

CSU East Bay Foundation, Inc.
Board Meeting Minutes
June 5, 2025 / 2:00 PM - 3:00 PM
via ZOOM Meeting

Members Present:

Myeshia Armstrong, Secretary – Treasurer; Kimberly Greer, Interim Vice Chair; Kim Huggett, Community Director; Michael Lerma, Faculty Director; Juleen Lam, Faculty Director; and Balvinder Kumar, Board Director.

Members Not Present:

Evelyn Buchanan, Chair
Chandra Khan, ORSP Director
Nolan Calara, Student Director
Erick Macias, Student Director
Erick Kong, Faculty Director

Staff and Guests Present:

Charita Hill-Avent, Associate Vice President, Financial Services
Nicole Yu, University Controller, General Accounting
Dwyla Jourdan, Executive Assistant to Vice President Armstrong, A&F
Chad Bolick, Graystone Institutional Consulting, Morgan Stanley
Jacob Marquez, Analyst, Graystone Institutional Consulting, Morgan Stanley

Call to order: 2:04 p.m.

1. Call to Order / Approval of Agenda VP Armstrong called the meeting to order and reviewed the agenda with the board. ***Agenda approved-Motion Michael Lerma, Second Balvinder Kumar***

2. Approval of Minutes from February 6, 2025 Meeting (Action) VP Armstrong reviewed the minutes from February 6, 2025 with the board.
Minutes Approved- Motion Balvinder Kumar, Second Michael Lerma

3. Investment Summary as of March 31, 2025 (Information)

Chad Bolick and Jacob Marquez introduced themselves, as they stepped in for Dan Tichenor and Brian Sharpes, who were unable to attend this meeting. Chad and Jacob provided a high-level summary of the current status of the investments, as of this past March.

- Market Commentary

- The peak uncertainty we have been experiencing has largely passed for now. A good reminder in both institutional and individual investing is that sometimes the best strategy is to do nothing at all. Panicking would have certainly not paid off. In early April, uncertainty in the market was similar to that during COVID in April of 2020.
- Secondly, we're seeing a frequent reversal in policies and tariffs. Their extensions and rollbacks have created a rhythm of potential future rollbacks within the markets. We'll have to see if

this holds; but, for now, the markets seem to be calming. The short-term volatility has come back to lower levels. There's a resumption in market confidence.

- The S&P 500 Index has largely moved above the short medium and long-term moving averages.
 - The turmoil in the U.S. has caused some market turbulence. But, it's also been an opportunity (and maybe an opportunity that the market was looking for) to sell off, because we've seen very high valuations in public equities for quite some time.
 - European and emerging market indexes are all well ahead of the S & P., by anywhere from 8 to 10%. We're now seeing a reversal of European and emerging market public equities doing well, unlike in the past number of years. Exceptionalism and other markets are picking up in our slack, and that has really provided some ballast for the portfolio and some evenness that we would not have had otherwise.
 - The U.S. Trade deficit widened in Quarter one to a new record. The deficit widened because importers in the U.S. have been bringing in as many goods as they can before the tariffs hit. However, we're now seeing a much smaller deficit.
 - Here, in CA, both the Port of Oakland and the Port of Long Beach are operating at 30% capacity, at the moment, due to the tremendous change in trade volume coming into U.S. ports. We'll see how that trickles into the wider markets.
 - We've been really heavily focused on the trade deficit with China. S&P revenue from China is 5 times greater than the actual deficit. So, this means that U.S. companies are making a lot of money selling goods and services in China. Not all of that comes back, though—so, it's a mixed signal. China is a huge source of revenue for U.S. companies and our overall relationship is not just about imports. There is a real risk here of some policy misalignment, and misunderstanding, of just how profitable U.S. companies are in China.
- Consumer Confidence
 - Consumer confidence and CEO confidence in the U.S. are at fresh lows, as consumers and CEOs are skittish right now. Consumer confidence is at a 14-year low, which is even lower than it was during COVID in April 2020. CEOs are skittish because supply chain issues have made it difficult to plan.
 - Morgan Stanley does not see a recession happening but the situation is fluid.
 - Potential market volatility continuing & caution with earnings.
 - The aggregated data conveys a generally negative sentiment and it's at odds with the recent rise in the S&P. So, potential market volatility continuing.
 - Folks are moving into more defensive assets. They are staying neutral or revising downward.
 - U.S. Debt
 - The National debt will be a growing problem, raising some alarm on the bond market (which is two times the size of the stock market).
 - However, we're seeing a bright spot with Household debt, as a percentage of total GDP, falling. But, the interest payment growth on our debt approaching 30 trillion is faster than

GDP growth. The bill that currently has passed the House and is with the Senate, would add anywhere from 2 1/2 to 5 trillion to the national debt over the next 10 years. That does not take into account some of the cuts that we're all talking about and experiencing. But, generally speaking, the national debt will be a growing problem, and we've seen some signs of Wall Street, particularly our friends at JP Morgan, sounding the alarm over the bond market and the potential for rising rates.

- The question was posed: What happens if we get a federal budget? Chad answered that under normal circumstances, it would probably minimally impact the markets. There are too many variables at the moment with trade with a potential trade agreement with China to accurately predict it. We will have to wait and see.

