



**CONFIDENTIAL HCA BOARD FINANCIAL INFORMATION—PLEASE DO NOT DISTRIBUTE**

ENDOWMENT  
FUND

**HERITAGE CHRISTIAN ACADEMY  
ENDOWMENT ANNUAL REPORT**

**REPORT DATE: FEBRUARY 4, 2026  
REPORTING PERIOD: AS OF DECEMBER 31, 2025**

**HIGHLIGHTS— YTD 2025**

- ◆ Despite Economic Volatility, return was 16.13% in 2025 using reserve cash during volatility as a ballast in preservation of assets
- ◆ To build the Endowment Fund, use of a TACTICAL strategy overweighted (intentionally) in GROWTH stocks (Total Market) both domestic US and Developed International
- ◆ 2024 Marked Stage 1 Complete | Now in Stage 2 “Income Generation”
- ◆ No Income Distributions nor Asset Allocation Strategies Modifications
- ◆ Infusion of equities (HPE) of \$26,244 (appreciated 48.09% )
- ◆ RECOMMENDATIONS:
  - ◆ [1] Begin Movement to 70% Eq | 30% Fixed Income through Introduction of Bond ETF by utilizing current cash balance
    - ◆ Purchase Bond ETF such as Vanguard Total Bond Market (BND) ~ \$30,000
  - ◆ [2] Discuss use of INCOME Generated—Approximately \$2,000 — \$4,000 for Uses Allowed by Bylaws

*The primary purpose of this Endowment Fund is to provide a means for members and supporters of Heritage Christian Academy to make gifts and bequests to provide a permanent endowment of financial support... for tuition assistance, capital improvement or program expansion projects, or any projects deemed appropriate by the Endowment Committee.*

~ HCA Endowment Fund PURPOSE ~

**ENDOWMENT INVESTMENT OBJECTIVES**

HCA Endowment Fund Charter charges its **Endowment Committee** to select investments that meet the following objectives:

- ◆ CONSERVATION of principal for the effective maintenance of purchasing power
- ◆ GROWTH of principal and income
- ◆ INVESTMENT OF ASSETS to make a positive contribution toward the realization of the goals and governing principles of Heritage Christian Academy

**PORTFOLIO  
SUMMARY**

**Original Investment:**  
\$100,300

**Current Assets 12-31-2025:**  
\$386,360  
(\$347,496 excl HPE)

**Cumulative Income Earned:**  
\$26,771 (Approximately)

**Liquidity Needs:**  
LOW

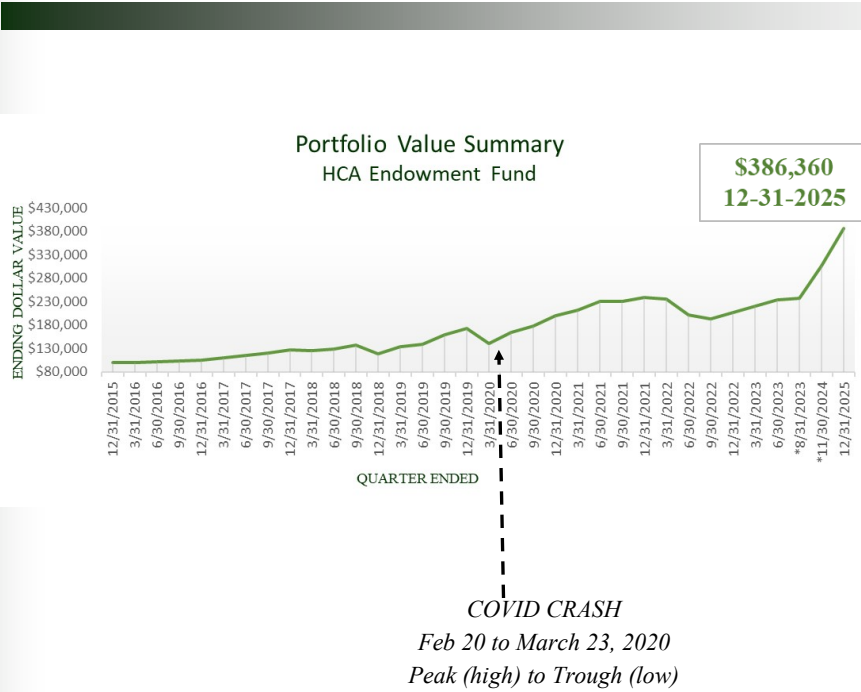
**Investment Objective:**  
MODERATE AGGRESSIVE  
(10% - 30% Fixed Income &  
70% - 90% Equities)

