



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, December 12, 2023

via Zoom

Jamillah Moore (11:20am)

Ly Chau

Jason Porth

Kal Salama

Yessica Gudino

Janey Wang

Michael Goldman

### Guests

Bill Thompson, Beacon Pointe

### UCorp Staff

Tammie Ridgell

Maggie Woo

Rosa Barragan

Called to order by Kal at 11:02am

- reviewed & approved agenda
- November 21, 2023 minutes reviewed; Yessica/Michael motioned/seconded; approved unanimously

Investment Portfolio Update report by Bill – November, 2023

#### Highlights

- o S&P 500 up 9.1% in November, 2023
- o Stocks posted historical rally
- o The tech-heavy Nasdaq 100 gained 10.8% in November
- o Except for energy, down 0.7% , all sectors posted gains, led by Technology, up 12.9%
- o The Bloomberg U.S Aggregate Index returned 4.5% in November as the yield on 10-year Treasuries sank 60 basis points to 4.33%
- o The CBOE Volatility Index (“VIX”) fell to the lowest level since pre-pandemic
- o Cooling inflation readings raised expectations for future Federal Reserve (“Fed”) rate cuts
- o The market is now pricing that the Fed is done hiking and will start cutting interest rates by March, 2024

#### UCorp YTD Performance

- o Good November numbers
- o Portfolio has done well, due to diversification of investments

**Janey:** asked if Beacon Pointe will make any changes

**Bill:** responded that there is no plan to make changes. BP will continue to watch fixed income, with the same strategy. Feedback from the broader group is welcomed. The only thing to put on your radar is under the Boston Common umbrella, there is a couple of international strategies. Will be doing some work on it, in the first quarter, even though they have had good returns and they have done good work for UCorp, net of fees. They have a couple of strategies that I will be doing some work on with my team to see if there is a better opportunity within Boston Common that we could bring to you. In terms of asset allocation - unless your mandate



has changed and you would like to take more or less risk, it is in good order and individual investments are doing well. We have taken a pretty low-cost approach to UCorp's portfolio.

**Mike** asked: about the alternatives portion, where is the money and what is the return?

**Bill** responded: You are always carrying a balance. When capital calls are made, there are a couple of \$100Ks outstanding and generally you will have \$100K in cash-cash that is ready to act quickly. For the additional \$100k, we would rebalance from a mix of your public equity, basically taking from public equity pro rata across the board. It would not be taken all from one investment. However, it would be taken from public equity, raise the cash and then reinvest that in private equity is the way to think about it, or public investments into private.

Action Items:

- no action items

UCorp's Financial Report by Tammie

No report for November, 2023, from Tammie as UCorp is in the middle of closing and have not closed books. No additional information to report

**Jason:** in the October, 2023 meeting we discussed the different options for the funds that are currently being held in the LAIF account providing a 3.8% return. Jeff Jackenicz, Vice President of Advancement also president of the Foundation, met with an alum who is a senior member of Amalgamated Bank, which has a modest presence in the West Coast and is a very unique bank. I have met with them on a couple of occasions and was asked if UCorp would consider a depository relationship. We asked for a proposal to be provided. We also asked Bank of San Francisco, which is the bank that we have a line of credit with, that we never had to draw on, and they came in around 3 ½% up to 3.85%. Amalgamated responded to the depository relationship proposal request and is offering 5% which is better than the Bank of San Francisco and is closer to what we are seeing on money market funds. It is also appealing as it is recognized as a "B" corporation. There is no proposal to this committee at this time, and we are not suggesting doing anything today. This conversation needs to keep going until a decision is made to stay with the modest 3.8% amount from LAIF, or move funds to Amalgamated Bank and get as much investment income as possible. Discussed with Kal and Tammie and suggestion to make sure Amalgamated was FDIC insured for the amount invested. This will all need to be considered and will take any feedback to Amalgamated.

**Mike** asked: What is the corporation type and can you explain?

**Jason:** responded that banks and more commonly, any type of corporations or employer can apply to be what is called a "B"-certification. The certification is essentially institutions or companies willing to commit to certain ESG performance metrics to ensure that they are fulfilling governance, humanitarian, and sustainable requirements. Example is: the little label put on Kosher food. This is to say that someone has looked at this and agrees that this is an



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appropriate thing that you can either eat or consume. The same is done for corporations. When you see a document with a “B” in a circle, that document says that this company has gone through an aggressive review by a third party to indicate that it is, in fact a business that you would want to do business with. It is very rare to have banks have that certification. Another corporation that I know of is Patagonia. It is like a score-card that companies are rated on.

**Kal:** reminded everyone that a while ago, Siegall Bryant came in to talk about fixed income and they preferred “B” rated companies and the rating was something they looked at when they made investments on our behalf in the bond portfolio

**Jason:** responded that he would send a link for those that want to learn more about “B” rated companies and how they work. Continuing on what makes Amalgamated unique is that it was founded by a union and that is unusual. They have pretty aggressive standards when it comes to their social engagement and would be a good way for the money to be put to work supporting a bank like that. This is just another thing to consider and please look at the bank with the information shared in the link-supporting our campus values.

**Kal** adjourned meeting at 11:30am