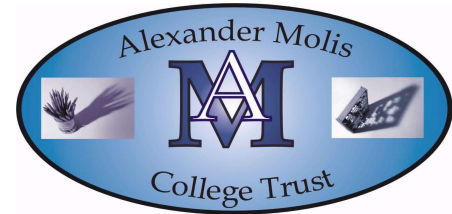


Alexander Molis College Trust



January 16, 2023

Mr. Christopher Molis
Mr. James Molis
Trustees, Alexander Molis College Trust

Subject: *Alexander Molis College Trust – 2022 Year End Status Report*

Dear Chris and Jim:

As you know, the Trust was funded with \$600,000 on March 13, 2003. Since that time, the Trust has undergone many changes precipitated by changing market conditions. A brief summary of these events is provided at the end of this report. Unfortunately, 2022 was a terrible year for investments and resulted in a substantial loss in Trust value. At year end, the account was valued at about \$688,000, down about \$227,000 for the year. What's worse is that most predictions for 2023 indicate further losses.

Through the end of 2022 we awarded about \$56,000 to students, slightly above the \$55,000 target that we set for the year. As usual, I expect some late requests for the fall 2022 semester, so the total is expected may end up a little higher.

We have awarded a total of about \$830,000 for college costs since 2003. The table at the end of this report shows the amounts awarded to each family member. Table 1 below shows actual performance since 2003, along with an estimate of future performance for the next 2 years (based on long term projected gains). Note that awards are estimated at about \$44,000 per year over the next two years. This is significantly less than what we awarded last year. However, based on long term average performance estimates, the fund would still be predicted to increase in value under these assumptions.

Year	Principal	Gross Gain	Awards	15% Taxes	0.28% Vanguard	Total Awards	Total Awards + Taxes + fees
2003 to 2014	\$814,820	\$648,179	\$408,232	\$10,489	\$14,638	\$408,232	\$433,359
2015	\$776,266	-\$1,095	\$17,920	\$13,098	\$6,441	\$426,152	\$470,818
2016	\$802,928	\$79,732	\$39,853	\$6,543	\$6,674	\$466,005	\$523,888
2017	\$864,173	\$153,569	\$71,004	\$17,484	\$3,836	\$537,009	\$616,212
2018	\$696,537	-\$68,912	\$78,962	\$17,000	\$2,762	\$615,971	\$714,936
2019	\$782,237	\$151,446	\$49,946	\$13,000	\$2,800	\$665,917	\$780,682
2020	\$845,405	\$120,841	\$45,715	\$8,767	\$3,191	\$711,632	\$838,355
2021	\$916,107	\$144,020	\$62,623	\$6,840	\$3,855	\$774,255	\$911,673
2022	\$688,820	-\$145,862	\$55,746	\$22,379	\$3,300	\$830,001	\$993,098
2023	\$691,334	\$55,106	\$44,084	\$6,613	\$1,894	\$874,085	\$1,045,689
2024	\$693,858	\$55,307	\$44,245	\$6,637	\$1,901	\$918,330	\$1,098,472

Table 1 – Actual & Projected Performance

2022 Award Limits

While we cannot predict what 2023 will bring, early indications suggest the markets will continue to deteriorate. Given this, I suggest that we make a substantial reduction in our target awards to \$35,000 for 2023 (~5 % of trust value).

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Based on the planning analysis that Chris completed several ago, we do not anticipate any new family members entering college in the fall of 2023. We had only 7 individuals request assistance in 2022, and, as far as I know, they will be continuing college in 2023. Five students are attending major colleges, while the other two are attending junior colleges.

Given this, and in the interest of preserving trust assets during these very difficult economic times, I suggest that we decrease the yearly award limit per individual to \$6,000. This is a substantial reduction in awards from last year. We can reassess these limits as the year unfolds. If you do not agree with these suggestions, then please let me know and we'll discuss it further.

Looking back at past history, we have had to reduce award limits several times over the years. We got through those difficult years just fine and gradually were able to increase award limits in subsequent years once markets improved. We will get through this rough period, but we will have to be patient.

As such, for 2023, the following policies are recommended.

