



Findlay • Hancock County  
**The Community  
Foundation**



Jeff Davis, CFA, CAIA  
Senior Vice President / Advisor

Kathryn Mawer, CFA, CAIA  
Managing Director

## VIP INVESTMENT BRIEFING

Findlay Hancock County Community Foundation – January 2026



**Jeff Davis, CFA,  
CAIA**  
*Senior Vice President*

- 24 Years at FEG<sup>1</sup>
- FEG Community Foundation Committee
- 9 Community Foundation Clients<sup>2</sup>



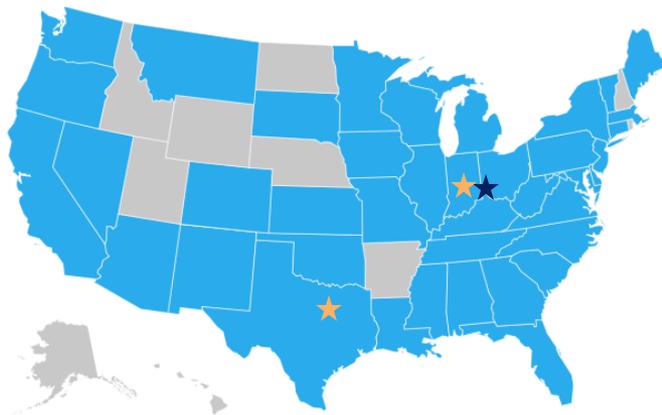
**Kathryn Mawer, CFA, CAIA**  
*Managing Director*

- 20 Years at FEG<sup>1</sup>
- Head of Enterprise Initiatives
- FEG Leadership Team

<sup>1</sup> As of January 1, 2025. <sup>2</sup> As of June 30, 2024

## Who We Are

Since 1988, **FEG Investment Advisors** has provided investment solutions that strengthen an institution's ability to *make a greater impact*.



■ FEG client presence    ■ No FEG client presence  
★ FEG HQ    ★ FEG satellite office

**FEG partners with 42 community foundations nationwide.<sup>1</sup>**

**\$100 BILLION**  
Assets Under Advisement (AUA)<sup>2</sup>

**90%**  
Institutional Nonprofit Clients<sup>3,4</sup>

**100%**  
Employee-Owned by all Eligible Employees

**\$9 BILLION**  
Community Foundation Client AUA<sup>2</sup>

<sup>1</sup> As of September 30, 2025. <sup>2</sup> As of September 30, 2025. Assets under Advisement (AUA) include discretionary and non-discretionary assets of FEG and its affiliated entities. These assets are typically non-discretionary. Some asset values may not be readily available at the most recent quarter-end; therefore, the previous quarter's values were used and may be higher or lower depending on current market conditions. Of the \$100.4bn in assets under advisement, FEG's total assets under management (AUM) of \$19.6bn includes discretionary (\$17.0bn) and non-discretionary AUM (\$2.5bn). <sup>3</sup> Institutional clients/investors include corporate, charitable, community foundations, healthcare, higher education, independent schools, insurance, private foundations, public funds, religious organizations, and Taft Hartley. <sup>4</sup> Nonprofit organizations include the following FEG client types: charitable, community foundations, healthcare (nonprofit), independent schools, institutions of higher education, private foundations, and religious organizations.

---

## 1. Executive Summary of 2025 Foundation Performance and Foundation Initiatives

- Scope of TCF Assets and 2025 Performance
- Investment Program Initiatives 2025
- Expanding TCF and FEG’s Partnership

---

## 2. FEG’s Community Foundation Survey Highlights

- About the Survey
- 2025 Primary Takeaways

---

## 3. “One Big Beautiful Bill” Implications

- Tax Changes
- Economic Implications

---

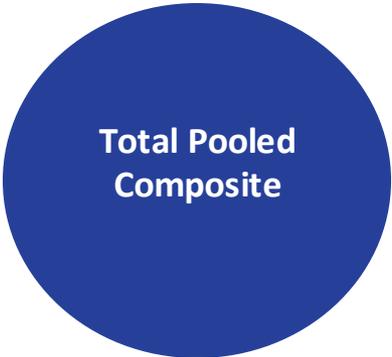
## 4. Financial Market Outlook for 2026

- Cautious Optimism
  - The “K-Shaped” Economy
  - AI Exuberance
  - Funding the Technological Wave
  - Investing in Growth
  - Powering and Lending to AI
  - Will AI Be Productive
-

# 1.

## EXECUTIVE SUMMARY OF 2025 AND TCF INITIATIVES

- SCOPE OF TCF ASSETS AND 2025 PERFORMANCE
- INVESTMENT PROGRAM INITIATIVES 2025
- EXPANDING TCF AND FEG'S PARTNERSHIP



Pool:	Market Value 12/31/2025	Strategic Framework
Total Pooled Composite	\$132.8M	70% Equity / 30% Fixed Income
Total FEG Advised Assets:	\$132.8M	

## TCF 2025 Highlights:

- TCF 2025 Market Value \$211.6M**
  - *YOY Market Value Change +\$42.2M*
- TCF 2025 Performance +14.2%**
  - *-0.9% vs. Target Weighted Benchmark*
  - *+6.1% vs. Absolute Hurdle Rate\* (+8.1%)*
- TCF Component 2025 Returns:**
  - *Total Pooled Composite +14.0%*
  - *Externally Managed Funds +14.2%*

*\*Hurdle Rate Defined as Inflation Plus 5.5%*

Number of Pools	8
IPP Strategic Allocation	70% Equity / 30% Fixed Income
Market Value 12/31/2025	\$78.8M

FEG and TCF embarked on a “shared discretion” model which blends the strengths of the consulting model (lower fee, decision-making authority) with the strengths of the OCIO model (economies of scale, increased oversight).

## TCF SERVICE EVOLUTION



**CONSULTING**

*Client Retains Discretion*

**DELEGATED INVESTING**

*A Shared Discretion*

**FULLY OUTSOURCED (OCIO)**

*Client Delegates Discretion*

	<b>ACTION</b>	<b>Result/Status</b>
<b>INVESTMENT PROGRAM</b>	Continued portfolio optimization within the Pooled Composite throughout 2025 and revised IPP asset allocation parameters	Revised existing Investment Policy Statement parameters for IPP Program
<b>GOVERNANCE MODEL</b>	FEG maintains discretion over portions of the private equity portfolio; TCF approves prior to any new commitment	15% of committed capital to this platform was called throughout 2025
<b>OPERATIONAL SUPPORT</b>	FEG provides enterprise support and a dedicated client service manager	TCF has more time to spend on high-impact items (donor relations, etc.)

## TCF 2025 Portfolio Changes:

-  **Adjusted International Equity Allocation – Added additional value-oriented stock exposure**
-  **IPP Investment Policy Modification - Provided additional guidance for IPP asset allocation parameters**

In 2025, Richard Brown and Jeff Davis co-presented a breakout session at the Kansas Association For Community Foundations (KACF) Annual Conference in Wichita.



# 2.

## FEG'S COMMUNITY FOUNDATION SURVEY HIGHLIGHTS

- ABOUT THE SURVEY
- PRIMARY TAKEAWAYS

## MAKING SMARTER DECISIONS

Our annual Community Foundation Survey collects data on a variety of financial and enterprise topics to provide a tool for peer reasonableness.

## DECISIONS BOLSTERED BY FEG'S EXPERTISE & PEER INSIGHTS

- Governance
- Asset Allocation
- Management Style (Active/Passive)
- Responsive Investing
- Diverse Asset Managers
- Staffing
- Donor Advised Fund (DAF) Programs

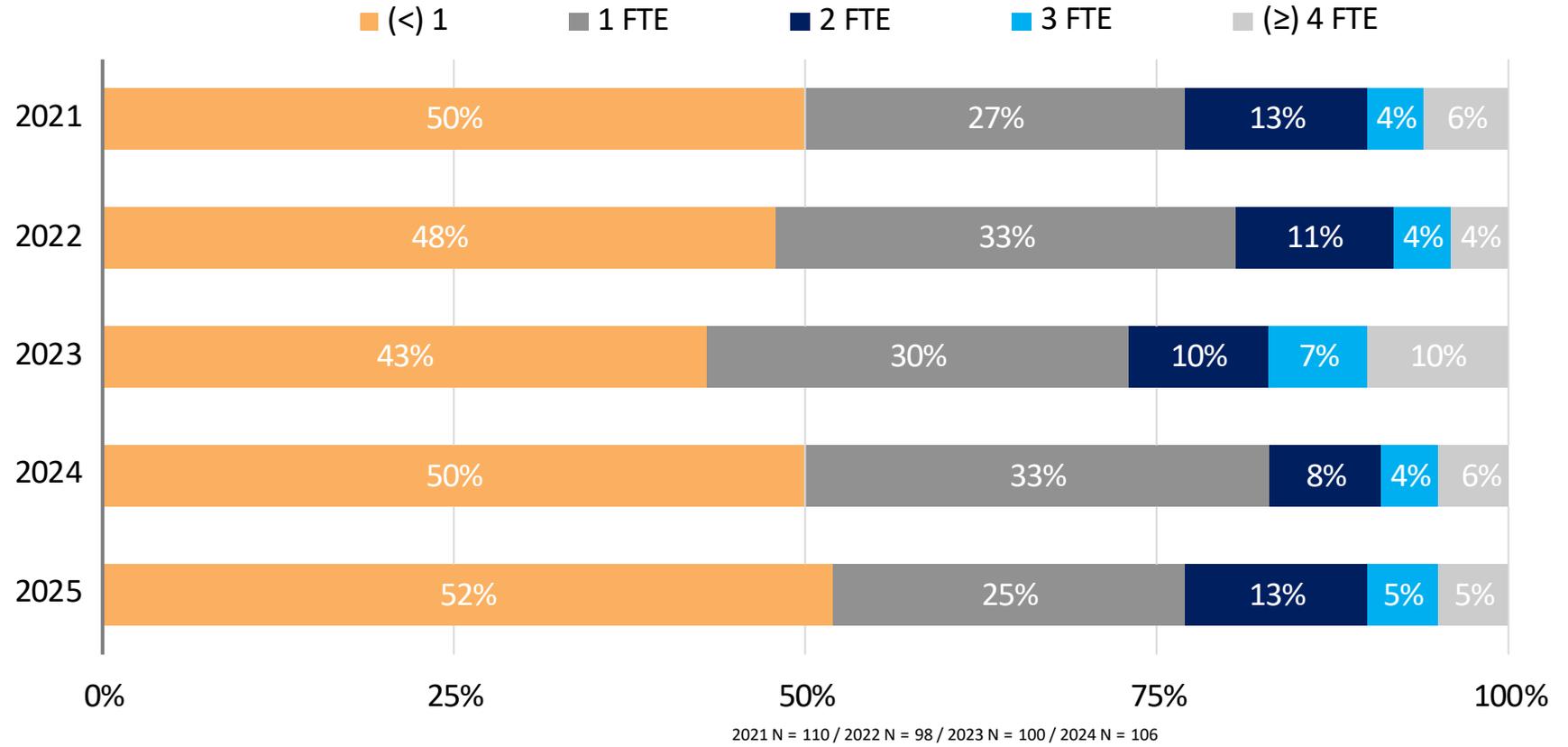
## Survey Highlights<sup>1</sup>

- 113 participants in 2025, representing \$41b in assets
  - ✓ 261 foundations have participated since 2016
- 29 states represented in 2025
  - ✓ 43 states represented since 2016

<sup>1</sup> Assets under advisement were self reported by respondents as of September 30, 2023.

