



# Episcopal Foundation of Dallas

May 2021

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# Agenda

- I. Financial Market Review
- II. Portfolio Performance
- III. Fees and Expenses
- IV. Economic and Market Outlook

**Presented by:**

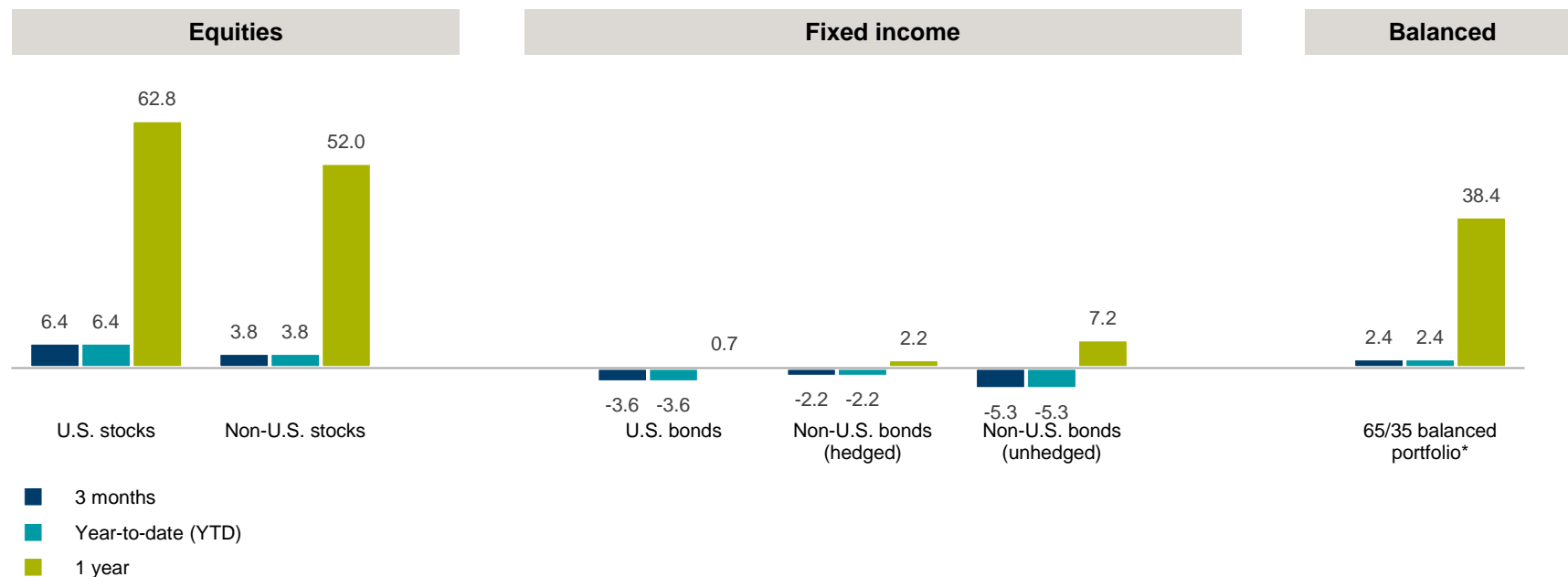
Geoffrey Hall, CFA, CAIA  
Senior Investment Consultant  
Vanguard Institutional Advisory Services®

# Financial Market Review

## Global equity markets add \$5 trillion to market cap on fiscal stimulus and liquidity surge

- U.S. equities advanced, led by the industrial-heavy/cyclical Dow (+8%), with the tech-heavy/growth Nasdaq (+3%) trailing. S&P rose +6.2%.
- In a major reversal from 2020, European markets handily outperformed the U.S. Over Q1 2021, the DAX (+9.4%), the FTSE MIB (+11.3%) and STOXX 600 (+8.4%) helped global stocks add +\$5 trillion in market cap. The Nikkei added 7.1%, continuing its year-long outperformance vs. the S&P 500.
- Experts can be wrong. If there was one consensus trade going into 2021, it was to short the U.S. Dollar. Confounding the pros, the dollar had a strong Q1. The USD rose against the Yen (USDJPY +7%) and the Euro fell against the dollar (EURUSD -4%). The Euro heavy dollar index DXY rose over 3%. The dollar also rose against EM currencies (+2.5% trade weighted).
- Even with the strong dollar, commodities as measured by the Bloomberg Commodity Index (+6.9%) were among the best performing assets for the quarter. While rising rates hurt precious metals, oil (WTI) rose 22% and copper advanced 14%. Strong agricultural prices also contributed to the reflation/recovery theme. A blockage of the Suez Canal contributed to rising oil prices and exacerbated concerns over the growing fragility of global supply chains.

### Global market returns as of March 31, 2021 (%)



**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 Barclays, CRSP, and FTSE.

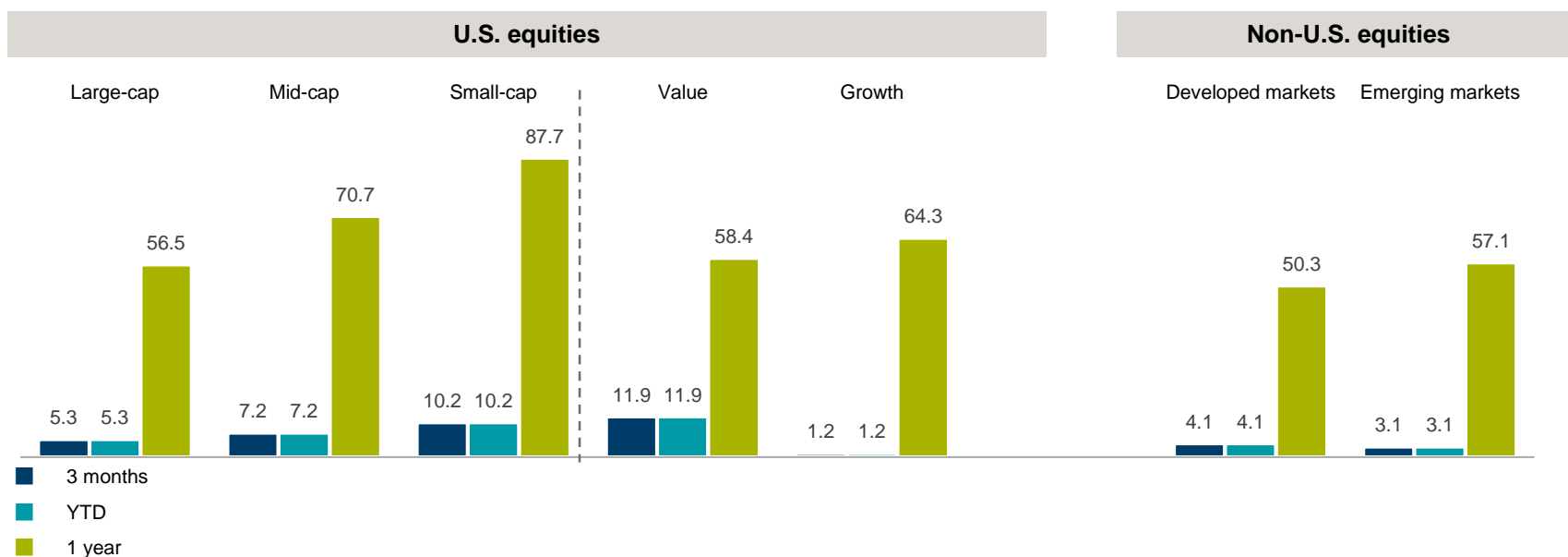
U.S. stocks (CRSP U.S. Total Market Index), non-U.S. stocks (FTSE Global All-Cap ex-US Index), U.S. bonds (Bloomberg Barclays U.S. Aggregate Float Adjusted Index), non-U.S. bonds hedged (Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Index hedged), non-U.S. bonds unhedged (Bloomberg Barclays Global Aggregate Index ex USD).

\* 65/35 balanced portfolio Static Composite (39% U.S. stocks, 26% international stocks, and 24.5% investment-grade U.S. bonds, 10.5% investment-grade international bonds).

## Stocks across market cap and style see significant divergence

- The surge in U.S. rates and rally in the dollar were a drag on emerging markets, despite commodity strength. The quarter saw significant political and economic turmoil in EM giants, Brazil and Turkey.
- The rotation into value accelerated in Q1.
- Small cap stocks attracted the attention of day traders, leading to a surge in volatility.

