

KALAMAZOO FOUNDATION FOR EXCELLENCE
Investment Subcommittee Meeting
Quarter Ending March 31, 2021
Meeting of Wednesday, May 26, 2021 at 11:00 AM
ZOOM Meeting Hosted by City of Kalamazoo

MINUTES

I. General Opening Items

A. Call meeting to order

R. Salisbury

Chair Robert Salisbury called the meeting to order at 11:02 a.m.

B. Roll Call

J. Clark

Members Present Chair Robert Salisbury, Watauga County, North Carolina; Randy Eberts, Kalamazoo County, Michigan; Dean Bergy, Kalamazoo County, Michigan; Dan DeMent, Allegan County, Michigan; Sandi Doctor, Kalamazoo County, Michigan; Nick Griffith, Allegan County, Michigan

Members Absent

Joshua Sledge

A motion was made by Mr. DeMent and seconded by Mr. Bergy to excuse Mr. Sledge.

C. Introduction of Guests

R. Salisbury / J. Clark

Jennifer Clark, Budget & Accounting Division Manager; Chris Ruppel, Merion Capital; Neena Porter, Management Services Coordinator; Clyde Robinson, City Attorney; Steve Brown, Manager, Kalamazoo Foundation for Excellence; Alisa Carrell, Treasurer Kalamazoo Foundation for Excellence; Mayor David Anderson; Rob McDougall, Katie Richards, Lynn Zhang and Kyle Mack from Zhang Financial

D. **Approval** of minutes from February 24, 2021 meeting

R. Salisbury

A **motion** was made by Mr. DeMent and seconded by Mr. Eberts to approve the minutes from the February 24, 2021 meeting. The **motion carried** by voice vote.

II. Kalamazoo Foundation For Excellence

A. Investment Portfolio

1. Assets on March 31, 2021

J. Clark

Ms. Clark reviewed the assets as of March 31, 2021.

2. Investment Performance Report

R. McDougall

Mr. McDougall reviewed the investment performance report.

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The market value of portfolio assets increased from \$95.8 to \$97.1 million during the first quarter of 2021; an increase of \$1.3 million or 1.36%.

The portfolio weighted average return for the quarter, net of manager fees, was 1.50%. The return since May 1, 2020, net of manager fees, through the end of the quarter has been 20.02%

Equities comprised 50.6% of the Kalamazoo Foundation For Excellence portfolio at the end of the first quarter. The equity portion of the portfolio returned 6.17% during the first quarter. The return since May 1, 2020 for equity through the end of the quarter has been 41.93%

Fixed income comprised 49.3% of the Kalamazoo Foundation For Excellence portfolio at the end of the first quarter. The fixed income portion of the portfolio returned -3.57% during the first quarter. The return since May 1, 2020 for fixed income through the end of the quarter has been -0.86%.

Cash and equivalents were approximately \$76,368 or 0.1% of the assets.

The portfolio finished the quarter with 50.6% in equities, 49.3% in fixed income, and 0.1% in cash. The portfolio target allocation is 50% equities, 50% fixed income, and 0% cash.

The inflation-adjusted, or real return, for the quarter was -0.19% as the inflation rate for the quarter was 1.69%. Since May 1, 2020, the return on the portfolio, net of manager fees, has been 20.02% nominal and 16.71% real.

B. Account Update

J. Clark

1. 2021Q1 Review Expenses/Approval

Ms. Clark presented the quarterly expenses.

A **motion** was made by Mr. Eberts and seconded by Mr. DeMent to approve the expenses for the 4th quarter. The **motion carried** by roll call vote as follows:

Ayes: Bob Salisbury, Randy Eberts, Dean Bergy, Dan DeMent, Sandi Doctor, Nick Griffith,

Nays: None

Abstains: None

Absent: Joshua Sledge

2. 2021Q1 Review of Cash Flow

J. Clark

Ms. Clark presented the Cash Flow report.

3. 2021Q1 Rebalance

J. Clark

Ms. Clark presented the rebalance report.

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- C. Communications C. Ruppel
1. Derivatives Reports R. McDougall
- Mr. McDougall presented the derivatives reports.
2. Jennison Quarterly Overview R. McDougall
- Mr. McDougall presented the Jennison Quarterly Overview report.
3. Articles of Interest R. Salisbury
- Mr. Ruppel presented
4. Other
- D. Due Diligence / Education / Governance C. Ruppel
1. Activity Reports
- Nothing unusual to report.
2. Future Due Diligence / Education C. Ruppel
- Nothing unusual to report.
3. Corporate Governance C. Ruppel
- Nothing unusual to report.
- E. Old / New Business R. Salisbury
1. Asset Allocation R. Salisbury
- Mr. Salisbury indicated the committee is interested in whether FFE wish to consider social and/or environmental factors. Mr. Brown responded that FFE Board does not wish to make any changes to the asset allocation at this time; however, will keep this topic in the forefront of discussion.
- Mr. Salisbury asked if there are any additional contributions expected in 2021. Mr. Brown responded there are no additional contributions expected at this time.
2. E & O Insurance R. Salisbury
- Mr. Salisbury stated that review of the policy is still ongoing.

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F. Public Comment

Meeting Host

The meeting host noted no public comments for this meeting.

III. General Closing Items

A. Future Meetings

R. Salisbury

2021Q2 Wednesday, August 25, 2021 at 11:00 am
2021Q3 Wednesday, December 1, 2021 at 11:00 am
2021Q4 Wednesday, February 23, 2022 at 11:00 am
2022Q1 Wednesday, May 25, 2022 at 11:00 am

B. "Around the Table"

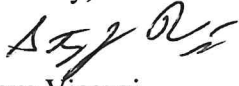
R. Salisbury

C. Adjourn

R. Salisbury

Chair R. Salisbury adjourned the meeting at 11:27 a.m.

Sincerely,



Steve Vicenzi,
Secretary