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**INVESTMENT COMMITTEE MINUTES**

SSU Foundation Investment Committee

Monday February 13, 2022

2:30-4:30p.m.

Hybrid Meeting (In-person/Zoom)

*Members Present:* Brent Thomas (Chair), Ian Hannah, Mario A. Perez,

Amanda Visser, Monir Ahmed, Tom Gillespie,

Terry Atkinson, Mike Sullivan, Doug Jordan

*Committee Staff Present:* Kyle Bishop-Gabriel, River Christina Cullen

*Guests Present:* Todd Au, Tony Parmisano, Drew Aviles, Calvin Roach – Graystone Consulting

1. OPENING COMMENTS

Brent Thomas opened meeting at 2:35pm.

Mario Perez began meeting with a brief campus update to Committee. He noted the following:

* Fundraising efforts have started off well and overall is has been a good start to year. More details will be provided at the next Board meeting.
* Preparations for the Spring 2023 Commencement have begun. Upcoming Grad Fair for students will be happening next week on campus.
* Alumni Engagement will be hosting Alumni events down in SoCal next week, coordinating with SSU sporting events playing other schools. Perez welcomed anyone in the area who wanted to join.

1. APPROVAL OF THE MINUTES

*(see 2.13.23 meeting packet)*

Action: Committee unanimously approved 11.2.22 meeting minutes.

1. GRAYSTONE – POOLED ENDOWMENT INVESTMENTS

*(see 2.13.23 meeting packet)*

Todd Au provided the quarterly markets update. He noted it was a rough and challenging environment last calendar year, and the portfolio returns reflect as much. Graystone/Morgan Stanley has a bearish market view for the upcoming year and it is the plan to maintain being defensively positioned to weather future dips in the market. The firm’s view is that we are in a short-term secular bear market but still part of a long-term secular bull market.

Au noted that economic cycles will likely be shorter and quicker over the next several years – perhaps next decade. There is a likeliness to see a continued slowdown through economy and that rates have nearly peaked and will tick up slightly and then start to step themselves down. Fixed income is currently an attractive looking asset class with a roughly 5% yield.

Tony Parmisano reported to Committee the portfolio performance noting that is finished quarter-to-date as of 12.31.22 at 4.9%; year-to-date at -14.7% and essentially flat for fiscal-year-to-date.

Au reviewed current policy target in illiquid funds with Committee.He noted that the portfolio is getting close to those original guidelines which were established after several years of being put in place.

The policy originally set up to have no more than 20% of portfolio in illiquid funds. Au shared that they would like to adjust the percentage to 30% maximum of portfolio in illiquid funds. Au requested Committee to consider the change as it would allow for efficient adjustments in the portfolio and would help prevent missed opportunities that require a quick response. Would also allow continuing to meet target asset allocation.

Committee had follow-up questions for Au and Parmisano and discussed making that change in percentage.

After discussion and lack of consensus, it was determined to revisit the request and potential change to the investment policy at a future meeting.

A potential new private equity fund allocation was tabled as Graystone is still working through McKee Act related contract adjustments.

1. GALBREATH ENDOWMENT INVESTMENTS QUARTERLY REPORT

*(see 2.13.23 meeting packet)*

Thomas did a high-level review of the 12.31.22 quarterly report for the Galbreath Endowment. He noted that the portfolio had a quarter-to-date return as of 12.31.22 of 6.9% with an annual return of -16.4%. Five year returns are underperforming general endow pool portfolio managed by Graystone.

Thomas shared notes from Investment Manager at Merrill Lynch with Committee noted that overall, manager was happy with how the portfolio performed during a tough year for the stock market and historically tough year for the bond market. Inability to utilize alternative investments impeded returns.

1. OPEN ITEMS

Thomas called for any additional items for Committee. Seeing there were none he noted the next Board meeting scheduled for Friday March 10th 10am-noon at the Student Center Sonoma Valley room followed by lunch from 12-1pm.

Meeting closed at 4:10pm.

Kyle Bishop-Gabriel – Redacted Signature

Ian Hannah – Redacted Signature

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*Minutes Approved by: Minutes Prepared by:*

Ian Hannah Kyle Bishop-Gabriel

*Chief Operating Officer &*  *Sr. Advancement/Foundation Analyst*

*Secretary, SSUF & Asst. to the VP, SSU*