



PREPARED FOR

# LAKESHORE COMMUNITY FOUNDATION INC

Quarterly Performance Report

Period Ending December 31, 2020

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**Vanguard**<sup>®</sup>

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## Vanguard Market & Economic Overview

### Global equities, after a rough start, turn in a strong year

Global equity markets continued their momentum from the third quarter as domestic<sup>1</sup> and international<sup>2</sup> stocks posted positive gains of 14.7% and 17.3%, respectively. Large-scale monetary and fiscal stimulus measures, as well as expectations for a near-term vaccine breakthrough continued to serve as tailwinds for equity returns during the quarter.

The US equity market ended the final days of 2020 on a high note as investors' optimism rose on hopes of a global recovery, positive outlooks on the Covid-19 vaccines and some settling in the angst surrounding the November election. The S&P 500 (+16%) and the Russell 2000 (+18%) all had positive years in 2020 despite the slumps surrounding the Coronavirus earlier in the year. Tech stocks had a very strong 2020, pushing the Nasdaq Composite to its best year since 2009. Tesla Inc. (+743%), Zoom Video Communications (+396%), Apple (+81%) and Amazon (+76%) were some of the best performing tech stocks of 2020. For the trailing three months ending December 31<sup>st</sup>, large-cap stocks<sup>3</sup> returned 12.8% while mid<sup>4</sup> and small-cap stocks<sup>5</sup> returned 18.0% and 27.1%, respectively. Large-caps<sup>3</sup> held on to out-perform mid<sup>4</sup> and small-cap<sup>5</sup> equities by posting gains of 21.1% over the trailing one year period, compared to 18.2% and 19.1% respectively for mid<sup>4</sup> and small cap<sup>5</sup>. Meanwhile, growth stocks<sup>6</sup> continued to outperform value<sup>7</sup>, recording gains of 38.3% compared to 2.9% for value<sup>7</sup> over the one year period. However value<sup>7</sup> did out-perform during the 4<sup>th</sup> quarter, 17.1% compared to 12.4% for growth<sup>6</sup>.

The broad market rebound also continued in international equities, where emerging markets<sup>8</sup> returned 17.6% and developed markets<sup>9</sup> returned 17.1% for the quarter. For the year, emerging markets<sup>8</sup> returned 15.2% compared to 10% for developed markets<sup>9</sup> during the same period. A faster recovery from the coronavirus pandemic in China and other emerging Pacific economies continued to help emerging market stocks continue their outperformance over the one year period compared to developed markets.

### Fixed income proves to be resilient during a year of much volatility

Central banks around the world including the Fed in the U.S., did their best to stave off the effects of the Global Pandemic created by the Covid-19 virus. Monetary policy moves like cutting interest rates and reinstating large-scale quantitative easing, coupled with economic stimulus packages around the globe, helped the economy recover from initial shock and losses sustained in the 1<sup>st</sup> quarter of 2020. The Federal Reserve has indicated the intention to keep the federal funds rate at or near zero into the year 2023. U.S. bonds<sup>10</sup> recorded positive gains for the fourth quarter as the broad fixed income market returned 0.7%. U.S. bonds had a good year overall with gains of 7.7%. Markets continued their risk-on approach as evidenced by positive gains in high yield bonds<sup>11</sup> during the quarter (+6.5%) and further tightening of credit spreads, with investment-grade corporate bonds<sup>12</sup> returning 2.8% during the quarter. Over the one-year period ending December 31<sup>st</sup>, high yield and credit bonds have posted positive returns of 7.1% and 9.4%, respectively. The yield curve continues to be upward sloping with a spread of 0.80% between the two and ten-year Treasury securities, compared to 0.56% at the end of the third quarter.

Within international fixed income, a continued weakening of the U.S. dollar bolstered performance of unhedged international bonds<sup>13</sup> over their hedged<sup>14</sup> counterparts, returning 5.8% for the quarter versus 1.1% for hedged. Their outperformance continued over the one-year period as unhedged and hedged international fixed income managed to return 10.1% and 4.7%, respectively.

### The recovery from the Covid-19 economic slump continues but at a slower pace

After a 31.4% decline in U.S. real GDP in the second quarter of 2020, real GDP increased at an annual rate of 33.4% in the third quarter of 2020. The change in GDP growth could be attributed to efforts around the country to resume normal activities that were halted in efforts to reduce the spread of Covid-19. As we ended the fourth quarter of 2020 the annual rate of real GDP growth for the quarter is estimated at 4.5%, a decline from the more robust growth in the prior quarter as a result of reduced spending and activity caused by a second surge in COVID-19 cases around the country. The U.S. unemployment rate continued to decline. After falling from 10.2% to 8.4% in August, the unemployment rate continued to fall to 7.8% in September, 6.9% in October and then held steady at 6.7% in November and December. The rate at which jobs were added however slowed over that same time period. After adding 1.4 million jobs in August, the economy added just 1.4 million more jobs over the remainder of the year combined, including 140,000 lost jobs in December. December was the first month since April where the economy lost jobs. Additionally, consumer spending slowed in the 4<sup>th</sup> quarter as well. After reaching 1.2% and 1.3% respectively in August and September, consumer spending fell to 0.3% in October before turning negative in November at -0.4. Looking ahead, Vanguard believes the rate at which the economy recovers is dependent upon the effectiveness and distribution of COVID-19 vaccines and the rate at which the country can develop immunity. As winter fades and progress is made with vaccinations into the second half of 2021, we anticipate a sharp acceleration in job growth and an unemployment rate near 5% as 2021 closes.