- 1. For requests below \$6,000 for the year, award the full amount. Of course, if there are many students in this category, we would have to reduce the amount to stay within our yearly limit.*
- 2. For requests above \$6,000 for the year, we will only be able award a maximum of \$6,000 per student per year. Of course, if there are many students in this category, we would have to reduce the amount to stay within our yearly limit.*
- 3. Exceed the \$6,000 limit on an as-case basis, considering both the trust assets and yearly limit. The Trustees will review and vote on requests individually.*
- 4. For students who choose to commute to college rather than stay on campus, we will reimburse for mileage to and from college. We will use the 2023 IRS mileage reimbursement rate, which is 65.5 cents per mile.*
- 5. Letters to individuals requesting funds before any semester should stress that the awards are given with the expectation that the student will get passing grades (at least a 2.0). Should the student not achieve passing grades, then future awards for that student will not be made before the semester, but rather will be made only after receiving notice that the student passed. If passing grades are not achieved, the Trust will make no award for that semester.*
- 6. For any student who requests funds for a non-college degree program, the Trustees shall decide on what amount to award, based on the current Trust financial condition, and the total number and amount of other funds being requested. However, because the original intent of the Trust was for college degree programs, the Trustees reserve the right to award less than the amounts listed above for any non-college degree program, or perhaps, make no award at all.*
- 7. Letters to applicants should note that the Trust may not be able to cover an applicant's costs, and that the Trustees will consider past awards made when deciding on whether to make future awards. This will cover situations where a student decides to change programs midstream and cannot transfer credits to the new program.*

Age and Other Award Limits

Over the years, we have had several unusual requests that have caused the Trustees to review our procedures. One is requests by older individuals, and the other is when individuals who have already received awards for a degree, decide to seek a degree in different field.

As the family expands, more and more students are expected to share the assets of the Trust. We believe Uncle Al's intention was to assist young family members in pursuing a college degree to get them on a career path that they might not be able to otherwise afford. Although initially designed for college education, we think he would be happy with us that we now allow individuals to pursue education in non-degreed fields, rather than just college degrees. We do not think, however, that his intention was neither to assist individuals for multiple degrees in different fields, nor to do we think he would approve of funding degrees later in life.

We think the Trust should provide a means for young people to better themselves and initially kick start their life. If, after obtaining a degree and selecting a career, they are not happy, they might want to pursue a degree in a different field. If so, we believe that it is up to them to pay those costs themselves. We, as trustees, must look across the broad spectrum of a growing family, and set appropriate guidelines to share the funds to meet the goals set. As such, we will stay with the award rules that we adopted in 2020:

1. Limit assistance to those individuals pursuing degrees up to the age of 35.
2. No assistance will be provided for an additional degree in an unrelated field.
3. Provide assistance for advanced degrees so long as the degree is in their undergraduate field of study or is relevant to their undergraduate field. One example of this would be obtaining an MBA degree.
4. Below the age of 35, limit assistance to a maximum of \$500 per year for those individuals who chose to pursue Continuing Education Credits (CEU) to supplement their education in their present field.

Fairness of Awards to Individuals - Consideration of Special Awards

Prior to 2008, there was no limit on the amount that we reimbursed students. Of course, in those days the fund assets were growing at a substantial rate, and we had fewer individuals requesting funds. As a result, we reimbursed all individuals fully from 2003 to 2007. In subsequent years, market conditions and increased student requests, resulted in us having to impose yearly individual award limits. These limits have continued since that time, thus some students who have attended college after 2008 have incurred significant out-of-pocket costs. The events and history are provided at the end of this report.

At that time, we recognized that there was a level of unfairness to some students. If you happened to be in college during periods where Trust value were growing, the awards would be higher than if a student was in college during periods where the Trust value was decreasing.

As a result, in 2010 we initiated a policy to provide special awards to those individuals who may have received less assistance. To do this, we track the total out-of-pocket costs (Total costs minus awards) for each student. At the end of each year, we evaluate whether we have sufficient assets to grant additional awards.

Currently, we have nine students whose total costs have exceeded what we were able to pay, some of which have paid substantially more than what we have awarded. Most of these individuals attended expensive schools, with tuitions far exceeding what the Trust can provide.

Unfortunately, given the poor performance of the Trust this past year, there will be no special awards granted during 2023. However, as we have done in the past, we will continue to track total out of pocket costs for all students.

