

William C. Conner Foundation

Educational Investment Fund

2023 Annual Report



The Educational Investment Fund

Year 50

**Setting the Standard of Excellence in
Investment Management Education, Experience,
Ethics, and Philanthropy since 1973**

William C. Conner Foundation

Educational Investment Fund

Neeley School of Business

Texas Christian University

Fort Worth, TX

April 17, 2024



Educational Investment Fund

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Preface

2023 marked the 50th year of operations of the EIF, during which time the EIF has provided over 1200 students at Texas Christian University an unparalleled learning experience in fundamental security analysis and portfolio management. In 2023, 35 student analysts - 26 undergraduates, 8 MBA students, and 1 MAC student - contributed to the management of the Foundation's assets. This report summarizes the activities and events that transpired in 2023.

To the Trustees of the William C. Conner Foundation

Economy in Review

What a difference a year makes. The US economy entered 2023 with elevated inflation and a Federal Funds rate between 4.25% - 4.5%, after experiencing the swiftest rate hiking cycle in the Fed's history in 2022. In 2023, the Fed raised the target another 100 bps, with the last hike announced in July, since leaving the target between 5.25% - 5.5%. By the year's end, U.S. inflation more than halved from a peak of 9.1% to 3.4% (CPI), with growth remaining steady and economists beginning to forecast ~75 bps of rate cuts in 2024. In 2022, a record number of CEOs said they expected a U.S. recession, which never came to fruition in 2023's strong economy. In a reversal from last year, U.S. equities were +26.25% vs. -18.1%, World Equities were +21.6% vs. -17.7% and Commodities were +16.1% vs. -10.2%, in 2023 YTD vs. 2022 YTD, respectively. Also dominating new stories was the 'Magnificent Seven' stocks, as they logged an impressive average return of 111% in 2023, compared to 71% the previous year.

After an unprecedented pandemic, the economy bounced back more resiliently than most predicted. Both GDP and unemployment ended the 2023 year better than the Congressional Budget Office's pre-pandemic projections for 2023. CBO projected 2023Q4 GDP at \$25.38 trillion and the BEA recorded \$27.94 trillion, whereas CBO projected unemployment at 4.2% 2023Q4 and the BLS recorded 3.7% in December 2023. December's unemployment marked the 23rd consecutive month of unemployment below 4%, an incredible statistic given the Fed kept interest rates high to quell inflation. Worth mentioning though, the incredible 2023 job reports headlining the news, ~2.7 million new jobs to be exact, weren't quite as hot as they seemed, as it was revealed the monthly increases were exaggerated by pandemic-era distortions in how they were counted.

Unlike 2022, consumers began to feel the effects of a tighter economy as household debt increased 1.2% in 2023Q4 to \$17.5 trillion, as mortgage, student, auto and credit card debt all increased over 2022Q4 levels. Still, this didn't stop the American consumer from pulling out their wallets during the holidays,

as the NRF revealed a 3.8% surge in sales, reaching a record-breaking \$964 billion, surpassing 2022's record by \$35 billion.

The rise in interest rates highlighted further consequences, as 2023 saw the biggest bank failures since the Global Financial Crisis. The rate hikes drove down the values of many financial assets, one of the most susceptible being long-term, low-coupon bonds. This starkly increased the number of unrealized bond losses on financial institution's balance sheets, surpassing \$600 billion in 2022. Prominent banks such as Silicon Valley Bank and Signature Bank experienced bank runs as depositors moved deposits out, forcing them to liquidate. First Republic collapsed shortly after, representing the second, third and fourth largest bank failures in U.S. history. Notably, Credit Suisse, the second-largest bank in Switzerland, also collapsed in March 2023 after numerous scandals, management changes, financial losses and market conditions.

As global economies began to reopen and rebuild post-COVID, they too were struggling to grapple with surging inflation yet maintain economic growth. To combat this, major central banks in 2022 and 2023 such as the European Central Bank, The Reserve Bank of New Zealand and the Bank of Canada raised interest rates. By the end of '23, these institutions paused rate hikes and are seemingly signaling rate cuts soon. The European economy narrowly avoided a recession in 2023, achieving a modest growth rate of 0.5% given high inflation and surge in 2022 energy prices triggered by the Russia Ukraine War. Canada did not enter a recession in 2023; however, it was its weakest year since 2016.

EIF Operating Summary

The EIF is primarily an equity-based investment fund with a conventional equity allocation ranging from 70% to 76%. In 2023, the total return for the EIF portfolio was 21.58% versus 12.22% for the passive Vanguard Balanced Fund Index and 13.98% for the Lipper Balanced Fund Index, representing the average of the 30 largest professionally managed balanced funds. Throughout 2023, the EIF maintained an average equity allocation of 72.9%, yielding total returns of

29.14% versus 26.27% for the S&P 500, 24.06% for the Dow Total Equity (formerly Wilshire 5000), and 24.64% for the Lipper Large Cap Core Index, reflecting the average of the 30 largest professionally managed large-cap equity funds.

The average fixed income allocation for the EIF stood at 16.8% with returns of 6.34%, while the passive Barclay's Aggregate Bond Index recorded 5.65%. In mid-year 2022, the 2/10-year yield inverted and remained as such throughout 2023, reaching a 35-bps inversion by year-end. The 3-month/10-year yield inverted late 2022, also remaining inverted during 2023, and closing the year with a 152-bps inversion. Inversions of the yield curve often precede economic downturns, however the economy in 2023 remained robust, and the U.S. avoided a recession.

We take pride in allocating \$94,113 to our beneficiaries, Texas Christian University, and the Department of Ophthalmology at the Baylor College of Medicine. Including the 2023 contribution, the cumulative disbursement of the William C. Conner Foundation Educational Investment Fund soared past \$3.5 million to a total of \$3,636,481. Every member of the fund deeply values the philanthropic aspect of the EIF.

Year Highlights

The EIF upholds a strong reputation in Fort Worth and across the nation. In 2023, many EIF members were honored on the Dean's Honor List at the Neeley School of Business and received various scholarships. These include the Meredith Fraker Thompson Memorial Scholarship, Luther King Capital Management Center for Financial Studies Scholarship, TCU Academic Achievement Scholarship, and TCU Transfer Dean's Scholarship. Two EIF members passed the CFA® Level I exam and one member passed the CFA® Level II exam.

Participants of the EIF have also assumed mentorship and leadership positions in diverse organizations across the TCU and DFW region, including the Neeley Fellows, Neeley Leadership Program, TCU Rugby, Housing & Residence Life and TCU Energy Club Treasurer. Additionally, numerous EIF members serve as mentors to students involved in the Transaction and Investment Professionals Board Program, providing crucial

support to help them secure highly competitive internships.

Many EIF members were successful in their search for post-graduation employment. Some of the companies hiring EIF members in the upcoming year include Goldman Sachs, Evercore, J.P.Morgan, Citi, Piper Sandler, Capital Southwest, Global Endowment Management, Argento Energy, Chartwell Financial Advisory and American Airlines. One Junior EIF member is interning at Raymond James.

Ending Comments

On behalf of the 2023 EIF members, I thank the William C. Conner family, the Board of Trustees, the administration of Texas Christian University, Jim Hille, Jason Safran, the broker/custodian UBS team, and our Finance Department Chair, Dr. Steve Mann. We thank the team at Weaver and Tidwell, L.L.P. for their financial review of the EIF accounts. We also thank the Board members of the Luther King Capital Management Center for Financial Studies and Dr. Mo Rodriguez, Center Director, for their continuing support of the students in the EIF.

We express our profound gratitude to Dr. Larry Lockwood for his role as the 2023 EIF faculty advisor. While the EIF is student-run, it is Dr. Lockwood's dedication, teaching and immense support that have been crucial to the Fund's success. We also commemorate Dr. Stan Block for his many years of dedication to the EIF, acknowledging his lasting influence at TCU. His vision, together with the unwavering support from faculty advisors, has laid the foundation for a practical learning program in financial markets. This program has inspired the creation of numerous other student-managed funds across the country.

I am honored to serve as the Chief Administrator for the EIF during this term. On behalf of the 2023 EIF members, I want to express our appreciation for the opportunity to be a part of this invaluable educational experience.

Sincerely,

Alaina Tucker
Chief Administrative Officer
William C. Conner Educational Investment Fund
Texas Christian University

History of the Educational Investment Fund

The TCU Educational Investment Fund was established in 1973 with a \$600,000 donation from William C. Conner, co-founder of Alcon Laboratories. The donation consisted entirely of Alcon Laboratories common stock, which was used to establish the William C. Conner Foundation. The five founding members, James Bowie, Gary Naifeh, William McLaughlin, Ronald Moore, Roy Topham, and faculty advisor Dr. Stan Block used the Alcon stock to establish a margin account against which the Fund could invest.

Within two months of the Fund's founding, the stock market experienced its biggest decline since the end of World War II, providing the original five members with a valuable lesson in the risks associated with investing. The fact that the Fund survived its early setbacks to become the success it is today is a testament to the vision of Dr. Conner, and the determination of its founders.

In 1978, Dr. Conner contributed an additional \$100,000 to the Fund, bringing its total value to slightly more than \$800,000. Through the liquidation of its original holding, the EIF closed its margin account and began investing directly in various securities.

