

GIVING TO THE GREATER WASHINGTON  
COMMUNITY FOUNDATION

# AN INVESTMENT IN BUILDING THRIVING COMMUNITIES



WE TAKE SERIOUSLY OUR  
RESPONSIBILITY TO BE THE  
BEST STEWARDS OF OUR  
DONORS' DOLLARS WHILE  
MAKING CERTAIN THEY  
SUPPORT THE MISSION  
OF THE FOUNDATION  
AND THE INTENT OF OUR  
DONORS.

— Lesley-Jane Dixon  
CHAIR, INVESTMENT COMMITTEE

**WE CONTINUOUSLY SEEK OUT NEW WAYS TO HELP MAXIMIZE YOUR GIVING BY PRESERVING AND GROWING YOUR FUND, WHILE MINIMIZING RISK AND VOLATILITY. THE COMMUNITY FOUNDATION HAS PARTNERED WITH SEI, A GLOBAL ASSET MANAGEMENT FIRM WITH MORE THAN 470 INSTITUTIONAL CLIENTS WORLDWIDE, TO MAXIMIZE THE INVESTMENTS OF THE FOUNDATION'S ASSETS. AS A DONOR, YOU STAND TO BENEFIT THROUGH:**

- 1 | A VARIETY OF INVESTMENT OPTIONS** that allows you to select an investment strategy that best supports your preferences.
- 2 | WELL-DIVERSIFIED FUNDS USING SOME OF THE WORLD'S BEST MONEY MANAGERS** via SEI's multi-managers program.
- 3 | EXTENSIVE OVERSIGHT AND GOVERNANCE** through multiple layers of ongoing risk management and fiduciary accountability that ensure your donations are being invested and managed properly.
- 4 | A COST-EFFICIENT MODEL** designed to reduce overall investment fees, help grow investments and strengthen support for the mission.

# WHO IS SEI?

## **GLOBAL FIRM**

with U.S. headquarters in Oaks, Pennsylvania

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## **\$81 BILLION**

in institutional assets under management  
(as of March 31, 2023)

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## **170-PLUS NONPROFIT CLIENTS**

worldwide, with 23 community foundation clients

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## **30-YEAR TRACK RECORD**

in discretionary investment management  
designed to help improve efficiency and results

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## **SIGNIFICANT INFRASTRUCTURE**

and resources with a dedicated group  
focused on understanding the needs of nonprofits

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## **SIGNIFICANT ANNUAL INVESTMENT**

in research tools and technology  
for investment and risk management

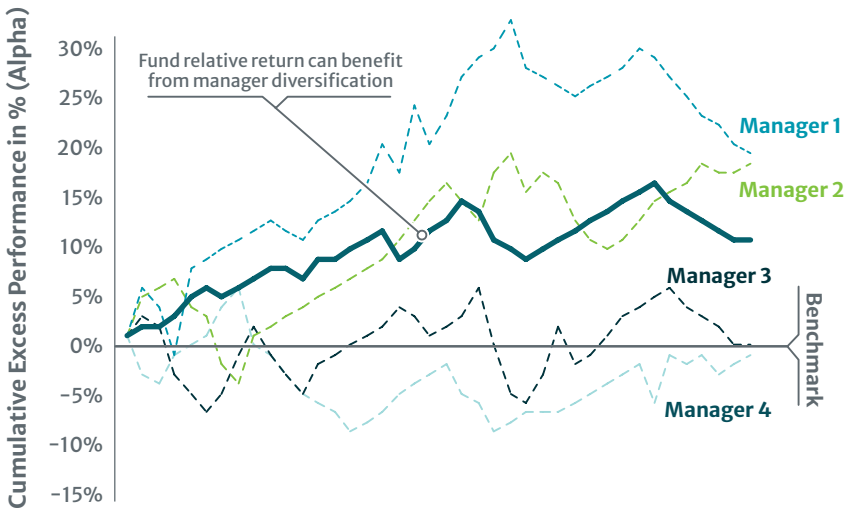
# WELL- DIVERSIFIED FUNDS USING SOME OF THE WORLD'S BEST MONEY MANAGERS

SEI's multi-manager investment program provides exposure to the best managers through a research-intensive due diligence process, that carefully combines the managers to create diversified, risk managed portfolios. The Community Foundation's investments gain access to industry-leading managers within each asset class, product and style category. Through diversification, the investment strategies can seek higher returns with less risk.

