MIRACOSTA COLLEGE FOUNDATION BOARD
FINANCE COMMITTEE MEETING

Tuesday, August 11, 2026, 2:00 – 3:30 p.m.

3333 Manchester Avenue Cardiff, CA 92007
Conference Room 1131

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

Finance Committee Members:
Bryan Fletcher, Michelle Gray, Josh Mazur, Karen Pearson, Anthony Spano

Finance Non-Voting Committee Members:
Neil McCarthy

Staff Support, Guests & Advisors:
Laural Cooper, Andrew Maslick, Lucy Momjian, Shannon Stubblefield

MiraCosta College Foundation Mission:
Promote the benefits of MiraCosta College and secure resources that transform lives.
MiraCosta College Foundation Vision:
Educational opportunities for all.

Land Acknowledgement:
We acknowledge the Payómkawichum (the People of the West) as the traditional land caretakers of the land on which MiraCosta College is built and its surrounding traditional cultural landscapes. Today, the Payómkawichum are known as Luiseño and are made up of seven bands: La Jolla, Pala Pauma, Pechanga, Rincon, San Luis Rey, and Soboba. We, the MiraCosta College Foundation, are mindful of the Indigenous peoples in this place, and we pay our respects to the Luiseño - past, present, and emerging. We are grateful to have the opportunity to be part of this community in Luiseño territory and to honor their history, culture, and perseverance of spirit.
Pronunciations: *Luiseño (Loo-sin-yo) Payómkawichum (Pie-yom-ko-wi-shum)*

AGENDA

I. CALL TO ORDER
This meeting's audio will be live-streamed.

II. ROLL CALL, WELCOME and INTRODUCTIONS

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

IV. CHANGES IN AGENDA ORDER

V. APPROVE MEETING MINUTES - Action Required
   A. Regular meeting of May 19, 2026

VI. PRESENTATION(S)
   A. Andrew Maslick, Mercer (15 minutes)

VII. COMMITTEE REPORTS
   A. Finance Committee (Gray)

i. Review and approve FY25/26 Q4 Financial Statements & Recap action **- Action Required**
ii. Review Key Performance Indicators for FY25/26 Q4
iii. Operations Budget
   a. Review FY 25/26 Budget to Actual
   b. Quasi-Endow Unrestricted Funds for Capacity Building **- Action Required**
iv. Investment Firm Selection Discussion

VIII. ANNOUNCEMENTS, MEETING AND EVENT CALENDAR REVIEW

Next Finance Committee Meeting (San Elijo Campus)
Tuesday, November 3, 2026, from 2:00 – 3:30 p.m.

Next Executive Committee Meeting (San Elijo Campus)
Tuesday, August 11, 2026, from 3:45 – 5:00 p.m.
Next Quarterly Board Meeting (CLC campus)
Tuesday, August 25, 2026, from 3:00 – 5:00 p.m.
Next Grants & Scholarships Ad hoc Committee Meeting (Oceanside campus & Zoom)
Tuesday, September 29, 2026, from 2:00 – 3:00 p.m.
Next Governance and Nominations Committee Meeting (TCI campus)
Tuesday, October 27, 2026, from 2:00 – 3:00 p.m.
Next Audit Committee Meeting (San Elijo Campus)
Tuesday, May 11, 2027, from 1:00 – 1:30 p.m.

Community Leaders Breakfast (Westin Carlsbad Resort and Spa)
Friday, October 16, 2026
- **Networking: 7-7:30am**
- **Program: 7:30-9am**

Donor Appreciation Event (Oceanside Campus)
Wednesday, December 2, 2026
- **Board VIP Reception (Dr. Johnson is invited): 5-6:00pm**
- **Guests arrive, networking, drinks, hors d'oeuvres: 6-7:00pm**
- **Holiday concert: 7:30pm**

IX. FUTURE AGENDA ITEMS

X. 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, 760.757.2121, 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. Such writings will also be available at the board meeting. In addition, if you would like a copy of any record related to an item on the agenda, please contact the board assistant by e-mail at foundation@miracosta.edu

MIRACOSTA COLLEGE FOUNDATION BOARD
FINANCE COMMITTEE

MINUTES OF REGULAR MEETING **May 19, 2026**
DRAFT

I. CALL TO ORDER

The MiraCosta College Foundation Finance Committee met in open session on Tuesday, May 19, 2026, in Conference Room 1131 on the MiraCosta College District's San Elijo Campus (3333 Manchester Avenue, Cardiff, CA 92007). The meeting was live-streamed via Zoom. Treasurer Cindy Musser called the meeting to order at 2:00 p.m.

II. ROLL CALL, WELCOME and INTRODUCTIONS

Committee Members Present

Michelle Gray	Josh Mazur	Neil McCarthy
Dave McGuigan	Cindy Musser	

Staff and Advisors Present:

Laural Cooper	Elizabeth Lurenana	Andrew Maslick	Shannon Stubblefield

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

None

IV. CHANGES IN AGENDA ORDER

None

V. APPROVE MEETING MINUTES - Action Required

A. By motion of Committee Member Mazur, seconded by Committee Member McCarthy, the minutes of the regular meeting of February 10, 2026, were approved as presented.

Vote: 5/0/0/0
Aye: Gray, Mazur, McCarthy, McGuigan, Musser
Nay: None
Abstain: None
Absent: None

VI. PRESENTATION(S)

A. Advisor Maslick reviewed the presentation on market and portfolio performance, as included in the agenda packet, focusing on the MiraCosta College Foundation's portfolio performance relative to benchmarks, and responded to questions from the Committee.
   i. Approximately $45,000 will be pulled from the endowment to cover past Mercer invoices.

VII. COMMITTEE REPORT(S)

A. Audit Committee
   i. Audit Committee Member McCarthy reported that the Audit Committee approved the draft FY24/25 Audit, and it will go to the full board for approval at the June 2, 2026, meeting.

B. Finance Committee (Musser)
   i. Chair Musser reviewed the FY25/26 Q3 Financial Statements & Recap.

   By motion of Committee Member McCarthy, seconded by Committee Member McGuigan, the FY25/26 Q3 Financial Statements & Recap action was approved by the Committee for review by the Executive Committee and full board.

   Vote: 5/0/0/0

Aye: Gray, Mazur, McCarthy, McGuigan, Musser
Nay: None
Abstain: None
Absent: None

ii. Treasurer Musser reviewed the Key Performance Indicators for FY25/26 Q3.

iii. Treasurer Musser reviewed the Operations & Allocations Budget to Actual for FY25/26 Q3, noting everything is on track with the budget.

iv. VP/ED Stubblefield presented the final draft of the Operations & Allocations Budget for FY26/27 for review and approval, with three proposed versions. The Committee discussed, and VP/ED Stubblefield answered follow-up questions.

By motion of Committee Member Mazur, seconded by Committee Member McGuigan, the Committee approved Version 3 of the FY26/27 Budget for review by the Executive Committee and full board.
Vote: 5/0/0/0
Aye: Gray, Mazur, McCarthy, McGuigan, Musser
Nay: None
Abstain: None
Absent: None

v. The Committee reviewed and discussed the Administrative Costs Recovery Policy. No changes were proposed. VP/ED Stubblefield noted that the policy may be revised in the future as needed.

vi. Treasurer Musser led a discussion on drafting a Request for Proposals (RFP) for the investment firm selection. The Committee agreed to further review the RFP process and identify key priorities.
   a. VP/ED Stubblefield will develop a timeline and process, and determine if an ad hoc committee is needed.
   b. Committee Member Gray and Committee Member McCarthy will work with VP/ED Stubblefield to draft the RFP in July. Committee Member Mazur will serve as backup if needed.

VIII. ANNOUNCEMENTS, MEETING AND EVENT CALENDAR REVIEW

Next Finance Committee Meeting (San Elijo Campus)
Tuesday, August 11, 2026 at 2:00 – 3:30 p.m**.**

Next Executive Committee Meeting (San Elijo Campus)
Tuesday, May 19, 2026 at 3:45 – 5:00 p.m.
Next Resource Development Ad hoc Committee Meeting (Zoom)
Monday, June 1, 2026 at 2:00 – 2:45 p.m.
Next Quarterly Board Meeting (Carlsbad – Technology Career Institute)
Tuesday, June 2, 2026 at 3:00 – 5:00 p.m.
Next Governance and Nominations Committee Meeting (Carlsbad – Technology Career Institute)
Tuesday, August 4, 2026 at 2:00 – 3:00 p.m.
Next Audit Committee Meeting (San Elijo Campus)
Tuesday, May 11, 2027 at 1:00 – 1:30 p.m.
Next Grants & Scholarships Ad hoc Committee Meeting (Oceanside Campus & Zoom)
TBD

Dr. Cooke Coastal Celebration (Oceanside – Barnard Campus)
Saturday, June 13, 2026 – Purchase President's Circle Tickets

- **VIP Reception:** 4pm
- **Cocktail Hour:** 5pm
- **Dinner:** 6pm
- **Program:** 6:30pm
- **Music and Dancing:** 7:30pm

IX. FUTURE AGENDA ITEMS

A. Investment Firm Evaluation & Selection
   i. RFP Decision
   ii. RFP Content
   iii. RFP Committee Makeup

X. ADJOURNMENT

The meeting was adjourned at 3:25 p.m.

CR ACC - Foundation Balance Sheet

Repeat By
Period FY2025-26 - 12-Jun
Worktags
Calculate Current Year Retained Ea Yes

MiraCosta College Foundation	**Unrestricted**	**Restricted**	**Restricted & Unrestricted**	**Restricted & Unrestricted**
Period: FY2025-26 - 12-Jun			**Total FY25-26 (Jul 2025 to June 2026)**	**Prior Year FY24-25 (Jul 2024 to June 2025)**
Assets	3,548,944.07	27,923,713.52	31,472,657.59	25,742,340.23
Cash	1,267,101.91	(30,662.94)	1,236,438.97	902,717.47
Investments	2,042,376.09	27,369,487.88	29,411,863.97	23,930,869.45
Deferred Gifts - Assets	68,501.00	584,415.62	652,916.62	887,679.04
Accounts Receivable/Prepaids	170,965.07	472.96	171,438.03	21,074.27
Total Assets	***3,548,944.07***	***27,923,713.52***	***31,472,657.59***	***25,742,340.23***
Liabilities	16,690.88	283,890.69	300,581.57	94,763.19
Accounts Payable	16,690.88	283,890.69	**300,581.57**	94,763.19
Due To Related Entities	-	-	-	-
Due From Related Entities	-	-	-	-
Total Liabilities	***16,690.88***	***283,890.69***	***300,581.57***	***94,763.19***
Net Position	**3,532,253.19**	**27,639,822.83**	**31,172,076.02**	**25,647,577.04**
Total Liability/Net Position	**3,548,944.07**	**27,923,713.52**	**31,472,657.59**	**25,742,340.23**

CR ACC - Foundation Income Statement

Repeat By
Period FY2025-26 - 12-Jun
Worktags

MiraCosta College Foundation	**Unrestricted**	**Restricted**	**Restricted & Unrestricted**	**Restricted & Unrestricted**
Period: FY2025-26 - 12-Jun			**Total FY25-26 (Jul 2025 to June 2026)**	**Prior Year FY24-25 (Jul 2024 to June 2025)**
Revenues	1,148,697.39	7,376,670.24	8,525,367.63	5,481,099.40
Non-Charitable Revenue	-	207,788.35	207,788.35	42,411.35
Deferred Gifts- Revenue	-	174.58	174.58	300.84
Contributions	898,458.67	2,900,541.27	3,798,999.94	1,703,323.51
Investment Activity	250,238.72	3,879,485.56	4,129,724.28	2,738,439.11
Gifts In Kind- Revenue	-	388,680.48	388,680.48	996,624.59
Total Revenue	*1,148,697.39*	*7,376,670.24*	*8,525,367.63*	*5,481,099.40*
Transfers	254,818.40	(254,818.40)	-	-
Total Transfers	*254,818.40*	*(254,818.40)*	-	-
Total Revenue and Transfers	***1,403,515.79***	***7,121,851.84***	***8,525,367.63***	***5,481,099.40***
Expenditures	433,078.65	2,567,790.00	3,000,868.65	3,071,604.49
General And Administrative	386,448.98	722,250.04	1,108,699.02	1,662,795.42
Direct Student Aid- Non Cash	8,531.69	26,975.93	35,507.62	80,305.23
Student Financial Support - Scholarships And Emergency Funds	38,097.98	1,429,883.55	1,467,981.53	987,906.64
7500:Student Financial Aid Expense -Scholarships	28,747.98	1,252,839.22	1,281,587.20	832,406.90
7500:Student Financial Aid Expense - Emergency Funds	9,350.00	177,044.33	186,394.33	155,499.74
Gifts In Kind- Expense	-	388,680.48	388,680.48	340,597.20
Total Expenditures	***433,078.65***	***2,567,790.00***	***3,000,868.65***	***3,071,604.49***
Net Fund Balance, Beginning of Year	2,561,816.05	23,085,760.99	25,647,577.04	23,238,082.13
Revenues Over (Under) Expenditures	970,437.14	4,554,061.84	5,524,498.98	2,409,494.91
Net Fund Balance, End of Period	***3,532,253.19***	***27,639,822.83***	***31,172,076.02***	***25,647,577.04***

As of 06.30.2026

CASH & ST OPERATING		
US Bank	476,853.70	**UB Statement balance; Cash in ledger may have a different balance due to outstanding checks or deposit in transit.**
LAIF	764,726.95	**LAIF Statement balance**
	1,241,580.65	
INVESTMENTS		
Vanguard - Endowment Portfolio	19,663,319.77	
Vanguard - Excess Reserve Portfolio	6,700,478.04	
Vanguard - Reserve Portfolio	1,014,245.04	
Vanguard - JAFFY	88,818.99	
Vanguard - Title V	932,907.21	
Osher, as of June 30, 2025	1,013,320.23	
	29,413,089.28	

Recommendations for transfer (aside from those indicated in the investment policy)

None at this time

Statement of Expenses
7/1/2025 to 6/30/2026

Sum of Net Amount	**Column Labels**		
Row Labels	**2002_DG MCCF Management & Admin**	**2003_DG MCCF Programming**	**Grand Total**
2800:Salary Expense	224,517.49	198,546.88	423,064.37
4500:Supplies	8,029.24	158,362.45	166,391.69
4700:Non-cash Gift-in-Kind		388,680.48	388,680.48
5060:Rents and Leases	985.00	16,928.58	17,913.58
5100:Other Services	22,379.18	66,582.36	88,961.54
5200:Travel, Conferences, Training	51,724.75	113,728.41	165,453.16
5300:Dues and Memberships	5,330.00	10,035.00	15,365.00
5600:Contract Services	34,927.09	133,436.28	168,363.37
5700:Audit, Election, Legal	3,400.00		3,400.00
5800:Advertising and Postage	46,225.55	13,560.76	59,786.31
7500:Student Financial Aid Expense		1,467,981.53	1,467,981.53
7600:Other Student Aid		35,507.62	35,507.62
Grand Total	**397,518.30**	**2,603,350.35**	**3,000,868.65**

Expenses by PG - 2003_DG (excluding transfers)
7/1/2025 to 06/30/2026

Ledger Account	(Multiple Items)

Sum of Net Amount	Column Labels	
Row Labels	**2003_DG MCCF Programming**	**Grand Total**
9910_PG Osher Management Fees and Distributions	41,067.00	41,067.00
9920_PG Alumni Network	129.32	129.32
9921_PG Events - Alumni	1,741.25	1,741.25
9922_PG Events - Campus Programs	119,429.43	119,429.43
9923_PG Direct Student Support	1,936,414.84	1,936,414.84
9924_PG Campus Programs Support	292,606.63	292,606.63
9926_PG Community Sponsorships -Campus Requested	13,415.00	13,415.00
9928_PG Campus Programs Staffing	198,546.88	198,546.88
Grand Total	**2,603,350.35**	**2,603,350.35**

Key Performance Indicators

	Actual FY23/24	Actual FY24/25	Budgeted Goal FY25/26	STRETCH Goal FY25/26	ACTUAL (Q4) YTD FY25/26	Percentage Above/Below Budgeted Goal
Students Supported						
Number of Students Supported (unduplicated)*	720	1080	Not Projected		1,394	N/A
Scholarships	624	808	Not Projected		1,125	N/A
Direct Student Aid Cash	358	368	Not Projected		434	N/A
Direct Student Aid- Non Cash (Gift Cards and Campus Fees)	Not Tracked Yet	Not Tracked Yet	Not Tracked Yet		Not Tracked Yet	N/A
**Please see financial statements for the dollar amount.*						
Fundraising Plan Priorities**	**$1,722,362**	**$1,703,324**	**$1,435,000**	**$2,087,000**	**$3,799,000**	**265%**
Direct Student Support	**$279,230**	**$474,939**	**$400,000**	**$750,000**	**$1,612,158**	**403%**
Resilience Funds	$43,694	$104,578	$150,000	$250,000	$219,034	146%
Scholarships (excl Matching Gift End Funds)	$235,536	$370,361	$250,000	$500,000	$1,393,124	557%
Campus Programs and/or Direct Student Support	**$1,117,997**	**$994,458**	**$750,000**	**$900,000**	**$1,099,114**	**147%**
Endowment Match (Title V Grant)	**$225,122**	**$61,506**	**$120,000**	**$187,000**	**$66,270**	**55%**
Unrestricted Funds	**$100,013**	**$172,421**	**$165,000**	**$250,000**	**$1,021,458**	**619%**
Annual Fund (incl President's Circle)	$76,513	$99,197	$100,000	$150,000	$97,717	98%
Event Sponsorships	$23,500	$50,390	$40,000	$60,000	$57,375	143%
Unrestricted Major & Estate Gifts/Pledges (Named)	N/A	N/A	N/A	N/A	$532,800	N/A
Sunny Futures Fund & Event Sponsorships	N/A	N/A	N/A	N/A	$278,325	N/A
Gift Fees	N/A	$22,835	$25,000	$40,000	$55,240	221%
*** Cash only; Gift in Kind not included*						
Fundraising Plan Statistics						
Estate Giving: In plan, budgeted at $0	**$0**	**$92,127**	**$0**	**$0**	**$443,120**	**N/A**
Board						
Board 'Give'	$43,400	$42,660	$150,000	$250,000	$104,141	102%
Board 'Get'	$156,848	$23,012			$48,168	
Major Gifts						
Number of Individual Major Gifts $10k+	10	12	12	15	21	175%
Total Raised from Individual Major Gifts $10k+	$465,020	$355,500	$250,000	$350,000	$1,567,366	627%
Planned Giving						
Number of New Heritage Society Members	2	2	5	7	1	20%
Number of Estate Gifts Received	0	4	N/A	N/A	3	N/A
Annual Donors						
Number of Members in President's Circle by FY	54	42	55	75	35	64%
Number of Annual Fund Donors by Fiscal Year	69	93	75	100	106	141%
Payroll Giving						
Number of Payroll Donors	134	134	140	160	121	86%
Total Raised in Payroll Donations	$72,388	$66,286	$65,000	$80,000	$64,633	99%
Grants (incl Fed Title V Endowment Match)						
Number of Grant Donors	25	24	21	26	24	114%
Total Raised from Grants Received	$809,250	$657,558	$470,000	$787,000	$849,247	181%

**These numbers are not cumulative.*

FY 2026/27 Annual Operating Budget

Unrestricted Operations Revenue	FY 2024/25 - Actual	FY 2025/26 - Budget	FY 2025/26 - Actual	FY 2026/27 - Budget Approved
Endowment Fees (1.5% in **Dec only**)	$207,251	$207,000	$218,096	$220,000
Interest	$29,162	$16,000	$33,702	$30,000
Administration Fees (4%)	$32,922	$35,000	$19,334	$20,000
Initial Grant Fees (4% if allowable expense)	$2,500	$10,000	$17,550	$32,000
Initial Endowment Fees (3%)	$1,500	$5,000	$2,122	$5,000
Donor Management Sys - (Charitable; Online)	$4,077	$10,000	$10,253	$8,000
Trusts and Planned Gifts Fee (5%)	$3,000	$0	$22,116	$0
Subtotal - Operations Revenue	**$280,411**	**$283,000**	**$323,172**	**$315,000**
Unrestricted Dev/Event Revenue				
Unrestricted Event Revenue (Charitable)	$39,875	$40,000	$57,375	$43,000
Subtotal - Unrestricted Event Revenue	**$39,875**	**$40,000**	**$57,375**	**$43,000**
Unrestricted Allocation Funds				
Foundation Directed Endmt Dist (**Dec only**)	$93,167	$93,000	$96,482	$102,000
Additional Allocations (Utilize Savings)	$0	$52,000	$52,000	$129,000
Subtotal - Existing Funds Utilized	**$93,167**	**$145,000**	**$148,482**	**$231,000**
Total Revenue & Existing Funds	**$413,453**	**$468,000**	**$529,029**	**$589,000**

Operational Expenses	FY 2024/25 - Actual	FY 2025/26 - Budget	FY 2025/26 - Actual	FY 2026/27 - Budget Approved
Foundation Staffing	$247,899	$287,000	$224,517	$265,000
Management	$10,755	$13,000	$36,389	$21,000
Donor Management Systems	$11,855	$15,000	$9,348	$10,000
Foundation Board	$1,369	$6,000	$8,759	$15,000
Donor Cultivation & Stewardship	$3,086	$4,000	$4,818	$10,000
Community Sponsorships - Fdn Requested	$13,562	$15,000	$13,800	$15,000
Marketing & Communications - Foundation	$30,730	$15,000	$11,000	$15,000
Subtotal Operations w/o Events	**$319,255**	**$355,000**	**$308,631**	**$351,000**
Dev/Event Expenses				
Events - Foundation Cultivation & Stewardship	$5,718	$11,000	$5,880	$10,500
Events - Campus & Programs	$31,593	$27,000	$10,323	$32,500
Subtotal Events	**$37,311**	**$38,000**	**$16,203**	**$43,000**
Foundation Allocated Expenses				
Executive Director's Fund	$10,000	$10,000	$10,000	$10,000
Alumni	$5,000	$15,000	$15,000	$15,000
Foundation Board Grants	$10,000	$50,000	$25,184	$20,000
Subtotal Allocations	**$25,000**	**$75,000**	**$50,184**	**$45,000**
Total Operations and Allocations	**$381,566**	**$468,000**	**$375,018**	**$439,000**
NET Operating	**$31,887**	**$0**	**$154,011**	**$150,000**

One-Time Expenses	FY 2024/25 - Actual	FY 2025/26 - Budget	FY 2025/26 - Actual	FY 2026/27 - Budget Approved
Sunny Futures Fund/Event in honor of Dr. Cooke	$0	$0	$100,000	$0
Funds for Public Facilities Support Campaign	$0	$0	$50,000	$50,000
Foundation Capacity Building	$0	$0	$0	$100,000
Subtotal Allocations	**$0**	**$0**	**$150,000**	**$150,000**
NET w/ One-Time Expenses		**$0**	**$4,011**	**$0**

Unrestricted Funds and Quasi-Endowment Modification

Foundation Directed Gift-Funds	Actual at 6/30/25	Projected at 6/30/26	Actual at FY 6/30/26	Projected at 6/30/27	Quasi-Endow - Board Action	REV Proj for 6/30/27
100832_GF Unrestricted Fund	$796,981	$788,091	$784,932	$784,932	$500,000	$284,932
100833_GF Operational	$50,155	$47,251	$67,622	$31,622		$31,622
101406_GF Follett Unrestricted	$400,000	$262,000	$262,000	$262,000	$150,000	$112,000
100838_GF Board Reserves	$50,000	$100,000	$100,000	$150,000		$150,000
NEW 102219 Gresham Distr	N/A	N/A		$8,000		$8,000
101922_GF Unrestricted Endowed Distr	N/A	$29,246	$29,246	$23,246		$23,246
100822_GF Masinter Distr	$103,041	$87,035	$87,035	$12,035		$12,035
100831_GF Chaffee - Endowment Distr	$19,519	$20,090	$20,090	$15,090		$15,090
100824_GF General End Distr	$19,601	$16,901	$16,901	$13,901		$13,901
100825_GF Eckley Distribution	$13,730	$12,346	$12,346	$12,346		$12,346
SubTotal Reserve Funds	**$1,453,027**	**$1,362,961**	**$1,380,173**	**$1,313,173**	**$650,000**	**$663,173**
100835_GF Annual Fund	$329,800	$290,000	$292,070	$292,070	$150,000	$142,070
100539_GF Foundation Board Grants	$27,328	$55,000	$51,804	$21,804		$21,804
100540_GF Development & Foundation Events	$32,675	$90,550	$97,522	$97,522		$97,522
Total Foundation Dir Gift Fund Balances	**$1,842,830**	**$1,798,511**	**$1,821,570**	**$1,724,570**	**$800,000**	**$924,570**
# Years Operating in reserve proj at 6/30/27	***4.8***	***3.8***	***4.9***	***3.9***		***2.1***
				5% Spend:	*$40,000*	

Action Item: Quasi-Endow $800,000 as outlined in the budget attachment, transferring funds to the existing unrestricted endowment gift fund.

Quasi-Endowment

August 2026 Action Item

Definition

Nonprofit boards can designate assets as 'board-designated endowments,' also called 'quasi-endowments.' In doing so, the board determines that funds designated for current use will instead be invested in accordance with current endowment policies and procedures. Because the decision to endow is board-designated, the funds do not show on the financials as permanently restricted.

Context

MiraCosta College Foundation is embarking on capacity-building initiatives this year to support the College's recently adopted 2035 Education Futures Plan, with the overall goal of increasing support for the college over the next 10 years and beyond. Currently, the Foundation holds approximately $1.8M (nearly five years of operating expenses) in current use gift funds. By investing $800,000 in unrestricted funds into the long-term portfolio – which has historically achieved a 9.21% net return since inception – the quasi-endowment aims to preserve the real purchasing power of those assets against inflation, providing the flexible capital necessary to address long-term goals.

Impact

By quasi-endowing a portion of unrestricted, current use funds, the Foundation Board invests these funds for long-term growth – creating a predictable, permanent revenue stream as identified in the investment and spend policy (currently 5%). Per policy, because all invested funds use the same target asset allocation to maximize growth, this alignment ensures that unrestricted funds grow at the same rate as the restricted endowment, supporting long-term sustainability.

Action Item

Quasi-Endow $800,000 in unrestricted funds, as outlined in the budget attachment, transferring funds to the existing unrestricted endowment gift fund.

FOUNDATION

MiraCosta College Foundation
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Oceanside, CA 92056

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Request for Proposal (RFP) for Investment Management Advisory Services

Yellow = Finance Committee Discussion Requested

Purpose

The MiraCosta College Foundation (Foundation) is soliciting proposals from qualified investment firms to provide comprehensive management and advisory services for its $28M investment portfolio. The purpose of this RFP is to select an experienced advisor and fiduciary partner capable of delivering discretionary management and strategic guidance that aligns with the Foundation's mission. The selected firm will be expected to support long-term capacity building and demonstrate how its investment strategies will directly advance the strategic themes of the 2035 Education Futures Plan.

Background

MiraCosta College fosters the academic and holistic success of its diverse learners within a caring and equitable environment to strengthen the educational, economic, cultural, and social well-being of the communities it serves.

MiraCosta College Foundation is an independent 501(c)(3) organization established in 1967. The mission of the Foundation is to promote the benefits of MiraCosta College and secure resources that transform lives.

This search for a strategic investment partner comes at a pivotal moment. As we welcome our new Superintendent/President, Dr. Johnson, we have also finalized MiraCosta College's "2035 Education Futures Plan" [attach]—a roadmap designed to navigate the shifting landscape of higher education over the next decade. The Foundation is preparing to increase capacity by growing invested assets over the next 10 years to increase the level of financial support provided for students, recognizing that approximately half of MiraCosta College students rely on financial support.

Investment Program Background

The Finance Committee and Board of Directors regularly review the Foundation's Investment and Spend Policy [attach] and will request input from the advisor. The investment objectives and risk tolerance of the endowment fund are developed in collaboration with the staff, the Finance Committee, and the advisor. Funds are expected to be invested with a long-term view embracing a total-return concept over a full market cycle. All funds will be managed by external investment managers.

The selected advisor will attend Finance Committee meetings and work closely with the committee and its staff, who will seek recommendations on the design, development, implementation, reporting, and monitoring of funds. The advisor will be expected to offer analysis, advice, and recommendations as detailed in the Scope of Services.

Strategic Context: The 2035 Education Futures Plan

The selected firm must align investment strategies with the 2035 Education Futures Plan. This framework moves beyond traditional planning to build five "futures-resilient" capabilities across the institution.

Theme	Definition
Flexible Models	Reimagining how and when education is delivered to remove structural barriers for students.
Human Connection	Centering mentorship and human relationships in an era of advancing technology and AI.
Industry Alignment	Strengthening partnerships to create seamless pathways to sustainable, high-wage careers.
Interdisciplinary Skills	Cultivating critical thinking and creativity to help students thrive in an automated economy.
Community Resilience	Addressing the interconnected needs—food, housing, and wellbeing—that make learning possible.

Equity Principles and Environmental Stewardship

To support the objectives outlined in the 2035 Education Futures Plan, the Foundation requires an advisor capable of integrating non-financial performance indicators into the core portfolio strategy. The complexity of these institutional commitments necessitates a partner who can translate high-level social and environmental goals into rigorous asset allocation and manager selection frameworks.

Scope of Services

The selected advisor will serve as a fiduciary partner to the Finance Committee and the Board of Directors, ensuring that the Foundation’s assets are managed to support student success, long-term capacity building, and the 2035 Education Futures Plan. The scope of work shall include, but is not limited to, the following core areas:

- **Discretionary Portfolio Management**
    - Provide active management of the Foundation’s assets.
    - Manage and optimize the Foundation's investment pools to meet their individual liquidity and growth objectives.
    - Monitor and execute disciplined rebalancing to maintain target asset allocations and manage risk across diverse asset classes.
- **Strategic Advisory and Policy Development**
    - Collaborate with the Finance Committee to conduct an annual review and update of the Investment and Spend Policy.
    - Provide data-driven recommendations on the annual spending rate (currently 5% total) to balance the immediate need for student financial support with the requirement to preserve long-term purchasing power.
    - Assist the Board in establishing financial growth goals for 2035, utilizing historical success (155% growth in net assets over the last 10 years) to build capacity for the next decade.
- **Mission and Values Alignment**
    - Apply an equity lens to investment analysis, ensuring that the portfolio reflects the Foundation’s commitment to Inclusion, Diversity, Equity, and Accessibility.
    - Align investment strategies with the 2035 Education Futures Plan.
    - Offer and manage Socially Responsible Investing (SRI/ESG) investment options that exclude specific sectors and/or prioritize "impact" companies whose practices align with MiraCosta’s values of economic dignity and community resilience.
- **Performance Monitoring and Reporting**
    - Provide detailed monthly and quarterly performance reports that include asset valuation, transaction details, and a comparison of returns (gross and net of fees) against established policy benchmarks.

    - Deliver quarterly economic forecasts, updates, and analysis on market trends, specifically addressing factors which impact the portfolio.
    - Provide a secure online portal for Foundation staff to access real-time data, underlying holdings, and downloadable statements for transparency.
- **Fiduciary Oversight and Risk Management**
    - Implement comprehensive risk management strategies to safeguard assets and manage volatility, adhering to the "Prudent Person Rule" and UPMIFA standards.
    - Conduct ongoing research and due diligence on external investment managers, including fee negotiations and termination recommendations when necessary.
- **Communication and Board Engagement**
    - Participate in quarterly Finance Committee meetings as invited and attend in person at least one full Foundation Board meeting annually to present performance reviews.
    - Provide ongoing training and educational sessions for Board and Committee members regarding fiduciary responsibilities and current investment trends.

