  
2nd QTR 12/31/2022 \$87,846.38 plus 3rd QTR 03/31/2023 \$77,744.81

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## ➤ HISTORICAL COST TRACKING

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	<u>Operating/Emergency Assistance Endowment</u>
Historical Cost (donations received)	\$ 5,377,505
Current value	\$ <u>5,770,562</u>
Over/(Under)	\$ <u>393,057</u>

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## ➤ FINANCIAL REPORTS

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Balance Sheet - Consolidated

Profit and Loss - by Fund - OPERATING & EMERGENCY ASSISTANCE - SHORE

Distribution Information & Historical Cost Graphs

## Silver Key Senior Services Foundation

04/14/23

## Balance Sheet

Accrual Basis

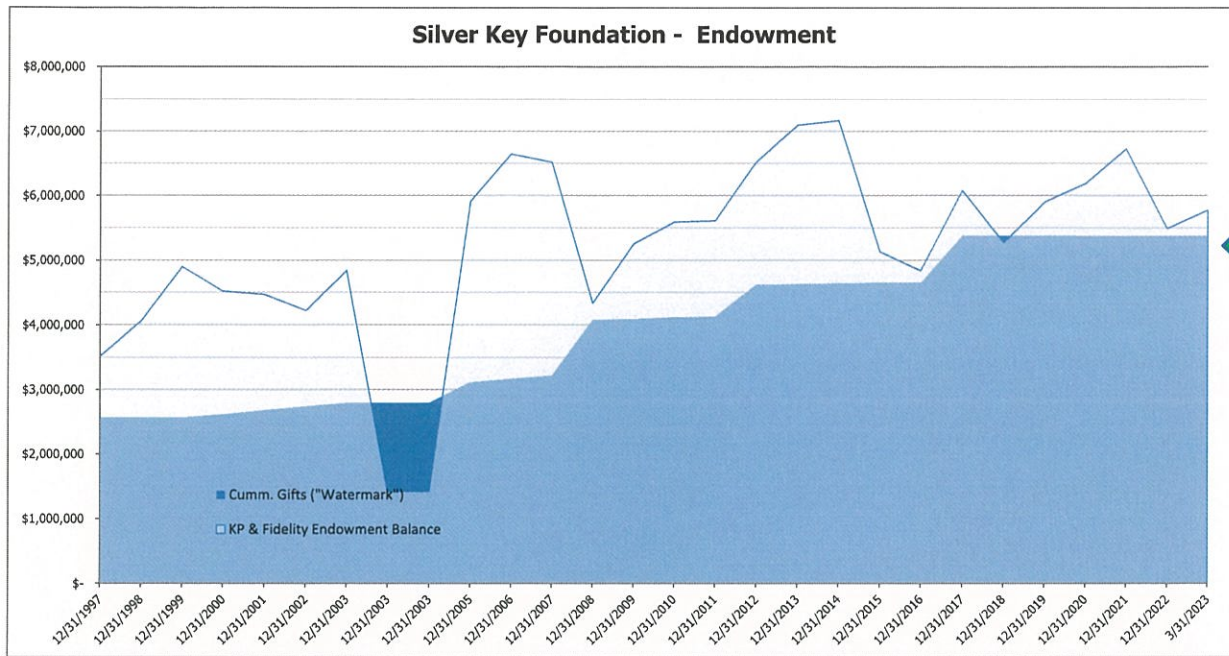
As of March 31, 2023

	Jun 30, 22	Sep 30, 22	Dec 31, 22	Mar 31, 23
<b>ASSETS</b>				
Current Assets				
Checking/Savings				
1000 · Kirkpatrick Checking, Operating	10,874.88	10,865.88	10,870.81	10,870.30
1020 · Kirkpatrick Checking, Shore	14,737.22	14,997.34	15,397.57	15,385.17
<b>Total Checking/Savings</b>	<b>25,612.10</b>	<b>25,863.22</b>	<b>26,268.38</b>	<b>26,255.47</b>
<b>Total Current Assets</b>	<b>25,612.10</b>	<b>25,863.22</b>	<b>26,268.38</b>	<b>26,255.47</b>
Other Assets				
1300 · Inv Account - Inv, Operating	5,594,156.99	5,279,024.73	5,478,622.55	5,759,691.59
1320 · Inv Account - Inv, Shore	1,266,396.19	1,200,049.71	1,269,492.46	1,306,840.07
<b>Total Other Assets</b>	<b>6,860,553.18</b>	<b>6,479,074.44</b>	<b>6,748,115.01</b>	<b>7,066,531.66</b>
<b>TOTAL ASSETS</b>	<b>6,886,165.28</b>	<b>6,504,937.66</b>	<b>6,774,383.39</b>	<b>7,092,787.13</b>
<b>LIABILITIES &amp; EQUITY</b>				
Liabilities				
Current Liabilities				
Other Current Liabilities				
2100 · Accrued Distribution, Operating	67,325.90	134,733.99	67,250.40	134,521.69
2120 · Accrued Distribution, Shore	12,216.45	28,654.95	20,595.98	31,069.50
<b>Total Other Current Liabilities</b>	<b>79,542.35</b>	<b>163,388.94</b>	<b>87,846.38</b>	<b>165,591.19</b>
<b>Total Current Liabilities</b>	<b>79,542.35</b>	<b>163,388.94</b>	<b>87,846.38</b>	<b>165,591.19</b>
<b>Total Liabilities</b>	<b>79,542.35</b>	<b>163,388.94</b>	<b>87,846.38</b>	<b>165,591.19</b>
Equity				
3000 · Net Assets	1,073,143.19	-100,958.92	-100,958.92	-100,958.92
3100 · Opening Net Assets	6,907,581.85	6,907,581.85	6,907,581.85	6,907,581.85
Net Income	-1,174,102.11	-465,074.21	-120,085.92	120,573.01
<b>Total Equity</b>	<b>6,806,622.93</b>	<b>6,341,548.72</b>	<b>6,686,537.01</b>	<b>6,927,195.94</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>6,886,165.28</b>	<b>6,504,937.66</b>	<b>6,774,383.39</b>	<b>7,092,787.13</b>

**Silver Key Senior Services Foundation**  
**By Fund - Profit & Loss**  
 July 2022 through March 2023

	<u>OPS &amp; EA</u>	<u>Shore</u>	<u>TOTAL</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
5000 · Interest Inc - Kirkpatrick Chk	15.42	21.65	37.07
5100 · Interest Inc - Investment Acct	18,366.82	0.00	18,366.82
5150 · Foreign Taxes withheld-Investme	50.14	0.00	50.14
5200 · Dividend Inc - Investment Acct	108,783.53	44,439.41	153,222.94
5210 · Capital Gains	16,174.69	7,507.46	23,682.15
5230 · Prin Payment - Uniform MBA Pool	6,919.22	0.00	6,919.22
5300 · Realized Gains/Losses	-32,269.13	-44,887.55	-77,156.68
5400 · Unrealized Gains/Losses	204,931.10	67,187.53	272,118.63
5500 · Royalty Income	0.00	688.59	688.59
<b>Total Income</b>	<u>322,971.79</u>	<u>74,957.09</u>	<u>397,928.88</u>
<b>Expense</b>			
6000 · Accounting Fees	10.00	0.00	10.00
6250 · Proprty Taxes - Shore	0.00	62.29	62.29
6300 · Management Fees	22,697.78	5,148.02	27,845.80
7000 · Dist. to Silver Key, Operating	201,929.78	0.00	201,929.78
7020 · Dist. to Silver Key, Shore	0.00	47,508.00	47,508.00
<b>Total Expense</b>	<u>224,637.56</u>	<u>52,718.31</u>	<u>277,355.87</u>
<b>Net Ordinary Income</b>	<u>98,334.23</u>	<u>22,238.78</u>	<u>120,573.01</u>
<b>Net Income</b>	<u><u>98,334.23</u></u>	<u><u>22,238.78</u></u>	<u><u>120,573.01</u></u>

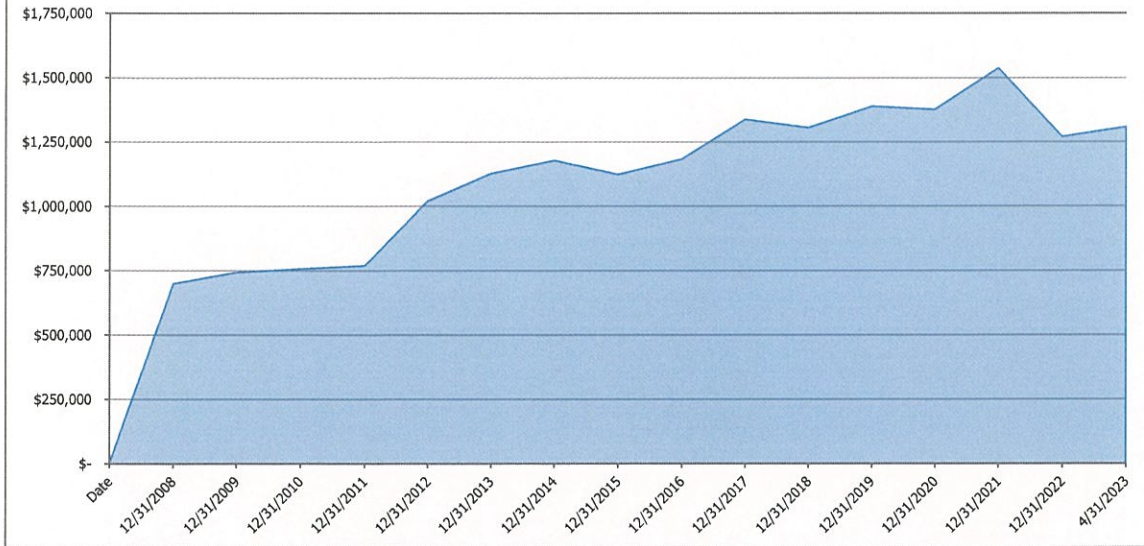




Year End	Cumm. Gifts ("Watermark")	KP & Fidelity Endowment Balance	Over/(Under) Water
12/31/1997	\$ 2,567,354	\$ 3,510,072	\$ 942,718
12/31/1998	\$ 2,567,354	\$ 4,059,079	\$ 1,491,725
12/31/1999	\$ 2,567,354	\$ 4,897,249	\$ 2,329,895
12/31/2000	\$ 2,614,854	\$ 4,514,522	\$ 1,899,668
12/31/2001	\$ 2,678,354	\$ 4,463,988	\$ 1,785,634
12/31/2002	\$ 2,738,099	\$ 4,216,797	\$ 1,478,698
12/31/2003	\$ 2,793,112	\$ 4,838,439	\$ 2,045,327
12/31/2003	\$ 2,793,112	\$ 1,424,736	\$ (1,368,376)
12/31/2003	\$ 2,793,112	\$ 1,424,736	\$ (1,368,376)
12/31/2005	\$ 3,111,317	\$ 5,909,395	\$ 2,798,078
12/31/2006	\$ 3,166,317	\$ 6,639,692	\$ 3,473,375
12/31/2007	\$ 3,216,417	\$ 6,513,958	\$ 3,297,541
12/31/2008	\$ 4,076,417	\$ 4,337,773	\$ 261,356
12/31/2009	\$ 4,086,417	\$ 5,248,090	\$ 1,161,673
12/31/2010	\$ 4,116,417	\$ 5,588,988	\$ 1,472,571
12/31/2011	\$ 4,123,917	\$ 5,604,113	\$ 1,480,196
12/31/2012	\$ 4,617,405	\$ 6,530,285	\$ 1,912,880
12/31/2013	\$ 4,627,405	\$ 7,090,050	\$ 2,462,645
12/31/2014	\$ 4,637,405	\$ 7,158,361	\$ 2,520,956
12/31/2015	\$ 4,649,905	\$ 5,126,606	\$ 476,701
12/31/2016	\$ 4,649,905	\$ 4,831,259	\$ 181,354
12/31/2017	\$ 5,377,505	\$ 6,077,864	\$ 700,359
12/31/2018	\$ 5,377,505	\$ 5,272,619	\$ (104,886)
12/31/2019	\$ 5,377,505	\$ 5,891,041	\$ 513,536
12/31/2020	\$ 5,377,505	\$ 6,186,969	\$ 809,464
12/31/2021	\$ 5,377,505	\$ 6,716,879	\$ 1,339,374
12/31/2022	\$ 5,377,505	\$ 5,489,493	\$ 111,988
3/31/2023	\$ 5,377,505	\$ 5,770,562	\$ 393,057