**Time Horizon: “Multi-Stage”**  
Stage 1 — Growth to \$250,000  
Stage 2 — Income Generation

ENDOWMENT RETURN & HISTORY



**PORTFOLIO VALUE SUMMARY & INCOME**

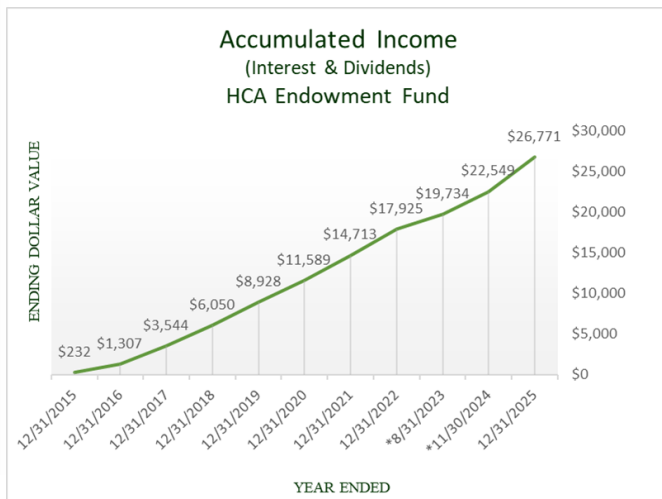


**Divide your portion among seven,  
or even to eight; for you know not  
what disaster may happen on earth.**

~ Ecclesiastes 11:2



**INCOME EARNED**



**PORTFOLIO VALUE SUMMARY**

Inception: 11-2-2015

Period	Cumulative Value
12/31/2015	\$99,352.32
3/31/2016	\$99,879.84
6/30/2016	\$100,919.96
9/30/2016	\$103,212.13
12/31/2016	\$104,841.14
3/31/2017	\$110,310.70
6/30/2017	\$114,331.46
9/30/2017	\$119,579.90
12/31/2017	\$126,492.35
3/31/2018	\$125,640.59
6/30/2018	\$129,099.45
9/30/2018	\$136,859.98
12/31/2018	\$117,906.04
3/31/2019	\$133,458.28
6/30/2019	\$138,671.47
9/30/2019	\$159,739.98
12/31/2019	\$171,844.00
3/31/2020	\$140,138.02
6/30/2020	\$164,946.00
9/30/2020	\$177,084.00
12/31/2020	\$199,994.00
3/31/2021	\$210,779.00
6/30/2021	\$230,598.00
9/30/2021	\$230,187.00
12/31/2021	\$238,814.00
3/31/2022	\$234,818.00
6/30/2022	\$201,054.00
9/30/2022	\$192,148.00
12/31/2022	\$206,183.56
3/31/2023	\$219,244.14
6/30/2023	\$233,936.46
*8/31/2023	\$236,427.06
*11/30/2024	\$306,452.01
12/31/2025	\$386,359.66

\*YTD Snapshot

**INCOME (Dividend or Interest) ACCUMULATION**

Inception: 11-2-2015

Quarter	Annual Value	Cumulative Total
12/31/2015	\$232.16	\$232
12/31/2016	\$1,075.20	\$1,307
12/31/2017	\$2,236.74	\$3,544
12/31/2018	\$2,506.03	\$6,050
12/31/2019	\$2,877.68	\$8,928
12/31/2020	\$2,661.68	\$11,589
12/31/2021	\$3,124.00	\$14,713
12/31/2022	\$3,211.28	\$17,925
*8/31/2023	\$1,809.48	\$19,734
*11/30/2024	\$2,814.49	\$22,549
12/31/2025	\$4,222.74	\$26,771

