

CLIFFORD SWAN

INVESTMENT COUNSELORS

October 26, 2017

Ms. Bobbi Abram
Executive Director
Pasadena City College Foundation
1570 East Colorado Boulevard
Pasadena, CA 91106

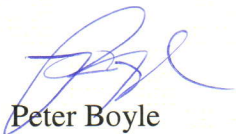
Dear Bobbi:

On behalf of our partners and the staff at Clifford Swan Investment Counselors, thank you for the opportunity to update our 2012 RFQ.

We are honored to have had this assignment for the past five years, and sincerely look forward to continuing our relationship with Pasadena City College Foundation. We have enjoyed working with your Finance and Investment Committee in supporting the long term financial strength of the Foundation and realizing your unique goals. Additionally, beyond our firm being headquartered in Pasadena, a number of us here at Clifford Swan have strong ties to the city and truly appreciate the benefits you bring to the community.

We have made every effort to be comprehensive in our responses to your questions, and welcome any additional questions or comments you may have. We look forward to the next step in your evaluation process.

Best regards,



Peter Boyle
President, Chief Investment Officer



Randy Zaharia
Director of Fixed Income and
Alternative Investments

Enclosures

WISDOM *for* GENERATIONS

177 E. Colorado Blvd., Suite 550 ♦ Pasadena, California 91105
626.792.2228 ♦ cliffordswan.com

**Proposal to
Pasadena City College Foundation**

October 26, 2017



Response by Clifford Swan Investment Counselors

Peter Boyle, Principal, President, Chief Investment Officer
P: (626) 792-2228 | F: (626) 792-2670 | pboyle@cliffordswan.com
177 E. Colorado Blvd., Suite 550, Pasadena, CA 91105

TABLE OF CONTENTS

Tab 1: Executive Summary

Tab 2: Presentation

- Section A: Firm Information
- Section B: Personnel and Firm Qualifications
- Section C: Relevant Experience
- Section D: Investment Strategy
- Section E: Reporting
- Section F: Insurance
- Section G: Fees
- Section H: Other Services
- Section I: References

Tab 3: Additional Information

- Firm Awards and Accolades
- Dedicated Team Biographies
- Professionals' Biographies
- Organization Chart
- Planned Giving Service Offering

Tab 4: Compliance and Disclosures

- Brochure (ADV Part 2A)

Tab 5: Reporting and Performance

- Sample Monthly Report
- Sample Quarterly Report
- Endowment Composite Performance

EXECUTIVE SUMMARY

Clifford Swan Investment Counselors – Firm Overview

Clifford Swan Investment Counselors (“CSIC” or “Clifford Swan”) has provided objective, professional investment advisory services and portfolio management to our clients for over 100 years, making us **the oldest Investment Counseling firm in the country.**

The founding principles of investment counseling, an industry which later spawned both investment consultants and independent investment managers, were established with these words from our firm’s and industry’s founder, A.M. Clifford:

“An Investment Counselor...should place himself in a position to consider only his client’s best interests to the exclusion of every other consideration.” A.M. Clifford, 1921

The implication of these words is the establishment of a fiduciary standard of care – the highest standard of care available in our industry. For the partners at Clifford Swan, serving our clients’ best interests is, literally, in our DNA.

How then, does an Investment Counselor differ from an Investment Consultant or an Investment Manager? In essence, Clifford Swan combines the services of both in a best practices approach to meeting our clients’ needs. **As consultants**, we take this client-centric focus and bring our collective talents and expertise into the strategic allocation of assets for each of our clients. Importantly, our consultative approach to investment management – from assessment of needs, to strategic design, to implementation of plan, to review of performance – remains objective “to the exclusion of every other consideration.” We have no products to sell, and collect no fees or commissions *of any kind* outside of those paid directly to us by our clients. We take great pains to structure our client fees in a way that is transparent to all concerned and maintains our neutrality on investment decisions.

Unlike traditional investment consultants, we are also fundamental analysts with our own proprietary research discipline. For our clients, this **investment manager** role serves two critical needs. Our research into the domestic equity and fixed income market provides the stable, “core” holdings for client portfolios. Additionally, our due diligence in researching outside managers who specialize in non-core asset classes benefits from our unique understanding of the underlying fundamentals and processes each manager brings to the table. Who better to ascertain the strengths, weaknesses, and appropriateness of an investment manager’s work than a firm who must also make similar daily decisions in the trenches of the investment markets?

As investment counselors, our service to our clients bridges these two disciplines within one client-focused team. When implementing a strategy for our clients, we always consider each unique client situation when fulfilling our fiduciary duty, utilizing external resources and internal resources where they are most effective.

We work exclusively with nonprofit organizations and financially successful families. All of our clients have two primary goals in common: 1) preservation of wealth, and 2) reasonable long-term growth to preserve the purchasing power of distributions. Managing portfolios with these goals is our expertise.

Our firm is regulated by the SEC and held to a fiduciary standard by the Investment Advisor's Act of 1940. We are also charter members of the Investment Counsel Association of America (now Investment Adviser Association), established in 1937, which provides the standards of practice for our industry.

Clifford Swan is a 100% employee-owned firm, a structure which we believe further aligns our interests with those of our clients and encourages long-term continuity and stability of our professional team.

Clifford Swan has been named to the *Financial Times* 300 Top Registered Investment Advisers list for 2014, 2015 and 2016, which recognizes top independent RIA firms nationwide, in addition to being ranked 13th in California, by size, in *Financial Advisor* magazine's 2017 ranking. In 2016, *Forbes* released a list of the 100 Fastest Growing RIA Firms and ranked Clifford Swan 51st in the nation, based on growth in assets under management over the past decade. In January 2017, *Financial Planning* magazine designated Clifford Swan Investment Counselors as a RIA Leader of 2017. For more details on our firm's accolades, please see Tab 3.

Pasadena City College Foundation – Scope of Work Overview

All matters outlined by this proposal cover services regularly provided to our nonprofit clients. All investment decisions will be made directly by Clifford Swan, while custody of assets will be placed with an outside custodian(s). As investment counselors, we believe custodians and managers of assets should be separate entities to avoid the potential for conflicts of interest and to provide for additional security. For this reason, we do not custody assets for any of our clients, but work closely with our clients and their custodians to ensure seamless management and communication.

In line with this thinking, when we began our relationship with Pasadena City College Foundation in 2012 we suggested that your banking relationship be separate from your custodian, which at the time was combined at Morgan Stanley Smith Barney. As a result, you chose Charles Schwab for custodial services and Bank of the West for a banking relationship, including checking. Keeping separate your investment management, banking, and custody relationships allows for flexibility in making future changes in any one of your providers.

It is our intent to provide our clients with enhanced professionalism in the management of their investment portfolios, not only by the quality of *our* work, but by partnering with our clients to augment the quality of *their* work. We propose to facilitate this process by providing the following services:

Scope of Work – Highlights

- Assessment and Guidance
 - As fiduciaries ourselves, we offer a consultative approach to board governance and best practices concerns, including:
 - Investment Policy Review
 - Spending Policy
 - Gift Acceptance Policy

- Primary contacts for Pasadena City College Foundation are Peter Boyle, CFA, CIC, our firm's President and Chief Investment Officer, and Randy Zaharia, CFA, CAIA®, our Director of Fixed Income and Alternative Investments. Both are principals of the firm.
 - Flexibility of solutions and responsiveness to board needs are amplified by working directly with decision-makers.
- Investment Counseling Services
 - Advising nonprofits for over 50 years, including:
 - Strategic Asset Allocation – alignment of policy with target needs
 - Customized Portfolio Implementation
 - Fundamental bottom-up proprietary research for core domestic equity and fixed income securities.
 - Open architecture for non-core asset classes to meet allocation targets; no conflicts of interest regarding recommendations.
 - Due diligence for outside managers of mutual funds for non-core asset classes.
 - Monitoring and Reporting – flexibility to meet committee, staff, and auditor needs

Pasadena City College Foundation

Response to Request for Qualifications: Investment Management Services

It is our hope that the following presentation reaffirms our commitment to achieving the goals of Pasadena City College Foundation (“PCCF”). We have organized our response to mirror your RFQ, with your questions in **red** and our responses in **black**.

A. Firm Information

1. Firm history

Founded in 1915, Clifford Swan Investment Counselors is the oldest investment counseling firm in the United States, created with the philosophy that clients’ investment interests are served best by objective, experienced advice, independent research, and a long-term perspective. We are specialists in managing portfolios with preservation and distribution requirements, working exclusively with nonprofit organizations and financially successful families. Portfolios are customized for each client, balancing the dual objectives of protecting capital and achieving long-term growth, while providing consistent, reasonable distributions tailored to client objectives.

Board members of our nonprofit clients value our consultative guidance as partners at their meetings, our flexibility in understanding and adjusting to their internal culture and processes, and the depth of our expertise in supporting the breadth of their investment programs. We have been Investment Counselors for over 100 years, worked with Endowments for over 50 years, and specialized in Charitable Trust and Gift Annuity investment and administration for over 25 years.

2. Firm organization (ownership, location of headquarters, number of offices, number of investment-related staff, related organizations)

As noted in our Brochure (ADV Part 2A), located in Tab 4, on December 11, 2015 Clifford Swan, a Limited Liability Company, became 100% employee-owned.

Clifford Swan Investment Counselors is headquartered at 177 East Colorado Boulevard, Suite 550, Pasadena, California. Our relationship with PCCF would continue to be managed through this office under the direction of Peter Boyle, CFA, who is a principal and owner of the firm, and also serves as its President and Chief Investment Officer. We have an additional office in Evergreen, Colorado.

Clifford Swan has 27 employees. Behind the longstanding individuals working with PCCF described below in Section B is a full research and investment team of 12 analysts and counselors, as well as an experienced administrative staff. Of our 16 professionals, eight have earned the Chartered Financial Analyst designation, one is a full member of the Chartered Alternative Investment Analyst Association®, and one is a Certified Financial Planner®. Please see Tab 3 for biographies of our professional staff.

3. Is your firm a Registered Investment Advisor or Broker Dealer? If no, what regulatory oversight are you subject to?

As a Registered Investment Advisor, Clifford Swan Investment Counselors is regulated by the SEC and held to a fiduciary standard by the Investment Advisor’s Act of 1940.

Beyond required regulatory oversight, we are charter members of the Investment Counsel Association of America (now Investment Adviser Association), established in 1937, which provides the standards of practice for our industry, requiring that “...neither the firm nor any affiliate, principal or employee should directly or indirectly engage in any activity which jeopardizes the firm’s ability to render unbiased investment advice...No investment counsel firm, or affiliated person of such a firm, should participate in commissions or profits derived from securities transactions carried out for its clients, nor engage in significant financial transactions with companies in which clients invest.”

In addition to the Investment Adviser Association, Clifford Swan is also closely involved with the CFA Institute, another ethics-focused, self-regulating institution whose principles we adhere to, as is reflected in our firm’s mission “to provide exceptional investment and wealth management advice to individuals, families, and institutions with objectivity, responsiveness, and utmost care,” and our vision “to be recognized as the most trusted wealth management firm in the United States.” Clifford Swan’s Code of Ethics, as outlined in our Brochure (ADV Part 2A) in Tab 4, closely mirrors the CFA Institute’s Code of Ethics.

4. Do your clients receive unique access to managers or preferred institutional pricing with third party managers?

Yes, on a case-by-case basis. As a Registered Investment Advisor, Clifford Swan has access to more favorably priced mutual fund share classes that are not available to retail investors. Additionally, as a firm with \$2.7 billion in assets under management our clients’ collective assets might—depending on their unique objectives—reach the scale needed to have access to more favorably priced share classes.

Many broker-dealers may utilize mutual funds with additional fees and, often, conflicts of interest, attached. Importantly, we are very sensitive to fees when evaluating third party managers, and, without exception, have no material interest in, potential conflicts of interest with, or receive any commissions from third party managers or funds, meaning our motivations are not misaligned in any way with selecting the investments that best fit our clients’ needs. Please refer to Section D, Question 3, for more information on our use of mutual funds or outside managers, and our preference for low-cost providers of appropriate performance and portfolio characteristics.

5. Describe your primary products and services.

Within the nonprofit market, we are specialists in both endowment investment management and planned giving investment administration. For purposes of this RFQ, we will focus our discussion on those services that support our endowment work, which include:

- The establishment and review of viable investment, spending, and gift acceptance policies with clearly stated goals and risk tolerances
- Ascertaining proper and prudent allocations to meet the needs of PCCF
- Fundamental research and security selection for core assets
- Socially responsible investing (25 years of experience)
- Determination and coordination of non-core asset class needs
- Due diligence in selecting mutual fund managers for non-core asset classes
- Portfolio reviews and performance reporting, including regular quarterly meetings
- Educational forums for board members and prospective donors.

When implementing investment policies, Clifford Swan counsels clients on asset allocation decisions and security holdings, providing objective advice on prudent plans for goal achievement. Please refer to Section D, Question 6 below for examples of asset allocation choices we have made in collaboration with PCCF. We are a direct manager of core investment assets and, where appropriate, utilize outside asset specialists for investments in areas outside of our domestic market expertise. We believe that this combination of skill sets has provided tremendous benefit to our clients by:

- Aligning all aspects of portfolio assessment – from policy to performance – under one, consistent team, eliminating costly redundancy
- Enhancing the quality of the due diligence used in selecting outside managers (who better to analyze a money manager’s work than someone who truly practices fundamental analysis on a daily basis?)
- Providing top talent and continuity at each stage of our clients’ development.

All services are inclusive in our fee proposal (please refer to Section G below) with the exception of custodial services. As Investment Counselors, we do not offer custodial services for many reasons, not the least of which is to assiduously avoid any situation that may create a conflict of interest. While neutral on the subject of choosing a custodian, for cost effectiveness and efficiency of service, we often recommend Charles Schwab or Fidelity, and have negotiated preferred rates with some banks for clients who prefer the custody services of a bank trust department.

6. Description of client base (defined by number of clients, industry and size of portfolio)

Clifford Swan works exclusively with nonprofit organizations and financially successful families. As of September 30, 2017, Clifford Swan has approximately 635 individual and family clients and 80 nonprofit clients (endowments, foundations, and other nonprofit). We manage \$2.7 billion in assets under management, with approximately 80% belonging to the first category and 20% to the second.

Our average endowment client has \$10 million in assets under management, with the range extending to \$48 million.

Within our nonprofit clients, we have a concentration in the educational and medical fields.

7. Assets under management

As of September 30, 2017, Clifford Swan oversees \$2.7 billion in assets under management.

8. Relative to the scope of services, what key strengths or competitive advantages does your firm possess? What are your disadvantages?

We begin our response to this question by referring to our Executive Summary in Tab 1, which states the case for Investment Counseling. In today's environment, we believe investment counseling provides more value than ever. It is our role as counselors to understand:

- Your current assets
- Projected sources of income
- Spending obligations and expectations
- Time-horizons for various cash flow requirements
- Investment skills amongst board and committee members
- Risk and uncertainty tolerance, and
- The current market environment...

...and to coordinate all this into a cohesive plan that satisfies your fiduciary responsibilities and supports your mission. Since very few of these elements, if any, are static, we find ourselves to be continuously, and actively, advising our clients on the most prudent path to success.

We believe Clifford Swan Investment Counselors offers a superior approach in providing active, customized solutions by aligning our organizational structure with a service model designed for flexibility and responsiveness. Specifically, every one of our nonprofit clients works directly with an investment counselor who is also a principal and owner of the firm, and the primary contact for the relationship. In addition to bringing our top talent to the front line, an obvious and valued consequence of this approach is the facilitation of decision-making and solution-finding which our clients enjoy by having a true partner sit at their table.

Our firm was founded over 100 years ago on the principle that investors need impartial expertise to mitigate risk and exposure to loss as the best means to achieve long-term objectives. Understanding how components of a portfolio are expected to perform in a changing, and often volatile, market environment is critical. For this reason, we grant direct and immediate access to our research analysts, further underscoring that we are fully transparent to our clients.

Clifford Swan is unique in that our firm has the breadth and depth of expertise to compete with comprehensive institutions, while our boutique size and personalized approach provides a level of client service that easily adapts to client-focused objectives and is responsive to changing circumstances. As mentioned earlier, we have expertise in sophisticated charitable giving strategies through our Planned Giving services. Additionally, as a fully independent employee-owned RIA, we have no conflicts and our interests are fully aligned with those of our clients.

With regard to disadvantages, one of the obstacles we face when first introducing ourselves to nonprofit boards is the size of our firm. Indeed, for our clients, our boutique service model is a

distinct advantage, and we tend to be valued by boards who are themselves personally committed to the mission of the organization they serve. However, it cannot be denied that organizations with more than \$50 million in assets tend to seek a more institutional approach to their management, with the layers of managers and fees that go with them. Additionally, our size may affect our ability to negotiate preferred pricing from third party managers relative to the potential leverage of national institutions. That said, with \$2.7 billion in assets under management, a team of 8 CFA charterholders and their partners overseeing our investment decisions, and over-100-year operating history, we bring all the critical resources necessary, including our own personal commitment, to each and every relationship we serve.

9. Describe policies in place to identify, manage and disclose conflicts of interest and maintain overall compliance with policies.

We have copied below an excerpt from our Code of Ethics, which describes our standards of business conduct:

As a fiduciary, Clifford Swan has a duty of care, loyalty, honesty, and good faith to act in the best interests of its clients. It is therefore important for associates to fully disclose all material facts concerning any conflict of interest (or appearance of a conflict of interest) which may arise with a client and to try to avoid situations that have even the appearance of conflict or impropriety. Specifically, associates must avoid:

- Favoring the interest of one client over another (e.g., larger accounts over smaller accounts)
- Competing with client trades
- Transactions with clients (e.g., selling to or purchasing from a client any security)
- Trading (either personally or on behalf of others) on the basis of material, nonpublic information, known as “insider trading”
- Participating in initial public offerings or private placements without prior approval from the Chief Compliance Officer

Our firm, as a matter of policy, complies with relevant regulatory requirements and maintains our ADV (parts I and II) on a current and accurate basis. Our Brochure (ADV Part 2A), which may be found in Tab 4, discloses any actual and potential conflicts of interest, in addition to other material information.

As a SEC registered adviser, Clifford Swan conducts an annual review of the our policies and procedures to determine that they are adequate, current and effective in view of the firm’s businesses, practices, advisory services, and current regulatory requirements. Our process includes amending or updating the firm’s policies and procedures to reflect any changes in the firm’s activities, personnel, or regulatory developments, among other things, either as part of the firm’s annual review, or more frequently, as may be appropriate, and to maintain relevant records of the annual reviews.

10. Describe your policy regarding compensations from clients.

As a 100% employee-owned RIA, the financial interests of our professionals are aligned with our goal of preserving and growing wealth for our clients. Fee-based advice is our only compensation. We are a conservatively managed LLC, and our professionals' compensation includes salary, discretionary bonus awards based upon the firm's profitability, and long-term equity ownership opportunities.

Clifford Swan adheres to a fiduciary standard of care, the highest standard in our industry, by pledging to consider the client's best interest to the exclusion of every other consideration. We have no products to sell, and collect no fees or commissions of any kinds outside of the advisory fee paid directly to us by our clients. Client fees are completely transparent and are not impacted by investment decisions. Without exception, we have no material interest in, nor potential conflicts of interest with, nor do we receive any commissions from, the securities, funds, or sub-advisors in which we chose to invest.

We also restrict our compensation from clients to our billed fees, with gifts regulated by the following policy:

Clifford Swan associates may not accept cash gifts of any amount from a client, prospective client, or any person or entity that does or seeks to do business with or on behalf of Clifford Swan. Clifford Swan associates may not receive any gift—including entertainment—with a value greater than \$500, from any client, prospective client, person, or entity that does business with or on behalf of Clifford Swan without reporting it in writing to the Chief Compliance Officer. The report must provide a detailed description and estimated amount of the gift or entertainment and the name of the donor. The Chief Compliance Officer will maintain a log of these gift reports. Any gift of more than *de minimis* value to a client or prospective client must be pre-approved by the Chief Compliance Officer.

11. Discussion of any past or present litigation or regulatory actions against your firm.

There are no regulatory actions or incidents of litigation to report.

B. Personnel and Firm Qualifications

1. Qualifications of principals and professional staff (Please specify those individuals who will be directly responsible for this account)

For PCCF, we continue to utilize the following dedicated team, which has productively partnered with PCCF for the past five years. Their biographies may be found in Tab 3. All team members are owners of the firm and based at our home office in Pasadena.

Primary Contact – Ongoing Relationship:
Peter J. Boyle, CFA, CIC, Chief Investment Officer
President, Principal, Investment Counselor

Peter has served as President of the firm since 2001 and as Chief Investment Officer since 2010. An investment counselor since 1992 when he joined the firm, Peter has an extensive background in tax and estate planning and is a valued resource to all counselors and clients in these areas.

Before joining the firm, Peter served as a Senior Trust Officer with Security Pacific National Bank. His active community involvement includes serving with the Tournament of Roses Association, as a member of the Pasadena Rotary Club, and on the Investment Committee for the Pasadena Police & Fire Pension. Peter is a member of the Twilight Club, Young Presidents' Organization, and former Trustee of Polytechnic School. He currently represents the firm's membership in the Investment Advisor Association as a board member. Peter is a graduate of the University of California, Berkeley (1987) and became a Chartered Financial Analyst (CFA) charterholder in 1993.

Randy Zaharia, CFA, CAIA®, Director of Fixed Income and Alternative Investments
Principal, Investment Counselor

Randy joined Clifford Swan in 2000 and became a partner in 2001, having worked in the financial services field since 1981. Randy has a broad background in fixed income, equity and alternatives research as well as portfolio management, spanning both the public and private sectors and encompassing the individual investor as well as the institutional trust. As a result, he brings a significant depth of knowledge and a variety of perspectives to the investment and research process.

His professional experience includes positions as Senior Portfolio Manager with First American Capital Management, Investment Analyst/Portfolio Manager with the Los Angeles County MTA, Senior Treasury Analyst for the City of Santa Monica, and Portfolio Manager/Assistant Vice President with Western Asset Management Company. He received his BS from University of Arizona (1981) and his Masters in Public Administration and Policy from California State University, Long Beach (1995). He became a CFA charterholder in 1999 and full member of the Chartered Alternative Investment Analyst Association® in 2016.

Kathleen Gilmore, CFP®, Chief Client Services Officer

Principal, Investment Counselor

Kathleen joined the firm in 2002, and serves as a portfolio manager for individuals, families, and nonprofit organizations. In 2007, Kathleen became the firm's Chief Client Services Officer, overseeing the breadth and depth of Clifford Swan's counseling services. As a Certified Financial Planner™, a designation she earned in 2006, she helps clients create a sound structure for stewardship over their assets, in addition to the investment portfolio at the core of that structure. In partnership with other Clifford Swan investment counselors, Kathleen counsels current clients on a variety of planning matters, working in concert with external professionals where appropriate.

Kathleen is a Pasadena native and graduated Phi Beta Kappa from Williams College in Massachusetts in 1983. Over the years, she has enjoyed volunteering her time at various local nonprofit organizations, including Hillside's Planned Giving Committee and Church of Our Saviour where she served as Endowment Chair and Treasurer. She is the immediate past Co-Vice Chairman of the Board at the Pacific Asia Museum, and current Long Range Planning Committee Chair and Board Director of the Town Club in Pasadena. Kathleen also serves on Pasadena Community Foundation's Professional Advisors Committee.

2. Number of years of experience in investment management

The team utilized for PCCF, which is described above in Question 1 of this section, demonstrates substantial tenure, with Kathleen Gilmore having been at the firm for 15 years, Peter Boyle for 25 years, and Randy Zaharia for 17 years. All three are principals, demonstrating their commitment to the firm. The cumulative industry experience represented in these three principals is nearly 80 years.

There has been no turnover in this longstanding team since they joined Clifford Swan, each with at least 15 years of experience working with nonprofit clients. Behind these individuals is a full research and investment team of 12 experienced analysts and counselors, as well as an experienced administrative staff.

3. Discussion of investment philosophy

Please refer to Section D, Question 1, below.

4. Discussion of your customer service philosophy

Our client service philosophy can be summed up in one phrase: customized solutions delivered by top talent backed by decades of collective experience.

Our commitment to Pasadena City College Foundation is to maximize the responsiveness and effectiveness of all communications by establishing principals and owners of our firm as the primary points of contact. By bringing our decision-makers into direct interaction with clients,

we make a long-term commitment to support your organization with a level of talent and care that will not be degraded by changes in relationship management. From a portfolio management viewpoint, as will be described in more detail in Section D below, each portfolio is tailored to the specific goals and objects of PCCF, backed by the collective expertise of our research and investment teams.

5. Overview of the roles and responsibilities of key senior staff and the professionals that will be involved with our relationship

Please refer to Question 1 in this section, above. We have also provided an organization chart highlighting these professionals and their support staff. With our flat organizational structure, our clients benefit from the collective support of our professionals and staff while maintaining a direct line of communication with their primary manager. Please refer to Tab 3 for an organization chart and biographies of our professional staff.

6. Depth of resources and number of personnel dedicated to third party investment manager research

This discipline falls under the primary leadership of three professionals in our firm: Max Pray, who leads this effort, Lloyd Wong for equities and Randy Zaharia for fixed income and alternatives. Their biographies may be found in Tab 3. As with all our investment decisions, the work of this group is presented to the investment team at large (12 members) for vetting of ideas and approval of strategies and managers. On a case-by-case basis, each counselor selects from the list of approved managers to meet individual clients' needs. Please refer to Section D, Question 3, for details of our third party manager due diligence process.

7. Resources available for investment committee and Board education

As described in the Executive Summary in Tab 1, as fiduciaries ourselves, we take a consultative approach to board governance and best practice concerns. It is important to us that PCCF's Finance and Investment Committee and Board of Trustees are counseled to make appropriate decisions with regard to policies and best management practices associated with managing the organization's endowment. Areas in which we routinely provide assessment and guidance include:

- Investment Policy Review
- Spending Policy
- Gift Acceptance Policy

We have been advising nonprofits for over 50 years, and work with investment committees to develop strategic asset allocations that align Investment Policy Statements with target needs. This is a collaborative process and we place no limits on our availability to our clients. Additionally, we have the flexibility to meet committee, staff, and auditor needs in regards to monitoring and reporting, helping our clients to be confident in their assessments of performance.

In addition to the scope of work expectations described by this proposal, we offer educational and consultative support to board members, committee members and staff. Often, our nonprofit clients use our firm to provide continuity in the face of board turnover, assisting in maintaining the strategic focus on long-term sustainability of their organization’s mission. It is not uncommon for boards and investment committees to bring together individuals with diverse backgrounds – both personal and professional. We can help establish a basis for understanding the real issues—macroeconomic, microeconomic, and governance—which can impact the goals of the organization. As fiduciaries, we “speak your language” and are most valued when our partners sit at the table with your committee to discuss pertinent issues of board governance.

We are firm believers that an informed investor is a better investor. This begins with our responsiveness to any client inquiry regarding a specific portfolio position, providing direct access to the analysts and their investment theses. On a more global level, we care deeply about promoting financial literacy. We have an educational program in which we promote financial literacy for teenagers and young adults. We are committed to educating our clients through regular educational newsletters, conference calls, seminars, and educational forums, educational events for the community at large, and ad hoc speaker engagements on a variety of financial topics. In keeping with our philosophy of flexible and tailored services, we are often asked to address specific issues for a targeted group. Our time and our expertise is included in our proposed fee schedule outlined in Section G.

C. Relevant Experience with Other Similar Not-for-Profit Organizations

1. List of your not-for-profit clients, specifically include public and private foundations

The list below includes a partial, representative selection of our nonprofit clients in Southern California and is not meant as an endorsement of Clifford Swan Investment Counselors or a testimonial regarding our services. These are clients for whom Clifford Swan manages endowment or foundation assets. Clients for whom the firm manages planned giving assets only (charitable trusts or annuity pools) are not included below. As a courtesy to our clients we ask that they not be contacted without our making prior arrangements.

Boys & Girls Club of the Los Angeles Harbor
Facey Medical Foundation
Girl Scouts of Greater Los Angeles
Glide Foundation
Hollenbeck Palms
J.W. and Ida M. Jameson Foundation
Master Trust of California
Mending Kids International
Mothers' Club Family Learning Center
New Center for Psychoanalysis
Oneonta Congregational Church
Providence Little Company of Mary Foundation
San Antonio Hospital Foundation
San Gabriel Cemetery Association
Town and Gown of USC

D. Investment Strategy and Recommended Asset Allocation

1. Investment philosophy and operational due diligence process

Philosophy

We use our firm's proprietary research to select individual securities for our core asset classes; we do not have any proprietary funds. We use an open architecture approach to select managers for non-core asset classes.

