

CSUSB FOUNDATION

Building a Culture of Philanthropy

Investment Committee Meeting

Friday, March 3, 2023

10:00 a.m.

Zoom

MINUTES

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

Members Absent: Douglas Freer, Johnny Davis

Guests Present: Debbie Brown, Michael Au-Yeung, Maria Badulis, Mike Breller, Catherine Orellana, Estefania Vazquez

Welcome

Investment Committee Chair, Gary McBride, called the meeting to order at 10:04 a.m.

Motion: The minutes for the November 4, 2022, were approved as distributed. (Pierce/Teyber)

NACUBO Review

Mike Breller from Beacon Pointe highlighted parts of the NACUBO study to the committee. The NACUBO report is a national study where data is submitted from across all higher education institutions. It is voluntary but most institutions participate. Areas that were pointed out by Breller are private and international equity, and asset allocations. Breller discussed the difference in asset allocation between CSUSB Foundation Portfolio and other CSUs. Breller further commented that the Foundation portfolio is not misallocated but rather the discussion should be about private equity.

CSU Endowment Performance

Monica Alejandre presented the CSU Endowment performance report. This is a report the Chancellor's office puts together every year based off information the CSUs report on the NACUBO study. The report groups CSUs into different peer groups based on enrollment, alumni, and endowment size. Alejandre explained to the committee the different peer groups and discussed how CSUSB compares to its peers. Dr. Thomas Pierce mentioned it would be valuable for the committee to be able to view the past five years of this report. This would allow the committee to consider the different strategies other campuses use for investing and how that may differ from CSUSB. McBride asked Breller if strategy changes need to be made given that the portfolio is beating the index but still underperforming.

4th Quarter Portfolio Performance and Discussion

Mike Breller presented the 4th quarter portfolio performance. The total market value across the portfolio is over \$45 million, this includes short-term investments and the endowment. The CSUSB Foundation Portfolio is investing everything within the investment policy constraints. All allocations are within guidelines. Topics discussed included domestic equity, international equity, asset allocations and alternatives.

Beacon Pointe shared the portfolio was underweight in international equity at 17% compared to the market at 23%. The committee further discussed international equity and investment strategies. Breller mentioned that within the past 10 years it has been easier to beat the value index versus the growth index. Attention was brought to two active managers that underperformed in domestic equity. Beacon Pointe met with one of the managers and is confident they will perform. Breller pointed out Fiduciary Management has gone up 4% since December 2022.

The alternatives within the portfolio have been successful. Kimpact Evergreen Fund has annualized 26% returns over a three-year performance. Breller mentioned once an asset allocation analysis is performed the committee can decide on the next allocation whether it be private real estate or private equity.

Open Discussion

Chair, Gary McBride opened the discussion for any items the committee would like to address.

An agenda item proposed for the next quarter is for Beacon Pointe to conduct an asset allocation analysis.

The committee decided to add an additional meeting that will take place before the next scheduled quarterly meeting.

Meeting adjourned at 11:34 am.

**Approval of Minutes
Investment Committee Meeting
March 3, 2023
Zoom**

Signature: Monica Alejandre

Date: 5/18/2023

Print Name: Monica Alejandre

Board Position: Secretary