MAKE IT HAPPEN
with Vanguard's expert OCIO services
Custom solutions for nonprofits
About Vanguard Institutional Advisory Services® (VIAS)

In 1996 Vanguard established VIAS, a dedicated group that helps institutional clients such as health care organizations, endowments, foundations, and other institutional investors develop and implement investment strategies and policies. In 2020, VIAS provides advisory services to clients whose assets under advisement, in total, exceed $50 billion.
Why Vanguard?

Vanguard DELIVERS

Of the many challenges your nonprofit faces today, investing should not be one of them. VIAS outsourced chief investment officer (OCIO) services can help. We bring a **boutique approach** to providing discretionary investment advice and fiduciary support. And, your investments will be informed by Vanguard expert perspectives on the economy, markets, and critical industry trends. While we keep watch over your investments, you can focus on your mission.

**These are a few of the reasons we . . .**

- are the number one most-trusted institutional asset manager
- consistently achieve superior performance
- have a client retention rate of 95%

**Let our advisory services help you achieve your mission. Vanguard can help you make it happen.**

---

1 Source: Cogent, 2020.
2 For the 10-year period ended March 31, 2020, 90% of Vanguard funds outperformed their Lipper peer-group averages (225 out of 251 Vanguard funds). Results will vary for other time periods. Only funds with a minimum 10-year history were included in the comparison. (Source: Lipper, a Thomson Reuters Company.)
3 Note that the competitive performance data shown represent past performance, which is not a guarantee of future returns, and that all investments are subject to risks. For the most recent performance, visit our website at vanguard.com/performance.

A CUSTOMIZED approach

With more than 40 years of experience as an asset manager, Vanguard has global scale and reach, and vast resources. At the same time, your VIAS team is small, and 100% dedicated to serving you and similar nonprofits. A team of highly credentialed investment professionals partners with you, serving as an extension of your investment staff or investment committee.

Led by a senior investment consultant, the team pursues your goals as if they were their own.

Vanguard’s OCIO services

**Portfolio management services**
- Fiduciary support and resources
- Investment policy consulting and advice
- Asset allocation analysis with risk modeling
- Cash flow and spending policy analysis and consulting
- Global asset manager search and evaluation
- Fully customized portfolio construction
- Dedicated operational support
- Daily portfolio oversight, monitoring, and rebalancing

**Additional services**
- Tailored outreach, audit, and meeting support
- Engagement with all stakeholders, including support for donor-gifted securities
- Staff, committee, and board investment/fiduciary education
- Nonprofit thought leadership, insights, and regional symposiums
- Vanguard views on all asset classes and strategies
- Global economic and investment research

1 Manager research performed by Vanguard Portfolio Review Department.
Your team of **THREE**

Your VIAS team connects your investment goals to the sophisticated resources of a leading asset management firm. We give you the **focused attention** of a specialized boutique, complemented by the stability, resources, and expertise of Vanguard.

"Vanguard lives its commitment to put clients first. Look to VIAS for custom investment management solutions and sophisticated market insights, delivered with a personal touch."

—CJ Dennis, CFA, VIAS Senior Investment Consultant

---

**Senior investment consultant**
Acts as an extension of your committee and manages your portfolio.

**Senior investment analyst**
Performs research and analysis to support investment decisions.

**Client service analyst**
Supports all your standard and custom reporting needs and requests.

Your team of three is supported by a group of dedicated VIAS individuals who ensure you have a smooth transition and seamless operations experience.
Three things **WE BELIEVE**

Vanguard's consistent performance over time owes largely to our **investment philosophy**. Three convictions inform our investment advice:

**Strategic asset allocation**

We strive to create portfolios with broad diversification across asset classes and investing strategies. This manages your exposure to specific risks while providing opportunities to benefit from market leaders. At the same time, we customize your portfolio solution to reflect your unique long-term goals, risk tolerance, objectives, and constraints.

**Discipline**

A strategic asset allocation strategy can only succeed if it is given the chance. We stay focused on managing your strategic asset allocation across dynamic markets and rebalancing opportunistically. Our steadfast commitment to discipline sets Vanguard apart from other investment managers.