## Vanguard Market & Economic Overview

In the Eurozone, like the U.S., real GDP declined in the second quarter (-11.7%) and then rose during the third quarter (+12.5%). The recovery in the euro area during the third quarter was mostly led by an increase in private consumption, which was up 14% but was still 4.6% below the pre-pandemic levels. The recovery has also been stronger in the countries that were previously hardest hit by the pandemic. In France, Italy, Spain and the U.K., GDP increased (18.7%, 15.9%, 16.7% and 15.5% respectively), while the recovery was less pronounced in Germany (8.5%) where the economy held up better than other euro area peers. In the Eurozone, unlike the U.S., the estimate for the fourth quarter real GDP was negative at (-2.5%). The loss in GDP can be attributed to a fresh set of lockdowns announced across Europe in October and November to contain the resurgence of COVID-19. Manufacturing in the Eurozone has held up well. However it has been the services activity which has been hurt by the increase in infection rates and the new restrictions on social interaction. Inflation has remained low due to weaker demand and the decrease in the labor and product markets. Unemployment is projected to increase up to 8.7% in 2021, which would still be lower than the peak resulting from the GFC in 2010 of 10.3%, and to recover to a pre-pandemic level of 7.6% by the end of 2023. Since the threat of increased inflation remains low, there is the expectation that more stimulus will come from the ECB, lengthening the duration of the Pandemic Emergency Purchase Program (PEPP).

The positive momentum for China continued as the country entered the fourth quarter and the world continues the march towards a COVID-19 recovery. China was the first major economy to return to positive territory during the pandemic and the outlook continues to be positive, although the growth experienced in the second quarter of 2020 has subsequently slowed. After seeing 11.7% real GDP growth in Q2, GDP growth fell for consecutive quarters, to 2.7% in Q3 and to 2.2% in Q4. Industrial production in China rose 7% in November from the year before and retail sales expanded 5% in the month of November as well. Initially, the recovery in the Chinese economy could be attributed to increased investment by the government to boost the economy, however in recent months consumer spending has increased on goods like cosmetics and jewelry, which highlights the impact of the recovery reaching consumers. China also benefits from its status as a global exporter.

Japan had a difficult start to 2020. Real GDP based on the seasonally adjusted annualized rate (SAAR) was -2.1% in Q1 and -29.2% in Q2. Real GDP on a SAAR basis for the last two quarters of the year was much stronger, at 22.9% in Q3 and 4.9% in Q4. Overall, the calendar year results for Japan are -5.3% real GDP growth in 2020. Japan benefitted from higher private consumption, which grew at its fastest rate since 1990, coming out of Q2. Household spending also increased in the third quarter of 2020 in Japan, which further helped to boost the economy. Despite the turnaround that Japan experienced in Q3, GDP for the year overall was still negative. Heading into 2021, many eyes will be on Japan and Tokyo, specifically for the delayed summer Olympics. However, unfortunately for the tourism industry, those eyes will be watching from their home televisions as the pandemic will keep attendees at a minimum. Projections show that the decrease in normal Olympic tourism has been priced in by the equity market and that projections for GDP growth in Japan are around 2.8%.

### A look ahead to 2021 and beyond

As stated above, global equity markets rallied from dramatically difficult starts to the year as a result of the coronavirus. Markets fell rapidly around the world as governments and their citizens grappled with adjusting to life in a pandemic. Unemployment rates around the world soared as retail stores closed, some temporarily and some permanently, as a result of shut downs to slow the progression of the coronavirus. However, markets have bounced back and there is renewed optimism heading into the new year with the release and distribution of coronavirus vaccines. With the wave of optimism stemming from the way equity markets bounced back from the lows experienced back in March, the markets closed 2020 with some momentum. After reflecting on the year that was 2020 in the equity markets and how the market showed resiliency despite the coronavirus, one might perhaps assume that 2021 will be a much better year than 2020. However, the Vanguard outlook on 2021 in the equities markets is very similar to how we thought 2020 would play out. Our expectation for lower trend GDP growth and its impact on corporate revenue growth, along with contraction in valuations, has led to a guarded outlook for global equities, which we expect to return to 5%-7% over the next decade. Additionally, we do not expect the trends that have defined the last decade to persist. We expect that non-US equity will outperform U.S equity, largely because of lower valuations and a higher dividend yield. In a similar reversal of recent trends, we expect value stocks to outperform growth over the next decade based on our fundamental assessment.

## Vanguard Market & Economic Overview

Moving on to global fixed income markets, we have revised our expectations downward from last year's projections, as a result of lower yields across the curve. We expect fixed income to return 0.75% - 1.75% across the next decade. We expect U.S. bonds to marginally out-perform non-U.S. bonds based on relatively lower yields in non-U.S. developed markets, yet the diversification through exposure to hedged non-U.S. bonds should help offset some risk specific to the U.S. fixed income markets. We also feel that duration is fairly valued despite the low yields. As the coronavirus impacted markets around the world in the spring of 2020, yields on developed-market government bonds plummeted and global central banks cut policy rates to zero (and in some cases below zero). These dynamics led to low and flat sovereign yield curves throughout the world. Given our view that the Fed and other developed-market central banks will keep policy rates low, and that the risk of a material rise in long-term interest rates remains modest, we are projecting normal compensation for taking interest-rate risk.

