

evanston!communityfoundation
Annual Investment Briefing

March 30, 2022

**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

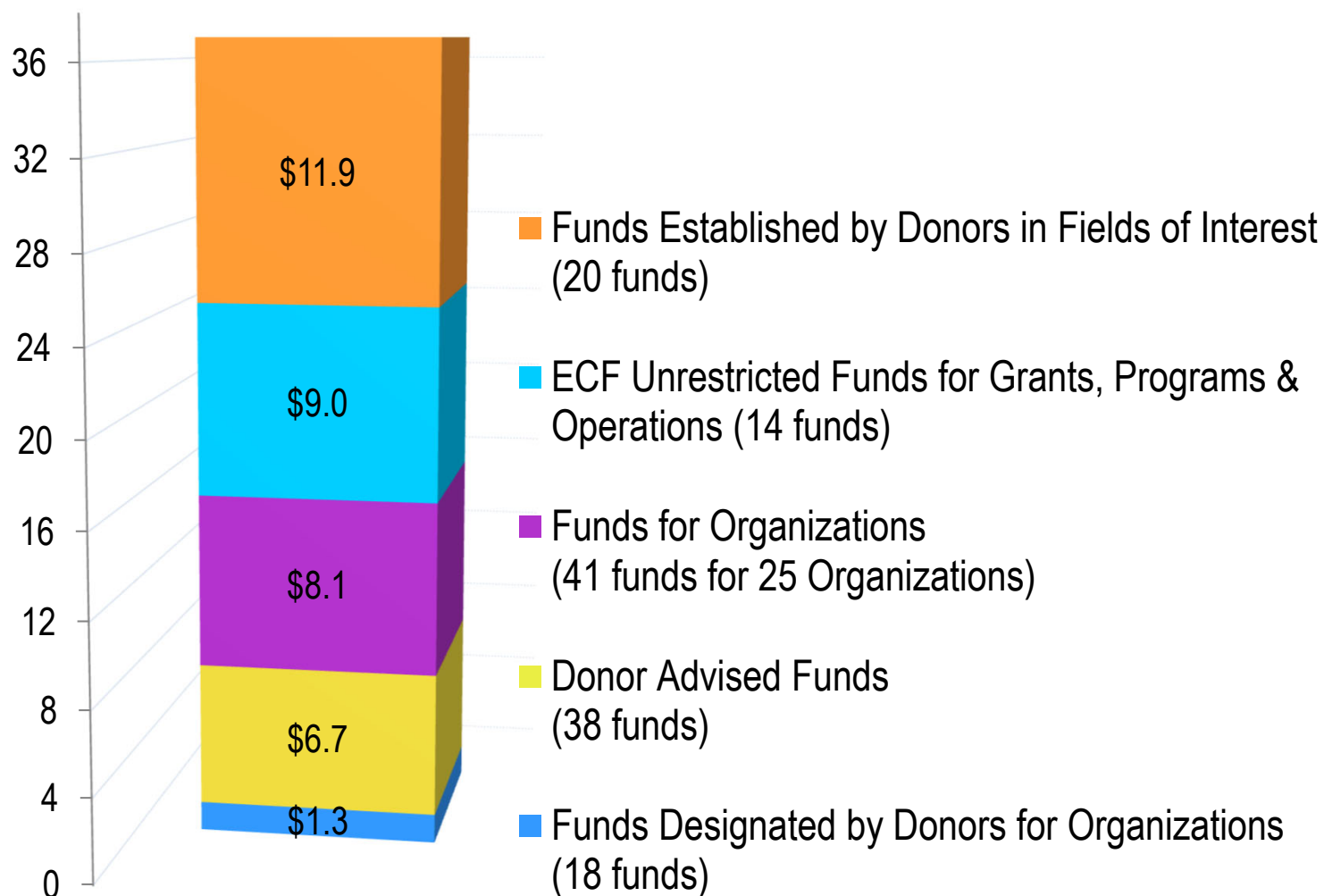
Investing in Evanston

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

Assets in Millions



2021 INVESTMENT COUNCIL

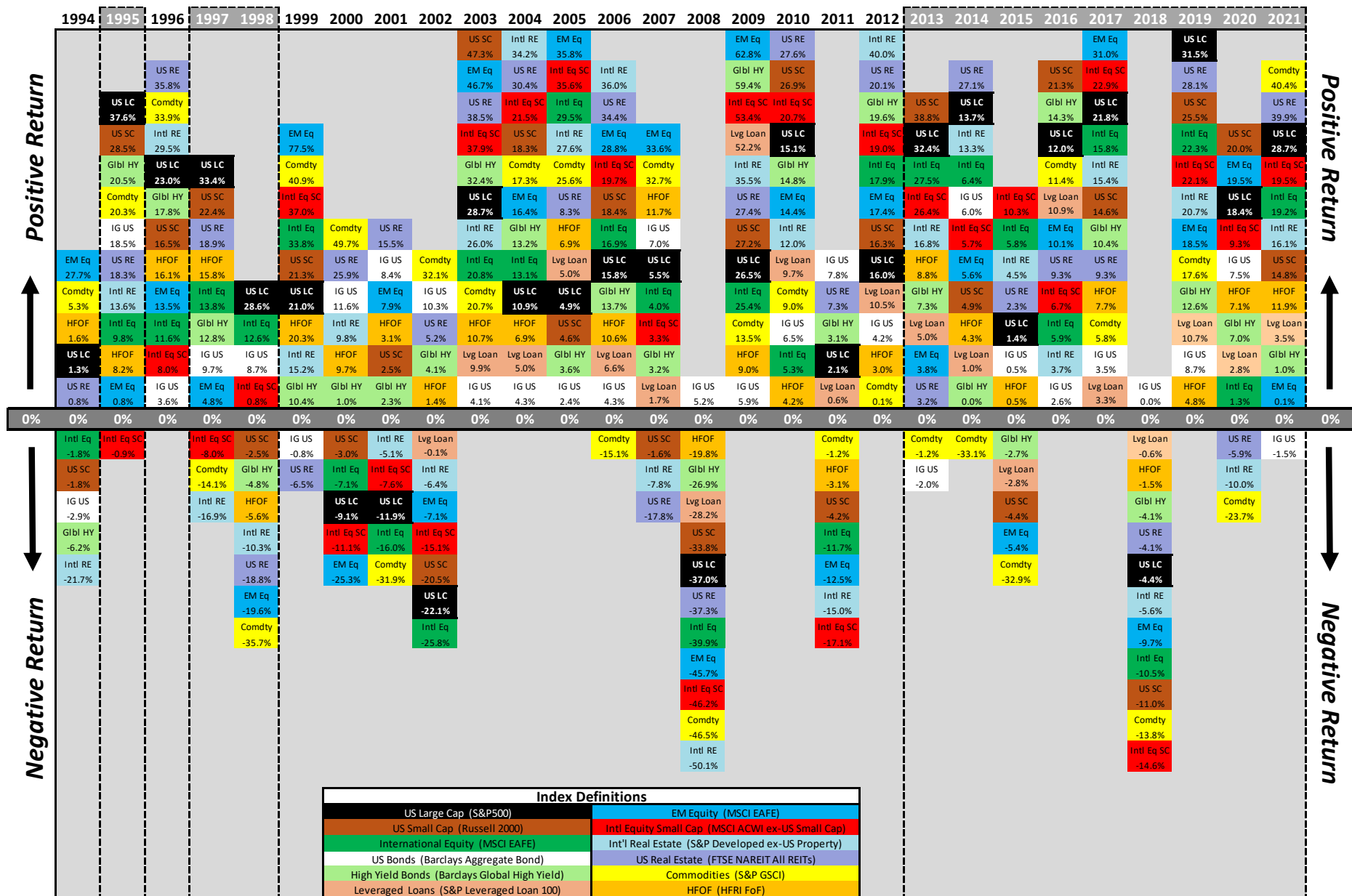
JOINED COUNCIL

Ralph Segall, Chair	1988	Chief Investment Officer, Segall, Bryant & Hamill (<i>former ECF Chair</i>)
Lisa Altenbernd	2018	Community volunteer (<i>ECF Past Chair</i>)
Bill Blanchard	2012	Financial Advisor, Private Wealth Management, UBS (<i>former ECF Treasurer</i>)
Michael Brody	2015	Partner, Jenner & Block LLP (<i>former ECF Chair</i>)
Diana Cohen	2008	Community volunteer (<i>former ECF Chair</i>) ; retired from Council in June 2021
William Goldstein	2001	President, Chesley, Taft & Associates, LLC
Matt Feldman	2019	Former President & CEO, Federal Home Loan Bank of Chicago (<i>ECF Treasurer</i>)
Paul Harvey	2017	Former Global Head – Equity Trading, UBS Global Asset Management
John McCarthy	2007	Chief Investment Officer, Centaur Capital Partners, Inc. (<i>former ECF Treasurer</i>)
Mark McCarville	2003	Partner, Braydon Partners (<i>former ECF Treasurer</i>)
Laura-Min Proctor	2019	Wealth Advisor, William Blair & Co
Larry Singer	2020	Community volunteer (<i>ECF Chair</i>)
Ingrid Stafford	2001	Former VP for Financial Operations and Treasurer, Northwestern University (<i>former ECF board member</i>)

