Finance Committee Meeting Notes
Tuesday, September 14, 2021
Via Zoom

Attendees: Yvonne Bui, Gene Chelberg (joined at 12:28p), Bonnie Li Victorino, Jason Porth, Jay Orendorff, Kal Salama

Guests: Felix Lin/Beacon Pointe, Ashley Lyon/Boston Common

UCorp: Tammie Ridgell, Rosa Barragan, Anthony Victoria

1. Meeting called to order by the Chair, Kal at 11:09a
   approval of minutes of meetings on May 25, 2021 and June 15, 2021
   • Yvonne/Jay motioned/seconed & approved unanimously

2. Upon introduction by Felix, Ashley/Boston Common provided report re: international equity investments
   • major presence of women involved in organization
   • critical attention to global impact of investments; AESG performance driven by success in program

Kal: what is the impact on emerging markets and related challenges? what influences & impact does China have?
Ashley: important consideration given to companies impacting society and environmental issues

• graphic presented relative to investing in Sustainability, highlighting 9 impactful themes
• from an investment standpoint, good growth possibilities present themselves in addressing large issues/problems
  o operational matters also important in ESG aspects & introduction of new products
• attention afforded to China and human rights issues in established supply chains
• Boston Common has avoided state-/government- owned companies of 50% or more
  o lack of transparency and direct control not beneficial
• although looking back at 2020, it was an exceptional year for investment market, but with 2021a reversal of what had occurred began
  o first two quarters were lagging – underperforming by ~ 5%
  o third quarter doing better
but, over 3-year period, since inception, considered to be doing well
• concluded by presenting strategy of portfolio vs benchmarks

3. Felix/Beacon Pointe presented investment portfolio and update for month ending August 2021
• timing of market remains challenging & difficult to determine when to ‘get-in’ & ‘get-out’
• continued volatility in market relative to inflation and Feds quantitative easing
• real estate market under more pressure; mortgage rates low due to Fed-backed bond
  o eventually interest rates will rise
• fiscal year to-date continues to reflect positive gains – 2.7% return compared to 2.0% benchmark
  o Aperio, fossil-free reflecting ESG standards
  o Boston Common, as mentioned, acceptable returns & doing well since inception
  o Fixed income, not too exciting, but good in comparison to benchmark
  o TIPS, though connected to CPI and performing okay, is only 2% of portfolio
  o relative to real estate
    ▪ distribution from Kairos upcoming and more expected
    ▪ large distribution from Redwood
    ▪ although intention is to hold investments more long term, consideration needed
      if more profitable to sell now
• overall, good performance for quarter

Jason: agreed that all looks good; asked if gold should be retained
Felix: gold does seem to go in & out; but inflation, although unknown, is being hedged and there is
continued comparison with BitCoin porentially performing the same function
Kal: inflation hedges in portfolio are TIPS, real estate and gold
Felix: continuing questions re: inflation – is it transitory or permanent? tied to supply chain?
unfortunately, Feds cannot nail it down
Kal: offered information re: supply chain data - scarcity will continue through the holidays and into next
year
Jay: added that looking at wages, it is hard to compete for and find affordable talent
Kal: … and, housing shows no sign of global slowing
Felix: summarily, better to continue to favor equity vs fixed income; currently “risk” on heavier
allocations than target, but proceeding with caution; UC Corp will remain informed
Jay: understood that investment activity remains at discretion of investment managers
Kal: diversification “living” is harder than speaking of it, due to the appearance of diversifiers lagging

4. Report of UC Corp’s Financial Status, by Tammie
• referred to report given to the full Board, yesterday, September 13, noting nothing further to add
• mentioned that UC Corp is in the throes of completing the audits for all three auxiliaries, due at
  the end of this week
5. Kal acknowledged and thanked Beacon Pointe and Boston Common
   • adjourned meeting at 12:09p