### Final Thoughts

All eyes continued to be on the coronavirus as calendars turned to 2021. The typical holiday celebrations and the holiday shopping season, which normally boosts retail activity in the fourth quarter, was deeply impacted by protocols designed to slow the progression of the virus. That second wave of protocols extended in many countries around the world, from the U.S. to Europe and to Asia. The world watches now as news of a mutant variant of the virus has emerged, which may be more contagious than the prior iteration. Given all of that, we believe that the path to a healthier overall economy will be driven by healthy people. We believe a combination of effective vaccine distribution and closing the immunity gap will increase participation in the markets and reduce unemployment, which will increase output. The pace at which immunity grows and how quickly global economies return to their pre-COVID levels will be something to keep an eye on throughout 2021.

### Index Returns

1) CRSP US Total Market Index, 2) FTSE Global All-Cap ex US Index, 3) CRSP US Large-Cap Index, 4) CRSP US Mid-Cap Index, 5) CRSP US Small-Cap Index, 6) Russell 3000 Growth Index, 7) Russell 3000 Value Index, 8) FTSE Emerging Index, 9) FTSE Developed All-Cap ex-US Index, 10) BloombergBarclays US Agg Float Adj Index, 11) BloombergBarclays US Corporate High Yield Index, 12) Bloomberg Barclays US Credit Index, 13) BloombergBarclays Global Agg Index ex-USD, 14) BloombergBarclays Global Agg ex-USD Float Adjusted RIC Hedged

### Sources

Vanguard, U.S. Treasury, Trading Economics, Bloomberg, Wall Street Journal, Morningstar, FactSet, Reuters, European Central Bank, S&P Global, Bureau of Economic Analysis.

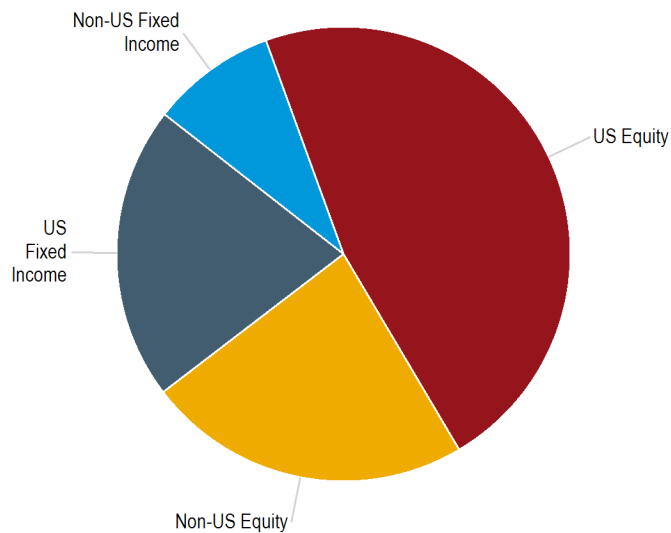
## Total Portfolio Performance & Asset Allocation

Performance Summary ending December 31, 2020

	Market Value (\$)	2020 Q4 (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>LAKESHORE COMMUNITY FOUNDATION INC</b>	<b>48,770,189</b>	<b>12.53</b>	<b>16.59</b>	<b>9.27</b>	--	--	<b>9.27</b>	<b>Dec-17</b>
<b>LAKESHORE COMMUNITY FOUNDATION INC (Net)</b>		<b>12.50</b>	<b>16.48</b>	<b>9.16</b>	--	--	<b>9.16</b>	
Composite Benchmark		10.33	14.64	8.81	--	--	8.81	Dec-17

- Composite Benchmark = 43.55% Spliced Total Stock Market Index / 21.45% Spliced Total International Stock Index / 24.5% Spliced Bloomberg Barclays US Aggregate Float Adjusted Index / 10.5% Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged

Current Allocation as of December 31, 2020



	Current \$	Current %	Policy	Difference*
US Equity	\$22,922,248	47.0%	43.6%	3.5%
Non-US Equity	\$11,281,954	23.1%	21.5%	1.7%
US Fixed Income	\$10,205,469	20.9%	24.5%	-3.6%
Non-US Fixed Income	\$4,360,518	8.9%	10.5%	-1.6%
<b>Total</b>	<b>\$48,770,189</b>	<b>100.0%</b>	<b>100.0%</b>	

\*Difference between Policy and Current Allocation

Gross of Advisory Fee returns reflect the deduction of fund expense ratios and any other security-level expenses.

Net of Fee returns reflect the deduction of fund expense ratios, any purchase or redemption fees, and VIAS advisory fee applied to the client portfolio.

Returns greater than one year represent annualized returns. Returns less than one year represent cumulative returns.

