



SONOMA STATE UNIVERSITY FOUNDATION

INVESTMENT COMMITTEE MINUTES

SSU Foundation Investment Committee Agenda
Thursday November 7, 2019
Stevenson Hall Academic Affairs Conference Room #1040
2:30 - 4:30 p.m.

Members Present: Ian Hannah (Co-Chair), Michael Sullivan (Co-Chair),
Amanda Visser, Tom Gillespie (*tele.*), Brent Thomas, Terry Atkinson

Committee Staff Present: Kyle Bishop-Gabriel

Guests Present: Todd Au, Tony Parmisano, Drew Aviles, Joanna Berg (*tele.*), Jeffrey Stein (*tele.*)
– Graystone Consulting

Members Absent: Gordon McDougall, Joyce Lopes, Michael Troy

I. OPENING COMMENTS

Meeting opened at 2:33pm.

II. APPROVAL OF THE MINUTES (see 11.7.19 meeting packet)

Hannah noted a few minor edits in the minutes to Committee. Staff made note of changes.

Action: Committee unanimously approved 8.21.19 minutes as amended.

III. NACUBO-TIAA STUDY OF ENDOWMENTS 18/19 TALKING POINTS (see 11.7.19 meeting packet)

Hannah updated committee that the 2019 NACUBO-TIAA Study of Endowments survey for the Foundation was recently submitted. The survey results typically come out at the end of January and which point will be shared with the Committee and then be presented at the March Board meeting.

Hannah reviewed the 18/19 Talking Points summary which gives a breakdown of information submitted to NACUBO and highlighted the following:

- As of 6.30.19 the Foundation Endowment market value was \$52.3M.
- There has been a satisfying upward trend line in the Endowment distribution over the past 5 years.
- The asset allocation reported is reflective of the 18/19 year and does not reflect the new asset allocation which were recently approved by the committee and Board.
- Lastly noted, fees went down some from the previous year due to changes in fund to fund managers and moving to OCIO discretionary model. He also explained to Committee that SSUF Endowment fees may appear higher than other institutions as SSUF tends to dive a little deeper to pull out embedded fees that others do not in an effort to be more transparent.

IV. GRAYSTONE – POOLED ENDOWMENT INVESTMENTS

(see 11.7.19 meeting packet)

Parmisano provided the report on capital markets to the Committee informing of the recent quarter happenings. He noted there was lots of volatility and said a couple things being watched by investors and managers that could affect the market in the next quarter are; 1) Impact from federal policy changes and 2) Results of US-China negotiations. Parmisano also noted that although hard to predict, due to current signs in the market, there is a probability of a future recession looming.

Au moved on to give the Foundation portfolio review and although the quarter ended up landing flat, there was a lot of volatility in between the beginning and end.

Au proceeded to review the asset allocation changes that were recently approved by the Board in September. Au mentioned that the first phase is being implemented and the second phase is pending implementation pending any information regarding recession. Au intends to send a memo to the Committee and staff to inform of progress once the ink is dry on the details and all is finalized.

V. GALBREATH ENDOWMENT INVESTMENTS QUARTERLY REPORT

(see 11.7.19 meeting packet)

Hannah reminded Committee that the Galbreath investment policy was recently revised and approved and that the performance report accurately reflects that the managers are staying on target with the new asset classes.

Noted that earnings year to date as of 9.30.19 were 1.1%.

VI. QUASI ENDOWMENT FUND POLICY DISCUSSION

(see 11.7.19 meeting packet)

Hannah introduced information regarding the possibility of the Foundation adopting a quasi-endowment policy. There have been a couple of situations on campus where a department receives a significant monetary donation that will not be pooled with the Foundation endowment and therefore money sits in a bank without earning interest. Questions have been raised about the Foundation offering a quasi endowment that would allow large sums of gifted money to be invested and to earn a higher level of return than a traditional savings can offer.

Hannah shared a copy of Humboldt State University's Foundation policy for quasi endowment as an example. He recommended that like Humboldt it would be good to set a minimum amount that could be

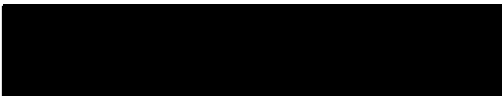
invested as well as the minimum amount of time that funds would be restricted. Committee discussed their options to consider a quasi endowment policy that would be doable for SSUF.

Committee would like to consider the options having a policy and requested from staff to possibly provide other CSU quasi endowment policies before solidifying a SSUF policy.


VII. OPEN ITEMS

Before close of meeting, Hannah informed Committee that the 2019 Fall Endowment Distribution was made at the beginning of September. Also noted an inquiry made by current Associated Students (AS) President to have the recent Graystone Performance Monitor provided for review and sharing with other AS students.

Meeting adjourned at 3:59pm.



Minutes Approved by:
Ian Hannah
*Chief Operating Officer &
Secretary, SSUF*



Minutes Prepared by:
Kyle Bishop-Gabriel
Advancement/Foundation Analyst, SSU