

Finance Committee Meeting

Date: June 15, 2021

In attendance:

Jason Porth

Neil Cohen

Kal Salama

Guests: Felix Lin, Beacon Pointe

UCorp Staff: Tammie Ridgell

Rosa Barragan

Shae Hancock

Maggie Wu

Anthony Victoria

- I. Meeting called to order by Kal at 11:04am
- II. Beacon Pointe May 31, 2021 Updates: (Felix Lin)

Markets reacting positively to the current conditions

- Herd immunity close to fruition
- Economy opening-up
- Return-to-work increasing
- Stimulus package expected
- Low interest rates persisting

Regarding inflation:

- Feds not concerned about supply; anticipation of supply constraints to subside by year end.
- Labor input is where Fed might be missing; still no concern by Feds until economy hits third quarter
- Another 2 to 3 years until expected interest rate increase

Overall Portfolio doing well:

- Market continues to perform; not at the same pace & remains best to have a diverse portfolio
- Bonds continue flat performance.
- Real estate is very dynamic, fast paced
- Equities doing well

Fixed income doing as well as expected

- Schwab TIPS inflation hedge, we will add more to inflation hedge when opportunity arises
- Rebalancing more frequently may be needed

Alternatives:

- Gold doing well now
- Rough start due to Bitcoin surge
- Inflation concern with addressed hedges
- Real estate: historically it serves as inflation hedge

Kal: What happens when our real estate becomes a REIT?

Felix: Convert to public shares or possibly sell; with re-valuation being the best approach.

Kal: Confirmed that we are not forced to sell.

... and concluded that Beacon Point doing a great job during the crisis and keeping an eye-out for UCorp

III. Report on UCorp's Financial Status – (Tammie Ridgell, Assoc. VP, Aux., Business Services)

No significant changes in revenue to date, other than required adjustments regarding prior period and refund to vendors.

Expected adjustment regarding Follett commission, already down 57%, \$170,000 processed for end of year.

Copy Center - revenue down slightly for month, by 16%

Shops – ½ million-dollar loss

Negative gross profit due to COGS. Other expenses Shops revenue down.

Expenses overall right at target or slightly below budget.

Investment's earnings at 5.4 million on 5/31/2021. Half-way thru June and hoping to end FY with a good position.

Deficit originally projected in FY budget offset by investment return.

PPE loan forgiveness, becomes revenue from income statement.

Kal: reiterated investments improving final year end results; noted to be aware of impact of smoothing effect for up-coming FY.

Tammie: investment results flow thru to net asset; need to consider impact regarding planning to spend what is thought to be windfall regarding investment returns, when some focus needs to target excess on periods when earnings may not be so good

Jason: Follett has agreed to UCorp's proposal in amending contract to ensure break-even so no loss relative to rent obligation; and bookstore continues to work on reducing space, thus reducing rental costs.

Kal: Adjourns meeting at 11:42am.