### Silver Key Foundation - Shore Endowment



Date	Cumm Gift \$	Endowment Balance (KP & Fidelity)	Annual or Quarter Acct Earnings	Income Rate
12/31/2008	\$ 677,778	\$ 698,375	\$ 2,535	0.4%
12/31/2009	\$ 677,778	\$ 741,410	\$ 43,035	5.8%
12/31/2010	\$ 677,778	\$ 755,665	\$ 14,255	1.9%
12/31/2011	\$ 677,778	\$ 767,844	\$ 12,179	1.6%
12/31/2012	\$ 848,539	\$ 1,019,547	\$ 251,703	24.7%
12/31/2013	\$ 848,539	\$ 1,127,382	\$ 107,835	9.6%
12/31/2014	\$ 848,539	\$ 1,178,323	\$ 50,941	4.3%
12/31/2015	\$ 848,539	\$ 1,122,783	\$ (55,540)	-4.9%
12/31/2016	\$ 848,539	\$ 1,182,863	\$ 60,080	5.1%
12/31/2017	\$ 848,539	\$ 1,336,724	\$ 153,861	11.5%
12/31/2018	\$ 848,539	\$ 1,304,270	\$ (32,454)	-2.5%
12/31/2019	\$ 848,539	\$ 1,387,221	\$ 82,951	6.0%
12/31/2020	\$ 848,539	\$ 1,374,929	\$ (12,292)	-0.9%
12/31/2021	\$ 848,539	\$ 1,536,291	\$ 161,363	10.5%
12/31/2022	\$ 848,539	\$ 1,269,492	\$ (266,799)	-21.0%
4/31/2023	\$ 848,539	\$ 1,306,840	\$ 37,348	2.9%

Per the Trust Agreement, net appreciation of the account (realized and unrealized gains), are to be added to the corpus of the endowment. Only the net income of the account may be distributed (interest, dividends, royalties, less management fees and mineral taxes)

3/31/2022

6336982.22

Silver Key Senior Service

Foundation Payment Tracking

Print Quick Books Balance Sheet

The Foundation's Distribution Policy is 5.5% of the assets distributed quarterly, as measured by the trailing 36-month value. Amount is calculated each month. The below tables presents the calculation of each month's amount.

The Foundation Distribution Policy changed to 5% as of 1-1-19

The Foundation Distribution Policy change to 4.75% as of 1-1-2021

The Foundation Distribution Policy change to 4.50% as of 7-1-2021

Date	1300-Operating Endowment & 1000-KP Checking Market			1310-Emergency Assistance Endowment			OPS & EA Market	
	Value	36 Month Average	Previous 5.5% as of 1-1-2019 5% as of 1-1-2021 4.75% as of 07-01-2021 4.5%	Market Value	36 Month Average	Previous 5.5% as of 1-1-2019 5% as of 1-1-2021 4.75% as of 07-01-2021 4.5%	Value	36 Month Average
11/30/2019	4,190,040	4,059,117	16,913	1,549,203	1,524,403	6,352	5,739,244	
12/31/2019	4,300,503	4,084,036	17,017	1,590,538	1,527,987	6,367	5,891,041	
1/31/2020	4,244,953	4,107,840	17,116	1,570,906	1,531,003	6,379	5,815,859	
2/29/2020	4,028,611	4,123,657	17,182	1,475,800	1,530,507	6,377	5,504,411	
3/31/2020	3,541,317	4,125,544	17,190	1,295,406	1,524,858	6,354	4,836,723	
4/30/2020	3,801,259	4,133,832	17,224	1,393,481	1,521,492	6,340	5,194,740	
5/31/2020	3,954,867	4,147,543	17,281	1,447,204	1,519,957	6,333	5,402,070	
6/30/2020	4,030,931	4,161,675	17,340	1,474,049	1,518,954	6,329	5,504,980	
7/31/2020	4,064,023	4,176,426	17,402	1,484,219	1,517,992	6,325	5,548,241	5,694,418
8/31/2020	5,757,367	4,218,069	17,575	0	1,475,659	6,149	5,757,367	5,693,728
9/30/2020	5,643,723	4,254,610	17,728	0	1,432,458	5,969	5,643,723	5,687,068
10/31/2020	5,498,717	4,287,419	17,864	0	1,389,333	5,789	5,498,717	5,676,752
11/30/2020	5,960,969	4,331,136	18,046	0	1,345,529	5,606	5,960,969	5,676,664
12/31/2020	6,186,969	4,378,802	18,245	0	1,301,046	5,421	6,186,969	5,679,848
1/31/2021	6,180,274	4,423,964	17,512	0	1,255,769	4,971	6,180,274	5,679,733
2/28/2021	6,234,310	4,475,161	17,714	0	1,212,141	4,798	6,234,310	5,687,302
3/31/2021	6,314,238	4,529,168	17,928	0	1,168,715	4,626	6,314,238	5,697,883
4/30/2021	6,431,611	4,586,162	18,154	0	1,125,176	4,454	6,431,611	5,711,338
5/31/2021	6,499,213	4,646,318	18,392	0	1,082,142	4,283	6,499,213	5,728,460
6/30/2021	6,578,075	4,709,019	18,640	0	1,039,246	4,114	6,578,075	5,748,265
7/31/2021	6,537,972	4,769,833	17,887	0	996,162	3,736	6,537,972	5,765,995
8/31/2021	6,635,283	4,832,604	18,122	0	952,796	3,573	6,635,283	5,785,400
9/30/2021	6,462,425	4,891,809	18,344	0	909,511	3,411	6,462,425	5,801,321
10/31/2021	6,678,740	4,963,414	18,613	0	868,473	3,257	6,678,740	5,831,888
11/30/2021	6,528,435	5,031,665	18,869	0	827,764	3,104	6,528,435	5,859,429
12/31/2021	6,716,879	5,110,583	19,165	0	788,964	2,959	6,716,879	5,899,547
1/31/2022	6,514,474	5,179,141	19,422	0	747,941	2,805	6,514,474	5,927,082
2/28/2022	6,279,279	5,239,041	19,646	0	706,157	2,648	6,279,279	5,945,198
3/31/2022	6,336,982	5,299,680	19,874	0	664,048	2,490	6,336,982	5,963,727
4/30/2022	5,968,421	5,349,156	20,059	0	621,456	2,330	5,968,421	5,970,612
5/31/2022	6,030,146	5,404,904	20,268	0	580,514	2,177	6,030,146	5,985,417
6/30/2022	5,605,032	5,444,050	20,415	0	537,821	2,017	5,605,032	5,981,871
7/31/2022	5,892,943	5,495,000	20,606	0	495,624	1,859	5,892,943	5,990,624
8/31/2022	5,710,596	5,542,455	20,784	0	454,027	1,703	5,710,596	5,996,481
9/30/2022	5,289,891	5,576,570	20,912	0	411,815	1,544	5,289,891	5,988,385
10/31/2022	5,489,901	5,614,427	21,054	0	368,911	1,383	5,489,901	5,983,338
11/30/2022	5,648,992	5,654,953	21,206	0	325,878	1,222	5,648,992	5,980,831
12/31/2022	5,489,493	5,687,981	21,330	0	281,696	1,056	5,489,493	5,969,677
1/31/2023	5,775,497	5,730,496	21,489	0	238,060	893	5,775,497	5,968,556
2/28/2023	5,630,324	5,774,988	21,656	0	197,066	739	5,630,324	5,972,053
3/31/2023	5,770,562	5,836,911	21,888	0	161,082	604	5,770,562	5,997,993

Entry No.	Journal Entry	Description	Dr	CR	Class
7000		Dist. To Silver Key, Operation & EA		22,492.48	Operations
2100		Accrued Distribution to Silver Key - Operations	22,492.48		Operations

Operations & EA Endowments consolidated August 2020  
 1-1-2021 Distribution rate changed 5% to 4.75%  
 Distribution from Operating & EA Changed from 4.75% to 4.50% effective 7-1-2021

Prepared by: Valerie Anders Date: 4/14/2023

Reviewed by: Date:



Silver Key Senior Services Foundation

Shore Account - Distribution Calculation

Print Profit & Loss - Shore Report

	July 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	TOTALS
Interest - KP	0.35	0.40	0.61	0.64	2.38	3.84	4.72	4.14	4.57				21.65
Interest - Fidelity													-
Dividends & Capital Gains	8,568.83	3,375.24	5,981.33	4,239.41	4,026.74	13,582.87	2,531.75	3,877.33	5,763.37				51,946.87
Royalties-Kirkpatrick	5.73	128.02	125.01	-	235.70	157.67	36.46	-					688.59
Mineral/Foreign Tax													-
Property Tax													-
Fees	(1,743.19)	(2.83)		(1,652.62)	(0.65)		(1,746.84)	(1.89)					(5,148.02)
Net Income	6,831.72	3,500.83	6,106.95	2,587.43	4,264.17	13,744.38	826.09	3,879.58	5,767.94	-	-	-	47,509.09

Dist. To Silver Key

-  
47,509.09

Print QuickBooks Profit & Loss statement to make sure entry is correct

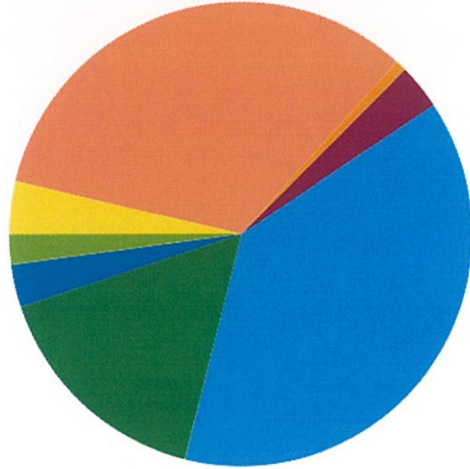
Entry No.	Description	Effective	Dr	CR	Class
7020	Dist. To Silver Key, Shore	3/31/2023	5,767.94		Shore
2120	Accrued Distribution to Silver Key			5,767.94	Shore
	Accrue distribution to Silver Key (paid quarterly)				

