

**Orange Coast College Foundation
Board of Directors Meeting Minutes**

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Orange Coast College Foundation
Executive Brief

March 15, 2021

The following summarizes the status of the investment programs for the Orange Coast College Foundation for the period ending February 28, 2021.

The Foundation's investment policy provides for a well diversified portfolio with asset allocation guidelines including a policy normal level and available ranges for each asset class. Currently the portfolio holds Equities at 65%, Fixed Income at 18%, Real Assets at 2% and Alternative Assets (private equity and hedge funds) at 10%. The portfolio is in compliance with the investment policy asset allocation guidelines and there are no conditions for attention.

The total return calendar year to date through February has been a positive 1.7% net of fees. Equities returned 2.5%, Fixed Income a negative 0.6% and Real Assets 0%. The total value is \$2,106,988 versus \$2,856,840 as of 12/31/20. Over the past five years the compounded annual total return has been 10.28% net of fees. Over that period Equities provided a compound annualized return of 11%, Fixed Income 5% and Real Assets 10.0%.

The Foundation also retains a secondary investment program allocated exclusively to cash and investment grade fixed income. Total return calendar year to date has been negative 0.9% net of fees. Fixed Income returned negative 0.95% and cash 0.0%. The total value is \$7,142 which is less than the \$622,743 as of 12/31/20. Over the past five years the compounded annual total return has been 1.3% net of fees. Over that period Fixed Income returned 0.7% and cash 1.0%.

Northern Trust's twelve month view of the general economic conditions is that equities will outperform bonds given the ongoing recovery and increased optimism on herd immunity. The removal of a downside risk on the pandemic is supportive to the outlook. Risk cases are now focused on sustained higher inflation and potentially adverse policy impacts on financial markets. Relative performance of the asset classes most damaged by the virus will improve considerably as the recovery continues and investors expect a return towards normalcy starting in mid 2021. However, structurally advantaged areas of the market will remain attractive long term due to better fundamentals.

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