As fundamental analysts, we believe that understanding the underlying fundamentals of each opportunity for investment allows for greater control of downside risk in volatile markets while providing for long-term superior returns. This belief holds true for our "core" investment process as well as for our due diligence in selecting outside managers.

Unlike traditional consultants, we do not take an arms-length approach with our clients' money, hiring and firing money managers (who directly control the assets) based on their immediate past performance, often without regard to the long-term objectives of the portfolio. Rather, we are a direct manager of the core assets ourselves and supplement our work with other direct managers based on their investment philosophies and processes, long-term performance, and client fit. We are patient investors who do not rely upon commissions or other revenue sources to keep us focused on our clients' needs, and we like to see our investments – whether they be common stocks, bonds, or sub-advisors/mutual funds – do the work we have selected them to do over a projected period of time.

Clifford Swan is an active manager. We believe fundamental research can identify leading companies with increasing internal rates of return on investment capital. By managing diversified portfolios invested in such companies, we believe the investors will be rewarded with superior inflation-adjusted returns. As active managers, we consider and address several factors, including:

- Payout obligations of the portfolio
- Time-horizons for various cash flow requirements
- Risk and uncertainty tolerance, and
- The current market environment

These interacting considerations are best addressed by the flexibility and customization afforded by active management. Since very few of these elements, if any, are static, we find ourselves to be continuously advising our clients on the most prudent path to success. Particularly in a distributing portfolio such as yours, it is important to remember that not all securities act alike in any given market environment. Having the ability to manage on the individual company or issuer level may reduce risk and maximize performance by controlling what gets bought or sold when.

Operational Due Diligence

We take great pains at Clifford Swan to leverage the high level of experience and knowledge we bring to the table to the advantage of our clients. Individual ideas and research are

challenged in a collegial environment with the group vetting buy/sell decisions and proper valuation. Members of the team then apply these collaborative discussions to the unique circumstances of each individual portfolio they manage. The result: separately managed portfolios that collectively benefit from superior research and insight in their individual holdings.

As a registered adviser, and as a fiduciary to our advisory clients, Clifford Swan is required to obtain information as to each client's financial circumstances, investment objectives, investment restrictions and risk tolerance, among other things, and we provide our advisory services consistent with that information. There are several steps in this process, including:

1. Review of Investment Policy (at least annually) for alignment with investment goals and client philosophies, including recommendations for changes, if appropriate.
2. Investment Counselor discretion within established parameters to build portfolios to meet these goals.
3. Portfolio holdings are the result of/subject to the research and internal due diligence of the Clifford Swan investment team, and its subsets, according to areas of expertise. This applies to both individual securities and third party-managed assets.
4. Investment Counselors schedule client meetings on a periodic or client-requested basis, to review a client's portfolio, performance, market conditions, financial circumstances, and investment objectives, etc.
5. Compliance with this process is reviewed by Peter Boyle, President.

2. Process you will use for investment policies, objectives, and guidelines for Foundation portfolio. How would you involve the Foundation Finance committee in this process?

As mentioned throughout this proposal, one of our key roles as fiduciaries is to manage risk on our clients' behalf. The Investment Policy should be the defining document which guides this process by addressing essential governance issues such as roles and functions of liable entities, goals and objectives for the portfolios, and parameters of acceptable risk.

We will continue to work with your Finance and Investment Committee to bring best practices to investment and spending policies, incorporating your cultural values and mission to clarify intent and purpose of the policies. We find your current Statement of Investment and Spending Policy very comprehensive in addressing all the critical issues on our checklist.

On at least an annual basis, we will conduct a formal review with the Committee to ensure that the policy continues to provide clear and sufficient guidelines toward achieving Pasadena City College Foundation's investment objectives within a managed level of risk.

3. Research methods and resources (external and internal)

Investment Methodology

Our investment work is based on proprietary research, performed by our in-house team and focused on our “core” competencies of domestic companies and domestic issuers of bonds. For exposure to assets outside these core competencies, we use sub-advisors and/or mutual funds.

With Regulation Fair Disclosure, enacted in 2000, access to market information became available to all investors, not just Wall Street brokerage analysts, making this part of financial analysis relatively easy. It is the analysis and interpretation of this information that requires experience and skill. As a firm, we utilize many tools in facilitating our analysis, including:

- Participation in company conference calls and meetings with management
- Research from Wall Street institutions
- Bloomberg – market and company research tool
- Thomson Reuters Eikon – market and company research tool
- AFG – tool for cash flow analysis of companies
- Morningstar Direct – mutual fund research tool

These tools, and others, are utilized by our investment team in their disciplined analysis of available information for the purpose of determining appropriate opportunities for our clients.

Implementation

Domestic Market (Core Strategy)

Equity

Portfolios similar in size to your endowment funds will generally hold about 25-45 equity positions in the core equity portfolio, diversified in terms of individual securities and industry weightings. Restrictions are placed on individual positions based on a number of client-driven criteria:

- Risk tolerance
- Diversification of overall assets
- Liquidity, income requirements
- Socially responsible investing
- Legal constraints or other unique circumstances

We concentrate our research on individual companies with businesses offering the greatest opportunity for real growth in cash flow and consistent earnings that are less dependent on the business cycle. We believe astute stock selection can generate real growth in value for our clients. We focus on companies with the following characteristics:

- Superior management
- Strong financial condition
- Inflation-adjusted growth of cash flow, unit sales, earnings and, dividends
- Strongly competitive position in a growing industry

Companies with these characteristics are usually large-capitalization companies, although we may invest in mid- or small-capitalization companies, if they meet our criteria. The companies we invest in are usually U.S. companies, or if non-U.S., their stocks are traded on U.S. exchanges as American Depository Receipts (ADRs), American Depository Shares (ADSs), or Global Depository Receipts (GDRs).

We take a long-term perspective and expect to own our companies for a 3-5 year time frame. As a result, our clients' portfolios experience a low turnover rate, generally around 20% annually. A stock is a candidate for sale if we perceive deteriorating company or industry fundamentals or the stock has become substantially overvalued. We also guard against allowing a single stock that has done well to create an imbalance in a portfolio.

Fixed Income

Our fixed income research team analyzes the underlying structure of the issue and credit quality of the issuer to enhance the stability of the accounts we manage. Our fixed income investments may include U.S. Treasuries, municipal bonds (yes, even in a tax-exempt account if risk/return characteristics are appropriate), corporate, and agency bonds, depending on the income needs and risk tolerances of our clients. We focus on intermediate-term fixed income issues to minimize the potential price volatility of long-term bonds. We calculate the risk/return trade-off for alternative duration choices to maximize returns for a given level of risk.

We purchase bonds for income and lower price volatility when compared to equities, purchasing only investment grade fixed income issues. We take advantage of market inefficiencies through a disciplined selection process. Non-Treasury issues purchased for portfolios must provide a sufficient yield advantage to justify the increased risk. A bond may be sold when, in our judgment:

- Its yield spread narrows versus alternatives with comparable risk
- The sector's fundamental attractiveness declines
- Downgrade potential is increasing
- A bond with greater appreciation potential is identified.

Bonds which are downgraded or have their ratings withdrawn after purchase are not immediately sold, but reviewed individually and within the context of the portfolios in which they are held. If a downgraded bond is no longer in compliance with the investment policy, our review of this bond will involve your Finance and Investment Committee.

Non-Core Assets

To the core assets described above, we add mutual funds or outside managers, if appropriate, for non-core asset classes that support client objectives or provide added diversification.

We utilize outside investment managers for the following asset classes: international, small- and mid-capitalization stocks, opportunistic bonds, and alternative investments.

The manager selection process encompasses identification of potential managers through screening, in-depth research and due diligence of identified managers before selection, finalization of mutual fund choices, and ongoing monitoring of chosen mutual funds for performance deterioration or other red flags.

The criteria for selecting outside managers and underlying funds include:

- Appropriate style based on risk/return objectives and correlation diversification
- Low expense levels
- No load fees, no 12 b-1 fees
- Management tenure of at least 5 years
- Funds with at least a 5-year track record
- Alignment of track record with overall portfolio objectives.

The underlying philosophy behind these criteria matches that of the selection process used in our core portfolios: we take a long-term perspective and expect reasonable returns while minimizing downside exposure. We favor outside managers who take a bottom-up, fundamental approach to their research within their specialized discipline. We believe the number of mutual funds available to us as counselors precludes the need for the client to pay expensive fees to achieve their objectives.

Potential mutual fund managers may be identified by applying the following screening criteria, which may be selected for on Morningstar Direct:

- % Rank in Category (< or = 50% in 5-year period)
- Expense ratio (<1.50%)
- Not closed to new investment
- Brokerage availability (Schwab, etc.)
- Morningstar rating (3 stars or better)

A listing of funds that fit the specified search criteria is produced using Morningstar Direct. Mutual fund analysts then analyze mutual fund managers which have been identified in the screening process and narrow down choices to those managers who best meet CSIC investment criteria. Due diligence is performed using mutual fund filings, fund company materials, and Morningstar analyst reports. Further in-depth research of identified managers provides insight into which mutual funds are most suitable as investment recommendations for CSIC portfolios. These recommendations are presented to the CSIC Investment Committee for discussion and approval.

Once mutual fund choices have been finalized, our mutual fund analysts conduct ongoing outside manager oversight. The analysts provide monthly performance data and quarterly performance commentary to the CSIC Investment Committee. Mutual fund analysts will continue to monitor mutual fund investment recommendations on a quarterly basis based on criteria that include but are not limited to the following:

- Total Returns (annualized 10-year, 5-year, 3-year, 1-year, and year-to-date)
- % Rank in Category (5-year)
- Manager Tenure/Manager Changes

- Style Consistency (check for drift from stated prospectus objective)
- Downside capture
- Turnover Ratio
- Active Share
- Bloat Ratio
- Total Number of Holdings (concentration risk)
- Total AUM (whether index-like)
- Sharpe Ratio
- Standard Deviation

4. Process for continually reviewing investment policy, asset allocation and portfolio structure

Your investment policy allows for significant ranges for most asset classes. When determining where to allocate assets within these ranges, we take several factors into consideration, always with our focus on your long-term objectives. We will continue to work with the Finance and Investment Committee to ensure asset allocations reflect PCCF's evolving goals and objectives.

As with PCCF, desired targets and acceptable ranges of asset allocation should be defined in the Investment Policy Statement. Within the structure of the Investment Policy Statement, the long-term (strategic) target is managed to, but short-term (tactical) changes can be made. The portfolio is actively monitored and rebalanced as market conditions warrant.

Beyond a client's particular circumstances, asset allocation is continuously evaluated within the context of macroeconomic influences, balancing projections of economic growth, interest rates and earnings forecasts with historical observation regarding risk and relationships between assets. While we maintain a long-term perspective, we also believe that tactical opportunities, such as short-term market dislocations, could be a part of shifts in allocation within acceptable ranges.

5. Risk control process, including functions performed to ensure appropriate levels of risk are being assumed. What risk management tools and resources do you use?

An important part of our role is to help our clients establish reasonable return expectations and to maintain an appropriate level of investment risk, defined by risk of loss, in achieving a target goal. We manage this balance through security selection, diversification, and asset allocation in the portfolio. Generally, portfolios are comprised of a diversified balance of individual domestic equity and fixed income investments, along with non-core investment strategies, some of which may be tactical (short-term) in nature.

When setting risk targets, we consider the special circumstances of each client, including the following factors:

- Preservation of principal in real terms—e.g., adjusted for inflation
- Cash flow; liquidity needs
- Any legal constraints

- Acceptable level of volatility
- Time horizon
- Other circumstances

Specifically, we will continue to work with the Finance and Investment Committee to maintain strategic asset allocations within investment policy guidelines that we believe has the highest probability of achieving the desired targeted goal while taking the minimal amount of risk to principal. Monte Carlo simulations, historical data, and our current outlook for capital market return assumptions, aided by the collective experience of our counseling team, are all relevant inputs in this determination.

For purposes of illustrating this process, we discuss some key considerations in determining asset allocation in Question 6 below.

6. Recommended asset allocation and estimated annual rate of return for one, three, five and ten years (include discussion of the risk/reward spectrum for your recommendation(s))

In general, we look for allocations to any asset class to have a strategic reason for being in the portfolio that is aligned with the portfolio's long-term objectives. We often encounter portfolios which have, in fact, been over-diversified by their managers, causing the best ideas and strategic decisions to be buried in a laundry list of positions meant to "cover all bases." Over-diversification can interfere with the intentionality of the overall plan strategy.

As in our 2012 recommendation, we encourage continuing the same approach of simplification without assuming undue additional risk. We continue to believe REITs are over-valued and recommend continuing to avoid this area.

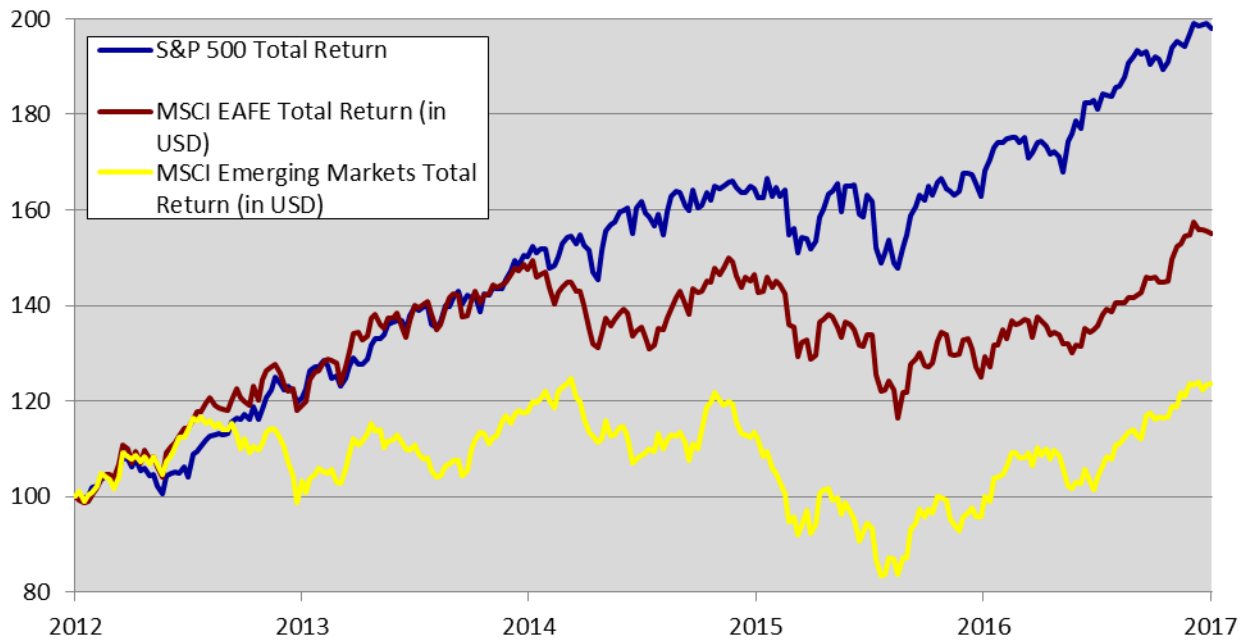
You will also note our most significant recommendation for change was in your equity allocation. In 2012, we recommended a large increase in U.S. large cap equities, which we felt provided an excellent risk/reward foundation for your portfolio and which was trading at very low multiples relevant to the last 25 years.

Additionally, we cautioned against direct international investment and instead accessing these markets via U.S. domiciled companies who conduct significant business—and realize significant revenues—from their international clientele, as well as through mutual funds.

For these reasons, we reduced, but didn't eliminate, your exposure to direct investment in international companies from developed countries, and maintained your exposure to emerging markets.

Looking back, both of these equity recommendations proved important as the Domestic Equities (S&P 500) outperformed Developed (MSCI EAFE) and Emerging International (MSCI EM) by 14.6% and 4.4% (annualized) respectively.

Domestic vs. International Developed and Emerging Equity Performance (June 2012 - June 2017)



Source: Thomson Reuters Datastream

Today, while somewhat simplistic, the valuation disparities have narrowed considerably and are now somewhat reversed, making International Equities more compelling. At this point, we would make modest adjustments towards international equities, and especially emerging markets, and away from U.S. domestic stocks.

Valuations are universally stretched. As a result, while five years ago we recommended no allocation to alternatives, we would now (as initially recommended in September 2016) look to alternatives.

Alternative investment assets have been part of institutional investment portfolios for years, but, in light of the strong stock markets of the last few years, we had allocated heavily to equities instead. In retrospect, that decision worked out successfully. Now, with valuations much higher and expected returns much more limited, we see a greater need for *rigorous* risk/return considerations. That is, risks are higher and returns appear to be lower as we look out for the next three to five years. In this situation, we believe a broad asset mix of large cap stocks, emerging markets, shorter duration bonds, and a modest allocation to a diversified mix of alternatives (commodities and a fund of hedge funds) may be an appropriate risk/return mix.

Overall, our recommendations for asset allocation and expected returns may be found in the table below. Importantly, as has been our practice, we would make these changes dynamically and in dialogue with your Finance and Investment Committee, and so expect that these initial recommendations will change with your input and better understanding of your goals and investment philosophy. While you have also asked for five and ten year return expectations, we have not projected our returns beyond the near-term, as experience tells us that the financial

markets are in a constant state of flux, requiring active management both in anticipation of, and in reaction to, worldwide financial events.

Asset Allocation and Estimated Return

Asset Allocation	Inherited Allocation (2012)	Proposed Allocation (2012)	Proposed Allocation (Current)	Expected Returns-Target Allocation	
				Three-Year	Five-Year
Cash	5.23%	5%	1%	1.5%	1.5%
Fixed Income	22.91%	25%	24%	2.0%	3.0%
Large Cap Equity	25.27%	55%	50%	6.0%	5.5%
Mid Cap Equity	8.77%	0%	0%	N/A	N/A
Small Cap Equity	7.52%	5%	5%	6.5%	5.5%
REITS	2.62%	0%	0%	N/A	N/A
International - Developed	9.87%	5%	5%	5.0%	6.0%
Emerging Markets	5.10%	5%	10%	8.0%	10.0%
Commodities/ Alternative Investments	2.89%	0%	0%	5.0%	5.0%
ETFs (all asset classes)	9.83%	0%	N/A	N/A	N/A
BLENDED TOTAL	100%	100%	100%	5.1%	5.3%

As you will note, these expected returns are lower than those we had anticipated in 2012, and PCCF's target return. As we have mentioned, we remain concerned in the short-term about the funds' ability to grow without added fundraising.

Despite these proposed targets, in the short-term we remain cautious of current valuations in the equity markets and, in keeping with your primary goal "to maintain the purchasing power into perpetuity," we may vary from our proposed current allocation.

7. Model portfolios with current one, three, five and ten year annual returns compared to relevant indices

As Investment Counselors, we build individualized portfolios for each of our clients based on their investment policy and unique objectives. That being said, we do create a composite of the endowments we manage. As endowments have no tax sensitivities, their investment management is driven by research, consultation, and target expectations. This results in our Endowment Composite representing performance of a balanced portfolio without individual tax considerations.

Please see Tab 5 for a table showing the 1-, 3-, 5-, 7-, and 10-year performance of our Endowment Composite and a chart showing our Endowment Composite performance. As you will note, our stock selection provided downside protection in every calendar year during which the S&P 500 was negative. Additionally, we have kept our fixed income durations short as a stabilizing factor, enhancing consistent income streams critical for distributing portfolios. These long-term performance characteristics are consistent with our philosophy and process.

8. Discussion of appropriate benchmarks and rationale for recommendations of changes to the investment policy

Based on the discussion in Question 6 above, we will continue to work with the Finance and Investment Committee to determine a targeted allocation for a three to five year horizon, establishing a synthetic benchmark derived from a similar allocation to appropriate passive indices. For example, using the target allocation discussed above, the benchmark would be 50% S&P 500/ 5% Russell 2000/ 5% EAFE/ 10% MSCI Emerging Markets/ 25% Bloomberg Barclays Aggregate Bond, plus the addition of 5% alternatives (e.g., Bloomberg Commodities Index; HFRI Fund of Hedge Funds Conservative).

We have no recommendations for changes to the current investment policy, only the recommendations discussed above for allocation changes within the policy ranges.

E. Reporting, Portfolio Evaluation and Review of Accounts

1. Frequency of reporting to clients (e.g.: monthly, quarterly)

We will continue producing quarterly performance and portfolio review reports, and monthly reporting for your Executive Committee meetings. Monthly custody statements are sent by the custodian, while trade notifications are provided by Clifford Swan as trades occur.

Additionally, we will continue to make ourselves available in person on a quarterly basis for Finance and Investment Committee meetings and as needed to respond to members and staff.

2. Form of your reports (please provide sample)

Our reporting is generated internally and customized to the needs of each client. Please see Tab 5 for samples of monthly and quarterly reporting provided to Pasadena Community College Foundation. We would be happy to tailor this reporting to the evolving needs of the Finance and Investment Committee.

3. Frequency of portfolio evaluation

Portfolio evaluation is an on-going and continuous process. Formal reviews with the Finance and Investment Committee will occur at least quarterly. Please refer to Section D, Question 4, above for a discussion on this topic.

4. Compliance with applicable reporting standards, including CFA Institute

Performance computations follow the same methodology for all security types. All of our performance calculations are calculated both gross and net of fees. Returns are calculated using Advent APX software. The software calculates the return figures using the following methods:

Total returns, including realized and unrealized gains plus income, are used when calculating investment performance. Dividends and other earnings are reinvested in the total portfolio. Time-weighted rates of return are used. Accrual accounting is used for fixed-income and all other securities that accrue income. Dividends are recorded on the ex-date. Accrued income is included in the market value calculation of the denominator and the numerator. Returns from cash and cash equivalents held in the portfolio are included in return calculations, and the cash and cash equivalents are included in the total assets on which the return is calculated. Portfolios are valued daily and periodic returns are geometrically linked.

Additionally, as the securities we invest in are publically traded, there is complete transparency in daily pricing.

In addition to the criteria listed above, Global Investment Performance Standards (GIPS) compliance requires the establishment of firm-wide composites. At Clifford Swan, we have chosen to maintain only one composite consisting of the endowments we manage on a discretionary basis. We have thus far forgone the considerable expense of GIPS compliance.

Although our firm does not claim Global Investment Performance Standards compliance, Clifford Swan's Code of Ethics, as outlined in our Brochure (ADV Part 2A) in Tab 4, closely mirrors the CFA Institute's Code of Ethics. As such, we are required to "act with integrity, competence, diligence, respect and in an ethical manner," and we apply this standard to our reporting.

5. Frequency of account review by your firm and willingness to meet with management to make recommendations and discuss performance

While we would expect to continue to meet quarterly with the Finance and Investment Committee to review your account, including performance, we impose no limits on our clients regarding access to their Investment Counselor and team. Indeed, as we are headquartered here in Pasadena, we have the additional service advantage of geographic proximity.

6. Timing of report after the end of a reporting period

Quarterly reports are generally available 15-20 business days after the close of a quarter. The monthly reports are generally available the Friday before your Executive Committee Meeting. Ad hoc monthly reports are also available upon request.

F. Insurance

1. Provide a listing of applicable insurance coverage maintained with relevant coverage limits

As a fiduciary, Clifford Swan carries errors and omissions (E&O) insurance. Our policy has a \$3,000,000.00 limit.

2. Provide the name of our primary insurance carrier and their related AM Best rating

Chubb, who has an A++ rating, is Clifford Swan's E&O insurance coverage provider.

G. Fees

Please include a copy of your firm's fee schedule. Indicate all fees involved for each of the services you are proposing to provide

All services provided by Clifford Swan Investment Counselors, as discussed in this proposal, are included in the pricing below. Custodial fees, transaction fees, and third party manager fees, if assessed, are priced separately (see Question 1 of this section, below).

We propose the following fee structure for Pasadena City College Foundation's Long-term Funds:

ANNUAL FEE RATE

<u>Assets</u>	<u>Annual Fee Rate</u>
First \$10 Million	0.55%
Next \$5 Million (\$10MM - \$15MM)	0.45%
Next \$10 Million (\$15MM - \$25MM)	0.40%
Above \$25 Million	0.30%

Based on your current permanently restricted and temporarily restricted assets (totaling \$24,393,000), the effective rate of the above schedule is 47 bps. This represents a 12% discount on our standard fees. As outlined above, we propose adding an additional tier to our initial and current fee schedule for assets above \$25MM. The new rate for those assets will be 30 basis points, which is a 25% reduction of the current rate of 40 basis points.

While we have proposed this in the past, should the board want to consider Clifford Swan for management of the short-terms funds – utilizing Treasury Bills, U.S. Agency Securities, Treasury Notes, and limited duration mutual funds and ETFs – we would propose the following:

<u>Assets</u>	<u>Annual Fee Rate</u>
First \$1 Million	Courtesy
Above \$1 Million	0.25%

Our fees include:

- Investment Counseling – advice and implementation (initial and ongoing);
- All Board, Finance and Investment Committee, Donor support – as appropriate;
- All Charitable Trust administration, including tax reporting (see Section H below).

1. Include a breakout of the initial and ongoing consulting fees and the custodial and management fees as a percentage of the dollar value of the assets

As mentioned in Section A, Question 5, we are generally custodian neutral, and consult with our clients about their concerns and requirements when making a recommendation regarding

the custody of their assets. As long as your custodian remains Charles Schwab, there will be no additional fees for custody and transaction fees are minimal – around \$5 per trade for equities and \$15 for bonds purchased away from Schwab. We anticipate an average of 20% annual portfolio turnover on a well-positioned account. Overall fees to Schwab for these services generally run in the hundreds of dollars per year. If in the future a bank custodian should be desired, we expect custody and transaction fees to run around \$2,000 per year in a portfolio of this size. We do not present these fees here as a percentage of assets as they are too inconsequential for such a presentation to be meaningful.

Management fees for third party managers can vary, but we re-direct you to our due diligence in this area (please see Section D, Question 3) and our preference for low-cost providers of appropriate performance and portfolio characteristics. Based on your portfolio as of September 30, 2017, the expense ratio for outside managers was 75 basis points, which adds 13 basis points to the overall fees. This is less than the 1% expense ratio and approximate 15-18 bps overall we had anticipated in our initial RFQ.

INVESTMENT FUND FEE ANALYSIS - 9/30/2017						
Fund Name	Investment Category	Assets as of 9/30/2017	Ticker	Expense Ratio	Est. Annual Expense	
Fees Paid within Fund Structure						
Investment Management Fees						
Glenmede Small Cap Equity	Domestic Equity Small/Mid Cap	\$396,158	GTCSX	0.91%	\$3,605	
iShares Russell 2000 Index	Domestic Equity Small/Mid Cap	\$370,450	IWM	0.19%	\$704	
MFS International Value	International Equity	\$1,077,961	MINIX	0.76%	\$8,193	
Matthews Pacific Tiger Fund	International Equity	\$871,974	MIPTX	0.91%	\$7,935	
Oppenheimer Developing Markets Y	International Equity	\$903,790	ODVYX	1.07%	\$9,671	
DoubleLine Total Return Bond I	Domestic F/I - Mortgage	\$482,427	DBLTX	0.48%	\$2,316	
Vanguard Inflation Protected	Domestic F/I - Inflation Protection	\$249,320	VAIPX	0.10%	249	
					<u>\$32,672</u>	
TOTALS (3rd Party)		<u>\$4,352,080</u>		<u>0.75%</u>	<u>\$32,672</u>	
TOTALS (Total Portfolio)		<u>\$24,393,000</u>		<u>0.13%</u>		Added Expense

All fees payable to Clifford Swan are included in the pricing structure at the beginning of this section, with no additional initial costs assessed.

2. Is there a minimum annual fee?

We have a minimum \$10,000 annual fee.

3. Are fees charged when there is no activity in the account?

Yes, for the following reasons, which have been discussed throughout this proposal:

- Avoidance of conflicts of interest. Activity as a means of generating fees is rarely in the client's best interests.
- Activity and accomplishment are not the same things. As explained in Section D, Question 4, our clients' portfolios are continuously monitored. Sometimes the best decision is to take no action. We are paid for our advice, even when it is to do nothing.

4. Discuss the frequency in which such fees will be evaluated and the maximum amount of any increase to be expected

We will guarantee the fee structure presented above for five years.

H. Other Services

1. Please describe any alternative or additional services that you are capable of providing that may be of benefit to the Foundation

As was briefly mentioned above, Clifford Swan also offers a turn-key planned giving investment management and administrative services program to nonprofit clients. Our planned giving service encompasses donor/development support both before and after creation of the gift; custom-tailored portfolio investment, which can be managed for tax sensitivities of the income beneficiary and/or socially responsible concerns of the trustee; and full back-office administration including tax reporting, donor distributions, and FASB accounting. All services are provided in-house by our own professionals and staff under the leadership of Ken Dike, our Executive Director of Planned Giving Services, an attorney and CPA with extensive background in this area. This specialized area is a strong core competency of ours in service to our nonprofit clients.