Prepared by: Valerie Anders Date: 4/14/2023

Reviewed by: Date:

Per the Trust Agreement, net appreciation of the account (realized and unrealized gains), added to the corpus of the endowment. Only the net income of the account may be distributed (interest, dividends, royalties, less management fees and mineral taxes)

Allocation and Account Summary



Asset Class	Current Value	Target Minimum Percent	Current Percent	Target Maximum Percent
Cash & Equivalents	\$258,291	0.00%	3.65%	10.00%
Taxable Domestic Fixed Income	\$2,336,936	30.00%	33.04%	50.00%
International Fixed Income	\$56,255	0.00%	0.80%	0.00%
Absolute Return	\$222,207	0.00%	3.14%	0.00%
Domestic Equity	\$2,706,743	40.00%	38.27%	70.00%
International Equity	\$1,132,950	10.00%	16.02%	30.00%
Real Estate	\$209,125	0.00%	2.96%	5.00%
Real Assets	\$150,665	0.00%	2.13%	5.00%
Alternative Investments	\$0	0.00%	0.00%	5.00%
<b>Total</b>	<b>\$7,073,172</b>		<b>100.00%</b>	

Account Name	Account Type	Objective	Current Value
Silver Key Fd Operating - Sub Account	Corp/Business	Blackrock Int Taxable FI	\$962,898
Silver Key Fd Emer Assist-Sub Account	Corp/Business	Closed	\$0
Silver Key Fd Shore Fund-Sub Account	Corp/Business	Closed	\$0
Silver Key Fdn Emer Assistance	Corp/Business	Closed	\$0
Silver Key Fdn Operating Fund	Corp/Business	Balanced	\$4,801,670
Silver Key Fdn Shore Fund	Corp/Business	Multi-Asset Income	\$1,308,604
<b>Silver Key Foundation Relationship</b>	<b>Reporting Group</b>	<b>Balanced</b>	<b>\$7,073,172</b>

Account Performance

Asset Class	Value	Weight	Quarter to Date Gross Return	Year to Date Gross Return	Previous 3 Years Gross Return	Previous 5 Years Gross Return	Inception to Date (6/30/2012) Gross Return
Cash & Equivalents	\$258,291	3.65%	1.10%	1.10%	0.80%	1.18%	0.67%
FTSE USBIG 3 Mo. Treasury Bill			1.12%	1.12%	0.95%	1.40%	0.80%
Taxable Domestic Fixed Income	\$2,336,936	33.04%	3.23%	3.23%	1.19%	1.37%	2.17%
Bloomberg US Aggregate			2.96%	2.96%	(2.77%)	0.91%	1.43%
International Fixed Income	\$56,255	0.80%	* (1.62%)	* (1.62%)	† (4.44%)	† (2.42%)	† 0.25%
Bloomberg Barclays 50% Dev Hedged / 50% Emer			(0.03%)	(0.03%)	(0.87%)	0.61%	2.63%
Absolute Return	\$222,207	3.14%	(0.21%)	(0.21%)	4.13%	* (1.10%)	† (0.72%)
FTSE USBIG 3 Mo. Treasury Bill			1.12%	1.12%	0.95%	1.38%	0.83%
Domestic Equity	\$2,706,743	38.27%	6.79%	6.79%	18.85%	9.10%	* 9.25%
75% SP500 / 25% R2000			6.31%	6.31%	18.56%	9.70%	9.56%
International Equity	\$1,132,950	16.02%	6.55%	6.55%	14.10%	2.09%	6.27%
70% MSCI EAFE / 30% MSCI EM			7.28%	7.28%	12.17%	2.84%	5.97%
Real Estate	\$209,125	2.96%	1.62%	1.62%	9.71%	4.38%	5.82%
MSCI US REIT			2.73%	2.73%	12.00%	6.02%	6.52%
Real Assets	\$150,665	2.13%	4.33%	4.33%	21.20%	6.38%	* (1.70%)
50% Bloomberg Commodity / 50% S&P Global Infrastructure			(0.82%)	(0.82%)	17.85%	5.17%	2.80%
<b>Total</b>	<b>\$7,073,172</b>	<b>100.00%</b>	<b>4.85%</b>	<b>4.85%</b>	<b>10.99%</b>	<b>4.54%</b>	<b>6.48%</b>
Allocation Weighted Benchmark			4.70%	4.70%	9.42%	5.21%	6.90%
S&P 500 Composite			7.50%	7.50%	18.62%	11.19%	13.00%
Bloomberg US Aggregate			2.96%	2.96%	(2.77%)	0.91%	1.43%
Consumer Price Index - Unadjusted			1.70%	1.70%	5.36%	3.88%	2.58%

\* Partial period return

† Linked partial period return

Returns for periods exceeding 12 months are annualized.

Holdings Combined

Quantity	Description	Price	Value	Cost Basis	Unrealized Gain/Loss	Weight	Annual Income	Current Yield
<b>Cash &amp; Equivalents</b>								
<i>Money Market Funds</i>								
	Money Market Taxable							
255,500.850	Fidelity® Government Cash Reserves	\$1.00	\$255,501	\$255,501	\$0	3.61%	\$6,004	2.35%
<i>Other Cash &amp; Equivalents</i>								
	Other Cash Equivalents							
	Cash		\$2,790	\$2,790	\$0	0.04%	\$0	0.00%
	<b>Cash &amp; Equivalents Total</b>		<b>\$258,291</b>	<b>\$258,291</b>	<b>\$0</b>	<b>3.65%</b>	<b>\$6,004</b>	<b>2.32%</b>
<b>Taxable Domestic Fixed Income</b>								
<i>Domestic Taxable Bonds &amp; Notes</i>								
<i>Treasury Bonds &amp; Notes</i>								
9,000.00	United States Treas Nts 02/15/2029 2.625%	\$94.82	\$8,534	\$9,806	(\$1,272)	0.12%	\$236	2.77%
	Accrued Income		\$29					
10,000.00	United States Treas Nts 11/15/2024 2.250%	\$96.86	\$9,686	\$10,620	(\$934)	0.14%	\$225	2.32%
	Accrued Income		\$85					
120,000.00	US Treasury 0.500 02/28/26 02/28/2026 0.500%	\$90.89	\$109,064	\$118,147	(\$9,083)	1.54%	\$600	0.55%
	Accrued Income		\$52					
30,000.00	US Treasury 0.500 11/30/23 11/30/2023 0.500%	\$97.25	\$29,176	\$29,924	(\$748)	0.41%	\$150	0.51%
	Accrued Income		\$50					
11,000.00	US Treasury 1.000 07/31/28 07/31/2028 1.000%	\$87.41	\$9,615	\$10,980	(\$1,366)	0.14%	\$110	1.14%
	Accrued Income		\$18					
29,000.00	US Treasury 1.750 01/31/29 01/31/2029 1.750%	\$90.27	\$26,178	\$28,715	(\$2,536)	0.37%	\$508	1.94%
	Accrued Income		\$84					
40,000.00	US Treasury 2.625 01/31/26 01/31/2026 2.625%	\$96.73	\$38,691	\$43,981	(\$5,291)	0.55%	\$1,050	2.71%
	Accrued Income		\$174					
52,000.00	US Treasury 2.750 04/30/27 04/30/2027 2.750%	\$96.38	\$50,117	\$51,362	(\$1,245)	0.72%	\$1,430	2.85%
	Accrued Income		\$600					
29,000.00	US Treasury 2.750 08/15/32 08/15/2032 2.750%	\$94.11	\$27,292	\$26,724	\$567	0.39%	\$798	2.92%
	Accrued Income		\$99					



Holdings Combined

Quantity	Description	Price	Value	Cost Basis	Unrealized Gain/Loss	Weight	Annual Income	Current Yield
<b>Taxable Domestic Fixed Income</b>								
<i>Domestic Taxable Bonds &amp; Notes</i>								
<i>Treasury Bonds &amp; Notes</i>								
15,000.00	US Treasury 3.250 06/30/29 06/30/2029 3.250%	\$98.04	\$14,706	\$15,492	(\$786)	0.21%	\$488	3.31%
	Accrued Income		\$123					
77,000.00	US Treasury 3.250 08/31/24 08/31/2024 3.250%	\$98.48	\$75,833	\$75,633	\$200	1.08%	\$2,503	3.30%
	Accrued Income		\$218					
<i>Government Agency Bonds &amp; Notes</i>								
10,000.00	Fannie Mae FNCL MA3986 3.500 04/01/35	\$96.71	\$2,358	\$2,612	(\$254)	0.03%	\$85	3.62%
	Factor 0.24159560							
	Accrued Income		\$1					
10,000.00	Fannie Mae FNCL MA4316 2.500 04/01/36	\$93.23	\$6,606	\$7,437	(\$831)	0.09%	\$177	2.68%
	Factor 0.69997730							
	Accrued Income		\$3					
125,000.00	Fannie Mae FNCL AD8529 4.500 08/01/40	\$99.19	\$4,150	\$4,722	(\$573)	0.06%	\$188	4.54%
	Factor 0.03309920							
	Accrued Income		\$3					
125,000.00	Fannie Mae FNCL BM2007 4.000 09/01/48	\$97.12	\$14,383	\$16,030	(\$1,648)	0.20%	\$592	4.12%
	Factor 0.11753240							
	Accrued Income		\$10					
70,000.00	Fannie Mae FNCL FM3982 3.500 05/01/50	\$93.51	\$19,581	\$22,255	(\$2,674)	0.28%	\$733	3.74%
	Factor 0.29672420							
	Accrued Income		\$12					
65,000.00	Fannie Mae FNCL MA4307 3.000 04/01/51	\$90.06	\$39,239	\$46,012	(\$6,772)	0.56%	\$1,307	3.33%
	Factor 0.66229400							
	Accrued Income		\$22					

Holdings Combined

Quantity	Description	Price	Value	Cost Basis	Unrealized Gain/Loss	Weight	Annual Income	Current Yield
<b>Taxable Domestic Fixed Income</b>								
<i>Domestic Taxable Bonds &amp; Notes</i>								
Government Agency Bonds & Notes								
10,000.00	Freddie Mac FNCL SD8121 2.000 01/01/51 01/01/2051 2.000% Factor 0.79309510 Accrued Income	\$82.95	\$6,616	\$8,100	(\$1,484)	0.09%	\$160	2.41%
50,000.00	Freddie Mac FNCL SD8129 2.500 02/01/51 02/01/2051 2.500% Factor 0.67038290 Accrued Income	\$86.59	\$29,182	\$35,219	(\$6,037)	0.41%	\$843	2.89%
50,000.00	Freddie Mac FNCL SD8206 3.000 04/01/52 04/01/2052 3.000% Factor 0.94292800 Accrued Income	\$89.82	\$42,551	\$43,266	(\$715)	0.60%	\$1,421	3.34%
Government Agency Mortgage Pools								
10,000.00	Fannie Mae FNCL FM4272 3.000 09/01/35 09/01/2035 3.000% Factor 0.45415930 Accrued Income	\$94.97	\$4,358	\$4,855	(\$497)	0.06%	\$138	3.16%
21,000.00	Fannie Mae FNCL MA4404 2.500 08/01/36 08/01/2036 2.500% Factor 0.79192550 Accrued Income	\$92.98	\$15,624	\$17,528	(\$1,904)	0.22%	\$420	2.69%
62,000.00	Fannie Mae FNCL MA4378 2.000 07/01/51 07/01/2051 2.000% Factor 0.88216650 Accrued Income	\$82.84	\$45,531	\$55,446	(\$9,915)	0.64%	\$1,099	2.41%
45,000.00	Fannie Mae FNCL MA4379 2.500 07/01/51 07/01/2051 2.500% Factor 0.83412890 Accrued Income	\$86.31	\$32,590	\$39,032	(\$6,442)	0.46%	\$944	2.90%
25,000.00	Freddie Mac FNCL SB8132 2.000 12/01/36 12/01/2036 2.000% Factor 0.85474760 Accrued Income	\$90.22	\$19,482	\$22,194	(\$2,712)	0.28%	\$432	2.22%