Average Council Tenure of Current Members: 12 years

Cumulative Professional Investment Experience of Current Members: 357 years

Asset Class Returns by Calendar Year through 2021



Overall Portfolio Results for 2021

	TOTAL PORTFOLIO Calendar Year 2021
Beginning Value	\$ 32,236,878
Add: Contributions	\$ 1,061,770
Deduct: Withdrawals	\$ (1,102,775)
Adjusted Value	\$ 32,195,873
Value at 12/31/21	\$ 37,038,066
Net Change In Investment Value	\$ 4,842,193
Percentage Change in Value	15.03%

Portfolio Results for 2021 – Performance vs. Benchmarks

Asset Category <i>Category Benchmark</i>	Allocation Range	Current Allocation	Rate of Return	
			2021	Last 3 Years
Cash	0%	6%		
<i>90 Day T-Bills</i>			0.05%	1.06%
Domestic Fixed Income	15% - 35%	17%	0.04%	4.40%
<i>Barclay Aggregate</i>			-1.54%	4.79%
Foreign Fixed Income	0% - 10%	0%	0.44%	1.70%
<i>JP Morgan Global Non-US</i>			-8.17%	1.86%

Portfolio Results for 2021 – Performance vs. Benchmarks

continued

Asset Category <i>Category Benchmark</i>	Allocation Range	Current Allocation	Rate of Return	
			2021	Last 3 Years
Domestic Equity	30% - 65%	52%	26.37%	18.34%
<i>Wilshire 5000</i>			26.70%	25.88%
Foreign Equity	0% - 20%	15%	13.72%	15.64%
<i>ACWI-ex U.S.</i>			12.62%	14.75%
Other	0% - 20%	10%	19.92%	18.90%
<i>Constructed Benchmark*</i>			11.70%	8.09%
Total Account			15.03%	15.78%
<i>Blended Benchmark**</i>			14.26%	13.43%
<i>CPI (lagged 1 month)</i>			6.70%	3.09%

* *Constructed Benchmark = CPI plus 5%*

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

2021 Council Activity

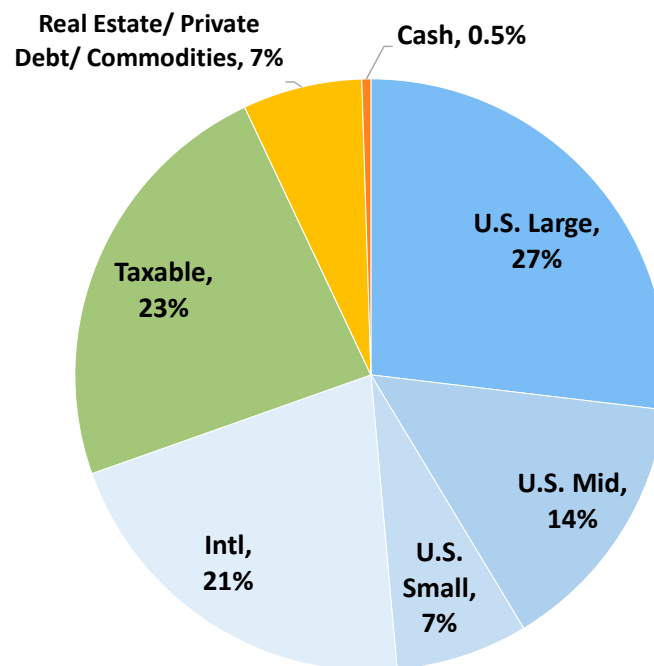
- Four quarterly meetings
- Moderate pace of activity
 - Three new holdings introduced; three holdings eliminated entirely*
 - Turnover Ratio: 12%*

	New Holdings	Addition to Existing Holdings	Trim of Existing Holdings	Sold Entirely
Domestic Fixed Income	US Treasury TIPs, due '29	Baird Core Plus		McCormick & Co bond
Foreign Fixed Income				DFA 5yr Global
Domestic Equities			Vanguard Stock Index	
Foreign Equities	Martin Currie Emerging Markets	Martin Currie Emerging Markets	Vanguard Int'l Explorer Harding Loevner Int'l	Artisan Global Value Fund
Other	WHI Investors, Fund V	Brookfield Global Equities Real Estate		

** Trading activity excludes sales of appreciated stock gifts & maintenance trades such as rollovers of short term treasury bills.*

ECF Portfolio – Portfolio Characteristics as of 12/31/21

Broad Allocation				Equity				Fixed Income		Alternatives	Cash
Equity	Fixed Income	Alts.	Cash	U.S. Large	U.S. Mid	U.S. Small	Intl	Taxable	Muni	Real Estate/ Private Debt/ Commodities	Cash
70%	23%	7%	0.5%	27%	14%	7%	21%	23%	0%	7%	0.5%



