

**Springfield Technical Community College
Investment Subcommittee Report
November 10, 2020**

Attendees: MacArthur Starks, Jr., Maurice Lindsay, Anthony Montemagni, Michael Chase, President Cook, Edmund Rutkowski, Jason Cohen, Dorothy Ungerer, Keith Paul, John Reynolds and Nanette Flores.

The committee met with Fiduciary Investment Advisors (FIA) on November 10, 2020 for the quarterly investment subcommittee meeting.

Mr. Chase presented the Quarterly Investment Review Report for the third quarter of 2020. The Fiduciary Governance Calendar for the second quarter contains a governance focus:

- Investment Policy Statement Review
- Stewardship Best Practices

Mr. Chase provided updates on committee best practices (structure/makeup, governance and documentation), important elements of an investment policy statement, as well as a review of the college's investment policy statement. Mr. Chase provided updates on capital markets, third quarter 2020 market events, financial market performance, economic review, equity and fixed income market updates, market themes, including market themes around the U.S. election, and investing viewpoints.

Investments managed by FIA totaled \$16,506,934 at September 30, 2020. This represents a fiscal year-to-date increase in portfolio value of \$651,322.

The long-term investment account totaled \$11,584,318 at September 30, 2020. A summary of the STCC Long Term Investment Account as compared to the L/T STCC Hybrid benchmark is listed below by quarter, calendar year to date, fiscal year to date, and since inception (11/1/2014).

	QTR	YTD	FYTD	Inception
STCC Long Term	5.7	0.0	5.7	4.4
L/T STCC Hybrid benchmark	5.1	1.9	5.1	5.3

The L/T STCC Hybrid benchmark consists of:

	Weight (%)
Bloomberg Barclays U.S. Aggregate Index	30.0
Russell 3000 Index	30.5
MSCI AC World ex USA (Net)	24.5
HFRI Fund of Funds Composite Index	7.5
FTSE EPRA/NAREIT Developed Index (Net)	3.5
Diversified Real Asset Blended Index	4.0

The short-term liquid account totaled \$4,922,615 at September 30, 2020. A summary of the STCC Short Term Investment Account as compared to the S/T STCC Hybrid benchmark is listed below by quarter, calendar year to date, fiscal year to date, and since inception (11/1/14).

	QTR	YTD	FYTD	Inception
STCC Short Term	0.4	2.0	0.4	1.5
S/T STCC Hybrid benchmark	0.2	2.7	0.2	1.8

The S/T STCC Hybrid benchmark consists of:

	Weight (%)
90 Day U.S. Treasury Bill	30.0
Bloomberg Barclays 1-3 year Gov/Credit Index	60.0
Bloomberg Barclays U.S. Aggregate Index	10.0

An estimated fee analysis was also provided:

Long-Term Investment Account Average Weighted Fee	55 basis points
Short-Term Liquid Account Average Weighted Fee	17 basis points

Ms. Ungerer discussed the annual reallocation of long-term and short-term funds since the fiscal 2020 financial statement audit is complete. Ms. Ungerer made a recommendation to deviate from the strategy to allocate the maximum of adjusted unrestricted net position to long-term due to uncertainty regarding Spring and possible needs. Trustee Starks stated that he was comfortable with about \$4.5 to \$5 million in the short-term fund given the college's financial position at this time. Therefore, there is currently no need to restructure the long and short-term pool. Mike Chase stated the policy will be formalized and this exception will be noted for the record.

Dr. Cook asked Mike Chase to help us to forecast and project our investments at the next quarterly meeting. The college is diligent in planning and is already looking forward to fiscal 2022. The college is also grappling with IT and facilities needs and mapping the investments would assist in that process. Mike Chase stated they would do their best to assist.

Respectfully submitted by: Dorothy Ungerer