

South Dakota Historical Society Foundation

Quarterly Report for September 30, 2018

Wednesday, November 21, 2018

1720 SOUTH SPRING AVENUE
SIOUX FALLS, SOUTH DAKOTA 57105

South Dakota Historical Society Foundation
900 Governors Drive
Pierre, SD 57501

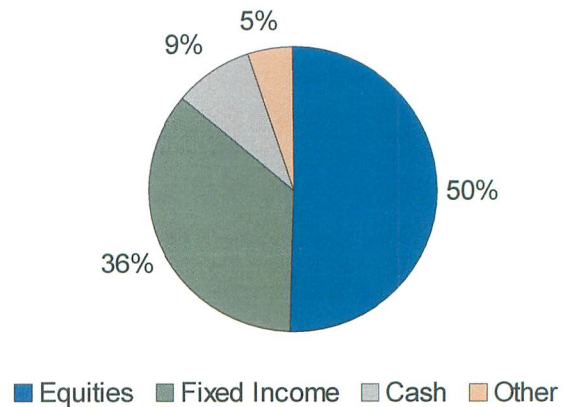
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Dear Foundation Board Members,

Enclosed is your report for the quarter ended September 30, 2018. This report contains a detailed appraisal of your portfolio's performance and holdings.

Portfolio Review

Over the past quarter, your portfolio earned interest and dividends of \$14,740.80. The market value of the portfolio changed \$36,813.66. Combined, this equals a total change of \$51,554.46 attributable to investments. The total value of your portfolio was \$1,928,560.17. The chart to the right shows the aggregate asset allocation of your portfolio as of the quarter end.



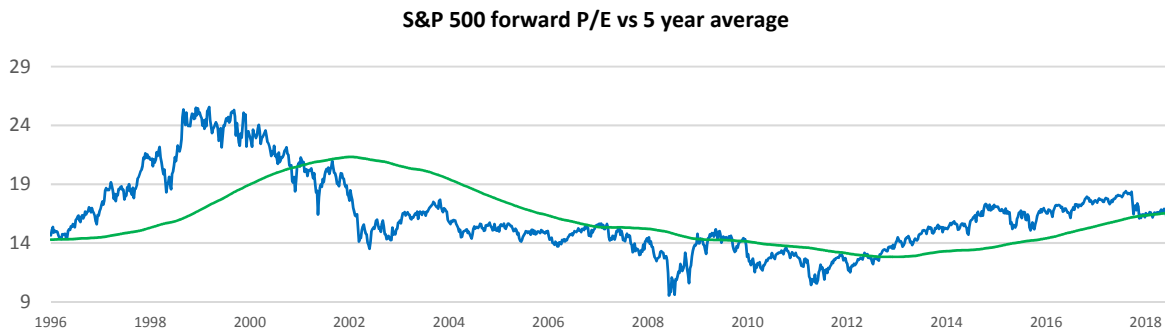
The Quarter in Review

Interest rates revisited their highs of the past five years, with yields on 10-year US Treasury bonds moved decisively above 3%. Short-term 2-year US Treasury bonds reached 2.81%, the highest in over ten years, as the unwinding of accommodative monetary policy continued. Strong U.S. economic data in the 3rd quarter supported expectations for the Federal Reserve to continue raising short-term interest rates. Despite these higher yields, and the pressure they put on stock valuations, the US equity markets posted strong gains in the 3rd quarter. Global equity markets were essentially flat in the 3rd quarter.

The following table shows the performance of various stock and bond market indices over the past quarter and trailing 12 months:

Capital Markets Performance as of September 30, 2018 (Total Return %)			
		Past 3 months	Past 12 months
Stocks	Dow Jones Industrial Average w/dividends	9.63	20.76
	S&P 500 Index w/dividends	7.71	17.91
	Wilshire 5000 Total US Stock Market	7.06	17.73
Bonds	Bloomberg US Aggregate Intermediate Bond	0.11	-0.93
	Bloomberg Municipal Intermediate Bond	-0.11	-0.43

Rising long-term interest rates, tighter monetary policy, and trade tensions are presenting a ceiling to US equity market valuations, moving them to historically more reasonable levels. After recent weakness in the market, the forward P/E ratio on the S&P 500 is down to 15x, a level below its 5-year average as seen in the following chart.



Relative to the bond market, the earnings yield of the equity market looks increasingly attractive. The forward earnings yield on large cap stocks is 6.6%, 236 basis points above the aggregate investment grade corporate bond market yield of 4.3%. Despite reasonably attractive valuations, the stock market remains under pressure. On the margin the negative impact of trade tariffs is putting pressure on earnings and sentiment, but the more systemic factor is the impact of rising interest rates and deficit spending.