This same administrative team often provides sub-accounting services to our clients whose portfolios may consist of funds that have been pooled for investment purposes. Indeed, we do this for endowment funds that are used for specific purposes. We would be happy to explore additional reporting services for Pasadena City College Foundation, if appropriate.

Please refer to Tab 3 for an overview of our comprehensive planned giving services.

2. Discuss your experience in rendering such services

We have offered planned gift investment and administration since 1987, with all services provided in-house by our own professionals and staff since 1997, under the leadership of Ken Dike.

I. References

Please provide three client references, including length of time managing their assets, client name, address, phone number, and email (clients most similar to Foundation in type and size of business and similar services requested are recommended)

The following references were selected because they are similar in investment style and objectives and/or size, with overlap of team members, to the endowment of PCCF.

Gertis McDevitt
Chief Operating Officer
Providence Little Company of Mary Foundation
501 South Buena Vista Street
Burbank, CA 91505
818-847-3024
gertie.mcdevitt@providence.org

Mike Tracey
President
San Antonio Hospital Foundation, Inc.
999 San Bernardino Road
Upland, CA 91786
909-920-4964
MTracey@sarh.org

James Corwin
Chief Financial Officer
Facey Medical Foundation
15451 San Fernando Mission Boulevard
Suite 200
Mission Hills, CA 91345
818-837-5710
jcorwin@facey.com

AWARDS & ACCOLADES

Forbes

Clifford Swan Investment Counselors was named to *Forbes*' 2016 list of the 100 Fastest Growing RIA Firms, released on November 14, 2016. Clifford Swan was ranked number 51, based on growth in assets under management over ten years. To be considered for the ranking, firms must be a registered investment advisor (RIA) with the SEC, provide wealth management services and serve individual clients as their primary focus. Broker/dealers, hedge funds, those managing large funds, and firms with disciplinary disclosures were excluded.

LA Business Journal

The *Los Angeles Business Journal* named Clifford Swan Investment Counselors to their list of the top 100 Money Management Firms in L.A. County, released on May 29, 2017. Firms were listed based on assets managed.

Financial Times

Clifford Swan Investment Counselors has been recognized as one of the top 300 RIA's in the country in the *2016 Financial Times Top 300 Registered Investment Advisors*. The independent listing was produced by the *Financial Times* in June 2016 and reflected each practice's standing in six primary areas, including assets under management, asset growth, compliance record, years in existence, credentials and accessibility.



FT 300 Ranking June 2016

InvestmentNews

In their June 2017 ranking of fee-only registered investment advisory firms, *InvestmentNews* listed Clifford Swan Investment Counselors as the 100th largest RIA in the nation and the 17th largest in California. To qualify for the ranking, firms need to have at least \$100M in AUM and be registered with the SEC.

Financial Advisor Magazine

In *Financial Advisor* magazine's twelfth annual ranking of independent advisory firms, published in their July 2017 issue, Clifford Swan Investment Counselors was ranked as the 94th largest RIA in the nation and 13th largest in California. To be eligible for the ranking, firms must be independent registered investment advisors and file their own ADV statement with the SEC and provide financial planning and related services to individual clients.

Financial Planning Magazine

In January 2017, *Financial Planning* magazine designated Clifford Swan Investment Counselors as a RIA Leader of 2017. Clifford Swan was ranked number 41 out of 150 firms, based on assets under management. To be considered, firms must be an independent, fee-only RIA. To capture firms that provide holistic financial advice to individuals, only firms with more than 50% individual clients, as indicated on Form ADVs, were included. Firms affiliated with broker-dealers and insurance companies, or with substantial outside ownership stakes held by private equity firms were excluded.

CLIFFORD SWAN

INVESTMENT COUNSELORS



Peter J. Boyle, CFA, CIC

Principal, President, Chief Investment Officer

177 E. Colorado Blvd., Suite 550

Pasadena, CA 91105

Phone: (626) 792-2228

Email: pboyle@cliffordswan.com

Peter Boyle has served as President of the firm since 2001, and as Chief Investment Officer since 2010. An Investment Counselor since 1992 when he joined the firm, Peter has an extensive background in tax and estate planning and is a valued resource to all counselors and clients in these areas.

Before joining the firm, Peter served as a Senior Trust Officer with Security Pacific National Bank. His active community involvement includes serving with the Tournament of Roses Association, as a member of the Pasadena Rotary Club, and on the Investment Committee for the Pasadena Police & Fire Pension. Peter is a member of the Twilight Club, Young Presidents' Organization and Trustee of Polytechnic School.

Affiliations

- Clifford Swan Board Member
- CFA Society of Los Angeles
- CFA Institute
- Investment Adviser Association
- Board Member, Pasadena Fire & Police Retirement System
- Pasadena Tournament of Roses Association
- Pasadena Rotary Club
- The Twilight Club of Pasadena
- Young Presidents' Organization
- Trustee, Polytechnic School

Education

- University of California, Berkeley, Bachelor of Arts, Political Economy of Business Societies, 1987

Certifications

- Chartered Financial Analyst, 1993

CLIFFORD SWAN

INVESTMENT COUNSELORS



Randall L. Zaharia, CFA, CAIA®
Principal, Director of Fixed Income and
Alternative Investments

177 E. Colorado Blvd., Suite 550
Pasadena, CA 91105
Phone: (626) 792-2228
Email: rzaharia@cliffordswan.com

Randy Zaharia joined Clifford Swan in 2000 and became a partner in 2001, having worked in the financial services field since 1981. Randy has a broad background in fixed income and equity research as well as portfolio management, spanning both the public and the private sectors and encompassing the individual investor as well as the institutional trust. As a result, he brings a significant depth of knowledge and a variety of perspectives to the investment and research process.

His professional experience included positions as Senior Portfolio Manager with First American Capital Management, Investment Analyst/Portfolio Manager with the Los Angeles County MTA, Senior Treasury Analyst for the City of Santa Monica, and Portfolio Manager/Assistant Vice President with Western Asset Management Company.

Affiliations

- CFA Institute
- CFA Society of Los Angeles
- Full Member, Chartered Alternative Investment Analyst Association®

Education

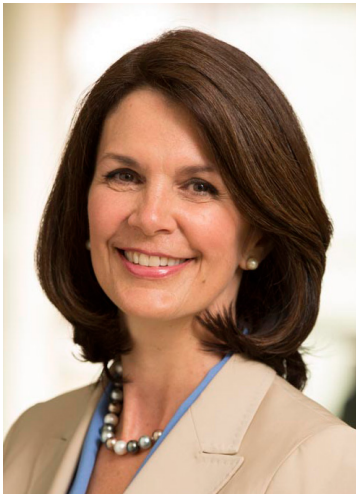
- University of Arizona, Bachelor of Science and Business Administration, Finance & Economics, 1981
- California State University, Long Beach, Master of Public Administration Specializing in Public Policy and Analysis, 1995

Certifications

- Chartered Financial Analyst, 1999
- Chartered Alternative Investment Analyst®, 2016

CLIFFORD SWAN

INVESTMENT COUNSELORS



Kathleen Gilmore, CFP®
Principal, Chief Client Services Officer

177 E. Colorado Blvd., Suite 550
Pasadena, CA 91105
Phone: (626) 792-2228
Email: kgilmore@cliffordswan.com

Kathleen Gilmore joined the firm in 2002, and serves as a portfolio manager for individuals, families, and not-for-profit organizations. In 2007, Kathleen became the firm's Chief Client Services Officer, overseeing the breadth and depth of Clifford Swan's counseling services. As a Certified Financial Planner™, she helps clients create a sound structure for stewardship over their assets, in addition to the investment portfolio at the core of that structure.

Kathleen is a Pasadena native and graduated Phi Beta Kappa from Williams College in Massachusetts. Over the years, she has enjoyed volunteering her time at various local not-for-profit organizations, including Hillside's Planned Giving Committee and Church of Our Saviour where she served as Endowment Chair and Treasurer. She is the immediate past Co-Vice Chairman of the Board at the Pacific Asia Museum, and current Long Range Planning Committee Chair and Board Director of the Town Club in Pasadena. Kathleen also serves on Pasadena Community Foundation's Professional Advisors Committee.

Affiliations

- The National Committee on Planned Giving
- Los Angeles Council of Charitable Gift Planners
- Board of Directors, Town Club
- Professional Advisors Committee, Pasadena Community Foundation
- The Twilight Club of Pasadena

Education

- Williams College, Bachelor of Arts, English, Phi Beta Kappa, 1983

Certifications

- Certified Financial Planner™, 2006

CLIFFORD SWAN

INVESTMENT COUNSELORS

PROFESSIONALS AND INVESTMENT TEAM PERSONNEL

CAROLYN S. BARBER, CFA, CIPM, CIC, joined the firm in 1996, and serves as a portfolio manager and Compliance Officer. Carolyn is a CFA charterholder and a member of the CFA Society of Los Angeles and the CFA Institute. She received her B.S. from California State University, Los Angeles, in 1985. She holds the Certificate in Investment Performance Measurement (CIPM).

PETER J. BOYLE, CFA, has served as President since 2001. A portfolio manager for over 20 years, he has an extensive background in tax and estate planning. Before joining the firm in 1992, he served as a Senior Trust Officer with Security Pacific National Bank. He currently represents the firm's membership in the Investment Advisor Association as a board member. Peter is a member of the CFA Society of Los Angeles, the CFA Institute, and Young President's Organization. He received his B.A. from the University of California at Berkeley in 1987.

JAMES R. BROWN joined the firm in 1999 as Chief Administrative Officer, bringing 28 years of administrative and accounting experience to the firm. Prior to 1999, Jim was Controller for Pilgrim Place in Claremont, a not-for-profit retirement community. Before serving at Pilgrim Place, he was Vice President and Trust Officer of Terre Haute First National Bank. Jim previously worked with the accounting firm Ernst & Ernst, where he served a wide variety of clients including not-for-profit

organizations, financial institutions, retail businesses and investment companies. Jim received his B.S. in business, with high distinction, from Indiana University in 1975.

KEVIN J. CAVANAUGH joined the firm in 2011 and has over 20 years of experience in the investment management industry. His most recent experience includes starting an investment counseling firm in County Kerry, Ireland. Prior to this, Kevin served as Chief Investment Officer of Palladian Capital Management in Los Angeles, CA, which he founded in 1998. Kevin's earlier experience includes a position as Executive Vice President of Cramblit & Carney, Inc., Los Angeles, where he managed client portfolios and performed fundamental research on equity and fixed income securities for 7 years. He began his career at CMB Investment Counselors as a research analyst and trader. Kevin holds a B.B.A. in Business Administration and an M.A. in Philosophy from Loyola Marymount University.

KENNETH H. DIKE, ESQ., CPA, joined the firm in 1997 after serving as Treasurer and Chief Financial Officer of a major Colorado non-profit institution for 15 years, and providing consulting services to various non-profit institutions. Ken oversees the administration of planned giving assets for clients and brings to the firm legal, accounting, and tax expertise on a wide range of issues including those affecting charitable remainder trusts and non-profit organizations. He received his B.B.A. from the University of Notre Dame in 1978. Ken

received his MBA in 1986 and Juris Doctor degree in 1996, both from the University of Denver.

ROGER L. GEWECKE, JR., CFA, has over 35 years of investment experience as an analyst, portfolio manager, and specialist on the Pacific Stock Exchange. His portfolio management clients include individuals, institutions, and non-profit organizations. Prior to joining the firm, Roger was a partner at Van Deventer & Hoch, and later Vice President, Senior Portfolio Manager at its successor company, Mellon Bank. A graduate of the University of Southern California in Business Administration with an emphasis in finance, Roger is a member of the CFA Society of Los Angeles, the CFA Institute, and is a course coordinator and instructor for the USC/LASFA CFA Review Program.

KATHLEEN GILMORE, CFP®, works with clients to manage their financial resources in a manner which reflects their goals, lifestyles, and legacy concerns. As a portfolio manager for individual clients, and an advisor to not-for-profit clients, she helps clients create a sound structure for stewardship over their assets, in addition to investing the portfolio which is at this structure's core. Kathleen joined the firm in 2002 and has served as the Chief Client Services Officer since 2007. A Pasadena native, Kathleen graduated Phi Beta Kappa from Williams College in 1983.

GEORGE E. HASBUN joined the firm in 2017. As an Investment Counselor, he develops portfolios targeted to help individuals and families meet their financial goals within the context of their overall financial plans. George's experience includes 15 years at Round Hill Asset Management, where he served as a portfolio

manager and research analyst. He graduated from the University of California, Berkeley in 2000 with a B.S. in Environmental Economics and Policy and a minor in Classics. A Pasadena native and resident, George enjoys spending time with his wife and three boys.

ANIL KAPOOR, CPA, CFA, is an Equity Analyst at Clifford Swan Investment Counselors. Anil began his career in public accounting at Ernst & Young before deciding to concentrate on the investment management industry. With over 20 years in the industry, he has worked as a bottom-up analyst on numerous industries within different strategies (long only, market-neutral, etc.). His professional experience includes Auditing & Assurance Business Advisory Services, Financial Analysis, and Research/Portfolio Management. Anil is a member of the CFA Society of Los Angeles and the CFA Institute. He holds a B.S. degree in Accounting from the State University of New York at Albany.

DANIEL J. MINTZ joined the firm in 2017 to conduct fundamental equity research, primarily on high-quality mid- to large-capitalized companies. He works closely with members of the research team on rendering buy/sell recommendations, creating valuation models, and conducting ongoing due diligence. Prior to joining Clifford Swan, Dan was an Investment Analyst at Holdsworth & Co., LLC. Previously, Dan held positions in equity capital markets at Collins Stewart LLC and Bank of America Merrill Lynch. He graduated from the University of California, San Diego in 2006 with a B.S. in Economics and received his MBA from the University of Southern California in 2015.

MAXWELL R. PRAY, CFA, has more than 20 years of experience in finance, equity analysis, and portfolio management. Prior to joining the firm, he served as Vice President in equity research and client services at Provident Investment Counsel. Before Provident, he worked at Trust Company of the West in equity research and at Procter & Gamble in manufacturing and finance. Max is a member of the CFA Society of Los Angeles and the CFA Institute. He holds a B.S. degree in Chemical Engineering from the University of California, Berkeley and an MBA from the University of Southern California.

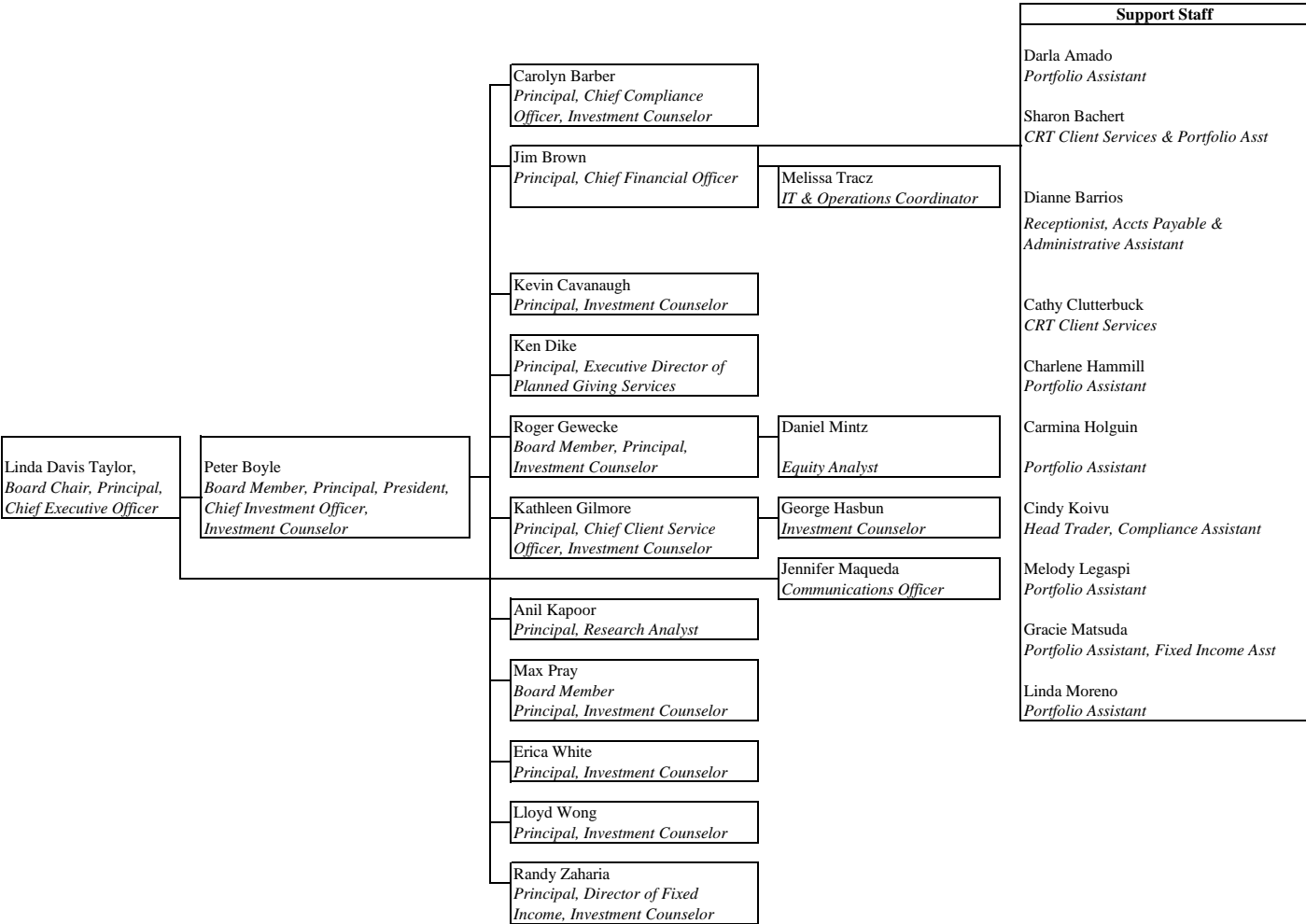
LINDA DAVIS TAYLOR is the CEO and Chairman of Clifford Swan Investment Counselors. A participant in a fourth generation family business, Linda is a frequent speaker on wealth transition, family governance, and philanthropy. In addition to her investment counsel career, she has had over twenty-five years experience in senior leadership positions at Emory University, Claremont McKenna College, Amherst College, and Scripps College. Linda has served as a trustee for numerous educational and non-profit organizations, and is a co-founder of a private foundation. She and her husband are the parents of two adult daughters.

ERICA S. WHITE, CFA, joined the firm in 2015 and works on all aspects of portfolio construction and management. She comes to Clifford Swan after filling several roles at Convexity Capital Management LP in Boston. Prior to Convexity, she was a Research Analyst at Hitachi Consulting. She graduated Phi Beta Kappa from Wellesly College with a B.A. in 2008. She is a CFA charterholder and a member of both the CFA Society of Los Angeles and the CFA Institute.

LLOYD WONG, CFA, has served clients in the financial investment industry since 1992. She joined Clifford Swan in 2004 and manages investment portfolios for individuals and institutions. Prior to joining Clifford Swan, Lloyd served as a Junior Portfolio Manager at Jess S. Morgan in Los Angeles and as a Senior Portfolio Associate at Engemann Asset Management in Pasadena. She was previously associated with J.P. Morgan Chase in Private Banking Investment Management. Lloyd is a CFA charterholder and a member of both the CFA Society of Los Angeles and the CFA Institute. She graduated from Duke University with a B.A. in Economics and French in 1983.

RANDALL L. ZAHARIA, CFA, CAIA®, joined the firm in 2000, bringing over 35 years of fixed income and equity research and portfolio management experience. Before joining the firm, he was a senior portfolio manager for First American Capital Management. Prior to First American, Randy was a portfolio manager and analyst for the Los Angeles County MTA Treasurer's office. Randy also worked for the City of Santa Monica's Treasurer's office as a senior analyst and for Western Asset Management Company as a portfolio manager. Randy received his Masters of Public Administration degree from California State University, Long Beach in 1995, and his B.S. degree in Business Administration from the University of Arizona in 1981. He is a CFA charterholder and a member of both the CFA Society of Los Angeles and the CFA Institute. He became a full member of the Chartered Alternative Investment Analyst Association® in 2016.

**CLIFFORD SWAN INVESTMENT COUNSEL, LLC
ORGANIZATION CHART**



Planned Giving Service Offering

Assist Development with Board/Vestry and Donors

- Development of a sound gift acceptance policy
- Preparation of charitable deduction calculations for donors and development officers
- Ongoing assistance in response to trustee requests and concerns, including regular investment meetings and reviews
- Available as appropriate for educational purposes, including personal meetings, seminars, or conference calls
- Explain market conditions and their impact on trust/endowment objectives
- Illustrate long-term effect of different payout rates
- Estimate annual income distributions for beneficiaries
- Assist development officers in selecting best planned giving vehicle
- Provide educational newsletters

Investment Management

- Establish viable investment policies with clearly stated goals, risk tolerances, and liquidity needs for each trust and gift annuity pool
- Strategic asset allocation including external managers, mutual funds when appropriate
- Fundamental research and security selection for core domestic holdings, outside manager due diligence for non-core asset exposure
- Efficient execution of trades; no commissions collected; no products sold; no ancillary revenues
- Socially responsible investing (20+ years of experience), if applicable
- Performance reporting

Administration

- Consolidated Activity and Ending Balance Reports
- Sensitivity analysis of present value calculations under a variety of discount and life expectancy tables
- Trust Detail Reports
- Market Value Rollforwards
- Cost Basis Rollforwards
- Pooled Income Fund Reports
- Pooled Gift Annuity Fund Reports
- Ending FASB Balance Reports
- Tax Return Preparation
- Beneficiary Distributions
- Reporting to State Agencies for Gift Annuities

Clifford Swan Investment Counselors

177 E. Colorado Blvd., Suite 550
Pasadena, California 91105

626-792-2228

www.cliffordswan.com

February 17, 2017

This Brochure provides information about the qualifications and business practices of Clifford Swan Investment Counselors. If you have any questions about the contents of this Brochure, please contact us at 626-792-2228 or info@cliffordswan.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Clifford Swan Investment Counselors is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information you may use to determine to hire or retain an Adviser.

Additional information about Clifford Swan Investment Counselors also is available on the SEC's website at www.advisorinfo.sec.gov

Item 2 – Material Changes

There have been no material changes since our last annual update of this Brochure.

Item 3 -Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes	ii
Item 3 – Table of Contents	ii
Item 4 – Advisory Business.....	1
Item 5 – Fees and Compensation.....	2
Item 6 – Performance-Based Fees and Side-By-Side Management	4
Item 7 – Types of Clients	4
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Item 9 – Disciplinary Information	8
Item 10 – Other Financial Industry Activities and Affiliations.....	9
Item 11 – Code of Ethics	9
Item 12 – Brokerage Practices	11
Item 13 – Review of Accounts	12
Item 14 – Client Referrals and Other Compensation.....	12
Item 15 – Custody.....	13
Item 16 – Investment Discretion.....	14
Item 17 – Voting Client Securities.....	14
Item 18 – Financial Information	15

Item 4 – Advisory Business

Clifford Swan Investment Counselors provides investment supervisory services and manages investment advisory accounts on behalf of clients within the greater context of our clients' wealth management needs. Clifford Swan Investment Counselors and its predecessor firms have been in business since 1915. The firm is wholly owned by its employees.

Clifford Swan provides both investment supervisory services and the management of investment advisory accounts as continuous investment counseling services. Investment advisory agreements for these services continue indefinitely, but are subject to cancellation at any time by either party. Typically provided to clients who are in need of advice on an ongoing basis, investment-counseling services include advice on structuring clients' portfolios given their unique objectives (return requirements and risk tolerance) and circumstances (time horizons, liquidity needs, and tax and legal considerations). Our firm keeps a record of our clients' investment holdings, and places transactions for clients' portfolios. Our clients also have the privilege of conferring with us upon any financial subject whenever they feel our judgment would be of assistance, including financial planning services such as retirement cash flow, funding college education, and philanthropy. We also publish an educational newsletter for our clients and other interested parties, with general advice about investing, market comments, and other financial matters.

From time to time, at our discretion, we may accept an assignment to be performed on other than a continuous basis. Our services may be engaged on a discrete assignment basis to review investment portfolios, and make recommendations thereon as we deem advisable. Our responsibility ends when the results of the review are presented to the client. Although we may support and coordinate action by the client on these recommendations, implementation of the appropriate financial strategies is performed by the client and is entirely at the client's discretion.

Clifford Swan also delivers family wealth services, assisting clients with sustaining family legacy through creation, development, and implementation of strategies for family governance, financial education, and philanthropy.

Clifford Swan also provides investment counseling and/or administrative services to charitable institutions and individuals for specialized deferred gifts (e.g., charitable remainder trusts, gift annuity funds, and pooled income funds). These administrative services include effecting periodic benefit distributions, tax reporting, management reporting and other ancillary requirements designed to provide a full service arrangement.

All our advisory services are offered in the context of the client's unique circumstances, and tailored to address target returns, income needs, tax concerns, risk tolerances, etc., as described

above. We generally work with our clients to establish broad policy guidelines for investments, suitable or unsuitable, for their portfolios. Any limitations on discretionary authority are discussed with clients and documented in our client files and/or databases.

Both discretionary and non-discretionary clients may impose restrictions on investing in certain securities or types of securities (e.g., socially responsible investing), or may indicate that a particular held security is not to be sold. Some of our clients have limited our discretionary authority on purchases by specifying certain companies or industries in which we may not invest their funds. Other clients have specified the maximum percentage of their total portfolio that may be invested in any one company or industry.

In some cases, it has been the client's expectation that purchases or sales of securities will be discussed with the client prior to placing the trade, even though Clifford Swan has been granted investment discretion and trading authorization. Wherever practical, trades for these clients will be aggregated with fully discretionary trades to obtain more favorable execution. However, it is possible that trades for these clients may have to be executed separately from trades for other purely discretionary clients, which may result in the trades being completed at a higher or lower price from other accounts.

Assets Under Management as of 12/31/2016

\$1.916 Billion Discretionary Basis

\$ 553 Million Non-Discretionary Basis

\$2.469 Billion Total Assets Under Management

Item 5 – Fees and Compensation

Investment advisory fees for investment counseling relationships (“Investment Counseling Fees”) are generally based upon the market value of assets under management. The schedules shown below apply to new clients. Fees may be negotiated, taking into account factors including: (1) the amount of capital involved; (2) the amount of time required including frequency and location of meetings; (3) the responsibilities we assume; and (4) other relevant circumstances. After careful consideration of these factors, we are then in a position to quote what we consider to be a fair and reasonable fee; and the prospective client is under no obligation unless and until he or she accepts whatever proposal we make. The minimum Investment Counseling Fee is \$10,000 per annum (which may be modified under extenuating circumstances).

Investment Counseling Fee Schedules

For equity and balanced accounts

Managed Assets	Annual Fee Rate
The first \$2mm	1.00%
The next \$3mm (\$2mm - \$5mm)	0.75%
The next \$10mm (\$5mm - \$15mm)	0.50%
The next \$10mm (\$15mm - \$25mm)	0.40%
Assets above \$25mm	0.30%

For a fixed-income only relationship, our fee schedule is negotiable, starting at 0.40% on the first \$2.5 million.

For deferred giving vehicles that require investment management and administrative services, the following base schedule applies. Additional services, such as work to reconstruct or review historical records will be quoted at an hourly rate, discussed below, based upon the work required.

Managed Assets – Charitable Trusts, Gift Annuity Investment Pools, and Pooled Income Funds

Annual Fee Rate	
The first \$5mm	1.00%
The next \$5mm (\$5mm - \$10mm)	0.85%
The next \$10mm (\$10mm - \$20mm)	0.75%
Assets above \$20mm	0.65%

Special Asset Classes

0.35% on special asset classes within trusts or investment pools

For new clients, fees are charged quarterly, in advance. Existing clients' fee and billing schedules may vary from those listed above. Clients may elect to have investment management fees deducted from their managed accounts, or may elect to be billed by Clifford Swan.

All agreements for supervisory and advisory services are subject to cancellation at any time and by either party, with the fees prorated to the date of termination. There are no cancellation charges. In the event the client has prepaid fees, any unearned, prepaid fee will be refunded upon cancellation.

Discrete Assignment Fee: This type of fee is charged for specific assignments we may accept from time to time. See Item 4—Advisory Business for a description of these services. The fees are calculated taking into account the same four (4) factors as in Investment Counseling Fees above. Generally, however, fees are charged at the rate of 1.0% of the amount of assets involved or \$250 per hour.