As Trustees, we have no specific obligation to pay everyone's costs fully. We discussed this early on knowing that someday we would have a student enrolled in an expensive private college, law school or medical school, and that the Trust could not pay these fees fully. Nevertheless, we do not want to discourage students from attending expensive colleges and should try to contribute a reasonable amount so long as the fund has the resources, and we keep in mind the long-term health of the Trust.

In closing, if the markets begin to recover during the course of 2023, we can consider making additional end of year awards. Thanks for your help throughout the year.

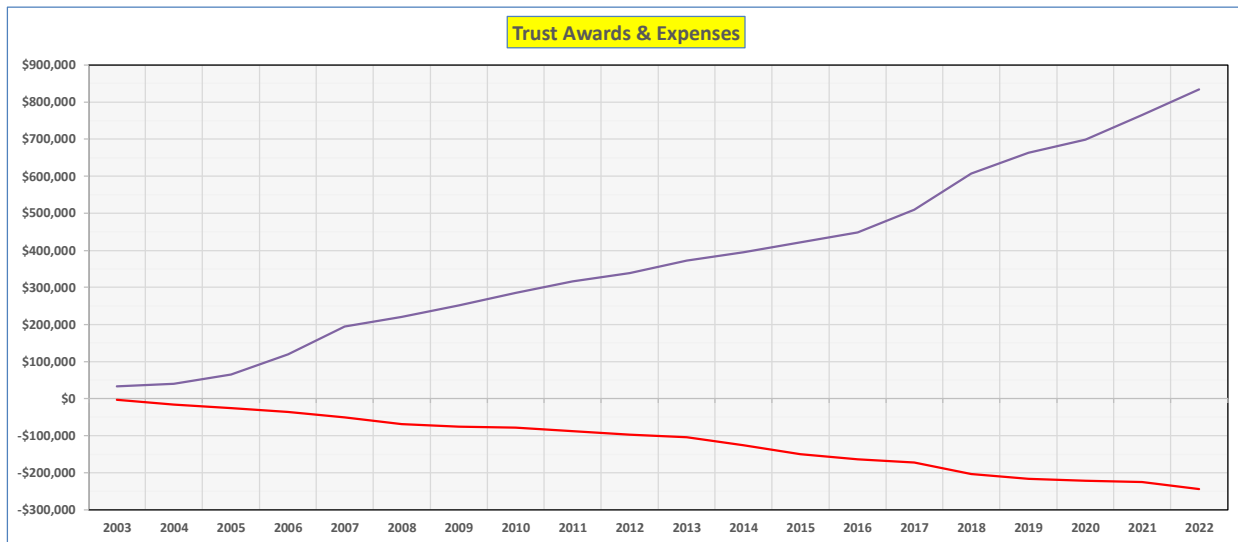
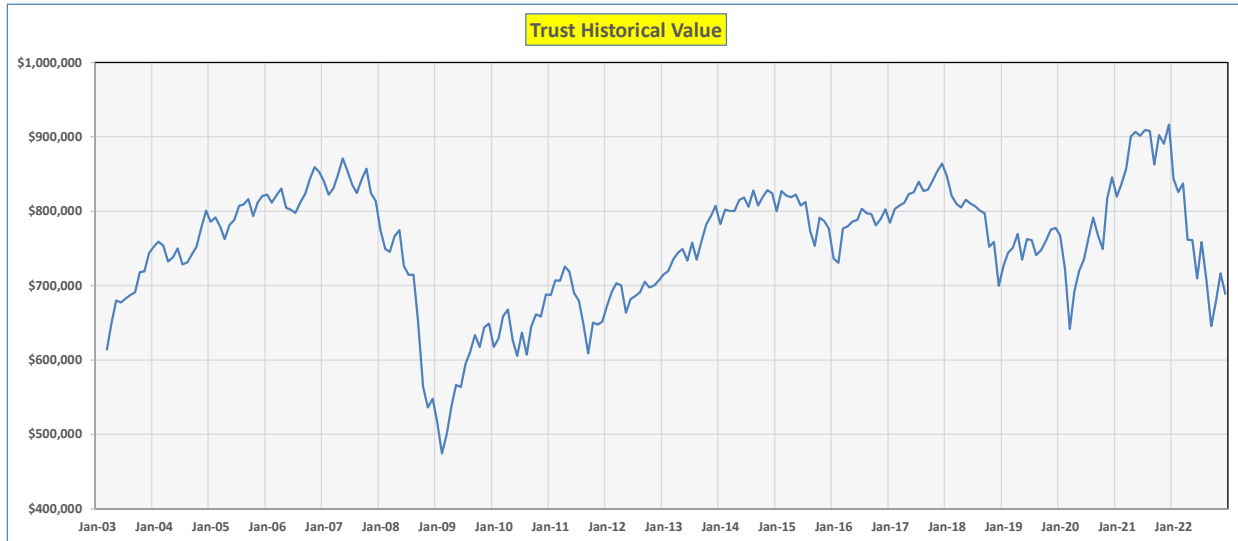
Sincerely,