Proposal Submission Instructions

- **Format:** Proposals must be submitted as a single PDF via email to the Foundation (foundation@miracosta.edu).
- **Conciseness:** Individual responses must not exceed **250 words per question/ or identify ## words/section?** [ie how long?]
- **References:** Proposers must provide:
    - Three (3) references from current higher education clients with similar financial characteristics.
    - Three (3) references from former clients, including the reason for the end of the relationship and dates active.
- **Deadline:** Proposals must be received by 5:00 PM PST on the date specified in the final issuance of this RFP.

Specifications

Please include the following information in the given order to facilitate comparisons between responses.

1. Firm Profile and Personnel (Evaluation Weight: 25%)
   - Provide a brief history of the firm, ownership structure, and financial stability.
   - Demonstrate at least 10 years of experience providing investment services to higher education foundations.
   - List current assets under management (AUM) and provide a representative client list of similar size to MiraCosta’s growth goals.
   - Identify the dedicated team for this account, providing biographies, professional credentials, and years of tenure with the firm.
   - Describe the firm’s approach to relationship management, including the frequency of check-ins and the team's availability for Finance Committee meetings.
2. Investment Strategy and Risk (Evaluation Weight: 25%)
   - Detail the process for helping the Foundation achieve its goals, including asset allocation, disciplined rebalancing, and tactical shifts.
   - Explain how the firm will assist the Committee in reviewing the Investment and Spend Policy, specifically modeling the impact of different spending rates on long-term purchasing power.
   - Explain your firm’s investment decision-making process, identifying the specific economic models or tools utilized in buy/sell/hold decisions.
   - Discuss your use of index funds and ETFs vs. active management. Provide the typical percentage of passive management in your higher education portfolios and the associated fee implications.
   - Detail your methodology for measuring and controlling risk. How do you specifically manage liquidity for clients without a fixed-draw policy?
   - Disclose any material litigation, regulatory investigations, or enforcement actions involving the firm or its principals within the last five years.
3. Mission Alignment, Stewardship, and Reporting (Evaluation Weight: 25%)
   - Describe how the firm identifies sustainable investment opportunities in green and blue economies and its approach to ESG/Socially Responsible Investing.

- Provide information on the firm's own internal diversity metrics and how it incorporates Inclusion, Diversity, Equity, and Accessibility principles into its investment analysis.
- Provide samples of monthly and quarterly performance reports, including comparisons against benchmarks.
- Describe the features of the firm's online portal for real-time account access and transparency of underlying holdings.

4. Fees Structure and Transparency (Evaluation Weight: 25%)
   - Provide a transparent, all-in fee schedule, including management fees, platform fees, and all underlying fund expenses.
   - Are the basis point fees guaranteed for a set period?
   - Describe how frequently fees will be evaluated and the maximum percentage increase to be expected in the future.
   - Indicate any other form of compensation not yet revealed that the Firm may receive as a result of working with the Foundation.
   - Describe the standard billing model, specifically whether fees are directly charged to the investment accounts or if direct invoicing is offered.
   - How has your firm operationalized reporting and control elements, such as those inspired by the Sarbanes-Oxley Act, to ensure institutional transparency?

Evaluation Criteria

The Foundation will evaluate proposals based on the following weighted priorities:

Criteria	**Weighting**
Firm Profile and Personnel	25%
Investment Strategy and Risk	25%
Mission Alignment, Stewardship, and Reporting	25%
Fee Structure & Transparency	25%

Required Appendices

Appendix A

Letter of Interest & Signatory Page: A formal statement of intent to perform services, signed by an authorized officer.

Appendix B

Professional References: At least three verifiable references from similar higher education or nonprofit.

Appendix C

Insurance Coverage: Proof of adequate coverage for Errors & Omissions, Fiduciary Liability, and Cyber Liability.

Appendix D

Regulatory Filings: A copy of the firm's most recent SEC Form ADV (Parts 1 and 2).

Appendix E

Conflict of Interest Disclosure: A list of any potential or perceived conflicts of interest, including professional or personal relationships with MiraCosta Board members or staff.

Schedule of Events

Phase	Timeline V1	Timeline V2
RFP Process Finalized	August 31, 2026	November 30, 2026
RFP Issuance and Q&A Period	September 1, 2026	January 4, 2027
Deadline for Questions	September 15, 2026	January 15, 2027
Proposal Submission Deadline	October 1, 2026	February 1, 2027
Initial Committee Review and Scoring	October 12 – November 3, 2026	February 2027
Finalist Presentations (In-Person or Virtual)	November (dates identified in RFP)	March 2027 (dates identified in RFP)
Due Diligence and Reference Checks	December 2026	April 2027

Board Approval and Contract Finalization	February 19, 2027 (Finance Committee)	May 11, 2027 (Finance Committee)
	February 23, 2027 (Board of Directors)	May 25, 2027 (Board of Directors)
Notice of Intent to Award	February 26, 2027	May 28, 2027
Effective Date of Agreement	July 1, 2027	July 1, 2027

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August 11, 2026

MiraCosta College Foundation

Agenda

1. Executive Summary
2. Performance Summary
3. Markets, Macro, and Higher Ed
4. Appendix

Executive Summary

01

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Executive Summary

As of June 30, 2026

Asset Allocation (S/B): Endowment; 76.8/23.2; Excess Reserve; 53.1/46.9; Title V Endowment: 77.5/22.5

Q2 Redemptions: Endowment: $417,212.38; Excess Reserve: 9,809.53; Reserve: $2,037.29; Title V Endowment: 1,225.31

Q2 Equity Performance Summary:

- S&P 500 increased 10.4% in April, marking its strongest monthly performance since November 2020, followed by +5% in May, and falling 1.3% in June.
- S&P 500 gained Q2 +14.9%, marking its best quarterly performance since Q2 2020.
- The Magnificent 7 increased ~10% in Q2 after falling ~9% in Q1; resulting in YTD return of ~0.5%.
- EAFA +10.8%%, while EM outperformed +24.1%. Notably, South Korea had their best quarter since 1998, with the benchmark Kospi up ~64%, and Tawain +~49% in Q2.
- Key indices:
  - CRSP US Total Market: +15.6% Q2 and +11% YTD
  - FTSE Global All-Cap ex-US: +13.6% Q2 and +12.9% YTD

Sector performance: IT (+37%) and Industrials (+15.4%) led Q2. Energy (-13%) and Utilities (-1.3%) were the only negative sectors of the quarter.

Volatility: The VIX Index ranged between 15.18 and 23.34 in Q2, ending the period at 16.45; above 20 indicates heightened market uncertainty; above 30 suggests significant market fear).

Valuation: S&P 500 forward 12-month P/E ratio ended Q2 at 20.4X, down from 22.0X at the beginning of the year, above its 5-yr av. of 19.9X and 10-yr av. of 19.0X.

Q2 Fixed Income Performance Summary:

- The 2-year Treasury yield increased +36 bps in Q2, while the 5-year increased 26 bps. Notably, the 30-year Treasury surged to ~5.2% in May, marking its highest level since July 2007, as reports during the week suggested inflationary pressures were reaccelerating as rising oil prices tied to the Iran conflict pushed costs higher.
- Yields: 3Mo: 3.82% (+14 bps); 2Yr: 4.15% (+36 bps); 5Yr: 4.2% (+26 bps); 10Yr: 4.44% (+26 bps); 30Yr: 4.93% (+9 bps)
- Key indices:
  - Bloomberg US AGG: +0.9% Q2 and +0.5% YTD
  - Bloomberg non-US AGG (hedged): +2.1% Q2 and +1.4% YTD

Sources: Mercer; Vanguard: FactSet; NASDAQ; MarketWatch; Reuters analysis of LSEG data; NPR: Wall Street Journal; Bureau of Labor Statistics

Executive Summary (cont.)

Economic Key Highlights

Monetary Policy:

- In Kevin Warsh's first Federal Open Market Committee (FOMC) meeting as Fed Chair, in a unanimous vote, the policy rate was left unchanged at 3.50%-3.75%,but the easing bias was dropped.
- Importantly, there was no forward guidance on the path of Fed policy for the dot plot as Warsh has been a vocal critic of forward guidance and forecasts.
- Warsh noted that inflation has been running well-ahead of the Fed target for 5 years and that the FOMC unambiguously and unanimously will deliver on that.
- Notably, 9 of the 18 participants favored one or more 25 bp rate hikes this year.

Inflation:

- Core Personal Consumption Expenditures (PCE) rose 3.4% year-over-year (YoY) in May (4.1% YoY headline PCE).
- Core Consumer Price Index (CPI) increased 2.9% YoY in May (4.2% YoY headline CPI).

Labor Market:

- The economy added, on average, 92,000 jobs/month during the 1st half of 2026. 148,000 in April, 129,000 in May, and 57,000 in June. Q2 growth driven by healthcare and social assistance, and professional and business services.
- UE ticked down to 4.2% as more people left the labor force. LFP edged down to 61.5% in June, the lowest since March 2021

GDP: Real GDP grew 2.0% in Q1,slightly below expectations of 2.2%. Driven increases in business spending tied closely to AI (consumer spending slowed),

Hourly Earnings: Average hourly earnings increased 3.5% YoY in June

S&P 500 Earnings Growth: Q2 2026 earnings growth estimate is 23.3% YoY, which would mark the 7th consecutive quarter of double-digit growth, highest growth rate since late 2021, and 12th consecutive quarter of growth. Estimated year-over-year earnings growth in 2026 is. 24.1%.

Consumer Confidence: The Consumer Confidence Index (CCI) inched up to 91.2 in June from 90.6 in May (a reading above 100 indicates optimism about the economic outlook).

Consumer Sentiment: Rose to 49.5 in June up from a 70+ year low of 44.8 in May (benchmarked to first quarter of 1966 = 100).

Savings: The personal savings of 3.0% in May, well below long-term average of ~8.5%).

PPI: rose by 1.1% in May, bringing 12-month increase to 6.5%.

Currency: The U.S. dollar index rose 1.2% Q2, +2.9% YTD.

Oil: After experiencing an historic surge in Q1, WTI declined 31.4% in Q2, ending June at $69.5.

Sources: Mercer; Vanguard: FactSet; NASDAQ; MarketWatch; Reuters analysis of LSEG data; NPR: Wall Street Journal; Bureau of Labor Statistics

Performance Summary

02

Portfolio monthly valuation snapshot

MiraCosta College Foundation

As of June 30, 2026

	31-MAR-26	30-APR-26	31-MAY-26	30-JUN-26
Endowment	18,115,815	19,031,086	19,692,024	19,663,320
Excess Reserve	6,230,751	6,535,381	6,701,410	6,700,478
Reserve	1,006,660	1,010,460	1,012,079	1,014,245
Title V Grant Endowment	841,698	902,397	935,584	932,907
Total	**26,194,924**	**27,479,324**	**28,341,097**	**28,310,950**

Certain performance information presented was obtained from The Vanguard Group, Inc. and Vanguard Advisers, Inc. (collectively referred to as "Vanguard"). Mercer Investments LLC acquired the institutional advisory services business of Vanguard on March 15th, 2024. The performance figures sourced from Vanguard are not intended to represent Mercer's performance. Certain information contained herein may be legacy or historical Vanguard information and shown for informational purposes only. Past performance is not indicative of future results and should not be relied upon as a guarantee of future performance.

MiraCosta College Foundation – Performance

As of June 30, 2026

Endowment

	1 mo	3 mo	YTD	1 yr	3 yrs	5 yrs	10 yrs	Since inception	Inception date
Client portfolio (gross)	-0.15%	10.92%	9.55%	19.64%	16.12%	8.39%	10.39%	9.27%	01/31/2014
Client portfolio (net)	-0.20%	10.86%	9.42%	19.35%	15.84%	8.13%	10.13%	9.00%	01/31/2014
Policy benchmark	*-0.41%*	*11.32%*	*9.19%*	*19.20%*	*15.86%*	*8.30%*	*10.31%*	*9.21%*	*01/31/2014*

Excess Reserve

	1 mo	3 mo	YTD	1 yr	3 yrs	5 yrs	10 yrs	Since inception	Inception date
Client portfolio (gross)	-0.01%	7.70%	6.71%	14.17%	12.39%	5.85%	7.37%	7.42%	03/31/2016
Client portfolio (net)	-0.07%	7.64%	6.59%	13.91%	12.12%	5.60%	7.12%	7.17%	03/31/2016
Policy benchmark	*-0.16%*	*7.86%*	*6.44%*	*13.79%*	*11.93%*	*5.64%*	*7.17%*	*7.23%*	*03/31/2016*

Reserve

	1 mo	3 mo	YTD	1 yr	3 yrs	Since inception	Inception date
Client portfolio (gross)	0.21%	0.96%	1.62%	4.20%	5.28%	5.11%	03/31/2023
Client portfolio (net)	0.15%	0.90%	1.50%	3.94%	5.01%	4.85%	03/31/2023
Policy benchmark	*0.18%*	*0.73%*	*1.40%*	*3.64%*	*4.70%*	*4.47%*	*03/31/2023*

Title V Grant Endowment

	1 mo	3 mo	YTD	1 yr	Since inception	Inception date
Client portfolio (gross)	-0.15%	10.99%	9.16%	18.99%	16.37%	12/31/2023
Client portfolio (net)	-0.21%	10.93%	9.04%	18.73%	16.13%	12/31/2023
Policy benchmark	*-0.41%*	*11.32%*	*9.19%*	*19.20%*	*16.28%*	*12/31/2023*

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Mercer

Performance summary

MiraCosta College Foundation - Endowment Portfolio

For the periods ended June 30, 2026

	Market value ($)	% of portfolio	Policy benchmark	1 mo	3 mo	YTD	1 yr	3 yrs	5 yrs	10 yrs	Since inception	Inception date
Client portfolio (gross)	$19,663,320	100.0%	100.0%	-0.15%	10.92%	9.55%	19.64%	16.12%	8.39%	10.39%	9.27%	01/31/2014
Client portfolio (net)				-0.20%	10.86%	9.42%	19.35%	15.84%	8.13%	10.13%	9.00%	01/31/2014
Policy benchmark				*-0.41%*	*11.32%*	*9.19%*	*19.20%*	*15.86%*	*8.30%*	*10.31%*	*9.21%*	*01/31/2014*
Equity	**$15,093,452**	**76.8%**	**75.0%**	**-0.27%**	**14.19%**	**12.31%**	**24.94%**	**19.86%**	**10.94%**	**13.07%**	**11.41%**	**01/31/2014**
Equity - Policy benchmark				*-0.66%*	*14.82%*	*11.92%*	*24.74%*	*19.83%*	*10.93%*	*13.09%*	*11.39%*	*01/31/2014*
Domestic Equity	**$9,137,092**	**46.5%**	**45.0%**	**-0.33%**	**15.65%**	**11.07%**	**23.16%**	**20.43%**	**12.24%**	**15.04%**	**13.66%**	**01/31/2014**
International Equity	**$5,956,360**	**30.3%**	**30.0%**	**-0.19%**	**12.01%**	**13.97%**	**27.41%**	**18.72%**	**8.79%**	**9.94%**	**7.62%**	**01/31/2014**
Fixed Income	**$4,569,868**	**23.2%**	**25.0%**	**0.28%**	**1.17%**	**0.98%**	**3.50%**	**4.59%**	**0.48%**	**1.90%**	**2.40%**	**01/31/2014**
Fixed Income - Policy benchmark				*0.33%*	*1.05%*	*0.85%*	*3.38%*	*4.25%*	*0.24%*	*1.64%*	*2.23%*	*01/31/2014*
Domestic Fixed Income	**$3,197,663**	**16.3%**	**17.5%**	**0.19%**	**0.94%**	**0.87%**	**3.97%**	**4.72%**	**0.49%**	**2.02%**	**2.41%**	**01/31/2014**
International Fixed Income	**$1,372,205**	**7.0%**	**7.5%**	**0.49%**	**1.70%**	**1.24%**	**2.37%**	**4.28%**	**0.44%**	**1.63%**	**2.44%**	**01/31/2014**

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Mercer

Performance summary-by securities

MiraCosta College Foundation - Endowment Portfolio

For the periods ended June 30, 2026

	Market value ($)	% of portfolio	Policy benchmark	1 mo	3 mo	YTD	1 yr	3 yrs	5 yrs	10 yrs	Since inception	Inception date
Client portfolio (gross)	$19,663,320	100.0%	100.0%	-0.15%	10.92%	9.55%	19.64%	16.12%	8.39%	10.39%	9.27%	01/31/2014
Client portfolio (net)				-0.20%	10.86%	9.42%	19.35%	15.84%	8.13%	10.13%	9.00%	01/31/2014
Policy benchmark				*-0.41%*	*11.32%*	*9.19%*	*19.20%*	*15.86%*	*8.30%*	*10.31%*	*9.21%*	*01/31/2014*
Equity	**$15,093,452**	**76.8%**	**75.0%**	**-0.27%**	**14.19%**	**12.31%**	**24.94%**	**19.86%**	**10.94%**	**13.07%**	**11.41%**	**01/31/2014**
Equity - Policy benchmark				*-0.66%*	*14.82%*	*11.92%*	*24.74%*	*19.83%*	*10.93%*	*13.09%*	*11.39%*	*01/31/2014*
Domestic Equity	**$9,137,092**	**46.5%**	**45.0%**	**-0.33%**	**15.65%**	**11.07%**	**23.16%**	**20.43%**	**12.24%**	**15.04%**	**13.66%**	**01/31/2014**
Domestic Equity - Policy benchmark				*-0.34%*	*15.65%*	*11.06%*	*23.16%*	*20.42%*	*12.25%*	*15.04%*	*13.67%*	*01/31/2014*
Vanguard Total Stock Market Index Fund Institutional Shares	**$9,137,092**	**46.5%**	**-**	**-0.33%**	**15.65%**	**11.07%**	**23.16%**	**20.43%**	**12.24%**	**-**	**15.90%**	**09/30/2019**
Spliced Total Stock Market Index				*-0.34%*	*15.65%*	*11.06%*	*23.16%*	*20.42%*	*12.25%*	*-*	*15.90%*	*09/30/2019*
Multi-Cap Core Funds Average				*0.69%*	*14.01%*	*10.63%*	*19.97%*	*17.30%*	*9.98%*	*-*	*13.30%*	*09/30/2019*
International Equity	**$5,956,360**	**30.3%**	**30.0%**	**-0.19%**	**12.01%**	**13.97%**	**27.41%**	**18.72%**	**8.79%**	**9.94%**	**7.62%**	**01/31/2014**
International Equity - Policy benchmark				*-1.13%*	*13.57%*	*12.90%*	*26.74%*	*18.60%*	*8.67%*	*9.97%*	*7.58%*	*01/31/2014*
Vanguard Total International Stock Index Fund Institutional Shares	**$5,956,360**	**30.3%**	**-**	**-0.19%**	**12.01%**	**13.97%**	**27.41%**	**18.72%**	**8.79%**	**-**	**9.05%**	**04/30/2021**
Spliced Total International Stock Index				*-1.13%*	*13.57%*	*12.90%*	*26.74%*	*18.60%*	*8.67%*	*-*	*8.88%*	*04/30/2021*
International Funds Average				*0.35%*	*9.83%*	*9.89%*	*19.77%*	*16.00%*	*7.54%*	*-*	*7.73%*	*04/30/2021*

Certain performance information presented was obtained from The Vanguard Group, Inc. and Vanguard Advisers, Inc. (collectively referred to as "Vanguard"). Mercer Investments LLC acquired the institutional advisory services business of Vanguard on March 15th, 2024. The performance figures sourced from Vanguard are not intended to represent Mercer`s performance. Certain information contained herein may be legacy or historical Vanguard information and shown for informational purposes only. Past performance is not indicative of future results and should not be relied upon as a guarantee of future performance.

Performance summary-by securities

MiraCosta College Foundation - Endowment Portfolio

For the periods ended June 30, 2026

	Market value ($)	% of portfolio	Policy benchmark	1 mo	3 mo	YTD	1 yr	3 yrs	5 yrs	10 yrs	Since inception	Inception date
Fixed Income	**$4,569,868**	**23.2%**	**25.0%**	**0.28%**	**1.17%**	**0.98%**	**3.50%**	**4.59%**	**0.48%**	**1.90%**	**2.40%**	**01/31/2014**
Fixed Income - Policy benchmark				*0.33%*	*1.05%*	*0.85%*	*3.38%*	*4.25%*	*0.24%*	*1.64%*	*2.23%*	*01/31/2014*
Domestic Fixed Income	**$3,197,663**	**16.3%**	**17.5%**	**0.19%**	**0.94%**	**0.87%**	**3.97%**	**4.72%**	**0.49%**	**2.02%**	**2.41%**	**01/31/2014**
Domestic Fixed Income - Policy benchmark				*0.25%*	*0.69%*	*0.61%*	*3.71%*	*4.16%*	*0.09%*	*1.57%*	*2.08%*	*01/31/2014*
Vanguard Total Bond Market Index Fund Admiral Shares	**$1,594,529**	**8.1%**	**-**	**0.23%**	**0.70%**	**0.75%**	**3.71%**	**4.16%**	**0.07%**	**1.52%**	**2.04%**	**01/31/2014**
Spliced Bloomberg U.S. Aggregate Float Adjusted Index				*0.25%*	*0.69%*	*0.61%*	*3.71%*	*4.16%*	*0.09%*	*1.57%*	*2.08%*	*01/31/2014*
Spliced Intermediate Investment-Grade Debt Funds Average				*0.26%*	*1.21%*	*1.15%*	*4.24%*	*4.57%*	*0.18%*	*1.70%*	*2.07%*	*01/31/2014*
Vanguard Short-Term Investment-Grade Fund Admiral Shares	**$865,985**	**4.4%**	**-**	**0.11%**	**0.82%**	**1.02%**	**3.89%**	**5.76%**	**2.45%**	**2.63%**	**2.56%**	**01/31/2014**
Bloomberg U.S. 1-5 Year Credit Bond Index				*0.13%*	*0.75%*	*0.87%*	*3.72%*	*5.52%*	*2.32%*	*2.62%*	*2.55%*	*01/31/2014*
1-5 Year Investment-Grade Debt Funds Average				*0.14%*	*0.84%*	*0.93%*	*3.88%*	*5.34%*	*1.96%*	*2.13%*	*1.96%*	*01/31/2014*
Vanguard Long-Term Investment-Grade Fund Admiral Shares	**$388,744**	**2.0%**	**-**	**0.31%**	**1.99%**	**1.15%**	**4.55%**	**3.24%**	**-2.74%**	**-**	**1.77%**	**01/31/2019**
Bloomberg U.S. Long Credit A or Better Bond Index				*0.36%*	*1.95%*	*0.83%*	*4.58%*	*3.23%*	*-2.83%*	*-*	*1.57%*	*01/31/2019*
Corporate A-Rated Debt Funds Average				*0.33%*	*1.15%*	*0.96%*	*4.14%*	*4.17%*	*-0.51%*	*-*	*2.02%*	*01/31/2019*

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Performance summary-by securities

MiraCosta College Foundation - Endowment Portfolio

For the periods ended June 30, 2026

	Market value ($)	% of portfolio	Policy benchmark	1 mo	3 mo	YTD	1 yr	3 yrs	5 yrs	10 yrs	Since inception	Inception date
Vanguard Intermediate-Term Investment-Grade Fund Admiral Shares	**$348,404**	**1.8%**	**-**	**0.09%**	**1.18%**	**0.61%**	**4.57%**	**6.22%**	**1.24%**	**2.72%**	**3.14%**	**01/31/2014**
Bloomberg U.S. 5-10 Year Credit Bond Index				*0.15%*	*1.14%*	*0.54%*	*4.52%*	*6.08%*	*1.12%*	*2.86%*	*3.39%*	*01/31/2014*
Spliced Core Bond Funds Average				*0.26%*	*0.85%*	*0.75%*	*3.91%*	*4.47%*	*0.11%*	*1.67%*	*2.04%*	*01/31/2014*
International Fixed Income	**$1,372,205**	**7.0%**	**7.5%**	**0.49%**	**1.70%**	**1.24%**	**2.37%**	**4.28%**	**0.44%**	**1.63%**	**2.44%**	**01/31/2014**
International Fixed Income - Policy benchmark				*0.52%*	*1.91%*	*1.39%*	*2.59%*	*4.42%*	*0.55%*	*1.78%*	*2.63%*	*01/31/2014*
Vanguard Total International Bond Index Fund Admiral Shares	**$1,372,205**	**7.0%**	**-**	**0.49%**	**1.70%**	**1.24%**	**2.37%**	**4.28%**	**0.44%**	**1.63%**	**2.44%**	**01/31/2014**
Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index Hedged				*0.52%*	*1.91%*	*1.39%*	*2.59%*	*4.42%*	*0.55%*	*1.78%*	*2.63%*	*01/31/2014*
International Income Funds Average				*-0.24%*	*2.02%*	*0.27%*	*1.81%*	*4.59%*	*-0.48%*	*0.88%*	*0.91%*	*01/31/2014*

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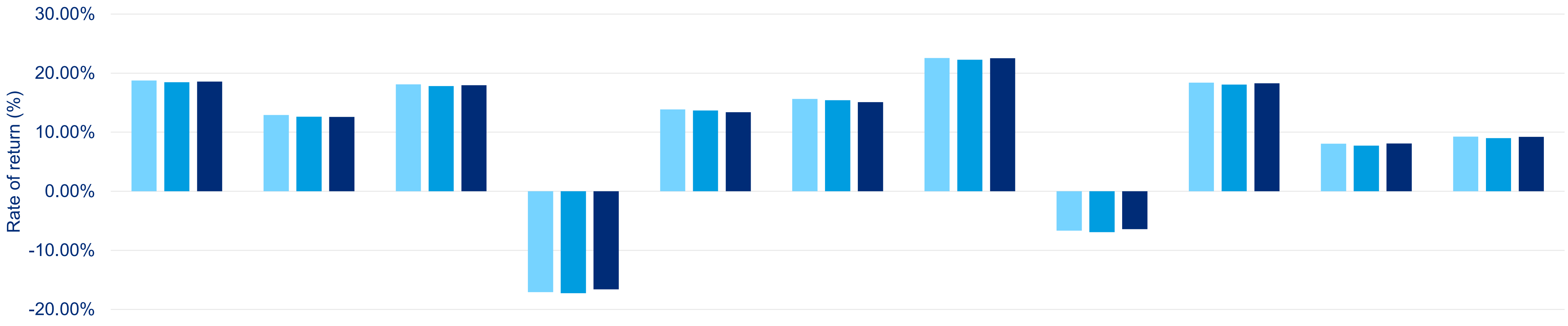
Portfolio performance-annual periods

MiraCosta College Foundation - Endowment Portfolio

For the period ended June 30, 2026



	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	SI 01/31/2014
Gross return	18.74%	12.93%	18.09%	-17.07%	13.86%	15.64%	22.55%	-6.66%	18.38%	8.05%	9.27%
Net return	18.45%	12.64%	17.80%	-17.28%	13.66%	15.44%	22.28%	-6.91%	18.06%	7.73%	9.00%
Policy benchmark	*18.58%*	*12.60%*	*17.95%*	*-16.59%*	*13.40%*	*15.10%*	*22.51%*	*-6.41%*	*18.28%*	*8.10%*	*9.21%*

Certain performance information presented was obtained from The Vanguard Group, Inc. and Vanguard Advisers, Inc. (collectively referred to as "Vanguard"). Mercer Investments LLC acquired the institutional advisory services business of Vanguard on March 15th, 2024. The performance figures sourced from Vanguard are not intended to represent Mercer`s performance. Certain information contained herein may be legacy or historical Vanguard information and shown for informational purposes only. Past performance is not indicative of future results and should not be relied upon as a guarantee of future performance.