\*YTD Snapshot



# FUND PERFORMANCE ANALYSIS

# PORTFOLIO RETURN & HISTORY (Continued)

## TOTAL ENDOWMENT FUND

Initial Investment: \$10,000 HCA Funds + \$300 TD Ameritrade Incentive

New** Deposits (Withd)	Ending Balance	Prior Year	Net	Net % Market Change	Dec 31st of
		End Bal Adj for Dep/Withd	Dollar Market Change		
\$100,300	\$99,352	\$100,300	\$0	0.00%	2015
\$0	\$104,841	\$99,352	\$5,489	5.52%	2016
\$0	\$126,492	\$104,841	\$21,651	20.65%	2017
\$0	\$117,906	\$126,492	-\$8,586	-6.79%	2018
\$20,000	\$171,844	\$137,906	\$33,938	24.61%	2019
\$0	\$199,994	\$171,844	\$28,150	16.38%	2020
\$5,000	\$238,814	\$204,994	\$33,820	16.50%	2021
\$375	\$206,184	\$239,189	-\$33,005	-13.80%	2022
\$0	\$236,427	\$206,184	\$30,244	14.67%	2023*
\$0	\$306,452	\$236,427	\$70,025	29.62%	2024*
\$26,244	\$386,360	\$332,696	\$53,664	16.13%	2025

\*\* New Deposits are an infusion of cash or investments...not rebalancing

## iShares MCSI EAFE ETF [EFA]

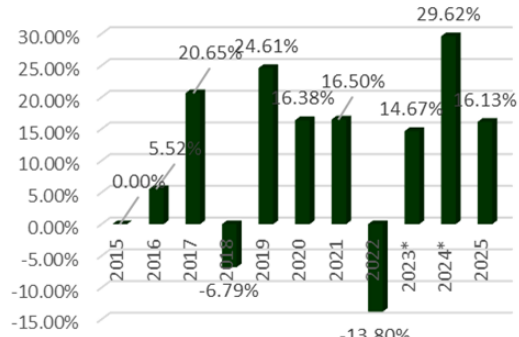
New Deposits (Withd)	Ending Balance	Prior Year	Net	Net % Market Change	Dec 31st of
		End Bal Adj for Dep/Withd	Dollar Market Change		
\$6,023	\$5,872	\$6,023	-\$151	-2.51%	2015
\$2,775	\$8,870	\$8,647	\$223	2.57%	2016
\$11,261	\$23,905	\$20,130	\$3,775	18.75%	2017
\$0	\$19,985	\$23,905	-\$3,920	-16.40%	2018
\$0	\$23,610	\$19,985	\$3,625	18.14%	2019
\$0	\$24,806	\$23,610	\$1,196	5.07%	2020
\$0	\$26,751	\$24,806	\$1,945	7.84%	2021
\$0	\$22,318	\$26,751	-\$4,433	-16.57%	2022
\$0	\$24,320	\$22,318	\$2,003	8.97%	2023*
\$0	\$26,850	\$24,320	\$2,530	10.40%	2024*
\$0	\$32,650	\$26,850	\$5,800	21.60%	2025

## Vanguard Total Stock Market Index Fund (VTSMX)

New Deposits (Withd)	Ending Balance	Prior Year	Net	Net % Market Change	Dec 31st of
		End Bal Adj for Dep/Withd	Dollar Market Change		
\$35,330	\$34,301	\$35,330	-\$1,029	-2.91%	2015
\$5,854	\$44,556	\$40,155	\$4,401	10.96%	2016
\$41,673	\$101,659	\$86,230	\$15,429	17.89%	2017
\$1,829	\$96,316	\$103,488	-\$7,172	-6.93%	2018
\$941	\$125,897	\$97,256	\$28,641	29.45%	2019
\$0	\$152,320	\$125,897	\$26,423	20.99%	2020
\$0	\$191,485	\$152,320	\$39,165	25.71%	2021
\$0	\$154,097	\$191,485	-\$37,388	-19.53%	2022
\$0	\$181,822	\$154,097	\$27,725	17.99%	2023*
\$0	\$247,771	\$181,822	\$65,949	36.27%	2024*
\$0	\$281,409	\$247,771	\$33,638	13.58%	2025

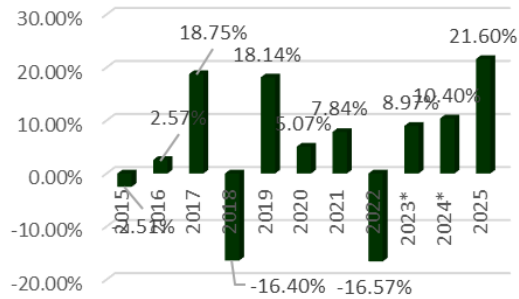
### Endowment Historical Returns TOTAL

Period Ended: Dec 31, 2025



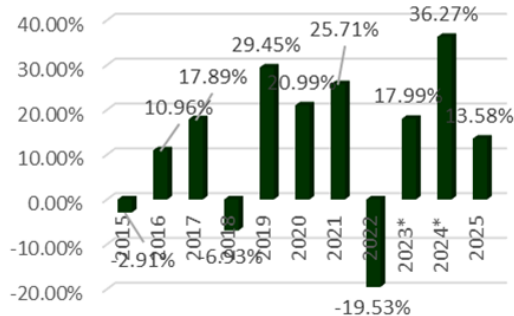
### Endowment Historical Returns iSHARES

