



**GREATER  
WORCESTER**  
COMMUNITY FOUNDATION

# 2026 Investment Presentation

Greater Worcester Community Foundation

February 13, 2026

Presented by **Prime  
BUCHHOLZ**

# Agenda



- **Welcome**  
*Peter Dunn, President & CEO*
- **Investment Committee Overview**  
*Thomas Bartholomew, Board Treasurer*
- **Investment Process and Results**  
*Catherine Powers, Prime Buchholz*  
*Brian Matthews, Prime Buchholz*
- **Q & A**

# Foundation 2025 Highlights



- Endowment over \$270 million
- Over 650 named funds
- \$8.4 million awarded in grants
- \$1.84 million committed through 443 scholarships
- \$23.9 million received in gifts



# Major Initiatives



- Creative Worcester County
- Youth for Community Improvement
- Nonprofit Support Center
- Scholarships
- Nourishing Tomorrow's Leaders
- Community Grants (arts & creativity, basic needs, health & wellbeing, economic opportunity, development)



# Investment Committee



**Peter Dunn**

*President & CEO  
Greater Worcester Community Foundation*

**Thomas Bartholomew**

*Board Treasurer  
President, Bartholomew & Company, Inc.*

**Maria Heskes-Allard**

*Board Chair-Elect  
Senior Vice President, Fidelity Bank*

**James Collins**

*Former CIO and Treasurer  
Clark University*

**Warner Fletcher**

*Attorney  
Fletcher Tilton PC*

**Abraham Haddad, DMD**

*Retired*

**John Shoro**

*Managing Partner  
Bowditch & Dewey LLP*

**Ann Tripp**

*Former EVP, CIO and Treasurer  
The Hanover Insurance Group*

# What We Will Cover Today



- Market Environment
- Investment Approach
- Results & Positioning
- Outlook

# Our Partnership with the Foundation

	Prime Buchholz	GWCF Investment Committee
<b>Investment Policy &amp; Asset Allocation</b>	<ul style="list-style-type: none"> <li>Proposes strategic asset allocation</li> <li>Recommends policy guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Sets risk/return objectives, liquidity needs, spending rate</li> <li>Approves AA targets and ranges</li> <li>Approves IPS</li> </ul>
<b>Manager Selection &amp; Implementation</b>	<ul style="list-style-type: none"> <li>Recommends and monitors managers</li> <li>Proposes implementation (i.e. active, passive, fees, liquidity)</li> <li>Serves as back office; executes trades</li> </ul>	<ul style="list-style-type: none"> <li>Reviews and approves manager selection</li> <li>Approves trade activity</li> </ul>
<b>Risk Management/ Reporting/ Meetings</b>	<ul style="list-style-type: none"> <li>Provides monthly &amp; quarterly reporting, attends meetings</li> <li>Ongoing monitoring of exposures, attribution, liquidity</li> <li>Proposes rebalancing trades, as needed</li> </ul>	<ul style="list-style-type: none"> <li>Holds quarterly meetings, ad-hoc, as needed</li> <li>Approves rebalancing activity</li> <li>Access to online portal for daily performance estimates and exposures</li> </ul>

# Community Foundation Clients

- Ann Arbor Area Community Foundation
- Berkshire Taconic Community Foundation
- The Boston Foundation
- Community Foundation of Louisville
- Community Foundation of the Chattahoochee Valley, Inc.
- Community Foundation for the Greater Capital Region
- Community Foundation of Greater Memphis
- SouthCoast Community Foundation
- Central Indiana Community Foundation
- The Greater Kanawha Valley Foundation
- Greater Worcester Community Foundation
- Henry County Community Foundation
- Jewish Community Foundation of Greater MetroWest New Jersey
- Rhode Island Foundation
- Spartanburg County Foundation
- Yellowstone Club Community Foundation

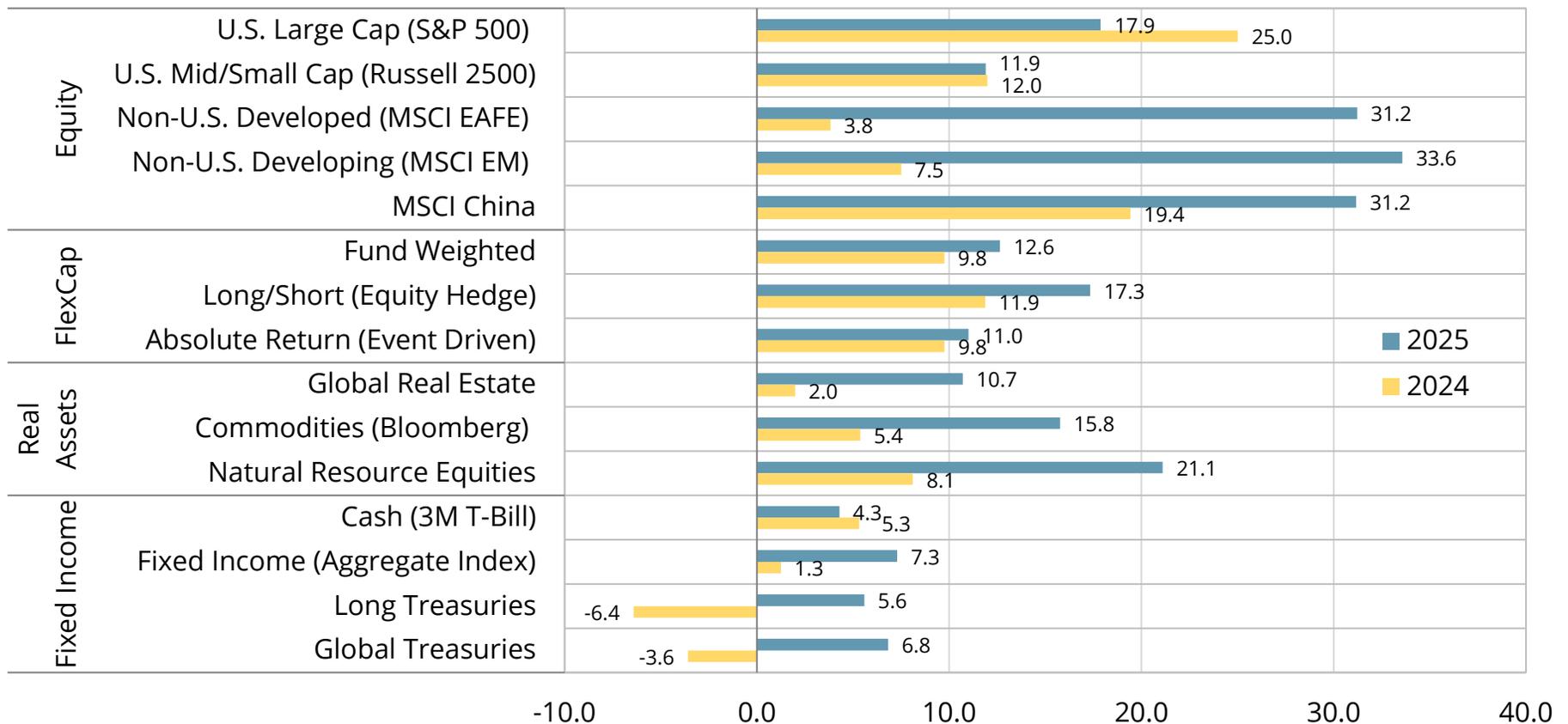


*Representative community foundation clients are listed alphabetically, and our listing of any institution does not imply an endorsement of Prime Buchholz or the services we provide. Data is as of September 30, 2025.*

# Market Summary

Risk assets rallied in 2025, with emerging market equities and international equities outpacing their U.S. counterparts.