The US economy was running at full strength heading into the second half of 2018. Tax cuts are pushing growth to an even faster rate. Counteracting that growth are the effects of escalating trade tariffs and rising interest rates. But in the context of the total economy, the negative impact of trade tariffs may be somewhat muted. Bloomberg analysts estimates that the tariff measures to date will negatively impact GDP growth by only one-tenth of one percent, a very modest drag on an economy set to grow at 3%.

The larger and looming issue facing the markets are rising US Federal deficits. While corporate and personal tax cuts have boosted economic activity, Federal revenue is declining and leading to increased deficit spending. Typically, deficit spending is countercyclical. During periods of economic weakness, the US runs a larger deficit to boost economic activity and the increased debt issuance to fund deficit spending occurs during a time when interest rates are declining. The current dynamics are atypical. Since 2016, deficit spending has turned procyclical. Deficit spending as a percentage of GDP is increasing, eroding the progress made over the past 10 years. Although economic activity remains strong, policy makers are looking to further stimulate economic growth with tax cuts. This is leading to ballooning budget shortfalls and record setting long-term debt issuance. For example, the upcoming quarterly debt issuance is set to exceed the levels seen in 2009, when the US was attempting to recover from the Great Recession. But this time, the economy is growing briskly, and unemployment is at historic lows. As the central bank is unwinding its support to the market, the public will need to purchase even more of the debt. With fewer buyers and increased supply, interest rates look set to remain at elevated levels, maintaining the pressure on US equity valuations.

We appreciate the opportunity to be of service and look forward to reviewing your portfolio with you.

Sincerely,

LAUER CAPITAL MANAGEMENT LTD.

Richard Lauer, CFA

Lauer Capital Management Ltd.
PORTFOLIO SUMMARY
South Dakota Historical Society Foundation
September 30, 2018

<u>Security Type</u>	<u>Adjusted Cost</u>	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Yield</u>	<u>Est. Annual Income</u>
Equities					
FOREIGN EQUITIES	77,291.03	80,702.12	4.2	2.8	2,228.84
COMMON STOCK					
Services	12,127.03	11,893.05	0.6	2.9	350.55
Market Index	711,116.84	877,603.34	45.5	2.7	23,268.02
COMMON STOCK	723,243.87	889,496.39	46.1	2.7	23,618.57
	800,534.90	970,198.51	50.3	2.7	25,847.41
Fixed Income					
MUTUAL FUND - BOND	25,097.30	24,501.55	1.3	5.9	1,443.77
CORPORATE BONDS					
Energy	35,777.13	35,566.65	1.8	3.3	1,645.00
Financial	24,782.96	24,665.15	1.3	2.8	562.50
Industrial	26,915.23	26,730.51	1.4	2.6	655.29
Technology	35,863.29	35,696.88	1.9	3.1	1,443.75
Transportation	35,436.15	35,192.22	1.8	3.0	1,207.50
CORPORATE BONDS	158,774.75	157,851.42	8.2	3.0	5,514.04
MUNICIPAL BONDS	9,926.51	9,872.60	0.5	3.1	270.00
US GOVERNMENT BONDS					
US Treasury	327,381.80	324,455.00	16.8	2.3	7,568.75
Government Sponsored Enterprises	19,742.16	19,697.56	1.0	2.9	450.00
US GOVERNMENT BONDS	347,123.95	344,152.56	17.8	2.3	8,018.75
CLOSED END BOND FUND	157,780.15	151,952.31	7.9	5.0	7,631.65
Accrued Interest		3,653.98	0.2		
	698,702.66	691,984.42	35.9	3.2	22,878.21
Cash and Equiv.					
CASH AND EQUIVALENTS	169,257.52	169,257.52	8.8	0.0	0.00
	169,257.52	169,257.52	8.8	0.0	0.00

Lauer Capital Management Ltd.
PORTFOLIO SUMMARY
South Dakota Historical Society Foundation
 September 30, 2018

<u>Security Type</u>	<u>Adjusted Cost</u>	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Yield</u>	<u>Est. Annual Income</u>
Other					
PREFERRED STOCK	98,446.63	97,119.72	5.0	5.9	5,767.06
	98,446.63	97,119.72	5.0	5.9	5,767.06
TOTAL PORTFOLIO	1,766,941.71	1,928,560.17	100.0	2.8	54,492.67

South Dakota Historical Society Foundation

Fiscal Year Review

December 31, 2017 To September 30, 2018

Portfolio Valuation, Appreciation, and Income Received

Portfolio value with accrued interest:	
December 31, 2017	1,703,454
September 30, 2018	1,928,560
Income & dividends received (current FY)	32,028
Change in accrued interest	3,428
Income & dividends received (adjusted for accrued interest)	35,456
Market appreciation (realized & unrealized) current fiscal year	3,876
Total earnings for current fiscal year (income + appreciation)	\$39,332

