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**INVESTMENT COMMITTEE MINUTES**

SSU Foundation Investment Committee

Tuesday May 16, 2023

2:30 - 4:30 p.m.

Hybrid Meeting (In-Person/Zoom)

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

Amanda Visser, Monir Ahmed, Tom Gillespie,

Doug Jordan

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

*Guests Present:* Todd Au, Tony Parmisano – Graystone Consulting

*Guests Absent*: Mike Sullivan, Terry Atkinson

1. OPENING COMMENTS

Brent Thomas opened meeting at 2:31pm.

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

* The 22/23 Academic Year is quickly coming to an end. Lots of preparations happening for SSU’s upcoming Commencement weekend including an Advancement hosted event to celebrate this year’s appointed Honorary Doctorates which honored Anne & Dan Benedetti and Herman Hernandez.
* The 2023 Giving Day event was a great success, surpassing the set goal of $300K, sourced from over 600 donors and over 800 gifts. Fundraising efforts for the year has Advancement very close to meeting the campus annual Philanthropic Goal of $10M in gift commitments.
* Campus leadership has been engaging with local leaders to create stronger relationships and partnerships with local leaders. Lots of great conversations and partnerships are being built.
* Student enrollment is trending upwards in comparison to deposits from last year. SSU has kept high graduation rates and this year will be the last large graduating class until enrollment gets back up.
* A new interim VP of Strategic Enrollment will be starting this summer to bring focus on improving and upping enrollment at SSU. Also partnering with several community colleges to encourage transfer students to come to the SSU campus.

1. APPROVAL OF THE MINUTES

*(see 5.16.23 meeting packet)*

Action: Committee unanimously approved 2.13.23 meeting minutes.

1. GRAYSTONE – POOLED ENDOWMENT INVESTMENTS

*(see 5.16.23 meeting packet)*

Todd Au provided the quarterly market update to the Committee.

Au reviewed overall market performance for equities, fixed income, hedge funds and real assets. He noted that inflation is expected to remain higher than previous decade, but not expected to keep going up as it has slowed some. Eyes are on interest rate changes made by the Feds. Au proceeded to review the strategic 7-year horizon and noted the investment implications relative to long-term policy benchmarks.

Tony Parmisano provided the Foundation portfolio review to the committee and noted the following key points:

* As of 3/31/23 the Quarter to Date (QTD) performance = 3.8% with the Fiscal Year to Date (FYTD) performance = 3.9%.
* The portfolio is very conservatively positioned relative to our strategic targets and likely to experience another sell-off prior to another bull market.
* Overall, the portfolio is performing well from a risk perspective and performing in line with expectations.
* Blackstone put gates up on their real estate fund but not looking to make withdrawals for SSUF’s commitment. UC system also made a recent large investment in the fund.
* A new Private Equity Fund opportunity is going through a McKee act review by SSU contracts office.

Au did a high-level review of NACUBO Endowment Study Results reviewing SSU to comparable endowments in the study. Overall, SSUF’s portfolio is fairly similar from an asset allocation perspective and is performing similar or better in the long run (3-5 years). Like SSUF, 54% of institutions are using an OCIO.

Parmisano then provided a high-level view of the asset allocation study on the Foundation’s portfolio which is typically run annually. He noted that SSUF’s portfolio is designed to achieve higher market returns with given risk level than NACUBO peers.

1. GALBREATH ENDOWMENT INVESTMENTS QUARTERLY REPORT

*(see 5.16.23 meeting packet)*

Thomas provided a quick overview on the quarterly report for the Galbreath Endowment. He noted the following:

* QTD return = 3.4% with YTD = -7.4%. Five-year return = 2.8%.
* Slightly lower returns in comparison to the larger Graystone pooled endowment portfolio but this is expected as it is a more conservatively invested portfolio.

1. 2023/24 POOLED ENDOWMENT DISTRIBUTION

*(see 5.16.23 meeting packet)*

Ian Hannah reviewed the Summary for Fall 2023 Endowment Distribution with Committee.

The distribution will be close to $1.9M with 32% supporting scholarships and 68% supporting campus programs.

He reminded Committee that the distribution is based on the investment spending policy of 4% of five-year rolling average of the pooled endowment market value and also the principles of spending outlined in UPMIFA.

Hannah also reviewed the 10-year historical summary showing a nice trendline upwards each year for the past years of distributions. Hannah noted that the distribution is pulled from the endowment spending reserve.

Action: Committee approved and recommends to Board the final approval of the Fall 2023 Endowment Distribution.

1. 2023/24 SSUF OPERATING BUDGET

*(see 5.16.23 meeting packet)*

Amanda Visser went over new budget items/changes from last year and reviewed with Committee. Highlights reviewed included some new expenses: CSU campaign contribution request for General Obligation Bonds; Fundriver software for endowment management and increased funding for contract with Labyrinth for state charitable registration.

Visser also shared financials and operating budget actuals as of 3/31/23 noting nearly spending annual expense budget through 3rd quarter due to

unanticipated unrelated business income tax (UBIT) costs. She noted that if Foundation goes over budget this current fiscal year it will come from the fund balance/reserve.

Committee had discussion regarding the CSU campaign contribution request. Requested information from Foundation General Counsel before approving. Staff noted and will follow up with counsel.

Action: Committee approves 23/24 budget to be moved forward to Board for approval, contingent on information from General Counsel regarding campaign contribution request.

1. OPEN ITEMS

Hannah did a general reminder of next Board meeting which is scheduled for Friday, June 16th from 10am-noon at Wine Spectator Learning Center (and zoom) followed by an optional lunch from Noon-1pm.

Meeting closed at 4:06pm.

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*