### Global equity market returns as of March 31, 2021 (%)



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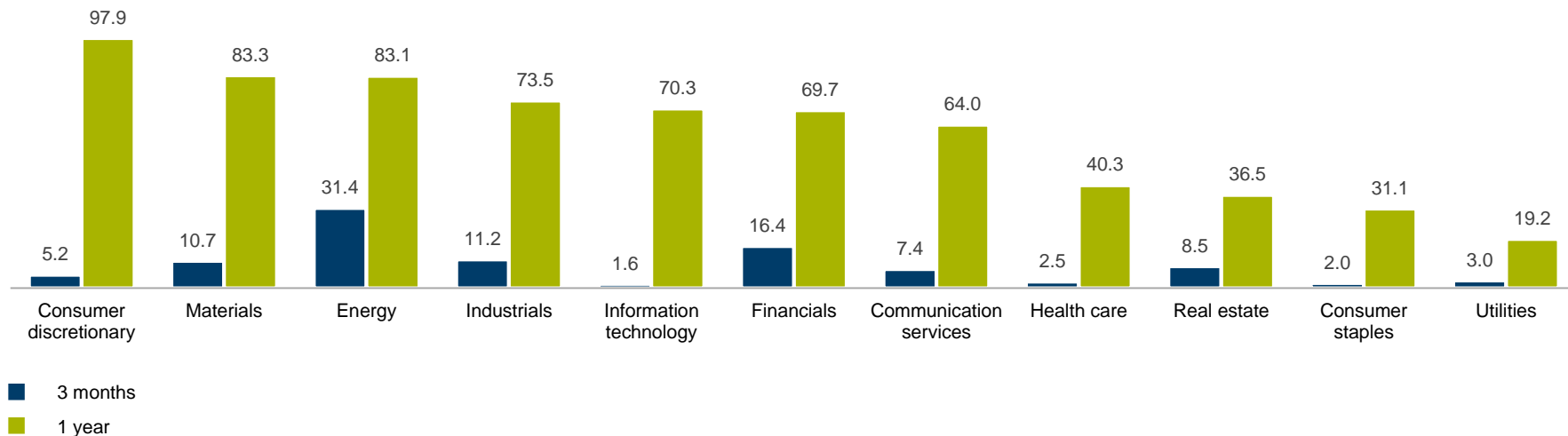
Sources: CRSP, FTSE, and Russell.

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

## U.S. sector performance: Record inflows, rotation, and bifurcation

- Q1 saw the largest inflows to equity funds on record. But there was bifurcation among sectors and extreme volatility in some widely owned names. Apple tumbled 15% in January, Tesla lost over a quarter-trillion dollars in market value in three weeks, \$1.5 trillion was wiped off the Nasdaq in less than a month. However, all recovered strongly as rates stabilized in March. As rates rose, a broad rotation into value from growth accelerated. Value stocks outperformed growth while cyclical stocks outperformed long duration stocks. Financial stocks rose globally in response to steeper curves.
- Leveraged trades made for dramatic headlines. Q1 saw the collapse of (highly leveraged) Archegos, the biggest hedge fund blow up since LTCM in 1998. We saw the GameStop saga, as retail investors embraced leverage, via options. And as retail traders turned to small caps, Q1 set records with 80% more 10-sigma upside shocks in small caps this year than ever before.

### U.S. equity sector returns as of March 31, 2021 (%)



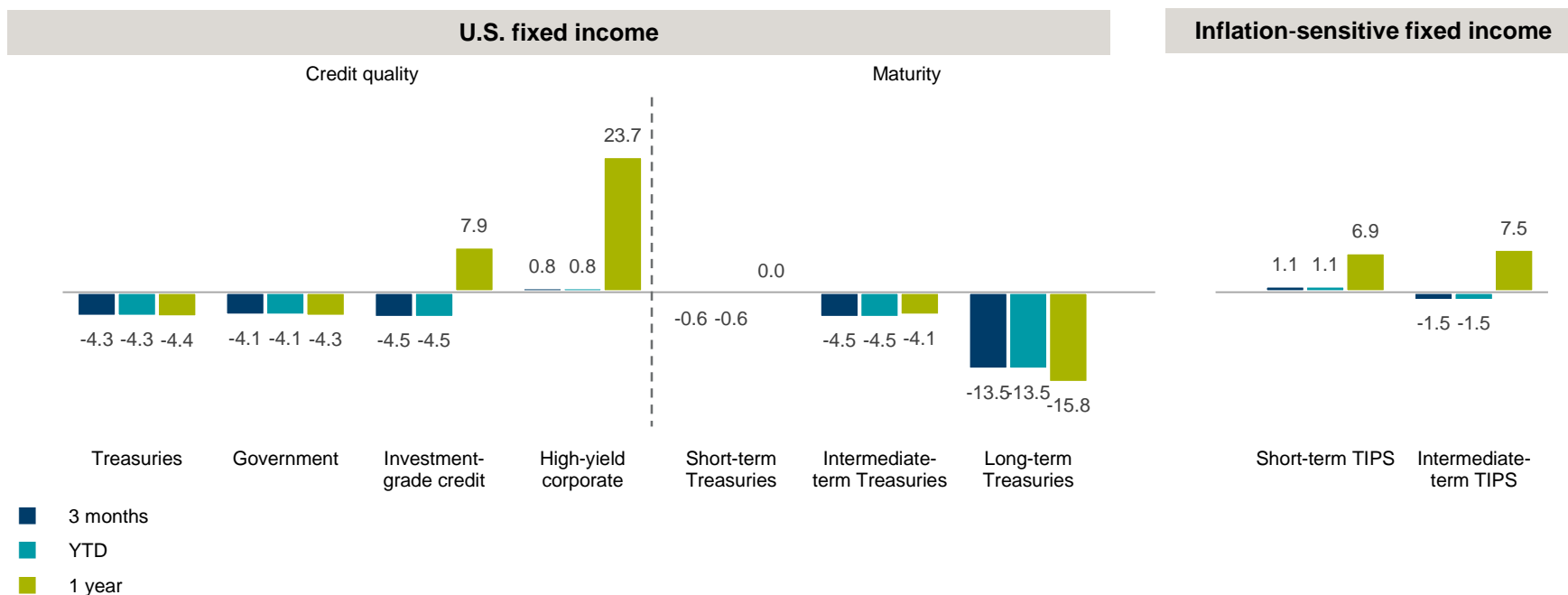
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Source: FactSet.  
U.S. markets measured by CRSP U.S. Total Market Index.

## Curves steepen, UST yields surge on fiscal stimulus

- The first quarter of 2021 saw a massive rise in U.S. Treasury yields. 10-yr UST yield surged from 0.91% to 1.74% (83 bps) the largest rise in absolute terms since the November 2016 presidential elections. This began early in the year as the results of the Georgia Senate runoffs meant Democrats would control both houses of Congress under the incoming Biden administration and allow them to pursue massive fiscal stimulus, totaling more than \$4 trillion.
- Short-term rates remained near zero, but 1-month UST bills and overnight repo both traded below zero, albeit briefly. The quarter ended with \$4.44 trillion sitting in U.S. money market funds.
- This was the worst first quarter for 30-year Treasury since 1919, the worst first quarter for IG bonds since 1980, and the worst first quarter for gold since 1982. U.S. 5-yr inflation break-evens rose to the highest level since the GFC of 2008 (approximately 2.60%). However, high-yield bonds barely budged (shorter duration than IG and UST) and U.S. Junk Bond sales hit a new record for the quarter at slightly over \$140 billion.

### Domestic fixed income market returns as of March 31, 2021 (%)



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Source: Bloomberg Barclays.

Treasuries, government, investment-grade credit; high-yield (Bloomberg Barclays U.S. Treasury/Government/Credit/Corporate High-Yield Indices); short-inter-long-term Treasuries (Bloomberg Barclays U.S. 1-5/5-10/Long Treasury Indices); short-term TIPS (Bloomberg Barclays U.S. Treasury 0-5 Year Inflation-Protected Index); intermediate-term TIPS (Bloomberg Barclays U.S. Treasury Inflation-Protected Index).