Period Ended: Dec 31, 2025



### Endowment Historical Returns Vanguard

Period Ended: Dec 31, 2025



**INDEXES:** S&P 500 YTD Return: 17.9% | BBgBarc US Agg Bond YTD Return: 7.30% | MSCI AACWI Ex USA TR USD (Foreign & EM) YTD Return: 4.35%



## SYNOPSIS OF INVESTMENT PORTFOLIO(2025)

### iShares MSCI EAFE ETF [EFA]

- ◆ **Category:** US Foreign Large Blend (Equity 99.23%)
- ◆ **Low expense ratio:** (0.32%) which is below average
- ◆ **Strategy:** Exchange Traded Fund seeking to track the investment results of Large and Mid-Cap Developed Market equities outside of the US and Canada.
- ◆ **Top Sectors:** Financial Services | Industrials | Healthcare
- ◆ **Global Location:** UK 14% | Europe 50% | Japan 22% | Other 14% (Ex US and Canada)
- ◆ **10 year Risk & Return:** Beta 1.01
- ◆ **Top Holdings:** ASML | Roche | HSBC
- ◆ Morningstar “Medalist” Rating

### Vanguard Tot Stk Mkt Index Fund [VTSMX]

- ◆ **Category:** Large Blend US Equities (98.83%)
- ◆ **Low expense ratio:** (0.14%) which is below average
- ◆ **Strategy:** Mutual Fund which seeks to track the investment performance of the CRSP US Total Market Index which is 100% of US Stock market (Large, Mid, and Small) trading on NYSE and Nasdaq thus overall stock market.
- ◆ **Top Sectors:** Technology | Financial Services | Consumer Cyclical
- ◆ **Global Location:** US North America 99.5% | Other 0.5%
- ◆ **10 year Risk & Return:** Beta 1.03
- ◆ **Top Holdings:** NVIDIA | Apple | Microsoft | Amazon | Alphabet | Broadcom | Meta | Tesla
- ◆ Morningstar “Silver Medalist” Rating



## CONSIDERATIONS OF THE MARKET

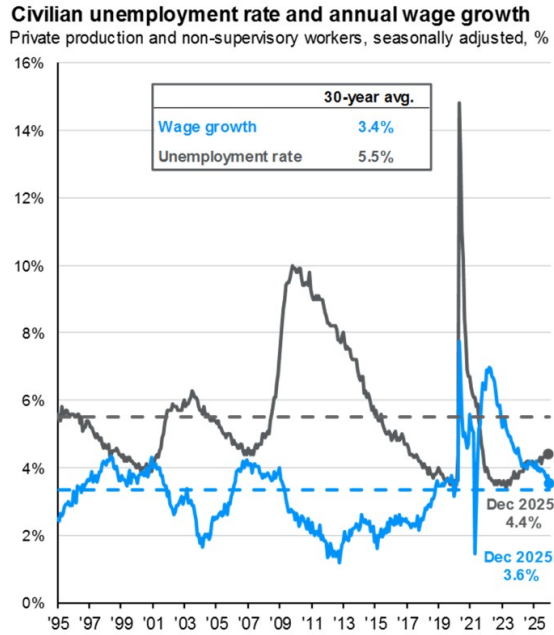
1. **Economy may Speed Up then Slow Down**
  - ◆ Despite tariff headwinds, the government shutdown and restrictive immigration policies, strong AI investment and resilient consumer spending have supported the U.S. economy.
  - ◆ Growth slowed in 4Q25, but the OBBBA should inject stimulus into the economy via larger income tax refunds, boosting activity early in 2026.
  - ◆ However, as the effects of fiscal stimulus fade and higher tariffs and lower immigration persist, growth could slow again in the second half of 2026.
2. **Inflation May Accelerate Before Returning to 2%**
  - ◆ The inflationary impacts of tariffs have grown more apparent as headline CPI rose 2.7% y/y in November, up from 2.3% in April.
  - ◆ Importantly, tariffs have yet to fully flow through the data, and their effects should intensify in the months ahead.
  - ◆ This, along with fiscal stimulus, could push headline inflation above 3.5% y/y by mid-2026 before it gradually recedes to the Federal Reserve’s 2% target.