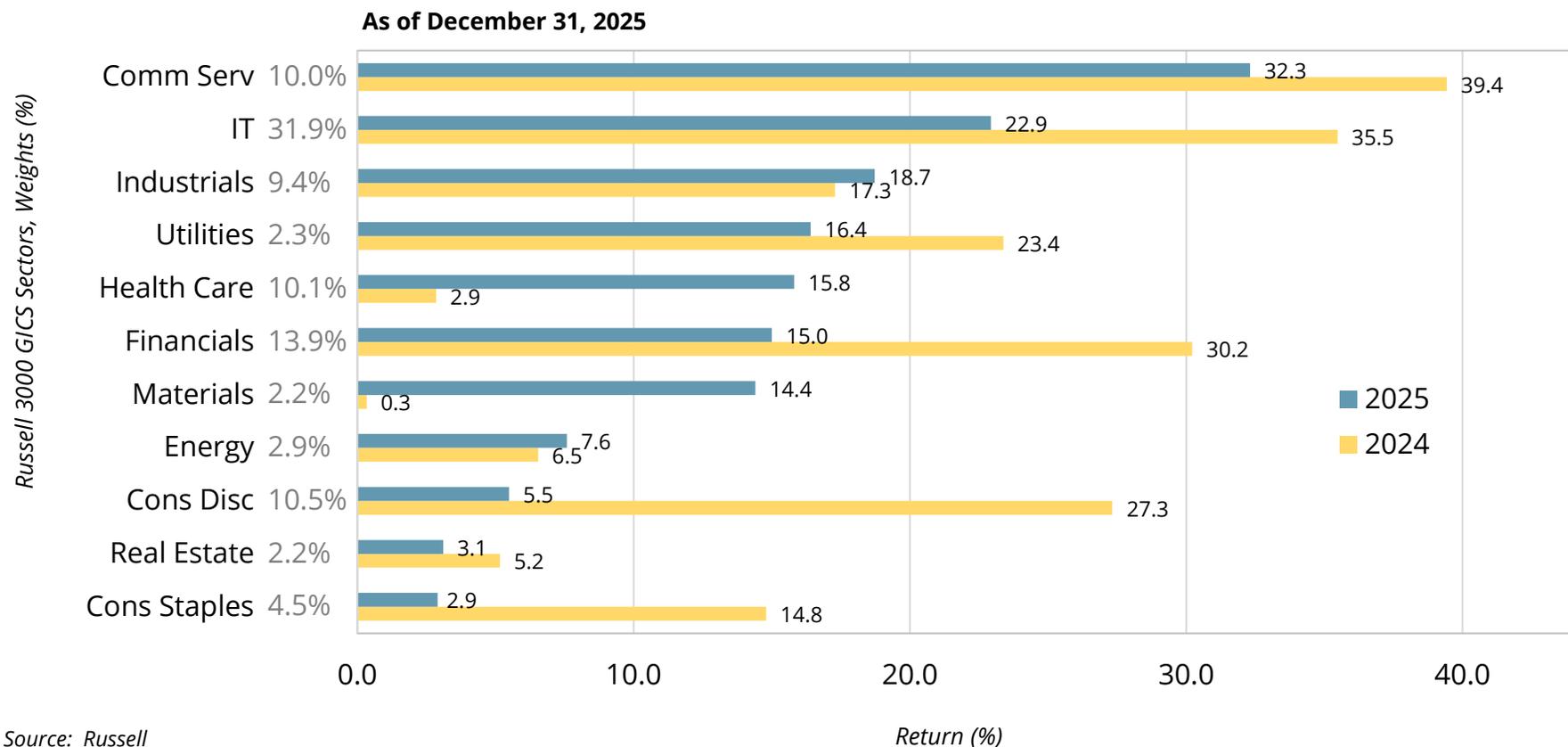
As of December 31, 2025 (%)



