

SAN BRUNO

Community Foundation

Investment Committee

Pak Lin, *Chair* • Anthony Clifford, Mark Hayes, Tim Ross, and Belinda Wong, *Members*

Leslie Hatamiya, *Executive Director*

www.sbcf.org

PUBLIC COMMENT: Attendees who want to provide public comment will be asked to fill out a speaker card and submit it with the SBCF Executive Director. Public comment may also be emailed to info@sbcf.org. Comments received via email will not be read aloud during the meeting. Materials related to the agenda distributed after it is published will be available for public inspection at San Bruno City Hall, 567 El Camino Real, San Bruno, in compliance with the Brown Act.

ACCESSIBILITY: In compliance with the Americans with Disabilities Act, individuals requiring special accommodations or modifications to participate in this meeting should contact the SBCF Office 48 hours prior to the meeting at (650) 763-0775 or info@sbcf.org.

AGENDA

SAN BRUNO COMMUNITY FOUNDATION

Special Meeting of the Investment Committee

November 19, 2025

4:30 p.m.

Meeting Location:

San Bruno Recreation and Aquatic Center, Conference Room, 251 City Park Way, San Bruno

- 1. Call to Order**
- 2. Roll Call**
- 3. Public Comment:** Individuals are allowed three minutes at this time to comment on items within the jurisdiction of the Committee that are not on this agenda. It is the Committee's policy to refer matters raised in this forum to staff for research and/or action where appropriate. The Brown Act prohibits the Committee from discussing or acting upon any matter not agendaized pursuant to State Law.
- 4. Approval of Minutes:** August 20, 2025, Special Investment Committee Meeting
- 5. Executive Director's Report**
- 6. Conduct of Business**
 - a. Receive and Discuss Reports from Sand Hill Global Advisors, LLC (SHGA) Regarding SHGA's Investment Outlook and SBCF's Investment Portfolio Performance

SAN BRUNO

Community Foundation

Investment Committee

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- b. Discuss and Provide Direction Regarding Future Cash Flow Strategies Related to Funding of Final Legacy Projects

7. Committee Member Comments

- 8. Adjourn:** The next regular meeting of the Investment Committee will be held on Wednesday, February 18, 2026, at 4:30 p.m.

SAN BRUNO

Community Foundation

Investment Committee

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MINUTES

SAN BRUNO COMMUNITY FOUNDATION

Regular Meeting of the Investment Committee

August 20, 2025

4:30 p.m.

Meeting Location:

San Bruno City Hall, 567 El Camino Real, Room 101, San Bruno

- 1. Call to Order:** Committee Chair Lin called the meeting to order at 4:30 p.m.
- 2. Roll Call:** Committee Members Lin, Clifford, Ross, and Wong, present; Committee Member Hayes, excused.
- 3. Public Comment:** None.
- 4. Approval of Minutes:** May 21, 2025, Special Investment Committee Meeting: Committee Member Wong moved to approve the minutes of the May 21, 2025, Regular Meeting, seconded by Committee Member Ross, passed unanimously by roll call vote (Hayes absent).
- 5. Executive Director's Report**

Executive Director Hatamiya gave an update on the Foundation's activities, including summarizing recent program highlights:

- **Crestmoor Scholarship:** In June, the Foundation Board honored the 11 2025 Crestmoor Scholars. The program will not be offered in 2026.
- **Community Grants Fund:** Typically, the Foundation launched the next cycle of the Community Grants Fund launched at the beginning of July, but the program has been discontinued and will not be offered in 2025-2026.
- **Recreation and Aquatic Center (RAC):** The Foundation received from the City of San Bruno the final grant reports RAC Grants #4 (City compliance review) and #8 (construction). The Foundation disbursed the final grant payment of \$9,318.50 for Grant #4, executed a Fifth

SAN BRUNO

Community Foundation

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Amendment to the Grant Agreement for Grant #8 to roll over the remaining balance of Grant #4 to Grant #8, and paid out the remaining balance of \$250,045.68 to the City. All eight grants related to the design and construction of the RAC totaling \$51.5 million have been fully paid out. With regard to the three-year \$2.25 million grant to assist the City with startup programming and outreach activities at the RAC, the Foundation is waiting for the City to finalize its Year 1 grant report, which will report about \$185,000 (of the \$1 million Year 1 allocation) in expenses. The Foundation is expecting the City to request that the balance of Year 1 funds be rolled over for use in the second and third years of the grant. The Board will consider this request at its September meeting.

