

**SCHOOL for ADVANCED RESEARCH**

**Finance Committee  
August 4, 2017, 11:15am  
Dobkin Boardroom**

**Agenda**

- I. Welcome and Quorum Call– Doug Nelson, Chair
- II. Approval of June 29, 2017 Finance Committee minutes (attached)
- III. Review SAR economic model - REDW
- IV. Review updated draft FY18 budget
- V. Review preliminary financial statements
- VI. Plan for next Finance Committee meeting
- VII. Adjournment

**SCHOOL for ADVANCED RESEARCH**  
**Finance Committee**  
**Thursday, June 29, 2017 at 2:00pm**  
**Minutes**

Members In Attendance

Doug Nelson, Chair  
Elizabeth Roghair  
Lynne Withey

Members Not in Attendance

Nancy Bern  
Tim Evans  
Don Lamm

Guests

Paul Madrid, Senior Investment  
Manager, REDW Stanley Financial  
Advisors, LLC

Staff Present

Michael Brown  
Sharon Tison  
Laura Sullivan  
Carol Sandoval

I. Welcome and Quorum Call- Doug Nelson, Chair

Doug Nelson welcomed the committee and stated the purpose of this meeting was to review the SAR economic model for REDW and to and approve the FY2018 budget for presentation to the Board of Directors for final approval.

II. Approval of May 23, 2017 Finance Committee minutes (attached)

Doug Nelson asked for a motion to approve the minutes. The motion was made by Michael Brown, seconded by Elizabeth Roghair and passed.

III. Review SAR economic model - REDW

The Committee reviewed the economic model of the financial future of SAR, created by REDW. The Committee decided the presentation to the Board in August will consist of five prints of the slides created for the Finance Committee. The slides will be distributed to the board on the day of the meeting, to avoid confusion or discussion outside the meetings. This model will segue to the afternoon discussion led by Michael Brown about the public programming future of SAR.

This model is specific, data driven, and creates a blueprint for a baseline financial path for SAR, by addressing three specific questions:

Where are we headed regarding SAR's current financial operations?

What are the parameters?

What is the strategic plan to meet those goals?

This exercise may include program reviews to generate more revenue, and prove that while cost reduction may be part of the solution, it is not THE solution. This will give the senior staff the opportunity to address the board's request of where SAR is headed. This financial model will set the stage for the next phase to figure out those solutions.

Mr. Madrid, from REDW, reviewed the scenarios that review financial projections through 2042. This is based on growth rates on expenses of 3% assuming an inflation rate of 3%, portfolio growth of 7.5 % and a Monte Carlo Simulation to see how that plays out. Rather than assuming a percentage draw from endowment, the model assumes that we take from the endowment what we need to cover our expenses.

**Scenario 1** = No changes. In a 25 year span, endowment is significantly reduced on spending at this rate historically.

**Scenario 2** = A \$2M sale of a portion of the property adjacent to SAR's main campus with proceeds going into the endowment. In present value dollars, and creates an approximated \$4.2 million difference at the end of 25 years.

**Scenario 3** = Sale of property adjacent to SAR's main campus as above, plus new annual revenue projected at \$375,000. Adjusted for inflation, this keeps the endowment at its present value.

**Scenario 4** = No sale of the property, and SAR raises only what is needed to keep the doors open. This simulation would require new revenue of \$440,000 per year.

**The Monte Carlo Simulation** with different rates of return over 25 years indicates a success or failure at 25 years = 53%. The 53% is reasonable. It does not anticipate windfalls like large bequests or trusts we have not booked. This will be an ongoing model for strategic planning by providing a base line that assumes no significant changes in expenses.

Sharon then presented a spreadsheet on SAR's current Income -vs- Spending, by program or department, and showing each department's draw on unrestricted funds. This exercise was designed to show the Board which programs have restricted funding. SAR Press expenses were cut significantly in FY 16 when the fulfillment and co-publishing agreement with UNM Press was established. The current exercise shows this is not that is not an option for significantly reducing expenses for IARC, Scholar Programs, or Development.

The Committee asked Sharon to flesh out the spreadsheet to indicate the actual costs of Guest Services as a sub-set of Scholar Programs, and to separate the President's salary and expenses as well as the costs of the Physical Plant.

#### IV. Plan for Fiscal June 2018 budget process

Doug began the FY18 budget discussion by saying that since the costs have been examined so thoroughly, and the year ahead fund raising process is complete going into the budgeting process, there is not much to the evaluation and approval process.

Sharon presented the initial proposed budget and informed the Committee the amount needed to be taken from cash reserves was lower than anticipated at the last Finance Committee meeting due to fundraising in May and June. As of this date the draw from cash reserves will be \$100,000, but will likely decrease once the books are closed for the fiscal year. The total draw from the Endowment is 4.9%. In addition to the \$100,000 draw from cash reserves above, SAR will need to draw \$41,000 to make up for the reduced endowment draw. Elizabeth reminded the Committee that the Board has approved a 5-year lookback. Sharon said she will review the budget based on the 5-years prior to the August meetings.

The budget includes a cost of living adjustment for all staff except the President and Vice President for Finance and Administration, in the amount of \$36,000. The total budget represents an increase of \$22,022 from FY 17, for a total of \$ 3,028,737 for FY18.

The Committee approved the proposed budget to be presented to the Board at the August meetings. The budget will be presented as a 2-page summary and will replace the FY 17 budget figures with FY 17 actual amounts. The Committee thanked Sharon for her work.

In other discussions, Laura Sullivan told the Committee the Paloheimo Foundation may provide additional funding to SAR during FY 18 to support the hiring of a PR and Marketing Consultant. Sharon said this will be included as a budget adjustment when the grant is approved. Laura was directed to include this information in her report to the Development Committee.

Sharon told the Committee she is currently required to capitalize purchases at \$1,000 and above. In practice all computers have been capitalized even if their cost was less than \$1,000. She is asking the Committee permission to raise that amount. Following a brief discussion, the Committee raised the amount to \$2,500.

Sharon also informed the Committee there is "Work in Process" line item on the balance sheet from the IARC expansion planning in 2008, in the amount of \$40,000. This amount needs to be written off to due to its age and minimal value to the new IARC planning process. The Committee agreed and approved her request.

V. New Business:

Doug reminded the Committee that Elizabeth Roghair is reviewing on board policies. There are a few items that may be brought up for discussion at the August meetings such as management's authority to incur unfunded expenditures and the maximum amount allowed for deficit spending. There is also a policy for spending levels that require bids.

He also wants to have the Board discuss policy 5.2.37 regarding the fact that the IARC Collection Policy requires that acquisitions are approved by the Board. Doug wants to review this and consider creating a less cumbersome process for the IARC staff and AAA Committee to purchase or accept bequests and new acquisitions to the IARC collection.

VI. Plan for next Finance Committee meeting: August 4, 2017

Doug Nelson announced that the next Finance Committee meeting will be Friday August 4<sup>th</sup> at 11:15.

