

Consolidated Financial Statements and
Report of Independent Certified Public
Accountants

Funds Administered by HighGround Advisors

December 31, 2021 and 2020

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
HighGround Advisors

Opinion

We have audited the consolidated financial statements of Funds Administered by HighGround Advisors and subsidiary, (the "Company") which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the related consolidated statements of operations and consolidated statements changes in funds administered for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and changes in funds administered for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedules of consolidated assets, schedules of consolidated administrative expenses, and consolidating balance sheets by fund are presented for purposes of additional analysis and are not required to be a part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subject to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the information directly to underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material aspects, in relation to the consolidated financial statements as a whole.

Grant Thornton LLP

Dallas, Texas
May 4, 2022

Funds Administered by HighGround Advisors

CONSOLIDATED BALANCE SHEETS

December 31,
(Dollars in thousands unless otherwise noted)

	2021	2020
ASSETS		
Cash and cash equivalents	\$ 223,256	\$ 133,136
Cash equivalents held as collateral for securities on loan	13,425	31,728
Accrued interest, dividends and royalties	7,743	7,301
Securities on loan to borrowers	13,018	30,910
Receivable from sale of securities	23,610	40,126
Bonds, at market value (cost, \$356,526 and \$363,102 in 2021 and 2020)	364,811	384,453
Equity securities, at market value (cost, \$750,518 and \$724,021 in 2021 and 2020)	1,038,592	957,499
Marketable alternatives (cost, \$103,992 and \$105,318 in 2021 and 2020)	178,657	171,072
Investments in private equity funds (cost, \$146,302 and \$116,670 in 2021 and 2020)	219,722	134,528
Mineral rights and royalties (net) (cost, \$7,009 and \$7,954 in 2021 and 2020)	363,198	244,377
Real estate, properties and funds (cost, \$114,589 and \$103,013 in 2021 and 2020)	157,673	119,167
Other assets	16,422	16,704
Total assets	<u>\$ 2,620,127</u>	<u>\$ 2,271,001</u>
LIABILITIES AND FUNDS ADMINISTERED		
Liabilities		
Accrued liabilities	\$ 5,835	\$ 8,429
Liability for collateral held for securities on loan	13,425	31,728
Payable for purchases of securities	37,906	91,489
Total liabilities	<u>57,166</u>	<u>131,646</u>
Funds administered		
Institutional funds	1,641,014	1,479,105
Annuity and life income trust funds	77,896	68,847
Net unrealized gains on investments	844,051	591,403
Total funds administered	<u>2,562,961</u>	<u>2,139,355</u>
Total liabilities and funds administered	<u>\$ 2,620,127</u>	<u>\$ 2,271,001</u>

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

Funds Administered by HighGround Advisors

CONSOLIDATED STATEMENTS OF OPERATIONS

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

	<u>2021</u>	<u>2020</u>
Revenues		
Interest		
Cash and cash equivalents	\$ 33	\$ 586
Bonds	7,507	9,260
Mortgage loans and notes receivable	588	496
Dividends		
Equity securities	14,513	12,700
Oil and gas income	77,474	47,975
Other income	<u>5,092</u>	<u>4,427</u>
 Total revenues	 <u>105,207</u>	 <u>75,444</u>
 Expenses		
Administrative expenses	10,606	9,527
Other operating expenses	<u>9,894</u>	<u>8,848</u>
 Total expenses	 <u>20,500</u>	 <u>18,375</u>
 Excess of revenues over expenses	 84,707	 57,069
 Net realized gains on investments	 122,737	 54,470
 Net unrealized gains on investments	 <u>252,648</u>	 <u>130,633</u>
 NET INCOME	 <u><u>\$ 460,092</u></u>	 <u><u>\$ 242,172</u></u>

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

Funds Administered by HighGround Advisors

CONSOLIDATED STATEMENTS OF CHANGES IN FUNDS ADMINISTERED

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

	<u>2021</u>	<u>2020</u>
Funds administered at beginning of year	\$ 2,139,355	\$ 2,036,961
Additions		
Contributions by individuals and estates to HighGround for the benefit of various client institutions	21,991	23,167
Contributions from client institutions	135,659	81,874
Excess of revenues over expenses	84,707	57,069
Other additions	7,864	813
Net realized gains on investments	122,737	54,470
Net unrealized gains on investments	<u>252,648</u>	<u>130,633</u>
	<u>625,606</u>	<u>348,026</u>
Reductions		
Capital remitted to client institutions, beneficiaries and others	98,256	145,806
Income remitted to client institutions, beneficiaries and others	<u>103,744</u>	<u>99,826</u>
	<u>202,000</u>	<u>245,632</u>
Change in funds administered	<u>423,606</u>	<u>102,394</u>
Funds administered at end of year	<u><u>\$ 2,562,961</u></u>	<u><u>\$ 2,139,355</u></u>

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

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021 and 2020
(Dollars in thousands unless otherwise noted)

