evanston!communityfoundation

Annual Investment Briefing

March 30, 2023

WE'RE
HERE
FOR
GOOD

- Helping Evanston thrive now and forever as a vibrant, inclusive, and equitable community.

- The Evanston Community Foundation builds, connects, and distributes resources and knowledge through local organizations for the common good

Investing in Evanston

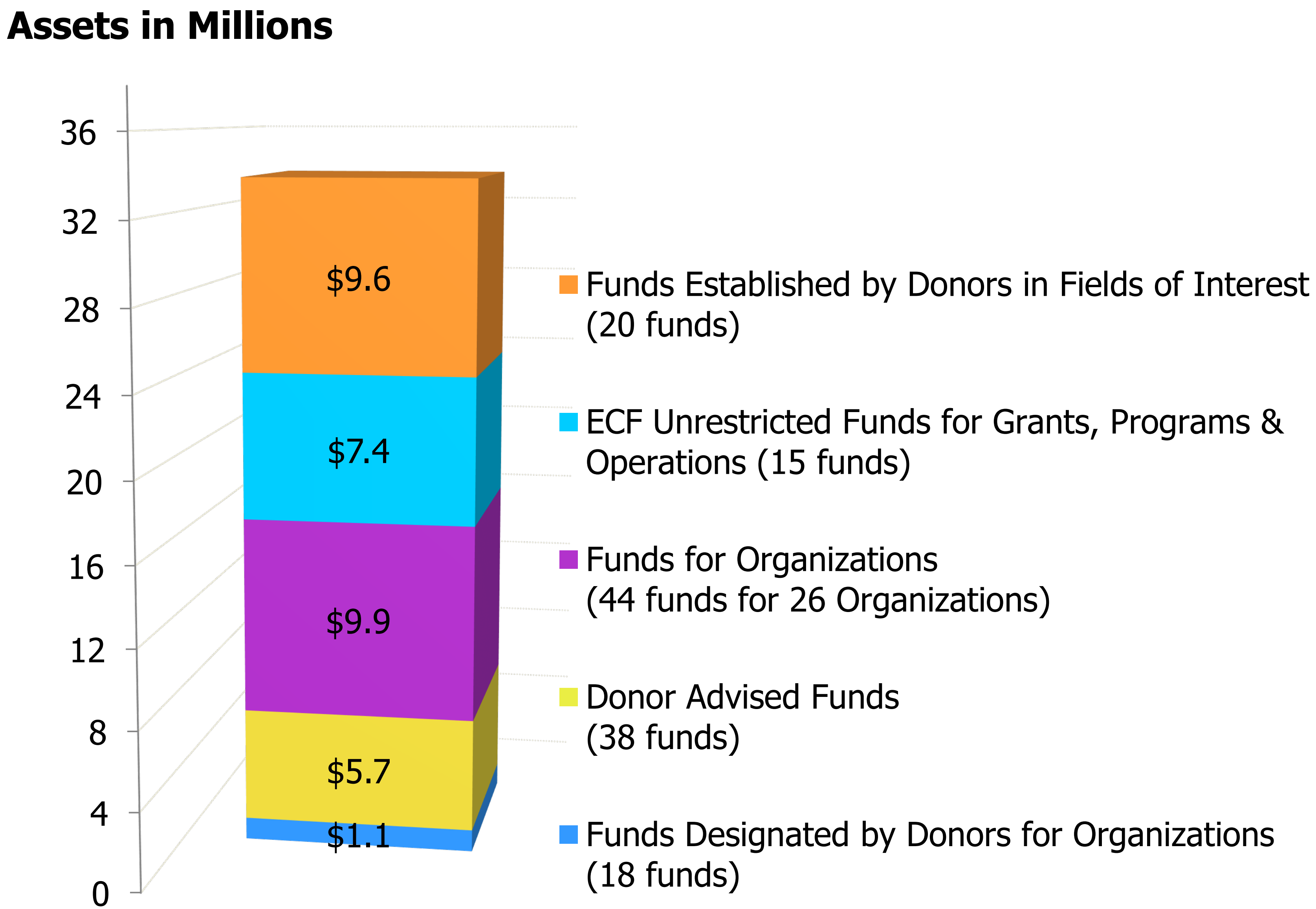
Community foundations develop assets for their communities, establishing and investing funds to pursue opportunities and address community challenges, today . . . *and in perpetuity*

- Funds established by donors support ECF *and* nonprofits serving Evanston and beyond, while realizing donors' philanthropic goals

- Organizational endowments established by nonprofits provide annual distributions to support their initiatives, programs & operations and offer *their* donors a home for bequest and stock gifts

- ECF's own funds generate distributions for our grants and the entirety of our work for the good of Evanston

