

THE WILLIAM BINGHAM FOUNDATION

ANNUAL MEETING OF TRUSTEES

August 2 – 3, 2024

The Annual Meeting of Trustees of The William Bingham Foundation was held at The Chagrin Valley Hunt Club, Gates Mills, Ohio, on Friday and Saturday, August 2 – 3, 2024.

Investment Committee

The meeting of the Investment Committee was called to order at 9:00 a.m. by C. Perry Blossom, Chair of the Investment Committee.

Trustees present were C. Perry Blossom, David B. Blossom, Jonathan B. Blossom, Robin Dunn Blossom, James B. Heffernan, Katherine J. B. Heffernan, Rebecca B. Kovacik, Elizabeth B. Meers, and Kevin S. B. Meers.

No Trustee was absent.

Trustee Emeritus Laurel Blossom later joined the meeting virtually.

Elisabeth N. Blossom and Jennifer H. Blossom attended as guests of the Board.

The William Bingham Foundation's Administrator / Secretary, Daniel L. Horn, and Grants Manager, Anne G. Savastano also participated.

Bayley Davis from the investment management firm ClearBridge Investments and Michael Vary from Morgan Stanley joined the meeting as guests of the Investment Committee. C. Perry Blossom moderated the discussion.

Mr. Vary reviewed the investment performance of the assets held by Morgan Stanley and managed by ClearBridge Investments, noting that all investment returns reported are net of fees. Mr. Vary reviewed the return of the Foundation's investments compared to their benchmark, the Russell 1000, and other indexes for one, three, and five years. Mr. Vary also advised that the

account holds Certificates of Deposit, U.S. Treasuries, and money market funds and that the money market is split between two separate banks, doubling the Federal Deposit Insurance Corporation coverage to \$500,000. Mr. Vary reviewed the timing of the maturity of fixed-income investments and potential future interest rates.

Bayley Davis discussed the general economy, its disruption by the pandemic, and the impact of inflation. Mr. Davis noted that the Federal Reserve indicated that it would not raise interest rates in 2021, which was followed by the market bottoming out in 2022. Then in 2023 the market had negative performance for the first nine months of the year but has been positive since. Mr. Davis discussed the perception that the inverted yield curve would lead to a recession, which has not materialized. Mr. Davis explained that 70% of the U.S. economy is service-based, data centers will continue to grow, and the higher interest rates have harmed the lower-income classes compared to the opposite for the higher-income classes.

Mr. Davis believes that this December the Federal Reserve will make the first interest rate decrease since it began raising rates, but rates will continue to remain above their level before the pandemic. On the investment performance of the Large Cap Growth account, for which the Russell 1000 index is used as a benchmark, Mr. Davis noted that seven companies (Microsoft, Amazon, Meta, Apple, Alphabet, Nvidia, and Tesla) drove the recent increases in market value. Mr. Davis explained that ClearBridge looks for companies they would want to hold for five years or longer and will pay a premium for companies with sustainable growth characteristics and a superior return on invested capital.

Mr. Davis reviewed ClearBridge Investments' model for ESG (Environmental, Social, and Governance) investing. Asked by Jonathan Blossom how many of the seven companies responsible for the recent market growth would qualify as an ESG-approved candidate, Mr.

Davis indicated that Tesla was the only one unqualified, ClearBridge's Large Cap Growth portfolio included five of the seven, and Tesla was not among the five.

The Trustees, Bayley Davis, and Michael Vary, discussed various ESG index funds, sector allocations, and future investments.

Elisabeth N. Blossom left the meeting at 10:00 a.m.

The Investment Committee adjourned, and Bayley Davis and Michael Vary left the meeting at 10:10 a.m.

The Trustees Meeting adjourned to hold the Members Meeting at 10:15 a.m.

Board of Trustees Meeting

The Board of Trustees Meeting convened at 10:30 a.m. with Jonathan B. Blossom, President, presiding.

Rebecca B. Kovacik read the Foundation's Mission Statement.

Trustees' Charitable Involvement

The Trustees discussed their charitable involvement.

Trustee Disclosure of Conflicts of Interest

No Trustee had a conflict of interest with items on the meeting agenda.