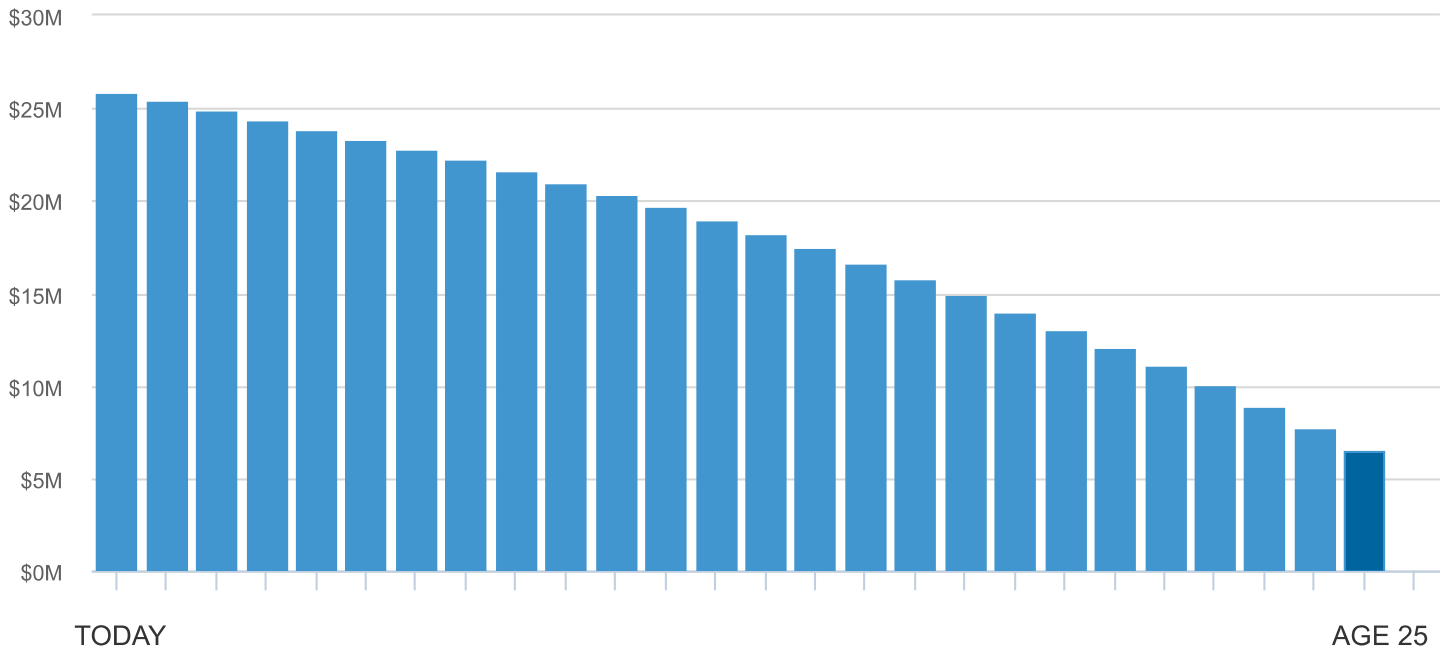
VII. Adjournment

With no further business, the meeting was adjourned at 3:38 PM.

Selected Report  
**Lifetime Cash Flow**

You are currently viewing in Present Value

Switch back to Future Value



ASSETS LAST UNTIL  
**Age 25**

FUNDING GAINED  
**0 Years**

VALUE GAINED  
**\$0**

Details by Year: 2042

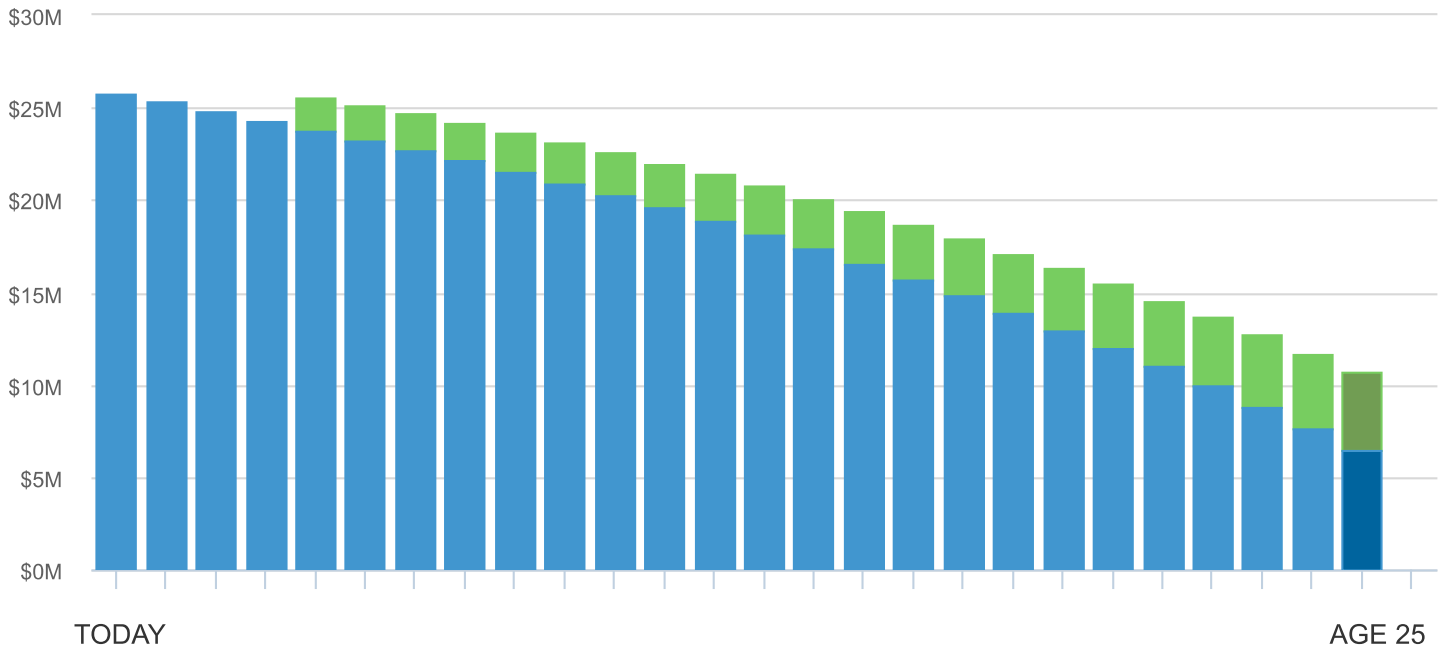
25  
 SCHOOL FOR ADVAN...

	Portfolio Assets	Net Worth
BEFORE	\$6,451,148	\$6,451,148
AFTER	\$6,451,148	\$6,451,148
NET	<b>\$0</b>	<b>\$0</b>

Selected Report  
**Lifetime Cash Flow**

You are currently viewing in Present Value

Switch back to Future Value



ASSETS LAST UNTIL  
**Age 25**

FUNDING GAINED  
**0 Years**

VALUE GAINED  
**\$4,222,706**

Details by Year: 2042

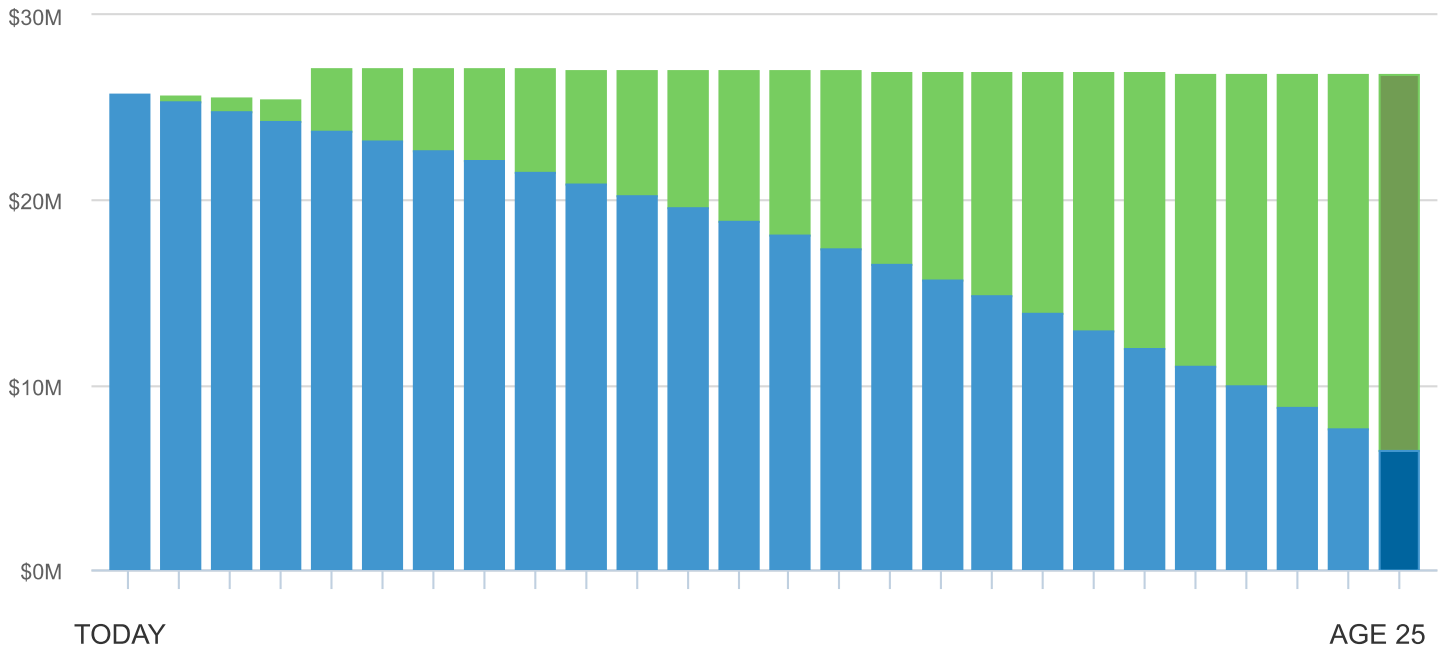
25  
 SCHOOL FOR ADVAN...