Cash flow and market value summary

MiraCosta College Foundation - Endowment Portfolio

For the periods ended June 30, 2026

	Last month	Last three months	Year-to-Date	One year
Beginning Market Value	$19,692,023.90	$18,115,815.29	$18,338,181.90	$16,618,280.17
Net Cash Flow	$0.00	-$417,212.38	-$384,268.89	-$203,660.34
Contributions	$11,012.49	$11,012.49	$791,154.08	$993,251.10
Redemptions	$0.00	-$417,212.38	-$1,153,104.25	-$1,153,104.25
Advisory Fees	-$11,012.49	-$11,012.49	-$22,318.72	-$43,807.19
Net Investment Change	-$28,704.14	$1,964,716.85	$1,709,406.75	$3,248,699.93
Net Capital	-$96,231.88	$1,867,082.11	$1,541,804.83	$2,807,814.47
Investment Income	$67,527.74	$97,634.74	$167,601.92	$440,885.46
Ending Market Value	$19,663,319.76	$19,663,319.76	$19,663,319.76	$19,663,319.76

Mercer

Investment expense summary

MiraCosta College Foundation - Endowment Portfolio

As of June 30, 2026

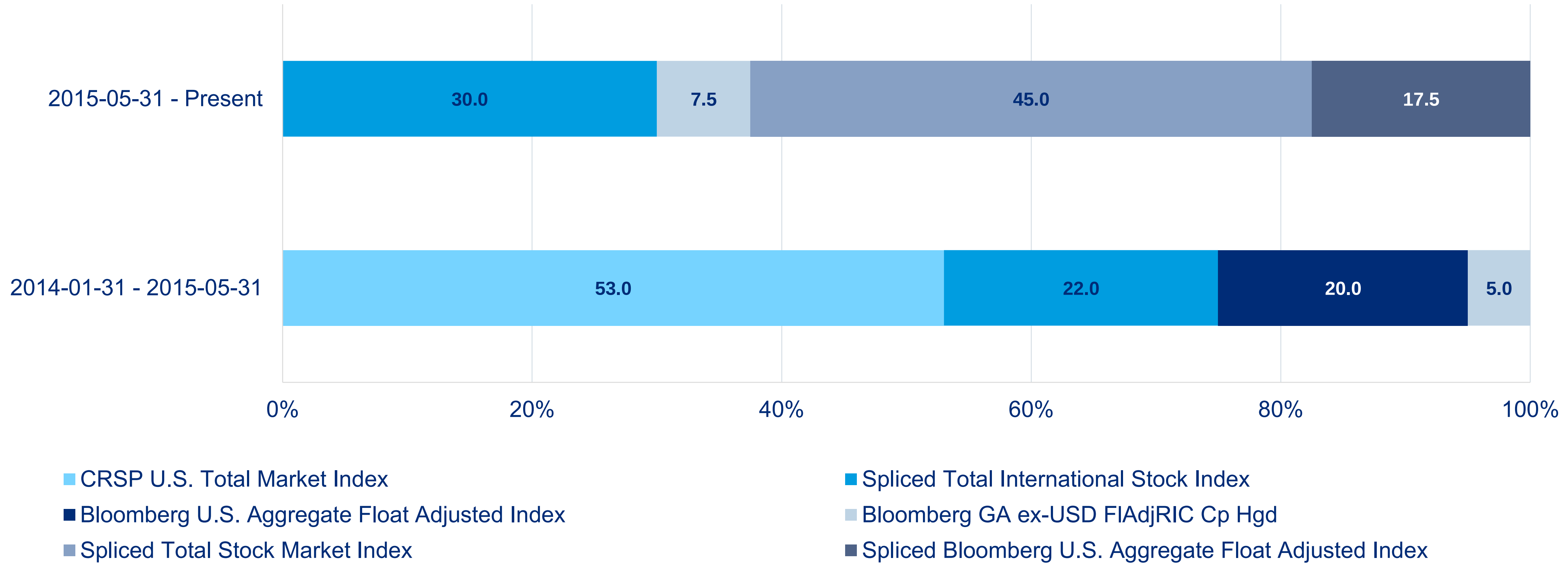
	Market value ($)	% of portfolio	Expense ratio	Estimated expense
Total Equity	**$15,093,452.14**	**76.8%**		**$6,314.94**
Domestic Equity	**$9,137,091.82**	**46.5%**		**$2,741.13**
Vanguard Total Stock Market Index Fund Institutional Shares	$9,137,091.82	46.5%	0.030%	$2,741.13
International Equity	**$5,956,360.32**	**30.3%**		**$3,573.82**
Vanguard Total International Stock Index Fund Institutional Shares	$5,956,360.32	30.3%	0.060%	$3,573.82
Total Fixed Income	**$4,569,867.62**	**23.2%**		**$3,491.71**
Domestic Fixed Income	**$3,197,662.79**	**16.3%**		**$2,119.51**
Vanguard Total Bond Market Index Fund Admiral Shares	$1,594,529.20	8.1%	0.040%	$637.81
Vanguard Short-Term Investment-Grade Fund Admiral Shares	$865,985.01	4.4%	0.090%	$779.39
Vanguard Long-Term Investment-Grade Fund Admiral Shares	$388,744.35	2.0%	0.100%	$388.74
Vanguard Intermediate-Term Investment-Grade Fund Admiral Shares	$348,404.23	1.8%	0.090%	$313.56
International Fixed Income	**$1,372,204.83**	**7.0%**		**$1,372.20**
Vanguard Total International Bond Index Fund Admiral Shares	$1,372,204.83	7.0%	0.100%	$1,372.20
Total	**$19,663,319.76**	**100.0%**	**0.050%**	**$9,806.65**

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

Benchmark allocation history

MiraCosta College Foundation - Endowment Portfolio

Policy benchmark allocations up to June 30, 2026



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

Markets and Macro

03

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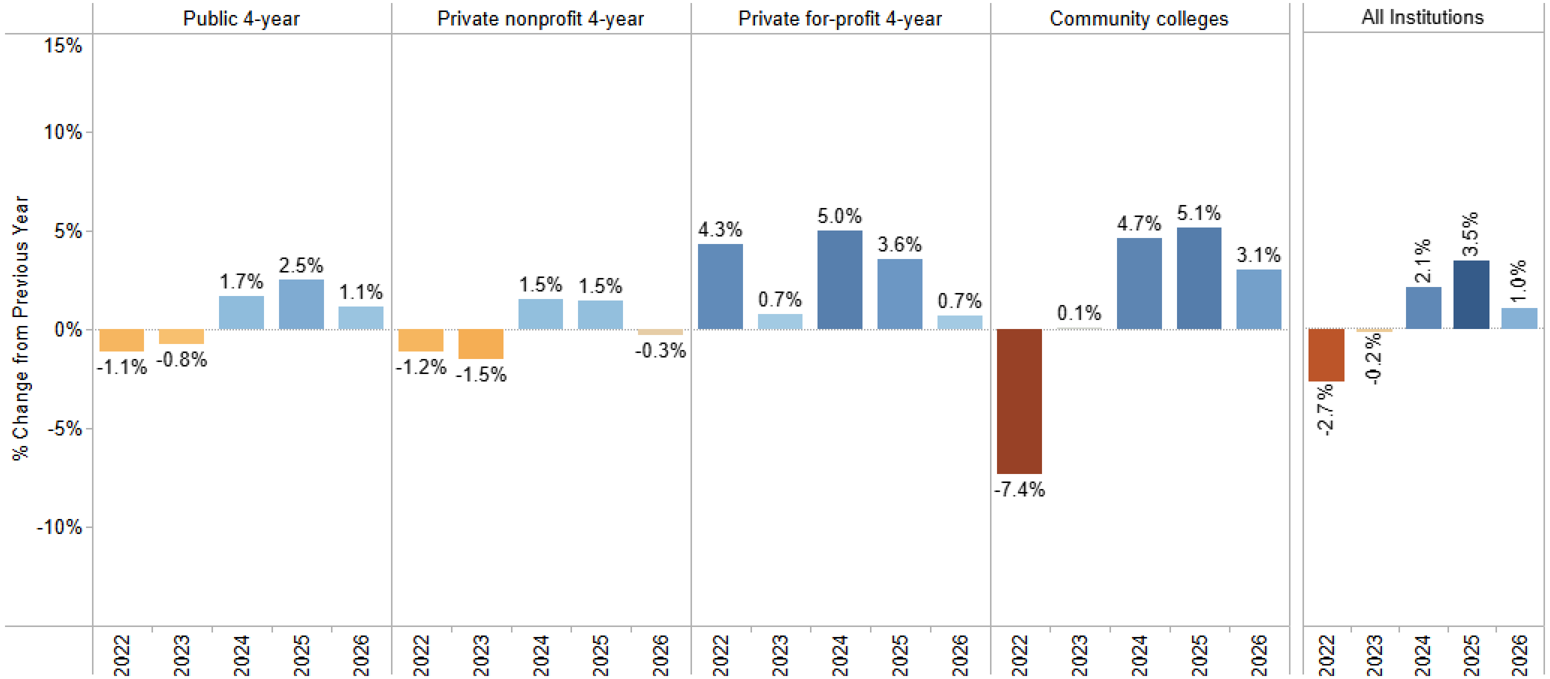
In spring 2026, enrollments increased by 1.0%, driven in large part by growth in community college enrollments. **Can this uptick continue amid a looming demographic cliff?**



Other observations on this data include:

- Undergraduate enrollment in total increased by 1.3%, while graduate enrollment declined modestly (-0.1%)
- Master’s degree program enrollments dropped by 1.3% - this may decline further with changes to federal Grad Plus loans beginning July 1, 2026
- Undergraduate certificate programs grew by 10.2%
- **Community college growth was highest (5.5%) for high-transfer 2-year institutions (schools whose students generally transfer to 4-year colleges)**
- Undergraduate Health professions grew by 6.2% (driven by Nursing) at four-year colleges while engineering grew by 6.8%
- Undergraduate computer science enrollment declined by 8.4%
- International graduate student enrollments declined by 4.3%, more than offsetting the 3.9% increase of international undergraduates

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Source: National Student Clearing House Final spring Enrollment Trends 2026

Overview of the potential impact on non-profits of four key charitable giving policies from the One Big Beautiful Bill Act

Policy	What the Policy Does?	Who It Affects?	Expected Behavioral Effect	Why It Affects Giving	Estimated Impact
Universal charitable deduction	Allows non-itemizers to deduct up to $1,000 (single) / $2,000 (married)	Non-itemizing households (-90% of taxpayers)	Increase number of donors and small-to-moderate gifts	Reduces after-tax cost of giving for non-itemizers up to the cap	+$4.39B (range: +$1.96B to +$4.39B); +6.9-8.7M donors
0.5% floor on itemized deductions	Only charitable giving above 0.5% of income is deductible	Itemizing households	Reduces giving among lower-and-moderate-level itemizers	Increases marginal cost of giving below threshold	-$2.43B (range: -$1.83B to -$3.02B)
35% cap on value of deductions for top-bracket filers	Limits deduction value for taxpayers in 37% bracket	High-income itemizing households	Reduces giving among top donors	Increases after-tax cost of giving at the margin	-$6.1B (range: -$4.1B to -$8.2B)
1% floor on corporate charitable deductions	Corporations may only deduct giving above 1% of pre-tax profits	Corporations	Reduces giving among firms below threshold; may shift timing of gifts	Removes tax incentive for giving below 1% of profits	-$1.55B (range: -$0.93B to -$2.49B)
			Total Estimated Impact		-$5.69 billion

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Source: The Philanthropy Outlook, Indiana University Lilly Family School of Philanthropy. Note these changes occur for calendar year 2026.

Current policy focus on Accreditation in Higher Education

In May 2026, the Department of Education's Accreditation, Innovation and Modernization negotiated rulemaking committee reached consensus on draft accreditation rules

Key elements of the new regulations include:

- Accreditors must set minimum standards for **student outcomes**
  - Includes ROI, wages, retention and graduation rates
- Accreditors must consider **faculty evaluations, institutional staffing and flexibility** to respond to enrollment changes (what does this mean for tenure?)
- Colleges must **accept credits** from other accredited colleges for comparable coursework, unless providing a student-specific reason for denial (reduced focus on college selectivity for transfer credit)
- Accreditors must ensure that colleges have policies that address **prohibition of discrimination** based on race or sex
- Colleges must seek to prioritize **intellectual diversity among faculty** and **balanced presentation** of competing perspectives
- **Research integrity** – including **AI use** – must be considered by accreditors

These changes attempt to **increase competition** among accreditors

- It's easier for new accreditors to **emerge**, and easier for colleges to **change** accreditors
- While targeting a reduction in **accreditation costs**, the new oversight requirements may be more costly

Public comment deadline on these draft rules is September 2026, Final regulations are expected by November 2026, and to go into effect July 1, 2027

Source: Nixon Peabody May 26, 2026

US Dashboard

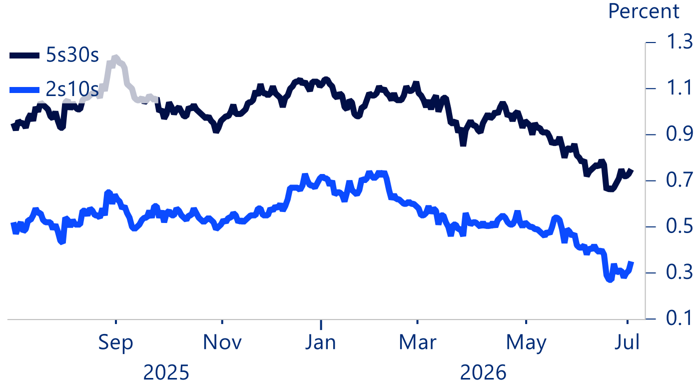
S&P 500

Source: S&P Global, MacroBond, Mercer as of 06 July 2026

US 10y Yield

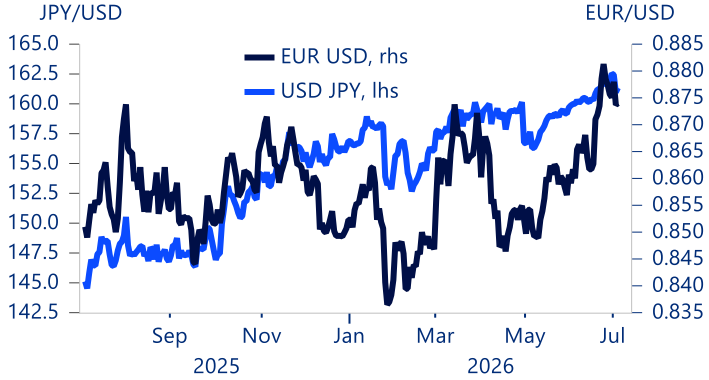
Source: U.S. Department of Treasury, MacroBond, Mercer as of 06 July 2026

US yield spreads



Source: U.S. Department of Treasury, MacroBond, Mercer as of 06 July 2026

US Dollar

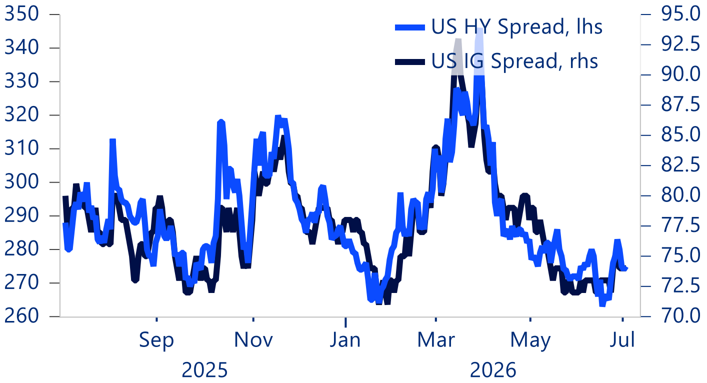


Source: Federal Reserve, Macrobond Financial AB, Mercer as of 06 July 2026

WTI Oil

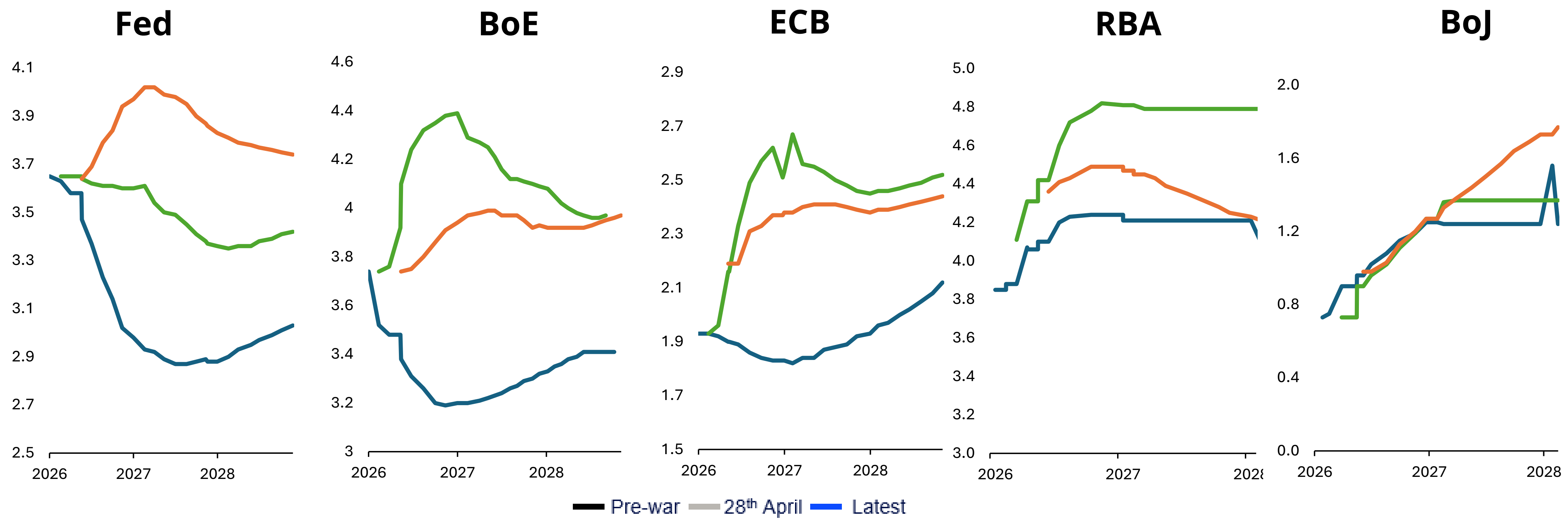
Source: CME Group, MacroBond, Mercer as of 06 July 2026

US Credit Spreads



Source: Refinitiv, MacroBond, Mercer as of 06 July 2026

Central Bank Pricing

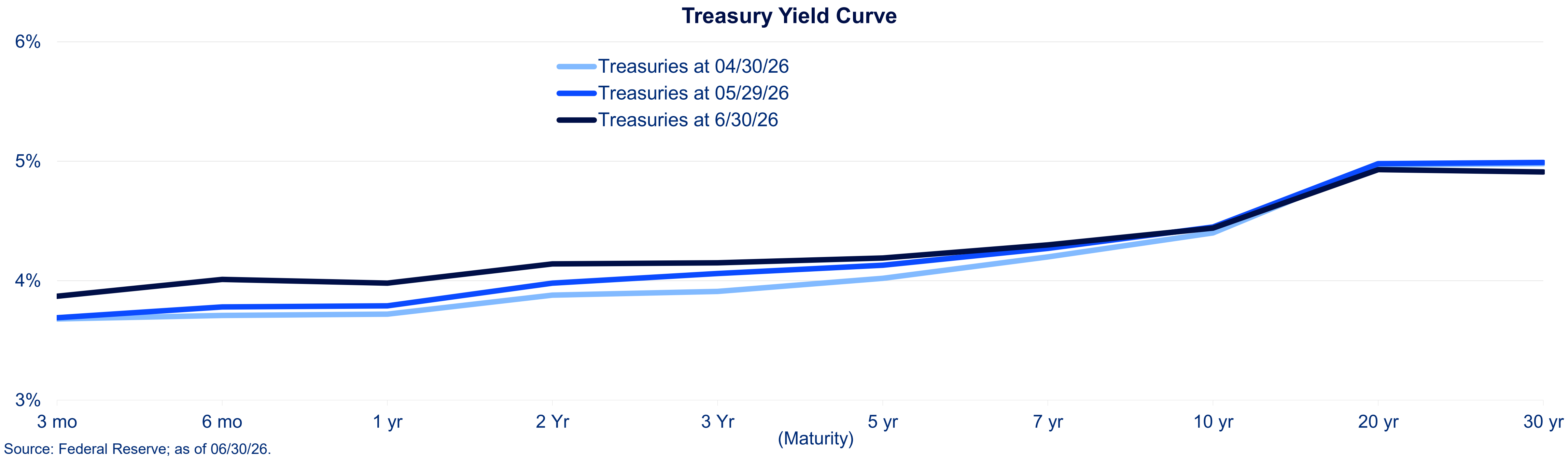


	Fed	BoE	ECB	RBA	BoJ
Now	3.63%	3.75%	2.25%	4.35%	1%
2026	+30 bps	+12 bps	+18 bps	+13 bps	+22 bps
2027	-8 bps	+9 bps	+2 bps	-24 bps	+49 bps
2028	-12 bps	+1 bps	+5 bps	-4 bps	+ 8 bps

Source: Goldman Sachs, Barclays. Data as of July 03, 2026

Yield curve flattens, positive bond returns

- Fixed income, as measured by the Bloomberg US Aggregate Index, was moderately positive in June. Yields marginally declined in the US, while high coupons contributed further to positive US fixed income returns.
- During June 10-year yields fell by 1, 6, 4 and 9 basis points in the US, UK, Germany and Australia, respectively. Yields rose by 2 basis points in Japan[1].
- Credit spreads widened slightly for both investment-grade and high-yield bonds; spreads remain historically tight.
- Local-currency emerging-market debt underperformed hard-currency debt.

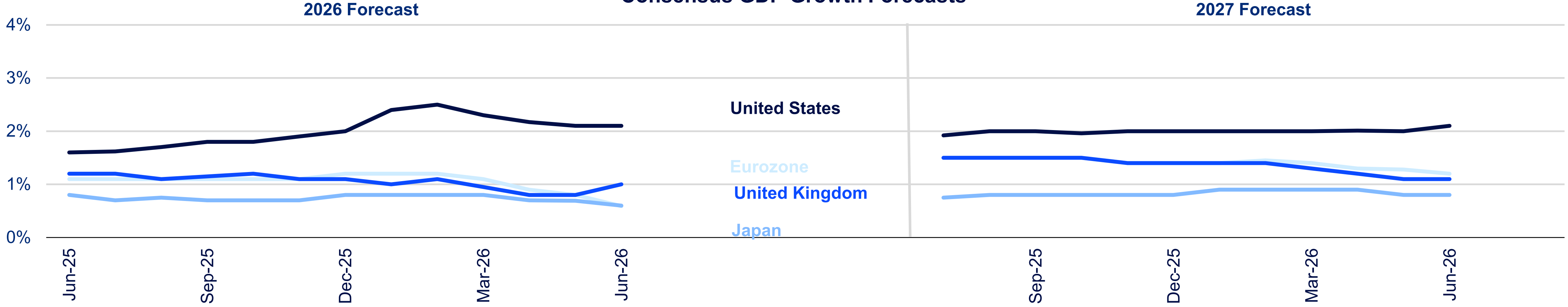


Source: Federal Reserve; as of 06/30/26.

[1]Source: Refinitiv and US Treasury. Data as of 06/30/26

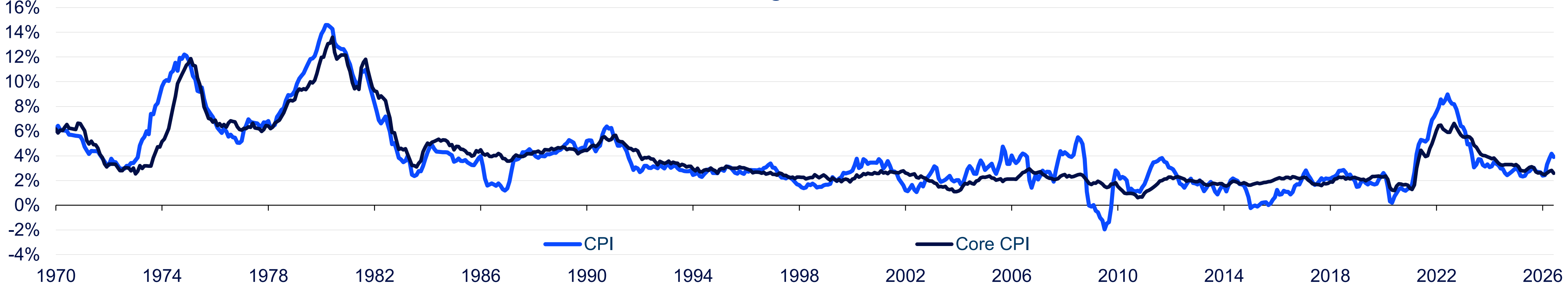
Economic growth and inflation

Consensus GDP Growth Forecasts



Source: Bloomberg; as of 06/30/26.
Forecasts provided by third party economists, there can be no guarantee that these forecasts will be accurate.

Inflation
Rolling 12-months



Source: Bloomberg; through 06/30/26.

Summary of key asset classes (as of 3/31/26)

Asset class	Assumptions: 20-Yr return	Volatility	10-Yr return	Change from last quarter: 20Y	10Y
Equity					
Global All Cap Equity Unhedged	7.0%	19.5%	6.2%	0.2%	0.3%
US All Cap Equity	6.8%	19.3%	5.6%	0.2%	0.2%
AC World ex-US All Cap Equity Unhedged	6.9%	22.1%	6.7%	0.2%	0.5%
Fixed income					
US Aggregate Fixed Income	4.7%	6.4%	4.7%	0.1%	0.2%
US Credit Fixed Income	5.4%	7.1%	5.3%	0.2%	0.2%
US Government Fixed Income	4.5%	5.9%	4.6%	0.1%	0.1%
Non-US Broad Fixed Income Hedged	4.5%	5.3%	4.4%	0.2%	0.2%
Economic variables					
Inflation	2.3%	2.5%	2.5%	0.0%	0.1%
Real GDP Growth	1.9%	1.9%	1.9%		
Nominal GDP Growth	4.2%	2.2%	4.3%		

Source: Mercer Capital Market Assumptions, as of 3/31/26. All expected returns are gross of fees, unless indicated otherwise. There are no guarantees Mercer assumptions are or will be accurate. Actual performance is likely to vary.

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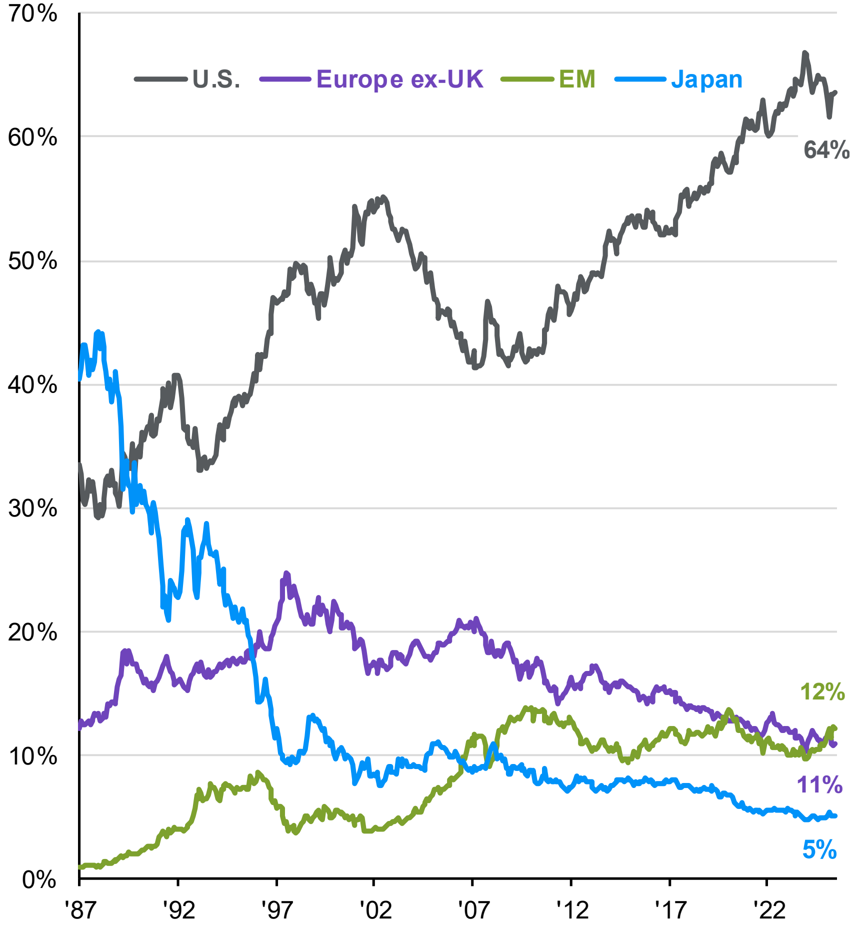
Global equity markets

Returns	2026 YTD		2025		15-years
	Local	USD	Local	USD	Ann.
Regions					
U.S. (S&P 500)	-	10.2%	-	17.9%	14.4%
Non-U.S.	16.6%	14.0%	25.1%	33.1%	7.1%
EAFE	12.1%	9.8%	21.2%	31.9%	7.4%
Eurozone	13.1%	10.1%	24.7%	41.3%	7.6%
Emerging markets	26.9%	24.0%	32.1%	34.4%	5.7%
Selected Countries					
Japan	20.2%	16.0%	24.7%	25.1%	8.3%
UK	7.6%	6.2%	25.8%	35.1%	6.4%
France	6.2%	3.4%	14.2%	29.5%	7.0%
Canada	11.5%	7.7%	30.9%	37.4%	7.2%
Germany	2.2%	-0.5%	20.9%	37.1%	6.2%
China	-14.8%	-14.9%	30.7%	31.4%	2.9%
Taiwan	64.8%	62.6%	34.0%	39.8%	16.9%
Korea	135.4%	118.9%	96.5%	100.8%	11.3%
India	-4.9%	-9.7%	9.5%	4.3%	5.7%
Brazil	4.5%	9.5%	35.6%	50.4%	0.4%

Share of global market capitalization

% weight in MSCI All Country World, USD, monthly



- Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management.
- (Left) All return values are MSCI Total Return Index (Gross) data. Non-U.S. is MSCI AC World ex USA Index. 15-year history based on USD returns. 15-year annualized return figures are calculated using a rolling 12-month period ending with the previous month-end. Please see disclosure page for index definitions. Past performance is no guarantee of future results.
- *Guide to the Markets – U.S.* Data are as of June 30, 2026.

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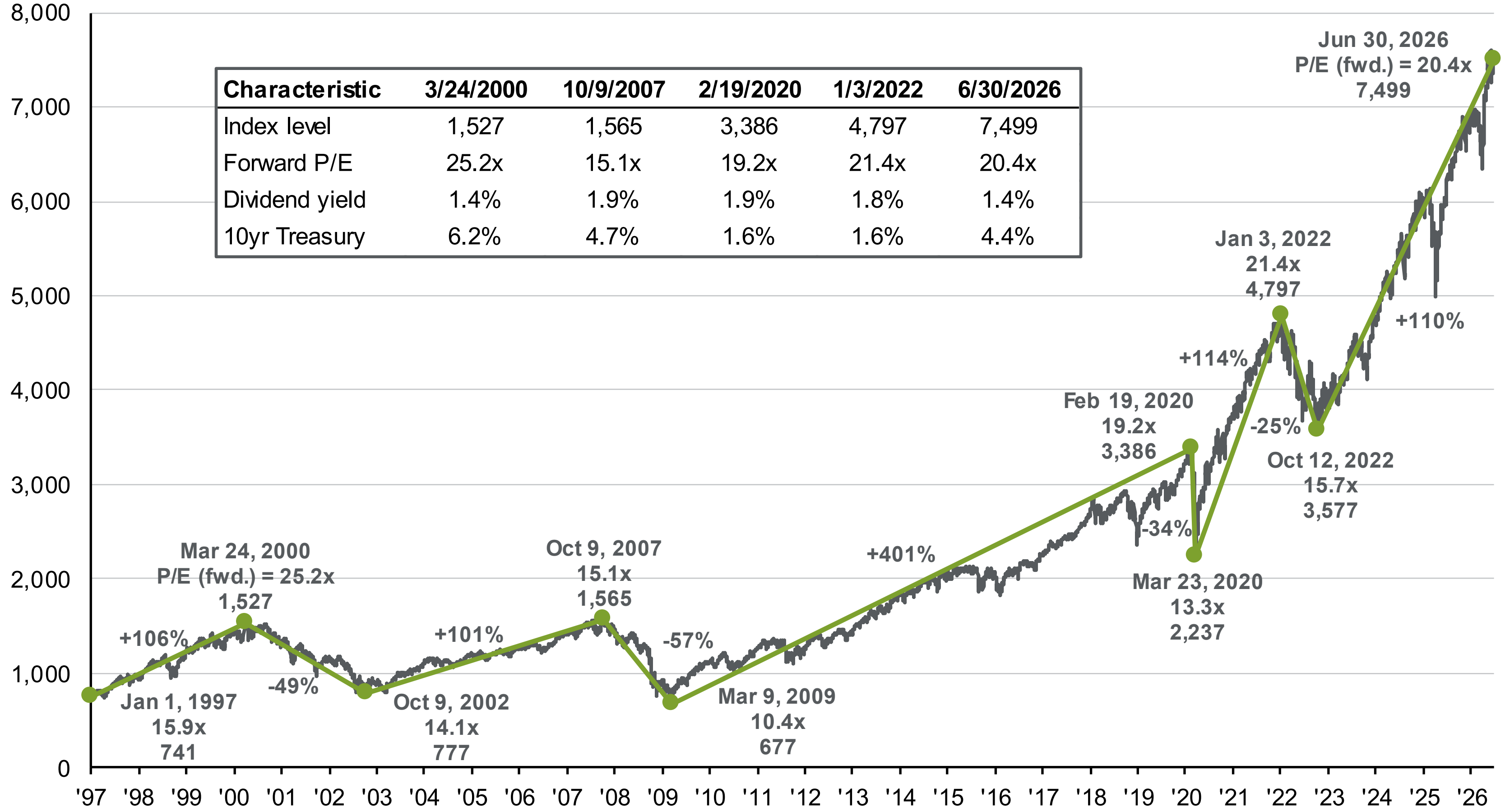
S&P 500 Index at inflection points

S&P 500 Price Index



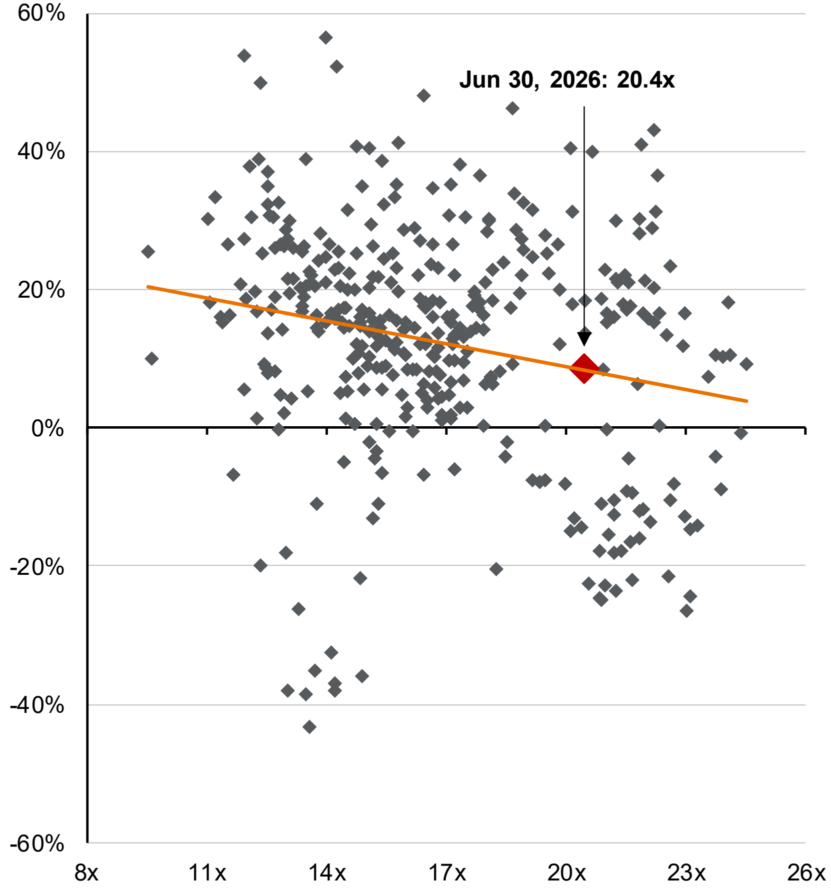
Characteristic	3/24/2000	10/9/2007	2/19/2020	1/3/2022	6/30/2026
Index level	1,527	1,565	3,386	4,797	7,499
Forward P/E	25.2x	15.1x	19.2x	21.4x	20.4x
Dividend yield	1.4%	1.9%	1.9%	1.8%	1.4%
10yr Treasury	6.2%	4.7%	1.6%	1.6%	4.4%

- Source: FactSet, Federal Reserve, Refinitiv Datastream, Standard & Poor's, J.P. Morgan Asset Management.
- Dividend yield is calculated as consensus analyst estimates of dividends in the next 12 months, provided by FactSet, divided by the most recent S&P 500 index price. Forward P/E ratio is the most recent S&P 500 index price divided by consensus estimates for earnings in the next 12 months, provided by IBES since January 1997 and FactSet since January 2022. Returns are cumulative and do not include the reinvestment of dividends. Past performance is no guarantee of future results.
- *Guide to the Markets – U.S.* Data are as of June 30, 2026.