In 1983, the manner of distributions to the beneficiaries changed from an annual payment equal to the realized profit for the year to an annual distribution of 6% of the Fund's year-end net asset value. This change has allowed the EIF to grow, while still providing income to its beneficiaries. In 2016, this distribution rate was lowered to 5%, reflecting the continued mission of allowing the EIF to grow in a lower-growth environment.

Although the EIF is not the oldest university fund in existence, it is the oldest fund whose operations are controlled entirely by student managers. Since its inception, the Fund has represented an innovating, challenging approach to education in finance. It has allowed students to gain unparalleled investment management experience while still in a university setting. Throughout the history of the EIF, over \$3.6 million has been distributed by the Fund, in the form of an annual contribution to the William C.

Conner Foundation's two beneficiaries: Texas Christian University and the Department of Ophthalmology at Baylor College of Medicine.

Universities across the country continue to recognize the benefits of TCU's student-run investment fund. Prestigious institutions such as UCLA, Rice University, Columbia University, and the University of Chicago have contacted TCU regarding the development of their student-run portfolio program, with many universities using TCU's William C. Conner Educational Investment Fund as the base model for their programs.

The future of the Educational Investment Fund remains bright. The generous contribution made by Dr. Conner 50 years ago has enabled over 1,000 students to benefit from this unique educational experience. The program consistently produces top-rate graduates who go on to achieve success through various industries, but specifically in the world of finance. The Fund is proud to keep good relationships with its alumni and appreciates those individuals who regularly return to Fort Worth to share their professional experiences with current Fund members. This solid network of alumni is indicative of the quality experience provided by participation in the TCU Educational Investment Fund.

The success of the Educational Investment Fund has been made possible by the vision and support of Dr. Conner, the dedication of the William C. Conner Board of Trustees, Dr. Stanley Block and Dr. Larry Lockwood, as well as the numerous other TCU faculty members, alumni, and students who have donated their time and effort to the Fund.

Thank you for being a vital part of Texas Christian University and the TCU Neeley School of Business's Educational Investment Fund experience. Your continued involvement with the EIF ensures that past, present, and future alumni will continue to be recognized for the superb educational opportunities afforded by TCU.

EIF 50th Anniversary Celebration

On October 27, 2023, approximately 200 alumni of the Educational Investment Fund, faculty, staff, and long-time supporters spanning the 1970s to the present gathered on campus to celebrate 50 years of student excellence in real-world finance experience, career advancement and the relationships that connect it all. The evening was truly special and a testament to the legacy shaped by the EIF.



Summer 2023 Officers



Van Nguyen, Chief Economist

Busayo Omopariola, Chief Administrator

Vivek Mehta, Portfolio Manager

Fall 2023 Officers



*Wanling Rong, Chief Economist; Logan Kenly, Chief of Operations;
Nate Simpson, Chief Financial Officer; Matthew West, Portfolio Manager;
Caroline Jordaan, Chief Administrator;
Not pictured: Austin Kent, Portfolio Manager*

Spring 2024 Officers



*Wendy Nguyen, Fixed Income Specialist; Sam Gambow, Chief of Operations;
Hunter Donelson, Chief Financial Officer; Alaina Tucker, Chief Administrator;
Jack O'Brien, Portfolio Manager; Garrett Torres, Portfolio Manager;
Oyindamola Ademola - Chief Economist*

Educational Investment Fund Members



*Back Row: Haden McKeehan, Nick Boyd, Reed O'Connell, Johnny Muller,
Hunter Donelson, Alaina Tucker, Jack O'Brien*

*Second Row: Logan Kenly, Matthew West, Finn Hodge, Nate Simpson,
Michael Montemarano, Sam Gambow, Garrett Torres*

*Front Row: Dr. Larry Lockwood, Wanling Rong, Emily Rine, Daisy Ho,
Wendy Nguyen, Caroline Jordaan, Oyindamola Ademola*

Not Pictured – Austin Kent, Thomas Nguyen, Hongjian Liu

2023 Investment Transactions

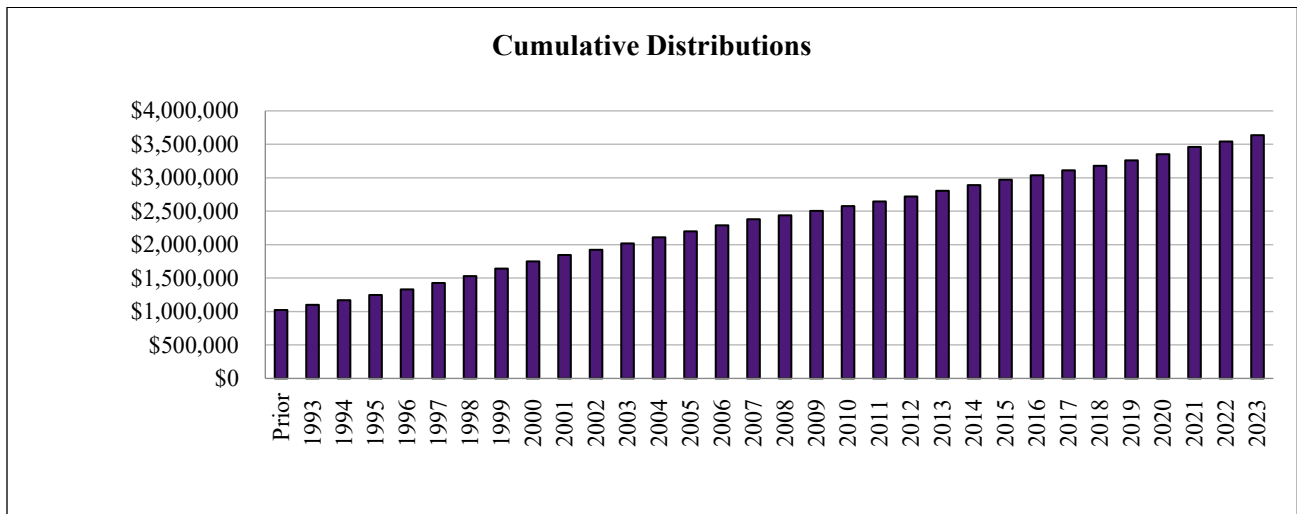
Date	Purchases	Symbol	Quantity	Price	Amount
02/15/2023	ISHARES GLOBAL HEALTHCARE ETF	IXJ	104.00	\$83.61	\$8,750.59
02/21/2023	CROWDSTRIKE HLDGS INC CL A	CRWD	152.00	\$113.36	\$17,285.97
03/31/2023	AMAZON.COM INC	AMZN	372.00	\$102.10	\$38,036.45
04/05/2023	HOWARD HUGHES CORP	HHH	541.00	\$77.09	\$41,760.94
04/12/2023	WASTE MGMT INC NEW	WM	193.00	\$163.25	\$31,562.50
05/01/2023	TEXAS INSTRUMENTS	TXN	264.00	\$167.89	\$44,378.21
05/08/2023	COSTCO WHOLESALE CORP	COST	77.00	\$496.61	\$38,293.84
07/19/2023	BANK OF AMER CORP	BAC	83.00	\$30.89	\$2,619.12
07/19/2023	FACTSET RESH SYSTEMS INC	FDS	89.00	\$424.60	\$37,844.65
09/15/2023	CONSUMER DISCRETIONARY SELECT SECTOR SPDR FUND	XLY	126.00	\$172.78	\$21,826.03
10/19/2023	NEXTERA ENERGY	NEE	110.00	\$53.39	\$5,927.60
11/01/2023	SPDR S&P INSURANCE ETF	KIE	806.00	\$42.83	\$34,573.81
11/02/2023	PUT APPLE INC DUE 11/10/23 167.500		2.00	\$1.20	\$295.25
12/01/2023	CHURCHILL DOWNS INC	CHDN	182	116.499	\$21,258.14