NOTE A - NATURE OF OPERATIONS

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

- (a) Endowment assets are assets that have been given to HighGround for the benefit of one of its client institutions. HighGround perpetually controls these assets and is responsible for the management, investment, and distribution of these assets. The client institutions may not withdraw these funds.
- (b) Institutional assets include endowment, quasi-endowment, operational and other assets placed with HighGround for administration. Administration includes all or some combination of the trust, investment and accounting services offered by HighGround. The client institutions' board of directors are responsible for oversight of the management, investment, and distribution of these assets but has delegated one or more of these functions to HighGround. The client institutions may withdraw any of these funds at their discretion.
- (c) Charitable split-interest assets are comprised of the assets funding the following gift vehicles:
 - Charitable Remainder Trusts
 - Charitable Lead Trusts
 - Qualified Charitable Gift Annuities
 - Pooled Income Funds
 - Irrevocable Non-Qualifying Charitable Trusts

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

The principal administrative services provided by HighGround relate to endowment asset management and administration, oil and gas management, real estate management, charitable gift development and long-term gift administration, all of which include accounting, reporting, and investing components. Investment activities are directed by HighGround through fund managers selected by HighGround. HighGround has investment policies and guidelines related to asset allocation, income/principal distribution, and investment vehicles, which apply to all funds under the control of HighGround as well as those institutional assets placed with HighGround for administration without specific directions to vary from these guidelines. However, each institution may elect to determine and set its own asset allocation, income/principal distribution, and type of investment vehicles for assets characterized as institutional assets. At December 31, 2021 and 2020, approximately \$1.5 billion and \$1.2 billion of institutionally controlled assets were being administered at the direction of the client institutions respectively.

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(Dollars in thousands unless otherwise noted)

NOTE B - SUMMARY OF ACCOUNTING POLICIES

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

Principles of Consolidation

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

The Trust Company is a for-profit Texas trust company regulated by the Texas Department of Banking. HighGround employs the services of the Trust Company for administration of its charitable split-interest accounts. The Trust Company offers professional trust administration and investment management to individuals along with endowment management services for not-for-profit organizations. At December 31, 2021 and 2020, the Trust Company administered on behalf of HighGround 792 and 709 charitable split-interest accounts with a total approximate market value of \$175.0 million and \$161.9 million, respectively. These charitable split-interest funds, for which HighGround has ultimate responsibility for administration, are consolidated into HighGround's consolidated financial statements.

Non-HighGround accounts that the Trust Company administers are not consolidated into HighGround's consolidated financial statements since HighGround does not administer or control the assets of the Trust Company's other outside clients. The assets for the Trust Company clients that were excluded from HighGround's consolidated financial statements had an approximate market value of \$78.5 million and \$82.7 million on December 31, 2021 and 2020, respectively.

Included in the consolidated balance sheets is the Trust Company's corporate assets of approximately \$3.6 million and \$3.4 million as of December 31, 2021 and 2020, respectively, which primarily consists of cash and cash equivalents.

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

HighGround considers all cash, money market funds, and highly liquid debt instruments with original maturities of three months or less to be cash equivalents. HighGround places its cash and cash equivalents with high credit quality financial institutions, which at times may exceed federally insured limits. HighGround has not experienced any losses on such accounts. As of December 31, 2021 and 2020, HighGround held approximately \$0.6 million and \$0.3 million in excess of federally insured limits, respectively. HighGround also held approximately \$222.4 million and \$132.6 million in money market funds of December 31, 2021 and 2020, respectively. Interest on cash and cash equivalents is recognized as earned. The carrying amount approximates fair value because of the short maturity of those instruments.

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(Dollars in thousands unless otherwise noted)

Investments

Securities

Equity securities and bonds are carried at fair value, which is generally determined based on quoted market prices. Certain bonds are valued based upon yields or prices of securities of comparable quality, coupon, maturity and type as well as indications as to values from brokers and dealers. Private equity funds and marketable alternatives are carried at net asset value ("NAV") as a practical expedient for determining fair value and appropriate available market indices, if available. The net realized and unrealized gains (losses) in fair value of investments are reflected in the consolidated statements of operations. Dividends and interest are recognized when earned.

Real Estate, Properties and Funds

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

Mineral Rights and Royalties

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

Derivative Instruments

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

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

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

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

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(Dollars in thousands unless otherwise noted)

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

Mortgage Loans and Notes Receivable

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

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

Receivable and Payable from Sale and Purchases of Securities

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

Basis for Recording Assets

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

Allocation of Oil, Gas and Mineral Proceeds

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

Income Taxes

HighGround is exempt from federal income tax under Section 501(a) of the Internal Revenue Code ("IRC") as an organization described in Section 501(c)(3). HighGround is not a private foundation as defined by Section 509 of the IRC because it is an organization described in Section 509(a)(1) and Section 170(b)(1)(A)(vi). HighGround is an integrated auxiliary of a church; therefore, HighGround is not required to file Form 990. However, income generated from activities unrelated to HighGround's exempt purpose is subject to tax under IRC Section 511. HighGround had no material unrelated business taxable income for the years ended December 31, 2021 or 2020. The Trust Company files a separate federal income tax return and accounts for income taxes under the asset and liability method.

