MIRACOSTA COLLEGE FOUNDATION

MIRACOSTA COLLEGE FOUNDATION BOARD
FINANCE COMMITTEE MEETING

Tuesday, August 2, 2022 1:00 – 2:30 p.m.

3333 Manchester Avenue Cardiff, CA 92007
Zoom Video Conference
Zoom Meeting Link
Meeting ID: 980 0108 4387
Mobile connect Number +16699006833,,98001084387#
Dial by your location +1 669 900 6833 US (San Jose)
***NOTE**: If joining by phone only - please identify yourself during roll call.*

***Finance Committee Members**:*
Matt Adams, Bruce Bandemer, Jimmy Figueroa, Barry Johnson, Sharon Wiback

Staff Support & Advisors Support Attendees:
Tori Fishinger, Tim Flood, Elizabeth Lurenana, Andrew Maslick, Shannon Stubblefield

AGENDA

I. CALL TO ORDER
Request consent to record the meeting

II. ROLL CALL

III. WELCOME, INTRODUCTIONS

IV. TELECONFERENCING MEETINGS (Action Required)
A. Approve Continued Observance of Resolution Authorizing Teleconferencing for Meetings Pursuant to AB 361

V. APPROVE MEETING MINUTES (Action Required)
A. Regular meeting of May 9, 2022

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

VII. CHANGES IN AGENDA ORDER

VIII. PRESENTATION(S)
A. Andrew Maslick, VIAS

IX. COLLEGE UPDATES
A. Office of Administrative Services – Vice President Tim Flood

X. COMMITTEE REPORT(S)
A. Finance Committee
i. Review & Approve FY21/22 Q4 Financial Statements **(Action Required)**
a. End of year report at next committee meeting.

ii. Review & Approve revised FY 22/23 Operating Budget **(Action Required)**
iii. Revise the Gifts in Kind provision of the "Solicitation and Acceptance of Gifts" policy
iv. Standard semi-annual review of "Administrative Costs Recovery" policy

XII. ANNOUNCEMENTS, MEETING AND EVENT CALENDAR REVIEW

Next Finance Committee Meeting
Tuesday, November 1, 2022 at 1:00 – 2:30 p.m.
Next Executive Committee Meeting
Tuesday, August 2, 2022 at 3:00 – 4:00 p.m.
Next Quarterly Board Meeting
Tuesday, August 16, 2022 at 3:00 – 5:00 p.m.
Next Governance and Nominations Committee Meeting
Tuesday, October 25, 2022 at 2:00 – 3:00 p.m.

XIII. FUTURE AGENDA ITEMS

XIV. 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, at 760.795.6645 or by e-mail at foundation@miracosta.edu

INTRODUCTION TO RESOLUTION

BACKGROUND

On March 4, 2020, Governor Gavin Newsom declared a State of Emergency to enable state and local agencies to more effectively respond to the threat of COVID-19. On March 17, 2020, Governor Newsom issued Executive Order N-29-20 suspending certain provisions of the Brown Act pertaining to teleconferenced meetings. On June 11, 2021, Governor Newsom issued Executive Order N-08-21, which extended the provisions of Executive Order N-29-20's authorization for holding virtual meetings, with an expiration date of September 30, 2021. On September 16, 2021, Governor Newsom signed AB 361 (Rivas) as urgency legislation effective immediately, which provides that legislative bodies may continue to meet remotely during a declared State of Emergency subject to certain conditions.

STATUS

In an effort to safeguard the health of our students, employees, and community members, and in an effort to provide greater access to meetings of the Foundation Finance Committee, the Committee is presented with MiraCosta Community College District Resolution No. 4-21/22, declaring emergency conditions exist throughout the district campuses and facilities as a result of the continued State of Emergency under Government Code section 54943.

RECOMMENDATION

Adopt Resolution authorizing teleconferencing for meetings pursuant to AB 361 as stated above.

RESOLUTION TO IMPLEMENT TELECONFERENCING REQUIREMENTS DURING A PROCLAIMED STATE OF EMERGENCY

WHEREAS, the Ralph M. Brown Act requires that all meetings of a legislative body of a local agency be open and public and that any person may attend and participate in such meetings;

WHEREAS, the Brown Act allows for legislative bodies to hold meetings by teleconference, but imposes specific requirements for doing so;

WHEREAS, on March 17, 2020, in order to address the need for public meetings during the present public health emergency, Governor Newsom issued Executive Order No. N-29-20, suspending the Act's teleconferencing requirements; and

WHEREAS, on June 11, 2021, Governor Newsom issued Executive Order No. N-8-21, continuing the suspension of the Brown Act's teleconferencing requirements through September 30, 2021; and

WHEREAS, these Executive Orders allowed legislative bodies to meet virtually as long as certain notice and accessibility requirements were met; and

WHEREAS, the State Legislature amended the Brown Act through Assembly Bill No. 361 (AB 361) on September 16, 2021; and

WHEREAS, AB 361 amended the Brown Act so that a local agency may use teleconferencing without complying with the regular teleconferencing requirements of the Act, where the legislative body holds a meeting during a proclaimed state of emergency and makes certain findings; and

WHEREAS, Government Code section 54953 requires that the legislative body make additional findings every 30 days in order to continue such teleconferencing.

NOW THEREFORE, the MiraCosta College Foundation Finance Committee hereby finds, determines, declares, orders, and resolves as follows:

I. That the foregoing recitals are true and correct and incorporates them by this reference.

II. The MiraCosta College Foundation Finance Committee finds, by a majority vote, the following:

a. That there exists a proclaimed state of emergency;

AND either:

b. More than 30 days have passed since the Committee met and determined the following, and the Committee now re-determines the following:

FOUNDATION

i. As a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees. OR

ii. State or local officials have imposed or recommended measures to promote social distancing;

OR

c. This Committee has made the determination set forth in subdivision (b), above within the last 30 days and now makes the following determination:

i. The Committee has reconsidered the circumstances of the state of emergency; AND

ii. Any of the following circumstances exist:

1. The state of emergency continues to directly impact the ability of the members to meet safely
in person.
OR
2. State or local officials continue to impose or recommend measures to promote social distancing.

III. The Committee or its designee is authorized to take all steps and perform all actions necessary to execute and implement this Resolution in compliance with Government Code section 54953.

IV. That this Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the MiraCosta College Foundation Finance Committee, this 2nd day of August, 2022, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

CERTIFICATION

I hereby certify, on this 2nd day of August, 2022, that the foregoing document is a true and correct copy of the Resolution To Implement Teleconferencing Requirements During a Proclaimed State of Emergency by the MiraCosta College Foundation Finance Committee at its meeting on August 2, 2022.

By: _____

Chair of the MiraCosta College Foundation Finance Committee

MIRACOSTA COLLEGE FOUNDATION

MIRACOSTA COLLEGE FOUNDATION BOARD
FINANCE COMMITTEE MEETING

MINUTES OF REGULAR MEETING **MAY 9, 2022**
(DRAFT)

I. CALL TO ORDER

The MiraCosta Community College Foundation Finance Committee met in open session on Monday, May 9, 2022, via Zoom conference. Chair Bruce Bandemer called the meeting to order at 12:33 p.m.

II. ROLL CALL

Committee Members Present:
Bruce Bandemer Sharon Wiback Matt Adams

Committee Members Absent:
Bill Cardoso

Advisors & Staff Present:
Raye Clendening, MiraCosta College Foundation Board President
Andrew Maslick, VIAS, Vanguard Senior Investment Consultant
Shannon Stubblefield, MiraCosta College Foundation Executive Director/VP of Institutional Advancement
Tori Fishinger, MiraCosta College Foundation Interim Associate Director
Charity Singleton, MiraCosta College Foundation Interim Development Officer
Peter Smits, MiraCosta College Foundation Consultant
Elizabeth Lurenana, MiraCosta College Foundation Temporary Board Support

III. WELCOME, INTRODUCTIONS

A. Vice President/Executive Director Shannon Stubblefield was introduced to committee members who in turn introduced themselves to her.

IV. TELECONFERENCING MEETINGS (Action Required)

A. Approve Continued Observance of Resolution Authorizing Teleconferencing for Meetings Pursuant to AB 361

By motion of Committee Member Wiback, seconded by Committee Member Adams, the Resolution Authorizing Teleconferencing to Meetings Pursuant to AB 361 was adopted.
Vote: 3/0/0/1
Objection: None
Aye: Bandemer, Wiback, Adams
Nay: None
Abstentions: None
Absent: Cardoso

V. APPROVE MEETING MINUTES (Action Required)

A. Regular meeting of February 15, 2022

By motion of Committee Member Wiback, seconded by Committee Member Bandemer, the minutes of the regular meeting of February 15, 2022, were approved.
Vote: 2/0/1/1
Objection: None
Aye: Bandemer, Wiback

Nay: None
Abstentions: Adams
Absent: Cardoso

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

VII. CHANGES IN AGENDA ORDER

A. Advisor Maslick's Vanguard presentation was delayed until the end of the meeting when he was able to join.

VIII. COLLEGE UPDATES

A. Office of Administrative Services – Vice President Tim Flood
   i. Unable to attend and there was no report for the committee.

IX. COMMITTEE REPORT(S)

A. Finance Committee
   i. Review & Approve FY21/22 Q3 Financial Statements **(Action Required)**
      a. Chair Bandemer reviewed the FY21/22 Q3 financial statements. There was a slight drop in the investment portfolio so total assets are down slightly as well. There were no questions posed by the committee.

By motion of Committee Member Wiback, seconded by Committee Member Adams, the FY21/22 Q3 Financial Statements were approved.
Vote: 3/0/0/1
Objection: None
Aye: Bandemer, Wiback, Adams
Nay: None
Abstentions: None
Absent: Cardoso

   ii. Review FY 21/22 Operating Budget
      a. The FY21/22 Operating Budget was reviewed by Chair Bandemer and there were no questions posed by the committee.

   iii. Review & Approve FY 22/23 Operating Budget **(Action Required)**
      a. Chair Bandemer reviewed the proposed budget with the committee.
      b. Vice President/Executive Director Stubblefield inquired as to if there is a specific Comprehensive Campaign budget. Advisor Smits and Associate Director Fishinger reported that there is not, but everyone agreed there should be. Advisor Smits, Vice President/Executive Director Stubblefield, Associate Director Fishinger, and President Clendening will ask to have a meeting with Comprehensive Campaign Committee Chair, Vice President Dave McGuigan, to discuss this and other matters pertaining to the campaign.
      c. Associate Director Fishinger explained some details of the budget and there will also be a meeting scheduled with Vice President/Executive Director Stubblefield, Associate Director Fishinger, Finance Committee Chair Bandemer, and the MiraCosta College accounting department to do a deep dive into foundation finances for Vice President/Executive Director Stubblefield.

By motion of Committee Member Wiback, seconded by Committee Member Adams, the FY22/23 Operating Budgets was approved.
Vote: 3/0/0/1
Objection: None
Aye: Bandemer, Wiback, Adams
Nay: None

Abstentions: None
Absent: Cardoso

iv. Review & Approve FY 22/23 Endowment distributions **(Action Required)**
   a. Chair Bandemer reviewed the proposed endowment distributions. There were no questions posed by the committee, but Associate Director Fishinger will review Alumni Association activity and fundraising details with Vice President/Executive Director Stubblefield and is happy to give a more detailed report to the board whenever they would like.

By motion of Committee Member Adams, seconded by Committee Member Wiback, the FY22/23 Endowment Distributions were approved.
Vote: 3/0/0/1
Objection: None
Aye: Bandemer, Wiback, Adams
Nay: None
Abstentions: None
Absent: Cardoso

v. Revise the Gifts-in-Kind provision of the "Solicitation and Acceptance of Gifts" policy
   a. Chair Bandemer reported a suggestion from the auditors concerning reviewing and updating the "Solicitation and Acceptance of Gifts" policy, specifically regarding how Gifts-in-Kind are accepted and processed (especially donations of art).
      - The donor should pay for the appraisal and cover costs for storage, transportation, etc.
   b. Advisor Smits and Vice President/Executive Director Stubblefield will review this policy and present an updated version to vote on at the next committee meeting.

vi. Review "Cash Deposit & Withdrawal Procedures"
   a. Chair Bandemer suggested this policy should be reviewed and updated to ensure it is consistent with the "Investment and Spending" policy.
   b. Advisor Smits and Vice President/Executive Director Stubblefield will review this policy and present an updated version to vote on at the next committee meeting.

B. Audit Committee
   i. Review Audit Report FY 20/21
      a. Committee Member Adams reported that the audit was clean with no deficiencies, and the auditors were very happy with it.
      b. Vice President/Executive Director Stubblefield asked why the audit company name is not on the report and President Clendening asked if the foundation would have the final version for the meeting of the full board on May 17, 2022.
         - The audit company is "Eide Bailly," and their letterhead/signatures are missing from the final draft that was approved.
         - Advisor Smits volunteered to contact Tim Flood about getting the final draft prior to the full board meeting on May 17, 2022.

X. PRESENTATION(S)

A. Advisor Maslick, VIAS
   i. Advisor Maslick was unable to join the meeting at the beginning of this discussion, so Chair Bandemer walked the committee through the provided presentation with commentary from Committee Member Adams.
      a. The foundation is doing well as compared to the overall market. Both stocks and bonds are down, which is unheard of in the last 40-45 years. Fortunately, the foundation portfolio is well diversified.
      b. Vice President/Executive Director Stubblefield asked if the portfolio is rebalanced every quarter. Chair Bandemer said yes, and that this is something Advisor

Maslick will walk the committee through. It is unlikely there is any re-balancing that should happen with the market as unstable as it is now.

ii. Advisor Maslick reviewed key portions of the presentation with a few main takeaways:
   a. There is no need to make any seismic changes despite the market volatility.
   b. The MiraCosta College Foundation investments match the market overall.
   c. The foundation investments are doing well in the long-term as evidenced in the NACUBO comparison.
   d. Nothing drastic has happened at the college that would change the foundation's overall investment strategy.