Investment Council Performance Measurement

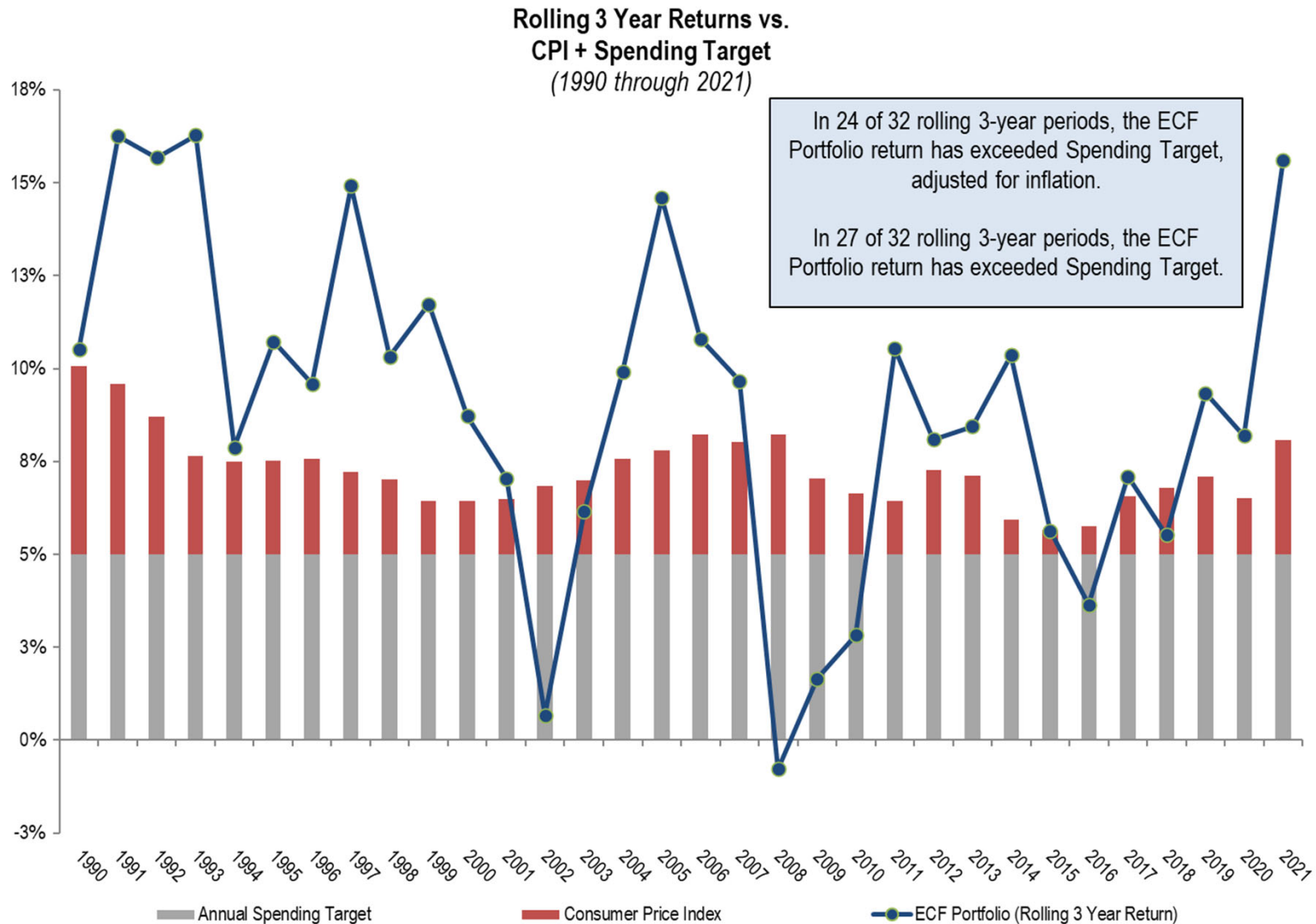
ECF evaluates portfolio results against four standards:

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

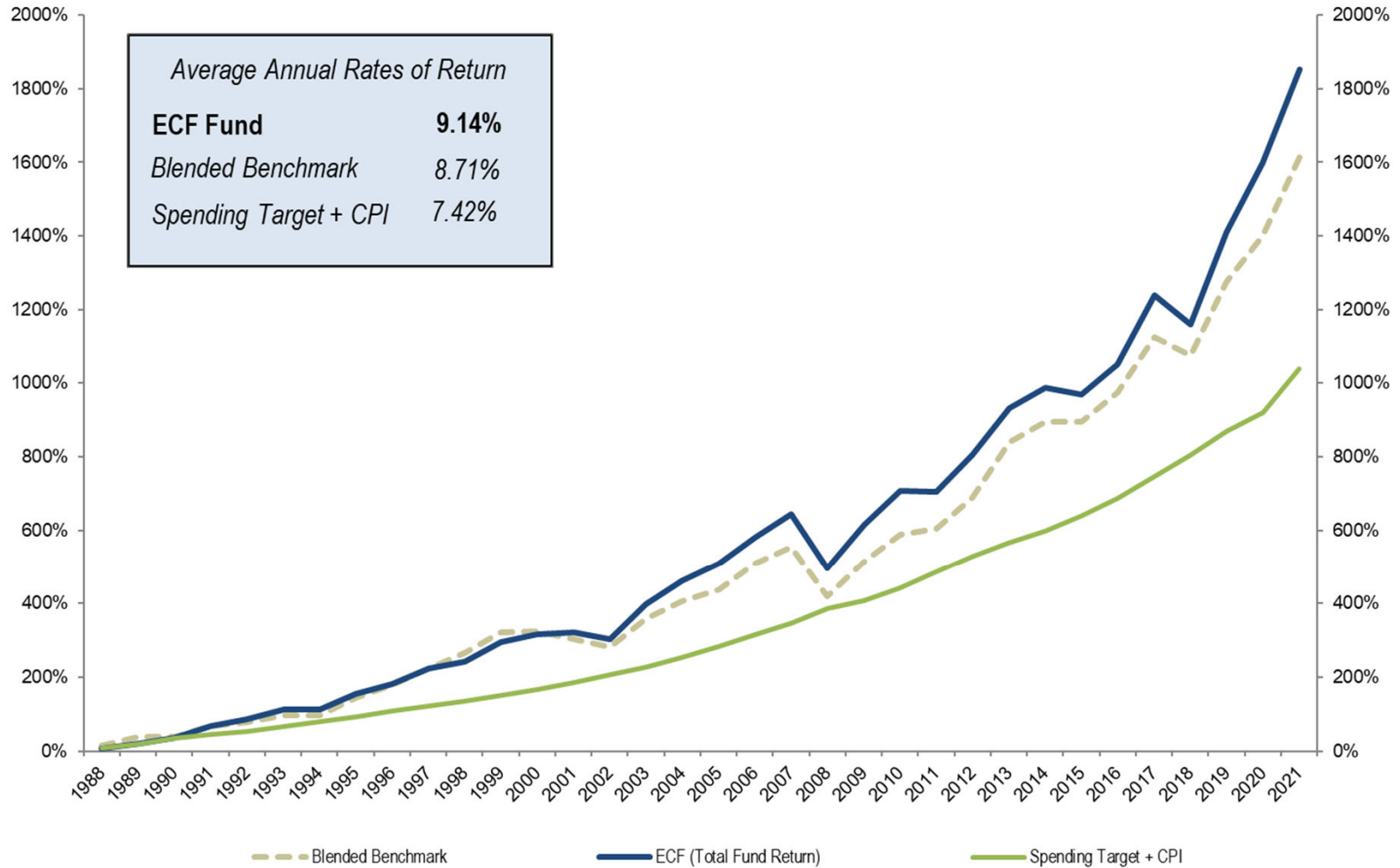
1. How Are We Doing Compared to Our Spending Target?



Investment Council Performance Measurement

2. How Are We Doing Against 'The Markets'

ECF: Cumulative Return
(1988 through 2021)