Date	Sales	Symbol	Quantity	Price	Amount
02/08/2023	FEDEX CORP	FDX	159.00	\$209.22	\$33,209.96
02/13/2023	HOME DEPOT INC	HD	38.00	\$313.51	\$11,857.67
03/31/2023	HOME DEPOT INC	HD	116.00	\$286.99	\$33,235.32
04/05/2023	PUBLIC STORAGE REIT	PSA	115.00	\$307.88	\$35,350.67
04/12/2023	RAYTHEON TECHNOLOGIES CORP	RTX	41.00	\$101.00	\$4,085.72
04/12/2023	UNION PACIFIC CORP	UNP	16.00	\$199.76	\$3,140.88
05/01/2023	TARGET CORP	TGT	175.00	\$157.68	\$27,538.53
05/03/2023	ALIBABA GROUP HLDG ADR	BABA	344.00	\$80.88	\$27,767.25
05/04/2023	META PLATFORMS INC CL A	META	43.00	\$236.06	\$10,095.25
05/04/2023	MICROSOFT CORP	MSFT	39.00	\$306.49	\$11,897.76
05/04/2023	NVIDIA CORP	NVDA	43.00	\$276.25	\$11,823.40
05/04/2023	THERMO FISHER SCIENTIFIC INC	TMO	17.00	\$552.60	\$9,338.87
05/08/2023	PEPSICO INC	PEP	199.00	\$193.70	\$38,490.80
06/14/2023	APPLE INC	AAPL	53.00	\$183.85	\$9,688.73
06/14/2023	CROWDSTRIKE HLDGS INC CL A	CRWD	63.00	\$152.61	\$9,559.19
06/14/2023	NVIDIA CORP	NVDA	35.00	\$422.74	\$14,740.58
07/19/2023	COMCAST CORP NEW CL A	CMCSA	908.00	\$42.22	\$38,278.26
07/19/2023	VISA INC CL A	V	29.00	\$241.25	\$6,940.94
09/15/2023	AMAZON.COM INC	AMZN	63.00	\$141.74	\$8,874.30
09/15/2023	ALPHABET INC CL C	GOOG	46.00	\$137.77	\$6,281.89
09/15/2023	ECOLAB INC	ECL	26.00	\$179.07	\$4,600.53
09/15/2023	EXXON MOBIL CORP	XOM	35.00	\$118.23	\$4,082.81
09/15/2023	HOWARD HUGHES HLDGS INC	HHH	101.00	\$75.81	\$7,601.05
09/15/2023	META PLATFORMS INC CL A	META	12.00	\$305.79	\$3,614.21
09/15/2023	VISA INC CL A	V	29.00	\$241.69	\$6,953.56
10/27/2023	ALLSTATE CORP	ALL	317.00	\$124.62	\$39,448.97
11/13/2023	PUT APPLE INC DUE 11/10/23 167.500		2.00		\$0.00
12/01/2023	CONSUMER DISCRETIONARY SELECT SECTOR SPDR FUND	XLY	126.00	\$167.96	\$21,107.54
12/12/2023	CROWDSTRIKE HLDGS INC CL A	CRWD	72.00	\$247.67	\$17,776.85
12/12/2023	INTUIT TRADE DATE	INTU	13.00	\$588.11	\$7,590.17

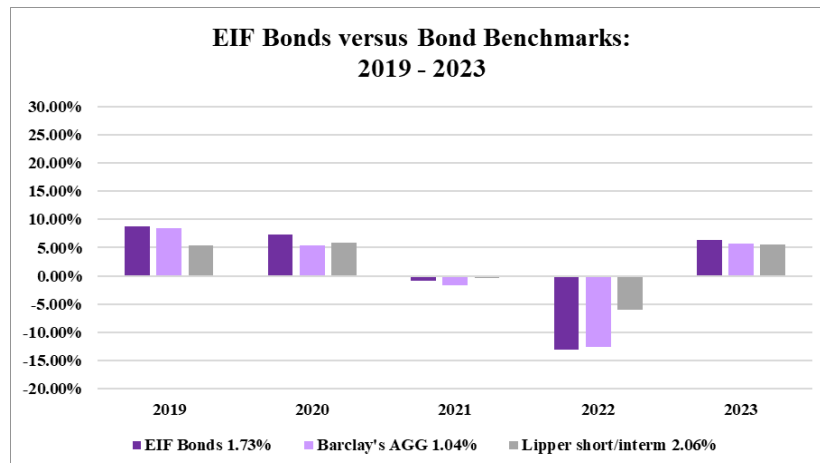
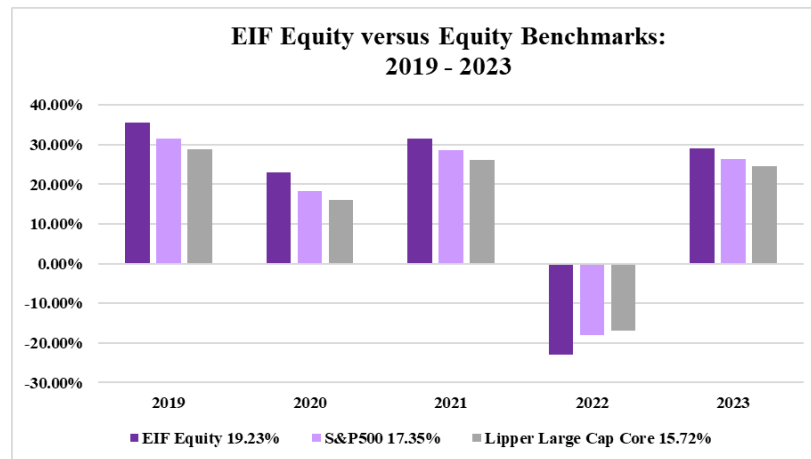
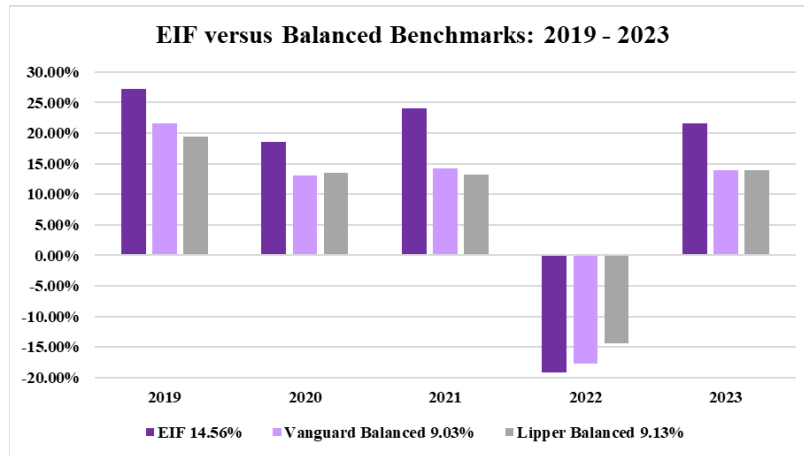
Distributions

Each year, the Foundation distributes a portion of its ending net asset value as of December 31 year end to its beneficiaries, Texas Christian University and the Department of Ophthalmology at the Baylor College of Medicine. The distribution percentage was changed from 6% to 5% beginning with the 2016 distribution. The payment history is detailed below:

Year	TCU	Baylor	Total Payout	Cumulative Payout
<i>Prior</i>	\$511,284	\$511,284	\$1,022,568	\$1,022,568
1993	\$38,870	\$38,870	\$77,740	\$1,100,308
1994	\$34,532	\$34,532	\$69,064	\$1,169,372
1995	\$38,998	\$38,998	\$77,996	\$1,247,368
1996	\$41,819	\$41,819	\$83,638	\$1,331,006
1997	\$47,985	\$47,985	\$95,970	\$1,426,976
1998	\$51,280	\$51,280	\$102,560	\$1,529,536
1999	\$56,224	\$56,224	\$112,448	\$1,641,984
2000	\$53,905	\$53,905	\$107,810	\$1,749,794
2001	\$47,754	\$47,754	\$95,508	\$1,845,302
2002	\$38,892	\$38,892	\$77,784	\$1,923,086
2003	\$47,622	\$47,622	\$95,244	\$2,018,330
2004	\$45,616	\$45,616	\$91,232	\$2,109,562
2005	\$44,704	\$44,704	\$89,408	\$2,198,970
2006	\$44,972	\$44,972	\$89,944	\$2,288,914
2007	\$45,524	\$45,524	\$91,048	\$2,379,962
2008	\$29,150	\$29,150	\$58,300	\$2,438,262
2009	\$33,180	\$33,180	\$66,360	\$2,504,622
2010	\$35,864	\$35,865	\$71,729	\$2,576,351
2011	\$34,720	\$34,721	\$69,441	\$2,645,792
2012	\$37,104	\$37,104	\$74,208	\$2,720,000
2013	\$42,570	\$42,570	\$85,140	\$2,805,140
2014	\$42,576	\$42,577	\$85,153	\$2,890,293
2015	\$40,464	\$40,464	\$80,928	\$2,971,221
2016	\$32,899	\$32,899	\$65,798	\$3,037,019
2017	\$37,106	\$37,106	\$74,212	\$3,111,231
2018	\$33,828	\$33,828	\$67,656	\$3,178,887
2019	\$40,654	\$40,654	\$81,308	\$3,260,195
2020	\$45,956	\$45,956	\$91,912	\$3,352,107
2021	\$54,451	\$54,451	\$108,903	\$3,461,010
2022	\$40,678	\$40,680	\$81,358	\$3,542,368
2023	\$47,057	\$47,057	\$94,113	\$3,636,481