XI. ANNOUNCEMENTS, MEETING AND EVENT CALENDAR REVIEW

A. President Clendening reviewed the proposed FY22/23 foundation board and committee meeting calendar.

Next Executive Committee Meeting
Monday, May 9, 2022 at 4:00 – 5:00 p.m.

Next Quarterly Board Meeting
Tuesday, May 17, 2022 at 3:00 – 5:00 p.m.

XII. FUTURE AGENDA ITEMS

A. Review "Solicitation and Acceptance of Gifts" policy
B. Review "Cash Deposit & Withdrawal Procedures" policy

XIII. ADJOURNMENT

The meeting was adjourned at 1:38 p.m.

DRAFT

Vanguard

MiraCosta College Foundation

August 2, 2022

For institutional use only. Not for distribution to retail investors.

Advice services offered through Vanguard Institutional Advisory Services®
are provided by Vanguard Advisers, Inc., a registered investment advisor.

Agenda

I. Economic outlook

II. June 30, 2022 performance summary

III. Market overview

IV. Vanguard Capital Markets Model

Presented by:

Andrew Maslick, CFP®, CAIA
Senior Investment Consultant
VIAS

For institutional use only. Not for distribution to retail investors.

Economic outlook

For institutional use only. Not for distribution to retail investors.

Vanguard July/August 2022 market and economic outlook at a glance

Compared with the start of the year, Vanguard has:

- Downgraded our 2022 GDP growth forecasts for all the major regions.
- Increased our inflation forecasts.
- Become more hawkish about monetary policy.

Global equity and fixed income outlook

Stock and bond markets have been hit hard so far in 2022. But there is an upside to down markets: Because of lower current equity valuations and higher interest rates, our model suggests higher expected long-term returns. Falling equity valuations and rising interest rates have largely increased our 10-year annualized developed market return forecasts in the first five months of 2022 by about 1 percentage point for stocks and 1.5 percentage points for bonds.

Note: Figures are based on a 1-point range around the 50th percentile of the distribution of return outcomes for equities and a 0.5-point range around the 50th percentile for fixed income.

IMPORTANT: The projections or other information generated by the Vanguard Capital Markets Model® regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Distribution of return outcomes from the VCMM are derived from 10,000 simulations for each modeled asset class. Simulations are as of December 31, 2021, and May 31, 2022. Results from the model may vary with each use and over time. For more information, see Important information page.

Source: Vanguard

For institutional use only. Not for distribution to retail investors.

Slide ID #: S062298 Tracking #: 2291735 Expiration date: 7/14/2025

Vanguard July/August 2022 market and economic outlook at a glance

United States

~1.5%
Economic growth
We downgraded our forecast by 2 percentage points since the start of the year because of factors
that we expect will continue throughout 2022—namely, tightening financial conditions, wages not keeping up with inflation,
and the lack of demand for U.S. exports. The probability of a recession is 25% over the next 12 months and 65% over 24 months.

3.25% to 3.75%
Monetary policy
The Fed turned hawkish in recent weeks, further emphasizing inflation as a clear priority over potential implications for economic growth. We expect the target federal funds rate to end the year in a range of 3.25% to 3.75% and expect a terminal rate of at least 4% in 2023—much higher than what we consider to be the neutral rate (2.5%) and what's currently priced into the market.*

7% to 7.5%
Headline inflation
Surging energy and food prices keep our projections for headline CPI around 7% to 7.5% by year-end 2022 before it moderates in 2023. In the current environment, headline inflation will matter more for monetary policy than it typical does.

3% to 3.5%
Unemployment rate
Labor market trends are likely to keep downward pressure on the unemployment rate through year-end, though increases in 2023 are likely as the impacts of Fed policy and slowing demand take hold.

* The neutral rate is the theoretical interest rate at which monetary policy neither stimulates nor restricts an economy.
Notes: Figures related to economic growth, inflation, monetary policy, and unemployment rate are Vanguard forecasts for the end of 2022. Growth and inflation are comparisons with year-end 2021; monetary policy and unemployment rate are absolute levels.
Source: Vanguard

For institutional use only. Not for distribution to retail investors.

Slide ID #: S037447 Tracking #: 2291735 Expiration date: 7/14/2025

Vanguard July/August 2022 market and economic outlook at a glance

Emerging markets

We recently downgraded our forecast for full-year 2022 growth in emerging markets, from about 5.5% at the start of the year to about 3%. Emerging markets continue to face headwinds from slowing growth in the United States, the euro area, and China, as well as from developed markets' central bank tightening and from domestic and global inflation. Although higher commodities prices do benefit some emerging economies, they're a negative in the aggregate.

Probability of recession for select regions

Source: Vanguard as of July 7, 2022.

For institutional use only. Not for distribution to retail investors.

June 30, 2022 performance summary

For institutional use only. Not for distribution to retail investors.

Total Portfolio Performance & Asset Allocation

Performance Summary ending June 30, 2022

	Market Value ($)	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
MIRACOSTA COLLEGE FOUNDATION ENDOWMENT	**13,633,531**	**-6.87**	**-13.14**	**-18.10**	**-14.81**	**4.91**	**5.99**	**--**	**6.56**	**Jan-14**
MIRACOSTA COLLEGE FOUNDATION ENDOWMENT (Net)		**-6.87**	**-13.20**	**-18.21**	**-15.00**	**4.72**	**5.76**	**--**	**6.30**	
Composite Benchmark		-6.82	-13.08	-17.80	-14.63	4.85	6.01	--	6.58	Jan-14

- Composite Benchmark = 7.5% Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged / 17.5% Spliced Bloomberg Barclays US Aggregate Float Adjusted Index / 30% Spliced Total International Stock Index / 45% Spliced Total Stock Market Index

	Market Value ($)	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
MIRACOSTA COLLEGE FOUNDATION EXCESS RESERVE	**2,009,122**	**-5.12**	**-10.39**	**-15.53**	**-13.37**	**2.12**	**3.94**	**--**	**4.94**	**Mar-16**
MIRACOSTA COLLEGE FOUNDATION EXCESS RESERVE (Net)		**-5.12**	**-10.45**	**-15.64**	**-13.56**	**1.93**	**3.71**	**--**	**4.70**	
Composite Benchmark		-5.09	-10.39	-15.32	-13.11	2.74	4.43	--	5.31	Mar-16

- Composite Benchmark = 30% Spliced Total Stock Market Index / 20% Spliced Total International Stock Index / 35% Spliced Bloomberg Barclays US Aggregate Float Adjusted Index / 15% Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged

Gross of Advisory Fee returns reflect the deduction of fund expense ratios and any other security-level expenses.
Net of Fee returns reflect the deduction of fund expense ratios, any purchase or redemption fees, and VIAS advisory fee applied to the client portfolio.
Returns greater than one year represent annualized returns. Returns less than one year represent cumulative returns.

For institutional use only. Not for distribution to retail investors.

Performance Summary (Gross of Advisory Fees) ending June 30, 2022

	Market Value ($)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
MIRACOSTA COLLEGE FOUNDATION	**13,633,531**	**100.00**	**-6.87**	**-13.14**	**-18.10**	**-14.81**	**4.91**	**5.99**	**--**	**6.56**	**Jan-14**
MIRACOSTA COLLEGE FOUNDATION (Net)			**-6.87**	**-13.20**	**-18.21**	**-15.00**	**4.72**	**5.76**	**--**	**6.30**	
Composite Benchmark			-6.82	-13.08	-17.80	-14.63	4.85	6.01	--	6.58	Jan-14
Total Equity	**10,380,076**	**76.14**	**-8.35**	**-15.40**	**-20.21**	**-16.05**	**6.62**	**7.44**	**--**	**8.00**	**Jan-14**
Equity Domestic	**6,506,025**	**47.72**	**-8.37**	**-16.84**	**-21.39**	**-14.24**	**9.64**	**10.52**	**--**	**10.75**	**Jan-14**
Spliced Total Stock Market Index			-8.37	-16.85	-21.37	-14.22	9.65	10.53	12.53	10.76	Jan-14
Equity International	**3,874,051**	**28.42**	**-8.32**	**-12.85**	**-18.15**	**-18.91**	**2.02**	**2.72**	**--**	**3.39**	**Jan-14**
Spliced Total International Stock Index			-8.82	-14.08	-18.63	-19.27	1.92	2.74	5.22	3.36	Jan-14
Total Fixed Income	**3,253,456**	**23.86**	**-1.80**	**-5.07**	**-10.56**	**-10.62**	**-1.10**	**1.06**	**--**	**1.90**	**Jan-14**
Fixed Income Domestic	**2,268,271**	**16.64**	**-1.82**	**-5.02**	**-10.83**	**-10.85**	**-0.64**	**1.17**	**--**	**1.88**	**Jan-14**
Spliced Bloomberg Barclays US Aggregate Float Adjusted Index			-1.56	-4.73	-10.46	-10.38	-0.91	0.90	1.56	1.70	Jan-14
Fixed Income International	**985,184**	**7.23**	**-1.75**	**-5.18**	**-9.93**	**-10.07**	**-2.18**	**0.79**	**--**	**2.06**	**Jan-14**
Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged			-1.83	-5.23	-10.01	-10.13	-2.07	0.94	--	2.25	Jan-14

Gross of Advisory Fee returns reflect the deduction of fund expense ratios and any other security-level expenses.
Net of Fee returns reflect the deduction of fund expense ratios, any purchase or redemption fees, and VIAS advisory fee applied to the client portfolio.
Returns greater than one year represent annualized returns. Returns less than one year represent cumulative returns.

For institutional use only. Not for distribution to retail investors.

Performance Summary (Gross of Advisory Fees) ending June 30, 2022

	Market Value ($)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
MIRACOSTA COLLEGE FOUNDATION	**13,633,531**	**100.00**	**-6.87**	**-13.14**	**-18.10**	**-14.81**	**4.91**	**5.99**	**--**	**6.56**	**Jan-14**
Composite Benchmark			-6.82	-13.08	-17.80	-14.63	4.85	6.01	--	6.58	Jan-14
Total Equity	**10,380,076**	**76.14**	**-8.35**	**-15.40**	**-20.21**	**-16.05**	**6.62**	**7.44**	**--**	**8.00**	**Jan-14**
Equity Domestic	**6,506,025**	**47.72**	**-8.37**	**-16.84**	**-21.39**	**-14.24**	**9.64**	**10.52**	**--**	**10.75**	**Jan-14**
Spliced Total Stock Market Index			-8.37	-16.85	-21.37	-14.22	9.65	10.53	12.53	10.76	Jan-14
Vanguard® Total Stock Market Index Institutional Shares	6,506,025	47.72	-8.37	-16.84	-21.39	-14.24	9.64	10.53	12.52	10.13	Sep-19
Spliced Total Stock Market Index			-8.37	-16.85	-21.37	-14.22	9.65	10.53	12.53	10.13	Sep-19
Multi-Cap Core Funds Average			-8.11	-15.35	-20.30	-14.07	7.75	8.23	10.40	8.16	Sep-19
Equity International	**3,874,051**	**28.42**	**-8.32**	**-12.85**	**-18.15**	**-18.91**	**2.02**	**2.72**	**--**	**3.39**	**Jan-14**
Spliced Total International Stock Index			-8.82	-14.08	-18.63	-19.27	1.92	2.74	5.22	3.36	Jan-14
Vanguard® Total International Stock Index Institutional Shares	3,874,051	28.42	-8.32	-12.85	-18.15	-18.91	2.03	2.74	5.19	-11.72	Mar-21
Spliced Total International Stock Index			-8.82	-14.08	-18.63	-19.27	1.92	2.74	5.22	-11.94	Mar-21
International Funds Average			-8.95	-13.87	-21.03	-20.72	1.40	2.10	4.99	-13.35	Mar-21
Total Fixed Income	**3,253,456**	**23.86**	**-1.80**	**-5.07**	**-10.56**	**-10.62**	**-1.10**	**1.06**	**--**	**1.90**	**Jan-14**
Fixed Income Domestic	**2,268,271**	**16.64**	**-1.82**	**-5.02**	**-10.83**	**-10.85**	**-0.64**	**1.17**	**--**	**1.88**	**Jan-14**
Spliced Bloomberg Barclays US Aggregate Float Adjusted Index			-1.56	-4.73	-10.46	-10.38	-0.91	0.90	1.56	1.70	Jan-14
Vanguard® Total Bond Market Index Fund Admiral™ Shares	1,154,589	8.47	-1.49	-4.71	-10.42	-10.40	-0.94	0.84	1.49	1.64	Jan-14
Spliced Bloomberg Barclays US Aggregate Float Adjusted Index			-1.56	-4.73	-10.46	-10.38	-0.91	0.90	1.56	1.70	Jan-14
Spliced Intermediate-Term Investment-Grade Debt Funds Average			-1.94	-5.33	-10.94	-11.09	-0.90	0.76	1.57	1.53	Jan-14
Vanguard® Short-Term Investment-Grade Fund Adm™ Shares	612,038	4.49	-1.30	-1.86	-5.58	-6.10	0.22	1.25	1.70	1.55	Jan-14
Bloomberg US Credit 1-5 Yr TR			-1.22	-1.75	-5.33	-5.89	0.33	1.42	1.83	1.65	Jan-14
1-5 Year Investment-Grade Debt Funds Average			-1.13	-1.90	-4.74	-5.12	0.10	0.99	1.18	1.09	Jan-14
Vanguard® Long-Term Investment-Grade Admiral Shares	257,102	1.89	-3.66	-12.04	-21.44	-20.50	-2.14	1.16	3.41	1.17	Jan-19
Bloomberg US Credit Long A+ TR			-3.55	-12.00	-21.79	-20.80	-2.56	0.82	2.93	0.76	Jan-19
Corporate A-Rated Debt Funds Average			-2.20	-6.78	-13.21	-13.06	-0.92	1.03	2.09	0.99	Jan-19

For institutional use only. Not for distribution to retail investors.