As required by the uncertain tax position guidance in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*, HighGround and the Trust Company recognize the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an examination. HighGround and the Trust Company recognize the potential accrued interest and penalties related to unrecognized tax benefits within income tax expense. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the consolidated financial statements is the benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority. All tax positions taken related to HighGround and the Trust Company, for which the statute of limitations remained open, have been

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(Dollars in thousands unless otherwise noted)

reviewed, and management is of the opinion that material positions taken by HighGround and the Trust Company would more likely than not be sustained upon examination. Accordingly, HighGround and the Trust Company have not recorded an income tax liability for uncertain tax benefits. The federal and state income tax statutes remain open for HighGround for the previous three and four-year periods, respectively. However, the statute remains open for all years for state returns not filed.

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

Use of Estimates

The preparation of consolidated 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 at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Adoption of Accounting Pronouncements

HighGround early adopted the provisions of Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842)*, effective fiscal year ending December 31, 2017. HighGround has a right-of-use asset of \$2.1 million and \$2.3 million included in other assets on the accompanying consolidated balance sheets and a lease liability of \$3.6 and \$4.1 million included in accrued liabilities on the accompanying consolidated balance sheets for its building lease as of December 31, 2021 and 2020, respectively.

NOTE C - FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Cash Equivalents

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

Investment Securities

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

Derivative Instruments

The carrying amounts for derivatives are at fair value based on exchange traded quotes, quoted market price for contracts with similar maturities or fair values determined based on other observable market inputs. The fair values of derivatives were \$(1,206) and \$1,878 at December 31, 2021 and 2020, respectively, and are included with equity securities and bonds in the accompanying consolidated balance sheets.

Investments in Private Equity Funds

Investments in private equity funds are carried at NAV as a practical expedient for determining fair value. These investments are diversified across various buy-out, venture capital and special situation investment opportunities available in the private equity investment market. They are also diversified across industries, countries, and vintage years. Investments are made through multiple limited partnerships and other limited liability collective investment vehicles that are sponsored by third-party advisors. In general, investments in

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
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private equity funds are nonredeemable interests. Due to the inherent illiquidity of the underlying investments, redemptions are not permitted; however, typically, as investments are sold or liquidated, the net proceeds of the sale are distributed back to the investors in the fund immediately following the sale or liquidity event. HighGround estimates an average investment period of 15 years for private equity investments. Unfunded commitments for investment in private equity funds were \$65.3 million and \$74.0 million as of December 31, 2021 and 2020, respectively.

One of the significant investments includes a commitment to a private equity fund of funds, whose objective is to create a diversified portfolio of private equity partnerships over an approximate five-year period. This fund may invest in buyouts, venture capital, special situations, and other investment strategies. The portfolio is diversified by investment strategy, life cycle, investment manager, geographic region, and industry. HighGround has a commitment of \$50.0 million to this fund of which \$2.8 million and \$2.9 million remains unfunded as of December 31, 2021 and 2020, respectively. The net asset value of HighGround's investment in this fund is \$14.1 million and \$17.1 million as of December 31, 2021 and 2020, respectively. As of December 31, 2021, HighGround has received cumulative disbursements of \$85.0 million which includes a return of capital of \$30.0 million.

Investments in Marketable Alternatives

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

Investments in Real Estate

Real estate is carried at fair value based on an internal comparative market analysis using management's knowledge of the properties, current real estate market for similar properties and recent sales of comparative properties. The fair value of real estate held by HighGround was \$8.1 million and \$9.1 million as of December 31, 2021 and 2020, respectively.

Investments in real estate funds are carried at NAV as a practical expedient for determining fair value. Investments are diversified across all commercial property types (e.g., office, industrial, retail, multi-family), geo-economic regions, investment horizons and vintage years. Investments in real estate funds are made through limited partnerships and other limited liability collective investment vehicles managed by third-party advisors. In general, investments in real estate funds are nonredeemable interests. Due to the inherent illiquidity of the underlying investments, redemptions are generally not permitted; however, typically, as investments are sold or liquidated, the net proceeds of the sale are distributed back to the investors in the fund immediately following the sale or liquidity event. HighGround estimates an average investment period of 10 years for real estate investments. The fair value of investment in real estate funds held by HighGround was \$149.6 million and \$110.1 million as of December 31, 2021 and 2020, respectively. Unfunded commitments for investment in real estate funds were \$12.7 million and \$14.5 million as of December 31, 2021 and 2020, respectively.

One of the significant investments includes an investment in an open-ended real estate fund whose objective is to invest in a well-diversified portfolio of operating assets consisting primarily of retail, office, multi-family and industrial properties with a focus on individual transactions ranging between \$50 and \$100 million. The fund is diversified geographically and invests only in the U.S. HighGround had a commitment of \$10 million to this investment, which has been fully funded as of December 31, 2021 and 2020, respectively. The NAV of HighGround's investment in this fund is \$15.4 million and \$13.2 million as of December 31, 2021 and 2020, respectively.