Funds Participating in the Portfolio



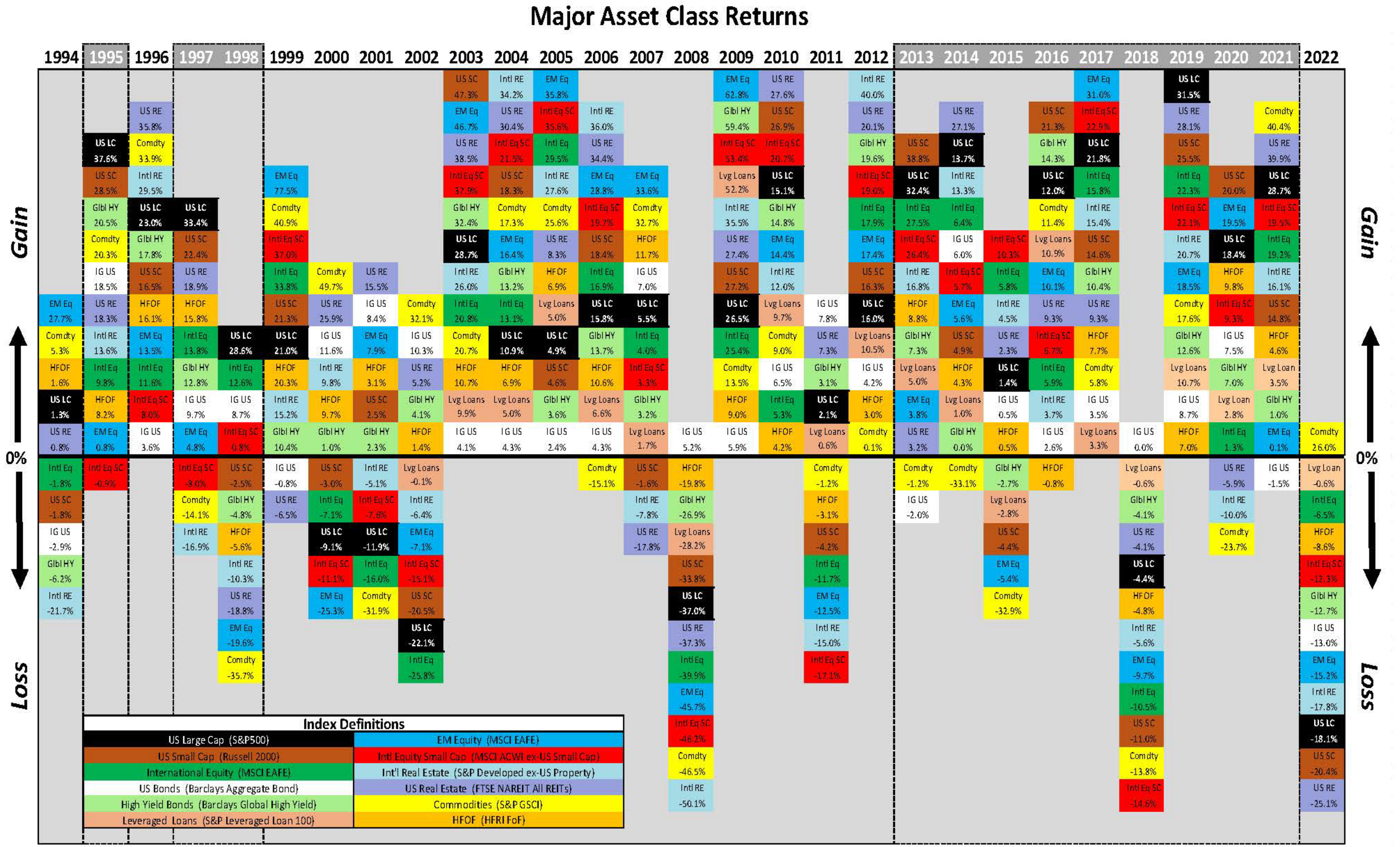
2022 Investment Council

	Joined Council	
Ralph Segall, Chair	1988	Chief Investment Officer, Segall, Bryant & Hamill *(former ECF Chair)*
John McCarthy, Co-Chair	2007	Chief Investment Officer, Centaur Capital Partners, Inc. *(former ECF Treasurer)*
Lisa Altenbernd	2018	Community volunteer *(ECF Past Chair)*
Bill Blanchard	2012	Financial Advisor, Private Wealth Management, UBS *(former ECF Treasurer)*
Michael Brody	2015	Partner, Jenner & Block LLP *(former ECF Chair)*
William Goldstein	2001	President, Chesley, Taft & Associates, LLC
Matt Feldman	2019	Former President & CEO, Federal Home Loan Bank of Chicago *(ECF Treasurer)*
Paul Harvey	2017	Former Global Head – Equity Trading, UBS Global Asset Management
Mark McCarville	2003	Partner, Braydon Partners *(former ECF Treasurer)*
Laura-Min Proctor	2019	Wealth Advisor, William Blair & Co
Marcel Sallis	2021	ESG & Climate Client Coverage, MSCI Inc.
Larry Singer	2020	Community volunteer *(ECF Chair)*
Ingrid Stafford	2001	Former VP for Financial Operations and Treasurer, Northwestern University *(former ECF board member)*

Average Council Tenure of Current Members: 12 years

Cumulative Professional Investment Experience of Current Members: 347 years

Asset Class Returns by Calendar Year through 2022



evanston!communityfoundation

Overall Portfolio Results for 2022

	TOTAL PORTFOLIO Calendar Year 2022	
Beginning Value	$	37,038,066
Add: Contributions	$	4,444,530
Deduct: Withdrawals	$	(2,391,949)
Adjusted Value	$	39,090,647
Value at 12/31/22	**$**	**33,676,054**
Net Change In Investment Value	$	(5,414,593)
Percentage Change in Value		**-13.77%**

