

Consolidated Financial Statements
and Report of Independent
Certified Public Accountants

Funds Administered by HighGround Advisors

December 31, 2019 and 2018

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**Board of Directors
HighGround Advisors**

We have audited the accompanying consolidated financial statements of Funds Administered by HighGround Advisors and subsidiary, which comprise the consolidated balance sheets as of December 31, 2019 and 2018, and the related consolidated statements of operations, and consolidated statement of changes in funds administered for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Funds Administered by HighGround Advisors and subsidiary as of December 31, 2019 and 2018, and the results of their operations and changes in funds administered for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Schedules of Consolidated Assets, Schedules of Consolidated Administrative Expenses, and Consolidating Balance Sheets by Fund are presented for purposes of additional analysis and are not required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subject to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures. These additional procedures including comparing and reconciling the Information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material aspects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

Dallas, Texas
April 30, 2020

Funds Administered by HighGround Advisors

CONSOLIDATED BALANCE SHEETS

December 31,
(Dollars in thousands unless otherwise noted)

ASSETS	2019	2018
Cash and cash equivalents	\$ 127,144	\$ 124,630
Cash equivalents held as collateral for securities on loan	22,160	13,784
Equity securities (cost, \$765,273 and \$758,922 in 2019 and 2018)	910,234	738,835
Bonds (cost, \$421,480 and \$407,798 in 2019 and 2018)	436,490	407,985
Marketable alternatives (cost, \$107,473 in 2019 and 2018)	144,544	129,919
Investments in private equity funds (cost, \$94,210 and \$74,240 in 2019 and 2018)	93,191	74,021
Accrued interest, dividends and royalties	7,867	7,550
Securities on loan to borrowers	21,662	13,457
Receivable from sale of securities	69,222	22,722
Real estate, properties and funds (cost, \$90,345 and \$101,986 in 2019 and 2018)	110,435	112,286
Mineral rights and royalties (cost, \$4,792 and \$4,925 in 2019 and 2018)	249,008	252,500
Other	6,636	7,518
Total assets	\$ 2,198,593	\$ 1,905,207
LIABILITIES AND FUNDS ADMINISTERED		
Liabilities		
Accrued liabilities	\$ 6,889	\$ 7,078
Payable for purchases of securities	132,583	62,720
Liability for collateral held for securities on loan	22,160	13,784
Total liabilities	161,632	83,582
Funds administered		
Institutional funds	1,507,922	1,477,733
Annuity and life income trust funds	68,269	83,286
Net unrealized gains on investments	460,770	260,606
Total funds administered	2,036,961	1,821,625
Total liabilities and funds administered	\$ 2,198,593	\$ 1,905,207

The accompanying notes are an integral part of these consolidated statements.

Funds Administered by HighGround Advisors

CONSOLIDATED STATEMENTS OF OPERATIONS

Years ended December 31,
(Dollars in thousands unless otherwise noted)

	<u>2019</u>	<u>2018</u>
Revenues		
Dividends	\$ 16,132	\$ 17,115
Interest		
Cash and cash equivalents	2,479	1,889
Bonds	11,739	9,847
Mortgage loans and notes receivable	32	32
Oil and gas income	56,552	57,934
Other income	4,429	4,298
	<u>91,363</u>	<u>91,115</u>
Total revenues		
Expenses		
Administrative expenses	9,888	9,672
Other operating expenses	9,523	8,509
	<u>19,411</u>	<u>18,181</u>
Total expenses		
Excess of revenues over expenses	71,952	72,934
Net realized gains on investments	22,086	76,382
Net unrealized gains (losses) on investments	200,164	(80,239)
	<u>294,202</u>	<u>69,077</u>
Net income		

The accompanying notes are an integral part of these consolidated statements.

Funds Administered by HighGround Advisors

CONSOLIDATED STATEMENTS OF CHANGES IN FUNDS ADMINISTERED

Years ended December 31,
(Dollars in thousands unless otherwise noted)

	2019	2018
Funds administered at beginning of year	\$ 1,821,625	\$ 1,894,598
Additions		
Contributions by individuals and estates to HighGround for the benefit of various client institutions	22,943	19,995
Contributions from client institutions	84,004	71,023
Excess of revenues over expenses	71,952	72,934
Other additions	2,703	968
Net realized gains on investments	22,086	76,382
Net unrealized gains (losses) on investments	200,164	(80,239)
	403,852	161,063
Reductions		
Capital remitted to client institutions, beneficiaries and others	78,390	128,186
Income remitted to client institutions, beneficiaries and others	110,126	105,850
	188,516	234,036
Change in funds administered	215,336	(72,973)
Funds administered at end of year	\$ 2,036,961	\$ 1,821,625

The accompanying notes are an integral part of these consolidated statements.

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2019 and 2018
(Dollars in thousands unless otherwise noted)

NOTE A - NATURE OF OPERATIONS

HighGround Advisors (“HighGround”) exists to encourage, receive and manage assets for charitable institutions (“client institutions”). HighGround has no programs or causes of its own; it owns no property except in trust for others or as necessary to carry out the purposes of HighGround under its bylaws and has no obligations that are its own general liabilities. HighGround’s purpose is to administer various types of funds for charitable institutions located throughout the world. These funds consist of assets that can be characterized as (a) endowment assets under the control of HighGround, (b) institutional assets, and (c) charitable split-interest assets.

(a) Endowment assets are assets that have been given to HighGround for the benefit of one of its client institutions. HighGround perpetually controls these assets and is responsible for the management, investment, and distribution of these assets. The client institutions may not withdraw these funds.

(b) Institutional assets include endowment, quasi-endowment, operational and other assets placed with HighGround for administration. Administration includes all or some combination of the trust, investment and accounting services offered by HighGround. The client institution’s board of directors is responsible for oversight of the management, investment, and distribution of these assets but has delegated one or more of these functions to HighGround. The client institutions may withdraw any of these funds at their discretion.