Cash Flows To/From Portfolio

Contributions	200,000
Withdrawals	\$6,037

Performance

		Current Quarter	Fiscal YTD
<i>Equity</i>	<i>SD Historical Society Foundation</i>	6.20%	5.33%
	S&P 500 Index with reinvested dividends.....	7.71	10.56
	Wilshire Total Stock Market Index	7.06	10.68
<i>Fixed Income</i>	<i>SD Historical Society Foundation</i>	0.64%	-0.43%
	Merrill Lynch 1-10 year Total Index Return	0.15	-0.81
<i>Total</i>	<i>SD Historical Society Foundation (net)</i>	2.90%	1.74%

Lauer Capital Management Ltd.
PERFORMANCE HISTORY BY ASSET CLASS
GROSS OF FEES
South Dakota Historical Society Foundation
From 09-30-17 to 09-30-18

Time Period	Percent Return Per Period					Cumulative TWR Basis = 100				
	Equities	Fixed Income	Cash and Equiv.	Other	Total	Equities	Fixed Income	Cash and Equiv.	Other	Total
09-30-12						100.00	100.00	100.00	100.00	100.00
09-30-12 to 09-30-17	76.12	13.83	0.14	30.85	38.63	176.12	113.83	100.14	130.85	138.63
09-30-17 to 12-31-17	6.50	-0.07	0.10	1.39	3.06	187.57	113.76	100.24	132.67	142.87
12-31-17 to 03-31-18	-3.19	-1.07	0.21	-1.42	-2.06	181.58	112.54	100.46	130.78	139.92
03-31-18 to 06-30-18	2.45	0.00	0.15	2.07	1.28	186.02	112.54	100.60	133.49	141.71
06-30-18 to 09-30-18	6.20	0.64	0.08	-0.30	3.07	197.56	113.26	100.68	133.10	146.06
Date to Date										
09-30-17 to 09-30-18	12.18	-0.50	0.54	1.72	5.36					
Annualized	12.18	-0.50	0.54	1.72	5.36					
Inception to Date										
09-30-12 to 09-30-18	97.56	13.26	0.68	33.10	46.06					
Annualized	12.02	2.10	0.11	4.88	6.52					

Lauer Capital Management Ltd.
PORTFOLIO APPRAISAL
South Dakota Historical Society Foundation
Operating
September 30, 2018

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Yield
FOREIGN EQUITIES									
96	SCHWAB INTL EQUITY ETF	33.36	3,202.39	33.53	3,218.88	3.5	0.800	76.80	2.4
			3,202.39		3,218.88	3.5		76.80	2.4
COMMON STOCK									
Services									
43	SCHWAB US REIT ETF	43.21	1,857.82	41.73	1,794.39	1.9	1.230	52.89	2.9
			1,857.82		1,794.39	1.9		52.89	2.9
Market Index									
280	SCHWAB US BROAD MARKET ETF	53.63	15,016.83	70.39	19,709.20	21.4	1.170	327.60	1.7
160	SCHWAB US DIVIDEND EQUITY ETF	51.55	8,247.36	53.00	8,480.00	9.2	1.400	224.00	2.6
100	VANGUARD HIGH DIVIDEND YIELD ETF	85.12	8,511.53	87.09	8,709.00	9.4	2.550	255.00	2.9
			31,775.72		36,898.20	40.0		806.60	2.2
	COMMON STOCK Total		33,633.54		38,692.59	41.9		859.49	2.2
PREFERRED STOCK									
315	INVESCO PREFERRED ETF	14.51	4,569.71	14.32	4,510.80	4.9	0.880	277.20	6.1
			4,569.71		4,510.80	4.9		277.20	6.1
US GOVERNMENT BONDS									
US Treasury									
4,000.00	US TREASURY NOTE 1.625% Due 04-30-19	99.64	3,985.72	99.53	3,981.25	4.3	1.625	65.00	2.2
4,000.00	US TREASURY NOTE 2.625% Due 11-15-20	99.90	3,995.92	99.55	3,981.87	4.3	2.625	105.00	2.7
4,000.00	US TREASURY NOTE 2.250% Due 02-15-21	98.89	3,955.58	98.62	3,945.00	4.3	2.250	90.00	2.7
4,000.00	US TREASURY NOTE 2.750% Due 05-31-23	99.86	3,994.47	99.19	3,967.50	4.3	2.750	110.00	2.8
	Accrued Interest				114.12	0.1			
			15,931.69		15,989.74	17.3		370.00	2.6
	US GOVERNMENT BONDS Total		15,931.69		15,989.74	17.3		370.00	2.6
CASH AND EQUIVALENTS									
	PENDING DIVIDENDS & INTEREST		67.18		67.18	0.1	0.000	0.00	0.0
	Unsettled Cash Account		29,795.34		29,795.34	32.3	0.000	0.00	0.0
			29,862.52		29,862.52	32.4		0.00	0.0
TOTAL PORTFOLIO			87,199.85		92,274.53	100.0		1,583.49	1.8