## Indexing is a powerful approach: 2020 SPIVA® U.S. Scorecard

### Percentage of U.S. equity funds outperformed by benchmarks

Fund category	Comparison index	1-year (%)	3-year (%)	5-year (%)	10-year (%)	20-year (%)
All large-cap funds	S&P 500	60.3	69.7	75.3	82.3	94.0
All mid-cap funds	S&P MidCap 400	50.7	53.5	59.7	72.8	88.0
All small-cap funds	S&P SmallCap 600	45.5	57.0	65.1	76.3	88.1

### Percentage of international equity funds outperformed by benchmarks

Fund category	Comparison index	1-year (%)	3-year (%)	5-year (%)	10-year (%)	20-year (%)
Global funds	S&P Global 1200	54.4	61.7	70.0	82.6	86.6
International funds	S&P 700	54.6	63.3	74.4	79.5	91.3
International small cap funds	S&P Developed Ex US Small Cap	51.9	61.4	68.4	62.2	88.5
Emerging markets funds	S&P/IFCI Composite	52.0	61.0	70.5	71.4	92.2

### Percentage of fixed income funds outperformed by benchmarks

Fund category	Comparison index	1-year (%)	3-year (%)	5-year (%)	10-year (%)	15-year (%)
Investment-grade long funds	Barclays US Government/Credit Long	94.4	97.7	97.8	98.4	97.1
Investment-grade intermediate funds	Barclays US Government/Credit Intermediate	33.5	44.6	41.1	50.2	65.8
Investment-grade short funds	Barclays US Government/Credit (1-3 Year)	44.0	63.2	42.7	43.3	71.0
High-yield funds	Barclays US Corporate High Yield	77.7	91.4	95.3	97.2	98.5
Global income funds	Barclays Global Aggregate	69.1	66.0	64.6	63.3	62.5
Emerging markets debt funds (hedged)	Barclays Emerging Markets	64.4	93.2	77.6	100.0	86.7



Lowest (%) of benchmark  
outperformance

Highest (%) of benchmark  
outperformance

Source: S&P Dow Jones Indices 2020 SPIVA® U.S. Scorecard. Data as of 12/31/2020.

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## Vanguard active funds are Barron's top long-term performers

### Barron's Best Fund Family 2020



for **ten-year**  
returns



for **five-year**  
returns<sup>1</sup>

These awards, especially the five- and ten-year rankings, reflect our commitment to outstanding active offerings and long-term investment performance:

- 84% of our active funds outperformed their peer-group average over five and ten years.<sup>2</sup>
- We've been offering active funds since our start, and they now represent more than \$1 trillion in assets under management.<sup>3</sup>
- We have top portfolio manager talent, both internal and external, plus an oversight committee that meets with about 200 asset managers annually to identify new portfolio managers.

<sup>1</sup> Barron's story on February 19, 2021, calculated returns before all fees, loads, or charges were deducted. Index funds were excluded. Results were asset-weighted and ranked against actively managed peers in the relevant Lipper category. For more information please visit [www.barron's.com](http://www.barron's.com).

<sup>2</sup> Source: Lipper, a Thomson Reuters Company.

For the three-year period, 79 of 110 Vanguard funds outperformed their peer-group averages; for the five-year period, 83 of 102 Vanguard funds outperformed; for the ten-year period, 81 of 94 Vanguard funds outperformed. All data as of December 31, 2020. Results will vary for other time periods. Only funds with a minimum of three-, five-, or ten-year history, respectively, were included in the comparison.

*Note that the competitive performance data shown represent past performance, which is not a guarantee of future results, and that all investments are subject to risks. For the most recent performance, visit our website at [www.vanguard.com/performance](http://www.vanguard.com/performance).*

<sup>3</sup> Source: Vanguard, as of December 31, 2020.

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## Important information

All investing is subject to risk, including the possible loss of the money you invest. Diversification does not ensure a profit or protect against a loss.

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

Vanguard won first place in the Barron's/Lipper Top Fund Families rankings for five- and 10-year performance, as featured in Barron's February 19, 2021, issue. Vanguard won 3rd place for one-year performance.

To be included in the survey, a firm must have at least three funds in the general equity category: one world equity, one mixed asset (such as a balanced or target-date fund), two taxable bonds, and one national tax-exempt bond fund. Index funds are excluded from the survey.

Barron's rankings are asset-weighted and based on relative performance for managed funds in those broad categories. To measure a manager's skill, rankings are independent of expenses beyond annual management fees. Aggregate fund family performance rankings, while informative, are not indicative of future success of any individual fund. Investors should not rely solely on such rankings in choosing investments for their portfolios.

Each fund's performance is measured against all of the other funds in its Lipper category, with a percentile ranking of 100 being the highest and 1 the lowest. This result is then weighted by asset size, relative to the fund family's other assets in its general classification. If a family's biggest funds do well, that boosts its overall showing; poor performance in its biggest funds hurts a firm's ranking.

Barron's has historically excluded single-sector and single-country stock funds, but those are now included as part of the general equity category. The magazine excludes all index funds, including pure index, enhanced index, and index-based. But Barron's includes actively managed exchange-traded funds (ETFs) with indexing strategies that are not the traditional capitalization-weighted or equal-weighted.

Finally, the score is multiplied by the weighting of its general classification, as determined by the entire Lipper universe of funds. The category weightings for the one-year results in 2020 were general equity, 35.6%; mixed asset, 20.7%; world equity, 17.3%; taxable bond, 21.9%; and tax-exempt bond, 4.8%. The category weightings for the five-year results were general equity, 36.2%; mixed asset, 20.9%; world equity, 16.9%; taxable bond, 21.6%; and tax-exempt bond, 4.4%. For the 10-year results, they were general equity, 37.5%; mixed asset, 19.5%; world equity, 17.3%; taxable bond, 20.8%; and tax-exempt bond, 4.8%. All 2020 data taken from Barron's Best Fund Families of 2020, posted February 19, 2021.

The scoring: Say a fund in the general U.S. equity category has \$500 million in assets, accounting for half of the firm's assets in that category, and its performance lands it in the 75th percentile for the category. The first calculation would be 75 times 0.5, which equals 37.5. That score is then multiplied by 35.4%, general equity's overall weighting in Lipper's universe. So it would be 37.5 times 0.354, which equals 13.28. Similar calculations are done for each fund in our study. Then the numbers are added for each category and overall. The shop with the highest total score wins. The same process is repeated to determine the five- and 10-year rankings.

Visit Barrons.com for more information about the Barron's/Lipper Top Fund Families rankings.

Vanguard funds not held in a brokerage account are held by The Vanguard Group, Inc., and are not protected by SIPC. Brokerage assets are held by Vanguard Brokerage Services®, a division of Vanguard Marketing Corporation, member FINRA and SIPC.

# Portfolio Performance

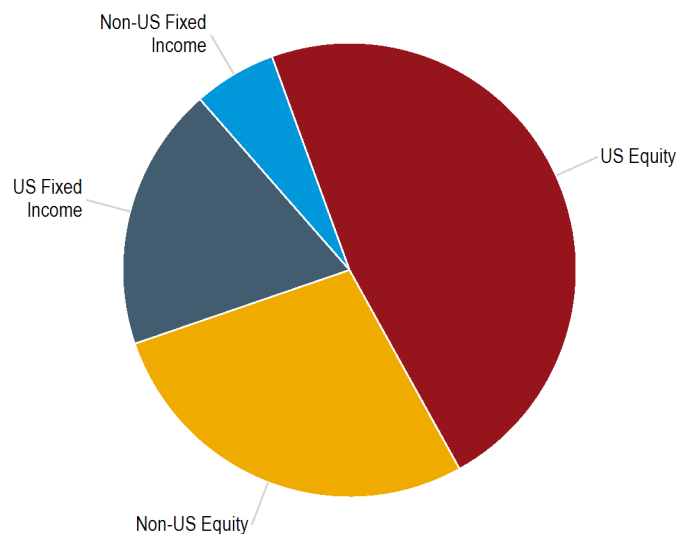
## Total Portfolio Performance & Asset Allocation

Performance Summary ending March 31, 2021

	Market Value (\$)	2021 Q1 (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>EPISCOPAL FOUNDATION OF DALLAS</b>	<b>43,915,171</b>	<b>4.42</b>	<b>45.91</b>	<b>11.49</b>	<b>11.92</b>	--	<b>9.94</b>	<b>Jun-15</b>
<b>EPISCOPAL FOUNDATION OF DALLAS (Net)</b>		<b>4.39</b>	<b>45.77</b>	<b>11.37</b>	<b>11.80</b>	--	<b>9.83</b>	
Composite Benchmark		3.48	41.44	11.13	11.12	--	9.46	Jun-15