Family Wealth Services Fee: Fees are negotiated on a project basis and charged quarterly in arrears. See Item 4—Advisory Business for a description of these services.

Other Fees:

Transaction & Custody Fees: Clients will incur brokerage and other transactions costs, which are not paid to Clifford Swan. See Item 12—Brokerage Practices. In addition, custodians may charge clients custody fees and transaction fees, which are not paid to Clifford Swan.

Fund Fees: Clients owning mutual fund or Exchange-Traded Fund (ETF) shares monitored by our firm pay Clifford Swan an advisory fee which is in addition to any fees that may be charged by the fund company. All fees paid to Clifford Swan for investment advisory services are separate and distinct from fees and expenses charged by mutual funds and ETFs directly to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund or ETF directly, without the services of Clifford Swan. In that case, the client would not receive the services provided by our firm that are designed, among other things, to assist the client in determining which mutual funds or ETFs are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by Clifford Swan to fully understand the total amount of fees being paid by the client and thereby evaluate the advisory services being provided.

Item 6 – Performance-Based Fees and Side-By-Side Management

Clifford Swan does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

We provide investment supervisory services and manage investment advisory accounts for individuals, high net worth individuals, charitable institutions, foundations, endowments, private corporate pension and profit-sharing plans, and other corporations and businesses.

In general, our minimum annual fee structure drives a minimum client relationship size of \$1 million in liquid, actively managed assets. See Item 5—Fees and Compensation.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Clifford Swan structures each client's portfolio based upon the unique objectives and circumstances of the client. While a client may have an all equity portfolio or a fixed-income only portfolio, most of our clients have balanced portfolios, invested in equities and fixed-income securities.

Methods of Analysis—Equity Investing

We believe fundamental research can identify leading companies with increasing internal rates of return on invested capital. By managing diversified portfolios invested in such companies, the patient investor should be rewarded with superior inflation-adjusted returns.

We concentrate our research on individual companies with businesses offering the greatest opportunity for real growth in cash flow and consistent earnings that are insulated from the business cycle. We believe astute stock selection can generate real growth in per-share value for our clients. We focus on companies with the following characteristics:

- Superior management
- Strong financial condition
- Inflation-adjusted growth of cash flow, unit sales, earnings and dividends
- Strongly competitive position in a growing industry

Companies with these characteristics are usually large-capitalization companies, although we may invest in mid or small-capitalization companies, if they meet our criteria. The companies we invest in are usually U.S. companies, or if non-U.S., their stocks are traded on U.S. exchanges as American Depositary Receipts (ADRs), American Depositary Shares (ADSs) or Global Depositary Receipts (GDRs).

Methods of Analysis—Fixed-Income Investing

Our fixed income research analyzes the underlying structure of the issue and credit quality of the issuer to enhance the stability of the accounts we manage. Our fixed-income investments may include U.S. Treasuries, municipal bonds, corporate and agency bonds, depending on the income needs and risk tolerances of our clients. We focus on intermediate-term fixed-income issues to minimize the potential price volatility of long-term bonds. We calculate the risk/return trade-off for alternative duration choices to maximize returns for a given level of risk. Duration is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates.

Outside Investments (not directly managed by Clifford Swan Investment Counselors)

Where we believe asset classes outside our in-house expertise are appropriate for client portfolios, we may use mutual funds or exchange traded funds for this purpose. In these cases, we utilize manager publications as well as third-party research tools to analyze these investments. While not exhaustive, some of the considerations we use to evaluate mutual funds are:

- No upfront placement or sales fees other than traditional commissions
- No deferred sales charges
- Low total expenses
- Little or no 12b-1 fees (in the case of mutual funds)
- Fund inception date at least 5 years
- Performance rank relative to other similar investments

See Item 5 – Fees and Compensation for additional information about the costs of mutual fund and ETF investments.

Investment Strategies

We apply various screens to focus our selection of equity and fixed-income instruments on those most attractive for clients' portfolios. We purchase securities for the long term and apply established disciplines to determine if and when replacements are necessary. In constructing portfolios, we diversify in terms of individual securities and industry weightings.

A stock is a candidate for sale if we perceive deteriorating company or industry fundamentals or the stock is becoming substantially overvalued. We also strive not to let a single stock that has done well create an imbalance in a portfolio. We will work to reduce the size of a position, taking into consideration any tax consequences, and reinvest the proceeds in diversified holdings.

We purchase bonds for income and lower price volatility when compared to equities, purchasing only investment grade fixed-income issues. We take advantage of market inefficiencies through a disciplined selection process. Non-Treasury issues purchased for portfolios must provide a sufficient yield advantage to justify the increased risk.

A bond may be sold when, in our judgment:

- Its yield spread narrows versus alternatives with comparable risk
- The sector's fundamental attractiveness declines
- Downgrade potential is increasing
- A bond with greater appreciation potential is identified

Bonds which are downgraded or have their ratings withdrawn after purchase are not immediately sold, but reviewed individually and within the context of the portfolios in which they are held. They are sold if the circumstances warrant such action.

An important part of our role is to assist clients to establish a growth expectation and maintain an appropriate level of investment risk, recognizing that over the long term the expected return will be commensurate with the risk assumed.

We counsel clients to establish an appropriate level of risk given the client's profile and then manage that risk level through asset allocation in the portfolio, and through security selection and diversification. Our rigorous screening of securities is intended to avoid highly volatile equity investments. When setting risk targets, we consider the special circumstances of each client, including the following factors:

- Preservation of principal in real terms—e.g., adjusted for inflation
- Level of current income needed
- Tax considerations
- Any legal constraints
- Minimum liquidity requirements
- Acceptable level of volatility
- Time horizon
- Other circumstances

With these considerations in mind, an investment counselor constructs and monitors a portfolio tailored to the needs of each client. As a client's circumstances change over time, we adjust the portfolio to meet the new objectives.

Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. Clients' portfolios' performance could be hurt by:

- Issuer risk. Securities held in clients' portfolios may decline in value because of changes in the financial condition of, or events affecting, the issuers of these securities.
- Management risk. Our firm's opinion about the intrinsic worth of a company or security may be incorrect, and we may not make timely purchases or sales of securities.
- Equity risk. Equity securities generally have greater price volatility than fixed-income securities.
- Market risk. Stock prices may decline over short or extended periods due to general market conditions.
- Liquidity risk. We may not be able to sell a security in a timely manner or at desired prices.
- Non-U.S. issuer risk. Foreign investments tend to be more volatile than domestic securities, and are subject to risks that are not typically associated with domestic securities. For example, such investments may be adversely affected by changes in currency rates and exchange control regulations, unfavorable political and economic developments and the

possibility of seizure or nationalization of companies, or the imposition of withholding taxes on income. Foreign markets tend to be more volatile than the U.S. market due to economic and political instability and regulatory conditions in some countries.

- Interest rate risk. Fixed-income security prices may decline due to rising interest rates. Fixed-income securities with longer maturities tend to have higher yields and are generally subject to potentially greater volatility than obligations with shorter maturities and lower yields.
- Credit risk. A security's price may decline due to deterioration in the issuer's financial condition, or the issuer may fail to repay interest and/or principal in a timely manner.
- Call risk. During periods of falling interest rates, issuers of callable bonds may repay securities with higher interest rates before maturity. This could cause the portfolio to lose potential price appreciation if it reinvests the proceeds at lower interest rates.
- Mortgage and asset-backed securities risk. Early repayment of principal (e.g., prepayment of principal due to the sale of the underlying property, refinancing, or foreclosure) of mortgage-related securities (or other callable securities) exposes the portfolio to a potential loss on any premium to face value paid and to a lower rate of return upon reinvestment of principal. In addition, changes in the rate of prepayment also affect the price and price volatility of a mortgage-related security. Securities issued by certain U.S. government sponsored entities (GSEs) (such as the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac)) are not issued or guaranteed by the U.S. Treasury. In the event that these GSEs cannot meet their obligations, there can be no assurance that the U.S. government will continue to provide support, and the portfolio's performance could be adversely impacted.
- Municipal bond risk. U.S. state and local governments issuing municipal securities held by the underlying funds rely on taxes and revenues from private projects financed by municipal securities to pay interest and principal on municipal debt. The payment of principal and interest on these obligations may be adversely affected by a variety of factors at the state or local level, including poor statewide or local economic results, changing political sentiments, legislation, policy changes or voter-based initiatives, erosion of the tax base or revenues of the state or one or more local governments, natural disasters, or other economic or credit problems.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm or the integrity of our firm's management. Clifford Swan has no events to report. Our firm and its personnel have had no legal or disciplinary events, no criminal or civil actions, and no administrative proceedings before the SEC, any other federal or state regulatory agency, or any foreign financial regulatory authority.

Item 10 – Other Financial Industry Activities and Affiliations

Clifford Swan Investment Counselors is an independent firm, solely engaged in the investment advisory services described in Item 4 – Advisory Business. The firm is not affiliated with any other financial firms.

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Our firm has adopted a Code of Ethics for all supervised persons, describing our high standard of business conduct, and fiduciary duty to its clients. Our clients or prospective clients may obtain a copy of our Code of Ethics at any time, by contacting Carolyn Barber, Chief Compliance Officer.

Code of Ethics

All principals, officers, directors and employees of Clifford Swan Investment Counselors shall:

- Act with integrity, competence, diligence, respect and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets.
- Place the integrity of the investment profession, the interests of clients, and the interests of our firm above their own personal interests.
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on themselves and our firm.
- Comply with all applicable federal securities laws.
- Read and abide by our Personal Trading Policies and Procedures.
- Protect the privacy of our clients.
- Promptly report any violations of our Code of Ethics to the Chief Compliance Officer.

Participation or Interest in Client Transactions

It is Clifford Swan Investment Counselors' policy that the firm will not effect any principal or agency cross securities transactions for client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

Cross Trading of Fixed-income Securities

When bonds are sold from one client account, they may be considered for inclusion in another client account. If the security is deemed suitable for another account to purchase, a cross trade pricing level is obtained from an independent broker and if the broker provides a bid that is within our minimum bid and maximum asked prices, the transaction is then executed or crossed between the accounts, with transaction fees split equally between both accounts. All fixed-income cross trades are reviewed quarterly by our firm's Best Execution Committee.

Personal Trading

Employees of Clifford Swan Investment Counselors are required to abide by the firm's written Personal Trading Policy and Personal Trading Procedures. Clifford Swan and/or its employees may and do own the same securities we recommend to clients. To ensure that our clients' interests are placed before our own, and to eliminate any appearance of conflict of interest or self-serving activity that may result from our personal investment efforts, our firm has developed the following procedures:

- No equity transaction in employee-related accounts will be aggregated with clients' transactions for purposes of block trading.
- Whenever both client and employee-related trades for the same security have been approved and are pending at the same time, discretionary clients' trades will be placed first. It is possible that employees may obtain a better price than clients.
- Employees must receive documented approval before placing trades for individual securities, and must refrain from trading any securities that our Investment Committee is considering buying or selling on a firm-wide basis, so that transactions may be made for clients before they are made for personal accounts. In addition, employees are required to report all personal transactions on a quarterly basis and report all personal securities holdings annually.

Because the Code of Ethics permits employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Our written procedures regarding employee personal trading are intended to prevent or mitigate any conflicts of interest between Clifford Swan Investment Counselors and its clients.

Item 12 – Brokerage Practices

It is our policy, consistent with investment considerations, to seek a favorable combination of best net price and execution for brokerage orders under the circumstances. Most favorable execution is a combination of commission rates and prompt, reliable, quality execution. In placing trades for discretionary accounts, commissions must be in line with those charged by the industry in general. They need not be the lowest, provided that: (a) the broker gives excellent execution, especially on difficult trades OR (b) the broker renders other important services.

We will recommend one or more broker-dealers to clients, for brokerage and custody services. These broker-dealers are not affiliated with our firm. Our criteria for such recommendations are based upon (1) the financial strength of the brokerage firm; (2) the quality of services rendered, and (3) commission rates.

Clifford Swan receives certain services from broker-dealers with whom we do business. These services are **not** contingent upon our firm committing any specific amount of business (assets in custody or trading commissions) to the broker-dealer. These services include access to both proprietary research and third party research; the use of software that provides access to client account data (such as trade confirmations and account statements), facilitates trade execution and allocation of aggregated trade orders to multiple accounts, provides securities' pricing, and facilitates payment of our investment management fees from clients' accounts.

We have established a system of tracking the commission dollars paid by our clients to each brokerage firm. Our Best Execution Committee regularly reviews such commissions to make sure that they are consistent with the basis of their value to our clients in terms of execution capability, size of commission, and services rendered.

Orders for accounts over which we have complete discretionary authority are aggregated (block traded) where possible with a view to obtaining lower trading costs. We also seek negotiated commission discounts from brokers we utilize, including those firms that furnish us other services such as research.

Our policy is generally to place trades in the following order: (1) as approved by portfolio manager; (2) by security type, usually placing common stock trades first, using software to electronically send common stock trades to the specific brokerages and (3) directed brokerage trades are usually placed after non-directed trades.

On any given day, if equity trades to be placed through our two largest brokerage relationships are approved at substantially the same time, the trader will look at the firm's trade rotation calendar to see where to place the trades first.

Clients have various directed brokerage options, including utilizing the services any firm generally recommended by Clifford Swan to provide custody and execution services for clients, or any other broker that the client directs us to use. Clients who direct us to use a broker other than those we generally recommend may incur extra costs or suffer disadvantages, because they may pay higher commissions in certain transactions, or they may receive less favorable executions of some transactions, or both. In addition, a client that directs brokerage may not be able to participate in aggregated trades. In determining whether to direct us to utilize a particular broker or dealer, clients may wish to compare the costs or disadvantages of such an arrangement with the value of the custodial or other services they receive.

Item 13 – Review of Accounts

Review of clients' accounts is a continuous process. Our Investment Committee conducts ongoing and systematic reviews of the securities we use to construct our clients' portfolios. See Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for information on the review process.

Investment counselors use the firm's evaluation of securities and apply their judgment as to the appropriate holdings for each client's portfolio. Portfolio reviews with clients take place in face-to-face meetings or phone calls, scheduled on either a regular basis or as-requested basis, during which the investment counselor assigned to the account may review the client's portfolio, performance, financial circumstances, investment objectives and general market conditions.

Our clients' accounts are reconciled to their custodians' records monthly. We deliver written portfolio appraisals to our clients at least quarterly. Our appraisals show the portfolio holdings, cost basis, asset allocation, and estimated annual income. Clients also receive our newsletter with articles discussing investment topics, on a periodic basis.

Item 14 – Client Referrals and Other Compensation

Our firm may compensate former employees for client referrals in accordance with Rule 206(4)-3 of the Investment Advisers Act of 1940. The compensation we will pay to such parties is generally based upon a percentage of the revenue received by Clifford Swan as a result of the referral. Clients referred to us under these arrangements are billed at our normal fee schedule, and are asked to read and sign a disclosure statement describing the referral compensation agreement. See Item—5 Fees and Compensation for our fee schedule.

We may recommend that certain of our clients retain San Pasqual Trust—an independent private trust company not affiliated with Clifford Swan Investment Counselors—to provide trust services. Clifford Swan’s CEO has invested in a private equity offering of San Pasqual Trust and serves as a Director of that firm. It is possible that our firm may be offered the opportunity to serve as an underlying investment manager in an advisory program offered by that trust company to its clients.

From time to time, clients may need services that are outside the scope of the investment counseling services provided by our firm (e.g., legal counsel, accounting, or insurance advice) and may ask us for a referral. We may refer our clients to third parties, including persons or entities that provide professional services directly to our firm. These providers may also refer clients to us, when their clients need the types of services we provide. We do not receive or pay fees for such referrals.

Clients have no obligation to engage the services of any such introduced professionals. Although we may have experience with these service providers, Clifford Swan has not performed due diligence on these service providers and is not responsible for the services provided by these services providers.

Item 15 – Custody

Clifford Swan Investment Counselors does not take possession of client funds or securities, nevertheless we are deemed to have custody of some client assets through the direct debiting of management fees from client custodial accounts or service by an employee as trustee for client accounts.

Clients will receive statements from the broker dealer, bank or other qualified custodian that holds and maintains the client’s investment assets. Custodians are required to deliver their statements to clients at least quarterly. Clifford Swan urges clients to carefully review their statements and compare such official custodial records to the portfolio appraisals that we provide to them. Our appraisals may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Clifford Swan provides investment advisory services only and does not provide the physical safekeeping of client assets, as provided by a qualified custodian. We have established procedures to avoid being deemed to have custody other than in the limited circumstances mentioned above.

Item 16 – Investment Discretion

Clifford Swan usually receives discretionary authority from clients at the outset of an advisory relationship. The authority is granted in the investment advisory agreement and allows Clifford Swan Investment Counselors to select the identity and amount of securities to be bought or sold. We exercise such discretion in a manner consistent with the stated investment objectives for the particular client account. Clients assign Clifford Swan Investment Counselors trading authority by signing the appropriate forms from the custodian holding the assets. See Item 4—Advisory Business for an explanation of how clients may impose restrictions on investing in certain securities or types of securities.

Item 17 – Voting Client Securities

Our policy is to vote all proxies for our clients, except for those clients who have reserved voting authority for themselves. We have adopted written policies and procedures to guide us in voting proxies for our clients. Our clients may obtain a copy of our complete proxy voting policies and procedures at any time, upon request.

Summary of Proxy Voting Policy

Proxy voting decisions are made in light of the anticipated impact of the vote on the desirability of maintaining an investment in a company, from the viewpoint of the client, without regard to any other interests. As a matter of policy, Clifford Swan Investment Counselors will not be influenced by outside sources whose interests conflict with the interest of clients.

Typical Proposals

Proposals that regularly appear on proxies usually pertain to the election of directors, appointment of auditors, and approval of non-salary compensation plans.

- **Election of Directors:** We generally vote in favor of proposals that increase the independence of the Board of Directors from management as well as proposals that increase the shareholder's ability to replace the Board, if need be. We generally oppose proposals that would increase Board entrenchment.
- **Appointment of Auditors:** Proxies involving routine matters such as appointment of auditors will generally be voted in favor of management, unless it is determined that the auditors are not sufficiently independent of management. We generally vote in favor of proposals to separate auditing and consulting services.
- **Non-Salary Compensation:** Proposals to approve Stock Compensation Plans, Employee Stock Purchase Plans and Long Term Incentive Plans are frequently offered by management.

These plans are often complex and must be evaluated on a case-by-case basis. We generally vote with management unless the plans provide unduly generous compensation for executives and/or directors, or could result in serious dilution to other shareholders.

Summary of Procedures

Whenever possible, proxies are voted electronically via Broadridge software, on a secure website. Ballots are compared to client holdings, which are uploaded from our portfolio management database.

Client Direction

Clients who have authorized us to vote proxies on their behalf may provide us with written proxy voting policies or guidelines that cover issues important to them. They may also give us written instructions on how to vote in a particular solicitation. We will vote on those issues as the client directs.

Proxy Voting Report

Clients who have authorized us to vote proxies on their behalf may request a report showing how we voted their shares.

Item 18 – Financial Information

Clifford Swan Investment Counselors has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients.

Sample Monthly Report

**Pasadena City College Foundation
Fund Balances & Performance**

	Market Value (\$)			Performance (%) - thru 9/30/2017		
	9/30/2017	8/31/2017	6/30/2017	YTD Return	Last FY	FYTD Return
Foundation Funds - Short-term						
Charles Schwab	62,953.04	62,930.40	262,821.41	0.2%	n.a.	0.1%
Bank of the West - General	195,138.52	224,505.05	248,991.24			
Bank of the West - Special Projects	6,010.44	6,010.44	6,010.44			
Bank of the West - Debit	5,374.19	7,597.10	10,408.09			
Bank of the West - Merchant	5,983.23	13,473.23	11,671.40			
Bank of the West - Money Market	100.00	100.00	100.00			
	<u>275,559.42</u>	<u>314,616.22</u>	<u>540,002.58</u>			
Foundation Funds - Long-term						
Charles Schwab	24,393,423.10	24,118,887.60	23,908,421.92	9.1%	10.0%	2.4%
Osher Scholarship Funds*	1,791,210.42	1,791,210.42	1,791,210.42			
	<u>26,184,633.52</u>	<u>25,910,098.02</u>	<u>25,699,632.34</u>			
Total Funds	<u>26,460,192.94</u>	<u>26,224,714.24</u>	<u>26,239,634.92</u>			

* Value provided by 3rd party sources

**Long-term Funds^ - Manager Performance
Fund Balances & Performance**

		Market Value (\$)			Performance (%) - thru 9/30/2017		
		9/30/2017	8/31/2017	6/30/2017	YTD Return	Last FY	FYTD Return
Cash							
Long-term		139,592.27	289,415.59	240,910.42	0.2%	n.a.	0.2%
Stocks							
Clifford Swan Investment Counsel	Domestic: L/C	13,660,047.58	13,272,892.86	13,311,566.02	10.3%	13.9%	2.6%
Glenmede Small Cap	Domestic: S/C	396,157.89	373,192.22	380,431.40	10.1%	23.3%	4.3%
iShares Russell 2000	Domestic: S/C	370,450.00	349,325.00	352,300.00	11.0%	24.6%	5.7%
Matthews Pacific Tiger	Int'l: Emerging (Asia)	871,973.71	865,620.69	832,967.17	26.0%	15.4%	4.7%
MFS International Value Fund	Int'l: Developed	1,077,961.26	1,064,443.73	1,044,290.33	20.0%	15.6%	3.2%
Oppenheimer Developing Mkts	Int'l: Emerging	903,789.95	901,151.14	834,741.27	28.6%	22.6%	8.3%
		<u>17,280,380.39</u>	<u>16,826,625.64</u>	<u>16,756,296.19</u>	11.9%	14.7%	3.1%
Fixed Income							
Clifford Swan Investment Counsel	Domestic	6,038,574.52	6,065,405.23	5,989,891.71	2.9%	-1.0%	0.8%
Doubleline Total Return	Mtgs	482,426.72	484,154.24	477,293.72	3.6%	1.4%	1.1%
Templeton Global	Global	SOLD 12/2016	SOLD 12/2016	SOLD 12/2016	SOLD 12/2016	SOLD 12/2016	SOLD 12/2016
Vanguard Inflation-Protected Sec Fund	Domestic	249,320.39	252,815.54	249,029.13	1.7%	-0.8%	0.8%
		<u>6,770,321.63</u>	<u>6,802,375.01</u>	<u>6,716,214.56</u>	2.9%	0.3%	0.8%
Alternatives							
Deutsche Enhanced Commodity Strategy	Commodities	202,307.77	200,471.36	195,000.75	-2.8%	BOUGHT 9/2016	3.8%
		<u>202,307.77</u>	<u>200,471.36</u>	<u>195,000.75</u>	-2.8%	BOUGHT 9/2016	3.8%
Total Funds		<u>24,392,602.06</u>	<u>24,118,887.60</u>	<u>23,908,421.92</u>			

^ excluding Osher Scholarship Funds

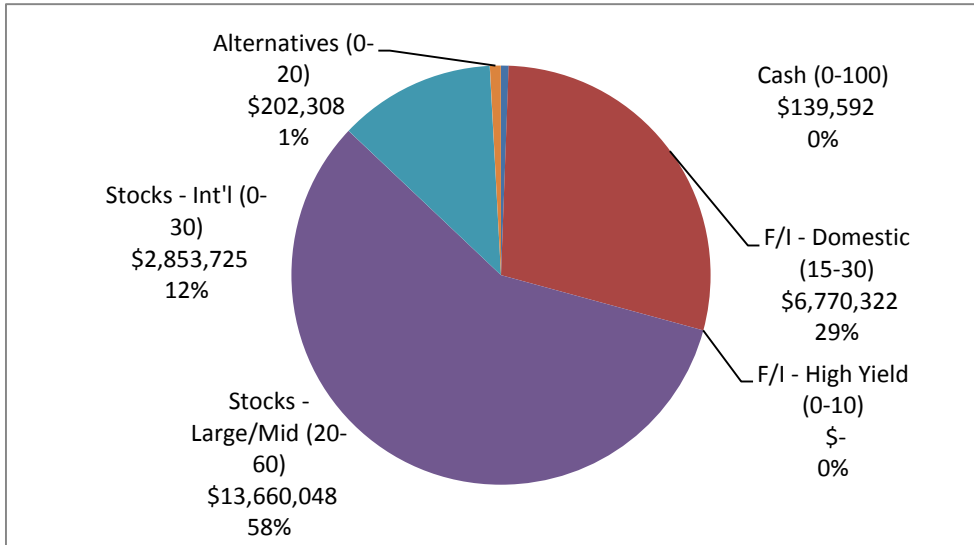
* Performance figures are time weighted rate of return (annualized for periods greater than 1 year). These figures are gross of fees with the exception of mutual funds which are net of fees.

Pasadena City College Foundation Asset Allocation

Foundation Asset Balance: \$26,460,192.94

Long-term Funds - Schwab*

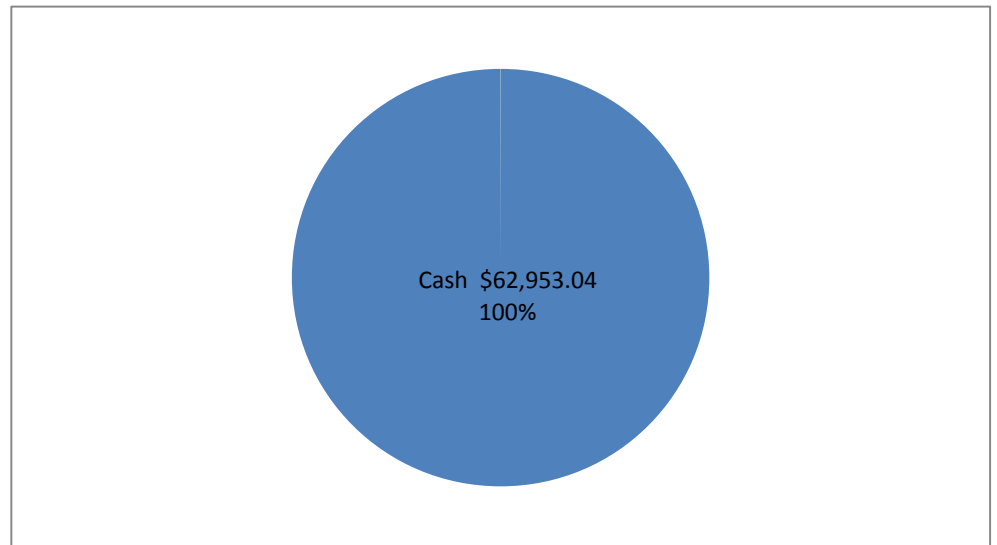
Fund Balance: \$24,392,602.06



* excluded Osher Scholarships

Short-term Funds

Fund Balance: \$275,559.42



Sample Quarterly Report

Pasadena City College Foundation, Inc.



