

**KALAMAZOO FOUNDATION FOR EXCELLENCE**  
**Investment Sub Committee Meeting**  
Quarter Ending September 30, 2022  
Meeting of Wednesday, November 30, 2022, at 11:00 AM  
Hosted by City of Kalamazoo, Community Room, 2<sup>nd</sup> Floor, Kalamazoo City Hall

**MINUTES**

**I. General Opening Items**

- A. Call meeting to order R. Eberts

Chair Eberts called the meeting to order at 11:02 a.m.

- B. Roll Call S. Vicenzi

Members Present Chair Randy Eberts, Dean Bergy, Dan DeMent, Sandi Doctor, Nick Griffith, Joshua Sledge, and Robert Salisbury virtually from Manatee County, Florida

Members Absent None

- C. Introduction of Guests R. Eberts / S. Vicenzi

Steve Vicenzi, Chief Financial Officer, City of Kalamazoo; Chris Ruppel, Merion Capital; Neena Porter, Management Services Coordinator; Steve Brown, Manager, Kalamazoo Foundation for Excellence; Alisa Carrel Treasurer, Kalamazoo Foundation for Excellence; Rob McDougall, Lynn Zhang, Katie Richards, Kyle Mack, and Sean Qi from Zhang Financial

- D. 1. **Approval** of minutes from August 24, 2022, meeting R. Eberts

A **motion** was made by Mr. Sledge and seconded by Ms. Doctor to approve the minutes from the August 24, 2022, meeting. The **motion carried** by voice vote.

- E. Public Comment S. Vicenzi  
None

**II. Kalamazoo Foundation For Excellence**

A. Investment Portfolio

1. Assets as of September 30, 2022, S. Vicenzi

Mr. Vicenzi reviewed the assets as of September 30, 2022.

2. Investment Performance Report 2022Q3 R. McDougall

Mr. McDougall reviewed the investment performance report.

**KALAMAZOO FOUNDATION FOR EXCELLENCE**  
**Investment Sub Committee Meeting**  
Quarter Ending September 30, 2022  
Meeting of Wednesday, November 30, 2022, at 11:00 AM  
Hosted by City of Kalamazoo, Community Room, 2<sup>nd</sup> Floor, Kalamazoo City Hall

The market value of portfolio assets decreased from \$160.4 to \$151.9 million to million during the third quarter of 2022, a decrease of \$8.50 million or -5.30%. During the quarter there were no contributions, and withdrawals amounted to \$17,798.38. Interest and dividend income for the quarter amounted to \$190,782.34.

The portfolio weighted average return for the quarter, net of manager fees, was -5.22%. The 1-year return, net of manager fees, was -15.33%. The return since May 1, 2020, net of manager fees, through the end of the quarter has been 2.80%.

Equities comprised 68.9% of the Kalamazoo Foundation for Excellence portfolio at the end of the third quarter. The equity portion of the portfolio returned -4.89% for the quarter, -23.87% year-to-date, and -15.48% over the last year.

Fixed income comprised 26.3% of the Kalamazoo Foundation for Excellence portfolio at the end of the third quarter. The fixed income portion of the portfolio returned -5.01% for the quarter, -14.44% year-to-date, and -14.73% over the last year.

Real Estate comprised 4.7% of the Kalamazoo Foundation for Excellence portfolio at the end of the third quarter. The real estate portion of the portfolio returned -11.01% for the quarter and -29.49% year-to-date.

Cash and equivalents totaled \$84,950; 0.1% of the total assets.

The portfolio finished the quarter with 68.9% in equities, 26.3% in fixed income, 4.7% in real estate, and 0.1% in cash. The portfolio target allocation approved by the investment committee on August 25, 2021, is 70% equities, 25% fixed income, 5% real estate, and 0% cash.

The inflation-adjusted, or real return, for the quarter was -5.39% as the inflation rate for the quarter was 0.17%. With a year-on-year inflation rate of 8.20%, the one-year real return was -23.53%. Since May 1, 2020, the return on the portfolio, net of manager fees, has been 2.80% nominal and -3.48% real with a since-inception inflation rate of 6.28%.

