



The University Corporation  
San Francisco State

Room ADM 361  
1600 Holloway Ave.  
San Francisco, CA 94132  
[ucorp.sfsu.edu](http://ucorp.sfsu.edu)

## Finance Committee Meeting

Tuesday, February 8, 2022

Via Zoom

Yvonne Bui  
Rob Strong  
Jason Porth  
Kal Salama

### Guests:

Felix Lin / Beacon Pointe  
Mitch Hughes / Beacon Pointe  
Brian Huang (joined @ 12:11pm)

### UCorp Staff:

Tammie Ridgell  
Maggie Woo  
Anthony Victoria  
Rosa Barragan

Meeting called to order at 11:03am by Kal

- December 7, 2021 minutes reviewed; Jason/Yvonne motioned/seconded & approved unanimously

### Investment Portfolio Update - Felix

- portfolio as of 4<sup>th</sup> quarter is doing well
- noted that calendar years of 2019, 2020, 2021 had solid performance even with approximately 40% allocated in bonds
- January 2022- net investment changes
  - negative 3% for 1 month
  - more volatility in market
  - market again realizing risk
  - inflation is the biggest factor
    - fed considering this to be transitory not permanent
- inflation needs to run-off a little sooner to keep interest rates low
  - as it is hitting upwards of 5%, liquidity is taken out of markets by the fed
  - looking at interest rates possibly increasing 5 times during this current year
- economy growing and GDP slowing
  - more volatility moving forward
  - fed will step-in more if needed
- noted that returns experienced in 2019 through 2021 not expected to continue
- bonds may not be attractive, but still remain a good anchor



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- TIPS/fixed income doing well to protect against inflation
  - moving forward may not continue to be advantageous and may not need to hold on to them in this investment
- total portfolio results discussed relative to Total Composite performance
  - equity
    - fossil free fuel & ESG components are critical
    - Boston Common doing well long-term
  - fixed income
    - some real yield coming from this component
    - inflation effects very impactful
  - alternatives
    - real estate used to hedge inflation
    - large distribution regarding Redwood selling-off properties at 2021 year-end
    - reinvested in Redwood Kairos and noted that it will take time for return
  - portfolio overall doing well
  - market is not in good shape; lower returns to be expected

Kal: looking at January report, important to note investment change of \$145K fiscal YTD

#### UCorp's Financial Status Report - Tammie

- FSR highlights actual performance as it differs from projected budget
  - G&C appears to be over budget
    - budget based on prior year, but there are always unknown activity that occurs; still expected to be closer to budget by year-end
  - business services a little over budget
    - unexpected parking revenues (in old Sutro Space)
    - still sorting-out between indirect and direct revenue
    - campus re-population continues to have direct effect on budget results of Shops
      - Lobby Shop down by \$80k plus
      - Ctrl-P down by \$6k
      - Open24 down by \$4k
  - expenses of note
    - consulting 250% over budget
      - Blue Beyond paid on behalf of University; but costs to reduce university costs allocation
  - through December, had positive balance of revenue over expenditures
  - overall given losses on investments and performance through end of the year, still currently projecting a fiscal year end loss



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#### Crypto currency - Tammie

- an academic course being taught wishes to incorporate experiential investing in crypto currency
  - faculty asking for possible partnership with UCorp as conduit to establish/use crypto funds
  - it is understood that origin of funding is not from UCorp (a donation, not UCorp \$)
    - still may raise audit concerns in ensuring appropriate checks and balances
- considerations...
  - professor would like use of hot wallet, coin base model
    - though more interactive, also higher risk
  - UCorp prefers interactive broker model and also paper portfolio simulations
  - this is not part of UCorp's investment, so no consideration/inclusion in investment policy

#### Executive Director report – Jason

- R.E.T project will be winding-down
  - Ray Grott, project director, to retire this summer
  - a non-profit in East bay has been identified that could assume this work
    - proposal to transfer project, including assets, to be forthcoming
  - future resolution to be brought to the BOD

Meeting adjourned at 12:28pm by Kal