	Portfolio Assets	Net Worth
BEFORE	\$6,451,148	\$6,451,148
AFTER	\$10,673,854	\$10,673,854
NET	<b>\$4,222,706</b>	<b>\$4,222,706</b>

Selected Report  
**Lifetime Cash Flow**

You are currently viewing in Present Value

Switch back to Future Value



ASSETS LAST UNTIL  
**Age 25**

FUNDING GAINED  
**0 Years**

VALUE GAINED  
**\$20,323,448**

Details by Year: 2042

**25**  
 SCHOOL FOR ADVAN...

	<b>Portfolio Assets</b>	<b>Net Worth</b>
BEFORE	\$6,451,148	\$6,451,148
AFTER	\$26,774,596	\$26,774,596
<b>NET</b>	<b>\$20,323,448</b>	<b>\$20,323,448</b>



# Monte Carlo Summary

## 2mm Property Sale 2021 + Required New Revenue

### Prepared for School for Advanced Research Endowment

This *Monte Carlo Analysis* runs multiple simulations of your financial plan against future market conditions. The result of introducing random investment volatility to the analysis produces a range of values that demonstrates how changing investment markets may impact your future plans.

The table below shows an upside case, the median case, and a downside case from the 1000 trials.

Case	Percentile	Total Portfolio Assets
Upside (Outperform)	97.5	\$239,235,211
Median (Moderate)	50.0	\$54,035,272
Downside (Underperform)	2.5	\$913,220

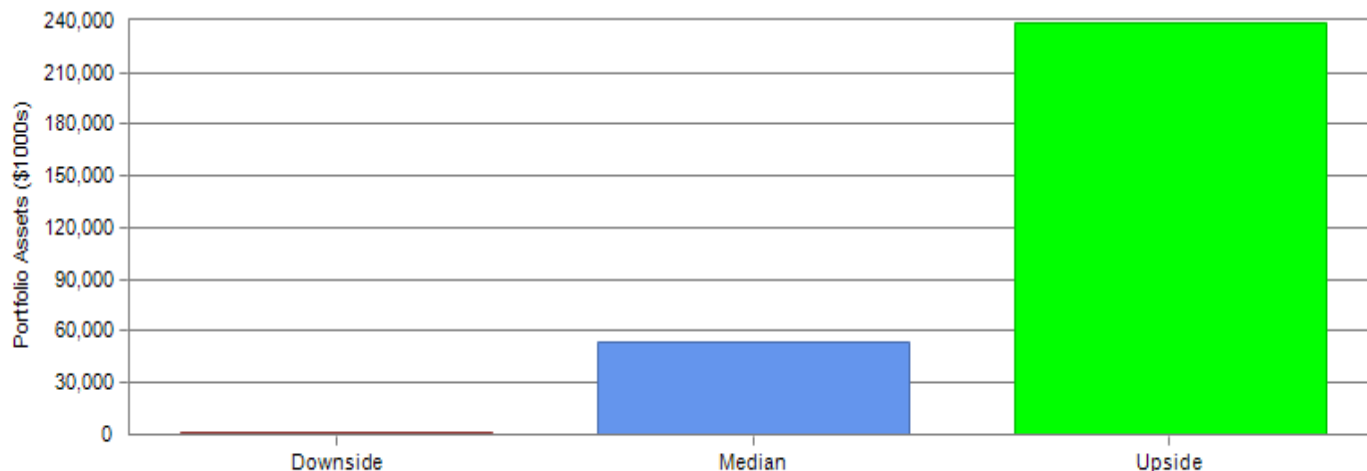
This Monte Carlo simulation is successful in **52%** of the trials resulting in at least **\$52,344,448** of desired remaining assets.

#### SUMMARY

**Upside Case**  
**\$239,235,211**  
**Median Case**  
**\$54,035,272**  
**Downside Case**  
**\$913,220**  
**Desired Remaining Assets**  
**\$52,344,448**  
**Probability of Success**  
**52%**

## Portfolio Asset Comparison

The chart below illustrates an upside case (97.5 percentile), the median case (50 percentile), and a downside case (2.5 percentile) from the 1000 trials.



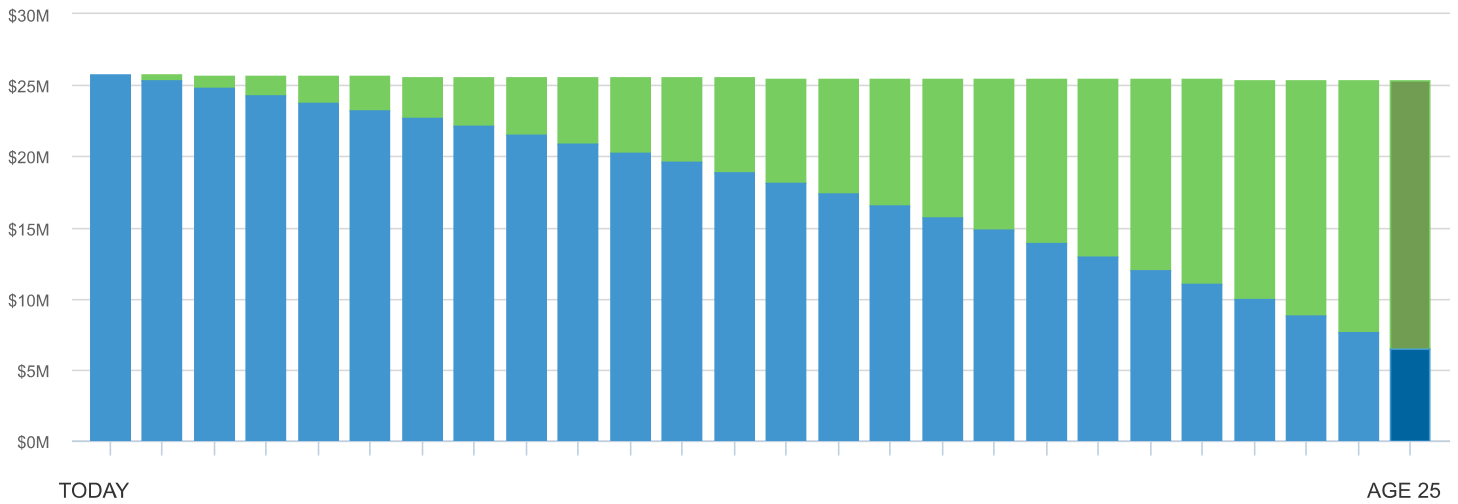
This Monte Carlo analysis illustrates the potential results of your financial plan using up to 1000 randomly generated market returns and volatility called trial runs. In each trial run, the mean and standard deviation of a selected benchmark index for each account or portfolio is used for a randomly chosen year. This hypothetical investment performance is combined with the detailed cash flow and tax calculations for your plan. The trial runs produce a range of potential results and are one way of illustrating and evaluating the statistical probability of your planning strategies.

**IMPORTANT:** The projections or other information generated by this Monte Carlo simulation regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each use and over time. Calculations are based upon market index and growth rate assumptions in your financial plan. Other investments not considered might have characteristics similar or superior to those analyzed in this report. Refer to the Assumptions Summary and Monte Carlo Assumptions reports for additional assumption details.

This analysis must be reviewed in conjunction with the limitations and conditions disclosed in the Disclaimer page. Projections are based on assumptions provided by the advisor/representative, and are not guaranteed. Actual results will vary, perhaps to a significant degree. The projected reports are hypothetical in nature and for illustrative purposes only. Return assumptions do not reflect the deduction of any commissions. They will reflect any fees or product charges when entered by the advisor/ representative. Deduction of such charges would result in a lower rate of return. Consult your legal and/or tax advisor before implementing any tax or legal strategies.