P/E ratios and equity returns

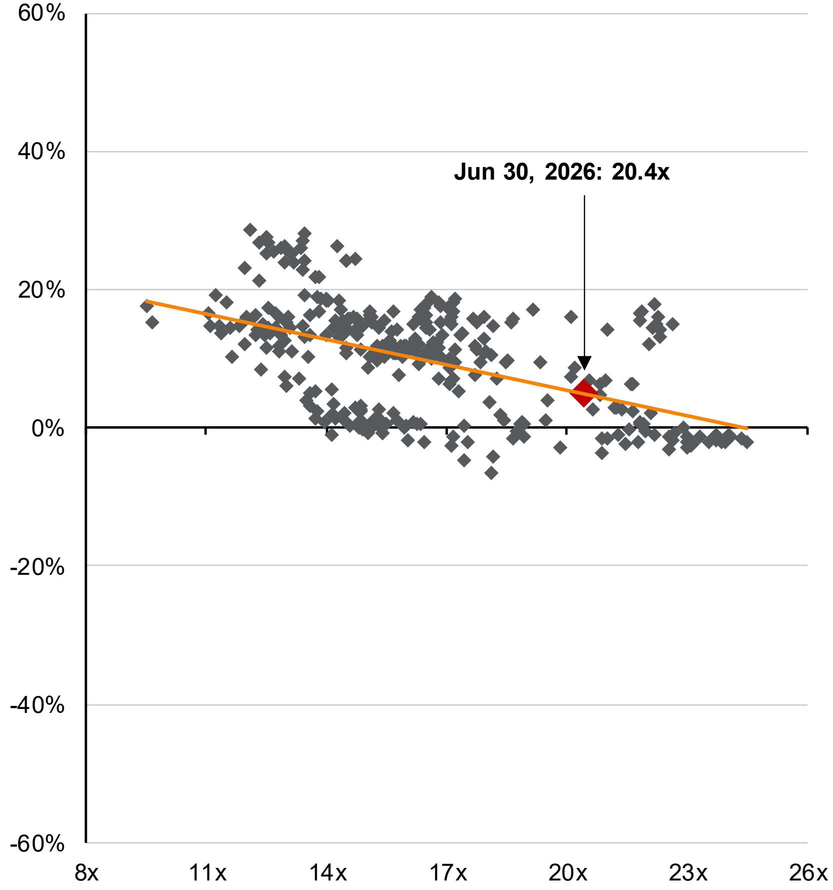
Forward P/E and subsequent 1-year returns

S&P 500 Total Return Index



Forward P/E and subsequent 5-year annualized returns

S&P 500 Total Return Index



- Source: FactSet, Refinitiv Datastream, Standard & Poor's, J.P. Morgan Asset Management.
- Returns are 12-month and 60-month annualized total returns, measured monthly, beginning 12/31/1993. The forward P/E ratio is the most recent S&P 500 index price divided by consensus analyst estimates for earnings in the next 12 months, provided by IBES since December 1993 and FactSet since January 2022. Past performance is no guarantee of future results.
- *Guide to the Markets – U.S.* Data are as of June 30, 2026.

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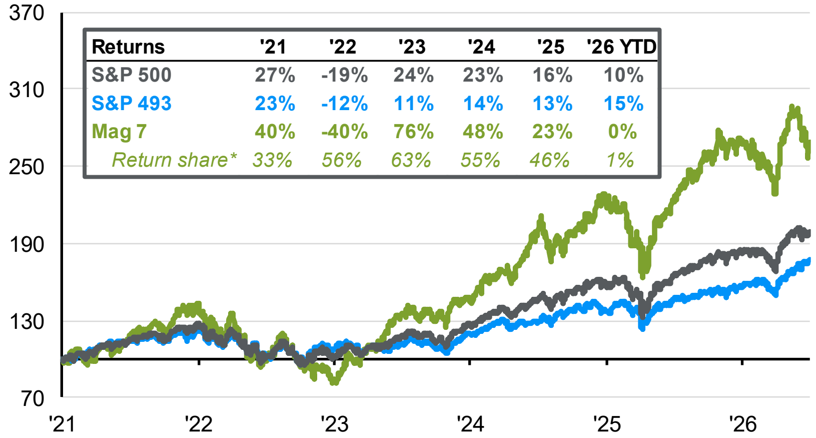
Magnificent 7: performance, earnings, and dispersion

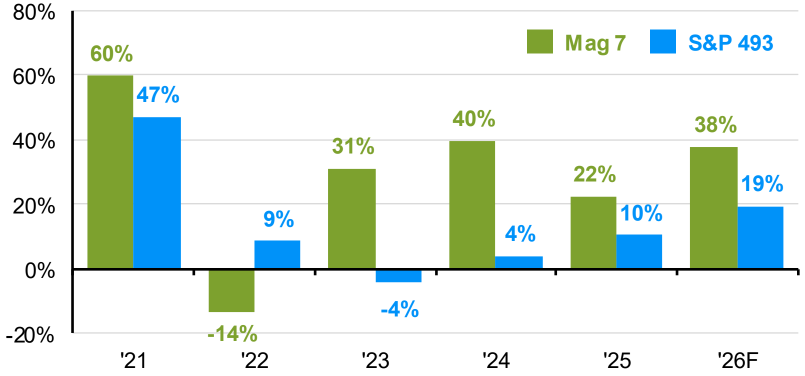
Magnificent 7 performance in the S&P 500

Indexed to 100 on 1/1/2021, price return



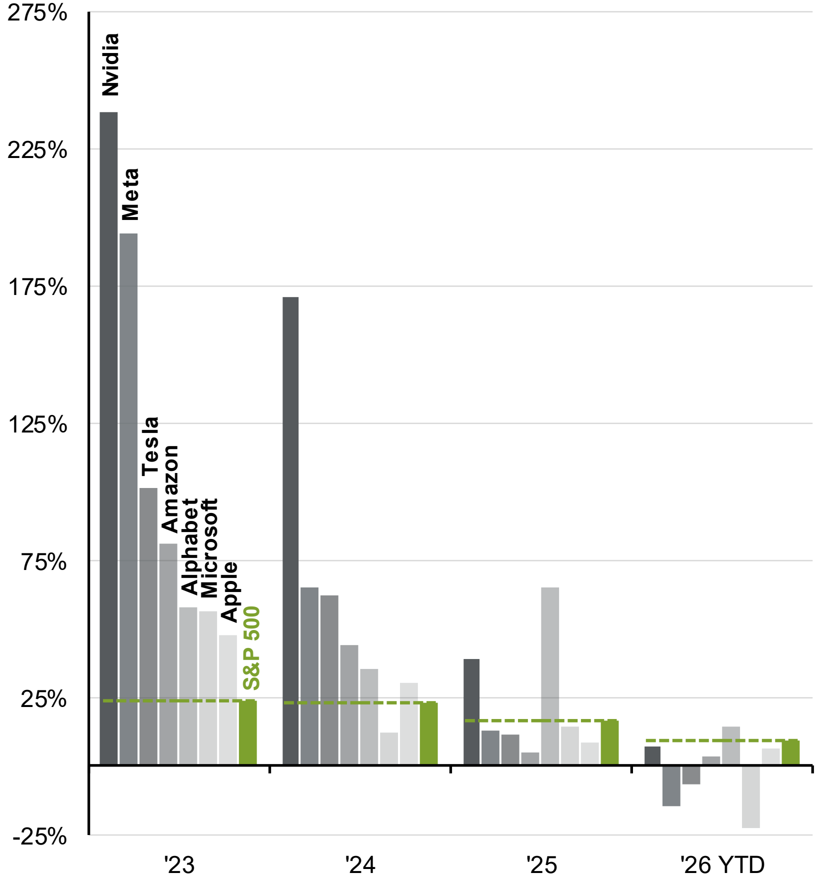
Returns	'21	'22	'23	'24	'25	'26 YTD
S&P 500	27%	-19%	24%	23%	16%	10%
S&P 493	23%	-12%	11%	14%	13%	15%
Mag 7	40%	-40%	76%	48%	23%	0%
*Return share**	*33%*	*56%*	*63%*	*55%*	*46%*	*1%*

Year-over-year earnings growth



Magnificent 7 performance dispersion

Price return

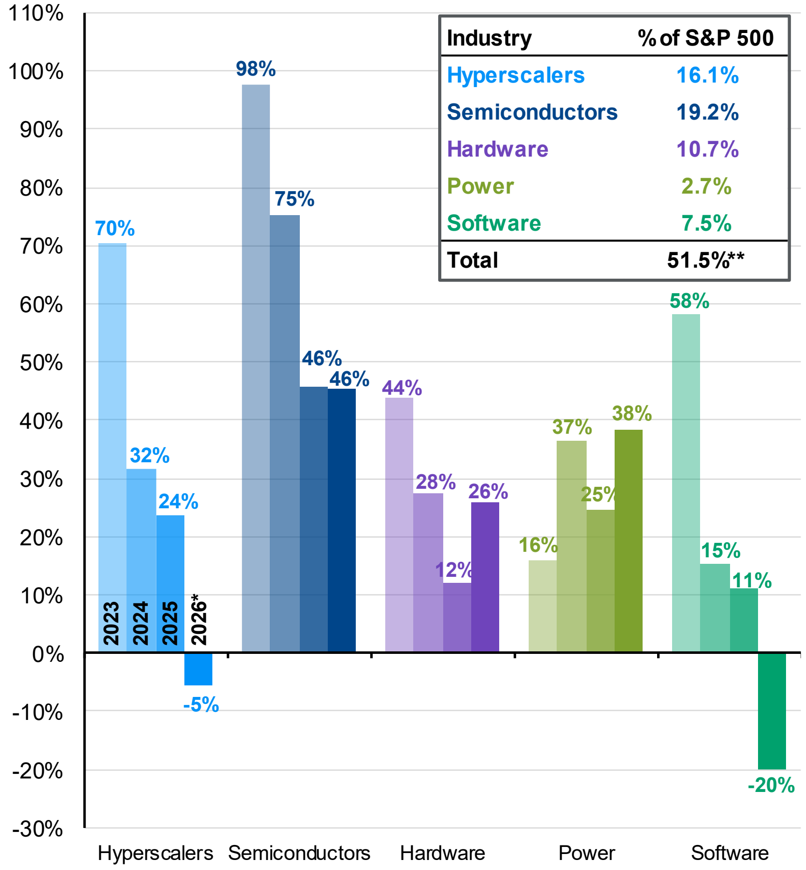


Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.
Magnificent 7 (Mag 7) includes AAPL, AMZN, GOOGL/GOOG, META, MSFT, NVDA and TSLA. The S&P 500 ex-Mag 7 (S&P 493) is calculated by backing out a weighted average Mag 7 price return from the S&P 500 price return. *Return share represents the Mag 7's contribution to the index return. Past performance is no guarantee of future results.
Guide to the Markets – U.S. Data are as of June 30, 2026.

AI related industries: performance and earnings growth

AI-related industry performance

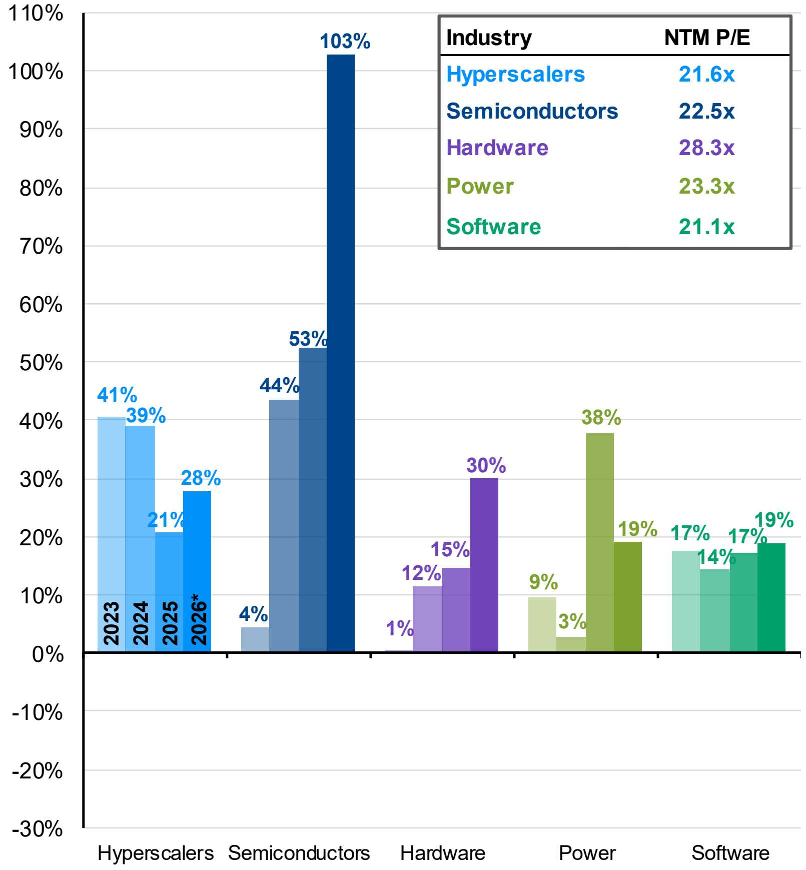
Price return



Industry	% of S&P 500
Hyperscalers	16.1%
Semiconductors	19.2%
Hardware	10.7%
Power	2.7%
Software	7.5%
Total	51.5%**

AI-related industry earnings growth

Year-over-year



Industry	NTM P/E
Hyperscalers	21.6x
Semiconductors	22.5x
Hardware	28.3x
Power	23.3x
Software	21.1x

- Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management.
- *2026 price return is year-to-date, and earnings growth reflects 2026 consensus estimates as provided by FactSet. Hyperscalers is a market-weighted composite of AMZN (Sector = Con. Disc, Industry = Broadline Retail), GOOGL/GOOG (Comm. Svcs., Interactive Media & Scvs.), META (Comm. Svcs., Interactive Media & Scvs.), MSFT (Info. Tech., Software) and ORCL (Info. Tech., Software). The remaining categories are based on GICS Industries. Semis = Semiconductors & Semiconductor Equipment (Info. Tech.); Hardware = market-weighted composite of Communications Equipment (Info. Tech.), Electronic Equipment Instruments & Components (Info. Tech.) and Technology Hardware Storage & Peripherals (Info. Tech.); Power = market-weighted composite of Electrical Equipment (Industrials) and Electric Utilities (Utilities); Software = Software (Info. Tech.). Hyperscalers that fall in category industries are included in both the hyperscaler and that additional category. **Total percentage in the S&P 500 does not double count hyperscalers that fall in additional categories. Past performance is no guarantee of future results.
- *Guide to the Markets – U.S.* Data are as of June 30, 2026.

Asset class return

2011 - 2025																	
Ann.	Vol.	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
Large Cap 14.1%	Small Cap 20.3%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	EM Equity 37.8%	Cash 1.8%	Large Cap 31.5%	Small Cap 20.0%	REITs 41.3%	Comdty. 16.1%	Large Cap 26.3%	Large Cap 25.0%	EM Equity 34.4%	EM Equity 24.0%
Small Cap 9.5%	EM Equity 17.5%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	DM Equity 25.6%	Fixed Income 0.0%	REITs 28.7%	EM Equity 18.7%	Large Cap 28.7%	Cash 1.5%	DM Equity 18.9%	Small Cap 11.5%	DM Equity 31.9%	Small Cap 22.6%
REITs 7.8%	REITs 16.4%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 21.8%	REITs -4.0%	Small Cap 25.5%	Large Cap 18.4%	Comdty. 27.1%	High Yield -12.7%	Small Cap 16.9%	Asset Alloc. 10.0%	Large Cap 17.9%	REITs 14.9%
Asset Alloc. 7.3%	DM Equity 15.7%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	Comdty. 11.8%	Small Cap 14.6%	High Yield -4.1%	DM Equity 22.7%	Asset Alloc. 10.6%	Small Cap 14.8%	Fixed Income -13.0%	Asset Alloc. 14.1%	High Yield 9.2%	Asset Alloc. 15.8%	Comdty. 14.4%
DM Equity 7.1%	Comdty. 15.4%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	EM Equity 11.6%	Asset Alloc. 14.6%	Large Cap -4.4%	Asset Alloc. 19.5%	DM Equity 8.3%	Asset Alloc. 13.5%	Asset Alloc. -13.9%	High Yield 14.0%	EM Equity 8.1%	Comdty. 15.8%	Large Cap 10.2%
High Yield 5.7%	Large Cap 14.7%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITs 8.6%	High Yield 10.4%	Asset Alloc. -5.8%	EM Equity 18.9%	Fixed Income 7.5%	DM Equity 11.8%	DM Equity -14.0%	REITs 11.4%	Comdty. 5.4%	Small Cap 12.8%	DM Equity 9.8%
EM Equity 4.2%	Asset Alloc. 10.1%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	REITs 8.7%	Small Cap -11.0%	High Yield 12.6%	High Yield 7.0%	High Yield 1.0%	Large Cap -18.1%	EM Equity 10.3%	Cash 5.3%	High Yield 12.1%	Asset Alloc. 9.3%
Fixed Income 2.4%	High Yield 9.1%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	Fixed Income 3.5%	Comdty. -11.2%	Fixed Income 8.7%	Cash 0.5%	Cash 0.0%	EM Equity -19.7%	Fixed Income 5.5%	REITs 4.9%	Fixed Income 7.3%	High Yield 2.1%
Cash 1.5%	Fixed Income 4.6%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.5%	Comdty. 1.7%	DM Equity -13.4%	Comdty. 7.7%	Comdty. -3.1%	Fixed Income -1.5%	Small Cap -20.4%	Cash 5.1%	DM Equity 4.3%	Cash 4.3%	Cash 1.8%
Comdty. -1.1%	Cash 0.9%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Cash 0.8%	EM Equity -14.2%	Cash 2.2%	REITs -5.1%	EM Equity -2.2%	REITs -24.9%	Comdty. -7.9%	Fixed Income 1.3%	REITs 2.3%	Fixed Income 0.6%

- Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management.
- Large Cap: S&P 500; Small Cap: Russell 2000; EM Equity: MSCI EME; DM Equity: MSCI EAFE; Comdty: Bloomberg Commodity Index; High Yield: Bloomberg Global HY Index; Fixed Income: Bloomberg U.S. Aggregate; REITs: NAREIT Equity REIT Index; Cash: Bloomberg 1-3m Treasury. The "Asset Allocation" portfolio is for illustrative purposes only and assumes annual rebalancing with the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg U.S. Aggregate, 5% in the Bloomberg 1-3m Treasury, 5% in the Bloomberg Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Annualized (Ann.) return and volatility (Vol.) represent the period from 12/31/2010 to 12/31/2025. Please see the disclosure page at the end for index definitions. All data represent total return for stated period. Past performance is no guarantee of future results.
- *Guide to the Markets – U.S.* Data are as of June 30, 2026.

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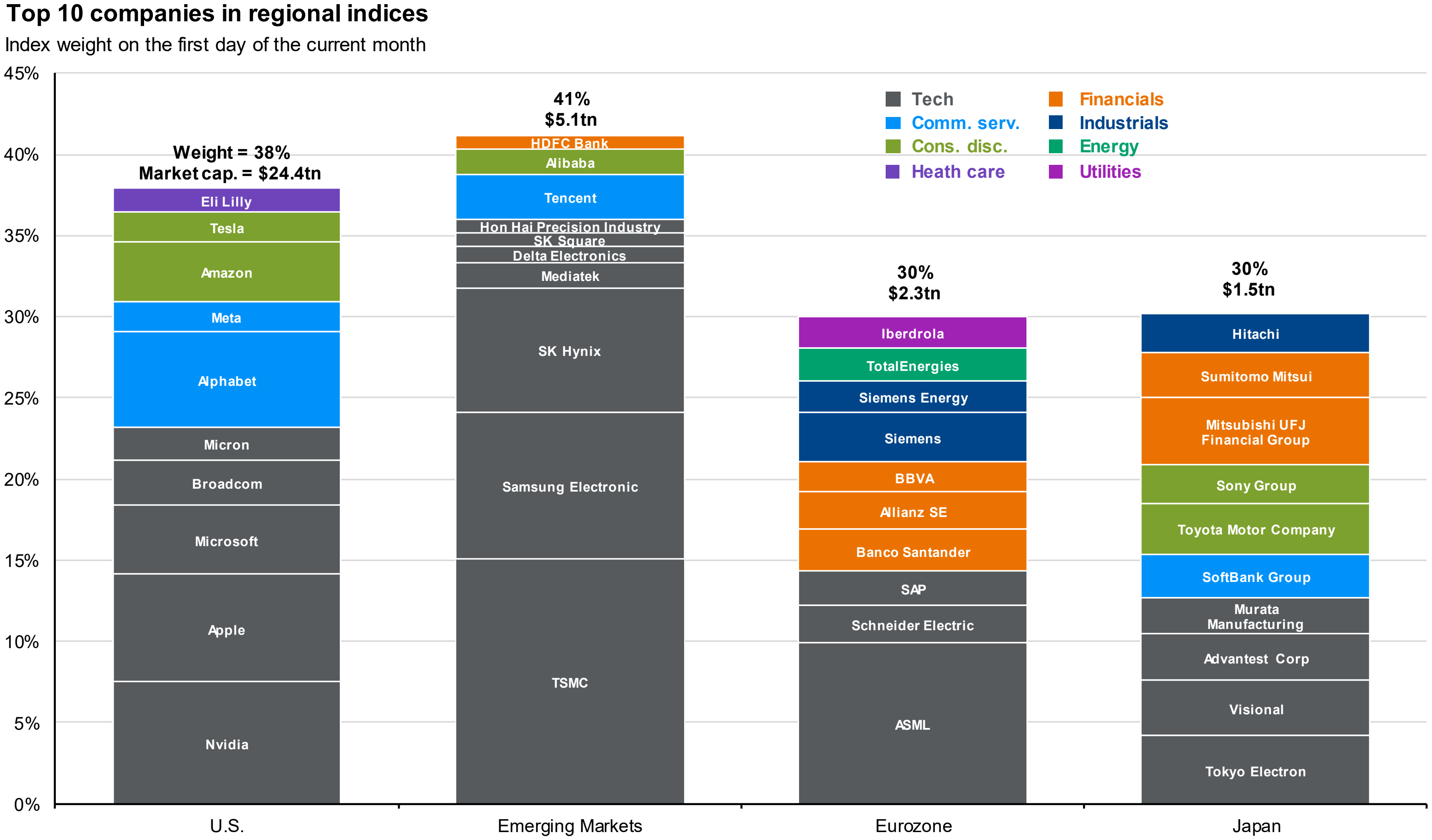
Global equity market concentration



- Source: Bloomberg, MSCI, Standard & Poor's, J.P. Morgan Asset Management.
- All markets are represented by their respective MSCI index except for the U.S., which is the S&P 500. Eurozone is MSCI European Monetary Union Index. Past performance is no guarantee of future results.
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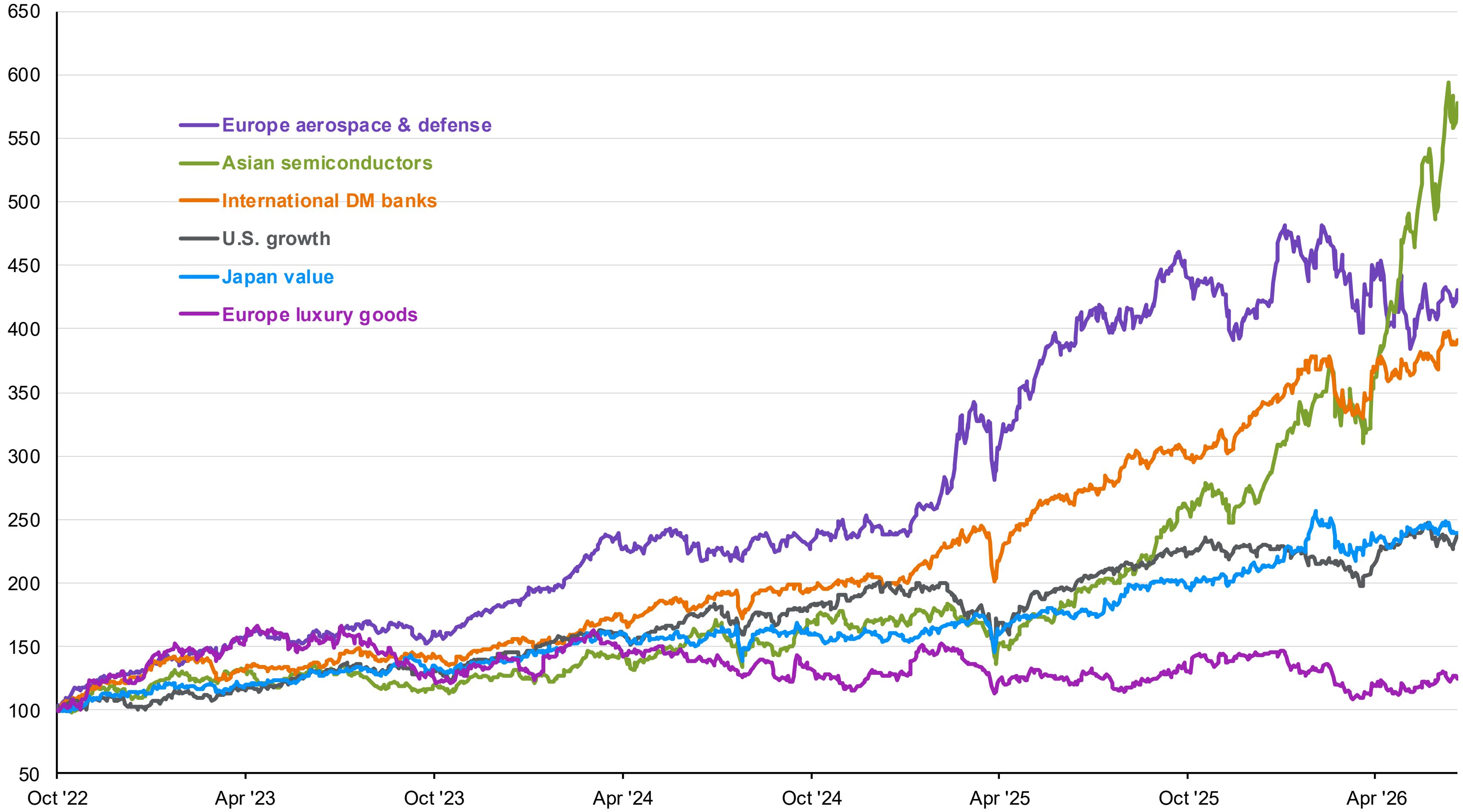
Global equity themes

Major global investment themes

Oct 12, 2022 = 100, total return, USD



- Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management.
- 10/12/2022 was the market bottom for U.S. equities. Europe aerospace & defense = MSCI Europe / Aerospace & Defense Index, Asian semis = FactSet Market Indices Asia / Semiconductors Index, International DM banks = MSCI EAFE / Banks Index, U.S. Growth = Russell 1000 Growth Index, Japan value = MSCI Japan/ Value Index, Europe luxury goods = MSCI Europe / Textiles & Apparel & Luxury Goods Index. Past performance is no guarantee of future results.

