

Trustees present: Amy Schioldager, Chair; Jack Acosta; Myeshia Armstrong; Evelyn Buchanan; Mike Coke; Randy Davis; Jim Hannan; Larry Hilty; Johan Klehs; Marvin Remmich; Robert Scribner; Leona Tang

Absent: Jenny Linton; Janet Owen; Linda Renteria

Guests & Staff: May Hernandez, Director, Educational Foundation; Brian Sharpes, Graystone Consulting; Ed Stubbins, Asset Manager; Fern Tyler, Director, Advancement Services & Analytics

MINUTES

1. **Call to Order:** Chair Schioldager called the meeting to order at 3:45pm.

a. **Approval of February 20, 2025 Meeting minutes:** No changes to the minutes were brought forward.

On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: The committee approves the minutes as prepared from February 20, 2025.

Motion by: Robert Scribner

Seconded by: Jack Acosta

Motion: Passed

2. **Graystone Consulting Presentation**

a. **Asset Class Deep Dive: Fuller & Thaler:** Brian Sharpes introduced Ed Stubbins, Investment Manager at Fuller & Thaler, who provided an in-depth presentation on behavioral small-cap strategies as part of the committee's scheduled asset class review. Mr. Stubbins shared background information on the firm, which was founded in San Mateo based on the principles of behavioral finance, and presented their investment approach, performance data, and answered questions from the committee.

b. **Investment Performance Report as of March 31, 2025:** Brian Sharpes provided a market and performance update, noting that:

- The market has rebounded strongly.
- International markets are performing well.
- Interest rate cuts may not occur until 2026, and volatility is expected to continue.
- As of March 31, YTD returns were approximately +1.4%; performance improved to +4% in April and approximately +5% as of the most recent days.
- The portfolio continues to outperform institutional peers, which are up roughly 1%.

He emphasized that diversification has contributed to overall strong performance.

Recent Developments:

1. Rebalance Long-Term Portfolio toward asset allocation targets with a focus on increasing International Equities and Fixed Income.

Recommendations:

1. Reaffirm broad allocation targets and establish sub-asset class targets for Alternative Investments
 - US Equity: 27%
 - International Equity: 27%
 - Fixed Income: 28%
 - Alternative Investments: 18%
 - i. Liquid Alternatives: 6%

- ii. Private Equity: 4%
- iii. Private Real Estate: 5%
- iv. Private Credit: 3%
- v. Increase target on Private Alternative Investments as Foundation continues to grow and is capable of taking on additional illiquidity risk

On motion duly made, seconded, and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: The committee approves Graystone’s recommendations.

Motion by: Jack Acosta

Seconded by: Robert Scribner

Motion: Passed

3. Foundation Budget Reports:

a. Operating Budget Actuals Through June 30, 2025: Myeshia Armstrong reported that as the fiscal year concludes, revenues continue to cover expenses, with reserves growing and expenditures tracking slightly under budget.

b. Operating Budget for FY 25/26 Approval: Myeshia presented the proposed FY 25/26 budget, noting:

- Continued strong revenue performance is expected.
- Planned increases in investment toward the Development department
- The Foundation still anticipates maintaining a large operating surplus.

MINUTE ACTION: The committee approves the FY 25/26 Operating Budget.

Motion by: Johan Klehs

Seconded by: Jack Acosta

Motion: Passed

c. FY 25/26 Endowment Distribution Approval: The committee reviewed the endowment distribution report and had no questions.

MINUTE ACTION: The committee approves a 4% endowment distribution totaling \$810,042.14 for FY 25/26.

Motion by: Jack Acosta

Seconded by: Jim Hannan

Motion: Passed

4. New Business: No new business presented.

5. Adjournment: With no further business to discuss, Amy adjourned the meeting at 5:02pm.

Dated: June 12, 2025