Finance Committee Meeting
Tuesday, November 9, 2021

Yvonne Bui

Guests:
Neil Cohen joined at 11:32a
Felix Lin/Beacon Pointe Advisors
Gene Chelberg
Bonnie Li Victorino
Jay Orendorff
Jason Porth
Kal Salama

UCorp Staff:
Tammie Ridgell
Maggie Woo
Anthony Victoria

Meeting called to order at 11:06a by Kal
• minutes reviewed, corrections made – approved unanimously

Investment Portfolio Update & Review by Felix
• opening remark of ‘interesting times’…
• stagnant container ships in port of Los Angeles are impacting economy
• challenges remain in maintaining a workforce with so much resignation activity
• inflation is a recognized issue by the Fed
  o believed to be transitory
    • though continuing discussion if it will be long term
  o interest rates to creep-up little by little
  o hurting prices on bonds
• portfolio at October 31 2021
  o up 20% compared to last year, at October 2020
  o $17M change in net investment (net of fees), due to investment gains
    • 5.8% annualized return
• presented portfolio composite worksheet
  o top blue line is a summary/’snapshot’ of results
  o below data illustrates equity, fixed income & alternative components of portfolio
    • equities
      ▪ Aperio large cap tilts towards fossil free & ESG investments
      ▪ Aperio mid & small cap same tilts, but relatively new
      ▪ Boston Common, although ‘off’ a little & underperforming in this short term, it has outperformed since inception
        o also tends towards fossil free & ESG
    • fixed income
      ▪ continues to perform well
o Segal & TIAA okay
  o TIPS, being relatively new, increases as CPI increases
    • keeping us up to par with real purchasing power
  • alternatives
    § new money in Redwood Fund VIII & projected to be longer lasting
      o expecting capital from sale of Redwood VI in current & next quarter
    § IRR’s doing well
    § gold position removed
      o inflation protection thesis is broken, so prudent to move away

Jason: asked how to address ‘lightness’ in real estate
Felix: responded that we need to determine best method to achieve allocation, but ‘wait & see’ may be best approach
Jason: brought-up ongoing discussion with CSU relative to direct investments in real estate => leading to possibility of ultimately renting to faculty & staff
Felix: remarked that this was a philosophical issue; but too concentrated from an overall portfolio perspective …continued that relative to UCorp portfolio, consideration may be given to Kimpact
Kal: confirmed that $1M committed to Fund VI will be coming back to us in the next 6-9 months
Felix: confirmed Kal’s understanding, and proceeds will be moved-out based upon market trends

UCorp’s Financial Status as of September 30, 2021, by Tammie
  • at this time, nothing significant to report at close of first quarter of 2021 FY
    o the Board has already been informed of the change in rent structure for this first semester, due to repopulation of campus not meeting expectation
  • first three months remain in-line with budget expectations
    o though, Lobby Shop and Ctrl_P are performing a little lower, 10% and 15%, respectively
  • overall projected expectations through the end of the fiscal year, still really unknown at this time, as there are a lot of “what-if’s” still surrounding the upcoming Spring semester
  • as previously reported, investments remain flat

Neil: asked about numbers relative to campus population
Jason: responded lower than anticipated
Tammie: mentioned that two more food vendors that opened at beginning of Fall semester, are now closed
• worksheet & graph presented, illustrating financial status of Shops

Kal: reiterated Felix’ prior observation of October 2021 investment results being better than what is reported through end of this first quarter

• appending financial status report Jason informed committee of PLI/ROPES Course closure
  o he will be meeting with National Parks later today to discuss steps to relinquish site
    • consideration may be needed of costs if required to restore area to original state
    • continuing concerns of safety & mitigating risk relative to area, as we exit space
• Jason also reported that findings have been announced relative to the space assessment of the Student Center conducted by ASI
  o Although proposed plans are still forthcoming, there may be a request made of UCorp to relocate Ctrl_P

Meeting adjourned at 11:54a by Kal