Portfolio Results for 2022 – Performance vs. Benchmarks

Asset Category *Category Benchmark*	**Allocation Range**	**Current Allocation**	**Rate of Return** **2022**	 **Last 3 Years**
Cash	0%	12%		
90 Day T-Bills			*1.41%*	*0.71%*
Domestic Fixed Income	15% - 35%	20%	-7.08%	0.30%
Barclay Aggregate			*-13.01%*	-
				.
Foreign Fixed Income	0% - 10%	0%	0.00%	0.50%
JP Morgan Global Non-US			*-19.55%*	*-6.81%*

Portfolio Results for 2022 – Performance vs. Benchmarks

Asset Category *Category Benchmark*	**Allocation Range**	**Current Allocation**	**Rate of Return 2022**	**Rate of Return Last 3 Years**
Domestic Equity	30% - 65%	47%	-17.17%	5.76%
Wilshire 5000			*-19.04%*	*7.41%*
Foreign Equity	0% - 20%	11%	-28.66%	-0.55%
ACWI-ex U.S.			*-14.29%*	*1.27%*
Liquid Alternatives	0% - 20%	9%	-9.68%	7.90%
Illiquid Alternatives		2%	31.14%	
*Constructed Benchmark**			*12.11%*	*10.00%*
Total Account			-13.77%	6.38%
*Blended Benchmark***			*-11.09%*	*6.39%*
CPI *(lagged 1 month)*			*7.11%*	*5.00%*

**Constructed Benchmark = CPI plus 5%*

*** Blended Benchmark is a weighted average of the category benchmarks*

2022 Council Activity

- Four quarterly meetings
- Increased pace of activity compared to prior year
  - Turnover Ratio: 5%

	New Holdings	Addition to Existing Holdings	Trim of Existing Holdings	Sold Entirely
Domestic Fixed Income	US Treasury TIPs, due '27	Baird Core Plus Loomis Sayles IG US Treasury TIPs, due '29 Vanguard Short Term Vanguard Total Bond	US Treasury TIPs, due '23 Vanguard Short Term	
Foreign Fixed Income				
Domestic Equities		Akre Focus, Diamond Hill, Distillate ETF, I-Share Mid Cap, Small Cap, INTF, Russell 3000 ETF, Lyrical Value, Schwab Broad Market, Vanguard Total Stock		

evanston!community foundation

2022 Council Activity
continued

	New Holdings	Addition to Existing Holdings	Trim of Existing Holdings	Sold Entirely
Foreign Equities		Harding Lovener Martin Currie Emerging Markets Vanguard Int'l Explorer Wasatch Small Cap	Martin Currie Emerging Markets Vanguard Int'l Explorer	
Liquid Alternatives		Ares Capital Brookfield Global Equities Gold ETF		
Illiquid Alternatives		WHI-V Investors* NorthSky Fund VI*	WHI-IV Investors** WHI-V Investors**	

*Additions were the result of capital calls from Fund
**Withdrawals were the results of distributions by Fund

