

# Stewarding Generosity, Sustaining Impact:

The Community Foundation's Approach to Endowment









## Investing with Intention for Our Region's Future

At the Community Foundation for Southeast Michigan, every dollar entrusted to us represents more than generosity — it represents belief and trust. Belief in a stronger future for our region, and trust in our role as stewards of the resources that will help make that future real.

Since 1984, the Community Foundation has been carefully building permanent endowments to support lasting change in the communities we serve.

Our investment strategy is designed to support the long-term health of every fund we manage. By targeting a long-term average annual return of 6 to 8 percent, we aim to preserve and grow the value of donor gifts over time, outpace inflation and ensure a steady flow of support for the nonprofits and initiatives that keep our communities strong. A dollar today does not have the same purchasing power it did in 1984, and our approach is built to address that reality.

Our strategy is guided by our Investment Committee and supported by our partnership with Fund Evaluation Group (FEG), an investment consultant with decades of experience serving community foundations and mission-driven institutions. Their expertise, broad portfolio access, and client-focused approach helps us manage risk, navigate complex markets, and remain focused on performance and impact.

Together with FEG and our Investment Committee, we steward more than \$1 billion in charitable assets on behalf of thousands of donors. Each investment decision is rooted in our values of integrity, trust and operational excellence. These decisions are aligned with our responsibility to grow opportunity for all who call southeast Michigan home.

We are proud of the trust donors place in us and grateful for the partnerships that make this work possible. Thank you for believing in the future and for helping us invest in it.

With gratitude,



**Nicole Sherard-Freeman**  
President and CEO



**Linda Lutz**  
Chief Financial Officer



**Chris Rizik**  
Chair, Investment Committee



**Nick Khouri**  
Vice Chair, Investment Committee



# Community Foundation

FOR SOUTHEAST MICHIGAN

## Inspired Giving. Lasting Impact. Leading Change.

### About the Community Foundation for Southeast Michigan

Since 1984, the Community Foundation for Southeast Michigan has invested nearly **\$1.5 billion** in people, communities and organizations to help ensure everyone in our region can thrive. We serve Wayne, Oakland, Macomb, Monroe, Washtenaw, Livingston and St. Clair counties with generous support from thousands of donors, individuals, families and businesses.

### What We Do:

- Advise donors on how to make lasting impact in the region
- Build long-term assets through endowments
- Serve as a trusted convener, partner and funder in community problem-solving
- Create lasting, positive change through thoughtful philanthropy

### Commitment to Endowment

Strong nonprofits and communities require long-term financial stability. That's why endowments are at the heart of our work. The Community Foundation helps donors and organizations build permanent endowments that provide sustained funding year after year. Our endowed funds generate lasting resources to respond to evolving needs and invest in long-term solutions.

### Our Endowment Efforts Focus on:

- **Building Community Capital:** We help donors and organizations create permanent funds that address today's needs while preparing for tomorrow's challenges.
- **Supporting Nonprofit Sustainability:** Hundreds of nonprofit organizations have established agency endowment funds with us to secure their future.
- **Strong Financial Stewardship:** We manage funds with expert oversight, helping to grow assets while making annual distributions that support vital programs.
- **Creating Lasting Legacies:** Through planned giving and estate gifts, donors can make a permanent impact on the causes and communities they care about most. We work with donors and nonprofits to maximize the impact of their endowment, now and in the future

### 2024 By the Numbers:



**\$1.3 Billion**  
in Assets



**5,000+** Donor  
Relationships



**250+** Nonprofit  
Endowment Partners



**\$128 Million** to  
Nonprofits through  
4,700 Grants



**\$113 Million+** New  
Gifts Received

### Focus Areas:

- Economic Opportunity
- Health Equity
- Youth and Education
- Arts and Culture
- Public Space and Environment



# The Donor Services Team

## Local Expertise, Strategic Impact

### Deep Community Roots

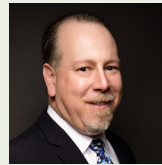
With decades of experience and a profound understanding of southeast Michigan's unique challenges and opportunities, we help you direct your giving where it will make the most significant difference.

### Tailored Giving Solutions

From donor-advised funds to legacy planning, we offer a variety of giving options designed to align with your personal and professional goals.

### Sustained Legacy

Your generosity can create lasting change. We work with you to establish a philanthropic legacy that reflects your values and supports the causes you care about, well beyond your lifetime.



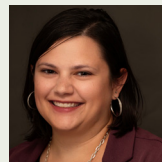
**Randy Ross**

Vice President, Donor Services



**Lindsey Rossow-Rood**

Associate Vice President, Donor Services




**Katelyn Videto**

Director, Donor Services


## Work With Us

Let's talk about your giving goals and how we can help you achieve them. Contact our Donor Services team today.