- Performance

- We're holding tight at \$19,159,000 for the total value of the 4 accounts. The CSU East Bay Foundation's portfolio is the largest one. We're seeing quarter to date, year to date performance at 1.6%. Most importantly, really beating the composite benchmark here by a full 8 basis points. That's a noteworthy fiscal year to date 4.3%. Again, beating the composite benchmark by a very wide margin. When we take a look at the other 3 accounts, the extension division, the foundation plan, and the ASI portfolios, we see similar outperformance of the benchmark across all of those for both year to date and fiscal year.

- Executive Summary of Investments

- Great conformity with policies in place
- 28.7% in U.S equities and 27.9% in International equities. We saw earlier 29% and change in fixed income and then, currently, at 13.9% in alternative investments.
- Seeing rotation into greater alternatives for allocation
- We're outperforming the benchmark, which is good.
- Recommendation: Continue to monitor activity & look for opportunities to rebalance if we see more downside risk. When we see a 10%, 15%, or 20% drop (based on the market fundamentals) that signals a buying opportunity.
- The bond market is at nearly 5% with the interest rates being where they are currently and with risk inherent in public equities. The equity risk premium is near 0. This means that we don't get a lot of upside owning equities when we can get fixed income and earn 5% or 6% relatively risk free.
- As mentioned, even though there is a lot of uncertainty, there is also a lot of opportunity. The Graystone Institutional Consulting Team is thinking a lot about the idea of disruption. In addition to educational institutions being impacted by a lot of the Federal cuts, Graystone is seeing food bank clients being impacted by the proposed rollback of SNAP benefits of USDA programs that provide commodities sourced from U.S. farmers to food banks for free in various parts of the country. So, there's opportunities there to create ways to plug some of those holes that are created by these Federal cuts. Graystone will be hosting a webinar on June 16, 2025 that focuses on fundraising and fundraising campaigns for endowments and nonprofits as a way to address some of these holes that have been created. An attorney from a nonprofit will be present. Also, the head of the CDC Foundation will be there to talk about what these cuts have meant for them and what it looks like to build an alternative framework for public health in the U.S. Mr. Bolick invited the CSU East Bay Foundation Board to attend.

4. Review FY 24/25 Operating Budget YTD Results (Information) VP Armstrong introduced our new Associate Vice President of Financial Services, Charita Hill-Avent.

- AVP Hill-Avent reviewed where we are with our 2024-2025 actual projection for year-end, based on the budget that was approved for the full year of 24-25, which is approximately \$1 million.
 - We are tracking very closely to budget. We have a higher commission income coming in for the portfolio. The interest income is higher, which is offsetting the expenses that we have (as discussed earlier by the Graystone Consulting team). The main parts of the budget are the retirement account and the insurance account, which are the two biggest areas within the actuals. When asked if the retirement number should be going down, the University Controller (Nicole Yu) responded that the number is the retirees' contribution. The data is from CalPERS and that expenditure has been trending upward. We're anticipating an increase for next year 25-26, just like this current FY 24-25 had an increase from FY 23-24. There are currently 28 retirees.
 - There's also an increase in the overall insurance expense. It is increasing across many campuses in the CSU and we're projecting a 9% increase on the insurance. So, the retirement and the insurance are the two biggest things increasing for the overall Foundation.
 - Everything else, we applied a rate of inflation of 3%. With the proposed budget for the income coming in, one thing to note is that the contract with the Pioneer Bookstore is still under negotiation. However, we do expect that the amount of income or commission will be a lot lower. So, the proposed budget for FY 25-26 is \$1.1 million.

5. Approval FY 25/26 Budget and Reserves (Action) VP Armstrong asked if there were any additional budget questions. As there were none, she presented the action to approve the budget and reserves.
Approved- Motion Kim Huggett, Second Juleen Lam

6. Approval Slate of Officers & Board Nominations (Action)

- VP Armstrong shared updates to the slate of 25-26 Nominations and noted that we will revisit this item at our October Board meeting.
 - Provost Anthony Muscat is the incoming Vice Chair
 - London Deguzman and Kartik Tripathi are the incoming Student Directors
- ***Slate Approved-Motion Kim Huggett, Second Michael Lerma***

7. Conflict of Interest /Related Parties Questionnaire (Information)

- Per policy and procedures of auxiliary organizations, VP Armstrong instructed the Board to complete both the Conflict of Interest and the Related Parties Questionnaire. These should be returned to her office (via email is fine.)

8. Other Business

- VP Armstrong thanked Community Director, Kim Huggett, for his 12 years of service to the East Bay Foundation Board, as his term will conclude on June 30, 2025. His successor will be voted on at a later date.
- VP Armstrong also thanked Provost Greer for her service as Interim Vice Chair, as this was her last CSU East Bay Foundation Board Meeting. Her successor, incoming Provost Anthony Muscat will begin


serving as Vice Chair at the October foundation board meeting.

9. Adjournment

- **Adjournment Approved-Motion Provost Greer, Second Juleen Lam**

Meeting adjourned at 2:45 p.m.

- Next meeting is scheduled for Wednesday, October 29, 2025 at 2 p.m.

 10/29/2025 Myeshia Armstrong, Secretary-Treasurer Date
Myeshia Armstrong (Oct 29, 2025 16:06:12 PDT)

Recorded by Dwyla Jourdan, Executive Assistant to VP Armstrong






EB Fnd Mtg. Minutes 06.05.25 FINAL

Final Audit Report

2025-10-29

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