Investment Council Performance Measurement

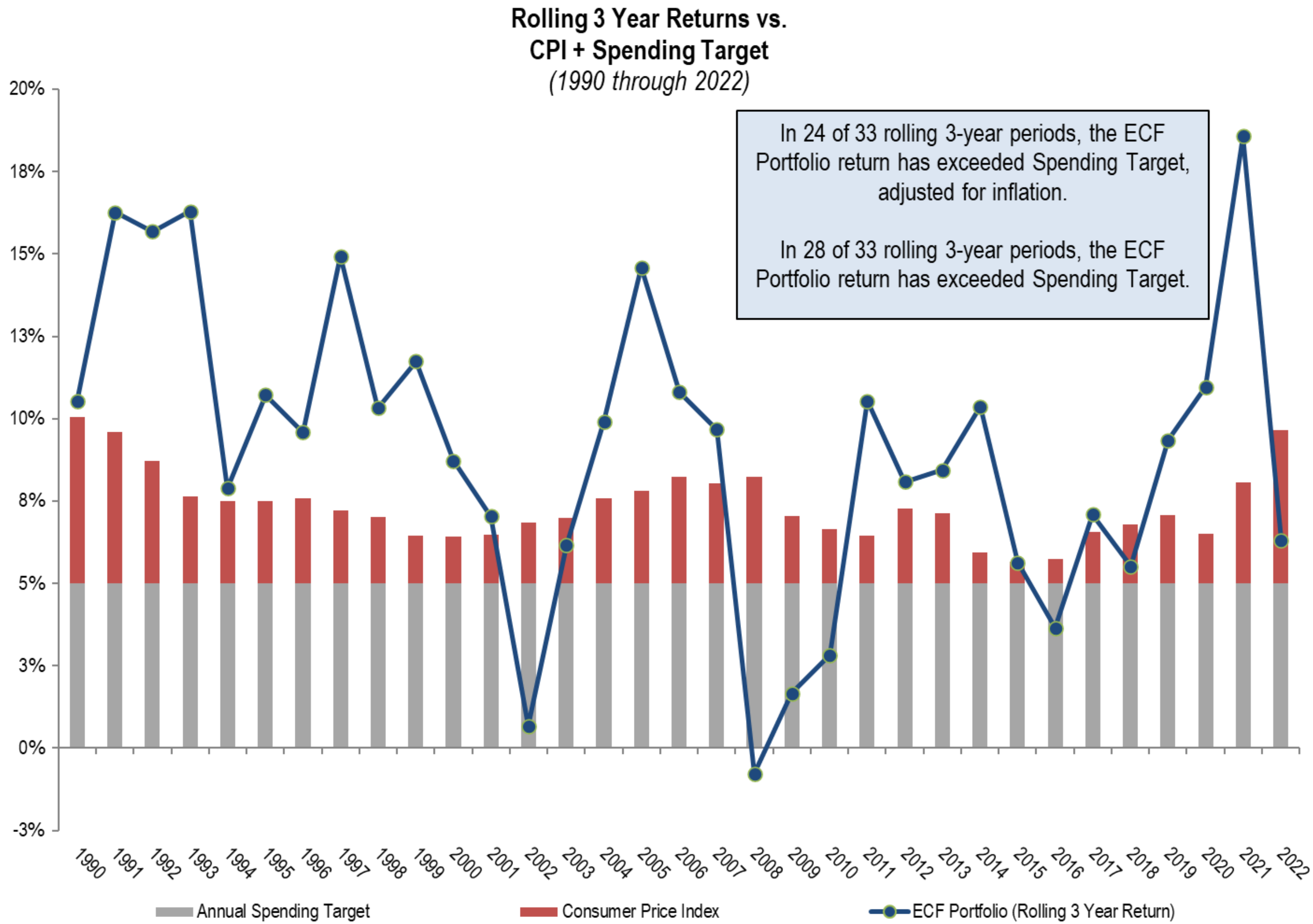
ECF evaluates portfolio results against four standards:

How are we doing:

1. Compared to Our Spending Target
2. Against “The Markets” - A Passive Index
3. Against Our Peers - An Active Index
4. Based on the Risks We Are Incurring

Investment Council Performance Measurement

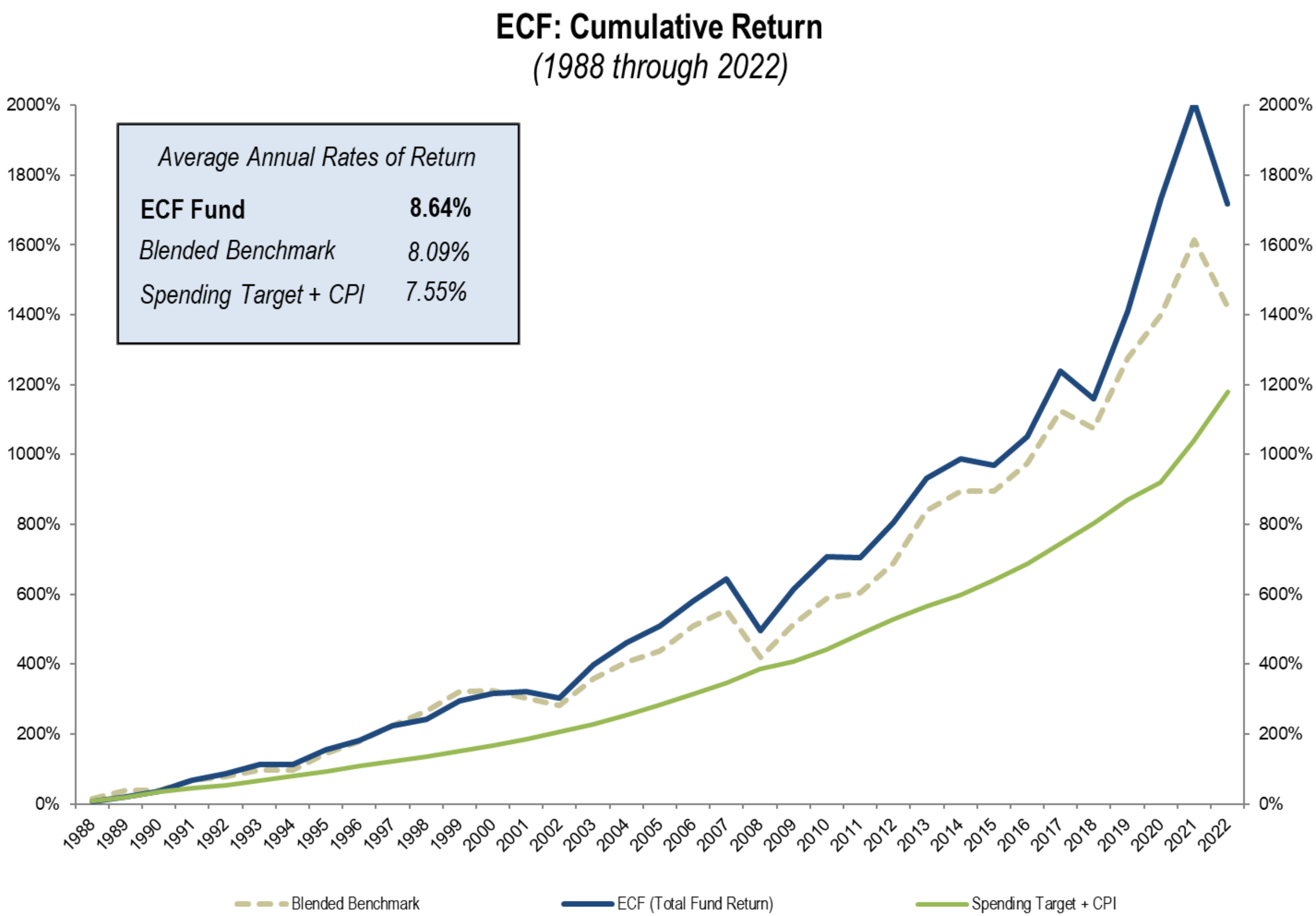
1. How Are We Doing Compared to Our Spending Target?