Performance Summary (Gross of Advisory Fees) ending June 30, 2022

	Market Value ($)	% of Portfolio	1 Mo (%)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Vanguard® Inter-Term Investment-Grade Fund Adm ™ Shares	244,543	1.79	-2.69	-6.24	-12.67	-12.95	-0.75	1.21	2.33	2.21	Jan-14
Bloomberg US Credit 5-10 Yr TR			-2.60	-6.17	-12.66	-12.97	-0.81	1.46	2.73	2.64	Jan-14
Spliced Core Bond Funds Average			-1.94	-5.33	-10.94	-11.09	-0.90	0.76	1.57	1.53	Jan-14
Fixed Income International	**985,184**	**7.23**	**-1.75**	**-5.18**	**-9.93**	**-10.07**	**-2.18**	**0.79**	**--**	**2.06**	**Jan-14**
Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged			-1.83	-5.23	-10.01	-10.13	-2.07	0.94	--	2.25	Jan-14
Vanguard® Total International Bond Index Fund Adm™ Shares	985,184	7.23	-1.75	-5.18	-9.93	-10.07	-2.18	0.79	--	2.05	Jan-14
Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged			-1.83	-5.23	-10.01	-10.13	-2.07	0.94	--	2.25	Jan-14
International Income Funds Average			-4.39	-8.88	-13.38	-15.43	-4.33	-1.37	-0.20	-0.36	Jan-14

For institutional use only. Not for distribution to retail investors.

Total Portfolio Performance

Gross of Advisory Fee returns reflect the deduction of fund expense ratios and any other security-level expenses.
Net of Fee returns reflect the deduction of fund expense ratios, any purchase or redemption fees, and VIAS advisory fee applied to the client portfolio.
Returns greater than one year represent annualized returns. Returns less than one year represent cumulative returns.

For institutional use only. Not for distribution to retail investors.

MIRACOSTA COLLEGE FOUNDATION ENDOWMENT

	Last Month	Last Three Months	Year-To-Date	One Year
Beginning Market Value	$14,639,133	$15,706,921	$16,668,275	$16,039,758
Net Cash Flow	$0	-$9,817	-$20,235	-$34,390
Capital Appreciation	-$1,080,826	-$2,149,627	-$3,147,454	-$2,706,938
Income	$75,224	$86,054	$132,944	$335,102
Ending Market Value	$13,633,531	$13,633,531	$13,633,531	$13,633,531

MIRACOSTA COLLEGE FOUNDATION EXCESSS RESERVE

	Last Month	Months	Year-To-Date	One Year
Beginning Market Value	$2,117,523	$2,243,686	$2,381,628	$2,324,359
Net Cash Flow	$0	-$1,402	-$2,891	-$4,946
Capital Appreciation	-$116,842	-$245,009	-$389,230	-$360,973
Income	$8,440	$11,847	$19,615	$50,681
Ending Market Value	$2,009,122	$2,009,122	$2,009,122	$2,009,122

For institutional use only. Not for distribution to retail investors.

Investment Expense Analysis as of June 30, 2022

MIRACOSTA COLLEGE FOUNDATION ENDOWMENT

Total Equity	**$10,380,076**	**76.1%**	
Equity Domestic	**$6,506,025**	**47.7%**	
Vanguard® Total Stock Market Index Institutional Shares	$6,506,025	47.7%	0.030%
Equity International	**$3,874,051**	**28.4%**	
Vanguard® Total International Stock Index Institutional Shares	$3,874,051	28.4%	0.080%
Total Fixed Income	**$3,253,456**	**23.9%**	
Fixed Income Domestic	**$2,268,271**	**16.6%**	
Vanguard® Inter-Term Investment-Grade Fund Adm ™ Shares	$244,543	1.8%	0.100%
Vanguard® Short-Term Investment-Grade Fund Adm™ Shares	$612,038	4.5%	0.100%
Vanguard® Total Bond Market Index Fund Admiral™ Shares	$1,154,589	8.5%	0.050%
Vanguard® Long-Term Investment-Grade Admiral Shares	$257,102	1.9%	0.120%
Fixed Income International	**$985,184**	**7.2%**	
Vanguard® Total International Bond Index Fund Adm™ Shares	$985,184	7.2%	0.110%
Total	**$13,633,531**	**100.0%**	**0.058%**

MIRACOSTA COLLEGE FOUNDATION EXCESS RESERVE

Total Equity	**$983,563**	**49.0%**	
Equity Domestic	**$607,284**	**30.2%**	
Vanguard® Total Stock Market Index Institutional Shares	$607,284	30.2%	0.030%
Equity International	**$376,279**	**18.7%**	
Vanguard® Total International Stock Index Institutional Shares	$376,279	18.7%	0.080%
Total Fixed Income	**$1,025,558**	**51.0%**	
Fixed Income Domestic	**$716,001**	**35.6%**	
Vanguard® Short-Term Investment-Grade Fund Adm™ Shares	$197,456	9.8%	0.100%
Vanguard® Inter-Term Investment-Grade Fund Adm ™ Shares	$77,356	3.9%	0.100%
Vanguard® Total Bond Market Index Fund Admiral™ Shares	$361,314	18.0%	0.050%
Vanguard® Long-Term Investment-Grade Admiral Shares	$79,874	4.0%	0.120%
Fixed Income International	**$309,558**	**15.4%**	
Vanguard® Total International Bond Index Fund Adm™ Shares	$309,558	15.4%	0.110%
Total	**$2,009,122**	**100.0%**	**0.068%**

For institutional use only. Not for distribution to retail investors.

Benchmark History as of June 30, 2022

MIRACOSTA COLLEGE FOUNDATION		
6/1/2015	Present	7.5% Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged / 17.5% Spliced Bloomberg Barclays US Aggregate Float Adjusted Index / 30% Spliced Total International Stock Index / 45% Spliced Total Stock Market Index
2/1/2014	5/31/2015	5% Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged / 20% Bloomberg US Aggregate Float Adjusted TR / 53% CRSP US Total Market TR USD / 22% Spliced Total International Stock Index
Total Equity		
		N/A
Equity Domestic		
1/31/2014	Present	100% CRSP US Total Market TR USD
Vanguard® Total Stock Market Index Institutional Shares		
9/30/2019	Present	100% CRSP US Total Market TR USD
Equity International		
1/31/2014	Present	100% FTSE Global All-Cap ex-US Index
Vanguard® Total International Stock Index Institutional Shares		
3/31/2021	Present	100% FTSE Global All-Cap ex-US Index
Total Fixed Income		
		N/A
Fixed Income Domestic		
1/31/2014	Present	100% Bloomberg US Aggregate Float Adjusted TR
Vanguard® Inter-Term Investment-Grade Fund Adm ™ Shares		
1/31/2014	Present	Bloomberg US Credit 5-10 Yr TR
Vanguard® Short-Term Investment-Grade Fund Adm™ Shares		
1/31/2014	Present	Bloomberg US Credit 1-5 Yr TR
Vanguard® Total Bond Market Index Fund Admiral™ Shares		
1/31/2014	Present	100% Bloomberg US Aggregate Float Adjusted TR
Vanguard® Long-Term Investment-Grade Admiral Shares		

For institutional use only. Not for distribution to retail investors.

Benchmark History as of June 30, 2022

1/31/2019	Present	Bloomberg US Credit Long A+ TR
Fixed Income International		
1/31/2014	Present	Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged
Vanguard® Total International Bond Index Fund Adm™ Shares		
1/31/2014	Present	Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged

Legal

For more information about Vanguard funds or non-Vanguard funds offered through Vanguard Brokerage Services, visit vanguard.com or call your Investment Consultant or Relationship Manager 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.
Total Portfolio Net of Fees returns reflect the deduction of fund expense ratios, purchase or redemption fees, and any advisory service fee applied to the client portfolio.

Total Portfolio returns represent client-specific time-weighted returns (TWR) are presented gross of any applicable service fees with the exception of mutual fund expense ratios and other security-level expenses.

Internal rates of return (IRR) are net of any applicable service fees, include account-specific cash flows, and are not directly comparable to a benchmark, since benchmarks do not include cash flows.

Client performance inception date is generally the first month-end after initial funding. Mutual funds and all investments are subject to risk, including the possible loss of the money you invest. Diversification does not ensure a profit or protect against a loss.

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. The total return data was not adjusted for fees and loads.

Benchmark comparative indexes represent unmanaged or average returns on various financial assets, which can be compared with funds' total returns for the purpose of measuring relative performance.

The index is a product of S&P Dow Jones Indices LLC (“SPDJI”), and has been licensed for use by Vanguard. Standard & Poor’s® and S&P® are registered trademarks of Standard & Poor’s Financial Services LLC (“S&P”); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”); S&P® and S&P 500® are trademarks of S&P; and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by Vanguard. Vanguard product(s) are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the index

The funds or securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities. For any such funds or securities, the prospectus or the Statement of Additional Information contains a more detailed description of the limited relationship MSCI has with The Vanguard Group and any related funds.

The Russell Indexes and Russell® are registered trademarks of Russell Investments and have been licensed for use by The Vanguard Group. The products are not sponsored, endorsed, sold or promoted by Russell Investments and Russell Investments makes no representation regarding the advisability of investing in the products.

London Stock Exchange Group companies include FTSE International Limited ("FTSE"), Frank Russell Company ("Russell"), MTS Next Limited ("MTS"), and FTSE TMX Global Debt Capital Markets Inc. ("FTSE TMX"). All rights reserved. "FTSE®", "Russell®", "MTS®", "FTSE TMX®" and "FTSE Russell" and other service marks and trademarks related to the FTSE or Russell indexes are trademarks of the London Stock Exchange Group companies and are used by FTSE, MTS, FTSE TMX and Russell under license. All information is provided for information purposes only. No responsibility or liability can be accepted by the London Stock Exchange Group companies nor its licensors for any errors or for any loss from use of this publication. Neither the London Stock Exchange Group companies nor any of its licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE Indexes or the fitness or suitability of the Indexes for any particular purpose to which they might be put.

BLOOMBERG® is a trademark and service mark of Bloomberg Finance L.P. BARCLAYS® is a trademark and service mark of Barclays Bank Plc, used under license. Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL") (collectively, "Bloomberg"), or Bloomberg's licensors own all proprietary rights in the Bloomberg Barclays Indices.

The products are not sponsored, endorsed, issued, sold or promoted by "Bloomberg or Barclays". Bloomberg and Barclays make no representation or warranty, express or implied, to the owners or purchasers of the products or any member of the public regarding the advisability of investing in securities generally or in the products particularly or the ability of the Bloomberg Barclays Indices to track general bond market performance. Neither Bloomberg nor Barclays has passed on the legality or suitability of the products with respect to any person or entity. Bloomberg's only relationship to Vanguard and the products are the licensing of the Bloomberg Barclays Indices which are determined, composed and calculated by BISL without regard to Vanguard or the products or any owners or purchasers of the products. Bloomberg has no obligation to take the needs of the products into consideration in determining, composing or calculating the Bloomberg Barclays Indices. Neither Bloomberg nor Barclays is responsible for and has not participated in the determination of the timing of, prices at, or quantities of the products to be issued. Neither Bloomberg nor Barclays has any obligation or liability in connection with the administration, marketing or trading of the products.

The performance data shown represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so investors’ shares, when sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data cited. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index. For performance data current to the most recent quarter-end, visit our website at www.vanguard.com/performance.

© 2020 The Vanguard Group, Inc. All rights reserved. Vanguard Marketing Corporation, Distributor of the Vanguard Funds. Advice offered through Vanguard Institutional Advisory Services (VIAS) are provided by Vanguard Advisors, Inc., a registered investment advisor.

Market overview

For institutional use only. Not for distribution to retail investors.

Federal Reserve hikes interest-rate by 75 basis points for the first time in over 25 years

- Equity markets continued their decline in June as the Federal Reserve continued to aggressively hike interest rates in response to a record 8.6% year-over-year consumer-price index increase in May. This marks the highest CPI reading in over four decades.
- Major fixed income indices have suffered the worst year on record going back to 1976. More recently, bond market investors have been grappling between fears of inflation and concerns over slowing economic growth which has led to heightened volatility in the benchmark 10-year U.S. Treasury note.
- Jerome Powell has indicated that the central bank is going to continue to sharply raise federal-funds rates to combat the possibility of a sustained higher-inflation regime. This hawkish sentiment has led Vanguard to downgrade our outlook for 2022 growth in the U.S. from 3.5% to around 2%.

Global market returns as of June 30, 2022 (%)

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-U.S.D Float Adjusted RIC Capped Index hedged), non-U.S. bonds unhedged (Bloomberg Global Aggregate Index ex U.S.D).
* 65/35 balanced portfolio Static Composite (39% U.S. stocks, 26% international stocks, and 24.5% investment-grade U.S. bonds, 10.5% investment-grade international bonds).

For institutional use only. Not for distribution to retail investors.

