



MIRACOSTA COLLEGE FOUNDATION BOARD FINANCE COMMITTEE MEETING

Tuesday, October 31, 2023 1:00 – 2:30 p.m.

3333 Manchester Avenue Cardiff, CA 92007
Conference Room 1116

Members of the community not able to attend in person can listen to the live stream here:
<https://linktr.ee/miracostacollegefoundation>

Finance Committee Members:

Bruce Bandemer, Jimmy Figueroa, Cindy Musser, Sharon Wiback

Staff Support & Advisors Support Attendees:

Tim Flood, Elizabeth Lurenana, Andrew Maslick,
Arthur Rodriguez, Shannon Stubblefield, Christina Undan

MiraCosta College Foundation Mission:

Promote the benefits of MiraCosta College and secure resources that transform lives.

MiraCosta College Foundation Vision:

Educational opportunities for all.

Land Acknowledgement:

We acknowledge the original caretakers of the land on which MiraCosta College is built. The Luiseno people are made up of seven bands: the La Jolla, Pala, Pauma, Pechanga, Rincon, San Luis Rey, and Soboba. We pay our respects to the Luiseno – past, present, and emerging, and are grateful to have the opportunity to be part of this community and to honor their history, culture, and spirit.

AGENDA

I. CALL TO ORDER

This meeting's audio will be live streamed and recorded.

II. ROLL CALL, WELCOME and INTRODUCTIONS

III. PUBLIC COMMENT ON ITEMS ON AND NOT ON THE AGENDA

IV. CHANGES IN AGENDA ORDER

V. APPROVE MEETING MINUTES (Action Required)

A. Regular meeting of July 25, 2023

VI. COMMITTEE REPORT(S)

A. Finance Committee

i. Review & Approve FY22/23 Year End Financial Statements & Recap (**Action Required**)

ii. Review & Approve FY23/24 Q1 Financial Statements & Recap (**Action Required**)

B. Annual Dashboard

C. Key Performance Indicators

VII. COLLEGE UPDATES

A. Office of Administrative Services – Vice President Tim Flood (Zoom)

VIII. PRESENTATION(S)

A. Andrew Maslick, VIAS (Zoom)

IX. ANNOUNCEMENTS, MEETING AND EVENT CALENDAR REVIEW

Next Finance Committee Meeting (San Elijo Campus)

Tuesday, February 13, 2024 at 1:00 – 2:30 p.m.

Next Executive Committee Meeting (San Elijo Campus)

Tuesday, October 31, 2023 at 3:00 – 4:00 p.m.

Next Quarterly Board Meeting (Oceanside Campus)

Tuesday, November 14, 2023 at 3:00 – 5:00 p.m.

Next Comprehensive Campaign Committee Meeting (Zoom)

Tuesday, November 28, 2023 at 1:00 – 2:00 p.m.

Next Governance and Nominations Committee Meeting (San Elijo Campus)

Tuesday, February 6, 2024 at 2:00 – 3:00 p.m.

X. FUTURE AGENDA ITEMS

XI. ADJOURNMENT

- * **ITEMS ON THE AGENDA:** Members of the audience may address the Foundation Board Committee on any item listed on the agenda when that agenda item comes up for discussion and/or action. Comments will be limited to three (3) minutes per agenda item and a total of fifteen (15) minutes of public comment on an item, unless waived by the committee. Non-English speakers utilizing a translator will have six (6) minutes to directly address the Committee.

ITEMS NOT ON THE AGENDA: Members of the audience may address the Foundation Board Committee on any topic not on the agenda so long as the topic is within the jurisdiction of the Foundation. Under the Brown Act, the committee is not permitted to engage in public discussion or take any action on an agenda item not on the agenda, except that members of the committee may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Government Code §54954.3. In addition, on their own initiative, or in response to questions posed by the public, a member of the committee may ask a question for clarification. A member of the committee or the committee itself may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. Comments from visitors shall not exceed three (3) minutes unless the committee waives the time limit. Non-English speakers utilizing a translator will have six (6) minutes to directly address the committee. The committee may also limit the total amount of time for public comment on a particular topic to fifteen (15) minutes.

DECORUM: Decorum requires members of the public to observe order at committee meetings. Speakers shall speak to the issues, and refrain from using defamatory or abusive personal remarks that disturb or impede the meeting or exceed the bounds of civility necessary to the conduct of the business of the Foundation Board Committee. The presiding officer has the authority to run the meeting, which includes the authority to issue warnings, call for recesses, or clearing the boardroom in the event of disruptive behavior. Government Code section 54954.3(c) establishes that the legislative body of a local agency shall not prohibit public criticism of the policies, procedures, programs, or services of the agency, or of the acts or omissions of the legislative body, and California Penal Code section 403 makes it a misdemeanor for any person to willfully disturb or break up any lawfully authorized assembly or meeting.

Foundation Committee meetings are held in meeting rooms that are accessible to those with mobility disabilities. If you wish to attend the meeting and you have another disability requiring special accommodation, please notify the board assistant, 760.795.6645, 760.757.2121, extension 6645, or 619.755.5155, extension 6645. The California Relay Service is available by dialing 711 or 800-735-2929 or 800-735-2922.

In compliance with Government Code §54957.5, nonexempt writings that are distributed to a majority or all of the MiraCosta Community College District Foundation Board in advance of their meetings may be viewed at the Office of Institutional Advancement, 1 Barnard Drive, Oceanside, California, 92056 or by clicking on the Foundation website at <http://foundation.miracosta.edu/agendas>. Such writings will also be available at the board meeting. In addition, if you would like a copy of any record related to an item on the agenda, please contact the board assistant by e-mail at foundation@miracosta.edu



**MIRACOSTA COLLEGE FOUNDATION BOARD
FINANCE COMMITTEE**

MINUTES OF REGULAR MEETING

**August 1, 2023
(DRAFT)**

I. CALL TO ORDER

The MiraCosta College Foundation Finance Committee met in open session on Tuesday, August 1, 2023 in Conference Room 1131 on the MiraCosta College District's San Elijo Campus (3333 Manchester Avenue, Cardiff, CA 92007). Treasurer Bruce Bandemer called the meeting to order at 1:01 p.m.

II. ROLL CALL, WELCOME and INTRODUCTIONS

Committee Members Present:

Bruce Bandemer Cindy Musser Sharon Wiback

Committee Members Absent:

Jimmy Figueroa

Staff & Advisors Present:

Tori Fishinger	Tim Flood	Elizabeth Lurenana
Andrew Maslick	Arthur Rodriguez	Shannon Stubblefield
Lois Templin	Christina Undan	

III. PUBLIC COMMENT ON ITEMS ON AND NOT ON THE AGENDA

None

IV. CHANGES IN AGENDA ORDER

None

V. APPROVE MEETING MINUTES (Action Required)

A. Regular meeting of May 2, 2023

- i. By motion of Committee Member Wiback, seconded by Committee Member Musser, the minutes of the regular meeting of May 2, 2023 were approved.

Vote: 3/0/0/1
 Aye: Bandemer, Musser, Wiback
 Nay: None
 Abstentions: None
 Absent: Figueroa

VI. COMMITTEE REPORT(S)

A. Finance Committee

i. Review & Approve FY22/23 Q4 Financial Statements (**Action Required**)

- a. Chair Bandemer reviewed the FY22/23 Q4 Financial Statements provided in the agenda packet.
- b. By motion of Committee Member Wiback, seconded by Committee Member Musser, the FY22/23 Q4 Financial Statements were approved as presented.

Vote: 3/0/0/1
 Aye: Bandemer, Musser, Wiback
 Nay: None
 Abstentions: None
 Absent: Figueroa

ii. Review & Approve FY22/23 Q4 Recap (**Action Required**)

- a. Chair Bandemer reviewed the top ten donors and FY22-23 Q4 Recap, asking a clarifying question about the top ten donors and who solicited them. VP/ED Stubblefield discussed the top ten donations.
- b. By motion of Committee Member Musser, seconded by Committee Member Wiback, the FY22-23 Q4 Recap with recommended money movement was approved.

Vote: 3/0/0/1
Aye: Bandemer, Musser, Wiback
Nay: None
Abstentions: None
Absent: Figueroa

iii. Review and Approve Proposed Unrestricted Endowed Fund Distributions for FY23-24
(Action Required)

- a. Chair Bandemer reviewed the proposed allocations for the committee and answered clarifying questions.
- b. By motion of Committee Member Wiback, seconded by Committee Member Musser, the proposed Unrestricted Endowed Fund Distributions for FY23-24 were approved.

Vote: 3/0/0/1
Aye: Bandemer, Musser, Wiback
Nay: None
Abstentions: None
Absent: Figueroa

iv. Audit Report

- a. Committee Member Musser reported that the FY21-22 Audit was adjusted per the loss of \$500,000 from a pledge (bad debt) and was approved by the committee on August 1, 2023. The full board will vote to approve the FY21-22 Audit at the August 15, 2023 meeting.

B. Matching Endowment Campaign

i. Update to Investment and Spending Policy **(Action Required)**

- a. Chair Bandemer stated that changes to the policy are necessary because of the Title V Grant requirements, so Vanguard Advisor Maslick and staff drafted recommended updates to the policy for the committee to review. The committee discussed the proposed changes and requirements of the grant (included in the agenda packet) including recommended investment strategy for this endowment.
- b. By motion of Committee Member Wiback, seconded by Committee Member Musser, the proposed updates to the Investment and Spending Policy were approved.

Vote: 3/0/0/1
Aye: Bandemer, Musser, Wiback
Nay: None
Abstentions: None
Absent: Figueroa

C. Pledges Update

i. Follett Pledge Revision

- a. Tim Flood reviewed the revisions to this pledge (as reflected in the FY21-22 Audit), resulting in the total pledge being adjusted to \$500,000 rather than \$1,000,000.

ii. Policies & Procedures

- a. Staff is working with fiscal services to put into place more specific policies & procedures in regard to pledges, specifically for when to move them to doubtful.

D. Consent Agenda

- a. ED/VP Stubblefield reviewed the purpose and implementation of Consent Agendas with the committee and asked for feedback on which financial items should or should not be included in the consent agenda at full board meetings. The committee discussed and determined all items could be included in the consent agenda but recommended sharing the statistical dashboard (key performance indicators) under committee reports to provide additional context and opportunity for conversation around financials.
 - Staff will review and update the Key Performance Indicators document.

VII. COLLEGE UPDATES

- A. Office of Administrative Services – Vice President Tim Flood
 - i. VP Flood shared that the State adopted the budget with a \$35M deficit and removed 59% of scheduled maintenance funds for FY22-23 at the end of June, so the district needs to backfill funding for projects. The state also removed a portion of enrollment and outreach dollars.
 - ii. The Board of Trustees is considering financing options in addition to the Measure MM funds, for capital projects.

VIII. PRESENTATION(S)

- A. Andrew Maslick, VIAS
 - i. Vanguard Advisor Maslick reviewed his presentation included in the meeting packet. Key takeaways include:
 - a. The foundation's total portfolio valuation is up and shows the positive side of sticking with policy.
 - b. Vanguard Advisor Maslick stated there has been ad hoc rebalancing done in the past and asked the committee if they wanted to request a rebalancing of the allocations. The committee discussed and decided to stay within policy and not rebalance.
 - c. Vanguard Advisor Maslick reviewed forecasts and discussed the possibility of a recession and what the Fed may do going forward. The markets are not pricing in an expectation of recession at this point.
 - d. Vanguard is researching how AI will affect or possibly benefit investments. The implications to data privacy and other risks were discussed, specifically regarding legislation and regulations.

IX. ANNOUNCEMENTS, MEETING AND EVENT CALENDAR REVIEW

Next Finance Committee Meeting (San Elijo Campus)

Tuesday, October 31, 2023 at 1:00 – 2:30 p.m.

Next Executive Committee Meeting (San Elijo Campus)

Tuesday, August 1, 2023 at 3:00 – 4:00 p.m.

Next Quarterly Board Meeting (Oceanside Campus)

Tuesday, August 15, 2023 at 3:00 – 5:00 p.m.

Next Comprehensive Campaign Committee Meeting (Zoom)

Tuesday, August 29, 2023 at 1:00 – 2:00 p.m.

Next Governance and Nominations Committee Meeting (San Elijo Campus)

Tuesday, October 24, 2023 at 2:00 – 3:00 p.m.

X. FUTURE AGENDA ITEMS

XI. ADJOURNMENT

The meeting was adjourned by Chair Bandemer at 2:13 p.m.

CR ACC - Foundation Balance Sheet

Repeat By

Period FY2022-23 - 12-Jun

Worktags

Calculate Current Year Retained E: Yes

<i>MiraCosta College Foundation</i>	Unrestricted	Restricted	Restricted & Unrestricted	Restricted & Unrestricted
Period: FY2022-23 - 12-Jun			Total	Prior Year Total
Assets	2,753,303.34	18,567,865.74	21,321,169.08	20,259,618.93
Cash	448,401.06	720,190.36	1,168,591.42	1,898,763.34
Investments	1,733,534.34	16,839,699.89	18,573,234.23	16,466,754.74
Deferred Gifts - Assets	426,799.00	788,227.15	1,215,026.15	1,180,177.91
Accounts Receivable/Prepays	144,568.94	219,748.34	364,317.28	713,922.94
Total Assets	2,753,303.34	18,567,865.74	21,321,169.08	20,259,618.93
Liabilities	37,707.59	39,823.54	77,531.13	160,194.19
Accounts Payable	37,707.59	39,823.54	77,531.13	160,194.19
Due To Related Entities	0.00	0.00	0.00	0.00
Due From Related Entities	0.00	0.00	0.00	0.00
Total Liabilities	37,707.59	39,823.54	77,531.13	160,194.19
Net Position	2,715,595.75	18,528,042.20	21,243,637.95	20,099,424.74
Total Liability/Net Position	2,753,303.34	18,567,865.74	21,321,169.08	20,259,618.93

CR ACC - Foundation Income Statement

Repeat By

Period

FY2022-23 - 12-Jun

Worktags

<i>MiraCosta College Foundation</i>	Unrestricted	Restricted	Restricted & Unrestricted	Restricted & Unrestricted
<i>Period: FY2022-23 - 12-Jun</i>			Total	Prior Year
Revenues	378,321.87	3,256,090.82	3,634,412.69	(710,029.16)
Deferred Gifts- Revenue	0	437.24	437.24	466.73
Contributions	124,722.80	943,787.87	1,068,510.67	1,545,340.78
Investment Activity	102,478.44	1,832,546.64	1,935,025.08	(2,689,406.13)
Gifts In Kind- Revenue	151,120.63	479,319.07	630,439.70	433,569.46
Total Revenue	378,321.87	3,256,090.82	3,634,412.69	(710,029.16)
Transfers	163,903.90	(163,903.90)	0.00	0.00
Transfers In	656,550.48	685,380.98	1,341,931.46	814,430.20
Transfer In	656,550.48	685,380.98	1,341,931.46	814,430.20
Transfers Out	(492,646.58)	(849,284.88)	(1,341,931.46)	(814,430.20)
Transfer Out	(489,235.57)	(817,783.38)	(1,307,018.95)	(801,533.14)
Transaction Fees	(3,411.01)	(31,501.50)	(34,912.51)	(12,897.06)
Total Transfers	163,903.90	(163,903.90)	0.00	0.00
Total Revenue and Transfers	542,225.77	3,092,186.92	3,634,412.69	(710,029.16)
Expenditures	561,967.40	1,928,232.08	2,490,199.48	2,115,041.78
General And Administrative	550,188.59	1,017,438.99	1,567,627.58	1,417,460.14
Direct Student Aid	2,334.00	79,996.54	82,330.54	85,920.30
Scholarships	5,400.00	749,803.96	755,203.96	527,993.88
Gifts In Kind- Expense	4,044.81	80,992.59	85,037.40	83,667.46
Total Expenditures	561,967.40	1,928,232.08	2,490,199.48	2,115,041.78
Net Fund Balance, Beginning of Year	2,735,337.38	17,364,087.36	20,099,424.74	22,924,495.68
Revenues Over (Under)			1,144,213.21	(2,825,070.94)
Expenditures	(19,741.63)	1,163,954.84		
Net Fund Balance, End of Period	2,715,595.75	18,528,042.20	21,243,637.95	20,099,424.74

CR ACC - Foundation Balance Sheet

Repeat By

Period FY2023-24 - 03-Sep

Worktags

Calculate Current Year Retained E: Yes

<i>MiraCosta College Foundation</i>	Unrestricted	Restricted	Restricted & Unrestricted	Restricted & Unrestricted	Restricted & Unrestricted
Period: FY2023-24 - 03-Sep			Total FY23-24 Q1 (Jul to Sep 2023)	Total FY22-23 Q1 (Jul to Sep 2022)	Prior Year FY22-23 (Jul 2022 to June 2023)
Assets	2,648,809.67	18,727,330.80	21,376,140.47	19,124,030.84	21,321,169.08
Cash	357,157.39	853,860.19	1,211,017.58	1,939,422.77	1,168,591.42
Investments	1,727,472.65	16,924,249.66	18,651,722.31	15,546,790.22	18,573,234.23
Deferred Gifts - Assets	426,799.00	788,227.15	1,215,026.15	1,180,177.91	1,215,026.15
Accounts Receivable/Prepays	137,380.63	160,993.80	298,374.43	457,639.94	364,317.28
Total Assets	2,648,809.67	18,727,330.80	21,376,140.47	19,124,030.84	21,321,169.08
Liabilities	29,954.34	103,501.38	133,455.72	171,018.32	77,531.13
Accounts Payable	29,954.34	103,501.38	133,455.72	171,018.32	77,531.13
Due To Related Entities	0.00	0.00	0.00	0.00	0.00
Due From Related Entities	0.00	0.00	0.00	0.00	0.00
Total Liabilities	29,954.34	103,501.38	133,455.72	171,018.32	77,531.13
Net Position	2,618,855.33	18,623,829.42	21,242,684.75	18,953,012.52	21,243,637.95
Total Liability/Net Position	2,648,809.67	18,727,330.80	21,376,140.47	19,124,030.84	21,321,169.08