- > **TIMELY RESPONSE TO MARKET CHANGES:** Multi-manager structure presents opportunity to actively tilt the allocation to exploit market opportunities.
- > **RISK MANAGEMENT:** Our investment professionals employ advanced tools and analytics to continually monitor and manage risks of both the overall strategies and underlying managers.
- > **IMPROVED GOVERNANCE:** Our established program and processes bring improved governance and fiduciary protection.

One of the distinct advantages of utilizing multi-manager funds is the diversification they provide on a manager level. The cumulative performance of single managers year over year can be quite volatile whereas a fund utilizing all four managers can mitigate that volatility.

## Fund and Manager Cumulative Alpha Over Time



SOURCE: SEI.

FOR ILLUSTRATIVE PURPOSES ONLY. PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE PERFORMANCE. ILLUSTRATION NOT MEANT TO REPRESENT PAST OR FUTURE PERFORMANCE OF ANY SPECIFIC MANAGER OR FUND.

THE SOLID BOLD LINE ABOVE IS AN AVERAGE COMPRISED OF HYPOTHETICAL MANAGER PORTFOLIOS.

## THE COMMUNITY FOUNDATION'S DONORS BENEFIT FROM

# EXTENSIVE OVERSIGHT AND GOVERNANCE

The Greater Washington Community Foundation is the trusted steward of approximately \$450 million\* in charitable funds. Partnering with SEI provides that stewardship with increased fiduciary oversight and risk management when it comes to the investment management of those funds.

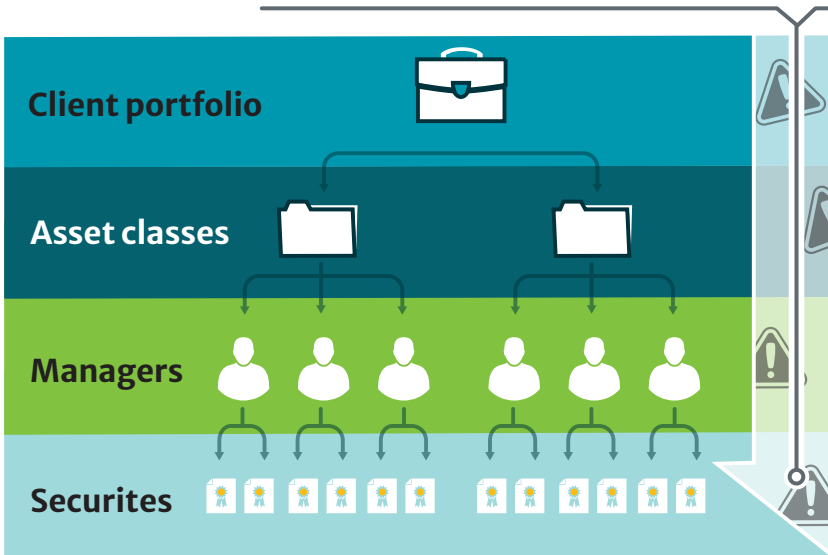
SEI is a full fiduciary that is accountable for the oversight of the investment professionals managing The Community Foundation's funds and implements a continual manager monitoring process. This consists of more than 300 professionals responsible for manager research, operational due diligence and risk management.

\*THIS NUMBER CHANGES AND IS UPDATED FREQUENTLY. THEREFORE, IT  
MAY BE DIFFERENT FROM NUMBERS ON OTHER DOCUMENTS.

