

City of Sacramento
Ethel MacLeod Hart Trust Fund Advisory Committee
Report
915 I Street Sacramento, CA 95814
www.cityofsacramento.org

File ID: 2026-00461

2/2/2026

Ethel MacLeod Trust Fund Financial Updates February 2026

File ID: 2026-00461

Location: Citywide

Recommendation: Receive and file.

Contact: Javier Rivas, Recreation General Supervisor, (916) 808-1573,
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Presenter: Javier Rivas, Recreation General Supervisor, (916) 808-1573,
jrvivas@cityofsacramento.org, Youth, Parks, and Community Enrichment Department

Attachments:

1-Description/Analysis

2-Ethel Hart Mutual Endowment Fund Quarterly Investment Report February 2026

3-Fund 2503 Financial Update

Additional Description/Analysis

Issue Detail: Financial updates for Ethel Hart Trust Fund.

Policy Considerations: Not applicable.

Economic Impacts: Not applicable.

Environmental Considerations: California Environmental Quality Act (CEQA): This action is not a project that is subject to CEQA because it is an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. (CEQA Guidelines §15378(b)(5).)

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Not applicable.

Financial Considerations: Not applicable.

Local Business Enterprise (LBE): Not applicable.

Q2 FY2026

**Ethel Hart Mutual Endowment Fund
Quarterly Investment Report
December 31, 2025**



Office of the City Treasurer - City of Sacramento

John Colville, City Treasurer

Q2 FY2026

INTRODUCTION

In 1993, Ethel MacLeod Hart left a bequest of \$1,498,719.07 to the City of Sacramento for the “.. use, enjoyment and comfort of senior citizens.” On the recommendation of the Ethel MacLeod Hart Advisory Committee a permanent endowment of \$1,000,000 was established. The balance of the bequest was retained in an operating fund account (Hart Operating Fund) and used over the next five-year period for appropriate projects. Annually the amount available for disbursement will be reported to the Board by Katie Houser, Recreation Superintendent for the Department of Youth, Parks, and Community Enrichment. The Hart Trust Endowment Fund (“the Fund”) will be invested with a growth objective. The minimum return objective over a five-year period is \$400,000 or roughly 1.96% compounded annually based on current Fund market value.

The Advisory Committee is responsible for providing advice to City staff and the City Council on the appropriate use of the Ethel MacLeod Hart Trust Fund for Senior Citizens consistent with the terms of the bequest, the interest of the donor, and the approved general guidelines. The Advisory Committee consists of seven members appointed by the Mayor. Appointees must be residents of the City and at least sixty (60) years of age. Two Advisory Committee members must be representatives of specific organizations: American Association of Retired Persons and Sacramento County Adult and Aging Commission.

STRATEGY

- * Adhere to prudent investment practices to provide for the preservation and growth of principal; and

OBJECTIVES

- * The objective for this fund is growth and capital preservation; and
- * To earn a total rate of return on the Hart Trust Endowment Fund to meet the minimum return objective of \$400,000 over subsequent five-year period; and
- * Provide liquidity for the Hart Operating Fund for the “..use, enjoyment and comfort of senior citizens” based on recommendations to City Council by the Advisory Committee.

Q2 MARKET OVERVIEW

Equities:

Equity markets fluctuated over the quarter but ended up posting gains. Markets were down in October due to the lingering government shutdown and trade worries, as President Trump pushed for tougher treatment of China. The federal government reopened in November, which helped push markets higher, even though much of the economic data from late summer through early fall was delayed or not released. Solid tech earnings and a rate cut from The Fed led to a positive December as 2025 came to a close. The S&P 500 gained 2.35% during the quarter while the Dow Jones increased 3.59%. Investors showed optimism as economic data came out over the last half of December. Growth was strong, particularly in the tech sector, headlined by companies focused on AI like Micron and NVIDIA.

Fixed Income/Rates:

Treasury yields fell across the short end of the Yield Curve and were relatively unchanged on the long end of the curve. The short end moved as The Fed cut rates twice by 0.25%, which was something markets had anticipated for quite some time. These reductions in October and December pushed yields on 6-month Treasuries from 3.84% at the end of September to 3.60% at the end of December. Over the same period, 90-day Treasuries went from 3.94% down to 3.63%. Further out on the curve, 5-year Treasury yields went from 3.74% to 3.72%, while the 10-year Treasury yield increased ever so slightly from 4.15% to 4.16%. The Fed made it clear in their language following the December meeting that future rate cuts would only happen if economic data clearly showed that they were necessary.