(c) Charitable split-interest assets are comprised of the assets funding the following gift vehicles:

Charitable Remainder Trusts

Charitable Lead Trusts

Qualified Charitable Gift Annuities

Pooled Income Funds

Irrevocable Non-Qualifying Charitable Trusts

All of the assets in these gift vehicles, except for charitable lead trusts, will inure to the benefit of one or more of HighGround’s client institutions upon termination of the obligations to the respective income beneficiaries. The contractual annuity obligation under qualified charitable gift annuities rests with the named client institution beneficiary and is not a general liability of HighGround. Under charitable remainder trusts, charitable lead trusts, pooled income funds, and irrevocable non-qualifying trusts, liability for payments rests in the trust entity.

The principal administrative services provided by HighGround relate to endowment asset management and administration, oil and gas management, real estate management, charitable gift development and long-term gift administration, all of which include accounting, reporting, and investing components. Investment activities are directed by HighGround through fund managers selected by HighGround. HighGround has investment policies and guidelines related to asset allocation, income/principal distribution, and investment vehicles, which apply to all funds under the control of HighGround as well as those institutional assets placed with HighGround for administration without specific directions to vary from these guidelines. However, each institution may elect to determine and set its own asset allocation, income/principal distribution, and type of investment vehicles for assets characterized as institutional assets. At December 31, 2019 and 2018, approximately \$1.2 billion and \$1.1 billion of institutionally controlled assets were being administered at the direction of the client institutions.

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018
(Dollars in thousands unless otherwise noted)

NOTE B - SUMMARY OF ACCOUNTING POLICIES

HighGround has no significant assets or obligations of its own, therefore the financial statements reflect the funds administered by HighGround. The consolidated statements of changes in funds administered reflect distributions to client institutions and life income trust beneficiaries based on the terms of the underlying trust and/or legal agreements.

Principles of Consolidation

The consolidated financial statements include all funds held in accounts administered by HighGround. Included in the consolidation are the accounts of HighGround and the corporate assets and liabilities of its subsidiary HighGround Trust Company (the "Trust Company"). The Trust Company is a wholly-owned subsidiary of HighGround Mortgage Loan and Real Estate Fund, one of HighGround's investment funds. All intercompany and intertrust transactions have been eliminated as part of the consolidation.

The Trust Company is a for-profit Texas trust company regulated by the Texas Department of Banking. HighGround employs the services of the Trust Company for administration of its charitable split-interest accounts. The Trust Company offers professional trust administration and investment management to individuals along with endowment management services for not-for-profit organizations. At December 31, 2019 and 2018, the Trust Company administered on behalf of HighGround 776 and 770 charitable split-interest accounts with a total approximate market value of \$147.8 million and \$146.4 million, respectively. These charitable split-interest funds, for which HighGround has ultimate responsibility for administration, are consolidated into HighGround's financial statements.

Non-HighGround accounts that the Trust Company administers are not consolidated into HighGround's financial statements since HighGround does not administer or control the assets of the Trust Company's other outside clients. The assets for the Trust Company clients that were excluded from HighGround's financial statements had an approximate market value of \$78.7 million and \$73.1 million on December 31, 2019 and 2018, respectively.

Included in the consolidated balance sheets is the Trust Company's corporate assets of approximately \$3.3 million and \$3.1 million as of December 31, 2019 and 2018, respectively, which primarily consists of cash and cash equivalents.

Cash and Cash Equivalents and Cash Equivalents Held as Collateral for Securities on Loan

HighGround considers all cash, money market funds, and highly liquid debt instruments with original maturities of three months or less to be cash equivalents. HighGround places its cash and cash equivalents with high credit quality financial institutions, which at times may exceed federally insured limits. HighGround has not experienced any losses on such accounts. HighGround held approximately \$0.3 and \$0.2 million in excess of federally insured limits as of December 31, 2019 and 2018, respectively. HighGround also held approximately \$126.6 million and \$124.2 million in money market funds of December 31, 2019 and 2018, respectively. Interest on cash and cash equivalents is recognized as earned. The carrying amount approximates fair value because of the short maturity of those instruments.

Investments

- *Securities*

Equity securities and bonds are carried at fair value, which is generally determined based on quoted market prices. Certain bonds are valued based upon yields or prices of securities of comparable quality, coupon, maturity and type as well as indications as to values from brokers and dealers. Private equity funds and marketable alternatives are carried at net asset value as a practical expedient for determining

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018
(Dollars in thousands unless otherwise noted)

fair value and appropriate available market indices, if available. The net realized and unrealized gains (losses) in fair value of investments are reflected in the consolidated statements of operations. Dividends and interest are recognized when earned.

- *Real Estate, properties and funds*

Investments in real estate are carried at fair value, which is determined based on analysis of the current real estate market for similar properties. The net realized and unrealized gains (losses) in fair value of investments in real estate are reflected in the consolidated statements of operations.

- *Mineral Rights and Royalties*

Investments in mineral rights and royalties are carried at fair value, which is determined by a multiple of the twelve month rolling royalty income. The net realized and unrealized gains (losses) in fair value of investments in mineral rights and royalties are reflected in the consolidated statements of operations. Revenue is generally recorded based on the cash received for oil and gas volumes sold. Since the cash is generally received two to three months after the production month, HighGround accrues for revenue earned but not yet received.

- *Derivative Instruments*

Derivative financial instruments are recorded in the consolidated balance sheet as either an asset or a liability measured at fair value.

HighGround uses securities futures contracts to gain immediate market exposure rather than buying individual securities. HighGround utilizes Eurodollar and London Interbank offered rate ("LIBOR") futures contracts to obtain interest rate exposure in the short-end of the U.S. yield curve. These futures contracts are a common instrument of the money market and are cash settled, meaning no securities are delivered at the expiration of the contract. Futures contracts are recorded at fair value based on exchange traded quotes.

HighGround manages exposure to fluctuations in foreign exchange rates in its investment portfolio by creating offsetting positions through the use of foreign currency forward exchange contracts. These contracts provide for the purchase or sale of foreign currencies at specified future dates and specified exchange rates. Notional amounts are stated in the U.S. dollar equivalents at spot exchange rates at the respective dates. The net carrying value of foreign currency forward exchange contracts is equal to their fair value based upon quoted market prices for contracts with similar maturities.

