



Greenwich United Way

BOARD OF DIRECTORS PRESENTATION

JUNE 19, 2019

B BrownADVISORY
Thoughtful Investing.



Greenwich United Way | Brown Advisory Overview

Who We Are

Our Mission

Brown Advisory is a private, independent investment and strategic advisory firm. Our mission is to make a material and positive difference for our clients by delivering a combination of first-class investment **performance**, strategic **advice** and the highest level of **service**. In partnership, we commit to providing value and benefits to our clients in the most thoughtful way possible.

Fast Facts



1998

The year Brown Advisory became a private and independent firm, via a buyout led by management and investment teams.



Global & Local

Presence in the United States, Europe and Asia gives us a diverse perspective for building comprehensive solutions.



650+ colleagues

Colleagues work alongside each other in support of Brown Advisory's client-focused mission.



\$70+ billion

Total client assets of the firm.



98% retention

Average annual percentage of clients we have retained over the past 10 years, as of December 31, 2018.

Our Mission: Performance. Advice. Service.

PERFORMANCE

ADVICE

SERVICE

We help you navigate today's complex investment markets in pursuit of your long-term goals

- Commitment to fundamental research
- Flexible approach using all available tools
- Access to leading private equity and alternative investment managers*

We help you make good decisions related to the structuring and managing of your assets

- Customized solutions for each client
- Strategic planning integrated with your investment program
- Ability to leverage Brown Advisory's relationships

We serve you by listening to you and delivering solutions that you consider important

- Team-based service model; high-touch, personal service
- Commitment to new solutions based on client feedback
- Continuous technology innovation to better serve your needs



Greenwich United Way | Your Brown Advisory Team

Your Brown Advisory Team

Performance



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ADDITIONAL RESOURCES

Compliance

Technology

Operations

Investment
Solutions
Group
(ISG)

