



## CAL STATE EAST BAY EDUCATIONAL FOUNDATION INVESTMENT & FINANCE COMMITTEE

Wednesday, February 4, 2015

8:30 a.m. to 9:30 a.m.

Student Administration Building, Room 4600A

### Trustees Present:

Evelyn Dilsaver (chair)  
Jack Acosta (ex officio)  
Patrick Devine  
Howard Hyman (teleconference)  
Louis Miramontes  
Lee Blich (ex officio)  
Brad Wells (ex officio)  
Tanya Hauck (ex officio)  
Janet L. Owen (teleconference)

### Trustees Absent:

Carolyn Aver

### Investment Consultant:

Brian J. Sharpes, CIMA  
Senior Vice President – Investments  
Senior Institutional Consultant, UBS  
Institutional Consulting

### Staff:

Debbie Chaw  
Carmen Rusca

The meeting was called to order at 8:31a.m. by Jack Acosta

### Introduction

Vice President Advancement Tanya Hauck was introduced by Jack Acosta.

### Approval of Minutes

The committee moved to approve the minutes for the October 16, 2014 meeting.

**Motion:** Brad Wells    **Second:** Janet Owen    **Motion passed**

### Investment Performance Report

Brian Sharpes reviewed the portfolio summary of quarter, as of December 31, 2014 regarding the market outlook and performance. He sees a lower return environment and volatility for rest of year.

Strategy recommendations:

Equities:

- Remain moderately overweight in Equities vs. Fixed Income;
- Target 50/50 allocation to Domestic/International Equities
- Target moderate overweight to Emerging Markets
- Add or increase exposure to International Small Cap Equities

Fixed income funds:

- Remain moderately underweight Fixed Income vs. Equities
- Maintain core exposure to intermediate duration fixed income strategy
- Reduce exposure to equity-sensitive fixed income sectors (high yield, convertibles, preferreds, etc.)
- Add or increase exposure to non-U.S. fixed income markets; consider the implications of



currency.

Alternatives:

- Work toward 50/50 allocation to Liquid Alternatives/Traditional Alternatives
- Add or increase exposure to activist and event-driven strategies
- Replace U.S. REIT exposure with International REITs and/or private real estate

**Investment Policy Statement Impact**

Suggests a review/update policy language as needed related to private Alternative Investment vehicles and non-U.S. fixed income exposure

**Investment Policy (Discussion)**

Debbie Chaw provided an overview of social investment, definitions and what types of funds might be of interest in the future.

Staff will provide a draft recommendation management policy for consideration.

Evelyn Dilsaver adjourned meeting at 9:39 am.

Approved: Debbie Chaw 5/9/15  
for BEAD work