- Composite Benchmark = 6% Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged / 6% Real Estate Spliced Index / 18% Spliced Bloomberg Barclays US Aggregate Float Adjusted Index / 28% Spliced Total International Stock Index / 42% Spliced Total Stock Market Index

Current Allocation as of March 31, 2021



	Current \$	Current %	Policy	Difference*
US Equity	\$20,864,785	47.5%	47.0%	0.5%
Non-US Equity	\$12,211,444	27.8%	28.0%	-0.2%
US Fixed Income	\$8,234,816	18.8%	19.0%	-0.2%
Non-US Fixed Income	\$2,604,127	5.9%	6.0%	-0.1%
<b>Total</b>	<b>\$43,915,171</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 March 31, 2021

	Market Value (\$)	% of Portfolio	2021 Q1 (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>EPISCOPAL FOUNDATION OF DALLAS</b>	<b>43,915,171</b>	<b>100.00</b>	<b>4.42</b>	<b>45.91</b>	<b>11.49</b>	<b>11.92</b>	--	<b>9.94</b>	<b>Jun-15</b>
<b>EPISCOPAL FOUNDATION OF DALLAS (Net)</b>			<b>4.39</b>	<b>45.77</b>	<b>11.37</b>	<b>11.80</b>	--	<b>9.83</b>	
Composite Benchmark			3.48	41.44	11.13	11.12	--	9.46	Jun-15
<b>Total Equity</b>	<b>33,076,229</b>	<b>75.32</b>	<b>6.62</b>	<b>63.45</b>	<b>13.45</b>	<b>15.11</b>	--	<b>11.96</b>	<b>Jun-15</b>
<b>Equity Domestic</b>	<b>20,864,785</b>	<b>47.51</b>	<b>8.85</b>	<b>64.00</b>	<b>15.73</b>	<b>16.49</b>	--	<b>13.75</b>	<b>Jun-15</b>
Spliced Total Stock Market Index			6.43	62.75	17.14	16.67	13.80	14.24	Jun-15
<b>Equity International</b>	<b>12,211,444</b>	<b>27.81</b>	<b>3.17</b>	<b>62.28</b>	<b>9.96</b>	<b>12.93</b>	--	<b>9.19</b>	<b>Jun-15</b>
Spliced Total International Stock Index			3.81	51.96	6.71	9.95	5.24	6.84	Jun-15
<b>Total Fixed Income</b>	<b>10,838,942</b>	<b>24.68</b>	<b>-2.89</b>	<b>3.22</b>	<b>4.70</b>	<b>3.38</b>	--	<b>3.61</b>	<b>Jun-15</b>
<b>Fixed Income Domestic</b>	<b>8,234,816</b>	<b>18.75</b>	<b>-3.07</b>	<b>3.64</b>	<b>4.96</b>	<b>3.42</b>	--	<b>3.56</b>	<b>Jun-15</b>
Spliced Bloomberg Barclays US Aggregate Float Adjusted Index			-3.56	0.72	4.69	3.14	3.47	3.38	Jun-15
<b>Fixed Income International</b>	<b>2,604,127</b>	<b>5.93</b>	<b>-2.31</b>	<b>1.98</b>	<b>3.95</b>	<b>3.26</b>	--	<b>3.78</b>	<b>Jun-15</b>
Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged			-2.22	2.20	4.18	3.50	--	4.02	Jun-15

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.

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## Performance Summary (Gross of Advisory Fees) ending March 31, 2021

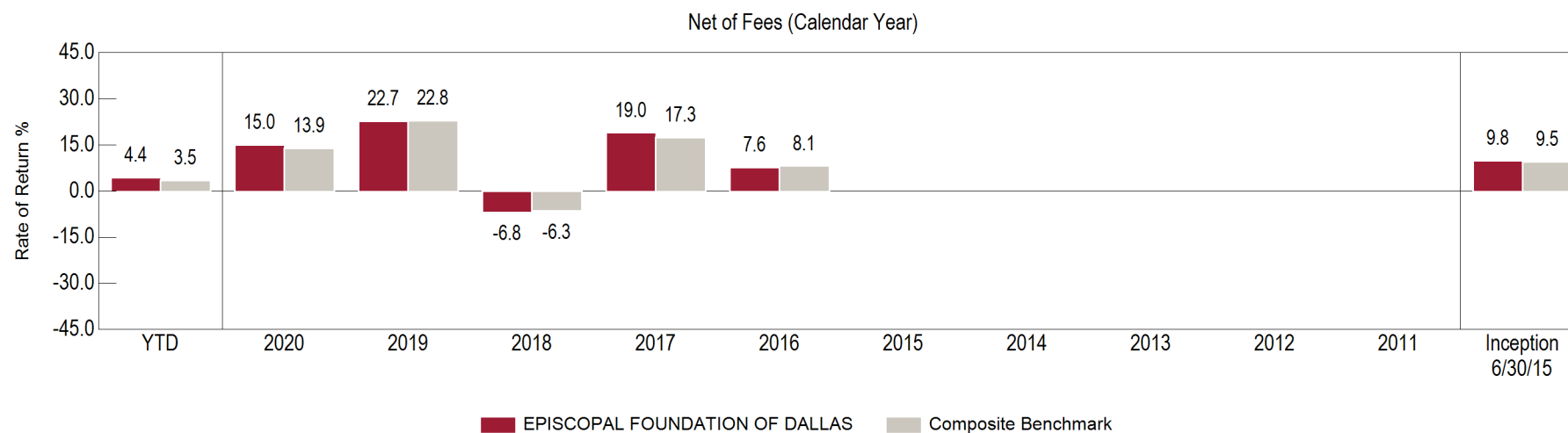
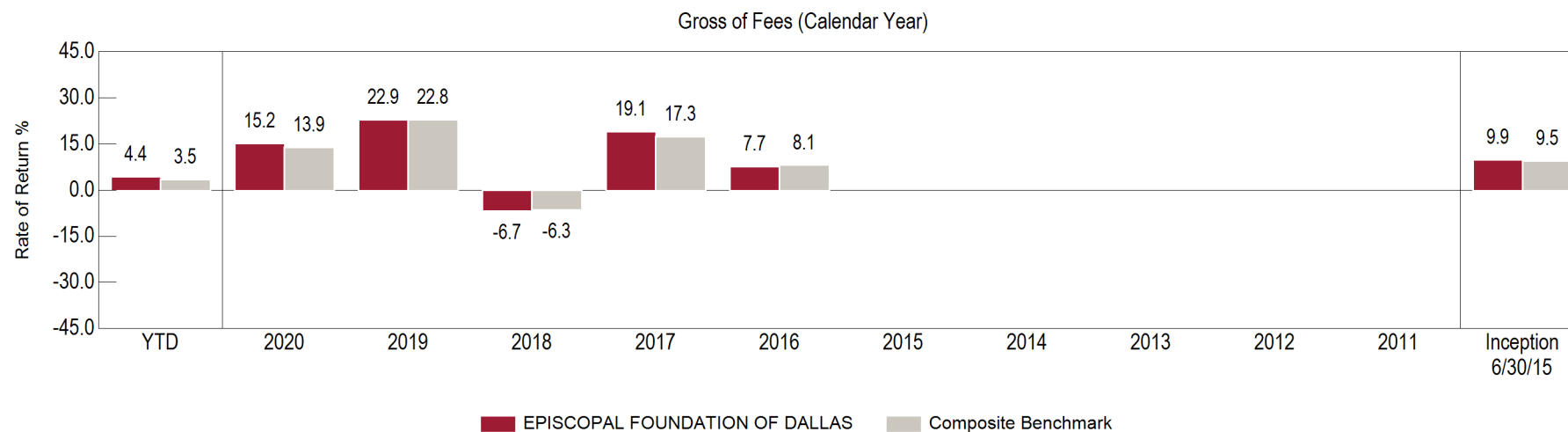
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Composite Benchmark			3.48	41.44	11.13	11.12	--	9.46	Jun-15
<b>Total Equity</b>	<b>33,076,229</b>	<b>75.32</b>	<b>6.62</b>	<b>63.45</b>	<b>13.45</b>	<b>15.11</b>	<b>--</b>	<b>11.96</b>	<b>Jun-15</b>
<b>Equity Domestic</b>	<b>20,864,785</b>	<b>47.51</b>	<b>8.85</b>	<b>64.00</b>	<b>15.73</b>	<b>16.49</b>	<b>--</b>	<b>13.75</b>	<b>Jun-15</b>
Spliced Total Stock Market Index			6.43	62.75	17.14	16.67	13.80	14.24	Jun-15
Vanguard® Total Stock Market Index Fund Institutional Shares	11,562,157	26.33	6.43	62.73	17.14	16.66	13.80	14.23	Jun-15
Spliced Total Stock Market Index			6.43	62.75	17.14	16.67	13.80	14.24	Jun-15
Multi-Cap Core Funds Average			6.97	60.06	13.84	13.85	11.10	11.23	Jun-15
Vanguard® PRIMECAP Fund Admiral™ Shares	4,664,754	10.62	10.07	61.74	16.80	18.83	15.62	16.17	Jun-15
Russell 1000 Growth			0.94	62.74	22.80	21.05	16.63	18.56	Jun-15
Multi-Cap Growth Funds Average			1.47	68.37	20.90	19.54	14.03	15.78	Jun-15
Vanguard® Windsor™ Fund Admiral™ Shares	4,637,874	10.56	12.69	68.56	11.67	13.68	11.61	10.25	Jun-15
Russell 1000 Value			11.25	56.09	10.96	11.74	10.99	9.82	Jun-15
Multi-Cap Value Funds Average			12.50	61.78	9.21	10.86	9.45	8.59	Jun-15
<b>Equity International</b>	<b>12,211,444</b>	<b>27.81</b>	<b>3.17</b>	<b>62.28</b>	<b>9.96</b>	<b>12.93</b>	<b>--</b>	<b>9.19</b>	<b>Jun-15</b>
Spliced Total International Stock Index			3.81	51.96	6.71	9.95	5.24	6.84	Jun-15
Vanguard® Total International Stock Index Fund Inst Shares	6,130,638	13.96	3.95	52.83	6.54	10.00	5.25	6.81	Jun-15
Spliced Total International Stock Index			3.81	51.96	6.71	9.95	5.24	6.84	Jun-15
International Funds Average			3.48	51.22	6.63	9.32	5.42	6.42	Jun-15
Vanguard® International Value Fund	3,048,264	6.94	5.74	56.36	6.07	9.76	5.47	6.11	Jun-15
Spliced International Index			3.49	49.41	6.51	9.76	4.93	6.53	Jun-15
International Funds Average			3.48	51.22	6.63	9.32	5.42	6.42	Jun-15
Vanguard® International Growth Fund Admiral™ Shares	3,032,542	6.91	-1.02	87.15	20.69	22.01	11.92	17.02	Jun-15
Spliced International Index			3.49	49.41	6.51	9.76	4.93	6.53	Jun-15
International Funds Average			3.48	51.22	6.63	9.32	5.42	6.42	Jun-15
<b>Total Fixed Income</b>	<b>10,838,942</b>	<b>24.68</b>	<b>-2.89</b>	<b>3.22</b>	<b>4.70</b>	<b>3.38</b>	<b>--</b>	<b>3.61</b>	<b>Jun-15</b>
<b>Fixed Income Domestic</b>	<b>8,234,816</b>	<b>18.75</b>	<b>-3.07</b>	<b>3.64</b>	<b>4.96</b>	<b>3.42</b>	<b>--</b>	<b>3.56</b>	<b>Jun-15</b>
Spliced Bloomberg Barclays US Aggregate Float Adjusted Index			-3.56	0.72	4.69	3.14	3.47	3.38	Jun-15

