

Below is a spreadsheet that shows the value of our endowment investments as of 03/31//23. The value of our Vanguard investments is \$385,422.39 (see the line SUB TOTAL). The value of Vanguard investments is 51.96% of the value of our total endowment investments of \$741,808.58 (see the line GRAND TOTAL). The value of our Vanguard investments as of 12/31/22, the end of last year, was \$395,580.56. That means the value of our Vanguard investments has decreased by \$10,158.67 since 12/31/22. In addition, between deposits and checks we have net outflows of \$18,656.61 since 12/31/22. So since 12/31/22 the actual gain on our Vanguard investments is \$8,498.44.

As of 03/31/23 the value of the loan we gave to UUFBR is \$356,386.19 (see the line UUFBR Loan). The value of the UUFBR loan is 48.04% of the value of total endowment investments of \$741,808.58 (see the line GRAND TOTAL).

<b>INVESTMENTS - 03/31/23</b>	<b>VALUE</b>	<b>PERCENT</b>
Federal Money Market	\$6,022.90	0.81%
Dividend Growth	\$65,311.42	8.80%
Equity Income	\$83,970.20	11.32%
Total Stock Market	\$75,581.22	10.19%
	\$154,536.6	
Wellington	5	20.83%
	\$385,422.3	
<b>SUB TOTAL</b>	9	51.96%

	\$356,386.1	
UUFBR Loan	9	48.04%

	\$741,808.5	100.00
<b>GRAND TOTAL</b>	8	%

Reviewing the history of the Endowment regarding the Osias Fund is very interesting. At times the Osias Fund has been invested separately from the rest of the Endowment and times the funds have been merged. Unfortunately it appears that when the funds have been merged the calculation of the value of the Osias Fund has not been correct.

I am suggesting a two step process to value the Osias Fund correctly. Step One is to invest the Osias Fund separately from the rest of the Endowment. I will provide more details below. Hopefully we will do this at this meeting. This will prevent any future incorrect valuation of the Osias Fund.

Step Two will try to go back through the historical funds and determine a fair valuation

of the Osias Fund. I will do this over the next several months. Once I have completed an analysis I will present it to the committee for discussion.

So starting Step One, currently the Osias Fund is valued at 4% of the value of the Endowment. The value of the Osias Fund as of 03/31/23 is \$29,672.34 (4% of \$741,808.58). So we want to separate the Osias Fund into separate investments in Vanguard. Our current investments are in Vanguard Mutual Funds. Vanguard also has Exchange Traded Funds (ETFs) which are very similar to mutual funds. To keep a clear distinction in the Osias Fund investments I am suggesting we invest the Osias Fund in ETFs.

I am suggesting that we invest the Osias Fund in the Vanguard Total Stock Market ETF (VTI) and the Total Bond Market ETF (BND). These two ETFs are index funds that track the entire US stock and bond markets respectively.

I am suggesting 75% of the Osias Fund should be invested in the Total Stock Market ETF and 25% should be invested in the Total Bond Market ETF. A range of 5% should be used to determine when to reallocate investments. For example if the value of the Total Stock Market ETF goes below 70% of the value of the Osias Fund thus the value of the Total Bond Market ETF goes above 30% of the value of the Osias Fund, then reallocate the investments back to 75% Total Stock Market Index ETF and 25% Total Bond Market ETF.

Looking at the performance of Vanguard ETFs vs. Vanguard Mutual Funds they are virtually identical. Over the last ten years the annualized return of the Vanguard Total Stock Market ETF (VTI) is 11.68% and the annualized return of the Vanguard Total Stock Market Index Fund Admiral Shares (VTSAX) is 11.68%. An initial \$10,000 investment will have grown into \$30,182.

Over the past last ten years the annualized return of the Vanguard Total Bond Market ETF (BND) is 1.33% and the annualized return of the Vanguard Total Bond Market Index Fund Admiral Shares (VBTLX) is 1.32%. An initial \$10,000 investment will have grown into \$11,412 at 1.33% growth vs \$11,401 at 1.32% growth.

At the Endowment meeting I would like to discuss this proposal.

Mitch