Holdings Combined

Quantity	Description	Price	Value	Cost Basis	Unrealized Gain/Loss	Weight	Annual Income	Current Yield
<b>Taxable Domestic Fixed Income</b>								
<i>Domestic Taxable Bonds &amp; Notes</i>								
Government Agency Mortgage Pools								
9,000.00	Freddie Mac FNCL SD8194 2.500 02/01/52 02/01/2052 2.500% Factor 0.92749510 Accrued Income	\$86.24	\$7,234	\$8,336	(\$1,102)	0.10%	\$210	2.90%
24,000.00	Freddie Mac FNCL SD8277 5.500 12/01/52 12/01/2052 5.500% Factor 0.96535670 Accrued Income	\$101.01	\$23,597	\$23,535	\$63	0.33%	\$1,285	5.45%
			\$4					
			\$21					
Corporate Bonds & Notes								
10,000.00	AbbVie 3.200 11/21/29 29 11/21/2029 3.200% Call 08/21/2029 100.00 Accrued Income	\$92.80	\$9,280	\$10,746	(\$1,465)	0.13%	\$320	3.45%
13,000.00	Amazon.com 2.100 05/12/31 31 05/12/2031 2.100% Call 02/12/2031 100.00 Accrued Income	\$85.47	\$11,112	\$12,957	(\$1,845)	0.16%	\$273	2.46%
			\$105					
13,000.00	Amgen 5.250 03/02/30 30 03/02/2030 5.250% Call 01/02/2030 100.00 Accrued Income	\$102.28	\$13,296	\$12,836	\$460	0.19%	\$683	5.13%
			\$55					
10,000.00	Apple 1.650 05/11/30 30 05/11/2030 1.650% Call 02/11/2030 100.00 Accrued Income	\$85.14	\$8,514	\$9,733	(\$1,219)	0.12%	\$165	1.94%
5,000.00	BofAML 10/21/27 26 MTN 10/21/2027 3.248% Call 10/21/2026 100.00 Accrued Income	\$94.23	\$4,712	\$5,371	(\$659)	0.07%	\$162	3.45%
			\$64					
10,000.00	BofAML 1.319 06/19/26 25 MTN 06/19/2026 1.319% Call 06/19/2025 100.00 Accrued Income	\$91.41	\$9,141	\$10,025	(\$884)	0.13%	\$132	1.44%
			\$72					
9,000.00	BofAML 5.015 07/22/33 32 MTN 07/22/2033 5.015% Call 07/22/2032 100.00 Accrued Income	\$98.89	\$8,900	\$9,019	(\$119)	0.13%	\$451	5.07%
			\$37					
			\$87					



Holdings Combined

Quantity	Description	Price	Value	Cost Basis	Unrealized Gain/Loss	Weight	Annual Income	Current Yield
<b>Taxable Domestic Fixed Income</b>								
<i>Domestic Taxable Bonds &amp; Notes</i>								
<i>Corporate Bonds &amp; Notes</i>								
5,000.00	Capital One Finl Corp 01/31/2028 3.800% Call 12/31/2027 100.00 Accrued Income	\$91.70	\$4,585	\$5,483	(\$898)	0.07%	\$190	4.14%
10,000.00	Citigroup 1.122 01/28/27 26 FRN 01/28/2027 1.122% Call 01/28/2026 100.00 Accrued Income	\$89.14	\$8,914	\$9,963	(\$1,049)	0.13%	\$112	1.26%
10,000.00	Comcast 1.500 02/15/31 30 02/15/2031 1.500% Call 11/15/2030 100.00 Accrued Income	\$80.30	\$8,030	\$9,338	(\$1,308)	0.11%	\$150	1.87%
10,000.00	Comcast 3.400 04/01/30 30 04/01/2030 3.400% Call 01/01/2030 100.00 Accrued Income	\$93.49	\$9,349	\$11,081	(\$1,732)	0.13%	\$340	3.64%
20,000.00	CVS Health 1.300 08/21/27 27 08/21/2027 1.300% Call 06/21/2027 100.00 Accrued Income	\$87.09	\$17,417	\$19,811	(\$2,394)	0.25%	\$260	1.49%
10,000.00	Enterprise Products Operating LLC 02/15/2025 3.750% Call 11/15/2024 100.00 Accrued Income	\$98.07	\$9,807	\$10,947	(\$1,140)	0.14%	\$375	3.82%
15,000.00	Fiserv 07/01/29 29 07/01/2029 3.500% Call 04/01/2029 100.00 Accrued Income	\$92.82	\$13,923	\$16,319	(\$2,396)	0.20%	\$525	3.77%
11,000.00	GM 5.600 10/15/32 32 10/15/2032 5.600% Call 07/15/2032 100.00 Accrued Income	\$97.91	\$10,770	\$10,765	\$5	0.16%	\$616	5.72%
10,000.00	Goldman Sachs 1.431 03/09/27 03/09/2027 1.431% Call 03/09/2026 100.00 Accrued Income	\$89.48	\$8,948	\$9,920	(\$972)	0.13%	\$143	1.60%
10,000.00	JP Morgan 05/01/28 27 FRN 05/01/2028 3.540% Call 05/01/2027 100.00 Accrued Income	\$94.54	\$9,454	\$11,228	(\$1,774)	0.14%	\$354	3.74%



Holdings Combined

Quantity	Description	Price	Value	Cost Basis	Unrealized Gain/Loss	Weight	Annual Income	Current Yield
<b>Taxable Domestic Fixed Income</b>								
<i>Domestic Taxable Bonds &amp; Notes</i>								
<i>Corporate Bonds &amp; Notes</i>								
10,000.00	Marsh & McLennan Cos Inc 03/15/2029 4.375% Call 12/15/2028 100.00 Accrued Income	\$99.10	\$9,910	\$11,607	(\$1,697)	0.14%	\$438	4.41%
15,000.00	Morgan Stanley 01/23/30 29 MTN 01/23/2030 4.431% Call 01/23/2029 100.00 Accrued Income	\$96.45	\$14,468	\$17,624	(\$3,156)	0.21%	\$665	4.59%
15,000.00	Oracle 2.500 04/01/25 25 04/01/2025 2.500% Call 03/01/2025 100.00 Accrued Income	\$95.75	\$14,363	\$15,778	(\$1,415)	0.21%	\$375	2.61%
10,000.00	Oracle 2.950 04/01/30 30 04/01/2030 2.950% Call 01/01/2030 100.00 Accrued Income	\$88.30	\$8,830	\$10,378	(\$1,548)	0.13%	\$295	3.34%
13,000.00	T-Mobile USA 3.875 04/15/30 30 04/15/2030 3.875% Call 01/15/2030 100.00 Accrued Income	\$93.83	\$12,198	\$12,210	(\$12)	0.18%	\$504	4.13%
10,000.00	Verizon 4.329 09/21/28 09/21/2028 4.329% Accrued Income	\$98.86	\$9,886	\$11,443	(\$1,558)	0.14%	\$433	4.38%
<i>Domestic Taxable Bond Funds</i>								
<i>Ultra Short Bond Taxable</i>								
16,504.550	Northern Ultra Short Income Fd	\$10.03	\$165,541	\$165,431	\$110	2.34%	\$3,609	2.18%
<i>Treasury Bonds &amp; Notes</i>								
1,947.00	iShares 10-20 Year Treasury Bond ETF	\$114.54	\$223,009	\$252,014	(\$29,004)	3.15%	\$6,670	2.99%
<i>Floating Rate</i>								
3,054.148	Eaton Vance Floating Rate Fd CI Instl	\$8.27	\$25,258	\$26,938	(\$1,680)	0.36%	\$1,531	6.06%
<i>Short Term</i>								
1,008.00	iShares Short-Term Corporate Bond ETF	\$50.54	\$50,944	\$49,972	\$973	0.72%	\$1,198	2.35%

Holdings Combined

Quantity	Description	Price	Value	Cost Basis	Unrealized Gain/Loss	Weight	Annual Income	Current Yield
<b>Taxable Domestic Fixed Income</b>								
<i>Domestic Taxable Bond Funds</i>								
Intermediate Term								
11,478.292	BlackRock Total Return Instl	\$10.15	\$116,505	\$111,563	\$4,942	1.65%	\$3,903	3.35%
257.00	iShares 7-10 Year Treasury Bond ETF	\$99.12	\$25,474	\$25,370	\$104	0.36%	\$553	2.17%
231.00	iShares iBoxx Investment Grade Corporate Bond ET	\$109.61	\$25,320	\$26,252	(\$932)	0.36%	\$873	3.45%
5,004.00	SPDR® Portfolio Mortgage Backed Bond ETF	\$22.18	\$110,989	\$111,973	(\$984)	1.57%	\$3,292	2.97%
Unconstrained								
5,996.536	Blackrock Strategic Income Opp Fd Cl Instl	\$9.25	\$55,468	\$57,885	(\$2,417)	0.78%	\$2,052	3.70%
High Yield								
13,861.292	BlackRock Dynamic High Income Instl	\$8.04	\$111,445	\$134,788	(\$23,343)	1.58%	\$6,932	6.22%
53,964.606	MainStay Mackay High Yield Corp Bd I	\$5.02	\$270,902	\$266,562	\$4,341	3.83%	\$14,520	5.36%
<i>Multi Asset Income Funds</i>								
Multi Asset Income								
21,589.372	JP Morgan Income Builder Fd Cl Instl	\$9.47	\$204,451	\$226,271	(\$21,820)	2.89%	\$9,752	4.77%
				\$2,336,936	\$2,497,563	33.04%	\$80,976	3.47%
<b>Taxable Domestic Fixed Income Total</b>								
<b>International Fixed Income</b>								
<i>International Bond Funds</i>								
Emerging Markets Bonds								
652.00	iShares JPMorgan USD Emerg Markets Bond	\$86.28	\$56,255	\$57,554	(\$1,299)	0.80%	\$2,739	4.87%
<b>Absolute Return</b>								
<i>Absolute Return Funds</i>								
Multi Strategy								
23,050.512	BlackRock Systematic Multi-Strat Instl	\$9.64	\$222,207	\$234,413	(\$12,206)	3.14%	\$10,888	4.90%
<b>Domestic Equity</b>								
<i>Domestic Common Stock &amp; ADRs</i>								
Communication Services								
456.00	Alphabet Inc Cl A	\$103.73	\$47,301	\$32,015	\$15,286	0.67%	\$0	0.00%