HighGround uses interest rate and credit default swaps in its fixed income portfolio to adjust risk exposure (e.g. duration, maturity mix, credit quality and rate spreads), to adjust exposure to sectors of the market (e.g. treasuries, mortgages, corporations) and as a substitute for physical securities. HighGround uses options on swaps and U.S. Treasury futures to manage interest rate and volatility exposures. These interest rate and credit default contracts are also recorded at fair value based on observable market inputs including, but not limited to, swap and yield curves, interest rates, LIBOR, credit spreads, and recovery rates.

The fair value of derivatives is included with equity securities and bonds in the accompanying consolidated balance sheets. Changes in fair value are recorded as realized and unrealized gains (losses) and are included with realized and unrealized gain (losses) on investments in the consolidated statements of operations.

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018
(Dollars in thousands unless otherwise noted)

Mortgage Loans and Notes Receivable

HighGround's mortgage loans and notes receivable are reported at carrying value which approximates fair value as of the reporting dates due to the short term nature of these investments and with consideration of interest rates and significant changes in credit risk. Management determines carrying value as the outstanding principal amounts, adjusted for any valuation allowance for loan losses. Collateral on the mortgage loans is concentrated in real estate.

Interest on mortgage loans and notes receivable is recognized as earned.

Receivable and Payable from Sale and Purchases of Securities

The carrying amounts approximate fair value because of the short maturity of these instruments.

Basis for Recording Assets

Contributed assets and assets transferred from client institutions are generally recorded at estimated fair value, if readily determinable, at the date of contribution or transfer. Assets without a readily determinable fair value are recorded at a nominal amount until a fair value is determined at year end.

Allocation of Oil, Gas and Mineral Proceeds

All oil and gas royalties and lease bonuses are credited to income. Certain amounts of oil and gas income are transferred to fund principal pursuant to the provisions of the trust instruments or client direction. Where the trust instrument is silent, 22% of gross income is allocated to fund principal in accordance with the Texas Trust Code. For endowments where the legal instrument is silent, 22% of gross income is allocated to fund principal unless directed differently by the client institution.

Income Taxes

HighGround is exempt from federal income tax under Section 501(a) of the Internal Revenue Code ("IRC") as an organization described in Section 501(c)(3). HighGround is not a private foundation as defined by Section 509 of the IRC because it is an organization described in Section 509(a)(1) and Section 170(b)(1)(A)(vi). HighGround is an integrated auxiliary of a church, therefore HighGround is not required to file Form 990. However, income generated from activities unrelated to HighGround's exempt purpose is subject to tax under IRC Section 511. HighGround had no material unrelated business taxable income for the years ended December 31, 2019 or 2018. The Trust Company files a separate federal income tax return and accounts for income taxes under the asset and liability method.

As required by the uncertain tax position guidance in the Financial Accounting Standards Board ("FASB") Accounting Standard Codification ("ASC") 740, *Income Taxes*, HighGround and the Trust Company recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an examination. HighGround and the Trust Company recognize the potential accrued interest and penalties related to unrecognized tax benefits within income tax expense. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the consolidated financial statements is the benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. All tax positions taken related to HighGround and the Trust Company, for which the statute of limitations remained open, have been reviewed, and management is of the opinion that material positions taken by HighGround and the Trust Company would more likely than not be sustained upon examination. Accordingly, HighGround and the Trust Company have not recorded an income tax liability for uncertain tax benefits. The federal and state income tax statutes remain open for HighGround for the previous three and five year period, respectively. However, the statute remains open for all years for state returns not filed.

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018
(Dollars in thousands unless otherwise noted)

The Trust Company files a federal income tax and state franchise tax return, which remain open for examination for the previous three and five year period, respectively.

On December 20, 2019, tax reform legislation commonly known as the Taxpayer Certainty and Disaster Tax Relief Act (the "Act") was passed; resulting in modifications to existing tax law, particularly repealing the taxation of transportation fringe benefits on exempt employers. While there were no material effects on HighGround's financial statements as a result of the Act, management is evaluating the ongoing impact of the Act on HighGround.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of Accounting Pronouncements

HighGround early adopted the provisions of Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)* effective fiscal year ending December 31, 2017. HighGround has a right-of-use asset of \$2.5 million and \$2.8 million included in other on the accompanying consolidated balance sheets and a lease liability of \$4.5 and \$4.8 million included in accrued liabilities on the accompanying consolidated balance sheets for its building lease as of December 31, 2019 and 2018, respectively.

NOTE C - FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash Equivalents

The carrying amount approximates fair value because of the short maturity of those instruments.

Investment Securities

The carrying amounts for debt and equity securities are at fair value based on quoted market prices or valuation based on comparable securities or values from brokers and dealers.

Derivative Instruments

The carrying amounts for derivatives are at fair value based on exchange traded quotes, quoted market price for contracts with similar maturities or fair values determined based on other observable market inputs. The fair values of derivatives were \$(918) and \$829 at December 31, 2019 and 2018, respectively, and are included with equity securities and bonds in the accompanying consolidated balance sheets.

Investments in Private Equity Funds

Investments in private equity funds are carried at net asset value as a practical expedient for determining fair value. These investments are diversified across various buy-out, venture capital and special situation investment opportunities available in the private equity investment market. They are also diversified across industries, countries, and vintage years. Investments are made through multiple limited partnerships and

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018
(Dollars in thousands unless otherwise noted)

other limited liability collective investment vehicles that are sponsored by third party advisors. In general, investments in private equity funds are nonredeemable interests. Due to the inherent illiquidity of the underlying investments, redemptions are not permitted; however, typically, as investments are sold or liquidated, the net proceeds of the sale are distributed back to the investors in the fund immediately following the sale or liquidity event. HighGround estimates an average investment period of 15 years for private equity investments. Unfunded commitments for investment in private equity funds were \$73.7 million and \$41.9 million as of December 31, 2019 and 2018, respectively.