Over 75% of respondents have one or fewer full-time equivalent (FTE) staff to administer the investment portfolio.

## INVESTMENT / FINANCE FULL TIME EMPLOYEES

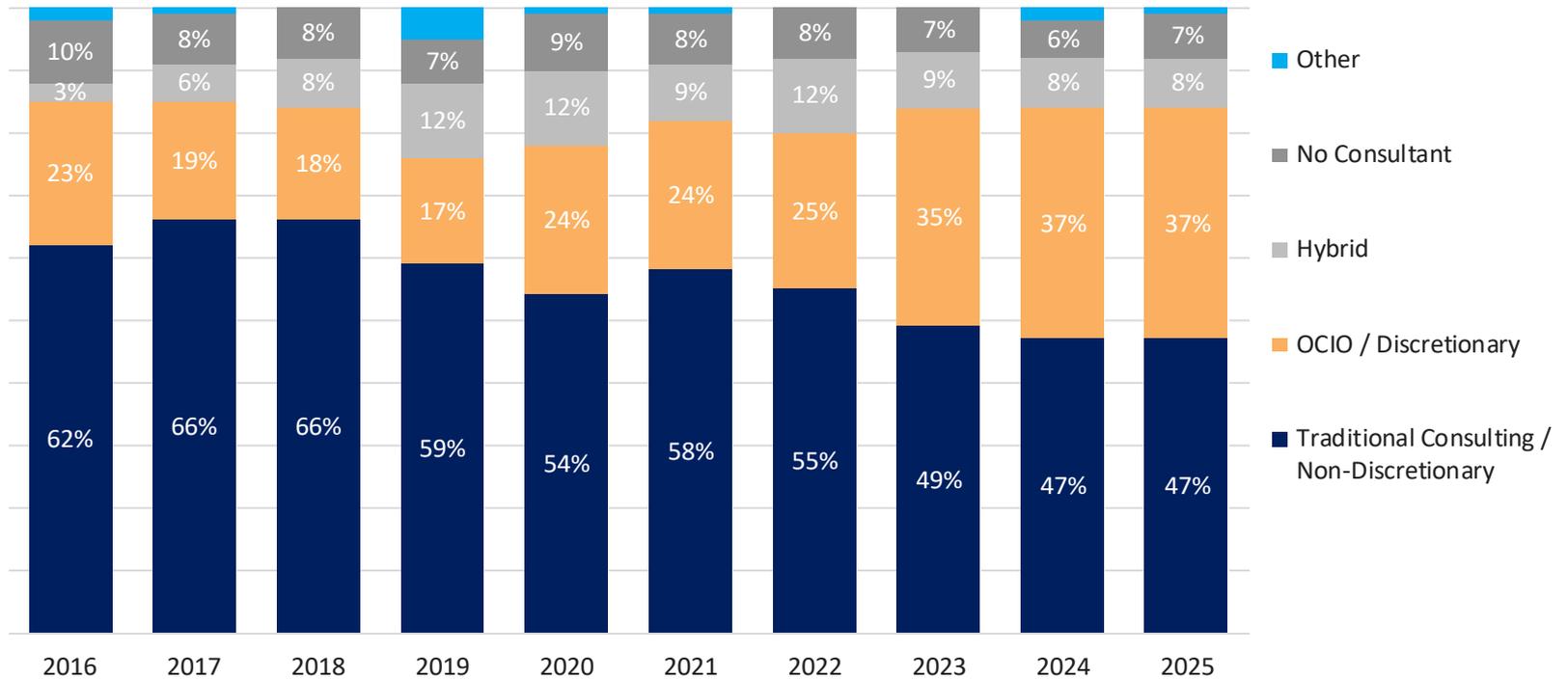


2021 N = 110 / 2022 N = 98 / 2023 N = 100 / 2024 N = 106 / 2025 N = 111 <sup>1</sup>

<sup>1</sup> FEG 2025 Community Foundation Survey.

The current advisory model stayed consistent from 2024.

## CURRENT MODEL

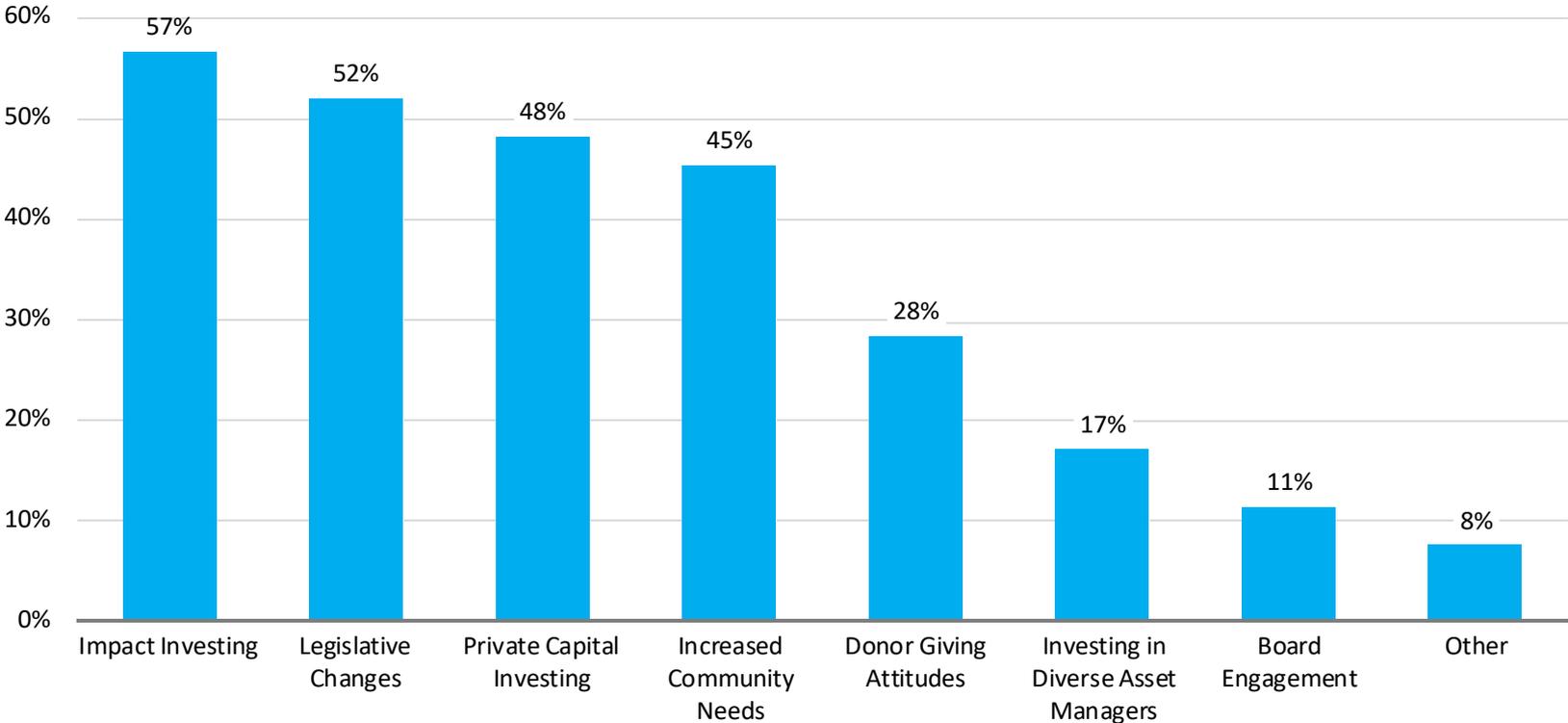


Totals may not equal 100% due to rounding <sup>1</sup>.

2016 N = 88 / 2017 N = 90 / 2018 N = 103 / 2019 N = 112 / 2020 N = 90 / 2021 N = 109 / 2022 N = 98 / 2023 N = 100 / 2024 N = 107 / 2025 N = 113

<sup>1</sup> FEG 2025 Community Foundation Survey.

# Industry Trends as Discussed by the Investment Committee



<sup>1</sup> FEG 2025 Community Foundation Survey.

N = 106. Respondents could select more than one answer.

## COMMUNITY FOUNDATION ACTUAL ASSET ALLOCATION

	Domestic Equities	Int'l Dev. Equities	Emerging Markets	Public Fixed Income	Public Real Assets	Private Investments	Hedge Funds	Short-term Securities / Cash	Other
<b>Overall Average</b>	<b>45%</b>	<b>14%</b>	<b>4%</b>	<b>19%</b>	<b>3%</b>	<b>8%</b>	<b>4%</b>	<b>2%</b>	<b>1%</b>
(<) \$25 million	59	8	4	21	2	3	2	2	1
\$25 - \$50 million	47	13	4	20	6	6	2	3	1
\$51 - \$100 million	50	14	3	23	2	3	1	3	0
\$101 - \$250 million	44	14	5	19	3	9	4	1	1
 TCF Total Pooled Composite	51	11	0	17	3	9	8	1	0
\$251 - \$500 million	44	15	4	17	5	8	6	2	0
(>) \$500 million	35	13	6	16	4	15	9	2	0
<i>N</i>	<i>110</i>	<i>106</i>	<i>99</i>	<i>110</i>	<i>97</i>	<i>100</i>	<i>91</i>	<i>100</i>	<i>108</i>

Asset Allocation as of September 30, 2024 and shown as average of survey responses. Answers not totaling 100% were excluded. Totals may not equal 100% due to rounding.