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Switch back to Future Value



ASSETS LAST UNTIL  
Age 25

FUNDING GAINED  
0 Years

VALUE GAINED  
\$18,901,657

Details by Year: 2042

25  
SCHOOL FOR ADVAN...

	Portfolio Assets	Net Worth
BEFORE	\$6,451,148	\$6,451,148
AFTER	\$25,352,805	\$25,352,805
NET	<b>\$18,901,657</b>	<b>\$18,901,657</b>

**School for Advanced Research  
FY18 PROPOSED Budget - THIRD DRAFT**

	FY18 PROPOSED budget	FY17 budget	FY18-FY17
<b>Sources of Funding</b>			
Endowment draw @ 4.9%	<u>1,126,776</u>	<u>1,167,354</u>	<u>(40,578)</u>
Unrestricted funds raised/pledged in previous years			
Board giving	365,696	324,262	41,434
Public Support	174,254	170,616	3,638
Contributions for specific program operations	14,319	4,450	9,869
Memberships and Lecture Sponsors and Tickets	153,437	115,083	38,354
President's Circle net of costs	<u>122,137</u>	<u>55,880</u>	<u>66,257</u>
	829,843	670,291	159,552
Donor Restricted			
Anne Ray Charitable Trust (exclusive of mortgage payment)			
ARCT Intern grant for program expenses	127,434	115,694	11,740
ARCT Intern grant for salaries, rent and overhead	111,661	111,578	83
ARCT Conservation grant for program expenses	158,935	88,285	70,650
ARCT Conservation grant for salaries and overhead	81,065	73,632	7,433
ARCT Campus Safety grant for program	17,500		17,500
ARCT Campus Safety grant for salaries and indirect	9,500		9,500
ARCT CEO directed fund	74,144		74,144
ARCT Howell grant for property tax		15,729	(15,729)
ARCT Howell grant for salaries and overhead		6,276	(6,276)
ARCT grant for Capacity expenses		39,756	(39,756)
ARCT grant for Capacity salaries		14,750	(14,750)
Mellon Fndt for program directs	99,690	60,970	38,720
NSF for Team Seminars program	44,105	44,669	(564)
Paloheimo Foundation for Annual Report	35,600	35,000	600
M Mill for Advance Seminar	30,000	36,000	(6,000)
Mellon for salaries and rent	24,460	15,277	9,183

**School for Advanced Research  
FY18 PROPOSED Budget - THIRD DRAFT**

	FY18 PROPOSED budget	FY17 budget	FY18-FY17
Camp for Presidential Lecture	15,000		15,000
Lannan Literary Arts	14,080	15,000	(920)
Frost Foundation	10,200		10,200
Dubin for Artist fellowship	6,250	6,250	-
Frost Fndt for E Poon salary	4,800		4,800
Library Book Purchase Fund	2,500	2,500	-
NSF for Team Seminars overhead	1,362		1,362
Bunting Summer Salon series	1,200		1,200
Campbell Fellowship for program		75,000	(75,000)
Paloheimo Web Project		50,423	(50,423)
Cordell Prize		13,815	(13,815)
Jl Staley reserves		10,000	(10,000)
Summer Scholar funds for programs		5,040	(5,040)
Summer Scholar funds for rent		2,700	(2,700)
	869,486	838,344	31,142
Sales and Fees			-
Gross Margin on Book Sales and Royalties	45,397	26,000	19,397
Class Fees	10,120		10,120
Rent Income	34,259	2,164	32,095
Field Trip income, net of costs	(2,283)	7,440	(9,723)
IARC and Campus Tours and Sales, net of costs	18,746	12,150	6,596
	106,239	47,754	58,485
Prior year Surplus (estimate)	95,000	84,672	10,328
Draw from Reserves due to lower 3 year endow average	41,000		41,000
Draw from reserves due to fundraising shortfall	55,000		55,000
Draw from Reserves to reduce endowment draw %		125,000	(125,000)
Draw from Reserves for new Development position		73,300	(73,300)
<b>Total Funding</b>	<b>3,123,343</b>	<b>3,006,715</b>	<b>116,628</b>

**School for Advanced Research  
FY18 PROPOSED Budget - THIRD DRAFT**

Expenses	FY18 PROPOSED budget		FY17 budget		FY18-FY17	
	Program	Salaries	Program	Salaries	Program	Salaries
Resident Scholar	132,930	85,049	132,410	85,198	520	(149)
Advanced Seminar	18,125	85,049	25,670	85,198	(7,545)	(149)
Jl Staley	22,245	25,171	28,825	25,227	(6,580)	(57)
SAR Press	5,760	23,932	-	12,442	5,760	11,490
IARC	28,250	371,277	27,950	361,582	300	9,695
Library	14,730	63,185	14,480	60,828	250	2,357
Administration	28,150	165,556	28,150	164,642	-	914
Business Administration	151,377	244,213	160,317	238,960	(8,940)	5,253
Development	117,469	392,885	99,884	387,649	17,585	5,236
IT	21,082	98,125	13,595	94,270	7,487	3,855
Guest Services	11,158	135,325	14,458	141,454	(3,300)	(6,130)
Physical Plant	88,799	163,545	88,799	161,937	-	1,608
Capital Proj	15,000		15,000		-	-
	<b>655,076</b>	<b>1,853,311</b>	<b>649,538</b>	<b>1,819,386</b>	<b>5,538</b>	<b>33,925</b>
Restricted Projects						
ARCT IARC Conservation project directs	158,935		88,285		70,650	
ARCT Museum Professionalism project directs	127,434		115,694		11,740	
Mellon fellow and seminar in FY18 (direct costs)	99,690		60,970		38,720	
ARF CEO directed fund (direct costs)	74,144				74,144	
NSF Team Seminars	44,105		24,620		19,485	
IARC fellows (direct costs)	33,650		33,650		-	
ARF for Campus Safety	17,500				17,500	
Howell property tax	15,729		15,729		-	
Presidential Lecture	15,000				15,000	
Lannan Foundation program expenses	14,080		15,000		(920)	
Frost Fndt (direct costs)	10,390				10,390	
Board budget	3,300		3,300		-	
Bunting Summer Salon series	1,000				1,000	
Campbell fellow (direct costs)			58,695		(58,695)	
ARCT Capacity directs			50,423		(50,423)	

**School for Advanced Research  
FY18 PROPOSED Budget - THIRD DRAFT**

	FY18 PROPOSED budget		FY17 budget		FY18-FY17	
Paloheimo web project			39,756		(39,756)	
Cordell Prize			13,815		(13,815)	
Summer fellows			5,040		(5,040)	
	<hr/>		<hr/>		<hr/>	
	614,957		524,977		89,980	
Special Unfunded Projects						
Director of Scholar Programs relocation			7,500		(7,500)	
Severance estimate					-	
Unemployment estimate				5,314	(5,314)	
	<hr/>		<hr/>		<hr/>	
Total	1,270,033	1,853,311	1,182,015	1,824,700	88,018	28,611
Grand Total Expenses		<u>3,123,344</u>		<u>3,006,715</u>		<u>116,629</u>
Surplus/(Deficit)		(0)		-		(0)

**REDW** Stanley

Financial Advisors LLC

*An SEC Registered Subsidiary of REDW The Rogoff Firm*

INTEGRITY COUNTS.

# Portfolio Review

**School for Advanced Research**

PO Box 2188

Santa Fe, NM 87504

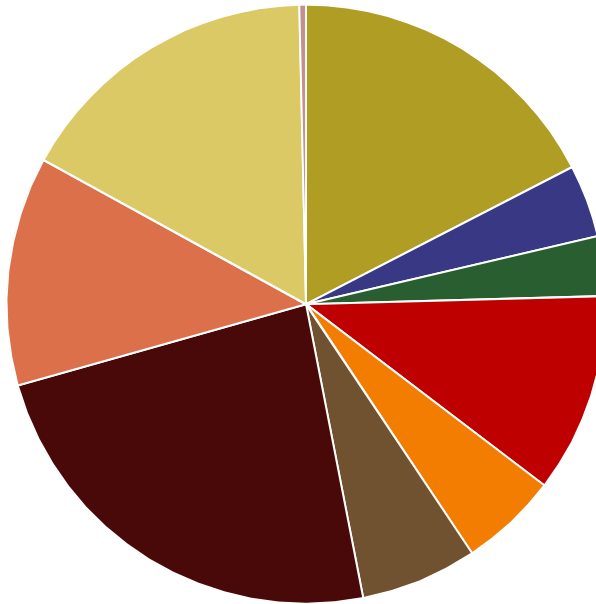
**Prepared By:** REDW Stanley Financial Advisors