**Strong financial and fiduciary controls**

Vanguard takes a holistic approach to risk and factors it into everything we do: portfolio construction, information security and data transmission, custodial relationships, and our global enterprise. Through our rigorous oversight and governance, we limit investment risk and ensure security and compliance in all ways critical to managing your assets.

"We succeed largely because our investment principles remain constant in good times and bad: create clear goals, strike a balance through asset allocation, provide value, and maintain long-term discipline."

—Arlene B. Pine, CFA, VIAS
Senior Investment Consultant
Three key SERVICES

Performance doesn’t just happen; it needs to be planned for and nurtured. Portfolios, in particular, often do better in the hands of experts such as VIAS investment consultants.

Of the many services we provide, three services—investment policy consulting, asset allocation analysis, and dynamic portfolio construction—have the greatest impact on investment outcomes. VIAS investment consultants excel at all three, helping to increase the potential for better returns.

What sets Vanguard apart is our personal approach, combined with a methodology that emphasizes dynamic portfolio construction. Through cyclical markets—through all the noise we hear in the marketplace—we use a full array of asset classes, including alternatives such as private equity where appropriate, to develop risk-controlled, customized strategies designed to stand the test of time.”

—Chris Philips, CFA, Head of VIAS
Asset allocation analysis

Research consistently confirms that a long-term asset allocation is the primary driver of both risk and return.1 It is essential, then, to get your asset allocation right.

That’s why our VIAS team works closely with you and your investment committee to recommend a custom investment strategy that balances your long-term goals, risk tolerance, return objectives, and constraints—your investor profile.

To draw as complete a picture as possible, we use Vanguard’s proprietary asset allocation technology to gain insight into your risk tolerance and constraints.

Together, we develop the optimal strategic allocation for your organization.

---

1 A seminal 1986 study by Gary P. Brinson, L. Randolph Hood, and Gilbert L. Beebower demonstrated the importance of asset allocation. Their findings were confirmed in a 2017 Vanguard paper that showed that the asset allocation decision was responsible for 91.1% of a diversified portfolio’s return patterns over time.
Dynamic portfolio construction

The portfolios we develop vary with investor profile. They may include index, active, and alternative strategies, including private equity, if applicable. Whether our portfolio recommendation tilts in one direction or another depends on considerations unique to your organization, informed by our knowledge of empirical research.

Before we can determine the portfolio strategy that’s right for you, we need to understand your perspective. One way we gain this insight is through Vanguard’s advanced modeling analytics. These analytics forecast the potential distribution of returns across various investment strategies. In effect, we run dynamic "what if?" scenarios in real time to develop, in partnership with you, the best investment strategy for your organization’s future.

We then build and manage your custom portfolio, while you focus on your mission.

A spectrum of index and active investment strategies can be used to create your custom portfolio solution.

No matter where your organization falls on the risk-reward continuum, Vanguard recommends a comprehensive array of strategies from which to develop a customized solution. There is no one-size-fits-all.
MANAGER research

An additional benefit with Vanguard is our manager search and oversight expertise. We have more than 40 years of success in finding and recommending top asset managers around the globe. We scan the universe of managers, including both in-house and external managers, for the best choice for a given asset class or strategy. We look at quantitative and qualitative factors, contingency, succession planning, stability, and more. If a nonaffiliated manager is the best of the best, then that’s the manager we select.
Vanguard OCIO PERFORMANCE

VIAS composite performance versus benchmark

10 years ended June 30, 2020
Cumulative growth June 30, 2010 = 100%

Source: Vanguard data, 2020. Past performance is not a 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. See full disclaimer on page 15.
Providing **VALUE**

Through VIAS, we provide a comprehensive suite of investment management and advisory services—all at an exceptionally competitive cost. That’s because we understand that every dollar spent on fees and investment costs is one less dollar for mission or endowment.