Stephen. J. Molis, Trustee, Alexander Molis College Trust

Trust Historical Performance

The Trust was funded with \$600,000 on March 13, 2003. Over the years, the Trust has achieved remarkable gains while making significant awards to family members as they pursue their educations. At the end of 2022, the Trust was valued at \$688,820, had distributed about \$830,000 in awards, and had paid about \$149,000 in taxes and \$102,000 in management fees. The chart below shows the historical trust value, while the 2nd chart shows the total trust awards and trust expenses. As you can see, the Trust is still valued at \$688,000, \$88,000 above where we started 20 years ago, despite distributing nearly \$1.1 million in awards, taxes and fees.



The Trustee’s oversee the Trust fund and make decisions on awards. Obviously, we are pleased with the overall results and the current financial condition of the Trust. Nevertheless, we have had to make some difficult decisions over the years based on the ups and downs of the financial markets to ensure that the Trust assets are there for future generations, as this type of Trust will exist for about 100 years! Some of the key events and decisions are discussed below.

From 2003 to 2008, the trust achieved remarkable performance as the stock market motored ahead. This performance allowed us to make significant awards to those family members in college at the time, covering virtually all their costs.

However, the banking crisis in 2008 caused the stock market to suffer steep losses, taking a significant toll on the value of the Trust. Early in 2009, Trust assets had dipped to about \$542,000, down from a high of \$813,000! In reaction to this, the Trustees met and decided to limit awards to students to \$7,500 per year. Time has proven that our strategy allowed us to weather the market storm during those years.

Trust value dipped to a low of \$474,000 in early 2009 before beginning to recover. The markets turned around, and the Trust made solid gains in 2010 through 2017. Each year we set an overall award limit and did our best to adhere to that limit, while still making reasonable awards to family members. During this period, more family members were attending college. As such, in order to keep overall awards to a reasonable level, we had to limit individual awards. These limits started at \$9,000 per year in 2010 and gradually increased to \$14,000 per year in 2018.

Imposing these individual limits, of course, meant that those students who attended more expensive colleges during those years had significant out-of-pocket costs. This did not occur during the early years of the Trust, when students were fully reimbursed for their costs. Recognizing this inequity, the Trustees implemented a plan to make special awards to those individuals with substantial out-of-pocket costs. After evaluating year end performance, the Trustees decide whether to make some additional awards to those individuals. We were able to do this consistently between 2010 and 2017, providing additional awards between \$1,000 and \$4,000 to those individuals each year.

After the market peaked in early 2018, the Trust's value had increased to about \$850,000. However, the markets suffered significant losses for the remainder of 2018, and the Trust ended the year with a significant loss, dropping in value to about \$700,000. As a result, we reduced the maximum award limit from \$14,000 to \$5,000 and made no special awards at year end.

2019 was a much better year for the market and by year end the Trust's assets had grown to \$782,000. This allowed the Trustees to increase individual award limits back to \$9,000 and provide year end special awards again.

The Covid 19 epidemic started in early 2020, making for an interesting year for investing. The pandemic resulted in a precipitous drop in the Trust's assets to \$641,000 at the end of March 2020! However, the market recovered nicely, so by the end of 2020, the account was valued at about \$845,000, up about \$63,000 for the year. As such, we were able to increase individual awards to \$12,000 per year and make additional special awards at year end. The market continued to increase in 2021, ending the year at \$916,000, and allowing us to increase individual awards to \$14,000 per year and make additional special awards at year end.

