

INVESTMENT COMMITTEE MINUTES

SSU Foundation Investment Committee

September 3, 2024

2:30 - 4:30 p.m.

Location: Salazar 2043B or Zoom

Members Present: Ian Hannah, Mario A. Perez, Amanda Visser (z),
Monir Ahmed, Mike Sullivan (z), Doug Jordan

Members Absent: Brent Thomas, Tom Gillespie

Committee Staff: Alicia Hodenfield, Kristin Hillman (z)

Guests: Todd Au, Tony Parmisano, Drew Aviles (z), Calvin Roach (z)
– Graystone Consulting
Jim Scheinberg, Valeria Jaramillo – North Pier Consulting

1. OPENING COMMENTS

Ian Hannah, in Brent Thomas absence, opened the meeting at 2:29pm having met quorum.

Hannah noted that North Pier Consulting would be providing their evaluation/report. Jim Scheinberg requested to be moved up the agenda as he had a plane to catch. This was approved, moving their report to agenda item #3, from #4.

Hannah reminded the committee that Ali Pourghadir is no longer serving on the Investment Committee as he has moved into a new role as Vice Chair of the Board and Chair of the Governance Committee. In addition to Ali's recent departure, there are several key members are scheduled to term off in June 2026, including Brent Thomas, Tom Gillespie and Mike Sullivan. The Committee will need to identify some new individuals to serve on the Investment Committee. Hannah noted that recommendations of potential new Board members who would make good Board and Investment Committee prospects, particularly individuals with an investment background, are welcomed.

Hannah reported the Endowment surpassed \$70M as of 6/30/24 (a record FYE balance for SSUF). More detailed holdings are included in the Investment Pools Sheet included in the consent agenda. This amount will be used for SSU's 2024 NACUBO-Commonfund Study of Endowments (NCSE) submission.

Hannah noted that additional bills will be coming through related to the August Board retreat (catering and AGB facilitator costs) at an amount greater than previously budgeted for, however, the SSUF operating budget did come in under budget last fiscal year and there is an adequate fund balance/reserve to pull from.

Mario Perez provided a brief campus update. During move in, the Parent and Family Association hosted a welcome reception for parents and family members of SSU students. Over 300 people attended and heard from the President.

Interim President Cutrer is committed to moving forward the Center for Health and Behavioral Sciences initiative.

2. CONSENT AGENDA

Hannah noted the items to approve in the consent agenda. Each of these items had been shared with the Committee members prior to the meeting.

- A. Approval of the Minutes – 5.1.24 Meeting Minutes
- B. Galbreath Endowment Investments Quarterly Report
- C. Investment Pools Sheet
- D. FY 23/24 SSUF Operating Budget to Actuals

Hannah asked if there were any objections to approving these documents, none received and the Consent Agenda was approved.

3. NORTH PIER CONSULTING OCIO EVALUATION/REPORT

Jim Scheinberg and Valeria Jaramillo from North Pier Consulting presented their findings from their OCIO Evaluation/Report. This document had been shared with the Committee members in advance of the meeting. The key findings include a very positive assessment of Graystone and the relationship with the SSU Foundation. There were a few areas for improvement, including some clarifying edits to the Investment Committee Charter to ensure continuity with the Investment Policy Statement. The portfolio weight to hedge funds compared to typical client allocation was brought up and will followed up with Graystone for consideration. Fees are in line with similar institutions and investment performance has been at or better than average. It was also recommended the SSUF staff provide an orientation for new committee

members. Recommendation to have OCIO document underperforming manager(s) and create a manager watch list as well as a fiduciary calendar.

Following their presentation, North Pier Consulting team departed the meeting (3:55pm). Mike Sullivan also left the meeting at 3:55pm. Quorum was still intact.

4. GRAYSTONE – POOLED ENDOWMENT INVESTMENTS

Clearlake Capital Partners VIII – Private Equity Fund recommendation:

Todd Au and Tony Parmisano presented information on the recommendation to commit \$800K to the Clearlake Capital Partners VIII – Private Equity Fund. The committee had received documents on the fund in advance of the meeting. This request has been submitted to SSU Procurement for contract review. The fund is one that is used to improve businesses, with flexibility to invest anywhere in the business cycle. They have a top quartile performance track record. This fund includes a 10year term. This allocation would also help to meet ESG position as it is a minority owned business and half of the firm employees are female.

Action: The Committee unanimously agreed to move forward with a \$800,000 commitment to Clearlake Capital Partners VIII fund contingent upon satisfactory review by the Procurement office.

Quarterly Update:

Au and Parmisano provided a capital markets update and portfolio review through the end of the fiscal year, June 30, 2024. The report was provided to the committee in advance of the meeting.

The overall assessment is the economy is moving toward a soft landing and the earnings expectations remain ambitious.

Total SSUF pooled endowment portfolio performance for fiscal year 23/24 was 10.9%, outperforming policy benchmarks. The long term goal of the pooled investments is HEPI + 4.5%. Annual distributions are based on 4% of the a 5 year/20 quarter rolling average of the pooled endowment market value. The longer-term return average is currently below the return objective.

It was also noted that the hedge fund allocation in the portfolio included access to great performing managers and the allocation also successfully suppresses volatility in the portfolio.

Discussion around potentially posting quarterly performance reports to SSUF website:

Hannah noted that the CSU Foundation currently posts quarterly performance reports of the CSU Foundation endowment investment assets on their website, primarily in response to the fact that Public Records Act / McKee Act requests are made on a semi-regular basis. SSUF gets occasional PRA requests as well

which are responded to on a case by case basis. It was noted that the information in the report would likely not provide the level of detail or information requested by the “disclosure” demands of the recent protest group(s). Following discussion it was decided to not post additional documents/reports on the web at the current time and that SSUF would likely only move in this direction if it became a CSU systemwide requirement.

Doug Jordan left at 4:24pm, no longer meeting quorum.

5. CLOSED SESSION

As there were insufficient members to achieve quorum, the committee was unable to enter into a Closed Session.

6. OPEN ITEMS

The committee was reminded of the next Board meeting – Friday, Sept 27, 2024 10am-noon in the Sonoma Valley Room in the Student Center followed by lunch from noon-1pm. Hannah will not be at the board meeting as he is to attend the CSU CO Foundation Finance Chairs meeting in Long Beach.

The meeting was adjourned at 4:37pm



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



Minutes Prepared by:
Alicia Hodenfield
Administrative Manager for
Advancement and Foundation
Operations, SSU