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(Dollars in thousands unless otherwise noted)

Investments in Mineral and Royalty Rights

Mineral interests consist primarily of royalty interests in oil, natural gas, and natural gas liquids, which are developed and produced by oil and gas companies independent of HighGround. The mineral interests are primarily located in Texas, Oklahoma, New Mexico, Louisiana, Arkansas, and Mississippi. Investments in mineral interests are carried at fair value calculated by multiplying the most recent twelve months of royalty income, excluding lease bonus income, times a multiple. Management determines the multiple through an annual evaluation of relevant information, which may result in a different multiple each year. Management used a multiple of five for the valuation as of December 31, 2021 and 2020 based on current industry methodology, recent market transactions, and HighGround's extensive experience in mineral properties.

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

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

NOTE D - DERIVATIVE INSTRUMENTS

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

Futures Contracts

HighGround holds the following securities futures contracts:

	December 31,	
	2021	2020
Equity futures		
S&P 500 mini futures		
Net exposure	\$ 2,379	\$ 2,249
Expiration	March 2022	March 2021
Number of contracts	10	12
Realized (loss) gain for year ended	\$ 693	\$ (1,128)
Fixed income futures		
U.S. Treasury futures		
Net exposure	\$ 18,722	\$ (51,562)
Expiration	March 2022	March 2021
Number of contracts	166	(297)
Euro bond futures		
Net exposure	\$ (3,107)	\$ (2,362)
Expiration	March 2022	March 2021
Number of contracts	(15)	(9)
UK government bond (British sterling pound) futures		
Net exposure	\$ -	\$ (1,853)
Expiration	-	March 2021
Number of contracts	-	(10)
Realized gain (loss) for year ended	\$ 2,296	\$ (3,705)

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

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(Dollars in thousands unless otherwise noted)

Upon entering into a futures contract, cash must be maintained in the portfolio to the extent equal to the fully collateralized value of the financial futures. Cash and cash equivalents are collateralized by the aggregate notional amount of open futures contracts at December 31, 2021 and 2020.

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

Foreign Currency Forward Exchange Contracts

At December 31, 2021, HighGround had outstanding foreign currency forward exchange contracts, primarily consisting of contracts for the Canadian Dollar, Euro, Mexican peso, Peruvian sol, Russian ruble, and British sterling pound. At December 31, 2020, HighGround had outstanding foreign currency forward exchange contracts, primarily consisting of contracts for the Euro, Japanese yen, Mexican peso, Peruvian sol, Russian ruble, and British sterling pound. The foreign currency forward exchange contracts are as follows:

	December 31,	
	2021	2020
Foreign currency forward exchange contracts		
Payable market value	\$ (1,811)	\$ (2,008)
Receivable market value	516	3,893
Payable unrealized loss	(33)	(22)
Receivable unrealized gain	6	47
Expiration	January 2022 to June 2022	January 2021 to May 2021
Realized gain for year ended	\$ 52	\$ 2

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

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(Dollars in thousands unless otherwise noted)

Options

HighGround holds the following options:

	December 31,	
	2021	2020
Options on Fixed Income Futures		
Options on U.S. Treasury futures		
Market value	\$ -	\$ -
Unrealized gain	-	-
Expiration	-	-
Number of contracts	-	-
Realized gain for year ended	\$ -	\$ 21
Options on other fixed income securities		
Net exposure	\$ -	\$ -
Market value	-	-
Unrealized gain	-	-
Expiration	-	-
Number of contracts	-	-
Realized gain for year ended	\$ 21	\$ 55
Options on swaps		
Net notional amount	\$ (16,200)	\$ (15,000)
Market value	(7)	(8)
Unrealized gain	14	20
Expiration	January 2022	March 2021
Number of contracts	to April 2022 17	17
Realized gain for year ended	\$ 88	\$ 19

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

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(Dollars in thousands unless otherwise noted)

Swap Contracts

HighGround holds the following contracts:

	December 31,	
	2021	2020
Interest rate swaps - long-term		
Net notional amount	\$ 5,337	\$ 1,346
Market value	(71)	(2)
Unrealized gain (loss)	(40)	1
	June 2031 to December	
Expiration	2051	June 2031
Credit default swaps - short-term		
Net notional amount	\$ (400)	\$ -
Market value	3	-
Unrealized loss	-	-
	December	
Expiration	2022	-
Credit default swaps - long-term		
Net notional amount	\$ (5,800)	\$ (200)
Market value	164	3
Unrealized gain	11	11
	December	
	2023 to	
	December	December
Expiration	2026	2023
Realized gain (loss) for year ended	\$ 70	\$ (963)

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

NOTE E - SECURITIES LENDING AGREEMENT

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

HighGround accounts for the transfer of securities under the securities lending agreement in accordance with ASC 860, *Transfers and Servicing*. HighGround accounts for its agreement as a secured loan because HighGround has not surrendered control of the securities on loan. At December 31, 2021, securities on loan were approximately \$13.0 million. Collateral held for securities on loan was approximately \$13.4 million at December 31, 2021. At December 31, 2020, securities on loan were approximately \$30.9 million. Collateral held for securities on loan was approximately \$31.7 million at December 31, 2020.