Equity
Research

Fixed
Income
Research

Strategic
Advisory

Trading

Reporting



Greenwich United Way | Market Update

Market Recap

As of 5/31/2019



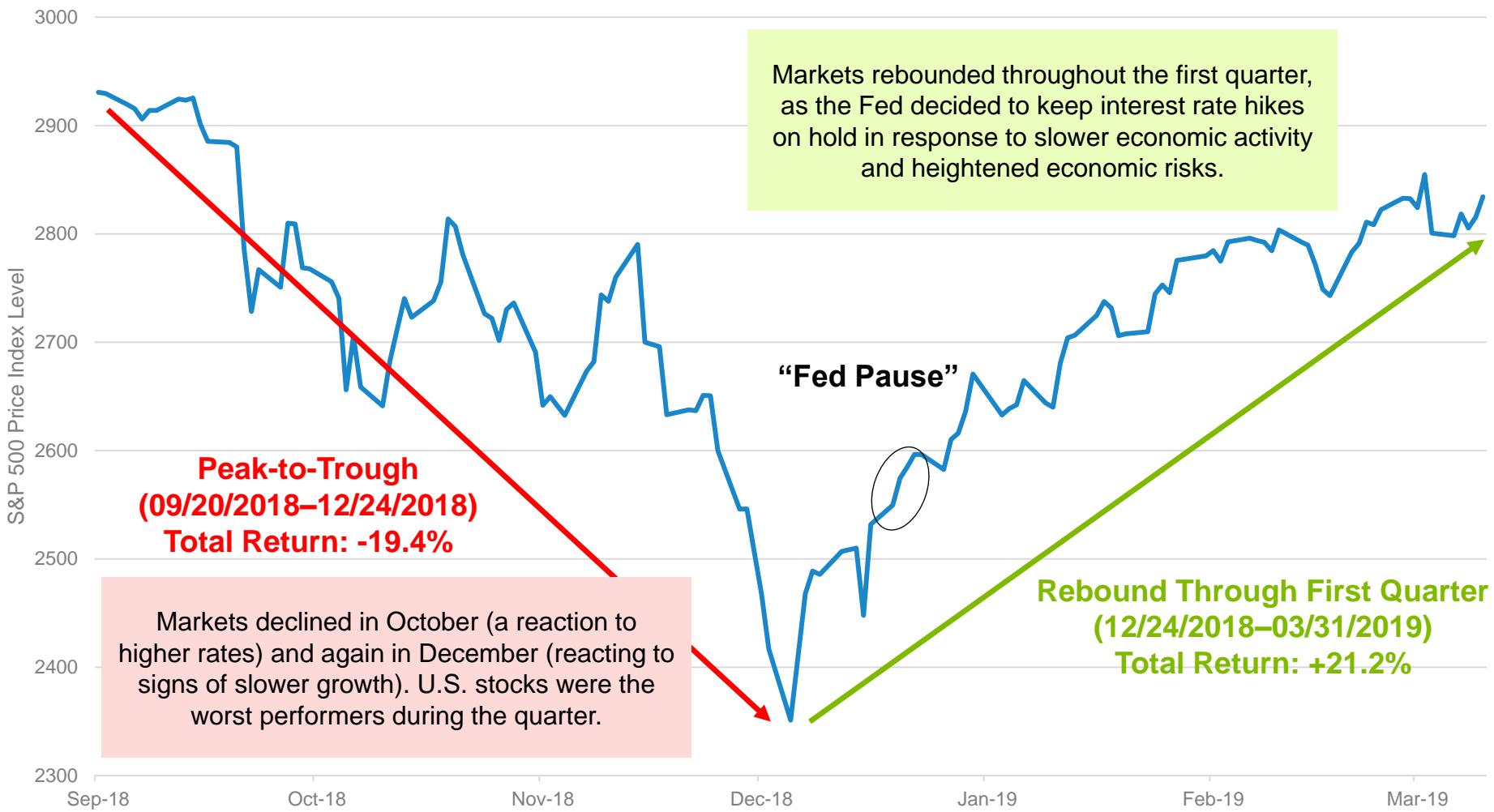
- Equity markets sold off in May following news proposed tariffs from the US on China and Mexico and weakening global economic data has soured investor sentiment. The deterioration of US-Chinese trade relations marks an abrupt shift from earlier in the year, where the probability of a trade resolution seemed more likely.
- In the first quarter of 2019, a dovish Fed, muted inflation and more attractive equity valuations early in the year helped the U.S. stock market to rally.
- Corporate earnings in the first quarter were largely stronger than expected, with 74% of S&P 500 companies beating consensus estimates. On a U.S. sector basis, high growth industries – such as Technology, Communication Services and Consumer Discretionary – have been the strongest performers year-to-date.
- While U.S. equities have performed well across the board in 2019, growth stocks have captured more of the upside compared to core and value. U.S. small-cap equities have rebounded from the late 2018 sell-off, though they have lagged large cap stocks on the year.
- While European equities offer attractive valuations relative to the U.S., the near-term outlook is clouded by slowing growth in manufacturing across advanced European economies, and political unease including the rising threat of protectionism and an uncertain resolution on Brexit.
- Emerging market equities have rebounded slightly since 2018 but have lagged developed markets in 2019. Economic growth in Emerging Market countries slowed further in Q1 2019, and tariffs may further inhibit growth and sentiment going forward. In spite of these headwinds, valuations in Emerging Asia remain some of the most attractive across all asset classes relative to historic levels.
- Last year, the 10-year U.S. Treasury yield hit a 7-year high of 3.3% in October and reached that level again in early November. At the end of May, the 10-year yield has fallen to roughly 2%. While tightening spreads at the start of the year resulted in higher fixed income returns, spreads began to widen in May.