Source: Bloomberg, S&P, FTSE, HFRI, MSCI, Russell

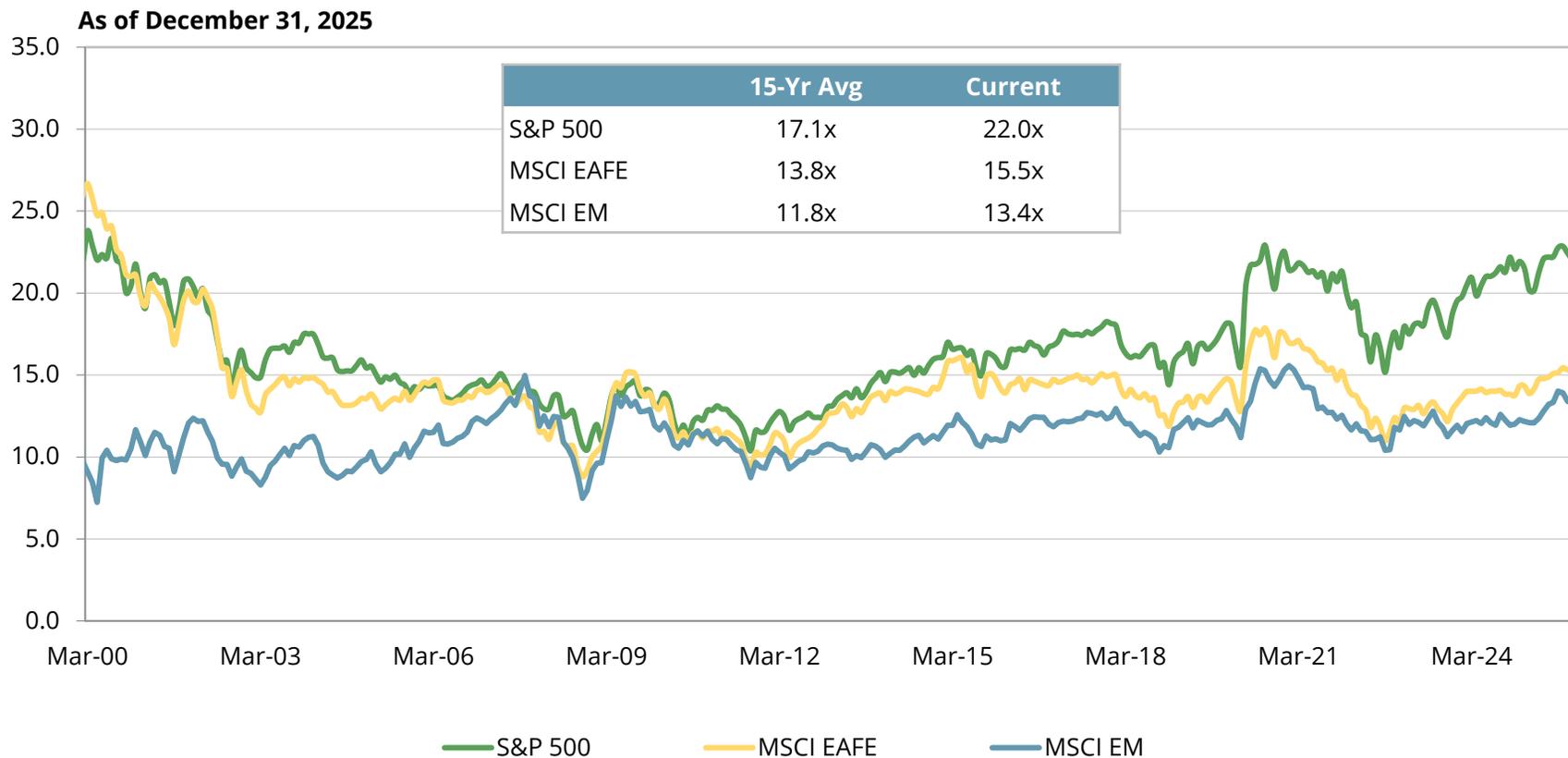
# Domestic Equity Sector Performance

The AI investment theme was a key factor driving communications and technology, while a resilient macro backdrop drove pro-cyclical sectors up.



# Forward Price/Earnings Ratios

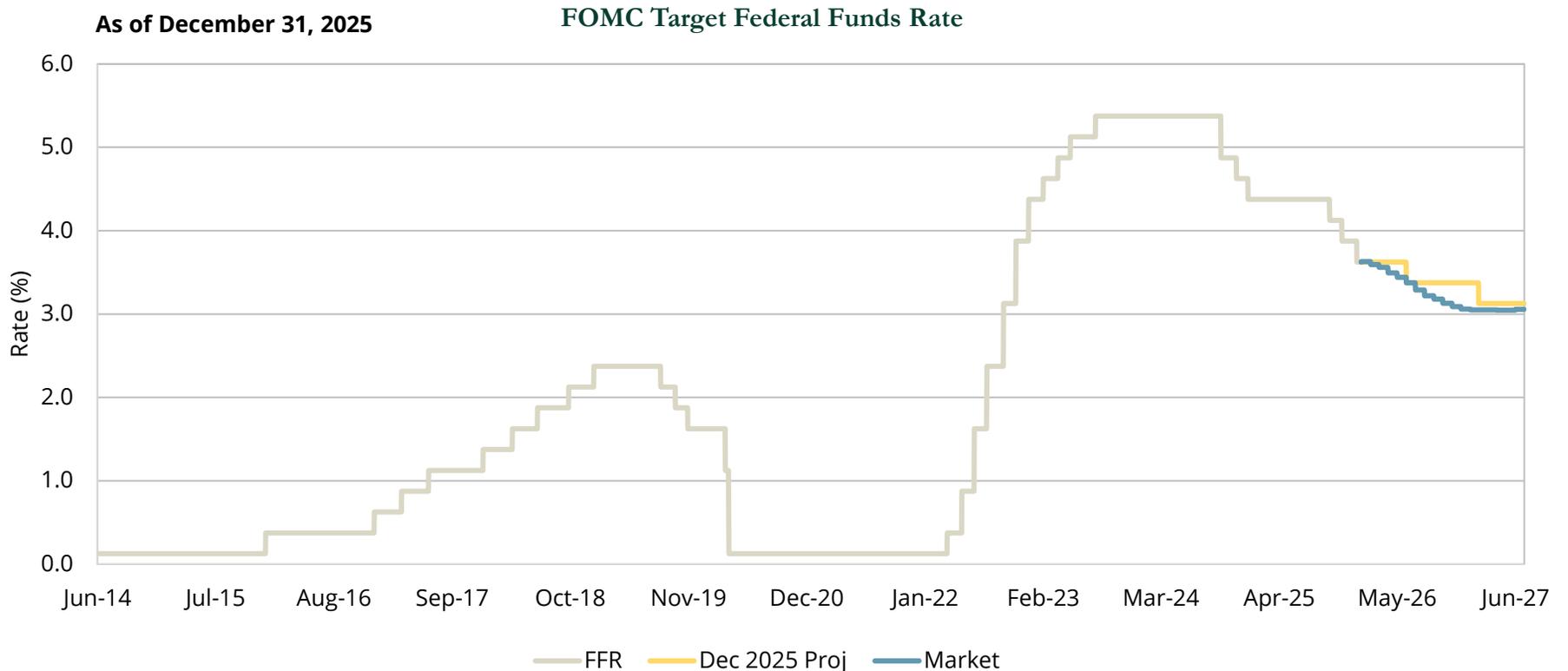
Multiples ended the year marginally higher, retracing the steep declines that occurred during the tariff turmoil in April 2025.



Source: S&P, MSCI

# Interest Rate Expectations

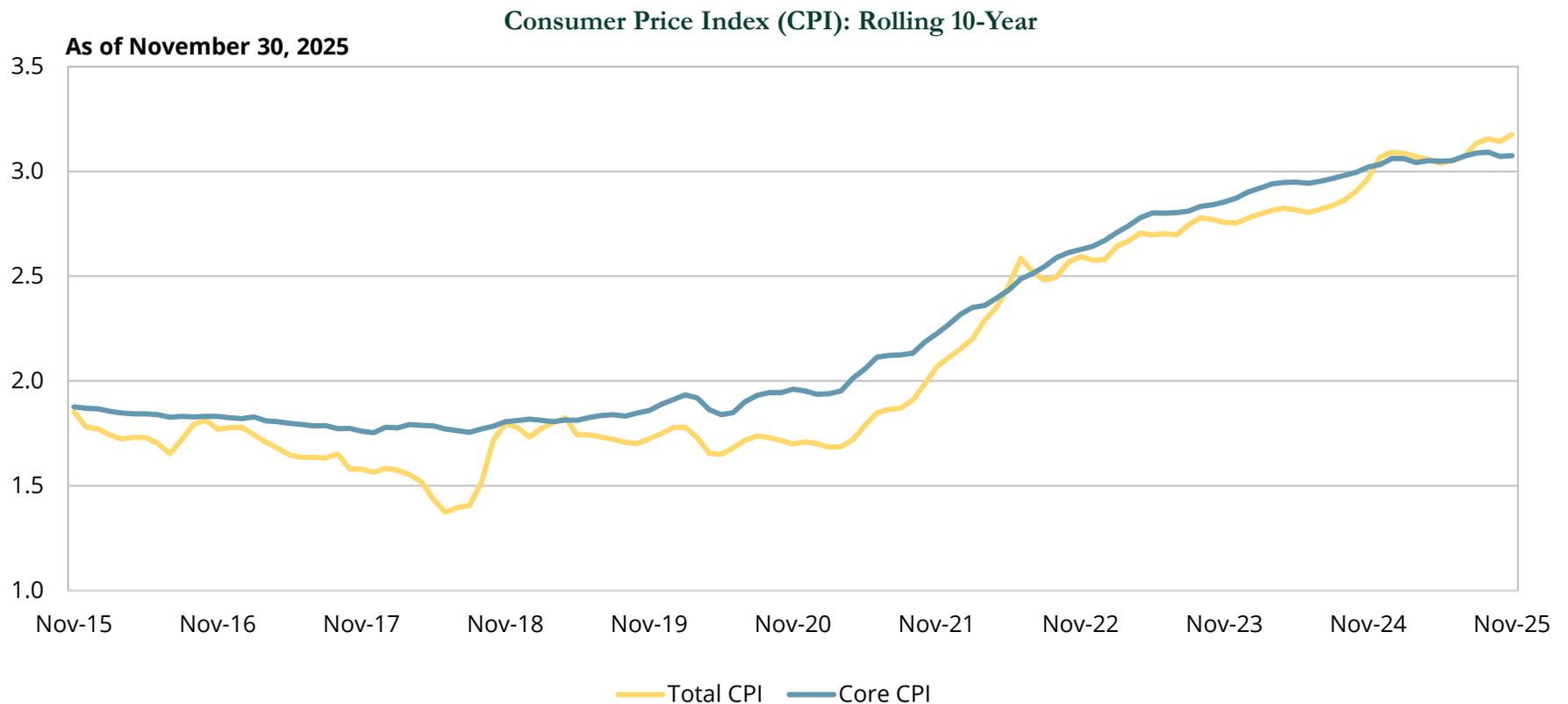
After a nine month pause, the Fed cut rates three times in 2025. Fed guidance calls for one cut in 2026; the market is pricing in two or more cuts.