Lauer Capital Management Ltd.
PORTFOLIO APPRAISAL
South Dakota Historical Society Foundation
Restrictive
September 30, 2018

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Yield
FOREIGN EQUITIES									
356	SCHWAB INTL EQUITY ETF	33.64	11,974.49	33.53	11,936.68	1.6	0.800	284.80	2.4
250	SPDR S&P GLOBAL ETF	38.49	9,622.50	50.56	12,640.00	1.7	1.240	310.00	2.5
216	VANGUARD INT'L HIGH DIVIDEND ETF	67.90	14,665.76	67.05	14,482.80	1.9	2.380	514.08	3.5
			36,262.75		39,059.48	5.3		1,108.88	2.8
COMMON STOCK									
Market Index									
1,000	ISHARES CORE HIGH DIVIDEND ETF	78.81	78,806.70	90.54	90,540.00	12.2	3.100	3,100.00	3.4
1,509	SCHWAB US BROAD MARKET ETF	50.73	76,552.38	70.39	106,218.51	14.3	1.170	1,765.53	1.7
1,055	SCHWAB US DIVIDEND EQUITY ETF	38.94	41,081.24	53.00	55,915.00	7.5	1.400	1,477.00	2.6
1,200	VANGUARD HIGH DIVIDEND YIELD ETF	51.40	61,674.07	87.09	104,508.00	14.1	2.550	3,060.00	2.9
400	VANGUARD REIT INDEX ETF	66.90	26,760.15	80.68	32,272.00	4.3	3.850	1,540.00	4.8
			284,874.54		389,453.51	52.4		10,942.53	2.8
	COMMON STOCK Total		284,874.54		389,453.51	52.4		10,942.53	2.8
PREFERRED STOCK									
400	DIGITAL REALTY TRUST INC PFD SER I 6.35%	25.82	10,328.91	25.55	10,220.04	1.4	1.587	635.00	6.2
400	ENTERGY NEW ORLEANS INC PFD 5.5%	25.52	10,208.95	25.75	10,300.00	1.4	1.375	550.00	5.3
360	PUBLIC STORAGE 5.4% PFD	24.78	8,919.23	24.40	8,784.00	1.2	1.350	486.00	5.5
400	WELLS FARGO REIT PRFD 6.375%	25.85	10,341.35	25.60	10,240.00	1.4	1.594	637.50	6.2
			39,798.44		39,544.04	5.3		2,308.50	5.8
MUTUAL FUND - BOND									
4,246.370	VANGUARD HIGH-YIELD CORP FUND ADM	5.91	25,097.30	5.77	24,501.55	3.3	0.340	1,443.77	5.9
			25,097.30		24,501.55	3.3		1,443.77	5.9
CORPORATE BONDS									
Energy									
15,000	XCEL ENERGY INC CALLABLE 4.700% Due 05-15-20	102.34	15,350.29	101.62	15,242.85	2.1	4.700	705.00	3.2

Lauer Capital Management Ltd.
PORTFOLIO APPRAISAL
South Dakota Historical Society Foundation
Restrictive
September 30, 2018

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Yield
	Accrued Interest				264.37	0.0			
			15,350.29		15,507.22	2.1		705.00	3.2
Financial									
15,000	BANK OF AMERICA CORP 2.250% Due 04-21-20	99.13	14,869.78	98.66	14,799.09	2.0	2.250	337.50	2.8
	Accrued Interest				149.06	0.0			
			14,869.78		14,948.15	2.0		337.50	2.8
Industrial									
15,000	CHEVRON CORP CALL 5/24/20@100 2.427% Due 06-24-20	99.69	14,952.90	99.00	14,850.28	2.0	2.427	364.05	2.6
	Accrued Interest				97.08	0.0			
			14,952.90		14,947.36	2.0		364.05	2.6
Technology									
15,000	MEDTRONIC INC CALLABLE 12/15/20@100 4.125% Due 03-15-21	102.56	15,383.73	101.99	15,298.66	2.1	4.125	618.75	3.0
	Accrued Interest				25.78	0.0			
			15,383.73		15,324.45	2.1		618.75	3.0
Transportation									
15,000	BURLINGTON NORTH SANTA FE 3.450% Due 09-15-21	101.34	15,201.34	100.55	15,082.38	2.0	3.450	517.50	3.0
	Accrued Interest				21.56	0.0			
			15,201.34		15,103.94	2.0		517.50	3.0
	CORPORATE BONDS Total		75,758.04		75,831.13	10.2		2,542.80	2.9
US GOVERNMENT BONDS									
US Treasury									
30,000.00	US TREASURY NOTE 1.625% Due 04-30-19	100.10	30,029.70	99.53	29,859.37	4.0	1.625	487.50	1.5
30,000.00	US TREASURY NOTE 2.625% Due 11-15-20	101.92	30,574.87	99.55	29,864.06	4.0	2.625	787.50	1.7
30,000.00	US TREASURY NOTE 2.250% Due 02-15-21	99.62	29,885.08	98.62	29,587.50	4.0	2.250	675.00	2.4
30,000.00	US TREASURY NOTE 2.750% Due 05-31-23	99.85	29,954.49	99.19	29,756.25	4.0	2.750	825.00	2.8
	Accrued Interest				855.88	0.1			
			120,444.14		119,923.06	16.1		2,775.00	2.1
	US GOVERNMENT BONDS Total		120,444.14		119,923.06	16.1		2,775.00	2.1
CLOSED END BOND FUND									
775.000	BLACKROCK CREDIT ALLOCATION	12.95	10,034.51	12.24	9,486.00	1.3	0.870	674.25	7.1

