



## SONOMA STATE UNIVERSITY FOUNDATION

### INVESTMENT COMMITTEE MINUTES

SSU Foundation Investment Committee Agenda  
Wednesday July 10, 2019  
Salazar Hall – Conference Room A, Administration & Finance  
2:30 - 4:30 p.m.

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

*Committee Staff Present:* Kyle Bishop-Gabriel

*Guests Present:* Daniel Pantucci (*tele.*) and Brian Bonvechio (*tele.*) - Merrill Lynch

*Members Absent:* Michael Troy

#### I. OPENING COMMENTS

Hannah opened the meeting at 2:30pm. He noted to Committee that the next Investment Committee meeting is scheduled for August 21<sup>st</sup> and will be the regular quarterly meeting with Investment Advisor (Graystone) where continued discussion regarding recommended adjustments to the pooled endowment's asset allocation will take place. The current meeting is a follow up to April's meeting since not all items were able to be discussed to the full agenda.

#### II. APPROVAL OF THE MINUTES

(see 7.10.19 meeting packet)

Motion: To approve 5/20/19 Investment Committee minutes as presented.

Action: Unanimously approved.

### III. MERRIL LYNCH - GALBREATH ENDOWMENT

*(see 7.10.19 meeting packet)*

Brian Bonvechio reviewed changes to the Galbreath Preserve Endowment Investment Policy. In addition to minor changes throughout, the primary changes of focus were the following:

- Asset allocation which moved away from a focus of 2/3 in fixed income and 1/3 in equities, to a more balanced 50/50 approach with 50% in equities, 45% in fixed income and 5% cash.
- Primary objective is to attain a rate of return, net of fees equal to or greater than 5% annually of all investment funds over a full investment cycle.
- Annual distribution target is to be determined based on computing 3% of a 3-year rolling average of the market value of the Galbreath Endowment, ending on Dec. 31<sup>st</sup> and distributed the subsequent fiscal year.

In regard to the approval of fund changes, Hannah proposed the Committee delegate to the Foundation COO and CFO authority to approve any fund changes within the asset allocation limits and report back to Committee of any changes approved. This would allow for a more efficient process instead of waiting for the next quarterly meeting to make such decisions.

Committee agreed that Foundation COO and CFO to approve fund changes for the Galbreath Endowment (within asset allocation limits) and that such changes will be reported to Committee at the next scheduled meeting.

Motion: To approve Galbreath Endowment IPS changes and recommend to Board for approval.

Action: Unanimously approved and recommended to Board for approval.

Bonvechio then proceeded with the Galbreath quarterly report for the most recent quarter ending 6.30.19 with a rate of return of 2.87%.

Daniel Pantucci spoke to Committee regarding Foundation's newly adopted SRI position statement. He informed that there are a growing number of managers who can give the returns desired with SRI/ESG funds. He noted that Committee should keep SRI/ESG managers as an option when it's time to change managers. He also noted that if the current portfolio were to go through an SRI screening the current fund managers selected would generally score positively.

### IV. INVESTMENT COMMITTEE CHARTER REVIEW

*(see 7.10.19 meeting packet)*

Hannah reviewed current Investment Committee Charter with Committee. He noted a few of the following suggested changes:

- Redact COO serving as Committee Chair and replace with community Board member serving as Chair to the Committee.
- Inserted language regarding changes of moving to an OCIO investment manager model.
- Inserted language regarding due diligence with responsible investing.

Motion: To approve changes to SSU Foundation Investment Committee Charter.

Action: Committee unanimously approved and recommend to Board for final approval.

V. NEXT STEPS WITH RVK  
(see 7.10.19 meeting packet)


Due to recommended changes (OCIO investment model and possible asset allocation changes to pooled endowment), Hannah recommended to Committee that continued work with consultants, RVK be put on hold until the outcome of said changes are seen through. After some time the Committee can revisit further evaluation with possible RFP in the future utilizing RVK's services. It was agreed by Committee that further review can be paused with re-visiting the evaluation with possible RFP in approximately 3-5 years.

VI. OPEN ITEMS

Meeting adjourned at 3:25pm.



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



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