One of the significant investments includes a commitment to a private equity fund of funds, whose objective is to create a diversified portfolio of private equity partnerships over an approximate five-year period. This fund may invest in buyouts, venture capital, special situations, and other investment strategies. The portfolio is diversified by investment strategy, life cycle, investment manager, geographic region, and industry. HighGround has a commitment of \$50.0 million to this fund of which \$3.1 million and \$3.2 million remains unfunded as of December 31, 2019 and 2018, respectively. The net asset value of HighGround's investment in this fund is \$20.0 million and \$25.4 million as of December 31, 2019 and 2018, respectively. As of December 31, 2019, HighGround has received cumulative disbursements of \$66.8 million which includes a return of capital of \$26.2 million.

Investments in Marketable Alternatives

Investments in marketable alternatives are carried at net asset value as a practical expedient for determining fair value. These investments are diversified across various investment strategies available in the market. Investments are made through fund of funds through multiple investment managers to create a diversified portfolio.

Investments in Real Estate

Real estate is carried at fair value based on an internal comparative market analysis using management knowledge of the properties, current real estate market for similar properties and recent sales of comparative properties. The fair value of real estate held by HighGround was \$6.4 million and \$6.6 million as of December 31, 2019 and 2018.

Investments in real estate funds are carried at net asset value as a practical expedient for determining fair value. Investments are diversified across all commercial property types (e.g., office, industrial, retail, multi-family), geo-economic regions, investment horizons and vintage years. Investments in real estate funds are made through limited partnerships and other limited liability collective investment vehicles managed by third party advisors. In general, investments in real estate funds are nonredeemable interests. Due to the inherent illiquidity of the underlying investments, redemptions are generally not permitted; however, typically, as investments are sold or liquidated, the net proceeds of the sale are distributed back to the investors in the fund immediately following the sale or liquidity event. HighGround estimates an average investment period of 10 years for real estate investments. The fair value of investment in real estate funds held by HighGround was \$104.0 million and \$105.7 million as of December 31, 2019 and 2018, respectively. Unfunded commitments for investment in real estate funds were \$11.7 million and \$7.7 million as of December 31, 2019 and 2018, respectively.

One of the significant investments includes an investment in an open-ended real estate fund whose objective is to invest in a well-diversified portfolio of operating assets consisting primarily of retail, office, multi-family and industrial properties with a focus on individual transactions ranging between \$50 and \$100 million. The fund is diversified geographically and invests only in the U.S. HighGround had a commitment of \$10.0 million to this investment which has been fully funded as of December 31, 2019 and 2018, respectively. The net asset value of HighGround's investment in this fund is \$13.5 million and \$13.3 million as of December 31, 2019 and 2018, respectively.

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018
(Dollars in thousands unless otherwise noted)

Investments in Mineral and Royalty Rights

Mineral interests consist primarily of royalty interests in oil, natural gas, and natural gas liquids which are developed and produced by oil and gas companies independent of HighGround. The mineral interests are primarily located in Texas, Oklahoma, New Mexico, Louisiana, Arkansas, and Mississippi. Investments in mineral interests are carried at fair value calculated by multiplying the most recent twelve months of royalty income, excluding lease bonus income, times a multiple. Management determines the multiple through an annual evaluation of relevant information which may result in a different multiple each year. Management used a multiple of five for the valuation as of December 31, 2019 and 2018 based on current industry methodology, recent market transactions, and HighGround's extensive experience in mineral properties.

Securities on Loan to Borrowers and Liability for Collateral Held for Securities on Loan

The carrying amounts of these instruments are at fair value based on quoted market prices of the underlying securities.

NOTE D - DERIVATIVE INSTRUMENTS

Realized gains and losses on derivative instruments are included with net realized gains on investments in the consolidated statements of operations. Unrealized gains and losses on derivative instruments are included with net unrealized gains (losses) on investments in the consolidated statements of operations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018
(Dollars in thousands unless otherwise noted)

Futures Contracts

HighGround holds the following securities futures contracts (in thousands):

	December 31, 2019	December 31, 2018
Equity Futures		
S&P 500 Mini Futures		
Net Exposure	\$ 1,454	\$ 1,879
Expiration	March 2020	March 2019
Number of Contracts	9	15
Realized gain for year ended	\$ 397	\$ 29
Fixed Income Futures		
US Treasury Futures		
Net Exposure	\$ (48,664)	\$ 51,377
Expiration	March 2020	March 2019
Number of Contracts	(359)	469
Canada Bond Futures		
Net Exposure	\$ -	\$ 1,202
Expiration	-	March 2019
Number of Contracts	-	12
Euro Bond Futures		
Net Exposure	\$ (943)	\$ (2,486)
Expiration	March 2020	March 2019
Number of Contracts	(2)	(14)
Eurodollar Futures		
Net Exposure	\$ -	\$ (132)
Expiration	-	June 2019 to December 2020
Number of Contracts	-	-
UK Government Bond (British Sterling Pound) Futures		
Net Exposure	\$ (5,918)	\$ -
Expiration	March 2020	-
Number of Contracts	(34)	-
Realized (loss) gain for year ended	\$ (1,780)	\$ 731

Upon entering into a futures contract, cash must be maintained in the portfolio to the extent equal to the fully collateralized value of the financial futures. Cash and cash equivalents are collateralized by the aggregate notional amount of open futures contracts at December 31, 2019 and 2018.

The fair value of futures contracts is included with bonds and equity securities in the accompanying consolidated balance sheets.

