

Advancement | UCF Foundation, Inc.

BOARD OF DIRECTORS Investment Committee Meeting Minutes

Tuesday, December 8, 2020
10:00 a.m. – 12:00 p.m.

LOCATION:	Virtual Meeting
ATTENDEES:	Carrie Callahan, <i>Chair</i> , Roslyn Burttram, Debbie Claydon, Jimmy Ferrell, Barry Forbes, Paul Gregg, Tom McNamara,
ABSENT:	Jason Reilly, Chris Tomasso, Eva Tukdarian
STAFF:	Jennifer Cerasa, Jeff Coates, Glen Dawes, Bill Dean, Lauren Ferguson, Ashley McConnell, Joseph Mera, Mike Morsberger, Robert Taft (UCF Audit)
GUESTS:	Rick Ciccione (NEPC), Kristin Reynolds (NEPC), Steve Hanson, Thomas Rudy, Maite Jabour (Goldman Sachs)

The following is an excerpt of a duly noticed public meeting of the University of Central Florida Foundation, Inc., at which a quorum of the committee was present:

Director Carrie Callahan, Chair of the Investment Committee, called the meeting to order at 10:00 a.m., stating that the meeting was covered under the Florida Sunshine Law and the public and press were invited to attend.

Chair Callahan asked the committee members if there were any conflicts of interest to declare regarding the items of business listed on the agenda. No conflicts of interest were declared by the committee members.

ACCEPTANCE OF MINUTES

A motion was made by Jimmy Ferrell and seconded by Paul Gregg to approve the minutes of the Investment Committee meeting held on September 22, 2020. The motion passed unanimously.

INVESTMENT PERFORMANCE REVIEW

Kristin Reynolds presented investment performance for the period ended September 30, 2020. It was noted that the Endowed Funds Investment Pool market value was \$177,280,920, having returned 5.4% in the first quarter of fiscal year 2021. The Committee discussed economic uncertainty which may generate market volatility, including impending political change, fiscal stimulus, and healthcare reform, concluding that investment decisions made in accordance with the Foundation's investment policy are sound.

It was noted that NEPC began terminating Global All Asset (GAA) managers from the Foundation's portfolio following approval by the NEPC Discretionary Committee for new interim allocation targets. The decision to move away from GAA was a result of the strategies having not delivered performance results in line with the original investment thesis.

INVESTMENT POLICY AMENDMENT

The Committee was asked to consider an amendment to the Investment Policy Statement which eliminated explicit mandates to Global All Asset and Hedge Funds by consolidating these classes under a “Multi-Asset” name and reducing the target allocation. The remaining allocation would be largely redistributed to Public Equities. These changes reflected NEPC’s views on the permanence of low interest rates and the ability to capture the equity risk premium and multi-asset opportunities in the current market. A scenario analysis demonstrated that there are no significant differences between the current and proposed long-term targets. Reducing GAA and increasing allocations in public equities will increase the probability of higher capital appreciation but will provide less downside protection in a recessionary environment.

A motion was made by Paul Gregg and seconded by Roslyn Burttram to accept the proposed changes to the Investment Policy and recommend to the Executive Committee for approval. The motion passed unanimously.

ENDOWMENT POLICY AMENDMENT

Jeff Coates presented a proposed amendment to the UCF Foundation Endowment Policy, which would change the minimum gift amounts for establishing specific endowed funds. Changes included a minimum gift of \$50,000 to establish an endowed fund with restrictions, such as for specific research or student programming. Unrestricted endowed funds and scholarships which qualify for the State’s first-generation matching program may still be established with a minimum gift of \$25,000.

A full review of the Foundation’s minimum endowment levels was initiated by Foundation leadership at the recommendation of campaign counsel, to reduce administrative oversight and to award student scholarships more effectively. The changes also seek to increase donor support by urging permanent, legacy gifts at increased levels.

A motion was made by Jimmy Ferrell and seconded by Paul Gregg to accept the proposed changes to the Endowment Policy and recommend to the Executive Committee for approval. The motion passed unanimously.

AUDITED FINANCIAL STATEMENTS

Joseph Mera provided a summary of the UCF Foundation audited financial statements for the year ended June 30, 2020. The information was presented to the Investment Committee to provide additional insight to investment and endowment activity which received significant attention during the risk-based audit procedures.

INVESTMENT CONSULTANT RFP

It was noted that the Foundation has decided to resume its Request for Proposal (RFP) process for investment consultant, following its postponement in the spring of 2020. Respondents would be invited to submit any changes to their proposal for a brief period in January 2021. A subgroup of the Investment Committee would then review and evaluate responses with finalists presenting to the full Committee in the spring and the selected consultant would begin their contract with the Foundation in fiscal year 2022.

PUBLIC COMMENTS

There were no public comments.

There being no further business, Chair Callahan adjourned meeting at 11:43 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Carrie Callahan', with a small '06/18' written above the first few letters.

Carrie Callahan 06/18/2021 08:21 EDT _____

Carrie Callahan '92, *Chair*
Investment Committee
UCF Foundation, Inc.

Prepared by: Ashley McConnell, Executive Assistant, UCF Foundation

Approved by Investment Committee on March 30, 2021.