

2022

MLC FOUNDATION INC ANNUAL REPORT



MLC
FOUNDATION

2022 Financial Report

Income & Expenditure

2022

2021

INCOME

Interest & Portfolio Distributions	149,784	113,196
Fundraising Income - Donations	587,178	469,045
Fundraising Income - Other (e.g. gala, raffle, etc)	-	225,724
Foundation Future Levy	403,081	378,825
TOTAL INCOME	1,140,043	1,186,790

EXPENSES

Audit Fees	6,873	5,253
Bank Charges	458	4,049
Management Fees - Morgan Stanley	24,860	22,872
Fundraising Expenses - events & campaigns	44,177	181,987
Philanthropy Development - Salaries	-	291,269
Philanthropy Development - Other	6,873	520
TOTAL EXPENSES	76,368	505,950

Surplus prior to distribution to MLC

1,063,675

680,840

DISTRIBUTIONS

Donations to MLC	574,170	325,451
Donations to MLC Support Groups	-	-

Surplus after distributions

489,505

355,389

Net Assets

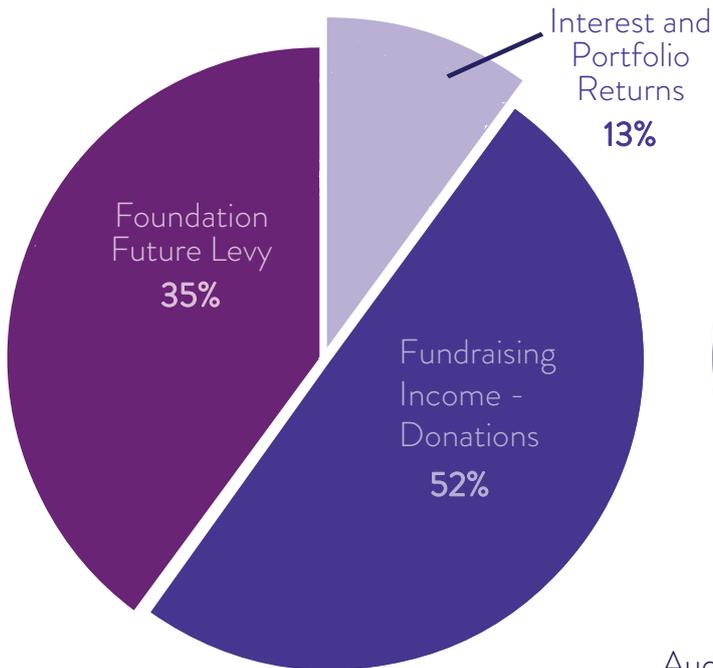
2022

2021

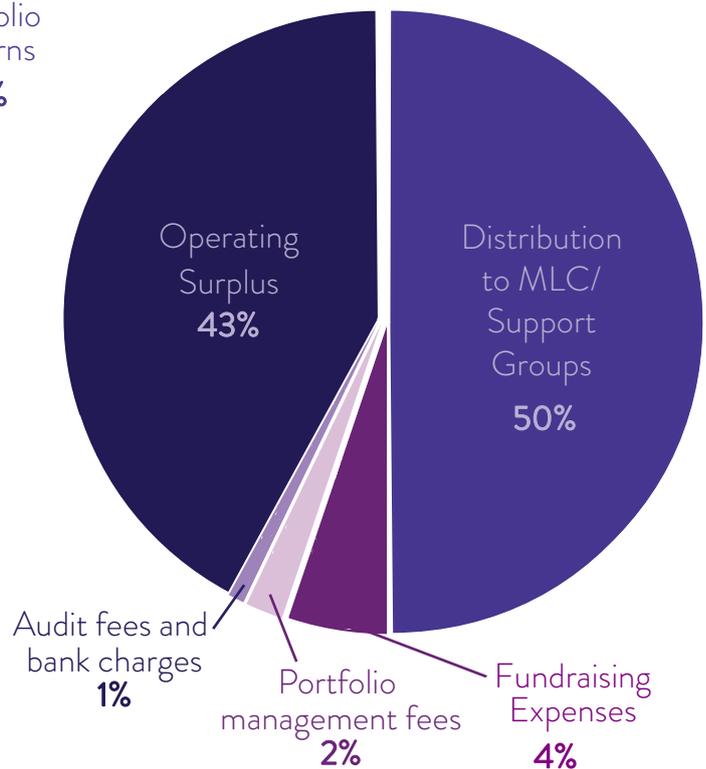
NET ASSETS	4,237,127	4,180,533
General Fund	19,309	(14,442)
Endowment Fund	2,190,608	2,101,094
Building Fund	153,977	152,864
SASRT Scholarship	549,741	593,982
Community Scholarship Fund	453,459	257,927
General Scholarship Fund	870,033	1,089,108

Income

SOURCES OF INCOME



ALLOCATION OF INCOME



- **The Foundation Future Levy:** The levy was increased by \$25 to \$425 per student in 2022.
- **Donations:** Includes Yalari Scholarship and the MLC Foundation Community Scholarship Fund.
- **Fundraising Income:** Fundraising monies received from Giving Day and general donations.