Economy:

Inflation moved downward during the quarter, from a little above 3.0% to 2.7%. Meanwhile, the labor market remained soft, setting up The Fed to make their rate cuts. Consumer spending rose as it always does during the holidays. For the first time since 2021, the rate of increase in wages outpaced CPI. Should this trend continue, consumer sentiment should rise through 2026. GDP was expected to reach 4.3% for the final quarter of 2025, due to robust consumer spending and our trade relationships becoming more balanced. The October trade deficit was \$29.4 billion, which is the smallest gap since June of 2009. That number is expected to continue shrinking into 2026.

International Markets:

International and emerging markets continued their advances that began during the summer of 2025. Israel and Hamas cooled their battle in Gaza, while talks took place to work toward ending the war in Ukraine. The United States increased exports all over the globe in an effort to mitigate the influence of the Chinese, particularly in the Western Hemisphere. Energy was a big focus, as the U.S. courted global energy producers and consumers to end their relationships with the Chinese, Russians, and Iranians. As a result of these conditions, the MSCI EAFE added 4.54% and the MSCI Emerging Markets gained 4.33%.

Performance vs. Benchmark:

The Ethel Hart Endowment Fund gained 1.66% during fiscal Q2 outperforming its benchmark, the iShares Select Dividend ETF (PR), which lost 0.68%.

City of Sacramento
Ethel Hart Mutual Endowment Fund
 December 31, 2025

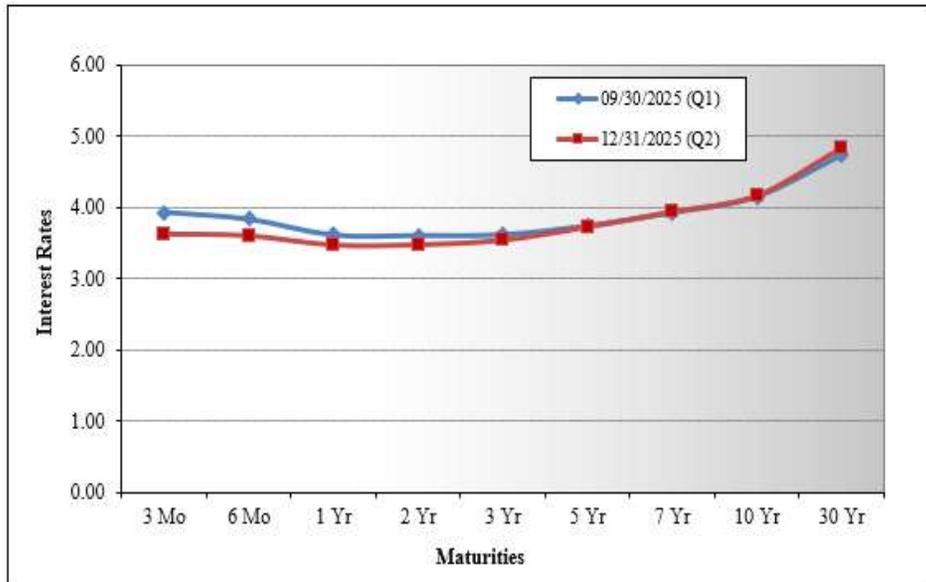
Performance

	Quarter To Date	Inception To Date	Since 06-30-2025
Account	1.66	8.63	7.09
Russell 1000 Value (Price Only)	3.30	6.40	8.28
S&P 500	2.35	8.12	10.32
iShares Select Dividend ETF Price Return	-0.68	? *	6.27

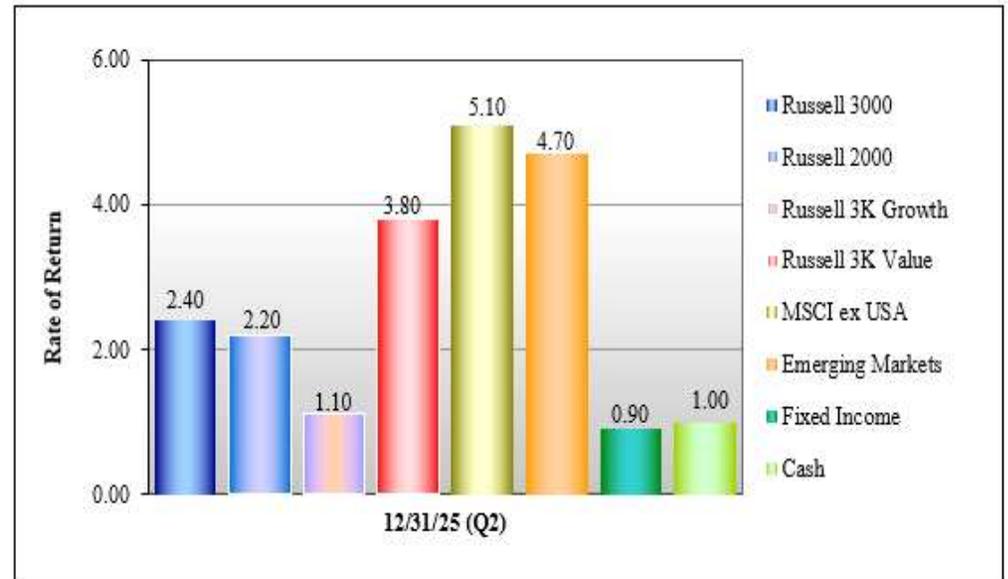
* Index commencement date was 11/30/2003