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(Dollars in thousands unless otherwise noted)

NOTE F - COMMITMENTS AND CONTINGENCIES

HighGround, through various church finance funds, has provided guarantees for loans that are owned by other investors. In exchange for the guarantees, HighGround is entitled to a fee. HighGround did not have any commitments for loan guarantees as of December 31, 2021 and 2020.

NOTE G - FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

The following table summarizes the valuation of financial instruments measured at fair value on a recurring basis in the consolidated balance sheets at December 31, 2021.

	Total	Level 1	Level 2	Level 3	NAV
Cash and cash equivalents	\$ 223,256	\$ 218,807	\$ 4,449	\$ -	\$ -
Cash equivalents held as collateral for securities on loan	13,425	-	13,425	-	-
Securities on loan to borrowers	13,018	6,290	6,728	-	-
Bonds, at market value	364,811	6,907	279,468	29	78,407
Equity securities, at market value	1,038,592	728,049	-	44	310,499
Marketable alternatives	178,657	-	-	-	178,657
Investments in private equity funds	219,722	-	-	-	219,722
Mineral rights and royalties (net)	363,198	-	-	363,198	-
Real estate, properties and funds	157,673	-	-	8,083	149,590
Liability for collateral held for securities on loan	(13,425)	-	(13,425)	-	-
	<u>\$ 2,558,927</u>	<u>\$ 960,053</u>	<u>\$ 290,645</u>	<u>\$ 371,354</u>	<u>\$ 936,875</u>

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(Dollars in thousands unless otherwise noted)

The following table summarizes the valuation of financial instruments measured at fair value on a recurring basis in the consolidated balance sheets at December 31, 2020.

	Total	Level 1	Level 2	Level 3	NAV
Cash and cash equivalents	\$ 133,136	\$ 123,507	\$ 9,629	\$ -	\$ -
Cash equivalents held as collateral for securities on loan	31,728	-	31,728	-	-
Securities on loan to borrowers	30,910	7,729	23,181	-	-
Bonds, at market value	384,453	4,714	315,746	143	63,850
Equity securities, at market value	957,499	647,306	-	213	309,980
Marketable alternatives	171,072	-	-	-	171,072
Investments in private equity funds	134,528	-	-	-	134,528
Mineral rights and royalties (net)	244,377	-	-	244,377	-
Real estate, properties and funds	119,167	-	-	9,083	110,084
Liability for collateral held for securities on loan	(31,728)	-	(31,728)	-	-
	<u>\$ 2,175,142</u>	<u>\$ 783,256</u>	<u>\$ 348,556</u>	<u>\$ 253,816</u>	<u>\$ 789,514</u>

The following table presents roll forward information for the year ended December 31, 2021 about assets measured at fair value on a recurring basis that have been measured using significant unobservable inputs (Level 3).

	Beginning Balance	Purchases and Additions	Sales and Distributions	Total Realized and Unrealized Balance Gains (Losses)	Ending Balance
Bonds, at market value	\$ 143	\$ 19	\$ (133)	\$ -	\$ 29
Equity securities, at market value	213	-	(109)	(60)	44
Mineral rights and royalties (net)	244,377	-	(945)	119,766	363,198
Real estate, properties and funds	9,083	-	(3,829)	2,829	8,083
	<u>\$ 253,816</u>	<u>\$ 19</u>	<u>\$ (5,016)</u>	<u>\$ 122,535</u>	<u>\$ 371,354</u>

The following table presents roll forward information for the year ended December 31, 2020 about assets measured at fair value on a recurring basis that have been measured using significant unobservable inputs (Level 3).

	Beginning Balance	Purchases and Additions	Sales and Distributions	Total Realized and Unrealized Balance Gains (Losses)	Ending Balance
Bonds, at market value	\$ 127	\$ 16	\$ -	\$ -	\$ 143
Equity securities, at market value	210	6	-	(3)	213
Mineral rights and royalties (net)	249,008	3,162	-	(7,793)	244,377
Real estate, properties and funds	6,397	3,742	(1,001)	(55)	9,083
	<u>\$ 255,742</u>	<u>\$ 6,926</u>	<u>\$ (1,001)</u>	<u>\$ (7,851)</u>	<u>\$ 253,816</u>

The unrealized gain for Level 3 investments was \$362,495 and \$240,362 as of December 31, 2021 and 2020, respectively.

Funds Administered by HighGround Advisors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020
(Dollars in thousands unless otherwise noted)

NOTE H - SUBSEQUENT EVENTS

HighGround has evaluated subsequent events through May 4, 2022, the date the consolidated financial statements were available to be issued. HighGround is not aware of any subsequent events that would require recognition or disclosure in the consolidated financial statements.