Total Returns	QTD	Q1 2019	2018	2017
Large-Cap U.S. Equities S&P 500® Index	-2.6%	13.6%	-4.4%	14.9%
Small-Cap U.S. Equities Russell 2000® Index	-4.6%	14.6%	-11.0%	13.6%
Developed Int'l. Equities MSCI EAFE Index	-2.1%	10.0%	-13.8%	7.2%
Emerging-Market Equities MSCI Emerging Markets Index	-5.3%	9.9%	-14.6%	11.3%
Inv.-Grade Fixed Income Bloomberg Barclays Aggregate Bond Index	1.8%	2.9%	0.0%	1.9%
Municipal Fixed Income Bloomberg Barclays Municipal Bond 1-9 Year Index	1.0%	1.9%	1.7%	1.6%
High-Yield Fixed Income Bloomberg Barclays U.S. Corporate High Yield Index	0.2%	7.3%	-2.1%	7.7%
Commodities Bloomberg Commodity Index	-3.8%	6.3%	-11.2%	-0.7%

Financial Markets Experiencing a Volatile Ride

Markets declined markedly in the fourth quarter of 2018 due to rising rates and recessionary risk, then rebounded just as notably during the first quarter of 2019.

S&P 500 Price Index, 09/20/2018–03/31/2019





Asset Allocation and Portfolio Construction

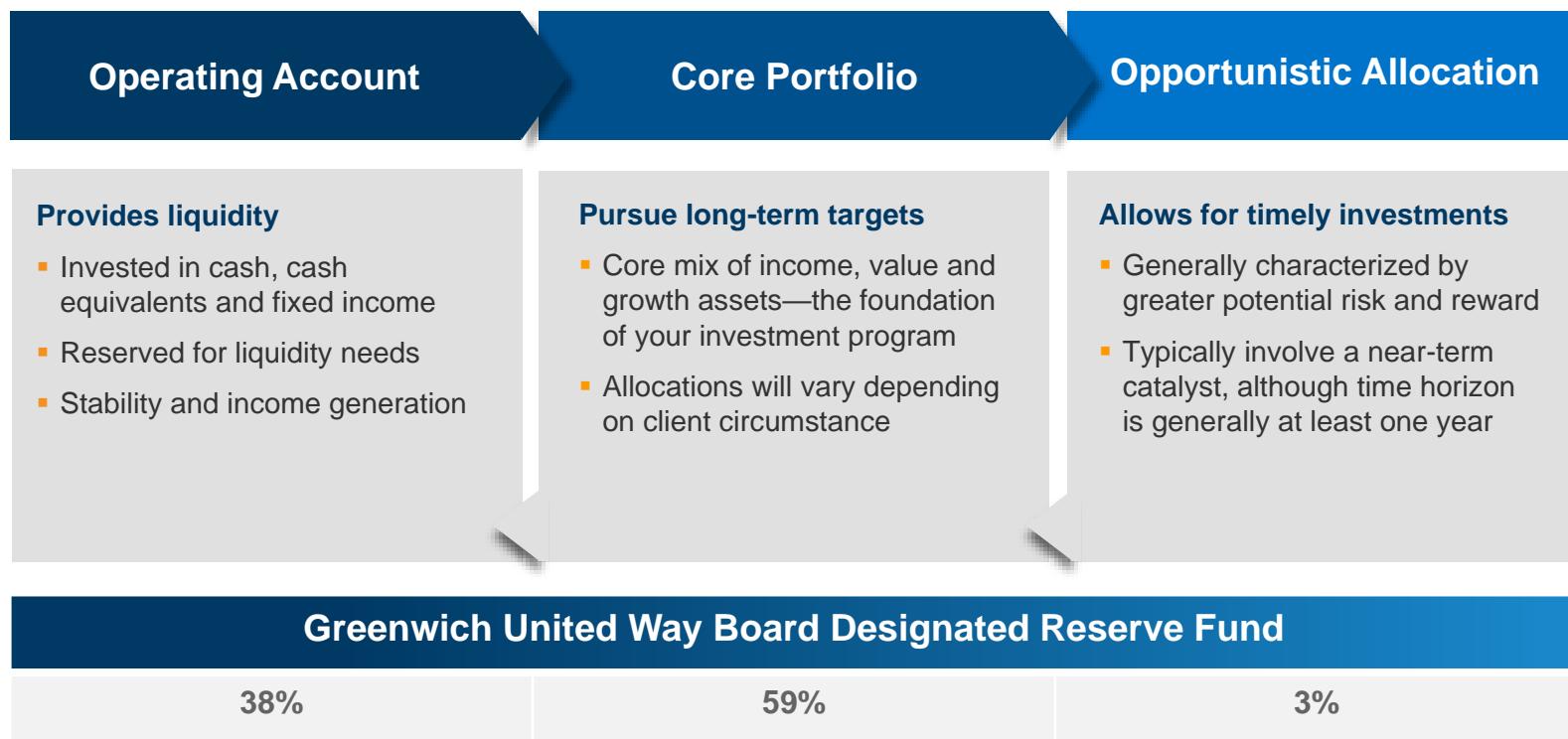
Greenwich United Way | Performance, Advice and Service