Source: Federal Open Market Committee

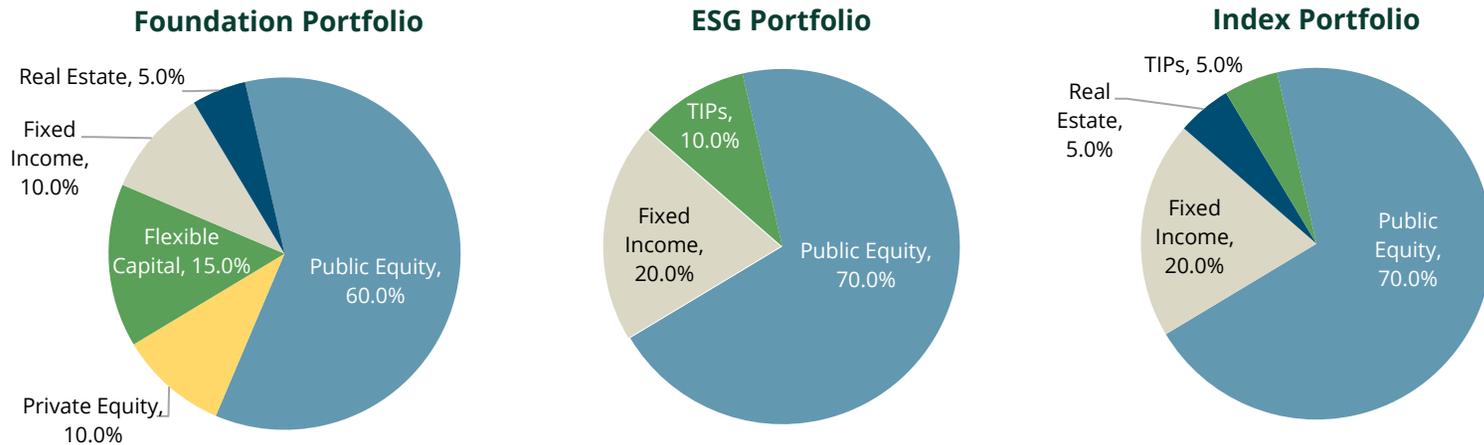
# Inflation

Improvements in inflation stalled in 2025, leaving inflation more than 100 bps above the Fed's 2% target.



Note: September data used as placeholder for October  
Source: Bureau of Labor Statistics

# Investment Pool Options



Investment Objective	Capital preservation and long-term asset growth to meet spending needs after inflation	Capital preservation and long-term asset growth, with a focus on sustainability including fossil-fuel-free investments	Capital preservation and long-term growth, investing in passively managed index funds to minimize fees
<b>Liquidity</b>	10% Illiquid private investments	100% daily liquidity	100% daily liquidity
<b>Expected Nominal Return &amp; Volatility<sup>1</sup></b>	7.5 / 13.1	6.5 / 11.9	6.7 / 12.6
<b>Estimated Management fees<sup>2</sup></b>	65 – 75bps	40 – 50 bps	5 – 7 bps
<b>Potential benefits</b>	Long-term growth to meet incremental charitable spending needs and expenses	Long-term growth investing in an environmentally oriented portfolio to align with the Foundation's values	Low cost passively managed portfolio seeking long-term growth via well diversified market exposures

1. Expected returns and volatility, as measured by standard deviation, are based on Prime Buchholz 2026 capital market assumptions. Returns are geometric. As of December 31, 2025.

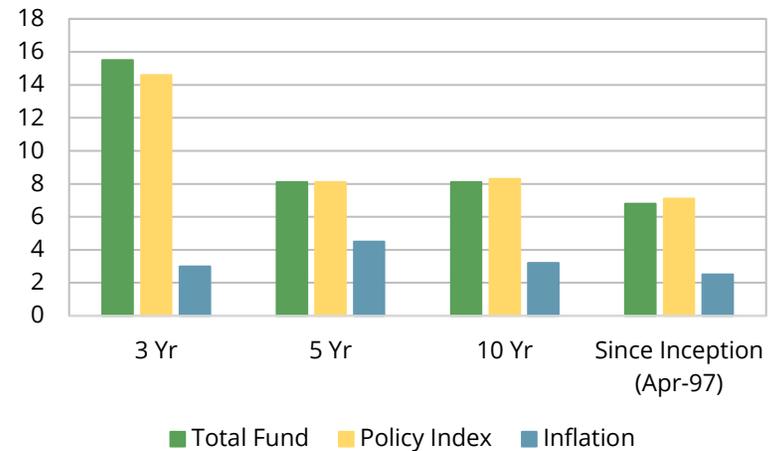
2. Management Fees represent investment manager fees only and exclude custody and advisory fees.

# Investment Approach

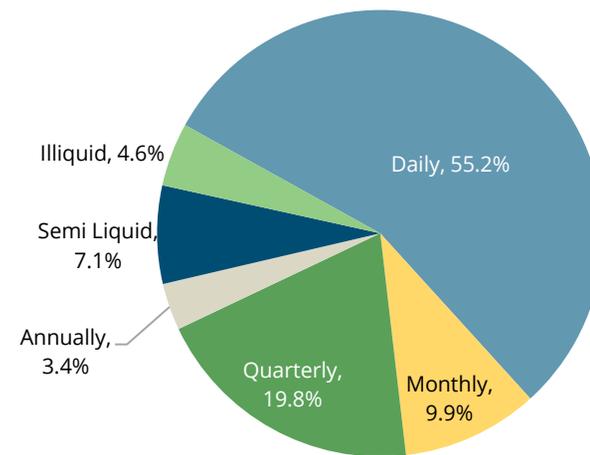
## Guiding Principles

- Invest for the long-term. Decisions are not made in an attempt to “time the market.”
- Set strategic asset allocation targets and ranges intended to meet long-term goals.
- Balance return expectations with risk tolerance and portfolio constraints.
- Maintain a well-diversified portfolio to provide multiple potential sources of return and seek to limit drawdown risk.
- Assess active manager performance over cycles with a focus on experience, style, and process.