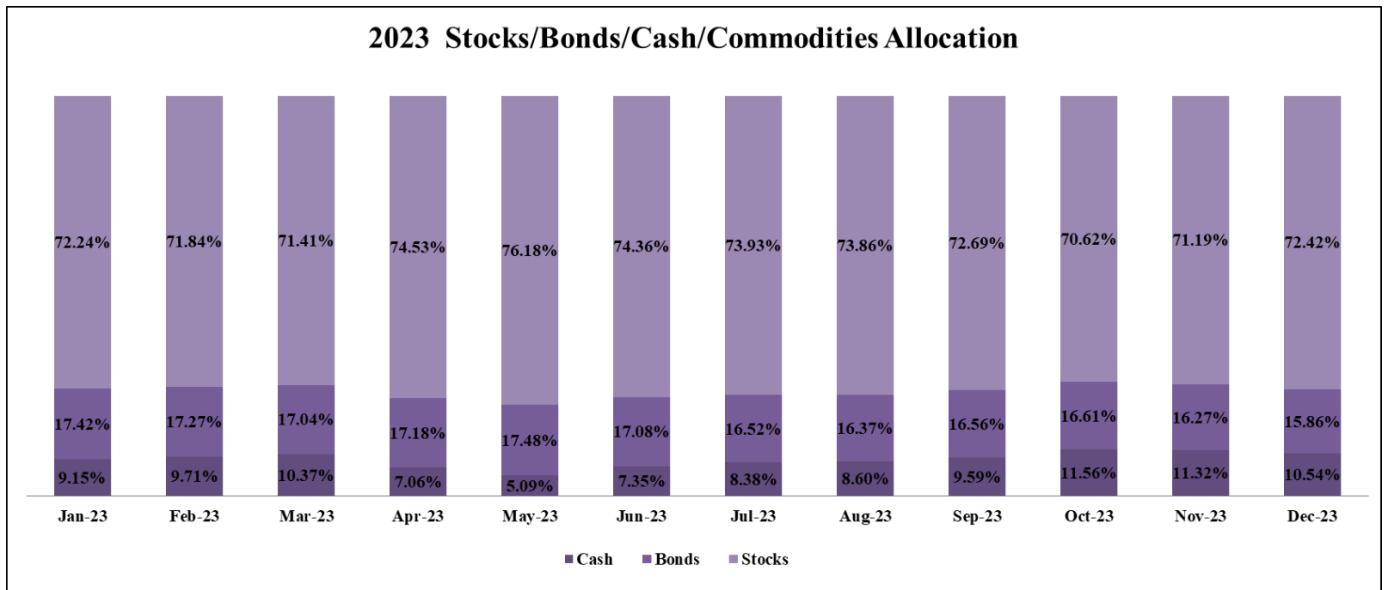
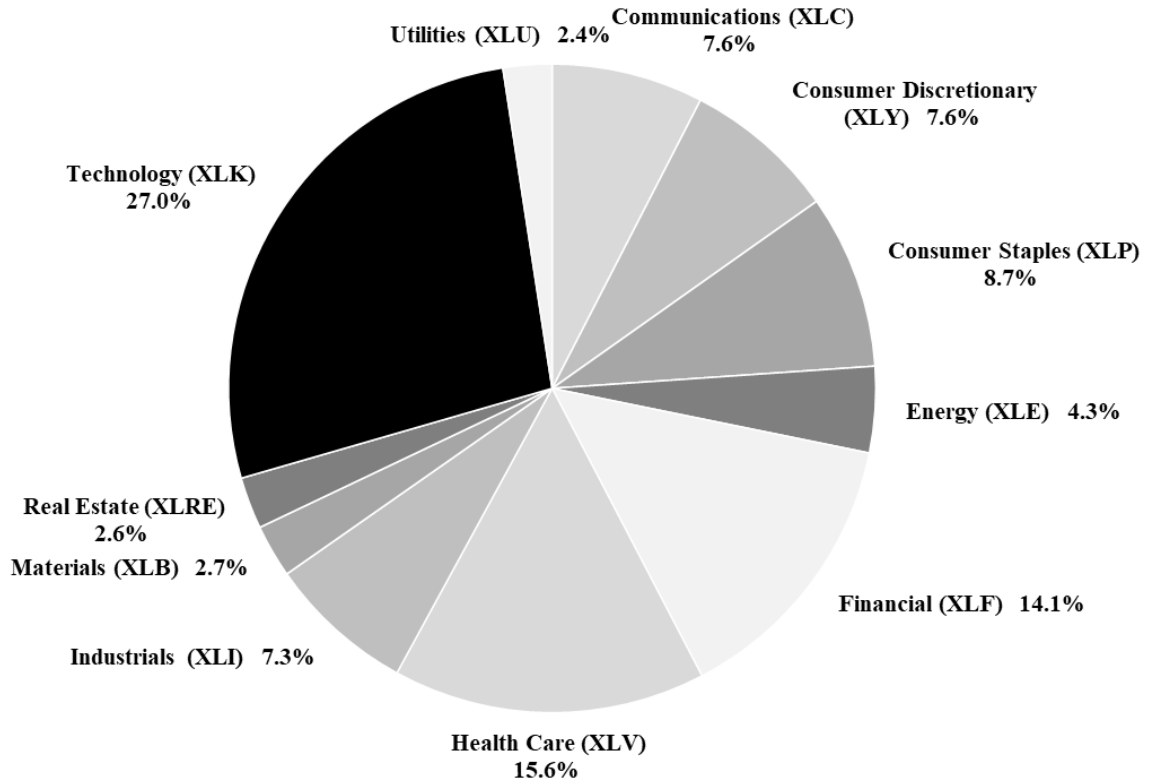


EIF Performance versus Fund Benchmarks: 2019 - 2023



5-year average annual returns appear in the legends.

EIF Equities Sector Allocation (as of 12/31/2023)



2023 Schedule of Investments

	Shares	Market Value 12/29/2023	Equity % as of 12/29/2023	Total % as of 12/29/2023
Communication Services				
ALPHABET INC - C	334.00	\$47,070.62	3.68%	2.50%
META PLATFORMS - A	149.00	\$52,740.04	4.12%	2.80%
		\$99,810.66	7.81%	5.30%
Consumer Discretionary				
AMAZON.COM INC	309.00	\$46,949.46	3.67%	2.49%
NIKE INC CL-B	337.00	\$36,588.09	2.86%	1.94%
CHURCHILL DOWNS	182.00	\$24,557.26	1.92%	1.30%
		\$108,094.81	8.45%	5.74%
Consumer Staples				
COSTCO WHOLESALE	77.00	\$50,826.16	3.97%	2.70%
PROCTER & GAMBLE	262.00	\$38,393.48	3.00%	2.04%
DIAGEO PLC-ADR	185.00	\$26,947.10	2.11%	1.43%
		\$116,166.74	9.08%	3.47%
Energy				
EXXON MOBIL CORP	249.00	\$24,895.02	1.95%	1.32%
ENERGY TRANSFER	2462.00	\$33,975.60	2.66%	1.81%
		\$58,870.62	4.60%	3.13%
Financials				
VISA INC CLASS - A	134.00	\$34,886.90	2.73%	1.85%
BANK OF AMERICA	1063.00	\$35,791.21	2.80%	1.90%
BLACKROCK INC	56.00	\$45,460.80	3.56%	2.42%
FACTSET RESEARCH	89.00	\$42,457.45	3.32%	2.26%
		\$158,596.36	12.40%	8.43%
Healthcare				
ZOETIS INC	251.00	\$49,539.87	3.87%	2.63%
VERTEX PHARM	112.00	\$45,571.68	3.56%	2.42%
UNITEDHEALTH GRP	66.00	\$34,747.02	2.72%	1.85%
THERMO FISHER	69.00	\$36,624.51	2.86%	1.95%
		\$166,483.08	13.02%	8.84%
Industrials				
WASTE MANAGEMENT	193.00	\$34,566.30	2.70%	1.84%
UNION PAC CORP	159.00	\$39,053.58	3.05%	2.07%
RTX CORP	316.00	\$26,588.24	2.08%	1.41%
RESIDEO TECHNOLOGIES INC	30.00	\$564.60	0.04%	0.03%
		\$100,772.72	7.88%	5.35%
Information Technology				
ACCENTURE PLC - A	134.00	\$47,021.94	3.68%	2.50%
APPLE INC	234.00	\$45,052.02	3.52%	2.39%
TEXAS INSTRUMENT	264.00	\$45,001.44	3.52%	2.39%
NVIDIA CORP	102.00	\$50,512.44	3.95%	2.68%
MICROSOFT CORP	125.00	\$47,005.00	3.68%	2.50%
CROWDSTRIKE HO - A	182.00	\$46,468.24	3.63%	2.47%
KEYSIGHT TECHNOLOGIES INC	209.00	\$33,249.81	2.60%	1.77%
INTUIT INC	76.00	\$47,502.28	3.71%	2.52%
		\$361,813.17	28.29%	19.22%
Materials				
ECOLAB INC	182.00	\$36,099.70	2.82%	1.92%
		\$36,099.70	2.82%	1.92%
Real Estate				
HOWARD HUGHES HO	440.00	\$37,642.00	2.94%	2.00%
		\$37,642.00	2.94%	2.00%
Utilities				
NEXTERA ENERGY	566.00	\$34,378.84	2.69%	1.83%
		\$34,378.84	2.69%	1.83%
Total Equity Value		\$1,278,728.70	100.00%	67.94%

Asset Class: Close End Funds & Exchange Traded Products	Shares	Market Value 12/29/2023	Close End Funds and ETPs % as of 12/29/2023	Total % as of 12/29/2023
ISHARES GLOBAL HEALTHCARE ETF	491.00	\$42,579.52	53.88%	2.26%
SPDR S&P INSURANCE ETF	806.00	\$36,447.32	46.12%	1.94%
		\$79,026.84	100.00%	4.20%
Asset Class: Fixed Income	Shares	Market Value 12/29/2023	Fixed Income % as of 12/29/2023	Total % as of 12/29/2023
SPDR ICE PFD SECURITIES ETF	768.00	\$25,743.36	8.71%	1.37%
VANGUARD SHORT-TERM CORPORATE	1522.00	\$117,757.14	39.83%	6.26%
VANGUARD INTERM-TERM BD	8452.75	\$87,570.44	29.62%	4.65%
VANGUARD MORTGAGE BACKED	1393.00	\$64,579.48	21.84%	3.43%
Total Fixed Income Value		\$295,650.42	100.00%	15.71%
Asset Class: Cash		Market Value 12/29/2023	Cash % as of 12/29/2023	Total % as of 12/29/2023
CASH & CASH ALTERNATIVES		\$207,064.73	100.00%	11.00%
Asset Class: Commodities		Market Value 12/29/2023	Commodity % as of 12/29/2023	Total % as of 12/29/2023
SPDR GOLD SHARES ETF	114.00	\$21,793.38	100.00%	1.16%
Total Portfolio Value				\$1,882,264.07

Description of Individual Equity Holdings as of December 31, 2023

(all return comparisons are holding period specific)

COMMUNICATION SERVICES

Alphabet Inc. – Class C (GOOG): Alphabet Inc. is a global technology holding company and a collection of businesses -- the largest of which is Google. They are also the holding company of the world's most used smartphone operating system Android, the world's largest video-sharing site YouTube, Chrome, Gmail, Google Drive, Google Maps, Google Photos, Google Play, and other emerging businesses. Alphabet reports all non-Google businesses collectively as Other Bets, such as Access, Calico, CapitalG, GV, Nest, Verily, Waymo, and X. Alphabet generates nearly all revenue from advertising revenues. Google advertising revenues are generated on Google properties (including Google Search & other properties and YouTube) and Google Network Members' properties. Alphabet has a current market cap of \$1.76T and returned 57.11% for the EIF in 2023, underperforming the Communications Service sector index (XLC) by 7.6%.