CR ACC - Foundation Income Statement

Repeat By

Period FY2023-24 - 03-Sep

Worktags

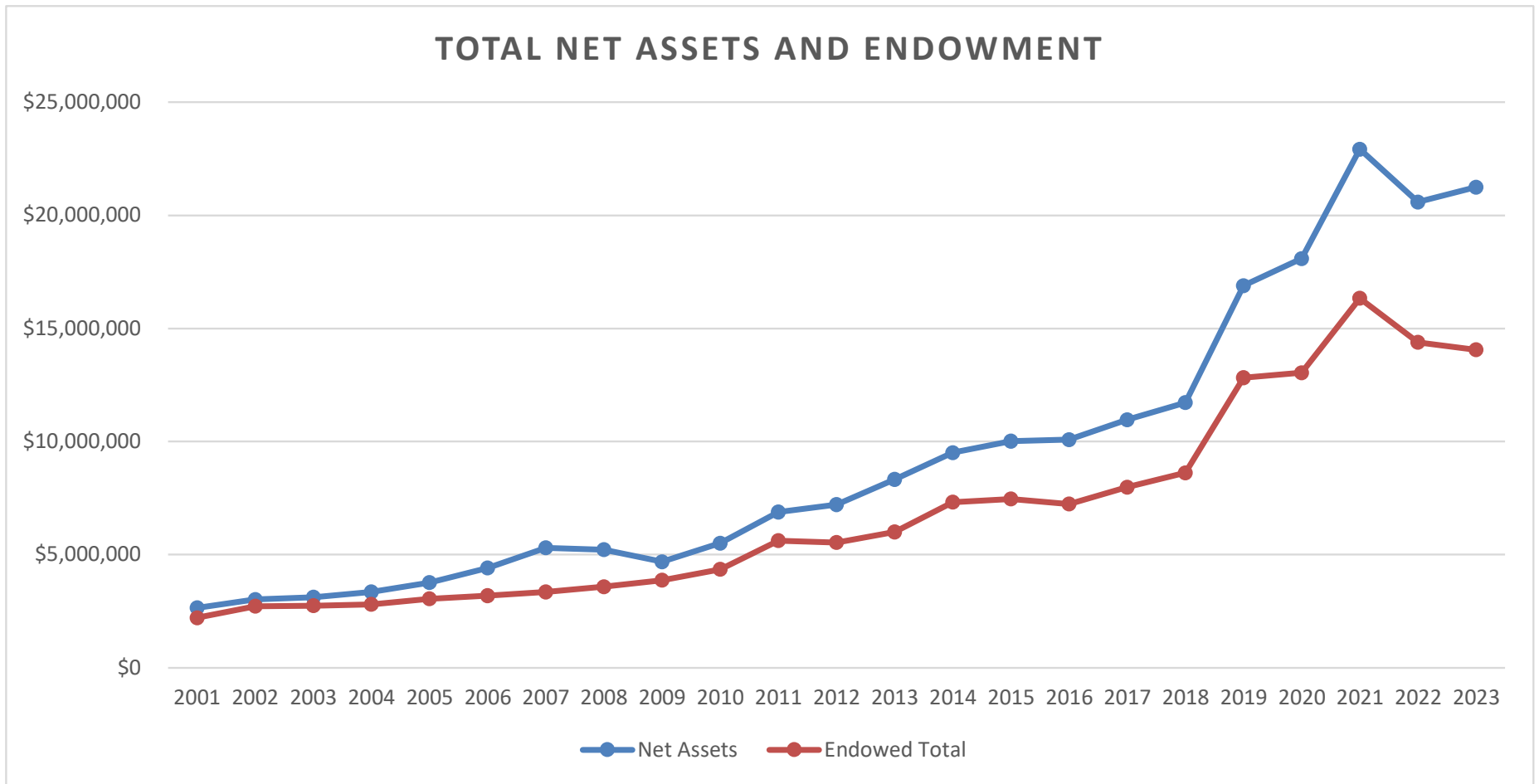
<i>MiraCosta College Foundation</i>	Unrestricted	Restricted	Restricted & Unrestricted	Restricted & Unrestricted	Restricted & Unrestricted
<i>Period: FY2023-24 - 03-Sep</i>			Total FY23-24 Q1 (Jul to Sep 2023)	Total FY22-23 Q1 (Jul to Sep 2022)	Prior Year FY22-23 (Jul 2022 to June 2023)
Revenues	13,663.92	412,517.33	426,181.25	(706,638.07)	3,634,412.69
Deferred Gifts- Revenue	0	0	0	0	437.24
Contributions	10,428.43	818,183.09	828,611.52	169,037.27	1,068,510.67
Investment Activity	3,235.49	(506,665.76)	(503,430.27)	(880,421.69)	1,935,025.08
Gifts In Kind- Revenue	0	101,000.00	101,000.00	4,746.35	630,439.70
Total Revenue	13,663.92	412,517.33	426,181.25	(706,638.07)	3,634,412.69
Transfers	(9,157.23)	9,157.23	0.00	0.00	0.00
Total Transfers	(9,157.23)	9,157.23	0.00	0.00	0.00
Total Revenue and Transfers	4,506.69	421,674.56	426,181.25	(706,638.07)	3,634,412.69
Expenditures	101,247.11	325,887.34	427,134.45	439,774.15	2,490,199.48
General And Administrative	101,195.11	128,256.27	229,451.38	163,906.43	1,567,627.58
Direct Student Aid	130.00	6,789.86	6,919.86	42,680.37	82,330.54
Scholarships	(78.00)	89,841.21	89,763.21	228,441.00	755,203.96
Gifts In Kind- Expense	0	101,000.00	101,000.00	4,746.35	85,037.40
Total Expenditures	101,247.11	325,887.34	427,134.45	439,774.15	2,490,199.48
Net Fund Balance, Beginning of Year	2,715,595.75	18,528,042.20	21,243,637.95	20,099,424.74	20,099,424.74
Revenues Over (Under)			(953.20)	(1,146,412.22)	1,144,213.21
Expenditures	(96,740.42)	95,787.22			
Net Fund Balance, End of Period	2,618,855.33	18,623,829.42	21,242,684.75	18,953,012.52	21,243,637.95

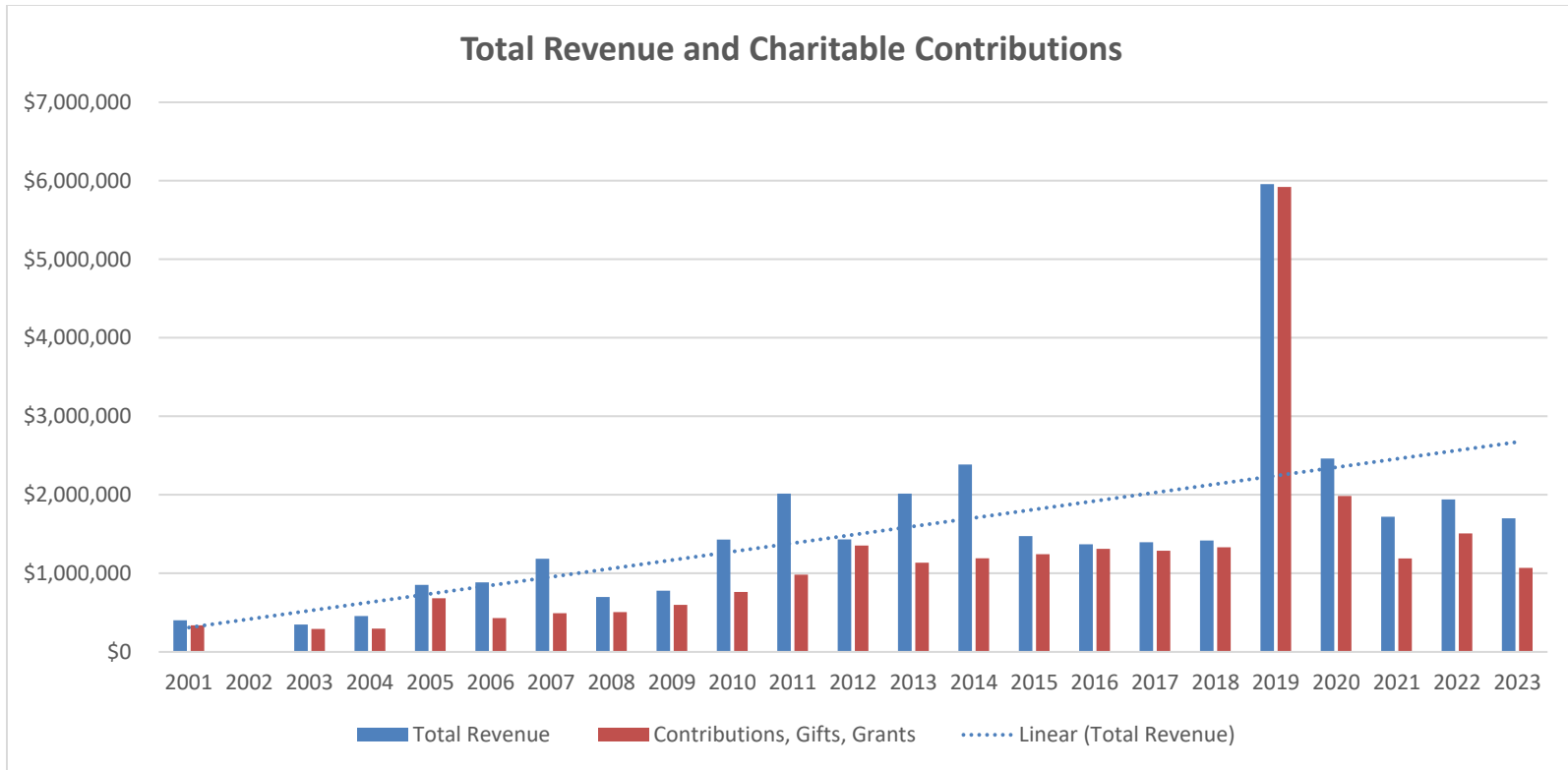
Donor	Gift Date	Gift Amount	Fund
Lowe's Foundation	7/28/2023	\$ 500,000.00	Lowe's Foundation Gable Grant (TCI)
Rich Leonhard	7/18/2023	\$ 101,000.00	Gift In Kind Student Support (TCI)
The Mustard Seed Faith Fund at the San Diego Foundation (solicited by Bruce Bandemer)	9/11/2023	\$ 50,000.00	2023 Endowment Matching Campaign
The Wilson Family Foundation, Inc.	9/11/2023	\$ 50,000.00	Former Foster Youth
The Coastal Fund at the San Diego Foundation (solicited by Bruce Bandemer)	9/11/2023	\$ 25,000.00	2023 Endowment Matching Campaign
National Philanthropic Trust (Bessie Chin and Bob Ciardella)	8/14/2023	\$ 25,000.00	Uprise Program - DACA (Chin/Ciardella Pledge Payment)
Henry L Guenther Foundation	8/2/2023	\$ 25,000.00	Child Development Center Henry L. Guenther Foundation Grant
Jorey McComas	7/10/2023	\$ 25,000.00	Susie Sherry Memorial Scholarship Endowment
Julie Hatoff	8/25/2023	\$ 20,000.00	Hatoff Tapestries
Alec Babiarz via Charles Schwab	8/30/2023	\$ 15,000.00	2023 Endowment Matching Campaign & Resilience Fund
Hunter Industries	8/22/2023	\$ 10,000.00	Hunter Industries Machinist Grant

MiraCosta College Foundation
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Dashboard Figures

Source: Audited Financial Statements

Fiscal Year Ending	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net Assets	\$2,650,922	\$3,018,532	\$3,124,356	\$3,354,181	\$3,763,614	\$4,406,842	\$5,304,355	\$5,224,339	\$4,690,048	\$5,513,705	\$6,879,759	\$7,212,431	\$8,325,690	\$9,512,240	\$10,023,986	\$10,087,706	\$10,975,179	\$11,719,269	\$16,893,334	\$18,081,904	\$22,924,496	\$20,593,221	\$21,243,638
Endowed Total	\$2,216,527	\$2,715,856	\$2,745,817	\$2,798,562	\$3,056,165	\$3,189,872	\$3,355,583	\$3,588,629	\$3,872,493	\$4,358,359	\$5,621,316	\$5,545,397	\$6,010,240	\$7,326,421	\$7,466,861	\$7,244,074	\$7,982,151	\$8,619,771	\$12,825,814	\$13,044,917	\$16,338,098	\$14,396,281	\$14,058,595
Unrestricted Assets	\$425,450	\$56,444	\$146,495	\$207,316	\$259,980	\$270,466	\$353,468	\$424,030	\$379,786	\$469,485	\$764,232	\$555,536	\$691,653	\$836,545	\$889,467	\$846,974	\$1,007,620	\$1,094,915	\$1,397,400	\$1,355,120	\$2,006,242	\$2,265,220	\$2,715,596
Total Revenue	\$400,282	-	\$346,702	\$455,590	\$852,419	\$883,473	\$1,185,207	\$698,024	\$777,068	\$1,428,288	\$2,013,971	\$1,431,500	\$2,014,927	\$2,384,043	\$1,473,589	\$1,369,045	\$1,394,815	\$1,417,486	\$5,955,374	\$2,461,133	\$1,719,310	\$1,940,112	\$1,699,388
Contributions, Gifts, Grants	\$336,876	-	\$290,102	\$294,164	\$682,245	\$428,909	\$490,534	\$505,546	\$596,946	\$761,744	\$981,678	\$1,352,000	\$1,134,378	\$1,191,387	\$1,242,712	\$1,310,746	\$1,286,653	\$1,331,392	\$5,920,861	\$1,984,457	\$1,188,357	\$1,506,543	\$1,068,511
Scholarships and Direct Student Aid	\$99,179	\$53,061	\$74,304	\$75,650	\$78,600	\$81,150	\$107,555	\$139,925	\$165,420	\$196,752	\$241,460	\$407,533	\$249,816	\$388,745	\$350,442	\$491,873	\$449,649	\$729,445	\$623,022	\$1,059,703	\$587,554	\$613,914	\$837,535
Foundation Board Contributions	\$0	\$0	\$17,850	\$28,200	\$17,885	\$19,858	\$23,775	\$17,560	\$22,587	\$20,528	\$60,893	\$25,845	\$58,315	\$150,000	\$112,650	\$87,381	NA	\$34,215	\$18,552	\$37,259	\$68,812	\$58,294	\$60,794
% contributing	0%	0%	58%	64%	32%	70%	64%	38%	73%	80%	94%	75%	90%	82%	82%	94%		64%	70%	90%	76%	67%	78%
Ave \$Gift			\$687	\$1,128	\$813	\$827	\$1,081	\$836	\$837	\$1,026	\$3,806	\$1,615	\$2,916	\$8,824	\$6,626	\$5,140	#VALUE!	\$2,013	\$1,091	\$1,863	\$3,128	\$2,776	\$3,377
Total # of Board Members	28	30	26	25	22	24	22	21	27	20	16	16	20	17	17	17		17	17	20	22	21	18
Payroll Giving			\$9,630	\$13,733	\$55,821	\$51,936	\$52,862	\$51,110	\$50,573	\$65,585	\$89,594	\$76,732	\$98,570	\$95,909	\$80,433	\$121,950	\$73,401	NA	\$49,500	\$80,769	\$88,643	\$91,746	\$84,118





<p>July 2015: 4 FTE on Staff + 1 Vacancy (Grants) = 5 Total - ED (1 FTE Linda) - Assoc Dir Dev (1 FTE Elaine) - Dev Ops & Events (1 FTE Tori) - Fdn Spec (1 FTE Dee)</p>	<p>Dec 2016: ED Linda Retires</p>	<p>May 2018: VP/ED Cynthia Hired</p>	<p>[FY 2019 Bequest]</p>	<p>June 2020: Assoc Dir Dev Elaine Retires</p>	<p>May 2021: VP/ED Cynthia Retires. June - Oct 2021: Dev Officer Tori Maternity Leave</p>	<p>Jan 2022: Fnd Spec Dee Resigns</p>	<p>March 2023: Dev Spec position vacant.</p>
						<p>June 2022: VP/ED Shannon Hired. Sept 2022: Tori promoted to Assoc Dir Dev.</p>	<p>Feb 2023: Admin Asst Elizabeth Hired. March 2023: Brian A Promoted to Dev Officer.</p>
						<p>June 2023 Staffing: 4 Positions (3.8 FTE) Hired 1 FTE Vacancy (Development Specialist) .6 FTE Vacancy (Grants Specialist)</p>	<p>FY 23/24 Goal: 6 positions hired (5.4 FTE)</p>

MiraCosta College Foundation
 Key Performance Indicators
 FY23/24

Charitable Income	Actual FY22/23	as of 9/30	as of 12/31	as of 3/31	as of 6/30 (FY End)
Charitable Contributions	\$1,068,510	\$828,611			
Gifts in Kind - Charitable Donations	\$68,858	\$101,000			
Bequests	\$0	\$0			
Support to Students and College					
Scholarships: # of Students	768	57			
Direct Student Aid: # of Students	255	30			
Scholarships: Awarded \$	\$755,204	\$89,763			
Direct Student Aid: Awarded \$	\$82,331	\$6,919			
Gift In Kind - Charitable Donations	\$68,858	\$101,000			
Campus Programs: Support \$	\$1,123,085	\$165,257			
Campus Grants Awarded					
Innovation (Mini-Grants)	\$26,390	\$32,090			
Hatoff Tapestries Grants	\$7,500	\$0			
Fundraising Statistics					
Major Gifts #10k+ excluding Pledges	\$977,221	\$880,880			
Foundation Board Giving ('Give')	\$60,794	\$29,731			
Foundation Board Solicited ('Get')		\$75,718			
Heritage Society: # of Members	\$42	\$42			
Total # of Donors	2,722	1,310			

Vanguard

Prepared for

MiraCosta College Foundation

October 31, 2023

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Agenda

- I. Executive summary
- II. September 30, 2023 performance summary
- III. Market overview
- IV. Higher education sector trends
- V. Cybersecurity

Presented by:

Andrew Maslick, CFP®, CAIA
Senior Investment Consultant
VIAS

Allocation: Current versus policy benchmark

- Endowment: portfolio is within +/- 5% 75/25 (S/B) policy allocation
 - Q3 ending portfolio allocation: 74.92/25.08 (S/B)
- Excess Reserve: portfolio is within +/- 5% 50/50 (S/B) policy allocation
 - Q3 ending portfolio allocation: 49.39/50.61 (S/B)
- Reserve: portfolio 30-day SEC yield is 5.46% as of 10/20/23

Portfolio cash flow summary

- No portfolio rebalances required during quarter
- \$26,189,090 purchase into Endowment from USB on 9/15/23
- \$366,741.36 purchase from USB on 9/18/23

Equity performance summary

- Equity markets saw negative returns for the quarter as the Federal Reserve continued the "higher for longer" message. Additionally, a looming U.S. government shutdown and challenges surrounding China's property crisis impacted markets.
- U.S. equity: -3.3% for Q3 with a 1-year return of 20.4%
- Non-U.S. equity: -3.3% for Q3 with a 1-year return of 20.4%
- Q3 U.S. equity markets experienced negative performance across all size categories with small caps lagging large caps. Small-cap companies are typically more adversely impacted during rising rate environments as tight financial conditions make borrowing more expensive.
- The energy sector was resilient during Q3 as oil prices increased. communication services was the only other sector in positive territory, while utilities and real estate lagged.

