



# CAL STATE EAST BAY

CSU East Bay Foundation, Inc.

May 6, 2021

1-2:30 p.m.

Via Zoom

Board Meeting Minutes

## Members in Attendance

Bill Johnson (Chair)

Debbie Chaw (Secretary-Treasurer)

Dr. Albert Gonzalez

Dr. Gretchen Reevy

Balvinder Kumar

Dr. Edward Inch (Vice Chair)

Kim Huggett

Pam (Euridice) Sanchez-Martinez

## Members not Present

Omer Shakoor

Pascale Guiton

## Staff

Mesam Bahmani, Exec. Asst. to AVP Finance

## Guests

Dan Tichenor, Morgan Stanley Graystone Institutional Consulting

Brian J. Sharpes, CIMA, Institutional Consulting Director Graystone Institutional Consulting, Morgan Stanley

## MINUTES

I. Meeting called to order by Chair Johnson at 1:10 pm.

### II. Approval of Agenda

Minute Action: To approve of agenda of May 6, 2021 Meeting

Motion: Chaw

Second: Inch

Motion: Passed

### III. Approval of Minutes of January 28, 2021 Meeting

Minute Action: To approve of minutes of January 28, 2021 Meeting

Motion: Chaw

Second: Inch

Motion: Passed

### IV. Investment Summary YTD 3/31/2021

Dan started the investment summary discussion pointing out the incredible recovery since last March 2020. From an investment standpoint it's been a really incredible recovery – a V shape recovery. Dan mentioned that Morgan Stanley Graystone continues to focus on fundamentals and select stocks that are positioned to weather any sort of future storm and looks into quality

\*The Foundation Board of Directors is a public body, and members of the public have a right to attend and participate in its meetings.

businesses that will continue to grow.

Brian reviewed the various portfolio returns which showed a 20.52% increase for the CSUEB Foundation, 19.86% for Extension Division, and 21.29% for ASI. Brian went over the recent developments for the various portfolios:

- Extension Division – established a 6% allocation to NEW Causeway International Equity SMA (International Equity)
- Foundation & Extension
  - terminated PIMCO Total Return SMA (Fixed Income)
  - established 6% allocation to New Virtus Newfleet Low Duration Core Plus Bond Fund (HIBIX) (Fixed Income)
  - terminated Accuvest International Equity SMA (International Equity)
  - trimmed Hansberger International Growth SMA (International Equity)
  - rebalanced both portfolios to targets

Brian moved forward to listing their recommendations for each portfolios as follows:

#### Foundation & Extension Division Portfolios

- Terminate Lord Abnett Inflation Focused Fund (LIFFX)
  - Performance has been strong, with a total return of more than 29% over the trailing 1-year period
  - Strategy seeks to take advantage of intermediate-term expectations for inflation, while short-term inflation pressures may pose a greater risk
  - In Extension Division Portfolio, allocate proceeds to Virtus Newfleet Low Duration Core Plus Bond Fund (HIBIX)
  - In Foundation Portfolio, use proceeds for rebalance to new targets below

#### Foundation Portfolio

- Establish target allocation changes below
  - Decrease Fixed Income target from 30% to 26%
  - Increase Alternative Investments target from 15% to 17%
  - Increase US and International Equity targets from 27.5% to 28.5%
  - Rebalance to new targets
- Establish target allocation changes below
  - Establish \$250,000 capital commitment (~1.5% of total portfolio) to Bridge Workforce & Affordable Housing Fund II, L.P.
  - Consider establishing capital commitment to Boyd Watterson GSA Fund

Minute Action: To approve the provided recommendations and establishing \$250,000 capital commitment (~1.5% of total portfolio) to Bridge Workforce & Affordable Housing Fund II, L.P.

Motion: Chaw

Second: Gonzalez

Motion: Passed

Minute Action: To approve the recommendations for establishing a capital commitment to Boyd Watterson GSA Fund if there are no ICE properties. If they have ICE properties, the recommendation will be reintroduced to the board over email or until next meeting.

Motion: Chaw

Second: Johnson

Motion: Passed

V. Review FY 20/21 Operating Budget – YTD Results

Debbie reviewed the FY 20/21 operating budget. Pointed out that our outlook for commission revenue is lower than was budgeted. The management revenue for the ALP program was reduced because of a lack of ALP students due to the pandemic. For 21/22 the commission revenue from the bookstore is projected to increase due to various programs that will take place on the university side to help student on instructional material and device voucher program. Debbie pointed out that the main expense for the Foundation is the cost recovery expenses for the administration and financial functions performed by the university and the retirement pension contribution that Foundation is required to make to CalPERS on a yearly basis. The main source that sustains the foundation is the non-operating revenue from the positive investment returns. It was shown on the screen that \$2.5 million made through the investment portfolio contributed to funding the Foundation and making up for the operating losses that occurred

VI. Approval of FY 21/22 Budget and Reserves

Debbie reviewed the FY 21/22 operating budget and reserves. She noted that the operating budget has a \$684,273 deficit without including non-operating revenue. The reserve analysis indicated that the Foundation has enough in reserves to comply with its reserve policy with \$3,484,546 designated as reserves to cover the required estimated \$3,194,262 for working capital, capital replacement, and planned future operations.

Minute Action: To approve the proposed budget to 21/22 and the reserves.

Motion: Johnson

Second: Huggett

Motion: Passed

VII. Approval Slate of Officers and Board Nominations

Debbie mentioned beginning of July 1<sup>st</sup>, interim provost Dr. Kimberly Greer is nominated to be the Vice Chair in replacement of Dr. Inch. Debbie pointed out that we will be expecting new ASI student representatives and on the faculty side Dr. Pascale Guiton has joined the board. Lastly the board has two vacancies on the faculty side.

Minute Action: To approve the slate of officers and the appointed director.

Motion: Chaw

Second: Johnson

Motion: Passed

VIII. Conflict of Interest/Related Parties Questionnaires

Debbie informed the board that the conflict of interest related parties questionnaires gets completed every year. Mesam will send out the form via Adobe Sign to be completed and signed by everyone that is on the board and also by the ones who are leaving the board.

IX. Other Business

Debbie congratulated the students on board and for graduating. Lastly, thanking Dr. Inch for his services and this being his last board meeting.

X. Adjournment

With no further business, Chair Johnson adjourned the meeting at 2:33 pm.

Dated: May 06, 2021

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Debbie Chaw, Secretary Treasurer

Recorded by Mesam Bahmani