I. Welcome Remarks/ Approval of Meeting Minutes

The meeting was called to order at 8:33 a.m. by Chair Dilsaver.

II. Approval of Meeting Minutes:

The committee reviewed the minutes from April 22, 2020 meeting.

Minute Action: That the committee approves the minutes from the April 22, 2020 meeting.

Motion to Approve:  Acosta  Second:  Owen  Motion:  passed

III. Investment Performance Review:

Brian Sharpes reviewed the investment performance summary and report as of June 30, 2020. In his overview he noted that current market conditions were mostly due to dramatic shifts in the wake of the global pandemic starting in March 2020. He stated the market is similar to where it was in the 90’s with high unemployment rates, an upcoming election, and other market conditions creating a less than favorable climate. The committee discussed multiple market sectors, economic impact, and how that translates to CSUEB’s investment portfolio. Sharpes stated that economic conditions are tough, our portfolio is underperforming slightly but thinks that long term it should re-stabilize. At this time, Sharpes believes we are allocated as we should be, and gave some historical market trends that justifies our allocation distribution.

Recommendations are as follows:

- Asset Allocation Analysis using Morgan Stanley’s 2020 Capital Market Assumptions largely reaffirms current positioning
  - Continue to expect below-average returns over a 7 year “strategic” horizon
  - Preference within Equities for International > US and Value > Growth
- Add 2.5% allocation to NEW Fuller & Thaler Small Cap Value SMA
  - Fund from SPDR Portfolio Total Stock Market ETF (SPTM)
  - US Small Cap underperformance has been extreme relative to Large Cap
  - Manager employs unique approach, incorporating behavioral economics
  - Seeks to capitalize on behavioral biases that may cause the market to overact to old, negative information or underreact to new, positive information on a company

Minute Action: That the committee approves the investment recommendations as set forth.
Motion to Approve: Acosta  Second: Dilsaver  Motion: passed

IV. Final FY 2019-2020 Operating Budget Results:
Debbie Chaw reviewed the final FY 19/20 operating budget results. It was noted that Endowment Administration Fees were lower than projected due to last quarter market volatility related to the global pandemic; however, Gift Administration fees were able to make up for some of that shortfall. The final result was slightly better than expected.

Chaw also reviewed the FY 20/21 budget with the committee, noting that the Executive Committee approved it at their May 14, 2020 meeting. She stated that we boosted the endowment administration fee slightly to present a balanced budget. Chaw was informed that the Administration Fee projection will be lowered from the university, so we should have a positive net asset expectation for FY 20/21.

VI. Other Business:
There were no new business items presented by committee members.

VI. Adjournment:
With no further business to discuss Chair Dilsaver adjourned the meeting at 9:26 a.m.

Dated: July 22, 2020

Debbie Chaw, Secretary

Recorded by May Hernandez