## Performance Summary (Gross of Advisory Fees) ending March 31, 2021

	Market Value (\$)	% of Portfolio	2021 Q1 (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Vanguard® Total Bond Market Index Fund Admiral™ Shares	4,328,523	9.86	-3.61	0.54	4.63	3.07	3.39	3.31	Jun-15
Spliced Bloomberg Barclays US Aggregate Float Adjusted Index			-3.56	0.72	4.69	3.14	3.47	3.38	Jun-15
Spliced Intermediate-Term Investment-Grade Debt Funds Average			-2.95	4.60	4.78	3.33	3.45	3.35	Jun-15
Vanguard® Inter-Term Investment-Grade Fund Adm™ Shares	2,600,417	5.92	-3.52	7.05	6.06	4.15	4.62	4.40	Jun-15
BBgBarc US Credit 5-10 Yr TR			-3.90	9.46	6.49	4.72	5.15	4.85	Jun-15
Spliced Core Bond Funds Average			-2.95	4.60	4.78	3.33	3.45	3.35	Jun-15
Vanguard® Short-Term Investment-Grade Fund Adm™ Shares	1,305,877	2.97	-0.47	6.36	4.01	2.93	2.64	2.88	Jun-15
BBgBarc US Credit 1-5 Yr TR			-0.57	5.88	4.31	3.06	2.90	2.97	Jun-15
1-5 Year Investment-Grade Debt Funds Average			-0.22	6.00	3.24	2.43	2.02	2.22	Jun-15
<b>Fixed Income International</b>	<b>2,604,127</b>	<b>5.93</b>	<b>-2.31</b>	<b>1.98</b>	<b>3.95</b>	<b>3.26</b>	<b>--</b>	<b>3.78</b>	<b>Jun-15</b>
Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged			-2.22	2.20	4.18	3.50	--	4.02	Jun-15
Vanguard® Total International Bond Index Fund Adm™ Shares	2,604,127	5.93	-2.31	1.98	3.95	3.26	--	3.78	Jun-15
Bloomberg Barclays Global Aggregate ex-USD Float Adjusted RIC Capped Hedged			-2.22	2.20	4.18	3.50	--	4.02	Jun-15
International Income Funds Average			-3.86	8.41	1.37	2.44	1.75	2.64	Jun-15



## Total Portfolio Performance



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

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

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

## Cash Flow Summary

	First Quarter	Year-To-Date	One Year
Beginning Market Value	\$43,876,936	\$43,876,936	\$32,243,147
Net Cash Flow	-\$1,879,765	-\$1,879,765	-\$3,008,707
Capital Appreciation	\$1,823,221	\$1,823,221	\$13,944,452
Income	\$94,780	\$94,780	\$736,280
Ending Market Value	\$43,915,171	\$43,915,171	\$43,915,171

### Quarter Ending March 31, 2021

	Beginning Market Value	Net Cash Flow	Capital Appreciation	Income	Ending Market Value
Vanguard® Inter-Term Investment-Grade Fund Adm™ Shares	\$2,390,749	\$296,215	-\$100,362	\$13,815	\$2,600,417
Vanguard® International Growth Fund Admiral™ Shares	\$3,211,201	-\$160,679	-\$17,981	\$0	\$3,032,542
Vanguard® International Value Fund	\$3,189,142	-\$323,100	\$182,223	\$0	\$3,048,264
Vanguard® PRIMECAP Fund Admiral™ Shares	\$4,763,545	-\$557,545	\$458,755	\$0	\$4,664,754
Vanguard® Real Estate Index Fund Admiral™ Shares	\$2,594,844	-\$2,720,502	\$125,658	\$0	\$0
Vanguard® Short-Term Investment-Grade Fund Adm™ Shares	\$1,171,862	\$139,598	-\$10,911	\$5,328	\$1,305,877
Vanguard® Total Bond Market Index Fund Admiral™ Shares	\$3,555,108	\$909,286	-\$153,532	\$17,661	\$4,328,523
Vanguard® Total International Bond Index Fund Adm™ Shares	\$2,359,649	\$300,019	-\$60,865	\$5,323	\$2,604,127
Vanguard® Total International Stock Index Fund Inst Shares	\$6,394,467	-\$513,488	\$234,510	\$15,149	\$6,130,638
Vanguard® Total Stock Market Index Fund Institutional Shares	\$9,473,013	\$1,468,425	\$583,214	\$37,504	\$11,562,157
Vanguard® Windsor™ Fund Admiral™ Shares	\$4,773,355	-\$717,993	\$582,513	\$0	\$4,637,874
<b>Total</b>	<b>\$43,876,936</b>	<b>-\$1,879,765</b>	<b>\$1,823,221</b>	<b>\$94,780</b>	<b>\$43,915,171</b>

