What Will the Financial Stability of Your

Non-Profit Institution be in Forty Years?

2022 and Beyond

After being in the non-profit performance and related areas over the years, our firm clearly understands the need to stabilize/increase revenue and decrease expenses in these uncertain times. In addition, we clearly understand that a valuable yet-often overlooked asset is the **high/needless annual fees in the investment portfolios.** For example:

- Consensus forecasted balanced global returns for publicly held securities are now just 3.4% annually. Their 1926 to 2021 average was 8.3%.
- The enclosed $100 million Fair Share Market℠ expense analysis for non-profit investments (p. 2) shows that when aggregate portfolio management charges are 0.4% vs. 0.8%, the **additional gain is almost $47 million over forty-years!** Additionally, the **0.4% account now captures 81% vs. 64% of the total gain**. This is crucial as you are allocating 100% of the capital and taking 100% of the risk!
- The enclosed $1 million Fair Share Market℠ expense analysis for non-profit donors (p. 3) can be applied to potential contributors to demonstrate how you will prudently manage their perpetual gift. When aggregate portfolio management charges are 0.5% vs. 1.5%, the **additional gain is more than $1 million. Additionally,** the **0.5% account now captures 76% vs. 40% of the total gain!**
- With regards to long-term planning, the best predictor of future above-average relative returns is generally below-average aggregate fees.

Midwest Asset is currently offering a confidential, complimentary return/risk/expense analysis of your non-profit investment portfolio.

These tools will improve your confidence that you are doing everything possible to insure the financial stability of your organization. It will also help the fiduciaries to meet their responsibilities in a no-cost, no-risk, negligible-time manner.

Contact James.Byrd@quantmanagement.com for more information, and to see how easy it is to use this statistically time-tested method.

www.quantmanagement.com

Portfolio Management is our only Business®

ARE YOU GETTING YOUR FAIR SHARE OF THE MARKET RETURNS?

Fair Share Market[SM] Analysis For Non-Profit Publicly Held Investments

Return / Risk Comparative Example (50% Stock + 50% Bond Global Balanced)

$ Amount Invested	=	$100,000,000		$100,000,000
# Years	=	40		40
% FORECASTED GROSS ANNUAL RETURN	**=**	**3.4**		**3.4**
% Aggregate Investment Expenses	**=**	**0.4**		**0.8**
RIA, Fund, Stated & Opaque Transaction		Portfolio		Portfolio
(commissions and/or markups/markdowns), Etc.		A		B
% NET ANNUAL RETURN	**=**	**3.0**		**2.6**
% Difference	**=**		**0.4**	
$ Total Gross Gain	**=**	**280,909,277**		**280,909,277**
$ Owner Gain	**=**	**226,203,779**		**179,186,511**
$ Difference	**=**		**47,017,268**	
% Owner Gain	**=**	**81**		**64**
% Difference	**=**		**17**	
% Owner Capital Allocated	=	100		100
% Owner Capital at Risk	=	100		100
% Forecasted Annual Inflation	**=**	**2.4**		**2.4**
% NET ANNUAL INF-ADJ RETURN	**=**	**0.6**		**0.2**
% Difference	**=**		**0.4**	

SOURCES: Risk Factor Components - By John Bogle, as cited in *Why Mutual Funds are Lousy Long-Term Investments* interview with Robert Kiyosaki, www.yahoo.com, June 27, 2006.

Return Ratio Calculations - By Midwest Asset Management, Inc. as of January 1, 2022.

NOTES: **Expected Return and Inflation %** - Various sources and methods were used to calculate the consensus global balanced return and inflation assumptions. To clearly document and illustrate the potential outcome, no cash flows were included in the calculations. **The reader may provide different $ amounts, periods, and expected expenses and inflation for customized analyses**.

Expected Expenses % - Actual global annual aggregate portfolio management expenses can range from 0.1% to 3.0% or more, depending on many factors. Most plans can reduce expenses by 25% to 50% or more to meaningfully increase returns and simultaneously decrease risk.

PAST RESULTS DO NOT GUARANTEE FUTURE SUCCESS.

ARE YOU GETTING YOUR FAIR SHARE OF THE MARKET RETURNS?

Fair Share Market[SM] Analysis For <u>High Net Worth andTrust-Estate Donors</u>

Return / Risk Comparative Example (50% Stock + 50% Bond Global Balanced)

$ Amount Invested	=	$1,000,000		$1,000,000
# Years	=	40		40
% FORECASTED GROSS ANNUAL RETURN	**=**	**3.4**		**3.4**
% Aggregate Investment Expenses	**=**	**0.5**		**1.5**
RIA, Fund, Stated & Opaque Transaction		Portfolio		Portfolio
(commissions and/or markups/markdowns), Etc.		A		B
% NET ANNUAL RETURN	**=**	**2.9**		**1.9**
% Difference	**=**		**1.0**	
$ Total Gross Gain	**=**	**2,809,093**		**2,809,093**
$ Owner Gain	**=**	**2,137,726**		**1,123,085**
$ Difference	**=**		**1,014,641**	
% Owner Gain	**=**	**76**		**40**
% Difference	**=**		**36**	
% Owner Capital Allocated	=	100		100
% Owner Capital at Risk	=	100		100
% Forecasted Annual Inflation	**=**	**2.4**		**2.4**
% NET ANNUAL INF-ADJ RETURN	**=**	**0.5**		**-0.5**
% Difference	**=**		**1.0**	

SOURCES: Risk Factor Components - By John Bogle, as cited in *Why Mutual Funds are Lousy Long-Term Investments* interview with Robert Kiyosaki, www.yahoo.com, June 27, 2006.

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Managing <u>Your</u> Portfolio is our Only Business [SM]

Facts do not cease to exist because they are ignored.

Aldous Huxley, Writer