

# 2021

## MLC FOUNDATION INC ANNUAL REPORT



MLC  
FOUNDATION

# 2021 Financial Report

## Income & Expenditure

2021

2020

### INCOME

Interest & Portfolio Distributions	113,196	5,073
Fundraising Income - Donations	469,045	355,950
Fundraising Income - Other (e.g. gala, raffle, etc)	225,724	11,717
Foundation Future Levy	378,825	405,000
<b>TOTAL INCOME</b>	<b>1,186,790</b>	<b>777,740</b>

### EXPENSES

Audit Fees	5,253	15,555
Bank Charges	4,049	4,166
Management Fees - Morgan Stanley	22,872	-
Fundraising Expenses - events & campaigns	181,987	21,468
Philanthropy Development - Salaries	291,269	229,481
Philanthropy Development - Other	520	-
<b>TOTAL EXPENSES</b>	<b>505,950</b>	<b>270,670</b>

### Surplus prior to distribution to MLC

680,840

507,070

### DISTRIBUTIONS

Donations to MLC	325,451	233,280
Donations to MLC Support Groups	-	10,000

### Surplus after distributions

355,389

263,790

# Net Assets

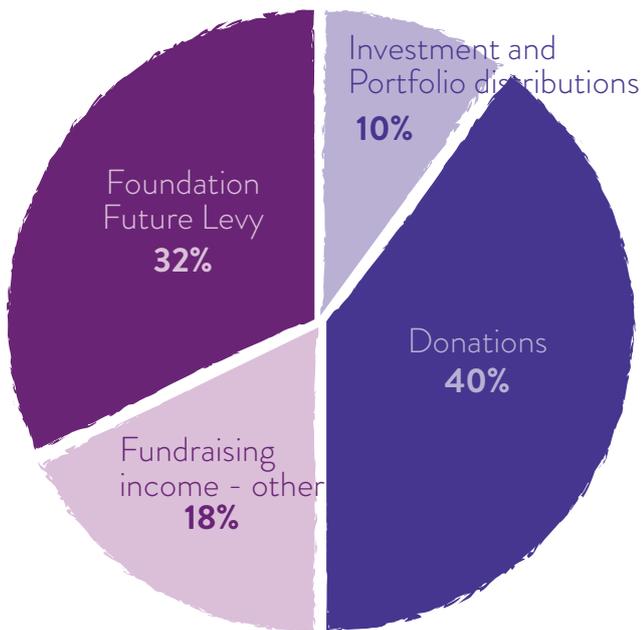
2021

2020

<b>NET ASSETS</b>	<b>4,180,533</b>	<b>3,455,833</b>
General Fund	(14,442)	(936)
Endowment Fund	2,101,094	1,645,120
Building Fund	152,864	247,543
SASRT Scholarship	593,982	534,767
Community Scholarship Fund	257,927	-
General Scholarship Fund	1,089,108	1,029,339

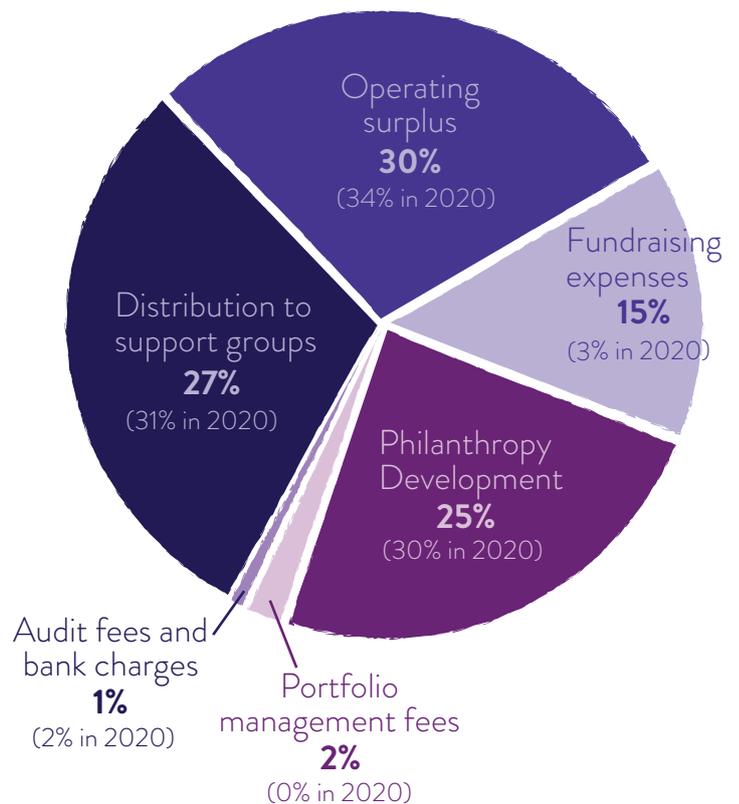
# Income

## SOURCES OF INCOME



- **The Foundation Future Levy:** The levy was increased by \$25 to \$425 per student in 2021.
- **Donations:** Includes Yalari Scholarship and the inaugural MLC Foundation Community Scholarship Fund.
- **Fundraising Income:** Fundraising monies received from the Bi-annual Gala held in November 2021.

