

CAL STATE EAST BAY

CAL STATE EAST BAY EDUCATIONAL FOUNDATION

Finance & Investment Committee

Meeting Minutes

Thursday, July 28, 2022

10:00am-11:00am

Via Zoom

Committee Present:

Evelyn Dilsaver (Chair)
Evelyn Buchanan
Patrick Devine
Marvin Remmich
Janet Owen
Jack Acosta
Bette Felton
Amy Schioldager

Staff Present:

May Hernandez
Fern Tyler

Investment Consultant:

Brian Sharpes
Justin Crocker
Dan Tichenor
Heidi Richardson
Graystone Institutional Consulting,
Morgan Stanley

Guests:

Linda Renteria

I. **Call to Order**

The meeting was called to order at 10:01am by Chair Dilsaver. The committee reviewed the agenda.

II. **Approval of Meeting Minutes**

The Finance & Investment Committee reviewed the agenda and the April 28, 2022, meeting minutes. On motion duly made, seconded and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: The board approves the April 28, 2022 minutes.

Motion by: Jack Acosta

Seconded by: Bette Felton

Motion: Passed

III. **Investment Performance Report as of June 30, 2022**

Brian Sharpes introduced Heidi Richardson, staff from Graystone who will join the meetings. Dan Tichenor provided an overview of market conditions, stating that it continues to be a challenging and volatile environment, we are in two quarters of retraction and inflation is a concern.

Heidi presented our portfolio as of June 30, stating we are down 8.67% quarter to date, although our portfolio is handling the downturn well compared to others. We remain close to target on asset allocation. Graystone is actively looking for new investment opportunities.

Overall, the portfolio is positioned to perform well in the long term. The following recent developments were discussed:

- Rebalanced back to targets from US to international Equity
- Re-set Structured Note to new offering structure:
 - Fixed return of 25.25% if the underlying index is positive after 2-year maturity
 - Uncapped upside if the index is higher than the fixed return
 - 1:1 downside if the index is negative
 - Reset back to original allocation amount (~\$850k)

They presented the following recommendations:

- Update target asset allocation based upon 2022 Capital Market Assumptions
 - US & International Equity-28% (-0.5%)
 - Fixed Income-24% (-2.0%)
 - Alternatives-20% (+3%)
- Establish NEW 5% allocation to Western Asset Core Plus (SMA)
 - Looking to diversify Fixed Income exposure and lock in higher yields as rates have increased >150bps
 - The strategy is an opportunistic taxable core plus bond portfolio investing in government, corporates, mortgage securities, asset-backed securities, high yield, and developed and emerging foreign securities
 - Seeks to capture value add through sector rotation, security selection, duration management and yield-curve positioning
 - Fund from Breckinridge Intermediate Government/Credit SMA

IV. **Final FY 2021-2022 Operating Budget Results:**

Myeshia Armstrong stated that the budget is an approved budget, and that adjustment will be made on the documentation moving forward. The Foundation had a positive year and continued to maintain reserves. The committee discussed the administration fee as it was over budget and that item will be followed up on with the internal finance group.

Myeshia explained the FY 22/23 stating it is a streamlined budget and we are well positioned. At the next meeting she will present the Q1 results.

V. **Other Business:**

The committee did not propose any new business.

VI. **Adjournment:**

With no further business to discuss, Chair Dilsaver adjourned the meeting at 10:51am.

Dated: July 28, 2022