

LOCATION: **LACC Foundation**
Student Union Building
855 N Vermont Avenue
Los Angeles, CA 90029

1 669 900 6833 (US Toll)
Meeting ID: 854 1131 4018

TIME: 12:00 P.M.

MINUTES

Attendance:

Members Present: Danny Chan (Vice Chair); Edward Dilkes; Marvin Hoffman, via Conference Call; Jerrod McClung, via Conference Call; Gerard Tamparong via Conference Call; Robert Schwartz and Lisa C. Nashua (Executive Director)

Members Absent: Bob Winters (Chair) and Robert Reeves

Guests Present: Joseph Robillard (Windward Capital); Jeff Zarrinam; Helen Khachatryan and Silvia Martinez

I. CALL TO ORDER

D. CHAN

a. The meeting was called to order at 12:28 P.M.

II. APPROVAL OF MINUTES

D. CHAN

- a. Minutes of January 23, 2024, meeting.
- i. Ed Dilkes moved to accept the minutes as presented.
 - ii. Jerrod McClung seconded.
 - iii. **Motion Passed MSP**

III. REVIEW OF WINDWARD CAPITAL SUMMARY

B. NICHOLS/J. ROBILLARD

- a. Joseph Robillard and Bob Nichols gave a brief overview of the investment allocation in relation to current conditions. They also review Windward Capital Management Co. recommendations.
- i. Joseph started by saying that their current recommendation is to maintain the heading that they're on. Because they like the way the portfolio is situated. They think the fixed income allocation at the lower bound is appropriate right now. They are pleased with the way the portfolios are situated.
 - ii. Dr. Nichols went on to mention that right now that this rally is a late cycle rally. Which basically means we could have two more years of rally or it could change them all. That almost anything they say today might be questionable at the end of the cycle because this is the earnings season.
 1. Historically, the S&P 500 trades between 8 and 22 tenths earnings. It's at 22 times earnings now, and their focus has been on reducing the volatility and the risk. Because they see the market carrying a substantial amount of risk that it couldn't have even three or four weeks ago.
 2. Dr. Nichols mentioned that the two issues that they are really primarily concerned with is
 - a) The profit growth going to continue as the economy continues to strengthen or is it hot inflation and stronger monetary policy, and/or
 - b) Global upheaval going to really damage corporate earnings going forward
 3. He said that they looked at some of the interviews that have been published. Bloomberg has a market live call interview survey of 409 Corporate Executives. 83% of them thought that the market was okay and that the stock valuations would stick.
 - a) They also looked at Citigroup's large survey and 76% of those executives that were surveyed said that the earnings would exceed expectations.

- b) He also mentioned that they haven't made a lot of changes, but they have sold a couple of healthcare stocks that they felt were reasonably overvalued and as time goes on, they'll make more changes. Certainly after this week, they'll have a chance to see how everybody is performing, but there is a high percentage of opportunity to, you know to make a mistake here. So we're not making any changes certainly until earnings season is over.
- iii. The Committee asked if they had any reason to believe that their earnings would be different for the companies reporting tomorrow through Friday and Dr. Nichols said no, they don't think they do. It was the large text that recovered. They had a drawdown for several weeks, leading even past last week and they've recovered all of that in just three or four trading days. However, there's always room for someone to be wrong, and they'll keep an eye on it, but they are the innovators. They are those companies who have the greatest use of AI and those who can in fact increase earnings at double digit returns.
- b. The Committee received the LACCF Portfolio report which covered the performance for the 1st quarter as of March 31, 2024.
- | | | |
|---------------------------------------|--|--|
| i. LACCF Portfolio #1 Growth | | |
| 1. Total Cost: \$12,868,446.66 | Market Value: \$20,228,640.62 | |
| a) Yield: 1.8 | Estimated Annual Income: \$274,921.63 | |
| ii. LACCF Portfolio #2 | | |
| 1. Total Cost: \$ 4,247,695.83 | Market Value: \$ 6,243,407.41 | |
| a) Yield: 2.9 | Estimated Annual Income: \$151,390.66 | |
| iii. Herb Alpert Portfolio #1 | | |
| 1. Total Cost: \$5,704,680.76 | Market Value: \$ 9,934,332.17 | |
| a) Yield: 1.8 | Estimated Annual Income: \$130,949.96 | |
| iv. Herb Alpert Portfolio #2 | | |
| 1. Total Cost: \$4,436,750.98 | Market Value: \$6,556,819.63 | |
| a) Yield: 2.9 | Estimated Annual Income: \$14,850.07 | |
| v. Nick Beck Journalism Lecture | | |
| 1. Total Cost: \$446,053.95 | Market Value: \$614,920.13 | |
| a) Yield: 3.0 | Estimated Annual Income: \$14,504.51 | |
| vi. LACCF Operating Endowment | | |
| 1. Total Cost: \$684,467.75 | Market Value: \$937,590.78 | |
| a) Yield: 1.9 | Estimated Annual Income: \$12,735.98 | |
| vii. LACCF STEM | | |
| 1. Total Cost: \$2,259,605.80 | Market Value: \$2,989,753.04 | |
| a) Yield: 1.8 | Estimated Annual Income: \$39,742.31 | |

IV. REVIEW OF FINANCIALS

D. CHAN

- a. The Finance and Investment Committee members approved the March 2024 financials.
- i. Ed Dilkes moved to accept the March 2024 financials as presented.
 - ii. Marv Hoffman seconded.
 - iii. **Motion Passed MSP**

V. NEXT MEETING AND ADJOURNMENT

- a. Next meeting will be on July 23, 2024, at 11:30 AM.
- b. Meeting adjourned at 1:13PM