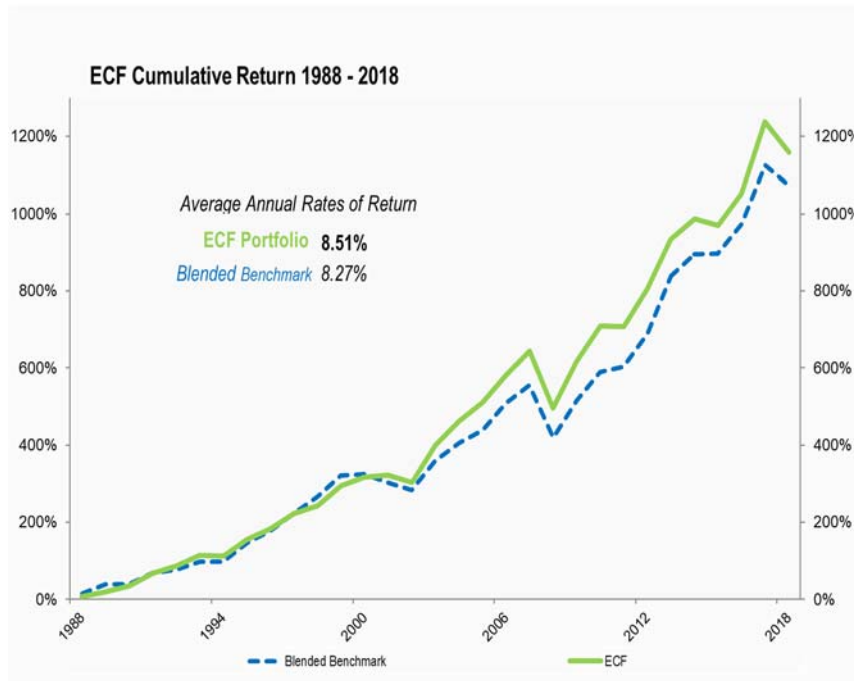


HELPING COMMUNITY ORGANIZATIONS ACHIEVE SUSTAINABILITY

Two important components of the Evanston Community Foundation’s mission are building endowments to benefit Evanston and ensuring Evanston has a thriving nonprofit sector. Our endowment funds for organizations bring those components together by supporting the sustainability of Evanston’s nonprofits through access to skilled investment services on a cost-effective basis. An organizational endowment fund builds long-term resources *and* generates annual distributions to support programs, operations, grants or other priorities. ECF currently holds 34 funds with total assets of more than \$5 million for the following organizations:

- | | |
|--|---|
| Center for Independent Futures | Evanston History Center |
| Center for Women’s History & Leadership | Evanston Symphony Orchestra Association |
| Warren “Billy” Cherry Scholarship Fund | Literature for All of Use |
| Chessmen Club of the North Shore (2) | North End Mother’s Club |
| Chicago Zen Center | North Shore Village |
| ETHS Educational Foundation (13 funds) | Rotary Club of Evanston |
| Evanston Environmental Association (3 funds) | Roycemore School |
| Evanston Fourth of July Association | Second Baptist Church |
| Shorefront | Tree House Human Society |
| Youth Job Center | |

Our investment policies are designed to ensure a steady stream of annual distributions while preserving fund principal. The Foundation’s historical average investment return for the period 1988 through 2018 is 8.51%. The following graphic illustrates ECF’s portfolio performance compared to the blended benchmark used by our Investment Council to evaluate investment performance.



All financial assets of the Foundation are commingled for investment purposes. Consistent with ECF’s goal of preserving, in perpetuity, the purchasing power of the assets entrusted to us, our investment policies take a long-term view of the investment time horizon.

Our investment council recognizes that investment markets are cyclical and is willing to maintain its investment themes for sufficient periods to capture the full cyclical values.

WORKING WITH THE EVANSTON COMMUNITY FOUNDATION

The Evanston Community Foundation establishes and manages organization endowment funds for our community's nonprofits, for the good of their constituents and our broader community. Through participation in the Foundation's portfolio and adoption of our spending policy, an organization receives the benefits of participating in a \$28 million, diversified portfolio and its long-term investment strategies, without the time commitment often associated with fund investment management and administration.

ADVANTAGES TO YOU

- Organizational endowments are excellent vehicles to receive bequests.
- All gifts to your fund are designated for your organization's use only. Although fund assets are co-mingled for investment, your fund will not be used for other purposes.
- Your fund reaps the advantages of investment in a larger pool of assets, which can lead to greater growth over time and lower investment fees.
- The Foundation handles investment management and oversight via ECF's Investment & Spending Policy, all accounting and financial reporting, and the annual audit.
- Your organization receives a distribution annually according to the Foundation's Investment and Spending Policy, within a range of 3.5 - 6%, set annually by the Foundation board. Our current spending rate is 5% per year, intended to cover an annual distribution and the cost of fund support (1% or less, depending upon fund size). *Organizations may request distributions in excess of the spending rate.*
- The Foundation will provide fund activity statements periodically as specified by the organization, although most of our fundholders use our online FundWeb system to track their fund investment results and activity, and to generate statements.
- Gifts of marketable securities may be easily made by your donors to your fund at ECF — more advantageous for tax purposes than selling securities and giving proceeds.
- If ECF ceases to exist, the fund assets will be returned to your organization. If your organization ceases to exist and there is no successor organization, ECF will continue to manage the fund assets, and distribute the annual spending, in a manner consistent with the tax exempt purpose of your organization.

OTHER THINGS TO KNOW

ECF technically owns all the assets in all the funds we hold, due to IRS and securities regulations. However, your organization will show the fund as an asset on your balance sheet, in accordance with accounting principles, and correspondingly, ECF will record your endowment as a liability. While ECF recommends adherence to our current 5% spending policy to determine the amount of annual distributions from the fund, our fund agreements provide for an organization to

- Request distributions in excess of the annual spending recommended by ECF or
- Recommend fund termination and distribution of all fund assets back to the organization.