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018
(Dollars in thousands unless otherwise noted)

Foreign Currency Forward Exchange Contracts

At December 31, 2019, HighGround had outstanding foreign currency forward exchange contracts, primarily consisting of contracts for the Japanese yen, Euro, Hong Kong dollar, Swedish krona, and a basket of emerging market currencies. At December 31, 2018, HighGround had outstanding foreign currency forward exchange contracts, primarily consisting of contracts for the Euro, Japanese yen, pound sterling, Canadian dollar, Australian dollar, Swiss franc, and South Korean won. The foreign currency forward exchange contracts are as follows:

	December 31, 2019	December 31, 2018
Foreign Currency Forward Exchange Contracts		
Payable Market Value	\$ (3,011)	\$ (968)
Receivable Market Value	2,151	1,223
Payable Unrealized Loss	(29)	(20)
Receivable Unrealized Gain	63	46
	January 2020	January 2019
	to	to
Expiration	May 2020	March 2019
Realized gain (loss) for year ended	<u>\$ 139</u>	<u>\$ (357)</u>
Foreign Currency Spot Options		
Net Exposure	\$ -	\$ -
Market Value	-	-
Unrealized Loss	-	-
Expiration	-	-
Number of Contracts	-	-
Realized gain for year ended	<u>\$ -</u>	<u>\$ 55</u>

The fair value of foreign currency forward exchange contracts is included with bonds and equity securities in the accompanying consolidated balance sheets.

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018
(Dollars in thousands unless otherwise noted)

Options

HighGround holds the following options:

Options on Fixed Income Futures

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Options on US Treasury Futures		
Market Value	\$ -	\$ -
Unrealized Gain	-	-
Expiration	-	-
Number of Contracts	-	-
Realized gain for year ended	\$ 13	\$ 12
Options on Other Fixed Income Securities		
Net Exposure	\$ -	\$ (500)
Market Value	-	-
Unrealized Gain	-	5
Expiration	-	October 2020
Number of Contracts	-	1
Realized gain for year ended	\$ 8	\$ -
Options on Eurodollar Futures		
Net Exposure	\$ -	\$ -
Market Value	-	-
Unrealized Gain	-	-
Expiration	-	-
Number of Contracts	-	-
Realized gain for year ended	\$ -	\$ 44
Options on Swaps		
Options on Swaps		
Net Notional Amount	\$ (11,000)	\$ 3,600
Market Value	2	(193)
Unrealized Gain (Loss)	1	(139)
Expiration	April 2020	January 2019 to July 2021
Number of Contracts	4	22
Realized gain for year ended	\$ 79	\$ 20

The fair value of options is included with bonds in the accompanying consolidated balance sheets.

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018
(Dollars in thousands unless otherwise noted)

Swap Contracts

HighGround holds the following contracts:

	December 31, 2019	December 31, 2018
Interest Rate Swaps - Short-Term		
Net Notional Amount	\$ -	\$ 1,300
Market Value	-	9
Unrealized Gain	-	19
Expiration	-	December 2019
Interest Rate Swaps - Long-Term		
Net Notional Amount	\$ 36,235	\$ 25,897
Market Value	(67)	801
Unrealized Loss	(77)	(460)
Expiration	October 2021 to June 2030	June 2020 to December 2048
Credit Default Swaps - Short-Term		
Net Notional Amount	\$ (600)	\$ (700)
Market Value	4	1
Unrealized Loss	(9)	(3)
Expiration	December 2020	June 2019
Credit Default Swaps - Long-Term		
Net Notional Amount	\$ (200)	\$ (1,400)
Market Value	3	(44)
Unrealized Gain (Loss)	11	(8)
Expiration	December 2023	December 2020 to January 2047
Realized (loss) gain for year ended	\$ (4,726)	\$ 970

The fair value of swap contracts is included with bonds in the accompanying consolidated balance sheets.

NOTE E - SECURITIES LENDING AGREEMENT

HighGround has a securities lending agreement with its investment custodian to lend securities on HighGround's behalf. HighGround requires cash or cash equivalents as collateral, with a total value ranging from 102% to 105% of the current value of the securities loaned.

HighGround accounts for the transfer of securities under the securities lending agreement in accordance with ASC 860, *Transfers and Servicing*. HighGround accounts for its agreement as a secured loan because HighGround has not surrendered control of the securities on loan. At December 31, 2019, securities on loan were approximately \$21.7 million. Collateral held for securities on loan was approximately \$22.2 million at December 31, 2019. At December 31, 2018, securities on loan and collateral held for securities on loan were \$13.5 million and \$13.8 million, respectively.

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018
(Dollars in thousands unless otherwise noted)

NOTE F - COMMITMENTS AND CONTINGENCIES

HighGround, through various church finance funds, has provided guarantees for loans that are owned by other investors. In exchange for the guarantees, HighGround is entitled to a fee. HighGround did not have any commitments for loan guarantees as of December 31, 2019 and 2018.

NOTE G - FAIR VALUE MEASUREMENTS

HighGround currently records cash and cash equivalents, cash equivalents held as collateral for securities on loan, equity securities, bonds, marketable alternatives, investments in private equity funds, securities on loan to borrowers, mortgage loans and notes receivable, real estate, mineral rights and royalties, and liability for collateral held for securities on loan at fair value. HighGround adopted accounting guidance related to fair value measurement, which also establishes a fair value hierarchy that distinguishes between assumptions based on market data (observable inputs) and HighGround's assumptions (unobservable inputs). Determining where an asset or liability falls within that hierarchy depends on the lowest level input that is significant to the fair value measurement as a whole. The hierarchy consists of three broad levels as follows:

Level 1 - Quoted market prices in active markets for identical assets or liabilities

Level 2 - Inputs other than level 1 inputs that are either directly or indirectly observable

Level 3 - Unobservable inputs developed using HighGround's and/or third party estimates and assumptions, which reflect those that market participants would use

The determination of where an asset or liability falls in the hierarchy requires significant judgment. HighGround evaluates its hierarchy disclosures periodically and based on various factors, it is possible that an asset or liability may be classified differently from period to period. However, HighGround expects that changes in classifications between different levels will be rare.

HighGround implemented the provisions of FASB ASU 2015-07, *Disclosures for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)*. Under this standard, investments for which fair value is measured at NAV per share (or its equivalent using the practical expedient) are removed from the fair value hierarchy.

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018
(Dollars in thousands unless otherwise noted)

The following table summarizes the valuation of financial instruments measured at fair value on a recurring basis in the consolidated balance sheet at December 31, 2019.