Slide ID #: S051199 Tracking #: 2279509 Expiration date: 10/20/2023

Equities impacted by rising interest rates and slowing growth

- Value stocks continue to modestly outperform growth stocks during the rate hiking cycle as investors favor stable cash flows over future growth potential.
- Corporate earnings have remained resilient in 2022, though may come under pressure during the second half of the year. The S&P 500 index is currently trading at 15.9 times forward 12-month earnings, marginally higher than its 15-year average of 15.7. The index began the year at around 21.5 times forward earnings.
- International stocks declined in June as the Ukraine invasion and China's zero-Covid policy continued to exacerbate global supply chain issues. However, economic activity in China did expand in June after several months of contractions, signaling prospects for a modest economic recovery in the region.

Global equity market returns as of June 30, 2022 (%)

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: CRSP, FTSE, and Russell.
Large-cap (CRSP U.S. Mega Cap Index), mid-cap (CRSP U.S. Mid Cap Index), small-cap (CRSP U.S. Small Cap Index); value (Russell 3000 Value Index), growth (Russell 3000 Growth Index); developed markets (FTSE Developed All Cap ex-U.S. Index), emerging markets (FTSE Emerging Markets All Cap China A Inclusion Index).

For institutional use only. Not for distribution to retail investors.

Slide ID #: S065500 Tracking #: 2279509 Expiration date: 10/20/2023

All 11 sectors, including energy stocks, down for the quarter

- Many technology and consumer discretionary firms that lifted stocks from its pandemic bottom have been among the hardest hit areas of the stock market in this year's selloff. This dynamic has led index provider FTSE Russell to add many former high-growth technology stocks into their value index due to this shift in valuations.
- Consumer staples and utilities have seen a relatively modest drawdown in the quarter as investors seek more defensive sectors during volatile markets and recessionary periods. Nevertheless, pressure remains as higher prices begin to compress profit margins.
- Despite a slight pullback in oil prices during the quarter, energy stocks continue to remain the bright spot in this market, producing double digit positive returns year-to-date.

U.S. equity sector returns as of June 30, 2022 (%)

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.
U.S. markets measured by CRSP U.S. Total Market Index.

For institutional use only. Not for distribution to retail investors.

Slide ID #: S065501 Tracking #: 2279509 Expiration date: 10/20/2023

Heightened fixed income volatility as investors balance inflation and recessionary risks

- Persistent inflation has led to a continuous decrease in bond prices as investors grapple with how high the Federal Reserve will have to raise short-term interest rates. Vanguard currently foresees the year ending with a rate target of 3% to 3.25% and a terminal rate of at least 4% in 2023.
- Increased investor concerns over a slowdown in economic activity have modestly increased year-to-date credit spreads, or the yield over the spot Treasury curve, for U.S. investment-grade and high-yield bonds. All else equal, widening credit spreads negatively impact corporate bond prices.
- The U.S. Dollar experienced another strong month as investors flock to the world's reserve currency amidst market volatility in bonds and stocks. The U.S. Dollar Index (DXY) is up over 9% year-to-date.

Domestic fixed income market returns as of June 30, 2022 (%)

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).

For institutional use only. Not for distribution to retail investors.

Slide ID #: S065502 Tracking #: 2279509 Expiration date: 10/20/2023

Historical Fed tightening cycles

Source: Federal Reserve, Vanguard calculations
Notes: From 1982 through 2008, the Federal Funds rate changes were an even multiple of 25 basis points. During the Great Financial Crisis (2008), the Federal Reserve set a target range. Values are rounded. Data as of 12/31/2021

For institutional use only. Not for distribution to retail investors.

Case study: Rising rates in 1994. Fed preemptive strike against inflation

Notes: The maximum loss sustained occurred from 1/31/1994 through 5/9/1994. The next 12 months is the return on the Bloomberg Barclays US Aggregate Bond Index from 5/10/1994 through 5/10/1995.
Source: Vanguard calculations using data from FactSet.

For institutional use only. Not for distribution to retail investors.

Case study: Rising rates in 1999. Fed tries to cool an overheating economy

Notes: The maximum loss sustained occurred from 2/1/1999 through 8/10/1999. The next 12 months is the return on the Bloomberg Barclays US Aggregate Bond Index from 8/11/1999 through 5811/1999.
Source: Vanguard calculations using data from FactSet.

For institutional use only. Not for distribution to retail investors.

Case study: Rising rates in 2004. Fed seeks to curb inflation

Notes: The maximum loss sustained occurred from 3/18/2004 through 5/13/2004. The next 12 months is the return on the Bloomberg Barclays US Aggregate Bond Index from 5/14/2004 through 5/15/2005.
Source: Vanguard calculations using data from FactSet.

For institutional use only. Not for distribution to retail investors.

Case study: Rising rates in 2013. Taper Tantrum, market moves in advance of Fed

Notes: The maximum loss sustained occurred from 5/3/2013 through 9/5/2013. The next 12 months is the return on the Bloomberg Barclays US Aggregate Bond Index from 9/6/2013 through 9/4/2013.
Source: Vanguard calculations using data from FactSet.

For institutional use only. Not for distribution to retail investors.

Case study: Rising rates 2015-18. End of extraordinary Fed measures

Notes: The maximum loss sustained occurred from 7/8/2016 through 12/16/2016. The next 12 months is the return on the Bloomberg Barclays US Aggregate Bond Index from 12/19/2016 through 12/19/2017. Note that 12/18-12/19/2016 were not business days.
Source: Vanguard calculations using data from FactSet.

For institutional use only. Not for distribution to retail investors.

U.S. Treasury yield curve–Brief inversion returns positive

Yield (%) and change (bps)	3-month	6-month	2-year	3-year	5-year	7-year	10-year	30-year
Current yield (%)	1.72	2.51	2.92	2.99	3.01	3.04	2.98	3.14
3 mo. Δ	120	145	64	54	59	64	66	70
12 mo. Δ	167	245	267	253	214	183	153	108

Source: Morningstar.

For institutional use only. Not for distribution to retail investors.

Slide ID #: S065503 Tracking #: 2279509 Expiration date: 10/20/2023

All eight U.S. recessions since 1970 have been preceded by an inverted yield curve

			1-Year Return		3-Year Annualized Return	
Yield curve inversion	**Recession start date**	**Lead time (months)**	**U.S. Equity**	**International Equity**	**U.S. Equity**	**International Equity**
April 1969	January 1970	9	–18.6%	—	4.7%	—
February 1973	January 1974	11	–14.0%	–10.7%	–0.7%	–0.8%
November 1978	April 1980	17	18.4%	12.0%	16.1%	13.0%
October 1980	October 1981	12	–2.7%	–10.8%	15.6%	5.1%
May 1989	October 1990	17	16.6%	2.8%	12.7%	–1.7%
July 2000	April 2001	9	–14.3%	–21.9%	–10.2%	–11.2%
February 2006	January 2008	23	12.0%	20.8%	–15.1%	–14.6%
March 2019	April 2020	13	–7.0%	–14.4%	18.9%	9.1%

Notes: The yield curve as measured by daily data using the spread between the 10-year and 3-month U.S. Treasury yields did not invert prior to the 1957 and 1960 recessions, although it narrowed to 6 bps and 30 bps, respectively. Date represents five or more days of inversion in a month. U.S. equity is represented by S&P 500 index. International equity represented by MSCI World Index ex US.
Sources: National Bureau of Economic Research, FactSet, Vanguard calculations.

For institutional use only. Not for distribution to retail investors.

Slide ID #: S062866 Tracking #: 2171137 Expiration date: 11/8/2023

Three years of U.S. equity performance post inversion

Past performance is no 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.

Notes: The yield curve as measured by daily data using the spread between the 10-year and 3-month U.S. Treasury yields did not invert prior to the 1957 and 1960 recessions, although it narrowed to 6 bps and 30 bps, respectively. Date represents five or more days of inversion in a month. U.S. equity is represented by S&P 500 index through April 18, 2022. Returns are cumulative from the date of inversion. March 2019 inversion data represents 1,003 trading days given current data constraint.

Sources: National Bureau of Economic Research, FactSet, Vanguard calculations.

For institutional use only. Not for distribution to retail investors.

Slide ID #: S062867 Tracking #: 2171137 Expiration date: 11/8/2023

Vanguard Capital Markets Model

For institutional use only. Not for distribution to retail investors.

Important Disclosures

The comparisons and other information generated within the historical analysis section of this report, while based on historical performance, are hypothetical and back-tested in nature and do not reflect actual investment results. The hypothetical performance results take into consideration fund expense ratios and reflect the reinvestment of dividends, capital gains, and interest. The hypothetical performance results do not take into consideration the effect of taxes, portfolio transaction fees, brokerage costs, or front-end or deferred sales charges. The performance displayed also does not reflect fees that would be assessed if portfolios are managed by Vanguard Institutional Advisory Services (VIAS). Such advisory fees are calculated and assessed as set forth in VIAS's advisory brochure and in each client's Investment Management Agreement, and are based on each client's assets. Had all of these costs been included, actual investment results would have been lower. Investment results also do not reflect the opportunity for fee waivers and discounts. The results shown should not be considered a recommendation to invest in any particular security.

The forward looking information generated within this report while based on historical performance is hypothetical and constitutes forward projected performance. Accordingly such hypothetical performance does not reflect actual investment results, as the projected performance does not take into account fees and expenses, such as commissions, exchange fees, and other non-recurring charges. Nor do investment results take into account an investor's actual taxes. Had these costs been included, actual investment results would have been lower. Investment results also do not reflect the opportunity for fee waivers and discounts. The results shown should not be considered a recommendation to invest in any particular security.

The funds and/or portfolios compared may have different objectives and risk factors. Though a fund or portfolio may have the potential for greater returns, it may also subject an investor to a greater amount of risk, including loss of principal. Funds chosen may fall into different investing categories. Comparing funds from different categories may not provide complete or accurate results. Before making an investment, financial professionals should make a suitability determination, and consider such factors such as a client's investment objectives, risk tolerance, circumstances, and the impact of taxes. Neither hypothetical nor past performance is a guarantee of future results. All investing involves risk and the value of every investment will fluctuate over time. Investors may lose money.

The standardized performance within the historical analysis and the data underlying the Vanguard forward projections within this report are provided by Morningstar and various benchmark providers, and have been aggregated by MSCI. While Vanguard believes that the data supplied by Morningstar, the benchmark providers, and MSCI is reliable, it does not review the information and cannot guarantee or warrant it to be accurate, complete, or timely. Vanguard is not responsible for any damages or losses arising from the use of any Morningstar or third party information.

Please read additional information regarding risks, definitions, and other important disclosures in the Appendix section.

Forward-looking analysis

For institutional use only. Not for distribution to retail investors.

Forward-looking analysis assumptions

Forecast: **March 2022**

	50/50 (EXCESS RES)		60/40		70/30		75/25 (END)		80/20	
	Active	Passive	Active	Passive	Active	Passive	Active	Passive	Active	Passive
U.S. Equity		30.70%		36.77%		42.85%		45.88%		48.92%
U.S. REITs		0.05%		0.06%		0.07%		0.08%		0.09%
Non-U.S. Equity		19.41%		23.30%		27.18%		29.12%		31.06%
U.S. High-Yield Bonds		0.34%		0.27%		0.20%		0.17%		0.13%
U.S. Short-Term Treasury		6.11%		4.89%		3.67%		3.05%		2.44%
U.S. Intermediate-Term Treasury		5.82%		4.65%		3.49%		2.91%		2.33%
U.S. Long-Term Treasury		1.16%		0.93%		0.70%		0.58%		0.46%
U.S. Short-Term Credit		8.72%		6.98%		5.23%		4.37%		3.49%
U.S. Intermediate-Term Credit		4.52%		3.61%		2.71%		2.26%		1.81%
U.S. Long-Term Credit		5.95%		4.76%		3.57%		2.98%		2.38%
U.S. Short-Term TIPS		0.23%		0.18%		0.14%		0.11%		0.09%
U.S. Cash		1.05%		0.84%		0.63%		0.52%		0.42%
Non-U.S. Aggregate Bonds		15.90%		12.72%		9.54%		7.95%		6.36%
Commodities		0.04%		0.03%		0.03%		0.02%		0.02%

Style weights are determined by using returns-based style analysis (RBSA) of the individual investments and aggregated at the portfolio/benchmark level considering the allocation of each investment.

For institutional use only. Not for distribution to retail investors.

Forward-looking analysis assumptions

Initial investment for analysis: **$16,000,000**

	50/50 (EXCESS RES)		60/40		70/30		75/25 (END)		80/20	
	Withdrawals	Contributions	Withdrawals	Contributions	Withdrawals	Contributions	Withdrawals	Contributions	Withdrawals	Contributions
Cash flow type	None	None	None	None	None	None	None	None	None	None
Cash flow frequency	—	—	—	—	—	—	—	—	—	—
Annual amount	—	—	—	—	—	—	—	—	—	—
Start value	—	—	—	—	—	—	—	—	—	—
Annual growth rate	—	—	—	—	—	—	—	—	—	—
Smoothing period	—	—	—	—	—	—	—	—	—	—

All forward-looking analysis assumes an annual rebalance policy.