Second Quarter

June 2017

Section 1:

Investment Objectives Revisited

Section 2:

Investment Outlook and Strategies

Section 3:

Total Portfolio – Performance and Positions

Section 4:

Transactions

Section 5:

Recommendations

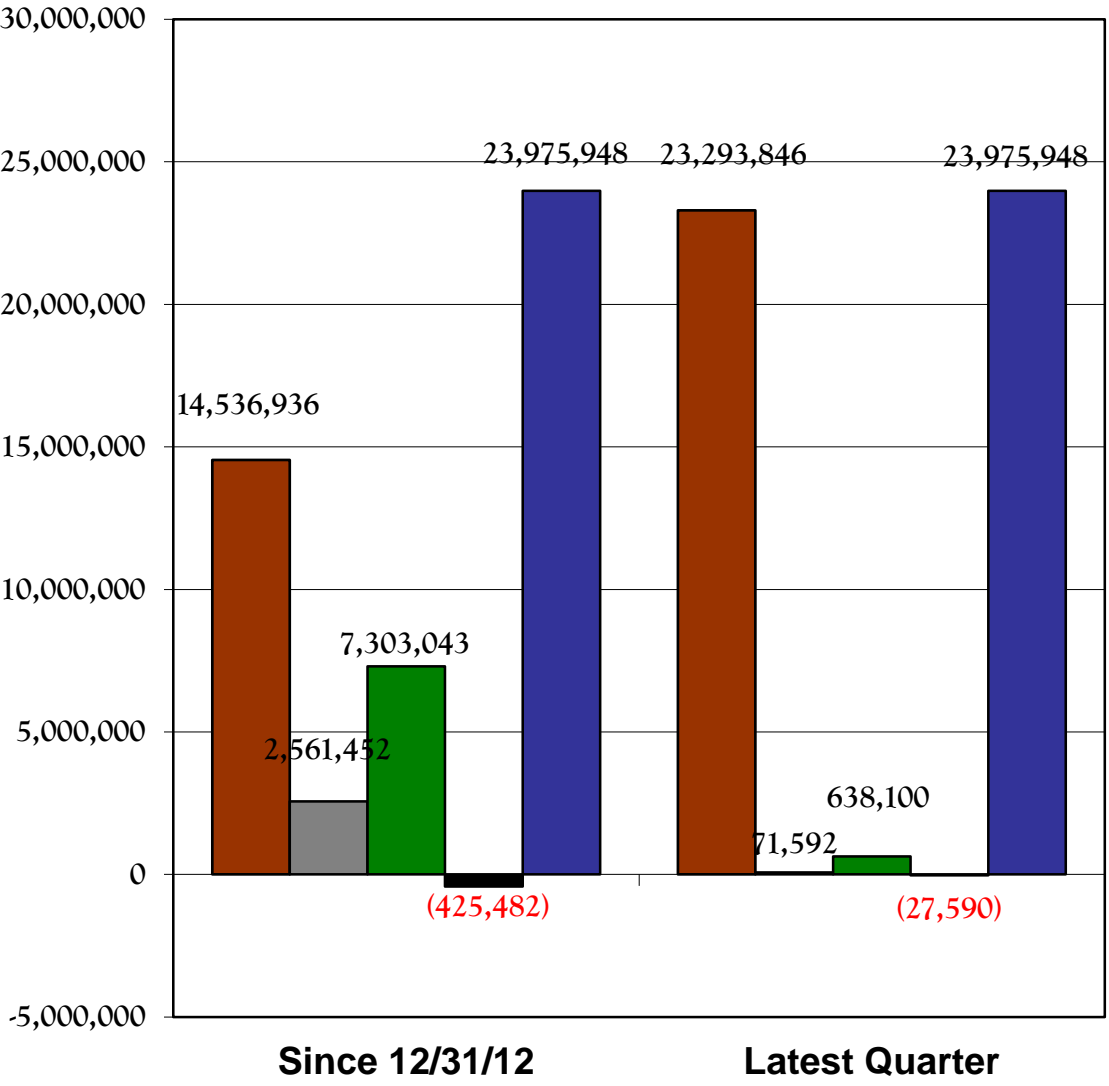
Objectives

- **Short Term**
 - ◆ Short/Intermediate term and specific needs
 - ◆ Objectives: Preservation of principal & liquidity; Income – secondary
- **Long Term**
 - ◆ Long-term needs (support PCC programs and Foundation operations)
 - ◆ Objectives: Maintain purchasing power; short term volatility tolerated
 - ◆ 3-5 year Investment Horizon

Restrictions

- **Short Term**
 - ◆ Non - Managed
- **Long Term**
 - ◆ Spending Policy: 4% ceiling, plus “annual administrative fee”
 - ◆ Targets: 70% stocks, 30% fixed income, cash & other (updated 9/30/16)
 - ◆ Stock allocations to include: large/mid cap, small-cap, international

RELATIONSHIP VALUE



Market Value Reconciliation Through 6/30/2017

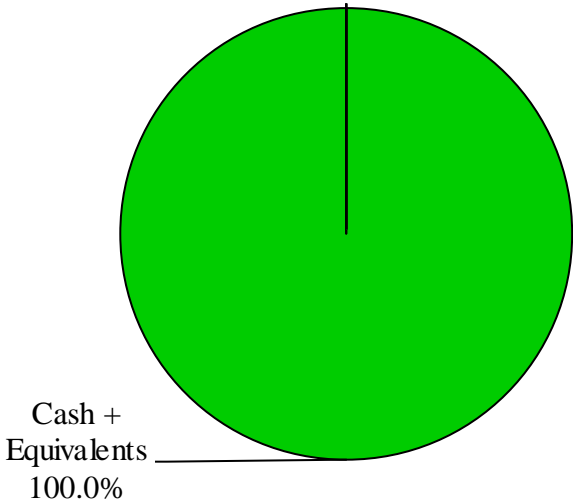
- Initial Value
- Contributions, Withdrawals & Expenses
- Int., Div'ds & Gains
- Management Fees
- Current Market Value

LONG TERM

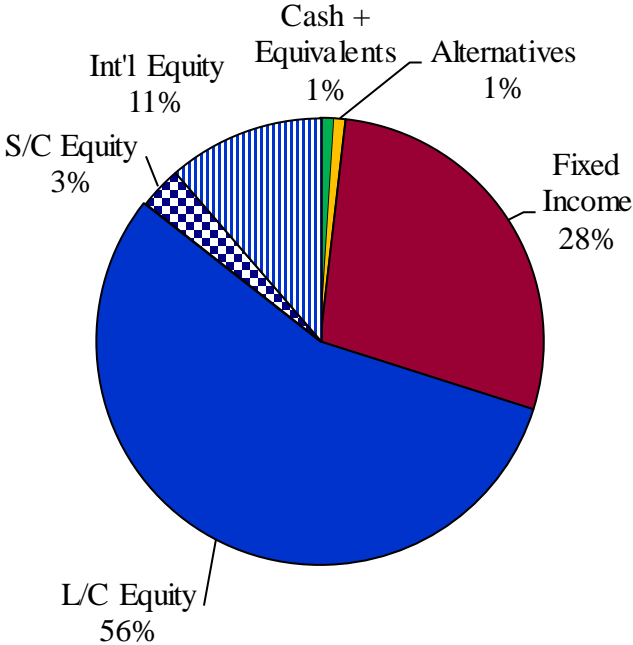
	March 2017	June 2017
Market Value	\$23.2MM	\$23.9MM
Stock Allocation	69.0%	69.1%
Cash Allocation	1.5%	2.0%
Small/Int'l Exp.	11.8%	12.9%
Avg. Duration	4.9 yrs.	4.9 yrs.
Avg. Rating	A	A+

**Pasadena City College Foundation
Investment Funds
Overall Total: \$24,171,243**

**Short-Term Fund
\$262,821**



**Long-Term Fund
\$23,908,422**



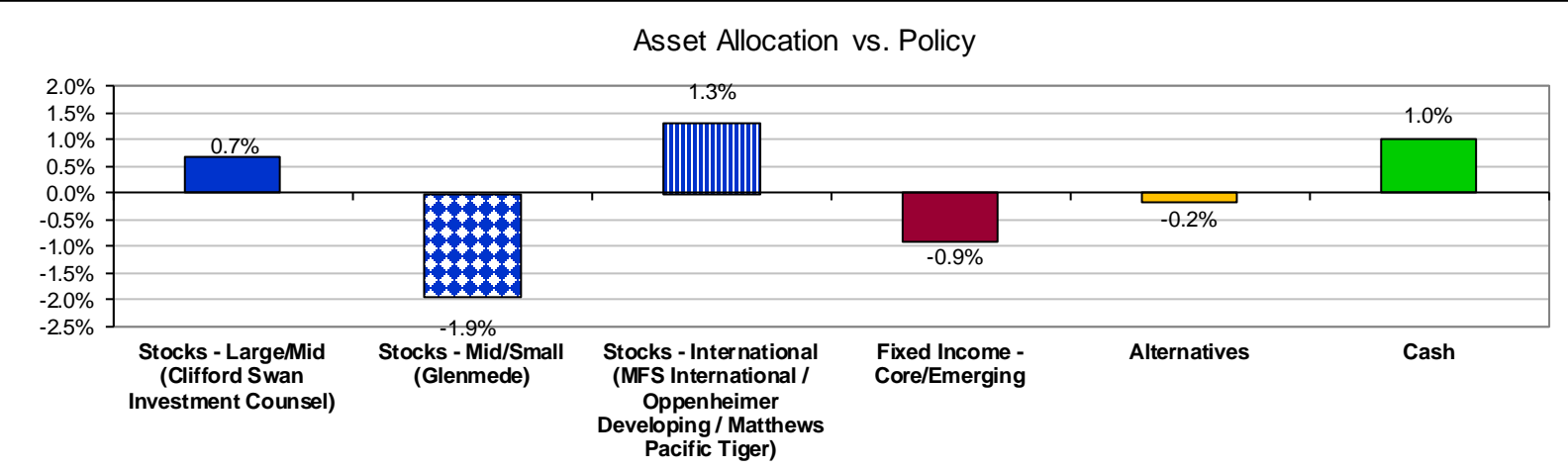
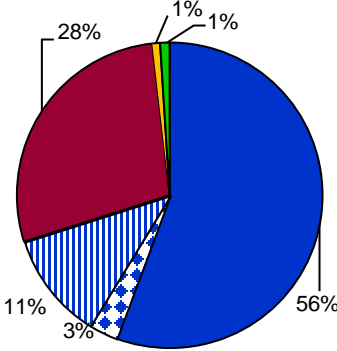
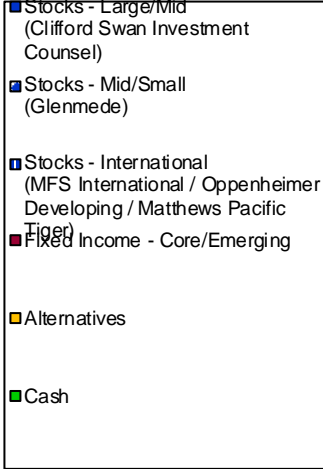
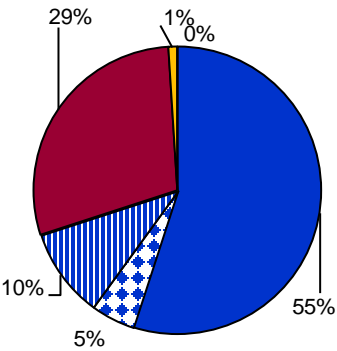
Pasadena City College Foundation - Long-term Fund

Asset Allocation vs. Policy

June 30, 2017

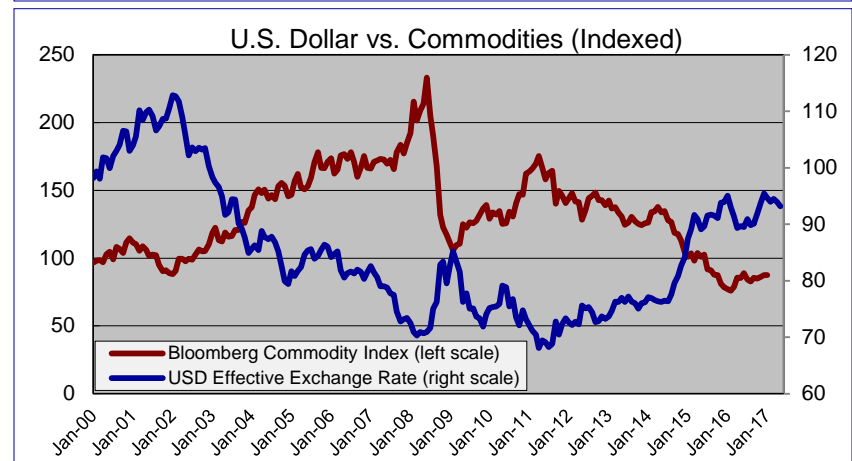
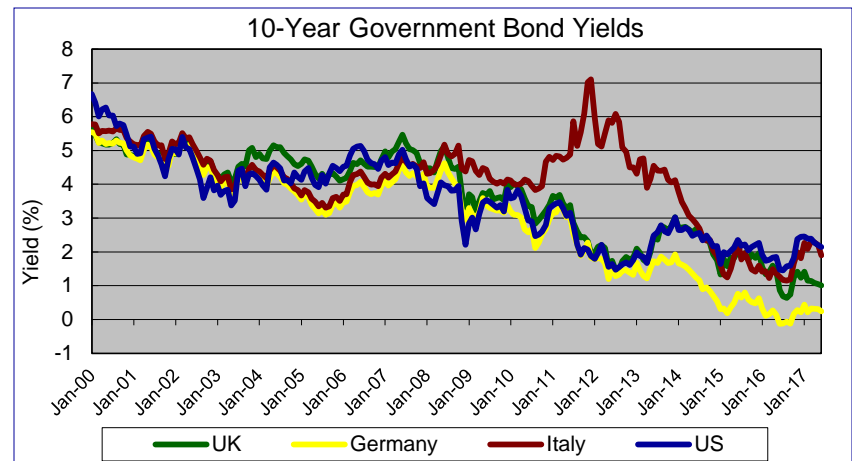
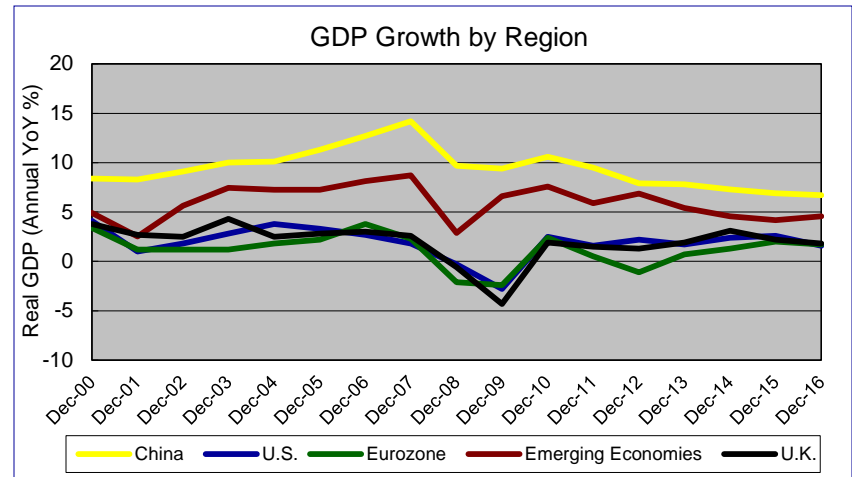
Targets

Actual



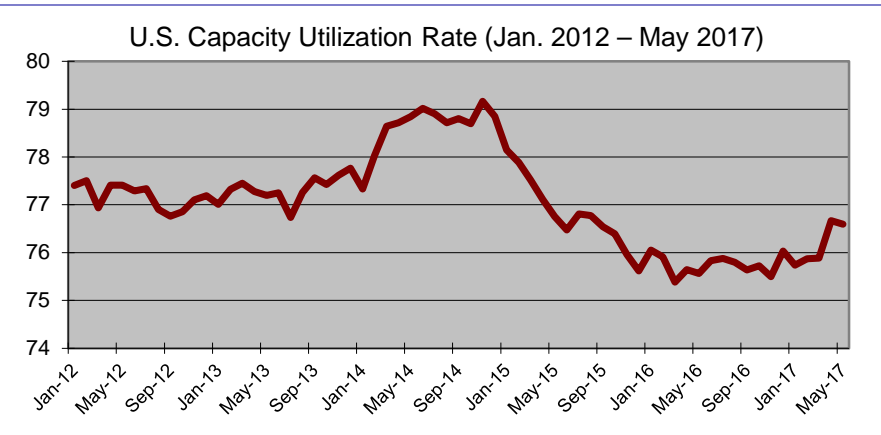
Global Growth Considerations

- Globally, driven by monetary policies, interest rates have declined and remain at record lows in developed countries.
- Increased trade protectionism, populism, and geopolitical volatility could limit global growth.
- While Europe's growth may be recovering, the impending British exit from the EU has raised significant concerns over a potential slowdown.
- Generally, growth rates for China and other key Emerging Economies have slowed.
- The strong U.S. Dollar is disruptive to Emerging Economies.

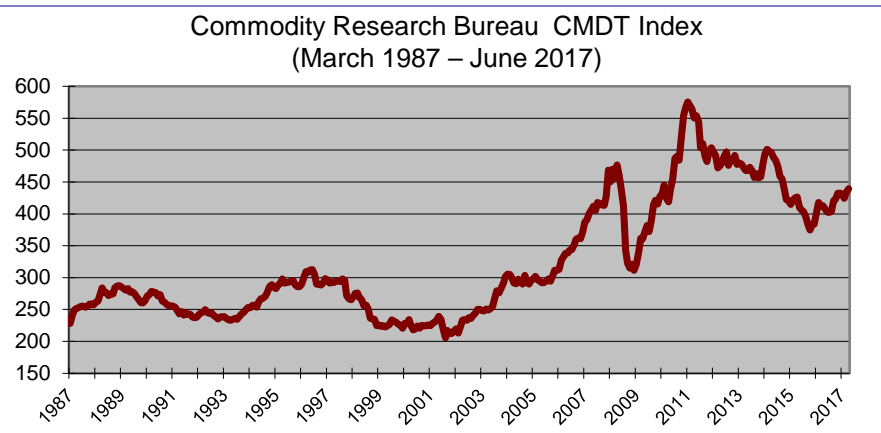


Domestic Growth Considerations

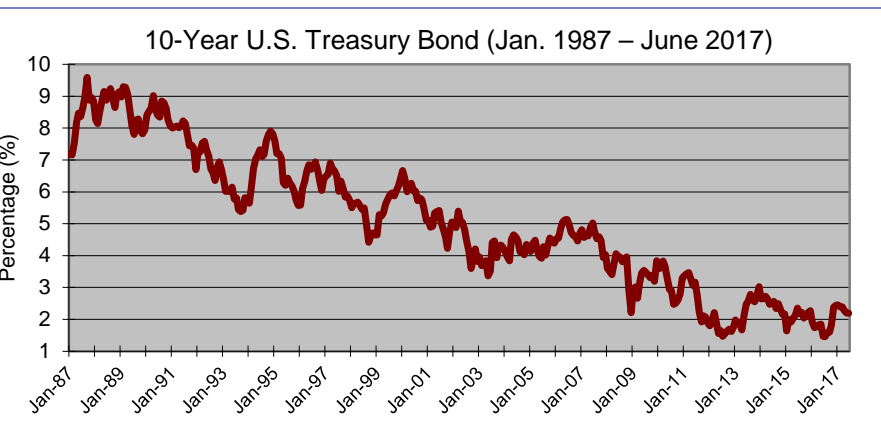
- Capacity utilization in the U.S. is low relative to comparative historical periods. Persistent excess capacity is evidence of structural problems in the global economy.
- Lower commodity prices and low levels of price inflation reflect this excess capacity.
- The very low level of interest rates may indicate investors' concerns about the structural challenges.
- Will the prospect of increasing rates and increased capacity utilization through infrastructure projects create an inflection point?



Source: Bloomberg

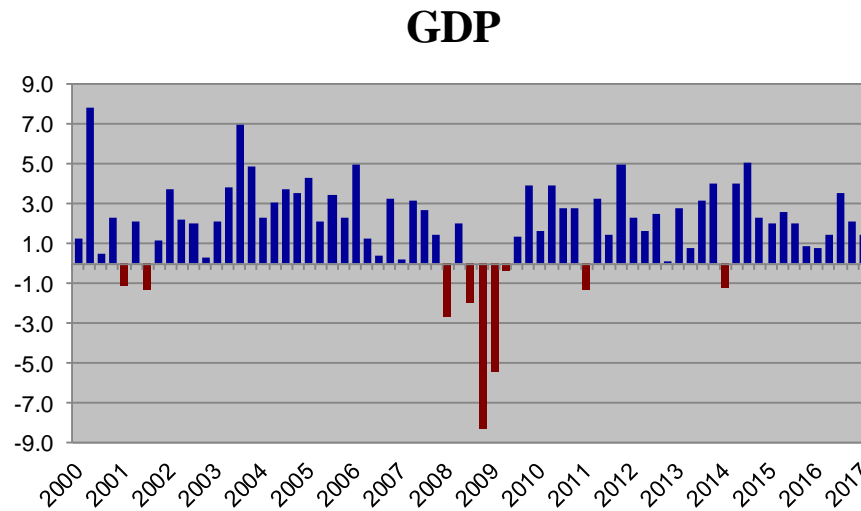


Source: Bloomberg

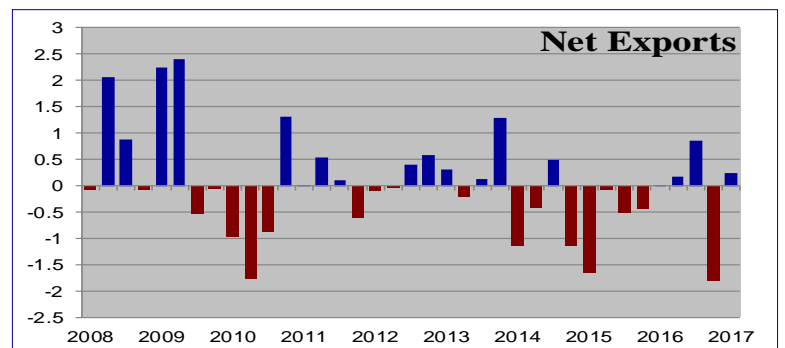
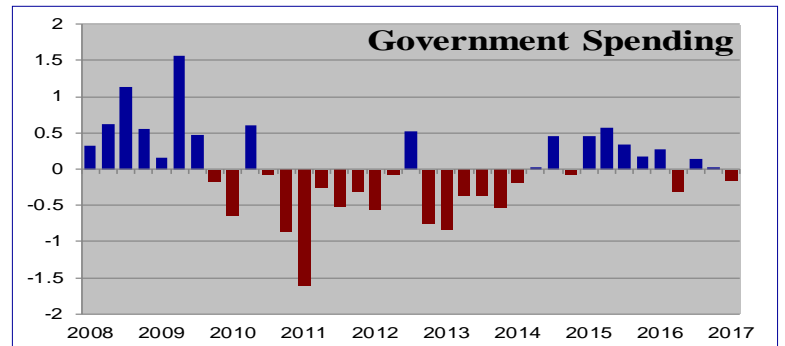
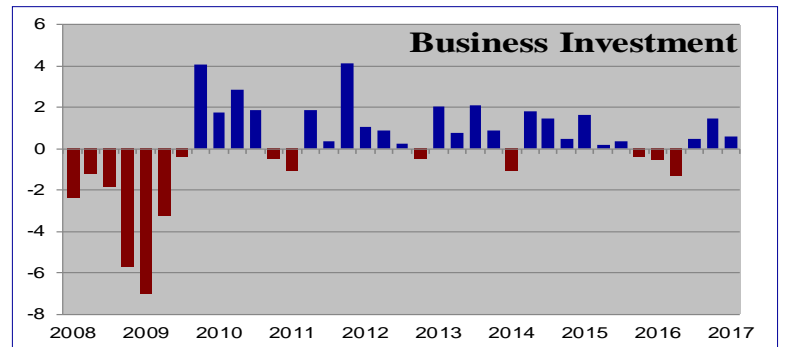
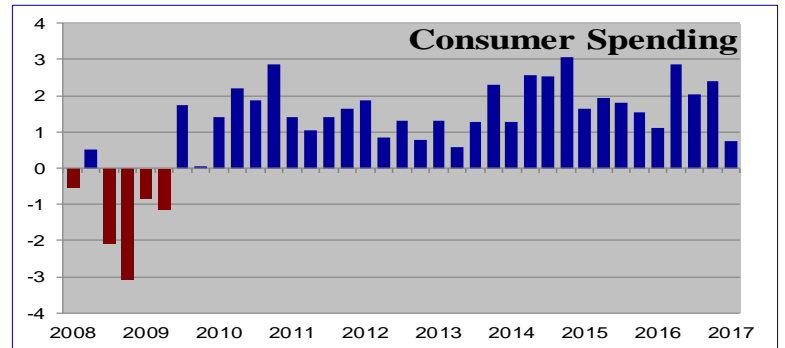


Source: Thomson Reuters Baseline

Domestic Growth Expectations

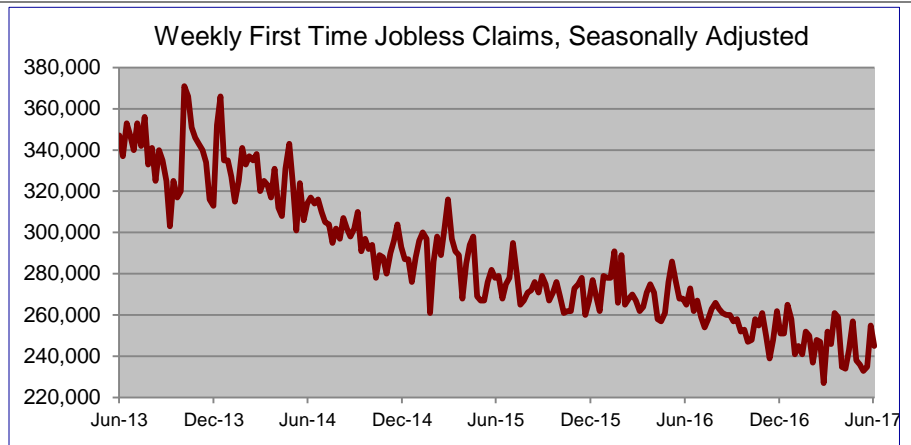


- 1st Quarter 2017 GDP: 1.4%
- Will tax cuts for individuals increase Consumer Spending (~70% of GDP)?
- Will tax cuts and repatriation increase Business Investment?
- Will infrastructure spending (Government) increase?
- However, will the strong USD negatively impact exports?

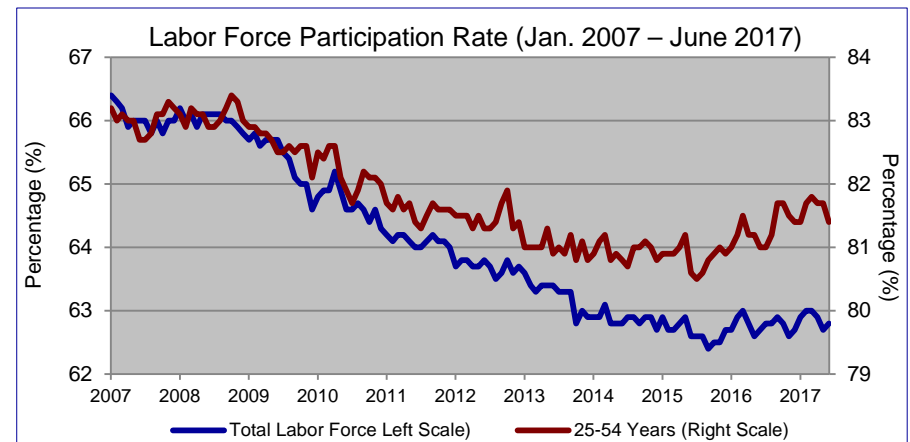


Positive Consumer Factors

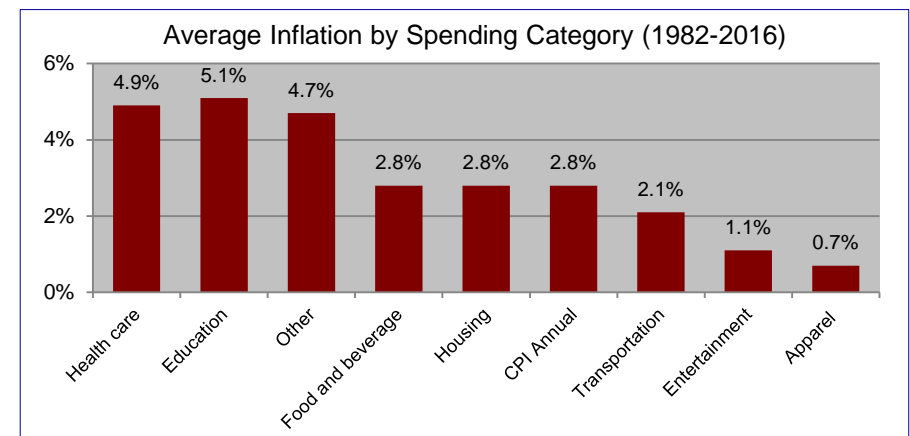
- First-time unemployment claims have decreased to their lowest point since 1973.
- While the overall labor force participation rate remains low (62.8%), it has improved for prime-aged earners (25-54 year olds).
- Wages are rising at the fastest rate since 2009, and, at 4.4% as of June 2017, unemployment is low.
- Through May 2017, CPI is 1.9%, while core CPI (which excludes energy and food) is closer to 1.7%.
 - Importantly, inflation by spending category varies widely, resulting in differing inflation rates for various consumer groups.