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>
Cash and cash equivalents	\$ 127,144	\$ 127,024	\$ 120	\$ -	\$ -
Cash equivalents held as collateral for securities on loan	22,160	-	22,160	-	-
Equity securities	910,234	626,654	177	210	283,193
Bonds	436,490	3,408	354,096	127	78,859
Marketable alternatives	144,544	-	-	-	144,544
Investments in private equity funds	93,191	-	-	-	93,191
Securities on loan to borrowers	21,662	10,580	11,082	-	-
Real estate, properties and funds	110,435	-	-	6,397	104,038
Mineral rights and royalties	249,008	-	-	249,008	-
Liability for collateral held for securities on loan	(22,160)	-	(22,160)	-	-
	<u>\$ 2,092,708</u>	<u>\$ 767,666</u>	<u>\$ 365,475</u>	<u>\$ 255,742</u>	<u>\$ 703,825</u>

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018
(Dollars in thousands unless otherwise noted)

The following table summarizes the valuation of financial instruments measured at fair value on a recurring basis in the consolidated balance sheet at December 31, 2018.

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>
Cash and cash equivalents	\$ 124,630	\$ 123,248	\$ 1,382	\$ -	\$ -
Cash equivalents held as collateral for securities on loan	13,784	-	13,784	-	-
Equity securities	738,835	550,790	-	210	187,835
Bonds	407,985	3,032	322,669	127	82,157
Marketable alternatives	129,919	-	-	-	129,919
Investments in private equity funds	74,021	-	-	-	74,021
Securities on loan to borrowers	13,457	-	13,457	-	-
Real estate, properties and funds	112,286	-	-	6,624	105,662
Mineral rights and royalties	252,500	-	-	252,500	-
Liability for collateral held for securities on loan	(13,784)	-	(13,784)	-	-
	<u>\$ 1,853,633</u>	<u>\$ 677,070</u>	<u>\$ 337,508</u>	<u>\$ 259,461</u>	<u>\$ 579,594</u>

The following table presents roll forward information for the year ended December 31, 2019 about assets measured at fair value on a recurring basis that have been measured using significant unobservable inputs (level 3).

	<u>Beginning balance</u>	<u>Purchases and additions</u>	<u>Sales and distributions</u>	<u>Total realized and unrealized balance gains(losses)</u>	<u>Ending balance</u>
Equity securities	\$ 210	\$ -	\$ -	\$ -	\$ 210
Bonds	127	-	-	-	127
Real estate, properties and funds	6,624	54	(738)	457	6,397
Mineral rights and royalties	252,500	-	-	(3,492)	249,008
	<u>\$ 259,461</u>	<u>\$ 54</u>	<u>\$ (738)</u>	<u>\$ (3,035)</u>	<u>\$ 255,742</u>

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2019 and 2018
(Dollars in thousands unless otherwise noted)

The following table presents roll forward information for the year ended December 31, 2018 about assets measured at fair value on a recurring basis that have been measured using significant unobservable inputs (level 3).

	Beginning balance	Purchases and additions	Sales and distributions	Total realized and unrealized balance gains(losses)	Ending balance
Equity securities	\$ 211	\$ -	\$ -	\$ (1)	\$ 210
Bonds	50	76	-	1	127
Real estate, properties and funds	6,635	3,610	(3,884)	263	6,624
Mineral rights and royalties	152,737	3,000	-	96,763	252,500
	<u>\$ 159,633</u>	<u>\$ 6,686</u>	<u>\$ (3,884)</u>	<u>\$ 97,026</u>	<u>\$ 259,461</u>

The unrealized gain for level 3 investments was \$247,446 and \$250,246 as of December 31, 2019 and 2018, respectively.

NOTE H - SUBSEQUENT EVENTS

HighGround has evaluated subsequent events through April 30, 2020, the date the financial statements were available to be issued. Subsequent to year-end, the United States and global markets experienced significant declines in value resulting from uncertainty caused by the world-wide coronavirus (COVID-19) pandemic. Although it is not possible to reliably estimate the length or severity of this outbreak and hence its financial impact, HighGround could be adversely affected by the risks related to the recent outbreak of COVID-19. Management is closely monitoring HighGround's investment portfolios and their liquidity to ensure they remain in compliance with investment policies and guidelines to limit the impact of market declines. HighGround investment portfolios are designed to protect capital and reduce losses in volatile periods like these. The extent of the impact of COVID-19 on HighGround's operational and financial performance will depend on future developments, including the duration and spread of the outbreak. These financial statements do not include adjustments to fair value that have resulted from recent declines.

SUPPLEMENTAL INFORMATION

Funds Administered by HighGround Advisors

SCHEDULES OF CONSOLIDATED ASSETS

December 31,
(Dollars in thousands unless otherwise noted)

	2019		2018	
	Percent	Amount	Percent	Amount
Cash and cash equivalents	5.78%	\$ 127,144	6.54%	\$ 124,630
Cash equivalents held as collateral for securities on loan	1.01	22,160	0.72	13,784
Equity securities	41.40	910,234	38.78	738,835
Bonds	19.85	436,490	21.41	407,985
Marketable alternatives	6.57	144,544	6.82	129,919
Investments in private equity funds	4.24	93,191	3.89	74,021
Accrued interest, dividends and royalties	0.36	7,867	0.40	7,550
Securities on loan to borrowers	0.99	21,662	0.71	13,457
Receivable from sale of securities	3.15	69,222	1.19	22,722
Real estate, properties and funds	5.02	110,435	5.89	112,286
Mineral rights and royalties	11.33	249,008	13.25	252,500
Other	0.30	6,636	0.40	7,518
	<u>100.00%</u>	<u>\$2,198,593</u>	<u>100.00%</u>	<u>\$1,905,207</u>

Funds Administered by HighGround Advisors

SCHEDULES OF CONSOLIDATED ADMINISTRATIVE EXPENSES

Year ended December 31,
(Dollars in thousands unless otherwise noted)