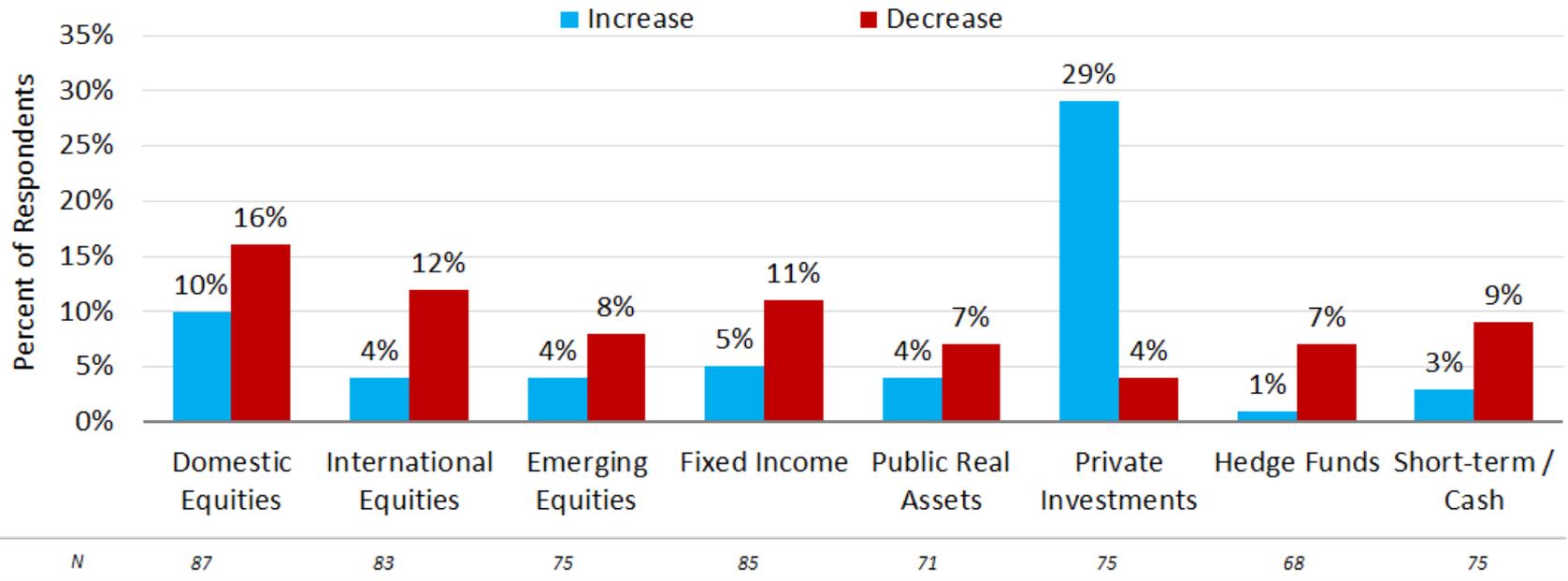
Source: 2025 FEG Community Foundation Survey.

- **PLANNING TO INCREASE**
- Community foundations are continuing to increase allocations to private investments, although to a lesser extent than last year.

## PLANNING TO DECREASE

Respondents are planning to increase allocations to domestic equities. They are also considering decreasing allocations to international equities and fixed income perhaps to fund private investments.

**PERCENT OF RESPONDENTS PLANNING CHANGES TO ASSET ALLOCATION**



Source: 2025 FEG Community Foundation Survey.

Note: Other responses not shown

# 3.

## “ONE BIG BEAUTIFUL BILL” IMPLICATIONS

- TAX CHANGES
- ECONOMIC IMPLICATIONS

*Disclaimer: This presentation is not intended to provide tax advice. Individuals should consult their own tax professionals for personalized guidance.*

## 2026 Impacts to TCF Donors:

- **Universal Above-Line Deduction:** Non-itemizers can now deduct cash gifts up to \$1,000 (single) or \$2,000 (married) each year, broadening the donor base with a tax incentive to give.
- **0.5% AGI Floor Introduced:** Itemizers can now only deduct the portion of their annual charitable donations that exceeds 0.5% of their income. This change encourages donors to "bundle" their gifts into larger, less frequent contributions.
- **1% of Taxable Income Floor for Corporations:** Corporate charitable contributions are deductible only to the extent they exceed 1% of taxable income, with the deduction still capped at 10%.
- **Key Takeaway:** These changes lower the threshold for some donors to benefit from tax incentives and encourage others to develop a well-constructed giving plan that considers the tax implications of their philanthropy.

- Generally pro-growth – Potential Upside to markets in 2026

## The One, Big, Beautiful Bill vs. Current Law

Provision	Current Law	One, Big, Beautiful Bill
<b>Individual Rates</b>	2017 preferential tax rates (highest at 37%); set to expire 2025	Made permanent
<b>Pass-Thru (199A) Deduction</b>	Deduction of up to 20% of Qualified Business Income (QBI)	Made permanent at 20% (not 23%, as proposed in the House)
<b>Estate Tax Exemption</b>	\$12.9MM exemption for single/\$25.8MM for married filers	\$15MM for single/\$30MM for married filers; made permanent
<b>SALT</b>	\$10K SALT deduction; expires 2025	\$40K SALT for <\$500K income, w/phase-out at \$600K; reverts in 2029
<b>Standard deduction</b>	\$15,000 (single) \$30,000 (married)	\$16,000 (single) \$32,000 (married)
<b>Child Tax Credit</b>	\$2K/child, set to expire in 2025; refundable up to \$1.4K/child	Increase to \$2.2K/child; made permanent; refundable up to \$1.4K/child
<b>No Taxes on Tips</b>	Taxed as ordinary income	Deduction up to \$25K for incomes <\$150K; expires end of 2028
<b>No Taxes on Overtime</b>	Taxed as ordinary income	Deduction up to \$25K for incomes <\$150K; expires end of 2028
<b>Tax Deduction for Seniors</b>	\$1.6K deduction for ages 65+	Additional \$6K deduction for ages 65+ through 2028
<b>No Taxes on Auto Loan Interest</b>	N/A	Up to \$10K deduction for “made in USA” cars through 2028
<b>Remittances</b>	N/A	1% tax surcharge
<b>Endowment Tax</b>	Top rate of 1.4%	Top rate of 8%
<b>Bonus Depreciation</b>	40% bonus depreciation	100% bonus depreciation from Jan. 19, 2025; made permanent
<b>R&amp;D</b>	5-year amortization for domestic R&D	Full expensing restored; made permanent
<b>Expensing for structures</b>	N/A	100% for manufacturing structures starting Jan. 19, 2025
<b>Not in bill</b>	N/A	Section 899 (“revenge tax”); PTET elimination

Source: Bloomberg, EY, Senate Finance Committee; As of July 2025

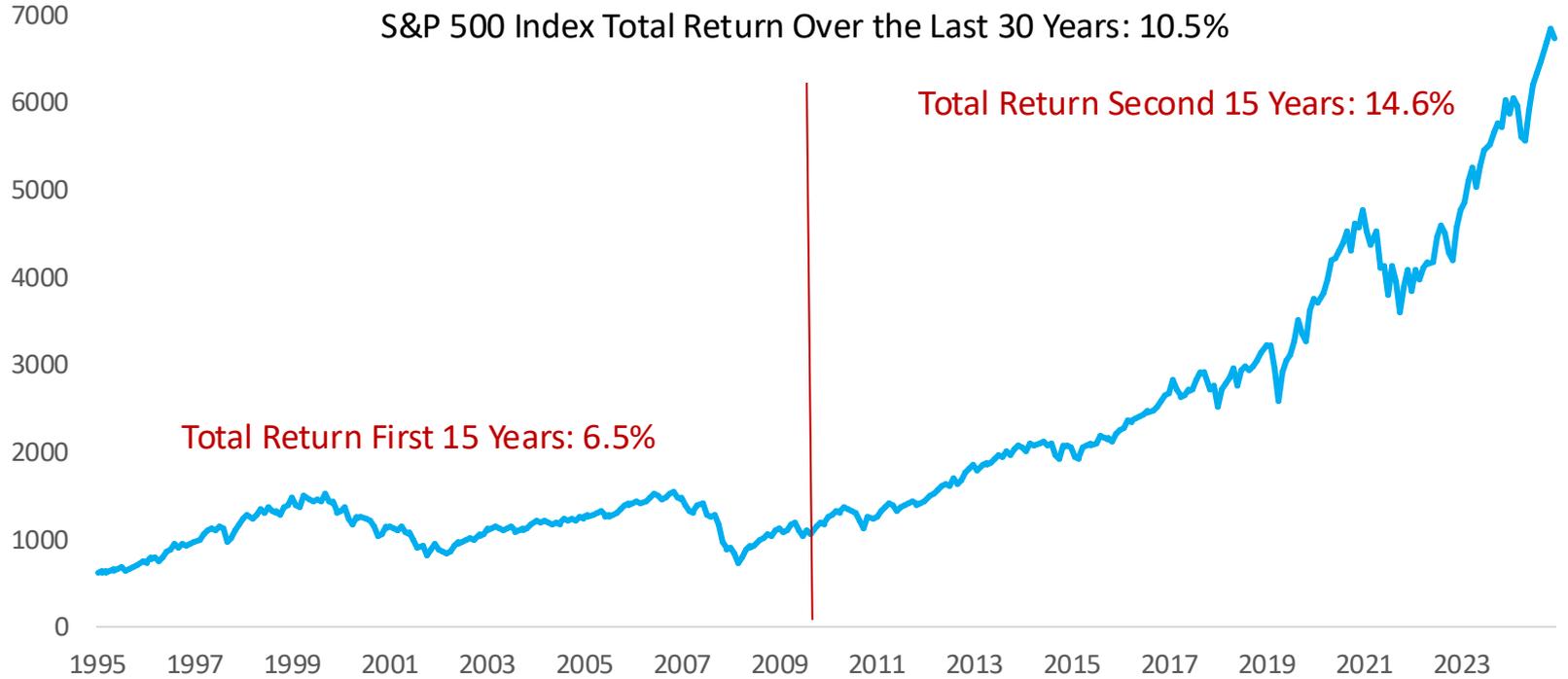
# 4.