Meta Platforms Inc. – Class A (FB): Meta, formally known as Facebook, operates the world's leading social networking service through its flagship website. The Company develops technologies that facilitate the users sharing information, photographs, website links and videos with each other. The Company boasts more than 3.98 billion monthly users and serves 10 million advertisers, making it a powerful platform for businesses to connect with their customer audience. More than anything, Facebook is an advertising company, generating nearly all their revenue from advertisement sales. Meta has a market cap of \$910B and returned 194.1% for the EIF in 2023, outperforming the Communications Service sector index (XLC) by 141.3%.

CONSUMER DISCRETIONARY

Amazon Inc. (AMZN): Amazon.com, Inc. is a multinational technology and e-commerce company based in Seattle, Washington. The company has grown into one of the world's largest online retailers, known for its user-friendly platform, extensive product selection, and efficient delivery services. In addition to its e-commerce operations, Amazon has diversified into various sectors, such as cloud computing (Amazon Web Services), streaming services (Amazon Prime Video), smart devices (Amazon Echo), and artificial intelligence. Amazon has a market cap of \$1.57T and returned 80.5% in 2023, outperforming the Consumer Discretionary sector index (XLY) by nearly 41%.

Churchill Downs Inc. (CHDN): Churchill Downs Inc. is a racing, online wagering, and gaming entertainment company based in Louisville, Kentucky. The company operates through three segments: Live and Historical Racing, TwinSpires, and Gaming. Churchill Downs runs pari-mutuel gaming venues, TwinSpires—an online wagering platform, retail sports books, and casino gaming. It also provides streaming services for live horse races, replays, and racing information. Churchill Downs has a market cap of \$10.14B and returned 28.3% in 2023, underperforming the Consumer Discretionary sector index (XLY) by 11.2%.

NIKE Inc. (NKE): Nike is a worldwide designer, manufacturer, and seller of athletic footwear, apparel, equipment, and accessories based in Beaverton, Oregon. Their products are marketed to all genders and age groups and are offered across the world, but particularly in North America, EMEA, China, and Asia Pacific. In fact, Nike generates roughly 60.0% of its revenues outside of the United States. The Company offers its products through several mediums including its own retail stores, wholesale retail, online, and through distributors. The Company also owns subsidiary brands such as Jordan Brand, Converse, and Nike Golf. While Nike is a firm with diverse revenues, over ~70.0% of revenues are driven by footwear and the remaining ~30.0% is brought in by apparel (~27.0%) and equipment (~3.0%). Nike has a market cap of \$165.23B and returned -6.04% for the EIF in 2023, underperforming the Consumer Discretionary sector index (XLY) by 45.68%.

CONSUMER STAPLES

Costco Wholesale Corp. (COST): Costco Wholesale Corporation is a membership warehouse club that operates primarily in the United States and serves ~120 million cardholders worldwide. Through its ~850 membership warehouse stores, Costco primarily generates revenue through the sale of its memberships, food and sundries, non-foods such as appliances and technology, and warehouse ancillary products such as gasoline. Costco is based in Issaquah, Washington, and has a market cap of \$292.90B. Costco returned 48.97% for the EIF in 2023, outperforming the Consumer Staples sector index (XLP) by 49.80%.

Procter & Gamble (PG): Procter & Gamble is a multinational consumer packaged goods manufacturer. The company manages a portfolio diversified among the hair, skin, oral, family, feminine, baby care, and health care product lines and boasts prominent brands such as Braun, Crest, Gillette Fusion, Head & Shoulders, Olay, Oral-B, Pantene, Bounty, Charmin, Dawn, Downy, Gain Pampers, Tide, Febreze, Mr. Clean, Old Spice, and Swiffer. Procter & Gamble has a market cap of \$345.38B and returned -0.85% for the EIF in 2023, underperforming the Consumer Staples sector index (XLP) by 0.02%.

Diageo Plc (DEO): Diageo plc (DEO) is a leading global alcoholic beverages company based in London, United Kingdom. With a diverse portfolio of premium brands, Diageo produces and distributes spirits, beer, and wine, catering to customers in over 180 countries. Notable brands under Diageo's umbrella include Johnnie Walker, Guinness, Smirnoff, Baileys, and Tanqueray, among others. As a testament to its success and influence, Diageo ranks as one of the world's largest producers of alcoholic beverages, generating substantial revenues and contributing significantly to the global beverage industry. Diageo has a market cap of \$81.464B and returned -16.35% for the EIF in 2023, underperforming the Consumer Staples sector index (XLP) by 15.52%.

ENERGY

Exxon Mobil Corporation (XOM): Exxon Mobil is one of the largest publicly traded integrated oil and gas companies. The Company provides operations including exploration and production of oil and gas, electric power generation, and coal and minerals operations. Exxon Mobil also manufactures and markets fuels, lubricants, and chemicals. XOM holds over 11 billion barrels of oil equivalent of proved reserves. Its biggest business is selling refined products through approximately 21,000 gas stations around the world. Exxon Mobil has a current market cap of \$420.1B and returned -8.78% for the EIF in 2023, underperforming the Energy sector index (XLE) by 5.91%.

Energy Transfer (ET): Energy Transfer is a prominent energy infrastructure company based in Dallas, Texas, specializing in the transportation, storage, and distribution of natural gas, crude oil, and refined products. Operating primarily in the United States, the company serves a wide range of customers, from producers to end-users. Its extensive infrastructure network includes pipelines and processing plants, ensuring energy security and stability. With revenues generated from long-term contracts, Energy Transfer also maintains strategic investments in related businesses, such as Sunoco LP. Energy Transfer has a market cap of \$35.8B and has returned 27.9% in 2023, outperforming the Energy sector index (XLE) by 22.4%.

FINANCIALS

Bank of America Corporation (BAC): Bank of America Corporation accepts deposits and offers banking, investing, asset management, and other financial and risk-management products and services to individual consumers, small and middle-market businesses, institutional investors, large corporations, and governments worldwide. Among the United States' largest banks by assets, operating one of the country's most extensive branch networks with nearly 3,900 retail financial centers and around 15,000 ATMs. Bank of America has a current market cap of \$266.46B and returned 4.8% for the EIF in 2023, underperforming the Financials sector index (XLF) by 7.2%.

BlackRock Inc. (BLK): BlackRock Inc. provides investment management services to institutional clients and to retail investors through various investment vehicles. The Company manages funds, as well as offering risk management services. BlackRock serves governments, companies, and foundations worldwide with over \$9.4 trillion in assets under management. The Company specializes in equity and fixed income products and alternative and money market

instruments. Clients include pension plans, governments, insurance companies, financial institutions, endowments, foundations, charities, third party fund sponsors, and retail investors. Blackrock has a current market cap of \$121.1B and returned 17.9% for the EIF in 2023, outperforming the Financials sector index (XLF) by 5.8%.

Factset Research Systems Inc. (FDS): Factset Research Systems Inc. is a global provider of financial data and software solutions for investment professionals. The company provides comprehensive data, advanced analytics, and adaptable technology that global financial experts utilize for their essential investment processes. As of August 31, 2023, its client base has grown to nearly 8,000, encompassing around 190,000 investment professionals across various sectors such as asset management, banking, wealth management, hedge funds, corporations. The majority of its revenue comes from subscription-based services, offering access to a wide range of asset class data and solutions. Factset has a current market cap of \$18.4B and returned 12.9% for the EIF in 2023, outperforming the Financials sector index (XLF) by 0.9%.

Visa Inc. (V): Visa Inc. is a multinational financial services corporation, headquartered in Foster City, California. Visa focuses on connecting consumers, businesses, financial institutions, and governments to fast, secure, and reliable electronic payments. Visa helps facilitate authorization, clearing and settlement of payment transactions through its processing network. The Company has more than 4.3 billion payment credentials in circulation across more than 200 countries, processing an average of 757 million transactions a day. Visa has a current market cap of \$574B and returned 26.3% for the EIF in 2023, outperforming the Financials sector index (XLF) by 14.2%.

