

HARBOR BRANCH OCEANOGRAPHIC INSTITUTE

FOUNDATION

Minutes
Finance Committee Meeting
Held at the Harbor Branch Oceanographic Institute Foundation, Inc.
May 23, 2017

COMMITTEE MEMBERS PRESENT: Mike O'Reilly*; John Papa*; Marjorie Raines*, Chair

OTHERS PRESENT: Katha Kissman*, President & CEO

ABSENT: Sherry Plymale; Mike Toner

*participated virtually

Call to Order

Chair Raines called the meeting to order at 11:30 am.

Purpose of Meeting

The sole purpose of this meeting was to ensure clarity of the decisions made by the Committee at its May 19, 2017 meeting to instruct The Atlanta Consulting Group to action.

Discussion of Short-Term/High Yield Investments

Erica Simpson and Jordan Barrow provided an overview of short duration high yield investments through Shenkman Capital Management (supporting documents provided in advance). Short duration high yield is not an asset class, but is instead a solution within high yield that seeks to: minimize duration risk; increase yield over other short duration alternatives; avoid credit events; and maximize risk-adjusted returns. Said investment would be at 65 basis points. Following their presentation, it was agreed that investments of this kind may be a possibility within the fixed income allocation of the Foundation's portfolio with further discussions to follow. **CONFIRMED**

Investment Report

Ed Michaelson and Kyle Bobinski provided the 1st Quarter 2017/3rd Quarter FY17 investment report and the April 30, 2017 investment scorecard report in advance of the meeting. The value of the portfolio as of April 30, 2017 was \$69,384,743.

The Committee accepted The Atlantic Consulting Group's recommendation to diversify the Small Cap sector's 100 percent passive Russell 2000 investments (Vanguard & iShares indexes) by maintaining the lowest cost passive index while selling the other index and with the proceeds purchase the S&P SmallCap 600 TR USD. **CONFIRMED**

Following up on the presentation and discussion at the April 14, 2017 meeting, the Committee agreed not to move forward with Stone Ridge Reinsurance Risk Premium Interval Fund/Cat Bonds Investments. **CONFIRMED**

Based on The Atlanta Consulting Group recommendation, the Committee agreed to sell the Vanguard Total Bond Market Index Fund using 50% of the proceeds to purchase the Metropolitan West Total Return Fund and the other 50% in either the PIMCO Income Fund or the PIMCO Diversified Income Instl Fund. It was agreed by the Committee the latter would be determined by Chair Raines on additional information provided by The

Atlanta Consulting Group. CONFIRMED. Chair Raines reported she had reviewed the materials and selected the PIMCO Income Fund for investment. Committee members also received the background information provided to her by Ed Michelson.

The final 5% of the Ironwood divestment holdback (valued at \$67,522 on the April 30, 2017 Investment Scorecard Report) will be released in July 2017. The Committee agreed to move those funds into Cash due to expected HBOI grant payments in July. CONFIRMED.

Adjournment

There being no further business, the meeting was adjourned at 11:43 am.