Fixed income performance summary

- Fixed income markets generated negative returns for the quarter driven primarily by increasing rates. Despite the FED holding rates steady in September, after a 25 bps increase in July, the 2, 5, 10, and 30-year Treasury key rates increase by an average of 48 bps. The 10-year Treasury rose by almost 90 bps, which is the highest level since pre-Financial Crisis.
- The overall yield curve remained inverted, but the 2Y/10Y spread narrowed to 50 bps from 100 bps compared to the end of Q2.
- U.S. fixed income: -3.1% for Q3 with a 1-year return of 0.8%
- Non-U.S. fixed income (hedged): -1.3% with a 1-year return of 2.3%

Vanguard economic outlook key highlights

- The recent progress in bringing inflation down stalled in September, offering more evidence that the path to fully extinguishing price pressures could be bumpy.
- The unemployment rate held steady at 3.8%. September job growth exceeded expectation. Industries with unusually strong job gains included retail, construction, air transportation, and public education as schools got back in session.
- Average hour earnings growth of .21% in September represents the smallest MoM increase since February 2022 (well within the FED's comfort range).

September 30, 2023 performance summary

Portfolio quarterly snapshot

Miracosta College Foundation

As of September 30, 2023

	31-DEC-22	31-MAR-23	30-JUN-23	30-SEP-23
Endowment*	13,818,780	12,792,908	13,262,041	13,075,008
Excess Reserve**	2,004,279	3,348,906	3,444,771	3,700,464
Reserve***			1,009,272	1,021,087
Total	15,823,059	16,141,814	17,716,084	17,796,559

***Endowment:**

2/10/23: \$3,296.28 purchase from UB
 3/13/23: \$1,205,505.66 transfer to Excess Reserve
 3/13/23: \$582,882,348 transfer to Reserve
 3/16/23: \$1,964.09 purchase from UB
 5/17/23: \$4,392.27 redemption to UB/USB
 5/24/23: \$100,000 redemption to USB
 9/15/23: \$26,189.09 purchase from USB

****Excess Reserve:**

3/13/23: \$1,205,505.66 transfer from Endowment
 9/18/23: \$366,741.36 purchase from USB

*****Reserve:**

3/13/23: \$582,882.48 purchase from UB
 3/16/23: \$417,717.52 purchase from UB

Endowment portfolio

Portfolio monthly snapshot

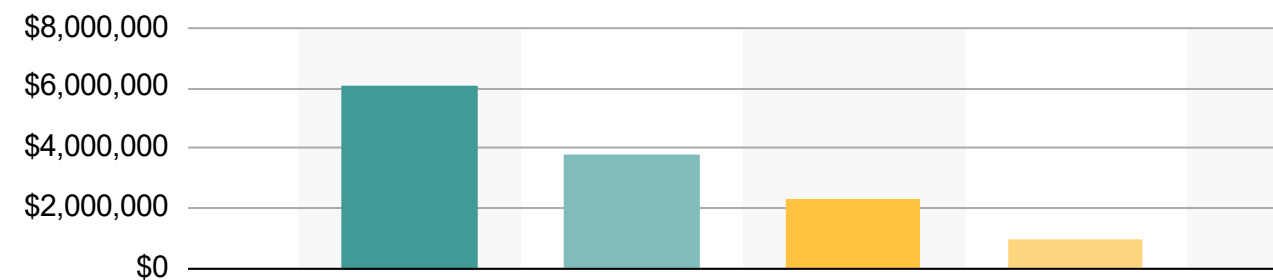
Miracosta College Foundation - Endowment Portfolio

As of September 30, 2023

Cash flow and market activity by portfolio

	One Month	Year-to-Date	One Year
Beginning Market Value	\$13,317,996.38	\$13,818,780.46	\$12,825,635.35
Net Cash Flow	\$259,274.17	-\$1,628,786.42	-\$1,636,802.45
Net Capital Appreciation	-\$553,724.23	\$677,643.90	\$1,575,977.84
Investment Income	\$51,462.02	\$207,370.40	\$310,197.60
Ending Market Value	\$13,075,008.34	\$13,075,008.34	\$13,075,008.34

Current asset allocation by sub-asset class



	U.S. Equity	Non-U.S. Equity	U.S. Fixed Income	Non-U.S. Fixed Income
Current	\$6,058,134	\$3,738,227	\$2,307,374	\$971,274
Current %	46.33%	28.59%	17.65%	7.43%
Policy %	45.00%	30.00%	17.50%	7.50%
Difference	1.33%	-1.41%	0.15%	-0.07%

Performance summary

	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
Client portfolio (gross)	-3.71	-3.25	7.18	15.55	4.34	5.21	-	6.61	01/31/14
Client portfolio (net)	-3.71	-3.31	6.98	15.27	4.12	4.99	-	6.36	01/31/14
Policy benchmark	-3.63	-3.09	7.17	15.57	4.30	5.26	-	6.63	01/31/14

Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark represents. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

Performance summary

Miracosta College Foundation - Endowment Portfolio

For the periods ended September 30, 2023

	Mkt value (\$)	% of portfolio	Policy benchmark	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
Client portfolio (gross)	13,075,008	100.0	100.0	-3.71	-3.25	7.18	15.55	4.34	5.21	-	6.61	01/31/14
Client portfolio (net)				-3.71	-3.31	6.98	15.27	4.12	4.99	-	6.36	01/31/14
Policy benchmark				-3.63	-3.09	7.17	15.57	4.30	5.26	-	6.63	01/31/14
■ Equity	9,796,361	74.9	75.0	-4.23	-3.57	9.40	20.19	7.11	6.55	-	8.20	01/31/14
Equity - Policy benchmark				-4.12	-3.30	9.59	20.56	7.28	6.63	-	8.21	01/31/14
• Domestic Equity	6,058,134	46.3	45.0	-4.79	-3.29	12.34	20.38	9.25	9.06	-	10.89	01/31/14
• International Equity	3,738,227	28.6	30.0	-3.32	-4.01	5.04	20.50	3.88	2.75	-	3.75	01/31/14
■ Fixed Income	3,278,648	25.1	25.0	-2.14	-2.34	0.47	1.95	-4.53	0.46	-	1.42	01/31/14
Fixed Income - Policy benchmark				-2.17	-2.57	-0.08	1.25	-4.84	0.17	-	1.28	01/31/14
• Domestic Fixed Income	2,307,374	17.6	17.5	-2.35	-2.72	-0.25	1.89	-4.66	0.66	-	1.35	01/31/14
• International Fixed Income	971,274	7.4	7.5	-1.64	-1.47	2.18	2.12	-4.21	-0.02	-	1.66	01/31/14

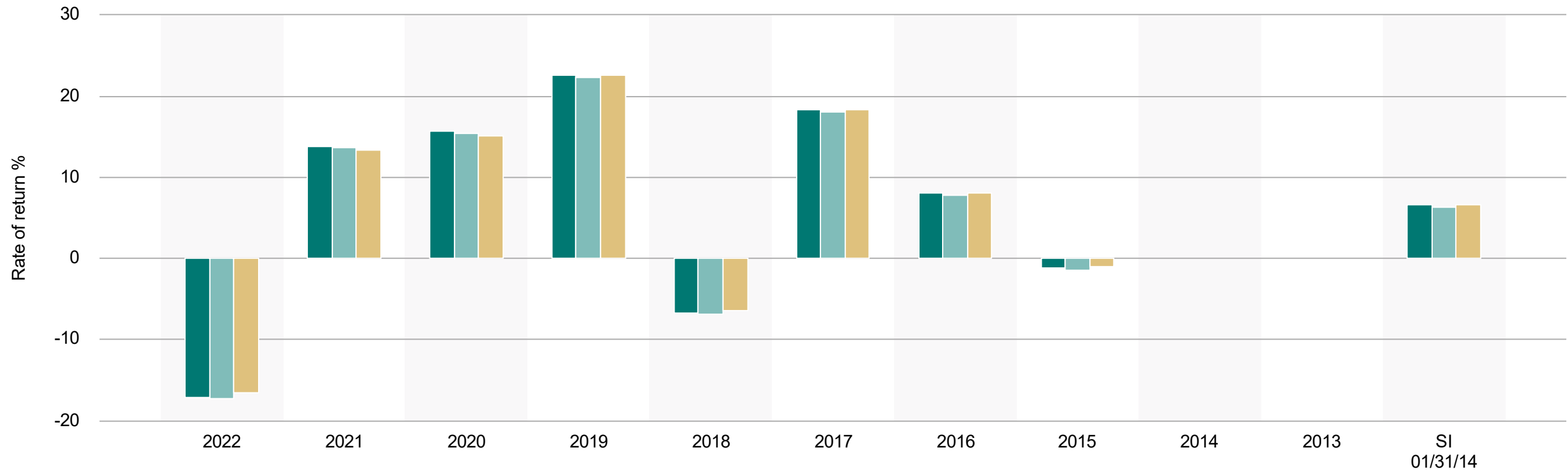
Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark and asset-class benchmarks represent. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. All Returns greater than one year are annualized. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Unless otherwise noted, index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

Portfolio performance—annual periods

Miracosta College Foundation - Endowment Portfolio

For the period ended September 30, 2023

Gross versus net of fees



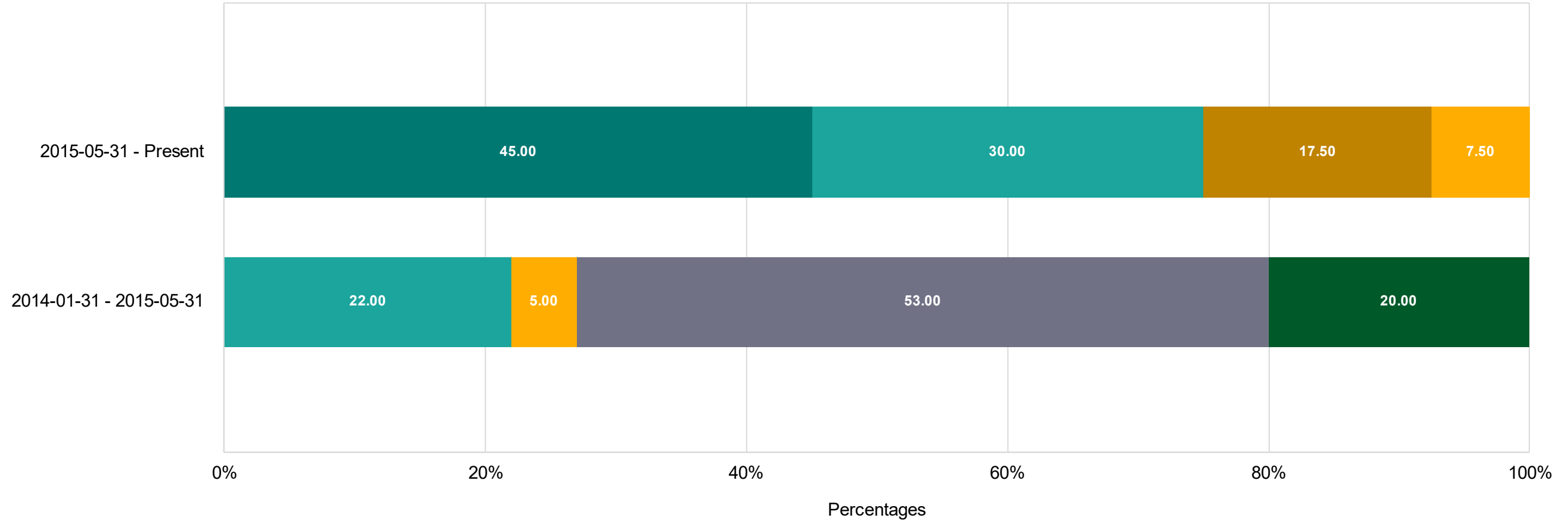
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	Since Inception
■ Gross return	-17.07%	13.86%	15.64%	22.55%	-6.66%	18.38%	8.05%	-1.18%	-	-	6.61%
■ Net return	-17.28%	13.66%	15.44%	22.28%	-6.91%	18.06%	7.73%	-1.48%	-	-	6.36%
■ Policy benchmark	-16.59%	13.40%	15.10%	22.51%	-6.41%	18.28%	8.10%	-1.04%	-	-	6.63%

Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark and asset-class benchmarks represent. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. All Returns greater than one year are annualized. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Unless otherwise noted, index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

Benchmark allocation history

Miracosta College Foundation - Endowment Portfolio

Policy benchmark allocations up to September 30, 2023



- Spliced Total Stock Market Index
- Spliced Bloomberg U.S. Aggregate Float Adjusted Index
- Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Hedged
- CRSP U.S. Total Market Index
- Bloomberg U.S. Aggregate Float Adjusted Index
- Spliced Total International Stock Index

Policy Benchmark is a weighted set of indices that align to the Investment Management Agreement Schedule B which sets forth the strategic asset allocation for the client portfolio. The Policy Benchmark is rebalanced monthly. Allocations may change overtime as the investment strategy changes. The most recently policy benchmark composition is in the top row. Neither asset allocation nor diversification can guarantee a profit or prevent loss. Indexes are unmanaged; direct investment is not possible. **Please read additional information in Benchmark and Disclosure sections.**

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Investment expense summary

Miracosta College Foundation - Endowment Portfolio

As of September 30, 2023

	Market value	% of portfolio	Expense ratio	Estimated expense
■ Total Equity	\$9,796,360.68	74.9%		\$4,808.02
● Domestic Equity	\$6,058,134.07	46.3%		\$1,817.44
Vanguard Total Stock Market Index Fund Institutional Shares	\$6,058,134.07	46.3%	0.030%	\$1,817.44
● International Equity	\$3,738,226.61	28.6%		\$2,990.58
Vanguard Total International Stock Index Fund Institutional Shares	\$3,738,226.61	28.6%	0.080%	\$2,990.58
■ Total Fixed Income	\$3,278,647.66	25.1%		\$2,853.82
● Domestic Fixed Income	\$2,307,373.83	17.6%		\$1,785.42
Vanguard Total Bond Market Index Fund Admiral Shares	\$1,152,176.06	8.8%	0.050%	\$576.09
Vanguard Short-Term Investment-Grade Fund Admiral Shares	\$634,419.75	4.9%	0.100%	\$634.42
Vanguard Long-Term Investment-Grade Fund Admiral Shares	\$270,654.52	2.1%	0.120%	\$324.79
Vanguard Intermediate-Term Investment-Grade Fund Admiral Shares	\$250,123.50	1.9%	0.100%	\$250.12
● International Fixed Income	\$971,273.83	7.4%		\$1,068.40
Vanguard Total International Bond Index Fund Admiral Shares	\$971,273.83	7.4%	0.110%	\$1,068.40
Total	\$13,075,008.34	100.0%	0.059%	\$7,661.84

Estimated annual investment expenses are shown for public/liquid investments held in the portfolio. If any non-public/illiquid investments are held in the portfolio then they will be excluded due to the variability of fees inherent in that space. Estimated annual investment expenses are forward looking and can be subject to change. Advisory fees paid by the portfolio for all investments held are captured in the Cash flow and market value summary report.

