

HARBOR BRANCH OCEANOGRAPHIC INSTITUTE FOUNDATION

Harbor Branch Oceanographic Institute Foundation, Inc. Finance Committee Meeting

Agenda December 21, 2017 2:15 pm Foundation Conference Room LE240

- I. Call to Order
Chair Raines
- II. Approval of Minutes from October 13, 2017 Meeting
Chair Raines
- III. Discussion: Rebalancing asset allocation of the investment portfolio per notification from Ed Michelson, Atlanta Consulting Group, of Equity Exposure as of the November 30, 2017 Investment Report:

From Ed Michelson:

November was another strong month for global equity markets but not as kind to fixed income. Returns in equities were around 3.00% for domestic and 2.00% for Non – US indices. This compares to small losses in fixed income of less than 1.00%. The only area of underperformance for active management in Harbor Branch was EuroPac (+.02% vs +1.05%) in the international equity area. This caused the Total Fund to underperform (+1.85% vs+ 1.98%). Otherwise all active management outperformed to include Met West, PIMCO and Advisory Research. Only issue of concern is the Equity exposure when combining Large, Small and International now 77.24% while our maximum exposure is 75%.

Per our updated Investment Policy Statement:

B. Rebalancing Procedures

From time to time, market conditions may cause the investment in various asset classes to vary from the established allocation. At least on an annual basis, the Finance Committee and their Investment Consultant will review asset allocation and diversification for possible rebalancing. If the actual weighting goes above / below the maximum / minimum weighting intra-year, rebalancing may be recommended. Each Fund will typically be rebalanced at the asset class level when an asset class exceeds the upper limit of the range or falls below the lower limit of the target range by more than one percent (1%), unless the Committee deems any rebalancing not to be in the best interest of the Fund. If the Committee should forgo rebalancing the decision to do so shall be documented in the minutes and maintained as a permanent record of the Committee.

Action Needed: Confirm status quo until January 19, 2018 meeting or reduce equity and alternatively invest to rebalance.

- IV. Adjournment