However, in late 2021, the market began to show signs of trouble, as inflation began to take hold. This accelerated throughout 2022 and caused the stock market to suffer steep losses, taking a significant toll on the value of the Trust. By the end of 2022, Trust assets had dipped to about \$688,000, down from a high of \$916,000 at the beginning of 2022!

So that's where we stand today, again having to reduce awards as we await improved economic conditions.

Alexander Molis College Trust



Student Name	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Totals	Total Out of Pocket Cost	Total Awards
Jared Molis	2008 to 2013	2014 to 2016	2017	2018	2019	2020	2021			
Total Bills	\$47,000	\$0	\$0	\$0	\$0	\$0	\$0	\$47,000		
Amount Awarded	\$14,440	\$0	\$0	\$0	\$0	\$0	\$0	\$14,440		
Extra Award	\$13,000	\$10,000	\$2,000	\$0	\$2,000	\$2,500	\$2,000	\$31,500		
Out of Pocket Cost	\$19,560	\$9,560	\$7,560	\$7,560	\$5,560	\$3,060	\$1,060	\$7,560	\$1,060	\$45,940
Daniel Molis	2016	2017	2018	2019	2020	2021	2022			
Total Bills	\$21,536	\$26,893	\$24,896	\$28,748	\$13,938	\$0	\$0	\$116,011		
Amount Awarded	\$6,500	\$14,000	\$14,000	\$5,000	\$4,000	\$0	\$2,000	\$45,500		
Extra Award	\$4,000	\$2,000	\$0	\$2,000	\$2,500	\$2,000		\$12,500		
Out of Pocket Cost	\$11,036	\$21,929	\$22,825	\$54,573	\$62,011	\$60,011	\$58,011	\$54,573	\$58,011	\$58,000
Ryan Streeter	2016	2017	2018	2019	2020	2021	2022			
Total Bills	\$6,765	\$32,330	\$40,452	\$7,835	\$41,951	\$22,413	\$0	\$151,746		
Amount Awarded	\$6,500	\$14,000	\$14,000	\$2,500	\$8,000	\$12,000	\$2,000	\$59,000		
Extra Award	\$265	\$2,000	\$0	\$2,000	\$2,500	\$2,000	\$0	\$8,765		
Out of Pocket Cost	\$0	\$16,330	\$22,782	\$46,117	\$77,568	\$109,019	\$117,432	\$46,117	\$83,981	\$67,765
Shane Farnz	2015-2016	2017	2018	2019	2020	2021	2021			
Total Bills	\$20,008	\$12,268	\$11,337	\$15,112	\$7,776	\$0	\$0	\$66,501		
Amount Awarded	\$14,722	\$11,201	\$11,201	\$5,000	\$4,000	\$0	\$0	\$46,124		
Extra Award	\$0	\$2,000	\$0	\$2,000	\$2,500	\$2,000	\$2,000	\$10,500		
Out of Pocket Cost	\$5,286	\$4,353	\$4,489	\$12,601	\$13,877	\$11,877	\$9,877	\$12,601	\$9,877	\$56,624
Joey Molis	2019	2020	2021	2022	2023	2024	2024			
Total Bills	\$13,034	\$34,634	\$16,736	\$19,744				\$84,148		
Amount Awarded	\$5,000	\$8,000	\$12,000	\$13,500				\$38,500		
Extra Award	\$2,000	\$2,500	\$2,000	\$0	\$0			\$6,500		
Out of Pocket Cost	\$6,034	\$24,134	\$2,736	\$6,244	\$0	\$0	\$0	\$6,244	\$39,148	\$45,000
Owen Molis	2021	2022	2023	2024	2025	2026	2026			
Total Bills	\$22,247	\$43,447	\$0	\$0				\$65,694		
Amount Awarded	\$6,000	\$13,500	\$0	\$0				\$19,500		
Extra Award	\$2,000	\$0		\$0	\$0			\$2,000		
Out of Pocket Cost	\$14,247	\$29,947	\$0	\$0	\$0	\$0	\$0	\$0	\$44,194	\$21,500
Cecilia Molis	2020	2021	2022	2023	2024	2025	2026			
Total Bills	\$5,677	\$10,457	\$15,875					\$32,009		
Amount Awarded	\$5,677	\$10,461	\$14,000					\$30,138		
Extra Award	\$0	\$0	\$0	\$0	\$0			\$0		
Out of Pocket Cost	\$0	(\$4)	\$1,875	\$0	\$0	\$0	\$0	\$0	\$1,871	\$30,138
Bradley Farrell	2022	2023	2024	2025	2026	2027	2028			
Total Bills	\$9,340							\$9,340		
Amount Awarded	\$7,000							\$7,000		
Extra Award	\$0	\$0	\$0	\$0	\$0			\$0		
Out of Pocket Cost	\$2,340	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,340	\$7,000
Mitchell Farrell	2022	2023	2024	2025	2026	2027	2028			
Total Bills	\$13,137							\$13,137		
Amount Awarded	\$7,000							\$7,000		
Extra Award	\$0	\$0	\$0	\$0	\$0			\$0		
Out of Pocket Cost	\$6,137	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,137	\$7,000

