

CSUSB FOUNDATION

Building a Culture of Philanthropy

INVESTMENT MEETING

Friday, May 8, 2020, 10:00 AM

ZOOM

Minutes

Members Present:

Douglas Freer, *Treasurer*
Robert Nava, *Executive Director*
Thomas Pierce
William M. Stevenson
Ed Teyber
Ellen G. Weisser, *Chair*

Others Present:

Monir Ahmed
Monica Alejandre
Mike Breller
Michelle Cazares
Michael Dow

Members Absent:

Gary McBride, *Investment Committee Chair*

A. Welcome

Stevenson called the meeting to order at 10:05 AM

B. Approval of the Minutes

Motion: The minutes of the November 8, 2019 Investment Committee meeting were approved, with a correction to the stated portfolio mix benchmark (should be 65/35 instead of 75/25), and make the appropriate changes to “fiduciary responsibilities” (*Pierce/Weisser/Unanimous*).

C. Investment Policy Statement

Breller reported that he would like to bring a redline version for the committee’s review at the next meeting, so they can make changes and update the objective and risk statement.

D. 1st Quarter Portfolio Performance

The committee discussed the blended benchmark, and that the policy was to beat a benchmark of the market, not to beat the institution’s peers. Breller mentioned that the committee does review the NACUBO study to see how the portfolio fares among other similar sized university

endowments. The committee agreed that they would like that review to be scheduled around the first quarter of each calendar year, or as soon as possible following the results of the NACUBO study.

Breller reviewed the market cycle give the current COVID-19 pandemic and some of the government shutdowns; all sectors experienced negative returns, and growth stocks outperformed Value by a wide margin. Containing the virus has caused a “sudden stop” in economic activity – we are experiencing the first ever “recession by government decree.”

Dow also recommended a strategy recommendation in terms of the Government’s announcement of a new Term Asset-Backed Loan Facility (TALF) program. The government is supporting essential consumer credit markets (specifically consumer ABS) by offering cheap, stable financing to encourage market participants to stay involved and improve bond market functioning. This is a replay of what was done in 2008-2009. Beacon Pointe recommended a 2% allocation, or roughly \$800K of the Endowment portfolio, within the Alternatives allocation.

E. Open Discussion

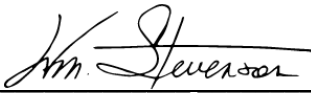
Teyber and Stevenson brought up the Beacon Pointe recommendations that were provided in regards to the Alternatives portfolio. While the committee felt comfortable with the recommendation, they wanted to ensure that the chair was also supportive of the recommendation. Breller and the CSUSB staff will hold a meeting with McBride to see if he agrees prior to the subscription deadline.

The committee discussed the short-term investments that are in Vanguard and SWIFT. Breller recommended that the money seemed to be safer as short-term fixed income, due to the timing of the market. The committee agreed to revisit this discussion in future meetings.

The committee discussed perhaps having more frequent meetings, but with shorter duration, given the new environment. The conversation will be revisited at later meetings.

F. Adjourn at 12:51pm

Signature of Minutes Approval
Investment Committee Meeting
May 8, 2020, 10:00 AM

Signature:  Date: 8/28/20

Print Name: William Stevenson

Board Position: Secretary