Holdings Combined

Quantity	Description	Price	Value	Cost Basis	Unrealized Gain/Loss	Weight	Annual Income	Current Yield
<b>Domestic Equity</b>								
<i>Domestic Common Stock &amp; ADRs</i>								
Communication Services								
366.00	AT&T Inc	\$19.25	\$7,046	\$7,067	(\$21)	0.10%	\$406	5.77%
354.00	Comcast Corp Cl A	\$37.91	\$13,420	\$13,425	(\$5)	0.19%	\$411	3.06%
60.00	Disney Walt Co	\$100.13	\$6,008	\$7,252	(\$1,244)	0.08%	\$0	0.00%
87.00	Meta Platforms Inc Class A	\$211.94	\$18,439	\$19,331	(\$892)	0.26%	\$0	0.00%
Consumer Discretionary								
303.00	Amazon Inc	\$103.29	\$31,297	\$35,714	(\$4,418)	0.44%	\$0	0.00%
211.00	Bath & Body Works Inc	\$36.58	\$7,718	\$7,263	\$455	0.11%	\$169	2.19%
14.00	Chipotle Mexican Grill Inc Class A	\$1,708.29	\$23,916	\$14,066	\$9,850	0.34%	\$0	0.00%
53.00	Home Depot Inc	\$295.12	\$15,641	\$13,309	\$2,332	0.22%	\$443	2.83%
45.00	McDonalds Corp	\$279.61	\$12,582	\$8,696	\$3,886	0.18%	\$274	2.17%
172.00	Nike Inc Class B	\$122.64	\$21,094	\$19,113	\$1,981	0.30%	\$234	1.11%
144.00	TJX Cos Inc	\$78.36	\$11,284	\$7,428	\$3,856	0.16%	\$192	1.70%
Consumer Staples								
231.00	Coca Cola Co	\$62.03	\$14,329	\$11,214	\$3,115	0.20%	\$425	2.97%
53.00	Costco Wholesale Corp	\$496.87	\$26,334	\$16,699	\$9,635	0.37%	\$191	0.72%
66.00	Estee Lauder Companies Inc Cl A	\$246.46	\$16,266	\$11,895	\$4,372	0.23%	\$174	1.07%
285.00	Mondelez Intl Inc	\$69.72	\$19,870	\$14,986	\$4,884	0.28%	\$439	2.21%
73.00	Procter & Gamble Co	\$148.69	\$10,854	\$10,193	\$662	0.15%	\$275	2.53%
Energy								
58.00	Chevron Corp	\$163.16	\$9,463	\$8,135	\$1,328	0.13%	\$350	3.70%
78.00	EOG Resources Inc	\$114.63	\$8,941	\$7,266	\$1,675	0.13%	\$257	2.88%
125.00	Exxon Mobil Corp	\$109.66	\$13,708	\$10,320	\$3,388	0.19%	\$455	3.32%
298.00	Halliburton Co Holding Co Frmlly Hallibur	\$31.64	\$9,429	\$9,941	(\$512)	0.13%	\$191	2.02%
391.00	Schlumberger Ltd	\$49.10	\$19,198	\$16,541	\$2,657	0.27%	\$391	2.04%
Financials								
13.00	Blackrock Inc	\$669.12	\$8,699	\$9,734	(\$1,036)	0.12%	\$260	2.99%
172.00	Blackstone Group LP	\$87.84	\$15,108	\$16,397	(\$1,288)	0.21%	\$757	5.01%
124.00	Intercontinental Exchange Inc	\$104.29	\$12,932	\$9,045	\$3,887	0.18%	\$208	1.61%
265.00	JP Morgan Chase & Co	\$130.31	\$34,532	\$27,828	\$6,704	0.49%	\$1,060	3.07%



Holdings Combined

Quantity	Description	Price	Value	Cost Basis	Unrealized Gain/Loss	Weight	Annual Income	Current Yield
<b>Domestic Equity</b>								
<i>Domestic Common Stock &amp; ADRs</i>								
<i>Financials</i>								
61.00	Marsh & McLennan Cos	\$166.55	\$10,160	\$6,305	\$3,854	0.14%	\$144	1.42%
90.00	Mastercard Inc Cl A	\$363.41	\$32,707	\$25,814	\$6,893	0.46%	\$205	0.63%
137.00	Schwab Charles Corp	\$52.38	\$7,176	\$7,904	(\$727)	0.10%	\$137	1.91%
472.00	Truist Finl Corp Com	\$34.10	\$16,095	\$18,331	(\$2,236)	0.23%	\$982	6.10%
<i>Health Care</i>								
254.00	Abbott Laboratories	\$101.26	\$25,720	\$22,801	\$2,919	0.36%	\$518	2.01%
73.00	Amerisource Bergen Corp	\$160.11	\$11,688	\$9,504	\$2,184	0.17%	\$142	1.21%
47.00	Biogen Inc	\$278.03	\$13,067	\$9,644	\$3,423	0.18%	\$0	0.00%
186.00	Bristol Myers Squibb	\$69.31	\$12,892	\$11,181	\$1,711	0.18%	\$424	3.29%
304.00	CVS Health Corp	\$74.31	\$22,590	\$20,277	\$2,313	0.32%	\$736	3.26%
396.00	Glaxosmithkline ADR	\$35.58	\$14,090	\$12,952	\$1,138	0.20%	\$549	3.90%
328.00	Pfizer Inc	\$40.80	\$13,382	\$13,599	(\$216)	0.19%	\$538	4.02%
314.00	Roche Hldg Ltd ADR	\$35.71	\$11,212	\$12,806	(\$1,594)	0.16%	\$402	3.58%
111.00	Zimmer Biomet Hldgs Inc	\$129.20	\$14,341	\$13,860	\$482	0.20%	\$107	0.74%
<i>Industrials</i>								
40.00	Boeing Co	\$212.43	\$8,497	\$5,448	\$3,050	0.12%	\$0	0.00%
35.00	Deere & Co	\$412.88	\$14,451	\$7,046	\$7,405	0.20%	\$175	1.21%
71.00	General Dynamics Crp	\$228.21	\$16,203	\$12,382	\$3,821	0.23%	\$375	2.31%
21.00	Grainger WW Inc	\$688.81	\$14,465	\$6,165	\$8,300	0.20%	\$144	1.00%
80.00	Honeywell Intl Inc	\$191.12	\$15,290	\$12,731	\$2,559	0.22%	\$330	2.16%
70.00	Norfolk Southern Corp	\$212.00	\$14,840	\$13,288	\$1,552	0.21%	\$378	2.55%
<i>Information Technology</i>								
25.00	Adobe Sys Inc	\$385.37	\$9,634	\$13,446	(\$3,811)	0.14%	\$0	0.00%
88.00	Analog Devices Inc	\$197.22	\$17,355	\$10,146	\$7,210	0.25%	\$303	1.74%
372.00	Apple Inc	\$164.90	\$61,343	\$40,583	\$20,760	0.87%	\$342	0.56%
70.00	CDW Corp	\$194.89	\$13,642	\$12,105	\$1,537	0.19%	\$165	1.21%
302.00	Cisco Systems Inc	\$52.28	\$15,787	\$15,683	\$104	0.22%	\$471	2.98%
124.00	Intl Business Machines Corp	\$131.09	\$16,255	\$16,030	\$225	0.23%	\$818	5.03%
266.00	Microsoft Corp	\$288.30	\$76,688	\$31,880	\$44,808	1.08%	\$724	0.94%
99.00	Nvidia Corp	\$277.77	\$27,499	\$11,549	\$15,950	0.39%	\$16	0.06%



Holdings Combined

Quantity	Description	Price	Value	Cost Basis	Unrealized Gain/Loss	Weight	Annual Income	Current Yield
<b>Domestic Equity</b>								
<i>Domestic Common Stock &amp; ADRs</i>								
Information Technology								
110.00	Oracle Corp	\$92.92	\$10,221	\$9,785	\$436	0.14%	\$176	1.72%
61.00	Palo Alto Networks Inc	\$199.74	\$12,184	\$7,483	\$4,701	0.17%	\$0	0.00%
85.00	Salesforce.com Inc	\$199.78	\$16,981	\$18,463	(\$1,482)	0.24%	\$0	0.00%
Materials								
113.00	Dupont De Nemours Inc	\$71.77	\$8,110	\$6,894	\$1,216	0.11%	\$163	2.01%
186.00	Freepoint McMoRan Inc	\$40.91	\$7,609	\$6,928	\$681	0.11%	\$56	0.73%
REITs								
88.00	American Tower Corporation	\$204.34	\$17,982	\$18,229	(\$248)	0.25%	\$549	3.05%
Utilities								
161.00	Nextera Energy Inc	\$77.08	\$12,410	\$9,690	\$2,720	0.18%	\$301	2.43%
<i>Domestic Equity Funds</i>								
Large Cap Core								
2,756.00	iShares Edge MSCI USA Quality Factor ETF	\$124.07	\$341,923	\$333,724	\$8,199	4.83%	\$4,955	1.45%
2,546.00	JPMorgan Equity Premium Income ETF	\$54.60	\$139,012	\$153,342	(\$14,330)	1.97%	\$15,863	11.41%
3,627.348	Vanguard Dividend Growth Fd Cl Inv	\$35.23	\$127,791	\$130,589	(\$2,797)	1.81%	\$2,121	1.66%
Large Cap Value								
1,412.037	DFA US Large Cap Value Prff Cl Instl	\$41.46	\$58,543	\$61,141	(\$2,598)	0.83%	\$1,206	2.06%
2,332.00	iShares Edge MSCI Min Vol USA	\$72.74	\$169,630	\$175,760	(\$6,130)	2.40%	\$3,476	2.05%
1,526.00	iShares Preferred&Income Securities ETF	\$31.22	\$47,642	\$52,696	(\$5,054)	0.67%	\$3,092	6.49%
820.00	Vanguard Dividend Appreciation ETF	\$154.01	\$126,288	\$119,502	\$6,786	1.79%	\$2,483	1.97%
693.00	Vanguard High Dividend Yield ETF	\$105.50	\$73,112	\$77,980	(\$4,868)	1.03%	\$2,292	3.13%
Large Cap Growth								
4,389.101	T Rowe Price Instl Large Cap Growth Fd	\$52.43	\$230,121	\$220,177	\$9,944	3.25%	\$776	0.34%
Small Cap Growth								
2,278.711	T Rowe Price New Horizons Fd Cl Instl	\$50.06	\$114,072	\$160,207	(\$46,134)	1.61%	\$0	0.00%

