

**SAN FRANCISCO STATE UNIVERSITY FOUNDATION
INVESTMENT COMMITTEE MEETING MINUTES
Cambridge Associates Office
101 California Street, 33rd Floor, San Francisco, CA
Wednesday, April 19th at 9 AM**

Chair Kimberly Brandon started the Investment Committee meeting at 9:02 AM.

Committee Members Present

Kimberly Brandon, Committee Chair
Robert J. Nava, President
Taylor Safford, Vice Chair
Herb Myers, Director (via phone)
Neda Nobari, Director
Ann Sherman, Director
Brent Stranathan, Director (via phone)

Absent and Excused

Phil King, Director
Leona Bridges, Director

Others Present

Venesia Thompson-Ramsay, Secretary and Treasurer
Ravi Karra, Cambridge Associates
Jessica Mathews, Cambridge Associates
Lauran Buchanan, Cambridge Associates
Ashley Cohen, Cambridge Associates

Welcome and Introductions:

Ravi Karra welcomed everyone to the first of two planning meetings. He then asked everyone to go around and introduce themselves. He said the purpose of the meetings was to arrive at a common understanding of the Foundation's objectives and constraints.

Investment Planning Review:

Karra started by laying out Cambridge Associates (CA) understanding of the Foundation, including its spending policy, revenue and cost structures and liquidity constraints. He said the Foundation's net flow rate was flat in 2015 but turned positive in 2016 due largely to a multi-million dollar gift. He said a continued positive year-over-year net flow would allow the Foundation to support the University at a higher level. Karra said the Foundation's cost structure of administrative fees was in line with other institutionally-related Foundations.

Karra also discussed the Foundation's financial and investment objectives. He said the financial objectives were like most endowments - to produce a stable spending stream and to maintain and

preserve the purchasing power of the Foundation, net of spending. He said that CA's recommendation was that the Foundation's investment objective be to earn a real return of 5.25% or greater, net of all fees and expenses, over rolling 10- or 15-year periods.

Jessica Mathews provided a brief overview of her work in the Mission-Related Investment (MRI)/Environmental Social Governance (ESG) space. She said she has reviewed the Foundation's MRI policy and felt it needed more work. She offered to initiate a first draft for review by the SRI sub-committee. She said the final version would be incorporated into the Foundation's broader Investment Policy Statement (IPS).

Next Steps:

The Committee concluded its discussion of the Foundation's investment objectives and scheduled a follow-up meeting. The meeting was set for Thursday, May 11th.

The meeting ended at 11:45 AM.

Respectfully submitted,

Kimberly Brandon, Chair

Date