## Performance Summary (Gross of Advisory Fees) ending December 31, 2020

	Market Value (\$)	% of Portfolio	2020 Q4 (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>LAKESHORE COMMUNITY FOUNDATION INC</b>	<b>48,770,189</b>	<b>100.00</b>	<b>12.53</b>	<b>16.59</b>	<b>9.27</b>	--	--	<b>9.27</b>	<b>Dec-17</b>
<b>LAKESHORE COMMUNITY FOUNDATION INC (Net)</b>			<b>12.50</b>	<b>16.48</b>	<b>9.16</b>	--	--	<b>9.16</b>	
Composite Benchmark			10.33	14.64	8.81	--	--	8.81	Dec-17
<b>Total Equity</b>	<b>34,204,202</b>	<b>70.13</b>	<b>17.70</b>	<b>18.34</b>	<b>10.47</b>	--	--	<b>10.47</b>	<b>Dec-17</b>
<b>Equity Domestic</b>	<b>22,922,248</b>	<b>47.00</b>	<b>16.59</b>	<b>16.64</b>	<b>12.45</b>	--	--	<b>12.45</b>	<b>Dec-17</b>
Spliced Total Stock Market Index			14.70	21.00	14.50	15.44	13.80	14.50	Dec-17
<b>Equity International</b>	<b>11,281,954</b>	<b>23.13</b>	<b>19.95</b>	<b>21.78</b>	<b>9.03</b>	--	--	<b>9.03</b>	<b>Dec-17</b>
Spliced Total International Stock Index			17.21	11.24	4.98	9.07	5.18	4.98	Dec-17
<b>Total Fixed Income</b>	<b>14,565,987</b>	<b>29.87</b>	<b>1.18</b>	<b>7.34</b>	<b>5.42</b>	--	--	<b>5.42</b>	<b>Dec-17</b>
<b>Fixed Income Domestic</b>	<b>10,205,469</b>	<b>20.93</b>	<b>1.24</b>	<b>8.55</b>	<b>5.55</b>	--	--	<b>5.55</b>	<b>Dec-17</b>
Spliced Bloomberg Barclays US Aggregate Float Adjusted Index			0.71	7.75	5.44	4.53	3.89	5.44	Dec-17
<b>Fixed Income International</b>	<b>4,360,518</b>	<b>8.94</b>	<b>1.03</b>	<b>4.54</b>	<b>5.08</b>	--	--	<b>5.08</b>	<b>Dec-17</b>
Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged			1.08	4.75	5.30	4.67	--	5.30	Dec-17

Gross of Advisory Fee returns reflect the deduction of fund expense ratios and any other security-level expenses.

Net of Fee returns reflect the deduction of fund expense ratios, any purchase or redemption fees, and VIAS advisory fee applied to the client portfolio.

Returns greater than one year represent annualized returns. Returns less than one year represent cumulative returns.