## FEG 2026 MARKET OUTLOOK – “CAUTIOUS OPTIMISM”

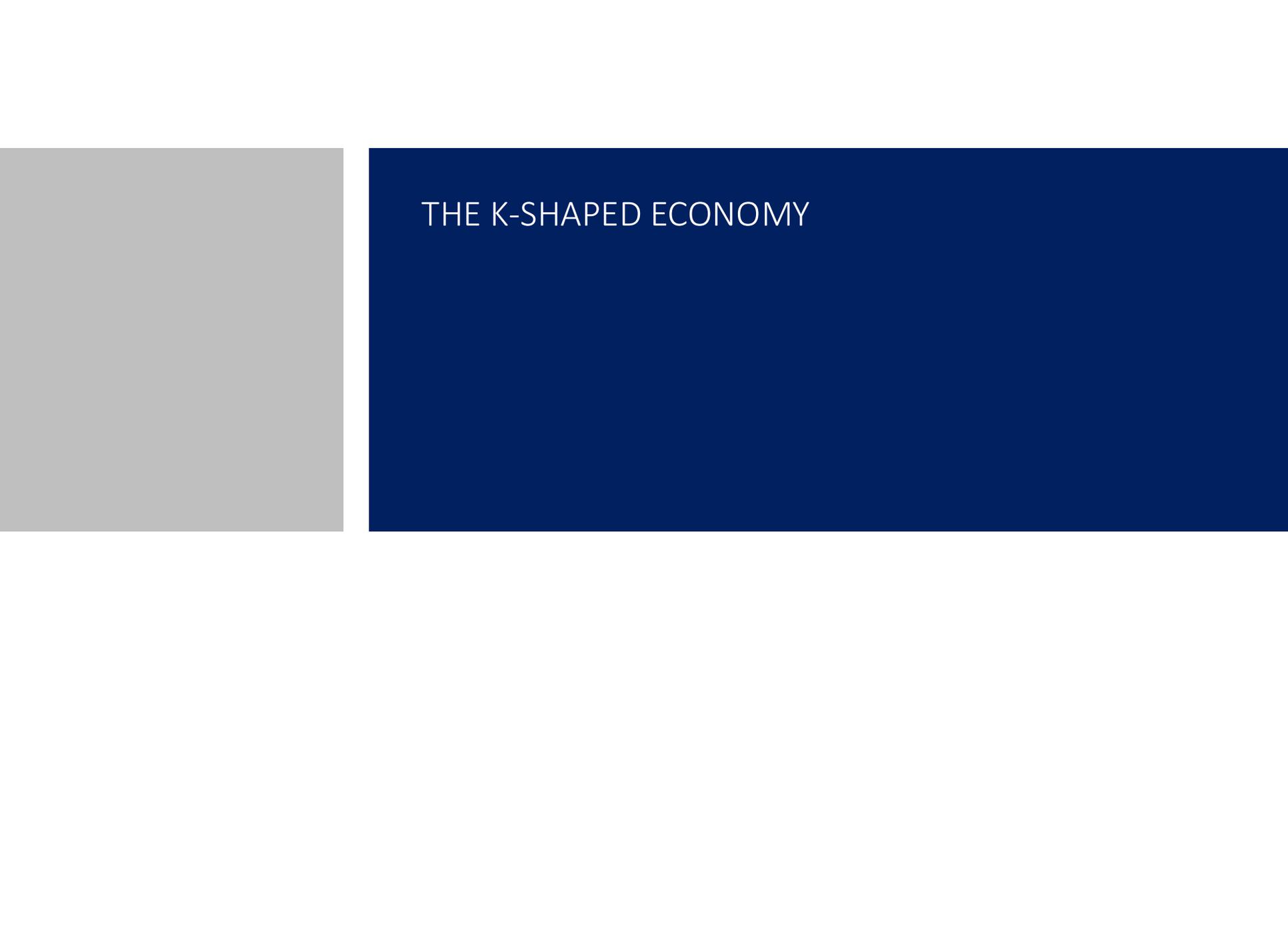
- CAUTIOUS OPTIMISM
- THE “K-SHAPED” ECONOMY
- AI EXUBERANCE
- FUNDING THE TECHNOLOGICAL WAVE
- INVESTING IN GROWTH
- POWERING AND LENDING TO AI
- WILL AI BE PRODUCTIVE

## NOT EVERY LONG-TERM PERIOD PROVIDES DOUBLE-DIGIT RETURNS

S&P 500 Index, Price Level, as of October 2025



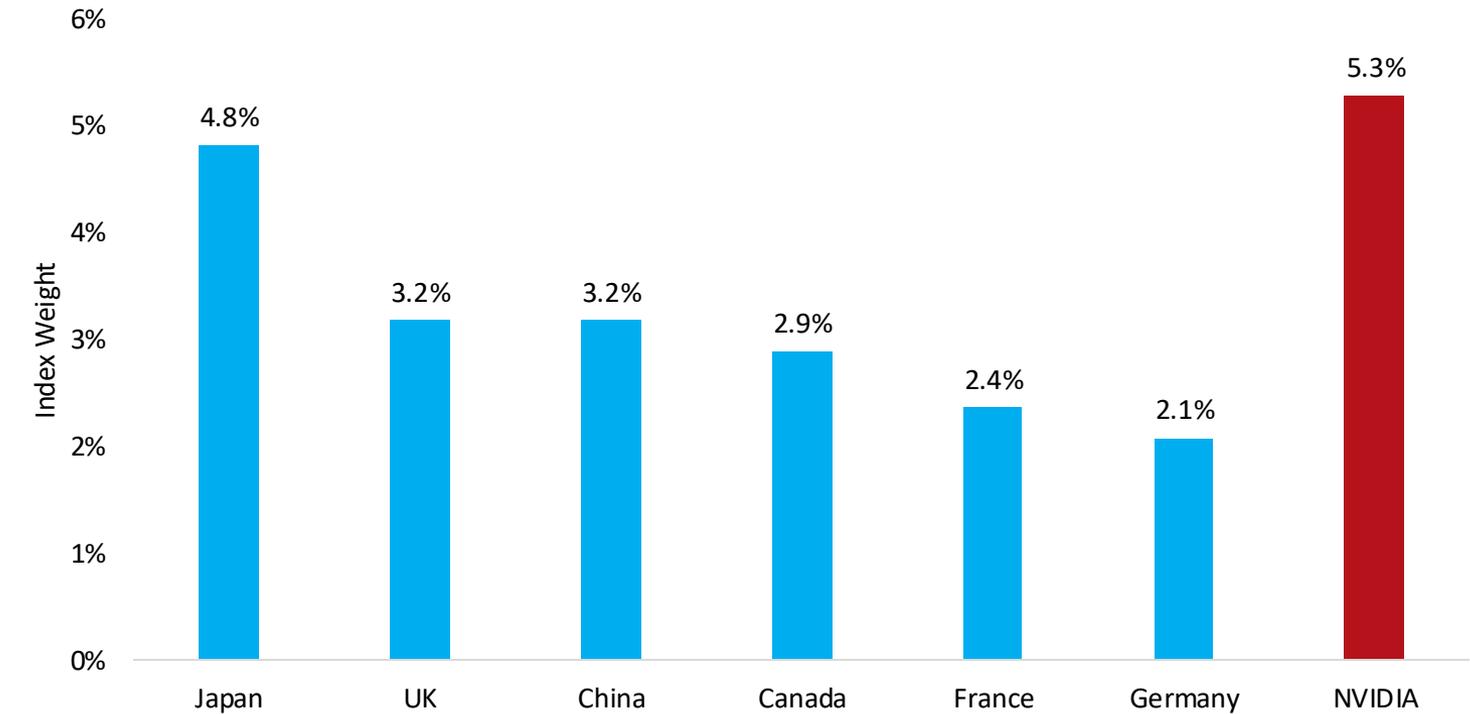
Data Source: FactSet



## THE K-SHAPED ECONOMY

**NVIDIA WOULD BE THE SECOND LARGEST COUNTRY IN THE MSCI ACWI IF IT WERE A COUNTRY**

Weight of Developed Countries and NVIDIA in the MSCI All Country World Index (ACWI)



Data Source: MSCI

## U.S. EQUITIES ARE EXPENSIVE, AND BY SOME MEASURES, ARE ON PAR WITH THOSE OF THE TECHNOLOGY BUBBLE

S&P 500 Index, Price-to-Earnings Ratio, Next 12-Months



Data Source: FactSet

## STRONG EARNINGS EXPECTATIONS MEAN AN ELEVATED BUT NOT ASTRONOMICAL VALUATION FOR THE LARGEST NASDAQ COMPANIES

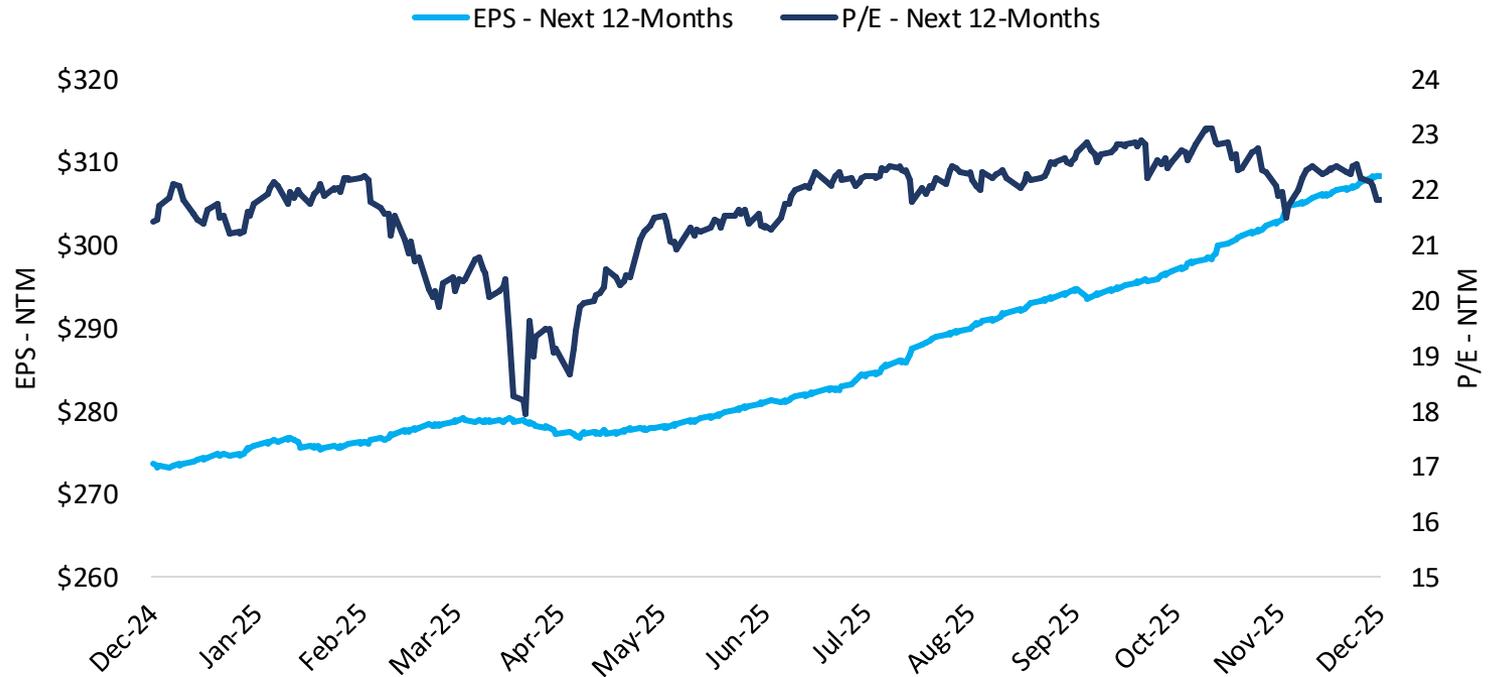
NASDAQ 100 Index, Price-to-Earnings Ratio, Next 12-Months