Historical Net Returns (as of 12/31/2025)



Portfolio Liquidity (as of 12/31/2025)



# Asset Allocation - Foundation

In 2025, the allocation to flexible capital was reduced by 5% in favor of private equity to improve potential asset growth.

Category	Asset Class Role	Key Considerations	Target Allocation
<b>Global Equity</b>	Long term portfolio growth	<ul style="list-style-type: none"> <li>Diversify regional exposures; avoid overreliance on one region for return</li> <li>Use a mix of passive and active funds to reduce costs and enhance return</li> </ul>	60%
<b>Private Equity</b>	Highest return-seeking strategies Benefit from the illiquidity premium	<ul style="list-style-type: none"> <li>Diversify exposure to buyout, growth equity, venture, secondaries</li> <li>Long-term investment horizon</li> </ul>	<b>10%</b>
<b>Flexible Capital</b>	Lower correlation; reduce portfolio volatility Flexibility to capitalize on market dislocations	<ul style="list-style-type: none"> <li>Diversify strategies (Long/Short, Absolute Return, Event Driven) to hedge risk in stocks</li> <li>Deliver better outcomes than bonds</li> </ul>	<b>15%</b>
<b>Real Estate</b>	Diversifying source of return Inflation hedge	<ul style="list-style-type: none"> <li>Implicit inflation protection</li> <li>Use of public and private investments for incremental return</li> </ul>	5%
<b>Fixed Income</b>	Stable source of income Macro hedge	<ul style="list-style-type: none"> <li>Favor high quality bonds for safety and liquidity</li> </ul>	10%

## 2025 Foundation Trade Activity

- Raised cash for draws of \$1-2 million per quarter. We trimmed equities on strength (~\$2M, 1%), fixed income (~\$1M, 0.5%), and flexible capital (~\$2M, 1%).
- There were manager transitions over the course of the year, representing portfolio turnover of approximately 10%. This included exiting two hedge funds (credit and long/short) and replacing a real estate fund. Managers were replaced for various reasons, including team changes, performance challenges, ownership changes, and outflows.
- Over the course of the year, the Foundation paid 26 capital calls totaling \$2.5 million in private capital deployed.
- The Foundation made three new commitments to private funds, totaling \$6 million in new capital commitments.

# Portfolio Performance

## Foundation Portfolio

Annualized Returns <i>As of 12/31/2025</i>	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception (Apr-97)
<b>Total Fund</b>	<b>15.2</b>	<b>15.5</b>	<b>8.1</b>	<b>8.1</b>	<b>6.8</b>
Policy Index	16.4	14.6	8.1	8.3	NA
<i>Stocks</i>	22.1	20.0	10.7	11.4	7.7
<i>Bonds</i>	7.3	4.7	-0.4	2.0	4.3
Inflation	2.7	3.0	4.5	3.2	2.5

*Return data shown is net of fees. Values stated above are rates of return (%). Periods greater than 1 year are annualized.*

*Stocks - MSCI All Country World Index IMI. Bonds - Bloomberg U.S. Aggregate Index*

*Policy Index as of 1/1/2025: 60% MSCI ACWI IMI/ 10% Private Equity Benchmark/ 15% HFRI Fund-of-Funds Diversified Index/ 10% Fixed Income Composite Index/ 5% Real Estate Composite*

# Peer Performance Comparison

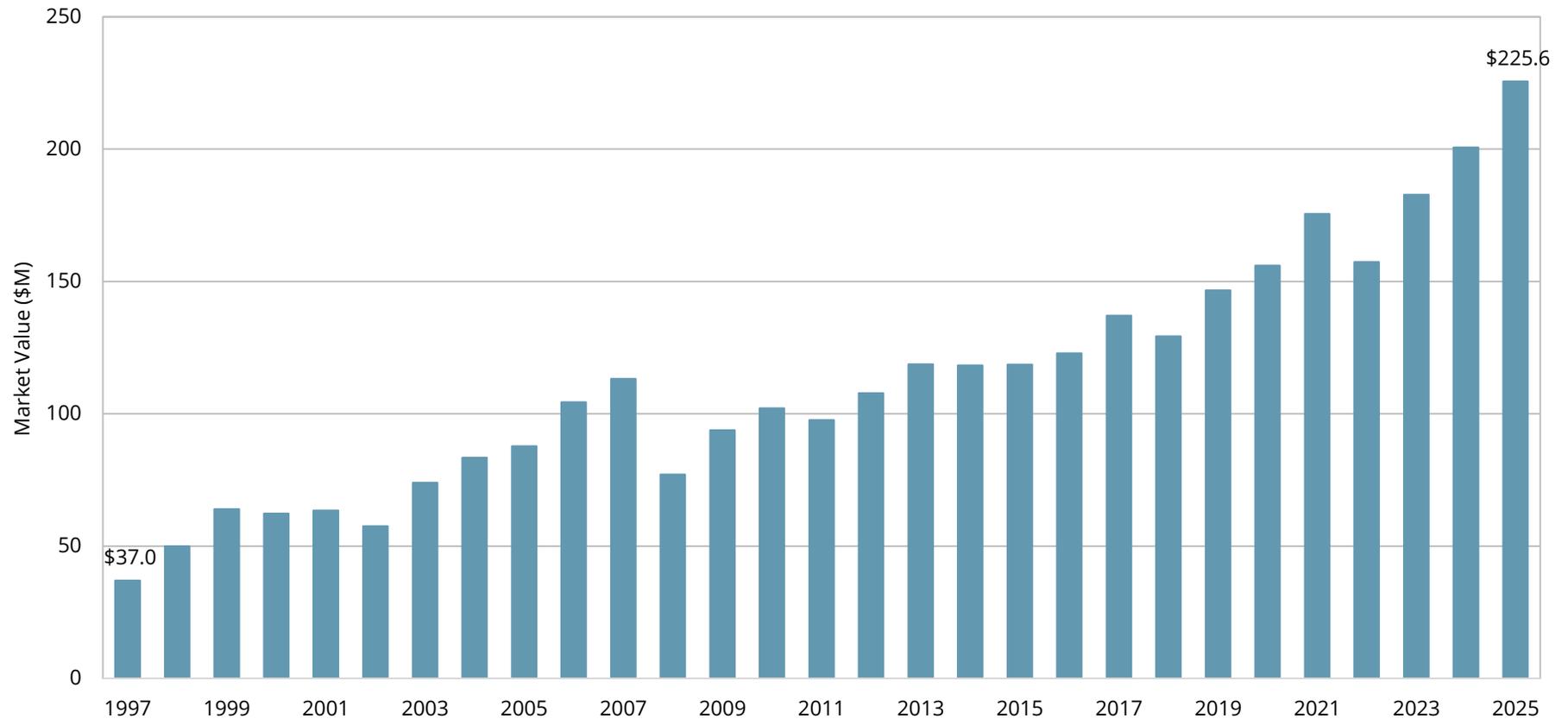
The Foundation has performed very well versus similar-size peers.