FORWARD-LOOKING ANALYSIS

Probability of meeting annualized return objectives

Nominal | 10 Years

	50/50 (EXCESS RES)	60/40	70/30	75/25 (END)	80/20
> 2% return	90.91%	89.14%	87.43%	86.15%	85.02%
> 3% return	78.17%	77.46%	76.17%	75.39%	74.79%
> 4% return	58.02%	60.31%	61.42%	61.70%	61.78%
> 5% return	36.10%	41.18%	45.24%	46.58%	47.70%
> 6% return	18.20%	24.40%	29.46%	31.50%	33.23%
> 7% return	7.75%	12.49%	16.90%	19.01%	21.25%
> 8% return	2.55%	5.32%	8.94%	10.64%	12.48%

IMPORTANT: The projections and other information generated by the VCMM regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Distribution of return outcomes from VCMM are derived from 10,000 simulations for each modeled asset class. Simulations as of March 2022. Results from the model may vary with each use and over time. The portfolio(s) is/are rebalanced to the specific allocation(s) on an annual basis. As performance returns of the asset classes within the portfolio(s) are based upon underlying benchmarks, the returns shown do not reflect the deduction of portfolio advisory fees, underlying fund expenses, trading costs, or taxes. Had these expenses been deducted, performance would be lower. Performance does reflect reinvestment of dividends, capital gains, and interest. Indexes are unmanaged, therefore, direct investment is not possible. **For more information with respect to VCMM, Methodology, and Benchmarks, please read the Important Information in the Appendix.**

FORWARD-LOOKING ANALYSIS

Distribution of annualized returns

Nominal | 10 Years

	50/50 (EXCESS RES)	60/40	70/30	75/25 (END)	80/20
95th	7.40%	8.05%	8.73%	9.07%	9.39%
75th	5.58%	5.97%	6.34%	6.50%	6.67%
50th	4.36%	4.56%	4.71%	4.78%	4.84%
25th	3.19%	3.16%	3.08%	3.03%	2.98%
5th	1.45%	1.15%	0.76%	0.55%	0.32%

IMPORTANT: The projections and other information generated by the VCMM regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Distribution of return outcomes from VCMM are derived from 10,000 simulations for each modeled asset class. Simulations as of March 2022. Results from the model may vary with each use and over time. The portfolio(s) is/are rebalanced to the specific allocation(s) on an annual basis. As performance returns of the asset classes within the portfolio(s) are based upon underlying benchmarks, the returns shown do not reflect the deduction of portfolio advisory fees, underlying fund expenses, trading costs, or taxes. Had these expenses been deducted, performance would be lower. Performance does reflect reinvestment of dividends, capital gains, and interest. Indexes are unmanaged, therefore, direct investment is not possible. **For more information with respect to VCMM, Methodology, and Benchmarks, please read the Important Information in the Appendix.**

FORWARD-LOOKING ANALYSIS

Distribution of annualized returns

Real | 10 Years

	50/50 (EXCESS RES)	60/40	70/30	75/25 (END)	80/20
95th	5.45%	6.06%	6.69%	7.00%	7.30%
75th	3.31%	3.65%	3.98%	4.15%	4.30%
50th	1.92%	2.09%	2.24%	2.30%	2.35%
25th	0.57%	0.56%	0.52%	0.47%	0.43%
5th	-1.41%	-1.68%	-1.96%	-2.13%	-2.31%

The Consumer Price Index for All Urban Consumers (CPI-U) is used to adjust nominal returns into real returns.

IMPORTANT: The projections and other information generated by the VCMM regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Distribution of return outcomes from VCMM are derived from 10,000 simulations for each modeled asset class. Simulations as of March 2022. Results from the model may vary with each use and over time. The portfolio(s) is/are rebalanced to the specific allocation(s) on an annual basis. As performance returns of the asset classes within the portfolio(s) are based upon underlying benchmarks, the returns shown do not reflect the deduction of portfolio advisory fees, underlying fund expenses, trading costs, or taxes. Had these expenses been deducted, performance would be lower. Performance does reflect reinvestment of dividends, capital gains, and interest. Indexes are unmanaged, therefore, direct investment is not possible. **For more information with respect to VCMM, Methodology, and Benchmarks, please read the Important Information in the Appendix.**

FORWARD-LOOKING ANALYSIS

Probability of a negative return in any given year

Nominal | 10 Years

	50/50 (EXCESS RES)	60/40	70/30	75/25 (END)	80/20
0% return or worse	98.55%	99.04%	99.33%	99.41%	99.49%
-5% return or worse	73.78%	83.92%	90.24%	92.25%	93.85%
-10% return or worse	27.96%	45.08%	60.38%	66.49%	71.91%
-15% return or worse	7.29%	16.10%	28.33%	34.48%	40.90%
-20% return or worse	1.84%	4.79%	10.80%	14.51%	18.86%

IMPORTANT: The projections and other information generated by the VCMM regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Distribution of return outcomes from VCMM are derived from 10,000 simulations for each modeled asset class. Simulations as of March 2022. Results from the model may vary with each use and over time. The portfolio(s) is/are rebalanced to the specific allocation(s) on an annual basis. As performance returns of the asset classes within the portfolio(s) are based upon underlying benchmarks, the returns shown do not reflect the deduction of portfolio advisory fees, underlying fund expenses, trading costs, or taxes. Had these expenses been deducted, performance would be lower. Performance does reflect reinvestment of dividends, capital gains, and interest. Indexes are unmanaged, therefore, direct investment is not possible. **For more information with respect to VCMM, Methodology, and Benchmarks, please read the Important Information in the Appendix.**

FORWARD-LOOKING ANALYSIS

Distribution of max drawdowns

10 Years

	50/50 (EXCESS RES)	60/40	70/30	75/25 (END)	80/20
95th	-1.62%	-2.62%	-3.69%	-4.28%	-4.85%
75th	-5.35%	-7.13%	-9.03%	-10.04%	-11.04%
50th	-8.51%	-10.97%	-13.62%	-14.95%	-16.36%
25th	-12.25%	-15.59%	-19.13%	-20.95%	-22.75%
5th	-19.32%	-24.15%	-29.14%	-31.58%	-34.09%

IMPORTANT: The projections and other information generated by the VCMM regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Distribution of return outcomes from VCMM are derived from 10,000 simulations for each modeled asset class. Simulations as of March 2022. Results from the model may vary with each use and over time. The portfolio(s) is/are rebalanced to the specific allocation(s) on an annual basis. As performance returns of the asset classes within the portfolio(s) are based upon underlying benchmarks, the returns shown do not reflect the deduction of portfolio advisory fees, underlying fund expenses, trading costs, or taxes. Had these expenses been deducted, performance would be lower. Performance does reflect reinvestment of dividends, capital gains, and interest. Indexes are unmanaged, therefore, direct investment is not possible. **For more information with respect to VCMM, Methodology, and Benchmarks, please read the Important Information in the Appendix.**

Appendix

For institutional use only. Not for distribution to retail investors.

Methodology

Historical analysis methodology:

This report may illustrate the hypothetical performance of a current and/or proposed asset allocation, portfolio or both. Although the portfolio is based upon historical performance of the underlying funds and individual asset classes, the combination of these assets classes within the allocation or these investments in the portfolio may be new or proposed and the combination does not have an actual performance record. **Therefore these results constitute hypothetical back-tested performance of the model portfolios and are not indicative or a guarantee of future results.** The hypothetical back-tested results shown are based on criteria applied retroactively with the benefit of hindsight, with the knowledge of factors that may have positively affected performance, and that cannot account for all financial risk that may have affected an actual investment in the portfolio. The hypothetical back-tested performance shown is constructed with the benefit of hindsight, including the ability to adjust the method for selecting securities until returns for the past period are maximized. Therefore, the actual performance of the portfolio may vary significantly from hypothetical back-tested returns, including loss. The hypothetical back-tested model portfolio returns take into consideration fund expense ratios and reflect the reinvestment of dividends, capital gains, and interest. The hypothetical performance results do not take into consideration the effect of taxes, portfolio transaction fees, brokerage costs, or front-end or deferred sales charges. The performance displayed also does not reflect fees that would be assessed if portfolios are managed by Vanguard Institutional Advisory Services (VIAS). Such advisory fees are calculated and assessed as set forth in VIAS's advisory brochure and in each client's Investment Management Agreement, and are based on each client's assets. Had all of these costs been included, actual investment results would have been lower. Investment results also do not reflect the opportunity for fee waivers and discounts. Any interpretation of the performance results should take into consideration the limitations, assumptions, and quantitative parameters inherent in the results of the model.

The information contained in this report is from the most recent information available at MSCI from Morningstar and various benchmark providers as of the release date, and may or may not be an accurate reflection of the current composition of the securities included in the portfolio. There is no assurance that the weightings, composition and ratios will remain the same.

Market environments scenarios

The scenarios shown represent hypothetical performance which is not indicative of future results. The hypothetical performance results for the various scenarios will only appear if all of the selected products in the portfolio have an inception date prior to the start of the market environment. The hypothetical results do reflect the gross expenses of the funds and do reflect reinvestment of dividends, capital gains, and interest. These results however do not take into consideration account fees and expenses, such as commissions, exchange fees, advisory fees, and withholding taxes. Additionally, the performance does not include any entered cash flows. Had these expenses been deducted performance would have been lower.

Global financial crisis refers to the severe worldwide financial crisis during 2007 through 2009. Excessive risk taking by banks combined with the bursting of the United States housing bubble caused the values of securities tied to U.S. real estate to plummet, damaging financial institutions globally, culminating with the bankruptcy of Lehman Brothers and an international banking crisis.

Euro debt crisis refers specifically to the timeframe starting with Greece announcing they would take a 45 billion euro loan from eurozone countries and the International Monetary Fund to avoid default and the subsequent beginning of the Securities Markets Program, the European Financial Stability Facility, and the European Financial Stabilisation Mechanism to help preserve financial stability.

U.S. credit downgrade refers to Standard & Poors (S&P) downgrade that was the first time the U.S. federal government was given a rating below AAA.

Oil price concerns refers to the plunge in oil prices at the beginning of 2016 when supplies piled up in storage due to resilient shale production and rising output from OPEC.

Forward-looking analysis methodology:

IMPORTANT: The projections and other information generated by the Vanguard Capital Markets Model® regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. VCMM results will vary with each use and over time.

The VCMM projections are based on a statistical analysis of historical data. Future returns may behave differently from the historical patterns captured in the VCMM. More important, the VCMM may be underestimating extreme negative scenarios unobserved in the historical period on which the model estimation is based.

The Vanguard Capital Markets Model® is a proprietary financial simulation tool developed and maintained by Vanguard's primary investment research and advice teams. The model forecasts distributions of future returns for a wide array of broad asset classes. Those asset classes include U.S. and international equity markets, several maturities of the U.S. Treasury and corporate fixed income markets, international fixed income markets, U.S. money markets, commodities, and certain alternative investment strategies. The theoretical and empirical foundation for the Vanguard Capital Markets Model is that the returns of various asset classes reflect the compensation investors require for bearing different types of systematic risk (beta). At the core of the model are estimates of the dynamic statistical relationship between risk factors and asset returns, obtained from statistical analysis based on available monthly financial and economic data from as early as 1960. Using a system of estimated equations, the model then applies a Monte Carlo simulation method to project the estimated interrelationships among risk factors and asset classes as well as uncertainty and randomness over time. The model generates a large set of simulated outcomes for each asset class over several time horizons. Forecasts are obtained by computing measures of central tendency in these simulations. Results produced by the tool will vary with each use and over time.

Forward-looking analysis reference indexes

Sub-asset Class	Proxy index
U.S. Equity	MSCI US Broad Market Index
U.S. Large-Cap	A rules-based index that is rebalanced quarterly based on a universe of securities selected from the Russell 1000 Index. The rule is as follows: Select the bottom one-third of stocks with the lowest market capitalization weighted by the security's respective market-capitalization.
U.S. Small-Cap	A rules-based index that is rebalanced quarterly based on a universe of securities selected from the Russell 3000 Index. The rule is as follows: Select the bottom two-thirds of stocks with the lowest market capitalization weighted by the security's respective market-capitalization.
U.S. Value	A rules-based index that is rebalanced quarterly based on a universe of securities selected from the Russell 1000 Index. The rule is as follows: Select the bottom 30% of stocks with a Price-to-Book ratio from the universe weighted by the security's respective market-capitalization.
U.S. Growth	A rules-based index that is rebalanced quarterly based on a universe of securities selected from the Russell 1000 Index. The rule is as follows: Select the top 30% of stocks with a Price-to-Book ratio from the universe weighted by the security's respective market-capitalization.
Non-U.S. Equity	MSCI All Country World ex USA Index
Emerging Markets Equity	MSCI Emerging Markets Index
Developed Markets Ex U.S.	MSCI World ex USA Index
U.S. Aggregate Bonds	Bloomberg Barclays U.S. Aggregate
Non-U.S. Aggregate Bonds	Bloomberg Barclays Global Aggregate ex-USD
Emerging Markets Bonds	Bloomberg EM USD Sovereign Index
U.S. High Yield Bonds	Bloomberg Barclays U.S. High Yield Corporate Bond Index
Total U.S. Credit	Bloomberg Barclays U.S. Credit
U.S. Short-term Credit	Bloomberg Barclays U.S. 1-3 Year Credit Bond Index
U.S. Intermediate-term Credit	Bloomberg Barclays U.S. Intermediate Credit
U.S. Long-term Credit	Bloomberg Barclays U.S. Long Credit
Total Treasury	Bloomberg Barclays U.S. Treasury
U.S. Short-term Treasury	Bloomberg Barclays U.S. 1-5 Year Treasury Bond Index
U.S. Intermediate-term Treasury	Bloomberg Barclays U.S. 5-10 Year Treasury Index
U.S. Long-term Treasury	Bloomberg Barclays U.S. Long Treasury Index
U.S. Extended Duration	Bloomberg U.S. Treasury Strips 20-30 Year Equal Par Bond Index
Long-term Gov't / Credit	40% Bloomberg Barclays U.S. Treasury Long and 60% Bloomberg Barclays U.S. Long Credit
U.S. REITs	FTSE/NAREIT US Real Estate Index
U.S. Short-term TIPS	Bloomberg Barclays U.S. 0-5 Year Treasury Inflation Protected Securities Index
U.S. Intermediate-term TIPS	Bloomberg Barclays U.S Treasury Inflation Protected Securities Index
U.S. Long-term TIPS	Bloomberg Barclays U.S. 10+ Year Treasury Inflation Protected Securities Index
Commodities	Bloomberg Commodity Index
U.S. Cash	U.S. 3-Month Treasury-constant maturity

For institutional use only. Not for distribution to retail investors.