Officers and Committees

The Trustees elected the following officers:

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| President | Jonathan B. Blossom |
| Vice President | James B. Heffernan |
| Treasurer | David B. Blossom |
| Secretary | Daniel L. Horn |

The President appointed the following committee chairs:

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| Investment | C. Perry Blossom & Kevin S. B. Meers, Co-Chairs |
| Best Practices | Elizabeth B. Meers |
| Environmental Impact | James B. Heffernan |
| Trustee Education | David B. Blossom |
| Grants | Robin Dunn Blossom |
| Outreach | Robin Dunn Blossom |
| Social Media | Jennifer H. Blossom |

2025 Meetings

The Winter Meeting of the Trustees will be held on March 8, 2025, via a virtual conference session at 1:00 p.m. Eastern Time, 10:00 a.m. Pacific Time.

The date for the 2025 Summer Annual Meeting of Trustees was not determined. However, the dates of July 18-9 and July 25-26, 2025, were reserved at the Hunt Club for the 2025 Annual Meeting.

Consent Agenda

The Trustees approved the Minutes of the March 9, 2024, Trustees Meeting.

The Trustees accepted the investment manager reports included with the meeting material.

The Trustees approved paying the Western Reserve Historical Society \$1,000 for the Philanthropic Archives subscription fee.

The Trustees approved continued membership in Exponent Philanthropy (formerly the Association of Small Foundations) for an annual fee of \$830.

The meeting was adjourned for lunch at 11:50 a.m.

The meeting was reconvened at 1:05 p.m.

Investment Committee Report

C. Perry Blossom distributed a new Asset Allocation report showing asset allocation per manager, allocation within managers and overall allocation by sector.

The Trustees approved the Investment Committee's recommendation first to use the funds in the fixed income account to pay grants approved at this meeting and to invest equally in two index funds, Nuveen ESG Large Cap Growth ETF (NULG) and Vanguard ESG U.S. Stock ETF (ESGV), using the remaining funds of the fixed income account. The Trustees delegated the authority to direct the timing and amount of investment in the two ESG funds to the Investment Committee.

Best Practices Committee Report

Elizabeth B. Meers notified the Trustees that she would investigate Exponent Philanthropy's Officer & Director liability insurance and other types of insurance offered by Exponent Philanthropy.

Daniel L. Horn reviewed how non-foundation expenses are calculated and charged back to the Trustee responsible for those expenses.

Social Media Committee Report

Robin Dunn Blossom noted that the Social Media Committee is not about promoting the Foundation but ensuring that information about it displayed on social media is accurate and current.

Outreach Committee

Rebecca B. Kovacik notified the Trustees that there would be no report from the Outreach Committee.

Grant and Evaluation Committee

The Trustees requested that a cut-off date be set for the Follow Up reports for grant evaluations and that a list of open grant evaluations that need to be completed be made available in the meeting materials.

Environmental Impact Report

James B. Heffernan reviewed the grant made to the Cleveland Foundation for carbon offsets for Trustee travel and recommended, for lack of a better alternative, continuing the grant to the Cleveland Foundation.

Other Business

The Trustees authorized the Best Practices Committee to select the Certified Public Accountant to review the 2023 and future tax returns.

The Trustees will allow the dedicated telephone conference number (866) 361-9142 to expire next year.

Northern Forest Center

Rob Riley and Maura Adams joined the meeting by video conference at 3:00 p.m. to discuss their work in Bethel, Maine, and specifically on the Gehring House.

The video conference ended at 4:10 p.m.

The Trustees reviewed the materials presented by the Northern Forest Center.

The meeting was adjourned at 4:30 p.m. for dinner with Christopher Eiben, who will make a presentation concerning family history, based on his book Pulling Up Roots: A Family Odyssey, Book II: 1790-1813.

Board of Trustees Meeting

The Annual Meeting of the Board of Trustees reconvened on Saturday, August 3, 2024, at 9:00 a.m., with Jonathan B. Blossom, President, presiding.

Trustees present were C. Perry Blossom, David B. Blossom, Jonathan B. Blossom, Robin Dunn Blossom, James B. Heffernan, Katherine J. Heffernan, Rebecca B. Kovacik, Elizabeth B. Meers, and Kevin S. B. Meers.