 [DonorServices@cfsem.org](mailto:DonorServices@cfsem.org)

 313-961-6675

 [cfsem.org/experts](https://cfsem.org/experts)

 333 W. Fort Street  
Suite 2010  
Detroit, MI 48226

## Endowment Investment Management

The Community Foundation for Southeast Michigan is built on trust — and that begins with how we manage the resources entrusted to us. Our Board of Trustees holds ultimate fiduciary responsibility for the Foundation's assets and governance.

As part of this role, the Board appoints an Investment Committee, made up of Trustees and experienced community volunteers, to oversee the management of our endowment. This committee is responsible for setting asset allocation, selecting and monitoring investment managers, and reviewing portfolio performance.

To support this work, the Investment Committee partners with Fund Evaluation Group (FEG), an investment consulting firm with deep expertise in serving community foundations. FEG provides strategic guidance and oversight to a diversified group of external investment managers, each responsible for a specific portion of our portfolio.

Importantly, both the Board of Trustees and the Investment Committee serve in a volunteer capacity — a reflection of their deep commitment to stewardship, transparency, and long-term impact.



Mana de Metro Detroit established an endowment with the Community foundation that will help the organization fulfill its mission for generations to come.



## Executive Committee of the Board of Trustees

David T. Provost, Chair

Phillip Wm. Fisher, Vice Chair

Wendy Batiste-Johnson, Secretary

Jack Martin, Treasurer

Matthew P. Cullen

William M. Hermann

Ken Whipple

John M. Erb

Christopher L. Rizik

## Investment Committee

**Christopher L. Rizik,**  
**Chair**  
CEO  
Renaissance Venture  
Capital Fund

**Naif (Nick) A. Khouri,**  
Vice Chair  
Former Treasurer  