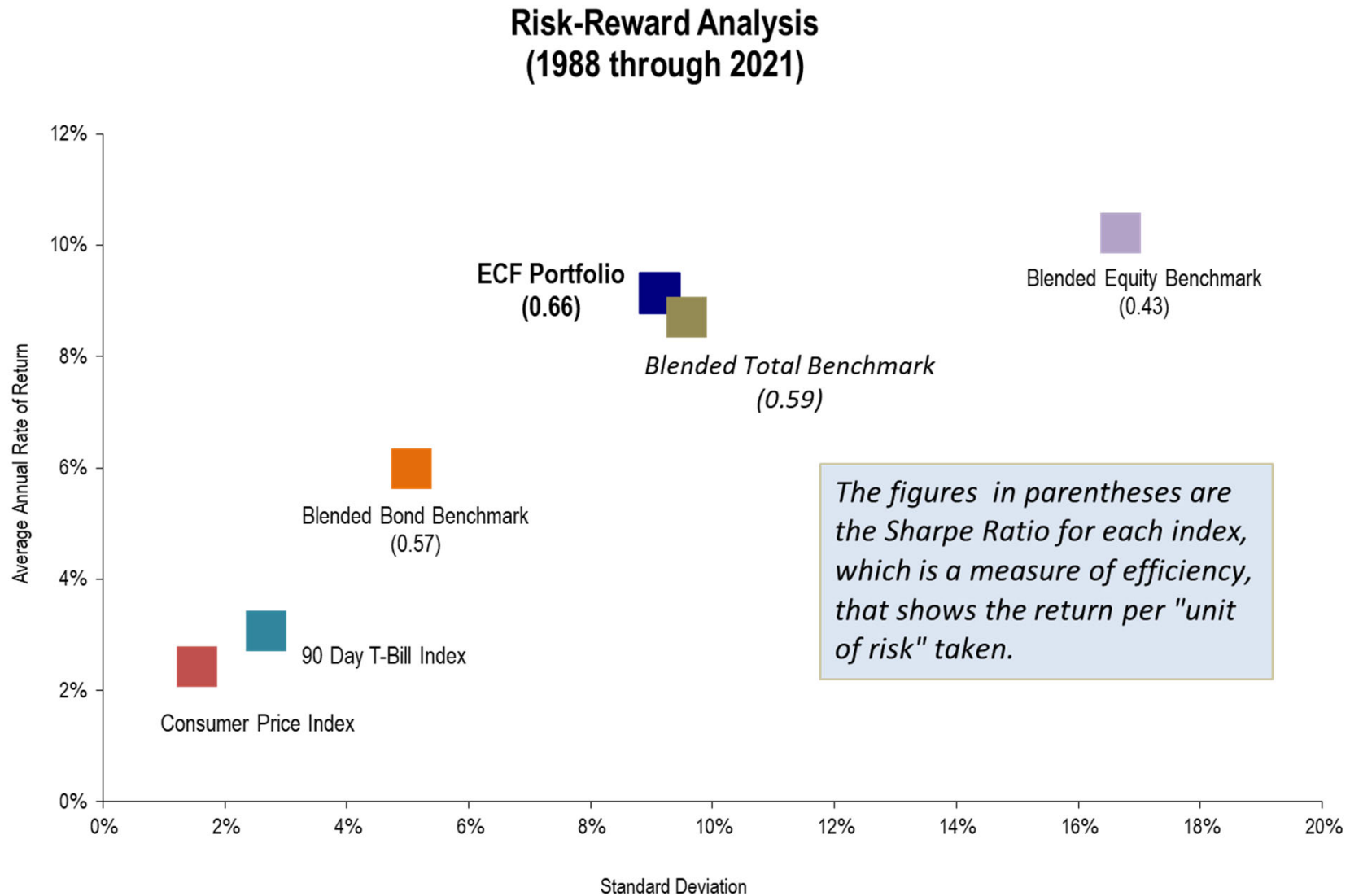
Investment Council Performance Measurement