HEALTHCARE

Thermo Fisher Scientific Inc. (TMO): Thermo Fisher supplies laboratories with equipment for research, analysis, discovery, and diagnostics. Their products range from analytical instruments, scientific equipment, consumables, and other laboratory supplies. TMO focuses on supplying laboratories in the pharmaceutical, biotech, government, and industrial markets tallying more than 400,000 customers worldwide. The Company also supplies specialty diagnostic testing products and clinical analytical tools. Thermo Fisher has a current market cap of \$211.8B and returned -3.4% for the EIF in 2023, underperforming the Healthcare sector index (XLV) by 2.0%.

UnitedHealth Group Inc. (UNH): UnitedHealth Group Inc. is the largest diversified health and well-being company in the United States. The Company actively works to help people choose healthier lifestyles and improve the overall health system. The company aids its clients and provides health benefits to Employer and individual, Medicare and Retirement, Community and State, and International. Optum is a health services business serving those who need, provide, and pay for care, which includes OptumHealth, OptumInsight, and OptumRx. United Health Group has a current market cap of \$481.9B and returned 0.8% for the EIF in 2023, underperforming the Healthcare sector index (XLV) by 1.3%.

Zoetis (ZTS): Zoetis is a global leader in the discovery, development, manufacturing, and commercialization of animal health medicines, vaccines, and diagnostic products with a focus on both livestock and companion animals. Zoetis is diversified with ~300 product lines across eight core species and six major product categories. In early 2020, Zoetis acquired Ethos Diagnostic Science, a veterinary reference lab business dedicated to serving leading specialty animal hospitals, the greater veterinary community, and researchers with accurate, reliable results. Zoetis has a current market cap of \$85.4B and returned 35.9% for the EIF in 2023, outperforming the Healthcare sector index (XLV) by 33.8%.

Vertex Pharmaceuticals (VRTX): Vertex Pharmaceuticals Incorporated (VRTX) is a global biotechnology company headquartered in Boston, Massachusetts, focused on the discovery, development, and commercialization of transformative therapies for life-threatening diseases. Specializing in areas with significant unmet medical needs, Vertex primarily targets cystic fibrosis (CF) and other genetic disorders, as well as viral infections and cancer. With a strong commitment to research, innovation, and patient well-being, Vertex has successfully brought multiple breakthrough treatments to market, significantly improving patients' lives and setting new standards in the biopharmaceutical industry. Vertex Pharmaceuticals has a market cap of \$108.7B and returned 40.9% for the EIF in 2023, outperforming the Healthcare sector index (XLV) by 38.9%.

INDUSTRIALS

Raytheon Co. (RTX): Raytheon Co. is a globally diversified manufacturer of defense systems. The Company provides state-of-the-art electronics, mission systems integration, products and services sensing, effects, and mission support services. Raytheon operates through five segments: Integrated Defense Systems (IDS); Intelligence, Information and Services (IIS); Missile Systems (MS); Space and Airborne Systems (SAS), and Forcepoint. On April 3rd, 2020, Raytheon Company and United Technologies Corporation merged. The deal has formed the world's second largest aerospace and defense company. Raytheon has a current market cap of \$119.0B and returned -14.4% for the EIF in 2023, underperforming the Industrials sector index (XLI) by -32.5%.

Union Pacific Corp. (UNP): Union Pacific Corporation was founded in 1862 and is one of the largest rail transportation companies in the United States, operating 8,300 locomotives over 32,200 miles nationally. Union Pacific freights operate in 23 U.S. states that span from New Orleans, LA, north to Chicago, IL, and west to California. The Company carries and transports bulk, intermodal, and automotive products. Union Pacific has a rich company history and below outline key events since its founding 160 years ago. Union Pacific has a current market cap of \$155.2B and returned 21.5% for the EIF in 2023, outperforming the Industrials sector index (XLI) by 3.4%.

Waste Management Inc. (WM): Waste Management, Inc. is North America's largest provider of comprehensive waste solutions. With operations mainly in the US and Canada, the company provides services such as waste collection, transfer, disposal, recycling, and resource recovery. Waste Management is headquartered in Houston, Texas, and serves more than 20 million municipal, commercial, industrial, and residential customers. Waste Management has a current market cap of \$72.14B and returned 16.18% for the EIF in 2023, underperforming the Industrials sector index (XLI) by 1.95%.

INFORMATION TECHNOLOGY

Accenture Plc (ACN): Accenture PLC provides management and technology consulting services and solutions. The Company delivers a range of specialized capabilities and solutions to clients across all industries on a worldwide basis. Accenture operates a network of businesses providing consulting, technology, outsourcing, and alliances. The company's corporate clients span a broad spectrum of more than 40 industries from retail to communications. Accenture has a current market cap of \$235.2B and returned 33.6% in 2023, underperforming the I.T. sector index (XLK) by -24.3%.

Apple Inc. (AAPL): Apple Inc. sells products and services including iPhone, iPad, Mac, iPod, Apple TV, the iOS and Mac operating systems, iCloud, and various accessory and support offerings. It also sells and delivers digital content and applications through the iTunes Store, App Store, Apple TV+, and Mac App Store. In addition, the company operates retail stores both nationally and internationally. Apple has a current market cap of \$2.77T and returned 49% for the EIF in 2023, underperforming the I.T. sector index (XLK) by 7.02%.

CrowdStrike Holdings Inc. (CRWD): CrowdStrike Holdings Inc. provides cloud-delivered protection across endpoints and cloud workloads, identity, and data. Services include threat intelligence, managed security services, IT operations management, threat hunting, Zero Trust identity protection, and log management. The company services customers worldwide and primarily sells subscriptions to its Falcon platform and cloud modules. CrowdStrike has a market cap of \$77.08B and had a return of 142.5% for the EIF in 2023, outperforming the I.T. sector index (XLK) by 84.6%.

Intuit Inc. (INTU): Intuit is a leading software company headquartered in Mountain View, California, specializing in financial and business management solutions. Its products and services cater to individuals, small businesses, and accounting professionals, helping them manage finances, payrolls, and tax filings. Intuit's flagship products include QuickBooks, TurboTax, and Mint, which together serve millions of customers globally. With a focus on innovation, user experience, and data security, Intuit continually enhances its product offerings to simplify complex financial tasks and empower users to make informed decisions. Intuit has a market cap of \$184.4B and returned 61.7% for the EIF in 2023, outperforming the I.T. sector index (XLK) by 3.9%.

Keysight Technologies (KEYS): Keysight Technologies provides electronic measurement instruments including oscilloscopes, meters, network analyzers, and design, test and measurement software used to make electronics equipment. Additionally, the Company offers productivity solutions such as calibration and repair as well as consulting services throughout the product life cycle. The company has a deep history that traces its roots back to Agilent Technologies and Hewlett-Packard (HP). Keysight operates 140 facilities worldwide and serves over 47,000 customers. Keysight has a current market cap of \$32.4 B and returned -7.0% for the EIF in 2023, underperforming the I.T. sector index (XLK) by 61.7%.

Microsoft Corporation (MSFT): Microsoft Corporation develops, manufactures, licenses, sells, and supports software and computer hardware products. The Company offers operating systems, server application, and business and consumer software. In addition, the Company offers software development tools and internet and intranet software. Microsoft also develops video game consoles and digital music entertainment devices. Furthermore, Microsoft is one of the biggest players, along with AWS, in the intelligent cloud computing space. This intelligent cloud segment consists of public, private, and hybrid server products and cloud services that can power modern business and developers. This space offers a lot of opportunity and growth for Microsoft in the future. Microsoft has a current market cap of \$3.09T and returned 58.2% for the EIF in 2023 outperforming the I.T. sector index (XLK) by 2.2%.

Nvidia Corp. (NVDA): Nvidia Corporation designs, develops, and markets three-dimensional (3D) graphics processors and related software. The company offers products that provide interactive 3D graphics to the mainstream personal computer market. The Santa Clara, California-based company has leveraged its GPU architecture to create platforms for scientific computing, artificial intelligence, data science, autonomous vehicles, robotics, metaverse, and 3D internet applications. Nvidia has a current market cap of \$1.22T and returned 239.0% for the EIF in 2023, outperforming the I.T. sector index (XLK) by 183.0%.

Texas Instruments Inc. (TXN): Texas Instruments Inc. designs and manufactures semiconductors and processors for electronics and equipment. They develop both analog & embedded processors as well as calculators and controllers for projectors. They serve customers worldwide and are headquartered out of Dallas, TX. Their major end markets are automotive, industrial, personal electronics, communication equipment, enterprise systems, and others. They were incorporated as Texas Instruments in 1951 by Clarence Karcher and Eugene McDermott. Texas Instruments has a current market cap of \$154.8B and returned 4.0% for the EIF in 2023, underperforming the I.T. sector index (XLK) by 24.4%.

MATERIALS

Ecolab Inc. (ECL): Ecolab Inc. develops and provides water, hygiene, and energy technologies and services to customers across the food, hospitality, healthcare, industrial, and oil and gas industries. The Company focuses on providing customers with solutions that will help keep the environment safe, while operating efficiently to achieve their sustainability benchmarks. The Company provides cleaning and sanitizing operations, products for textile care, water care, healthcare, food and beverage processing, and pest control. Their three operating segments include Global Industrial, Global Institutional, and Global Energy. Ecolab has a current market cap of \$64.38B and returned 33.61% for the EIF in 2023, outperforming the Materials sector index (XLB) by 24.47%.

