



The University Corporation
San Francisco State

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

ucorp.sfsu.edu

Finance Committee Meeting

Tuesday, February 20, 2024

11:00am to 12:30pm

via Zoom

Jamillah Moore (11:10am)

Ly Chau

Jason Porth

Kal Salama

Yessica Gudino

Janey Wang

Guests

Bill Thompson, Beacon Pointe

Boston Common Guests

UCorp Staff

Tammie Ridgell

Maggie Woo

Rosa Barragan

Shae Hancock

Called to order by Kal at 11:01am

- reviewed & approved agenda.
- December 12, 2023, minutes reviewed; Janey/Ly motioned/seconded; approved unanimously

Investment Portfolio Update report by Bill – February 2024

Highlights

- S&P 500 up 26.3% in 2023
- Stocks posted historic rally in 2023.
- The tech-heavy Nasdaq 100 gained 55.1% in 2023, its best annual performance since 1999.
- Large-cap Growth outperformed Large-cap Value by a record 31.2%
- A huge two-month rally in bond prices rescued fixed income markets from an almost unthinkable third straight year of declines.
- The Bloomberg U.S Aggregate Index returned 3.8% in December, after 4.5% in November, as the yield on 10-year Treasuries sank a massive 105 basis points in the last two months of 2023.
- Financial conditions have eased dramatically since early November 2023
- At its December meeting, the Federal Reserve("Fed") pivoted by signaling rate cuts in 2024.

UCorp YTD Performance

- As of December 31, 2023, the total value of the portfolio was approximately \$32 million. Since inception of August 2005, the portfolio has generated over \$17 million in investment gains.
- Portfolio has returned 5.1% annually since inception, in line with its benchmark
- More recently, the portfolio returned 7.3% in the fourth quarter and returned 10.7% for calendar year 2023, underperforming the policy index's return of 12.2% by 150bps.

Sources of tracking error:

- Small and Mid-cap US Equities lagged large cap equities.



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- International Equities lagged US Equities and Boston Common lagged the international benchmark.
- The portfolio's fixed income allocation is modestly underweight duration and thus lagged with the strong Q4 rally in bonds.
- Finally, the alternative allocation is nearly entirely exposed to private Real Estate which continued to suffer headwinds, due to rising interest rates

Action Items:

- no action items

Boston Common guests:

Joanna Arthur and Praveen Abichandani

Both guests spoke regarding the company's make-up and history as well as the recent underperformance of the portfolio - and their strategy for future performance.

UCorp's Financial Report by Tammie

Indirect Costs:

- Coming in higher than budgeted
- Adjustments for Food Vendors
- New Construction Vendor

Operating Costs

- Remain the same.
- \$5,000 fee for patent
- Consulting fees paid this fiscal year.
- New item-actual bill for cost allocation was higher than budgeted.

Line of Credit – San Francisco Bank

- Renew or cancel the line of credit issue as things have stabilized.

Kal: Let's review why we got the line of credit as a back-up

Tammie: We had the line of credit with the Bank of San Francisco for three years. UCorp was not collecting rent for the vendor as locations were closed. Initially the investments were down and rebounded later. UCorp did receive the PPP Loan for salaries which was forgiven. Line of Credit was in place, in case it was needed, in the amount of \$3 million and it was never needed.

Kal: The other related question is in terms of normal cash-flow, to fund shortfalls, such as LAIF?

Tammie: LAIF has been used for that purpose. Currently there is a high balance, and this brings the point to moving money to a higher yield account such as the bank that Jason has



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referred to (Amalgamated Bank). The cost yearly to keep the line of credit is \$8,500. So, it would be a good idea to let the line of credit expire.

Jason: We will let the Bank of San Francisco know that we will let the line of credit expire. Meeting will be set-up with Amalgamated Bank to be introduced to the board.

Board: Each of the board members thanked Jason for the work on the board and the University.

Kal: adjourned meeting at 12:31pm