## Performance as of September 30, 2025

	YTD	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	Sample Size
<b>GWCF</b>	<b>12.1</b>	<b>10.8</b>	<b>17.2</b>	<b>10.1</b>	<b>8.0</b>	<b>6.8</b>	
Peer Group	13.0	10.3	15.4	10.1	8.7	7.8	27

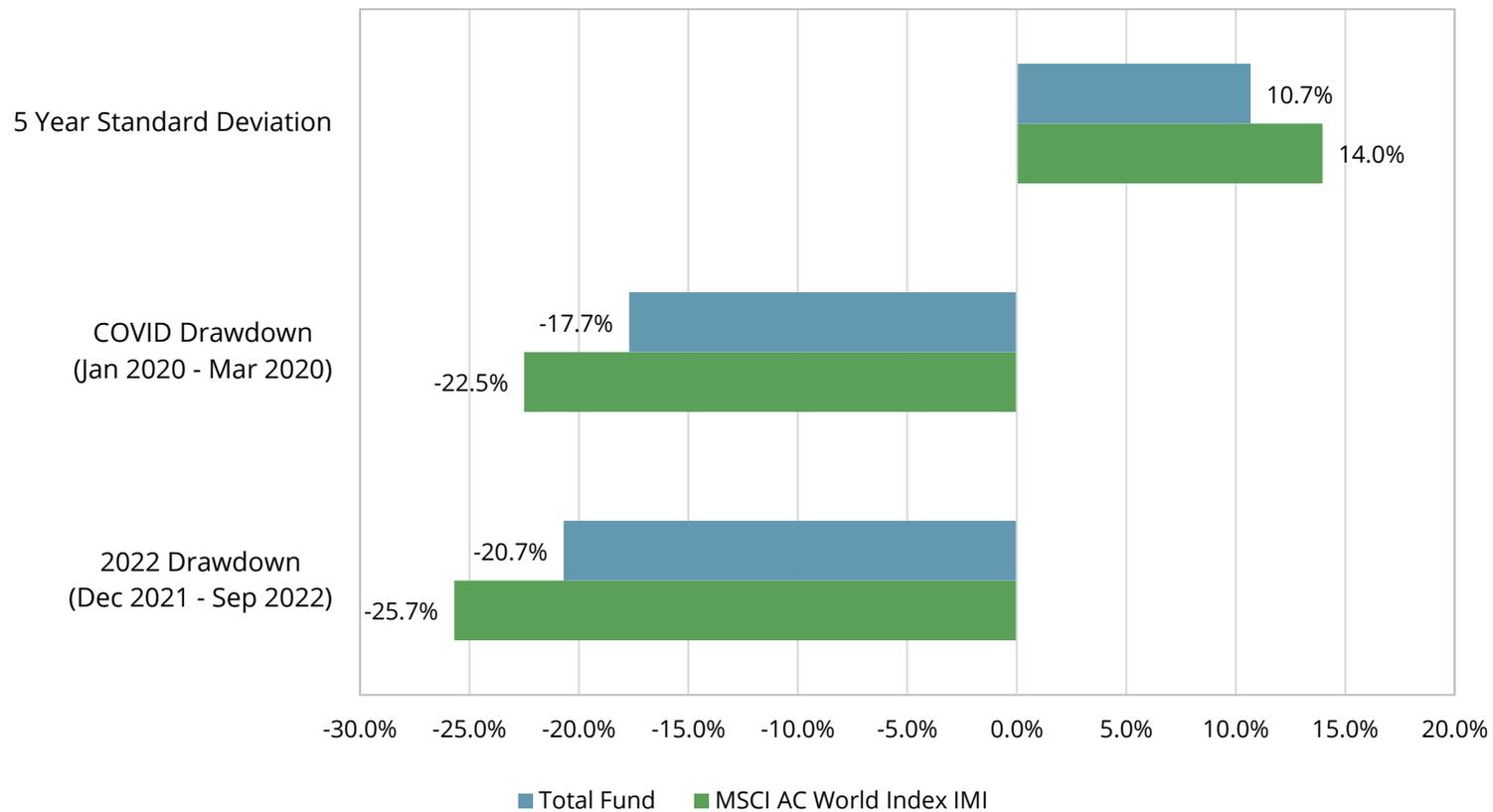
*Source: Finance, Administration & Operations Group (FAOG) for Community Foundations. Peer Group is Community Foundations of similar size (\$100M-\$249.9M). Return data shown is net of fees. Peer Group Median returns reflect the approximate deduction of advisory fees, brokerage or other commissions, and any other expenses that a client would have paid. GWCF performance is shown net of fees.*

## Investable Assets (January 1998 – December 2025)



# Portfolio Downside Protection

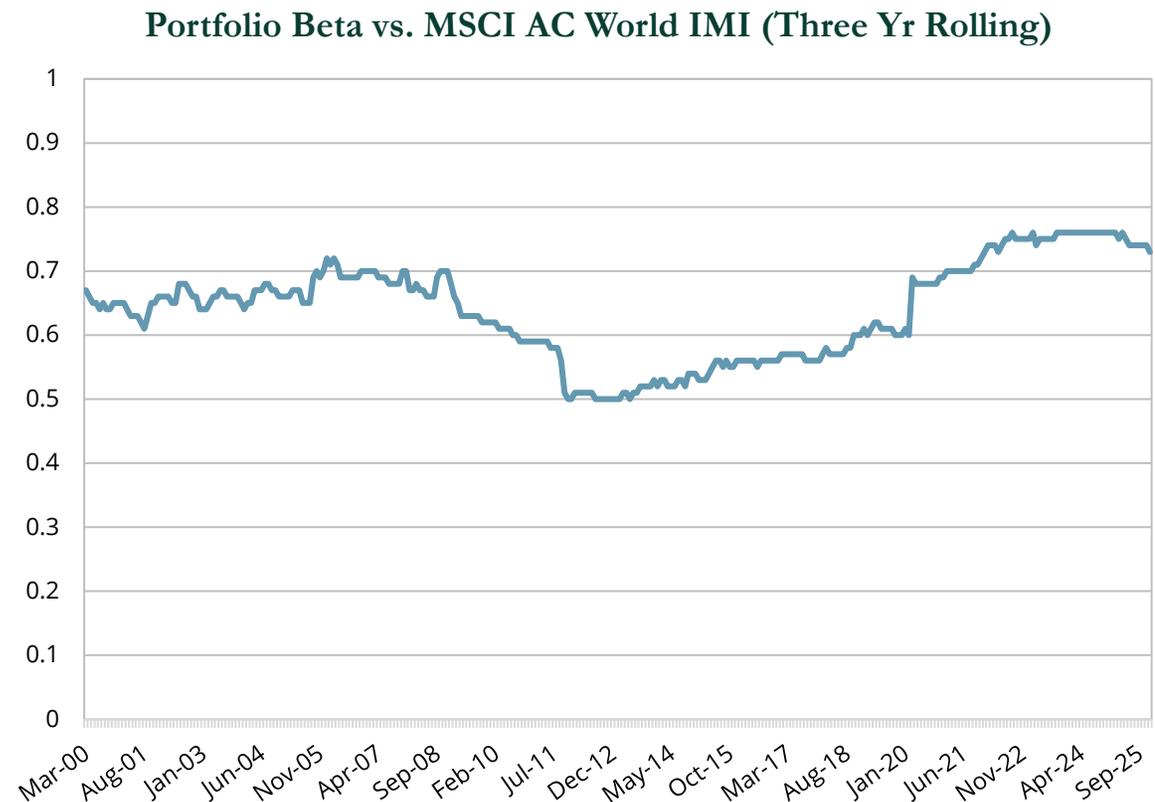
The Foundation's diversified portfolio is constructed to weather variable market environments with the goal of minimizing drawdowns.



