

CSUSB FOUNDATION

Building a Culture of Philanthropy

Investment Committee Meeting

Friday, November 4, 2022

10:00 a.m.

Zoom

MINUTES

Members Present: Gary McBride (Chair), Monica Alejandre, Johnny Davis, Thomas Pierce, Ellen Weisser, William Stevenson, Samuel Sudhakar, Edward Teyber

Members Absent: Douglas Freer, Robert Nava, Paola Galvez

Guests Present: Michael Au-Yeung, Maria Badulis, Mike Breller, Estefania Vazquez

Welcome

Investment Committee Chair, Gary McBride, called the meeting to order at 10:02 a.m.

Motion: The minutes for the August 19, 2022, were approved as distributed. (Weisser/Pierce)

3rd Quarter Portfolio Performance and Discussion

Mike Breller presented the 3rd quarter portfolio performance. The S&P is down another 5%. The total market value across the portfolio is over \$43 million, this includes short-term investments and the endowment. Breller briefly discussed employment, U.S. inflation and the impacts it has on the economy. The committee further discussed whether consumer spending or supply chain issues are the cause of U.S. inflation.

Dr. Thomas Pierce brought attention to domestic and international equity. Asking whether the committee should consider decreasing international equity and increasing domestic equity? A few other committee members shared the same concern. Although domestic equities are below their benchmark their returns have continually been above the international equity return. Factors that were discussed in this topic included the influence of the dollar and global politics. Breller mentioned if the committee is assessing risk mitigation, then domestic equity is preferred. Breller does not recommend dropping below 13-14% in international equity. No recommendations were made on behalf of the committee or Beacon Pointe. Breller will consider the committee's remarks concerning this area as Beacon Pointe thinks about rebalancing.

Asset Allocation Recommendation- Private Lending Fund

Beacon Pointe recommended an allocation of 3% of assets to Cliffwater Corporate Lending Fund. Cliffwater is a private lending fund operating as an interval fund. Interval funds are much

more liquid than hedge funds. They loan to various industries including technology and healthcare. Different factors affect these industries. The committee brought up concerns about liquidity risk and the lifespan in comparison to other alternatives in the portfolio. Breller notes Cliffwater is managing the process and is not concerned with how they have operated over time. Funding for this allocation will come from the portfolio's fixed income allocation. This will shift the fixed income allocation down by a few percent.

Motion: The Investment Committee moved to invest 3% of the fixed income portfolio into the Cliffwater Corporate Lending Fund. (Stevenson/Weisser)

Open Discussion

The committee briefly reviewed investment committee membership. Chair, McBride thanked the committee for their engagement and appreciates the work they are all doing for the Foundation.

Pierce suggested obtaining information on how CSUSB compares with other CSUs of similar circumstances. Alejandro mentioned the NACUBO report collects data from all CSU campuses. The report should be made available in February or March of 2023. The NACUBO report can be shared with the committee during the next meeting.

Due to the increasing diversity in alternatives, Chair, McBride proposed reviewing the Investment Policy in an upcoming meeting.

Meeting adjourned at 12:11 pm.

**Approval of Minutes
Investment Committee Meeting
November 4, 2022
Zoom**

Signature: Monica Alejandre

Date: 3/3/2023

Print Name: Monica Alejandre

Board Position: Secretary