Holdings Combined

Quantity	Description	Price	Value	Cost Basis	Unrealized Gain/Loss	Weight	Annual Income	Current Yield
<b>Domestic Equity</b>								
<i>Domestic Equity Funds</i>								
Science & Technology								
2,485.00	iShares US Technology ETF	\$92.81	\$230,633	\$191,844	\$38,788	3.26%	\$1,088	0.47%
			<b>\$2,706,743</b>	<b>\$2,512,762</b>	<b>\$193,981</b>	<b>38.27%</b>	<b>\$55,280</b>	<b>2.04%</b>
<b>International Equity</b>								
<i>International Equity Funds</i>								
Developed Markets Large Cap								
10,399.592	BlackRock Global Dividend Instl	\$10.99	\$114,292	\$136,080	(\$21,788)	1.62%	\$2,126	1.86%
16,327.344	Goldman Sachs GQG Ptmrs Intl Opps Instl	\$17.25	\$281,647	\$293,303	(\$11,656)	3.98%	\$13,266	4.71%
1,030.00	iShares International Dividend Gr ETF	\$60.62	\$62,439	\$65,650	(\$3,211)	0.88%	\$1,519	2.43%
14,436.00	Schwab Fundamental Intl Lg Co ETF	\$31.27	\$451,414	\$401,398	\$50,016	6.38%	\$13,023	2.88%
Emerging Markets								
10,506.568	DFA Emerging Markets Core Equity I	\$21.24	\$223,160	\$230,844	(\$7,685)	3.16%	\$7,989	3.58%
			<b>\$1,132,950</b>	<b>\$1,127,274</b>	<b>\$5,676</b>	<b>16.02%</b>	<b>\$37,922</b>	<b>3.35%</b>
<b>Real Estate</b>								
<i>REIT Funds</i>								
Domestic REITs								
1,775.403	Vanguard REIT Index Fd Cl Adm	\$117.79	\$209,125	\$174,985	\$34,140	2.96%	\$8,616	4.12%
<b>Real Assets</b>								
<i>Real Asset Funds</i>								
Infrastructure								
10,228.459	Lazard Global Listed Infrastructure Inst	\$14.73	\$150,665	\$152,157	(\$1,492)	2.13%	\$7,157	4.75%
			<b>\$7,073,172</b>	<b>\$7,014,999</b>	<b>\$58,173</b>	<b>100.00%</b>	<b>\$209,582</b>	<b>2.96%</b>



## OK, ON AVERAGE

*On average*, the global economy looks to be “OK” – regional and sectoral areas of weakness being offset by other areas of relative strength; meanwhile, inflation seems contained in some areas albeit still raging in others. *On average*, the financial system is “OK” – concerns in some regional banks and other “one-off” issues (driven mostly by poor risk management) absorbable by the broader, still-healthy banking industry. And, *on average*, the global financial market outlook looks “OK” – global equity valuations are near the median valuation level of the past 25 years (~19 times last-twelve-months earnings). But you are also “OK, on average” if you are six feet tall standing in a lake that averages five feet deep. That is, on average, you have no fear of drowning despite the fact that there are almost assuredly areas in that lake where you would be underwater. The key to successful investing is to appreciate potential financial and economic “deep spots” potentially masking what looks “OK” on the surface.

**Growth and Inflation.** *On average*, the global economy has displayed much resiliency in the face of geopolitical disruptions and higher interest rates. Global composite purchasing managers’ indices (PMIs) sit at ~52 – modestly higher than the ~48 mark coming into 2023 and above the 50 mark that separates expansion from contraction. But underneath that modest expansion, we find a notable gap between the fairly hot service industry and the mostly tepid manufacturing industry; most notably the case in the

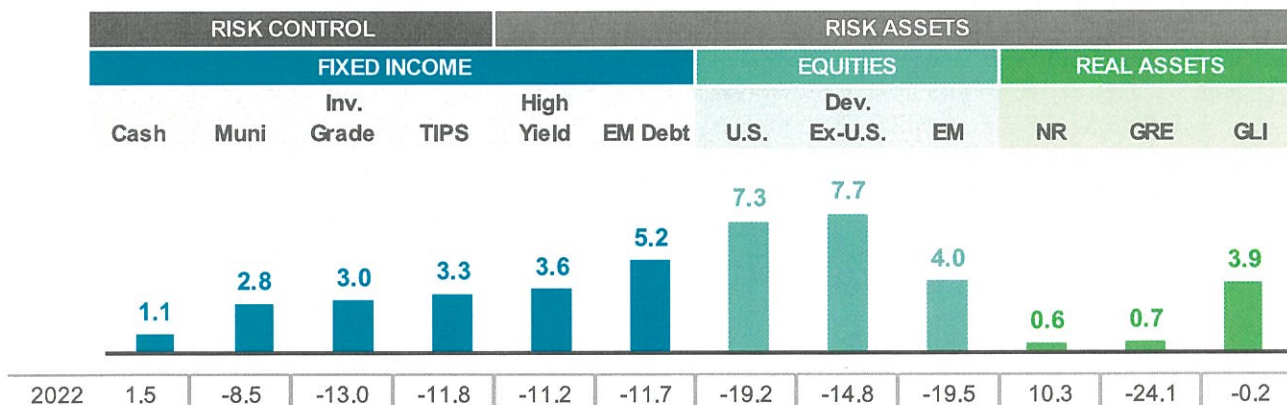
United States, where the manufacturing PMI sits near 46 while the services PMI sits closer to 55. Growth disparities have led to inflation disparities, with core goods inflation already back below the Federal Reserve’s 2% target but with core services inflation still stuck in the 6-7% range.

**Central Banks and Credit Markets.** Stubborn services inflation kept the Fed focused on rate hikes – until the failure of Silicon Valley Bank and resulting contagion forced one eye over to monitoring financial industry health. As such, *on average*, markets expect one more 0.25% rate hike before a Fed cutting cycle starts near year end. But that “average” is a combination of a higher rate trajectory should services inflation linger and a lower rate trajectory should bank stresses persist.

**Financial Markets.** When ostensibly benign average expected outcomes are masking a wide range of potential outcomes underneath, financial markets often respond with outsized volatility. One day, an inflation print below expectations can lead to “risk-on” markets as investors price in the end of the rate hike cycle; the next day, a headline suggesting another bank may be in trouble can mean “risk-off” markets as investors brace for impact. In these environments, it is especially important to keep adequate liquidity for spending needs so as to not be forced into selling “good assets on a bad day” while also maintaining proper diversification – not only among stocks and bonds but also real assets and other diversifiers.

### FIRST QUARTER 2023 TOTAL RETURNS (%)

Strong returns across most financial market assets mask a quarter full of volatile swings – especially within bond markets.



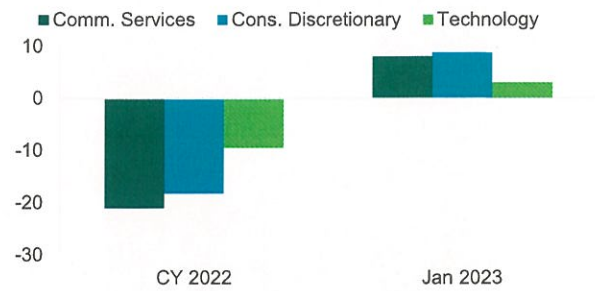
Source: Northern Trust Asset Management, Bloomberg. NR: Natural Resources; GRE: Global Real Estate; GLI: Global Listed Infrastructure. Indexes are gross of fees. Past performance is not indicative or a guarantee of future results. Index performance returns do not reflect any management fees, transaction costs or expenses. It is not possible to invest directly in any index.

## KEY DEVELOPMENTS

### Initial Inflation Optimism

Equities firmly rebounded in January with key support from increased investor optimism on the path of inflation and less communication from central bankers on further rate hikes. This led to a strong month of returns in the U.S. and also outside the U.S. with mild weather alleviating energy concerns in Europe and China's rebound from Covid-19 reopening. Equity performance in January was in many ways a reversal of 2022, where many 2022 laggards notably outperformed (see chart) and riskier parts of the market performed well.

RELATIVE RETURNS OF VARIOUS SECTORS (%)



### Not So Fast...

In February, economic data releases proved firmer than expected – more resilient on the growth front and stickier on the inflation side. A key tenet of the solid economic backdrop was strong labor markets where the unemployment rate fell to its lowest level since the late 1960s. In response, the equity market rally lost steam as investors reconsidered their inflation views and upwardly revised their expected trajectory for central banks. However, March's banking issues (see next section) unwound the increase in Fed expectations.

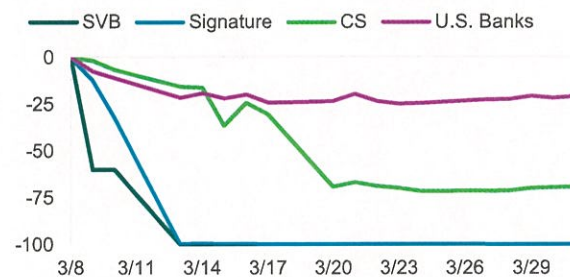
EXPECTED 2023 PEAK FED FUNDS RATE (%)



### March Madness for Banks

In March, investor worries of more Fed rate hikes shifted to financial stability concerns. Initially, Silicon Valley Bank (SVB) suffered major deposit outflows before regulators took control of it (along with Signature Bank). U.S. policymakers quickly stepped in with emergency liquidity measures to help stabilize the banking sector. Credit Suisse (CS) was then under pressure the next week before being acquired by UBS with support from Swiss authorities. Overall, U.S. banks declined 25% in March (versus a 3.5% S&P 500 gain).

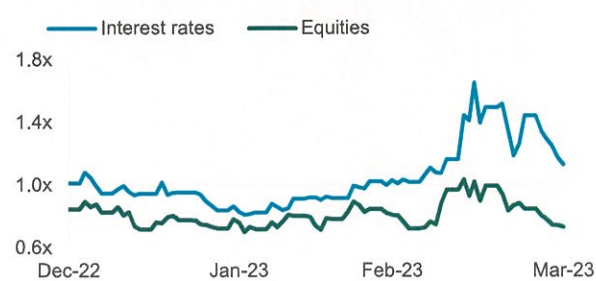
% RETURN SINCE ONSET OF SVB ISSUES (3/8/23)



### Choppy Rates, Calmer Equities

The banking-related market reaction was more notable in interest rates versus equities. The S&P 500 initially lost only 3%, while interest rates saw historically high volatility. The 2-year Treasury yield dropped over 100 bps as investor Fed expectations reset lower (i.e., lower peak rate, more likely 2023 rate cuts). While systemic risks stabilized to some degree by late March, a number of implications are possible both near-term (tightening in credit conditions) and longer-term (bank regulation, profitability challenges for small-to-mid-sized banks).

VOLATILITY RELATIVE TO 2022 AVERAGE LEVEL



Source: Bloomberg. U.S. Banks = KBW Bank Index. Volatility: VIX Index for equities, MOVE Index for interest rates. Data as of 3/31/2023. Past performance is not indicative or a guarantee of future results. Index performance returns do not reflect any management fees, transaction costs or expenses. It is not possible to invest directly in any index.

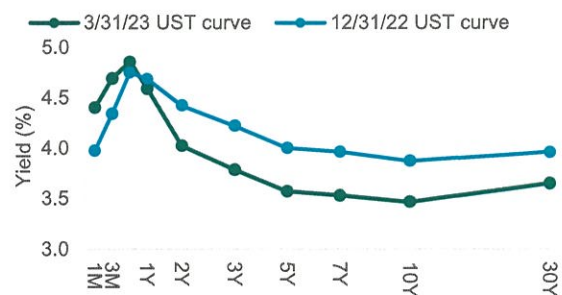


## MARKET REVIEW

### Interest Rates

The Fed continued to tighten policy but is moving forward with more caution due to the potential for bank stresses to weigh on credit availability. That said, inflation remains a concern and the Fed's year-end policy rate forecast (5.1%) implies a hold-firm approach. Interest rates seasawed in a volatile manner during the quarter as investors struggled to ascertain the monetary policy outlook in the wake of hot inflation amid risks to financial stability. Interest rates across the curve ended lower with near-term yields declining the most.