B. Account Update

S. Vicenzi

1. 2022Q3 Review Expenses/**Approval**

Mr. Vicenzi presented the quarterly expenses.

A **motion** was made by Ms. Doctor and seconded by Mr. Griffith to approve the expenses for the 3rd quarter of 2022. The **motion carried** by roll call vote as follows:

**Ayes:** Randy Eberts, Dean Bergy, Dan DeMent, Sandi Doctor, Nick Griffith, and Joshua Sledge  
**Nays:** None  
**Abstains:** Robert Salisbury – attending virtually and did not participate in voting  
**Absent:** None

**KALAMAZOO FOUNDATION FOR EXCELLENCE**  
**Investment Sub Committee Meeting**  
Quarter Ending September 30, 2022  
Meeting of Wednesday, November 30, 2022, at 11:00 AM  
Hosted by City of Kalamazoo, Community Room, 2<sup>nd</sup> Floor, Kalamazoo City Hall

- i. 2022Q2 Review of Cash Flow S. Vicenzi

Mr. Vicenzi presented the Cash Flow reports.

- ii. 2022Q3 Rebalance/Liquidations S. Vicenzi

C. Communications

1. Derivatives Reports R. McDougall

Mr. McDougall presented the derivative reports.

2. Jennison Quarterly Overview R. McDougall

Mr. McDougall presented.

3. Articles of Interest C. Ruppel

Mr. Ruppel presented.

4. Other (None) C. Ruppel

D. Due Diligence / Education / Governance C. Ruppel

1. Activity Reports C. Ruppel

Mr. Ruppel presented.

2. Future Due Diligence / Education C. Ruppel

Mr. Ruppel presented.

3. Corporate Governance C. Ruppel

Mr. Ruppel presented.

E. Old / New Business R. Eberts/C. Ruppel

1. Purchase of Merion Capital LLC by Zhang Financial - Update C. Ruppel

Zhang Financial's purchase of Merion Capital has been approved. Contract is going through the signature process.

**KALAMAZOO FOUNDATION FOR EXCELLENCE**  
**Investment Sub Committee Meeting**  
Quarter Ending September 30, 2022  
Meeting of Wednesday, November 30, 2022, at 11:00 AM  
Hosted by City of Kalamazoo, Community Room, 2<sup>nd</sup> Floor, Kalamazoo City Hall

**III. General Closing Items**

A. Future Meetings

R. Eberts

1. Review/**Approve** 2023 meeting schedule

A **motion** was made by Mr. Bergy and seconded by Mr. DeMent to approve this meeting taking place at 12:00 pm and in a new location (W.E. Upjohn Institute, 300 S. Westnedge Ave, Kalamazoo, MI) for 2023. The **motion carried** by roll call vote as follows:

**Ayes:** Randy Eberts, Dean Bergy, Dan DeMent, Sandi Doctor, Nick Griffith, and Joshua Sledge

**Nays:** None

**Abstains:** Robert Salisbury – attending virtually and did not participate in voting

**Absent:** None

2022Q4 Wednesday, February 22, 2023, at 12:00 pm at W.E. Upjohn Institute

2023Q1 Wednesday, May 24, 2023, at 12:00 pm at W.E. Upjohn Institute

2023Q2 Wednesday, August 23, 2023, at 12:00 pm at W.E. Upjohn Institute

2023Q3 Wednesday, November 29, 2023, at 12:00 pm at W.E. Upjohn Institute

B. “Around the Table”

R. Eberts

Discussion ensued on the private equity memo presented by Mr. McDougall. Mr. Salisbury would like to see some positive articles on private equity.

Ms. Doctor suggested the Investment Portfolio review could be presented on a higher level in effort to reduce the amount of time for review at each committee meeting.

Ms. Carrel thanked the investment committee for their time and expertise in managing the funds for the Foundation For Excellence

Mr. Bergy inquired of Mr. Vicenzi on the Fiduciary Insurance.

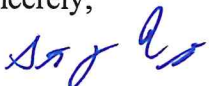
Mr. Vicenzi stated the search for this coverage continues.

C. Adjourn

R. Eberts

Chair R. Eberts adjourned the meeting at 11:38 a.m.

Sincerely,



Steve Vicenzi,  
Secretary