Global oil markets

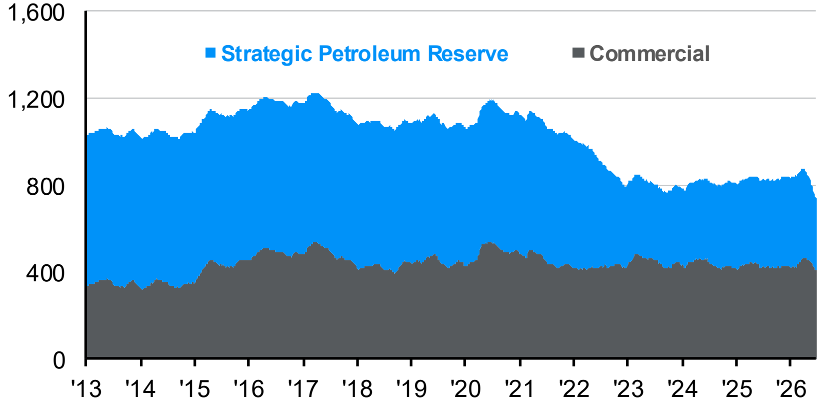
Change in production and consumption of liquid fuels

Production, consumption and inventories, millions of barrels per day

Production	'23	'24	'25*	'26*	'27*	'23-'27
U.S.	22.0	22.8	23.6	24.2	25.0	13.9%
OPEC	28.5	28.4	29.3	23.1	29.3	2.8%
Russia	10.9	10.5	10.5	10.5	10.7	-2.4%
Global	**102.5**	**103.1**	**106.1**	**99.0**	**109.3**	**6.7%**
Consumption						
U.S.	20.3	20.5	20.6	20.7	20.7	2.2%
China	16.0	16.4	16.6	16.4	16.9	5.9%
India	5.4	5.6	5.7	5.8	6.1	13.2%
Global	**101.4**	**102.8**	**104.0**	**102.9**	**105.3**	**3.8%**
Inventory Change	1.0	0.3	2.1	-3.9	4.0	

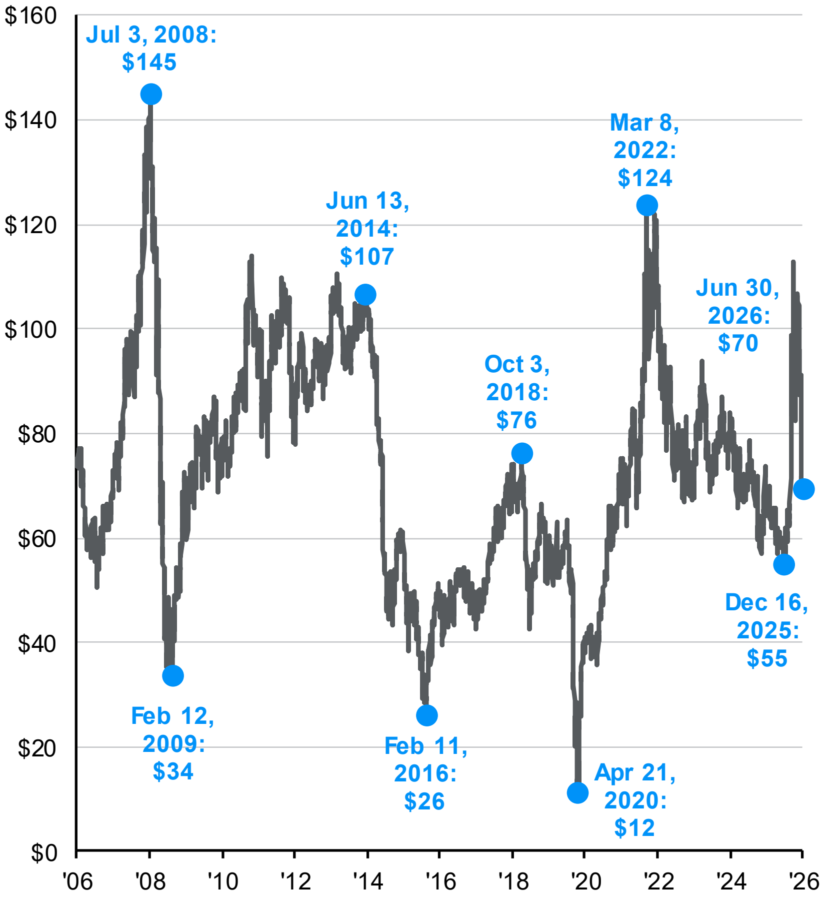
U.S. crude oil inventories

Million barrels



Price of oil

WTI crude, nominal prices, USD/barrel



- Source: FactSet, J.P. Morgan Asset Management; (Top and bottom left) EIA.
- *Forecasts are from the April 2026 EIA Short-Term Energy Outlook and start in 2025. Liquid fuels include crude oil, natural gas, biodiesel and fuel ethanol. WTI crude prices are continuous contract NYM prices in USD.
- *Guide to the Markets – U.S.* Data are as of June 30, 2026.

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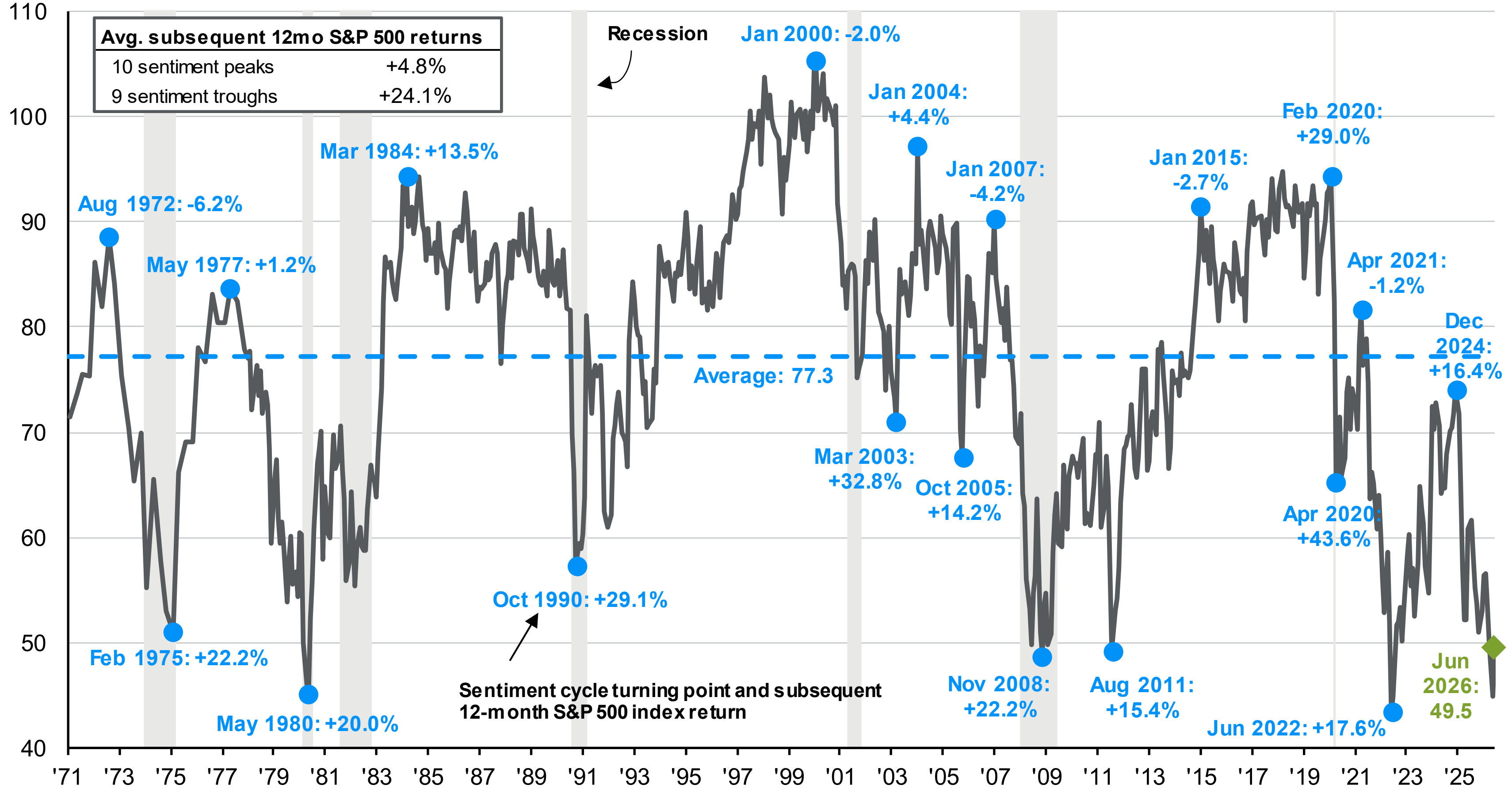
Consumer confidence and the stock market

Consumer Sentiment Index* and subsequent 12-month S&P 500 returns

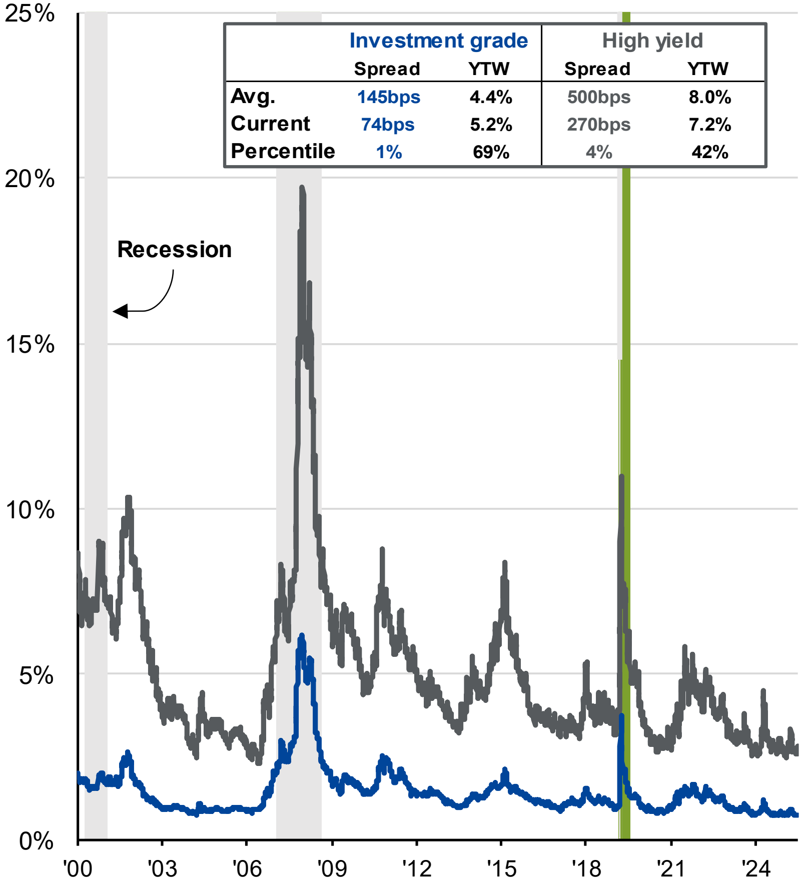


- Source: FactSet, Standard & Poor's, University of Michigan, J.P. Morgan Asset Management.
- Peak is defined as the highest index value before a series of lower lows, while a trough is defined as the lowest index value before a series of higher highs. Subsequent 12-month S&P 500 returns are price returns only starting from the end of the month and excluding dividends. Past performance is no guarantee of future results. *Data prior to August 2024 adjusted by J.P. Morgan Asset Management to account for methodological changes by the University of Michigan.
- *Guide to the Markets – U.S.* Data are as of June 30, 2026.

Credit market dynamics

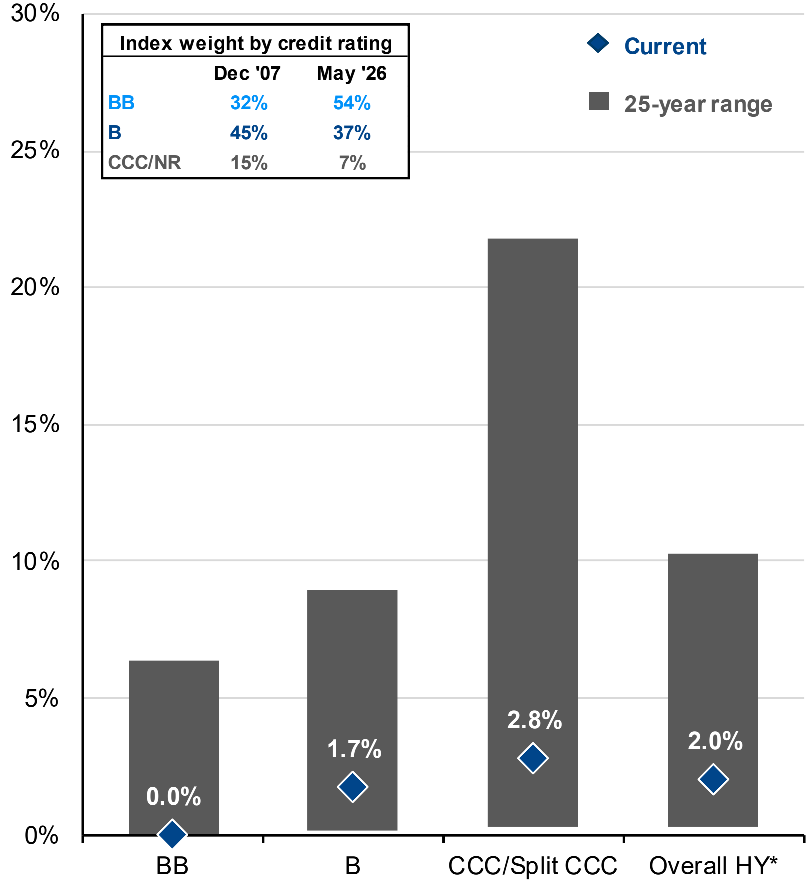
Corporate credit spreads

Option adjusted spread, 2001 - present



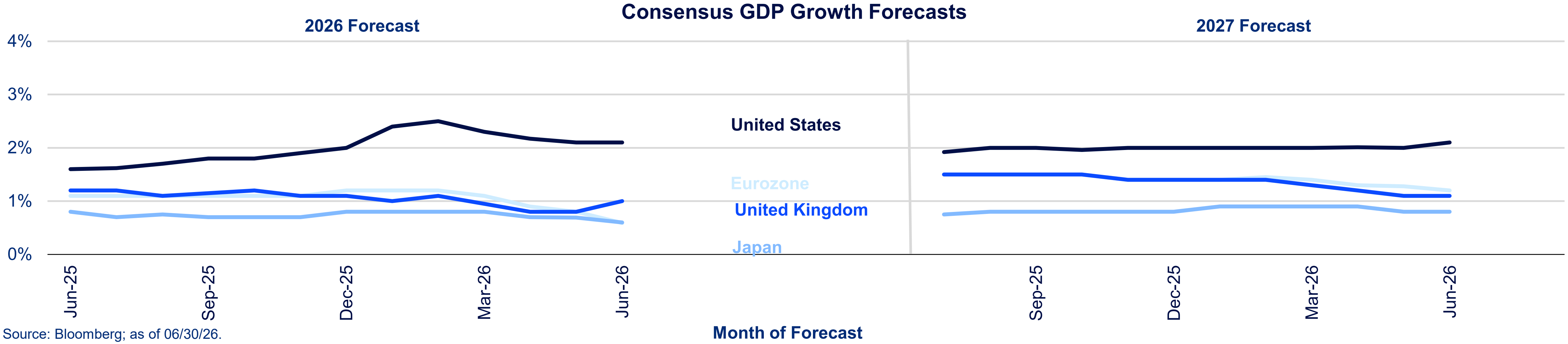
Credit rating and default rates in U.S. high yield

%, J.P. Morgan Domestic High Yield Index

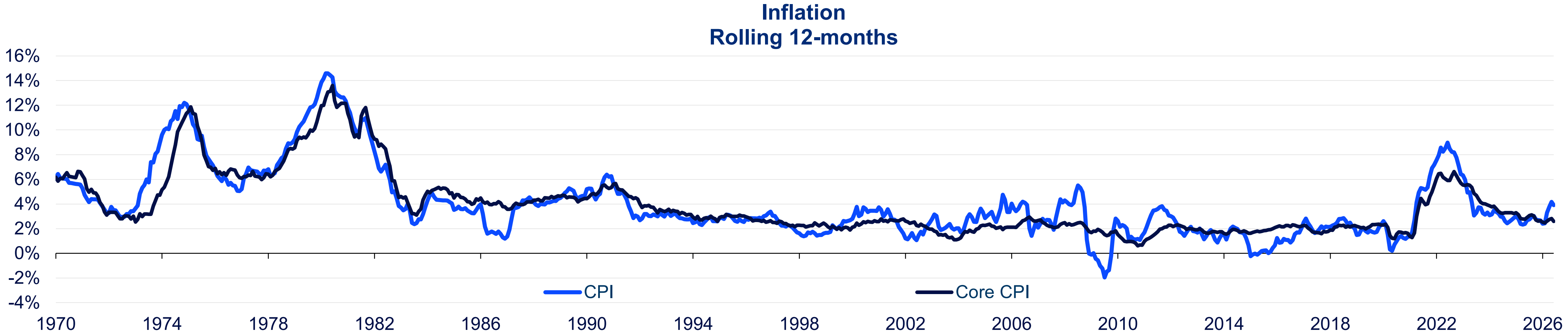


- Source: Bloomberg, J.P. Morgan Research, J.P. Morgan Asset Management.
- (Left) U.S. Investment Grade: Bloomberg U.S. Corporate Investment Grade Index; U.S. High Yield: Bloomberg U.S. Aggregate Corporate High Yield Index. (Right) Last 12-month default rates are as of most recent month for which data are available. Default rates shown by credit rating do not include distressed exchanges and are grouped by rating 12 months prior to default. Bond ratings include split ratings. "NR" stands for not rated. *Aggregate high yield default rate data do include distressed exchanges. Index weighting by credit rating may not round to 100% due to the exclusion of a small residual of constituents rated outside the categories shown, such as crossover issues recently upgraded or downgraded.

Economic growth and inflation



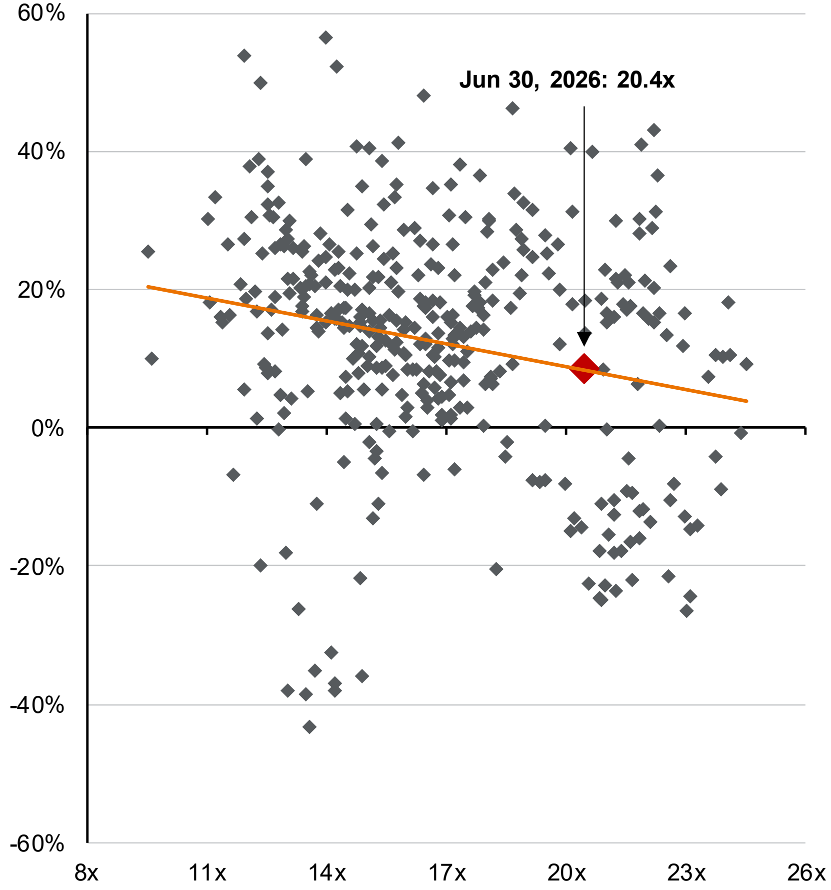
Source: Bloomberg; as of 06/30/26.
Forecasts provided by third party economists, there can be no guarantee that these forecasts will be accurate.



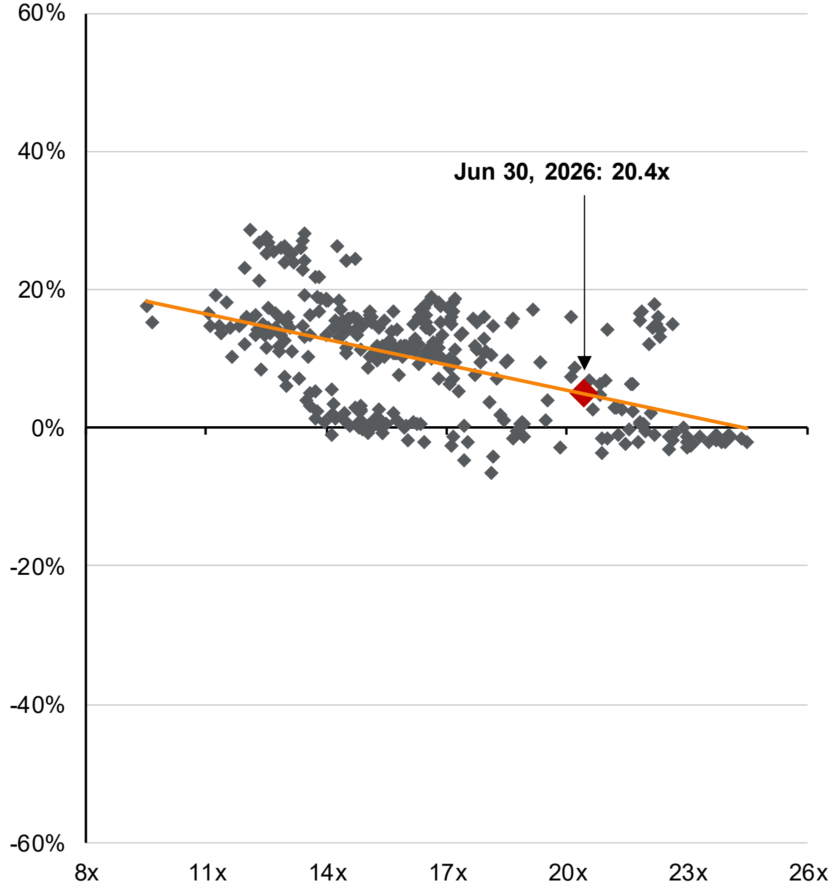
Source: Bloomberg; through 06/30/26.

P/E ratios and equity returns

Forward P/E and subsequent 1-year returns
S&P 500 Total Return Index



Forward P/E and subsequent 5-year annualized returns
S&P 500 Total Return Index



- Source: FactSet, Refinitiv Datastream, Standard & Poor's, J.P. Morgan Asset Management.
- Returns are 12-month and 60-month annualized total returns, measured monthly, beginning 12/31/1993. The forward P/E ratio is the most recent S&P 500 index price divided by consensus analyst estimates for earnings in the next 12 months, provided by IBES since December 1993 and FactSet since January 2022. Past performance is no guarantee of future results.
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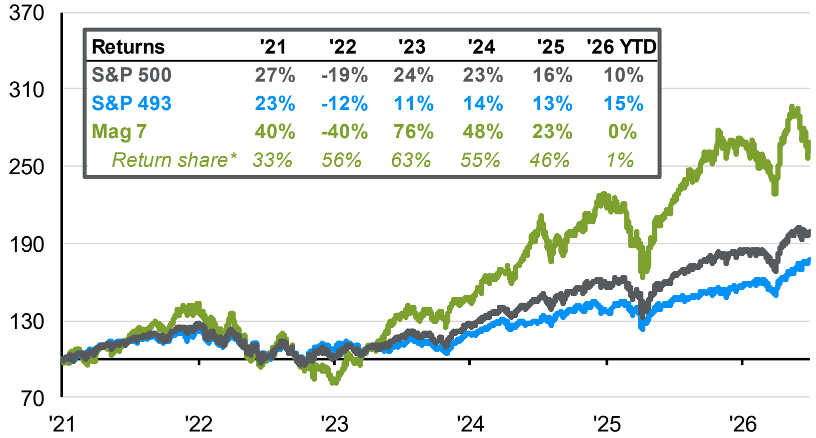
Magnificent 7: performance, earnings, and dispersion

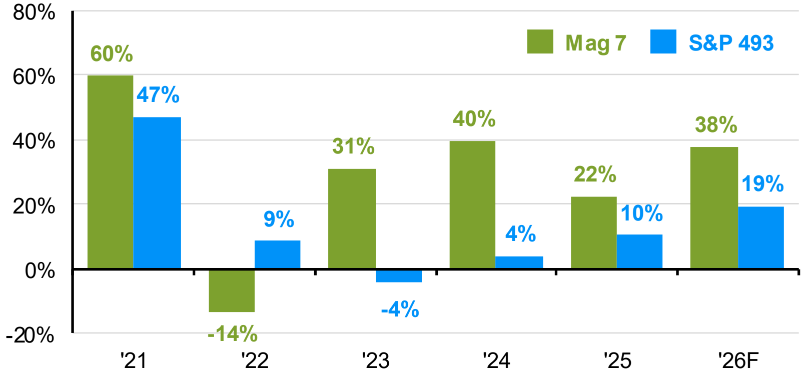
Magnificent 7 performance in the S&P 500

Indexed to 100 on 1/1/2021, price return



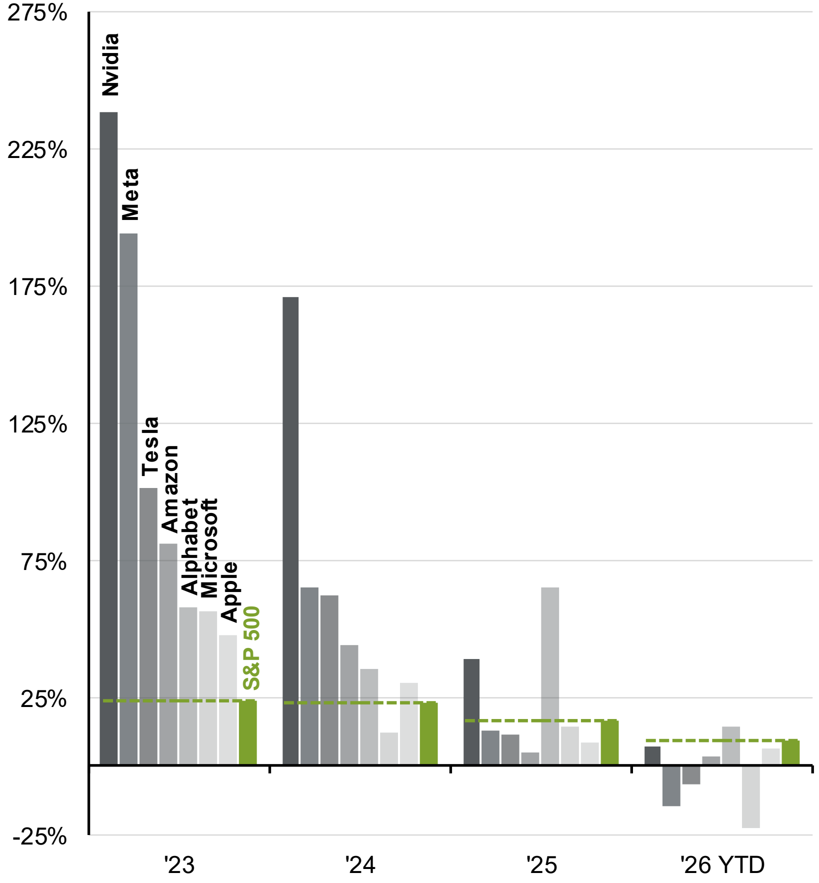
Returns	'21	'22	'23	'24	'25	'26 YTD
S&P 500	27%	-19%	24%	23%	16%	10%
S&P 493	23%	-12%	11%	14%	13%	15%
Mag 7	40%	-40%	76%	48%	23%	0%
*Return share**	*33%*	*56%*	*63%*	*55%*	*46%*	*1%*

Year-over-year earnings growth



Magnificent 7 performance dispersion

Price return



Source: FactSet, Standard & Poor's, J.P. Morgan Asset Management.
Magnificent 7 (Mag 7) includes AAPL, AMZN, GOOGL/GOOG, META, MSFT, NVDA and TSLA. The S&P 500 ex-Mag 7 (S&P 493) is calculated by backing out a weighted average Mag 7 price return from the S&P 500 price return. *Return share represents the Mag 7's contribution to the index return. Past performance is no guarantee of future results.
Guide to the Markets – U.S. Data are as of June 30, 2026.

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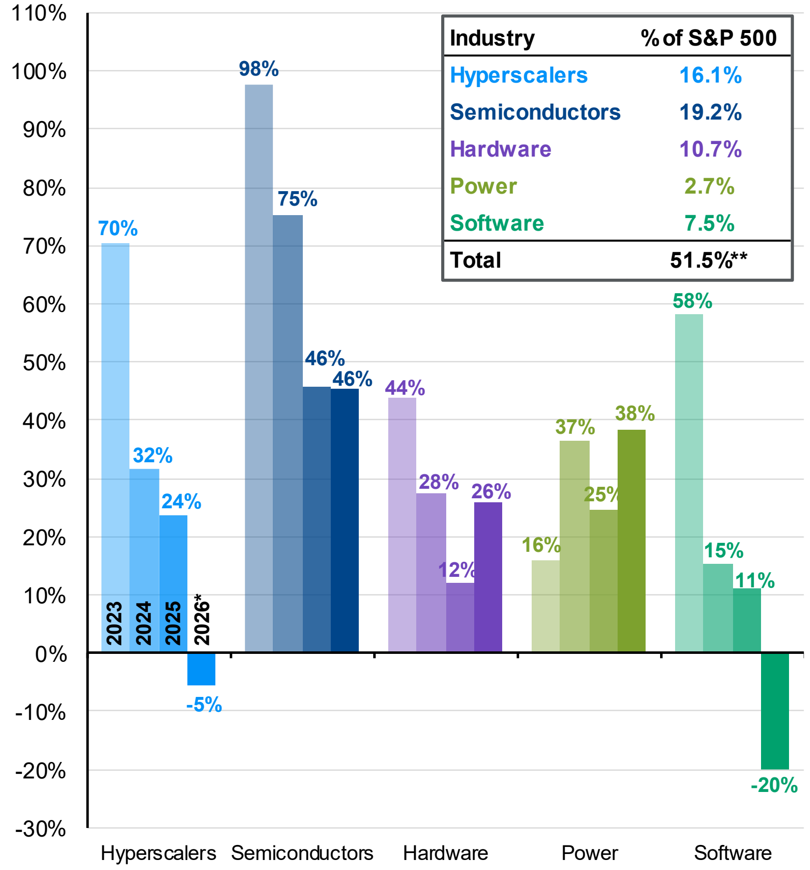
AI related industries: performance and earnings growth

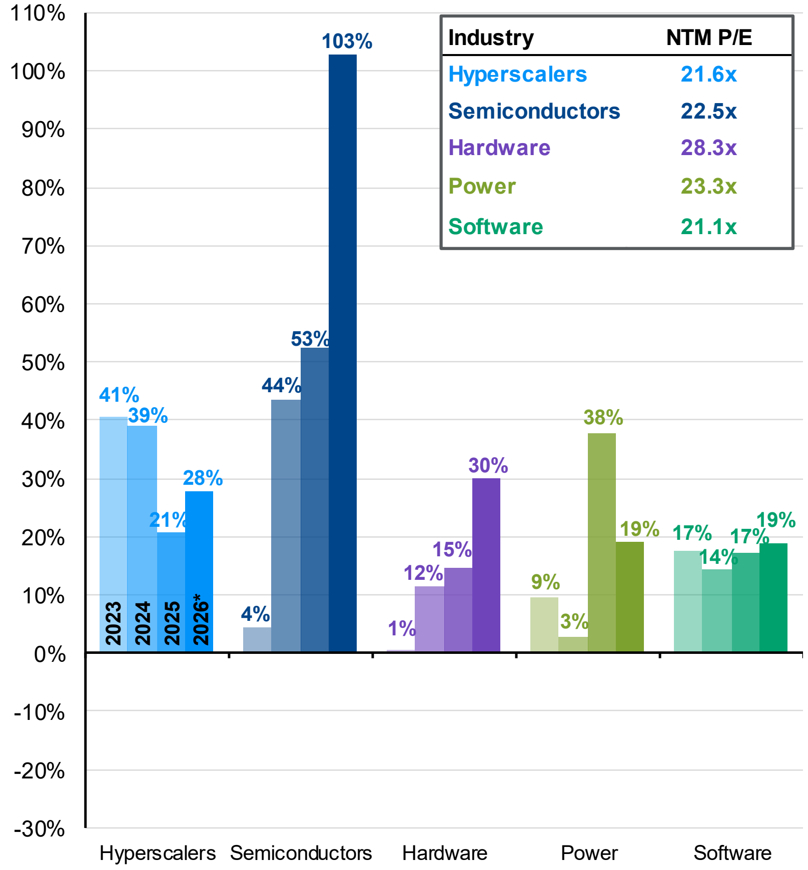
AI-related industry performance

Price return



AI-related industry earnings growth

Year-over-year



- Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management.
- *2026 price return is year-to-date, and earnings growth reflects 2026 consensus estimates as provided by FactSet. Hyperscalers is a market-weighted composite of AMZN (Sector = Con. Disc, Industry = Broadline Retail), GOOGL/GOOG (Comm. Svcs., Interactive Media & Scvs.), META (Comm. Svcs., Interactive Media & Scvs.), MSFT (Info. Tech., Software) and ORCL (Info. Tech., Software). The remaining categories are based on GICS Industries. Semis = Semiconductors & Semiconductor Equipment (Info. Tech.); Hardware = market-weighted composite of Communications Equipment (Info. Tech.), Electronic Equipment Instruments & Components (Info. Tech.) and Technology Hardware Storage & Peripherals (Info. Tech.); Power = market-weighted composite of Electrical Equipment (Industrials) and Electric Utilities (Utilities); Software = Software (Info. Tech.). Hyperscalers that fall in category industries are included in both the hyperscaler and that additional category. **Total percentage in the S&P 500 does not double count hyperscalers that fall in additional categories. Past performance is no guarantee of future results.
- *Guide to the Markets – U.S.* Data are as of June 30, 2026.