### U.S. TREASURY YIELD CURVE



### Credit Markets

Credit spreads floated up and down for most of the quarter before moving decidedly higher on banking sector strains. The bank shocks ramped up investor uncertainty on the health of corporate credit and drove wider risk premia across investment grade (IG) and high yield (HY). IG and HY credit spreads rose as much as 38 and 128 basis points (bps), respectively, before coming back in as perceived risks abated. IG spreads ended 8 bps wider, while HY finished 13 bps tighter. Current spreads for both are under recessionary levels.

### CREDIT SPREADS



### Equities

Global equities brought solid gains (7.4%) as developed ex-U.S. equities (7.7%) and U.S. equities (7.3%) led the way while emerging market equities delivered a lower-but-strong return (4.0%). These gains may appear at odds given two of the largest U.S. bank failures ever, however, declining interest rates led to a reprieve in some of the most sizable areas of the markets (i.e., U.S. tech up 21.8%) which buoyed aggregate returns. Equity volatility paled in comparison to bond volatility, but there were still notable swings beneath the surface.

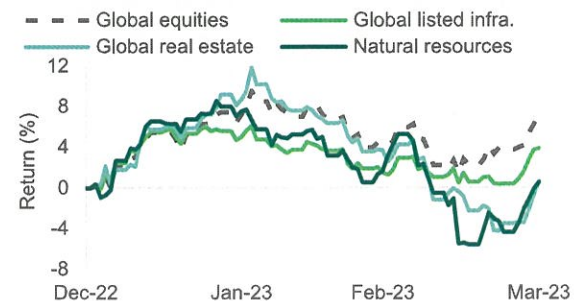
### REGIONAL EQUITY INDICES



### Real Assets

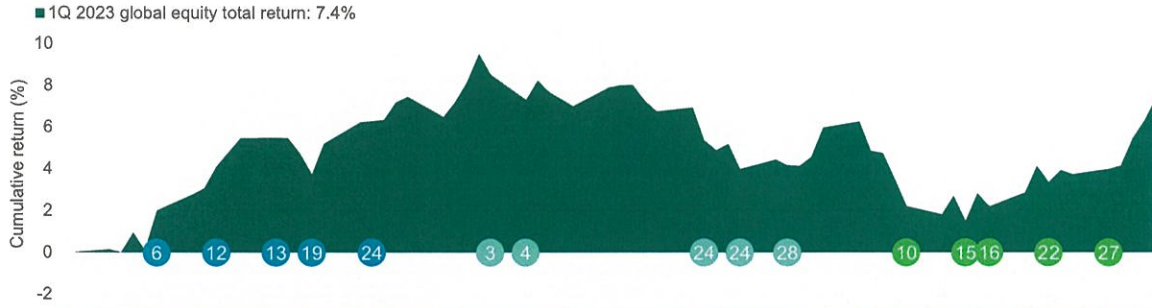
Real assets bore the brunt of weakness extending from both central bank tightening and banking strains as listed infrastructure (3.9%), global real estate (0.7%) and natural resources (0.6%) all lagged global equities. Listed infrastructure's interest rate sensitivity benefited from the decline in yields. Lower commodity prices hurt equity-based natural resources as demand concerns intensified on signs of global economic vulnerability. Real estate suffered from investor concerns on bank lending – mostly regarding commercial real estate.

### REAL ASSET INDICES



Source: Bloomberg. Returns in U.S. dollars. Indexes are gross of fees. Past performance is not indicative or a guarantee of future results. Index performance returns do not reflect any management fees, transaction costs or expenses. It is not possible to invest directly in any index.

## MARKET EVENTS



JANUARY	FEBRUARY	MARCH
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**6** December U.S. jobs report shows continued strength but gradual cooling with slower job gains, increased participation and slower wage growth.

**12** Investors price in less central bank tightening after U.S. Consumer Price Index (CPI) cools year-over-year (y/y).

**13** Q422 earnings season unofficially begins; earnings proceed to contract with broad-based weakness (ex-energy) and disappointing forward guidance.

**19** U.S. government reaches its \$31.4 trillion borrowing limit and invokes extraordinary funding measures estimated to last until ~June–September.

**24** U.S. and Europe flash Purchasing Managers' Indexes (PMIs) come in better than expected while 4Q U.S. Gross Domestic Product is solid at 2.9%.

**3** A much stronger than expected U.S. jobs report triggers upward revisions in investor policy expectations (later intensified by the 2/14 CPI data).

**4** Geopolitical frictions deepen after the U.S. shoots down a China surveillance balloon in U.S. airspace, though the market impact is contained.

**24** One-year anniversary of the Ukraine war; little progress has been made toward a peaceful resolve and escalation risks remain present.

**24** Core Personal Consumption Expenditures – the Fed's preferred inflation measure – unexpectedly accelerates to 4.7% from 4.3%.

**28** China PMIs top expectations and the expansionary threshold (50) as its reopening supports domestic growth.

**10** The second-biggest U.S. bank failure (Silicon Valley Bank, aka SVB) triggers a run on regional bank deposits and elevates financial stability risks.

**15** Bank turmoil continues after Credit Suisse (CS) shares plunge on perceived weakness and its ensuing deposit outflows force a rescue sale to UBS.

**16** The European Central Bank moves ahead with a 50-bp rate hike, but aims to verbally assuage financial stability worries and removes forward guidance.

**22** Amid bank turmoil but elevated inflation the Fed hikes its policy rate by 25 bps, softens language on future hikes and leaves its 2023 year-end Fed funds rate forecast unchanged at 5.1%.

**27** First Citizens Bank purchases SVB at a \$16.5B discount, helping ease investor concern after a period of no new developments on further bank contagion.

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## SIGNS OF STRESS

The surprise failure of Silicon Valley Bank (SVB) has brought fears of instability of the financial system, sending a shockwave of uncertainty across the capital markets. Very elevated volatility in Treasuries, including a dramatic drop in rates across the curve, highlight investor concerns regarding other potential “shoes to drop.” Equity markets have been more resilient, perhaps acknowledging critical differences to the financial crisis 15 years ago.

We do not think this is the same situation as the financial crisis of 2008. SVB was a unique institution exposed to relatively unique risks. While its failure has exposed underappreciated vulnerabilities, there are critical differences compared to 2008. Far more capital and liquidity combined with much better oversight have dramatically reduced systemic risk. The issues at SVB were “hidden in plain sight”, not accumulated through poor lending standards and off-balance-sheet or complex financial structures that magnified and obfuscated risks. Intervention from regulators to provide liquidity to banks should sufficiently protect the system, though financial markets will likely require the passage of time as proof.

We expect global markets will cycle through a list of potential worries, keeping volatility high in the near term. Stocks have held up surprisingly well in aggregate,

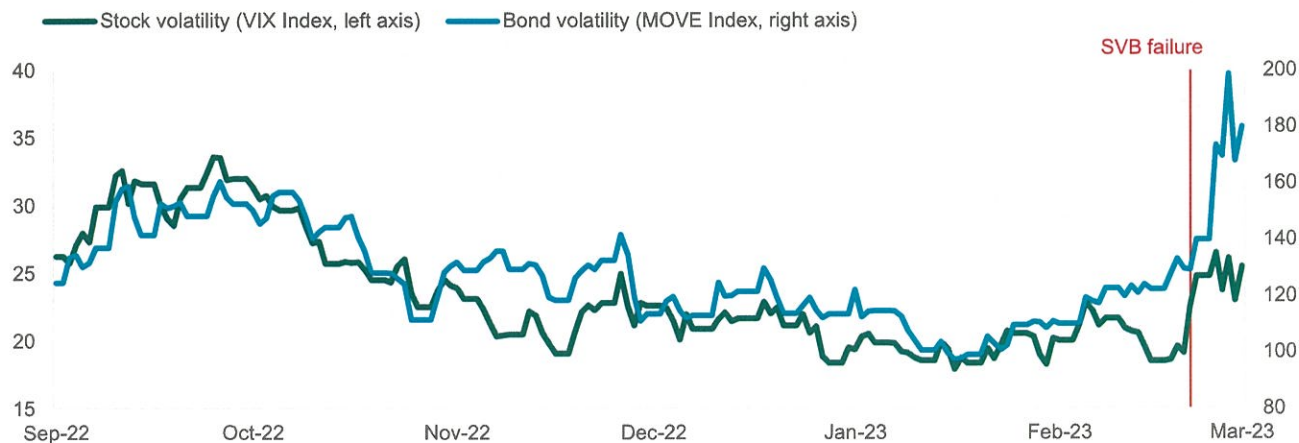
perhaps aided by the drop in rates and changing expectations regarding the path for the Fed, as it and other central banks walk the tightrope of maintaining vigilance on inflation while preserving financial stability.

The duration of this period of uncertainty will have implications on future growth and inflation – the longer this takes to resolve, the larger the drag as businesses and consumers wait out the storm. Meanwhile, the labor market remained strong in February with over 300k new jobs added while wage growth cooled. Producer prices came in lower than expected, hopefully a leading indicator of continued disinflation. In the absence of SVB’s issues, investors would likely have greeted all of this favorably.

We tilted portfolios to be slightly more defensive this month but see a restoration of market confidence as the base case. We think markets have priced in too negative an outcome in the fixed income markets, and thus kept our target weight to investment grade bonds.

### UNCERTAINTY

The SVB failure drove significant volatility in the bond markets. Stock volatility was elevated but notably more contained.



Source: Northern Trust Asset Management, Bloomberg. Silicon Valley Bank (SVB) failure on 3/10/2023. Data from 9/17/2022 through 3/17/2023.

## Interest Rates

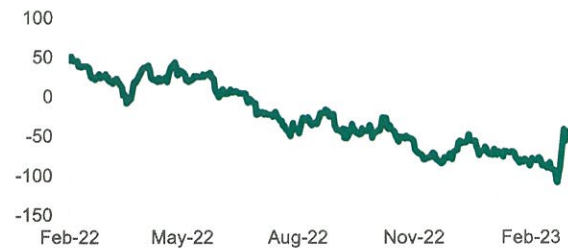
Treasury yields across the curve have been on a wild ride over the past month. Sharp swings in expectations for monetary policy have whipsawed yields at the front end of the curve. Fed Chair Powell's semi-annual testimony to Congress seemed to open the door to the possibility of a 50 basis point (bp) rate hike at the March meeting. With the failure of Silicon Valley Bank a few days later and growing concerns around contagion in the banking system, markets quickly and dramatically reduced expectations for future rate hikes. Economic data measuring inflation and the labor market have generally exceeded market expectations over that same period, preserving hopes for continued economic growth in the medium term.

The yield curve increasingly inverted over the past eight months before the magnitude of inversion reached multi-decade highs shortly after Powell's Congressional testimony. Only days later, with the rapid repricing of monetary policy, the curve steepened sharply and brought the inversion to less than 50 bps. While inversions are often closely watched as a potential recession indicator, the dramatic reversal in the magnitude of curve inversion signals – at the very least – a rapidly evolving market environment marked by elevated interest rate volatility.

## BULL STEEPENER

Front-end rates fell notably more than back-end rates.

### 10Y - 2Y TREASURY YIELD SPREAD (BPS)



Source: Northern Trust Asset Management, Bloomberg. Data from 2/15/2022 through 3/15/2023.