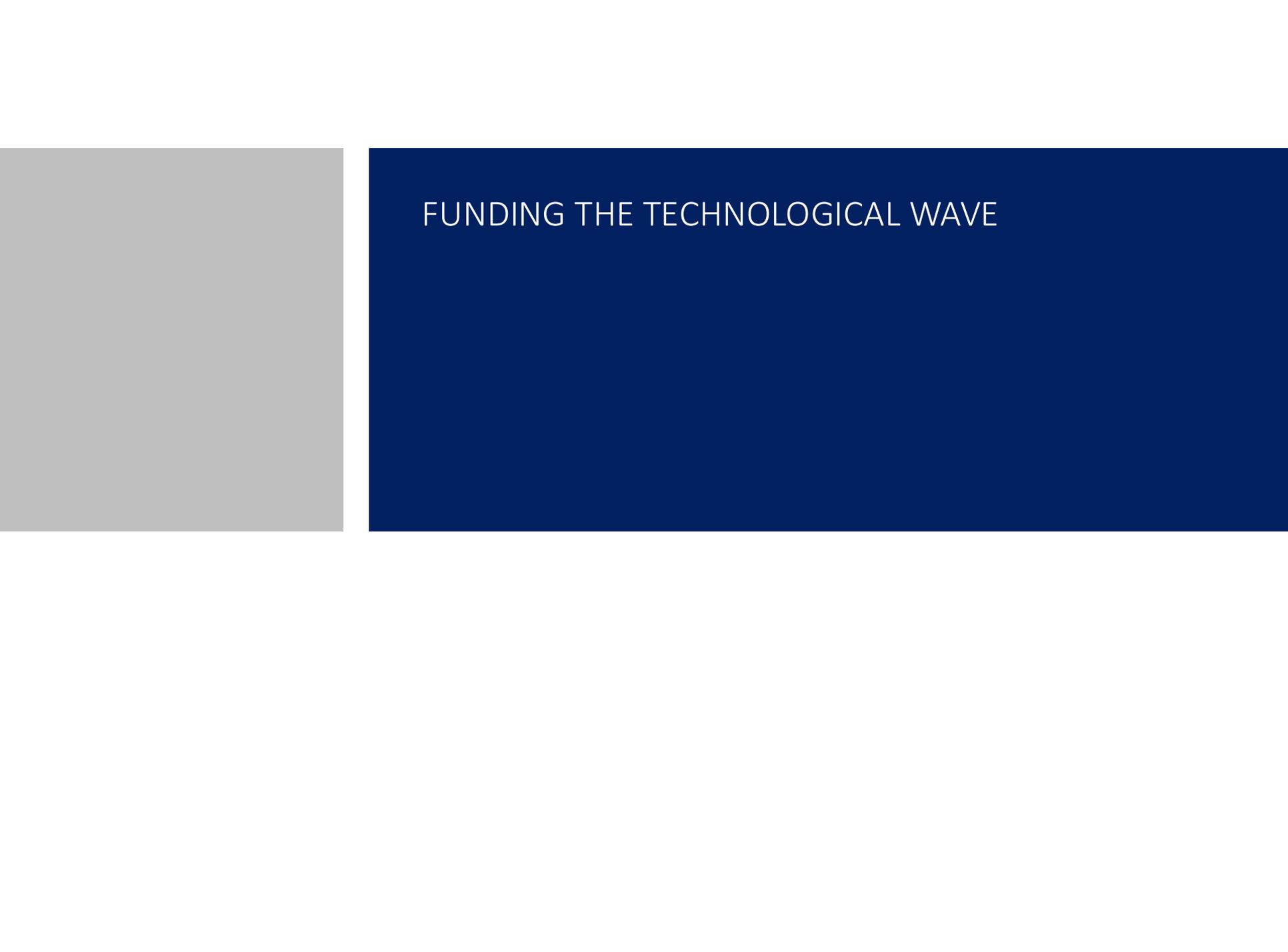
Data Source: FactSet

## EARNINGS CONTINUED GROWTH IS IMPERATIVE IN AN EXPENSIVE MARKET

S&P 500 Index, Price-to-Earnings and Earnings-Per-Share, Next Twelve Months (NTM)



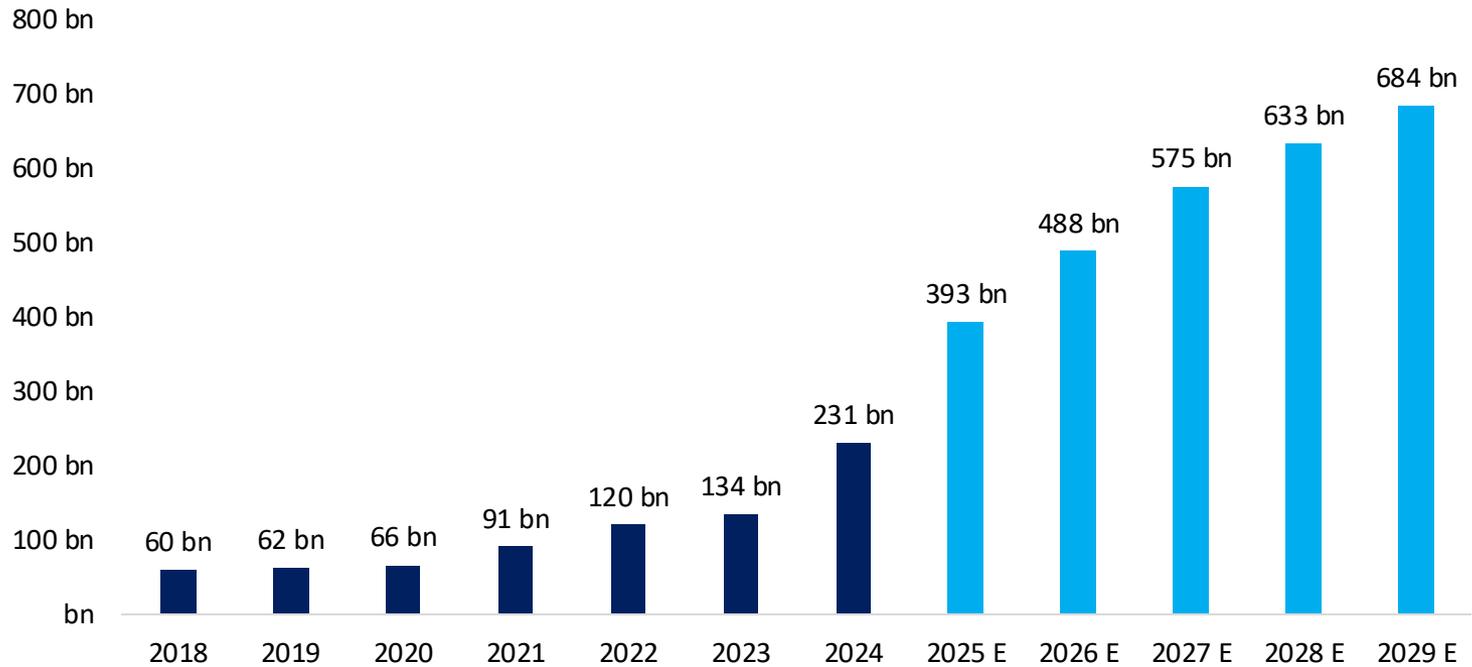
Data Source: FactSet



# FUNDING THE TECHNOLOGICAL WAVE

## HYPERSCALERS ARE IN AN ARMS RACE TO BUILD THEIR CAPABILITIES

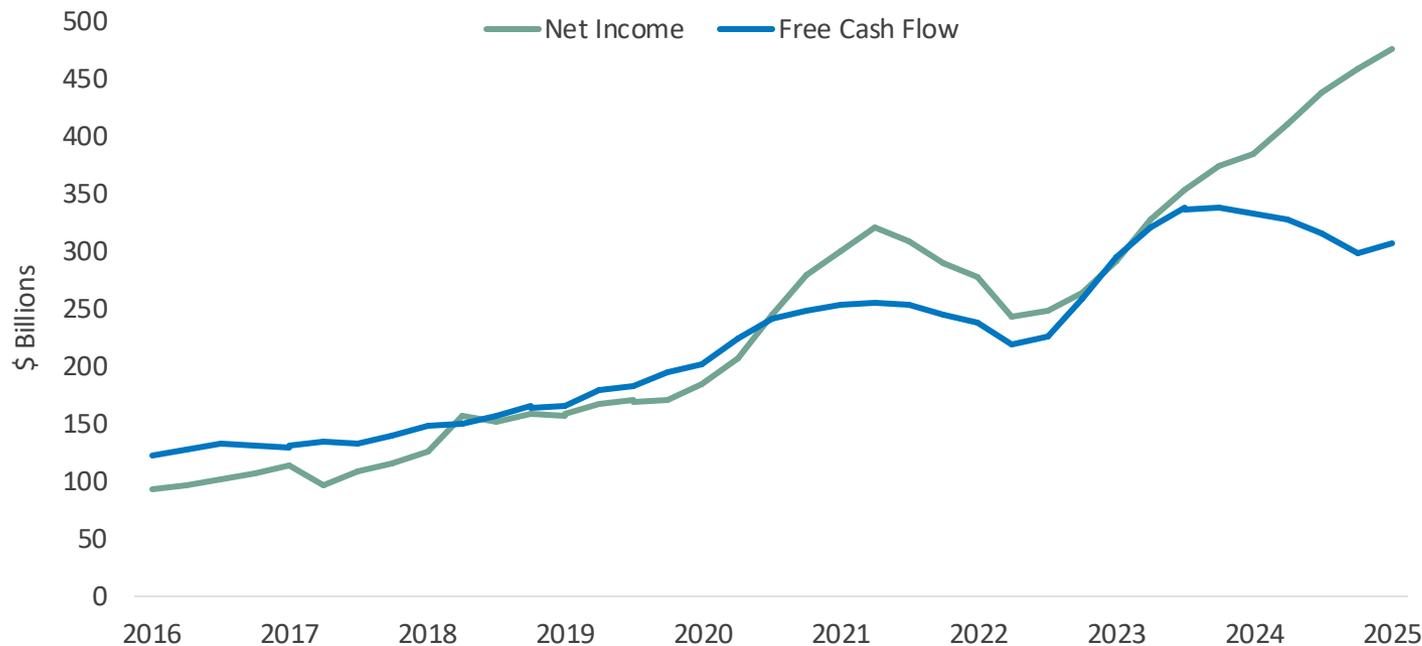
Hyperscaler Capital Expenditures (Capex)



Data sources: Industry research and company filings compiled by UBS, Citigroup, Dell’Oro Group, and Synergy Research Group. Data as of 09/30/2025. “E” represents market estimates/projections and not actual results.