SUPPLEMENTAL INFORMATION

Funds Administered by HighGround Advisors

SCHEDULES OF CONSOLIDATED ASSETS

December 31,
(Dollars in thousands unless otherwise noted)

	2021		2020	
	Percent	Amount	Percent	Amount
Cash and cash equivalents	8.52%	\$ 223,256	5.86%	\$ 133,136
Cash equivalents held as collateral for securities on loan	0.51	13,425	1.40	31,728
Accrued interest, dividends and royalties	0.30	7,743	0.32	7,301
Securities on loan to borrowers	0.50	13,018	1.36	30,910
Receivable from sale of securities	0.90	23,610	1.77	40,126
Bonds, at market value	13.92	364,811	16.93	384,453
Equity securities, at market value	39.64	1,038,592	42.16	957,499
Marketable alternatives	6.82	178,657	7.53	171,072
Investments in private equity funds	8.39	219,722	5.92	134,528
Mineral rights and royalties (net)	13.86	363,198	10.76	244,377
Real estate, properties and funds	6.02	157,673	5.25	119,167
Other assets	0.63	16,422	0.74	16,704
	<u>100.00%</u>	<u>\$ 2,620,127</u>	<u>100.00%</u>	<u>\$ 2,271,001</u>

Funds Administered by HighGround Advisors

SCHEDULES OF CONSOLIDATED ADMINISTRATIVE EXPENSES

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

	2021	2020
Salaries	\$ 6,301	\$ 5,585
Retirement benefits	530	473
Medical and dental insurance	513	517
Life insurance	27	28
Disability insurance	38	38
Parking and transit	74	73
Payroll taxes	397	336
Rent	507	539
Depreciation	264	307
Insurance	182	168
Information systems	205	180
Software maintenance	648	425
Office expense	63	65
Audit and examination fees	29	68
Legal and other professional fees	111	83
Professional dues and law library	63	59
Travel	14	5
Telephone	30	31
Staff training and development	59	46
Client development and public relations	26	13
Marketing and advertising	124	140
Conferences, consultants and sponsorships	128	109
Bank fees	56	50
Tax return software fees	43	45
Oil and gas processing fees	118	106
Directors expense	17	15
Other	39	23
	<hr/>	<hr/>
Total administrative expenses	\$ 10,606	\$ 9,527
	<hr/>	<hr/>

Funds Administered by HighGround Advisors

CONSOLIDATING BALANCE SHEET BY FUND

December 31, 2021
(Dollars in thousands unless otherwise noted)