evanston!community foundation

Investment Council Performance Measurement

2. How Are We Doing Against 'The Markets'?



evanston!communityfoundation

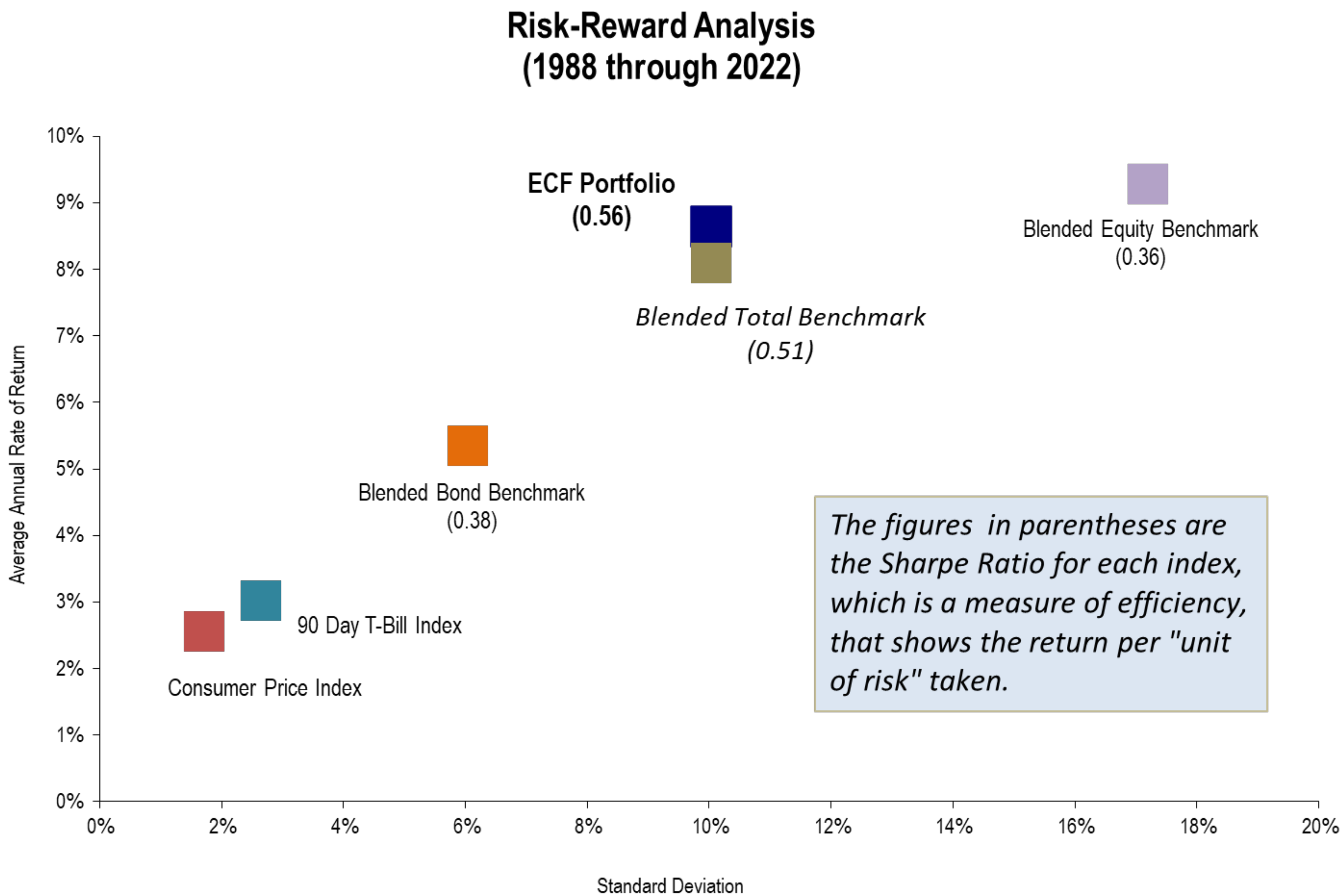
Investment Council Performance Measurement