## LEADING U.S. TECHNOLOGY FIRMS HAVE AMPLE INCOME AND CASH FLOW FOR INVESTMENT

Net Income and Free Cash Flow, Four Quarter Rolling Totals, for Alphabet, Amazon, Apple, Meta, and Microsoft

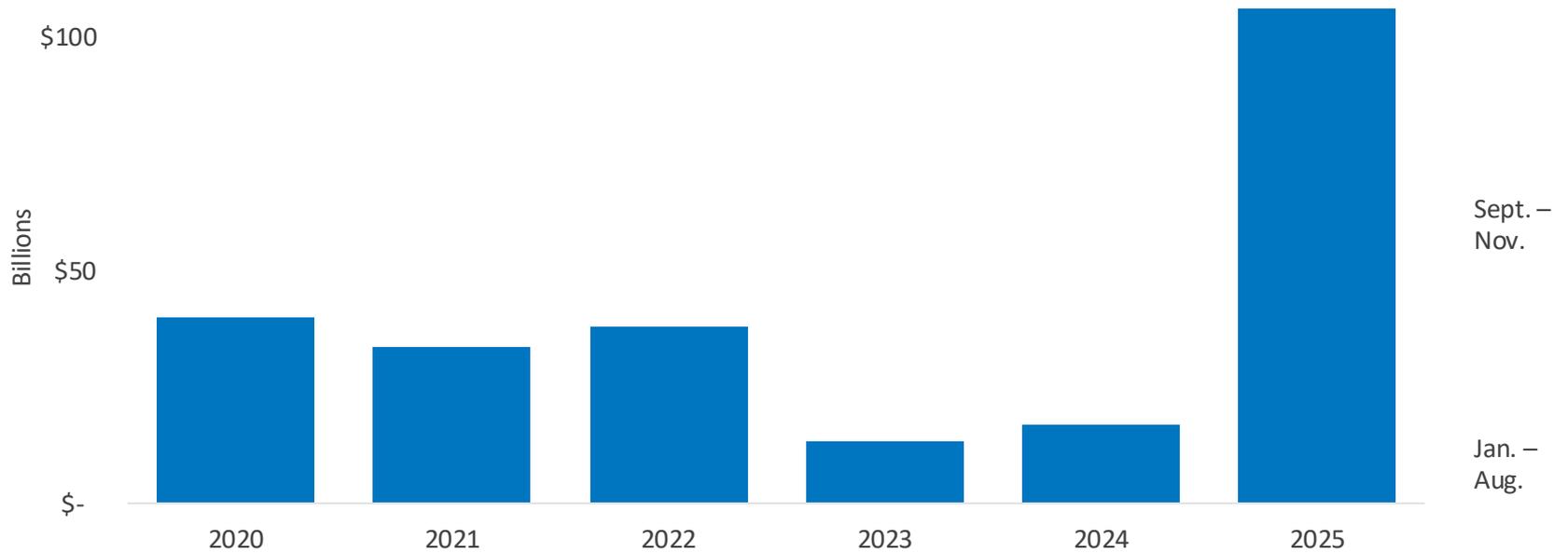


Data Source: FactSet

<sup>1</sup> VanEck, 2025

## TECHNOLOGY COMPANIES ARE NOW USING THE DEBT MARKETS

Bond Issuance by Large AI Technology Companies, \$Billions



Data Sources: Bank of America & Wall Street Journal

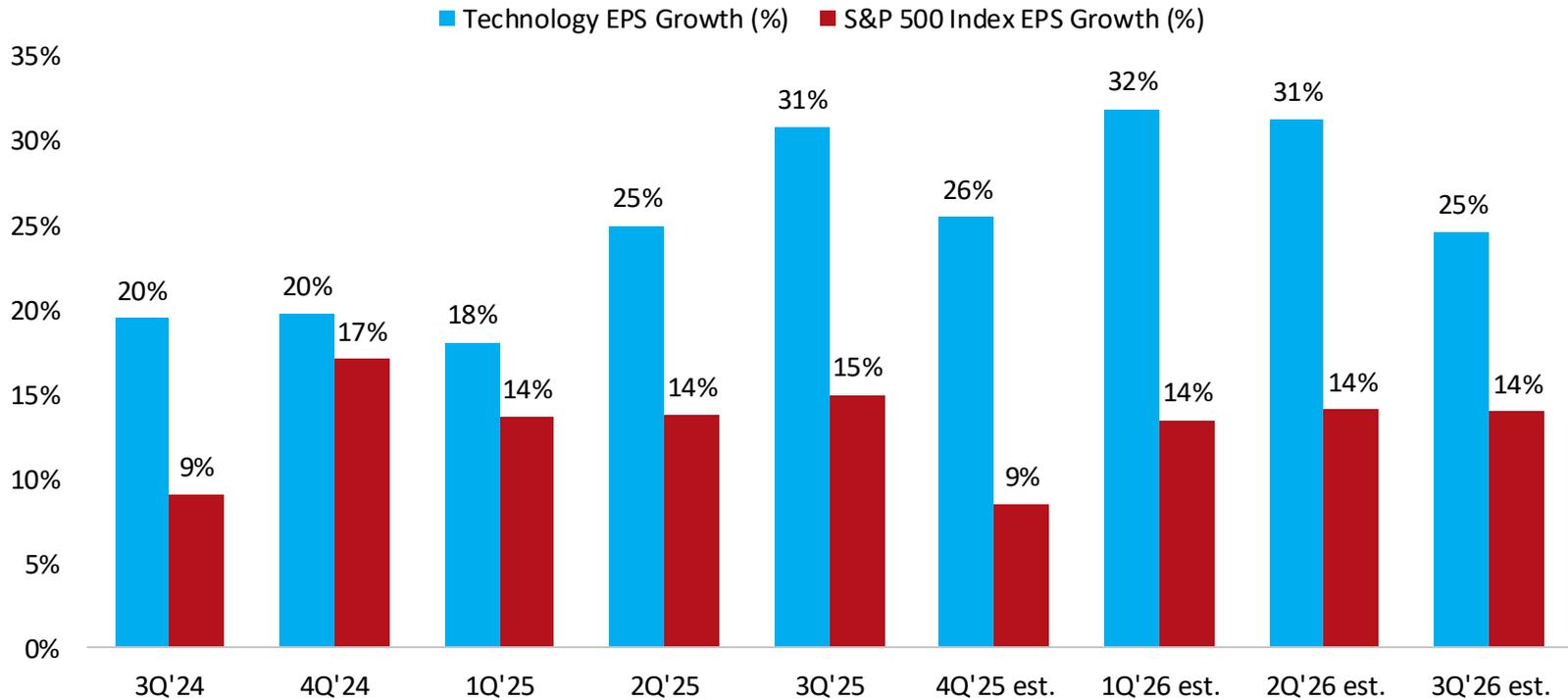
Note: Data include Alphabet, Amazon, Meta, Microsoft, and Oracle through November 2025



INVESTING IN THE GROWTH

## TECHNOLOGY EARNINGS GROWTH IS PARTICULARLY STRONG

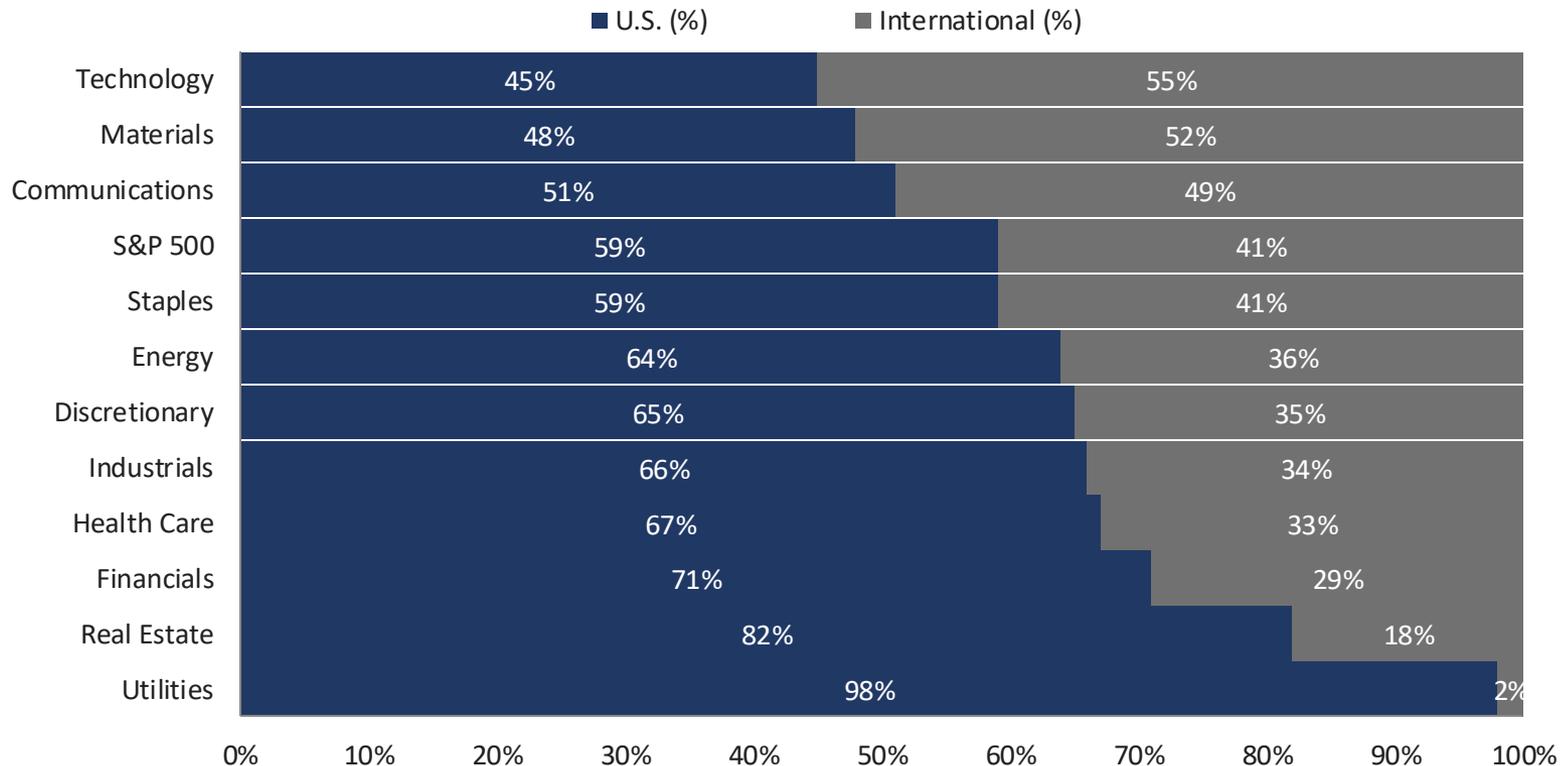
S&P 500 Information Technology vs S&P 500 Index Estimated EPS Growth