Lauer Capital Management Ltd.
PORTFOLIO APPRAISAL
South Dakota Historical Society Foundation
Restrictive
September 30, 2018

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Yield
600.000	NUVEEN REAL ASSET INCOME & GROWTH	17.78	10,667.05	16.11	9,666.00	1.3	1.260	756.00	7.8
230.000	VANGUARD INTERM-TM CORP BD IDX ETF	87.46	20,115.27	83.53	19,211.90	2.6	2.930	673.90	3.5
500.000	WESTERN ASSET HIGH YIELD DEFINED OPPTY	13.85	6,925.90	14.55	7,275.00	1.0	1.070	535.00	7.4
			47,742.73		45,638.90	6.1		2,639.15	5.8
CASH AND EQUIVALENTS									
	PENDING DIVIDENDS & INTEREST		1,830.01		1,830.01	0.2	0.000	0.00	0.0
	Unsettled Cash Account		7,459.48		7,459.48	1.0	0.000	0.00	0.0
			9,289.49		9,289.49	1.2		0.00	0.0
TOTAL PORTFOLIO			639,267.43		743,241.17	100.0		23,760.63	3.1

Lauer Capital Management Ltd.
PORTFOLIO APPRAISAL
South Dakota Historical Society Foundation
Press
September 30, 2018

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Yield
FOREIGN EQUITIES									
275	SCHWAB INTL EQUITY ETF	30.78	8,464.26	33.53	9,220.75	1.6	0.800	220.00	2.4
162	VANGUARD INT'L HIGH DIVIDEND ETF	67.90	11,000.55	67.05	10,862.10	1.9	2.380	385.56	3.5
			19,464.81		20,082.85	3.6		605.56	3.0
COMMON STOCK									
Market Index									
500	ISHARES CORE HIGH DIVIDEND ETF	79.77	39,882.60	90.54	45,270.00	8.0	3.100	1,550.00	3.4
1,139	SCHWAB US BROAD MARKET ETF	51.72	58,909.43	70.39	80,174.21	14.2	1.170	1,332.63	1.7
975	SCHWAB US DIVIDEND EQUITY ETF	40.14	39,137.12	53.00	51,675.00	9.2	1.400	1,365.00	2.6
590	VANGUARD HIGH DIVIDEND YIELD ETF	66.43	39,192.89	87.09	51,383.10	9.1	2.550	1,504.50	2.9
180	VANGUARD REIT INDEX ETF	83.18	14,972.37	80.68	14,522.40	2.6	3.850	693.00	4.8
			192,094.41		243,024.71	43.2		6,445.13	2.7
	COMMON STOCK Total		192,094.41		243,024.71	43.2		6,445.13	2.7
PREFERRED STOCK									
450	INVESCO PREFERRED ETF	14.49	6,518.75	14.32	6,444.00	1.1	0.880	396.00	6.1
250	NEXTERA ENERGY CAPITAL 5.25% PFD	24.99	6,248.53	24.28	6,070.00	1.1	1.312	328.12	5.4
275	PUBLIC STORAGE 5.4% PFD	24.78	6,814.47	24.40	6,710.00	1.2	1.350	371.25	5.5
310	WELLS FARGO REIT PRFD 6.375%	25.87	8,020.93	25.60	7,936.00	1.4	1.594	494.06	6.2
			27,602.68		27,160.00	4.8		1,589.44	5.9
CORPORATE BONDS									
Energy									
10,000	XCEL ENERGY INC CALLABLE 4.700% Due 05-15-20 Accrued Interest	102.34	10,233.53	101.62	10,161.90	1.8	4.700	470.00	3.2
					176.25	0.0			
			10,233.53		10,338.15	1.8		470.00	3.2
Financial									
10,000	BANK OF AMERICA CORP 2.250% Due 04-21-20 Accrued Interest	99.13	9,913.18	98.66	9,866.06	1.8	2.250	225.00	2.8
					99.37	0.0			
			9,913.18		9,965.43	1.8		225.00	2.8