Constructing Your Portfolio

Balance between liquidity, stability and growth is essential.

- **Liquidity:** ensure that near-term needs do not interrupt long-term plans
- **Stability:** determine proper allocation to more secure holdings
- **Growth:** allocate to both core long-term growth investments and tactical opportunities

To ensure this balance we seek to build your long-term plan around three broad portfolio “buckets” that each serve a distinct purpose.



Summary of Investment Objectives



- It is the general policy of the Greenwich United Way to invest the Board Designated Reserve Fund's investment portfolio to achieve growth in principal value over time sufficient to preserve or increase the capital of the Fund, thus protecting against inflation. Under the terms of the Operating Rules of the Board Designated Reserve Fund Fund, up to 5% of the investment portfolio may be withdrawn on an annual basis.
- The objective of the investment portfolio is to seek a real rate of return of 6% per annum over time. This objective shall be measured over annualized, rolling 3- and 5-year periods; the intent of this objective is to preserve, over time, the principal value of the assets as measured in real, inflation adjusted terms.
- The Board Designated Reserve Fund has a long-term investment horizon. Board Designated Reserve Fund assets will be managed on a total return basis with an emphasis on the growth of capital while being mindful of protecting capital in adverse market conditions.

	Range		Target	Current Allocation	Benchmark
	Lower Bound	Upper Bound			
Cash and Fixed Income	30.0%	60.0%	35.0%	37.9%	Barclays Aggregate
Equities: Domestic Large Cap	20.0%	50.0%	40.0%	40.5%	S&P 500
Equities: Domestic Small/Mid Cap	10.0%	20.0%	10.0%	10.0%	Russell 2000
Equities: International and Emerging Markets	5.0%	15.0%	15.0%	11.6%	MSCI ACWI ex US
Alternatives: REITS, Commodities, Hedged Equities, Other	0.0%	5.0%	0.0%	0.0%	
Total Portfolio				100.0%	

*Current Allocation as of 5/31/2019

Portfolio Overview

Group: Greenwich United Way

As of 05/31/2019

Performance History

Performance Inception Date: 07/31/2017

	Market Value	Quarter to Date	Year to Date	Trailing 12 Months	Inception to Date
Cash & Equivalents	\$39,080	0.3	0.9	1.9	1.6
Fixed Income	\$893,061	1.9	5.1	6.1	3.3
Bloomberg Barclays Aggregate		1.8	4.8	6.4	3.0
Equities	\$1,527,862	-1.9	12.2	3.4	9.0
S&P 500		-2.6	10.7	3.8	8.2
MSCI ACWI ex-U.S. Net		-2.9	7.2	-6.3	-0.6
Total Portfolio - Gross Of Fees	\$2,460,003	-0.5	9.4	4.5	6.4
Total Portfolio - Net Of Fees	\$2,460,003	-0.7	9.1	3.9	5.8
Blended Benchmark*		-1.0	8.3	3.5	5.3

All asset class and sub-category performance returns are gross of account-level management fees, but net of mutual fund expenses and private equity and real estate administrative fees. Investment performance is updated multiple times each month as new information is received. Because of this, returns may vary from previously reported numbers.