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Asset class return

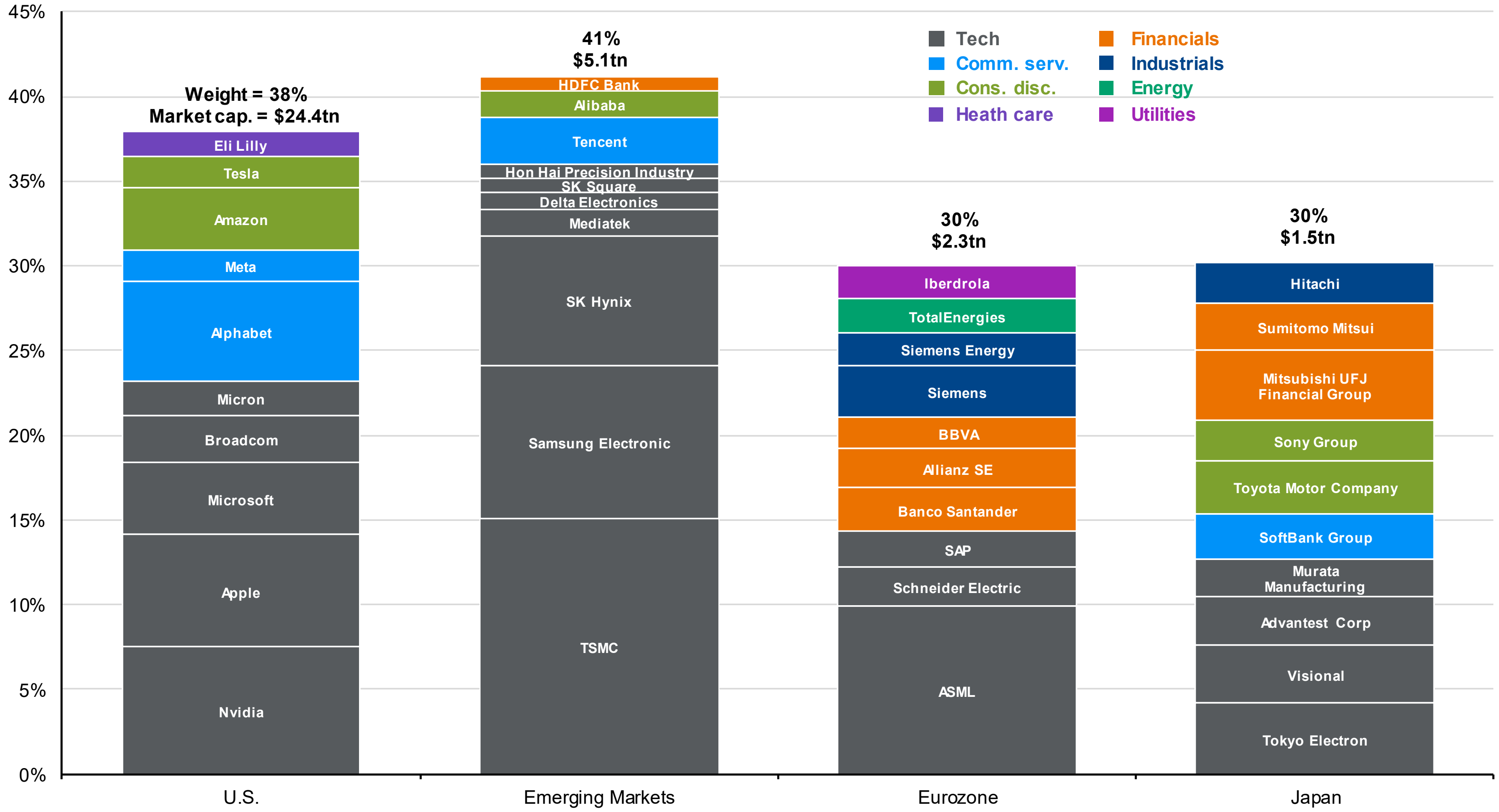
2011 - 2025																	
Ann.	Vol.	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	YTD
Large Cap 14.1%	Small Cap 20.3%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	EM Equity 37.8%	Cash 1.8%	Large Cap 31.5%	Small Cap 20.0%	REITs 41.3%	Comdty. 16.1%	Large Cap 26.3%	Large Cap 25.0%	EM Equity 34.4%	EM Equity 24.0%
Small Cap 9.5%	EM Equity 17.5%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	DM Equity 25.6%	Fixed Income 0.0%	REITs 28.7%	EM Equity 18.7%	Large Cap 28.7%	Cash 1.5%	DM Equity 18.9%	Small Cap 11.5%	DM Equity 31.9%	Small Cap 22.6%
REITs 7.8%	REITs 16.4%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 21.8%	REITs -4.0%	Small Cap 25.5%	Large Cap 18.4%	Comdty. 27.1%	High Yield -12.7%	Small Cap 16.9%	Asset Alloc. 10.0%	Large Cap 17.9%	REITs 14.9%
Asset Alloc. 7.3%	DM Equity 15.7%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	Comdty. 11.8%	Small Cap 14.6%	High Yield -4.1%	DM Equity 22.7%	Asset Alloc. 10.6%	Small Cap 14.8%	Fixed Income -13.0%	Asset Alloc. 14.1%	High Yield 9.2%	Asset Alloc. 15.8%	Comdty. 14.4%
DM Equity 7.1%	Comdty. 15.4%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	EM Equity 11.6%	Asset Alloc. 14.6%	Large Cap -4.4%	Asset Alloc. 19.5%	DM Equity 8.3%	Asset Alloc. 13.5%	Asset Alloc. -13.9%	High Yield 14.0%	EM Equity 8.1%	Comdty. 15.8%	Large Cap 10.2%
High Yield 5.7%	Large Cap 14.7%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITs 8.6%	High Yield 10.4%	Asset Alloc. -5.8%	EM Equity 18.9%	Fixed Income 7.5%	DM Equity 11.8%	DM Equity -14.0%	REITs 11.4%	Comdty. 5.4%	Small Cap 12.8%	DM Equity 9.8%
EM Equity 4.2%	Asset Alloc. 10.1%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	REITs 8.7%	Small Cap -11.0%	High Yield 12.6%	High Yield 7.0%	High Yield 1.0%	Large Cap -18.1%	EM Equity 10.3%	Cash 5.3%	High Yield 12.1%	Asset Alloc. 9.3%
Fixed Income 2.4%	High Yield 9.1%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	Fixed Income 3.5%	Comdty. -11.2%	Fixed Income 8.7%	Cash 0.5%	Cash 0.0%	EM Equity -19.7%	Fixed Income 5.5%	REITs 4.9%	Fixed Income 7.3%	High Yield 2.1%
Cash 1.5%	Fixed Income 4.6%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.5%	Comdty. 1.7%	DM Equity -13.4%	Comdty. 7.7%	Comdty. -3.1%	Fixed Income -1.5%	Small Cap -20.4%	Cash 5.1%	DM Equity 4.3%	Cash 4.3%	Cash 1.8%
Comdty. -1.1%	Cash 0.9%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Cash 0.8%	EM Equity -14.2%	Cash 2.2%	REITs -5.1%	EM Equity -2.2%	REITs -24.9%	Comdty. -7.9%	Fixed Income 1.3%	REITs 2.3%	Fixed Income 0.6%

- Source: Bloomberg, FactSet, MSCI, NAREIT, Russell, Standard & Poor's, J.P. Morgan Asset Management.
- Large Cap: S&P 500; Small Cap: Russell 2000; EM Equity: MSCI EME; DM Equity: MSCI EAFE; Comdty: Bloomberg Commodity Index; High Yield: Bloomberg Global HY Index; Fixed Income: Bloomberg U.S. Aggregate; REITs: NAREIT Equity REIT Index; Cash: Bloomberg 1-3m Treasury. The "Asset Allocation" portfolio is for illustrative purposes only and assumes annual rebalancing with the following weights: 25% in the S&P 500, 10% in the Russell 2000, 15% in the MSCI EAFE, 5% in the MSCI EME, 25% in the Bloomberg U.S. Aggregate, 5% in the Bloomberg 1-3m Treasury, 5% in the Bloomberg Global High Yield Index, 5% in the Bloomberg Commodity Index and 5% in the NAREIT Equity REIT Index. Annualized (Ann.) return and volatility (Vol.) represent the period from 12/31/2010 to 12/31/2025. Please see the disclosure page at the end for index definitions. All data represent total return for stated period. Past performance is no guarantee of future results.
- *Guide to the Markets – U.S.* Data are as of June 30, 2026.

Global equity market concentration

Top 10 companies in regional indices

Index weight on the first day of the current month



- Source: Bloomberg, MSCI, Standard & Poor's, J.P. Morgan Asset Management.
- All markets are represented by their respective MSCI index except for the U.S., which is the S&P 500. Eurozone is MSCI European Monetary Union Index. Past performance is no guarantee of future results.
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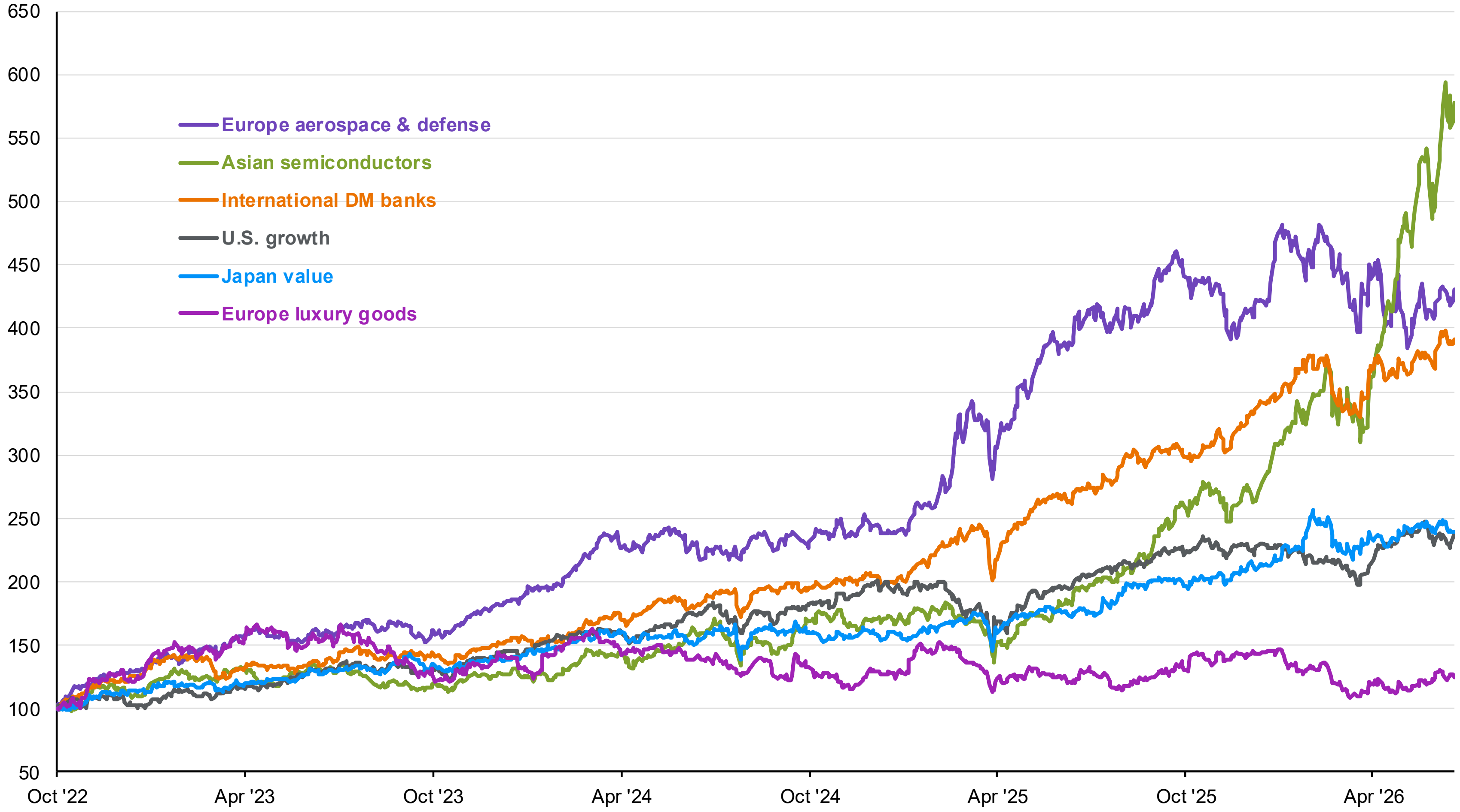
Global equity themes

Major global investment themes

Oct 12, 2022 = 100, total return, USD



- Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management.
- 10/12/2022 was the market bottom for U.S. equities. Europe aerospace & defense = MSCI Europe / Aerospace & Defense Index, Asian semis = FactSet Market Indices Asia / Semiconductors Index, International DM banks = MSCI EAFE / Banks Index, U.S. Growth = Russell 1000 Growth Index, Japan value = MSCI Japan/ Value Index, Europe luxury goods = MSCI Europe / Textiles & Apparel & Luxury Goods Index. Past performance is no guarantee of future results.

Global oil markets

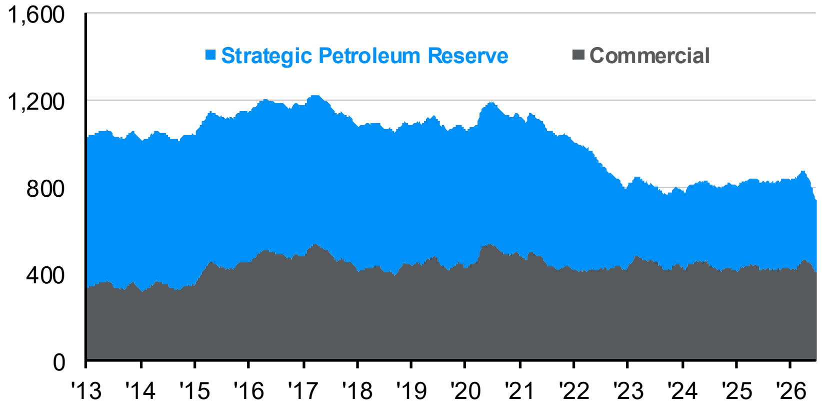
Change in production and consumption of liquid fuels

Production, consumption and inventories, millions of barrels per day

Production	'23	'24	'25*	'26*	'27*	'23-'27
U.S.	22.0	22.8	23.6	24.2	25.0	13.9%
OPEC	28.5	28.4	29.3	23.1	29.3	2.8%
Russia	10.9	10.5	10.5	10.5	10.7	-2.4%
Global	**102.5**	**103.1**	**106.1**	**99.0**	**109.3**	**6.7%**
Consumption						
U.S.	20.3	20.5	20.6	20.7	20.7	2.2%
China	16.0	16.4	16.6	16.4	16.9	5.9%
India	5.4	5.6	5.7	5.8	6.1	13.2%
Global	**101.4**	**102.8**	**104.0**	**102.9**	**105.3**	**3.8%**
Inventory Change	1.0	0.3	2.1	-3.9	4.0	

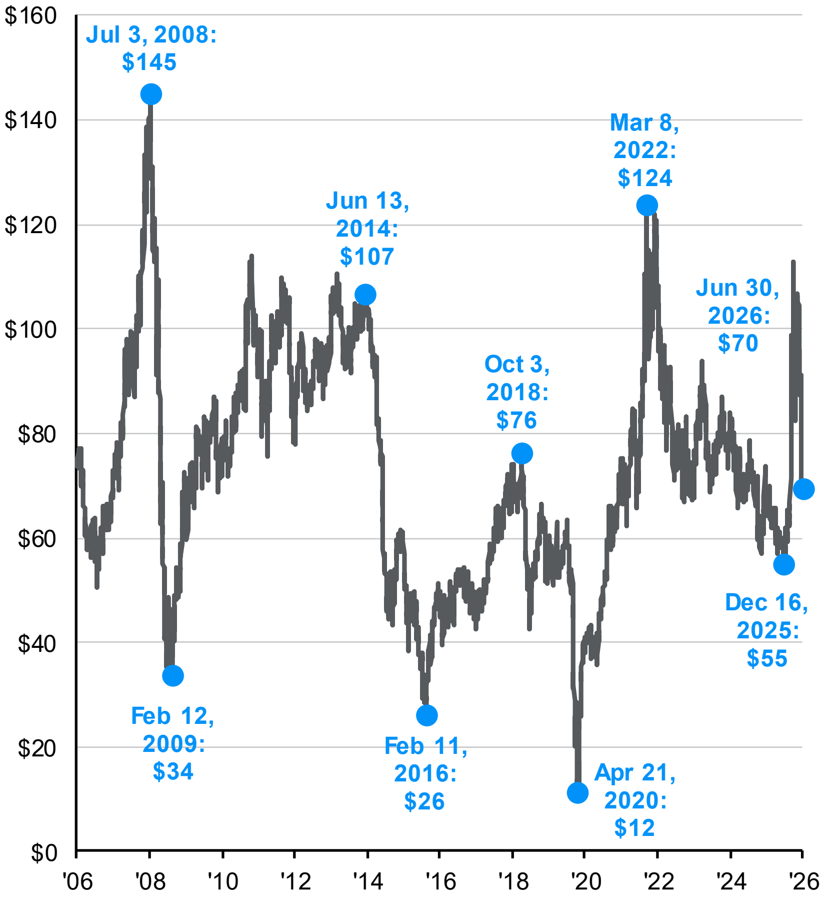
U.S. crude oil inventories

Million barrels



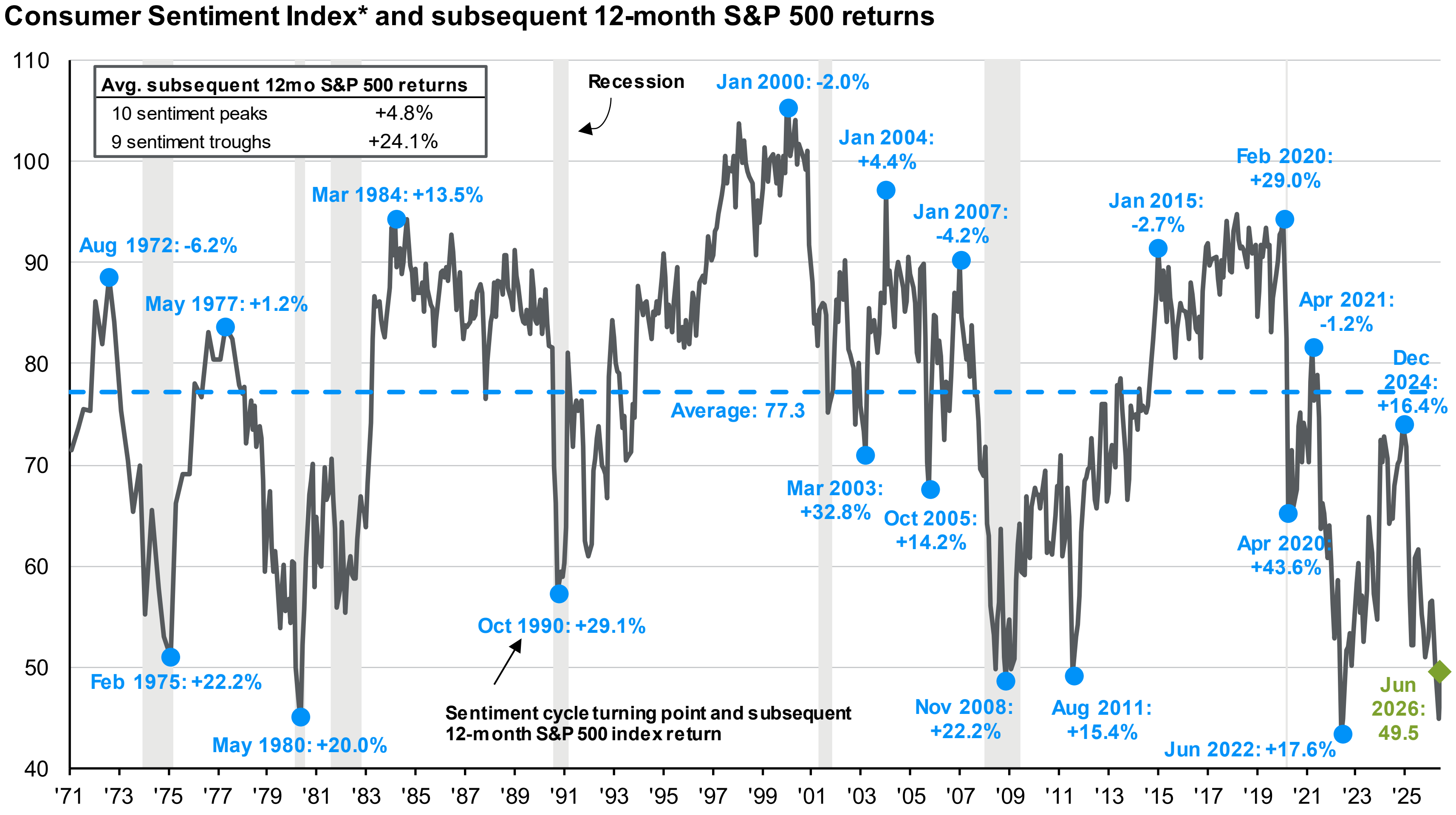
Price of oil

WTI crude, nominal prices, USD/barrel



- Source: FactSet, J.P. Morgan Asset Management; (Top and bottom left) EIA.
- *Forecasts are from the April 2026 EIA Short-Term Energy Outlook and start in 2025. Liquid fuels include crude oil, natural gas, biodiesel and fuel ethanol. WTI crude prices are continuous contract NYM prices in USD.
- *Guide to the Markets – U.S.* Data are as of June 30, 2026.

Consumer confidence and the stock market

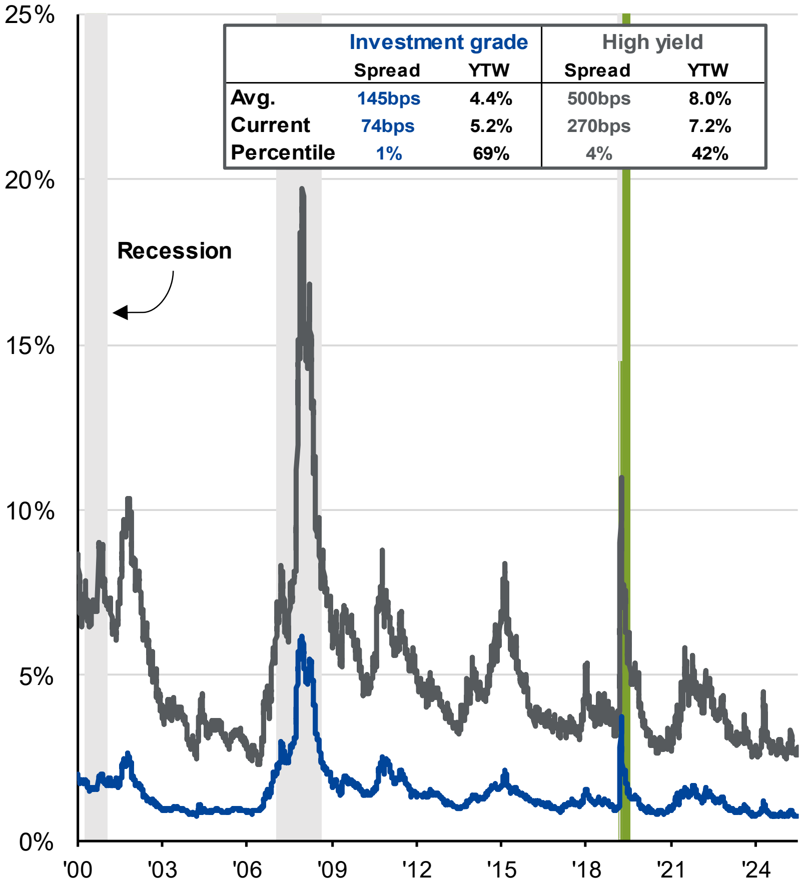


- Source: FactSet, Standard & Poor's, University of Michigan, J.P. Morgan Asset Management.
- Peak is defined as the highest index value before a series of lower lows, while a trough is defined as the lowest index value before a series of higher highs. Subsequent 12-month S&P 500 returns are price returns only starting from the end of the month and excluding dividends. Past performance is no guarantee of future results. *Data prior to August 2024 adjusted by J.P. Morgan Asset Management to account for methodological changes by the University of Michigan.
- *Guide to the Markets – U.S.* Data are as of June 30, 2026.

Credit market dynamics

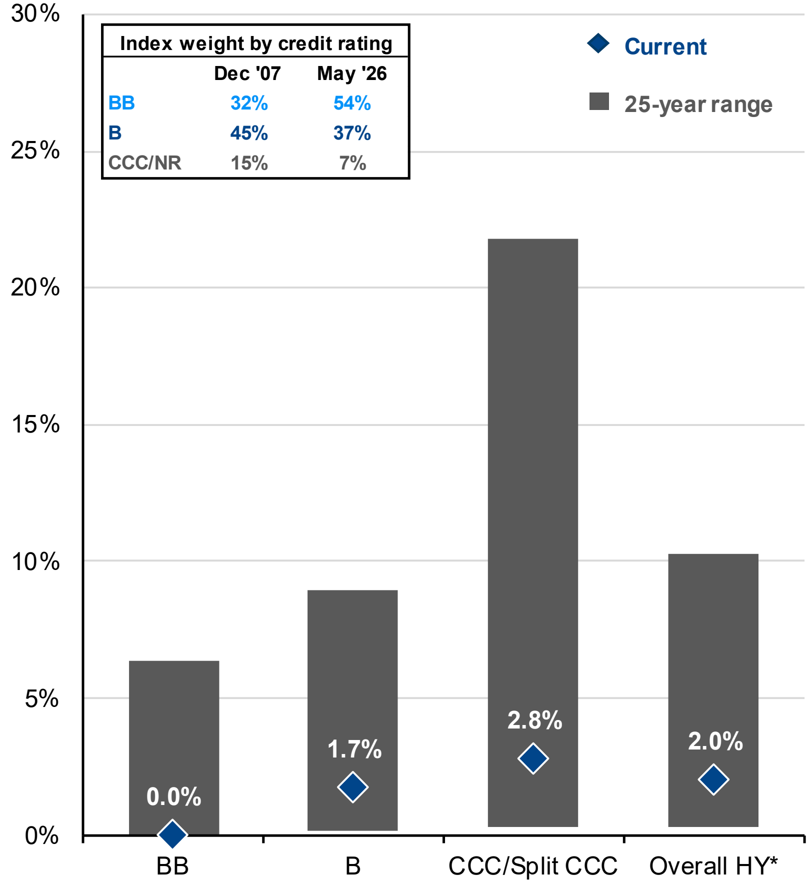
Corporate credit spreads

Option adjusted spread, 2001 - present



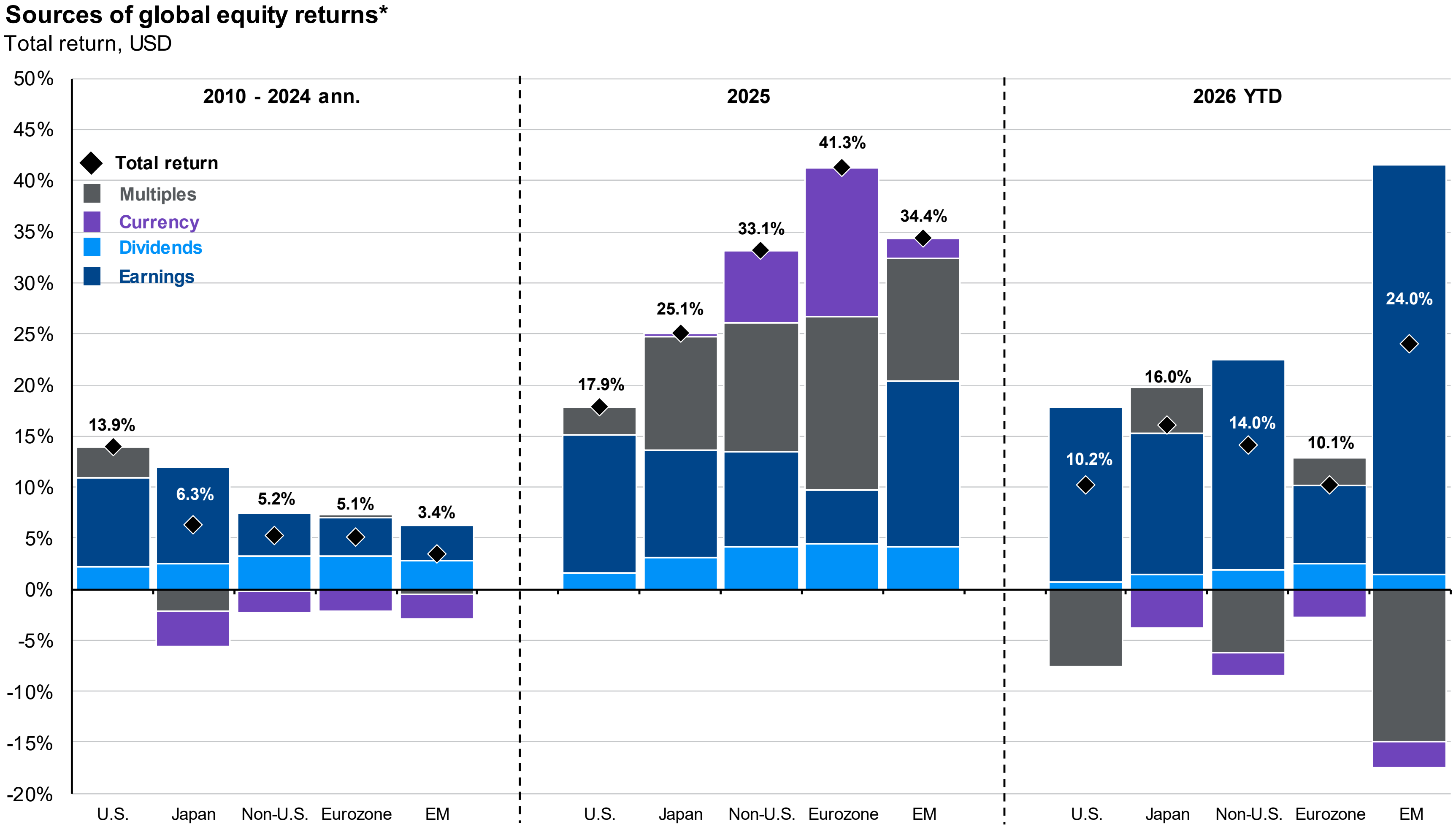
Credit rating and default rates in U.S. high yield

%, J.P. Morgan Domestic High Yield Index



- Source: Bloomberg, J.P. Morgan Research, J.P. Morgan Asset Management.
- (Left) U.S. Investment Grade: Bloomberg U.S. Corporate Investment Grade Index; U.S. High Yield: Bloomberg U.S. Aggregate Corporate High Yield Index. (Right) Last 12-month default rates are as of most recent month for which data are available. Default rates shown by credit rating do not include distressed exchanges and are grouped by rating 12 months prior to default. Bond ratings include split ratings. "NR" stands for not rated. *Aggregate high yield default rate data do include distressed exchanges. Index weighting by credit rating may not round to 100% due to the exclusion of a small residual of constituents rated outside the categories shown, such as crossover issues recently upgraded or downgraded.