Lauer Capital Management Ltd.
PORTFOLIO APPRAISAL
South Dakota Historical Society Foundation
Press
 September 30, 2018

Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Yield
Industrial									
12,000	CHEVRON CORP CALL 5/24/20@100 2.427% Due 06-24-20 Accrued Interest	99.69	11,962.32	99.00	11,880.23	2.1	2.427	291.24	2.6
					77.66	0.0			
			11,962.32		11,957.89	2.1		291.24	2.6
Technology									
10,000	MEDTRONIC INC CALLABLE 12/15/20@100 4.125% Due 03-15-21 Accrued Interest	102.56	10,255.82	101.99	10,199.11	1.8	4.125	412.50	3.0
					17.19	0.0			
			10,255.82		10,216.30	1.8		412.50	3.0
Transportation									
10,000	BURLINGTON NORTH SANTA FE 3.450% Due 09-15-21 Accrued Interest	101.34	10,134.23	100.55	10,054.92	1.8	3.450	345.00	3.0
					14.37	0.0			
			10,134.23		10,069.29	1.8		345.00	3.0
	CORPORATE BONDS Total		52,499.08		52,547.07	9.3		1,743.74	2.9
MUNICIPAL BONDS									
10,000	SAINT PAUL MN SALES TAX REV 2.700% Due 11-01-20 Accrued Interest	99.27	9,926.51	98.73	9,872.60	1.8	2.700	270.00	3.1
					111.75	0.0			
			9,926.51		9,984.35	1.8		270.00	3.1
US GOVERNMENT BONDS									
US Treasury									
25,000.00	US TREASURY NOTE 1.625% Due 04-30-19	100.17	25,041.52	99.53	24,882.81	4.4	1.625	406.25	1.3
25,000.00	US TREASURY NOTE 2.625% Due 11-15-20	101.63	25,407.63	99.55	24,886.72	4.4	2.625	656.25	1.8
25,000.00	US TREASURY NOTE 2.250% Due 02-15-21	99.62	24,905.93	98.62	24,656.25	4.4	2.250	562.50	2.4
25,000.00	US TREASURY NOTE 2.750% Due 05-31-23 Accrued Interest	99.87	24,967.49	99.19	24,796.87	4.4	2.750	687.50	2.8
					713.23	0.1			
			100,322.58		99,935.89	17.7		2,312.50	2.1
Government Sponsored Enterprises									
20,000.00	FED HOME LN BK CALLABLE 1/20@100 2.250% Due 01-29-21 Accrued Interest	98.71	19,742.16	98.49	19,697.56	3.5	2.250	450.00	2.9
					76.25	0.0			
			19,742.16		19,773.81	3.5		450.00	2.9
	US GOVERNMENT BONDS Total		120,064.74		119,709.70	21.3		2,762.50	2.2

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Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Yield
CLOSED END BOND FUND									
575.000	BLACKROCK CREDIT ALLOCATION	13.36	7,684.63	12.24	7,038.00	1.2	0.870	500.25	7.1
500.000	NUVEEN REAL ASSET INCOME & GROWTH	17.26	8,628.45	16.11	8,055.00	1.4	1.260	630.00	7.8
600.000	VANGUARD INTERM-TM CORP BD IDX ETF	88.09	52,856.69	83.53	50,118.00	8.9	2.930	1,758.00	3.5
375.000	WESTERN ASSET HIGH YIELD DEFINED OPPTY	13.89	5,207.66	14.55	5,456.25	1.0	1.070	401.25	7.4
			74,377.43		70,667.25	12.5		3,289.50	4.7
CASH AND EQUIVALENTS									
	PENDING DIVIDENDS & INTEREST		933.27		933.27	0.2	0.000	0.00	0.0
	Unsettled Cash Account		19,003.69		19,003.69	3.4	0.000	0.00	0.0
			19,936.96		19,936.96	3.5		0.00	0.0
TOTAL PORTFOLIO			515,966.62		563,112.88	100.0		16,705.87	2.9

