Saddleback College

FINANCE COMMITTEE

Zoom Conference Call

Thursday, March 26, 2026, 3:00 p.m. – 4:00 p.m.

Meeting Minutes

Present:	M. Mahboob Akter	Anthony Ferry	Isaiah Henry
	Mark Schwartz	Andrew Hom, staff	Jackie Han, District Fiscal
	Elizabeth McCann, staff	Emily Cramer, staff	
Absent:	Jim Leach	Dr. Elliot Stern	Roxanne Metz, Fiscal staff
Guest:	Dan Tichenor		

1. Meeting called to order at 3:02 p.m.
2. Attendance taken and quorum achieved.
3. Consent Agendas
   - March 26, 2026, Meeting Minutes
   - Gifts Received (4/1/26 - 4/30/26)

   M. Mahboob Ahkter motioned to approve, and Isaiah Henry seconded. Motion approved.
4. Investment Performance Report 02/28/26 Review by Dan Tichenor, Graystone Consulting
   - Market Outlook
     - New all-time highs, all in the last six weeks, in April/May.
     - New forecasts for 2026-2028 suggest two times the normal growth rate, but it is not sustainable.
     - Inflation risk is rising.
     - Predicting one to two rate cuts.
   - Portfolio
     - At the end of April, the General Fund was at $2.5 million, and the Endowment Fund was at $9.3 million.
     - Returns have been strong over the last three years.
     - Asset allocation compliances are close to targets.
   - Endowment
     - Similar to portfolio.
     - A little overweight in US Equity and International Equity and a little underweight in Alternative Investments, but close to where we want to be.

   Asset Allocation Analysis Takeaways
     - International equities expected to outperform US Equities over the 7-year strategic horizon.
     - US Equities continue to provide superior risk-adjusted returns over the long-term, secular (20+ year) time horizon.

- Fixed Income continues to offer attractive risk-adjusted returns in 7 -year strategic horizon given the current rate environment.
- Alternative Investments returns are expected to be similar to Equities in both strategic and secular timeframe, however, the asset class has a more significant dampening effect on portfolio volatility.

RECENT DEVELOPMENTS

General Fund & Endowment

- Placed Aristotle Value Equity on unofficial "watchlist" following underperformance (5th Quarter on "Watch")
  - Graystone to maintain open dialogue with Aristotle to determine if further action is required
  - Aristotle remains on Morgan Stanley's highest conviction "Focus List"
- Terminate Oppenheimer International Growth and replace with **ClearBridge International Growth SMA**

RECOMMENDATIONS

General Fund & Endowment

- Trim Vanguard FTSE Emerging Markets ETF and Martin Currie Emerging Markets SMA by 0.5% - 1.0% each and use proceeds to increase iShares Core MSCI EAFE ETF
  - Use recent strong performance within Emerging Markets as opportunity to take some gains off the table and neutralize asset class weighting within the portfolios
  - Increase passive exposure to International Equities, emphasizing core-satellite approach to portfolio construction

Endowment Fund

- Reaffirm asset allocation targets based on the latest asset allocation analysis →
  - US Equity: 27.0%
  - International Equity: 27.0%
  - Fixed Income: 20.0%
  - Alternative Investments: 20.0%

5. Foundation Financial Report by Andrew Hom
   - Saddleback Foundation Statement of Financial Position as of the end of April
   - Current Assets
     - $7,794,878 Total Current Assets
     - $10,287,075 Total Noncurrent Assets
     - $18,081,953 TOTAL ASSETS
   - Liabilities and Net Assets
     - $7,654 Accounts Payable
     - $5,000 Deferred Revenue
     - $33,528 Pass Through Scholarships
     - $1,186,911 Intercompany Payables
     - $1,233,093 TOTAL CURRENT LIABILITIES
   - Net Assets
     - $5,079,672 Net Assets without Donor Restrictions
     - $5,649,519 Net Assets Temporarily Restricted
     - $4,608,645 Net Assets Permanently Restricted
     - $15,337,836 TOTAL NET ASSETS

   $16,570,929 TOTAL LIABILITIES AND NET ASSETS
6. Meeting adjourned at 3:56 p.m.