Data Sources: LSEG I/B/E/S, Data as of November 30, 2025

## TECHNOLOGY HAS THE HIGHEST SHARE OF REVENUE FROM OVERSEAS OF ALL GICS SECTORS

S&P 500 Index GICS Sector Geographic Revenue Origins



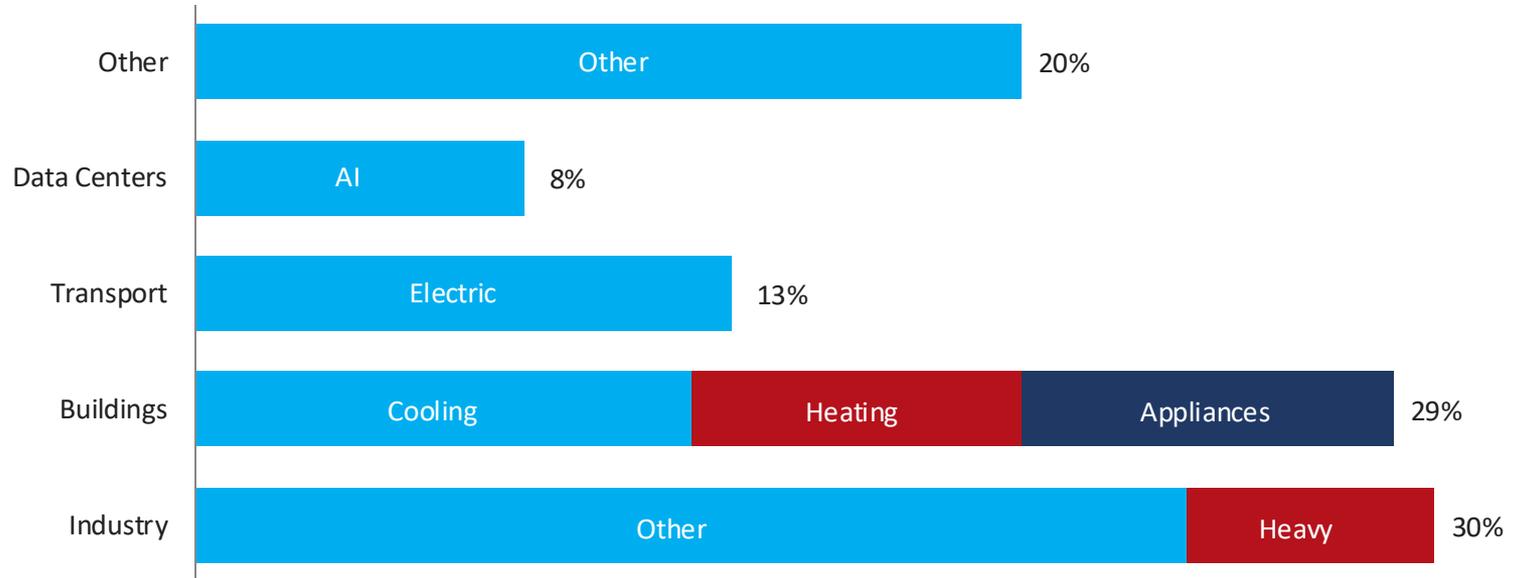
Data Sources: FactSet, Strategas

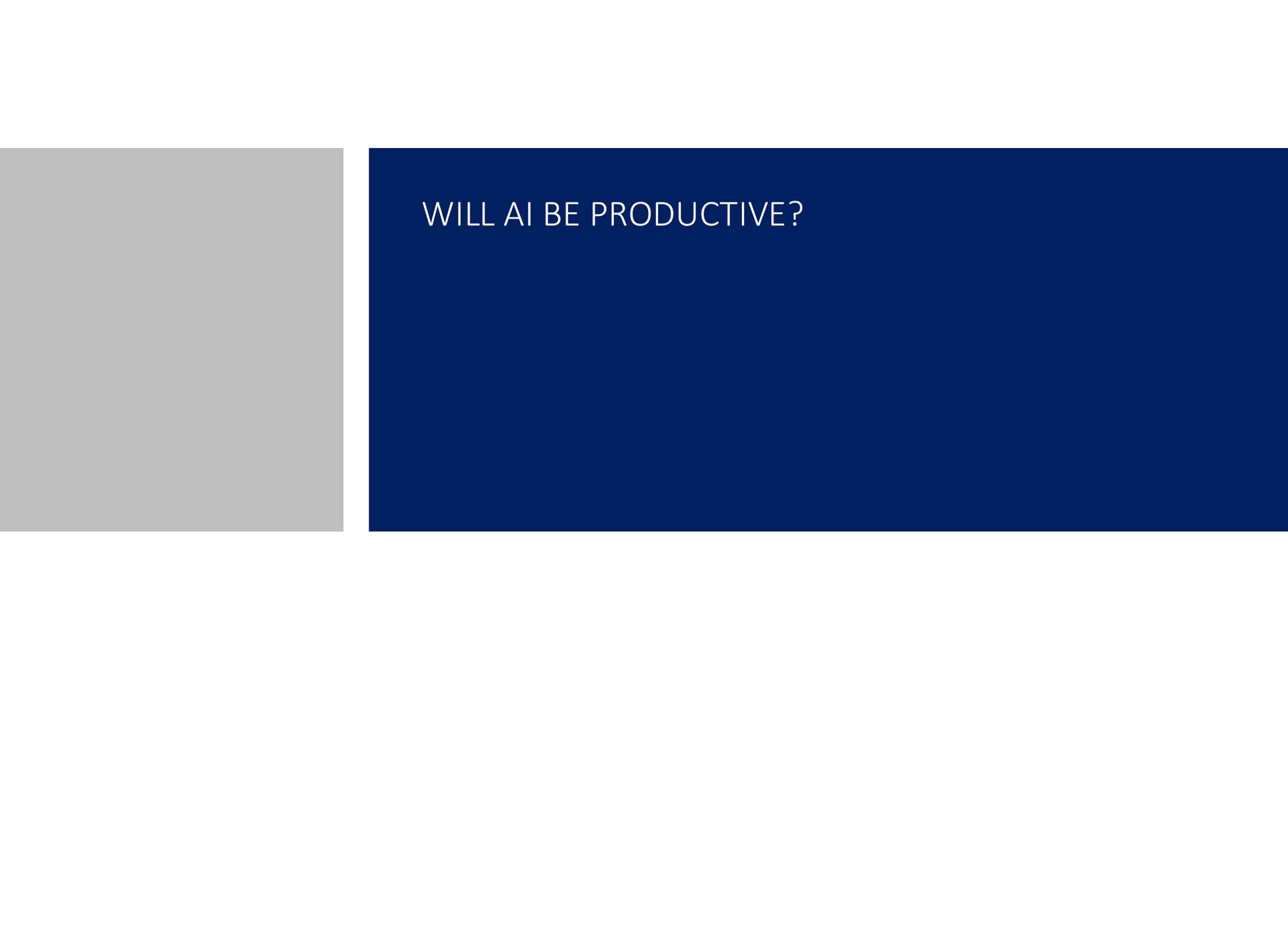


POWERING AND LENDING TO AI

## THE FORECASTED RISE IN GLOBAL ELECTRICITY DEMAND IS NOT ONLY BECAUSE OF DATA CENTERS

Share of Increase in Global Electricity Demand by Sector (2024 – 2030)