## Performance Summary (Gross of Advisory Fees) ending December 31, 2020

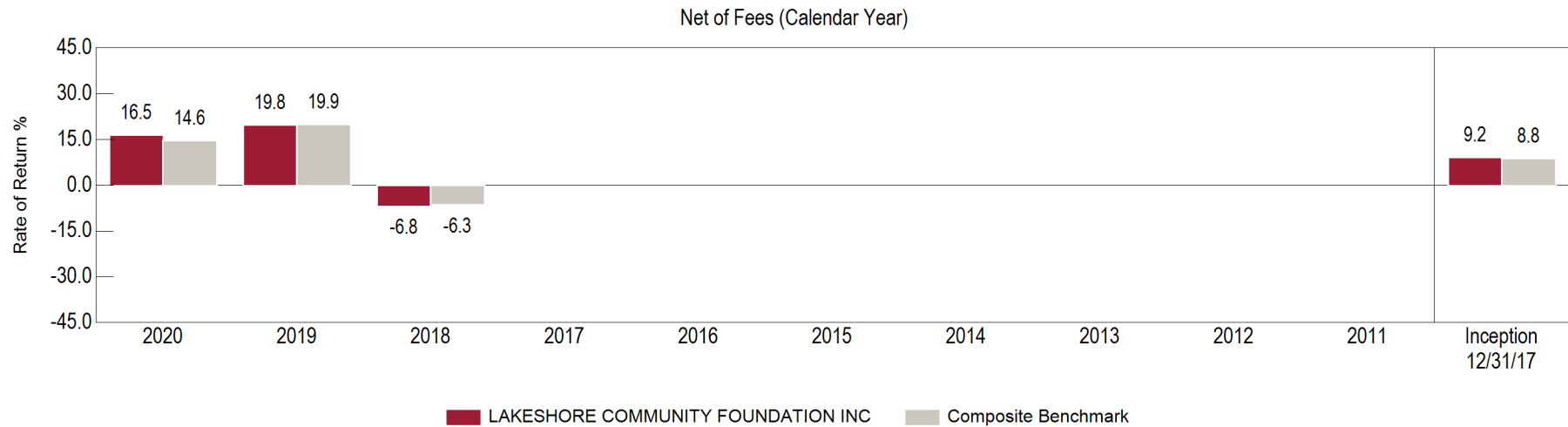
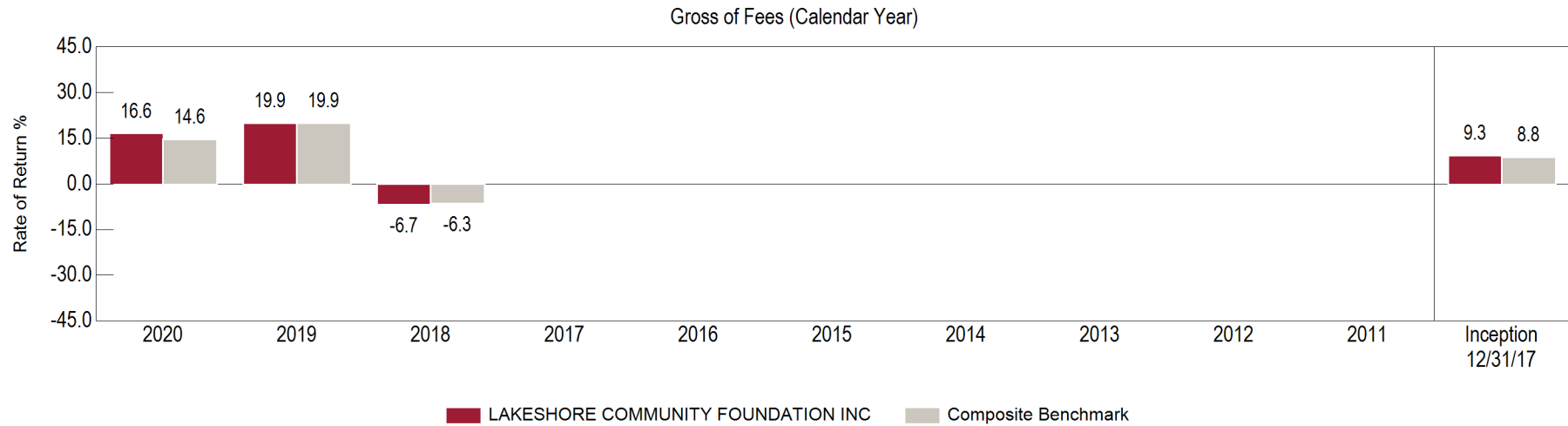
	Market Value (\$)	% of Portfolio	2020 Q4 (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>LAKESHORE COMMUNITY FOUNDATION INC</b>	<b>48,770,189</b>	<b>100.00</b>	<b>12.53</b>	<b>16.59</b>	<b>9.27</b>	--	--	<b>9.27</b>	<b>Dec-17</b>
Composite Benchmark			10.33	14.64	8.81	--	--	8.81	Dec-17
<b>Total Equity</b>	<b>34,204,202</b>	<b>70.13</b>	<b>17.70</b>	<b>18.34</b>	<b>10.47</b>	--	--	<b>10.47</b>	<b>Dec-17</b>
<b>Equity Domestic</b>	<b>22,922,248</b>	<b>47.00</b>	<b>16.59</b>	<b>16.64</b>	<b>12.45</b>	--	--	<b>12.45</b>	<b>Dec-17</b>
Spliced Total Stock Market Index			14.70	21.00	14.50	15.44	13.80	14.50	Dec-17
Vanguard® Total Stock Market Index Institutional Shares	11,443,119	23.46	14.69	21.00	14.50	15.43	13.79	15.15	Jul-18
Spliced Total Stock Market Index			14.70	21.00	14.50	15.44	13.80	15.16	Jul-18
Multi-Cap Core Funds Average			14.19	16.36	11.01	12.42	11.01	11.61	Jul-18
Vanguard® PRIMECAP Fund Admiral™ Shares	5,747,512	11.78	14.19	17.32	13.73	16.12	15.10	13.73	Dec-17
Russell 1000 Growth			11.39	38.49	22.99	21.00	17.21	22.99	Dec-17
S&P 500			12.15	18.40	14.18	15.22	13.88	14.18	Dec-17
Multi-Cap Growth Funds Average			14.59	39.96	21.45	18.50	14.55	21.45	Dec-17
Vanguard® Windsor™ Fund Admiral™ Shares	5,731,618	11.75	23.07	7.52	7.13	10.55	10.96	7.13	Dec-17
Russell 1000 Value			16.25	2.79	6.07	9.74	10.50	6.07	Dec-17
Multi-Cap Value Funds Average			17.78	1.97	4.12	8.60	8.88	4.12	Dec-17
<b>Equity International</b>	<b>11,281,954</b>	<b>23.13</b>	<b>19.95</b>	<b>21.78</b>	<b>9.03</b>	--	--	<b>9.03</b>	<b>Dec-17</b>
Spliced Total International Stock Index			17.21	11.24	4.98	9.07	5.18	4.98	Dec-17
Vanguard® Total International Stock Index Institutional Shares	5,634,516	11.55	16.89	11.28	5.01	9.11	5.15	3.22	Jan-18
Spliced Total International Stock Index			17.21	11.24	4.98	9.07	5.18	3.25	Jan-18
International Funds Average			15.84	12.12	5.20	8.21	5.39	3.54	Jan-18
Vanguard® International Growth Fund Admiral™ Shares	2,844,416	5.83	22.26	59.74	22.45	21.77	12.39	22.45	Dec-17
Spliced International Index			17.01	10.65	4.88	8.93	4.92	4.88	Dec-17
International Funds Average			15.84	12.12	5.20	8.21	5.39	5.20	Dec-17
Vanguard® International Value Fund	2,803,022	5.75	23.57	8.99	3.90	8.43	5.08	3.90	Dec-17
Spliced International Index			17.01	10.65	4.88	8.93	4.92	4.88	Dec-17
International Funds Average			15.84	12.12	5.20	8.21	5.39	5.20	Dec-17
<b>Total Fixed Income</b>	<b>14,565,987</b>	<b>29.87</b>	<b>1.18</b>	<b>7.34</b>	<b>5.42</b>	--	--	<b>5.42</b>	<b>Dec-17</b>
<b>Fixed Income Domestic</b>	<b>10,205,469</b>	<b>20.93</b>	<b>1.24</b>	<b>8.55</b>	<b>5.55</b>	--	--	<b>5.55</b>	<b>Dec-17</b>
Spliced Bloomberg Barclays US Aggregate Float Adjusted Index			0.71	7.75	5.44	4.53	3.89	5.44	Dec-17