June 30, 2017

# Allocation by Category

School for Advanced Research Aggregate

Period Ending: 6/30/2017  
 Portfolio Inception Date: 9/11/2016



Weight	Description	Current Value
100.0%	Portfolio Total	\$25,645,311.64
17.4%	US Equities	\$4,469,522.12
3.9%	Large Cap	\$1,006,984.05
3.2%	Mid/Small Cap	\$824,791.11
10.8%	International Equities	\$2,761,365.23
5.3%	Emerging Markets	\$1,360,067.76
6.3%	Real Estate Investment Trust	\$1,612,664.48
23.7%	Alternative Investments	\$6,074,780.83
12.4%	Intermediate Term Bonds	\$3,173,983.72
16.7%	Short Term Bonds	\$4,270,058.60

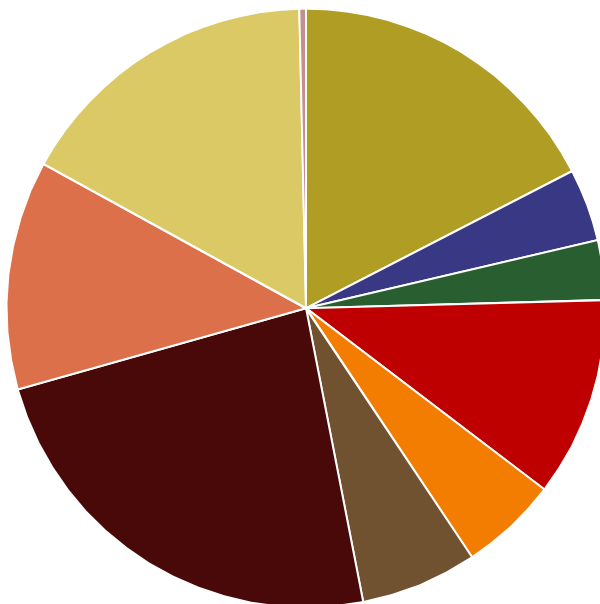
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# Allocation by Category

School for Advanced Research Aggregate

Period Ending: 6/30/2017  
Portfolio Inception Date: 9/11/2016



Weight	Description	Current Value
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0.4%	Cash Equivalents	\$91,093.74
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# Portfolio Holdings

School for Advanced Research Aggregate

Period Ending: 6/30/2017  
Portfolio Inception Date: 9/11/2016

Weight	Symbol	Description	Quantity	Price	Current Value
<b>100.0%</b>	<b>Portfolio Total</b>				<b>\$25,645,311.64</b>
<b>17.4%</b>	<b>US Equities</b>				<b>\$4,469,522.12</b>
17.4%	DFOOX	DFA U.S. Core Equity 1	216,651.581	\$20.63	\$4,469,522.12
<b>3.9%</b>	<b>Large Cap</b>				<b>\$1,006,984.05</b>
3.9%	DFLVX	DFA U.S. Large Cap Value	27,363.697	\$36.80	\$1,006,984.05
<b>3.2%</b>	<b>Mid/Small Cap</b>				<b>\$824,791.11</b>
3.2%	DFSVX	DFA US Small Cap Value	22,541.435	\$36.59	\$824,791.11
<b>10.8%</b>	<b>International Equities</b>				<b>\$2,761,365.23</b>
7.6%	DFIEX	DFA Intl Core Equity	148,308.963	\$13.16	\$1,951,745.95
1.6%	DFIVX	DFA Intl Value Portfolio	22,136.305	\$18.18	\$402,438.02
1.6%	DISVX	DFA Intl Small Cap Value	18,738.208	\$21.73	\$407,181.26
<b>5.3%</b>	<b>Emerging Markets</b>				<b>\$1,360,067.76</b>
0.7%	DEMSX	DFA Emerging Mkts Small Cap	8,605.851	\$21.72	\$186,919.08
3.5%	DFCEX	DFA Emerging Mkts Core Equity	43,631.000	\$20.54	\$896,180.74
1.1%	DFEVX	DFA Emerging Mkts Value	9,870.561	\$28.06	\$276,967.94
<b>6.3%</b>	<b>Real Estate Investment Trust</b>				<b>\$1,612,664.48</b>
6.3%	VNQ	Vanguard REIT ETF	19,376.000	\$83.23	\$1,612,664.48
<b>23.7%</b>	<b>Alternative Investments</b>				<b>\$6,074,780.83</b>
6.2%	CNYNVR	Canyon Value Realization A	182.225	\$8,793.98	\$1,602,481.11
2.5%	GOTOSF26	GoldenTree F Series 26	188.082	\$3,419.44	\$643,135.91
3.9%	GOTOSF42	GoldenTree F Series 42	288.143	\$3,511.34	\$1,011,766.34
5.6%	GOTOSF54	GoldenTree F Series 54	414.309	\$3,469.33	\$1,437,371.34

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# Portfolio Holdings

School for Advanced Research Aggregate

Period Ending: 6/30/2017  
Portfolio Inception Date: 9/11/2016

Weight	Symbol	Description	Quantity	Price	Current Value
0.5%	GTSP1F26	GoldenTree SP1-1F Series 26	113.645	\$1,095.28	\$124,472.80
0.1%	GTSP1F42	GoldenTree SP1-1F Series 42	15.567	\$1,095.28	\$17,050.50
0.1%	GTSP1F54	GoldenTree SP1-1F Series 54	22.359	\$1,095.28	\$24,489.87
0.1%	GTSP5F26	GoldenTree SP1-5F Series 26	15.362	\$1,089.16	\$16,731.46
0.0%	GTSP5F42	GoldenTree SP1-5F Series 42	2.104	\$1,089.15	\$2,291.90
0.0%	GTSP5F54	GoldenTree SP1-5F Series 54	3.022	\$1,089.16	\$3,291.89
0.1%	GTSP6F26	GoldenTree SP6-1F Series 26	56.920	\$294.96	\$16,788.84
0.0%	GTSP6F42	GoldenTree SP6-1F Series 42	15.773	\$294.96	\$4,652.29
0.0%	GTSP6F54	GoldenTree SP6-1F Series 54	22.394	\$294.96	\$6,605.39
2.2%	GTSP8F26	GoldenTree SP8-1F Series 26	154.358	\$3,660.68	\$565,057.22
1.0%	GTSP8F42	GoldenTree SP8-1F Series 42	67.570	\$3,660.68	\$247,352.29
1.4%	GTSP8F54	GoldenTree SP8-1F Series 54	95.950	\$3,660.68	\$351,241.68
<b>12.4%</b>	<b>Intermediate Term Bonds</b>				<b>\$3,173,983.72</b>
12.4%	DFAPX	DFA Investment Grade	292,533.062	\$10.85	\$3,173,983.72
<b>16.7%</b>	<b>Short Term Bonds</b>				<b>\$4,270,058.60</b>
16.7%	BSV	Vanguard Short Term Bond Index ETF	53,476.000	\$79.85	\$4,270,058.60
<b>0.4%</b>	<b>Cash Equivalents</b>				<b>\$91,093.74</b>
0.3%	CASH	CASH			\$64,767.95
0.1%	SNOXX	Schwab Treasury Money Market			\$26,325.79

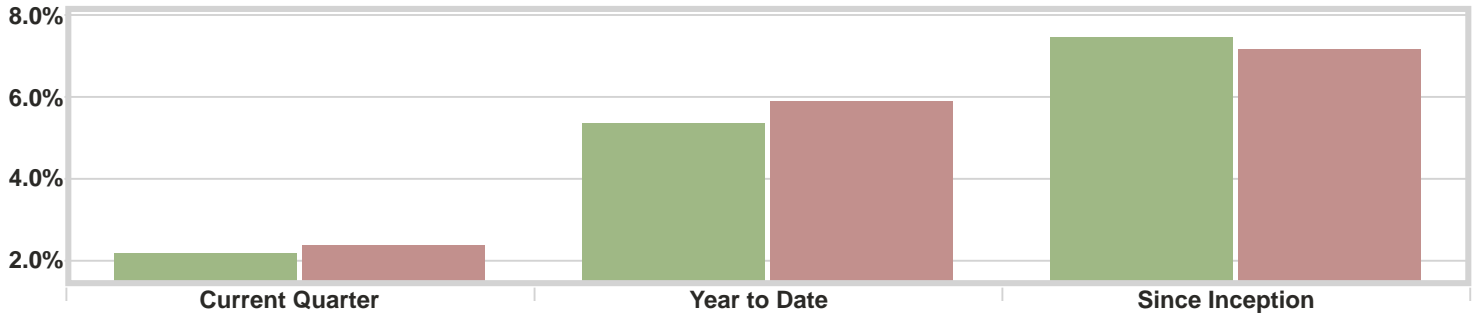
# Performance Summary

## TWR

Period Ending: 6/30/2017  
Portfolio Inception Date: 9/11/2016

School for Advanced Research Aggregate

### Portfolio Returns



	Current Quarter	Year to Date	Since Inception
<b>Your Portfolio</b>	2.2%	5.4%	7.5%
SAR Combined Portfolios Benchmark	2.4%	5.9%	7.2%