REAL ESTATE

Howard Hughes Holdings (HHH): Howard Hughes Holdings is a real estate development and management company based in the Woodlands, TX. Their assets include some of the largest Master Planned Communities (MPCs) covering 118,000 acres from Waikiki to Wall Street. The company operates in four main segments: MPCs, Strategic Developments, Operating Assets and Seaport. HHH envisions and creates highly sought after communities which attract thousands of residents and tenants. In 2023, renowned consulting firm, RCLCO, ranked two of their communities, Summerlin & Bridgeland, among the Nation's Top 5 Best-Selling Master Planned Communities. Howard Hughes has a current market cap of 3.8B and returned 13.3% for the EIF in 2023, outperforming the Real Estate sector index (XLRE) by 4.8%.

UTILITIES

NextEra Energy Inc. (NEE): NextEra Energy, Inc. serves as a holding company for Florida Power & Light (“FPL”) and NextEra Energy Resources (“NEER”). Florida Power & Light is a regulated electric utility that generates, transmits, and distributes power to the state of Florida. The Company generates more than 28,000 MW of electricity and delivers it to more than 5.9 million residential customers under the FPL brand. NEER generates around 27,400 MW of energy via wind and solar source and operates one of the largest nuclear power fleets in the United States. NextEra Energy Resources develops, owns, and operates electric generating facilities in wholesale energy markets primarily in the U.S., as well as in Canada and Spain. NextEra Energy is the World’s largest utility company with a current market cap of \$115.9B. NextEra returned –27.3% for the EIF in 2023, underperforming the Utilities sector index (XLU) by 17.1%.

William C. Conner Foundation

Financial Report

December 31, 2023

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Independent Accountant's Review Report

To the Board of Trustees of
William C. Conner Foundation
Fort Worth, Texas

We have reviewed the accompanying financial statements of William C. Conner Foundation (the Foundation) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Foundation management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Weaver and Tidwell, L.L.P.
2821 West 7th Street, Suite 700 | Fort Worth, Texas 76107

Main: 817.332.7905

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Accountant's Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas

April 5, 2024

Weaver and Tidwell, L.L.P.
2821 West 7th Street, Suite 700 | Fort Worth, Texas 76107

Main: 817.332.7905

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William C. Conner Foundation

Statements of Financial Position

December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 207,064	\$ 151,799
Investments	<u>1,675,200</u>	<u>1,475,370</u>
TOTAL ASSETS	<u><u>\$ 1,882,264</u></u>	<u><u>\$ 1,627,169</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES	\$ 18	\$ 25
NET ASSETS		
Without donor restrictions	1,788,133	1,545,786
With donor restrictions	<u>94,113</u>	<u>81,358</u>
Total net assets	<u>1,882,246</u>	<u>1,627,144</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,882,264</u></u>	<u><u>\$ 1,627,169</u></u>

The Notes to Financial Statements are an integral part of these statements.

William C. Conner Foundation

Statement of Activities

Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Investment income	\$ 351,214	\$ -	\$ 351,214
Other income	3,746	-	3,746
Net assets released from restrictions			
Satisfaction of program restrictions	81,358	(81,358)	-
Total revenues, gains, and other support	436,318	(81,358)	354,960
 EXPENSES			
Program expenses	81,358	-	81,358
Management and general	18,500	-	18,500
Total expenses	99,858	-	99,858
 CHANGES IN NET ASSETS	336,460	(81,358)	255,102
 TRANSFER OF NET ASSETS	(94,113)	94,113	-
 NET ASSETS, beginning of year	1,545,786	81,358	1,627,144
 NET ASSETS, end of year	\$ 1,788,133	\$ 94,113	\$ 1,882,246

The Notes to Financial Statements are an integral part of this statement.

William C. Conner Foundation

Statement of Activities

Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS, AND OTHER SUPPORT			
Investment loss	\$ (417,624)	\$ -	\$ (417,624)
Net assets released from restrictions			
Satisfaction of program restrictions	108,903	(108,903)	-
Total revenues, gains, and other support	(308,721)	(108,903)	(417,624)
EXPENSES			
Program expenses	108,903	-	108,903
Management and general	24,371	-	24,371
Total expenses	133,274	-	133,274
CHANGES IN NET ASSETS	(441,995)	(108,903)	(550,898)
TRANSFER OF NET ASSETS	(81,358)	81,358	-
NET ASSETS, beginning of year	2,069,139	108,903	2,178,042
NET ASSETS, end of year	<u>\$ 1,545,786</u>	<u>\$ 81,358</u>	<u>\$ 1,627,144</u>

The Notes to Financial Statements are an integral part of this statement.

William C. Conner Foundation

Statements of Cash Flows

Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Other income received	\$ 3,746	\$ -
Interest and dividends received	33,345	29,286
Cash paid to beneficiaries	(81,358)	(108,903)
Cash paid to vendors	(18,507)	(24,371)
	(62,774)	(103,988)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments purchased	(346,933)	(449,133)
Proceeds from investment sales	464,972	564,689
	118,039	115,556
NET CHANGE IN CASH AND CASH EQUIVALENTS	55,265	11,568
CASH AND CASH EQUIVALENTS, beginning of year	151,799	140,231
CASH AND CASH EQUIVALENTS, end of year	\$ 207,064	\$ 151,799
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES		
Change in net assets	\$ 255,102	\$ (550,898)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Realized gain on investments	(81,645)	(102,462)
Change in unrealized gain on investments	(236,224)	549,372
Decrease in due to TCU	(7)	-
	(62,774)	(103,988)
NET CASH USED IN OPERATING ACTIVITIES	\$ (62,774)	\$ (103,988)

The Notes to Financial Statements are an integral part of these statements.

William C. Conner Foundation

Statements of Functional Expenses

Years Ended December 31, 2023 and 2022

	Beneficiary Program	Management/ General	2023 Total	Beneficiary Program	Management/ General	2022 Total
Payments to beneficiaries	\$ 81,358	\$ -	\$ 81,358	\$ 108,903	\$ -	\$ 108,903
Accounting expense	-	10,000	10,000	-	6,775	6,775
Other operating expenses	-	8,500	8,500	-	17,596	17,596
Total expenses	<u>\$ 81,358</u>	<u>\$ 18,500</u>	<u>\$ 99,858</u>	<u>\$ 108,903</u>	<u>\$ 24,371</u>	<u>\$ 133,274</u>

The Notes to Financial Statements are
an integral part of these statements.

William C. Conner Foundation

Notes to Financial Statements

Years Ended December 31, 2023 and 2022

Note 1. Summary of Significant Accounting Policies

Nature of Organization

The purpose of the William C. Conner Foundation (the Foundation), incorporated under the laws of the State of Texas, is to benefit Texas Christian University of Fort Worth, Texas, and Baylor College of Medicine, Department of Ophthalmology, of Houston, Texas. Pursuant to the 1982 amended articles of incorporation, the Foundation shall distribute an amount equal to five percent of the net fair value of all its investment assets at least annually in equal shares to Texas Christian University and Baylor College of Medicine, Department of Ophthalmology.

Texas Christian University (TCU) provides administrative support services to the Foundation, and advances payments to vendors on behalf of the Foundation. TCU periodically receives reimbursements from the Foundation for these advances. As TCU operates on a different fiscal year than the Foundation, accounts between the Foundation and the TCU business office may not be entirely settled at any given time, but the amounts due to or due from are not material.

Basis of Accounting

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis of Presentation

The Foundation is required to report information regarding its financial position according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets and revenues, other support, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without donor restriction – represent resources that are available for the support of operations.

Net assets with donor restriction – include grants, contributions, and other program income expendable only for purposes specified or approved by the grantor or donor to be invested or held in perpetuity.

William C. Conner Foundation

Notes to Financial Statements

Years Ended December 31, 2023 and 2022

Expense Allocations

Expenses are generally charged to program and supporting services on the basis of the underlying expenses when incurred. Management and general expenses include those expenses that are not directly identifiable with any specific program or supporting services but provide for the overall support and direction of the Foundation.

Investments

Investments are carried at fair value. Realized and unrealized gains and losses are netted and included in investment income (loss) in the statements of activities as increases or decreases in without donor restrictions net assets.

Dividends are recognized as income when declared and interest income (loss) is recognized on the accrual basis as earned. Dividend and interest income are included within investment income (loss) in the statements of activities as part of without donor restrictions net asset.

Contributed Services

During the years ended December 31, 2023 and 2022, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the Foundation. Donated services of volunteers to the Foundation's program services that do not require specialized skills are not reflected in the accompanying financial statements.

Concentration of Credit Risk

Financial instruments which may subject the Foundation to a concentration of credit risk consist principally of investments. Investments consist primarily of equities, closed-end funds, exchange traded products (ETF's) and mutual funds. The Foundation manages credit risk exposure by monitoring the overall quality of its investments and adhering to internal investment guidelines.

In the normal course of business, substantially all of the Foundation's securities transactions, money balances, and security positions are transacted with its broker. The Foundation is subject to credit risk to the extent any broker with which it conducts business is unable to fulfill contractual obligations on its behalf. The Foundation monitors the financial condition of such brokers.

