



**Collaboratory<sup>SM</sup>**

# **An investment in transforming a region through community collaboration.**

Collaboratory is a regional community foundation with an evolved mission committed to coordinating the solving of Southwest Florida's major social problems by 2040.



# About Collaboratory

Collaboratory's mission is to coordinate our communities and systems to solve Southwest Florida's major social problems by 2040. As a community foundation, Collaboratory provides community leadership, raises and coordinates funding, and disburses funds to organizations that are helping solve the problems our donors and the community have identified as priorities. Collaboratory also provides capacity building with training and resources for regional partners. Given the complexities of the social challenges in our region, Collaboratory ensures we are all working together and that every generous donor achieves the biggest impact with their funds. By using and sharing data to track progress, we ensure that donor dollars are best invested to move the needle on improving social issues.

As your regional community foundation, connection and collaboration are at the heart of our mission. Since 1976, we have made over \$120 million in grants to individuals and organizations across the region to enhance the quality of life for current and future generations. It is upon that legacy of a commitment to community we will collectively achieve our 2040 goal.

## SEI: Our strategic partner

Our primary goal is the preservation and growth of capital over time, while minimizing risk and volatility. Collaboratory has employed SEI, a global asset management firm with 434\* institutional clients worldwide, to maximize the investments of the Foundation's assets moving forward. As a donor, you stand to benefit through:

- A variety of investment options that allow you to select an investment strategy that best supports your preferences.
- Well-diversified funds using some of what SEI believes are the world's best money managers via SEI's multi-managers program.
- Extensive oversight and governance through multiple layers of ongoing risk management and fiduciary accountability that help ensure your donations are being invested and managed properly.
- A cost-efficient model designed to reduce overall investment fees, help grow investments and strengthen support for the mission.

\* As of December 31, 2023

# Who is SEI?

## Global firm

with U.S. headquarters in Oaks, Pennsylvania, outside Philadelphia

## 30-year track record

in discretionary investment management designed to help improve efficiency and results

## \$85.1 billion

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

## 170-plus nonprofit clients

worldwide, with 23 community foundation clients

## 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

# 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.

The SEI Cares program is an employee-led, company-sponsored philanthropy effort that includes grantmaking, volunteer opportunities and awareness events.

The program supports local communities in a meaningful way while supporting SEI's corporate value of social responsibility.

## In 2022:

- The SEI Cares Fund donated **\$252,000 to 16 partner organizations**
- Through participation in the PA Educational Improvement Tax Credit program, SEI Cares **granted \$360,000** to partnered organizations focused on education
- SEI Cares **matched employee donations in the amount of \$80,000**, including \$35,000 for the Ukraine crises which was divided evenly between the International Red Cross and Global Giving and \$4,000 for hurricane relief divided evenly between Project Hope and Collaboratory

The SEI Institutional Group committed approximately **\$1.3 million** in support of client-specific initiatives in 2022.

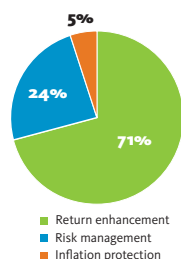
# Investment options for funds

## Long-Term Growth Pool

To provide a consistent return stream with lower volatility and long-term capital appreciation.

Designed for the long-term time horizon.

ASSET CLASS	ALLOCATION
U.S. Equity	44%
Non-U.S. Equity	21%
Fixed Income	30%
Inflation Protection	5%

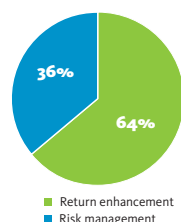


## Balanced Pool

To provide moderate risk-adjusted returns with an emphasis on total returns utilizing a broadly diversified portfolio maintaining liquidity.

Designed for medium to long-term time horizons.

ASSET CLASS	ALLOCATION
U.S. Equity	33%
Non-U.S. Equity	21%
Fixed Income	46%

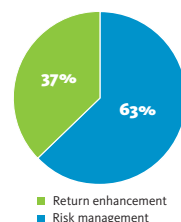


## Conservative Pool

To achieve low to moderate risk-adjusted returns with an emphasis on current income but with potential for capital appreciation.

Designed for medium time horizons.

ASSET CLASS	ALLOCATION
U.S. Equity	19%
Non-U.S. Equity	8%
Fixed Income	73%

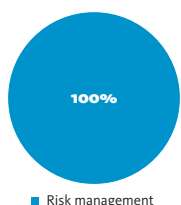


## Capital Preservation Pool

To preserve principal value, maintain a high degree of liquidity and provide current income.

Designed for short-term grant making needs.

ASSET CLASS	ALLOCATION
Cash or Cash Equivalents	100%

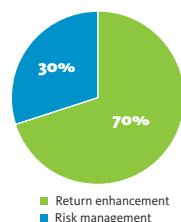


## Sustainable Investments Pool

To provide sustainable long-term financial return, by investing primarily in globally diversified equity and fixed income portfolio which include investments in companies that effectively and prudently govern with respect to their impact on the environment, business practices, and promotion of diversity and equality in the workplace.

Designed for medium to long-term time horizons

ASSET CLASS	ALLOCATION
U.S. Equity	45%
Non-U.S. Equity	5%
Global Equity	20%
Fixed Income	30%



### Risk balance definitions:

*Risk Management:* designed to align with the risk tolerance established in the Investment Policy Statement.

*Return Enhancement:* designed to deliver a potentially higher rate of return.

*Inflation Protection:* including assets that historically performed well in times of higher inflation.