Excess reserve portfolio

Portfolio monthly snapshot

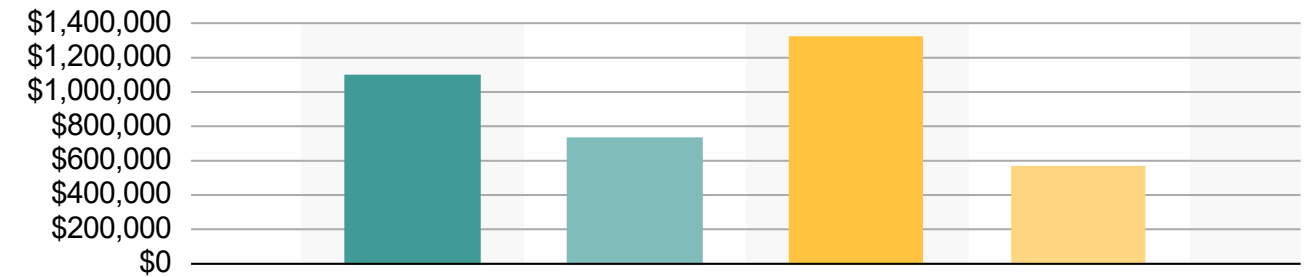
Miracosta College Foundation - Excess Reserve Portfolio

As of September 30, 2023

Cash flow and market activity by portfolio

	One Month	Year-to-Date	One Year
Beginning Market Value	\$3,451,881.89	\$2,004,279.70	\$1,900,054.65
Net Cash Flow	\$366,741.36	\$1,566,748.30	\$1,565,560.77
Net Capital Appreciation	-\$130,475.66	\$72,249.43	\$162,862.56
Investment Income	\$12,317.33	\$57,187.50	\$71,986.94
Ending Market Value	\$3,700,464.92	\$3,700,464.92	\$3,700,464.92

Current asset allocation by sub-asset class



	U.S. Equity	Non-U.S. Equity	U.S. Fixed Income	Non-U.S. Fixed Income
Current	\$1,095,759	\$732,046	\$1,309,608	\$563,051
Current %	29.61%	19.78%	35.39%	15.22%
Policy %	30.00%	20.00%	35.00%	15.00%
Difference	-0.39%	-0.22%	0.39%	0.22%

Performance summary

	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
Client portfolio (gross)	-3.18	-2.92	5.02	10.85	0.88	3.30	-	4.82	03/31/16
Client portfolio (net)	-3.18	-2.98	4.83	10.58	0.66	3.07	-	4.58	03/31/16
Policy benchmark	-3.14	-2.90	4.75	10.69	0.88	3.44	-	4.74	03/31/16

Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark represents. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

Performance summary

Miracosta College Foundation - Excess Reserve Portfolio

For the periods ended September 30, 2023

	Mkt value (\$)	% of portfolio	Policy benchmark	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
Client portfolio (gross)	3,700,465	100.0	100.0	-3.18	-2.92	5.02	10.85	0.88	3.30	-	4.82	03/31/16
Client portfolio (net)				-3.18	-2.98	4.83	10.58	0.66	3.07	-	4.58	03/31/16
Policy benchmark				-3.14	-2.90	4.75	10.69	0.88	3.44	-	4.74	03/31/16
■ Equity	1,827,805	49.4	50.0	-4.23	-3.55	9.44	20.31	6.39	5.81	-	8.61	03/31/16
Equity - Policy benchmark				-4.12	-3.30	9.59	20.56	6.45	6.13	-	8.69	03/31/16
• Domestic Equity	1,095,759	29.6	30.0	-4.79	-3.29	12.47	20.52	9.29	9.08	-	11.81	03/31/16
• International Equity	732,046	19.8	20.0	-3.32	-4.01	5.23	20.71	4.05	2.85	-	5.47	03/31/16
■ Fixed Income	1,872,660	50.6	50.0	-2.14	-2.34	0.45	1.92	-4.51	0.47	-	0.71	03/31/16
Fixed Income - Policy benchmark				-2.17	-2.57	-0.08	1.25	-4.84	0.17	-	0.47	03/31/16
• Domestic Fixed Income	1,309,608	35.4	35.0	-2.35	-2.72	-0.28	1.84	-4.64	0.67	-	0.75	03/31/16
• International Fixed Income	563,051	15.2	15.0	-1.64	-1.47	1.67	1.61	-4.37	-0.12	-	0.53	03/31/16

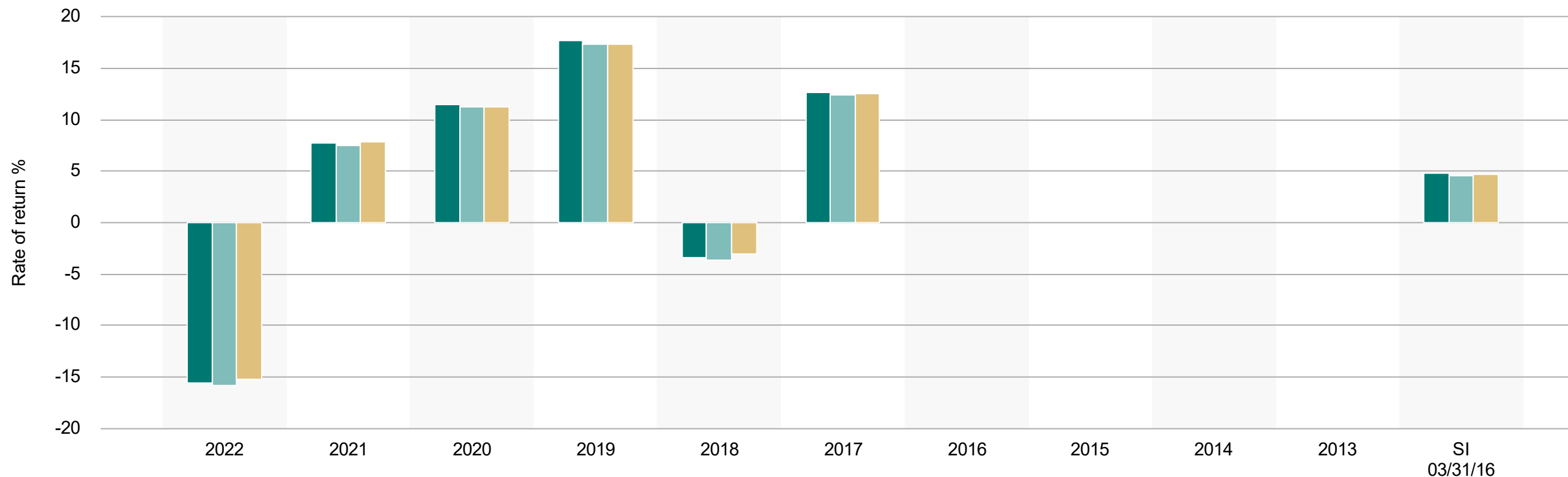
Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark and asset-class benchmarks represent. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. All Returns greater than one year are annualized. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Unless otherwise noted, index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

Portfolio performance—annual periods

Miracosta College Foundation - Excess Reserve Portfolio

For the period ended September 30, 2023

Gross versus net of fees



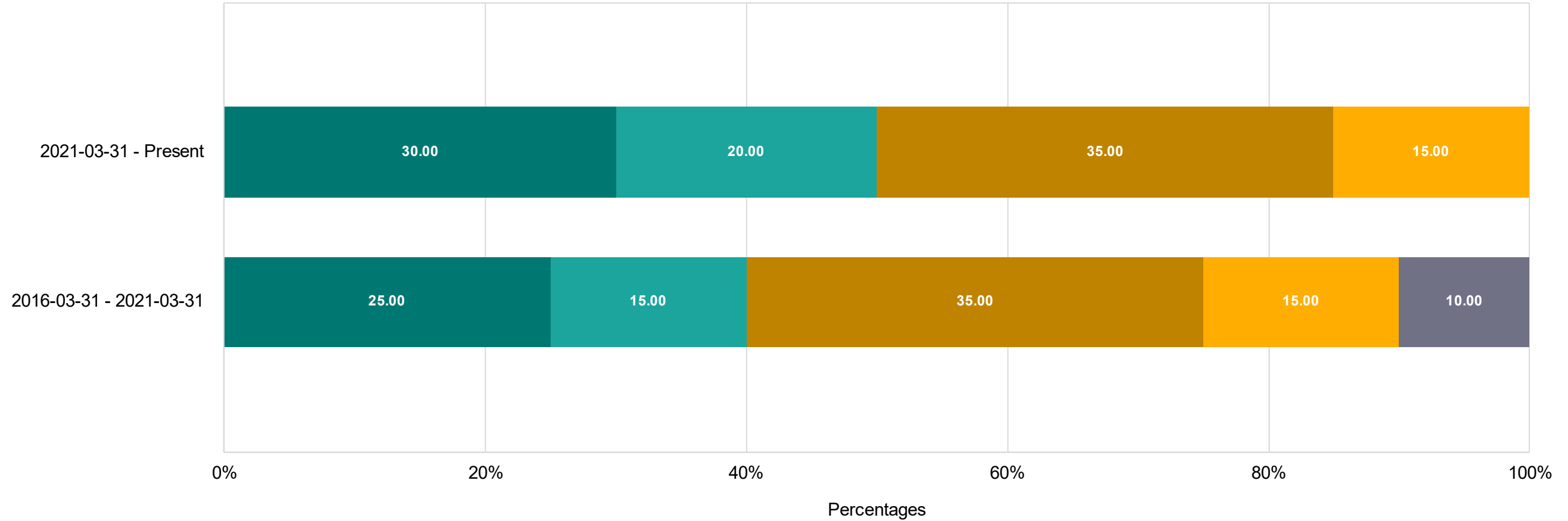
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	Since Inception
■ Gross return	-15.63%	7.70%	11.45%	17.65%	-3.41%	12.69%	-	-	-	-	4.82%
■ Net return	-15.84%	7.51%	11.26%	17.40%	-3.68%	12.38%	-	-	-	-	4.58%
■ Policy benchmark	-15.27%	7.85%	11.28%	17.32%	-3.07%	12.50%	-	-	-	-	4.74%

Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark and asset-class benchmarks represent. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. All Returns greater than one year are annualized. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Unless otherwise noted, index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

Benchmark allocation history

Miracosta College Foundation - Excess Reserve Portfolio

Policy benchmark allocations up to September 30, 2023



Spliced Total Stock Market Index
 Spliced Total International Stock Index
 Spliced Bloomberg U.S. Aggregate Float Adjusted Index
 Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index
 MSCI ACWI Minimum Volatility Net Total Return Index

Policy Benchmark is a weighted set of indices that align to the Investment Management Agreement Schedule B which sets forth the strategic asset allocation for the client portfolio. The Policy Benchmark is rebalanced monthly. Allocations may change overtime as the investment strategy changes. The most recently policy benchmark composition is in the top row. Neither asset allocation nor diversification can guarantee a profit or prevent loss. Indexes are unmanaged; direct investment is not possible. **Please read additional information in Benchmark and Disclosure sections.**

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Investment expense summary

Miracosta College Foundation - Excess Reserve Portfolio

As of September 30, 2023

	Market value	% of portfolio	Expense ratio	Estimated expense
■ Total Equity	\$1,827,805.41	49.4%		\$914.36
● Domestic Equity	\$1,095,759.31	29.6%		\$328.73
Vanguard Total Stock Market Index Fund Institutional Shares	\$1,095,759.31	29.6%	0.030%	\$328.73
● International Equity	\$732,046.11	19.8%		\$585.64
Vanguard Total International Stock Index Fund Institutional Shares	\$732,046.11	19.8%	0.080%	\$585.64
■ Total Fixed Income	\$1,872,659.51	50.6%		\$1,632.64
● Domestic Fixed Income	\$1,309,608.40	35.4%		\$1,013.28
Vanguard Total Bond Market Index Fund Admiral Shares	\$654,180.39	17.7%	0.050%	\$327.09
Vanguard Short-Term Investment-Grade Fund Admiral Shares	\$357,681.30	9.7%	0.100%	\$357.68
Vanguard Long-Term Investment-Grade Fund Admiral Shares	\$153,827.84	4.2%	0.120%	\$184.59
Vanguard Intermediate-Term Investment-Grade Fund Admiral Shares	\$143,918.87	3.9%	0.100%	\$143.92
● International Fixed Income	\$563,051.12	15.2%		\$619.36
Vanguard Total International Bond Index Fund Admiral Shares	\$563,051.12	15.2%	0.110%	\$619.36
Total	\$3,700,464.92	100.0%	0.069%	\$2,547.00

Estimated annual investment expenses are shown for public/liquid investments held in the portfolio. If any non-public/illiquid investments are held in the portfolio then they will be excluded due to the variability of fees inherent in that space. Estimated annual investment expenses are forward looking and can be subject to change. Advisory fees paid by the portfolio for all investments held are captured in the Cash flow and market value summary report.

Reserve portfolio

Portfolio monthly snapshot

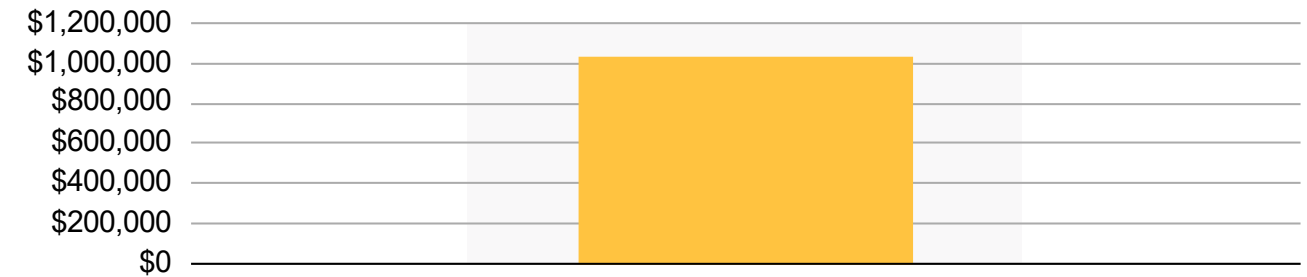
MiraCosta College Foundation - Reserve Portfolio

As of September 30, 2023

Cash flow and market activity by portfolio

	One Month
Beginning Market Value	\$1,018,731.96
Net Cash Flow	\$0.00
Net Capital Appreciation	-\$1,542.76
Investment Income	\$3,898.03
Ending Market Value	\$1,021,087.23

Current asset allocation by sub-asset class



	U.S. Fixed Income
Current	\$1,021,087
Current %	100.00%
Policy %	100.00%
Difference	0.00%

Performance summary

	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
Client portfolio (gross)	0.23	1.23	-	-	-	-	-	2.02	03/31/23
Client portfolio (net)	0.23	1.17	-	-	-	-	-	1.89	03/31/23
Policy benchmark	0.36	1.29	-	-	-	-	-	1.74	03/31/23

Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark represents. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

Performance summary

MiraCosta College Foundation - Reserve Portfolio

For the periods ended September 30, 2023

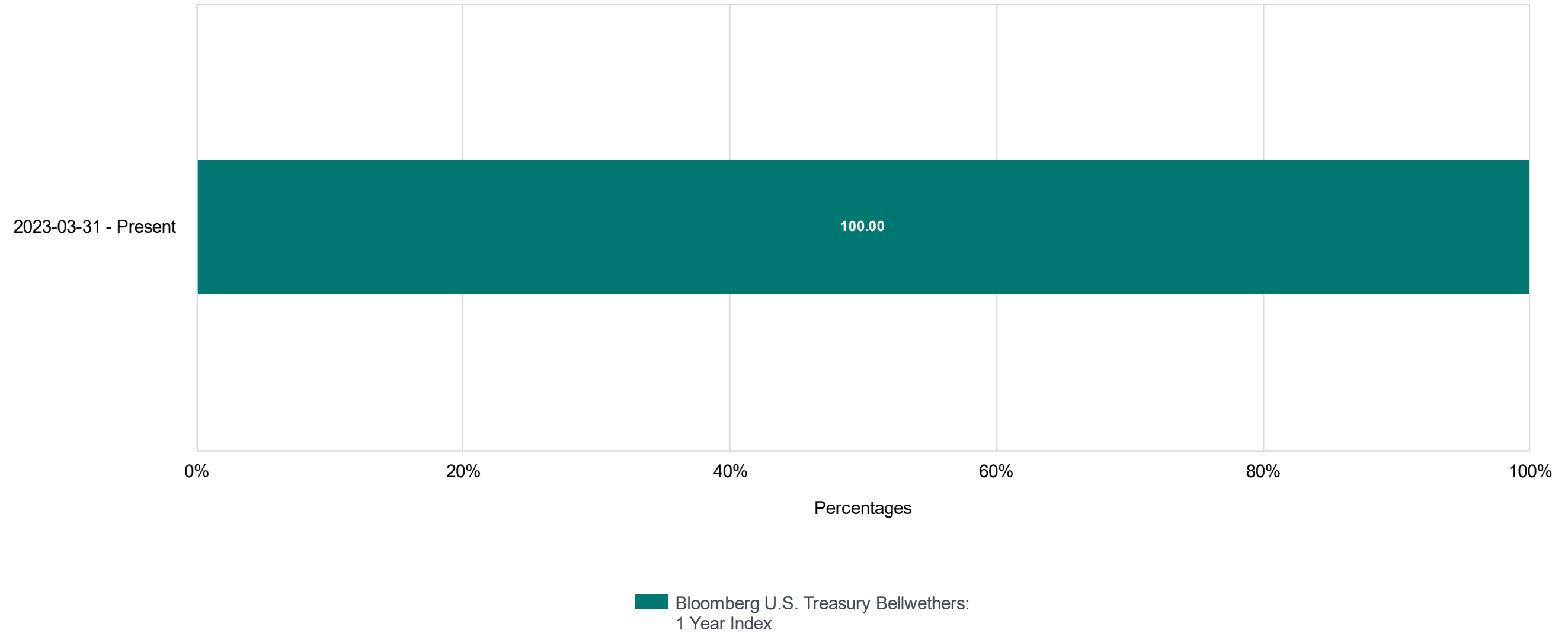
	Mkt value (\$)	% of portfolio	Policy benchmark	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
Client portfolio (gross)	1,021,087	100.0	100.0	0.23	1.23	-	-	-	-	-	2.02	03/31/23
Client portfolio (net)				0.23	1.17	-	-	-	-	-	1.89	03/31/23
Policy benchmark				0.36	1.29	-	-	-	-	-	1.74	03/31/23
■ Fixed Income	1,021,087	100.0	100.0	0.23	1.23	-	-	-	-	-	2.02	03/31/23
Fixed Income - Policy benchmark				0.36	1.29	-	-	-	-	-	1.74	03/31/23
● Domestic Fixed Income	1,021,087	100.0	100.0	0.23	1.23	-	-	-	-	-	2.02	03/31/23

Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark and asset-class benchmarks represent. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. All Returns greater than one year are annualized. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Unless otherwise noted, index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

