

# CAL STATE EAST BAY

CAL STATE EAST BAY EDUCATIONAL FOUNDATION  
Finance & Investment Committee  
Meeting Minutes  
July 11, 2019, 8:30 to 9:30 a.m. SA4600A

**Committee Present:**

Evelyn Dilsaver (Chair) (by phone)  
Jack Acosta  
Debbie Chaw  
Patrick Devine (by phone)  
Janet Owen (by phone)  
Marvin Remmich (by phone)

**Committee Absent:**

Bill Johnson  
Kent Kelley

**Staff Present:**

Carmen Rusca

**Others Present:**

Brian Sharpes,  
Graystone Institutional Consulting

**I. Welcome/Agenda Presented:**

The meeting was called to order by Chair Dilsaver at 8:30 a.m.

**II. Approval of April 19 Meeting Minutes:**

The committee reviewed the minutes of April 19, 2019 meeting.

Minute Action: That the committee approve meeting minutes of April 19, 2019 meeting.

Motion to Approve: Acosta

Second: Chaw

Motion passed

**III. Investment Performance Review as of June 30, 2019:**

Brian Sharpes reviewed investment performance as of June 30, 2019. The overall numbers for 2018 were very good and demonstrate a strong start for 2019. The mood is anticipated to become more conservative with the anticipated secular bear market and secular bull market as well as upcoming elections. There are signs of deterioration and Brian Sharpes said they expect us to be sideways for quite a while. Minimum wages are showing themselves as a problem for small businesses.

**Investment Report**

The committee reviewed the investment summary report which depicted strong results for the quarter ending June 30. Brian Sharpes shared recent developments to the portfolio:

- Redeployed 10% of fixed income allocation (\$440K or ~2.5% of total portfolio) to Lord Abbett Inflation Focused Fund
- Rolled International Structured Note  
Linked to Euro STOXX 50 Index
- Established new \$500k position in CRA Qualified Investment Fund (CRANX)

#### RECOMMENDATIONS

New Asset Allocation Study using Morgan Stanley's 2019 Capital Market Assumptions largely reaffirms current positioning, with minor adjustments:

- Preference for International>US and Value>Growth
- Continue to expect below-average returns over 7-year "Strategic" horizon
- Increase fixed income target allocation from 25% to 28%, reducing US and International Equity targets equally, from 30% to 28.5% each  
US equity markets at all-time highs, deteriorating economic and corporate earnings data

Minute Action: That committee approve the recommendations stated in the investment report.

Motion to Approve: Owen

Second: Acosta

Motion: passed

#### **VII. Other Announcements/Business**

Debbie Chaw noted that the FYTD Budget Actuals was not available for discussion at this meeting due to timing of the books closing. It will be on the agenda for the next committee meeting.

#### **Adjournment:**

Chair Dilsaver adjourned the meeting at 8:58 a.m.

Dated: July 11, 2019



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Debbie Chaw, Treasurer  
Approved and True Copy

Recorded by Carmen Rusca, Executive Assistant to Debbie Chaw, Treasurer