## CONSIDERATIONS OF THE MARKET (CONTINUED)

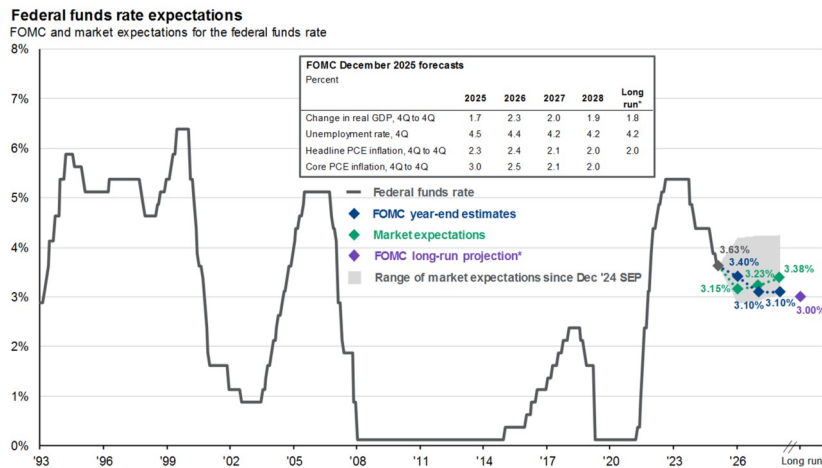
### 3. Job Growth Still Volatile

- ◆ A slower-moving U.S. economy, federal government workforce reductions and a shrinking labor supply weighed on job growth in 2025.
- ◆ While hiring activity could accelerate alongside consumer spending in early 2026, it may fade again in the second half of the year.
- ◆ Still, with the administration successfully reducing illegal immigration and ramping up deportation efforts, weaker labor-force growth could limit any meaningful rise in the unemployment rate. Federal Reserve Could Deliver Two More Rate Cuts



### 4. Federal Reserve May Cut Rates More in 2026

- ◆ After cutting interest rates by 75 bps in 2025, the Federal Reserve, with both sides of its dual mandate at odds, could deliver more measured policy easing in 2026.
- ◆ The committee could cut rates once in each half of the year while it assesses the economic impacts of fiscal stimulus and tariffs.
- ◆ However, if the economy weakens again in late 2026, particularly if the outcome of the midterm elections appears to preclude further fiscal stimulus, the Fed may adopt a more accommodative stance.



MARKET CONSIDERATIONS



## LOOKING AHEAD IN 2026

After weathering the 2025 policy storm, 2026 should be another year of U.S. economic resilience, continuing to support risk assets like stocks and corporate credit. Beneath the surface, however, cyclical economic momentum remains modest – with a K-shaped economy where middle income and below consumers feel pressured and rate-sensitive sectors of the economy (like housing) remain soggy.

Within stocks, we continue to see the biggest opportunities in structural rather than cyclical stories. The investment and adoption of AI continues to dominate the strength seen in U.S. economic and earnings growth – and, increasingly, international earnings growth as well (especially in Asian emerging markets). The AI

theme also continues to power both public and private markets – but the key is to stay ahead of the evolving AI winners, especially as expectations have ratcheted higher and investors have started to focus more on the return for all that investment. “Smarter regulation” also remains a powerful theme for U.S. markets, including banks and private equity and credit.