Source: Federal Reserve Bank of St. Louis



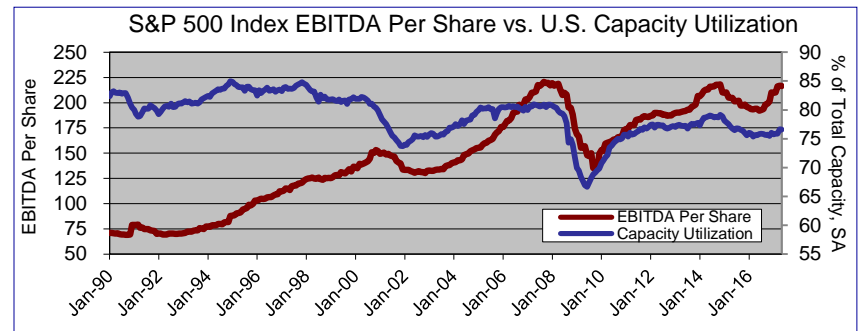
Source: Federal Reserve Bank of St. Louis



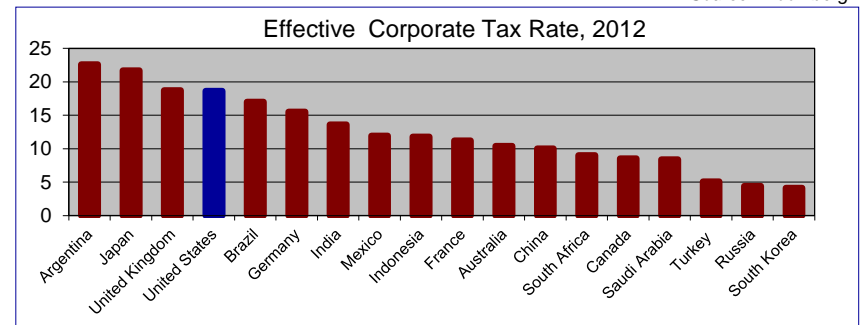
Sources: Bureau of Labor Statistics, J.P. Morgan, Clifford Swan Investment Counselors

Business Optimism?

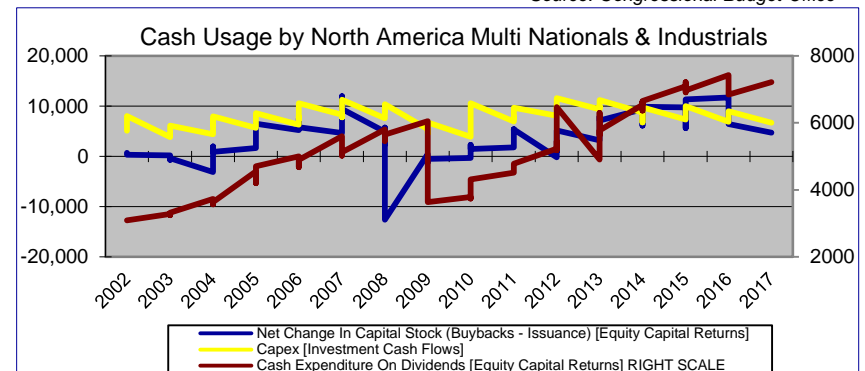
- While earnings growth has stalled, excess capacity may indicate an opportunity for growth.
- Compared to other G20 countries, the United States has high corporate tax rates. Tax cuts, decreased regulation, and repatriation could help increase Business Investment.
- U.S. companies have increased expenditures on dividends and buybacks, while capital investments have declined.
- Small business confidence has recently spiked with the prospect of lessened regulatory burden. This could be a potential source of growth.



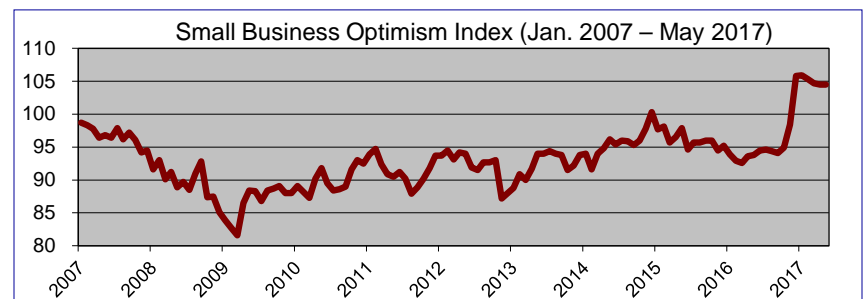
Source: Bloomberg



Source: Congressional Budget Office



Source: Bloomberg BI North America Multis & Industrials Top Competitive Peers

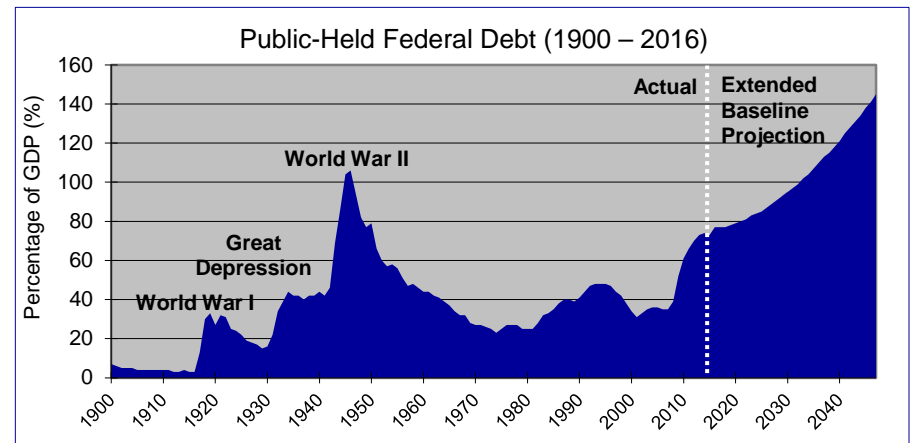


Source: Bloomberg

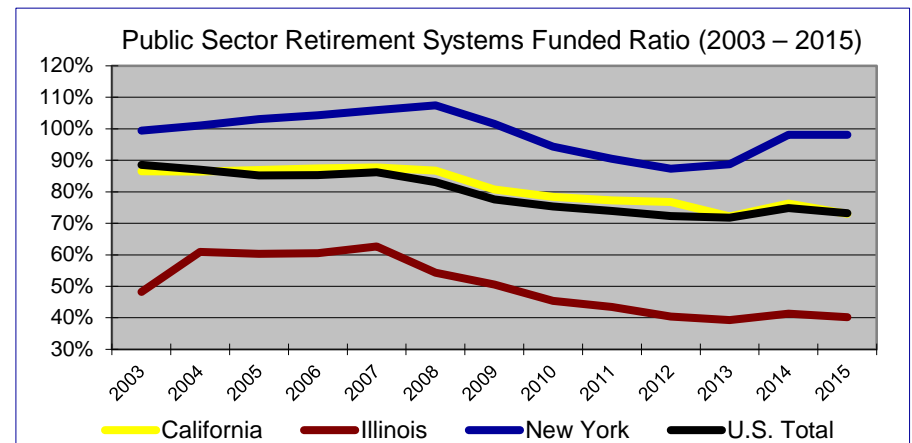
Future Federal Policy Challenges

- The U.S. budget deficit looks to widen in the coming years; debt levels are already high by historical standards.
- Low interest rates and insufficient contributions may cause total unfunded liabilities for U.S. state public pensions to increase by 40% to \$1.75 trillion through 2017¹.
- Increased life expectancy combined with declining birth rates has contributed to an aging population, which further increases demands on Social Security, Medicare, and pension commitments.
- Can the positive consumer confidence and consumption trends offset these structural factors?

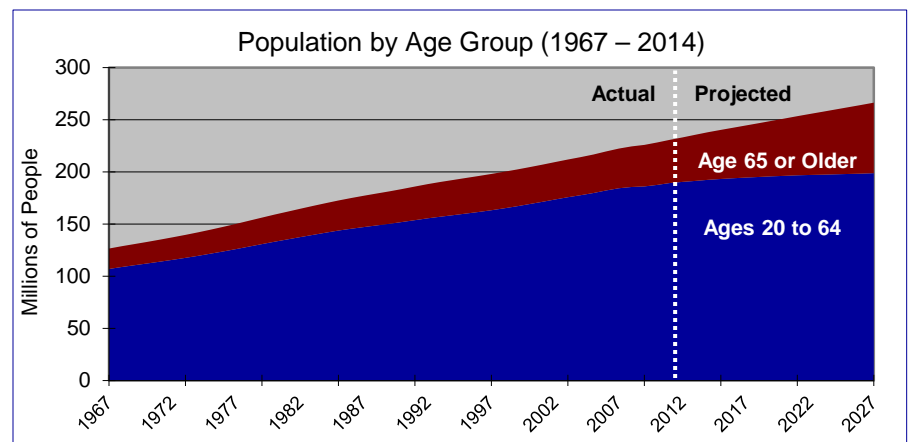
¹US State Public Pension Unfunded Liabilities to Hit \$1.75 Trillion: Moody's. www.cnbc.com. 7 Oct. 2016.



Source: Congressional Budget Office



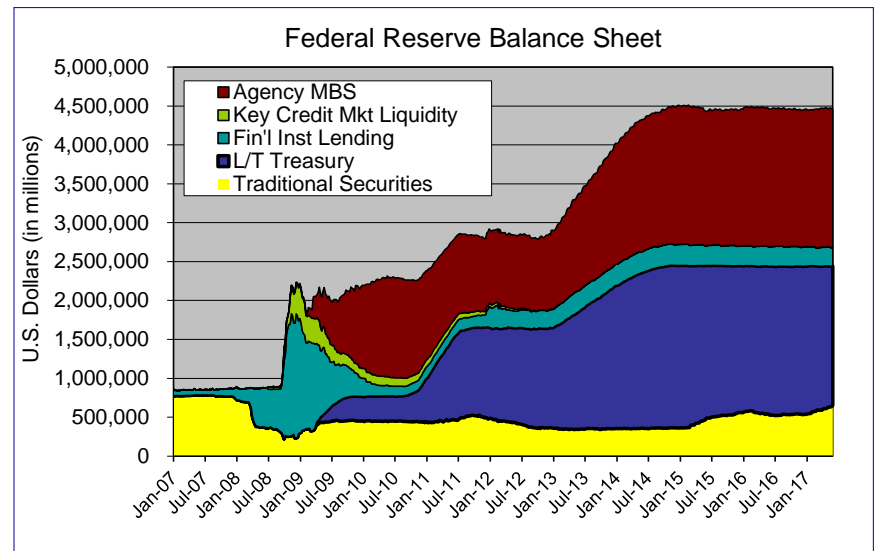
Sources: The Pew Charitable Trusts, S&P Global Ratings



Source: Congressional Budget Office

How will Investors/the Economy React to Reduction in Monetary Accommodation?

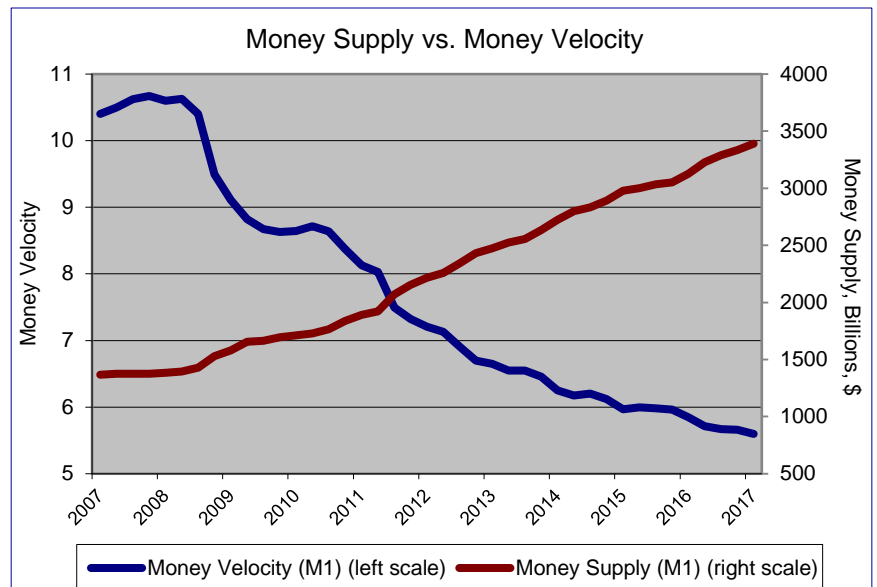
- The Federal Reserve has stopped expanding its balance sheet, and total assets have started to decline.
- The Fed has started the process of raising interest rates; additional fiscal stimulus and rising inflation may potentially quicken the pace of future rate increases.



Source: Federal Reserve Bank of Cleveland

Is Monetary Policy “Pushing on a String”?

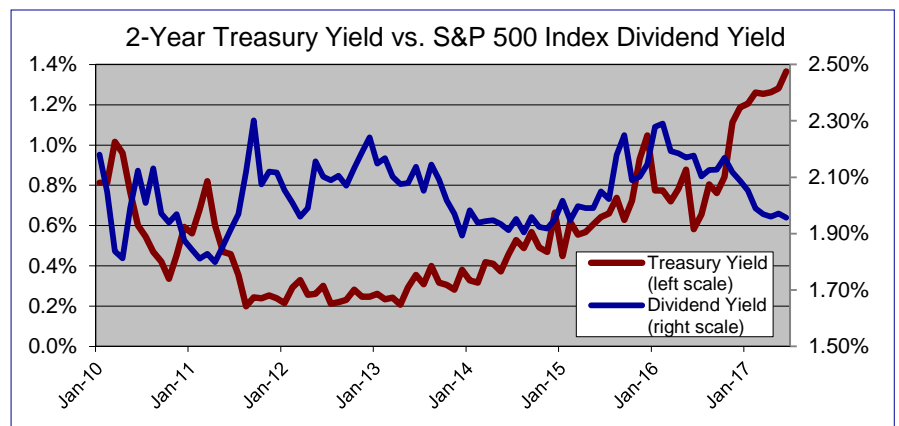
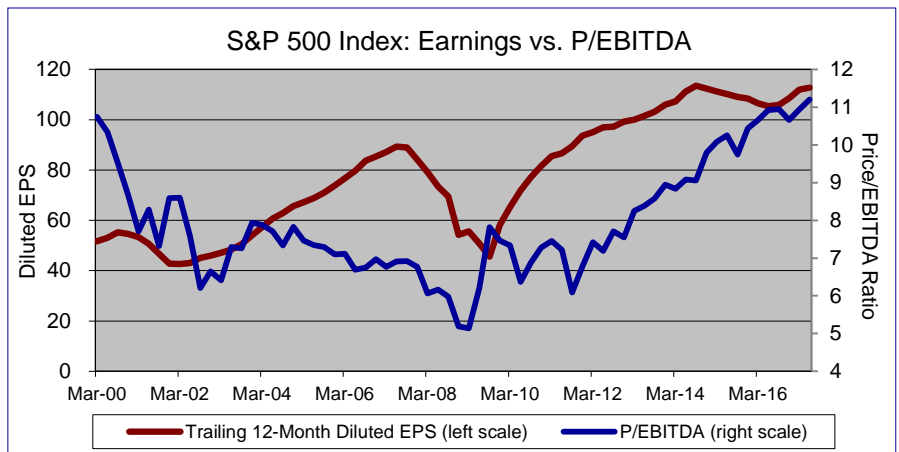
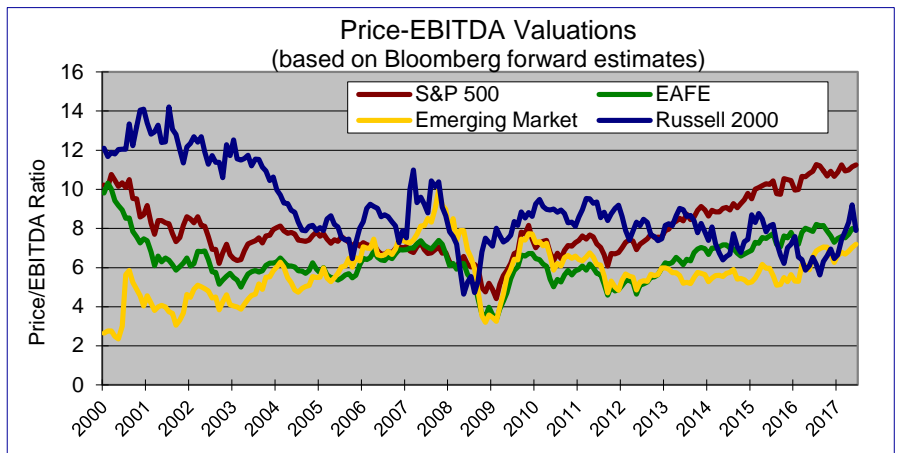
- Despite large increases in money supply and reserves, velocity turnover is down over the last eight years. What impact might higher interest rates have on turnover?
- Do negative interest rates in parts of the world, plus structural debt problems, suggest future difficulties?



Source: St. Louis Federal Reserve

Challenging Investment Choices

- Global valuations (P/EBITDA) are up from their financial crisis bottom.
- Developed and developing international stock markets have lagged with significant volatility. The strong dollar may overwhelm local returns.
- Earnings growth drives stock prices higher over the long term.
- Historically, the P/E multiple for the S&P 500 Index has been ~15x trailing earnings. The current multiple, ~ 20x, may reflect elevated investor expectations for future profits and growth.
- Increasing interest rates may attract yield-seeking investors back to the bond market.



06/30/2017 INVESTMENT DATA MARKET INDEXES

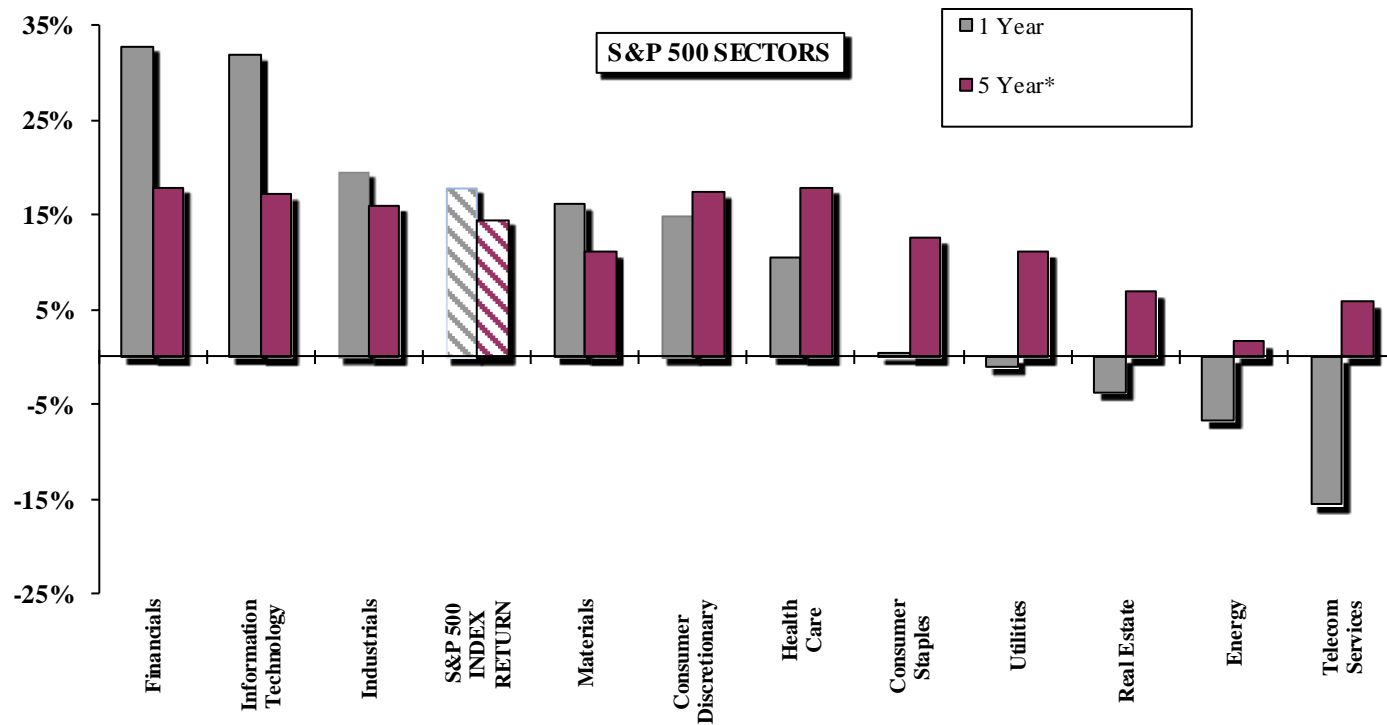
Stocks	Total Return		Bonds	Total Return	
	1 Year	5 Year*		1 Year	5 Year*
NASDAQ	28.39%	17.47%	Citi Inv Grade Govt/Corp 1-5 yrs	0.13%	1.28%
Russell 2000 (Small Cap)	24.60%	13.70%	Bloomberg Barclays Inter Govt-Credit	-0.21%	1.77%
DJIA	22.09%	13.42%	Bloomberg Barclays Aggregate	-0.31%	2.21%
S&P 500	17.90%	14.63%			
MSCI All Countries Ex US	17.47%	4.45%			

MANAGED FUNDS

Stocks: (Lipper Indexes)	Total Return		Bonds: (Lipper Indexes)	Total Return	
	1 Year	5 Year*		1 Year	5 Year*
Large-Cap Growth Funds	22.67%	14.46%	High Yield Funds	12.30%	6.28%
International Funds	20.32%	8.93%	US Govt Money Market Funds	0.11%	0.03%
Large-Cap Core Funds	18.73%	13.73%	CA Intermediate Muni Funds	-0.67%	2.62%
Large-Cap Value Funds	17.98%	13.55%	Intermediate US Govt Funds	-1.38%	1.18%

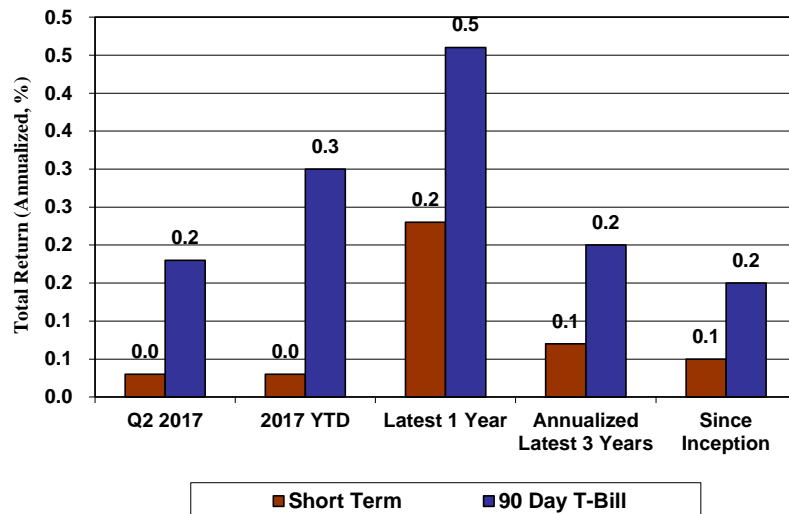
* 5 Year Annualized Total Return

06/30/2017 INVESTMENT DATA

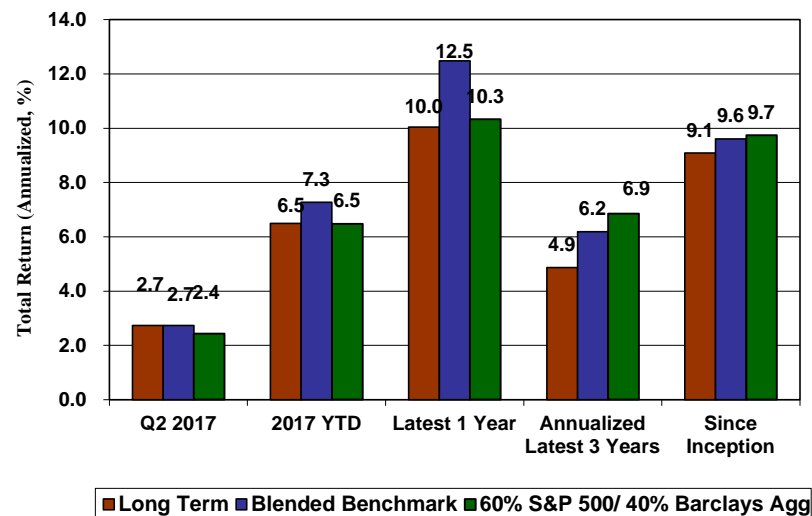


PORTFOLIO PERFORMANCE & POSITIONS

Total Portfolio – Short Term
Annualized Total Return
June 30, 2017



Total Portfolio – Long Term
Annualized Total Return
June 30, 2017



*Current Blended Market Index = 55% S&P 500 , 5% Russell 2000, 10% MSCI ACWI ex. U.S., 30% Barclays US Aggregate, 0% 90 Day T-Bill (effective 9/30/16)

Positive Contribution

- **Weighting**
 - ◆ Small Cap slight underweight
(Russell 2000 underperformed blended equity index)
 - ◆ International Equities overweight
(EAFE outperformed blended equity index)

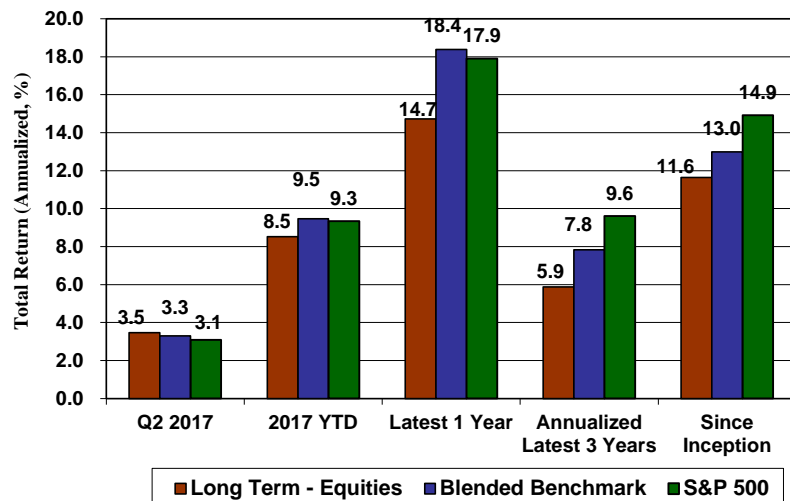
- **Managers (vs. benchmarks)**
 - ◆ Large/Mid Cap
(Clifford Swan) outperformed S&P 500
 - ◆ Small/Mid Cap
(Glenmeade) outperformed Russell 2000
 - ◆ International
(MFS) outperformed MSCI EAFE
 - ◆ International
(Oppenheimer) matched MSCI Emerging and outperformed MSCI EAFE
 - ◆ International
(Matthews) underperformed MSCI All Country Asia ex. Japan, but outperformed MSCI EAFE

Negative Contribution

- **Weighting**
 - ◆ Large Cap overweight
(S&P 500 underperformed blended equity index)
 - ◆ Cash overweight
(Fixed income outperformed cash)
 - ◆ Equity slight underweight
(Equity returns outperformed overall portfolio returns)
 - ◆ Alternatives overweight
(Bloomberg Commodities Index underperformed blended return)

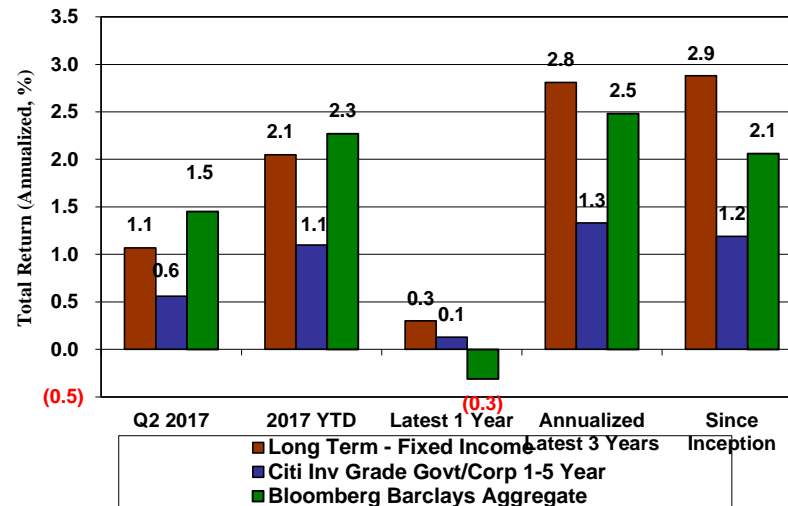
- **Managers (vs. benchmarks)**
 - ◆ Fixed Income
Outperformed Citi Inv Grade Govt/Corp 1-5 yr Index, but underperformed Bloomberg Barclays Aggregate Index
 - ◆ Alternatives
(Deutsche underperformed Bloomberg Commodity Index)

Equity - Long Term Annualized Total Return June 30, 2017

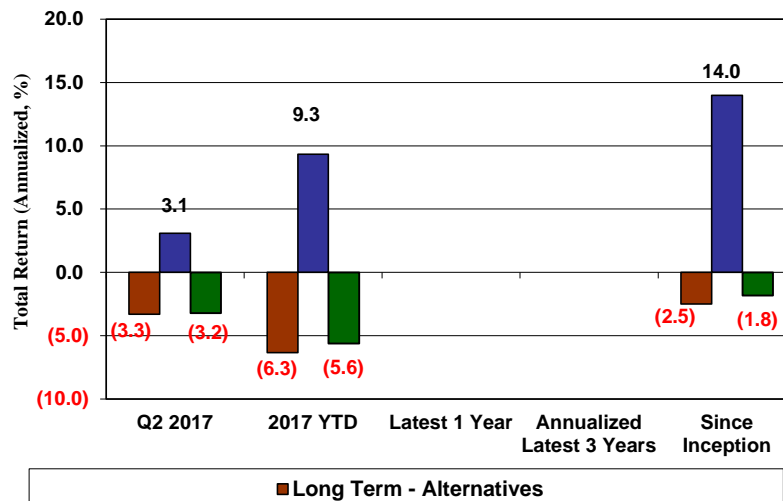


*Current Blended Market Index = 78.6% S&P 500, 7.1% Russell 2000, 14.3% MSCI ACWI ex. U.S.