Benchmarks

Benchmark descriptions:

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 Treas 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.

For institutional use only. Not for distribution to retail investors.

Glossary

Cash flow/Rebalance frequency: For historical analytics, contributions, withdrawals, and rebalances are assumed to occur at the end of the month of the selected calendar period. Annual frequency would be December and quarterly frequencies would be March, June, September, and December.

Cash flow frequency: For forward-looking analytics, withdrawals are assumed to occur at the beginning of each calendar year. Contributions are assumed to occur at the end of the year.

Excess returns: Returns in excess of the selected benchmark.

Expense ratio: The gross expense ratio is the annual fee that all funds charge their shareholders. It expresses the percentage of assets deducted each fiscal year for fund expenses, including 12b-1 fees, management fees, administrative fees, operating costs, and all other asset-based costs incurred by the fund. Portfolio transaction fees, or brokerage costs, as well as front-end or deferred sales charges are not included in the expense ratio. The gross expense ratio presented does not reflect any fee waivers or expense reimbursements in effect during the time period.

Information ratio: A measurement of portfolio returns beyond the returns of the selected benchmark compared to the volatility of those returns.

Periods negative: Calculated as the percentage of months with a negative value.

Periods positive: Calculated as the percentage of months with a positive value.

Rebalance band: The tolerance for fluctuation in the target allocation weight. When the allocation weight exceeds the band, a rebalance occurs. If both the rebalance frequency and band are provided, a rebalance is assumed to occur when either of the criteria are met.

Returns-based style analysis (RBSA): A technique to deconstruct the returns of a portfolio against style indices returns providing a proportional exposure to the respective asset class. The calculation of the RBSA is based on Morningstar data for the past five years of monthly returns for each fund.

SEC yield: A non-money market fund's SEC yield is based on a formula mandated by the Securities and Exchange Commission (SEC) that calculates a fund's hypothetical annualized income, as a percentage of its assets. A security's income, for the purposes of this calculation, is based on the current market yield to maturity (in the case of bonds) or projected dividend yield (for stocks) of the fund's holdings over a trailing 30 day period. This hypothetical income will differ (at times, significantly) from the fund's actual experience; as a result, income distributions from the fund may be higher or lower than implied by the SEC yield.

The SEC yield for a money market fund is calculated by annualizing its daily income distributions for the previous seven days. Any money market yields listed more closely reflect the current earnings of the fund than the average annual total returns shown.

Smoothing period: The time frame used to determine the average portfolio balance in order to calculate the withdrawal. Initial years of the smoothing period will assume the portfolio balance of the initial investment amount.

Standard deviation: The standard deviation is a gauge of the variance of a manager's return over its average or mean. Statistically, it is the square root of the variance. Because it measures total variation of the return, standard deviation is a measure of total risk, unlike beta, which measures only market risk. Investors use the standard deviation to try to predict the range of returns that is most likely for a given investment. When a portfolio has a high standard deviation, the predicted range of performance is wide, implying greater volatility. The converse, a low standard deviation implies that the portfolio will exhibit lower volatility.

For institutional use only. Not for distribution to retail investors.

Important information

For more information about any Vanguard funds, visit institutional.vanguard.com or call 800-523-1036 to obtain a prospectus or, if available, a summary prospectus. Investment objectives, risks, charges, expenses, and other important information about a fund 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.

Collective trusts and separately managed accounts (SMAs) are not mutual funds. These investments are available only to tax-qualified plans and their eligible participants. Investment objectives, risks, charges, expenses, and other important information should be considered carefully before investing.

Vanguard municipal money market funds: The Fund is only available to retail investors (natural persons). You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. The Fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the Fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

Vanguard Federal, Cash Reserves Federal, and Treasury Money Market Funds: You could lose money by investing in the Fund. Although the Fund seeks to preserve the value of your investment at $1.00 per share, it cannot guarantee it will do so. An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The Fund's sponsor has no legal obligation to provide financial support to the Fund, and you should not expect that the sponsor will provide financial support to the Fund at any time.

All investing is 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.

Investments in a target date fund are subject to the risks of their underlying funds. The year in the fund name refers to the approximate year (the target date) when an investor in the fund would retire and leave the workforce. The fund will gradually shift its emphasis from more aggressive investments to more conservative ones based on its target date. An investment in a target date fund is not guaranteed at any time, including on or after the target date.

Private investments involve a high degree of risk and, therefore, should be undertaken only by prospective investors capable of evaluating and bearing the risks such an investment represents. Investors in private equity generally must meet certain minimum financial qualifications that may make it unsuitable for specific market participants.

Advice services offered through Vanguard Institutional Advisory Services are provided by Vanguard Advisers, Inc., a registered investment advisor.

A stable value investment is neither insured nor guaranteed by the U.S. government. There is no assurance that the investment will be able to maintain a stable net asset value, and it is possible to lose money in such an investment.

Factor funds are subject to investment style risk, which is the chance that returns from the types of stocks in which the fund invests will trail returns from U.S. stock markets. Factor funds are subject to manager risk, which is the chance that poor security selection will cause the fund to underperform relevant benchmarks or other funds with a similar investment objective.

Morningstar data © 2022 Morningstar, Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

London Stock Exchange Group companies include FTSE International Limited ("FTSE"), Frank Russell Company ("Russell"), MTS Next Limited ("MTS"), and FTSE TMX Global Debt Capital Markets Inc. ("FTSE TMX"). All rights reserved. "FTSE®", "Russell®", "MTS®", "FTSE TMX®" and "FTSE Russell" and other service marks and trademarks related to the FTSE or Russell indexes are trademarks of the London Stock Exchange Group companies and are used by FTSE, MTS, FTSE TMX and Russell under license. All information is provided for information purposes only. No responsibility or liability can be accepted by the London Stock Exchange Group companies nor its licensors for any errors or for any loss from use of this publication. Neither the London Stock Exchange Group companies nor any of its licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE Indexes or the fitness or suitability of the Indexes for any particular purpose to which they might be put.

"Bloomberg®" is a service mark of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by Vanguard. Bloomberg is not affiliated with Vanguard, and Bloomberg does not approve, endorse, review, or recommend the Vanguard funds. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Vanguard funds.

Center for Research in Security Prices, LLC (CRSP®) and its third-party suppliers have exclusive proprietary rights in the CRSP® Index Data, which has been licensed for use by Vanguard but is and shall remain valuable intellectual property owned by, and/or licensed to, CRSP®. The Vanguard Funds are not sponsored, endorsed, sold or promoted by CRSP®, The University of Chicago, or The University of Chicago Booth School of Business and neither CRSP®, The University of Chicago, or The University of Chicago Booth School of Business, make any representation regarding the advisability of investing in the Vanguard Funds.

The funds or securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities. The prospectus or the Statement of Additional Information contains a more detailed description of the limited relationship MSCI has with Vanguard and any related funds.

Important information

"Dividend Achievers" is a trademark of The NASDAQ OMX Group, Inc. (collectively, with its affiliates, "NASDAQ OMX") and has been licensed for use by The Vanguard Group, Inc. Vanguard mutual funds are not sponsored, endorsed, sold, or promoted by NASDAQ OMX and NASDAQ OMX makes no representation regarding the advisability of investing in the funds. NASDAQ OMX MAKES NO WARRANTIES AND BEARS NO LIABILITY WITH RESPECT TO THE VANGUARD MUTUAL FUNDS.

The Russell Indexes and Russell® are registered trademarks of Russell Investments and have been licensed for use by The Vanguard Group, Inc. The products are not sponsored, endorsed, sold or promoted by Russell Investments and Russell Investments makes no representation regarding the advisability of investing in the products.

S&P Indices are products of S&P Dow Jones Indices LLC ("SPDJI"), and have been licensed for use by Vanguard. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); S&P® and S&P 500® are trademarks of S&P; and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by Vanguard. Vanguard product(s) are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, or their respective affiliates and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the indices.

© 2022 The Vanguard Group, Inc. All rights reserved. Vanguard Marketing Corporation, Distributor of the Vanguard Funds.

U.S. Patent No. 6,879,964

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.

Vanguard is responsible only for selecting the underlying funds and periodically rebalancing the holdings of target-date investments. The asset allocations Vanguard has selected for the Target Retirement Funds are based on our investment experience and are geared to the average investor. Investors should regularly check the asset mix of the option they choose to ensure it is appropriate for their current situation.

Vanguard collective trusts are not mutual funds. They are collective trusts available only to tax-qualified plans and their eligible participants. Investment objectives, risks, charges, expenses, and other important information should be considered carefully before investing. The collective trust mandates are managed by Vanguard Fiduciary Trust Company, a wholly owned subsidiary of The Vanguard Group, Inc.

A stable value investment is neither insured nor guaranteed by the U.S. government. There is no assurance that the investment will be able to maintain a stable net asset value, and it is possible to lose money in such an investment.

Important information

The Factor Funds are subject to investment style risk, which is the chance that returns from the types of stocks in which a Factor Fund invests will trail returns from U.S. stock markets. The Factor Funds are also subject to manager risk, which is the chance that poor security selection will cause a Factor Fund to underperform its relevant benchmark or other funds with a similar investment objective, and sector risk, which is the chance that significant problems will affect a particular sector in which a Factor Fund invests, or that returns from that sector will trail returns from the overall stock market.

The information contained herein does not constitute tax advice and cannot be used by any person to avoid tax penalties that may be imposed under the Internal Revenue Code. We recommend that you consult a tax or financial advisor about your individual situation.

Advice services are provided by Vanguard Advisers, Inc., a registered investment advisor.

Brokerage services are plan-specific and may be provided by TD Ameritrade, Inc., member FINRA/SIPC or Vanguard Brokerage Services®, a division of Vanguard Marketing Corporation, member FINRA/SIPC. Refer to Vanguard's plan documents for information on the applicable brokerage services provider. TD Ameritrade and Vanguard are separate and unaffiliated firms, and are not responsible for each other's services or policies. TD Ameritrade is a trademark jointly owned by TD Ameritrade IP Company, Inc., and the Toronto-Dominion Bank. Used with permission.

CFA® and Chartered Financial Analyst® are trademarks owned by CFA Institute.

The Vanguard Group has partnered with Financial Engines Advisors L.L.C. (FEA) to provide subadvisory services to the Vanguard Managed Account Program and Personal Online Advisor. FEA is an independent, federally registered investment advisor that does not sell investments or receive commission for the investments it recommends with respect to the services which it is engaged in as subadvisor for Vanguard Advisers, Inc. (VAI). Advice is provided by Vanguard Advisers, Inc. (VAI), a federally registered investment advisor and an affiliate of The Vanguard Group, Inc. (Vanguard). Vanguard is owned by the Vanguard funds, which are distributed by Vanguard Marketing Corporation, a registered broker-dealer affiliated with VAI and Vanguard. Neither Vanguard, FEA, nor their respective affiliates guarantee future results. Vanguard will use your information in accordance with Vanguard's Privacy Policy.

Edelman Financial Engines® is a registered trademark of Edelman Financial Engines, LLC. All rights reserved. Used with permission.

CGS identifiers have been provided by CUSIP Global Services, managed on behalf of the American Bankers Association by Standard & Poor's Financial Services, LLC, and are not for use or dissemination in a manner that would serve as a substitute for any CUSIP service. The CUSIP Database, © 2022 American Bankers Association. "CUSIP" is a registered trademark of the American Bankers Association.

"Bloomberg®" is a service mark of Bloomberg Finance L.P. and its affiliates, including Bloomberg Index Services Limited ("BISL"), the administrator of the index (collectively, "Bloomberg") and have been licensed for use for certain purposes by Vanguard. Bloomberg is not affiliated with Vanguard, and Bloomberg does not approve, endorse, review, or recommend the Vanguard funds. Bloomberg does not guarantee the timeliness, accurateness, or completeness of any data or information relating to the Vanguard funds.

Apple®, iPhone®, and iPad® are trademarks of Apple Inc., registered in the United States and other countries. App Store is a service mark of Apple Inc. Android™ is a trademark of Google Inc.

Morningstar data © 2022 Morningstar, Inc. All rights reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete, or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

Important information

Vanguard

London Stock Exchange Group companies include FTSE International Limited ("FTSE"), Frank Russell Company ("Russell"), MTS Next Limited ("MTS"), and FTSE TMX Global Debt Capital Markets Inc. ("FTSE TMX"). All rights reserved. "FTSE®," "Russell®," "MTS®," "FTSE TMX®," and "FTSE Russell," and other service marks and trademarks related to the FTSE or Russell Indexes are trademarks of the London Stock Exchange Group companies and are used by FTSE, MTS, FTSE TMX, and Russell under license. All information is provided for information purposes only. No responsibility or liability can be accepted by the London Stock Exchange Group companies nor its licensors for any errors or for any loss from use of this publication. Neither the London Stock Exchange Group companies nor any of its licensors make any claim, prediction, warranty, or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE Indexes or the fitness or suitability of the indexes for any particular purpose to which they might be put.

