Charitable giving through the Delaware Community Foundation

An investment in better quality of life
“We are committed to helping fundholders make the greatest impact with their charitable gifts, and that starts with excellent investments that preserve capital and maximize growth.”

– Stuart Comstock-Gay
DCF President and CEO
The Delaware Community Foundation has partnered with SEI Investments to help maximize your charitable gifts’ power to improve quality of life in Delaware and around the world.
The DCF investment strategy aims to preserve capital and maximize growth over time, while minimizing risk and volatility. We have partnered with SEI, a global asset management firm with more than 450 institutional clients worldwide, to provide expert management of the foundation’s assets.

The DCF’s partnership with SEI benefits fundholders in several ways:

1. Well-diversified funds with some of the world’s best money managers.

2. Extensive oversight and governance through multiple layers of continuous risk management and fiduciary accountability that ensure your gifts are being invested and managed properly.

3. A cost-efficient model that reduces investment fees, helps grow investments and maximizes dollars available for charitable purposes.
WHO IS SEI?

Global firm
with U.S. headquarters in Oaks, Pennsylvania

More than $281 billion
in assets under management (as of 12/31/16)

160-plus nonprofit clients
worldwide, with 25 community foundation clients

25-year track record
in discretionary investment management
designed to help improve efficiency and results

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

Significant annual investment
in research tools and technology
for investment and risk management
DCF fundholders benefit from

WELL-DIVERSIFIED FUNDS WITH 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. DCF’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: The multi-manager structure presents opportunity to actively tilt the allocation to exploit market opportunities.

› Risk management: SEI’s investment professionals employ advanced tools and analytics to continually monitor and manage risks of both the overall strategies and underlying managers.

› Improved governance: SEI’s 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 after year can be quite volatile, whereas a fund utilizing all four managers can mitigate that volatility.

**Fund and Manager Cumulative Alpha Over Time**

Fund relative return can benefit from manager diversification

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 comprising of hypothetical manager portfolios.
DCF fundholders benefit from
EXTENSIVE OVERSIGHT AND GOVERNANCE

The Delaware Community Foundation is the trusted steward of approximately $250 million* in charitable funds. By partnering with SEI, these funds are subject to increased fiduciary oversight and risk management.

SEI is accountable for overseeing the investment professionals managing the DCF’s assets and implements a continual manager-monitor process, with more than 300 experts conducting ongoing 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 robust level of risk management**

SEI’s team of investment professionals continually monitors risk through the securities level. They analyze the exposures to and correlations between asset classes and other risk factors, which in turn provides the DCF with a sophisticated level of insight.

Among the additional elements of oversight SEI provides are:

› 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 to enforce adherence to defined risk parameters.
› Processes that prevent a single manager from dominating the risk of a multi-manager portfolio.
› Stress testing to reveal nonlinear behavior from large changes to risk factor.
DCF fundholders benefit from

A COST-EFFICIENT MODEL

One of the strengths of SEI’s program is its ability to leverage more than $281 billion in assets under management to negotiate competitive costs. As a result, the fees for the specialized institutional managers have been negotiated using those economies of scale. As a result, charitable funds at the DCF are subject to low management fees.

When you establish or add to your fund at the DCF, you can be confident your gifts are being wisely invested so they can make the greatest possible community impact.

As the DCF continues to grow and expand our service to fundholders and the community at large, we remain focused on building a permanent source of charitable funds to help address Delaware’s needs, now and in the future. Through our partnership with SEI, we are ensuring that our charitable assets are invested and managed by world-class experts who share our commitment to maximizing growth of charitable assets over time, while minimizing volatility.
SEI’s commitment to caring

SEI employees have a passion for philanthropy, social responsibility and diversity. Through multiple employee-led initiatives, they channel and direct that passion into action.

Because of this dedication, SEI’s relationships with charitable partners and communities—and each other—continue to grow. The SEI Cares program is an employee-led, company-sponsored philanthropic initiative that includes grantmaking, volunteer opportunities and awareness events.

The program contributes to SEI communities in meaningful ways, while upholding its corporate value of social responsibility.

Last year:

› SEI employees collectively contributed more than 8,000 hours of service in volunteer activities.

› The SEI Cares Fund donated $220,000 to 16 partnered organizations.

› Through participation in the PA Educational Improvement Tax Credit program, SEI Cares granted $156,000 to partnered organizations focused on education.

SEI committed approximately $1.6 million in support of client-specific initiatives last year.