



FOUNDATION

FINANCE COMMITTEE

Zoom Conference Call

Thursday, August 8, 2024, 8:00 am – 9:00 am

Meeting Minutes

Present: Anthony Ferry Isaiah Henry Jim Leach
Mark Schwartz Jackie Han, District Fiscal Roxanne Metz, Fiscal staff
Elizabeth McCann, staff Andrew Hom, staff Emily Cramer, staff

Absent: M Mahboob Akhter Dr. Elliot Stern

Guests: Graystone – Dan Tichenor

1. Meeting called to order at 8:03 a.m.
2. Attendance taken and quorum achieved.
3. Consent Agendas
 - May 16, 2024 Meeting Minutes approved
 - Gifts Received (5/1/24-6/31/24) approved.Jim Leach motioned to approve, and Mark Schwartz seconded, motion approved.
4. Investment Performance Report 06/30/24 Review by Graystone Consulting, Dan Tichenor
 - Slowing economic data – cheered as good news, Feds can lower rates.
 - Slowing too much means a recession is coming.
 - The underlying fundamentals of the market is strong
 - Portfolios
 - Currently above \$10 million
 - Both funds are close to targets
 - The trend over the next couple of years will see slower growth.

RECENT DEVELOPMENTS

Endowment Fund

- Trimmed Martin Currie Emerging Markets SMA by ~2.0% and used proceeds to increase iShares Core MSCI EAFE
 - A slight rebalance of EM and International Equity while increasing core exposure.
- Asset allocation analysis results encouraged maintaining existing asset allocation targets:
 - US Equity: 27%
 - International Equity: 27%
 - Fixed Income: 26%
 - Alternative Investments: 17%

General Fund & Endowment Fund

International Structured Note recently matured.

- Reminder of the note terms:
 - 2-year maturity
 - Underlying index: MSCI Emerging Market Index (Price)
 - 1:1 downside participation if the index experienced a negative return

- “Jump” return of 25.5% if the index returned between 0.01%-25.25%
- 1:1 upside participation if the index experienced a positive return over 25.25%
- The MSCI Emerging Market Index gained +11.19% over the term of the note.
- **The note received the “jump” return of 25.25%, more than 2x the return of the index.**

RECOMMENDATIONS

- Equally split maturing structured note proceeds (target 5% combined) between two new notes:
 - 15-month Dual-Directional Buffer note tied to Russell 2000 Index (US Small Cap Stocks) →
 - 1.5x upside participation in the positive return of the underlying, to a maximum gain of 14.4% (i.e., a +5% underlying return will result in a +7.5% return for the note; a +15% underlying return will result in a +14.4% return for the note)
 - A dual directional return to -10% buffer (i.e. a -5% underlying return will result in a +5% absolute return for the note)
 - 1:1 downside below -10% buffer (i.e., a 15% underlying return will result in a -5% return for the note)
 - 24-month Dual-Directional Buffer note tied to MSCI Emerging Markets →
 - 1.5x upside participation in the positive return of the underlying, to a maximum gain of 22.7% (i.e., a +10% underlying return will result in a +15% return for the note; a +15% underlying return will result in a +22.7% return for the note)
 - Dual directional return to -10% buffer (i.e. a -5% underlying return will result in a +5% absolute return for the note)
 - 1:1 downside below -10% buffer (i.e., a -15% underlying return will result in a -5% return for the note)
 - **\$90k (~5%) for General Fund (\$45k/note); \$400k (~5%) for Endowment (\$200k/note)**
5. Foundation Financial Statement – By Andrew Hom
 - Currently closing the books for 2023-2024. Will have a full report in the September meeting.
 6. Meeting adjourned at 8:41 a.m.

NEXT MEETING: NOVEMBER 14, 2024, AT 8:00 A.M.