

INVESTMENT COMMITTEE MEETING MINUTES

Florida A&M University Foundation Board of Directors

Wednesday, February 24, 2021 | 4 p.m. – 5 p.m.

Teleconference

Committee Members Present

Dir. Clifton Goins, IV, *Chair*
Dir. Marcelia Freeman, *Vice Chair*
Dir. Gregory Clark
Dir. Lorin Crenshaw
Dir. John Crossman

Dir. Lisa LaBoo
Dir. Kenneth Neighbors
Dir. Freddie Raines
Dir. Larry Robinson
Dir. T.J. Rose

Committee Members Not Present

Dir. William Bryant
Dir. Maurice Gilbert

Dir. G. Scott Uzzell

Guests Present

Ms. Nancy Bard, *Commonfund*
Ms. Rachel Clivaz, *Commonfund*
Dir. Shawnta Friday-Stroud
Dir. Jemal Gibson
Dir. John Green
Ms. Caroline Greer, *Commonfund*
Dir. Monica Williams Harris

Mr. Kelvin Lawson, *Chair, Board of Trustees, FAMU*
Dir. Carmen Cummings Martin
Mr. David Self, *Associate Gen. Counsel, FAMU*
Mr. David Shufflebarger, *Board Consultant*
Dir. Tirrell Whittley
Ms. Betsy Wilson, *Commonfund*
Dir. Pia Woodley

Staff Present

Ms. Shelia Fields, *IT Office, FAMU*
Ms. Kim Hankerson
Ms. Juanita Johnson
Mrs. Gena Palmberg

Mrs. Audrey Simmons-Smith
Mr. Eric Swanigan
Ms. Brandi Tatum-Fedrick
Ms. Angie Wiggins

Call to Order and Roll Call

The meeting was called to order at 4 p.m. by Chair Clifton Goins. Ms. Angie Wiggins called the roll and confirmed that a quorum was present.

Conflict of Interest Disclosure

Chair Goins requested that Committee members disclose any conflict of interest with items on the Agenda; none were disclosed.

Approval of Minutes

November 10, 2020, Investment Committee Meeting

Director Kenneth Neighbors made a motion for approval; seconded by Director Lorin Crenshaw. The motion passed, unanimously.

Presentation by Commonfund

- a. Market Review
- b. Investment Portfolio Review for October – December 2020
- c. Asset Class Deep Dive - Equities
- d. Follow-up from November 10, 2020, Meeting
 1. Brightwood Capital
 2. Venture Capital approach
- e. Private Programs Investment Summary

Commonfund staff's presentation included a market/macro-overview that led into an investment performance discussion regarding the fourth quarter. The focus was primarily on the one-year and longer-term performance since it was at the end of the year and they were asked to do so by the Committee.

Equities asset allocation was discussed. Commonfund's due diligence regarding active oversight of fund managers was questioned. As it relates to the POV (target relative equity positioning), Director Lorin Crenshaw stated that the asset allocation needed to be reconfigured, due to opportune times to buy and to increase equity that were missed by not acting. Commonfund provided their strategy for reviewing and terminating managers. They will take the request to their asset allocation committee for consideration.

Commonfund staff brought to the Committee a recommendation for a \$1M commitment into the Base10 Advancement Initiative Fund. Their staff provided background information and the strategic focus on this Fund that was introduced to them by Vice Chair Marcellia Freeman. Commonfund staff advised that this overall is a great opportunity to invest in a unique strategy with a strong team with attractive economics. They will have a close on Friday; therefore, the Investment Committee was asked to make a decision today. After Vice Chair Freeman shared her thoughts on the Fund, and Director Lisa LaBoo inquired about the projected returns that they are hoping for based on what they are investing in, Commonfund staff responded. Director TJ Rose stated that after spending time with some of Base10's LPs, he thinks that their deal access has been verified; he shared his support.

Vice Chair Freeman recommended, if there is not a lot of opposition to do \$1M now and if there is going to be another close in March, to reconvene this Committee to discuss any desire to do more. Director Crenshaw agreed with the approach and requested that Commonfund in the next 24-hours answer the question regarding maximum exposure, to the extent that the Committee would have an option to do something ad hoc or not. Commonfund indicated Friday was likely the last close. The motion below was made by Director Crenshaw with a friendly amendment offered after discussion by Chair Goins.

Motion: I move that the Committee give Commonfund the discretion to invest a minimum of \$1M up to 33% of our total venture capital budget which is 40% of the Foundation's overall private equity allocation into Base10.

Moved By: Director Lorin Crenshaw

Seconded By: Director TJ Rose

The motion passed, unanimously.

Status of Action Items - September 16, 2020, and October 13, 2020, Investment Committee Meetings

- a. Discuss the next step of redefining the Foundation's allocation in venture capital; define the strategy to meet the Foundation's diversity target with venture capital.

See content above.

b. Fearless Fund Update.

Commonfund received a recommendation from the Investment Committee to contact Fearless Fund representatives to discuss a possible reduction to the commitment amount from \$200K to \$150K based on three findings. First, the limited partnership terms were heavily favored towards the general partner. Second, they did not have a code of ethics policy. Lastly, this is a first-time fund with a first-time team.

Status of Action Items – November 10, 2020, Investment Committee Meeting

a. Commonfund staff to follow up on Brightwood with key person event triggered with departure and capital deployment going forward.

Commonfund advised that they are seeing signs of recovery for Brightwood in their returns. Brightwood believes that their portfolio has overall held up relatively well during the pandemic. They made the decision at the start of the pandemic to suspend all distributions of profits to preserve capital in the event that they needed to provide support to the fund's portfolio companies. The Committee was advised that Brightwood have not had to drawn on those funds; hope to resume the quarterly distributions this quarter.

Vice Chair Freeman inquired if there are any remedies that the Committee can take and what have Brightwood said about the departure, due to half of their brain trust is gone and now that they are suspending distributions. Commonfund staff advised that they would address those concerns, but were unable to do so due to limited time today. The Committee was informed that a one-page summary on Brightwood is available for review in the back of Commonfund's presentation booklet.

b. Commonfund staff to add one-year trends on the portfolio review.

Completed.

c. Revisit the equities benchmark discussion.

See content on Page 2.

d. Follow up on the Natural Resources equity allocation discussion.

This item was tabled for the next Investment Committee Meeting.

Adjournment | Minutes Prepared By

There being no further business to address, the meeting was adjourned at 5:18 p.m. by Director Clifton Goins, IV. The minutes were prepared by Ms. Angie Wiggins.