Benchmark allocation history

MiraCosta College Foundation - Reserve Portfolio

Policy benchmark allocations up to September 30, 2023



Policy Benchmark is a weighted set of indices that align to the Investment Management Agreement Schedule B which sets forth the strategic asset allocation for the client portfolio. The Policy Benchmark is rebalanced monthly. Allocations may change overtime as the investment strategy changes. The most recently policy benchmark composition is in the top row. Neither asset allocation nor diversification can guarantee a profit or prevent loss. Indexes are unmanaged; direct investment is not possible. **Please read additional information in Benchmark and Disclosure sections.**

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Investment expense summary

MiraCosta College Foundation - Reserve Portfolio

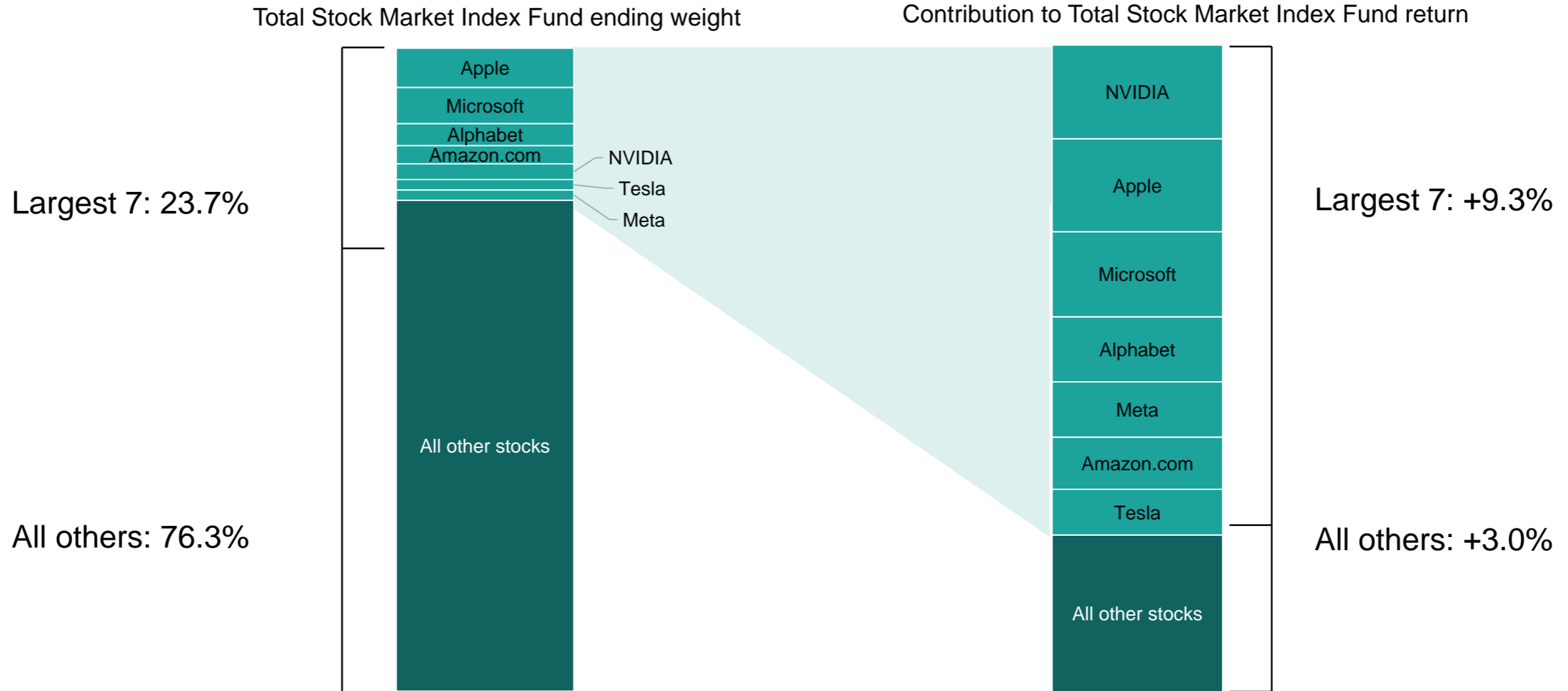
As of September 30, 2023

	Market value	% of portfolio	Expense ratio	Estimated expense
■ Total Fixed Income	\$1,021,087.23	100.0%		\$1,021.09
● Domestic Fixed Income	\$1,021,087.23	100.0%		\$1,021.09
Vanguard Ultra-Short-Term Bond Fund Admiral Shares	\$1,021,087.23	100.0%	0.100%	\$1,021.09
Total	\$1,021,087.23	100.0%	0.100%	\$1,021.09

Estimated annual investment expenses are shown for public/liquid investments held in the portfolio. If any non-public/illiquid investments are held in the portfolio then they will be excluded due to the variability of fees inherent in that space. Estimated annual investment expenses are forward looking and can be subject to change. Advisory fees paid by the portfolio for all investments held are captured in the Cash flow and market value summary report.

Market overview

2023 YTD – Magnificent seven contributes to 76% of the Total Stock Market Index Fund return



Source: Factset as of 9/30/2023.

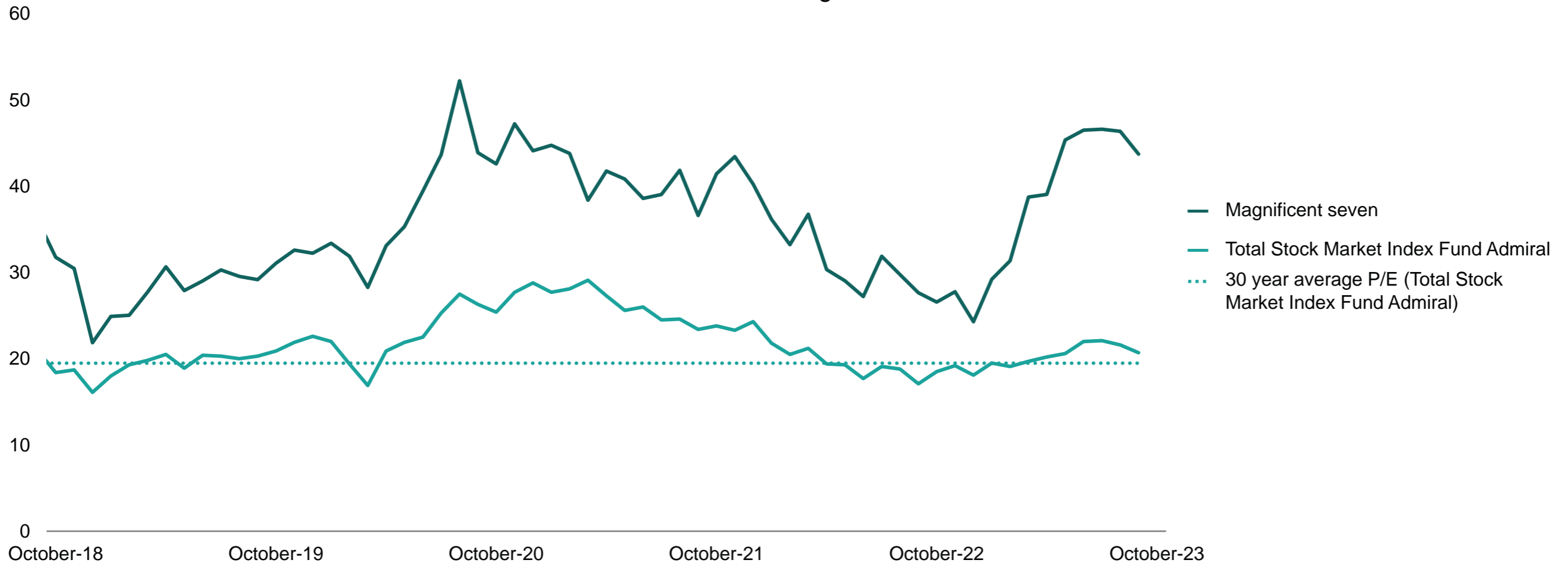
Note: Return data can be referenced in the appendix.

The performance data shown represent past performance, which is not a guarantee of future results.

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Magnificent seven vs Total Stock Market Index Fund P/E ratio over the last 5 years

Price to earnings ratio



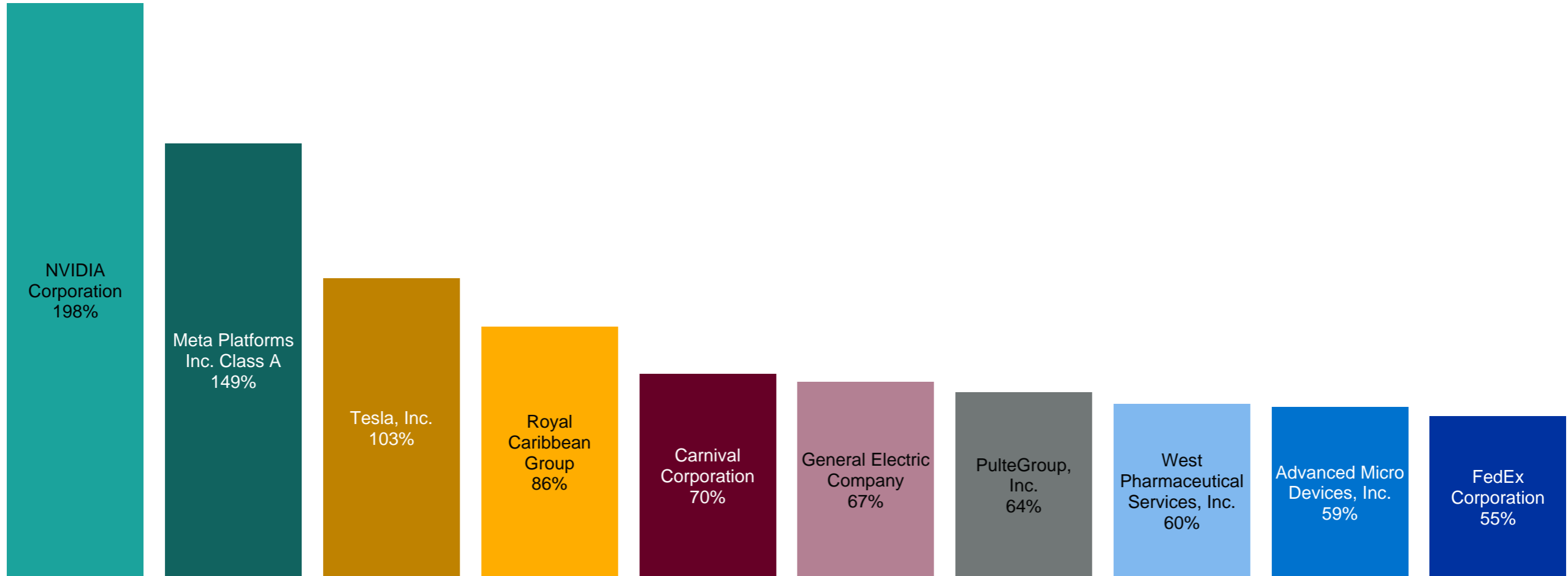
Source: Factset as of 9/30/2023.

Note: Magnificent seven includes Apple, Microsoft, Alphabet, Amazon, NVIDIA, Tesla, and Meta. P/E is based on earnings over the past year. P/E is the price per share of a stock divided by its per-share earnings over the past year. For a portfolio, the ratio is the weighted average price/earnings ratio of the stocks it holds.

The performance data shown represent past performance, which is not a guarantee of future results.

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2023 YTD – S&P 500 top 10 performers

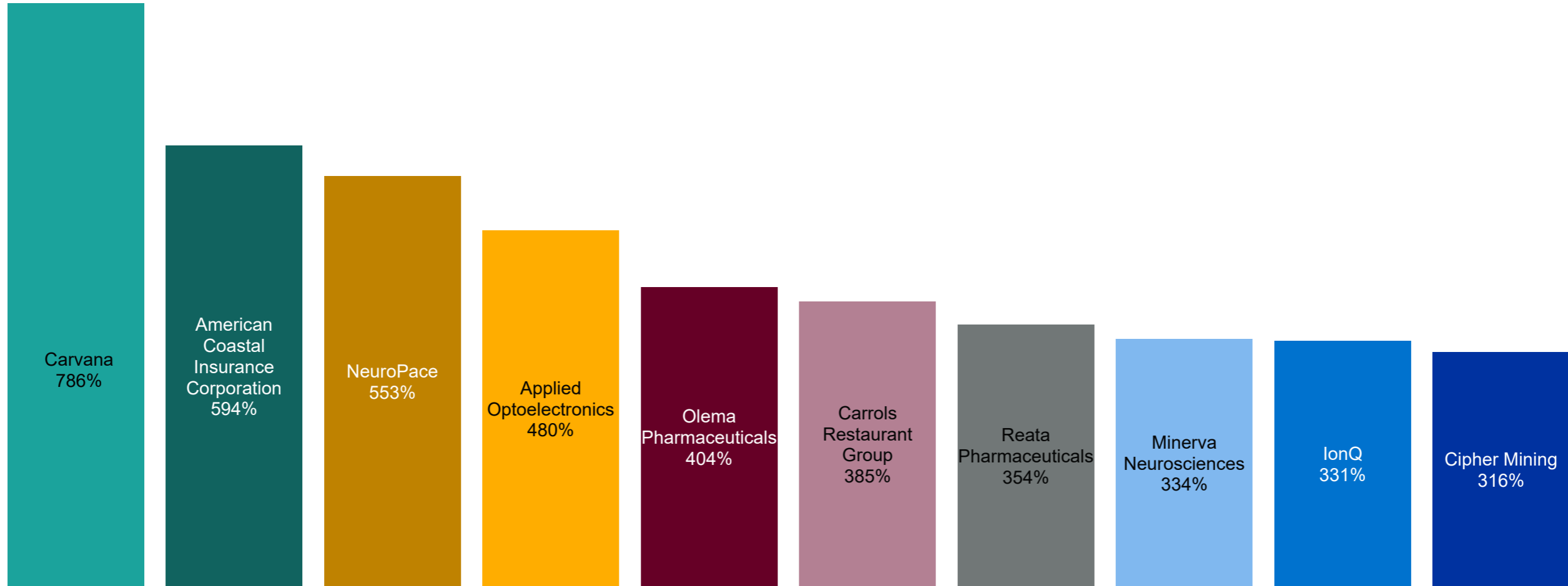


Source: Factset as of 9/30/2023.

The performance data shown represent past performance, which is not a guarantee of future results.

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2023 YTD – Total Stock Market Index Fund top 10 performers

