

**SAN FRANCISCO STATE UNIVERSITY FOUNDATION
INVESTMENT COMMITTEE MEETING MINUTES**

Via Zoom

Wednesday, May 28, 2025 at 11:00 AM

I. **Call to Order:** Chair Neumann called the meeting of the Investment Committee to order at 11:02 AM.

Committee Members Present

Sheldon Gen, Director
Tina Herrera, Director
Mary Huss, Board Chair
Dan Neumann, Committee Chair

Committee Members Absent and Excused

Kimberly Brandon, Director
Leona Bridges, Director
Don Endo, Vice Chair
Jeff Jackanicz, Foundation President
Karim Salgado, Director
Jeff Wilson, Director

Others Present

Adeleke McMillian, Cambridge Associates
Mike Pearce, Cambridge Associates
Tammie Ridgell, Associate Vice President, Auxiliary Business Services, University Corp
Eva Shang, Co-founder and CEO, Legalist
Amanda Soto, Cambridge Associates
Venesia Thompson-Ramsay, Secretary & Treasurer, SF State Foundation
Wendy Walker, Cambridge Associates

II. **Public Comments:** There were no public comments.

III. **Agenda:** The Committee reviewed the agenda.

IV. **Approval of Meeting Minutes:** Due to a lack of quorum, the minutes from the February 12, 2025 meeting were not approved.

V. **FY 2025-2026 Schedule:** This item was handled via email.

VI. **Market Environment:** Pearce discussed market performance year-to-date (YTD) with a snapshot of the month of May. He said May 2025 had been a remarkably strong month for global equity markets, with most major indices showing notable gains. He said global equities year-to-date (as of mid-May) were up 5.6%, with non-U.S. markets (i.e. Euro area, UK and emerging markets) showing outperformance relative to the U.S., which was the worst-performing regional asset class in this view. Pearce said one notable shift was U.S. underperformance. He said this was unusual as the U.S. had been the dominant equity performer for the last 15+ years, especially post-GFC (Great Financial Crisis). Pearce said this raised the question as to whether we were seeing the early signs of a secular shift in global capital allocation — from U.S. to non-U.S. markets. Pearce said potential drivers behind the rotation included: 1) Policy concerns in the U.S. (growing unease around fiscal discipline and domestic policy decision as well as non-U.S. investors might be rebalancing

away from U.S. exposure); 2) Tariffs & trade war dynamics (U.S. policies were driving reciprocal trade barriers globally. Additionally, other regions (e.g., Eurozone + Asia) might maintain relatively lower intra-regional tariffs, making them more attractive for global capital; and 3) Dollar weakness (the U.S. dollar had weakened in 2025. For U.S.-based investors, this amplified returns on foreign investments when translated back into dollars). In response to a question about whether strong returns from the Eurozone were performance-related or currency-related, Pearce said the strong YTD Eurozone returns were partially driven by currency translation. He said the Foundation is U.S. dollar investor, so when the dollar weakens, local-currency gains in Europe and emerging markets appear larger in USD terms. Mike said the key takeaway was that, for the first time in years, global allocators might be looking beyond the U.S. for performance, prompted by a number of factors, including softening of U.S. fiscal/monetary appeal, rising global trade tensions centered on U.S. policies and weakening dollar dynamics. Pearce said it was not yet clear if this was a short-term reaction or part of a longer-term realignment.

Pearce then provided a capital markets update (global tariffs, economic forecasts, and valuations). He said the US was in a historic tariff environment. He said a recent spike in U.S. tariffs (following “Liberation Day” and reciprocal actions) marked the highest effective tariff rate in over 100 years. He said even post-adjustments, current or proposed 10% baseline tariffs would remain historically high — not seen since the 1940s. Pearce said the markets might be underestimating the long-term impact of such a structural shift in trade policy and that supply chain adaptations might mitigate some cost pressure, but profit margins, global growth, and investment decisions could be meaningfully affected. He said that, as of April 30, 2025, the GDP growth expectations had softened globally since the start of the year. He said the U.S. GDP forecast had dropped from 2.1% to 1.4%, with similar declines seen across other regions (Eurozone, Emerging Markets, etc.). Pearce said although there was no recession projected, it was clear we were in a broad-based economic slowdown, which might affect corporate earnings, future equity returns, and investor sentiment.

In his overview of valuation, Pearce said U.S. Growth Equities remained expensive, which was driven by continued optimism in AI-driven earnings growth, particularly in the tech sector. He said broader Developed Markets was also slightly elevated, pulled up by U.S. valuations. Pearce said there were no extreme signals. That is, no asset classes appeared drastically overvalued enough to warrant a strong sale and no asset classes were deeply undervalued to warrant aggressive buying. He said the general strategy was to trim gains in over-performing areas (e.g. U.S. growth equities) and maintain neutral weights in fairly valued segments across asset classes.

VII. **Closed Session:** The Committee moved into closed session to discuss its investments, per Education Code section 89923. On motion duly made, seconded and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the Committee enters closed session.

Motioned by: Tina Herrera Seconded by: Mary Huss Motion: Passed

VIII. **Adjournment:** With Mary Huss making the motion and Tina Herrera seconding the motion, the Investment Committee meeting was adjourned at 1:01 pm.

Respectfully submitted,

Dan Neumann, Chair

Date