

**SAN FRANCISCO STATE UNIVERSITY FOUNDATION
INVESTMENT COMMITTEE MEETING MINUTES
Via Zoom
Thursday, May 12, 2022 at 11:00 AM**

Sheldon Gen called the meeting of the Investment Committee to order at 11:03 AM.

Committee Members Present

Kimberly Brandon, Board Chair
Don Endo, Director
Todd Feldman, Non-Voting Member
Sheldon Gen, Committee Chair
Jeff Jackanicz, Foundation President
Herb Myers, Director

Neda Nobari, Vice Chair
Taylor Safford, Immediate Past Chair
Jeff Wilson, Director

Committee Members Absent and Excused

Leona Bridges, Director
David Serrano Sewell, Director

Others Present

Vicky Lee, Director of Finance, SF State Foundation
Devon Parcell, Cambridge Associates
Mike Pearce, Cambridge Associates
Shannon Pinzon, Cambridge Associates
Tammie Ridgell, Associate Vice President, Auxiliary Business Services, University Corp
Venesia Thompson-Ramsay, Secretary & Treasurer, SF State Foundation
Wendy Walker, Cambridge Associates

- I. **Review of Agenda:** The Committee reviewed the agenda.
- II. **Approval of Meeting Minutes:** The Committee reviewed the minutes from the February 10, 2022 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 February 10, 2022 meeting, as prepared.

Motioned by: Don Endo Seconded by: Neda Nobari Motion: Passed

III. Discussion Items

- a) Market Environment: Pearce provided an update on the market. He said investors found little respite in April as most asset classes suffered steep losses. He said global equities faltered after being dragged down by the US market. He reported that emerging markets stocks lagged its developed US peers and ended the month of April in a bear market, having declined 22% from their February 2021 peaks. Pearce also mentioned that value outperformed growth and small caps but edged large caps. Nonetheless, all four categories had declined. Pearce also mentioned that global bond indexes extended their declines as yields climbed at the fastest monthly rate since 2003. Finally, he shared that commodity

futures were among the only asset classes that did not decline in April, whereas other real assets did.

- b) Portfolio Update: Walker reported that total assets (main endowment and the Green Fund) for the first quarter (March 31, 2022) was \$161 million. For the same period, the main endowment returned a preliminary -2.4%, 240bps behind the Policy Benchmark. Inflation protection was the top performing asset class on an absolute basis, returning 6.8%, while diversifiers was the top performing asset class on a relative basis, leading the Policy Benchmark by 1.1%. Walker said the Emerging Markets Stocks was the weakest performing asset class, returning -19.1%. For the same period, the Green Fund returned a -4.0%, 300 bps behind the Policy Benchmark. Inflation protection was the top performing asset class on both an absolute and relative bases, returning 2.7% and leading the Policy Benchmark by 2.8%. Global Stocks was the weakest performing asset class, returning -5.3%.
- c) Rebalancing: Pearce reviewed the portfolio allocations and said that, overall, the team was comfortable with the portfolio positioning and did not have significant rebalancing recommendations to make. He said there was an opportunity to seed a new strategy, Metis US Equity Index Paris-Aligned and that the manager was launching two passive strategies to track MSCI Paris-Aligned Benchmarks – the next evolution of equity index providing asset owners with an investment universe on track to meet the goals from the Paris Agreement. Pearce reviewed the standard rebalancing exhibits for both the Endowment and Green Fund and highlighted a few manager-changes he might recommend making in the months to come, depending primarily on the outcome of the Investment Policy Statement (IPS) discussions.
- d) Private Investment Review & Recommendations: Walker informed the committee that many Private Investment managers were still finalizing their December 31, 2021 year-end audits and LP reporting. She said that, as of September 30, 2021, the Foundation had committed \$20.7 million to 19 Private Investment (PI) partnerships, about 6.1% of total assets. Walker said the private investment program had returned 31.2% annualized over the trailing 5 years ending September 30, 2021, which outperformed the 15.4% return of public market equivalents. She presented three (3) recommendations to the committee, which included:
- \$1 million commitment to Auldbrass Partners Secondary Opportunity Fund III, a secondaries manager focused on growth secondaries, sourced from financial institutions, family offices, funds of funds, endowments, and foundations.
 - \$1 million commitment to Landmark Real Estate Fund IX, a Real Estate Secondaries fund that acquires secondary interests in closed-end real estate private equity funds across vintage years, managers, geographies, property types and risk profiles.
 - \$500k to Urban Innovation Fund III, a women-owned and -led early-stage venture capital firm investing in transformative urban technology companies.

On motion duly made, seconded and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the Committee approves the recommendations to commit \$2.5 million to Auldbrass Fund III, Landmark Fund IX and Urban Innovation Fund III.

Motioned by: Taylor Safford Seconded by: Neda Nobari Motion: Passed

Pearce discussed an email the Foundation received from March Capital that the term of their Fund II was ending in the first quarter of 2024. He said that although March Capital had the right to extend the fund term for two (2), one-year extensions, the company was giving its investors the right to opt-in or out-out of the fund term extension. In light of the analysis Cambridge Associates provided at the February meeting, the Committee agreed to opt-out. Thompson-Ramsay was asked to complete the survey and return it to March Capital by the deadline.

V. FY 2022-2023 Meeting Schedule: The Committee reviewed the following meeting dates for FY 2022-2023: August 26, 2022; November 4, 2022; February 17, 2023; and May 19, 2023. On motion duly made, seconded and unanimously carried, the following Minute Action was taken:

MINUTE ACTION: that the Committee approves the meeting schedule for FY 2022-2023.

Motioned by: Sheldon Gen Seconded by: Jeff Jackaniza Motion: Passed

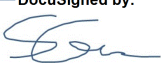
VI. Student Sustainability Investment Fund: Tabled in the interest of time.

VII. Investment Policy Statement Update: Gen said he was now in the process of pulling together all the feedback on the draft IPS. He said we were still waiting to meet with legal regarding their concerns. He said he hoped to have a final draft for the June 17 board meeting.

VIII. Executive Session: The Committee moved into executive session.

IX. Adjournment: There being no further business to discuss, the Investment Committee meeting adjourned at 1:36 pm, without objection.

Respectfully submitted,

DocuSigned by:

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10/24/2023 | 1:37 PM PDT

Sheldon Gen, Chair

Date