

CSUSB FOUNDATION

Building a Culture of Philanthropy

INVESTMENT MEETING

September 4, 2018, 2:00 p.m.

UEC Board Room, UE-102

Minutes

Members Present:

Douglas Freer, *Treasurer*

Ronald Fremont, *Executive Director*

Gary McBride

Thomas Pierce

William M. Stevenson, *Investment Committee Chair*

Ellen G. Weisser, *Chair*

Others Present:

Monica Alejandre

Doug Allison

Mike Breller

Michelle Cazares

Davina Lindsey

Kim Shiner

Members Absent:

A. Welcome

Stevenson called the meeting to order at 2:07 p.m.

B. Approval of the Minutes

Motion: The minutes of the May 3, 2018 Investment Committee meeting were approved.
(Stevenson/Pierce/Unanimous).

C. 2nd quarter portfolio performance and discussion

Stevenson invited the committee to discuss portfolio status. Breller provided a 2nd quarter summary, and noted that Q1 GDP was 2.0% compared to 2.9% in Q1 2017. Allison notes that the periods ending June 30, 2017 and June 30, 2018, growth has outperformed value on an annualized 10-year basis by 3.3%., which is almost two standard deviations above the historical average.

Breller discussed the portfolio and the asset classes, and provided an overview of the portfolio. As of June 30, the composite results have been close relative to the benchmark at -0.4%. He commented that domestic equities has been keeping up with the market, but that international equities have been seeing volatility in the recent quarter.

The current market cycle remains a concern. The current economic expansion turned 9 years old in June and is now the second longest expansion in U.S. history. Strong earnings growth and a modest market pullback have moderated equity valuations.

D. Open Discussion

Breller recommended to the committee that the investment in Victory Global Natural Resources, which represents 2.2% of the portfolio, be moved into BlackRock, as Beacon Pointe feels there is too much volatility in Victory. The committee reviewed their policy range to determine that the revised target allocation would be within the allowable range.

Motion: Stevenson proposed a withdrawal of funds from Victory to be moved into BlackRock.
(Weisser/Pierce/Unanimous)

E. Investment Committee Closed Session

The committee moved into a closed session to discuss matters on the endowment.


F. Meeting adjourned at

Meeting adjourned at 3:58 p.m.

Signature of Minutes Approval
Investment Committee Meeting

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Signature:  Date: 11/9/18

Print Name: William Stevenson

Board Position: Secretary