The index is a product of S&P Dow Jones Indices LLC (“SPDJI”) and has been licensed for use by Vanguard. Standard & Poor’s® and S&P® are registered trademarks of Standard & Poor’s Financial Services LLC (“S&P”); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC (“Dow Jones”); S&P® and S&P 500® are trademarks of S&P; and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by Vanguard. Vanguard product(s) are not sponsored, endorsed, sold, or promoted by SPDJI, Dow Jones, S&P, or their respective affiliates, and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability for any errors, omissions, or interruptions of the index.

Center for Research in Security Prices, LLC (CRSP®) and its third-party suppliers have exclusive proprietary rights in the CRSP® Index Data, which has been licensed for use by Vanguard but is and shall remain valuable intellectual property owned by, and/or licensed to, CRSP®. The Vanguard Funds are not sponsored, endorsed, sold or promoted by CRSP®, The University of Chicago, or The University of Chicago Booth School of Business and neither CRSP®, The University of Chicago, or The University of Chicago Booth School of Business, make any representation regarding the advisability of investing in the Vanguard Funds.

The Russell Indexes and Russell® are registered trademarks of Russell Investments and have been licensed for use by The Vanguard Group. The products are not sponsored, endorsed, sold, or promoted by Russell Investments, and Russell Investments makes no representation regarding the advisability of investing in the products.

“Dividend Achievers” is a trademark of The NASDAQ OMX Group, Inc. (collectively, with its affiliates, “NASDAQ OMX”) and has been licensed for use by The Vanguard Group, Inc. Vanguard mutual funds are not sponsored, endorsed, sold, or promoted by NASDAQ OMX, and NASDAQ OMX makes no representation regarding the advisability of investing in the funds. NASDAQ OMX MAKES NO WARRANTIES AND BEARS NO LIABILITY WITH RESPECT TO THE VANGUARD MUTUAL FUNDS.

The funds or securities referred to herein are not sponsored, endorsed, or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities. The prospectus or the Statement of Additional Information contains a more detailed description of the limited relationship MSCI has with Vanguard and any related funds.

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard and Poor's, a division of McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by Vanguard. Neither MSCI, S&P, nor any third party involved in making or compiling the GICS or any GICS classification makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability, or fitness for a particular purpose with respect to any such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of its affiliates, or any third party involved in making or compiling the GICS or any GICS classification have any liability for any direct, indirect, special, punitive, consequential, or any other damages (including lost profits) even if notified of the possibility of such damages.

Vanguard Marketing Corporation, Distributor of the Vanguard Funds. U.S. Patent Nos. 6,879,964.

© 2022 The Vanguard Group, Inc. All rights reserved.

Rev_062022

For institutional use only. Not for distribution to retail investors.

Slide ID #: S002380

MiraCosta College
Foundation
Balance Sheet

Repeat By
Period FY2021-22 - 12-Jun
Worktags ***Kindly note that this is a preliminary Q4 report, final entries and steps are taking place for year-end close.**
Calculate Current Year Retained E Yes

MiraCosta College Foundation	**Unrestricted**	**Restricted**	**Restricted & Unrestricted**	**Restricted & Unrestricted**
Period: FY2021-22 - 12-Jun			**Total**	**Prior Year Total**
Assets	2,271,058.28	18,509,132.46	20,780,190.74	23,001,359.61
Cash	1,337,518.18	556,188.86	1,893,707.04	1,284,580.18
Investments	423,741.97	16,201,373.01	16,625,114.98	19,353,895.76
Deferred Gifts - Assets	426,799.00	671,089.18	1,097,888.18	1,088,652.18
Accounts Receivable/Prepaids	82,999.13	1,080,481.41	1,163,480.54	1,274,231.49
Total Assets	***2,271,058.28***	***18,509,132.46***	***20,780,190.74***	***23,001,359.61***
Liabilities	13,921.07	11,635.13	25,556.20	76,863.93
Accounts Payable	13,921.07	11,635.13	25,556.20	76,863.93
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	***13,921.07***	***11,635.13***	***25,556.20***	***76,863.93***
Net Position	**2,257,137.21**	**18,497,497.33**	**20,754,634.54**	**22,924,495.68**
Total Liability/Net Position	**2,271,058.28**	**18,509,132.46**	**20,780,190.74**	**23,001,359.61**

MiraCosta College Foundation Income Statement

Repeat By
Period FY2021-22 - 12-Jun
Worktags ***Kindly note that this is a preliminary Q4 report, final entries and steps are taking place for year-end close.**

MiraCosta College Foundation	**Unrestricted**	**Restricted**	**Restricted & Unrestricted**	**Restricted & Unrestricted**
Period: FY2021-22 - 12-Jun			**Total**	**Prior Year**
Revenues	14,984.11	(985,689.90)	(970,705.79)	6,153,103.34
Deferred Gifts- Revenue	-	-	-	476.19
Contributions	155,228.97	1,448,471.45	1,603,700.42	1,115,156.86
Investment Activity	(149,480.86)	(2,507,186.81)	(2,656,667.67)	4,506,517.79
Gifts In Kind- Revenue	9,236.00	73,025.46	82,261.46	530,952.50
Total Revenue	*14,984.11*	*(985,689.90)*	*(970,705.79)*	*6,153,103.34*
Transfers	208,552.17	(208,552.17)	-	-
Transfers In	245,009.72	560,614.79	805,624.51	1,188,892.20
Transfers Out	(36,457.55)	(769,166.96)	(805,624.51)	(1,188,892.20)
Total Transfers	*208,552.17*	*(208,552.17)*	-	-
Total Revenue and Transfers	***223,536.28***	***(1,194,242.07)***	***(970,705.79)***	***6,153,103.34***
Expenditures	318,646.05	880,509.30	1,199,155.35	1,310,511.08
General And Administrative	290,367.22		290,367.22	387,486.90
Programs	23,434.83	201,179.57	224,614.40	222,080.82
Direct Student Aid	745.00	81,152.09	81,897.09	145,476.74
Scholarships	4,099.00	525,152.18	529,251.18	442,077.12
Gifts In Kind- Expense	-	73,025.46	73,025.46	113,389.50
Total Expenditures	***318,646.05***	***880,509.30***	***1,199,155.35***	***1,310,511.08***
Net Fund Balance, Beginning of Year	2,352,246.98	20,572,248.70	22,924,495.68	18,081,903.42
Revenues Over (Under) Expenditures	(95,109.77)	(2,074,751.37)	(2,169,861.14)	4,842,592.26
Net Fund Balance, End of Period	***2,257,137.21***	***18,497,497.33***	***20,754,634.54***	***22,924,495.68***

Recap of Cash and Investments
12/31/2020

Recap		
As of 06.30.2022		
CASH & ST		
Union Bank	**$942,954.13**	**Balance sheet reflects outstanding checks**
LAIF	**$974,387.72**	
	$1,917,341.85	
INVESTMENTS		
Vanguard -	**$13,633,531.24**	
Vanguard - ST Operations	**$2,009,121.58**	**$2,250,000 invested, $315,237.21 total unrealized loss (previous gains of $74,358.79 booked in 100833_GF and $240,878.42 in 100839_GF)**
Osher	**$921,110.34**	
	$16,563,763.16	
<u>Recommendation:</u>		
Transfer from UB to VG ST	**Not needed at this time**	
Transfer from UB to VG Endowment	**$ 31,116.36**	**Q4 endowment gifts**
Liquidate VG Shares to UB	**$ 1,231,024.53**	**Based on Unitization detail, beg cash balance**
		Last liquidation was in 5/13/2020 (no liquidation for Dec 2020 and Dec 2021 distribution and fees)

Top 10 Donors
FY2021-22

Name	Gift Amount	Gift Date	Fund Description
Foundation for California Community Colleges - Osher	$35,400.00	8/25/2021	Osher Interest Scholarship
Walter May	$36,490.43	11/29/2021	Former Foster Youth
Citi	$70,000.00	12/9/2021	UMOJA - Citi Porch TalkGrant
Illumina	$54,690.00	12/23/2021	Gift In Kind Campus Activity
TIAA - D. Bessell Trust	$119,485.77	2/15/2022	Annual
Sue Ellen Leroy	$250,000.00	3/30/2022	The Leroy Charitable Foundation Music Program Fund
Dorothy Rupe Caregiver Program at Arthur N. Rupe Foundation	$35,690.00	4/6/2022	CNA Nursing Program
Wilson Family	$50,000.00	5/14/2022	Bob Wilson RAFFY Scholarships
Rancho Santa Fe Foundation	$75,000.00	6/8/2022	Student Success Scholarships - General Scholarship
The San Diego Foundation	$50,000.00	6/24/2022	SDF Student Connectivity and Success Program

FY 2022-2023 Foundation Operating Expense Budget	Approved FY2021-22 Expense Budget	Approved FY2022-23 Expense Budget	Notes	Suggested Revisions - Staffing & Campaign Exp	notes - Changes Proposed for FY 22/23
Salaries & Benefits (2800 - 1256_SC)					
Foundation Specialist salary	$72,000	$65,000		$63,000	Decrease per fiscal office
Foundation Specialist benefits	$35,000	$30,000		$45,100	Increase updated cost per fiscal office
Foundation & Dev't Assistant Salary	$43,000	$40,000		$35,000	permanent P/T 20 hrs/week (from temp p/t)
Foundation & Dev't Asst benefits				$34,000	add benefits
Staff Accountant					TBD: per MOU-up to 40% of staff accountant, $$ TBD
TOTAL	**$150,000**	**$135,000**		**$177,100**	
Donor Cultivation/Acq/Events/Awareness					
Donor Acquisition					District covering $15k yr1 (22/23) & potentially year 2
Public Relation and Communications					TBD
Donor Cultivation: 5100-1190_SC	$8,000	$4,000		$4,000	
Goodwill (flowers, gifts): 5100-1190_SC	$2,000	$700		$700	
Community Event Att: 5100-1039_SC	$1,000	$2,800		$2,800	
TOTAL:	**$11,000**	**$7,500**		**$7,500**	
***Fees for Services:* Professional Fees**					
Legal Services	$0	$0		$0	
Audit & Tax Services: 5700-1028_SC	$11,500	$12,000		$12,000	
Professional Development	$1,000	$1,000	Staff development	$1,000	
CRM - Raisers Edge: 5600-1020_SC	$39,000	$45,000	RasiersEdge and Omatic annual costs	$45,000	
Crowdsource fundraising	$20,000	$20,000	Crowd source fundraising (4-year contract/year 4 of 4)	$20,000	
Consulting services	$15,000	$5,000	District supported	$5,000	
Major Donor Art Storage	$26,880	$27,000	Art storage and insurance (M. Jo Young)	$27,000	
TOTAL:	**$113,380**	**$110,000**		**$110,000**	
Conference, Conventions, Meetings					
Board meetings	$1,000	$1,500		$1,500	
Board development		$2,500		$2,500	
Business/staff meetings	$200	$200		$200	
Travel	$0	$0	District supported	$0	
Licenses & Filing Fees*:* 4500-1215_SC	$500	$500		$500	
TOTAL:	**$1,700**	**$4,700**		**$4,700**	
Office Expenses					
Supplies: 4500-1215_SC	$1,500	$1,500		$1,500	
Postage (audit/grant proposals):	$150	$150		$150	
Printing/Mailings/Publications: 4500-1004_SC	$15,000	10000		$10,000	
Membership fees: 5300-1221_SC	$1,700	$0	District supported	$0	
TOTAL:	**$18,350**	**$11,650**		**$11,650**	
Banking Fees: 5100-1041_SC	**$15,000**	**$15,000**		**$15,000**	
FY 2022/23 Budget Approved (May 2022)	**$309,430**	**$283,850**		**$325,950**	

$42,100 Variance over 22/23 Approved
$16,520 Variance over Last Year FY 21/22

Solicitation and Acceptance of Gifts Policy

Background and Purpose
The Office of Development of MiraCosta College (the "College") and the MiraCosta College Foundation (the "Foundation") are responsible for the following:

- Coordinating the College's outreach programs to alumni, the community, business and industry, and private agencies with the aim of helping the College achieve its goals so that academic quality and service to the region can be maintained and advanced.
- Managing the acceptance and processing of all gifts made to the College and maintaining all donor records. This policy statement has been adopted by the Foundation Board of Directors (the "Board") to provide general information about the criteria and framework by which donations may be accepted or recommended to the Board for acceptance.

This information should not be interpreted as legal advice, nor is this policy intended to override current IRS code and regulations.

The Foundation is an IRS-qualified, Section 501(c)(3) tax-exempt charitable-educational organization. The state of California has classified the Foundation as a nonprofit public benefit corporation under the Nonprofit Corporation Law.

General Policy

A. Only gifts, bequests, devises, endowments, trusts, and similar funds that further the mission of the College and are designed for use by the College or the Foundation for College-related programs or projects may be considered for acceptance.

B. Except as provided below, the Vice President, Institutional Advancement, or her/his designee, has authority to accept gifts or related funds and instruments designated by the donor/grantor 1) for purposes or uses previously approved by the Board or 2) for established, instructional or support programs and functions of the College authorized by the College President or her/his designee.

C. Gifts that are exceptions to these policies may be submitted for consideration to the College President or designee and the Vice President, Institutional Advancement.

Special Gifts Acceptance
New College programs or donations involving a substantial or unique obligation of the Foundation shall be submitted to the College President or designee and the ~~Associate~~ Vice President, Institutional Advancement for review and consideration as to acceptability and conformance with College regulations (particularly California Code of Regulations Section 42500(c) regarding real property, if applicable) and then to the Board for approval.

