

Investment Committee Minutes

The Investment Committee of the Greater Tacoma Community Foundation met on February 10, 2025

Committee Members Present

Gary Brooks, Chair
Doug Van Allen (Zoom)
Ali Kemp (Zoom)
Jacques Colon
Geoff Curran (Zoom)
Christopher Algeo
Margot Hackleman

2025 Committee Member Absent

Doug Lineberry
Andy Fagan

Staff Members Present

Kathi Littmann, CEO, Mo Mousa, CFO, Marinda Huber, Controller, Seth Kirby, Chief Impact Officer, Stacey Guadnola, Chief Philanthropy Officer, Steve Saalfeld, Philanthropy Advisor, and Manveer Singh, Accounting Assistant.

The meeting was called to order at 12:05 pm.

Item I The committee voted unanimously to approve the minutes of the November 12, 2024 Meeting.

Item II Tim O'Donnell of Fund Evaluation Group (FEG) presented an overview of Private Opportunity Fund I and II as well as the SRI performance for the period ending 12/31/2024.

SRI Pool returns compared to the Target-Weighted Benchmark were as follows:

	QTR	1 Yr	3 Yr	5 Yr	7 Yr	Inception (3/2016)
SRI	-2.6%	9.4%	0.9%	5.5%	5.8%	7.2%
Benchmark	-2.7%	9.7%	0.7%	5.6%	5.6%	6.2%

Tim mentioned that FEG has decided to exit Calvert Global Water Fund for all their clients and replace it with KBI Aquarius Global Water Fund. The main reason for the change is due to management change and other disruptions in the Calvert Global Water Fund.

Following up from the previous meeting regarding Cohen & Steers Realty Income Fund, regarding whether there are any other REIT strategies with a higher level of ESG focus, Tim reached out to HIP REIT. They would be able to run their strategy in a separately managed account if desired.

The Diversifying Strategies allocation of the SRI Pool was at 2.8% due to recent \$300,000 addition of Citizen Mint renewable energy private fund placement. Tim recommended moving Citizen Mint to Real Assets as a third column titled Private Infrastructure and remove the Diversifying Strategy column.

After careful review, the committee voted and approved to:

1. Exit Calvert Global Water Fund into KBI Aquarius Global Water Fund and,
2. Exit Cohen & Steel Realty Income Fund into HIP REIT.

- Margot Hackleman abstained from voting.

Item III Nick Piccarreta from Mercer presented the Market Summary and Foundation Review for the period ending 12/31/24.

Long-Term Pool returns compared to the Target-Weighted Benchmark were as follows:

	QTR	1 YR	3 Yr	5 Yr	10 Yr	Inception (12/1999)
Long-Term Pool	-2.2%	9.5%	2.7%	6.8%	6.3%	6.2%
Benchmark	-1.2%	12.6%	3.1%	7.3%	7.0%	6.0%

Annuity Pool returns compared to the Target-Weighted Benchmark were as follows:

	QTR	1 YR	3 Yr	5 Yr	10 Yr	Inception (6/2002)
Annuity Pool	-2.4%	9.5%	2.0%	7.3%	6.5%	6.6%
Benchmark	-1.6%	11.2%	2.4%	6.6%	6.8%	7.1%

Short-Term Pool returns compared to the Target-Weighted Benchmark were as follows:

	QTR	1 Yr	3 Yr	5 Yr	Inception (12/2010)
Short-Term Pool	-2.2%	6.9%	0.4%	3.0%	3.4%
Benchmark	-2.2%	6.6%	0.4%	3.0%	3.9%

Global equity markets fell in the fourth quarter, though not enough to fully offset strong gains over the course of the year. The Federal Reserve cut rates in December but signaled a wait-and-see approach to 2025 and decreased the number of expected cuts. Market sentiment was mixed as the “Trump Trade” took effect. Expected deregulations, especially for the energy sector, tax cuts and business-friendly policies could help spur economic activity in the US. However, potential tariffs and immigration restrictions could dampen growth and increase inflation and thus put a floor on interest rates.

Short Treasury bond yields fell during the quarter as the Fed cut rates by a cumulative 50 bps over the quarter. US inflation increased in the fourth quarter of 2024. Headline CPI was 2.7% year-over-year through November, while core CPI remained at 3.3%, in line with expectations. Markets are expecting inflation to decline more slowly than previously priced in. Labor markets have shown tentative signs of softening but remain at historically tight levels. The potential for immigration restrictions over the coming years could rekindle wage growth while at the same time, tariffs could lead to higher product prices. The

Federal Reserve turned more cautious over the quarter and signaled the potential for fewer rate cuts next year than previously expected, which explains much of the negative returns over the quarter, especially in December.

Vanguard made some major expense ratio reductions in the fee schedule which impacted the entire portfolio, excluding the US index fund.

Nick recommended to divest from actively managed U.S. stock funds and move assets into the Total Stock Market Index.

After careful review, the committee voted and approved to divest from active management from US equity allocation and move assets into the Total Stock Market Index for both endowment and annuity pools

Item IV Kathi gave update on Forterra, noting that the Fund was under contract to sell the property at the original purchase cost to Homestead Community Land Trust, a local affordable housing developer, who plans to develop the entire site as affordable ownership housing. The transaction concluded its due diligence phase in December and officially closed on January 6, 2025.

Of the initial \$433k invested, GTCF anticipates receiving approximately \$230k. However, the distribution has been delayed due to outstanding obligations tied to the Fund's two remaining projects. Legal fees and other closing costs must also be settled before final amounts can be confirmed. We are still awaiting a definitive figure for the GTCF distribution.

Seth provided an update on CRP project/funding. GTCF has successfully deployed funds into the community through the intermediary fund, utilizing the \$2 million in impact investing funds previously approved by the Committee. Reimbursements from the Department of Commerce have been processed within 8-10 days. The remaining funds are expected to be used in March to support regranteeing across the different scopes of work.

Marinda provided preliminary numbers on the financial statements for the year ended 12/31/2024.

Mo reminded committee members that we no longer have BoardPaq. We have moved to our own portal on GTCF's website.

Item V No executive session was deemed necessary.

Item VI The meeting adjourned at 1:53 p.m.

Gary Brooks, Chair

Date