

CSUSB FOUNDATION

Building a Culture of Philanthropy

Investment Committee Meeting

Thursday, May 18, 2023

10:00 a.m.

Zoom

MINUTES

Members Present: Gary McBride (Chair), Monica Alejandre, Johnny Davis, Paola Galvez, Robert Nava, Thomas Pierce, Phil Savage, William Stevenson, Samuel Sudhakar, Edward Teyber

Members Absent: Douglas Freer, Ellen Weisser

Guests Present: Maria Badulis, Mike Breller, Estefania Vazquez

Welcome

Investment Committee Chair, Gary McBride, called the meeting to order at 10:03 a.m.

Motion: The minutes for the March 3, 2023, were approved as distributed. (Teyber/Savage)

1st Quarter Portfolio Performance and Discussion

Mike Breller presented the 1st quarter portfolio performance. The total market value across the portfolio is over \$48 million, this includes short-term investments and the endowment. The committee engaged in an extensive discussion regarding the alternatives in the portfolio and how the funds that have not been called are being invested within the portfolio.

Breller explained that the 2022 downturn and 2023 rebound reflects the changing expectations over inflation and federal activity. In 2022, higher-than-anticipated inflation negatively impacted markets, while swift fed action has led to a lower expected inflation in the near term, helping markets. Breller highlighted that during the quarter, growth stocks outperformed value stocks. Furthermore, developed market stocks outperformed emerging market stocks.

In addition to the performance overview, Breller conducted a thorough portfolio review. The endowment exceeded the policy benchmark for both the quarter at 6.1% and one-year periods. Breller explained why the benchmark (stock and bond only) is useful because we can better gauge our asset allocation decisions to alternatives (in addition to manager selection). Large Cap Value manager, Fiduciary Management, outperformed by 3% for the quarter and now leads its benchmark over 1 year as well. Growth manager, Polen, virtually matched the benchmark with the 14% return for the quarter. International managers far outpaced the MSCI ACWI benchmark. Alternatives continue to boost results for the portfolio, Mike reviewed the greater than 20% annualized returns for two of the private real estate holdings over their investment periods.

Beacon Pointe will conduct an IPS (Investment Policy Statement) and Asset Allocation review during the next quarterly meeting.

Open Discussion

The Committee thanked ASI President, Paola Galvez for all her great work with CSUSB Philanthropic Foundation and her leadership and commitment to the University. Galvez enjoyed her time on the committee and thanked them for sharing their experience and knowledge throughout her time as a committee member.

Meeting adjourned at 11:43 am.

**Approval of Minutes
Investment Committee Meeting
May 18, 2023
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Signature: Monica Alejandre

Date: 9/14/2023

Print Name: Monica Alejandre

Board Position: Secretary