## Performance Summary (Gross of Advisory Fees) ending December 31, 2020

	Market Value (\$)	% of Portfolio	2020 Q4 (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Vanguard® Total Bond Market Index Fund Admiral™ Shares	5,100,185	10.46	0.67	7.72	5.40	4.46	3.80	5.40	Dec-17
Spliced Bloomberg Barclays US Aggregate Float Adjusted Index			0.71	7.75	5.44	4.53	3.89	5.44	Dec-17
Spliced Intermediate-Term Investment-Grade Debt Funds Average			1.45	8.22	5.32	4.51	3.85	5.32	Dec-17
Vanguard® Short-Term Investment-Grade Fund Admiral™ Shares	2,281,300	4.68	0.98	5.25	4.00	3.38	2.76	4.00	Dec-17
BBgBarc US Credit 1-5 Yr TR			0.95	5.19	4.27	3.54	3.04	4.27	Dec-17
1-5 Year Investment-Grade Debt Funds Average			1.07	4.08	3.19	2.70	2.11	3.19	Dec-17
Vanguard® Intermediate-Term Investment-Grade Fund Admiral™ Shares	1,555,790	3.19	1.89	10.42	6.68	5.64	5.10	6.68	Dec-17
BBgBarc US Credit 5-10 Yr TR			2.28	9.49	7.08	6.40	5.69	7.08	Dec-17
Spliced Core Bond Funds Average			1.45	8.22	5.32	4.51	3.85	5.32	Dec-17
Vanguard® Long-Term Investment-Grade Admiral Shares	1,268,195	2.60	3.17	15.48	9.43	9.64	8.52	12.72	Oct-19
BBgBarc US Credit Long A+ TR			3.49	14.46	9.02	9.28	8.19	12.04	Oct-19
Corporate A-Rated Debt Funds Average			2.11	9.69	6.29	5.71	4.69	8.11	Oct-19
<b>Fixed Income International</b>	<b>4,360,518</b>	<b>8.94</b>	<b>1.03</b>	<b>4.54</b>	<b>5.08</b>	--	--	<b>5.08</b>	<b>Dec-17</b>
Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged			1.08	4.75	5.30	4.67	--	5.30	Dec-17
Vanguard® Total International Bond Index Fund Admiral™ Shares	4,360,518	8.94	1.03	4.54	5.08	4.45	--	5.08	Dec-17
Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged			1.08	4.75	5.30	4.67	--	5.30	Dec-17
International Income Funds Average			4.31	5.99	3.45	4.31	2.32	3.45	Dec-17

## Total Portfolio Performance



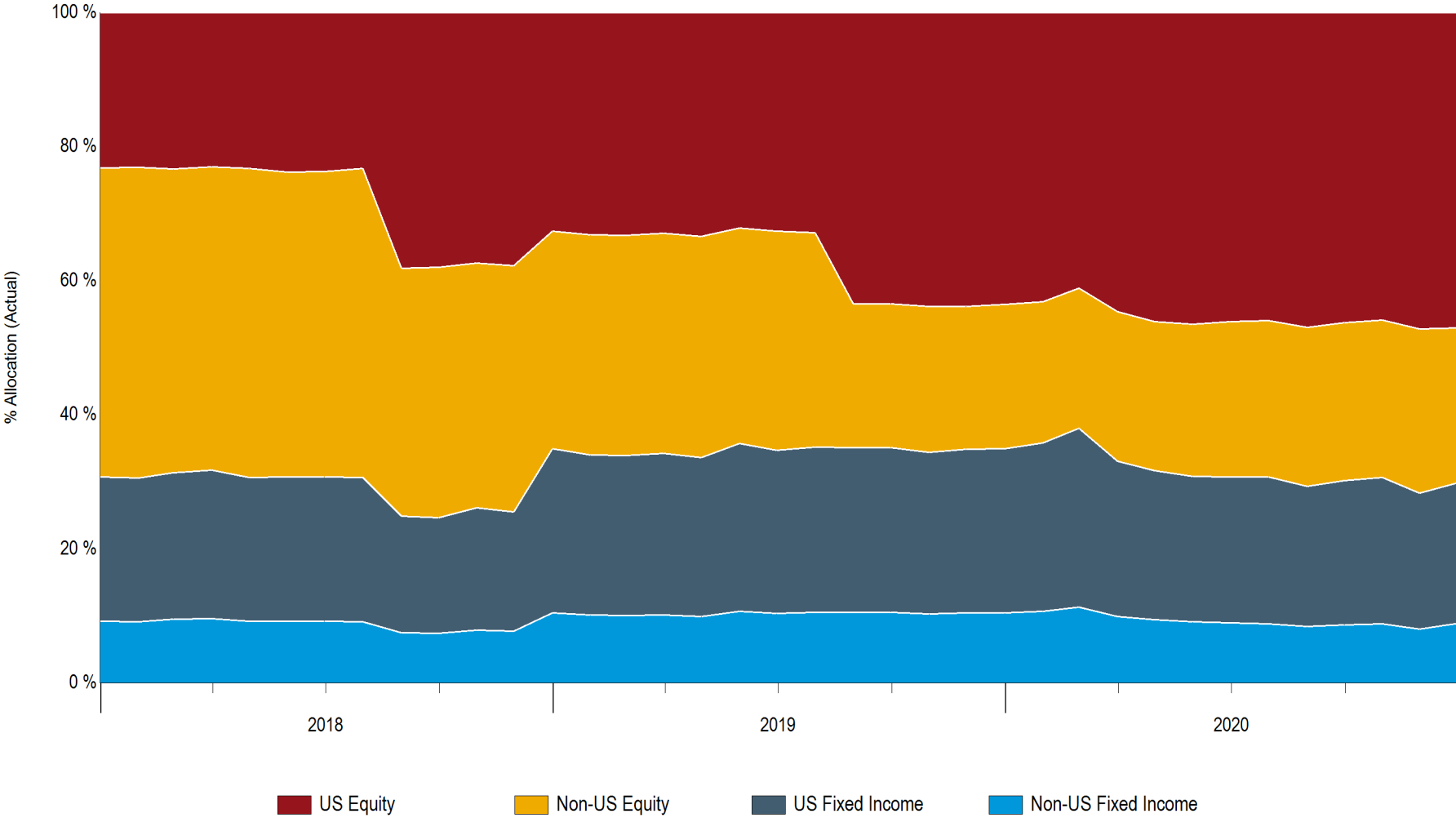
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# Asset Allocation History