### Components Of Change

	Current Quarter	Year to Date	Since Inception
<b>BEGINNING VALUE</b>	25,397,779.17	25,072,271.85	0.00
Net Contributions	(300,000.00)	(762,728.81)	23,828,814.37
Capital Appreciation	449,456.94	1,188,326.56	1,501,136.57
Income	109,774.45	170,674.07	343,117.65
Management Fees	(11,698.92)	(23,207.03)	(25,480.48)
Other Expenses	0.00	(25.00)	(2,276.47)
<b>ENDING VALUE</b>	25,645,311.64	25,645,311.64	25,645,311.64
<b>INVESTMENT GAIN</b>	547,532.47	1,335,768.60	1,816,497.27

We believe this information to be reliable, but do not guarantee its accuracy. All gains/losses are calculated using a specific security matching method of buys and sells, except for mutual funds, which are calculated using an average cost basis method. All returns net of fees automatically deducted from account. Not considered are fees submitted by cash, check or credit card.

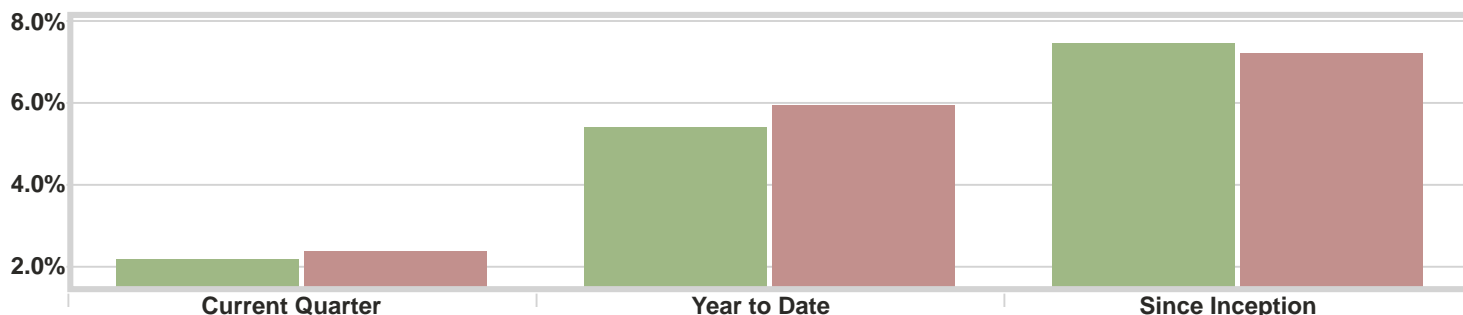
# Performance Summary

## IRR

Period Ending: 6/30/2017  
Portfolio Inception Date: 9/11/2016

School for Advanced Research Aggregate

### Portfolio Returns



	Current Quarter	Year to Date	Since Inception
<b>Your Portfolio</b>	2.2%	5.4%	7.4%
SAR Combined Portfolios Benchmark	2.4%	5.9%	7.2%

### Components Of Change

	Current Quarter	Year to Date	Since Inception
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Other Expenses	0.00	(25.00)	(2,276.47)
<b>ENDING VALUE</b>	25,645,311.64	25,645,311.64	25,645,311.64
<b>INVESTMENT GAIN</b>	547,532.47	1,335,768.60	1,816,497.27

# Asset Class Performance Summary

Period Ending: 6/30/2017  
 Portfolio Inception Date: 9/11/2016

School for Advanced Research Aggregate

Asset Class Description	Inception Date	Current Value	Current Quarter	Year to Date	Since Inception
<b>Total Portfolio (Net of Fees)</b>	9/11/2016	25,645,312	2.16%	5.40%	7.45%
SAR Combined Portfolios Benchmark			2.39%	5.93%	7.20%
Russell 3000 TR USD			3.02%	8.93%	13.63%
Russell 1000 Value TR USD			1.34%	4.66%	11.50%
Russell 2000 TR USD			2.46%	4.99%	15.07%
MSCI EAFE USD			6.12%	13.81%	13.87%
S&P/IFCI Composite TR USD			5.85%	18.74%	14.52%
FTSE NAREIT Equity REITs TR			1.52%	2.70%	(1.38%)
BarCap US Corporate High Yield TR USD			2.17%	4.93%	7.22%
BBgBarc US Agg Interm TR USD			0.92%	1.61%	(0.36%)
BarCap US Govt/Credit A+ 1-5 Yr TR USD			0.49%	0.98%	0.02%
IA SBBI US 30 Day TBill TR USD			0.18%	0.29%	0.36%

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INTEGRITY COUNTS.

# Portfolio Review

**School for Advanced Research**

PO Box 2188

Santa Fe, NM 87504

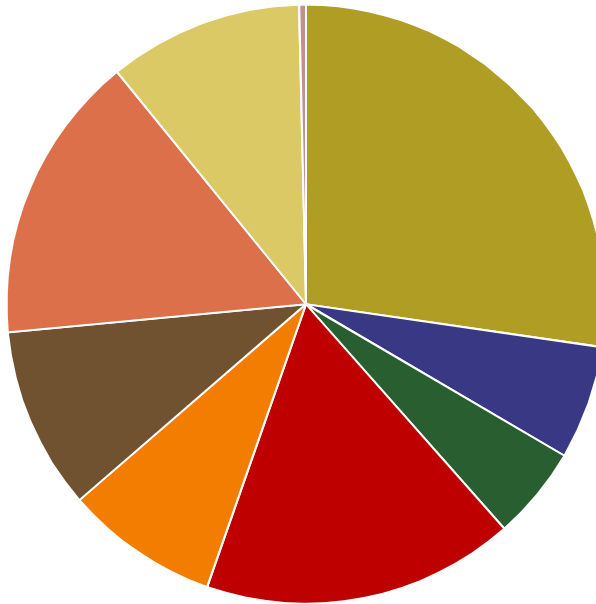
**Prepared By:** REDW Stanley Financial Advisors

June 30, 2017

# Allocation by Category

School for Advanced Research Corp Acct - Market Assets

Period Ending: 6/30/2017  
 Portfolio Inception Date: 9/11/2016



Weight	Description	Current Value
100.0%	Portfolio Total	\$16,373,589.50
27.3%	US Equities	\$4,469,522.12
6.2%	Large Cap	\$1,006,984.05
5.0%	Mid/Small Cap	\$824,791.11
16.9%	International Equities	\$2,761,365.23
8.3%	Emerging Markets	\$1,360,067.76
9.8%	Real Estate Investment Trust	\$1,612,664.48
15.6%	Intermediate Term Bonds	\$2,558,943.68
10.5%	Short Term Bonds	\$1,719,170.50
0.4%	Cash Equivalents	\$60,080.57



# Portfolio Holdings

School for Advanced Research Corp Acct - Market Assets

Period Ending: 6/30/2017  
Portfolio Inception Date: 9/11/2016

Weight	Symbol	Description	Quantity	Price	Current Value
<b>100.0%</b>	<b>Portfolio Total</b>				<b>\$16,373,589.50</b>
<b>27.3%</b>	<b>US Equities</b>				<b>\$4,469,522.12</b>
27.3%	DFOFX	DFA U.S. Core Equity 1	216,651.581	\$20.63	\$4,469,522.12
<b>6.2%</b>	<b>Large Cap</b>				<b>\$1,006,984.05</b>
6.2%	DFLVX	DFA U.S. Large Cap Value	27,363.697	\$36.80	\$1,006,984.05
<b>5.0%</b>	<b>Mid/Small Cap</b>				<b>\$824,791.11</b>
5.0%	DFSVX	DFA US Small Cap Value	22,541.435	\$36.59	\$824,791.11
<b>16.9%</b>	<b>International Equities</b>				<b>\$2,761,365.23</b>
11.9%	DFIEX	DFA Intl Core Equity	148,308.963	\$13.16	\$1,951,745.95
2.5%	DFIVX	DFA Intl Value Portfolio	22,136.305	\$18.18	\$402,438.02
2.5%	DISVX	DFA Intl Small Cap Value	18,738.208	\$21.73	\$407,181.26
<b>8.3%</b>	<b>Emerging Markets</b>				<b>\$1,360,067.76</b>
1.1%	DEMSX	DFA Emerging Mkts Small Cap	8,605.851	\$21.72	\$186,919.08
5.5%	DFCEX	DFA Emerging Mkts Core Equity	43,631.000	\$20.54	\$896,180.74
1.7%	DFEVX	DFA Emerging Mkts Value	9,870.561	\$28.06	\$276,967.94
<b>9.8%</b>	<b>Real Estate Investment Trust</b>				<b>\$1,612,664.48</b>
9.8%	VNQ	Vanguard REIT ETF	19,376.000	\$83.23	\$1,612,664.48
<b>15.6%</b>	<b>Intermediate Term Bonds</b>				<b>\$2,558,943.68</b>
15.6%	DFAPX	DFA Investment Grade	235,847.344	\$10.85	\$2,558,943.68
<b>10.5%</b>	<b>Short Term Bonds</b>				<b>\$1,719,170.50</b>
10.5%	BSV	Vanguard Short Term Bond Index ETF	21,530.000	\$79.85	\$1,719,170.50