U.S. Treasury Yield Curve - QE 09/30/2025 (Q1) vs QE 12/31/2025 (Q2)



Capital Market Returns - Quarter Ended 12/31/2025 (Q2)



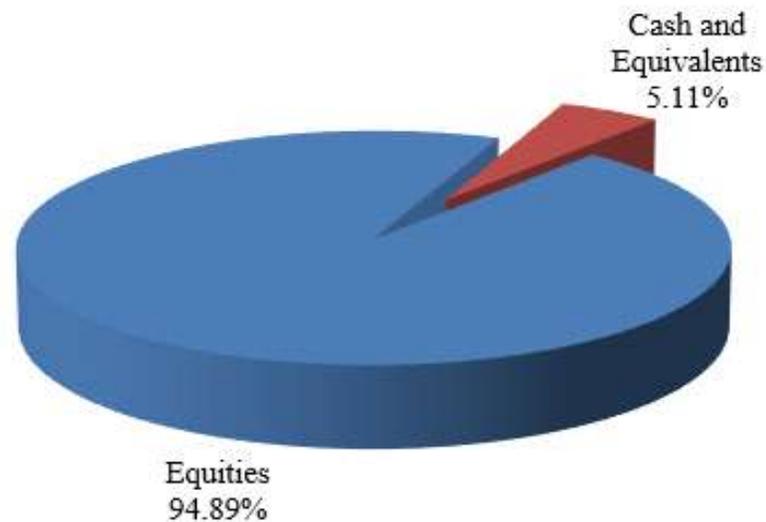
City of Sacramento
Ethel Hart Mutual Endowment Fund
 December 31, 2025

Activity

From 09-30-25 to 12-31-25

Portfolio Value on 09-30-25	4,022,194
Contributions	0
Withdrawals	0
Realized Gains	0
Unrealized Gains	36,899
Interest	1,399
Dividends	28,319
Portfolio Value on 12-31-25	4,088,812

Actual Asset Allocation



Top 10 Holdings

Securities	Market Value	Pct.
Citigroup Inc	256,718	6.28
Jpmorgan Chase & Co	241,665	5.91
International Bus Mach	222,157	5.43
Pool A Cash	201,959	4.94
Bank Of America Corp	184,250	4.51
Microsoft Corp	154,758	3.78
Apple Inc.	152,242	3.72
At&t Inc	134,136	3.28
Ishares US Technology ETF	129,792	3.17
Home Depot Inc	129,037	3.16

City of Sacramento
PORTFOLIO APPRAISAL
Ethel Hart Mutual Endowment Fund
December 31, 2025