- While the timing is imperfect, a yield curve inversion has historically been a strong indicator of recession.
- Recent curve re-steepening was driven by decreased expectations for central bank tightening – not lower recession probabilities.

## Credit Markets

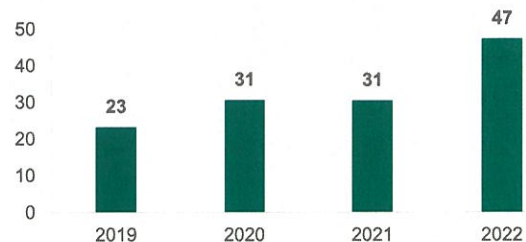
With heightened uncertainty around inflation and the extent of further rate hikes, macro volatility will likely continue to be elevated over the course of the year. As we will explain below, this presents opportunity for excess return in the less-liquid segments of the bond market. One way to identify more-liquid bonds (and, in turn, less-liquid bonds) is to find those that are present in exchange-traded funds (ETFs). The ETF-to-cash ratio is a useful tool to illustrate the importance of this in high yield. Here we define the ETF-to-cash ratio as the volume traded in high yield ETFs as a percent of the high yield market's total trading volume.

As of the end of 2022, the high yield ETF-to-cash ratio sat at 47% (see chart). While it has increased over recent years, this means that roughly half of the high yield market's trading volume still sits outside of ETFs. Put differently, a meaningful portion (~50%) of the high yield market trades in relatively less liquid and followed areas and can therefore take longer to reprice. This presents opportunity for active investors to capitalize on mispricing. Fundamental credit work and security selection is paramount to generating excess returns in the less efficient market segments – especially alongside elevated volatility.

## AN ETF CORNERING OF THE MARKET?

A growing portion of high yield trading is through ETFs.

### HIGH YIELD ETF-TO-CASH RATIO (%)



Source: Northern Trust Asset Management, Coalition Greenwich, FINRA, Activ Financial. Year-end data from 2018 through 2022.

- Bouts of financial market distress often bring asset class liquidity considerations to the forefront.
- Within high yield, less-traded securities can present alpha opportunities as they take longer to reprice.
- Liquidity conditions have held up well during recent turmoil.



## Equity Markets

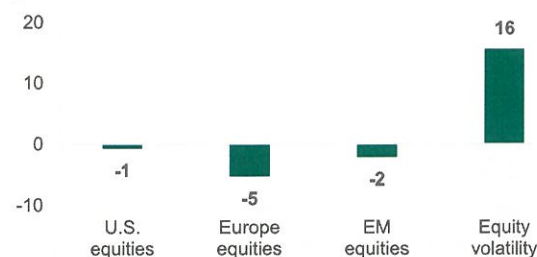
Global equities declined roughly 5% over the past month. The weakness originally reflected increased expectations for central bank tightening as economic datapoints topped expectations and threatened ongoing progress on inflation. Equities later declined on unease over the failure of Silicon Valley Bank (SVB) and broader bank turmoil. Value lagged growth as the latter benefited from the swift decline in interest rates that ensued upon the bank issues. While all major regions were down on the month, Europe led the U.S., followed by emerging markets (EM). After a strong start to the year, EM has lagged due to uncertainty on China's growth outlook beyond the reopening bounce.

The SVB collapse triggered a flood of volatility, to which equity markets were certainly exposed. However, in the context of higher volatility – and relative to meaningful fixed income movements – equity price declines were somewhat contained (see chart). The degree of the declines appears to align with our initial read of the situation; specifically that the bank turmoil likely does not represent systemic failure. However, we appreciate the fluidity of the situation and the resulting balance of both upside and downside risks. With high volatility and no major perceived dislocation in prices, we made minor changes to our tactical equity positioning.

## VOLATILITY UP MORE THAN STOCKS WERE DOWN

No true dip means no real “buy on the dip” opportunity.

% CHANGE SINCE SVB COLLAPSE



Source: Northern Trust Asset Management, Bloomberg. Data from 3/9/2023 through 3/15/2023. Equity volatility proxied by the VIX Index. Past performance is not indicative or a guarantee of future results. Index performance returns do not reflect any management fees, transaction costs or expenses. It is not possible to invest directly in any index.

- Banking system disorder sent equity market volatility higher, though not far above 2022's average level.
- Aggregate equity price declines have been contained so far, limiting any “buy the dip” opportunities.
- We are modestly underweight equities as we maintain a cautious approach to a fluid and volatile backdrop.

## Real Assets

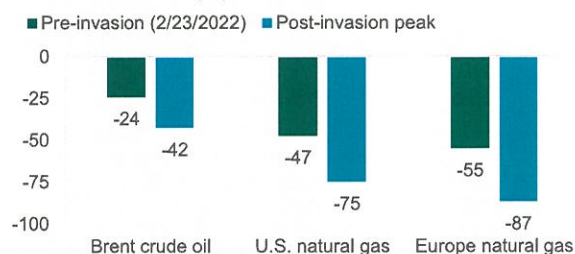
A bit over a year ago Russia commenced its (unjustified) invasion of Ukraine. At the time, concerns surrounded what the war would mean for commodity prices, specifically oil and natural gas. Most investors around at that time would no doubt be surprised by the nearby chart. Brent crude oil prices (the global proxy) is down 42% from the post-invasion peak. U.S. natural gas prices are down 75% from their peak and European natural gas prices are down 87%. A confluence of developments (and some luck) are at play: 1.) a mild winter across many parts of the world (notably Europe); 2.) a heroic effort on the part of the Europeans in filling up their natural gas reserves (currently near-record levels); and 3.) the general global economic slowdown.

Despite much lower energy prices than would have been expected (feared) a year ago, natural resources (the asset class) has performed relatively well. Since the beginning of 2022 – when Russia started to appear on investor risk case lists – natural resources are up 4% (-17% for global equity markets).

## WHO WOULD HAVE THOUGHT?

Energy prices are down materially since the invasion.

PRICE CHANGE (%) SINCE...



Source: Northern Trust Asset Management, Bloomberg. Europe natural gas proxied by Netherlands TTF natural gas futures. Invasion refers to Russian invasion of Ukraine. Data as of 3/15/2023.

- A mild winter, efficient energy usage and slower global growth have pushed energy prices meaningfully lower.
- Since the onset of Ukraine war risks, natural resources (NR) has still handily outperformed other risk assets.

## BASE CASE EXPECTATIONS

### Dented Confidence

The Silicon Valley Bank failure will likely have a small effect on the supply and demand for credit (small banks lending a bit less and borrowers showing hesitation given uncertainty) but may also have a small effect on the Fed's willingness to continue aggressive rate increases.

### Monetary Tightrope

Given concerns regarding financial stability from unexpectedly rapid rate increases, the Fed will likely resort to a slower path of monetary tightening. But inflation has remained sticky, likely necessitating further rate increases. We continue to believe the Fed is close to done raising rates, but will remain there throughout 2023.

## RISK CASE SCENARIOS

### Labor Market Durability

More persistent tightness in the labor market leads to more stubborn core inflation, necessitating an unexpected monetary policy response that is negative for financial markets.

### Debt Dislocations

Further banking fallout (a risk heightened by the steeply inverted yield curve) and/or lack of progress on a debt ceiling deal (which would likely further invert the yield curve) hurts sentiment.

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## Silver Key Foundation Board of Directors Meeting

### Meeting Minutes

Tuesday, January 17, 2023

David Lord Conference Room ~ Silver Key Campus

	Topic	Owner	Action
I.	Call to Order/Establish Quorum for Operations /Introductions	Shahera Shalabi, Chair	Call to order at 4:05 pm  In attendance - Dave Bunkers, Laurie Wood, Beatriz Arsuaga, Laura Kronick, Marie Lambert, Skip Morgan, Howard Black, Mike Rowe, Valerie Anders, Shahera Shalabi, Jason DeaBueno, Greg Broeckelman, Lauren Burrus, Steve Noblitt, Lt., Derek Wilson, Cari Karns (on Zoom), Joanne Dreher (recorder). Absent: Lynn Jones, David Lord, Dick Wilhelm, Cindy Johnson, and Steve Hunsinger
II.	Establish Quorum for Foundation/Introductions	Shahera Shalabi, Chair	Quorum established for the operations and foundation boards. Operations 9 Foundation 8
III.	Guest Speakers		<b>Guests:</b> <b>EB&amp;K Auditors presented a summary of the audit.</b> <b>Steve Post, Investment, presented a summary of the investments.</b>
III.	Changes to the Agenda	Shahera Shalabi, Chair	
IV.	Consent Items		Vote:
	A. Agenda		Operations motioned: 1 <sup>st</sup> by Howard, and 2 <sup>nd</sup> Steve N., all in favor. Foundation, motioned: 1 <sup>st</sup> by Skip, and 2 <sup>nd</sup> Greg, all in favor
	B. Minutes		Operations motioned: 1 <sup>st</sup> by Howard, and 2 <sup>nd</sup> Steve N., all in favor. Foundation, motioned: 1 <sup>st</sup> Skip and 2 <sup>nd</sup> Greg, all in favor.
V.	CEO Report	Jason DeaBueno, CEO	<b>G. Ehn case and update:</b> Jason provided the background of the case and that the result was inconclusive. Howard shared that there were disappointments with how DHS staff had handled the case. There has been training for the supervisors at DHS since. <b>Financial Challenges:</b> Jason shared that there's a gap due to the increase in clients and decrease in funding that had



			<p>ended that had been provided during COVID. The team has applied for additional funding of 1.9 million. We are currently waiting for the contract to receive the distribution of the funds. We will also be able to build back some of the funds when the apartments are complete. Donations are also less than previous years. The best way to give is through direct dollars to Silver Key. Several positions are currently not being filled and we are managing expenses carefully. We need the board to assist with marketing the private pay services: Reassurance+, Companionship, Meals, etc. Derek will send talking points and materials.</p> <p><b>2023 Silver Key Named one of the Best Workplaces by the Gazette:</b> Jason shared that we are one of the best workplaces.</p>
VI.	<p><b>Committee Reports:</b></p> <p>A. Finance B. Capital C. Executive D. Development E. Tri-Lakes F. Governance</p>	<p>A. Val Anders &amp; Dave Bunkers B. Jason D. C. Shahera D. Cari Karns E. Laura Kronick F. Howard Black</p>	<p>Vote:</p> <p>B. Ratify MHEG: CC recommends MHEG.</p> <ul style="list-style-type: none"> <li>Motion made: Laura 1st, Dave 2nd, all in favor.</li> </ul> <p>C. Ratify Legacy Bank: EC recommends Legacy Bank: Motion made: Steve N 1<sup>st</sup>, Skip 2<sup>nd</sup>, all in favor. Foundation Board decision is on pause and will be emailed.</p>
VII.	Old Business	Shahera Shalabi, Chair	
VIII.	New Business	Shahera Shalabi, Chair	<p>Vote:</p> <p>Ratify Silver Key Contingency Succession Plan: Motion made 1<sup>st</sup> by Beatiz and 2<sup>nd</sup> by Laura, all in favor.</p>
IX.	Adjourn at 5:25 pm	Shahera Shalabi, Chair	

David Lord  
Signature

7/28/23  
Date

DAVID LORD, BOARD CHAIR, JDN  
Print Name, Title