Gifts of Tangible Personal Property and Equipment (Gifts-In-Kind)

A. Prior to acceptance of donations of personal property or company product, other than books or materials donated to the Library, the following information about the proposed donation must be provided on/or accompany the Gift-In-Kind form with required signatures:

1. Description of item(s)
2. Estimated value of gift
3. Area in which item is to be used and/or stored
4. Proposed use of item, or plan to convert asset
5. Restrictions on gift
6. Specifics as to the funding of any related expenditures, both initial and ongoing. Costs may include but aren't limited to storage, transportation, and transaction costs.

B. Acceptance

1. Gifts of tangible, personal property (e.g., artwork, antiques, furniture, automobiles) are accepted only upon written approval by the College President or designee and the Vice President, Institutional Advancement. Such acceptance shall be based upon a reasonable plan to use, sell or otherwise convert the property to a usable asset.

2. Gifts of equipment related to the academic mission of the College shall be accepted only upon written approval by the College President or designee and the Vice President, Institutional Advancement.

3. Gifts of books, documents, art objects, artifacts, and related materials to be housed in the Library are accepted only upon written acknowledgment by the Dean of Library or her/his designee.

4. Items to be used for resale or auctioning for fundraising purposes are to be deemed acceptable and received by a College Development Officer. The Gift-in-Kind Form for Fundraising Events is to be used for documenting receipt of these gifts.

5. Gifts of software are to be received only upon written approval of the College President or designee and the Vice President, Institutional Advancement.

C. Valuation

1. For donations valued in excess of $5,000 the donor is responsible for acquiring a qualified appraisal. The donor should submit an appraisal with the Gift-in-Kind form.

2. Donors are responsible for determining the value of donated tangible property with values of less than $5,000 for purpose of charitable deductions related to their personal tax filings.

3. Gifts of software are to be valued according to the following College policy:

a. Book the educational discount price, which is the price the college would have paid for the product using its educational discount if applicable.
b. Only the license value (using the educational discount if applicable) of the software is to be booked. The number of seats is not to be considered in determining the value.
c. Any fee charged to the campus or department for the license is to be deducted from the total gift value booked.
d. No software gift should be booked for more than three years when received as a multi-year gift.
e. If the donor provides IRS Form 8283, book the gift according to the Form, unless the amount is known to be more than the educational discount.

4. The acceptance of a gift does not indicate the Foundation's or the College's agreement with the valuation provided by the donor or the appraisal.

D. Resale or Usage

1. Per IRS Form 8283, ~~If~~ if donated property in excess of $5,000 is sold, exchanged or otherwise disposed of within ~~two~~ three years of receipt, ~~an information return must be filed with the IRS by~~ the Foundation ~~.~~ it will file Form 8282, Donee Information Return, with the IRS and give the donor a copy of that form.

Commented [SS1]: https://www.irs.gov/pub/irs-pdf/f8282.pdf

2. The department utilizing the donated property is responsible for arranging transfer, receipt, and maintenance and storage of the equipment.

Gifts of Real Property

A. Prior to acceptance, gifts of real property must:

1. Have a completed and satisfactory title search for residential property and a satisfactory Phase I Environmental Site Assessment for commercial and other non-residential property.

2. Include a recent, qualified appraisal no older than six months.

3. Be approved in writing by the College President where the amount of the property transaction is $250,000 or more.

B. Acceptance

Gifts of real property are accepted only upon approval in writing by the College President or designee and the Board, based upon the outlined criteria for acceptable property and based upon a reasonable plan to use, resell, or otherwise convert the property to a usable asset.

C. Generally, real property gifts which are not acceptable include:

1. Property with no resale value or that is not eminently resalable.

2. Property that is mortgaged or in some other way indebted or if it would incur unreasonable or unacceptable expenses or risks once accepted.

D. Valuation

1. Property will be accepted at the appraised value as of the date of acceptance based upon the qualified appraisal no older than six months.

2. The College and the Foundation have no responsibility for affixing value to any gift on behalf of the donor. The donor will bear the costs of the qualified appraisal.

E. Resale or Usage.

1. Property to be held.

a. Property intended to be held must be held as a College or Foundation asset.
b. Its use must be implemented within the guidelines of the Campus Master Plan or the Foundation's Business Plan.

2. Property to be sold

a. All property to be sold will be sold by the Foundation, the Office of Fund Development or a selected agent.
b. Costs of the sale of property will be deducted from the sale proceeds.
c. If property is accepted in trust, the donor may be asked to make additional gifts to cover any additional costs that cannot be deducted from the sale proceeds.

Gifts of Securities, Limited Partnerships and Other Intangible Property

A. Acceptance Gifts of securities meeting the criteria below will be accepted:

1. Gifts of readily marketable (publicly traded) securities.

2. Gifts of securities which are not readily marketable (publicly traded) under the following conditions:

a. Gifts of closely held corporate stock will be accompanied by a qualified appraisal of the stock's value as supplied by the donor.
b. The stock's sale can only be restricted for the length of time agreed upon by the College and the donor at the time of the gift.
c. Gifts of bonds and other securities or papers that require a "holding" period or have a maturity date will be accepted.

Gifts of securities meeting the criteria below will not be accepted:
1. Securities which could create a liability to the College or the Foundation.
2. Securities which, by their nature, may not be assigned (e.g., series "E" bonds).
3. Securities which, upon investigation, have no apparent value.

B. Valuation

1. Gifts of readily marketable securities will be valued in accordance with IRS code and regulations.

2. Gifts of securities which are not readily marketable will be valued based upon the qualified appraisal supplied by the donor as of the day of acceptance and in accordance with IRS code and regulations.

3. Resale or usage

a. Gifts of readily marketable securities will be converted to cash as soon as possible. If market conditions at the time of the gift favor holding the instruments until a more appropriate time for liquidation, Board approval must be obtained.

Gifts of Life Insurance

A. Prior to acceptance of donations of insurance policies naming the Foundation as owner or beneficiary, the following information about the proposed donation must be provided.

1. Description of the type of life insurance policy
2. Face value
3. Premium payment schedule
4. Interest or dividend rate
5. Age of insured(s)
6. Purpose of gift

B. In general, insurance policies must meet the following conditions:

1. Insurance with cash value, which is fully paid up:

a. Donor must agree for policy to be cashed in immediately for its cash surrender value.
b. The Foundation must be named the owner (not just beneficiary) of the policy.

2. Insurance with cash value, which is partially paid on or which no payments have been made at the time of the gift:

a. Gift must have a cash value of at least $1,000.
b. The Foundation must be named as the beneficiary.
c. Donor must make a written pledge to continue paying the premiums on the policy.
d. If no payment is received from the donor within sixty (60) days of the premium due date, the Foundation shall determine whether to continue the policy in force or surrender for its cash value.

3. Term life

a. The Foundation must be named as the owner or beneficiary.
b. Donor must make a written pledge to continue paying the premiums on the policy.
c. If no payment is received from the donor within 30 days of the premium due date, the Foundation may continue to pay premiums on the policy at its option or the policy will be allowed to lapse.

C. Acceptance
Gifts of life insurance will be accepted upon written approval by the College President or designee and the Vice President, Institutional Advancement.

D. Valuation

1. College recognition will be given equal to annual premiums made by donor if the Foundation owns the policy.

2. The value of paid-up life insurance gifts will be recorded and reported at cash surrender value rather than face value of the policy, in accordance with Council for the Advancement and Support of Education/ National Association of College and University Business Officers guidelines.

Charitable Remainder Trusts (Unitrust, Annuity Trust, Lead Trust)

A. Acceptance Charitable remainder trusts (unitrust, annuity trust, lead trust) are acceptable under the following conditions:

1. When the gift's vehicle irrevocably transfers the remainder interest of the asset's value to the MiraCosta College Foundation upon the following:

a. Death of the named income beneficiaries
b. End of a specified term of no more than 20 years

2. Donor can name himself or herself and/or others as income recipients, with payments payable concurrently or consecutively.

3. Donor cannot stipulate in the trust agreement that the original assets placed in the trust be retained for the life of the trust.

B. Minimum Funding Level

1. The minimum suggested amount to establish a charitable remainder trust shall be $100,000.

2. Should other factors indicate an exception would be in the best interests of the College or the Foundation, the amount of the initial gift may be less than $100,000 with prior College President and Board approval.

C. Minimum Age Levels

1. The minimum age of beneficiaries of all life income gifts is 55 years of age at the time payments begin.

2. For trusts of terms of years, the minimum age requirement and payment rate are subject to negotiation with acceptance by the College President and the Vice President, Institutional Advancement.

D. Rate of Payment

1. The fixed percentage cannot be less than the amount allowed by current IRS code and regulations and is established when the trust is created and cannot be changed. The maximum payment limitations are dependent upon the ages of the beneficiaries, types of trust, anticipated investment strategy and prevailing economic conditions.

2. The fixed percentage rate can be suggested by the donor but is subject to negotiation. However, rates higher than 8 percent require College President or designee and Board approval.

3. The Foundation will periodically review the administration and income distribution activities of charitable trusts.

4. There shall be no more than two generations of income beneficiaries.

E. Funding Assets

1. Gifts of cash and appreciated securities are appropriate for these charitable trusts.

2. Gifts of real estate or other non-liquid assets may be appropriate when the net income from the real estate or other non-liquid assets exceeds the required payout or when the trust document incorporates make up provisions.

https://foundation.miracosta.edu/foundation/who-we-are/board-manual/solicitation-acceptance-of-gifts-policy.html

ADMINISTRATIVE COSTS RECOVERY POLICY

Objective

An administrative costs recovery fee will be charged to MiraCosta College Foundation accounts according to the type of account. Fees assessed will be used to support the Foundation's efforts to cultivate, solicit, and steward gifts and other sources of revenue.

Administrative costs are recovered for providing the following services:

- Accounts payable processing
- Accounts receivable processing
- Annual audit
- Annual State and Federal filing fees for non-profit organization
- Automated accounting
- Billing and collection services
- Cashiering
- Check preparation
- Contract preparation and review
- Expenditure controls (authorized purchase through purchase order control)
- Banking services
- General cash administration
- Insurance costs
- Legal services
- Monthly bank reconciliations
- Payroll/personnel administration
- Project management reports
- Risk management
- Staff support and accounting related matters
- Reporting to regulatory agencies (Chancellor's office, State of California, tax returns)

Campus Program Accounts

Campus program accounts are established for the support of a specific campus program or a department. Some examples of campus program accounts are: EOPS book fund, scholarship funds, campus beautification. A fee of 4% for each transaction will be assessed and charged against the program account.

Annual expendable scholarships, those given to be expended in the current year, are exempt from the 4% transaction fee. Donors to annual expendable scholarships will be asked to include an additional 4% to their donation for the purpose of covering costs incurred by the Foundation in the administration of their scholarship.

Special program and equipment accounts are campus program accounts established to facilitate short term special programs or to purchase equipment only, and generally have few expenses. Administrative fees will be determined by the Associate Vice President, Institutional Advancement on a case-by-case basis for special program accounts within the range of 4% to 8%, to be assessed based upon expenses.

Endowment Accounts

Endowment accounts are those accounts whose funds are restricted for expenditure either internally or externally by contractual obligation and are administered pursuant to the Foundation's Endowment and Investment Policies.

First time endowments are assessed a 3% fee upon arrival, then endowment funds are invested by the Foundation. The Foundation will assess an annualized endowment management fee of 1.5% calculated at the time the distribution is taken.

Trusts and Planned

Trustee's fees for investment portfolios managed by the MiraCosta College Foundation will be calculated on market value of the trust assets. An annual fee of 1.5% will be distributed to the MiraCosta College Foundation on January 1, based on the market value of the trust as of that date.

When the Foundation, as trustee or executor of a trust or will, is required to perform extraordinary services upon the death of a trustor/trustee or beneficiary, an additional fee of one percent 1% will be assessed on the market value of the trust assets to offset the cost of extra services.

All planned gifts received by the Foundation will be subject to a 5% gift fee.

Real Property Gifts

A fee is charged for acceptance, sale and/or management of real property. The amount and type of fee is based on the circumstances of each property gift. The fee structure is similar to those of banks and trust companies providing services for the general public.

Supplemental fees are applicable where the Foundation is involved in toxic waste matters, repair/improvement supervision, prolonged negotiations, litigation, condemnation proceedings and any other consulting services. Hourly rates for the Associate Vice President, Institutional Advancement and all other Foundation employees will be applied at prevailing hourly rate. Actual costs for required outside professional services are charged directly to the project based on actual services performed.

Capital Gifts

Direct costs for Foundation services will be included in the Capital Project.

Grants

Requests for fees will be added to grant proposals unless specifically disallowed by the granting foundation, fund or corporation. Unless otherwise stated by the funder and where permitted, all grants will be assessed a 4% fee upon receipt of the grant in order to pay for administrative overhead related to processes associated with grant writing, stewardship, and reporting. Grants given directly to college departments will not be assessed a grant fee by the Foundation.

Gifts - Other

Gifts other than cash or securities that require extraordinary services will be analyzed on a case-by-case basis and may be subject to supplemental fees in order to recover from the cost of acceptance, sale, and/or management of such gifts. In such cases, the Associate Vice President, Institutional Advancement will seek approval from the Finance/Operations Committee to assess supplemental fees.

Exclusions

This policy does not apply to grant and contract accounts or internal transfers from accounts which have already met other administrative fee or overhead recovery requirements.

Donor Notification

Donors will receive credit for the full amount of their gifts. Gift receipts and stewardship reports will inform the donor that a portion of the gift received has been allocated to cover the cost of fundraising/administrative costs of the Foundation.

The Foundation will review the policy every two years.