	2019	2018
Salaries	\$ 5,640	\$ 5,372
Retirement benefits	474	476
Medical and dental insurance	524	534
Life insurance	29	26
Disability insurance	40	35
Parking and transit	65	67
Payroll taxes	352	350
Rent	544	532
Depreciation	344	310
Insurance	166	154
Information systems	183	184
Software maintenance	385	343
Office expense	75	87
Audit and examination fees	31	71
Legal and other professional fees	242	283
Professional dues and law library	77	73
Travel	40	40
Telephone	29	26
Staff training and development	94	102
Business development and public relations	57	56
Marketing and advertising	122	113
Conferences, consultants and sponsorships	139	189
Bank fees	44	42
Tax return software fees	43	44
Oil and gas processing fees	95	85
Directors expense	36	41
Other	18	37
	\$ 9,888	\$ 9,672
Total administrative expenses	\$ 9,888	\$ 9,672

Funds Administered by HighGround Advisors

CONSOLIDATING BALANCE SHEETS BY FUND

December 31, 2019
(Dollars in thousands unless otherwise noted)

	Large Cap Fund	Small Cap Fund	Mid Cap Fund	Equity Index Fund	International Equity Fund	Bond Fund	Global Bond Fund	Marketable Alternatives Fund	Real Estate Fund ²	Private Equity Fund	Energy Fund ²	Low Duration Fund ³	Enhanced Cash Fund ³	Securities outside Common Funds	Client Directed Funds ²	Fund of Funds ^{1,2}	Balance 12/31/2019
ASSETS																	
Cash and cash equivalents	\$ 1,974	\$ 2,017	\$ 49	\$ 1,018	\$ 7,721	\$ 18,968	\$ 4,444	\$ 143	\$ 2,502	\$ 2,439	\$ 1,323	\$ 97	\$ 68,471	\$ 6,602	\$ 1,465	\$ 7,911	\$ 127,144
Cash equivalents held as collateral for securities on loan	1,949	4,668	-	677	376	10,625	-	-	-	-	-	-	-	-	3,865	-	22,160
Equity securities, at market value	191,550	47,864	13,871	217,849	406,422	-	-	-	-	34	-	-	-	7,881	22,205	2,558	910,234
Bonds, at market value	-	-	-	-	-	244,863	74,561	-	-	-	-	84,911	-	2,868	27,262	2,025	436,490
Marketable alternatives	-	-	-	-	-	-	-	144,544	-	-	-	-	-	-	-	-	144,544
Investments in private equity funds	-	-	-	-	-	-	-	-	-	72,852	20,339	-	-	-	-	-	93,191
Accrued interest, dividends, and royalties	127	62	22	198	1,953	1,409	80	-	2	2	1	535	106	3,111	251	8	7,867
Securities on loan to borrowers	1,906	4,569	-	662	368	10,375	-	-	-	-	-	-	-	-	3,782	-	21,662
Receivable from sale of securities	343	3	-	-	26	68,850	-	-	-	-	-	-	-	-	-	-	69,222
Real estate (net)	-	-	-	-	-	-	-	-	100,563	-	-	-	-	-	-	-	110,435
Mineral rights and royalties (net)	-	-	-	-	-	-	-	-	-	-	-	-	-	249,008	-	-	249,008
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	6,636	-	-	6,636
TOTAL ASSETS	\$ 197,849	\$ 59,183	\$ 13,942	\$ 220,404	\$ 416,866	\$ 355,090	\$ 79,085	\$ 144,687	\$ 103,067	\$ 75,327	\$ 21,663	\$ 85,543	\$ 68,577	285,978	\$ 58,830	\$ 12,502	\$ 2,198,593
LIABILITIES																	
Accrued liabilities	\$ 227	\$ 136	\$ 4	\$ 39	\$ 529	\$ 225	\$ 106	\$ 31	\$ 136	\$ 105	\$ 25	\$ 38	\$ 10	\$ 5,250	\$ 16	\$ 12	\$ 6,889
Payable for purchase of securities	510	7	-	-	526	131,316	-	-	-	-	-	-	-	-	224	-	132,583
Liability for collateral held for securities on loan	1,949	4,668	-	677	376	10,625	-	-	-	-	-	-	-	-	3,865	-	22,160
TOTAL LIABILITIES	2,686	4,811	4	716	1,431	142,166	106	31	136	105	25	38	10	5,250	4,105	12	161,632
FUNDS ADMINISTERED																	
Institutional and annuity and life income funds	160,679	44,887	12,418	177,412	362,135	205,956	72,784	107,584	87,250	67,500	30,379	84,474	68,564	29,775	52,000	12,394	1,576,191
Unrealized net gain (loss) on investments	34,484	9,485	1,520	42,276	53,300	6,968	6,195	37,072	15,681	7,722	(8,741)	1,031	3	250,953	2,725	96	460,770
TOTAL FUNDS ADMINISTERED	195,163	54,372	13,938	219,688	415,435	212,924	78,979	144,656	102,931	75,222	21,638	85,505	68,567	280,728	54,725	12,490	2,036,961
TOTAL LIABILITIES AND FUNDS ADMINISTERED	\$ 197,849	\$ 59,183	\$ 13,942	\$ 220,404	\$ 416,866	\$ 355,090	\$ 79,085	\$ 144,687	\$ 103,067	\$ 75,327	\$ 21,663	\$ 85,543	\$ 68,577	\$ 285,978	\$ 58,830	\$ 12,502	\$ 2,198,593
Number of Units in Fund	1,752,828.060	493,663.990	141,936.434	294,151.692	1,851,359.055	1,699,751.815	714,058.820	1,220,886.338	706,917.091	349,255.495	210,594.400						
Market Value per Share	\$111.34	\$110.14	\$98.20	\$746.85	\$224.39	\$125.27	\$110.61	\$118.49	\$156.95	\$215.38	\$114.21						

¹The fund of funds are invested in the core funds listed above and include the following:

Fund
HighGround Capstone Endowment Fund Apex (APEX)
HighGround Capstone Endowment Fund Peak (PEAK)
HighGround Capstone Endowment Fund Summit (SUMT)
HighGround Keystone Endowment Fund (HGKEY)
HighGround Cornerstone Endowment Fund (HGCOR)
HighGround Global Equity Fund (GEF)
HighGround Institutional Fund (IIF)
HighGround Domestic Equity Fund (DEF)

²Interfund transactions have been eliminated from the respective balance sheets.

