



CAL STATE EAST BAY

CSU East Bay Foundation, Inc.

February 11, 2022

2:00pm-3:30pm

Via Zoom

Board Meeting Minutes

Members in Attendance

Carrie Stewart (Chair)

Kim Greer (Vice Chair)

Andre Johnson (Secretary-Treasurer)

Kim Huggett

YuanYan Gao

Kaumudi Misra

Anjelica de Leon

Mirna Maamou

Dr. Pascale Guiton

Chandra Khan

Staff

May Hernandez, Educational Foundation Analyst

Holly Stanco, Associate Vice President, Development

Guests

Brian J. Sharpes, CIMA, Institutional Consulting Director, Morgan Stanley Graystone Institutional Consulting

Dan Tichenor, Morgan Stanley Graystone Institutional Consulting

MINUTES

I. Meeting called to order by Chair Stewart at 2:03 pm. Introductions of attendees were made.

II. Approval of Minutes of October 7, 2021, Meeting

Minute Action: To approve of minutes of September 24, 2021, Meeting

Motion: Greer

Second: Gao

Motion: Passed

III. Review of Financial Investment Summary

Brian Sharpes provided an overview of the market outlook – the presentation was included in the Foundation’s meeting material. He reviewed the Foundation’s investment summary performance as of December 31, 2021. The summary also includes a review of the extension division, the foundation plan, and ASI portfolios since they are managed under the umbrella of the Foundation. Brian stated that 2021 was a strong year on all portfolio returns, but 2022 has gotten off to a rocky start. While there were and continue to be challenges ahead in the market, the team was happy with the returns from 2021 and have strategies for 2022. Brian’s overview indicated that while the S&P had the most new highs since 1929, the 4th smallest drawdown, and earnings peaking in Q4 of 2021, there are potential challenges ahead-higher volatility, difficult returns, and higher inflation- but Graystone’s team is confident the portfolios are constructed to handle this well. Brian also highlighted the ASI portfolio is one of the highest valued student organizations in the CSU. Generally, all portfolios are close to targets, and this year we will be scaling back the carbon footprint of the portfolio and terminating some funds that do not comply

*The Foundation Board of Directors is a public body, and members of the public have a right to attend and participate in its meetings.

with this initiative to ensure more mission focus.

Brian made the following recommendations:

- DEVELOPMENTS

Foundation & Extension Division Portfolios

- Established allocation to NEW CCM Community Impact Bond Fund (CRANX)
 - \$800,000 in Foundation Portfolio and \$120,000 in Extension Division Portfolio (~5% of each portfolio)

Extension Division Portfolio

- Rebalanced to new allocation targets:
 - Decreased Fixed Income target from 30% to 26%
 - Increased Alternative Investments target from 15% to 17%
 - Increased US and International Equity targets from 27.5% to 28.5%

GRAYSTONE CONSULTING-See full report dated 12/31/21 for additional details and disclosures.

- RECOMMENDATIONS

Foundation & Extension Division Portfolios

- Terminate **Salient MLP Energy & Infrastructure** and reallocate proceeds to:
 - Establish NEW 1.9% position in iShares S&P Mid-Cap 400 (IJH)
 - MLP's were the best performing asset class in 2021 and are beginning to skew to the downside
- Terminate **NFJ Large Cap Value** and reallocate proceeds to:
 - Establish NEW 4% position in WisdomTree U.S Total Dividend (DTD)
 - Remainder of proceeds (5%) to SPDR S&P 1500 Composite Stock Market (SPTM) and to rebalance towards asset allocation targets
 - After underperforming for a few years, the strategy rebounded in 2nd half of 2021, nearly doubling the performance of the benchmark, offering an attractive exit point
- Terminate **Hansberger International Growth** and reallocate proceeds to:
 - Establish NEW 2.8% position in Clearbridge International Growth

Minute Action: To approve the provided recommendations.

Motion: Hugget

Second: Guiton

Motion: Passed

IV. Other Business

Andre Johnson reminded the board of the audit required annual conflict of interest form and stated they would be sent out via Adobe Sign, and requested the board turn them in at their earliest convenience.

Meeting adjourned at 2:29p.m.