Continued on Next Page

# Portfolio Holdings

School for Advanced Research Corp Acct - Market Assets

Period Ending: 6/30/2017  
Portfolio Inception Date: 9/11/2016

Weight	Symbol	Description	Quantity	Price	Current Value
0.4%	Cash Equivalents				\$60,080.57
0.4%	CASH	CASH			\$60,080.57

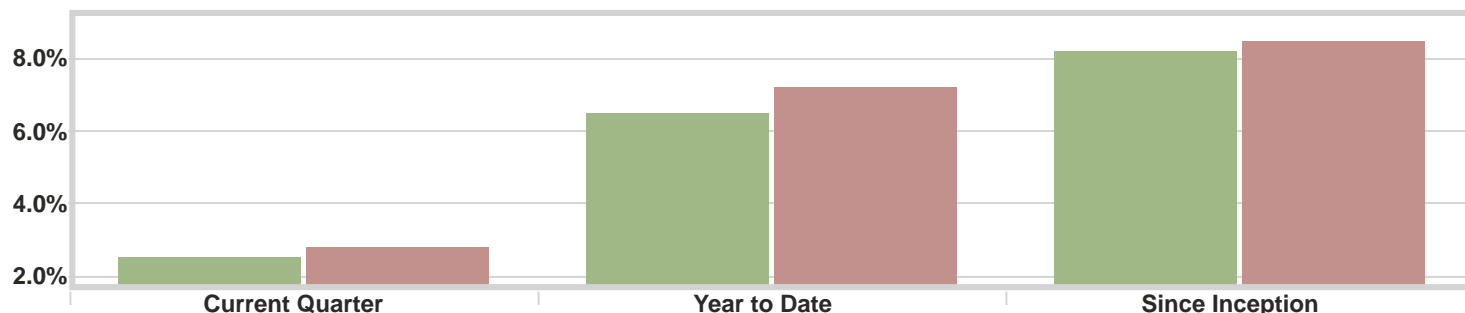
# Performance Summary

## TWR

Period Ending: 6/30/2017  
 Portfolio Inception Date: 9/11/2016

School for Advanced Research Corp Acct - Market Assets

### Portfolio Returns



	Current Quarter	Year to Date	Since Inception
<b>Your Portfolio</b>	2.5%	6.5%	8.2%
SAR Market Assets Benchmark	2.8%	7.2%	8.4%

### Components Of Change

	Current Quarter	Year to Date	Since Inception
<b>BEGINNING VALUE</b>	15,970,402.72	14,938,992.32	0.00
Net Contributions	0.00	442,538.99	15,146,445.16
Capital Appreciation	317,752.23	864,992.95	943,730.29
Income	97,133.47	150,272.27	311,121.00
Management Fees	(11,698.92)	(23,207.03)	(25,480.48)
Other Expenses	0.00	0.00	(2,226.47)
<b>ENDING VALUE</b>	16,373,589.50	16,373,589.50	16,373,589.50
<b>INVESTMENT GAIN</b>	403,186.78	992,058.19	1,227,144.34

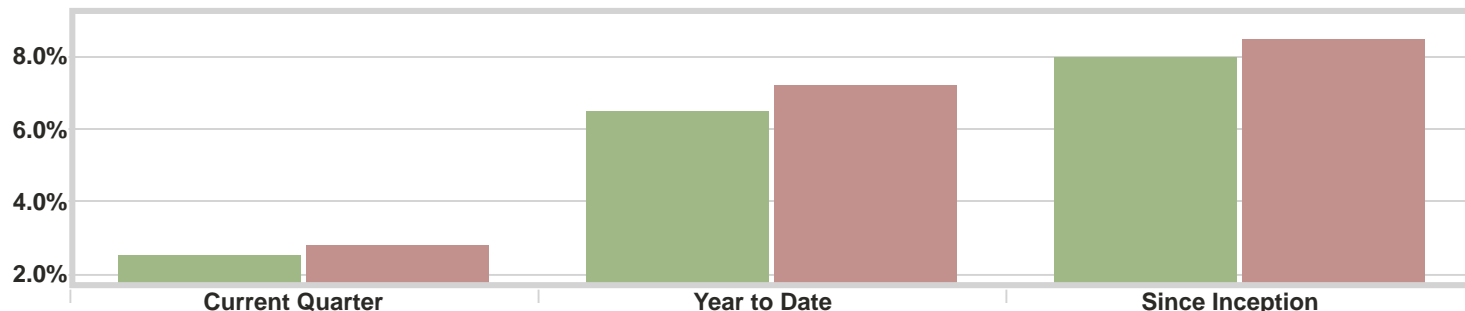
# Performance Summary

## IRR

Period Ending: 6/30/2017  
Portfolio Inception Date: 9/11/2016

School for Advanced Research Corp Acct - Market Assets

### Portfolio Returns



	Current Quarter	Year to Date	Since Inception
<b>Your Portfolio</b>	2.5%	6.5%	8.0%
SAR Market Assets Benchmark	2.8%	7.2%	8.4%

### Components Of Change

	Current Quarter	Year to Date	Since Inception
<b>BEGINNING VALUE</b>	15,970,402.72	14,938,992.32	0.00
Net Contributions	0.00	442,538.99	15,146,445.16
Capital Appreciation	317,752.23	864,992.95	943,730.29
Income	97,133.47	150,272.27	311,121.00
Management Fees	(11,698.92)	(23,207.03)	(25,480.48)
Other Expenses	0.00	0.00	(2,226.47)
<b>ENDING VALUE</b>	16,373,589.50	16,373,589.50	16,373,589.50
<b>INVESTMENT GAIN</b>	403,186.78	992,058.19	1,227,144.34

# Asset Class Performance Summary

Period Ending: 6/30/2017  
 Portfolio Inception Date: 9/11/2016

School for Advanced Research Corp Acct - Market Assets

Asset Class Description	Inception Date	Current Value	Current Quarter	Year to Date	Since Inception
<b>Total Portfolio (Net of Fees)</b>	9/11/2016	16,373,590	2.52%	6.48%	7.99%
SAR Market Assets Benchmark			2.79%	7.19%	8.45%
Russell 3000 TR USD			3.02%	8.93%	13.63%
Russell 1000 Value TR USD			1.34%	4.66%	11.50%
Russell 2000 TR USD			2.46%	4.99%	15.07%
MSCI EAFE USD			6.12%	13.81%	13.87%
S&P/IFCI Composite TR USD			5.85%	18.74%	14.52%
FTSE NAREIT Equity REITs TR			1.52%	2.70%	(1.38%)
BarCap US Corporate High Yield TR USD			2.17%	4.93%	7.22%
BBgBarc US Agg Interm TR USD			0.92%	1.61%	(0.36%)
BarCap US Govt/Credit A+ 1-5 Yr TR USD			0.49%	0.98%	0.02%
IA SBBI US 30 Day TBill TR USD			0.18%	0.29%	0.36%

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INTEGRITY COUNTS.