# Upside Participation

Diversification may impact the portfolio's participation in up markets. In the example below, the Foundation's "beta" is a measure of price sensitivity to global equities.

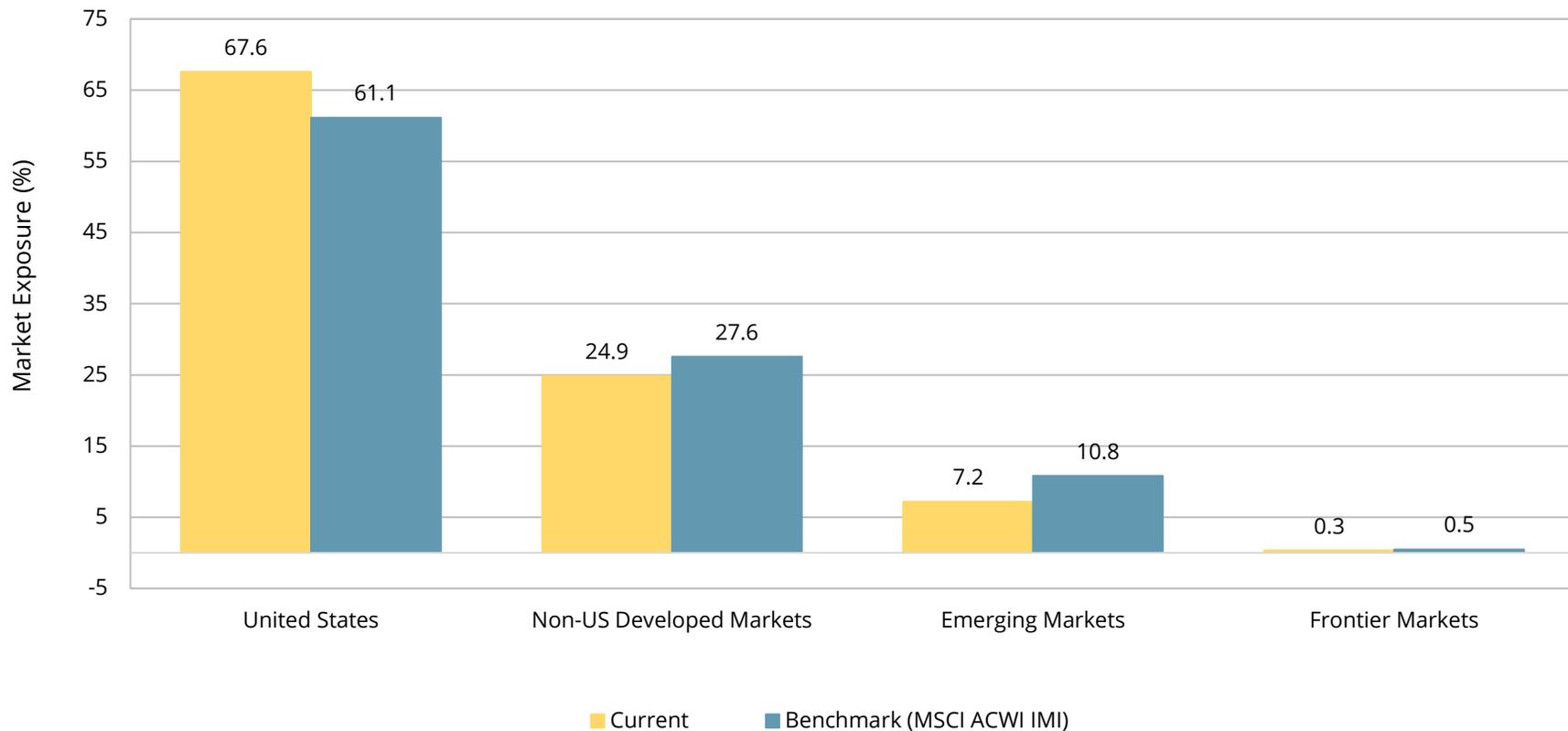
- The 0.7 beta indicates the portfolio is about 30% less volatile than global equities, as represented by the AC World Index.
- We expect lower volatility may generate better risk-adjusted returns.



Source: Investment Metrics, Peer groups and risk analytics are provided by InvestmentMetrics 2026. All rights reserved.

# Portfolio – Public Equity

The Foundation has a modest overweight to the U.S. as a placeholder for future private equity commitments. Diversified exposure to international equities continues to represent just over 30% of the equity allocation.



*Note: Based on portfolio market values as of December 31, 2025.*

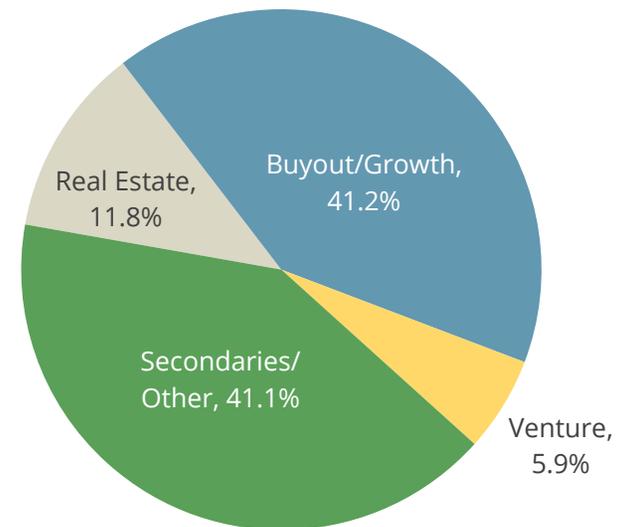
# Portfolio – Private Equity

## Current Positioning

- As of December 31, 2025, the Foundation's private capital exposure totaled \$17.0 million in commitments.
- The current annual commitment pace to achieve a 10% allocation to private equity is \$4 to \$6 million.
- The private equity allocation is expected to reach 10% of the portfolio in approximately five years, with the goal of the program becoming self-funding in the future (when distributions exceed capital calls).

