



MPC

FOUNDATION

MONTEREY PENINSULA COLLEGE

Investment Committee Minutes

October 28, 2021

MPC Foundation's Investment Committee held its quarterly meeting on Thursday, October 28, 2021 via videoconference.

- Members present: Andrew Ausonio (joined 4:31pm), Bill Doolittle, Jason Griffin, Rob Lee, Nathan Steen
- Monterey Private Wealth (MPW) Advisors present: Cris Cabanillas, Zach Harney, Hannah Rogge
- Monterey Peninsula College Foundation (MPCF) Staff present: Karen Kelly, Beccie Michael
- Committee members absent: Stephan Lins, Matthew Morgan

1. Chair Nathan Steen called the meeting to order at 4:10 p.m.

2. There were no guests; no public comment

3. Review and Discussion of Quarterly Portfolio Results (Monterey Private Wealth)

Hannah Rogge provided an overview and guided the committee through MPCF's 2021 third quarter investment report:

- Q3 was a relatively flat quarter, as gains made earlier in the year were wiped out by late-September decline.
- While inflation has reached the highest level in MPCF's investment history, MPW made protective adjustments to the portfolio in the first half of the year.
- MPCF's managed assets totaled \$10,878,734 at the end of Q3 2021
- Despite Q3 underperformance, year and longer investment performance is satisfactory

4. Environmental, Social, and Governance (ESG) Investments Overview (Monterey Private Wealth)

Zach Harney provided an overview of the history and current state of ESG funds as a way to diversify MPCF's investment portfolio. ESG funds have evolved from specialized offerings to a broader market that offers three general ways to invest:

- *Broad-based index funds* are generally inexpensive and readily available, but clients have no flexibility to choose or avoid specific investments.
- *A custom portfolio* of market funds is typically higher-priced, but clients have more flexibility to emphasize specific areas of interest within the ESG marketplace
- *Direct indexing*, while reasonably priced, calls for specific allocation of investments among ESG-compliant offerings. In addition to the management burden imposed by such operational complexities, the minimum investment is likely too high for MPCF's current portfolio size.

After a robust discussion, the committee agreed to MPW's recommendation that we table ESG investments at least until some products currently in development are broadly available. In the meantime, if a donor requests an ESG investment vehicle, the group may revisit the question sooner.

5. Presentation of 2022 funds available for distribution per "Banded Inflation" calculations (MPCF staff)

- In 2022, MPC Foundation will have \$275,300 to fund programs from its endowment proceeds, and will realize \$90,217 in Administrative Fees on invested funds.

6. Approval of minutes

Mr. Steen presented the minutes of the July 22, 2021 Quarterly Meeting

- Mr. Lee moved to approve; Mr. Doolittle seconded
- Ayes: Mr. Ausonio, Mr. Griffin, Mr. Steen. Nays: none

7. Adjournment:

Mr. Steen adjourned the meeting at 5:01 p.m.