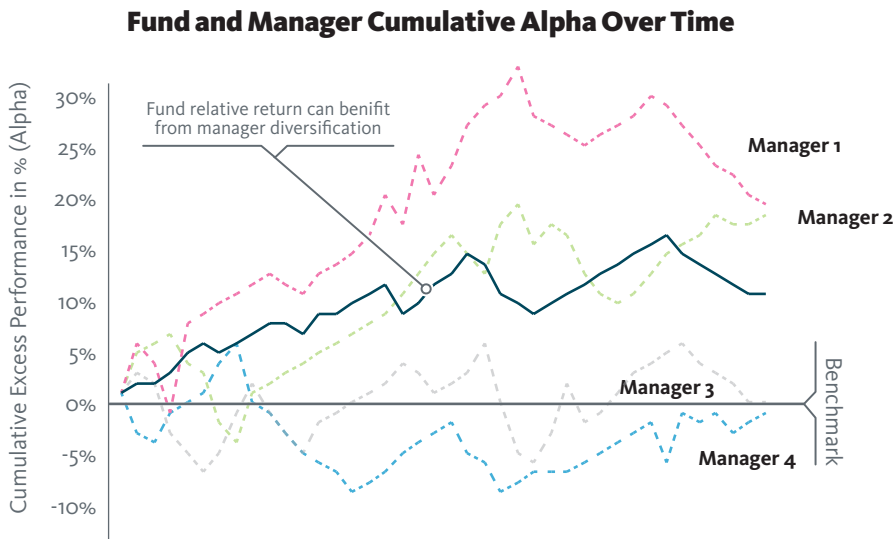
Allocation weights as of December 31, 2023.

# Collaboratory donors benefit from well-diversified funds using some of the world's leading money managers

SEI's multi-manager investment program provides exposure to managers through a research-intensive due diligence process, that carefully combines the managers to create diversified, risk managed portfolios. The 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 potentially less risk.

- **Timely response to market changes:** Multi-manager structure presents opportunity to actively tilt the allocation to exploit market opportunities.
- **Risk management:** SEI 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 can 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 multiple managers can help mitigate that volatility.



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.

*Alpha:* A measure of performance, indicating when a strategy, trader, or portfolio manager has managed to beat the market return or other benchmark over some period.

# Collaboratory donors benefit from extensive oversight and governance

Collaboratory is the trusted steward of approximately \$151 million\* in charitable funds. SEI as a strategic partner 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 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.

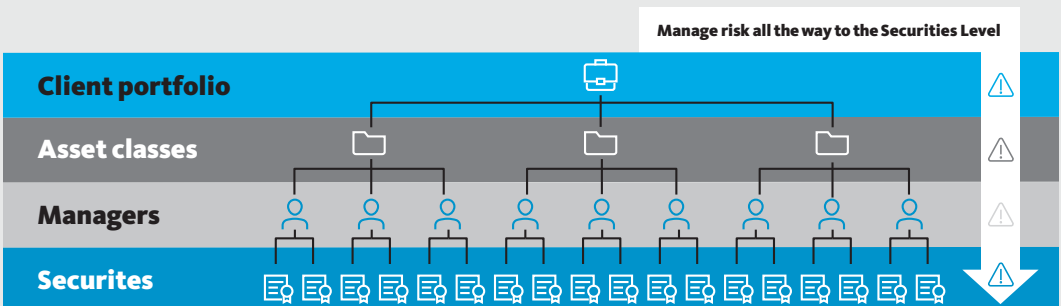
SEI believes in a goals-based approach to asset allocation achieved through collaboration and active dialogue between the SEI team, the Investment Committee and professional staff at Collaboratory. SEI portfolios are built according to Collaboratory financial goals and aligned with the associated risk tolerances.

\* This number changes and is updated frequently. Therefore, it may be different from numbers on other documents.

## SEI provides a deeper 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 can provide trustees with a more sophisticated level of insight. Some examples of areas where SEI provides increased risk management of the funds for which the Foundation is the steward:

- An internal committee to provide independent review and oversight of 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 risk factor



# Collaboratory donors benefit from a cost-efficient model

One of the strengths of SEI's program is its ability to leverage more than \$432 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.

Collaboratory proudly serves as a resource for information, knowledge and expertise. We partner with our donors as they develop and implement their philanthropic visions. Our experience and insight about needs in our community and beyond help our fundholders identify meaningful opportunities to make a difference for the causes they care about. Our relationship with SEI is integral to our success in serving our clients with unmatched excellence.

\*As of December 31, 2023.

**Establish a fund with  
Collaboratory and feel  
confident your donations  
are making a difference.**



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There is no assurance that the objectives of any strategy or fund will be achieved or will be successful. No investment strategy, including diversification, can protect against market risk or loss. Current and future portfolio holdings are subject to risk. Past performance does not guarantee future results.

For those SEI funds which employ a multi-manager structure, SIMC is responsible for overseeing the sub-advisers and recommending their hiring, termination, and replacement.

In addition to the normal risks associated with equity investing, international investments may involve risk of capital loss from unfavorable fluctuation in currency values, from difference in generally accepted accounting principles or from economic or political instability in other nations. Narrowly focused investments and smaller companies typically exhibit higher volatility. Emerging markets involve heightened risks related to the same factors as well as increased volatility and lower trading volume. These risks may be magnified further with respect to “frontier market countries,” which are a subset of emerging market countries with even smaller national economies. Bonds and bond funds will decrease in value as interest rates rise. Investments in high-yield bonds can experience higher volatility and increased credit risk and risk of default or downgrade when compared to other fixed-income instruments. TIPS can provide investors a hedge against inflation as the inflation adjustment feature helps preserve the purchasing power of the investment. Because of this inflation adjustment feature, inflation protected bonds typically have lower yields than conventional fixed rate bonds.