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Cur. Yield	S & P	Bond Status	Call Put Date
CASH AND EQUIVALENTS													
	divacc	Dividend Accrual		4,431		4,431		4,431	0.11	4.00			
	miscintrec	Misc Interest Receivable		24		24		24	0.00	3.25			
	PoolA	Pool A Cash		201,959		201,959		201,959	4.94	3.25			
	intreceiv	Pool A Interest Receivable		2,430		2,430		2,430	0.06	3.25			
				<u>208,843</u>		<u>208,843</u>		<u>208,843</u>	5.11	3.27			
COMMON STOCK													
MATERIALS													
75	sols	Solstice Advanced Materia	23.91	1,793	48.58	3,643		3,643	0.09	0.00			
INDUSTRIALS													
300	hon	Honeywell	99.27	29,780	195.09	58,527		58,527	1.43	2.44	A-		
800	ip	Intl Paper Co	51.93	41,544	39.39	31,512		31,512	0.77	4.70	B-		
380	unp	Union Pac Corp Com	109.96	41,786	231.32	87,902		87,902	2.15	2.39	A		
				<u>113,110</u>		<u>177,941</u>		<u>177,941</u>	4.35	2.81			
COMMUNICATION SERVICES													
5,400	t	At&t Inc	22.25	120,163	24.84	134,136		134,136	3.28	4.47	B		
1,000	vz	Verizon Communications Inc	39.15	39,153	40.73	40,730		40,730	1.00	6.78	B		
				<u>159,316</u>		<u>174,866</u>		<u>174,866</u>	4.28	5.01			
CONSUMER DISCRETIONARY													
375	hd	Home Depot Inc	119.60	44,849	344.10	129,037		129,037	3.16	2.67	A+		
CONSUMER STAPLES													
1,100	mo	Altria Group Inc	26.65	29,317	57.66	63,426		63,426	1.55	7.35	A-		
790	ko	Coca Cola Co Com	36.12	28,535	69.91	55,229		55,229	1.35	2.92	B+		
2,000	cag	Conagra Inc Com	36.46	72,922	17.31	34,620		34,620	0.85	8.09	B+		
300	pep	Pepsico Inc	117.43	35,229	143.52	43,056		43,056	1.05	3.96	A-		
300	pg	Procter & Gamble Co	88.20	26,460	143.31	42,993		42,993	1.05	2.95	A		
				<u>192,463</u>		<u>239,324</u>		<u>239,324</u>	5.85	5.04			
ENERGY													
540	cvx	Chevron Corporation	102.80	55,510	152.41	82,301		82,301	2.01	4.49	B		
1,000	etr	Entergy Corp New Com	59.88	59,885	92.43	92,430		92,430	2.26	2.77	B		
580	xom	Exxon Mobil Corporation	83.25	48,286	120.34	69,797		69,797	1.71	3.42	B+		
1,400	oke	Oneok Inc New Com	76.09	106,527	73.50	102,900		102,900	2.52	5.61			
2,250	xle	Select Sector Spdr Tr Sbi Int-Energy	32.97	74,185	44.71	100,597		100,597	2.46	3.22			
				<u>344,393</u>		<u>448,026</u>		<u>448,026</u>	10.96	3.94			
FINANCIAL													
3,350	bac	Bank Of America Corp	44.76	149,959	55.00	184,250		184,250	4.51	2.04	B		
2,250	hrb	Block H & R Inc	20.94	47,118	43.58	98,055		98,055	2.40	3.85	A-		
2,200	c	Citigroup Inc	68.46	150,603	116.69	256,718		256,718	6.28	2.06	B-		
750	jpm	Jpmorgan Chase & Co	45.10	33,825	322.22	241,665		241,665	5.91	1.86	A-		

City of Sacramento
PORTFOLIO APPRAISAL
Ethel Hart Mutual Endowment Fund
December 31, 2025

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Cur. Yield	S & P	Bond Status	Call Put Date
1,450	met	Metlife Inc Com	46.62	67,593	78.94	114,463		114,463	2.80	2.88	B+		
1,000	pru	Prudential Finl Inc Com	81.94	81,936	112.88	112,880		112,880	2.76	4.78	B-		
2,300	xlf	Select Sector Spdr Tr Sbi Int-Finl	13.41	30,847	54.77	125,971		125,971	3.08	1.31			
2,300	usb	U. S. Bancorp	38.09	87,615	53.36	122,728		122,728	3.00	3.90	A		
				649,497		1,256,730		1,256,730	30.74	2.58			
HEALTHCARE													
880	gild	Gilead Sciences Inc	83.18	73,199	122.74	108,011		108,011	2.64	2.57	B+		
260	jnj	Johnson & Johnson	61.41	15,966	206.95	53,807		53,807	1.32	2.51	A-		
820	mrk	Merck & Co Inc (new)	45.06	36,947	105.26	86,313		86,313	2.11	3.23	B-		
660	pfe	Pfizer Inc	23.78	15,692	24.90	16,434		16,434	0.40	6.91	B+		
				141,805		264,565		264,565	6.47	3.04			
INFORMATION TECHNOLOGY													
560	aapl	Apple Inc.	22.59	12,650	271.86	152,242		152,242	3.72	0.38	B+		
750	ibm	International Bus Mach	123.42	92,568	296.21	222,157		222,157	5.43	2.27	A-		
650	iyw	Ishares US Technology ETF	11.13	7,235	199.68	129,792		129,792	3.17	0.14			
320	msft	Microsoft Corp	24.44	7,819	483.62	154,758		154,758	3.78	0.75	B+		
				120,272		658,949		658,949	16.12	1.06			
UTILITIES													
1,100	d	Dominion Energy Inc	64.67	71,132	58.59	64,449		64,449	1.58	4.56	B		
825	nee	NextEra Energy Inc Com	85.94	70,901	80.28	66,231		66,231	1.62	2.82			
600	pnw	Pinnacle West Cap Corp	47.13	28,276	88.70	53,220		53,220	1.30	4.10	A-		
2,640	xlu	Select Sector Spdr Tr Sbi Int-Utills	25.89	68,342	42.69	112,702		112,702	2.76	2.70			
				238,651		296,602		296,602	7.25	3.38			
PASSIVE INDEX													
700	dvy	Ishares Select Dividend ETF	102.98	72,086	141.14	98,798		98,798	2.42	3.65			
460	iwd	Ishares Tr Russell 1000 Val	129.47	59,556	210.34	96,756		96,756	2.37	1.69			
				131,642		195,554		195,554	4.78	2.68			
				2,137,791		3,845,238		3,845,238	94.04	2.85			
AMERICAN DEPOSITORY RECEIPTS													
ENERGY													
1,000	bp	BP Plc Sponsored Adr	42.25	42,250	34.73	34,730		34,730	0.85	5.69			
				42,250		34,730		34,730	0.85	5.69			
TOTAL PORTFOLIO				2,388,885		4,088,812	0	4,088,812	100.00	2.90			

