

**SAN FRANCISCO STATE UNIVERSITY FOUNDATION
INVESTMENT COMMITTEE MEETING MINUTES
San Francisco State University
Thursday, September 6, 2018 at 11:30 AM**

Neda Nobari called the meeting of the Investment Committee to order at 11:38 AM.

Committee Members Present

Neda Nobari, Committee Chair
Robert J. Nava, President
Taylor Safford, Chair
Kimberly Brandon, Vice Chair (via phone)
Leona Bridges, Director (via phone)
Phyllis Carter, Director (via phone)
Sheldon Gen, Director
Herb Myers, Director (via phone)

Absent and Excused

None

Others Present

Venesia Thompson-Ramsay, Secretary and Treasurer
Ravi Karra, Cambridge Associates
Steve Burke, Cambridge Associates
Will Wise, Cambridge Associates

- I. **Review of Agenda:** The Committee reviewed and approved the agenda.
- II. **Approval of Meeting Minutes:** The Committee reviewed the minutes from the May 15, 2018 meeting. On motion duly made, seconded and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the Committee approves the minutes for the May 15, 2018, as prepared.

Motion by: Taylor Safford Seconded by: Kimberly Brandon Motion: Passed

- III. **Discussion Items**

- a. Market Environment: Karra mentioned that he and his team would dedicate one meeting per year to go in-depth on the Foundation's investment performance. He then spent some time reviewing the most recent quarter. Karra said that during the second quarter, the market performed well overall, although negative geopolitical developments had caused certain segments to weaken. Karra mentioned that global equities recovered the losses it had in the first quarter and that, for the first time since

2016, developed markets had outperformed emerging markets. Karra also pointed out that real assets had done well in the second quarter due to rising energy prices. Finally, he mentioned that the US dollar remained strong compared to the Euro and Pound Sterling.

- b. Investment Performance: Burke reported that the Foundation's investments had underperformed its policy benchmark during the second quarter. However, for the trailing year ending June 30, 2018, our investments saw a return on our main portfolio of 6.4% and 8.9% on our Green Fund – both outperforming their policy benchmarks (4.6% and 6.6%, respectively).
- c. Portfolio and Manager Update: Karra reported that the portfolios for the endowment funds (traditional and green fund) were close to their policy targets. He said that within the portfolio, both common stocks and fixed income were underweighted. Karra said he anticipated the new asset allocation being implemented once a custodian was in place.

Karra provided updates on two existing managers: Ski Times Square (STS) and Headlands Strategic Opportunities Fund. Karra said that due to a clerical error on the part of the manager, Deer Park, our investment was not redeemed at the end of March 2018 as planned, but instead at the end of August 2018. Karra said that, as a goodwill, the manager would give us either the March 31, 2018 net asset value (NAV) or the August 31, 2018 NAV, whichever is greater. Karra said the March 31, 2018 NAV was valued at \$2,585,483.

Karra said the Investment Committee had also decided to delay the redemption of the Headlands investment until further review. He said that as of June 30, 2018, the investment was valued at \$2,023,466 but that the exit terms were such that it could take close to four years to fully liquidate the investment.

- d. Custody Search: Karra mentioned that he was recommending US Bank as the Foundation's new custodian. He reminded the Committee that his research resulted in proposals from four firms with the top two being US Bank and Charles Schwab. Karra said that the criteria used were market presence and service capacity, client servicing and fees. Karra said that US Bank offered relationship pricing for Cambridge clients, which would qualify the Foundation for the minimum pricing. On motion duly made, seconded and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the Committee selects US Bank as the Foundation's new custodian.

Motion by: Taylor Safford Seconded by: Herb Myers Motion: Passed

- e. Private Investment: Karra mentioned that the Foundation's target to private investments was 10% but that the current allocation was 2.3%. He said another \$2 to \$4 million in commitments were needed each year for the next 7-10 years as the

private investments program was still in its infancy. Karra mentioned that, as a result, he was recommending a \$2 million commitment to Greenspring Global Partners IX (GGP IX). Karra said that GGP IX was the ninth investment of Greenspring Associates, a venture capital firm that began in 2000 and had about \$7.3 billion under management. On motion duly made, seconded and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the Committee commits \$2 million to Greenspring Global Partners IX.

Motion by: Taylor Safford Seconded by: Robert Nava Motion: Passed

- IV. **Other Business:** Nava welcomed Gen to his first committee meeting. Gen introduced himself and mentioned that he was writing a book called “nonprofit and policy advocacy” (working title).
- V. **Adjournment:** There being no further business to discuss, and with Nava making the motion and Safford seconding the motion, the Investment Committee meeting was adjourned at 1:09 pm.

Respectfully submitted,

Neda Nobari, Chair

Date