Global equity return composition



- Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management.
- All return values are MSCI Gross Index data, except the U.S., which is the S&P 500. Non-U.S. is MSCI AC World ex USA Index. *Multiple expansion is based on the forward P/E ratio, and EPS growth outlook is based on next 12 months earnings estimates. Chart is for illustrative purposes only. Past performance is no guarantee of future results.
- *Guide to the Markets – U.S.* Data are as of June 30, 2026.

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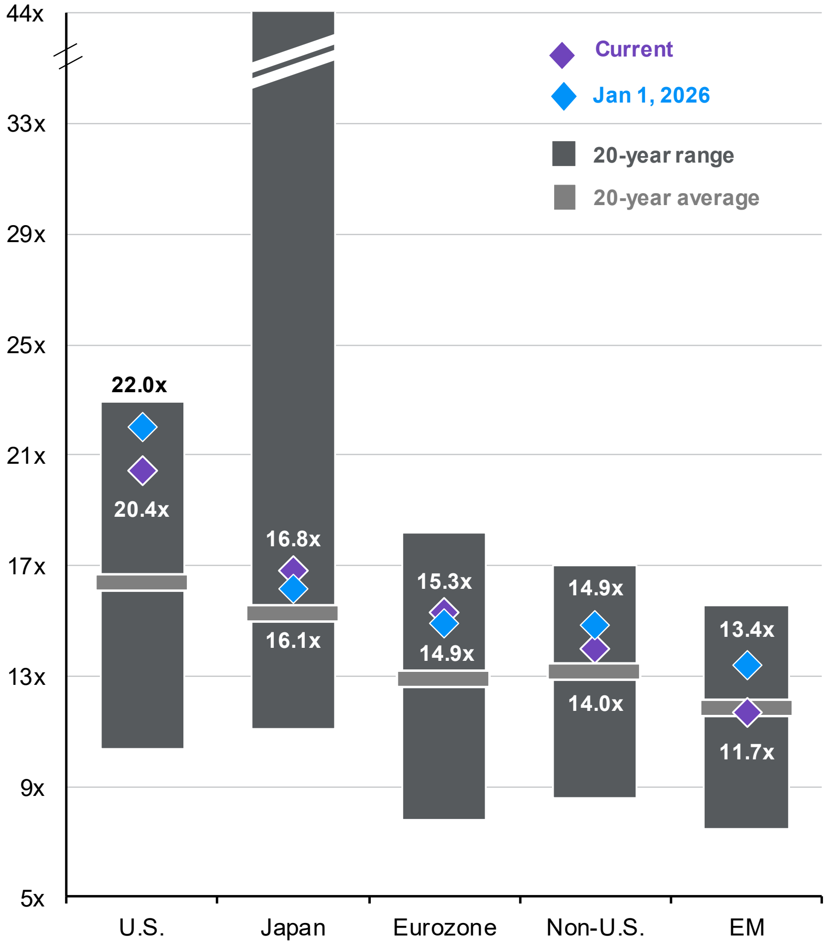
Global equity valuations

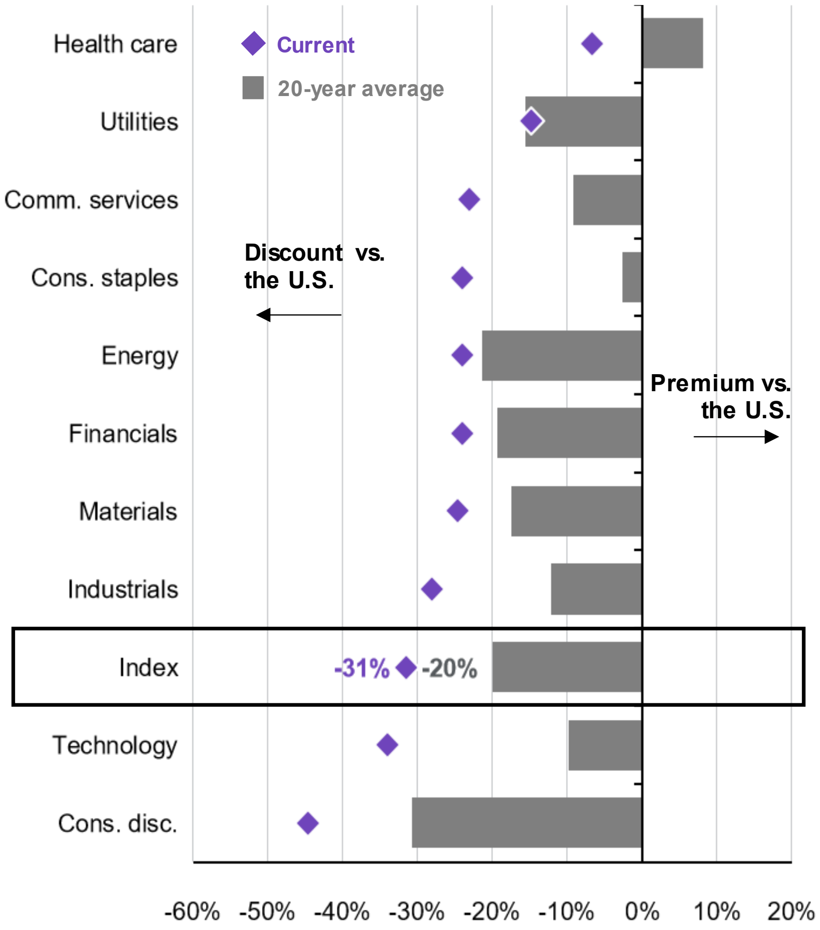
Valuations by region/country

Forward P/E ratio



Relative valuations by sector

Forward P/E ratio, MSCI ACWI ex-U.S. divided by S&P 500



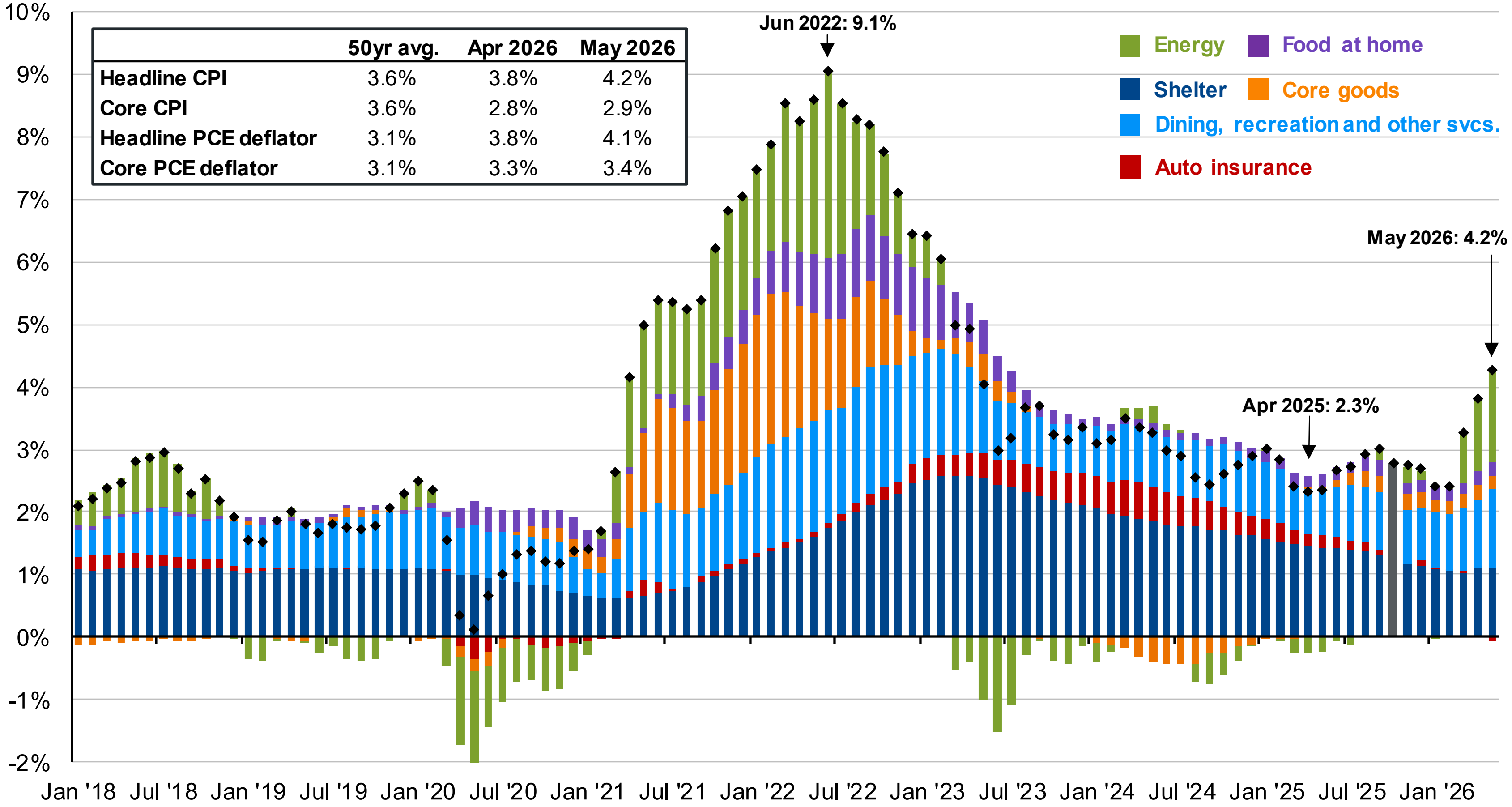
- Source: FactSet, MSCI, Standard & Poor's, J.P. Morgan Asset Management.
- Countries are represented by their respective MSCI country index except for the U.S., which is represented by the S&P 500.
- *Guide to the Markets – U.S.* Data are as of June 30, 2026.

Inflation components

Contributors to headline CPI inflation

Contribution to year-over-year % change in CPI, non-seasonally adjusted

	50yr avg.	Apr 2026	May 2026
Headline CPI	3.6%	3.8%	4.2%
Core CPI	3.6%	2.8%	2.9%
Headline PCE deflator	3.1%	3.8%	4.1%
Core PCE deflator	3.1%	3.3%	3.4%



- Source: BLS, FactSet, J.P. Morgan Asset Management.
- Contributions mirror the BLS methodology on Table 7 of the CPI report. Values may not sum to headline CPI figures due to rounding and underlying calculations. “Shelter” includes owners’ equivalent rent, rent of primary residence and tenants’ and household insurance. “Food at home” includes alcoholic beverages. Headline and core PCE deflator inflation shown are based on seasonally adjusted data due to data availability. Official October 2025 data unavailable due to government shutdown and data shown are J.P. Morgan Asset Management estimates.

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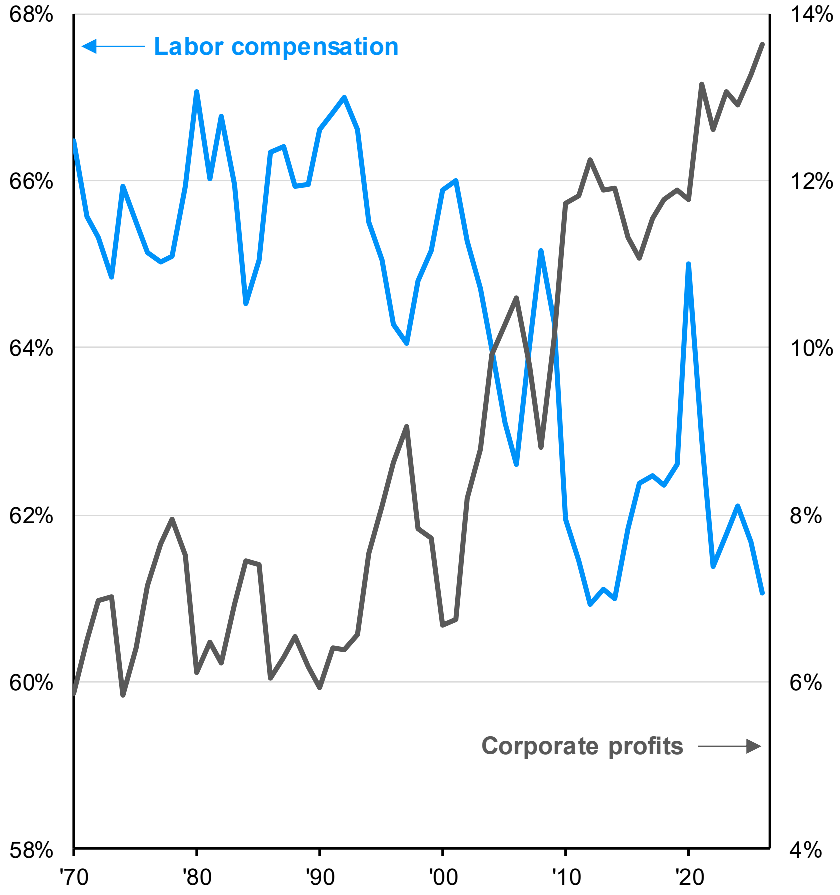
K-shaped economy

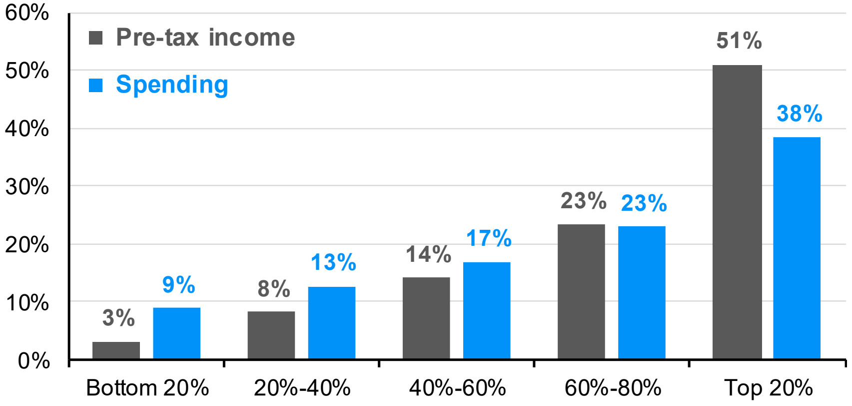
Labor compensation vs. corporate profits

Share of national income, annual and 1Q26



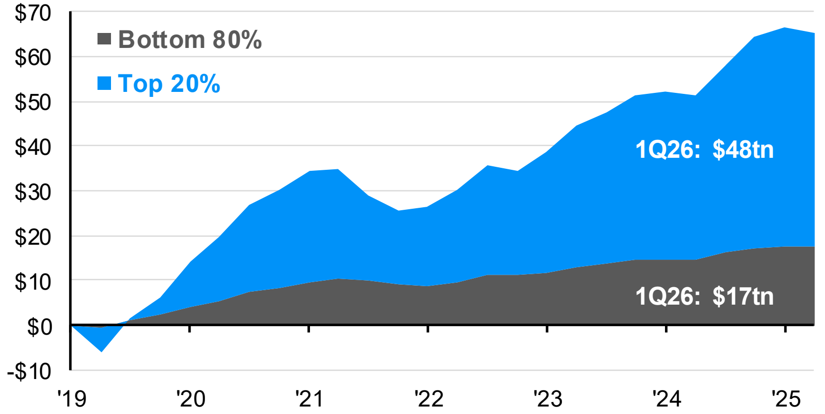
Consumer share of total pre-tax income and spending

By pre-tax income cohort, 2024



Net worth growth by income cohort

Cumulative growth from 4Q19, by pre-tax income cohort, USD trillions



- Source: J.P. Morgan Asset Management; (Left) BEA; (Top right) BLS; (Bottom right) BEA.
- (Left) Labor compensation includes wages and benefits. Corporate profits are calculated after tax and with capital consumption and inventory valuation adjustments. (Top right) Data sourced from the 2024 Consumer Expenditure Survey.

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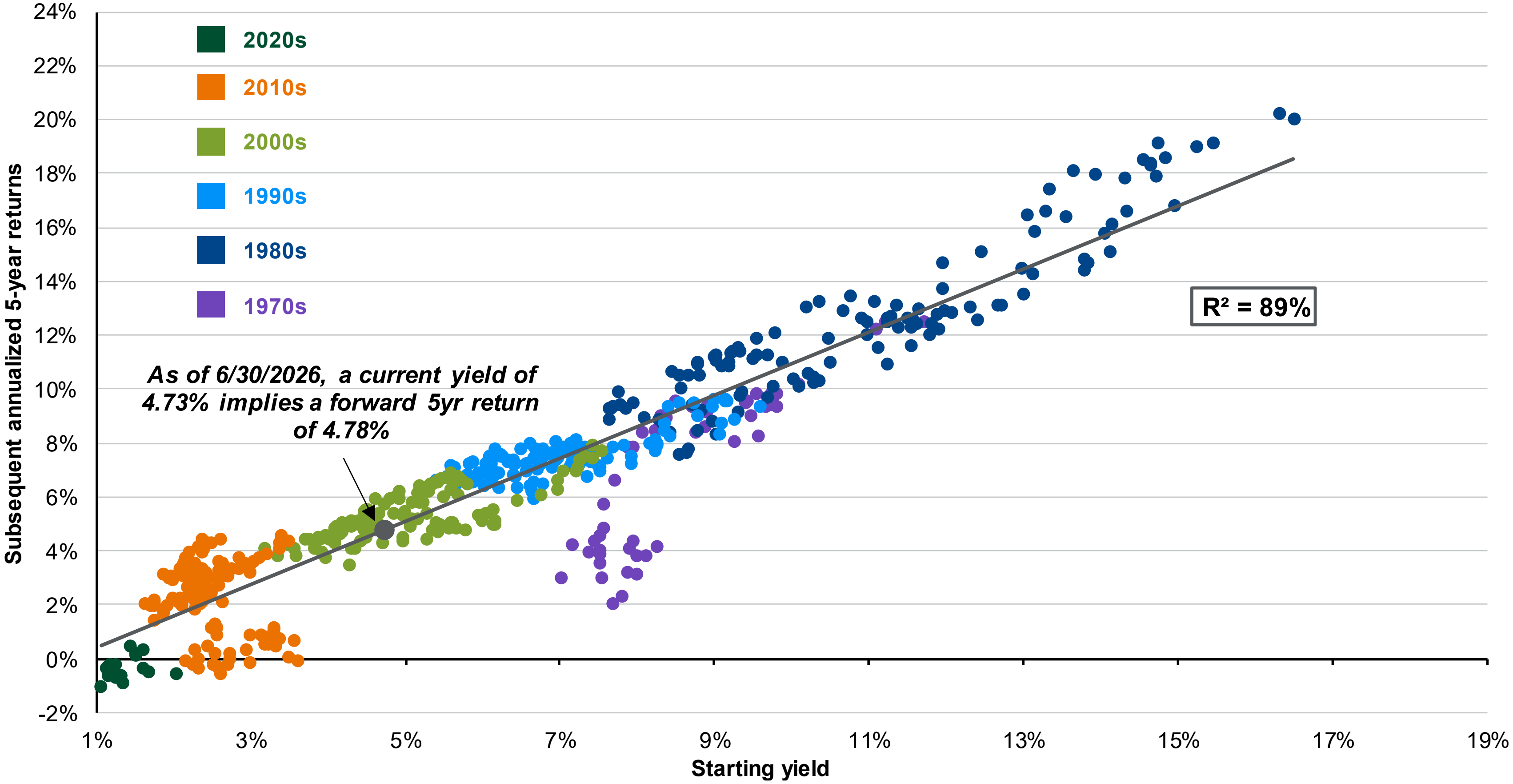
Fixed income yields and total returns

Yield to worst and subsequent 5-year annualized returns

Bloomberg U.S. Aggregate Total Return Index



- Source: Bloomberg, FactSet, J.P. Morgan Asset Management.
- Returns are 60-month annualized total returns, measured monthly, beginning 1/31/1976. R^2 represents the percent of total variation in total returns that can be explained by yields at the start of each period. Past performance is no guarantee of future results.

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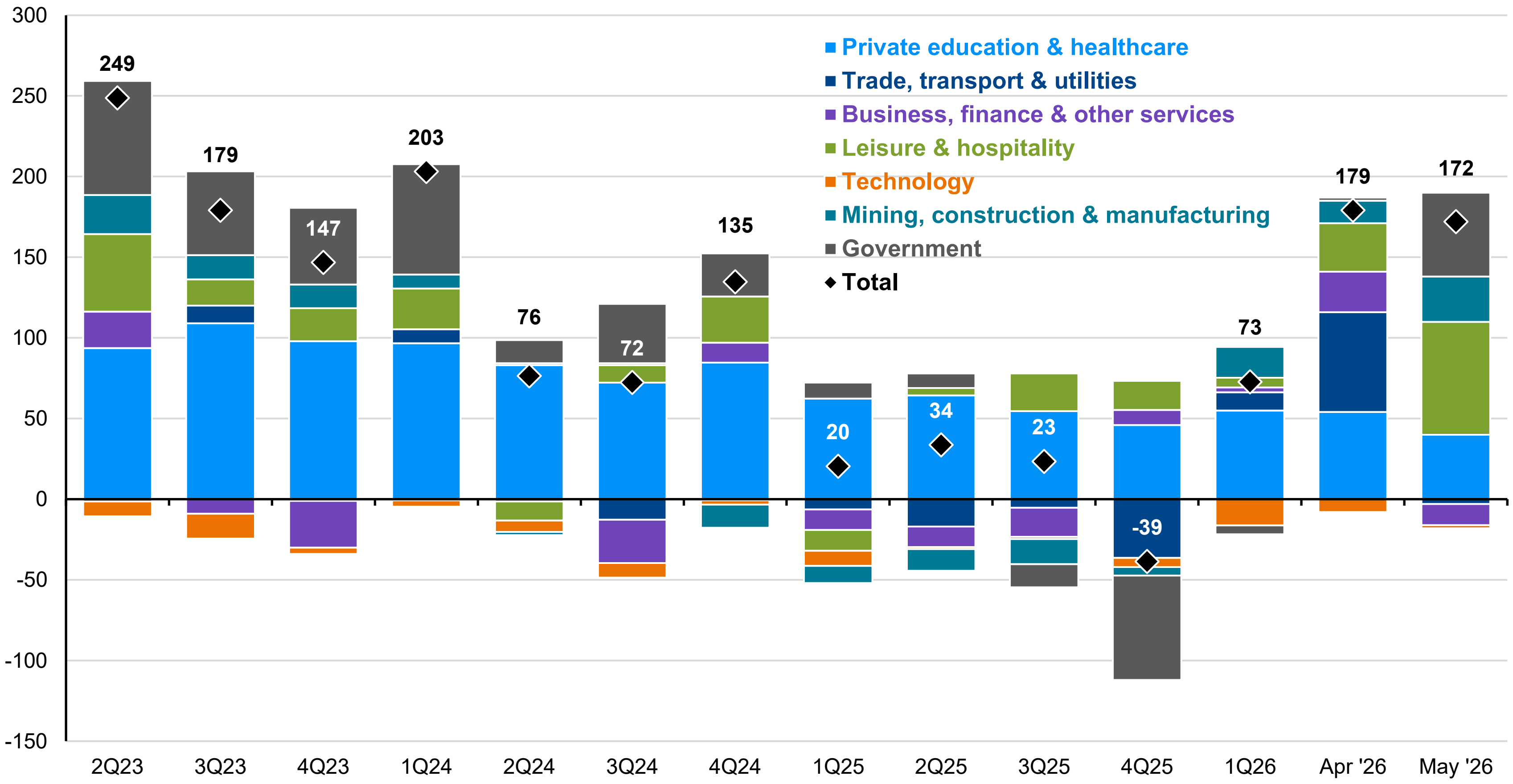
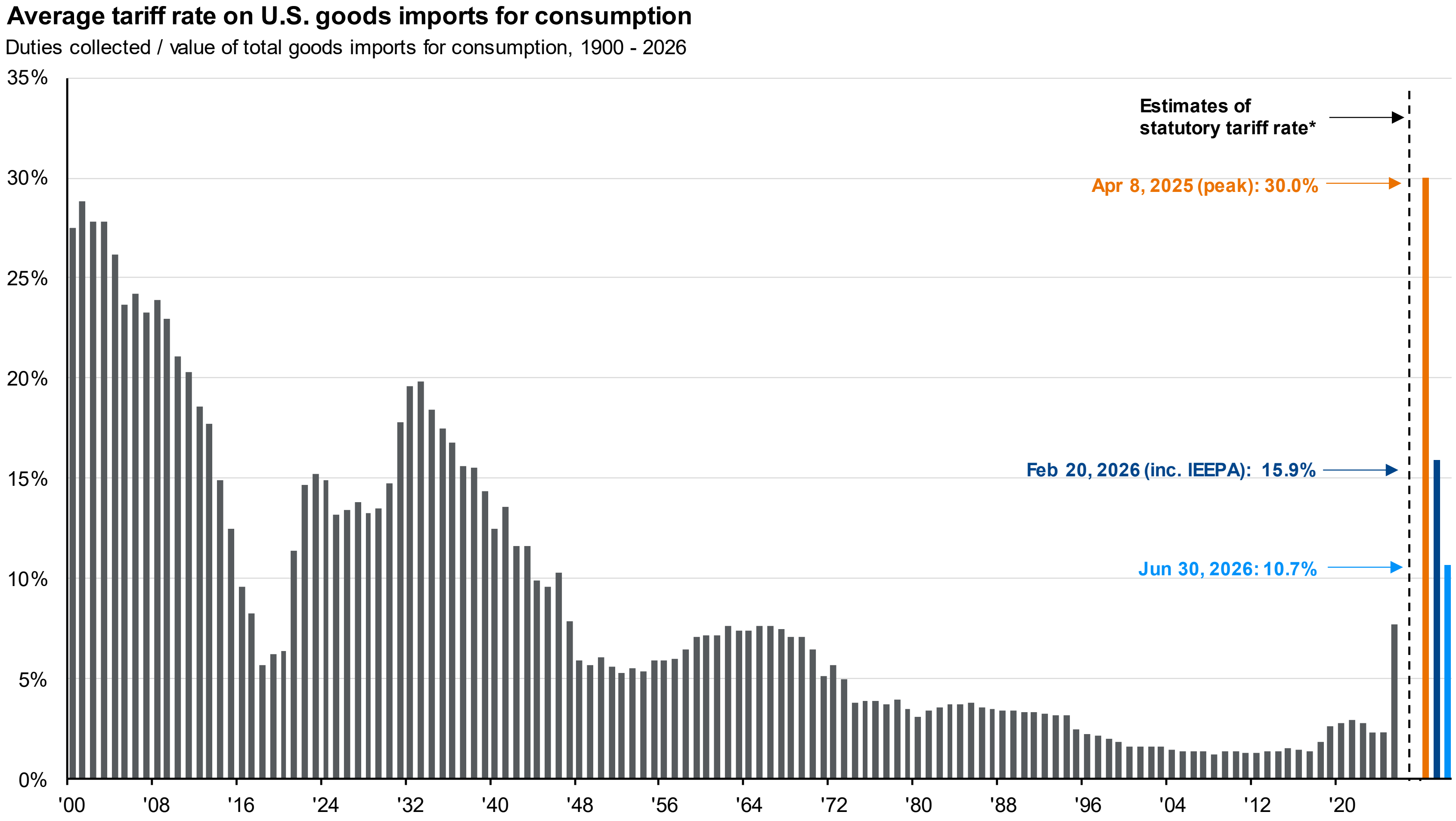
Job growth composition



- Source: U.S. Bureau of Labor Statistics, J.P. Morgan Asset Management.
- Bars show the average monthly payroll change within each quarter by sector.
- *Guide to the Markets – U.S.* Data are as of June 30, 2026.

Tariff on U.S. imports

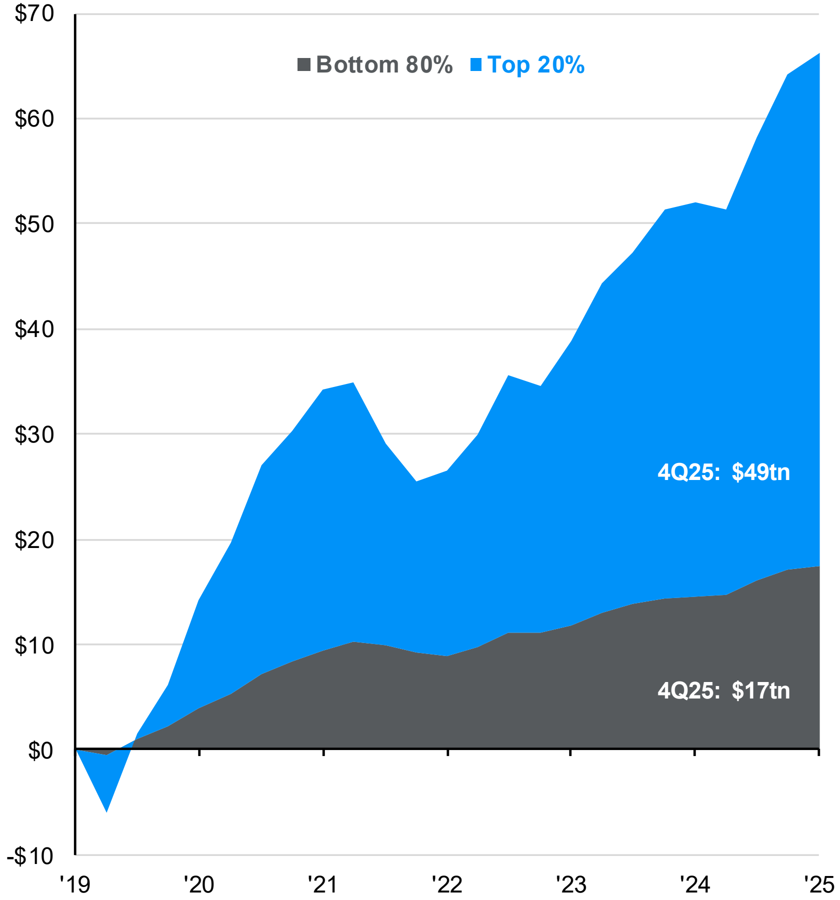


- Source: U.S. Census Bureau, U.S. Department of Treasury, U.S. International Trade Commission, J.P. Morgan Asset Management.
- For illustrative purposes only. The estimated weighted average statutory U.S. tariff rate includes all tariffs that are currently in effect, not announced. Imports for consumption: goods brought into a country for direct use or sale in the domestic market. *Figures are based on 2024 import levels and assume no change in demand due to tariff increases. Tariff revenue shown are figures from the Monthly Treasury Statement. Import figures included in the table are from the U.S. Census Bureau. Estimates, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated.
- *Guide to the Markets – U.S.* Data are as of June 30, 2026.