Episcopal Foundation of Dallas - Aggregated Performance Summary								
as-of March 31, 2021								
	Market Value*	Portfolio Allocation	Three-Month	Year-to-Date	One-Year	Three-Year	Five-Year	Since Inception
Vanguard	\$43,915,171	100.00%	4.39%	4.39%	45.77%	11.37%	11.80%	9.83%
Vanguard Composite Benchmark			3.48%	3.48%	41.44%	11.13%	11.12%	9.46%
Aggregate Portfolio (net of EFD fee)*	\$43,915,171	100.00%	4.25%	4.25%	44.98%	10.82%	11.23%	9.02%
Aggregate Composite Benchmark*			3.48%	3.48%	41.44%	11.13%	11.12%	9.67%
<p>Notes: Return data achieved before February 2016 provided by client. All returns are net of fund-level fees and the Vanguard advisory fee. Aggregate portfolio returns are net of the EFD administrative fee. Vanguard Composite provides a comparison for Vanguard portfolio return and constitutes 42% Spliced Total Stock Market Index/28% Spliced Total International Stock Index/18% Spliced Barclays U.S. Agg Flt-Adj. Index/6% Barclays GA ex-USD Flt-Adj. RIC Capped Index Hedged/6% REIT Spliced Index and has been calculated as-of March 31, 2021. Performance effective date for Vanguard Composite as-of December 31, 2015. Aggregate Composite provides a comparison for Episcopal Foundation of Dallas portfolio and constitutes a weighted average of the Vanguard Composite and HFRI Fund of Funds Composite. Since inception date is January 1, 2010.</p> <p>*Aggregate portfolio performance and Aggregate composite performance include hedge fund and HFRI performance, respectively, through February 29, 2016 for the Five-Year and Since Inception time periods.</p>								

# Fees and Expenses

# VIAS management fee structure

VIAS charges a management fee based on assets under management

## Annual fee schedule

Asset level	Management fee
First \$10 million	0.15%
Next \$10 million	0.12%
Next \$30 million	0.08%

## Total estimated expenses

Assets under management	Fee %	\$43.9 million
Management fee	0.105%	\$46,132
Fund expenses*	0.139%	\$61,042
Commingled funds/partnership expense	0.00%	\$0
Incentive fees	0.00%	\$0
Custodial fees	0.00%	\$0
Additional travel fees	0.00%	\$0
<b>Total all-in fee</b>	<b>0.244%</b>	<b>\$107,174</b>

\* These costs are estimated. Actual weighted annual expense ratio is determined by the actual funds chosen for the portfolio. Importantly, there are no sales commissions or 12b-1 fees for Vanguard funds. The cost of our investment management services (i.e., custodial fees, manager costs, trading costs) are reflected in the expense ratios of our funds and are deducted from each fund's earnings before they are distributed to shareholders. Vanguard is committed to maintaining operating expenses at the lowest possible level, without sacrificing premier quality service.

## Investment Expense Analysis as of March 31, 2021

Name	Market Value	% of Portfolio	Expense Ratio
<b>Total Equity</b>	<b>\$33,076,229</b>	<b>75.3%</b>	
<b>Equity Domestic</b>	<b>\$20,864,785</b>	<b>47.5%</b>	
Vanguard® Total Stock Market Index Fund Institutional Shares	\$11,562,157	26.3%	0.030%
Vanguard® Windsor™ Fund Admiral™ Shares	\$4,637,874	10.6%	0.190%
Vanguard® PRIMECAP Fund Admiral™ Shares	\$4,664,754	10.6%	0.310%
<b>Equity International</b>	<b>\$12,211,444</b>	<b>27.8%</b>	
Vanguard® International Value Fund	\$3,048,264	6.9%	0.350%
Vanguard® International Growth Fund Admiral™ Shares	\$3,032,542	6.9%	0.330%
Vanguard® Total International Stock Index Fund Inst Shares	\$6,130,638	14.0%	0.080%
<b>Total Fixed Income</b>	<b>\$10,838,942</b>	<b>24.7%</b>	
<b>Fixed Income Domestic</b>	<b>\$8,234,816</b>	<b>18.8%</b>	
Vanguard® Short-Term Investment-Grade Fund Adm™ Shares	\$1,305,877	3.0%	0.100%
Vanguard® Total Bond Market Index Fund Admiral™ Shares	\$4,328,523	9.9%	0.050%
Vanguard® Inter-Term Investment-Grade Fund Adm™ Shares	\$2,600,417	5.9%	0.100%
<b>Fixed Income International</b>	<b>\$2,604,127</b>	<b>5.9%</b>	
Vanguard® Total International Bond Index Fund Adm™ Shares	\$2,604,127	5.9%	0.110%
<b>Total</b>	<b>\$43,915,171</b>	<b>100.0%</b>	<b>0.139%</b>

# Economic and Market Outlook



# Vanguard April 2021 market and economic outlook at a glance

## Key takeaways:

- The current pace of COVID-19 vaccination will support a significant pickup in U.S. economic activity in the second half of the year.
- No Fed rate hikes are expected anytime soon, and patience continues to be the watchword with monetary policy.
- Vanguard expects core U.S. inflation to surpass 2% in the coming months, but the bump up will likely be short-lived.
- The broad U.S. stock market may be overvalued (though not severely), with low-quality growth stocks especially testing our “plausible future income” scenario.

## Asset-class return outlooks

Our 10-year, annualized, nominal return projections, as of December 31, 2020, are shown below. Please note that the figures are based on a 1.0-point range around the rounded 50th percentile of the distribution of return outcomes for equities and a 0.5-point range around the rounded 50th percentile for fixed income.

Equities	Return projection	Median volatility	Fixed income	Return projection	Median volatility
U.S. equities	3.0%–5.0%	16.9%	U.S. aggregate bonds	0.8%–1.8%	4.2%
U.S. value	4.4%–6.4%	18.9%	U.S. Treasury bonds	0.5%–1.5%	4.4%
U.S. growth	–0.1%–1.9%	17.9%	U.S. credit bonds	1.2%–2.2%	5.7%
U.S. large-cap	2.9%–4.9%	16.5%	U.S. high-yield corporate bonds	1.9%–2.9%	10.1%
U.S. small-cap	3.2%–5.2%	21.9%	U.S. Treasury inflation-protected securities	0.5%–1.5%	6.7%
U.S. real estate investment trusts	3.0%–5.0%	19.6%	U.S. cash	0.7%–1.7%	1.0%
Global equities ex-U.S. (unhedged)	6.1%–8.1%	18.6%	Global bonds ex-U.S. (hedged)	0.6%–1.6%	2.5%
			Emerging market sovereign	1.5%–2.5%	10.5%
U.S. inflation	1.1%–2.1%	2.4%			

These probabilistic return assumptions depend on current market conditions and, as such, may change over time.

**IMPORTANT: The projections or other information generated by the Vanguard Capital Markets Model® regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results.**

**Distribution of return outcomes from the VCMM are derived from 10,000 simulations for each modeled asset class. Simulations are as of December 31, 2020. Results from the model may vary with each use and over time. For more information, see Important information page.**

Source: Vanguard Investment Strategy Group.

# Vanguard April 2021 market and economic outlook at a glance



## Region-by-region outlook

**United States:** With the passage of the \$1.9 trillion American Rescue Plan Act of 2021 on March 11, Vanguard foresees the U.S. economy growing in a range of 7.0% to 7.5% for all of 2021, an increase of 2.0 to 2.5 percentage points compared to what our projection would have been without the new stimulus.

- We expect first-quarter growth to be modestly above 5% as most Americans receive stimulus checks.
- The current pace of COVID-19 vaccination will support a significant pickup in economic activity in the second half of the year.

**Euro area.** A slower pace of COVID-19 vaccinations puts the euro area behind both the United Kingdom and the United States on that front and increases the risks related to its timetable for easing COVID-19 restrictions.

- In our baseline case, we foresee an acceleration in the pace of vaccinations in the second and third quarters, with most easing of restrictions occurring only in the third quarter.
- Vanguard estimates that 70% of the population in the European Union will have received one dose of COVID-19 vaccine by September 2021.
- We foresee euro area GDP growth around 5% for 2021, with GDP reaching its pre-pandemic level in the next 12 months or so.

**China.** The resilience in the economy is bringing consensus estimates for China's full-year 2021 growth closer to Vanguard's forecast around 9%.

- The government set a goal of doubling the size of the economy by 2035, which implies average annual growth around 4.7%.
- This year's 6% growth target allows China to concentrate on quality of growth.