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Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Yield
FOREIGN EQUITIES									
57	SCHWAB INTL EQUITY ETF	33.57	1,913.50	33.53	1,911.21	3.4	0.800	45.60	2.4
			1,913.50		1,911.21	3.4		45.60	2.4
COMMON STOCK									
Services									
24	SCHWAB US REIT ETF	42.23	1,013.50	41.73	1,001.52	1.8	1.230	29.52	2.9
			1,013.50		1,001.52	1.8		29.52	2.9
Market Index									
137	SCHWAB US BROAD MARKET ETF	68.49	9,382.78	70.39	9,643.43	17.3	1.170	160.29	1.7
203	SCHWAB US DIVIDEND EQUITY ETF	50.44	10,239.48	53.00	10,759.00	19.3	1.400	284.20	2.6
			19,622.26		20,402.43	36.5		444.49	2.2
	COMMON STOCK Total		20,635.76		21,403.95	38.3		474.01	2.2
PREFERRED STOCK									
190	INVESCO PREFERRED ETF	14.66	2,785.74	14.32	2,720.80	4.9	0.880	167.20	6.1
			2,785.74		2,720.80	4.9		167.20	6.1
US GOVERNMENT BONDS									
US Treasury									
2,000.00	US TREASURY NOTE 1.625% Due 04-30-19	99.62	1,992.38	99.53	1,990.62	3.6	1.625	32.50	2.3
2,000.00	US TREASURY NOTE 2.625% Due 11-15-20	99.95	1,999.07	99.55	1,990.94	3.6	2.625	52.50	2.6
2,000.00	US TREASURY NOTE 2.250% Due 02-15-21	99.07	1,981.44	98.62	1,972.50	3.5	2.250	45.00	2.7
2,000.00	US TREASURY NOTE 2.750% Due 05-31-23	100.02	2,000.45	99.19	1,983.75	3.6	2.750	55.00	2.7
	Accrued Interest				57.06	0.1			
			7,973.34		7,994.87	14.3		185.00	2.6
	US GOVERNMENT BONDS Total		7,973.34		7,994.87	14.3		185.00	2.6
CLOSED END BOND FUND									
89.000	PIMCO ETF	100.52	8,946.17	100.59	8,952.51	16.0	3.320	295.48	3.3
181.000	SCHWAB 1-3 YR S-T US TREASURY ETF	49.65	8,985.75	49.57	8,972.17	16.1	0.780	141.18	1.6
			17,931.92		17,924.68	32.1		436.66	2.4
CASH AND EQUIVALENTS									
	Unsettled Cash Account		3,893.58		3,893.58	7.0	0.000	0.00	0.0
			3,893.58		3,893.58	7.0		0.00	0.0

Lauer Capital Management Ltd.
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Deadwood 2018
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<u>Quantity</u>	<u>Security</u>	<u>Adj Unit Cost</u>	<u>Total Adjusted Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Unit Income</u>	<u>Annual Income</u>	<u>Yield</u>
TOTAL PORTFOLIO			55,133.84		55,849.09	100.0		1,308.47	2.4

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Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Yield
FOREIGN EQUITIES									
16	SCHWAB INTL EQUITY ETF	33.10	529.62	33.53	536.48	3.4	0.800	12.80	2.4
			529.62		536.48	3.4		12.80	2.4
COMMON STOCK									
Services									
7	SCHWAB US REIT ETF	42.79	299.51	41.73	292.11	1.9	1.230	8.61	2.9
			299.51		292.11	1.9		8.61	2.9
Market Index									
41	SCHWAB US BROAD MARKET ETF	68.97	2,827.85	70.39	2,885.99	18.4	1.170	47.97	1.7
54	SCHWAB US DIVIDEND EQUITY ETF	51.43	2,777.02	53.00	2,862.00	18.3	1.400	75.60	2.6
			5,604.87		5,747.99	36.7		123.57	2.1
	COMMON STOCK Total		5,904.38		6,040.10	38.5		132.18	2.2
PREFERRED STOCK									
53	INVESCO PREFERRED ETF	14.57	772.46	14.32	758.96	4.8	0.880	46.64	6.1
			772.46		758.96	4.8		46.64	6.1
US GOVERNMENT BONDS									
US Treasury									
1,000.00	US TREASURY NOTE 2.625% Due 11-15-20	99.65	996.50	99.55	995.47	6.4	2.625	26.25	2.8
1,000.00	US TREASURY NOTE 2.250% Due 02-15-21	98.66	986.63	98.62	986.25	6.3	2.250	22.50	2.8
1,000.00	US TREASURY NOTE 2.750% Due 05-31-23	99.21	992.05	99.19	991.87	6.3	2.750	27.50	2.9
	Accrued Interest				21.77	0.1			
			2,975.19		2,995.37	19.1		76.25	2.9
	US GOVERNMENT BONDS Total		2,975.19		2,995.37	19.1		76.25	2.9
CLOSED END BOND FUND									
12.000	PIMCO ETF	100.52	1,206.23	100.59	1,207.08	7.7	3.320	39.84	3.3
			1,206.23		1,207.08	7.7		39.84	3.3
CASH AND EQUIVALENTS									
	Unsettled Cash Account		4,136.69		4,136.69	26.4	0.000	0.00	0.0
			4,136.69		4,136.69	26.4		0.00	0.0
TOTAL PORTFOLIO			15,524.57		15,674.68	100.0		307.71	2.0