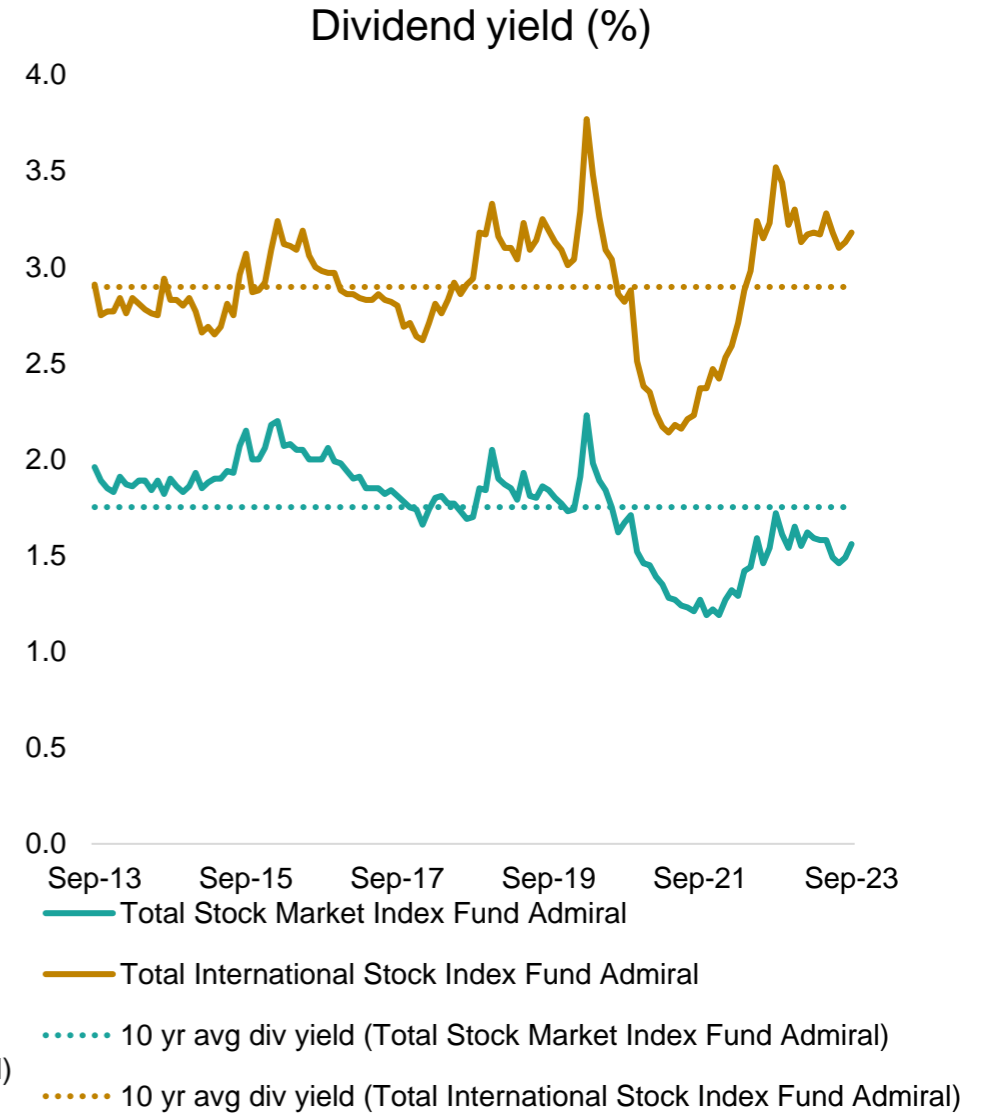
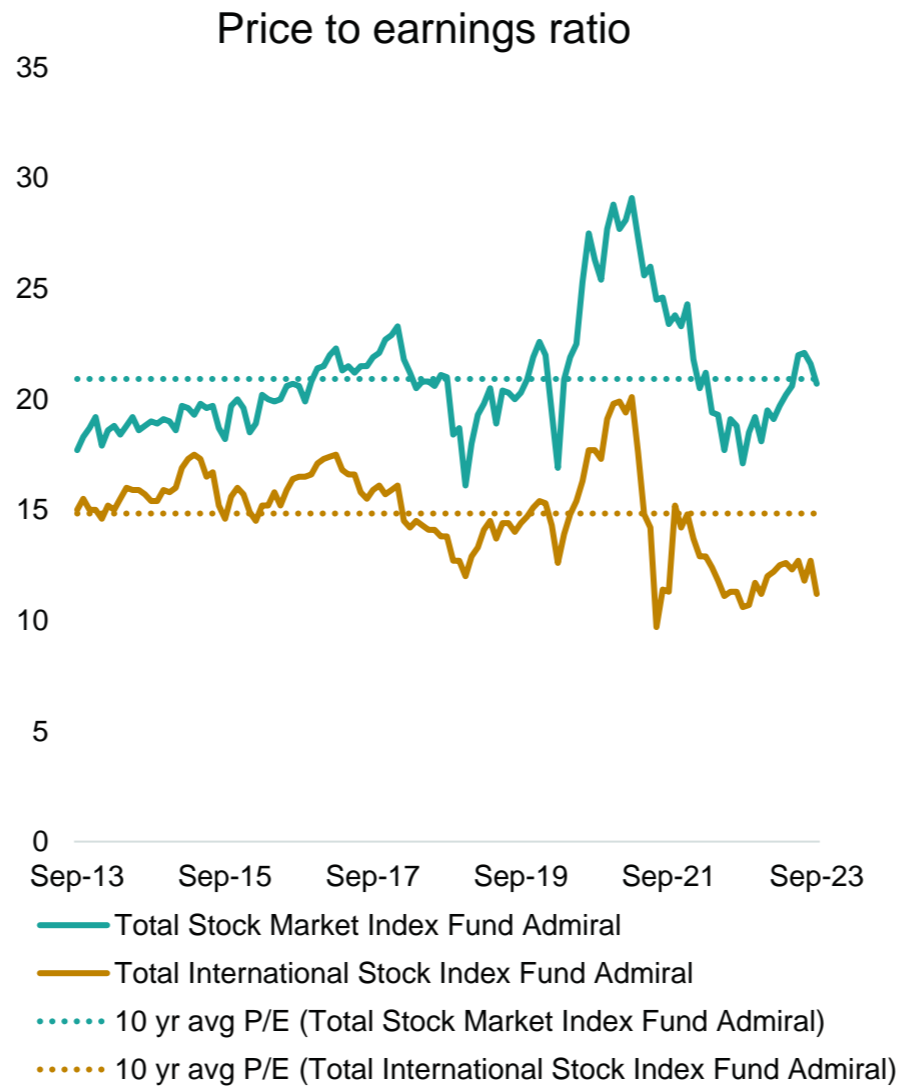
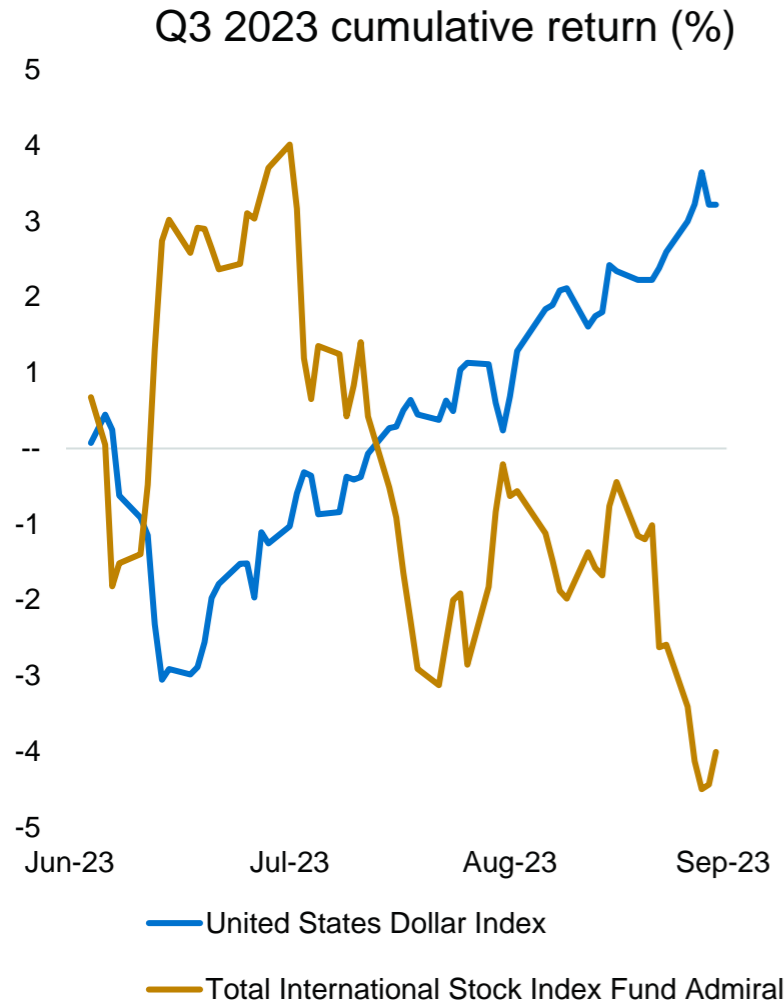


Source: Factset as of 9/30/2023.

The performance data shown represent past performance, which is not a guarantee of future results.

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International equities: United States Dollar Index, earnings and dividend yield



Source: Factset as of 9/30/2023.

Note: P/E is based on earnings over the past year. P/E is the price per share of a stock divided by its per-share earnings over the past year. For a portfolio, the ratio is the weighted average price/earnings ratio of the stocks it holds.

The performance data shown represent past performance, which is not a guarantee of future results. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

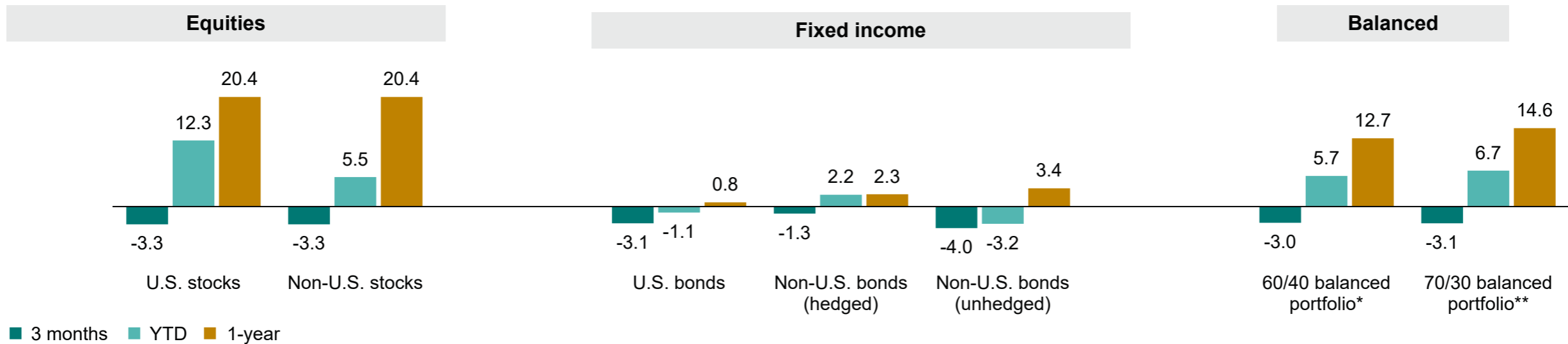
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Market momentum shifts intra-quarter as yields surge

- Markets hit YTD highs in July driven by AI optimism and reduced risks of a hard landing scenario due to resilient U.S. economic data and sustained disinflation.
- Yet global stocks declined in August and accelerated to the downside in September on a combination of worries about China’s growth and higher-for-longer messaging from the Fed.
- Markets discounted growing concerns around potential exogenous risks, including a spike in energy prices, labor disruptions, a U.S. government shutdown, and China’s property crisis.

Global market returns as of September 30, 2023 (%)



Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

Sources: Bloomberg, CRSP, and FTSE.

U.S. stocks (CRSP U.S. Total Market Index), non-U.S. stocks (FTSE Global All-Cap ex-U.S. Index), U.S. bonds (Bloomberg U.S. Aggregate Float Adjusted Index), non-U.S. bonds hedged (Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index hedged), non-U.S. bonds unhedged (Bloomberg Global Aggregate Index ex USD).

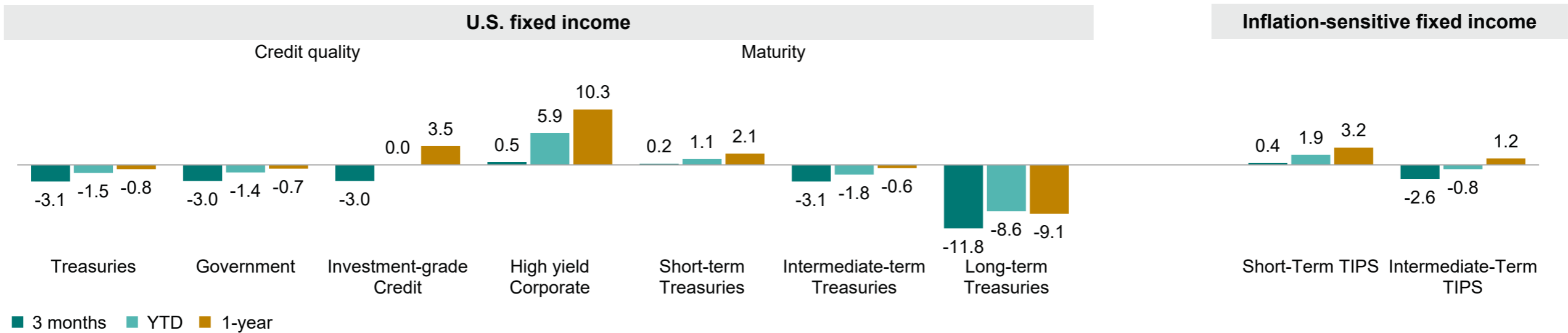
* 60/40 balanced portfolio Static Composite (36% U.S. stocks, 24% international stocks, and 28% investment-grade U.S. bonds, 12% investment-grade international bonds).

** 70/30 balanced portfolio Static Composite (42% U.S. stocks, 28% international stocks, and 21% investment-grade U.S. bonds, 9% investment-grade international bonds).

Long-term Treasurys sell off as rate cut hopes evaporate

- Long-term treasuries sold off after the Fed indicated that they expect to keep rates higher further into 2024 to suppress inflation amid resilient economic data.
- The 10-year Treasury yield surpassed 4.6% for the first time since 2007 and rose sharply from 3.818% at the end of June.
- High yield has been a bright spot in the bond market this year due to its relatively shorter duration vs. investment-grade credit and short supply of new bond issuance.

Domestic fixed income market returns as of September 30, 2023 (%)



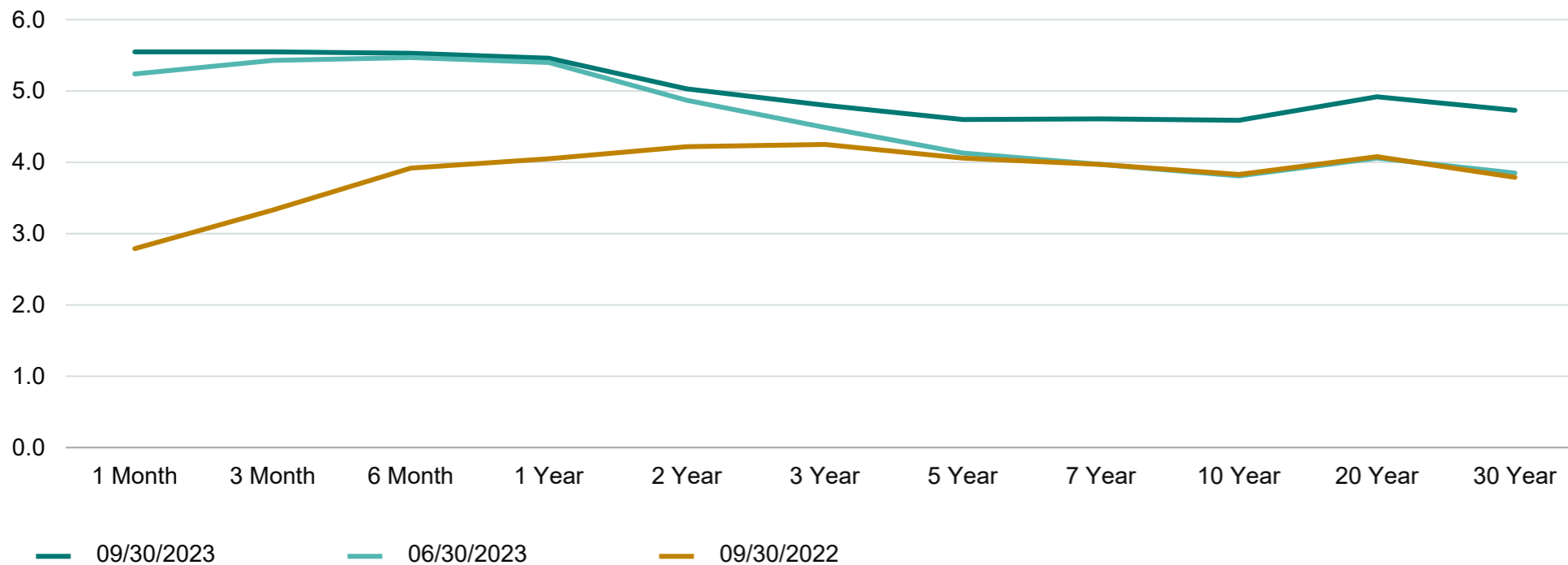
Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

Source: Bloomberg.

Treasuries, government, investment-grade credit; high-yield (Bloomberg U.S. Treasury/Government/Credit/Corporate High-Yield Indices); short-inter-long-term Treasuries (Bloomberg U.S. 1-5/5-10/Long Treasury Indices); short-term TIPS (Bloomberg U.S. Treasury 0-5 Year Inflation-Protected Index); intermediate-term TIPS (Bloomberg U.S. Treasury Inflation-Protected Index).

Curve flattening shifts to “bear steepening”

Yield (%) and change (bps)	1-month	3-month	6-month	1-year	2-year	3-year	5-year	7-year	10-year	20-year	30-year
Current yield (%)	5.55	5.55	5.53	5.46	5.03	4.80	4.60	4.61	4.59	4.92	4.73
3 Mo. Δ	31	12	6	6	16	31	47	64	78	86	88
12 Mo. Δ	276	222	161	141	81	55	54	64	76	84	94



Source: Morningstar.

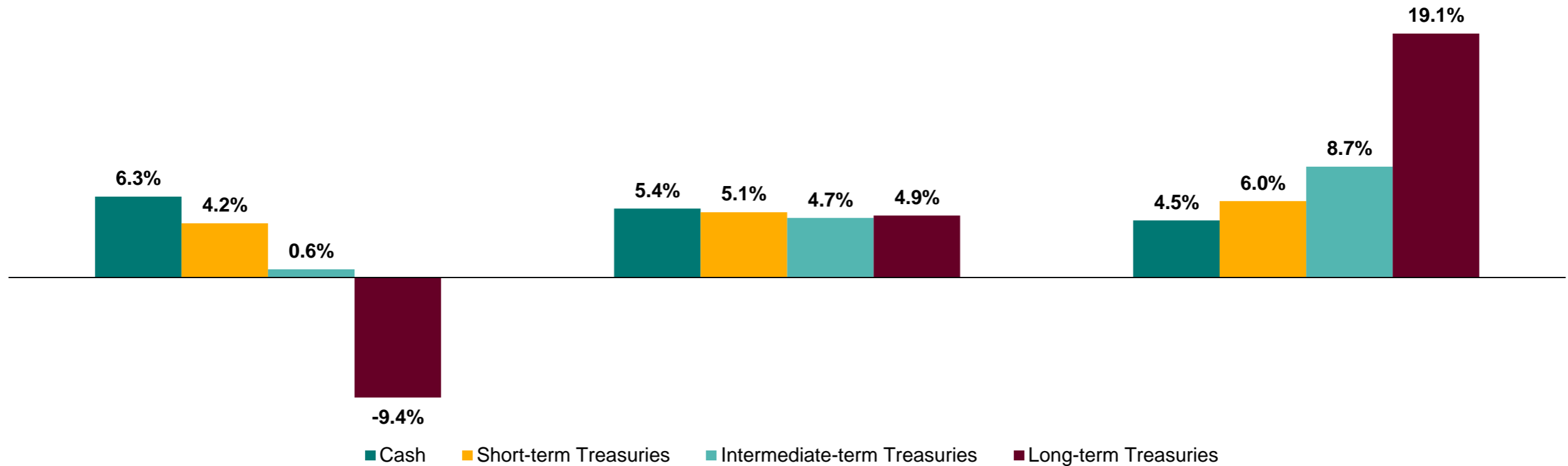
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Higher yields can offer a cushion against rising rates and a boost against falling rates

Estimated 1-year return if rates increase by 1.0%

Estimated 1-year return if rates stay the same

Estimated 1-year return if rates decrease by 1.0%



Source: Vanguard as of 9/30/2023

Notes: Cash represented by the S&P U.S. Treasury Bill 0-3 Month Index with a duration of 0.07 years and a yield to maturity of 5.40%. Short-term Treasuries represented by the Bloomberg U.S. Treasury 1-3 Year Index with a duration of 1.87 years and a yield to maturity of 5.11%. Intermediate-term Treasuries are represented by the Bloomberg U.S. Treasury 3-10 Year Index with a duration of 5.02 years and a yield to maturity of 4.66%. Long-term Treasuries are represented by the Bloomberg U.S. Long Treasury Index with a duration of 15.25 years and a yield to maturity of 4.85%. **Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.** Scenario assumes any interest rate changes occur at the beginning of the period and before any reinvestment of dividends. Scenario does not take convexity into account. In this example, we apply the principle of duration as a measure of interest rate sensitivity to consider the impact of future rate changes on bonds and cash. This illustration is hypothetical and does not represent the return on any particular investment, and the rate is not guaranteed.