**Emerging markets.** Vaccine breakthroughs and rollouts in developed economies make Vanguard optimistic that emerging markets on aggregate will grow by more than the 6% outlook we communicated at the end of 2020.

- We continue to see emerging Asia lead the way, with 2021 growth above 8%.
- The region's pandemic management continues to bear fruit.

# Vanguard April 2021 market and economic outlook at a glance



No Fed rate hikes  
expected

## Patience is the watchword with monetary policy

The U.S. Federal Open Market Committee voted on March 17 to leave the target range for its federal funds rate unchanged at 0%–0.25% and its bond-buying program unchanged. Vanguard foresees a potential third quarter 2023 liftoff for the Fed's rate target.

- The Fed would need to see substantial progress toward achieving its dual mandate of stable prices and maximum employment, which Fed governors saw as being some time off, before slowing its \$120 billion per month in purchases of U.S. Treasuries and agency mortgage-backed securities.



Seeking  
improvement  
overall before  
taking action

## Fed will consider more than the headline unemployment rate

- Vanguard foresees the headline unemployment rate falling toward 5% by year's end, and into the low 4% range, closer to pre-pandemic levels, by the end of 2022.
- We expect the Federal Reserve to look beyond headline unemployment numbers and seek improvement in pockets of the labor market that are typically late to recover after a recession before considering rate hikes.



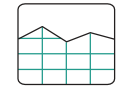
Caution is  
warranted

## Are there asset bubbles out there now?

We at Vanguard have great respect for the uncertainty of the future, so the best we can say is “maybe” about the current existence of asset bubbles.

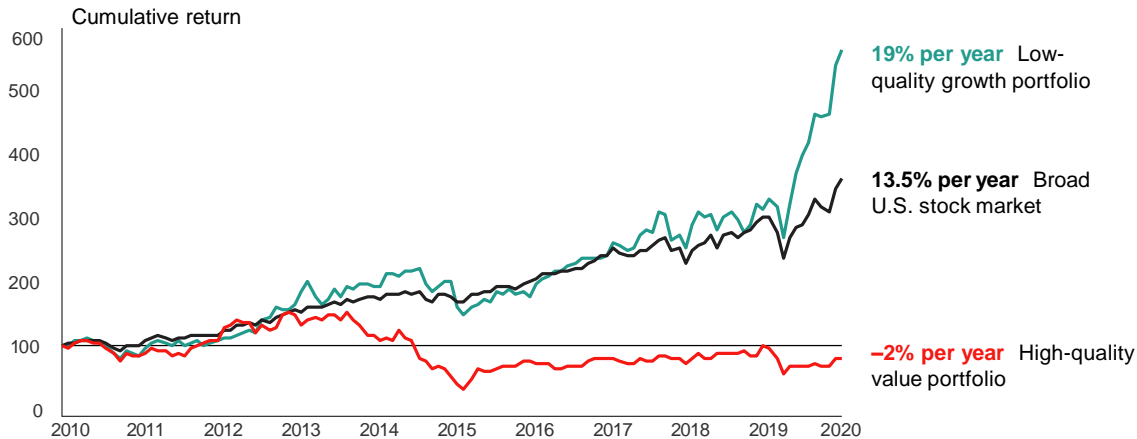
- Some specific markets, such as U.S. housing and cryptocurrencies, seem particularly frothy.
- The broad U.S. stock market may be overvalued, though not severely.
- Forthcoming Vanguard research highlights one part of the U.S. equity market that gives us pause: growth stocks.
- Low-quality growth stocks especially test our “plausible future income” scenario.
- For some high-profile companies, valuation metrics imply that their worth will exceed the size of their industry's contribution to U.S. GDP. Conversely, our research will show that U.S. value stocks are similarly undervalued.

# Vanguard April 2021 market and economic outlook at a glance



Caution is warranted (continued)

## Low-quality growth has outperformed the broad market



Notes: Data as of December 31, 2020. Portfolios are indexed to 100 as of December 31, 2010. Low-quality growth and high-quality value portfolios are constructed based on data from Kenneth R. French's website, using New York Stock Exchange-listed companies sorted in quintiles by operating profit and the ratio of book value to market value (B/P). The low-quality growth portfolio is represented by the lowest quintile operating profit (quality) and B/P companies. The high-quality value portfolio is represented by the highest quintile operating profit and B/P companies. The broad U.S. stock market is represented by the Dow Jones U.S. Total Stock Market Index (formerly known as the Dow Jones Wilshire 5000) through April 22, 2005; the MSCI US Broad Market Index through June 2, 2013; and the CRSP US Total Market Index thereafter.

Sources: Vanguard calculations, based on data from Ken French's website at Dartmouth College, [mba.tuck.dartmouth.edu/pages/faculty/ken.french/data\\_library.html](http://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html); MSCI; CRSP; and Dow Jones.

**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.**

## Slight inflation bump expected in the U.S.

Vanguard expects core U.S. inflation to surpass 2% in the coming months as base effects—comparisons to low year-earlier numbers—magnify price rises as people re-engage in face-to-face activities.

- We expect the rise above 2% to be short-lived, and that long-term structural trends that have kept inflation low for more than a decade will continue to limit price rises.
- The direct effect of the government's recently enacted stimulus package on inflation will likely be modest, around 7 to 10 basis points for all of 2021.
- Emerging markets continue to diverge, with disinflation (inflation well below target) a concern in parts of Southeast Asia.



Inflation rise likely temporary

## VCMM simulation summary statistics

### 10-Year projected returns annualized as of December 31, 2020

10-Year horizon	Distribution of geometric returns							Median volatility
	5	10	25	50	75	90	95	
U.S. Equities	-2.5%	-1.0%	1.3%	4.0%	6.6%	9.0%	10.5%	16.7%
non-U.S. Equities (unhedged)	0.9%	2.3%	4.5%	7.1%	9.7%	12.0%	13.5%	18.5%
Global Equities (unhedged)	-0.3%	1.0%	3.1%	5.4%	7.7%	9.7%	11.0%	16.4%
Emerging Markets	-4.7%	-2.2%	1.4%	5.1%	8.5%	11.8%	13.7%	26.9%
Developed Markets ex-U.S.	1.6%	2.8%	5.1%	7.5%	10.0%	12.3%	13.6%	16.6%
U.S. Bonds	0.2%	0.5%	0.9%	1.3%	1.8%	2.4%	2.8%	4.2%
non-U.S. Bonds (hedged)	0.0%	0.2%	0.5%	1.1%	1.9%	2.7%	3.2%	2.5%
Global Bonds (hedged)	0.2%	0.3%	0.7%	1.2%	1.8%	2.5%	2.9%	2.9%
U.S. High Yield Bonds	0.1%	0.6%	1.4%	2.4%	3.3%	4.2%	4.8%	10.3%
Total Credit Bonds	0.5%	0.7%	1.2%	1.7%	2.3%	2.8%	3.2%	5.7%
Long-Term Credit Bonds	-0.7%	-0.2%	0.6%	1.5%	2.4%	3.3%	4.0%	11.3%
Long-Term Gov't/Credit Index	-0.7%	-0.2%	0.6%	1.6%	2.5%	3.4%	3.9%	9.6%
Intermediate-Term Credit Bonds	0.5%	0.7%	1.1%	1.6%	2.2%	2.8%	3.1%	4.5%
Short-Term Credit Bonds	0.8%	0.9%	1.2%	1.7%	2.4%	3.1%	3.5%	2.4%
Long-Term Treasuries	-1.9%	-1.1%	0.0%	1.2%	2.6%	3.4%	3.8%	11.4%
Intermediate-Term Treasuries	-0.6%	-0.3%	0.2%	0.7%	1.3%	1.8%	2.2%	5.2%
Short-Term Treasuries	0.0%	0.1%	0.4%	0.9%	1.7%	2.4%	2.8%	2.5%
Extended Duration	-4.5%	-3.3%	-1.4%	0.8%	3.1%	4.5%	5.0%	18.2%
Treasury 10 year	-1.2%	-0.8%	-0.1%	0.6%	1.2%	1.8%	2.1%	7.2%
TIPS - Intermediate-Term	-0.4%	-0.2%	0.3%	1.0%	1.9%	2.8%	3.5%	4.3%
TIPS - Short-Term	-0.3%	-0.1%	0.3%	1.1%	2.0%	3.0%	3.7%	3.0%
REITs	-4.1%	-2.2%	0.7%	4.0%	7.3%	10.3%	12.1%	19.4%
Commodities	-4.6%	-2.6%	0.6%	4.3%	8.1%	11.7%	13.6%	16.0%
Market Neutral	-0.8%	-0.1%	1.2%	2.7%	4.2%	5.7%	6.5%	6.0%
Cash	0.1%	0.2%	0.6%	1.2%	2.1%	2.9%	3.4%	1.0%
Inflation	-0.6%	-0.1%	0.7%	1.6%	2.5%	3.3%	3.9%	2.3%
Hedge Funds	-2.1%	-0.7%	1.5%	3.6%	5.9%	7.9%	9.1%	12.6%
Private Equity	-2.1%	1.3%	5.3%	9.1%	12.5%	15.8%	17.8%	19.1%
Alternative Strategies Fund	-1.5%	-0.4%	1.4%	3.3%	5.2%	7.0%	8.0%	8.1%
Global Minimum Volatility	0.1%	1.1%	2.9%	4.8%	6.7%	8.6%	9.6%	13.0%
Private Real Estate	0.6%	1.6%	3.2%	5.1%	7.0%	8.7%	9.8%	16.2%