State of Michigan

**Thomas C. Buhl**  
Partner  
Legacy Wealth  
Management

**Angela J. Buk**  
Vice President  
Benefit Funds  
Investment 3M

**Daniel Feder**  
Senior Managing  
Director of Investments  
University of Michigan

**Phillip Wm. Fisher**  
Founder  
Mission Throttle L3C

**Jeffrey C. Littmann**  
Life Trustee  
Ralph C. Wilson, Jr.  
Foundation

**Jack Martin**  
Chairman  
Martin, Arrington, Desai  
& Meyers, PC

**David T. Provost**  
Retired Chairman  
TCF Bank  
(now Huntington Bank)

**Sean K. Werdlow**  
Senior Managing  
Director and COO  
Seibert Cisneros Shank  
& Co., LLC

**Ken Whipple**  
**Former CEO** and  
Chairman  
Consumers Energy

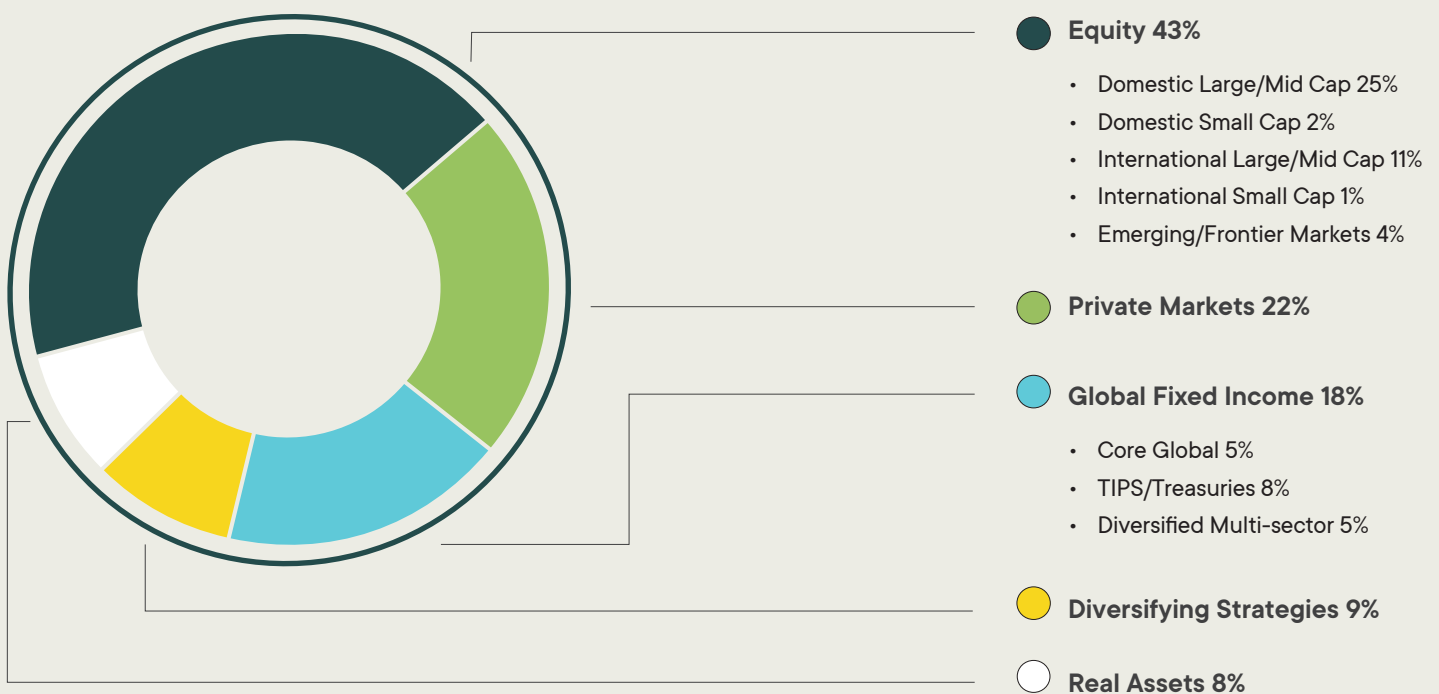
## Investment Consultant FEG

The Community Foundation's Investment Committee is responsible for the oversight of all investments, including determining asset allocation, selecting and monitoring investment managers, and reviewing performance. In doing so, the committee works closely with our financial consultant, Fund Evaluation Group (FEG) as additional risk and intricacies are needed to meet our performance goals today as compared to 20 years ago when 80% of our portfolio could be invested in bonds.

## Endowment Investment Mix

Of the \$1.3B in assets at the Community Foundation, \$1.14B is held in our endowment pool which is managed with a long-term perspective where principal is preserved and enhanced over time. Total return, consistent with prudent investment management, is the primary goal.

Funds invested in the endowment pool are subject to a spending plan that makes a percentage of the fund's average market value available for grants each year. The current target asset allocation of the Community Foundation's endowment pool is as follows:





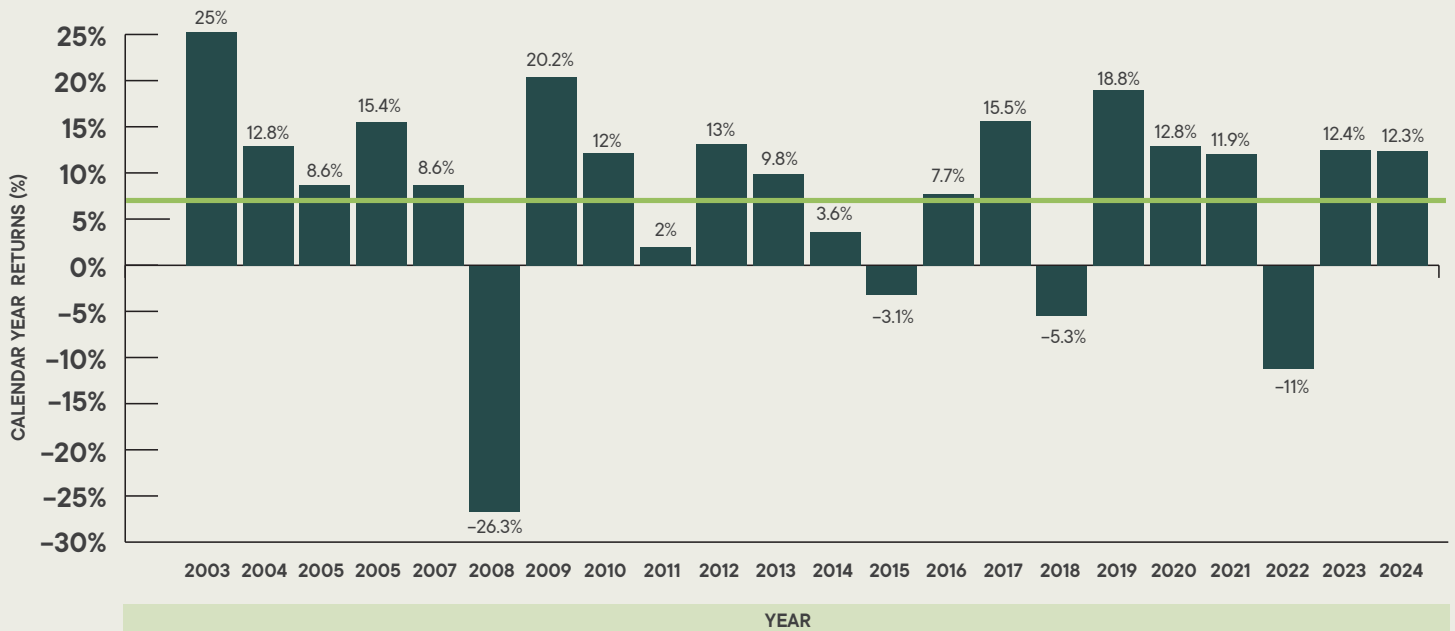
## Investment Returns

As of Sept. 30, 2025, net of fees:

Period	Return
1 Year	10.1%
3 Years (annualized)	14.2%
5 Years (annualized)	9.1%
10 Years (annualized)	8.4%

## Community Foundation Calendar Year Returns

We emphasize the long term because annual results often differ materially from the target. Here's our portfolio performance over the last 22 years, **which has met or exceeded its return target of ~7% in 16 of the 22 periods shown in the graph below.**



# A Legacy That Grows: How Investment Strategy Fuels Ray Smith's Enduring Impact

After serving in World War II, Ray Smith returned to Detroit and joined his family's grocery and real estate business. As his success grew, so did his desire to give back. In 1954, he established a private foundation to support the cultural, civic, and health organizations that shape community life. But Ray wanted his impact to go further. He envisioned a legacy that would continue to serve southeast Michigan long after he was gone.

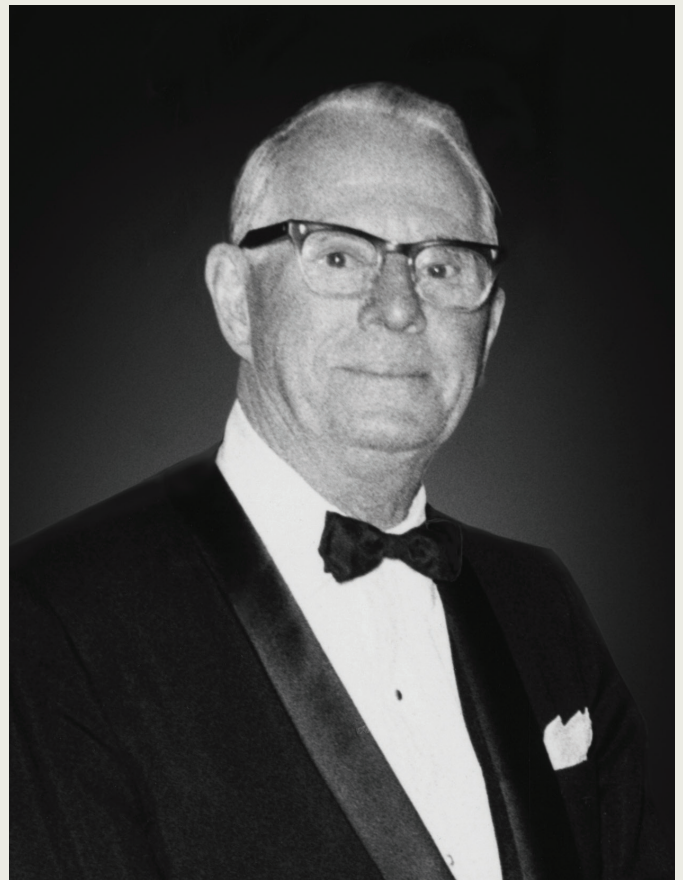
That vision came into focus when he transferred the assets of his private foundation to the Community Foundation for Southeast Michigan, creating the endowed Raymond C. Smith Foundation Fund. He entrusted us not only with his dollars, but with his values — and our investment strategy did the rest.

The fund began with \$5.4 million. Guided by our long-term investment approach — targeting an average annual return of 6 to 8 percent — the fund has supported nearly \$7.3 million in grants to date while growing to a current value of \$6.9 million. That means Ray's initial gift has generated more in community support than he originally contributed, and it continues to grow. Through prudent investing, careful spending, and rigorous oversight, we've ensured that his generosity will keep working for decades to come.

One of the most visible outcomes of this stewardship is the restoration of the Detroit Central Market at Greenfield Village. Originally located in Cadillac Square, the historic structure was saved and reassembled in Dearborn thanks in part to a decade of support from Ray's fund. The project honors his grandfather, a 19th-century grocer who once worked in the original market. It also reflects our commitment to endowment as a tool for preserving heritage and investing in education, culture, and community pride.

Ray's story shows what's possible when a personal legacy is combined with sound investment policy. At the Community Foundation for Southeast Michigan, we manage every endowed fund with a focus on long-term growth and community resilience. That's how we help donors translate their inspiration into impact that lasts.

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Ray Smith's life was rooted in generosity — and his legacy continues to grow, thanks to the strength of long-term investment.





Thanks to the generosity of Ray Smith, the Community Foundation supported The Henry Ford in its efforts to restore the Detroit Central Market shed in Greenfield Village. Mr. Smith's ancestors were merchants in the market when it was operational.





# Community Foundation

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FOR SOUTHEAST MICHIGAN