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Annualized returns during falling rate periods

Historical yield of 10-year U.S. Treasury bond as proxy for falling-rate periods: April 1982–December 2022

Event	Stock Return	Bond Return	ST Treasury	IT Treasury	LT Treasury	Cash Return
7/1/1984-1/1/1987	41.9%	22.0%	15.5%	—	32.0%	7.6%
4/1/1989-10/1/1993	6.7%	12.2%	10.2%	13.1%*	15.3%	5.7%
12/1/1994-1/1/1996	20.9%	17.0%	11.9%	19.3%	27.4%	5.7%
5/1/1997-12/1/1998	22.3%	10.5%	8.2%	12.8%	18.0%	5.1%
2/1/2000-6/1/2003	-10.2%	10.2%	7.9%	11.6%	13.4%	3.5%
7/1/2007-12/1/2008	-29.1%	7.5%	10.1%	17.8%	23.6%	2.7%
5/1/2010-7/1/2012	4.8%	6.9%	2.9%	10.0%	18.8%	0.1%
1/1/2014-1/1/2015	3.3%	7.5%	2.0%	9.2%	32.6%	0.0%
7/1/2015-7/1/2016	1.8%	6.3%	2.2%	7.3%	20.1%	0.1%
11/1/2018-7/1/2020	10.4%	11.2%	5.9%	12.5%	28.9%	1.8%

Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

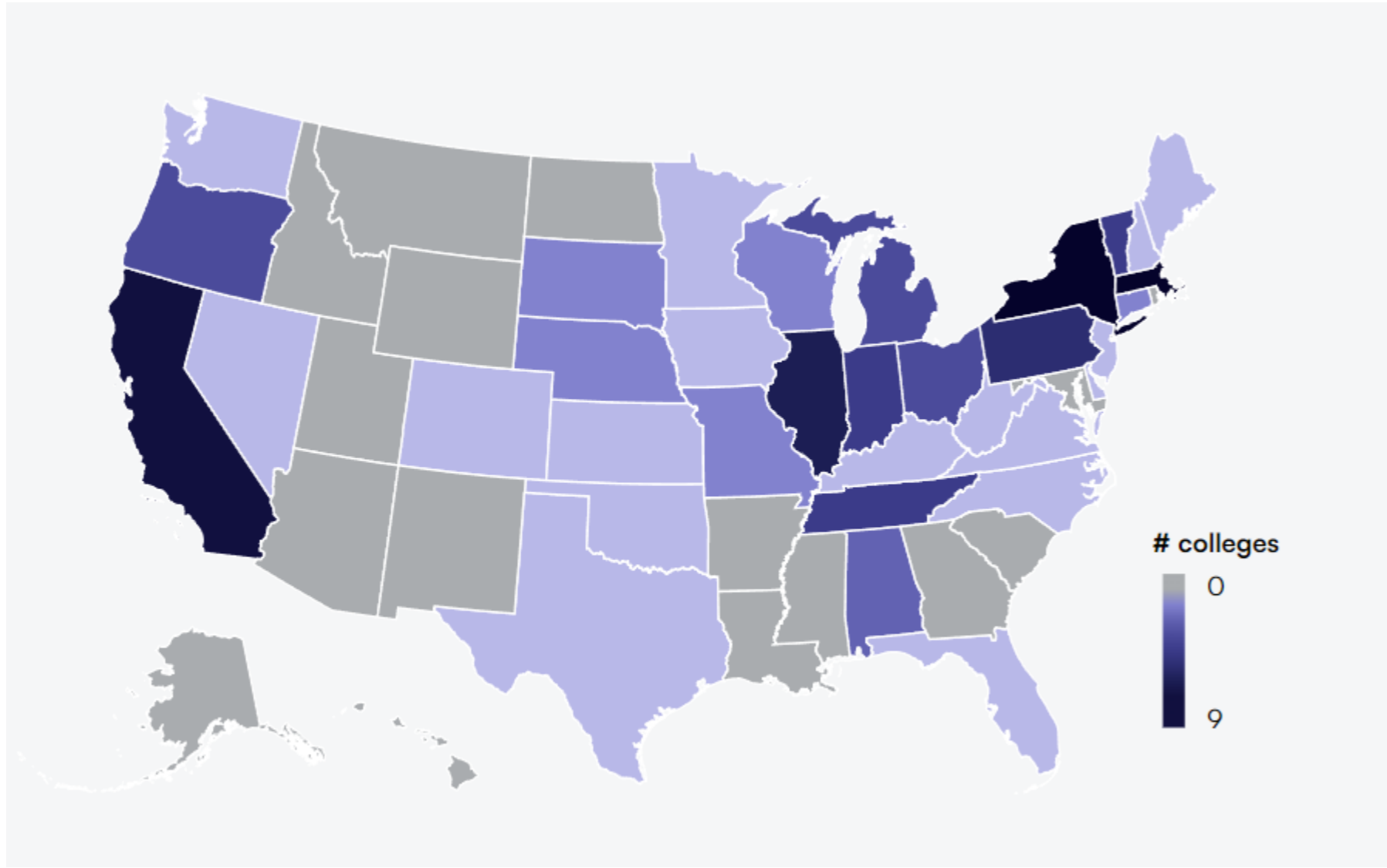
Source: FactSet and Vanguard as of June 30, 2023.

*Data not available for the whole period, IT Treasury returns represents the annualized returns from 11/1/1991-10/1/1993.

Stock Return tracks the returns of the MSCI World Index, Bond Return tracks the returns of the Bloomberg US Aggregate Float Adjusted Index, ST Treasury tracks the returns of the Bloomberg US 1-5 Year Treasury Index, IT Treasury tracks the returns of the Bloomberg US 5-10 Year Treasury Index, LT Treasury tracks the returns of the Bloomberg US Long Treasury Index, and Cash Return tracks the returns of US Treasury Bills.

Higher Education Sector

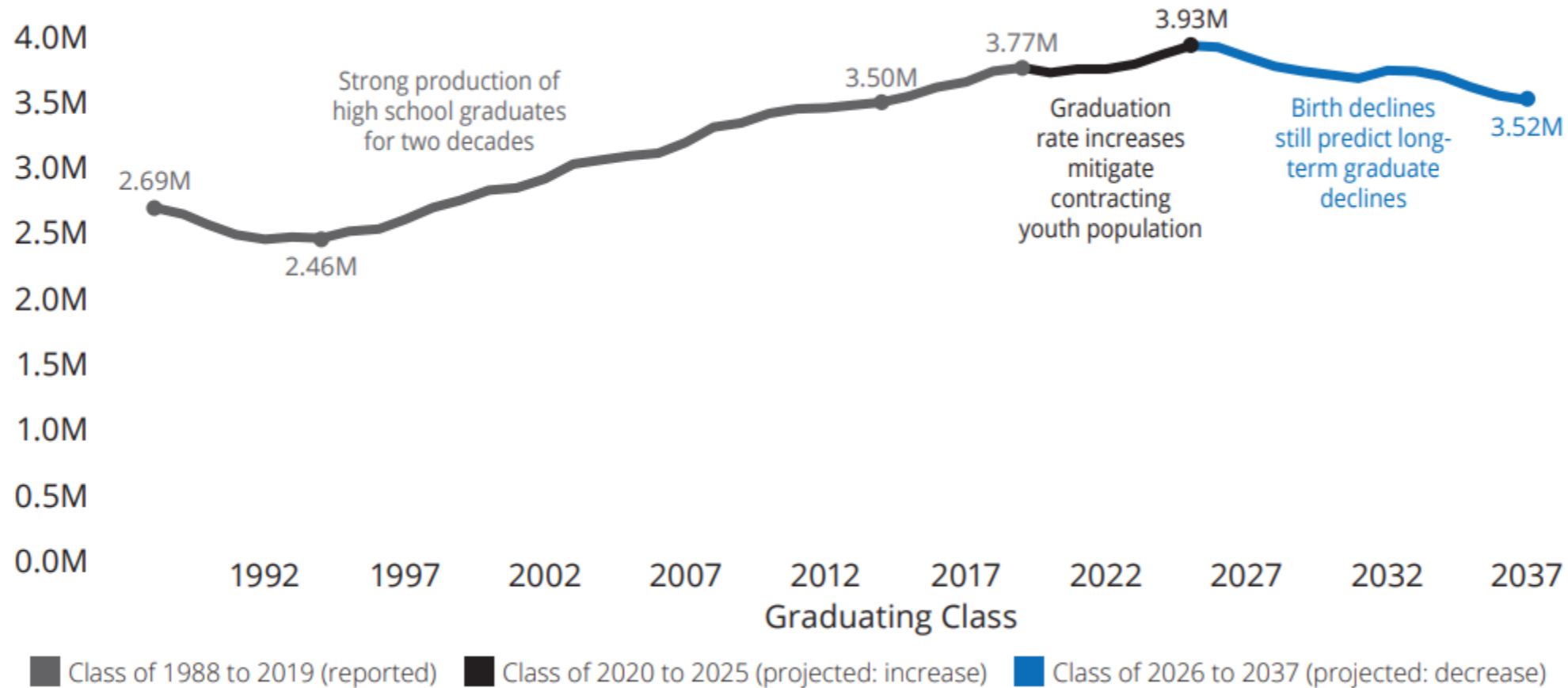
College and University Closures by State since 2016



Source: Higher Ed Dive, as of 6/30/2023.

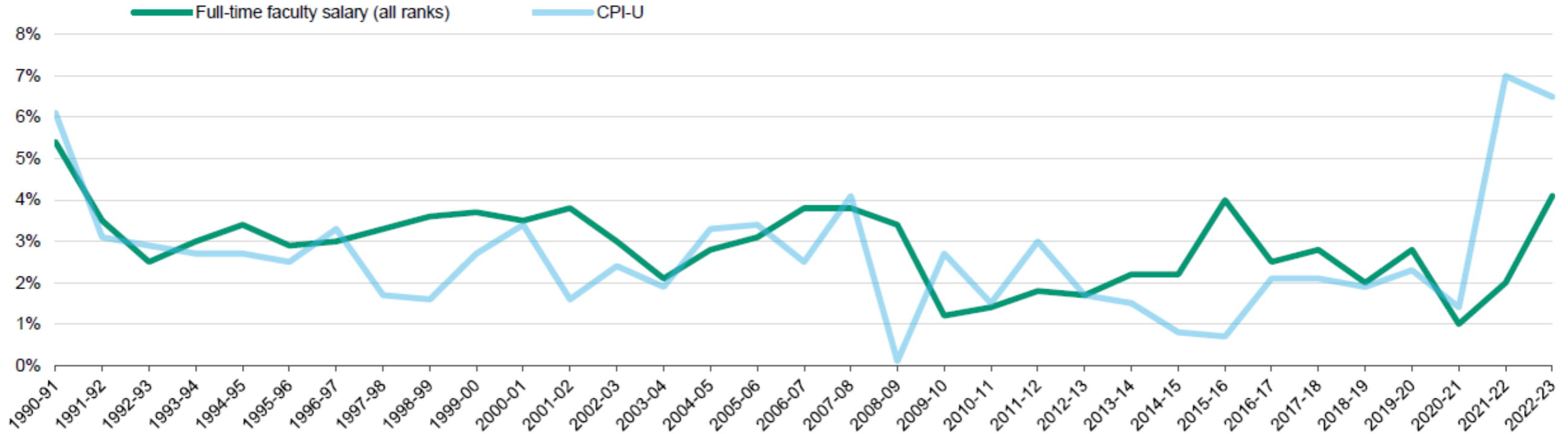
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Slowing number of US High School Graduates then a decline: the “enrollment cliff” in higher education



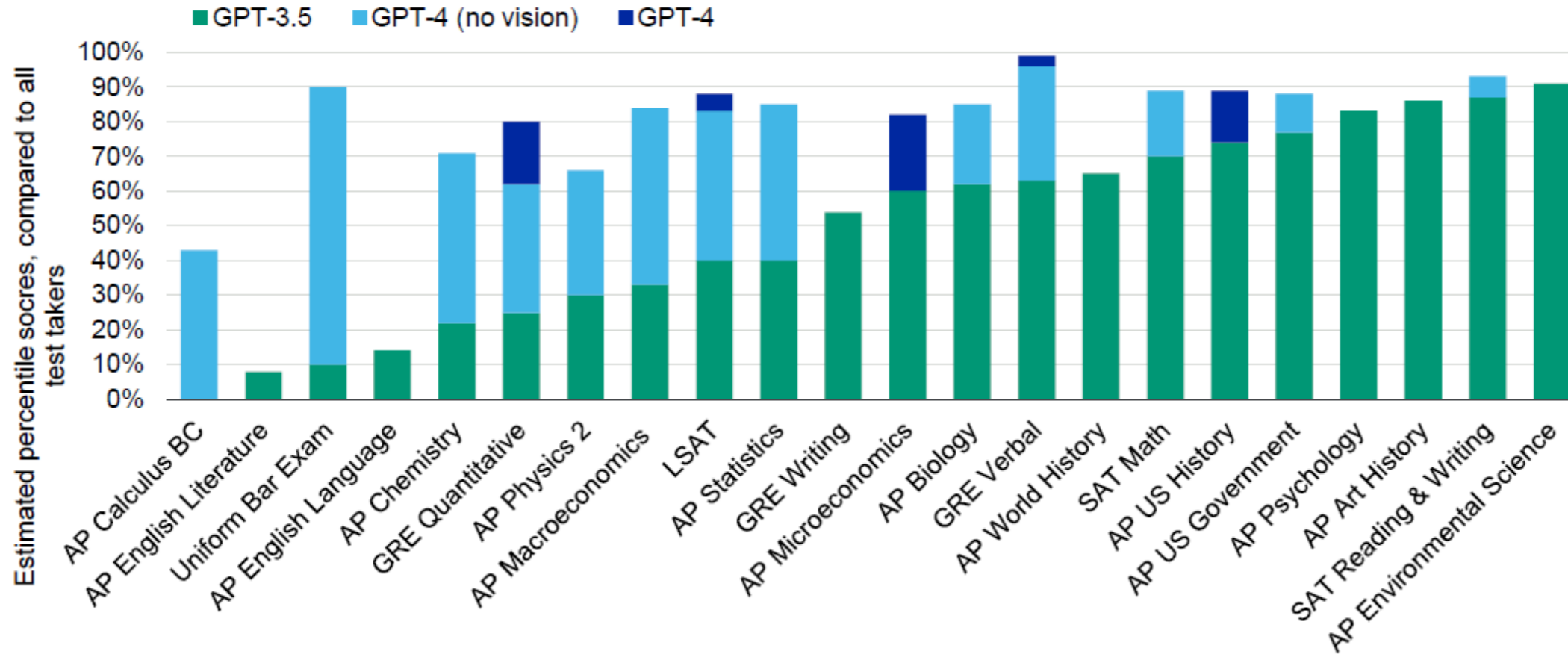
Source: Western Interstate Commission for Higher Education, Knocking at the College Door, 10th edition, 2020.

Faculty Salaries are rising at the highest rate in over three decades, though trail inflation



Source: American Association of University Professors, Moody's Investors Service. 2022-23 represents preliminary compensation survey results.

Artificial intelligence: exam results from tests taken by successive GPT models often showed rapid improvement



Source: Openai.com; Moody's Investors Service. GPT-3 launched November 2022. GPT-4 models released in March 2023.

Themes and takeaways (Standard & Poor's)

Declining enrollment

- Demographic pressure continues to challenge institutions across all rating categories, but schools with more demand flexibility face less pressure

Operations remain solid

- Federal relief funding and expense reduction measures kept operating margins above historic levels

Balance sheet stability

- Despite some softening, financial resources remain above pre-pandemic levels

Muted New Issuance

- Rising interest rates slowed new issuance, but some institutions still broadening offerings with debt

Source: S&P Global Ratings Higher Education Webcast Fiscal 2022 Medians, U.S. Public Finance, as of 7/13/2023.

Cybersecurity

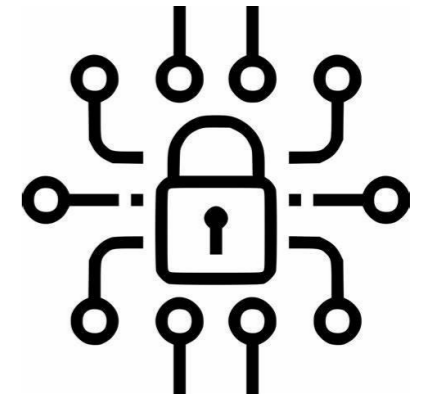
Hot Topics Q4 2023: Cybersecurity

Are you doing enough to protect your data?

So far, Vanguard's data has never been compromised as a result of a cyberattack or for any other reasons. However, we are the rare the exception, rather than the rule. As an illustration, Colorado State University was hit six times, six different ways this year.*

In August 2023 alone, Vanguard has successfully defended 4 million network attacks with zero negative impact to our clients. However, the attacks are growing in number, severity, and sophistication.