3 Years Ending December 31, 2020



## Cash Flow Summary

	Fourth Quarter	Year-To-Date	One Year
Beginning Market Value	\$40,465,090	\$39,485,660	\$39,485,660
Net Cash Flow	\$3,151,548	\$2,468,827	\$2,468,827
Capital Appreciation	\$4,827,988	\$6,079,869	\$6,079,869
Income	\$325,563	\$735,833	\$735,833
Ending Market Value	\$48,770,189	\$48,770,189	\$48,770,189

## Quarter Ending December 31, 2020

	Beginning Market Value	Net Cash Flow	Capital Appreciation	Income	Ending Market Value
Vanguard® Intermediate-Term Investment-Grade Fund Admiral™ Shares	\$1,318,018	\$211,831	\$17,252	\$8,689	\$1,555,790
Vanguard® International Growth Fund Admiral™ Shares	\$2,696,242	-\$429,131	\$568,618	\$8,686	\$2,844,416
Vanguard® International Value Fund	\$2,206,396	\$73,715	\$479,422	\$43,489	\$2,803,022
Vanguard® Long-Term Investment-Grade Admiral Shares	\$1,097,536	\$135,738	\$25,840	\$9,081	\$1,268,195
Vanguard® PRIMECAP Fund Admiral™ Shares	\$4,752,965	\$316,275	\$620,512	\$57,760	\$5,747,512
Vanguard® Short-Term Investment-Grade Fund Admiral™ Shares	\$1,956,976	\$304,157	\$9,451	\$10,717	\$2,281,300
Vanguard® Total Bond Market Index Fund Admiral™ Shares	\$4,333,278	\$735,709	\$8,081	\$23,116	\$5,100,185
Vanguard® Total International Bond Index Fund Admiral™ Shares	\$3,498,464	\$822,756	\$30,600	\$8,698	\$4,360,518
Vanguard® Total International Stock Index Institutional Shares	\$4,625,850	\$222,467	\$731,993	\$54,206	\$5,634,516
Vanguard® Total Stock Market Index Institutional Shares	\$9,465,394	\$579,650	\$1,352,319	\$45,756	\$11,443,119
Vanguard® Windsor™ Fund Admiral™ Shares	\$4,513,970	\$178,382	\$983,900	\$55,366	\$5,731,618
<b>Total</b>	<b>\$40,465,090</b>	<b>\$3,151,548</b>	<b>\$4,827,988</b>	<b>\$325,563</b>	<b>\$48,770,189</b>

## Investment Expense Analysis as of December 31, 2020

Name	Market Value	% of Portfolio	Expense Ratio
<b>Total Equity</b>	<b>\$34,204,202</b>	<b>70.1%</b>	
<b>Equity Domestic</b>	<b>\$22,922,248</b>	<b>47.0%</b>	
Vanguard® PRIMECAP Fund Admiral™ Shares	\$5,747,512	11.8%	0.310%
Vanguard® Windsor™ Fund Admiral™ Shares	\$5,731,618	11.8%	0.200%
Vanguard® Total Stock Market Index Institutional Shares	\$11,443,119	23.5%	0.030%
<b>Equity International</b>	<b>\$11,281,954</b>	<b>23.1%</b>	
Vanguard® International Value Fund	\$2,803,022	5.7%	0.380%
Vanguard® International Growth Fund Admiral™ Shares	\$2,844,416	5.8%	0.330%
Vanguard® Total International Stock Index Institutional Shares	\$5,634,516	11.6%	0.080%
<b>Total Fixed Income</b>	<b>\$14,565,987</b>	<b>29.9%</b>	
<b>Fixed Income Domestic</b>	<b>\$10,205,469</b>	<b>20.9%</b>	
Vanguard® Intermediate-Term Investment-Grade Fund Admiral™ Shares	\$1,555,790	3.2%	0.100%
Vanguard® Short-Term Investment-Grade Fund Admiral™ Shares	\$2,281,300	4.7%	0.100%
Vanguard® Total Bond Market Index Fund Admiral™ Shares	\$5,100,185	10.5%	0.050%
Vanguard® Long-Term Investment-Grade Admiral Shares	\$1,268,195	2.6%	0.120%
<b>Fixed Income International</b>	<b>\$4,360,518</b>	<b>8.9%</b>	
Vanguard® Total International Bond Index Fund Admiral™ Shares	\$4,360,518	8.9%	0.110%
<b>Total</b>	<b>\$48,770,189</b>	<b>100.0%</b>	<b>0.143%</b>