3. How Are We Doing Against Our Peers?

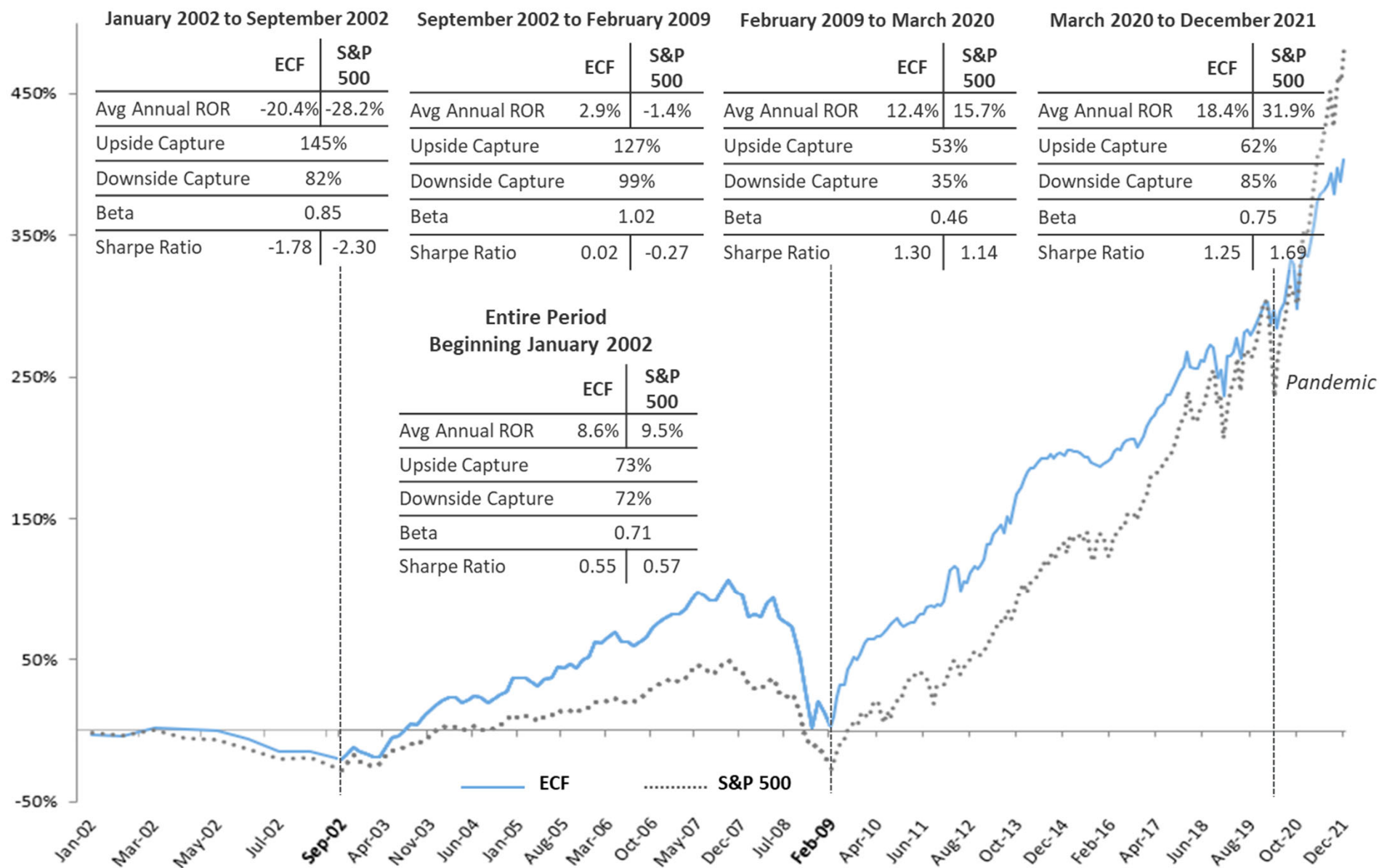
Periods Ending December 31, 2021	Last Year	Three Years	Five Years	Ten Years
ECF (\$37 million)	15.0%	15.8%	11.1%	9.3%
Council on Foundations Survey Data:				
All Community Foundations	14.7%	16.1%	10.9%	9.2%
Community Foundations, \$25.0 - \$49.9	15.8%	16.6%	10.9%	9.2%

Investment Council Performance Measurement

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

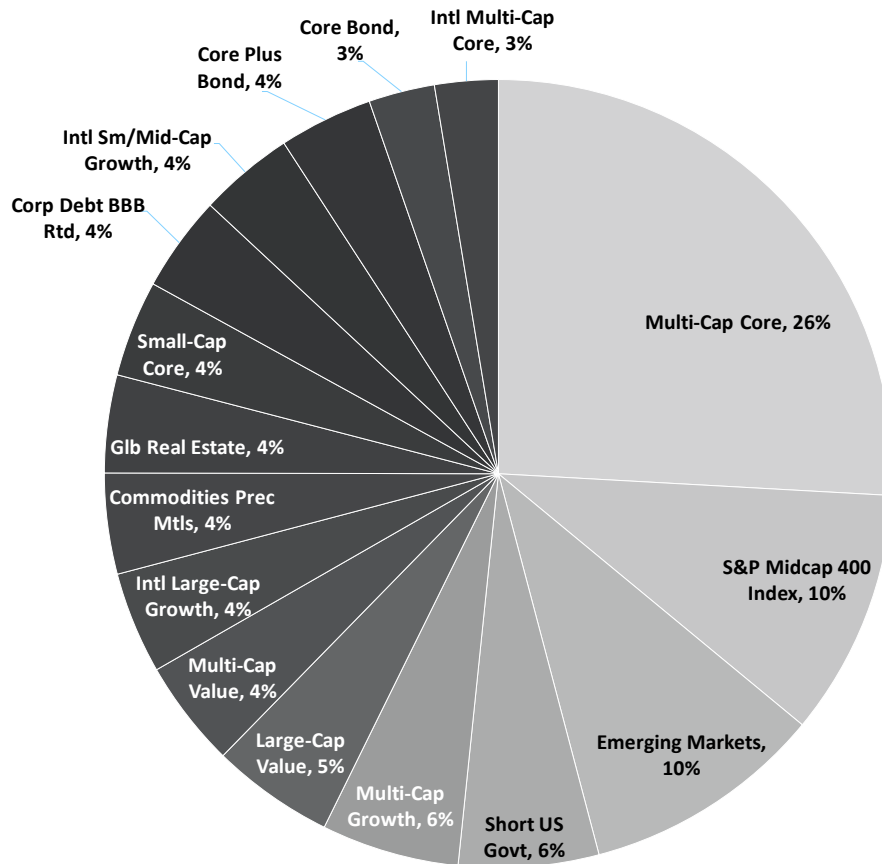


ECF Performance Over Market Cycles



ECF Portfolio – Mutual Fund & ETF Holdings as of 12/31/21

Fund Holdings \$31,829,217



Indirect Holdings	25,201
# Holdings Overlap in 4+ Funds	1,136
# Holdings Overlap in 3 Funds	1,287
# Holdings Overlap in 2 Funds	1,415
Beta	1.1