³Low Duration Fund and Enhanced Cash Fund are maintained at a \$1.00 market value per share.

Funds Administered by HighGround Advisors

CONSOLIDATING BALANCE SHEETS BY FUND

December 31, 2018
(Dollars in thousands unless otherwise noted)

	Large Cap Fund	Small Cap Fund	Mid Cap Fund	Equity Index Fund	Developed Markets Fund	Emerging Markets Fund	Bond Fund	Global Bond Fund	Marketable Alternatives Fund	Real Estate Fund ²	Private Equity Fund	Energy Fund ²	Low Duration Fund ³	Enhanced Cash Fund ³	Securities outside Common Funds	Fund of Funds ^{1,2}	Balance, 12/31/2018
ASSETS																	
Cash and cash equivalents	\$ 5,156	\$ 1,210	\$ 46	\$ 1,797	\$ 3,141	\$ 1,062	\$ 19,862	\$ 242	\$ 93	\$ 2,080	\$ 2,436	\$ 558	\$ 288	\$ 68,602	\$ 6,238	\$ 11,819	\$ 124,630
Cash equivalents held as collateral for securities on loan	4,366	4,459	-	2,763	2,196	-	-	-	-	-	-	-	-	-	-	-	13,784
Equity securities, at market value	154,804	37,226	11,227	170,648	267,453	90,910	-	-	-	-	-	-	-	-	6,567	-	738,835
Bonds, at market value	-	-	-	-	-	-	244,095	79,988	-	-	-	-	81,170	-	2,732	-	407,985
Marketable alternatives	-	-	-	-	-	-	-	-	129,919	-	-	-	-	-	-	-	129,919
Investments in private equity funds	-	-	-	-	-	-	-	-	-	-	52,633	21,388	-	-	-	-	74,021
Accrued interest, dividends, and royalties	254	57	24	179	1,785	2	1,530	62	1	3	3	1	500	130	3,001	18	7,550
Securities on loan to borrowers	4,295	4,378	-	2,717	2,067	-	-	-	-	-	-	-	-	-	-	-	13,457
Receivable from sale of securities	-	-	-	86	-	-	22,636	-	-	-	-	-	-	-	-	-	22,722
Real estate (net)	-	-	-	-	-	-	-	-	-	102,267	-	-	-	-	-	-	112,286
Mineral rights and royalties (net)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	252,500	-	252,500
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,518	-	7,518
TOTAL ASSETS	\$ 168,875	\$ 47,330	\$ 11,297	\$ 178,190	\$ 276,642	\$ 91,974	\$ 288,123	\$ 80,292	\$ 130,013	\$ 104,350	\$ 55,072	\$ 21,947	\$ 81,958	\$ 68,732	\$ 288,575	\$ 11,837	\$ 1,905,207
LIABILITIES																	
Accrued liabilities	\$ 296	\$ 146	\$ 4	\$ 29	\$ 488	\$ 38	\$ 136	\$ 68	\$ 28	\$ 236	\$ 105	\$ 22	\$ 34	\$ 6	\$ 5,371	\$ 71	\$ 7,078
Liability for collateral held for securities on loan	4,366	4,459	-	2,763	2,196	-	-	-	-	-	-	-	-	-	-	-	13,784
Payable for purchase of securities	239	9	-	117	-	-	62,355	-	-	-	-	-	-	-	-	-	62,720
TOTAL LIABILITIES	4,901	4,614	4	2,909	2,684	38	62,491	68	28	236	105	22	34	6	5,371	71	83,582
FUNDS ADMINISTERED																	
Institutional and annuity and life income funds	158,335	44,565	12,470	181,717	298,870	83,945	227,360	77,888	107,538	97,686	50,018	27,093	82,523	68,730	30,515	11,766	1,561,019
Unrealized net gain (loss) on investments	5,639	(1,849)	(1,177)	(6,436)	(24,912)	7,991	(1,728)	2,336	22,447	6,428	4,949	(5,168)	(599)	(4)	252,689	-	260,606
TOTAL FUNDS ADMINISTERED	163,974	42,716	11,293	175,281	273,958	91,936	225,632	80,224	129,985	104,114	54,967	21,925	81,924	68,726	283,204	11,766	1,821,625
TOTAL LIABILITIES AND FUNDS ADMINISTERED	\$ 168,875	\$ 47,330	\$ 11,297	\$ 178,190	\$ 276,642	\$ 91,974	\$ 288,123	\$ 80,292	\$ 130,013	\$ 104,350	\$ 55,072	\$ 21,947	\$ 81,958	\$ 68,732	\$ 288,575	\$ 11,837	\$ 1,905,207
Number of Units in Fund	1,737,827.426	496,509.155	142,479.311	300,137.687	3,212,593.638	788,268.066	1,885,192.848	765,612.210	1,219,161.343	\$732,432.045	298,918.044	189,703.297					
Market Value per Share	\$94.36	\$86.03	\$79.26	\$584.01	\$85.28	\$116.63	\$119.69	\$104.78	\$106.62	\$152.65	\$183.88	\$131.17					

¹The fund of funds are invested in the core funds listed above and include the following:

Fund
HighGround Capstone Endowment Fund Apex (APEX)
HighGround Capstone Endowment Fund Peak (PEAK)
HighGround Capstone Endowment Fund Summit (SUMT)
HighGround International Fund (IEF)
HighGround Global Equity Fund (GEF)
HighGround Institutional Fund (IIF)
HighGround Domestic Equity Fund (DEF)

²Interfund transactions have been eliminated from the respective balance sheets.

³Low Duration Fund and Enhanced Cash Fund are maintained at a \$1.00 market value per share.