## ALLOCATION OF INCOME



- **Operating Surplus:** These funds are available to support the College in funding significant future capital projects and support the long-term viability of the College.
- **Distribution to MLC (and support groups):** The Foundation provides funds to the College to deliver supported projects such as the Circle of Success, as well as to provide financial support to students in the form of scholarships
- **Philanthropy Development:** includes staffing costs and administration support costs
- **Fundraising expenses:** includes costs associated with the Bi-annual Gala and for the Giving Day.

# Fundraising

The College facilities and the exceptional 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 and provide a more equitable education.

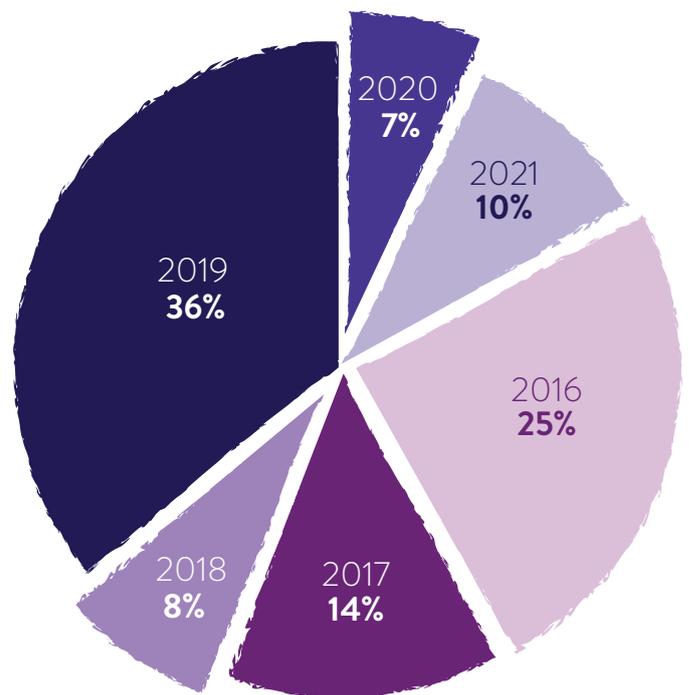
The main sources of revenue for the Foundation are:

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

	2021	2020
TOTAL INCOME	\$1,186,790	\$777,740
FUNDRAISING INCOME	\$694,769	\$367,667
DONORS	384	355
CORPUS	\$4,180,533	\$3,455,833
DONATIONS TO MLC	\$325,451	\$233,280
AVERAGE AMOUNT RAISED PER STUDENT	\$708	\$360

## Donations to MLC 2016-2021

The 2021 distribution to the College was \$325,451 and included the Circle of Success, Yalari Scholarships, Fiona Staniforth Award, Matushka Philippa Award 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;

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

## INVESTMENT PERFORMANCE

	Full Year Return	Target Return
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:

- *\*The actual return from NWQ to July 2020 was -6.03% (annual target of 5.9%), with Morgan Stanley achieving a return of 5.09% (annual target of 4.9%) from August to December 2020.*

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 achieved a positive return (after management fees) of 14.29% in 2021, vs. 15.41% for the Morningstar Multi-Sector Growth Index over the same period. The portfolio returns were higher than the 2021 IPS benchmark (4% + CPI) of 6.13%.

Following the significant, COVID-led recession in the last 20 months, Morgan Stanley anticipates that we have now moved to the expansion phase of the economic cycle. 2022 will potentially be a more challenging environment for investors to navigate as above-trend economic growth will face high valuations, tightening policy and higher inflation.

The Foundation's portfolio will continue to prefer equities over bonds, given the solid macro-outlook and attractive risk premium, while holding a neutral position in the short term given the current uncertainties.

*Per Ardua ad Alta;*  
through striving to the heights



**MLC**  
FOUNDATION

A College of the Uniting Church | 356 Stirling Highway Claremont WA 6010 | PO Box 222 Claremont WA 6910  
**T** +618 9384 4000 **E** [reception@mlc.wa.edu.au](mailto:reception@mlc.wa.edu.au) **W** [mlc.wa.edu.au](http://mlc.wa.edu.au)  
CRICOS Provider Code 00441G