

# CAL STATE EAST BAY

## CAL STATE EAST BAY EDUCATIONAL FOUNDATION

### Finance & Investment Committee

Meeting Minutes

Thursday, October 20, 2022

9:00am-10:00am

Via Zoom

#### **Committee Present:**

Evelyn Dilsaver (Chair)  
Myeshia Armstrong (Treasurer)  
Patrick Devine  
Marvin Remmich  
Janet Owen  
Jack Acosta  
Bette Felton  
Amy Schioldager  
Michael Coke  
Evelyn Buchanan

#### **Staff Present:**

May Hernandez

#### **Investment Consultant:**

Brian Sharpes  
Justin Crocker  
Dan Tichenor  
Graystone Institutional Consulting,  
Morgan Stanley

#### **Guests:**

Linda Renteria

#### I. **Call to Order**

The meeting was called to order at 8:59am by Chair Dilsaver. The committee reviewed and approved the agenda.

#### II. **Approval of Meeting Minutes**

The Finance & Investment Committee reviewed the agenda and the October 20, 2022, meeting minutes. On motion duly made, seconded and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: The board approves the October 20, 2022 minutes.

Motion by: Bette Felton

Seconded by: Janet Owen

Motion: Passed

#### III. **Investment Performance Report as of September 30, 2022**

Brian Sharpes provided an overview of current market conditions, stating that it continues to be a challenging and volatile environment. The portfolio is weathering the storm well, but the overall economic landscape is potentially headed towards recession in 2023.

Dan Tichenor discuss our portfolio, stating we are slightly under / over on certain asset allocation spaces given market movements, but we will continue with this position for the time being. Overall the portfolio is down 18.3%, but we are still better than the benchmark.

Overall, the portfolio is positioned to perform well in the long term. The following recent developments were discussed:

- Updated target asset allocation based upon 2022 Capital Market Assumptions
  - US & International Equity 28%
  - Fixed Income 25%
  - Alternatives 20%
- Established NEW 5% allocation to Western Asset Core Plus funded from Breckinridge

They presented the following recommendations:

- Trim SPDR S&P 1500 Composite Stock Market and establish NEW 2.0% allocation to **Geneva Small Cap Growth**
  - Focuses on high quality companies with sustainable competitive advantages, industry leadership, experienced management and low debt levels
  - The strategy's emphasis on stocks with durable and sustainable growth rates, as well as those with high return on equity and low debt levels, results in a quality portfolio with low beta and downside and upside capture ratios
  - Moderately diversified portfolio of 50-60 stocks with low turnover
  - Performance is benchmarked against the Russell 2000 Growth Index
- Terminate Brandes Emerging Markets and establish NEW allocation to **iShares Emerging Markets Index (IEMG)**
  - Brandes has experienced underperformance vs. the benchmark
  - Move to a passive fund while conducting manager search for Emerging Markets
  - Maintain overall Emerging Markets allocation; neutralize emphasis on value factor in favor of "core" exposure

**MINUTE ACTION:** The board approves the recommendations made by Graystone Consulting.

Motion by: Michael Coke

Seconded by: Patrick Devine

Motion: Passed

IV. **FY 22/23 Operating Budget Actuals as of September 30, 2022:**

Myeshia Armstrong stated that the budget remains on target, and not a lot of change since the committee last reviewed. We expect additional revenue to come in due to the upcoming Giving Tuesday initiative, and we are waiting for some additional planned expenses to post soon.

V. **Other Business:**

Evelyn Buchanan discussed the new initiative related to the investment policy. She stated it needs review and refresh, specifically is the ESG space with some language that is in the current policy. She said she will work with the investment advisors and share updates in the future for review and approval.

VI. **Adjournment:**

With no further business to discuss, Chair Dilsaver adjourned the meeting at 9:43am.

Dated: October 20, 2022