

Advancement | UCF Foundation, Inc.

Investment Committee Report

Committee Chair: Carrie Daanen '92

Last Meeting Date: March 24, 2023

Summary of Recent Actions:

The Investment Committee has met twice since the October 12, 2022, UCF Foundation Board meeting.

On December 8, 2022, the UCF Foundation's investment management team from Callan presented economic outlook and investment performance for the period ended September 30, 2022. It was noted that the Endowed Funds Investment Pool market value was \$200.3 million having returned -4.03% in the quarter. Callan responded to questions regarding key portfolio changes and market environment during the period. The Callan team presented final recommendations for changes to the non-endowed funds in the Foundation's investment portfolio, which seeks to maintain sufficient liquidity and downside protection as well as higher long-term growth. Callan proposed a two-tiered structure of non-endowed funds with varying target allocations.

The Committee approved an amended Statement of Investment Strategy, incorporating the two-tiered structure. The recommended amendment would then go before the Executive Committee. The Committee also approved the FY24 Spending Distribution at a rate of 4%. The FY24 Spending Distribution was recommended to the UCF Foundation Executive Committee.

On March 24, 2023, the Investment Committee heard from Joe Lavin, *Senior Vice President – Client Service* and Justin Lavin, *Deputy Portfolio Manager* of CBRE Investment Management. An overview was provided of CBRE's private real estate. The overview covered their fund structure and summary, as well as historical core performance of 4.0% net distribution yield. CBRE explained their current allocations by sectors, noting those that are seeing strong growth.

The Committee also heard from J. Weston Lewis, *Senior Vice President*, and Todd Carabasi, *Vice President* of Callan LLC on Investment Performance for Period Ended December 31, 2022. The Fixed Income structure (15% of total portfolio) was simplified and is now 100% actively managed. Real Assets structure (13% of total portfolio) will have exposure to Core Real Estate, Infrastructure, and Energy. Hedge Fund exposure (5% of portfolio) will retain three legacy managers, with assets reallocated amongst the managers for a slightly more conservative approach. The Private Equity program (12% of portfolio) will take another 1-2 years to build out to target. The Private Credit program (6% of portfolio) is reasonably close to target.

Committee Motions Since Last Board Meeting:

- Recommended approval of the amended UCFF Statement of Investment Strategy
- Recommended approval of the UCFF FY24 Spending Distribution

Committee Business Requiring Board Action:

- (Consent Agenda) Approval of the Fiscal Year 2024 Spending Rate of 4%
- (Consent Agenda) Approval of the Proposed Amendment to the Statement of Investment Strategy

Next Meeting Date: May 23, 2023

Committee Report Submitted by: Carrie Daanen '92, *Chair, UCF Foundation Investment Committee*

Committee Report Prepared by: Janelle Hom '10MA, *Director, Foundation Board Relations,*
UCF Advancement & Partnerships