No Trustee was absent.

Trustee Emeritus Laurel Blossom was present.

Also present were Elisabeth N. Blossom and Jennifer H. Blossom as guests of the Board.

The Trustees met in an executive session to discuss the evaluation of service providers.

The Trustees approved the retention of Thompson Hine for legal services, Daniel L. Horn for administrative and secretarial services, and Anne G. Savastano for grants management services. Continued use of Dingus and Daga for accountant review of the Foundation's tax return will be at the discretion of the Best Practices Committee.

The William Bingham Foundation's Administrator and Secretary, Daniel L. Horn, and Grants Manager, Anne G. Savastano, joined the meeting at 9:30 a.m.

The Trustees notified Mr. Horn and Mrs. Savastano that they would consider making a \$5,000 grant to a nonprofit charity proposed by each of them. Mr. Horn requested a grant to St. Casimir Church to support its capital campaign to replace its aging roof. Mrs. Savastano indicated she would propose a nonprofit charity at a later date.

Financial Reports

Daniel L. Horn reviewed the 2024 minimum payout estimated as of June 30, 2024, of \$1,088,200; the amount of grants already paid or approved during 2024 of \$410,000; the remaining minimum payout of \$678,200; the 2024 expense update; and the 2025 expense estimate.

Mr. Horn reviewed the draft of the Foundation's 2023 tax return.

Grants Evaluation Committee Report

The Trustees approved the following Grant Final Follow Up Reports:

1. Americares
2. A Workshop of Our Own
3. Chandler School
4. Cleveland Votes
5. Hathaway Brown
6. Tuesday Musical

The Trustees deferred the following Grant Final Follow Up Reports to the March 8, 2025, Meeting:

1. Cleveland Museum of Natural History
2. Hālau Ke‘alaokamaile
3. Museum of Life and Science
4. Old Westbury Gardens

Letters of Inquiry

The Trustees approved requests by the Chandler School and Stella Maris to submit grants exceeding \$75,000 at the March 8, 2025, semi-annual Meeting.

The meeting was adjourned for lunch at 11:50 a.m.

The meeting was reconvened at 1:10 p.m.

Grants

The Trustees approved the following grants:

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| Children’s Museum of Sonoma County | \$ 100,000 |
| Cleveland Ballet | 40,000 |
| Fieldstone Farm Therapeutic Riding Center | 50,000 |
| Northern Forest Center | 250,000 |
| University Settlement | <u>125,000</u> |
| Total Grants | \$ 565,000 |

The Trustees decided not to consider a grant to the Cleveland Institute of Music.

The Trustees will decide at the March 8, 2025, Semi-Annual Meeting whether to accelerate payments for the multi-year grant commitment to Case Western Reserve University.

Other Business

James B. Heffernan will oversee and approve the naming syntax for a naming opportunity at the Cleveland Museum of Natural History.

The Trustees discussed how to manage grants with Fiscal Sponsors. The Best Practices and the Grant and Evaluation Committees will provide language to include in grant approval letters regarding use of grant funds with Fiscal Sponsors.

The Trustees decided that if the Ohio Lepidopterist organization does not obtain its charitable status by the 2025 Annual Meeting, they will consider making a grant to another organization in memory of the late Charles Bingham Blossom, a former Trustee.

The Trustees agreed that using an Action-in-Writing without a Meeting will be discouraged.

The President established the Bethel Committee to determine whether the Foundation can hold its 2025 Annual Meeting in Bethel, Maine, during the first week of August. The Foundation will celebrate its 70th anniversary in 2025, and Bethel would be an appropriate place to do so. For many years Bethel was the home of the Foundation's namesake, William Bingham II, and Gehring House, which Northern Forest Center is renovating for affordable housing, was the home and clinic of his physician. The President appointed himself, Laurel Blossom, Robin Dunn Blossom, James B. Heffernan and Kevin S.B. Meers to the committee. The Bethel Committee will decide by September 30 whether the 2025 Annual Meeting will be held in Bethel, Maine, what activities will be held, and how the meetings will be conducted.

There being no further business, the meeting adjourned at 3:30 p.m.

Daniel L. Horn, Secretary