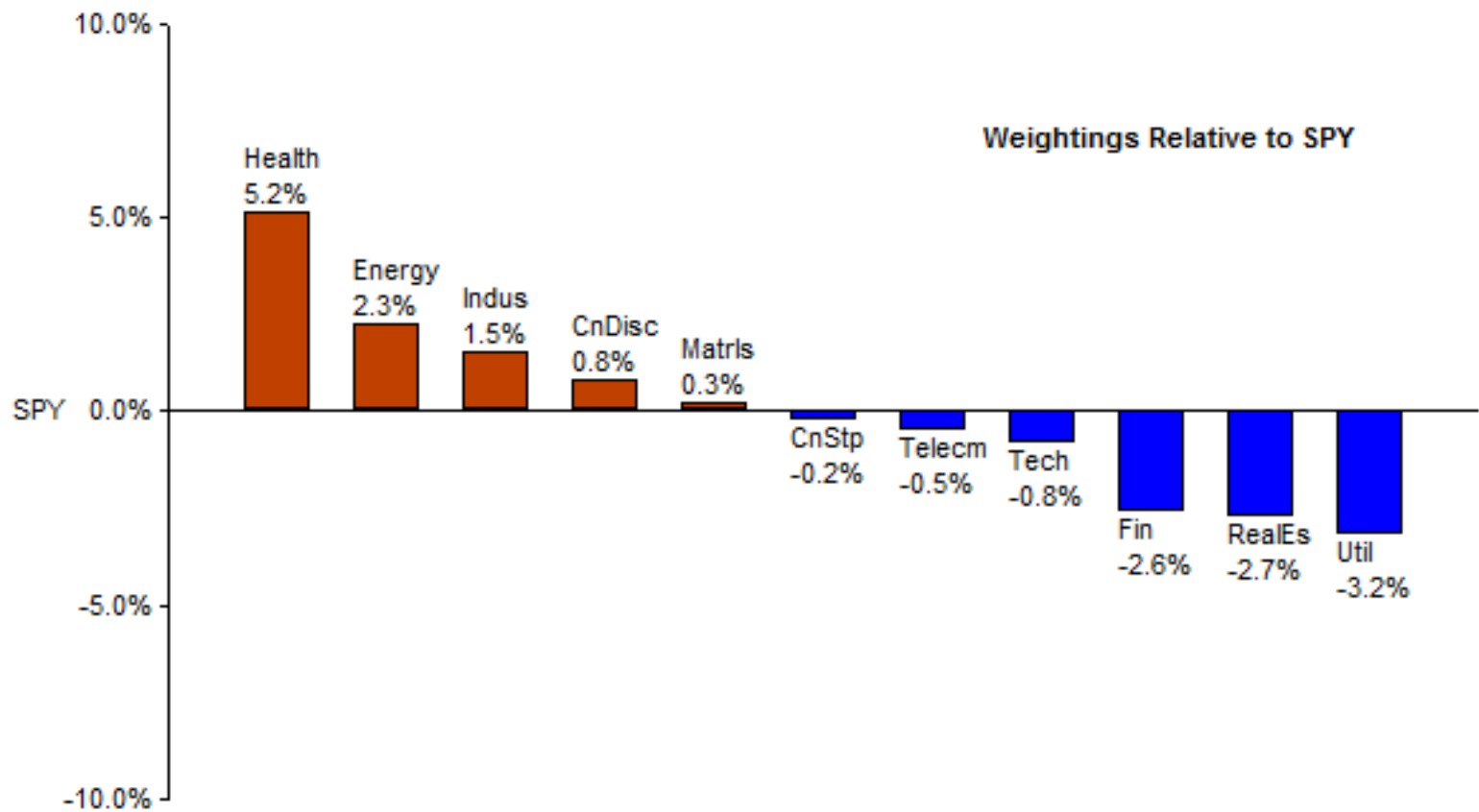
Fixed Income - Long Term Annualized Total Return June 30, 2017



Alternatives - Long Term Annualized Total Return June 30, 2017



Sector Over/Under Weightings: June 30, 2017



FIXED INCOME CHARACTERISTICS

Long Term Portfolio - Fixed Income Characteristics – 6/30/2017

	PCC	Bloomberg Barclays Aggregate*
Duration	4.9	6.0

Sectors	PCC	Barclays Aggregate
Government	29%	39%
Corporate	39%	25%
Mortgage Backed/ASB	10%	31%
Municipal	19%	1%
Intl./Foreign Sovereigns	3%	4%

Credit Quality	PCC	Barclays Aggregate
Aaa/AAA	32%	69%
Aa/AA	12%	4%
A/A	46%	12%
Baa/BBB	3%	15%
Non – Investment Grade	0%	0%
Non-Rated / Mutual Funds**	7%	0%

* Source: Barclays Risk Analytics

** CSIC Estimated Credit Ratings of Bond Mutual Funds (7% BBB)

PASADENA CITY COLLEGE FOUNDATION INC. - SHORT TERM

Portfolio Summary: June 30, 2017

Security Type	Total Cost	Market Value	Pct Assets	Est. Annual Income	Yield
<u>CASH AND EQUIVALENTS</u>					
Cash and Money Market Funds	262,821.41	262,821.41	100.0	0.00	0.0
Total Portfolio	262,821.41	262,821.41	100.0	0.00	0.0
GRAND TOTAL	262,821.41	262,821.41	100.0	0.00	0.0

PASADENA CITY COLLEGE FOUNDATION INC. - SHORT TERM

Portfolio Holdings as of June 30, 2017

Quantity	Security	Effective Maturity	Unit Cost	Total Cost	Market Price	Market Value	Pct. Assets	Est. Annual Income	Yield
<u>CASH AND EQUIVALENTS</u>									
Cash and Money Market Funds									
	Schwab Govt Money Fund			262,821.41		262,821.41	100.0	0.00	0.0
CASH AND EQUIVALENTS SUBTOTAL				262,821.41		262,821.41	100.0	0.00	0.0
Total Portfolio				262,821.41		262,821.41	100.0	0.00	0.0
GRAND TOTAL				262,821.41		262,821.41	100.0	0.00	0.0

PASADENA CITY COLLEGE FOUNDATION, INC. - LONG TERM

Portfolio Summary: June 30, 2017

Security Type	Total Cost	Market Value	Pct Assets	Est. Annual Income	Yield
<u>CASH AND EQUIVALENTS</u>					
Cash and Money Market Funds	488,583.31	488,583.31	2.0	0.00	0.0
	488,583.31	488,583.31	2.0	0.00	0.0
<u>FIXED INCOME - TAXABLE</u>					
U.S. Treasury Notes & Bonds	1,667,498.06	1,685,015.57	7.0	35,750.00	2.3
FHLMC	977.60	997.14	0.0	47.73	0.0
FNMA	170,661.37	168,119.16	0.7	6,285.40	0.0
Municipal Bonds (Taxable)	1,258,462.95	1,287,755.85	5.4	48,811.50	4.2
Corporate Bonds	2,802,639.74	2,834,718.79	11.9	95,180.00	2.8
Fixed Income Mutual Funds - Taxable	754,973.17	726,322.85	3.0	20,477.84	2.8
	6,655,212.89	6,702,929.35	28.0	206,552.47	2.9
<u>EQUITIES</u>					
Equity Mutual Funds	345,088.66	380,431.40	1.6	549.18	0.1
Equity ETFs & Closed-End Funds	316,683.95	352,300.00	1.5	4,418.10	1.3
Int'l Equity Mutual Funds	2,531,268.42	2,711,998.77	11.3	30,637.15	1.1
Common Stock					
ENERGY	1,193,653.10	1,054,786.90	4.4	30,937.00	2.9
MATERIALS	329,091.95	416,035.40	1.7	7,592.40	1.8
INDUSTRIALS	1,223,241.60	1,456,624.80	6.1	27,861.60	1.9
CONSUMER DISCRETIONARY	1,630,789.12	1,727,285.55	7.2	38,649.75	2.2
CONSUMER STAPLES	827,706.68	1,204,628.35	5.0	23,204.60	1.9
HEALTH CARE	1,853,839.02	2,601,277.79	10.9	42,383.25	1.6

PASADENA CITY COLLEGE FOUNDATION, INC. - LONG TERM

Portfolio Summary: June 30, 2017

Security Type	Total Cost	Market Value	Pct Assets	Est. Annual Income	Yield
FINANCIALS	899,012.54	1,600,017.40	6.7	24,675.00	1.5
INFORMATION TECHNOLOGY	1,734,453.70	2,801,334.45	11.7	46,891.32	1.7
TELECOM SERVICES	270,623.30	215,187.70	0.9	11,317.47	5.3
	9,962,411.02	13,077,178.34	54.7	253,512.39	1.9
	13,155,452.05	16,521,908.50	69.1	289,116.82	1.7
<u>OTHER</u>					
Alternatives	207,119.86	195,000.75	0.8	880.59	0.5
	207,119.86	195,000.75	0.8	880.59	0.5
Total Portfolio	20,506,368.10	23,908,421.92	100.0	496,549.88	2.0
GRAND TOTAL	20,506,368.10	23,908,421.92	100.0	496,549.88	2.0

PASADENA CITY COLLEGE FOUNDATION, INC. - LONG TERM

Portfolio Holdings as of June 30, 2017

Quantity	Security	Effective Maturity	Bond Rating		Unit Cost	Total Cost	Market Price	Market Value	Pct. Assets	Est. Annual Income	Yield
			Moody	S&P							
CASH AND EQUIVALENTS											
Cash and Money Market Funds											
	Schwab Govt Money Fund					488,583.31		488,583.31	2.0	0.00	0.0
CASH AND EQUIVALENTS SUBTOTAL						<u>488,583.31</u>		<u>488,583.31</u>	<u>2.0</u>	<u>0.00</u>	<u>0.0</u>
FIXED INCOME - TAXABLE											
U.S. Treasury Notes & Bonds											
725,000	U.S. Treasury Note 2.500% Due 05-15-24	05-15-24	Aaa	AA+	102.25	741,302.75	102.42	742,558.56	3.1	18,125.00	2.2
475,000	U. S. Treasury Note 2.000% Due 02-15-25	02-15-25			96.47	458,226.56	98.61	468,394.51	2.0	9,500.00	2.5
500,000	U.S. Treasury Note 1.625% Due 05-15-26	05-15-26	Aaa	AA+	93.59	467,968.75	94.81	474,062.50	2.0	8,125.00	2.4
						<u>1,667,498.06</u>		<u>1,685,015.57</u>	<u>7.0</u>	<u>35,750.00</u>	<u>2.3</u>
FHLMC											
459.420	FHLMC #GO4913 5.000% Due 03-01-38	03-01-38	Aaa	AA+	107.03	491.72	108.53	498.61	0.0	22.97	?
450.179	FHLMC #G04688 5.500% Due 09-01-38	09-01-38	Aaa	AA+	107.93	485.88	110.74	498.54	0.0	24.76	?
						<u>977.60</u>		<u>997.14</u>	<u>0.0</u>	<u>47.73</u>	<u>0.0</u>

PASADENA CITY COLLEGE FOUNDATION, INC. - LONG TERM

Portfolio Holdings as of June 30, 2017

Quantity	Security	Effective Maturity	Bond Rating		Unit Cost	Total Cost	Market Price	Market Value	Pct. Assets	Est. Annual Income	Yield
			Moody	S&P							
FNMA											
11,274.099	FNMA #735676 5.000% Due 07-01-35	07-01-35	Aaa	AA+	107.55	12,124.96	109.69	12,366.03	0.1	563.70	?
13,584.153	FNMA #745343 5.500% Due 03-01-36	03-01-36	Aaa	AA+	108.69	14,764.34	111.16	15,100.57	0.1	747.13	?
18,892.013	FNMA #AB4115 4.000% Due 12-01-41	12-01-41	Aaa	AA+	105.72	19,972.45	105.71	19,969.98	0.1	755.68	?
22,375.718	FNMA #AB4297 3.500% Due 01-01-42	01-01-42	Aaa	AA+	103.11	23,071.38	103.34	23,122.04	0.1	783.15	?
31,260.553	FNMA #AL1948 4.000% Due 01-01-42	01-01-42	Aaa	AA+	109.33	34,176.54	106.24	33,210.15	0.1	1,250.42	?
18,203.246	FNMA #AB5468 3.500% Due 06-01-42	06-01-42	Aaa	AA+	104.97	19,107.76	103.11	18,769.76	0.1	637.11	?
11,849.796	FNMA #AB5670 3.500% Due 07-01-42	07-01-42	Aaa	AA+	107.19	12,701.56	102.75	12,175.93	0.1	414.74	?
32,384.472	FNMA #AP0495 3.500% Due 08-01-42	08-01-42	Aaa	AA+	107.28	34,742.38	103.15	33,404.68	0.1	1,133.46	?
						170,661.37	168,119.16		0.7	6,285.40	0.0

PASADENA CITY COLLEGE FOUNDATION, INC. - LONG TERM

Portfolio Holdings as of June 30, 2017

Quantity	Security	Effective Maturity	Bond Rating		Unit Cost	Total Cost	Market Price	Market Value	Pct. Assets	Est. Annual Income	Yield
			Moody	S&P							
Municipal Bonds (Taxable)											
100,000	Walnut CA Energy Center Auth Rev - B Taxable (Turlock IRR) 4.650% Due 01-01-18	01-01-18	A2	AA-	106.42	106,418.00	101.42	101,420.00	0.4	4,650.00	3.0
125,000	San Bernardino Cnty CA Fing Auth Cap Apprec 0.000% Due 08-01-18	08-01-18	A2	AA	93.44	116,804.15	97.64	122,045.00	0.5	0.00	2.4
125,000	Kern Cnty CA Captl Appr BD-Taxable (Nat'l Re) 0.000% Due 08-15-18	08-15-18	A3	AA-	90.04	112,553.00	97.88	122,353.75	0.5	0.00	2.8
100,000	LA CA CNTY Redev Auth Tax Alloc Txbl (Hollywood Redev Proj J) Ser B 3.809% Due 07-01-20	07-01-20		AA-	100.02	100,018.00	104.56	104,562.00	0.4	3,809.00	3.8
100,000	San Diego Cnty CA Regl Arprt Auth B Taxable (Rntl Car/CfC) 3.410% Due 07-01-20	07-01-20	A3	A-	101.51	101,508.00	101.85	101,851.00	0.4	3,410.00	3.1

PASADENA CITY COLLEGE FOUNDATION, INC. - LONG TERM

Portfolio Holdings as of June 30, 2017

Quantity	Security	Effective Maturity	Bond Rating		Unit Cost	Total Cost	Market Price	Market Value	Pct. Assets	Est. Annual Income	Yield
			Moody	S&P							
85,000	Univ Enterprises Inc(CSU Sacto/Natl Re)Taxable Sink date 10-1-16 @100 5.250% Due 10-01-20	10-01-20		AA-	98.02	83,315.30	104.55	88,865.80	0.4	4,462.50	5.6
140,000	New Jersey St Econ Dev Auth Lse Rev Ser B (Taxable/POB/AGM Insd) 0.000% Due 02-15-21	02-15-21	A2	AA	76.01	106,418.00	89.35	125,092.80	0.5	0.00	4.6
100,000	San Jose CA Arpt Rev Taxable - Ser B (AGM INSD) Call 3-1-21 @100 5.580% Due 03-01-24	03-01-24	A2	AA	109.63	109,626.00	111.43	111,426.00	0.5	5,580.00	4.5
100,000	Glendale CA Redev Agy Taxable (Sub Cent Glendale Redev Proj) 8.350% Due 12-01-24	12-01-24		A+	125.17	125,168.00	123.88	123,880.00	0.5	8,350.00	4.6
100,000	Riverside CA SWR Rev BAB Taxable Sinking FD Call 8-1-19 @100 7.000% Due 08-01-29	08-01-29	A1	A+	110.02	110,018.00	109.71	109,711.00	0.5	7,000.00	5.8

PASADENA CITY COLLEGE FOUNDATION, INC. - LONG TERM

Portfolio Holdings as of June 30, 2017

Quantity	Security	Effective Maturity	Bond Rating		Unit Cost	Total Cost	Market Price	Market Value	Pct. Assets	Est. Annual Income	Yield
			Moody	S&P							
150,000	CA State G.O. Taxable (AGM INSD) Call 11/1/20 @100 7.700% Due 11-01-30	11-01-30	Aa3	AA	124.41	186,616.50	117.70	176,548.50	0.7	11,550.00	5.4
						1,258,462.95		1,287,755.85	5.4	48,811.50	4.2
Corporate Bonds											
75,000	Wells Fargo Co. Sr Unsec Nts 5.625% Due 12-11-17	12-11-17	A2	A	112.58	84,437.40	101.73	76,300.73	0.3	4,218.75	3.5
300,000	Virginia Elec & Power Co. 5.400% Due 04-30-18	04-30-18	A2	BBB+	104.16	312,477.00	102.87	308,622.30	1.3	16,200.00	1.7
200,000	Intl Bk Recon & Dev (World Bank) Call 10-26-16 @100 1.300% Due 04-26-19	04-26-19	Aaa	AAA	100.01	200,018.00	100.00	200,000.00	0.8	2,600.00	1.3
100,000	Burlington North Santa Fe 3.600% Due 09-01-20	09-01-20	A3	A	103.32	103,318.00	104.37	104,367.60	0.4	3,600.00	3.1
220,000	Biogen Inc. 2.900% Due 09-15-20	09-15-20	Baa1	A-	102.49	225,485.00	102.04	224,481.62	0.9	6,380.00	2.1
200,000	CR Bard Inc. 4.400% Due 01-15-21	01-15-21	Baa1	A	106.75	213,505.00	104.76	209,514.60	0.9	8,800.00	3.3

PASADENA CITY COLLEGE FOUNDATION, INC. - LONG TERM

Portfolio Holdings as of June 30, 2017

Quantity	Security	Effective Maturity	Bond Rating		Unit Cost	Total Cost	Market Price	Market Value	Pct. Assets	Est. Annual Income	Yield
			Moody	S&P							
100,000	Lowe's Companies Inc Call 1-15-21 @100 3.750% Due 04-15-21	04-15-21	A3	A-	103.65	103,652.00	105.48	105,477.40	0.4	3,750.00	3.2
45,000	Caterpillar Inc 3.900% Due 05-27-21	05-27-21	A2	A	111.45	50,153.85	106.27	47,823.03	0.2	1,755.00	2.5
100,000	Amazon.com Inc Call 10-5-21 @100 3.300% Due 12-05-21	12-05-21	Baa1	AA-	100.17	100,173.70	104.09	104,094.70	0.4	3,300.00	3.3
105,000	Burlington North Santa Fe 3.050% Due 03-15-22	03-15-22	A3	A	97.30	102,168.99	103.23	108,394.34	0.5	3,202.50	3.4
75,000	Simon Property Group Lp Call 12-15-21 @25 3.375% Due 03-15-22	03-15-22	A3	A	103.27	77,455.50	103.01	77,253.75	0.3	2,531.25	3.0
125,000	Rio Tinto Fin USA PLC 3.500% Due 03-22-22	03-22-22	A3	A-	97.70	122,127.50	104.51	130,642.13	0.5	4,375.00	3.8
120,000	General Electric Cap Corp 3.150% Due 09-07-22	09-07-22	A1	AA+	92.31	110,766.00	103.88	124,654.68	0.5	3,780.00	4.2
100,000	Dignity Health 3.125% Due 11-01-22	11-01-22	A3	A	91.64	91,641.00	100.18	100,175.70	0.4	3,125.00	4.3

PASADENA CITY COLLEGE FOUNDATION, INC. - LONG TERM

Portfolio Holdings as of June 30, 2017

Quantity	Security	Effective Maturity	Bond Rating		Unit Cost	Total Cost	Market Price	Market Value	Pct. Assets	Est. Annual Income	Yield
			Moody	S&P							
100,000	Apache Corp Call 11-15-22 @100 2.625% Due 01-15-23	01-15-23	Baa3	BBB	92.83	92,833.00	97.61	97,612.70	0.4	2,625.00	3.5
125,000	Anheuser-Busch Inbev Fin 2.625% Due 01-17-23	01-17-23	A2	A-	99.71	124,643.00	99.32	124,149.63	0.5	3,281.25	2.7
100,000	Occidental Petroleum Corp Call 11-15-22 @ 100 2.700% Due 02-15-23	02-15-23	A2	A	93.72	93,722.90	99.85	99,851.90	0.4	2,700.00	3.5
200,000	AT&T Inc Call 12-17-22 @100 3.600% Due 02-17-23	02-17-23	Baa1	BBB+	105.54	211,072.00	102.36	204,713.60	0.9	7,200.00	2.6
150,000	Apple Inc. 2.400% Due 05-03-23	05-03-23	Aa1	AA+	92.15	138,225.00	99.36	149,041.05	0.6	3,600.00	3.4
225,000	Oracle Corp 3.625% Due 07-15-23	07-15-23	A1	AA-	108.78	244,764.90	105.58	237,547.35	1.0	8,156.25	2.3
						<u>2,802,639.74</u>		<u>2,834,718.79</u>	<u>11.9</u>	<u>95,180.00</u>	<u>2.8</u>
Fixed Income Mutual Funds - Taxable											
44,690.423	DoubleLine Total Return Bond I				11.30	504,923.22	10.68	477,293.72	2.0	18,340.95	3.8

PASADENA CITY COLLEGE FOUNDATION, INC. - LONG TERM

Portfolio Holdings as of June 30, 2017

Quantity	Security	Effective Maturity	Bond Rating		Unit Cost	Total Cost	Market Price	Market Value	Pct. Assets	Est. Annual Income	Yield
			Moody	S&P							
9,708.738	Vanguard Inflation-Protected Sec Fund Adm				25.76	250,049.95	25.65	249,029.13	1.0	2,136.89	0.9
						<u>754,973.17</u>		<u>726,322.85</u>	<u>3.0</u>	<u>20,477.84</u>	<u>2.8</u>
FIXED INCOME - TAXABLE SUBTOTAL						6,655,212.89		6,702,929.35	28.0	206,552.47	2.9
EQUITIES											
Equity Mutual Funds											
12,481.345	Glenmede Fd Inc Small Cap Eqty				27.65	345,088.66	30.48	380,431.40	1.6	549.18	0.1
Equity ETFs & Closed-End Funds											
2,500	iShares Russell 2000 Index				126.67	316,683.95	140.92	352,300.00	1.5	4,418.10	1.3
Int'l Equity Mutual Funds											
30,234.743	Matthews Pacific Tiger Fund				25.28	764,219.64	27.55	832,967.17	3.5	12,604.86	1.5
24,577.320	MFS International Value Fund CI I				39.49	970,525.58	42.49	1,044,290.33	4.4	13,105.86	1.3
21,990.023	Oppenheimer Developing Markets Y				36.22	796,523.20	37.96	834,741.27	3.5	4,926.42	0.6
						<u>2,531,268.42</u>		<u>2,711,998.77</u>	<u>11.3</u>	<u>30,637.15</u>	<u>1.1</u>

PASADENA CITY COLLEGE FOUNDATION, INC. - LONG TERM

Portfolio Holdings as of June 30, 2017

Quantity	Security	Effective Maturity	Bond Rating		Unit Cost	Total Cost	Market Price	Market Value	Pct. Assets	Est. Annual Income	Yield
			Moody	S&P							
Common Stock											
ENERGY											
1,080	Apache Corp				38.91	42,019.79	47.93	51,764.40	0.2	1,080.00	2.1
700	BP PLC - Spons ADR				35.09	24,563.84	34.65	24,255.00	0.1	1,666.00	6.9
3,450	Chevron Corp.				109.34	377,234.88	104.33	359,938.50	1.5	14,766.00	4.1
7,225	ConocoPhillips				51.89	374,901.14	43.96	317,611.00	1.3	7,225.00	2.3
3,100	Schlumberger Ltd				86.23	267,316.48	65.84	204,104.00	0.9	6,200.00	3.0
11,800	Transocean Ltd.				9.12	107,616.98	8.23	97,114.00	0.4	0.00	0.0
						<u>1,193,653.10</u>		<u>1,054,786.90</u>	4.4	<u>30,937.00</u>	<u>2.9</u>
MATERIALS											
3,515	Monsanto Company				93.63	329,091.95	118.36	416,035.40	1.7	7,592.40	1.8
INDUSTRIALS											
1,100	Boeing Co.				124.29	136,715.33	197.75	217,525.00	0.9	4,796.00	2.2
9,480	General Electric				23.67	224,388.65	27.01	256,054.80	1.1	8,721.60	3.4
3,925	Stericycle, Inc.				88.70	348,140.89	76.32	299,556.00	1.3	0.00	0.0
2,800	Union Pacific				78.51	219,827.93	108.91	304,948.00	1.3	6,160.00	2.0
3,100	United Technologies				94.89	294,168.80	122.11	378,541.00	1.6	8,184.00	2.2
						<u>1,223,241.60</u>		<u>1,456,624.80</u>	6.1	<u>27,861.60</u>	<u>1.9</u>

PASADENA CITY COLLEGE FOUNDATION, INC. - LONG TERM

Portfolio Holdings as of June 30, 2017

Quantity	Security	Effective Maturity	Bond Rating		Unit Cost	Total Cost	Market Price	Market Value	Pct. Assets	Est. Annual Income	Yield
			Moody	S&P							
CONSUMER DISCRETIONARY											
6,390	Bed Bath & Beyond				47.89	306,011.46	30.40	194,256.00	0.8	3,195.00	1.6
6,925	Coach, Inc.				43.11	298,561.27	47.34	327,829.50	1.4	9,348.75	2.9
12,800	Discovery Communications Ser. C				25.36	324,576.05	25.21	322,688.00	1.3	0.00	0.0
4,105	Gap Inc. Del				21.23	87,153.02	21.99	90,268.95	0.4	3,776.60	4.2
3,600	Lowe's Companies				35.81	128,912.40	77.53	279,108.00	1.2	5,040.00	1.8
8,755	Nordstrom Inc.				43.58	381,538.25	47.83	418,751.65	1.8	12,957.40	3.1
1,805	Target Corp				57.64	104,036.67	52.29	94,383.45	0.4	4,332.00	4.6
						1,630,789.12		1,727,285.55	7.2	38,649.75	2.2
CONSUMER STAPLES											
335	Coca-Cola Company				43.42	14,545.96	44.85	15,024.75	0.1	469.00	3.1
4,800	Colgate-Palmolive Co.				56.52	271,280.95	74.13	355,824.00	1.5	7,488.00	2.1
1,540	Costco Wholesale Corp.				99.42	153,103.26	159.93	246,292.20	1.0	2,772.00	1.1
3,500	Wal-Mart Stores, Inc.				59.35	207,717.50	75.68	264,880.00	1.1	7,000.00	2.6
2,700	Walgreens Boots Alliance Inc.				39.20	105,837.57	78.31	211,437.00	0.9	4,050.00	1.9
2,640	Whole Food Markets				28.49	75,221.44	42.11	111,170.40	0.5	1,425.60	1.3
						827,706.68		1,204,628.35	5.0	23,204.60	1.9