Drivers of consumer spending

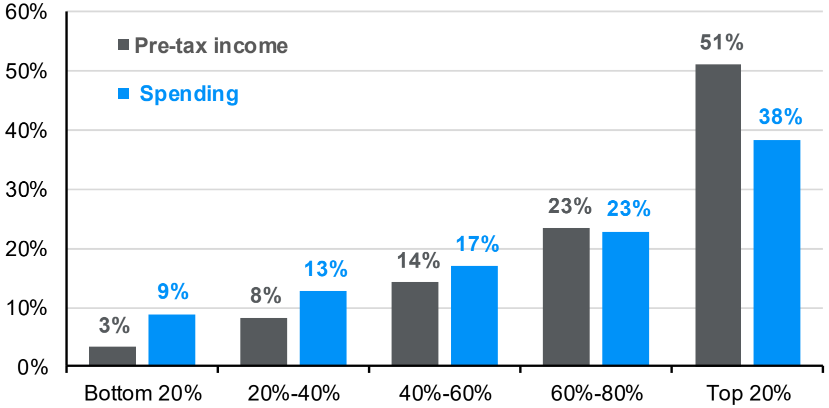
Net worth growth by income cohort

Cumulative growth from 4Q19, by pre-tax income cohort, USD trillions



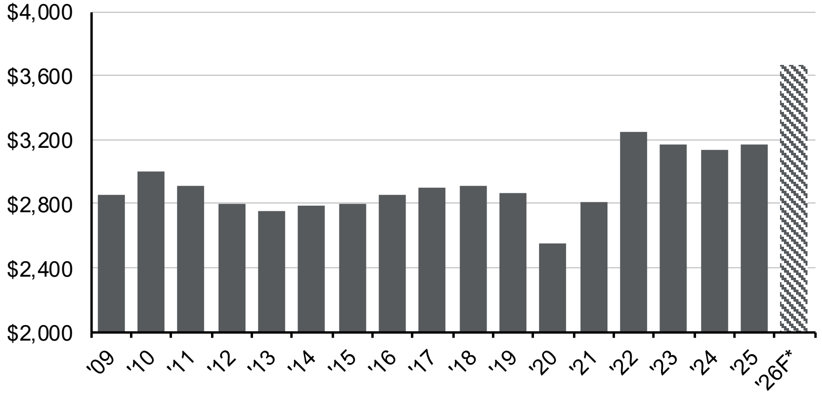
Consumer share of total pre-tax income and spending

By pre-tax income cohort, 2024



Average income tax refund by filing year

2009 - 2026F*



- Source: J.P. Morgan Asset Management; (Left) Federal Reserve; (Top right) BLS; (Bottom right) IRS.
- (Left) Data sourced from the Federal Reserve's Distributional Financial Accounts report. (Top right) Data sourced from the 2024 Consumer Expenditure Survey. (Bottom right) *2026 figure is a J.P. Morgan Asset Management forecast.
- *Guide to the Markets – U.S.* Data are as of March 31, 2026.

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The Fed and interest rates

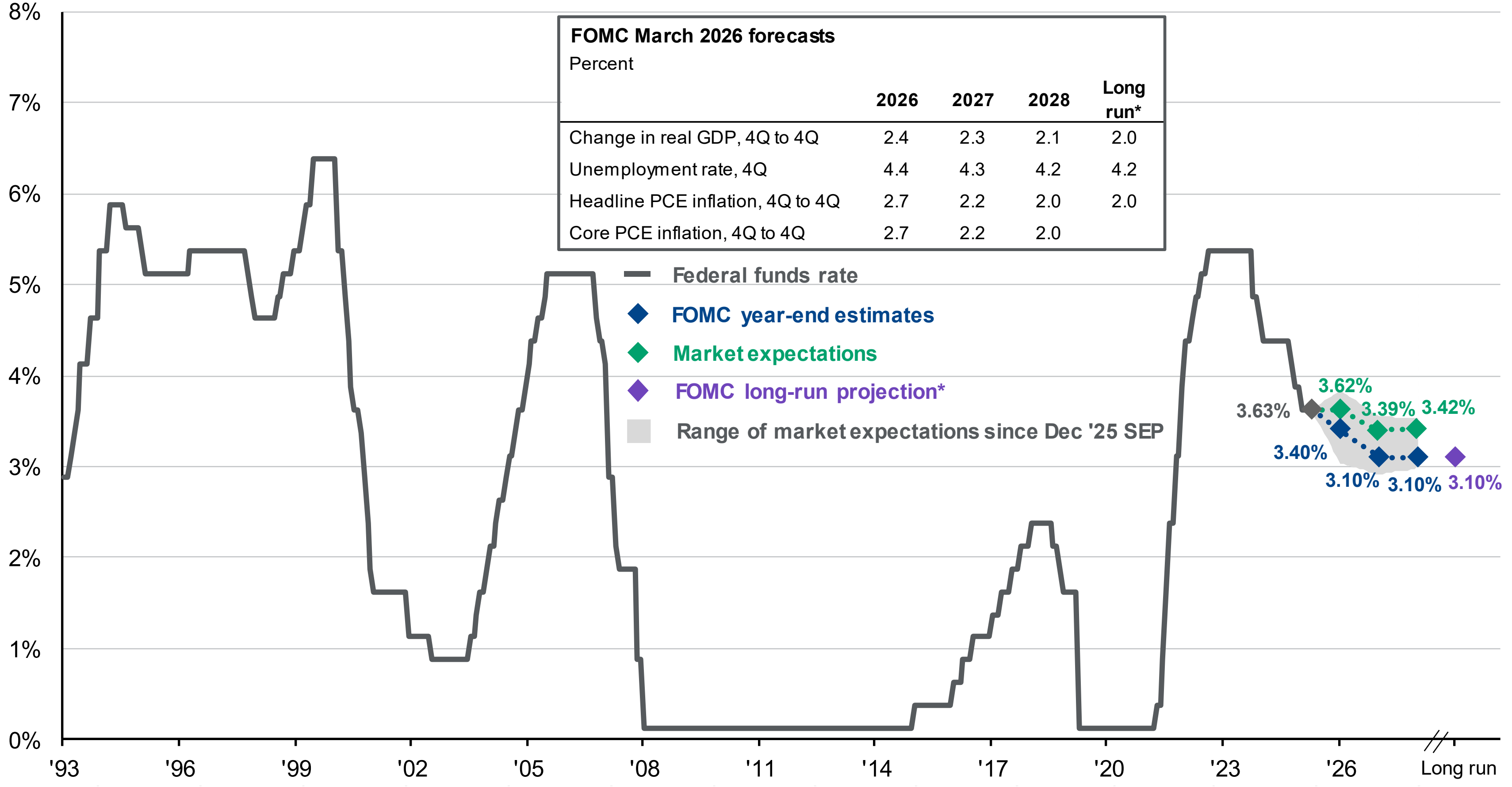
Federal funds rate expectations

FOMC and market expectations for the federal funds rate

FOMC March 2026 forecasts

Percent

	2026	2027	2028	Long run*
Change in real GDP, 4Q to 4Q	2.4	2.3	2.1	2.0
Unemployment rate, 4Q	4.4	4.3	4.2	4.2
Headline PCE inflation, 4Q to 4Q	2.7	2.2	2.0	2.0
Core PCE inflation, 4Q to 4Q	2.7	2.2	2.0	



- Source: Bloomberg, FactSet, Federal Reserve, J.P. Morgan Asset Management.
- Market expectations are based off of USD Overnight Index Swaps. *Long-run projections are the rates of growth, unemployment and inflation to which a policymaker expects the economy to converge over the next five to six years in absence of further shocks and under appropriate monetary policy. Forecasts, projections and other forward-looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward-looking statements, actual events, results or performance may differ materially from those reflected or contemplated.
- *Guide to the Markets – U.S.* Data are as of March 31, 2026.

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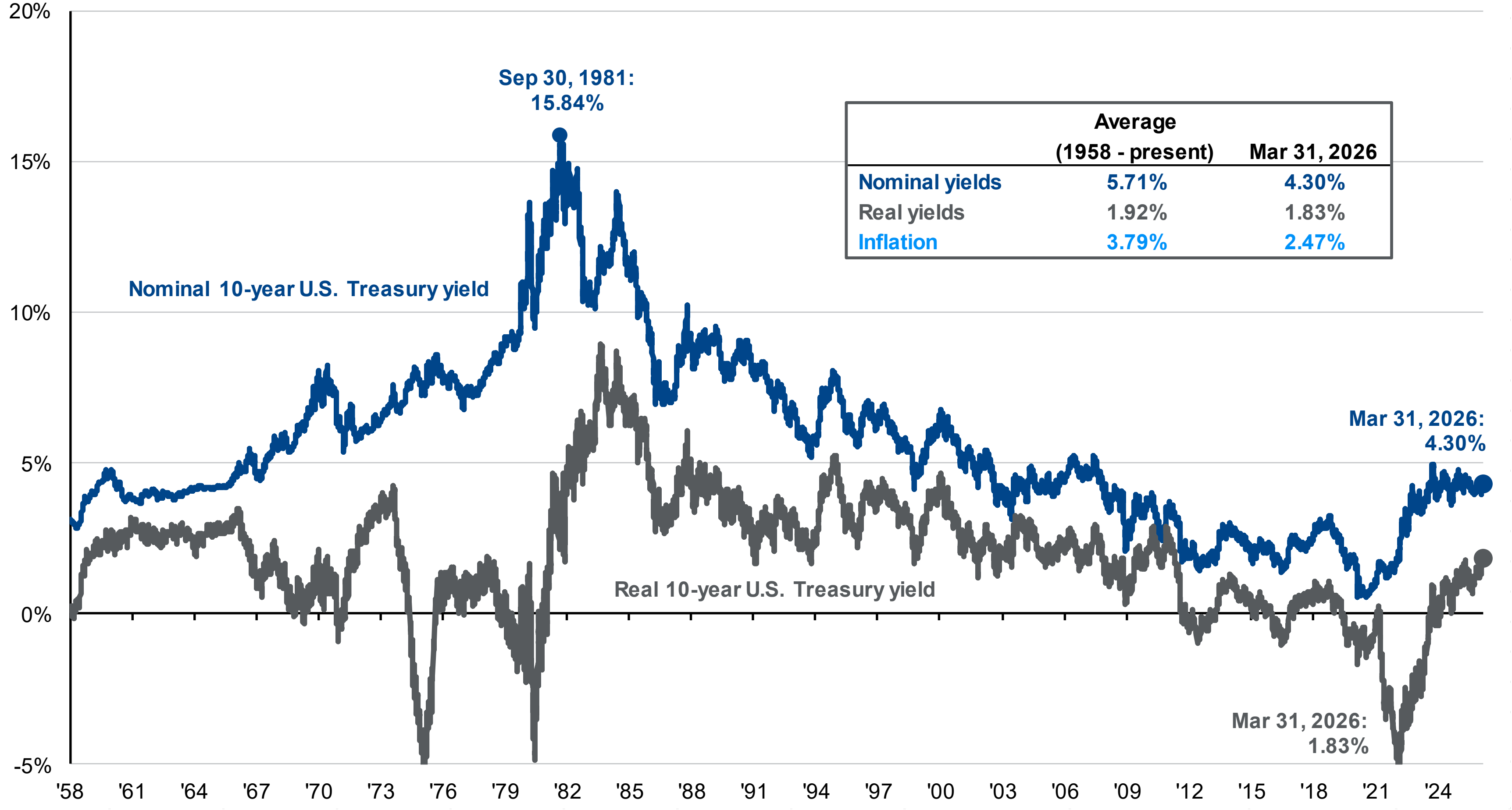
Interest rates and inflation

Nominal and real U.S. 10-year Treasury yields



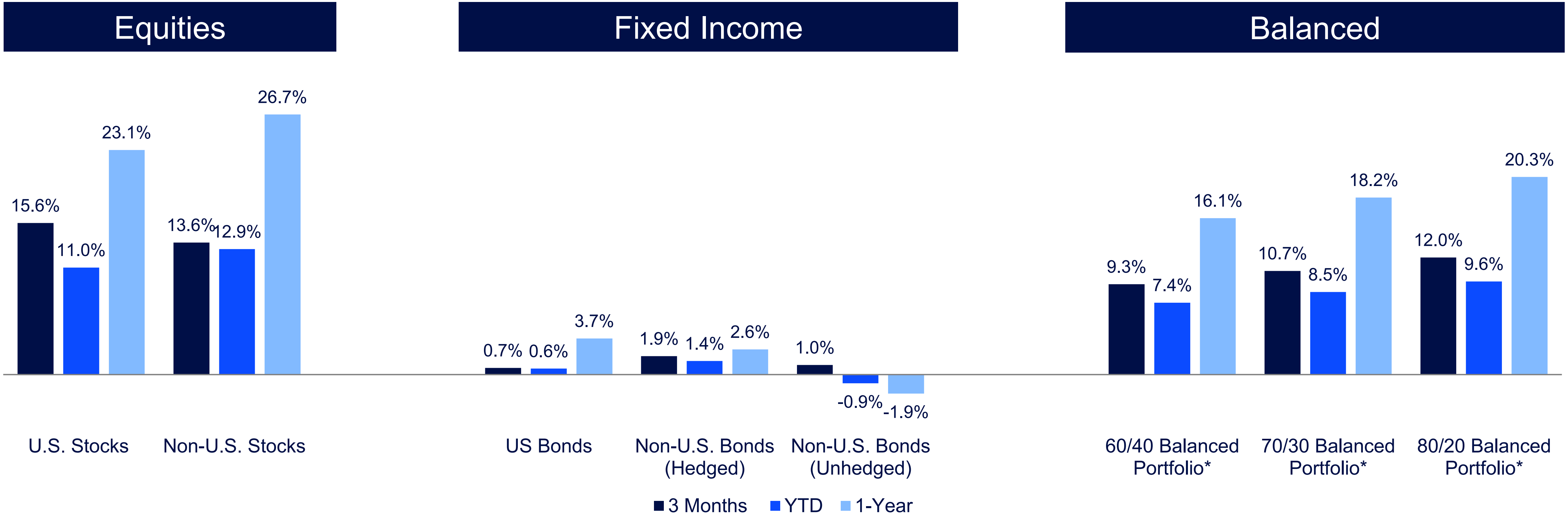
- Source: BLS, FactSet, Federal Reserve, J.P. Morgan Asset Management.
- Real 10-year Treasury yields are calculated as the daily Treasury yield less y/y core CPI inflation for that month. For the current month, we use the prior month's core CPI figures until the latest data are available.
- *Guide to the Markets – U.S.* Data are as of March 31, 2026.

Appendix

04

Global market returns – overview

Global market returns as of June 30, 2026 (%)



Source: Refinitiv, Bloomberg; as of 06/30/26.

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, FTSE, MSCI, Russell, CRSP and Dow Jones.

US Stocks (CRSP US Total Market Index), Non-US Stocks (FTSE Global All-Cap ex-US Index), US Bonds (Bloomberg US Aggregate Float Adjusted Index), Non-US Bonds hedged (Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index hedged), Non-US Bonds unhedged (Bloomberg Global Aggregate Index ex-USD).

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

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

*80/20 balanced portfolio Static Composite (48% U.S. stocks, 32% international stocks, and 14% U.S. bonds, 6% international bonds).

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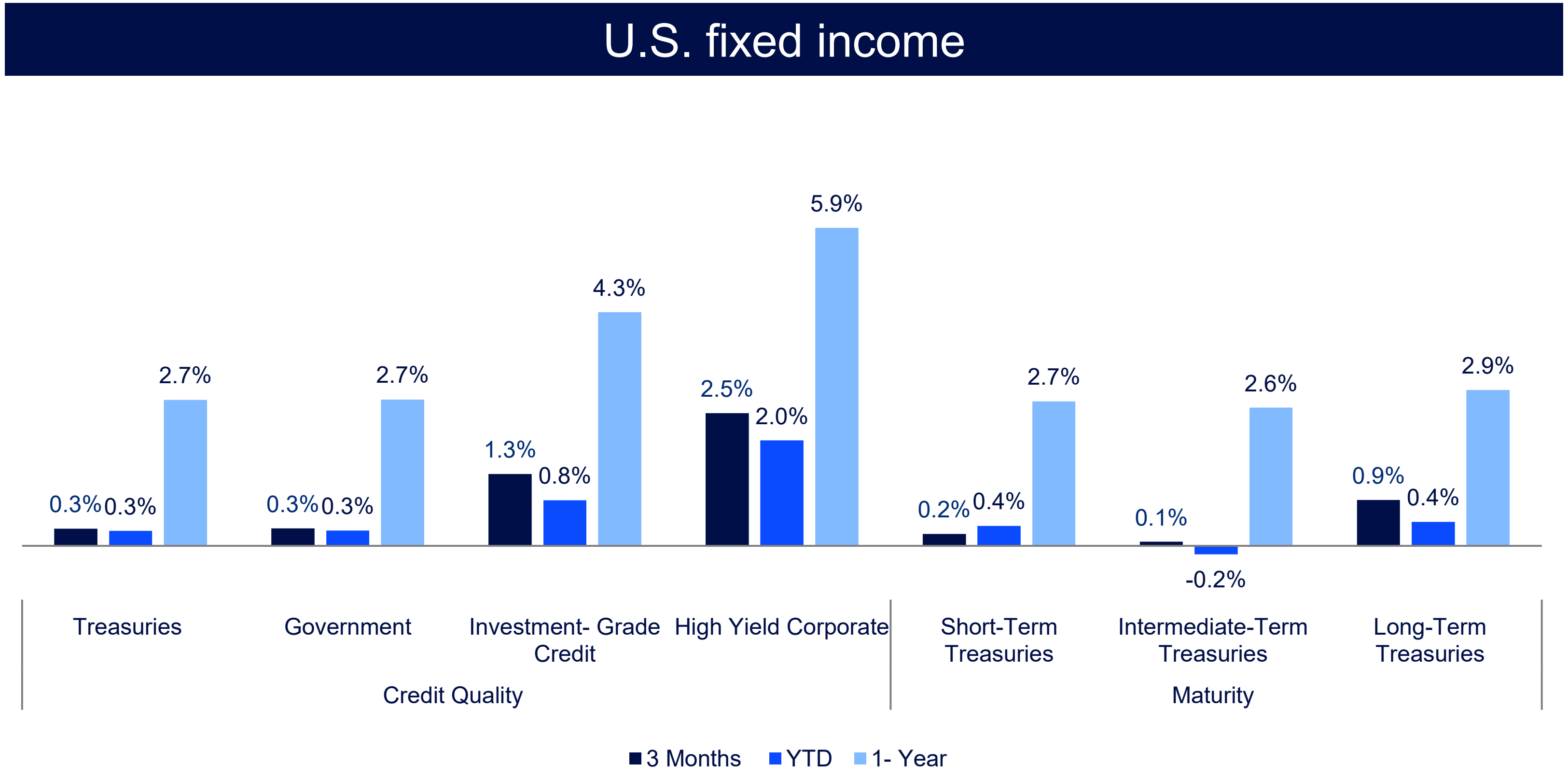
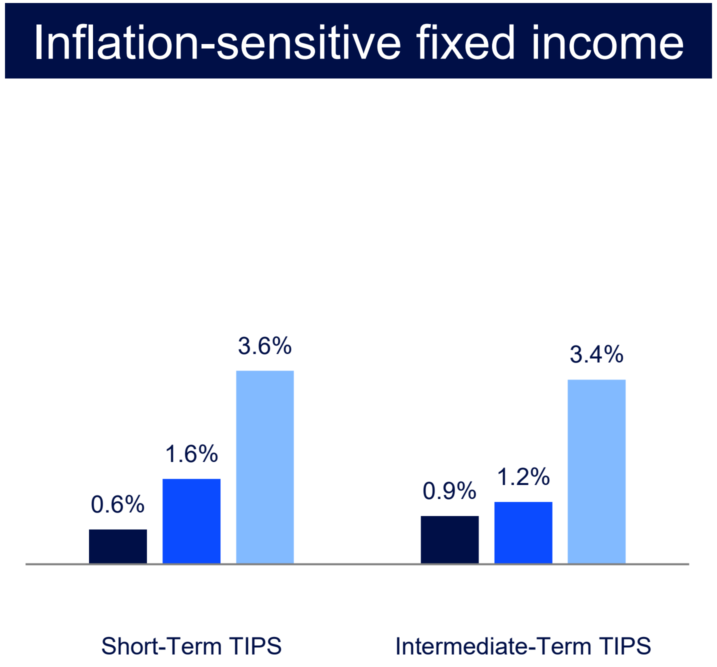
Global market returns – fixed income

Global market returns as of June 30, 2026 (%)





Source: Refinitiv, Bloomberg; as 06/30/26.

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.
Treasuries (Bloomberg US Treasury Index), Government (Bloomberg US Government Index), Investment- grade credit (Bloomberg US Credit Index), High Yield Corporate (Bloomberg US High Yield Corporate index), Short Term treasuries (Bloomberg US 1-5yr Treasury Index), Intermediate term treasuries (Bloomberg US 5-10yr Treasury Index), Long term Treasuries (Bloomberg US Long Treasury Index), Short Term TIPS (Bloomberg US Treasury 0-5yr TIPS Index), Intermediate term TIPS (Bloomberg US TIPS Index)

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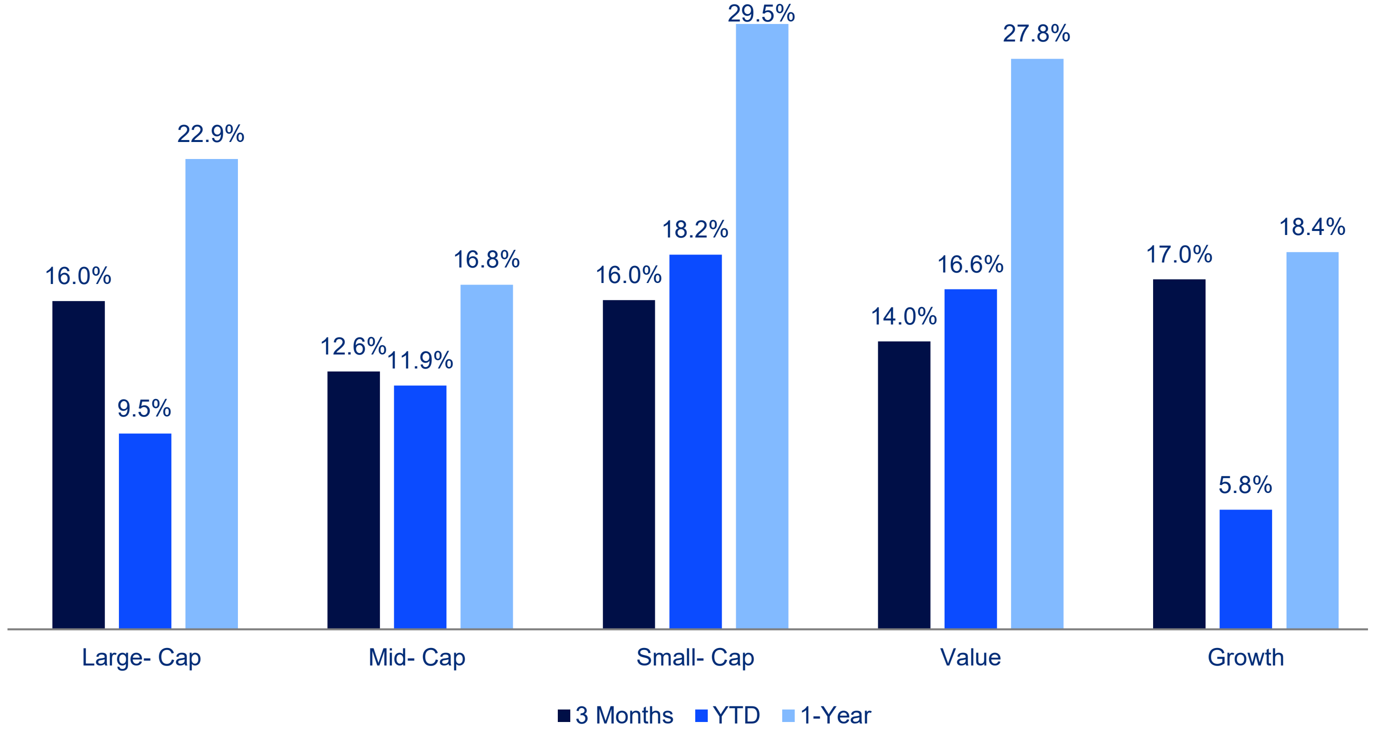
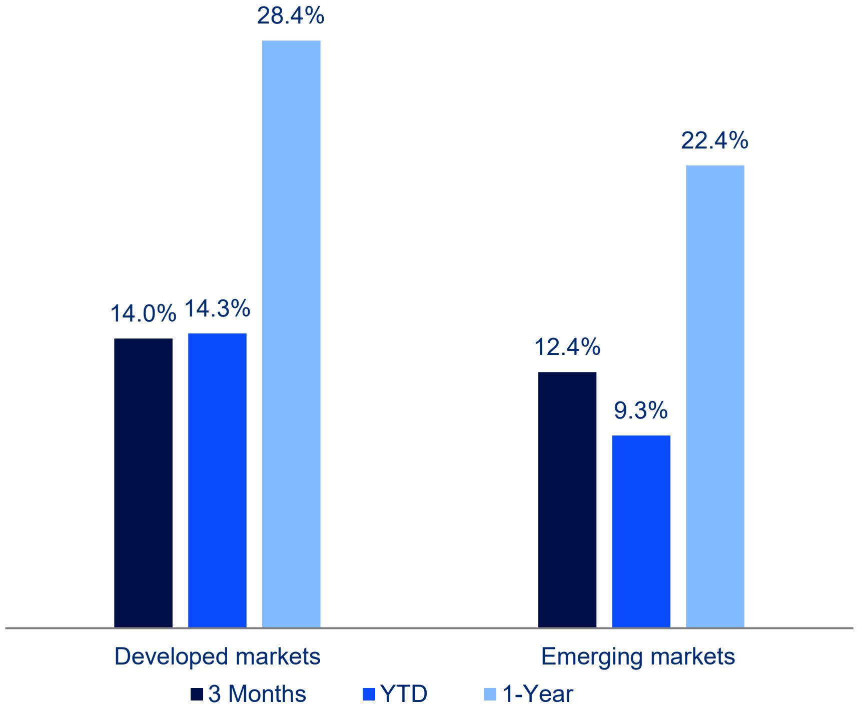
Global market returns – equities

Global market returns as of June 30, 2026 (%)

U.S. equities



Non-U.S. equities



Source: Refinitiv, Bloomberg; as of 06/30/26.

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.
Large-Cap (CRSP US Mega Cap Index), Mid-Cap (CRSP US Mid Cap Index), Small-Cap (CRSP US Small Cap Index), Value (Russell 3000 Value Index),Growth (Russell 3000 Growth Index), Developed Markets (FTSE Developed All Cap ex US Index), Emerging Markets (FTSE Emerging Markets All Cap China A Inclusion Index)

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Benchmark descriptions

Policy Benchmark:

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

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

Market benchmarks:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Benchmark descriptions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MSCI WORLD ex USA - Daily - Net: The index measures the performance of the large and mid cap segments of world, excluding US equity securities. It is free float-adjusted market-capitalization weighted. Consumer Price Index for all Urban Consumers (CPI-U): This index measures the changes in prices of goods and services purchased by urban households.

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

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

Custom Opportunistic Fixed Income Benchmark consists 50% BofA ML Global HY/50% JPM GBI EM Global Div Index Local Currency through June 30, 2023, and 35% Bloomberg Global Aggregate Corporate Hedged, 17.5% Bloomberg Global High Yield, 10.5% JPM CEMBI Diversified, 7% S&P/LSTA Leveraged Loan, 30% JPM GBI-EM Diversified Index through 4/15/2025; 30% Bloomberg Global Aggregate Corporate Hedged Index; 15% Bloomberg Global High Yield Index; 9% JP Morgan CEMBI Diversified Index; 19.4% S&P/LSTA Leveraged Loan Index; 13.3% Bloomberg U.S. Corporate High Yield; 13/3% JP Morgan EMBI Global Diversified through 4/30/2025; 33.4% Bloomberg U.S. Corporate High Yield Index; 33.3% Morningstar LSTA US Leveraged Loan Index; 33.3% J.P. Morgan EMBI Global Diversified Index effective thereafter.

Additional information

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

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

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

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

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

Glossary of risk metrics:

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

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

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

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

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

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

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

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Performance is shown gross-of-fees unless otherwise noted. Your return will be reduced by fees and other expenses incurred in the management of your account. Mercer Investments LLC's fees are disclosed in Part 2a of its Form ADV.

You cannot invest directly in an index. Indices are unmanaged portfolios used as performance benchmarks. They do not incur transaction fees or expenses.

All investments have risks. **Growth investments** target companies with above-average earnings that may be subject to price volatility if earnings expectations are not met. Although **value investments** target stocks believed to be priced too low, there is no guarantee that they will appreciate. There are risks associated with **international investments** including currency fluctuations, economic instability, and political developments. Additional risks may be associated with **emerging market securities**, including liquidity and volatility. Investing in **small and/or midsize companies** may increase the risk of greater price fluctuations. **Bonds** are subject to certain risks including interest rate risk, credit risk, and inflation risk. As interest rates rise, the price of bonds will fall. Long-term bonds have more exposure to interest rate risk than short-term bonds. Government and agency securities are not guaranteed. **Mortgage backed securities** are subject to prepayment risk. Lower quality bonds may offer higher yields in return for more risk. The value of **REIT shares** is affected by, among other factors, changes in the value of the underlying properties owned by the REIT and/or changes in the prospects for earnings and/or cash flow growth of the REIT itself. In addition, certain risks associated with general real estate ownership apply to REIT investments, including risks related to general and local economic conditions, possible lack of availability of financing, and changes in interest rates.

Past Performance is no guarantee of future results. The value of investments can go down as well as up, and you may not get back the amount you have invested. Investments denominated in a foreign currency will fluctuate with the value of the currency. Certain investments, such as securities issued by small capitalization, foreign and emerging market issuers, real property, and illiquid, leveraged or high-yield funds, carry additional risks that should be considered before choosing an investment manager or making an investment decision.

Investment Manager (Sub-Advisor) performance reflects relevant strategy composite as provided to Mercer by the named investment firm and may not be identical to the performance of the Sub-Advisor within the relevant Mercer strategy due to a variety of factors such as cash flows or custom investment guidelines.

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S&P 1500 Funded Status Performance - Mercer estimates the aggregate combined funded status position of plans operated by S&P 1500 companies on a monthly basis. For S&P 1500 companies that do not have a December 31 fiscal year end, this is based on projections of their reported financial statements adjusted from each company's financial year end to December 31 in line with financial indices. This includes US domestic qualified and non-qualified plans and all non-domestic plans.

Source of Financial Statement Data:10-K reports filed by the companies in the S&P 1500, as provided by S&P Capital IQ, a Standard & Poor's business.

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