3. How Are We Doing Against Our Peers?

Periods Ending December 31, 2022	Last Year	Three Years	Five Years	Ten Years
ECF ($34 million)	-13.8%	6.4%	6.3%	7.2%
Council on Foundations Survey Data:				
All Community Foundations	-13.9%	3.7%	4.6%	6.3%
Community Foundations, $25.0 - $49.9	-7.3%	4.3%	4.7%	6.4%

Investment Council Performance Measurement

4. How Are We Doing Based On The Risks We Are Incurring?



ECF Performance over Market Cycles

January 1995 to September 2002

	ECF	S&P 500
Avg Annual ROR (gross)	-20.4%	-28.2%
Upside Capture	145%	
Downside Capture	82%	
Beta	0.85	
Sharpe Ratio	-1.78	-2.30

September 2002 to February 2009

	ECF	S&P 500
Avg Annual ROR (gross)	2.9%	-1.4%
Upside Capture	127%	
Downside Capture	99%	
Beta	1.02	
Sharpe Ratio	0.02	-0.27

February 2009 to March 2020

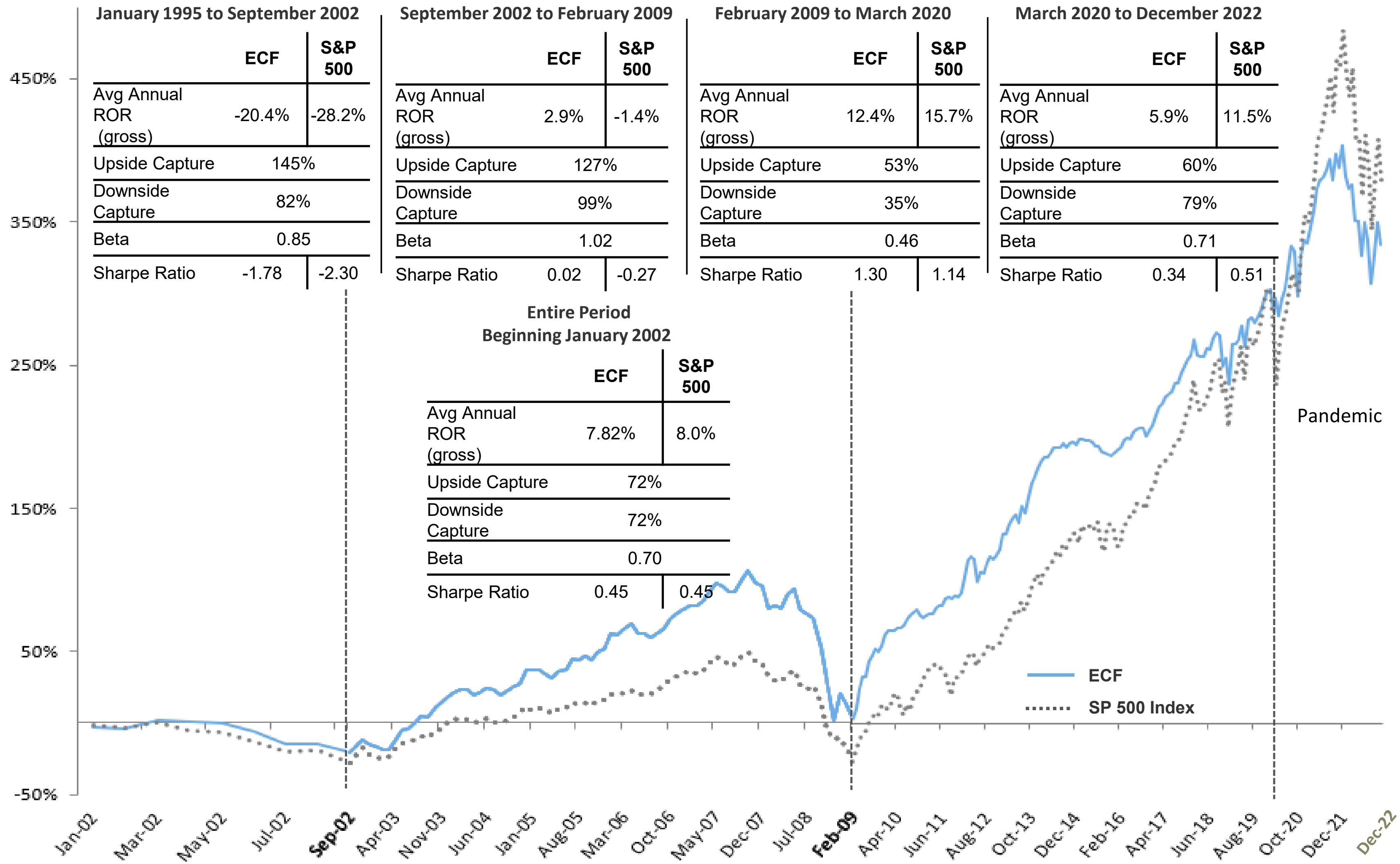
	ECF	S&P 500
Avg Annual ROR (gross)	12.4%	15.7%
Upside Capture	53%	
Downside Capture	35%	
Beta	0.46	
Sharpe Ratio	1.30	1.14