PASADENA CITY COLLEGE FOUNDATION, INC. - LONG TERM

Portfolio Holdings as of June 30, 2017

Quantity	Security	Effective Maturity	Bond Rating		Unit Cost	Total Cost	Market Price	Market Value	Pct. Assets	Est. Annual Income	Yield
			Moody	S&P							
HEALTH CARE											
300	Abbott Labs				38.81	11,641.70	48.61	14,583.00	0.1	312.00	2.1
3,800	Bristol-Myers Squibb Co.				55.29	210,117.09	55.72	211,736.00	0.9	5,776.00	2.7
4,005	Cerner				50.74	203,224.07	66.47	266,212.35	1.1	0.00	0.0
2,140	Edwards Lifesciences Corp.				38.10	81,536.80	118.24	253,033.60	1.1	0.00	0.0
1,896	Johnson & Johnson				69.93	132,594.43	132.29	250,821.84	1.0	6,067.20	2.4
940	Laboratory Corp. of America				86.86	81,646.52	154.14	144,891.60	0.6	0.00	0.0
1,405	McKesson Corp.				144.10	202,456.56	164.54	231,178.70	1.0	1,573.60	0.7
2,970	Novartis AG ADS				73.00	216,823.56	83.47	247,905.90	1.0	6,839.18	2.8
8,800	Novo Nordisk ADR				33.14	291,605.54	42.89	377,432.00	1.6	9,068.13	2.4
650	Pfizer, Inc.				30.05	19,532.35	33.59	21,833.50	0.1	780.00	3.6
2,500	Stryker Corporation				58.76	146,891.50	138.78	346,950.00	1.5	3,800.00	1.1
7,065	Teva Pharmaceutical Industries Ltd.				36.20	255,768.91	33.22	234,699.30	1.0	8,167.14	3.5
						1,853,839.02		2,601,277.79	10.9	42,383.25	1.6
FINANCIALS											
275	American Express Co.				61.76	16,984.80	84.24	23,166.00	0.1	319.00	1.4
9,300	Bank of New York Mellon Corp.				28.04	260,801.35	51.02	474,486.00	2.0	7,068.00	1.5
2,320	Berkshire Hathaway B				101.24	234,872.68	169.37	392,938.40	1.6	0.00	0.0

PASADENA CITY COLLEGE FOUNDATION, INC. - LONG TERM

Portfolio Holdings as of June 30, 2017

Quantity	Security	Effective Maturity	Bond Rating		Unit Cost	Total Cost	Market Price	Market Value	Pct. Assets	Est. Annual Income	Yield
			Moody	S&P							
3,700	JPMorgan Chase & Co.				43.66	161,533.60	91.40	338,180.00	1.4	7,104.00	2.1
6,700	Wells Fargo & Co.				33.56	224,820.11	55.41	371,247.00	1.6	10,184.00	2.7
						899,012.54		1,600,017.40	6.7	24,675.00	1.5
INFORMATION TECHNOLOGY											
2,100	Accenture PLC				69.87	146,724.48	123.68	259,728.00	1.1	4,620.00	1.8
585	Akamai Technologies Inc.				51.06	29,871.07	49.81	29,138.85	0.1	0.00	0.0
3,410	Apple Inc.				63.27	215,767.70	144.02	491,108.20	2.1	7,774.80	1.6
7,243	Cisco Systems, Inc.				19.31	139,870.84	31.30	226,705.90	0.9	7,532.72	3.3
20,185	Flextronics International Ltd.				10.94	220,914.70	16.31	329,217.35	1.4	0.00	0.0
5,900	Intel Corp.				20.34	119,982.68	33.74	199,066.00	0.8	6,136.00	3.1
4,700	Microsoft Corp.				28.85	135,576.20	68.93	323,971.00	1.4	6,768.00	2.1
715	Netapp, Inc				26.09	18,653.17	40.05	28,635.75	0.1	543.40	1.9
8,500	Oracle Systems				33.17	281,935.30	50.14	426,190.00	1.8	5,100.00	1.2
5,000	Paypal Hldgs Inc Com				35.47	177,325.67	53.67	268,350.00	1.1	0.00	0.0
3,970	Qualcomm, Inc				62.43	247,831.89	55.22	219,223.40	0.9	8,416.40	3.8
						1,734,453.70		2,801,334.45	11.7	46,891.32	1.7

PASADENA CITY COLLEGE FOUNDATION, INC. - LONG TERM

Portfolio Holdings as of June 30, 2017

Quantity	Security	Effective Maturity	Bond Rating		Unit Cost	Total Cost	Market Price	Market Value	Pct. Assets	Est. Annual Income	Yield
			Moody	S&P							
TELECOM SERVICES											
7,490	Vodafone Group PLC New				36.13	270,623.30	28.73	215,187.70	0.9	11,317.47	5.3
						9,962,411.02		13,077,178.34	54.7	253,512.39	1.9
EQUITIES SUBTOTAL						13,155,452.05		16,521,908.50	69.1	289,116.82	1.7
OTHER											
Alternatives											
17,647	Deutsche Enhanced Commodity Strategy Fund				11.74	207,119.86	11.05	195,000.75	0.8	880.59	0.5
OTHER SUBTOTAL						207,119.86		195,000.75	0.8	880.59	0.5
Total Portfolio						20,506,368.10		23,908,421.92	100.0	496,549.88	2.0
GRAND TOTAL						20,506,368.10		23,908,421.92	100.0	496,549.88	2.0

PASADENA CITY COLLEGE FOUNDATION, INC. - LONG TERM

Purchases & Sales: April 1, 2017 through June 30, 2017

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
PURCHASES					
04-13-17	04-19-17	280	Target Corp	53.62	15,013.93
04-26-17	05-01-17	335	Coca-Cola Company	43.42	14,545.96
05-01-17	05-02-17	5,451.128	Matthews Pacific Tiger Fund	26.60	145,000.00
05-01-17	05-02-17	6,280.721	Oppenheimer Developing Markets Y	36.63	230,049.95
05-02-17	05-03-17	2,805.836	Matthews Pacific Tiger Fund	26.73	75,000.00
05-02-17	05-05-17	345	Nordstrom Inc.	48.38	16,691.22
05-02-17	05-03-17	2,029.221	Oppenheimer Developing Markets Y	36.98	75,049.95
05-04-17	05-09-17	270	Akamai Technologies Inc.	53.22	14,369.57
05-05-17	05-10-17	975	Transocean Ltd.	11.10	10,826.77
05-11-17	05-16-17	575	Nordstrom Inc.	46.25	26,593.12
05-16-17	05-19-17	440	Target Corp	54.54	23,996.39
05-17-17	05-22-17	220,000	Biogen Inc. 2.900% Due 09-15-20	102.49	225,485.00
05-18-17	05-23-17	1,305	Gap Inc. Del	23.30	30,407.40
06-01-17	06-06-17	160	Bed Bath & Beyond	35.29	5,645.70
06-06-17	06-09-17	575	Bed Bath & Beyond	34.26	19,696.86
06-06-17	06-09-17	345	Gap Inc. Del	21.99	7,586.95
06-13-17	06-16-17	385	Gap Inc. Del	23.41	9,012.41
06-14-17	06-19-17	410	Gap Inc. Del	23.00	9,429.50
06-16-17	06-19-17	9,708.738	Vanguard Inflation-Protected Sec Fund Adm	25.76	250,049.95
06-19-17	06-22-17	280	BP PLC - Spons ADR	36.21	10,137.56
06-19-17	06-22-17	2,880	Transocean Ltd.	8.56	24,654.58
06-21-17	06-26-17	315	Akamai Technologies Inc.	49.21	15,501.50

PASADENA CITY COLLEGE FOUNDATION, INC. - LONG TERM

Purchases & Sales: April 1, 2017 through June 30, 2017

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
06-21-17	06-26-17	100,000	Riverside CA SWR Rev BAB Taxable Sinking FD Call 8-1-19 @100 7.000% Due 08-01-29	110.02	110,018.00
06-22-17	06-27-17	1,765	Transocean Ltd.	7.88	13,912.97
					<u>1,378,675.24</u>
<u>REINVESTED DIVIDENDS</u>					
04-28-17	04-28-17	131.730	DoubleLine Total Return Bond I	10.68	1,406.88
05-31-17	05-31-17	140.261	DoubleLine Total Return Bond I	10.73	1,505.00
06-23-17	06-23-17	18	Deutsche Enhanced Commodity Strategy Fund	10.82	190.40
06-30-17	06-30-17	136.283	DoubleLine Total Return Bond I	10.68	1,455.50
					<u>4,557.78</u>
<u>SALES</u>					
04-12-17	04-18-17	380	Flextronics International Ltd.	16.00	6,080.09
04-12-17	04-18-17	175	Netapp, Inc	39.75	6,956.59
04-12-17	04-18-17	250	Netapp, Inc	39.75	9,937.99
04-12-17	04-18-17	160	Netapp, Inc	39.75	6,360.32
04-18-17	04-21-17	85	Cerner	58.55	4,976.79
04-18-17	04-21-17	335	Cerner	58.55	19,614.39
04-26-17	05-01-17	100	Whole Food Markets	36.57	3,656.87
04-26-17	05-01-17	50	Whole Food Markets	36.57	1,828.44
04-26-17	05-01-17	680	Whole Food Markets	36.57	24,866.75
04-27-17	05-02-17	1,870	Hain Celestial Group Inc.	37.67	70,437.63
04-27-17	05-02-17	3,100	Hain Celestial Group Inc.	37.67	116,768.27
04-27-17	05-02-17	3,342	Johnson Controls International PLC	42.03	140,471.29

PASADENA CITY COLLEGE FOUNDATION, INC. - LONG TERM

Purchases & Sales: April 1, 2017 through June 30, 2017

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
05-05-17	05-10-17	230	Nordstrom Inc.	49.09	11,291.64
05-11-17	05-16-17	110	Coach, Inc.	45.34	4,987.09
05-11-17	05-16-17	130	Monsanto Company	115.81	15,055.78
05-11-17	05-16-17	430	Novo Nordisk ADR	40.23	17,299.42
05-16-17	05-19-17	110	American Express Co.	78.06	8,586.96
05-16-17	05-19-17	75	American Express Co.	78.06	5,854.75
05-16-17	05-19-17	50	American Express Co.	78.06	3,903.16
05-16-17	05-19-17	25	American Express Co.	78.06	1,951.58
05-17-17	05-22-17	280	Cerner	64.00	17,921.21
05-17-17	05-22-17	540	Flextronics International Ltd.	16.30	8,804.20
05-17-17	05-22-17	100,000	State of Pennsylvania G.O. Call 6-1-22 @100 5.000% Due 06-01-28	113.61	113,607.00
06-01-17	06-06-17	175	Netapp, Inc	39.70	6,946.93
06-01-17	06-06-17	50	Novartis AG ADS	81.76	4,088.06
06-01-17	06-06-17	70	Novartis AG ADS	81.76	5,723.28
06-05-17	06-08-17	100,000	CA St G.O. Call 10-1-24 @100 5.000% Due 10-01-27	120.35	120,350.00
06-06-17	06-09-17	125	Cerner	68.88	8,609.86
06-06-17	06-09-17	225	Coach, Inc.	46.50	10,462.54
06-09-17	06-14-17	410	Flextronics International Ltd.	17.27	7,079.04
06-13-17	06-16-17	320	Whole Food Markets	35.61	11,395.09
06-13-17	06-16-17	70	Whole Food Markets	35.61	2,492.67
06-14-17	06-19-17	160	Abbott Labs	47.63	7,621.15
06-16-17	06-21-17	180	Whole Food Markets	43.12	7,761.75
06-16-17	06-21-17	250	Whole Food Markets	43.12	10,780.22

PASADENA CITY COLLEGE FOUNDATION, INC. - LONG TERM

Purchases & Sales: April 1, 2017 through June 30, 2017

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
06-21-17	06-26-17	190	Coach, Inc.	46.57	8,847.91
06-22-17	06-27-17	115	Nordstrom Inc.	47.52	5,464.77
06-22-17	06-27-17	50	Nordstrom Inc.	47.52	2,375.99
06-26-17	06-29-17	750	Whole Food Markets	42.60	31,949.04
06-26-17	06-29-17	200	Whole Food Markets	42.60	8,519.74
06-26-17	06-29-17	10	Whole Food Markets	42.60	425.99
06-27-17	06-27-17	103,000	JPMorgan Chase & Co. Sub Nt 6.125% Due 06-27-17	100.00	103,000.00
					985,112.24
<u>PRINCIPAL PAYDOWNS</u>					
04-15-17	04-15-17	11.030	FHLMC #G04688 5.500% Due 09-01-38	100.00	11.03
04-15-17	04-15-17	10.770	FHLMC #GO4913 5.000% Due 03-01-38	100.00	10.77
04-25-17	04-25-17	247.990	FNMA #735676 5.000% Due 07-01-35	100.00	247.99
04-25-17	04-25-17	189.100	FNMA #745343 5.500% Due 03-01-36	100.00	189.10
04-25-17	04-25-17	118.710	FNMA #AB4115 4.000% Due 12-01-41	100.00	118.71
04-25-17	04-25-17	495.990	FNMA #AB4297 3.500% Due 01-01-42	100.00	495.99
04-25-17	04-25-17	154.490	FNMA #AB5468 3.500% Due 06-01-42	100.00	154.49

PASADENA CITY COLLEGE FOUNDATION, INC. - LONG TERM

Purchases & Sales: April 1, 2017 through June 30, 2017

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
04-25-17	04-25-17	157.450	FNMA #AB5670 3.500% Due 07-01-42	100.00	157.45
04-25-17	04-25-17	456.020	FNMA #AL1948 4.000% Due 01-01-42	100.00	456.02
04-25-17	04-25-17	334.870	FNMA #AP0495 3.500% Due 08-01-42	100.00	334.87
05-15-17	05-15-17	7.460	FHLMC #G04688 5.500% Due 09-01-38	100.00	7.46
05-15-17	05-15-17	10.270	FHLMC #GO4913 5.000% Due 03-01-38	100.00	10.27
05-25-17	05-25-17	248.320	FNMA #735676 5.000% Due 07-01-35	100.00	248.32
05-25-17	05-25-17	381.180	FNMA #745343 5.500% Due 03-01-36	100.00	381.18
05-25-17	05-25-17	259.380	FNMA #AB4115 4.000% Due 12-01-41	100.00	259.38
05-25-17	05-25-17	59.100	FNMA #AB4297 3.500% Due 01-01-42	100.00	59.10
05-25-17	05-25-17	310.290	FNMA #AB5468 3.500% Due 06-01-42	100.00	310.29
05-25-17	05-25-17	122.080	FNMA #AB5670 3.500% Due 07-01-42	100.00	122.08
05-25-17	05-25-17	208.420	FNMA #AL1948 4.000% Due 01-01-42	100.00	208.42

PASADENA CITY COLLEGE FOUNDATION, INC. - LONG TERM

Purchases & Sales: April 1, 2017 through June 30, 2017

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
05-25-17	05-25-17	589.450	FNMA #AP0495 3.500% Due 08-01-42	100.00	589.45
06-15-17	06-15-17	12.660	FHLMC #G04688 5.500% Due 09-01-38	100.00	12.66
06-15-17	06-15-17	10.280	FHLMC #GO4913 5.000% Due 03-01-38	100.00	10.28
06-23-17	06-23-17	221.090	FNMA #735676 5.000% Due 07-01-35	100.00	221.09
06-23-17	06-23-17	185.260	FNMA #745343 5.500% Due 03-01-36	100.00	185.26
06-23-17	06-23-17	407.320	FNMA #AB4115 4.000% Due 12-01-41	100.00	407.32
06-23-17	06-23-17	403.690	FNMA #AB4297 3.500% Due 01-01-42	100.00	403.69
06-23-17	06-23-17	419.470	FNMA #AB5468 3.500% Due 06-01-42	100.00	419.47
06-23-17	06-23-17	136.080	FNMA #AB5670 3.500% Due 07-01-42	100.00	136.08
06-23-17	06-23-17	433.690	FNMA #AL1948 4.000% Due 01-01-42	100.00	433.69
06-23-17	06-23-17	572.650	FNMA #AP0495 3.500% Due 08-01-42	100.00	572.65
					7,174.56

➤ **Short Term**

- ◆ Non – Managed

➤ **Long Term**

- ◆ Maintain low Cash levels
- ◆ Maintain Equity Equal / Underweight
 - ◆ Maintain Domestic / International balance
 - ◆ Maintain European vs Emerging balance within international portfolio (Emerging overweight)
- ◆ Maintain Fixed Income weighting
 - ◆ Duration below level of the Bloomberg Barclays Aggregate Bond Index
- ◆ Maintain Alternatives (Commodities) as diversifier

CLIFFORD SWAN

INVESTMENT COUNSELORS

Clifford Swan Investment Counselors
Investment Results - Net of Fees

Endowment Funds Balanced Composite - Total Return Performance Data

	<i>1 Year</i>	<i>3 Years*</i>	<i>5 Years*</i>	<i>7 Years*</i>	<i>10 Years*</i>
Clifford Swan Composite Equities	12.98%	8.05%	11.29%	10.60%	6.79%
Standard & Poor's 500 Index	17.17%	10.37%	13.30%	12.94%	7.51%
Benchmark - Lipper Large Cap-Core Funds Index	17.78%	8.79%	12.29%	11.55%	6.75%
Clifford Swan Composite Fixed Income Securities	1.14%	2.13%	2.14%	2.70%	3.64%
Citi Investment Grade Govt/Corp 1 - 10 Year	0.46%	2.00%	1.90%	2.91%	3.82%
Benchmark - Lipper Sht-Int Inv Grade Bond Index	2.09%	1.67%	1.85%	2.67%	3.32%
Clifford Swan Composite Total Portfolio	8.80%	5.91%	8.01%	7.83%	5.72%
Blended Benchmark: S&P 500/Citi Govt/Corp	11.11%	7.51%	9.32%	9.53%	6.54%
Benchmark - Lipper Balanced Funds Index	10.22%	5.39%	7.56%	7.75%	5.28%

Periods Ending March 31, 2017

**Annualized*

Please see the reverse of this sheet for important information about this composite.

Past performance is no guarantee of future results. Possibility of loss exists as well as possibility of gain.

Definitions:

Definition of the firm: Clifford Swan Investment Counselors is registered with the Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940. The firm is a result of the merger of Clifford Associates, LLC and Philip V. Swan Associates, LLC on November 1, 2007.

Definition of total firm assets: Total firm assets include all discretionary and non-discretionary assets under management by Clifford Swan Investment Counselors.

Lipper, Inc. is the leading provider of data and analysis on the investment company business and is known for its extensive data on offshore funds, open-end funds, closed-end funds, and variable annuity/life funds. Lipper Funds Index figures are from Lipper Analytical Services and are reported net of fees.

Creation and Maintenance of Composites:

This composite is a continuation of the Endowment Funds Balanced Composite established and maintained by Clifford Associates, LLC. Due to the merger, former Philip V. Swan Associates portfolios are treated as new accounts as of November 1, 2007 for composite purposes, and are added to the composite using the following criteria: This composite contains all fully discretionary, fee-paying, non-profit institutional, endowment and foundation balanced portfolios. New portfolios are included six months after the portfolio comes under management. The composite excludes terminated portfolios after the last full month the portfolios were under management. The composite continues to include terminated portfolios for all periods prior to termination. Convertible and hybrid securities are treated consistently across and within composites. Asset-only returns are not mixed with asset-plus cash returns.

Calculation of Returns:

Returns are calculated using Advent software. The software calculates the return figures using the following methods:

Total returns, including realized and unrealized gains plus income, are used when calculating investment performance. Dividends and other earnings are reinvested in the total portfolio. Time-weighted rates of return are used. Accrual accounting is used for fixed-income and all other securities that accrue income. Dividends are recorded on the ex-date. Accrued income is included in the market value calculation of the denominator and the numerator. The composite is asset weighted using beginning-of-period weightings.

Returns from cash and cash equivalents held in the portfolio are included in return calculations, and the cash and cash equivalents are included in the total assets on which the return is calculated. Portfolios are valued daily and periodic returns are geometrically linked. Composite performance is calculated after the deduction of trading and custody expenses, but before the deductions of investment advisory fees.

Benchmark Indices:

The Standard & Poor's 500 Index (S&P) is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. As of 03/31/17, 93% of the total value of equities in this composite was invested in individual securities with the following characteristics, which are compared with the index characteristics on a weighted average basis. The data is from Baseline. Beta: Clifford Swan, .99 S&P 1.00. Price/Earnings: Clifford Swan 23.1, S&P 20.2 Price/Cash Flow: Clifford Swan 14.2 S&P 12.7 Price/Book: Clifford Swan 4.9, S&P 2.8 Market Capitalization: Clifford Swan \$154 billion, S&P \$154 billion. Number of stocks: Clifford Swan 127, S&P 500. The remaining 7% of the total value of equities in this composite was invested in ETFs and mutual funds selected, but not managed, by Clifford Swan.

Citigroup Broad Investment Grade Bond Index is an unmanaged index produced by Citigroup to measure the returns of U.S. Treasury, U.S. Government-sponsored, mortgage and corporate fixed income securities; the inclusion of each security is based on factors such as maturity (must be at least one year), liquidity and quality (must be rated investment-grade). The Citigroup Board Investment Grade Index is subdivided into maturity sectors.

From inception to 4/30/08 the Blended Benchmark is 60% S&P 500/40% Citi Investment Grade Govt/Corp 1 – 5 year. From 4/30/08 to present the Blended Benchmark is 65% S&P 500/ 35% Citi Investment Grade Govt/Corp 1 – 10 year.

Composite Size:

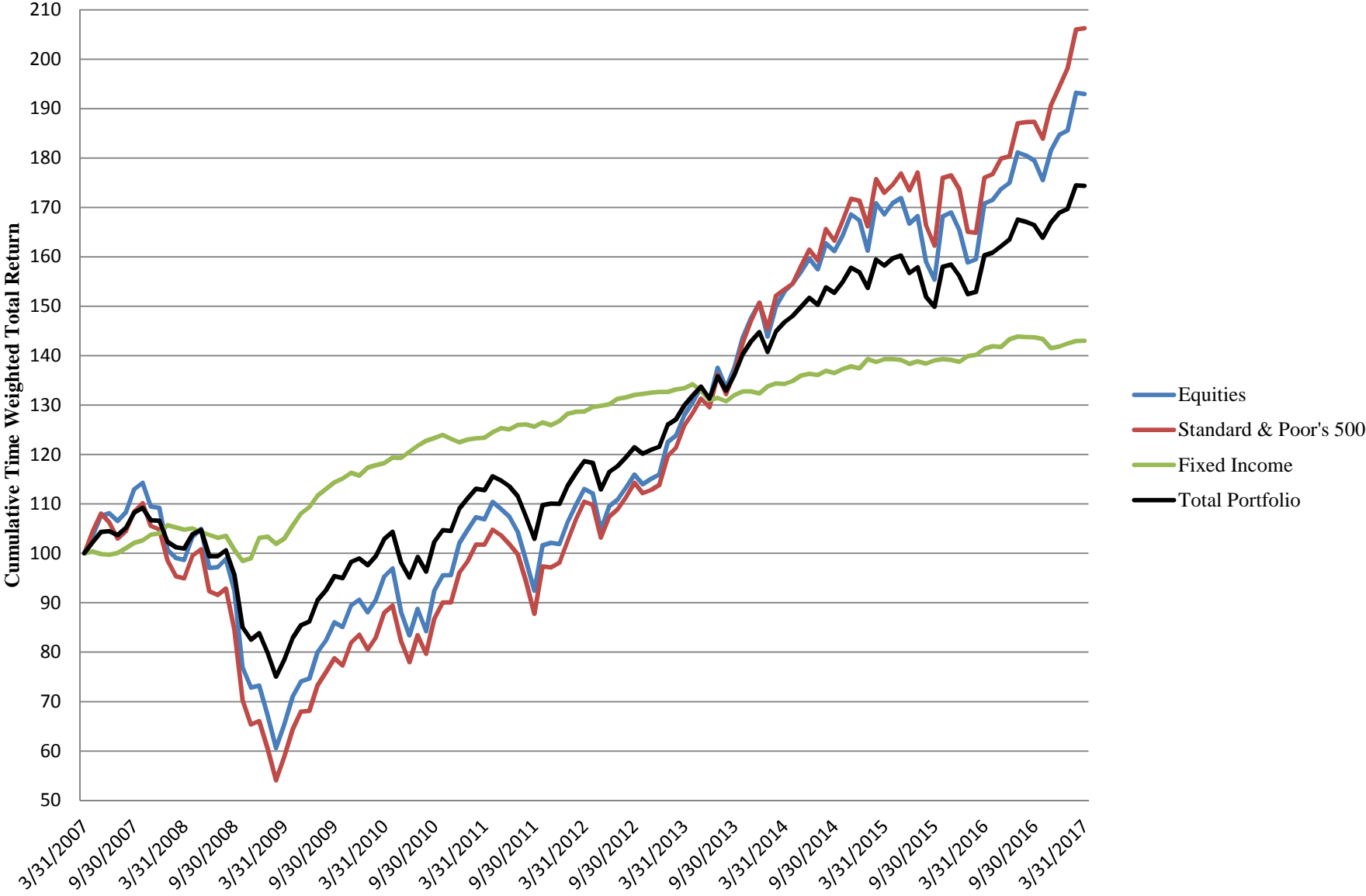
As of 3/31/17, there were 30 accounts in the Endowment Funds Balanced Composite, with a total aggregate value of \$281 million, representing 11% of total assets under management by Clifford Swan Investment Counselors.

Effect of Fees:

Composite performance is calculated after the deduction of trading and custody expenses, but before the deduction of investment advisory fees. Investment returns will be reduced by the advisory fees and any other expenses incurred in the management of the account. Our normal fee schedule is described in our Brochure (ADV Part 2A). Assuming our normal annual fee of 1% payable quarterly, \$100 invested since 03/31/07 became \$164.51 after fees vs. \$181.62 before fees.

Clifford Swan Balanced Funds Endowment Composite

Net of Fees 03-31-2007 to 03-31-2017



Please see the reverse of this sheet for important information about this composite.

Past performance is no guarantee of future results. Possibility of loss exists as well as possibility of gain.

Definitions:

Definition of the firm: Clifford Swan Investment Counselors is registered with the Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940. The firm is a result of the merger of Clifford Associates, LLC and Philip V. Swan Associates, LLC on November 1, 2007.

Definition of total firm assets: Total firm assets include all discretionary and non-discretionary assets under management by Clifford Swan Investment Counselors.

Lipper, Inc. is the leading provider of data and analysis on the investment company business and is known for its extensive data on offshore funds, open-end funds, closed-end funds, and variable annuity/life funds. Lipper Funds Index figures are from Lipper Analytical Services and are reported net of fees.

Creation and Maintenance of Composites:

This composite is a continuation of the Endowment Funds Balanced Composite established and maintained by Clifford Associates, LLC. Due to the merger, former Philip V. Swan Associates portfolios are treated as new accounts as of November 1, 2007 for composite purposes, and are added to the composite using the following criteria: This composite contains all fully discretionary, fee-paying, non-profit institutional, endowment and foundation balanced portfolios. New portfolios are included six months after the portfolio comes under management.

The composite excludes terminated portfolios after the last full month the portfolios were under management. The composite continues to include terminated portfolios for all periods prior to termination. Convertible and hybrid securities are treated consistently across and within composites. Asset-only returns are not mixed with asset-plus cash returns.

Calculation of Returns:

Returns are calculated using Advent software. The software calculates the return figures using the following methods:

Total returns, including realized and unrealized gains plus income, are used when calculating investment performance. Dividends and other earnings are reinvested in the total portfolio. Time-weighted rates of return are used. Accrual accounting is used for fixed-income and all other securities that accrue income. Dividends are recorded on the ex-date.

Accrued income is included in the market value calculation of the denominator and the numerator. The composite is asset weighted using beginning-of-period weightings.

Returns from cash and cash equivalents held in the portfolio are included in return calculations, and the cash and cash equivalents are included in the total assets on which the return is calculated. Portfolios are valued daily and periodic returns are geometrically linked. Composite performance is calculated after the deduction of trading and custody expenses, but before the deductions of investment advisory fees.

Benchmark Indices:

The Standard & Poor's 500 Index (S&P) is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. As of 03/31/17, 93% of the total value of equities in this composite was invested in individual securities with the following characteristics, which are compared with the index characteristics on a weighted average basis. The data is from Baseline. Beta: Clifford Swan, .99 S&P 1.00. Price/Earnings: Clifford Swan 23.1, S&P 20.2 Price/Cash Flow: Clifford Swan 14.2 S&P 12.7 Price/Book: Clifford Swan 4.9, S&P 2.8 Market Capitalization: Clifford Swan \$154 billion, S&P \$154 billion. Number of stocks: Clifford Swan 127, S&P 500. The remaining 7% of the total value of equities in this composite was invested in ETFs and mutual funds selected, but not managed, by Clifford Swan.

Citigroup Broad Investment Grade Bond Index is an unmanaged index produced by Citigroup to measure the returns of U.S. Treasury, U.S. Government-sponsored, mortgage and corporate fixed income securities; the inclusion of each security is based on factors such as maturity (must be at least one year), liquidity and quality (must be rated investment-grade). The Citigroup Board Investment Grade Index is subdivided into maturity sectors.

From inception to 4/30/08 the Blended Benchmark is 60% S&P 500/40% Citi Investment Grade Govt/Corp 1 – 5 year. From 4/30/08 to present the Blended Benchmark is 65% S&P 500/ 35% Citi Investment Grade Govt/Corp 1 – 10 year.

Composite Size:

As of 3/31/17, there were 30 accounts in the Endowment Funds Balanced Composite, with a total aggregate value of \$281 million, representing 11% of total assets under management by Clifford Swan Investment Counselors.