## **Portfolio Review**

**School for Advanced Research**

PO Box 2188

Santa Fe, NM 87504

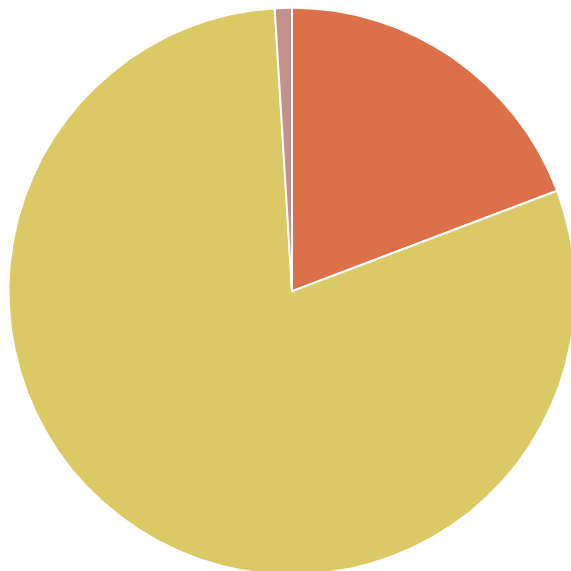
**Prepared By:** REDW Stanley Financial Advisors

June 30, 2017

# Allocation by Category

School for Advanced Research Corp Acct - Protective Assets

Period Ending: 6/30/2017  
 Portfolio Inception Date: 10/6/2016



Weight	Description	Current Value
100.0%	Portfolio Total	\$3,196,941.31
19.2%	Intermediate Term Bonds	\$615,040.04
79.8%	Short Term Bonds	\$2,550,888.10
1.0%	Cash Equivalents	\$31,013.17

# Portfolio Holdings

School for Advanced Research Corp Acct - Protective Assets

Period Ending: 6/30/2017  
 Portfolio Inception Date: 10/6/2016

Weight	Symbol	Description	Quantity	Price	Current Value
<b>100.0%</b>	<b>Portfolio Total</b>				<b>\$3,196,941.31</b>
<b>19.2%</b>	<b>Intermediate Term Bonds</b>				<b>\$615,040.04</b>
19.2%	DFAPX	DFA Investment Grade	56,685.718	\$10.85	\$615,040.04
<b>79.8%</b>	<b>Short Term Bonds</b>				<b>\$2,550,888.10</b>
79.8%	BSV	Vanguard Short Term Bond Index ETF	31,946.000	\$79.85	\$2,550,888.10
<b>1.0%</b>	<b>Cash Equivalents</b>				<b>\$31,013.17</b>
0.1%	CASH	CASH			\$4,687.38
0.8%	SNOXX	Schwab Treasury Money Market			\$26,325.79



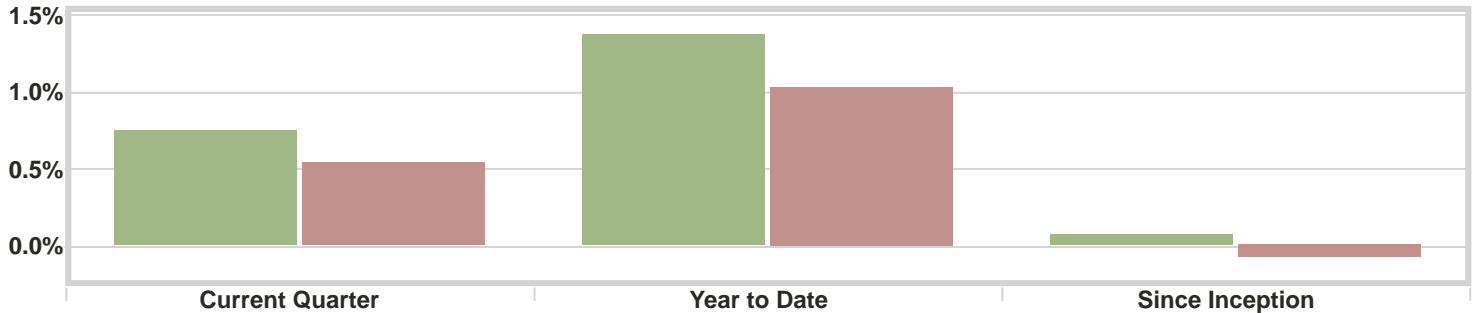
# Performance Summary

## TWR

Period Ending: 6/30/2017  
Portfolio Inception Date: 10/6/2016

School for Advanced Research Corp Acct - Protective Assets

### Portfolio Returns



	Current Quarter	Year to Date	Since Inception
<b>Your Portfolio</b>	0.7%	1.4%	0.1%
SAR Protective Assets Benchmark	0.5%	1.0%	(0.1%)

### Components Of Change

	Current Quarter	Year to Date	Since Inception
<b>BEGINNING VALUE</b>	2,691,289.43	2,823,786.63	0.00
Net Contributions	481,625.83	331,625.83	3,192,268.98
Capital Appreciation	11,385.07	21,152.05	(27,274.32)
Income	12,640.98	20,401.80	31,996.65
Management Fees	0.00	0.00	0.00
Other Expenses	0.00	(25.00)	(50.00)
<b>ENDING VALUE</b>	3,196,941.31	3,196,941.31	3,196,941.31
<b>INVESTMENT GAIN</b>	24,026.05	41,528.85	4,672.33

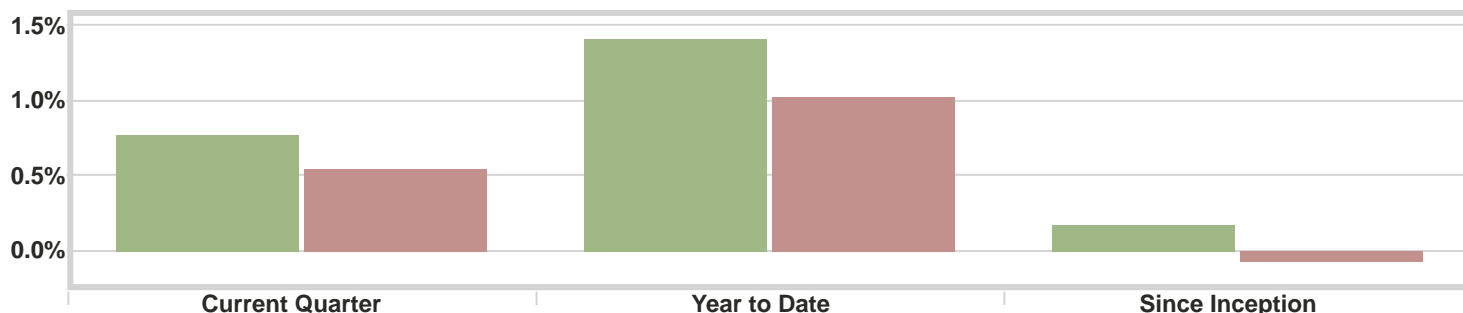
# Performance Summary

## IRR

Period Ending: 6/30/2017  
 Portfolio Inception Date: 10/6/2016

School for Advanced Research Corp Acct - Protective Assets

### Portfolio Returns



	Current Quarter	Year to Date	Since Inception
<b>Your Portfolio</b>	0.8%	1.4%	0.2%
<b>SAR Protective Assets Benchmark</b>	0.5%	1.0%	(0.1%)

### Components Of Change

	Current Quarter	Year to Date	Since Inception
<b>BEGINNING VALUE</b>	2,691,289.43	2,823,786.63	0.00
Net Contributions	481,625.83	331,625.83	3,192,268.98
Capital Appreciation	11,385.07	21,152.05	(27,274.32)
Income	12,640.98	20,401.80	31,996.65
Management Fees	0.00	0.00	0.00
Other Expenses	0.00	(25.00)	(50.00)
<b>ENDING VALUE</b>	3,196,941.31	3,196,941.31	3,196,941.31
<b>INVESTMENT GAIN</b>	24,026.05	41,528.85	4,672.33

# Asset Class Performance Summary

Period Ending: 6/30/2017  
 Portfolio Inception Date: 10/6/2016

School for Advanced Research Corp Acct - Protective Assets

Asset Class Description	Inception Date	Current Value	Current Quarter	Year to Date	Since Inception
<b>Total Portfolio (Net of Fees)</b>	10/6/2016	3,196,941	0.77%	1.41%	0.17%
SAR Protective Assets Benchmark			0.54%	1.03%	(0.07%)
BBgBarc US Agg Interm TR USD			0.92%	1.61%	(0.40%)
BarCap US Govt/Credit A+ 1-5 Yr TR USD			0.49%	0.98%	(0.05%)
IA SBBI US 30 Day TBill TR USD			0.18%	0.29%	0.34%