March 2020 to December 2022

	ECF	S&P 500
Avg Annual ROR (gross)	5.9%	11.5%
Upside Capture	60%	
Downside Capture	79%	
Beta	0.71	
Sharpe Ratio	0.34	0.51

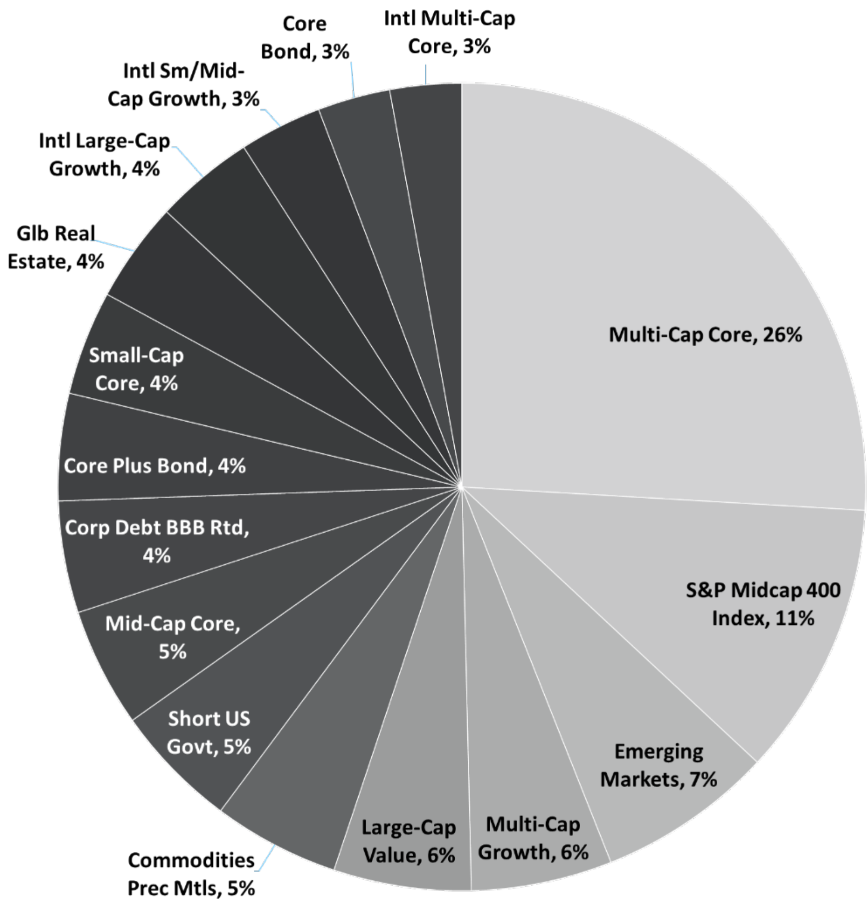
Entire Period Beginning January 2002

	ECF	S&P 500
Avg Annual ROR (gross)	7.82%	8.0%
Upside Capture	72%	
Downside Capture	72%	
Beta	0.70	
Sharpe Ratio	0.45	0.45



ECF Portfolio – Mutual Fund & ETF Holdings as of 3/9/23

Fund Holdings
$26,994,043



Indirect Holdings	32,971
# Holdings Overlap in 4+ Funds	1,147
# Holdings Overlap in 3 Funds	1,258
# Holdings Overlap in 2 Funds	1,466
Beta	1.1

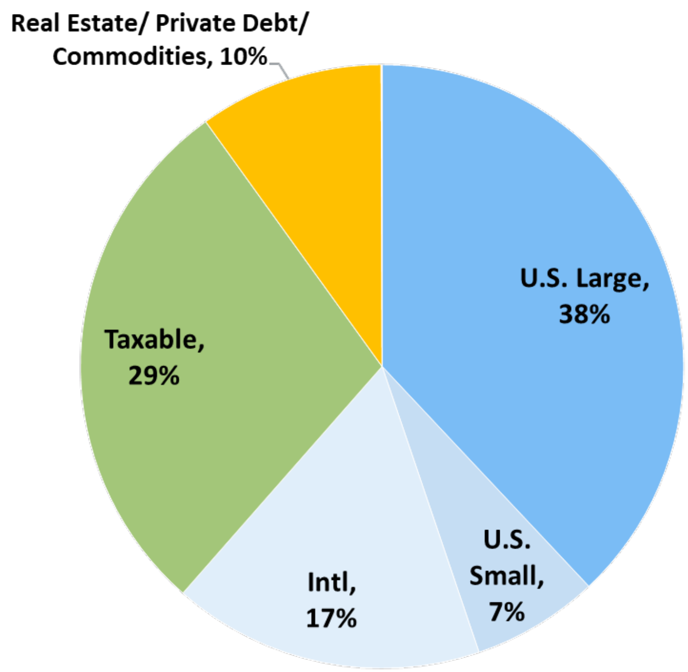
Fees & Expenses	
# of Funds Held	20
Weighted Average Turnover	30%
Weighted Average Expense	0.45%
Annual Fund Fees:	$122,551