Fees & Expenses	
# of Funds Held	20
Weighted Average Turnover	29%
Weighted Average Expense	0.48%
Annual Fund Fees:	\$154,058

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	46 basis points*
Brokerage Commissions	< 0.001 basis points

BELOW THE LINE

Foundation Support Charge	100 basis points
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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, 2021

ECF Portfolio: Cash & Fixed Income Holdings as of December 31, 2021

	Market Value	% total portfolio
CASH AND EQUIVALENTS		
CASH	\$ 181,095	0.49%
US TREASURY NOTE DUE 01/31/23	\$ 2,040,785	5.51%
Total Cash and Equivalents	\$ 2,221,880	6.00%

FIXED INCOME

Domestic Fixed Income

BAIRD CORE PLUS BOND INST	\$ 1,224,544	3.31%
LOOMIS SAYLES INVESTMENT GRADE BOND	\$ 1,253,687	3.38%
US TREASURY 6% DUE 02/15/26	\$ 208,606	0.56%
US TREASURY INFL IDX 0.125% DUE 01/15/23	\$ 309,177	0.83%
US TREASURY INFL IDX 2.5% DUE 01/15/29	\$ 616,768	1.67%
VANGUARD SHORT-TERM TREASURY IDX ADMIR	\$ 1,828,792	4.94%
VANGUARD TOTAL BOND MARKET INDEX ADM	\$ 864,003	2.33%
Subtotal Domestic Fixed Income	\$ 6,305,577	17.02%
Subtotal Foreign Fixed Income	\$ -	0.00%
Total Fixed Income	\$ 6,305,577	17.02%

ECF Portfolio: Equity Holdings as of December 31, 2021

EQUITIES	Market Value	% total portfolio
Domestic Equities		
AKRE FOCUS INSTL	\$ 1,797,971	4.85%
DIAMOND HILL LARGE CAP	\$ 1,600,866	4.32%
DISTILLATE US FUND ETF	\$ 1,545,752	4.17%
ISHARES CORE S&P MID CAP ETF	\$ 3,216,355	8.68%
ISHARES CORE S&P SMALL CAP ETF	\$ 1,259,610	3.40%
ISHARES MSCI INTL MULTIFACTOR ETF	\$ 827,682	2.23%
ISHARES RUSSELL 3000 ETF	\$ 2,617,103	7.07%
LYRICAL US VALUE EQUITY INSTITUTIONAL	\$ 1,398,592	3.78%
SCHWAB US BROAD MARKET ETF	\$ 2,978,379	8.04%
VANGUARD TOTAL STOCK MKT IDX ADM	\$ 1,097,445	2.96%
Subtotal Domestic Equities	\$ 18,339,755	49.52%
Foreign Equities		
HARDING LOEVNER INTERNATIONAL EQ INSTL	\$ 1,332,670	3.60%
WASATCH EMERGING MARKETS SMALL CAP INV	\$ 1,814,047	4.90%
MARTIN CURRIE EMERGING MARKETS IS	\$ 1,338,100	3.61%
VANGUARD INTERNATIONAL EXPLORER INV	\$ 1,241,954	3.35%
Subtotal Foreign Equities	\$ 5,726,771	15.46%
GIFT STOCKS HELD PENDING SALE	\$ 759,690	2.05%
Total Equities	\$ 24,826,216	67.0%

ECF Portfolio: Alternative Investments as of December 31, 2021

	Market Value	% total portfolio
ALTERNATIVE INVESTMENTS		
ARES CAPITAL CORP	\$ 593,320	1.60%
BROOKFIELD GLOBAL REAL ESTATE	\$ 1,277,156	3.45%
SPDR GOLD SHARES ETF	\$ 1,314,511	3.55%
WHI REAL ESTATE PARTNERS IV	\$ 332,088	0.90%
WHI REAL ESTATE PARTNERS	\$ 167,317	0.45%
Total Alternatives	\$ 3,684,393	9.95%
TOTAL	\$ 37,038,065	100.00%

Thank you for joining us!

Additional questions or comments?

Please contact Jan Fischer
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