

Investment Committee Meeting Minutes

Fall 2022 FAMU Foundation Board Meeting | November 16-20, 2022
Friday, November 18, 2022 | 8:00 a.m. – 9:30 a.m. EDT
Hyatt Regency Grand Cypress | One Grand Cypress Blvd. | Orlando, FL 32836

Committee Members Present

Dir. Clifton Goins, IV, *Chair*
Dir. Lisa LaBoo
Dir. Freddie Raines
Dir. Curtis Johnson, Jr.

Dir. Marcelia Freeman, *Vice Chair*
Dir. John Crossman
Dir. Machia Sanders

Committee Members Not Present

Dir. Lorin Crenshaw
Dir. G. Scott Uzzell
Dir. Larry Robinson

Dir. T.J. Rose
Dir. Kenneth Neighbors

Guests Present

Dir. Elaine Armster
Dir. Tirrell Whittley
Dir. Monica Williams-Harris
Dir. Lenetra King
Dir. Gloria Walker
Matthew Wright, *Disciplina*

Dir. Jemal Gibson
Dir. Laurence Humphries
Dir. Shawnta Friday-Stroud
Atty. J. Michael Haygood, *Found. Gen. Counsel*
Mr. Ronald Thompkins
Duke Williams, *Disciplina*

Advancement Team Members Present

Mr. Nick Dulcio
Ms. Kimberly Hankerson
Mrs. Audrey Simmons Smith
Mrs. Gena Palmberg

Mrs. Latosha Adams-Francis
Mrs. Brandi Tatum-Fedrick
Mrs. Quiana Cunningham-Lowe
Dr. Eric Swanigan

Call to Order and Roll Call

The meeting was called to order at 8:16 a.m. by Chair Clifton Goins. Mrs. Gena Palmberg called the roll and confirmed that a quorum was present.

Conflict of Interest Disclosure

Chair Goins requested that Committee members disclose any conflict of interest with items on the agenda; none were disclosed.

Approval of Minutes

September 21, 2022, Investment Committee Meeting

Dir. Lisa Laboo made a motion for approval of the minutes; seconded by Dir. Machia Sanders. The minutes were approved, unanimously.

New Business

Presentation by Disciplina

Disciplina provided a Transition update, a Market Summary, a Review of the Investment Portfolio Performance as of September 30, 2022 and made recommendations for Investment Policy and Asset Allocations.

During the transition update, Disciplina provided the new managers added across the portfolio. Director Marcellia Freeman inquired of Disciplina of any new private market allocations. Disciplina stated that they are currently reviewing to see at what pace new private allocations can be added.

Disciplina discussed the market summary and provided annual asset class performance. For 2022, Commodities were the only class with a positive performance. They stated that the market volatility has been due to the Federal Reserve Bank raising interest rates 300 basis points in just over 6 months.

Disciplina reviewed the Portfolio Performance as of September 30, 2022 and highlighted the below details:

- For Q2, the portfolio returned -5.5% consistent with the policy benchmark of -5.5%.
- Private Markets returned -0.1% for Q2, and is up 4.4% year-to-date versus the benchmark of -4.9%.
- Fixed Income -5.2% outperformed the benchmark by 2.0%.
- Marketable equity -8.5% underperformed the benchmark by 1.7%.
- Hedge funds Q2 returned -0.2%, and -1.9% year-to-date versus the benchmark of -5.9%.
- For the year, the portfolio returned -16.5%, outperforming the policy benchmark by 1.8%. For October, the return was 3%, therefore bringing the year-to-date -13.5%.

Disciplina brought forth the below recommendations to Investment Policy and Asset Allocations. Disciplina requested a vote on these recommendations at the February meeting.

- Recommend asset allocation study to incorporate current market return assumptions and enhance risk/return profile.
- Establish specific target, define role of each class, remove global fixed income and detail other asset classes.
- Consider defining what classifies as a diverse firm.
- Explicitly state and consider smoothing, caps and floors ensuring consistency with best practices in industry.
- Review liquidity parameters based upon permanently restricted assets, operations and investment objectives.
- Establish specific metrics versus percent of portfolio.

Director Marcellia Freeman asked Disciplina to explain their general approach to Hedge Funds. Disciplina stated that diversifier strategies can generate absolute return of 6% to 8%, and includes 10% equity related, 30% relative value, 40% venture strategies, and has an opportunistic component.

Other Items

The Committee discussed Disciplina's idea of researching and providing other HBCU endowment performance for comparison. The Committee agreed that this comparison would be irrelevant to FAMU's portfolio given the portfolio size differences, among other differences.

Director Machia Sanders requested education for the students of the Foundation's funds and spending practices.

Adjournment | Minutes Prepared By

The meeting was adjourned at 9:46 a.m. by Chair Clifton Goins; Mrs. Gena Palmberg prepared the minutes.

DRAFT