## Market Performance as of December 31, 2020

Name	Q4-20	1 Yr	3 Yrs	5 Yrs	10 Yrs
US Equity					
CRSP US Total Market TR USD	14.7	21.0	14.5	15.4	13.7
S&P 500	12.1	18.4	14.2	15.2	13.9
S&P 400 MidCap	24.4	13.7	8.4	12.3	11.5
S&P 600 SmallCap	31.3	11.3	7.7	12.4	11.9
International Equity					
MSCI Emerging Markets	19.7	18.3	6.2	12.8	3.6
MSCI Emerging Markets NR LCL	16.0	19.1	8.1	12.6	6.6
MSCI EAFE	16.0	7.8	4.3	7.4	5.5
MSCI EAFE NR LCL	11.4	0.8	3.0	5.8	6.8
MSCI ACWI ex USA	17.0	10.7	4.9	8.9	4.9
Fixed Income Domestic					
BBgBarc US Aggregate TR	0.7	7.5	5.3	4.4	3.8
BBgBarc US Corporate 1-5 Years TR	1.1	5.4	4.4	3.7	3.3
BBgBarc US Credit/Corp 5-10 Yr TR	2.4	9.7	7.2	6.6	5.8
BBgBarc US Corporate Long TR	5.1	13.9	9.4	10.2	8.3
BBgBarc US Govt/Credit Long TR	1.7	16.1	9.8	9.3	8.2
BBgBarc US Treasury Strips 20-30 Yr Equal Parity TR	-3.7	24.0	12.6	10.4	11.3
BBgBarc US High Yield TR	6.5	7.1	6.2	8.6	6.8
BBgBarc US Govt TR	-0.8	7.9	5.2	3.8	3.3
BBgBarc US Credit TR	2.8	9.4	6.8	6.4	5.4
BBgBarc US Treasury 1-5 Yr TR	0.0	4.4	3.4	2.4	1.8
BBgBarc US Treasury 5-10 Yr TR	-0.8	9.1	5.9	4.2	4.0
BBgBarc US Treasury Long TR	-3.0	17.7	9.9	7.8	7.8
BBgBarc US Treasury TIPS 0-5 Yr TR	1.3	5.1	3.5	2.8	1.8
BBgBarc US TIPS TR	1.6	11.0	5.9	5.1	3.8
Fixed Income International					
BBgBarc Global Aggregate ex US Tres Hedged TR	0.9	3.9	4.9	4.4	4.4
BBgBarc Emerging Markets TR	4.5	6.5	5.5	6.9	6.0
REIT					
MSCI US REIT Gross	11.5	-7.6	3.5	4.8	8.3

## Benchmark History as of December 31, 2020

LAKESHORE COMMUNITY FOUNDATION INC		
9/1/2019	Present	43.55% Spliced Total Stock Market Index / 21.45% Spliced Total International Stock Index / 24.5% Spliced Bloomberg Barclays US Aggregate Float Adjusted Index / 10.5% Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged
12/1/2018	8/31/2019	32.5% Spliced Total Stock Market Index / 32.5% Spliced Total International Stock Index / 24.5% Spliced Bloomberg Barclays US Aggregate Float Adjusted Index / 10.5% Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged
1/1/2018	11/30/2018	37.5% Spliced Total Stock Market Index / 37.5% Spliced Total International Stock Index / 17.5% Spliced Bloomberg Barclays US Aggregate Float Adjusted Index / 7.5% Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged
Equity Domestic		
12/31/2017	Present	100% CRSP US Total Market TR USD
Vanguard® PRIMECAP Fund Admiral™ Shares		
12/31/2017	Present	Russell 1000 Growth
Vanguard® Windsor™ Fund Admiral™ Shares		
12/31/2017	Present	Russell 1000 Value
Vanguard® Total Stock Market Index Institutional Shares		
7/31/2018	Present	100% CRSP US Total Market TR USD
Equity International		
12/31/2017	Present	100% FTSE Global All-Cap ex-US Index
Vanguard® International Value Fund		
12/31/2017	Present	100% MSCI ACWI ex USA
Vanguard® International Growth Fund Admiral™ Shares		
12/31/2017	Present	100% MSCI ACWI ex USA
Vanguard® Total International Stock Index Institutional Shares		
1/31/2018	Present	100% FTSE Global All-Cap ex-US Index
Fixed Income Domestic		
12/31/2017	Present	100% BBgBarc US Aggregate Float Adjusted TR
Vanguard® Intermediate-Term Investment-Grade Fund Admiral™ Shares		
12/31/2017	Present	BBgBarc US Credit 5-10 Yr TR

## Benchmark History as of December 31, 2020

### Vanguard® Short-Term Investment-Grade Fund Admiral™ Shares

12/31/2017	Present	BBgBarc US Credit 1-5 Yr TR
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### Vanguard® Total Bond Market Index Fund Admiral™ Shares

12/31/2017	Present	100% BBgBarc US Aggregate Float Adjusted TR
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### Vanguard® Long-Term Investment-Grade Admiral Shares

10/31/2019	Present	BBgBarc US Credit Long A+ TR
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### Fixed Income International

12/31/2017	Present	Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged
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### Vanguard® Total International Bond Index Fund Admiral™ Shares

12/31/2017	Present	Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged
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Total Portfolio returns represent client-specific time-weighted returns (TWR) are presented gross of any applicable service fees with the exception of mutual fund expense ratios and other security-level expenses.

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

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

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

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