

Investment Committee Meeting Minutes

Spring 2022 FAMU Foundation Board Meeting | June 1-3, 2022

Friday, June 3, 2022 | 8:15 a.m. – 9:15 a.m. EDT

Florida A&M University | H. Manning Efferson Student Union Multi-Purpose Room

Committee Members Present

Dir. Clifton Goins, IV, *Chair*

Dir. Lorin Crenshaw

Dir. Lisa LaBoo

Dir. Freddie Raines

Dir. Marcelia Freeman, *Vice Chair*

Dir. John Crossman

Dir. Kenneth Neighbors

Dir. Larry Robinson

Committee Members Not Present

Dir. Gregory L. Clark

Dir. G. Scott Uzzell

Dir. T.J. Rose

Guests Present

Dir. Elaine Armster

Dir. Hosetta Coleman

Dir. Muhammad Haseeb

Dir. Lenetra King

Dir. Akunna Olumba

Dir. Twuanna Monroe Ward

Dir. Angela Adderley

Dir. Jemal Gibson

Dir. Laurence Humphries

Dir. Carmen Cummings Martin

Dir. Shawnta Friday-Stroud

Atty. J. Michael Haygood, *Found. Gen. Counsel*

Advancement Team Members Present

Mr. Nick Dulcio

Ms. Kimberly Hankerson

Mrs. Audrey Simmons Smith

Mrs. Brandi Tatum-Fedrick

Mrs. Quiana Cunningham-Lowe

Dr. Eric Swanigan

Call to Order and Roll Call

The meeting was called to order at 8:21 a.m. by Chair Clifton Goins. Ms. 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

November 18, 2022, Investment Committee Meeting

February 23, 2022, Investment Committee Meeting

Dir. Lorin Crenshaw stated that he attended the February 23, 2022, meeting and would like the minutes to reflect this. Dir. Marcelia Freeman made a motion for approval of both sets of minutes as amended; seconded by Dir. Kenneth Neighbors. The minutes were approved, unanimously.

Commonfund Update – Information Only

The committee reviewed an update on the Market Review, Investment Performance for January 2022 – March 2022, and Private Capital, provided by Commonfund, and had a brief discussion around the market trends, economic indicators, and global growth. The Committee reviewed the Portfolio Performance as of March 31, 2022, and highlighted the below details:

- The portfolio is down for the quarter by -\$4.2M.
- The portfolio returned -2.9% in Q1, outperforming the policy benchmark by 22 bps.
- Private Capital (+5.0%) outperformed the ICE MSCI ACWI by 10.3%.
- Fixed Income (-3.7%) outperformed the weighted fixed income composite by 2.2%.
- Marketable equity (-6.0%) underperformed the MSCI ACWI by 68 bps.
- For the year, the portfolio returned 8.1%, outperforming the policy benchmark by 75 bps.

Dir. Freeman stated that we will likely see private markets down in the third and fourth quarter, due to lag in the market, and to be prepared for a dip in the portfolio in the private investments.

The committee discussed Commonfund's Tactical Asset Allocation. Dir. Crenshaw stated that this seems to imply when good things are happening, we are positive on equity, and when bad things are happening, we are not, and that is precisely why we missed the bottom of the market. Crenshaw also stated that the time to be aggressive is when others are afraid, and it does not feel like that is the way Commonfund has executed their tactical asset allocation. The Committee decided that they would have this conversation with Disciplina at the next Committee meeting and convey to Disciplina as we go through this transition to be on the lookout for something that could help take advantage of tactical market opportunities.

The Committee also discussed the Fixed Income asset class trends and how it might impact the portfolio and added it as a discussion topic with Disciplina.

Outsourced Chief Investment Officer (OCIO) Transition Update

The committee was provided an update on the transition for the Outsourced Chief Investment Officer.

- Disciplina, Commonfund and Foundation staff met on May 11, 2022, to discuss the transition.
- A target date of June 30, 2022 has been determined.

Staff provided a current update as of June 1, 2022 and stated that the Investment Management Agreement with Disciplina has been executed, the liquidity schedule from Commonfund has been received, and Disciplina is working with Commonfund and Regions Bank, as custodian, to transition investment funds.

The Committee discussed the transition of funds. Chair Goins stated that the illiquid private investments would stay in the portfolio until the fund closes. Staff stated that most likely the State Street Government funds will be transferred in kind, and the Commonfund liquid securities will be sold, and the proceeds transferred to the mutual fund account. Dir. Crenshaw stated that we should have a day one strategy so that we do not miss any market activity. Staff will discuss with Disciplina a strategy to invest cash after sale of Commonfund investments.

Action Items

- 1) Tactical Asset Allocation discussion with Disciplina at the next committee meeting.
- 2) Fixed Income asset class discussion with Disciplina at the next committee meeting.
- 3) Staff to talk with Disciplina on the strategy for investing cash after Commonfund investments are sold.

Adjournment | Minutes Prepared By

There being no further business to address, the meeting was adjourned at 8:45 a.m. by Dir. Kenneth Neighbors; Mrs. Gena Palmberg prepared the minutes.

DRAFT