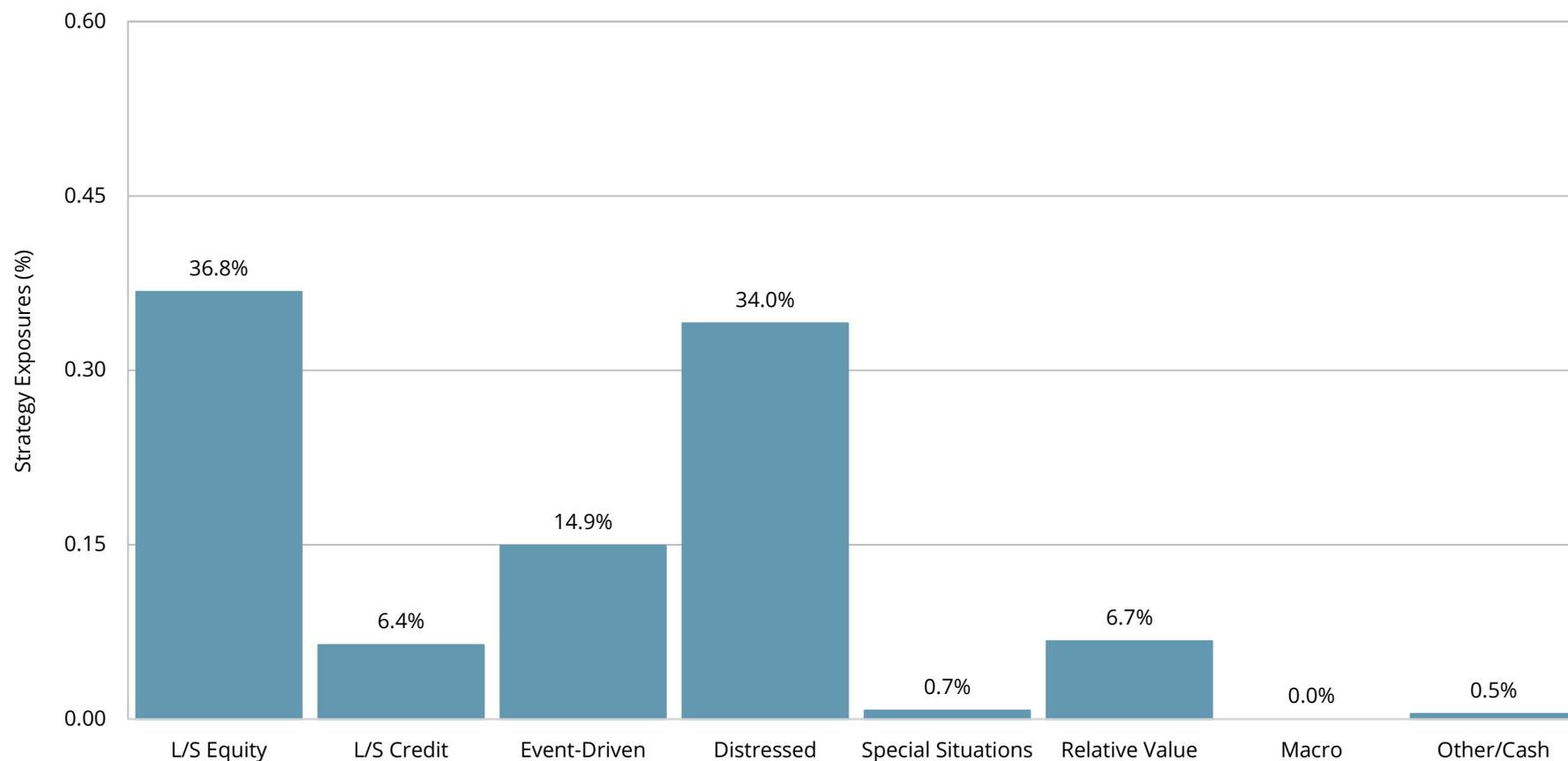
## Strategy Allocation

*(by unfunded commitment and market value)*



# Portfolio – Flexible Capital

Diversified strategies are intended to lower portfolio volatility and provide a broad opportunity set to take advantage of market dislocations.



*Note: Based on portfolio market values as of December 31, 2025.*

# Portfolio – Fixed Income

The Foundation’s duration was extended after interest rates rose in 2022, in an effort to take advantage of higher yields and subsequent rate cuts by the Fed.

## Fixed Income - Portfolio Characteristics

	12/31/2022	12/31/2023	12/31/2024	12/31/2025
Yield (%)	5.2	4.5	4.3	<b>4.5</b>
Average Maturity (Years)	2.5	5.2	6.4	<b>7.4</b>
Duration (Years)	2.4	4.6	5	<b>5.4</b>

# Portfolio Performance – ESG

## ESG Portfolio

Annualized Returns <i>As of 12/31/2025</i>	1 Yr	3 Yr	5 Yr	Since Inception (Feb-20)
<b>Total Fund</b>	<b>15.0</b>	<b>15.4</b>	<b>7.8</b>	<b>9.0</b>
Policy Index	17.7	15.8	8.2	9.3
<i>Stocks – ESG Leaders</i>	22.4	20.7	11.2	12.3
<i>Bonds</i>	7.3	4.7	-0.4	0.6
Inflation	2.7	3.0	4.5	3.9

*Returns shown are net of fees. Values stated above are rates of return (%). Periods greater than 1 year are annualized.  
 Stocks – MSCI AC World ESG Leaders Index. Bonds – Bloomberg U.S. Aggregate Index  
 ESG Policy Index as of 3/1/2022: 70% MSCI AC World ESG Leaders Index (Net)/ 20% Blbg U.S. Aggregate/ 10% Blbg Barc U.S. Treasury: 0-5 year TIPS)*

## 2025 ESG Portfolio Activity

- There were manager transitions over the course of the year, representing portfolio turnover of approximately 8%. Two international equity managers were replaced due to performance and fund outflows.
- Deployed over \$2 million in new contributions.

# Outlook & Implementation

## Market Considerations

- Broad asset classes have generated strong gains in 2025 despite increasing geopolitical risks, mixed economic data, and an uncertain outlook for Fed policy and independence.
- Dispersion is a prominent theme in markets, as reflected across major asset classes.
  - Valuations vary widely in public equities depending on region, market cap, and style.
  - Credit spreads in fixed income are near all-time tight levels, while Treasury yields are higher than historical median levels.
  - Gradual improvement in IPO activity, exit values, increasing M&A, and growth

in continuation vehicles reflect positive green shoots in private capital markets.

- AI is influencing economic growth, productivity, and asset class valuations. The evolution of AI is likely creating cross-asset class dispersion over a multi-year cycle.

## Portfolio Positioning

- Portfolio diversification is increasingly important amid dispersion in market valuations, particularly given unpredictable macro outcomes.
- Rebalancing discipline adds value toward achieving long-term return goals.

# Your Dedicated Investment Team



\* Owners

## Highlights

- Significant experience serving community foundations
- Institutionalized knowledge and a long tenured relationship with GWCF
- Fully customized, hands-on approach
- Mission-aligned investing expertise
- Direct access to our dedicated research team
- Supported by robust portfolio analytics

### Dedicated email:

[pbaGWCF@primebuchholz.com](mailto:pbaGWCF@primebuchholz.com)

# Q & A

Thank you for  
Coming!

If you would like to know more about the Greater Worcester Community Foundation, please contact:

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President & CEO

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**Kelly Stimson**

Vice President, Philanthropic Services

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# Prime BUCHHOLZ

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