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Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Yield
FOREIGN EQUITIES									
474	SCHWAB INTL EQUITY ETF	33.58	15,917.96	33.53	15,893.22	3.5	0.800	379.20	2.4
			15,917.96		15,893.22	3.5		379.20	2.4
COMMON STOCK									
Services									
211	SCHWAB US REIT ETF	42.45	8,956.20	41.73	8,805.03	1.9	1.230	259.53	2.9
			8,956.20		8,805.03	1.9		259.53	2.9
Market Index									
255	ISHARES CORE HIGH DIVIDEND ETF	86.47	22,050.98	90.54	23,087.70	5.0	3.100	790.50	3.4
920	SCHWAB US BROAD MARKET ETF	68.21	62,749.18	70.39	64,758.80	14.1	1.170	1,076.40	1.7
792	SCHWAB US DIVIDEND EQUITY ETF	51.21	40,557.08	53.00	41,976.00	9.2	1.400	1,108.80	2.6
600	VANGUARD HIGH DIVIDEND YIELD ETF	86.31	51,787.80	87.09	52,254.00	11.4	2.550	1,530.00	2.9
			177,145.04		182,076.50	39.7		4,505.70	2.5
	COMMON STOCK Total		186,101.24		190,881.53	41.6		4,765.23	2.5
PREFERRED STOCK									
1,566	INVESCO PREFERRED ETF	14.63	22,917.60	14.32	22,425.12	4.9	0.880	1,378.08	6.1
			22,917.60		22,425.12	4.9		1,378.08	6.1
CORPORATE BONDS									
Energy									
10,000	XCEL ENERGY INC CALLABLE 4.700% Due 05-15-20 Accrued Interest	101.93	10,193.31	101.62	10,161.90	2.2	4.700	470.00	3.5
					176.25	0.0			
			10,193.31		10,338.15	2.3		470.00	3.5
Technology									
10,000	MEDTRONIC INC CALLABLE 12/15/20@100 4.125% Due 03-15-21 Accrued Interest	102.24	10,223.74	101.99	10,199.11	2.2	4.125	412.50	3.2
					17.19	0.0			
			10,223.74		10,216.30	2.2		412.50	3.2
Transportation									
10,000	BURLINGTON NORTH SANTA FE 3.450% Due 09-15-21 Accrued Interest	101.01	10,100.58	100.55	10,054.92	2.2	3.450	345.00	3.1
					14.37	0.0			
			10,100.58		10,069.29	2.2		345.00	3.1

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Quantity	Security	Adj Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Yield
	CORPORATE BONDS Total		30,517.63		30,623.74	6.7		1,227.50	3.2
US GOVERNMENT BONDS									
US Treasury									
20,000.00	US TREASURY NOTE 1.625% Due 04-30-19	99.61	19,922.28	99.53	19,906.25	4.3	1.625	325.00	2.3
20,000.00	US TREASURY NOTE 2.625% Due 11-15-20	99.97	19,994.25	99.55	19,909.37	4.3	2.625	525.00	2.6
20,000.00	US TREASURY NOTE 2.250% Due 02-15-21	99.08	19,816.91	98.62	19,725.00	4.3	2.250	450.00	2.7
20,000.00	US TREASURY NOTE 2.750% Due 05-31-23	100.01	20,001.42	99.19	19,837.50	4.3	2.750	550.00	2.7
	Accrued Interest				570.58	0.1			
			79,734.86		79,948.71	17.4		1,850.00	2.6
	US GOVERNMENT BONDS Total		79,734.86		79,948.71	17.4		1,850.00	2.6
CLOSED END BOND FUND									
450.000	BLACKROCK CREDIT ALLOCATION	12.26	5,517.00	12.24	5,508.00	1.2	0.870	391.50	7.1
340.000	NUVEEN REAL ASSET INCOME & GROWTH	16.14	5,488.71	16.11	5,477.40	1.2	1.260	428.40	7.8
380.000	WESTERN ASSET HIGH YIELD DEFINED OPPTY	14.52	5,516.13	14.55	5,529.00	1.2	1.070	406.60	7.4
			16,521.84		16,514.40	3.6		1,226.50	7.4
CASH AND EQUIVALENTS									
	PENDING DIVIDENDS & INTEREST		604.81		604.81	0.1	0.000	0.00	0.0
	Unsettled Cash Account		101,515.14		101,515.14	22.1	0.000	0.00	0.0
			102,119.95		102,119.95	22.3		0.00	0.0
TOTAL PORTFOLIO			453,831.08		458,406.67	100.0		10,826.51	2.4