Students with Expenses that Exceed Awards Granted

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Education Trust Award Summary										Active Student
Name	Total Awards 2003-2014	Total Awards 2015	Total Awards 2016	Total Awards 2017	Total Awards 2018	Total Awards 2019	Total Awards 2020	Total Awards 2021	Total Awards 2022	Inactive
Sean Jackson	39,147									\$39,146.72
Jodi Jackson	15,896									\$15,895.99
Michael Bilodeau	25,899	\$1,097.00	\$1,395.00	\$1,731.00	\$1,745.00					\$31,866.72
Michael Bilodeau Jr.	9,300	\$2,486.00	\$1,717.00	\$1,226.00	\$1,415.00	\$1,554.00				\$17,698.00
Stephen A. Molis	20,905									\$20,905.00
Gina Griffin	2,990									\$2,989.75
Audrey Fargo	4,193		\$2,430.00							\$6,623.30
Amy B. Molis	11,950									\$11,950.00
Joseph Fillion	5,317									\$5,317
Kayla Ramos	16,982									\$16,982
Bandon Savickas	24,671									\$24,671
Mark Bilodeau	9,411		\$308	\$3,500	\$14,000	\$5,000				\$32,219
Christopher Molis	47,484									\$47,484
Nicole Bilodeau	6,874									\$6,874
Aubrie Savickas	70,249	\$2,000	\$2,000	\$2,000						\$76,249
David Hird	24,862				\$757					\$25,619
Jennifer Molis	9,700									\$9,700
Jared Molis	42,440	\$2,000	\$2,000	\$2,000		\$2,000	\$2,500	\$2,000		\$54,940
Kiara Fillion	7,651									\$7,651
Michelle Streeter	280					\$1,590				\$1,870
Ryan Streeter			\$6,765	\$16,000	\$14,000	\$7,000	\$8,000	\$14,000		\$65,765
Thomas Streeter	2,736	\$1,628	\$1,073	\$2,357	\$5,444	\$0				\$13,238
Brett Fargo	2,757									\$2,757
Tyler Woodcock										\$0
Brenna Bilodeau	6,539			\$1,732	\$0	\$0				\$8,271
Zenobia Griffin		\$2,209	\$3,443	\$3,900	\$993	\$714	\$2,576	\$1,745	\$2,013	\$17,593
Daniel Molis			\$10,500	\$16,700	\$14,000	\$7,000	\$4,500	\$2,000		\$54,700
Robert Molis					\$5,571					\$5,571
Shane Fargo		\$6,500	\$8,222	\$13,201	\$11,201	\$7,000	\$6,500	\$2,000		\$54,624
Austin Yetz				\$4,702	\$4,625					\$9,327
Morgan Bilodeau				\$1,955	\$2,193	\$2,998	\$769	\$1,800	\$2,525	\$12,240
April Streeter					\$3,018	\$5,000	\$4,693			\$12,711
Joey Molis						\$7,590	\$10,500	\$14,000	\$13,500	\$45,590
Cameron Yetz						\$1,250				\$1,250
Cecilia Molis							\$5,677	\$10,461	\$10,208	\$26,346
Owen Molis						\$1,250		\$8,000	\$13,500	\$22,750
Mercedes Creighton								\$6,617	\$0	\$6,617
Bradey Farrell									\$7,000	\$7,000
Mitchell Farrell									\$7,000	\$7,000
Totals	\$408,232	\$17,920	\$39,853	\$71,004	\$78,962	\$49,946	\$45,715	\$62,623	\$55,746	\$830,001

Award History