	Large Cap Fund	Small Cap Fund	Mid Cap Fund	Equity Index Fund	International Equity Fund	Bond Fund	Global Bond Fund	Marketable Alternatives Fund	Real Estate Fund ²	Private Equity Fund	Liquid Real Assets Fund	Low Duration Fund ³	Enhanced Cash Fund ³	Securities Outside Investment Funds	Client Directed Funds ²	Fund of Funds ^{1,2}	Balance December 31, 2021
ASSETS																	
Cash and cash equivalents	\$ 2,797	\$ 1,464	\$ 59	\$ 2,519	\$ 6,110	\$ 60,226	\$ 989	\$ 916	\$ 2,539	\$ 2,309	\$ 831	\$ 4,465	\$ 105,659	\$ 9,827	2,684	\$ 19,862	\$ 223,256
Cash equivalents held as collateral for securities on loan	-	2,197	-	205	1,833	6,919	-	-	-	-	-	-	-	-	2,271	-	13,425
Accrued interest, dividends, and royalties	82	30	18	126	1,807	684	27	-	-	-	50	785	3	3,744	383	4	7,743
Securities on loan to borrowers	-	2,130	-	200	1,757	6,728	-	-	-	-	-	-	-	-	2,203	-	13,018
Receivable from sale of securities	-	113	-	-	73	23,416	-	-	-	-	-	-	-	-	8	-	23,610
Bonds, at market value	-	-	-	-	-	141,679	50,435	-	-	-	18,037	107,953	-	5,949	34,904	5,854	364,811
Equity securities, at market value	230,760	47,267	10,543	239,191	426,027	-	-	-	-	-	31,539	-	-	16,926	29,231	7,108	1,038,592
Marketable alternatives	-	-	-	-	-	-	-	178,657	-	-	-	-	-	-	-	-	178,657
Investments in private equity funds	-	-	-	-	-	-	-	-	-	219,722	-	-	-	-	-	-	219,722
Mineral rights and royalties (net)	-	-	-	-	-	-	-	-	-	-	-	-	-	363,198	-	-	363,198
Real estate, properties and funds	-	-	-	-	-	-	-	-	132,220	-	13,338	-	-	12,115	-	-	157,673
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	6,422	10,000	-	16,422
Total assets	<u>\$ 233,639</u>	<u>\$ 53,201</u>	<u>\$ 10,620</u>	<u>\$ 242,241</u>	<u>\$ 437,607</u>	<u>\$ 239,652</u>	<u>\$ 51,451</u>	<u>\$ 179,573</u>	<u>\$ 134,759</u>	<u>\$ 222,031</u>	<u>\$ 63,795</u>	<u>\$ 113,203</u>	<u>\$ 105,662</u>	<u>\$ 418,181</u>	<u>\$ 81,684</u>	<u>\$ 32,828</u>	<u>\$ 2,620,127</u>
LIABILITIES																	
Accrued liabilities	\$ 226	\$ 139	\$ 4	\$ 27	\$ 485	\$ 187	\$ 38	\$ 18	\$ 147	\$ 150	\$ 47	\$ 39	\$ 7	\$ 4,276	\$ 37	\$ 8	\$ 5,835
Liability for collateral held for securities on loan	-	2,197	-	205	1,833	6,919	-	-	-	-	-	-	-	-	2,271	-	13,425
Payable for purchase of securities	-	58	-	-	30	37,197	-	-	-	-	27	-	-	-	594	-	37,906
Total liabilities	<u>226</u>	<u>2,394</u>	<u>4</u>	<u>232</u>	<u>2,348</u>	<u>44,303</u>	<u>38</u>	<u>18</u>	<u>147</u>	<u>150</u>	<u>74</u>	<u>39</u>	<u>7</u>	<u>4,276</u>	<u>2,902</u>	<u>8</u>	<u>57,166</u>
Funds administered																	
Institutional and annuity and life income funds	143,305	39,529	6,990	140,329	365,076	191,741	46,459	104,890	102,875	148,461	58,774	113,642	105,678	44,607	74,320	32,234	1,718,910
Unrealized net gain (loss) on investments	<u>90,108</u>	<u>11,278</u>	<u>3,626</u>	<u>101,680</u>	<u>70,183</u>	<u>3,608</u>	<u>4,954</u>	<u>74,665</u>	<u>31,737</u>	<u>73,420</u>	<u>4,947</u>	<u>(478)</u>	<u>(23)</u>	<u>369,298</u>	<u>4,462</u>	<u>586</u>	<u>844,051</u>
Total funds administered	<u>233,413</u>	<u>50,807</u>	<u>10,616</u>	<u>242,009</u>	<u>435,259</u>	<u>195,349</u>	<u>51,413</u>	<u>179,555</u>	<u>134,612</u>	<u>221,881</u>	<u>63,721</u>	<u>113,164</u>	<u>105,655</u>	<u>413,905</u>	<u>78,782</u>	<u>32,820</u>	<u>2,562,961</u>
Total liabilities and funds administered	<u>\$ 233,639</u>	<u>\$ 53,201</u>	<u>\$ 10,620</u>	<u>\$ 242,241</u>	<u>\$ 437,607</u>	<u>\$ 239,652</u>	<u>\$ 51,451</u>	<u>\$ 179,573</u>	<u>\$ 134,759</u>	<u>\$ 222,031</u>	<u>\$ 63,795</u>	<u>\$ 113,203</u>	<u>\$ 105,662</u>	<u>\$ 418,181</u>	<u>\$ 81,684</u>	<u>\$ 32,828</u>	<u>\$ 2,620,127</u>
Number of units in fund	1,604,911.732	477,996.029	97,711.661	243,719.205	1,850,867.489	1,572,983.841	482,376.824	1,202,963.167	799,497.428	496,618.096	563,664.087				-	-	-
Market value per share	\$ 145.44	\$ 106.29	\$ 108.64	\$ 992.98	\$ 235.17	\$ 124.19	\$ 106.58	\$ 149.26	\$ 178.66	\$ 446.79	\$ 113.05						

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

Fund
HighGround Capstone Endowment Fund Apex (APEX)
HighGround Capstone Endowment Fund Peak (PEAK)
HighGround Capstone Endowment Fund Summit (SUMT)
HighGround Keystone Endowment Fund Peak (KEYPK)
HighGround Keystone Endowment Fund Summit (KEYSU)
HighGround Cornerstone Endowment Fund (HGCOR)
HighGround Growth Fund (HGGRO)
HighGround Balanced Fund (HGBAL)
HighGround Conservative Fund (HGCNS)
HighGround Global Equity Fund (GEF)
HighGround Institutional Fund (IIF)
HighGround Domestic Equity Fund (DEF)

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

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

Funds Administered by HighGround Advisors

CONSOLIDATING BALANCE SHEET BY FUND

December 31, 2020
(Dollars in thousands unless otherwise noted)