William C. Conner Foundation

Notes to Financial Statements

Years Ended December 31, 2023 and 2022

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments with initial maturities of three months or less to be cash equivalents. Cash equivalents at December 31, 2023 and 2022 consists of \$204,414 and \$147,638, respectively, held in a money market account at the Foundation's broker.

Income Taxes

The Foundation is exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(c)(3) and, therefore, has made no provision for federal income taxes in the accompanying financial statements.

The Internal Revenue Service has also determined that the Foundation will not be a private foundation subject to the provisions of the Internal revenue Code Sections 507(a), (c) and (g) relating to the imposition of excise taxes on a private foundation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of 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.

Uncertain Tax Positions

The Foundation recognizes in its financial statements the financial effects of a tax position, if that position is more likely than not of being sustained upon examination, including resolution of any appeals or litigation processes, based upon the technical merits of the position. Management is of the opinion that material positions taken by the Foundation would more likely than not be sustained by examination. Accordingly, the Foundation has not recorded an income tax liability for uncertain tax benefits.

William C. Conner Foundation

Notes to Financial Statements

Years Ended December 31, 2023 and 2022

Note 2. Investments

The following investments were held by the Foundation as of December 31, 2023 and 2022:

	<u>2023</u>	<u>2023</u>
Equities	\$ 1,278,730	\$ 1,137,516
Closed end funds and ETFs	308,900	255,242
Mutual Funds	<u>87,570</u>	<u>82,612</u>
	<u>\$ 1,675,200</u>	<u>\$ 1,475,370</u>

The components of investment income (loss) for the years ended December 31, 2023 and 2022, are as follows:

	<u>2023</u>	<u>2022</u>
Realized gain, net	\$ 81,645	\$ 102,462
Change in unrealized gain, net	236,224	(549,372)
Interest and dividends	<u>33,345</u>	<u>29,286</u>
	<u>\$ 351,214</u>	<u>\$ (417,624)</u>

William C. Conner Foundation

Notes to Financial Statements

Years Ended December 31, 2023 and 2022

Note 3. Fair Value Measurements

The Financial Accounting Standards Board (FASB) has established a framework for measuring fair value and requires disclosure about fair value measurements of assets and liabilities. Fair value is defined as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A fair value hierarchy has been established, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

The three levels of the fair value hierarchy are:

Level 1 inputs: Unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access as of the reporting date.

Level 2 inputs: Observable inputs (other than Level 1) such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 inputs: Unobservable inputs that are supported by little or no market activity and are significant to the fair value measurement of the assets or liabilities.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used during the year ended December 31, 2023.

Equities, closed end funds, exchange traded products (ETF) and mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded and are classified within Level 1 of the fair value hierarchy.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

William C. Conner Foundation

Notes to Financial Statements

Years Ended December 31, 2023 and 2022

The following table sets forth, by level, within the fair value hierarchy, the Foundation's assets measured at fair value as of December 31, 2023:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities				
Communication	\$ 99,811	\$ -	\$ -	\$ 99,811
Consumer	224,262	-	-	224,262
Energy	93,249	-	-	93,249
Financial	158,596	-	-	158,596
Healthcare	166,483	-	-	166,483
Industrial	136,872	-	-	136,872
Real estate	37,642	-	-	37,642
Technology	361,815	-	-	361,815
Closed end funds and ETFs				
Commodities	79,027	-	-	79,027
Equities	208,080	-	-	208,080
Fixed Income	21,793	-	-	21,793
Mutual funds-fixed income	87,570	-	-	87,570
	<u>\$ 1,675,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,675,200</u>

The following table sets forth, by level, within the fair value hierarchy, the Foundation's assets measured at fair value as of December 31, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities				
Communication	\$ 90,020	\$ -	\$ -	\$ 90,020
Consumer	253,085	-	-	253,085
Energy	98,671	-	-	98,671
Financial	155,016	-	-	155,016
Healthcare	151,479	-	-	151,479
Industrial	130,574	-	-	130,574
Real estate	32,222	-	-	32,222
Technology	226,449	-	-	226,449
Closed end funds and ETFs				
Commodities	19,339	-	-	19,339
Equity	32,849	-	-	32,849
Fixed Income	203,054	-	-	203,054
Mutual funds-fixed income	82,612	-	-	82,612
	<u>\$ 1,475,370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,475,370</u>

William C. Conner Foundation

Notes to Financial Statements

Years Ended December 31, 2023 and 2022

The following table is a summary of assets measured at fair market value at December 31, 2023:

	<u>Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>
Equities	\$ 802,819	\$ 493,060	\$ (17,149)	\$ 1,278,730
Closed-end funds and ETFs	321,556	9,330	(21,986)	308,900
Mutual funds	88,110	-	(540)	87,570
Total assets at fair value	<u>\$ 1,212,485</u>	<u>\$ 502,390</u>	<u>\$ (39,675)</u>	<u>\$ 1,675,200</u>

The following table is a summary of assets measured at fair market value at December 31, 2022:

	<u>Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>
Equities	\$ 884,761	\$ 334,733	\$ (81,978)	\$ 1,137,516
Closed-end funds and ETFs	278,308	3,945	(27,011)	255,242
Mutual Funds	85,514	-	(2,902)	82,612
Total assets at fair value	<u>\$ 1,248,583</u>	<u>\$ 338,678</u>	<u>\$ (111,891)</u>	<u>\$ 1,475,370</u>

Note 4. Derivative Instruments

The Foundation may engage in the trading of stock and stock index options (collectively derivatives) which exposes the Foundation to both market risk, the risks arising from changes in the market value of the contracts, and credit risk, the risk of failure by another party to perform according to the terms of a contract. As a buyer of options, the Foundation pays a premium at the outset and then bears the risk of unfavorable changes in the price of the asset or other indicator underlying the option. Purchased options expose the Foundation to a risk of loss limited to the premiums paid. When a put option is written, the Foundation receives a premium and is obligated to purchase the underlying security per the terms of the option, which is only limited to the strike price. The Foundation had no open derivative positions at December 31, 2023 or 2022. During the year ended December 31, 2023 and 2022, the Foundation recognized losses of (\$295) and (\$12,786), respectively on purchased put options and gains of \$0 and \$3,441 on written put options.

Note 5. Net Assets with Donor Restrictions

Net assets are restricted based on the spending policy of the Foundation. The Foundation is to distribute an amount equal to five percent of the net fair value of all its investment assets at least annually in equal shares to Texas Christian University and Baylor College of Medicine, Department of Ophthalmology. As of December 31, 2023 and 2022, the Foundation had restricted \$94,113 and \$81,358, respectively, for this purpose to be distributed subsequent to December 31, 2023 and 2022. During the years ended December

William C. Conner Foundation

Notes to Financial Statements

Years Ended December 31, 2023 and 2022

31, 2023 and 2022, the Foundation distributed \$81,358 and \$108,903, respectively, related to the spending policy.

Note 6. Liquidity

As a not-for-profit entity, the Foundation receives gifts, donations, and contributions, which may be donor restricted to be used in a particular manner. The Foundation must maintain sufficient resources to meet those responsibilities in a timely manner. Thus, certain financial assets may not be available for general expenditure within one year. As part of managing the financial assets, the Foundation ensures resources are available to meet these obligations as they come due.

The following reflects the Foundation's financial assets as of December 31, 2023, including amounts not available within one year. Amounts not available include the amounts to be paid to the beneficiaries subsequent to year end.

Cash and cash equivalents	\$	207,064
Investments		<u>1,675,200</u>
Total financial assets, end of year		1,882,264
Less donor-imposed restrictions		
Purpose restrictions		<u>(94,113)</u>
Total financial assets available to meet general expenditures within one year	\$	<u><u>1,788,151</u></u>

Note 7. Subsequent Events

The Foundation evaluated all events or transactions that occurred after December 31, 2023, through April 5, 2024, the date the financial statements were available to be issued. During this period, there were no material subsequent events that required recognition or additional disclosure in these financial statements.

Educational Investment Fund Members

Spring 2023

Cade Peters
Caleb Hough
Cade Peveto
Gracie Henderson
Teny Noordermeer
Kinh Pham
Michael Boudreaux
Sam Grable
Mitchell Hansen
Reese McKell
Vivek Mehta
Trong Nguyen
Van Nguyen
Busayo Omopariola
Christian Schenkel
Andrew Seehausen
Cong Tran
Michael Tseng
Bryce Wujcik

Chief Administrator
Portfolio Manager
Portfolio Manager
Chief Economist
Operations Manager
Chief Financial Officer

Fall 2023

Caroline Jordaan
Austin Kent
Matthew West
Wanling Rong
Logan Kenly
Nate Simpson
Oyinda Ademola
Hunter Donelson
Sam Gambow
Hongjian Liu
Thomas Nguyen
Wendy Nguyen
Jack O'Brien
Garrett Torres
Alaina Tucker

Chief Administrator
Portfolio Manager
Portfolio Manager
Chief Economist
Operations Manager
Chief Financial Officer

Summer 2023

Busayo Omopariola
Vivek Mehta
Van Nguyen
Caroline Jordaan
Logan Kenly
Austin Kent
Johnny Muller
Thomas Nguyen
Wanling Rong
Nate Simpson
Cong Tran
Matthew West

Chief Administrator
Portfolio Manager
Chief Economist

Faculty Advisor

Dr. Larry Lockwood
For further information about the Educational
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William C. Conner Foundation

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