



The University Corporation
San Francisco State

Room ADM 361
1600 Holloway Ave.
San Francisco, CA 94132

ucorp.sfsu.edu

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/seconded & 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
 - 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
 - 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
 - first two quarters were lagging – underperforming by ~ 5%
 - third quarter doing better



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- 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
 - eventually interest rates will rise
 - fiscal year to-date continues to reflect positive gains – 2.7% return compared to 2.0% benchmark
 - Aperio, fossil-free reflecting ESG standards
 - Boston Common, as mentioned, acceptable returns & doing well since inception
 - Fixed income, not too exciting, but good in comparison to benchmark
 - TIPS, though connected to CPI and performing okay, is only 2% of portfolio
 - 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 potentially 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; UCorp 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 UCorp’s Financial Status, by Tammie
- referred to report given to the full Board, yesterday, September 13, noting nothing further to add
 - mentioned that UCorp is in the throes of completing the audits for all three auxiliaries, due at the end of this week



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5. Kal acknowledged and thanked Beacon Pointe and Boston Common
 - adjourned meeting at 12:09p