	Large Cap Fund	Small Cap Fund	Mid Cap Fund	Equity Index Fund	International Equity Fund	Bond Fund	Global Bond Fund	Marketable Alternatives Fund	Real Estate Fund ²	Private Equity Fund	Liquid Real Assets Fund	Low Duration Fund ³	Enhanced Cash Fund ³	Securities Outside Investment Funds	Client Directed Funds ²	Fund of Funds ^{1,2}	Balance December 31, 2020
ASSETS																	
Cash and cash equivalents	\$ 1,404	\$ 1,465	\$ 62	\$ 2,306	\$ 5,672	\$ 17,763	\$ 368	\$ 77	\$ 1,765	\$ 1,716	\$ 603	\$ 9,329	\$ 75,280	\$ 2,381	\$ 2,942	\$ 10,003	\$ 133,136
Cash equivalents held as collateral for securities on loan	915	2,350	-	820	1,804	14,384	-	-	-	-	-	9,133	-	-	2,322	-	31,728
Accrued interest, dividends, and royalties	99	40	28	132	2,162	1,071	31	-	-	-	53	607	7	2,708	363	-	7,301
Securities on loan to borrowers	891	2,284	-	796	1,728	14,039	-	-	-	-	-	8,908	-	-	2,264	-	30,910
Receivable from sale of securities	-	-	-	-	-	40,126	-	-	-	-	-	-	-	-	-	-	40,126
Bonds, at market value	-	-	-	-	-	206,702	49,803	-	-	-	11,774	79,928	-	3,951	30,027	2,268	384,453
Equity securities, at market value	210,347	53,670	13,616	201,555	423,231	-	-	-	-	-	19,492	-	-	8,155	24,536	2,897	957,499
Marketable alternatives	-	-	-	-	-	-	-	171,072	-	-	-	-	-	-	-	-	171,072
Investments in private equity funds	-	-	-	-	-	-	-	-	-	134,528	-	-	-	-	-	-	134,528
Mineral rights and royalties (net)	-	-	-	-	-	-	-	-	-	-	-	-	-	244,377	-	-	244,377
Real estate, properties and funds	-	-	-	-	-	-	-	-	98,339	-	7,956	-	-	12,872	-	-	119,167
Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	6,704	10,000	-	16,704
Total assets	\$ 213,656	\$ 59,809	\$ 13,706	\$ 205,609	\$ 434,597	\$ 294,085	\$ 50,202	\$ 171,149	\$ 100,104	\$ 136,244	\$ 39,878	\$ 107,905	\$ 75,287	\$ 281,148	\$ 72,454	\$ 15,168	\$ 2,271,001
LIABILITIES																	
Accrued liabilities	\$ 298	\$ 209	\$ 8	\$ 44	\$ 730	\$ 293	\$ 181	\$ 16	\$ 211	\$ 297	\$ 7	\$ 49	\$ 22	\$ 4,658	\$ 55	\$ 1,351	\$ 8,429
Liability for collateral held for securities on loan	915	2,350	-	820	1,804	14,384	-	-	-	-	-	9,133	-	-	2,322	-	31,728
Payable for purchase of securities	-	27	-	-	-	90,453	-	-	-	-	18	-	-	-	991	-	91,489
Total liabilities	1,213	2,586	8	864	2,534	105,130	181	16	211	297	25	9,182	22	4,658	3,368	1,351	131,646
Funds administered																	
Institutional and annuity and life income funds	150,191	42,035	10,853	144,931	344,778	178,636	42,892	105,380	88,729	118,088	39,664	96,594	75,283	32,319	64,130	13,449	1,547,952
Unrealized net gain (loss) on investments	62,252	15,188	2,845	59,814	87,285	10,319	7,129	65,753	11,164	17,859	189	2,129	(18)	244,171	4,956	368	591,403
Total funds administered	212,443	57,223	13,698	204,745	432,063	188,955	50,021	171,133	99,893	135,947	39,853	98,723	75,265	276,490	69,086	13,817	2,139,355
Total liabilities and funds administered	\$ 213,656	\$ 59,809	\$ 13,706	\$ 205,609	\$ 434,597	\$ 294,085	\$ 50,202	\$ 171,149	\$ 100,104	\$ 136,244	\$ 39,878	\$ 107,905	\$ 75,287	\$ 281,148	\$ 72,454	\$ 15,168	\$ 2,271,001
Number of units in fund	1,650,456.539	469,253.395	125,350.423	249,323.695	1,763,344.369	1,470,146.885	451,927.712	1,202,848.023	721,808.401	469,864.841	393,981.897						
Market value per share	\$ 128.72	\$ 121.95	\$ 109.28	\$ 821.20	\$ 245.02	\$ 128.53	\$ 110.68	\$ 142.27	\$ 150.33	\$ 289.33	\$ 101.15						

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

Fund
HighGround Capstone Endowment Fund Apex (APEX)
HighGround Capstone Endowment Fund Peak (PEAK)
HighGround Capstone Endowment Fund Summit (SUMT)
HighGround Keystone Endowment Fund Summit (KEYSU)
HighGround Cornerstone Endowment Fund (HGCOR)
HighGround Growth Fund (HGGRO)
HighGround Balanced Fund (HGBAL)
HighGround Conservative Fund (HGCNS)
HighGround Global Equity Fund (GEF)
HighGround Institutional Fund (IIF)
HighGround Domestic Equity Fund (DEF)

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

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