Neda Nobari called the meeting of the Investment Committee to order at 11:04 AM.

Committee Members Present
Kimberly Brandon, Board Vice Chair
Leona Bridges, Director
Don Endo, Director
Sheldon Gen, Director
Jeff Jackanicz, Foundation President
Neda Nobari, Committee Chair
Taylor Safford, Board Chair
Jeff Wilson, Director

Committee Members Absent and Excused
Herb Myers, Director
David Serrano Sewell, Director

Others Present
Vicky Lee, Director of Finance
Tammie Ridgell, Associate Vice President (AVP), Auxiliary Business Services
Venesia Thompson-Ramsay, Secretary & Treasurer
Ravi Karra, Cambridge Associates
Will Wise, Cambridge Associates
Ryan Coughlin, Cambridge Associates

I. **Review of Agenda**: The Committee reviewed the agenda. On motion duly made, seconded and unanimously carried, the following Minute Action was taken:

Minute Action: that the Committee approves the agenda.
Motioned by: Sheldon Gen Seconded by: Kimberly Brandon Motion: Passed

II. **Approval of Meeting Minutes**: The Committee reviewed the minutes from the February 13, 2020 and April 17, 2020 meetings. 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 13, 2020 and April 17, 2020 meetings, as prepared.
Motioned by: Sheldon Gen Seconded by: Kimberly Brandon Motion: Passed

III. **Discussion Items**

a. **Market Environment**: Karra reported that global risk assets suffered major drawdowns comparable to the global financial crisis in the first quarter. He said emerging markets equities were being kept afloat by Chinese stocks, but slightly trailed developed markets equites for the quarter. Global growth stocks had the best value, while large caps topped
small caps. Additionally, Karra reported that bonds outperformed other asset classes, led by sovereign debt as yields reached all-time lows. He also mentioned that investment-grade corporates topped high-yield as credit spreads widened substantially. Commodities and natural resource equities declined sharply as oil prices dropped almost 70%. Finally, Karra said the US dollar had strengthened, while the Euro and UK sterling showed mixed results.

b. **Performance Update:** Coughlin reported that, in the first quarter, the Endowment returned -17.1% relative to the Policy Benchmark return of -14.8%. He said the Foundation’s Real Assets returned -24.3%; Total Stocks returned -23.7%; Hedge Funds returned -5.3% and Fixed Income returned -6.8%. Coughlin said that, on a relative basis, the Foundation’s Global Stocks, Emerging Markets, and Hedge Funds allocations outperformed their benchmarks, while US and International Stocks, Real Assets and Fixed Income trailed their benchmarks. Coughlin reported that, during the same period, the Green Fund returned -14.5%, outperforming the Policy Benchmark return of -15.4%. He said Real Assets and Global Stocks declined significantly with returns of -28.2% and -19.7%, respectively. The loss to the Green Fund was mitigated by Hedge Funds (-4.5% return) and Fixed Income (-0.3% return).

c. **Portfolio Update:** Karra briefly reviewed the pro-forma asset allocation and pointed out that the portfolio had plenty of liquidity. He said the Endowment and Green Fund portfolios were relatively close to their policy targets and that the Endowment had an underweight to International Stocks (-3.2%) and corresponding overweight to Hedge Funds (1.9%) and Fixed Income (+1.7%). Karra then provided an update on changes taking place with Ownership Capital, one of the Foundation’s Global Stocks managers. He said that one of the original portfolio managers from the Fund’s inception was leaving the firm but Cambridge Associate’s confidence in the fund remained strong despite her departure. Additionally, Karra recommended that the Foundation invest in another Global Stock, The Children’s Investment Fund, with $4.5 million in the main endowment and a $1.0 million investment in the Green Fund. He recapped some of the conversations and concerns from the April 17th meeting and showed a correlation of return for the trailing 5 years, which showed that TCI performed well in down markets. The Committee decided to only invest in the main endowment. On motion duly made, seconded and unanimously carried, the following Minute Action was taken:

**MINUTE ACTION:** that the Committee approves the recommendation to invest $4.5 million in The Children’s Investment Fund for the main endowment pool, effective June 1, 2020.  
Motioned by: Taylor Safford  Seconded by: Herb Myers  Motion: Passed

d. **CA Monitoring of Managers:** At the committee’s request, Karra reviewed Cambridge Associates’ process for monitoring managers on a monthly, quarterly, bi-annually, annually and ongoing bases.

e. **Private Investments Update:** Karra provided an update on the private investments allocation as well as a calendar to select upcoming opportunities for ongoing review. He mentioned four potential new investments - Accolade Partners VIII, Greenspring Global Partners X, Greenspring Impact II, and MAP 2020 – that he and his team were researching. Karra said he would bring these funds forward for consideration when the assessment was completed.

IV. **Review of FY 2020-2021 Spending:** Thompson-Ramsay provided a refresher on the Foundation’s spending policy, along with the additional requirements, that determined how much is distributed from the endowment annually. She mentioned that, based on these determinants, the
Executive Committee would be presented with a total distribution of $5,055,137 for approval at its May 28th meeting.

V.  **Audit Update**: Ridgell provided a brief update on the planning for the FY 19-20 audit. She mentioned that she and her team had already met with Grant Thornton to devise the audit plan. She said the interim audit began the previous day and would end on the 22nd of May with the actual audit starting on August 10th. She also mentioned that a corrective action plan for FY 18-19 was submitted to the Chancellor’s Office and the Foundation Audit Committee. She said the team was working on getting all paperwork and disclosures for new investments during the fiscal year.

VI.  **FY 2020-2021 Meeting Schedule**: The Committee reviewed the schedule for meetings in FY2020-2021, as follows: August 28, 2020; October 8, 2020; February 11, 2021; and May 13, 2021. On motion duly made, seconded and unanimously carried, the following Minute Action was taken:

Minute Action: that the Committee approves the schedule as prepared.
Motioned by: Taylor Safford  Seconded by: Leona Bridges  Motion: Passed

VII. **Adjournment**: There being no further business to discuss, the Investment Committee meeting adjourned at 12:59 pm.

Respectfully submitted,

Neda Nobari, Chair  Date