ECF Portfolio – Allocation as of 3/9/23

Current Allocation

Broad Allocation			
Equity	Fixed Income	Alts.	Cash
62%	29%	10%	0.05%

Equity			Fixed Income		Alternatives	Cash
U.S. Large	U.S. Small	Intl	Taxable	Muni	Real Estate/ Private Debt/ Commodities	Cash
38%	7%	17%	29%	0%	10%	0.05%



evanston!community foundation

Investment Portfolio: Summary of Expenses

ABOVE THE LINE

These expenses & fees are already accounted for in ECF's reported investment returns

Expenses Paid to Fund Managers	45 basis points* (.45%)
Brokerage Commissions	< 0.001 basis points (<.00001%)

BELOW THE LINE

Foundation Support Charge	100 basis points (1%)

ECF's usual foundation support charge of 100 basis points provides a meaningful contribution to the Foundation's operating budget, supporting our programs and initiatives.

**basis point = 1/100 of a percent*

Note: Above the line expense ratio is based upon portfolio structure as of December 31, 2022

ECF Portfolio: Cash & Fixed Income Holdings as of 12/31/22

		Market Value	% total portfolio
CASH AND EQUIVALENTS			
CASH	$	925,044	2.75%
US TREASURY NOTE DUE 01/31/23	$	3,000,690	8.93%
Total Cash and Equivalents	**$**	**3,925,734**	**11.68%**
FIXED INCOME			
Domestic Fixed Income			
BAIRD CORE PLUS BOND INST		$1,146,917	3.41%
UST INFL INDEX DUE 02/15/40		$144,736	0.43%
LOOMIS SAYLES INVESTMENT GRADE BOND Y		$1,197,834	3.56%
VANGUARD TOTAL BOND MARKET INDEX ADM		$779,856	2.32%
UST INFL IDX INDEX DUE 01/15/29		$570,316	1.70%
UST INFL IDX INDEX DUE 01/15/27		$871,845	2.59%
VANGUARD SHORT-TERM TREASURY IDX ADMIRAL		$1,364,146	4.06%
UST INFL IDX INDEX DUE 01/15/26		$149,899	0.45%
US TREASURY UST BOND DUE 02/15/26		$183,504	0.55%
UST INFL IDX INFL INDEX DUE 01/15/25		$158,231	0.47%
Total Fixed Income	**$**	**6,567,284**	**19.53%**

ECF Portfolio: Equity Holdings as of 12/31/22

EQUITIES		Market Value	% total portfolio
Domestic Equities			
GLOBE LIFE INC		$1,085	0.00%
ISHARES INTERNATIONAL EQUITY ETF IV		$734,580	2.18%
LYRICAL US VALUE EQUITY INSTITUTIONAL		$1,238,902	3.69%
DIAMOND HILL LARGE CAP I		$1,487,606	4.42%
DISTILLATE US FUNDM STABAND VLU ETF		$1,413,598	4.20%
ISHARES CORE S&P MID-CAPETF		$2,848,739	8.47%
AKRE FOCUS INSTL		$1,489,130	4.43%
ISHARES CORE S&P SMALL CAP ETF		$1,080,883	3.22%
SCHWAB US BROAD MARKET ETF		$2,372,152	7.06%
VANGUARD TOTAL STOCK MKT IDX ADM		$916,748	2.73%
ISHARES RUSSELL 3000 ETF		$2,090,722	6.22%
SOUTHSTATE CORP		$61,088	0.18%
Subtotal Domestic Equities	$	15,735,233	46.80%
Foreign Equities			
VANGUARD INTERNATIONAL EXPLORER INV		$838,772	2.49%
HARDING LOEVNER INTERNATIONAL EQ INSTL		$1,028,553	3.06%
MARTIN CURRIE EMERGING MARKETS		$812,117	2.42%
WASATCH EMERGING MARKETS SMALL CAP INV		$1,015,292	3.02%
Subtotal Foreign Equities	$	3,694,733	10.99%

ECF Portfolio: Alternative Investments as of 12/31/22

	Market Value	% total portfolio
ALTERNATIVE INVESTMENTS		
Liquid Alternatives		
ARES CAPITAL CORP	$535,187	1.59%
SPDR GOLD SHARES ETF	$1,359,495	4.04%
BROOKFIELD GLOBAL LISTED REAL ESTATE A	$1,068,259	3.18%
SUBTOTAL LIQUID ALTERNATIVES	**$2,962,941**	**8.81%**
Illiquid Alternatives		
NORTHSKY CLEAN ENERGY VI	$120,509	0.36%
WHI REAL ESTATE PARTNERS V-TE LP	$488,099	1.45%
WHI REAL EST PTNRS IV TEPVT LIMITED PARTNERSHIP DEL	$125,218	0.37%
SUBTOTAL ILLIQUID ALTERNATIVES	**$733,826**	**2.18%**
TOTAL ALTERNATIVES	**$3,696,767**	**11.00%**
PORTFOLIO GRAND TOTAL	**$33,676,054**	**100.00%**

Thank you for joining us!

Additional questions or comments?

Please contact Cynthia Dominguez
dominguez@evanstonforever.org