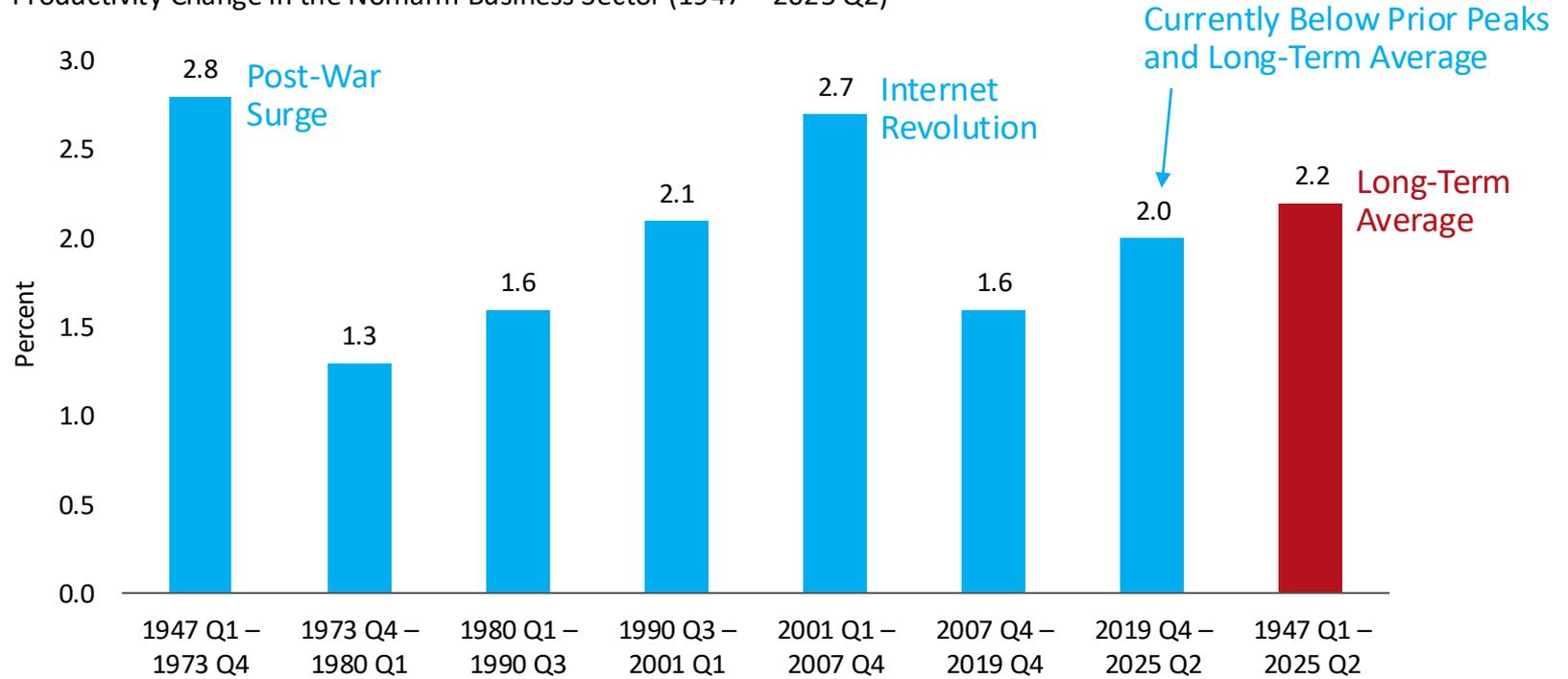




WILL AI BE PRODUCTIVE?

**WILL AI SPUR THE HOPED FOR INCREASE IN PRODUCTIVITY?**

Productivity Change in the Nonfarm Business Sector (1947 – 2025 Q2)



Data Sources: U.S. Bureau of Labor Statistics, Strategas

This report was prepared by Fund Evaluation Group, LLC (FEG), a federally registered investment adviser under the Investment Advisers Act of 1940, as amended, providing non-discretionary and discretionary investment advice to its clients on an individual basis. Registration as an investment adviser does not imply a certain level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser. Fund Evaluation Group, LLC, Form ADV Part 2A & 2B can be obtained by written request directed to: Fund Evaluation Group, LLC, 201 East Fifth Street, Suite 1600, Cincinnati, OH 45202 Attention: Compliance Department.

The information herein was obtained from various sources. FEG does not guarantee the accuracy or completeness of such information provided by third parties. The information in this report is given as of the date indicated and believed to be reliable. FEG assumes no obligation to update this information, or to advise on further developments relating to it.

Funds of private capital funds are speculative and involve a high degree of risk. An investor could lose all or a substantial amount of his or her investment. Funds of private capital funds' fees and expenses may offset private capital funds' profits. Funds of private capital funds are not required to provide periodic pricing or valuation information to investors except as defined in the fund documents. Funds of private capital funds may involve complex tax structures and delays in distributing important tax information. Funds of private capital funds are not subject to the same regulatory requirements as mutual funds. Funds of private capital funds are not liquid and require investors to commit to funding capital calls over a period of several years; any default on a capital call may result in substantial penalties and/or legal action. Private capital fund managers have total authority over the private capital funds. The use of a single advisor applying similar strategies could mean lack of diversification and, consequentially, higher risk.

Index performance results do not represent any managed portfolio returns. An investor cannot invest directly in a presented index, as an investment vehicle replicating an index would be required. An index does not charge management fees or brokerage expenses, and no such fees or expenses were deducted from the performance shown.

Neither the information nor any opinion expressed in this report constitutes an offer, or an invitation to make an offer, to buy or sell any securities.

Any return expectations provided are not intended as, and must not be regarded as, a representation, warranty or predication that the investment will achieve any particular rate of return over any particular time period or that investors will not incur losses.

Past performance is not indicative of future results.

This report is prepared for informational purposes only. It does not address specific investment objectives, or the financial situation and the particular needs of any person who may receive this report.

All shown returns greater than one year are annualized.

The Alerian MLP Index is a composite of the 50 most prominent energy Master Limited Partnerships that provides investors with an unbiased, comprehensive benchmark for this emerging asset class.

The Bloomberg Barclays Capital Aggregate Bond Index is a benchmark index made up of the Barclays Capital Government/Corporate Bond Index, Mortgage-Backed Securities Index, and Asset-Backed Securities Index, including securities that are of investment-grade quality or better, have at least one year to maturity, and have an outstanding par value of at least \$100 million.

The FTSE NAREIT Composite Index (NAREIT) includes only those companies that meet minimum size, liquidity and free float criteria as set forth by FTSE and is meant as a broad representation of publicly traded REIT securities in the U.S. Relevant real estate activities are defined as the ownership, disposal, and development of income-producing real estate. See [www.ftse.com/Indices](http://www.ftse.com/Indices) for more information.

The HFRI Monthly Indices (HFRI) are equally weighted performance indexes, compiled by Hedge Fund Research Inc., and are utilized by numerous hedge fund managers as a benchmark for their own hedge funds. The HFRI are broken down into 37 different categories by strategy, including the HFRI Fund Weighted Composite, which accounts for over 2000 funds listed on the internal HFR Database. The HFRI Fund of Funds Composite Index is an equal weighted, net of fee, index composed of approximately 800 fund of funds which report to HFR. See [www.hedgefundresearch.com](http://www.hedgefundresearch.com) for more information on index construction.

MSCI ACWI – Ex. U.S. Index is a market-capitalization-weighted index maintained by Morgan Stanley Capital International (MSCI) and designed to provide a broad measure of stock performance throughout the world, with the exception of U.S.-based companies. The MSCI All Country World Index Ex-U.S. includes both developed and emerging markets.

The MSCI EAFE (Europe, Australasia, Far East) Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets.

The Russell 3000 Index measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market. The Russell 3000 Index is constructed to provide a comprehensive, unbiased, and stable barometer of the broad market and is completely reconstituted annually to ensure new and growing equities are reflected.

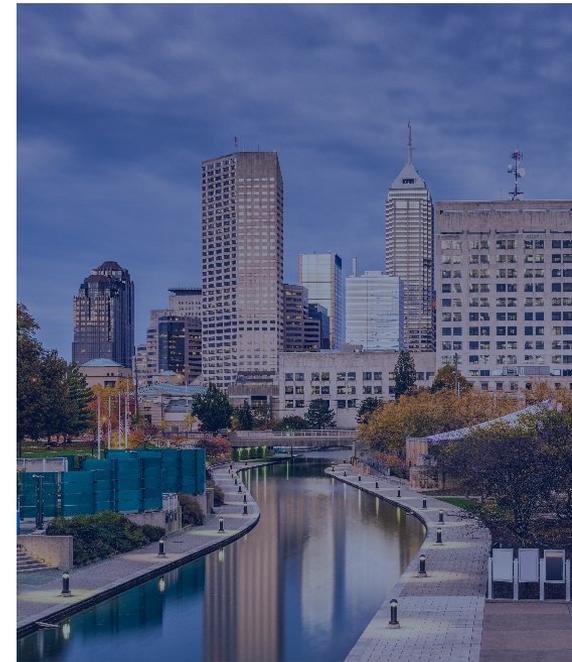
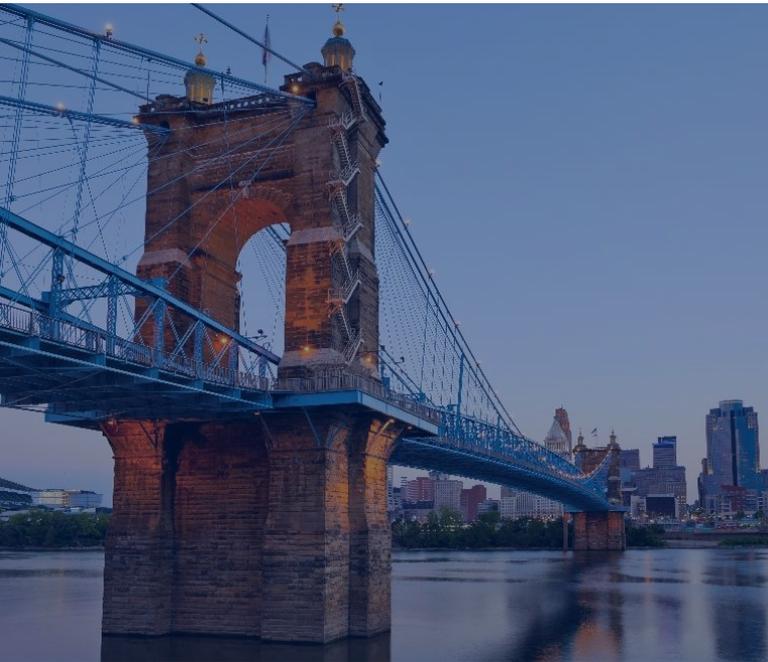
The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2000 of the smallest securities based on a combination of their market cap and current index membership. The Russell 2000 is constructed to provide a comprehensive and unbiased small-cap barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.

The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of the U.S. market. The Russell 1000 Index is constructed to provide a comprehensive and unbiased barometer for the large-cap segment and is completely reconstituted annually to ensure new and growing equities are reflected.

The S&P 500 Index is capitalization-weighted index of 500 stocks. The S&P 500 Index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

Bloomberg Commodity Index (BCOM) is calculated on an excess return basis and reflects commodity futures price movements. The index rebalances annually weighted 2/3 by trading volume and 1/3 by world production and weight-caps are applied at the commodity, sector and group level for diversification. Roll period typically occurs from 6th-10th business day based on the roll schedule.

Information on any indices mentioned can be obtained by contacting your consultant or by sending a written request to [information@feg.com](mailto:information@feg.com).



Fund Evaluation Group, LLC | 513.977.4400 | [information@feg.com](mailto:information@feg.com) | [www.feg.com](http://www.feg.com)  
Cincinnati | Dallas | Indianapolis