- **Operating Surplus:** These funds are accumulated to be available to support the College in funding significant future capital projects and its long-term viability.
- **Distribution to MLC (and support groups):** The Foundation provides funds to the College to support nominated building projects and to provide financial support to students in the form of scholarships.
- **Fundraising expenses:** Includes costs associated with Giving Day and other fundraising campaigns.

Fundraising

The experiences available to MLC students today were achieved through the generosity and foresight of past and present community members.

MLC tuition fees only pay for educational and operational costs, so the necessity exists for additional income to support longer term capital projects.

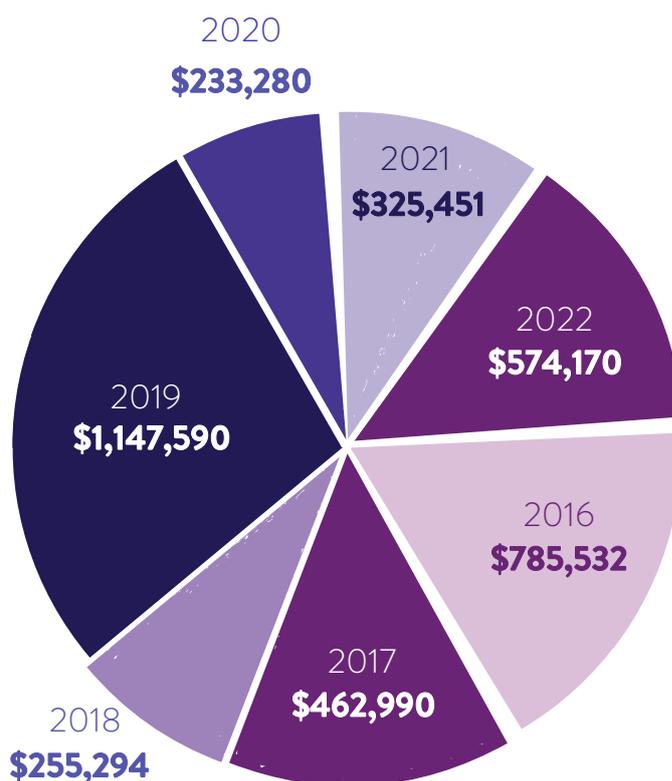
The main sources of revenue for the Foundation are:

- Donations;
- Fundraising generated from events and initiatives;
- Distribution from investments; and
- The Foundation Future Levy.

	2022	2021
TOTAL INCOME	\$1,140,043	\$1,186,790
FUNDRAISING INCOME	\$587,178	\$694,769
DONORS	521	384
CORPUS	\$4,237,127	\$4,180,533
DONATIONS TO MLC	\$574,170	\$325,451

Donations to MLC 2016-2022

The 2022 distribution to the College was \$574,170 and included Yalari Scholarships MLC Foundation Community Scholarships, Fiona Staniforth Award, Matushka Philippa Award, distribution to MLC Support Groups and the 4% contribution of opening net assets of the Endowment Fund.



Investment

Growth in the Foundation's funds is achieved because of voluntary donations (including Annual Giving, Bequests and Sponsorships), the Foundation Future Levy and growth through returns generated from the strategic investment of surplus funds in accordance with its Investment Policy Statement (IPS). This ensures the long-term sustainability of the Foundation for the benefit of the College.

GOALS & OBJECTIVES

The overall investment objective of the Foundation is to generate net growth of the total Foundation portfolio over the long-term. It is guided by the following key principles:

- There is a primary preference to achieve real growth of the funds over time;
- The Foundation values capital preservation and places a strong emphasis on mitigating downside investment volatility; and
- Assets should be allocated and managed in a way that provides sensible diversification across asset classes to achieve absolute return or "cash plus / inflation plus" outcomes;

The IPS targeted benchmarks include:-

- Minimum annual investment returns of 4% + CPI;
- 30% less volatility than the S&P/ASX300 Accumulation Index; and
- No more than one year of negative returns in every five years.

The Foundation's portfolio with Morgan Stanley for the twelve months ended 2022 achieved a negative return (after management fees) of -8.44% in 2022, which was consistent with the benchmark Morningstar Multi-Sector Growth Index return of -8.84% for the same period.

In 2023, Morgan Stanley is of the view that the current aggressive policy tightening is likely to lead to slowing global economy and possibly push Europe into recession and US to just avoid one. Emerging Markets (EM) are expected to outperform Developed Markets (DM).

In Australia, monetary tightening is expected to take hold in 2023, driving a slowing in economic growth which will be offset somewhat by the impact of net migration.

INVESTMENT PERFORMANCE

	Full Year Return	Target Return
2022	-8.44%	9.85%
2021	14.29%	6.13%
2020*	0.02%	5.48%
2019	7.54%	6.81%
2018	-3.89%	6.30%
2017	12.27%	6.90%

Note:

**In the second half of 2020, the Foundation transitioned investment consultants from NWQ to Morgan Stanley, creating a Board approved new IPS.*

Per Ardua ad Alta;
through striving to the heights



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