As a mutually owned company, we lean into the commitment to provide value. And because Vanguard is committed to transparency, you always know how much you’re paying for your advisory services.
An unwavering focus on **YOU**

Doing what’s best for our clients—for you—is driven by our values. We are a **client-owned** organization whose mission is to give everyone the best chance for investment success.¹

Our **client-first culture** means we make every decision with you in mind. We believe Vanguard’s ranking as the number one most-trusted institutional asset manager reflects our unwavering focus on our clients.

In VIAS, we are committed to helping you achieve your investment goals and fulfill your mission—to help you make it happen.

¹ Vanguard is client-owned. As a client owner, you own the funds that own Vanguard.
Vanguard has long been a leading asset manager for nonprofit organizations. In recent years, VIAS has emerged as a leader in the nonprofit OCIO space as well.

VIAS nonprofit client returns have generally outpaced those of their benchmarks over the past decade (see Vanguard OCIO performance chart, page 11).

As you consider the returns you’re seeking over different time horizons, know that we will be there for you, now and in the years to come. You can trust Vanguard for investment advice built on a history of strong performance.
Important information

VIAS composite performance versus benchmark information:
Vanguard results reflect the reinvestment of dividends and other fund distributions.

These client portfolios cover a range of sizes, with no upper or lower limit, that capture the performance of all managed plans within the defined asset allocation range. VIAS composite parameters, client types: discretionary advisory relationships, asset allocation: 25% to 75% equity. Benchmark composition: 60% MSCI ACWI NR USD; 40% Bloomberg Barclays Global Aggregate Float-Adj Index USD, rebalanced on a monthly basis back to the initial index weightings for each asset class component.

The performance results reflected in the VIAS performance composite review are for a select group of VIAS clients. These clients' results were included based on VIAS categorization of the clients as "discretionary" clients with nonretirement portfolios. These results do not reflect the performance of all of VIAS's clients. Moreover, the client portfolio results have been aggregated and reflect the use of different underlying asset allocations and investments for individual client portfolios. For example, allocations include both actively managed and indexed strategies; consequently, individual client portfolio results may have been different from the results displayed above.

The results shown in the VIAS performance composite review are net of advisory and investment fees. Advisory fees are calculated and assessed as set forth in each VIAS client's Investment Management Agreement and are based on each client's assets. Investment expenses are provided in each respective fund's prospectus. Clients will have access to the lowest-cost share classes for each appropriate strategy when minimum investment requirements are met. Accordingly, the performance of the client portfolios included above is not intended to be reflective of the potential performance of a VIAS-managed portfolio for a specific client, which may be subject to different advisory and mutual fund fees.

Investment strategies used by VIAS, including those for the client portfolios with performance results displayed on page 11, involve risk of loss, and fluctuations in the financial markets and other factors may cause declines, which may be significant, in the value of a portfolio over short or extended periods of time. Neither VIAS nor any affiliated entity offers any guarantee that investment results or objectives sought by any client will be achieved.
For more information about any fund, visit institutional.vanguard.com or call 866-499-8473 to obtain a prospectus or, if available, a summary prospectus. Investment objectives, risks, charges, expenses, and other important information are contained in the prospectus; read and consider it carefully before investing.

All investing is subject to risk, including the possible loss of the money you invest. There is no guarantee that any particular asset allocation or mix of funds will meet your investment objectives or provide you with a given level of income.

Advice services offered through Vanguard Institutional Advisory Services are provided by Vanguard Advisers, Inc., a registered investment advisor.

Cogent Wealth Reports is a division of Market Strategies International. Market Strategies is a market research consultancy with deep expertise in consumer/retail, energy, financial services, health care, telecommunications, and technology. Its syndicated products, known as Cogent Reports, help clients understand the market environment, explore industry trends, and evaluate and monitor their brand and products within the competitive landscape. The survey referenced here was conducted independently by Cogent. Vanguard neither commissioned nor paid to be included in the Cogent survey. Cogent has conducted unrelated, custom market research for Vanguard in the past.

CFA® is a registered trademark owned by CFA Institute.