## SEI PROVIDES A MUCH DEEPER LEVEL OF RISK MANAGEMENT

SEI's team of investment professionals continually monitors risk through to the securities level. They analyze the exposures to and correlations between asset classes and other risk factors, which in turn provides The Community Foundation's trustees with a more sophisticated level of insight. Some examples of areas where SEI provides increased risk management of the funds for which The Community Foundation is the trusted steward:

### Manage risk all the way to the Securities Level



- > An internal committee to provide independent review and oversight of all investment decisions
- > An enterprise risk management system to proactively monitor risk across asset classes and the total client portfolio
- > Well-defined policies and procedures enforce discipline to defined risk parameters
- > Processes that prevent a single manager from dominating the risk of a multi-manager portfolio
- > Stress testing is used to reveal nonlinear behavior from large changes to any one risk factor



# COST- EFFICIENT MODEL

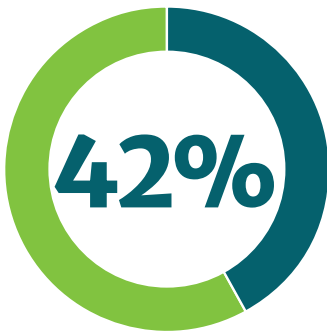
One of the strengths of SEI's program is its ability to leverage more than \$410 billion in assets under management (as of March 31, 2023) to negotiate competitive costs. As a result, the fees for the specialized institutional managers have been negotiated using those economies of scale. Those savings are passed on to The Community Foundation and its donors.

**FEEL CONFIDENT YOUR DONATIONS ARE GROWING, MAKING A DIFFERENCE AND THAT YOU ARE MAXIMIZING YOUR CHARITABLE GIVING THROUGH THE COMMUNITY FOUNDATION.**

The Greater Washington Community Foundation continues taking the steps on a journey of growth and transformation. As the region's largest local funder, we have invested \$1.7 billion\* to build more equitable, just, and thriving communities where every person prospers. As we pursue this vision, part of our strategy is to provide greater service to both existing and prospective donors. By strengthening our knowledge of the specific needs of communities all over the region, we believe we can help our donors identify opportunities to make an even greater difference on causes they care about. We also believe that our focus on providing donors with enhanced investment strategies—and our partnership with SEI—will be an integral piece in delivering on those efforts.

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# IN SEI'S MANAGER RESEARCH PROCESS



42% of SEI's investment managers have at least a minority ownership by women\*

\*as of December 31, 2022

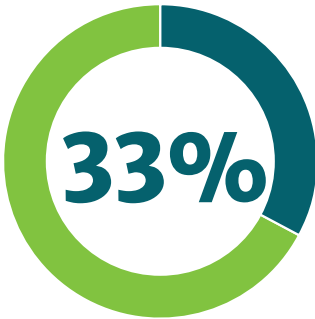
Our partnership with SEI will serve as an extension of the Committee, providing added resources, access to a wide range of investment managers, and the ability to increase the inclusion of social, environmental, and diversity-related attention into our fund offerings.

At the core of SEI's investment offerings is the hiring and monitoring of specialist investment managers that are known for their expertise in specific markets or with specific investment styles. SEI's Manager Research Team evaluates and selects these

managers through a combination of both qualitative and quantitative analyses—giving special consideration to team diversity.

SEI believes diversity can offer a variety of benefits, which is why SEI includes diversity as part of their larger manager due diligence process.

## HOW SEI EVALUATES DIVERSITY AT SEI



33% of SEI's investment managers have at least a minority ownership by persons of color\*

\*as of December 31, 2022

In SEI's Manager Research team's due-diligence process, they try to capture the many elements of diversity within an investment team using several methods:

- > **OBSERVATION**—evaluating the mosaic of information that SEI gathered and the analysis that they conducted
- > **DOCUMENTATION**—encouraging investment teams to complete evaluations, such as the Predictive Index or Gallup Strengths Assessment
- > **QUANTITATIVE (OR COMPUTER-DRIVEN) ANALYSIS**—dissecting the various inputs investment teams use to arrive at their decisions. For example, a team may apply both quantitative and fundamental inputs. In this instance, the team may share with SEI those scores and how they are combined.

SEI then compiles the results of these insights to assign a diversity score to each strategy's investment team. The diversity scores are part of the broader set that SEI's Manager Research team utilizes when deciding to recommend or approve managers for SEI's funds.

