

**Members Present:**

Teresa Borcheck, Clint Bullock, Debbie Claydon, Steve Curley, Carrie Daanen, *Committee Vice Chair*, Paul Gregg, Steve Hanson, James Harhi, Stuart Heaton, *Committee Chair*, Ryan Kelley, Kevin Miller

**Members Absent:**

Jimmy Ferrell, John Mahony

**I. Welcome and Call to Order**

Stuart Heaton P'17, *Chair*, Investment Committee, called the meeting to order at 9:00 a.m., stating that the meeting was covered under Florida Sunshine Law and the public and press were invited to. Roll call was performed, and quorum was confirmed.

**II. Conflict of Interest Disclosure**

No conflicts of interest were declared by committee members.

**III. Approval of Meeting Minutes**

Minutes from the May 30, 2024, Investment Committee meeting were unanimously approved as written.

**IV. Discussion**

Janelle Hom '10MA, *Director, Foundation Board Relations and Advancement*, UCF Advancement and Partnerships, presented the following item:

**A. DISC-1: Investment Committee Annual Review Items**

The Investment Committee was asked to have reviewed the current charter for beneficial or needed amendments.

**1. IC-1: Investment Committee Charter**

Staff recommended one minor revision that would align the committee charter with the recently amended bylaws. The change would reduce the minimum Elected Director count from five (5) members to three (3). No other changes were recommended.

**Motion:** A motion was made by Faculty Advisor Gregg to recommend approval of the revised Investment Committee Charter to the UCF Foundation Board of Directors, on its consent agenda. The motion was seconded by Advisor Curley. The motion was passed unanimously.

**2. Fiscal Year 2024 – 2025 Investment Committee Annual Plan**

Board staff provided an overview of the Investment Committee's workplan for the year. Committee members were encouraged to provide feedback on agenda items for future meetings.

Weston Lewis, *Senior Vice President*, and Todd Carabasi, *Vice President*, Callan LLC, presented the following item:

**B. DISC-2: Investment Performance for Period Ended June 30, 2024**

A review of the portfolio performance summaries consisting of current asset allocations, market overview, fund summaries, and key performance benchmarks by Callan was conducted. Carabasi and Lewis reported the endowed funds investment pool market value as of June 2024 totaled \$262 million, reflecting a fiscal year-to-date return of 11.60% while the benchmark reflected a 10.03% return for the same period. Equities markets reflected a 19.01% return for the same period, bolstered by continued gains in the S&P 500. Fixed income reflected a return of 3.86%, and private markets reflected a return of 2.38%, for the same period.

Lewis fielded questions from the committee related to small cap performance, style drift, and private equity.

Todd Carabasi, *Vice President*, Weston Lewis, *Senior Vice President*, and, Adam Lozinski, *Vice President*, Callan LLC, and Craig Erwin, *Chief Financial Officer*, UCF Foundation, Inc., and Joseph Mera, *Director, Financial Planning and Analysis*, UCF Advancement and Partnerships, presented the following item:

**C. DISC-3: Statement of Investment Strategy**

Lozinski led the review of the Endowed Funds Asset/Spending Study. The Investment Committee was asked to discuss the current investment policy and impacts of changes to the asset mix. Callan prepared four (4) asset mixes and respective projected returns, risk, and excess returns relative to volatility. Factors for the study included investment objectives, spending and contribution policies, asset classes for inclusion, time horizon, liquidity needs, implementation challenges, and governance models. Lewis noted that an asset allocation study should be conducted every three (3) to five (5) years to determine volatility and how the UCF Foundation's strategy differentiates from peer institutions.

Callan representatives fielded questions from the committee regarding implementation timeline expectancy. Faculty Advisor Gregg inquired about whether cash contributions to the endowment were embedded in the goals of fundraisers. Rodney Grabowski, *Senior Vice President*, UCF Advancement and Partnerships, and *Chief Executive Officer*, UCF Foundation, Inc., confirmed that those goals were present, and that the department has seen an increase in endowment pledges. He further noted that the department was anticipating double to triple the amount of endowment contributions in Fiscal Year 2024 – 2025.

Chair Heaton recommended the committee review this further to finalize recommendations at either the January or April 2025 Investment Committee meeting, with the potential of forming an ad hoc workgroup to review.

**V. Information**

The following informational items were provided to the committee. No questions or comments were offered by committee members.

**A. INFO-1: Florida Uniform Prudent Management of Institutional Funds Act**

**B. INFO-2: AGB Blog Post: Key Financial Metrics for Boards**

**C. INFO-3: Callan Blog Post: Navigating U.S. Equity Concentration: A Look at Global Stocks**

**VI. New Business**

Faculty Advisor Gregg provided one item of new business for the Investment Committee's consideration. The UCF College of Business Department of Finance is planning to offer a student management portfolio class in the Fall term of 2025. Gregg would like to propose taking \$250,000 from the endowment's small cap allocation and allow the students to invest it.

Chair Heaton thanked Faculty Advisor Gregg for this item, noting the formal item could be brought before this committee at either the January or April 2025 meeting.

**VII. Adjournment**

Chair Stuart Heaton adjourned the meeting at 10:02 a.m.

Approved by the UCF Foundation Investment Committee on **January 16, 2025**.

Respectfully Submitted by:

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Stuart Heaton P'17, *Chair*, UCF Foundation Investment Committee

Minutes Prepared By: Maria Ffrench, Coordinator, Legal Services, UCF Advancement and Partnerships