All performance and market values shown exclude the value of unsupervised assets, but are inclusive of accrued interest.

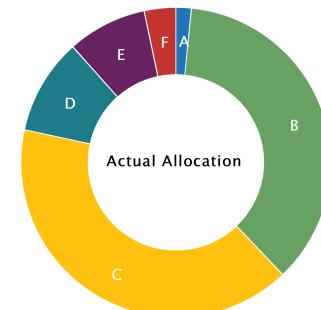
*Blend: 35% Barclays Aggregate, 15% MSCI ACWI Ex US, 50% S&P 500.

Performance for periods greater than one year are annualized.

Change in Portfolio

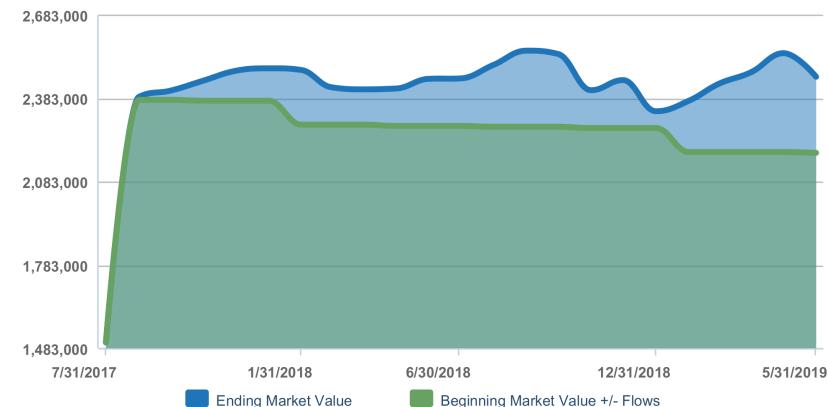
	Quarter to Date	Year to Date	Trailing 12 Months	Inception to Date 07/31/2017
Beginning Portfolio Value	2,476,570	2,335,411	2,452,330	1,503,880
Net Contributions / Withdrawals	-3,753	-89,670	-97,313	682,063
Market Value Gain / Loss	-18,024	198,104	15,428	132,208
Income	5,210	16,158	89,558	141,852
Ending Market Value	\$2,460,003	\$2,460,003	\$2,460,003	\$2,460,003

Asset Allocation



Asset Class	Market Value	Weight
A Cash	39,080	1.6%
B Fixed Income	893,061	36.3%
C Large Cap U.S. Equities	995,648	40.5%
D Small/Mid Cap U.S. EQY	246,018	10.0%
E Global/Developed Int'l	204,626	8.3%
F Emerging Markets	81,570	3.3%
Total	\$2,460,003	100.0%

Historical Market Value



Disclosures

The views expressed are those of the author and Brown Advisory as of the date referenced and are subject to change at any time based on market or other conditions. These views are not intended to be and should not be relied upon as investment advice and are not intended to be a forecast of future events or a guarantee of future results. Past performance is not a guarantee of future performance and you may not get back the amount invested. The information provided in this material is not intended to be and should not be considered to be a recommendation or suggestion to engage in or refrain from a particular course of action or to make or hold a particular investment or pursue a particular investment strategy, including whether or not to buy, sell, or hold any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. To the extent specific securities are mentioned, they have been selected by the author on an objective basis to illustrate views expressed in the commentary and do not represent all of the securities purchased, sold or recommended for advisory clients. The information contained herein has been prepared from sources believed reliable but is not guaranteed by us as to its timeliness or accuracy, and is not a complete summary or statement of all available data. This piece is intended solely for our clients and prospective clients, is for informational purposes only, and is not individually tailored for or directed to any particular client or prospective client.

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