**IMPORTANT:** The projections or other information generated by the Vanguard Capital Markets Model® (VCMM) regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Distribution of return outcomes from VCMM derived from 10,000 simulations for each modeled asset class. Simulations as of December 31, 2020. Results from the model may vary with each use and over time. For more information on VCMM, see the Important Information slide.

Source: Vanguard, Investment Strategy Group.

# VCMM simulation summary statistics

## 10-Year median asset-class correlations as of December 31, 2020

	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
01 U.S. Equities	1.00																														
02 non-U.S. Equities (u)	0.76	1.00																													
03 Global Equities (u)	0.96	0.92	1.00																												
04 Emerging Markets (u)	0.69	0.91	0.83	1.00																											
05 Developed Markets ex-U.S. (u)	0.71	0.93	0.85	0.68	1.00																										
06 U.S. Bonds	-0.19	-0.18	-0.20	-0.13	-0.20	1.00																									
07 non-U.S. Bonds (h)	-0.06	-0.10	-0.08	-0.04	-0.13	0.63	1.00																								
08 Global Bonds (h)	-0.15	-0.17	-0.17	-0.11	-0.20	0.91	0.90	1.00																							
09 U.S. High Yield Bonds	0.29	0.25	0.29	0.28	0.17	0.34	0.20	0.29	1.00																						
10 Total Credit Bonds	0.18	0.19	0.20	0.21	0.13	0.85	0.51	0.76	0.57	1.00																					
11 Long-Term Credit Bonds	0.24	0.28	0.27	0.27	0.23	0.71	0.37	0.61	0.41	0.92	1.00																				
12 Long-Term Gov't/Credit Index	-0.04	0.00	-0.02	0.01	-0.01	0.87	0.47	0.76	0.28	0.85	0.91	1.00																			
13 Intermediate-Term Credit Bonds	0.11	0.09	0.11	0.13	0.04	0.85	0.56	0.79	0.63	0.95	0.74	0.70	1.00																		
14 Short-Term Credit Bonds	0.05	0.04	0.05	0.09	-0.03	0.68	0.56	0.68	0.52	0.73	0.45	0.41	0.86	1.00																	
15 Long-Term Treasuries	-0.45	-0.42	-0.47	-0.38	-0.39	0.79	0.42	0.68	-0.05	0.42	0.40	0.77	0.37	0.18	1.00																
16 Intermediate-Term Treasuries	-0.42	-0.41	-0.45	-0.36	-0.39	0.92	0.57	0.83	0.10	0.56	0.36	0.65	0.65	0.52	0.83	1.00															
17 Short-Term Treasuries	-0.32	-0.32	-0.34	-0.25	-0.33	0.83	0.63	0.82	0.17	0.53	0.25	0.45	0.68	0.73	0.56	0.91	1.00														
18 Extended Duration	-0.44	-0.41	-0.46	-0.37	-0.38	0.75	0.39	0.64	-0.07	0.39	0.40	0.77	0.32	0.14	1.00	0.79	0.51	1.00													
19 Treasury 10 year	-0.45	-0.43	-0.47	-0.38	-0.40	0.90	0.52	0.79	0.04	0.52	0.39	0.72	0.56	0.39	0.92	0.97	0.80	0.89	1.00												
20 TIPS - Intermediate-Term	-0.30	-0.25	-0.30	-0.16	-0.30	0.73	0.48	0.67	0.24	0.50	0.32	0.50	0.57	0.48	0.57	0.77	0.73	0.53	0.72	1.00											
21 TIPS - Short-Term	-0.20	-0.15	-0.19	-0.04	-0.23	0.55	0.42	0.54	0.29	0.41	0.25	0.33	0.49	0.50	0.31	0.54	0.64	0.28	0.46	0.91	1.00										
22 REITs	0.58	0.48	0.58	0.44	0.44	-0.06	0.00	-0.04	0.28	0.15	0.15	0.01	0.14	0.09	-0.21	-0.21	-0.17	-0.21	-0.22	-0.14	-0.09	1.00									
23 Commodities	0.22	0.29	0.26	0.30	0.22	-0.10	-0.05	-0.08	0.36	0.05	0.02	-0.10	0.08	0.08	-0.23	-0.18	-0.11	-0.23	-0.20	0.04	0.14	0.23	1.00								
24 Market Neutral	0.01	0.03	0.02	0.04	0.02	0.07	0.12	0.10	-0.02	0.12	0.09	0.06	0.12	0.15	-0.02	0.02	0.08	-0.02	0.01	0.03	0.05	0.21	0.09	1.00							
25 Cash	0.01	0.01	0.02	0.06	-0.04	0.18	0.47	0.35	0.05	0.12	-0.02	-0.02	0.21	0.43	-0.01	0.18	0.44	-0.03	0.10	0.22	0.30	0.02	0.09	0.20	1.00						
26 Inflation	-0.02	0.01	-0.01	0.11	-0.08	0.00	0.03	0.02	0.19	0.06	0.10	0.07	0.01	-0.01	-0.01	-0.08	-0.03	-0.01	-0.07	0.41	0.60	0.01	0.32	0.01	0.19	1.00					
27 Hedge Funds	0.58	0.61	0.63	0.57	0.54	-0.09	-0.02	-0.07	0.45	0.16	0.14	-0.02	0.17	0.11	-0.27	-0.26	-0.20	-0.26	-0.27	-0.15	-0.09	0.47	0.49	0.12	0.02	0.01	1.00				
28 Private Equity	0.65	0.52	0.64	0.46	0.48	-0.15	-0.10	-0.14	0.42	0.07	0.06	-0.08	0.07	0.04	-0.27	-0.28	-0.23	-0.26	-0.28	-0.18	-0.12	0.41	0.35	-0.15	-0.04	0.03	0.67	1.00			
29 Alternative Strategies Fund	-0.01	0.12	0.05	0.13	0.10	0.06	0.09	0.07	0.14	0.07	0.02	0.01	0.09	0.12	0.00	0.04	0.07	0.00	0.03	0.04	0.06	0.19	0.20	0.25	0.15	0.03	0.28	0.08	1.00		
30 Global Minimum Volatility	0.92	0.87	0.95	0.72	0.87	-0.20	-0.06	-0.16	0.24	0.17	0.25	-0.03	0.09	0.03	-0.44	-0.42	-0.32	-0.43	-0.44	-0.31	-0.21	0.52	0.17	0.02	0.03	-0.06	0.54	0.60	-0.01	1.00	
31 Private Real Estate	0.65	0.53	0.64	0.48	0.49	-0.07	0.01	-0.05	0.28	0.18	0.18	0.01	0.16	0.12	-0.26	-0.24	-0.18	-0.25	-0.26	-0.16	-0.09	0.97	0.25	0.42	0.05	0.01	0.51	0.43	0.24	0.59	1.00

**IMPORTANT:** The projections or other information generated by the Vanguard Capital Markets Model® (VCMM) regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Distribution of return outcomes from VCMM derived from 10,000 simulations for each modeled asset class. Simulations as of December 31, 2020. Results from the model may vary with each use and over time. For more information on VCMM, see the Important Information slide.

Source: Vanguard, Investment Strategy Group.

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## Important information

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## Important information

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