Overseas, we expect other structural themes to power a narrowing of the earnings growth gap with the United States, including higher nominal growth, higher government investment and a focus on shareholder returns. This, combined with a continued weaker dollar and still low expectations, point to another strong year for international equities ~J.P. Morgan Market Insights

*Be diligent to know the state of your flocks, and attend to your herds.*  
Proverbs 27:23



## MACRO ASSET ALLOCATION SUMMARY

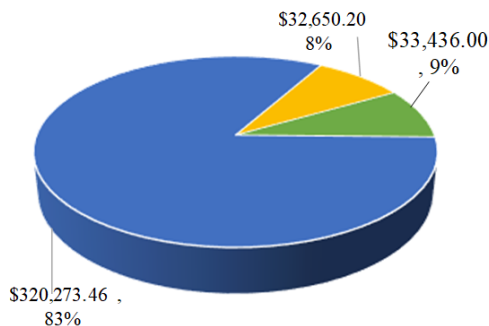
### Current Asset Allocation

Fixed Income	\$ 33,436.00	9%
Equities - US	\$ 320,273.46	83%
Equities - Int'l	\$ 32,650.20	8%
	<u>\$ 386,359.66</u>	

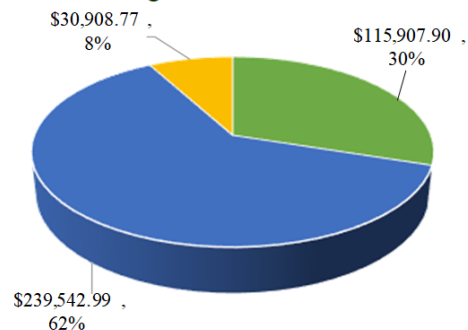
### Target Asset Allocation

Fixed Income	\$ 115,907.90	30%
Equities - US	\$ 239,542.99	62%
Equities - Int'l	\$ 30,908.77	8%
	<u>\$ 386,359.66</u>	

Current Asset Allocation



Target Asset Allocation





## GLOSSARY OF TERMS USED IN REPORT

### ASSET CLASS:

- ◆ A grouping of investments into a group based on homogeneous characteristics. It is used to diversify the holdings in a portfolio and thereby reduce risk.

### DIVERSIFICATION

- ◆ A risk reduction tool used in a portfolio of holdings by varying the investments within a portfolio. Normally, different asset classes are not completely correlated meaning each class responds differently to market conditions. Thus, a positive performance of one holding may neutralize the negative performance of another holding when markets are volatile

### FIXED INCOME: *Examples: Treas. Bonds / Corp Bonds (U.S. or Foreign) / Certificates of Deposits*

- ◆ Fixed income securities provide a fixed periodic payment coupled with a return of the original investment (called “Principle”) at the maturity of the fixed income instrument.
- ◆ Fixed income interest rates are set at the issuance of the security which allows the investor to have a known understanding of the interest payments from the holding.
- ◆ Due to it’s more conservative nature, lower risk is associated with fixed income securities which reduces the “return” on the investment.

### EQUITIES: *(Individual Stocks like Apple Stock or Mutual Funds holding stocks such as our VTSMX)*

- ◆ Equities are securities in which a company raises capital by issuing ownership to an investor who desires its shares to appreciate based on future performance. A mutual fund is indirect ownership of individual equities which offers further reduction of risk through diversification.
- ◆ Shares are issued and traded either through stock market exchanges (NYSE) or over-the-counter markets. Some equities will pay dividends to the shareholder.
- ◆ Equities have potential for a higher return on investment which in turn increases the risk. There is no guarantee of return of the original investment amount (principle).
- ◆ Categories
  - ◆ Equities can be U.S. based (domestic) or Non-U.S. based (foreign)
  - ◆ Equities are also broken down by capitalization (Large / Mid / Small)

GLOSSARY

## ENDOWMENT COMMITTEE

**Mike Cuckler**  
HCA Head Administrator | Endowment Manager

**Ted Simmons**  
HCA Board of Directors | Endowment Chair

**Jill Black**  
HCA Board of Directors | Endowment Chair-Elect

**Deborah Lacey, CPA, CFP® , MST**  
Endowment Member (*Volunteer*)

2506 Zurich Drive  
Fort Collins, Colorado 80524  
970-494-1022 | info@heritagechristian.info

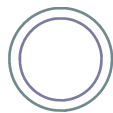
**Call to me and I will answer you  
and tell you great and unsearch-  
able**

**things you do not know.**

~ Jeremiah 33:3

**END OF 12-31-2025 ANNUAL  
HCA ENDOWMENT FUND REPORT**

(SOURCE: JPM)



**END OF 12-31-2025 ANNUAL  
HCA ENDOWMENT FUND REPORT**





**ENDOWMENT FUNDS  
INVESTMENT FACT SHEETS**

---

- ◆ See Separate Fact Sheet on: Vanguard Total Bond Market (BND)

SUPPLEMENTAL INFORMATION