



Florida School for the Deaf & the Blind

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MEETING MINUTES
ENDOWMENT INVESTMENT COMMITTEE
September 24, 2021 at 9:30 a.m.
Moore Hall CLD-FSDB Campus

Call to Order

Mr. Hadley called the meeting of the Endowment Investment Committee to order at 9:34 a.m.

Attendance

Present: Mr. Ralph “Terry” Hadley (Chairman), Ms. June Ann LeFors, Dr. Tom Zavelson

Absent: Ms. Christine Chapman

Board of Trustees: Mr. Matt Kramer, Mr. Owen McCaul

UBS: Mr. David Hanvey, Ms. Lacey O’Connor

FSDB: Ms. Tracie Snow (President)

Ms. Julia Mintzer (Administrator of Business Services)

Mr. John Wester (Comptroller)

Ms. Amy Moring (Executive Director of Advancement)

Ms. Catherine Arasi-Kelleher, Mr. Nick McClure, Ms. Sarah Tait (Interpreters)

Ms. Denise Fernandez (Recording Secretary)

Approval of Meeting Minutes

The minutes of the April 9, 2021 Endowment Investment Committee Meeting were *approved on a motion by Dr. Zavelson; seconded by Mr. Kramer.*

Public Comment

None

New Business

UBS Update (Dave Hanvey & Lacey Conner)—The UBS team presented three topics: investment policy goals and objectives, the endowment performance, and the market update.

Investment Policy: UBS has long fulfilled its fiduciary obligation by practicing sustainable investing and aligning with the investment policy which is “clearly defined, has a long-term prospective, and creates a legacy.” Mr. Hanvey highlighted UBS’s commitment to FSDB by acknowledging its sound processes and capable staff. Furthermore, the company recognizes the value of risk management and works diligently to protect the endowments’ investments which have outperformed over the past three years. This has been accomplished through conservative assumptions and “allow[ing] compounding to be a significant player.”

Performance: Ms. Conner provided a current overview of the state of the endowment and reinforced Mr. Hanvey’s claim. Specifically:

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Endowment I—During August (MTD), it increased +1.06%, beating the benchmark of +0.9%, appreciating \$183K. Year-to-date (YTD), it increased +8.15%, beating the benchmark of +6.3%, appreciating \$1.34mm.

Endowment II—During August (MTD), it increased +1.35%, beating the benchmark of +0.9%, appreciating \$139K. Year-to-date (YTD), it increased +5.1% in line with the benchmark, appreciating +\$476mm.

Using the asset “quilt” chart, Ms. Conner demonstrated UBS’s moderate portfolio investing strategy ensures the money is protected during the downside and “capture[d] upside” thus adhering to the model. She also stated that UBS constantly tests and rebalances the portfolio to the risk model.

Market Outlook: Mr. Hanvey recognizes that more swings in volatility are expected in the foreseeable future. One of UBS’s strengths lies in its European presence where ESG (Environmental, Social and Governance) is favored. UBS’s investment strategy coupled with FSDB’s sound investment policy provide Mr. Hanvey and his team the impetus to remain optimistic about the future performance of both endowments.

Discussion: Mr. Hadley expressed an interest in updating the investment policy in 2022. While remaining compliant with state laws, he is eager to find suitable parameters that will permit the board to take advantage of opportunities that will help build both endowments. He called upon fellow board members to reach out to Mr. Hanvey with any questions or suggestions prior to the April 2022 meeting.

Mrs. Mintzer reminded the committee to limit their conversations with Mr. Hanvey to fact-finding information since unilateral decision making is not permitted under the sunshine. She further encouraged the group to “keep capacity in mind” when they begin to think about modifications to the investment policy. Because FSDB is a “state supported, not 100% funded school,” its operations spending is at risk if the endowment outgrows general revenue funding allocations. Ms. Moring’s department would not be prepared to support the shift under its current structure. Furthermore, even a 10% cut in state funding would drastically impact programs.

Project Update (Amy Moring)—The board approved Bleacher Architectural and Engineer Design project study is targeted for this school year. Ms. Moring announced that the Johnson Scholarship Foundation might be the lead funder for this project since COVID-19 limitations prevented much spending from its restricted 2020-2021 project fund account. Alongside continued conversations with this donor, her team will pursue other areas to secure project funding and anticipates submitting an action item to the Board by the next meeting in April 2022.

Discussion: Mr. Hadley conceded that “opportunity and means” were apparent and reminded the Board of the significance of each member’s contribution to the endowment to attract and/or maintain donor commitment.

Next Meeting—April 8, 2022

Adjournment

The meeting adjourned at 10:20 a.m. by Mr. Hadley