As an example, the **MOVEit attacks** preyed on a vulnerability of a license-based file transfer app, and impacted organizations include three of the Big Four accounting firms, U.S. Government agencies, and several financial services firms. By Labor Day of this year, the number had grown to 1,000 organizations and over 60mm accounts.** Vanguard's data was NOT compromised; however, as we have our own internal file transfer system.



Actions you might consider taking:

- 1) Assess your own vulnerabilities – does your organization use MOVEit in any form or fashion?
- 2) Question your vendors and providers - do they use MOVEit? If so, have they inspected their systems to make sure their data hasn't been compromised. *This should be all vendors, including firms selling software for grants management, fundraising, and other applications that touch on individual data*
- 3) Consider adding a “security addendum” to your contracts and try to reduce the number of data transfers.

* Colorado state university article - Cybersecurity Dive August 9, 2023.

** Securityweek, August 25, 2023

Third-party/Vendor risk

Vanguard conducts extensive due diligence and maintains a holistic, risk-based, and enterprise-wide vendor management program.



Continuous monitoring and point-in-time evaluations.



Vendors evaluated against multiple standards (NIST, ISO, etc.).



Global third-party risk management policy and standards.

Innovation

Pursuing multiple paths toward security without passwords, including biometrics, hardware keys, and certificate-based authentication.

- Multifactor authentication already available via one-time passcodes and mobile app approval.
- 555 million stolen passwords have hit the dark web since 2017.
- Average individual has 85 passwords.
- Over half of people hacked don't change their passwords.
- Multifactor authentication blocks 99.9% of attacks.

Source: Finances Online, *55 Important Password Statistics You Should Know: 2023 Breaches & Reuse Data*.

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Benchmark descriptions

Policy Benchmark:

The client's policy benchmark is a weighted set of indices that align to the Investment Management Agreement Schedule B which sets forth the strategic asset allocation for the client portfolio. The Policy Benchmark is rebalanced monthly. Allocations may change overtime as the investment strategy changes. See Benchmark allocation history for details.

The benchmarks for asset and sub-asset classes on the Performance summary reports is determined by the client's primary policy benchmark. Asset and sub-asset class benchmarks are a proportionally representation of their segment within the client's primary policy benchmark and adjusts over time with the changes in the policy benchmark. See Benchmark allocation history for details.

Vanguard spliced benchmarks:

Spliced Total Stock Market Index: Dow Jones U.S. Total Stock Market Index (formerly known as the Dow Jones Wilshire 5000 Index) through April 22, 2005; MSCI US Broad Market Index through June 2, 2013; and CRSP US Total Market Index thereafter.

Spliced Total International Stock Index: Total International Composite Index through August 31, 2006; MSCI EAFE + Emerging Markets Index through December 15, 2010; MSCI ACWI ex USA IMI Index through June 2, 2013; and FTSE Global All Cap ex US Index thereafter. Benchmark returns are adjusted for withholding taxes.

Spliced Emerging Markets Index: Select Emerging Markets Index through August 23, 2006; MSCI Emerging Markets Index through January 9, 2013; FTSE Emerging Transition Index through June 27, 2013; FTSE Emerging Index through November 1, 2015; FTSE Emerging Markets All Cap China A Transition Index through September 18, 2016; and FTSE Emerging Markets All Cap China A Inclusion Index thereafter. Benchmark returns are adjusted for withholding taxes.

Spliced Extended Market Index reflects the performance of the Dow Jones U.S. Completion Total Stock Market Index through June 17, 2005; S&P Transitional Completion Index through September 16, 2005; S&P Completion Index thereafter.

Spliced Dev ex North America Index reflects the performance of the MSCI EAFE Index through May 28, 2013; FTSE Developed ex North America Index thereafter

Real Estate Spliced Index: MSCI US REIT Index adjusted to include a 2% cash position (Lipper Money Market Average) through April 30, 2009; MSCI US REIT Index through February 1, 2018; MSCI US Investable Market Real Estate 25/50 Transition Index through July 24, 2018; MSCI US Investable Market Real Estate 25/50 Index thereafter.

Spliced Bloomberg U.S. Aggregate Float Adjusted Index: Bloomberg U.S. Aggregate Bond Index through December 31, 2009; Bloomberg U.S. Aggregate Float Adjusted Index thereafter.

Spliced Bloomberg U.S. 1-5Yr Government/Credit Float Adjusted Index: Bloomberg U.S. 1-5 Year Government/Credit Bond Index through December 31, 2009; Bloomberg U.S. 1-5 Year Government/Credit Float Adjusted Index thereafter.

Spliced Bloomberg U.S. Long Government/Credit Float Adjusted Index: Bloomberg U.S. Long Government/Credit Bond Index through December 31, 2009; Bloomberg U.S. Long Government/Credit Float Adjusted Index thereafter.

Spliced Intermediate Investment-Grade Debt Funds Average: Lipper Intermediate US Gov't Funds Average through December 31, 2001; Lipper Intermediate Inv-Grade Debt Funds Avg through August 31, 2013; Lipper Core Bond Funds Average thereafter.

Spliced Small Cap Value Index: S&P SmallCap 600/Barra Value Index through May 16, 2003; MSCI US Small Cap Value Index through April 16, 2013; CRSP US Small Cap Value Index thereafter.

Benchmark descriptions (continued)

Market benchmarks:

Balanced Composite Index: Weighted 60% Dow Jones U.S. Total Stock Market Index (formerly known as the Dow Jones Wilshire 5000 Index) and 40% Lehman Brothers U.S. Aggregate Bond Index through May 31, 2005; 60% MSCI US Broad Market Index and 40% Bloomberg U.S. Aggregate Bond Index through December 31, 2009; 60% MSCI US Broad Market Index and 40% Bloomberg U.S. Aggregate Float Adjusted Index through January 14, 2013; and 60% CRSP US Total Market Index and 40% Bloomberg U.S. Aggregate Float Adjusted Index thereafter.

Bloomberg Barclays 1-5 Yr Credit (Ret): The index measures the performance of the investment grade, US dollar denominated, fixed-rate, taxable corporate and government related bonds with maturity of 1-5 years. It is comprised of the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities.

Bloomberg Barclays 1-5 Yr Treas (Ret): The index measures the performance of US treasuries with maturity of 1 to 4.9999 Years.

Bloomberg Barclays Global Aggregate ex USD Float Adjusted RIC - USD Hedged (Ret): The index measures the performance of the global, investment-grade, fixed rate debt markets, including government, government agency, corporate and securitized non-U.S. fixed income investments - all issued in currencies other than the U.S. dollar and with maturities of more than one year - with the foreign currency exposure of the securities included in the Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index hedged to the Canadian dollar. It is market capitalization-weighted.

Bloomberg Barclays Global Aggregate ex USD TR USD (Ret): The index measures the performance of global investment grade fixed-rate debt markets that excludes USD-dominated securities.

Bloomberg Barclays Intermediate U.S. Treasury (Ret): The index measures the performance of public obligations of the U.S. Treasury with maturities of 1-10 years, including securities roll up to the U.S. Aggregate, U.S. Universal, and Global Aggregate Indices.

Bloomberg Barclays Long A+ U.S. Credit (Ret): The index measures the performance of the US Corporate and a non-corporate component with maturities of 10 years and greater that includes foreign agencies, sovereigns, supranationals and local authorities. It applies a more or less stringent set of constraints to any existing index. The index is a subset of the US Government/Credit Index and the US Aggregate Index.

Bloomberg Barclays Long Term U.S. Treasury (Ret): This index measure the performance of U,S. treasury bill with long term maturity. The credit level for this index is investment grade. The rebalance scheme is monthly.

Bloomberg Barclays Treasury 1-5 Year (Ret): This index measures the performance of US dollar-denominated, fixed-rate, nominal debt issued by the US Treasury with 1-5 years maturities.

Bloomberg Barclays U.S. Aggregate (Ret): The index measures the performance of investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. It rolls up into other Bloomberg flagship indices, such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt.

Bloomberg Barclays U.S. Aggregate Float Adjusted (Ret): The index measures the performance of a new benchmark of the broad fixed-rate USD-denominated investment grade bond market that excludes securities held in the Federal Reserve System Open Market Account (SOMA).

Bloomberg Barclays U.S. Corporate High Yield (Ret): The index measures the performance of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds, including corporate bonds, fixed-rate bullet, puttable, and callable bonds, SEC Rule 144A securities, Original issue zeros, Pay-in-kind (PIK) bonds, Fixed-rate and fixed-to-floating capital securities.

Bloomberg Barclays U.S. Credit (Ret): The index measures the performance of the US Corporate and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities. It is a subset of the US Government/Credit Index and the US Aggregate Index.

Bloomberg Barclays U.S. Credit: 5-10 Yr (Ret): The index measures the performance of the US Corporate and a non-corporate component with maturities of 5-10 year that includes foreign agencies, sovereigns, supranationals and local authorities. It is a subset of the US Government/Credit Index and the US Aggregate Index.

Benchmark descriptions (continued)

Bloomberg Barclays U.S. Gov/Credit Float Adjusted: Long (Ret): The index measures the performance of the non-securitized component of the US Aggregate index with maturities of 10 years and greater. It uses alternative weighting schemes instead of market value weights.

Bloomberg Barclays U.S. Intermediate Credit (Ret): The index measures the performance of the US Corporate and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities with maturities of 1-10 years. It is a subset of the US Government/Credit Index and the US Aggregate Index.

Bloomberg Barclays U.S. Long Credit (Ret): The index measures the performance of the US Corporate and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities with maturities of 10 years and greater. It is a subset of the US Government/Credit Index and the US Aggregate Index.

Bloomberg Barclays U.S. Treasury (Ret): The index measures the performance of public obligations of the U.S. Treasury, including securities roll up to the U.S. Aggregate, U.S. Universal, and Global Aggregate Indices.

Bloomberg Barclays U.S. Treasury TIPS 0-5 Years (Ret): The index measures the performance of rules-based, market value-weighted inflation-protected securities issued by the U.S. Treasury. It is a subset of the Global Inflation-Linked Index (Series-L) with the 0-5 years maturities.

Bloomberg Barclays U.S. Treasury TIPS 1-5 Years (Ret): The index measures the performance of inflation-protected securities with maturities of 1-5 years issued by the U.S. Treasury. It is a subset of the Global Inflation-Linked Index (Series-L), with a 38.5% market value weight in the index (as of December 31, 2010), but is not eligible for other nominal Treasury or Aggregate indices.

Bloomberg Barclays U.S. Treasury: 5-10 Yr (Ret): The index measures the performance of public obligations of the U.S. Treasury with maturities of 5-10 years, including securities roll up to the U.S. Aggregate, U.S. Universal, and Global Aggregate Indices.

Bloomberg Barclays U.S. Treasury: Long (Ret): The index measures the performance of public obligations of the U.S. Treasury with maturities of 10 years and greater, including securities roll up to the U.S. Aggregate, U.S. Universal, and Global Aggregate Indices.

Bloomberg Barclays U.S. Treasury: U.S. TIPS (Ret): The index measures the performance of rules-based, market value-weighted inflation-protected securities issued by the U.S. Treasury. It is a subset of the Global Inflation-Linked Index (Series-L).

Bloomberg Barclays US Treasury Inflation Notes 5+ Years (Ret): The index measures the performance of inflation-protected securities issued by the U.S. Treasury (TIPS) with the maturities more than 5 years.

Bloomberg Barclays USD Emerging Markets Government RIC (Ret): The index measures the performance of US dollar-denominated bonds issued by emerging market governments, government agencies and government-owned corporations with maturities longer than one year. CRSP US Total Market: The index measures the performance of broad US securities that traded on NYSE, NYSE Market, NANASDAQ or ARCA. It captures nearly 100% of the US investable equity market with around 4000 constituents across mega, large, small and micro capitalizations.

Dow Jones U.S. Total Stock Market Index: The index measures the performance of all US equity securities with readily available prices. It represents the top 95% of the US stock market based on market capitalization. The index is float-adjusted market capitalization weighted.

FTSE GLOBAL ALL CAP EX US INDEX: The index measures the performance of large, mid and small cap stocks globally excluding the US. It is derived from the FTSE Global Equity Index Series (GEIS). The index is market-capitalization weighted.

MSCI ACWI - Daily: The index measures the performance of the large and mid cap segments of all country markets. It is free float-adjusted market-capitalization weighted.

MSCI ACWI ex USA - Daily: The index measures the performance of the large and mid cap segments of the particular regions, excluding USA equity securities, including developed and emerging market. It is free float-adjusted market-capitalization weighted.

Benchmark descriptions (continued)

MSCI EM (EMERGING MARKETS) - Daily: The index measures the performance of the large and mid cap segments of emerging market equity securities. It is free float-adjusted market-capitalization weighted.

MSCI US BROAD MARKET INDEX - Daily: The index measures the performance of broad US equity market. It includes constituents across large, mid, small and micro capitalizations, representing most of the US equity universe. The index is free float adjusted market-capitalization weighted.

MSCI US REIT INDEX - Daily: The index measures the performance of the large, mid and small cap segments of the US equity securities. It is comprised of Equity REITs securities and based on the MSCI USA Investable Market Index, with the exception of Mortgage REIT and selected Specialized REITs. The index represents approximately most of the US REIT universe and securities are classified in the REIT sector according to the Global Industry Classification Standard. It is a free float market capitalization weighted index.

MSCI WORLD ex USA - Daily - Net: The index measures the performance of the large and mid cap segments of world, excluding US equity securities. It is free float-adjusted market-capitalization weighted.

Consumer Price Index for all Urban Consumers (CPI-U): This index measures the changes in prices of goods and services purchased by urban households.

IA SBBI US Inflation: An unmanaged index designed to track the U.S. inflation rate. The Consumer Price Index for All Urban Consumers, or CPI-U, is used by IA SBBI to measure inflation, which is the rate of change of consumer goods prices.

US Treasury T-Bill Auction Ave 3 Month: Three-month T-bills are government backed-short-term investments considered to be risk-free and as good as cash because the maturity is only three months. Morningstar collects yields on the T-bill on a weekly basis from the Wall Street Journal.

Additional Information

Gross Portfolio Returns represent client-specific time-weighted returns (TWR) of the entire portfolio including the deduction of mutual fund expense ratios, purchase/redemption fees, and other security-level expenses, but gross of advisory and service fees applied to the client portfolio.

Client performance inception date is generally the first month-end after initial funding.

Lipper Fund Average performance figures assume the reinvestment of dividends and capital gains distributions. The fund performance percentages are based on fund total return data, adjusted for expenses, obtained from Lipper, a Thomson Reuters Company, and was not adjusted for fees and loads.

Clients invested in Exchange-traded Funds “ETFs” transact at the market price during market trading hours. ETF performance for clients is also based on the market price at close, which may be different than the fund’s Net Asset Value.

Market value and returns for individual securities are calculated using the client’s daily custodial records. As a result, returns may vary slightly from the official month-end returns of a security as reported on Vanguard.com.

Glossary of risk metrics:

Standard Deviation is a risk measure of dispersion around the mean return.

Tracking Error is a relative risk measure of the standard deviation of excess returns.

Sharpe Ratio is a total risk measure of portfolio reward to variability.

Information Ratio is a relative risk measure of portfolio excess returns and tracking error.

Jensen's Alpha is a systematic risk measure of excess return adjusted for systematic risk.

Beta is a systematic risk measure of the sensitivity of portfolio returns to changes in benchmark returns.

R-Squared is the square of the correlation coefficient and is the proportion of portfolio returns variance that is related to benchmark returns variance.

Important information

For more information about any fund, visit institutional.vanguard.com or call 866-499-8473 to obtain a prospectus or, if available, a summary prospectus. Investment objectives, risks, charges, expenses, and other important information are contained in the prospectus; read and consider it carefully before investing.

Vanguard ETF® Shares are not redeemable with the issuing fund other than in very large aggregations worth millions of dollars. Instead, investors must buy or sell Vanguard ETF Shares in the secondary market and hold those shares in a brokerage account. In doing so, the investor may incur brokerage commissions and may pay more than net asset value when buying and receive less than net asset value when selling.

Mutual funds and all investments are subject to risk, including the possible loss of the money you invest. Prices of mid- and small-cap stocks often fluctuate more than those of large-company stocks. Investments in stocks or bonds issued by non-U.S. companies are subject to risks including country/regional risk and currency risk. These risks are especially high in emerging markets. Funds that concentrate on a relatively narrow sector face the risk of higher share-price volatility. It is possible that tax-managed funds will not meet their objective of being tax-efficient. Because company stock funds concentrate on a single stock, they are considered riskier than diversified stock funds.

Investments in bond funds are subject to the risk that an issuer will fail to make payments on time and that bond prices will decline because of rising interest rates or negative perceptions of an issuer's ability to make payments. High-yield bonds generally have medium- and lower-range credit quality ratings and are therefore subject to a higher level of credit risk than bonds with higher credit quality ratings. Although the income from a municipal bond fund is exempt from federal tax, you may owe taxes on any capital gains realized through the fund's trading or through your own redemption of shares. For some investors, a portion of the fund's income may be subject to state and local taxes, as well as to the federal Alternative Minimum Tax. Diversification does not ensure a profit or protect against a loss. There is no guarantee that any particular asset allocation or mix of funds will meet your investment objectives or provide you with a given level of income.

While U.S. Treasury or government agency securities provide substantial protection against credit risk, they do not protect investors against price changes due to changing interest rates. Unlike stocks and bonds, U.S. Treasury bills are guaranteed as to the timely payment of principal and interest.

Investments in Target Retirement Funds and Trusts are subject to the risks of their underlying funds. The year in the fund or trust name refers to the approximate year (the target date) when an investor in the fund or trust would retire and leave the workforce. The fund/trust will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. The Income Trust/Fund and Income and Growth Trust have fixed investment allocations and are designed for investors who are already retired. An investment in a Target Retirement Fund or Trust is not guaranteed at any time, including on or after the target date.

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