City of Sacramento
PURCHASE/SALE AND GAIN/LOSS
Ethel Hart Mutual Endowment Fund
From 10-01-25 To 12-31-25

<u>Trade Date</u>	<u>Settle Date</u>	<u>Quantity</u>	<u>Security</u>	<u>Unit Price</u>	<u>Amount</u>	<u>Original Price</u>	<u>Gain/Loss</u>
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No transactions within the specified date range were found!

FUND 2503 ETHEL MACLEOD HART OPERATING FUND

QUARTERLY STATEMENT OVERVIEW

Total Five Year Funding Budget	\$871,580
Less expenditures - child project expenditures to date captured in sections below	\$501,628
Total Unspent Funds	\$369,952
Approved Project Total: \$701,034	Total Unallocated to Date: \$170,546

PROJECT ALLOCATIONS

I19122001 PROGRAM OUTREACH AND ACCESS FOR LOW-INCOME SENIORS			
Approved Budget	584,392.00		
Remaining Funds	188,302.78	Allocated	Expenditures to Date
Fun Pass Vouchers		90,000.00	53,553.00
Triple-R Outreach		10,000.00	7,882.00
Triple-R Sliding Scale		210,000.00	182,011.24
Meals on Wheels Expansion & Staff Support		274,392.00	152,642.98
		TOTAL EXPENDITURES:	396,089.22

I19122002 FACILITY SUPPORT & UPGRADES			
Approved Budget	37,500.00		
Remaining Funds	3,830.00	Allocated	Expenditures to Date
General Supplies		37,500.00	33,670.00
0			-
0			-
		TOTAL EXPENDITURES:	33,670.00

I19122003 SUPPORT FOR COMMUNITY LIVING			
Approved Budget	60,150.00		
Remaining Funds	1,785.00	Allocated	Expenditures to Date
Most Important Meal of the Day		24,000.00	23,250.00
Bridging Digital Divide		30,150.00	33,333.00
Hart Senior Center Parking Permit Pilot Program		6,000.00	1,782.00
		TOTAL EXPENDITURES:	58,365.00

I19122004 HEALTH & WELL-BEING			
Approved Budget	13,300.00		
Remaining Funds	5,488.00	Allocated	Expenditures to Date
		-	-
Neighborhood Walk Program		4,300.00	-
Exercise Equipment		1,500.00	312.00
Grief Support for Caregivers		7,500.00	7,500.00
		TOTAL EXPENDITURES:	7,812.00

I19122005 CREATIVE AGING			
Approved Budget	5,692.00		
Remaining Funds	-	Allocated	Expenditures to Date
		-	-
Sensory Room		5,692.00	5,692.00
		TOTAL EXPENDITURES:	5,692.00

Description / Project ID		Q1
I19122001	Fun Pass Vouchers	1,032.25
	Triple-R Outreach	
	Triple-R Sliding Scale	4,335.00
I19122002		
I19122003	Most Important Meal of the Day	2,700.00
I19122004	Iu Mien Exercise Program	
I19122005	Singers with Hart Choral Program	