- **Crestmoor Fields Project Grant:** In December, the Board approved a \$3.4 million strategic grant to the City to help fund Phase 1 of the Crestmoor Fields Project. The sale of the high school property from the San Mateo Union High School District to the developer went through in February, and the City has contracted with a landscape design firm to do the construction documents for the project. The City is also working on its agreement with the developer to build the fields. The Foundation Board reserved the possibility of funding the lights at the field and is waiting for a more definite cost estimate based on the updated design documents.
- **Downtown Beautification Grant:** The City is moving forward with its various downtown beautification projects, including a summer-themed set of banners on the San Mateo Avenue street poles. Last month, the City Council approved the contract with the contractor for the planters, greenery, irrigation, and median work, which should start in September and be completed by March. This grant is structured so that the Foundation will reimburse the City for expenses incurred at the end of the entire project, so no grant payments have been disbursed.
- **School Athletic Field Improvements Grant:** With regard to the \$150,000 grant to improve the playing fields at John Muir Elementary, Belle Air Elementary, and Parkside Intermediate, the work on the John Muir field is done, and the Foundation has paid out the \$50,000 designated for that site. The Belle Air improvements are underway; the grant is helping pay for new fencing, and the Foundation has paid out about \$40,500 of the \$50,000 designated for that field. The \$50,000 designated for the Parkside field improvements, which have been fully disbursed, are being used to replace the fencing around home plate and the dugouts on the two softball fields.
- **Florida Avenue Park Grant:** In 2016, the Board approved a \$200,000 grant to the City to help build a new park on Florida Avenue in an area near downtown that has lacked a neighborhood park. This project was delayed several times for a host of reasons, and the City finally broke ground on the project in November 2024. The City recently completed construction of the park, with a grand opening and ribbon-cutting celebration on August 14.

Ms. Hatamiya then reported on the Board's strategic planning process. She noted that in May the Board approved a shift in strategy to spend down the remaining total net assets on a small number of final legacy projects over the next few years and wind down all other programs, including the Crestmoor

SAN BRUNO

Community Foundation

Investment Committee

Pak Lin, *Chair* • Anthony Clifford, Mark Hayes, Tim Ross, and Belinda Wong, *Members*
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Scholarship and Community Grants Fund. She said the fiscal year 2025-26 budget, which the Board and City Council approved in June, reflects those changes, including decreases in operating costs. She reported that the City Council agreed to have the Foundation help fund a new Fire Station No. 52 and that the City is working on the land acquisition for the new fire station. She also explained that the Foundation is waiting for better cost information on the Crestmoor Field lights and confirmation from the City that it does not have another funding source for the lights, and that the Ad Hoc Committee on Strategic Planning is also exploring a final legacy project grant with the SBPSD and SBEF. With this shift in strategy, as the Committee recommended, the Board approved a redesignation of all funds in the Quasi-Endowment to the Strategic Pool, which took place in early June. She explained that there was just a small amount left in the Quasi-Endowment as of June 30 (primarily due to dividends that came in after the transfer), but all of the funds have since been transferred from the Quasi-Endowment to the Strategic Pool and the Quasi-Endowment balance is now \$0.

Ms. Hatamiya reviewed the schedule of transfers from the Quasi-Endowment and Strategic Pool accounts to the Liquidity Pool for fiscal years 2024-2025 and 2025-2026. For fiscal year 2024-2025, all budgeted transfers from the Quasi-Endowment to the Liquidity Pool (totaling \$352,218) took place by the end of the fiscal year. Fiscal year 2024-2025 transfers from Strategic to Liquidity ended up totaling \$500,000, and the remaining \$2,530,152 that was budgeted was not needed and not transferred. The fiscal year 2025-2026 transfers were approved by the Board as part of the budget in June. Fiscal year 2025-2026 transfers from Strategic to Liquidity are budgeted at \$9,525,348; \$2,500,000 was transferred in August to cover the year's operating expenses and best estimate of payments on grants already awarded, and the timing of the balance will depend on what new strategic grants the Board approves and the timing of those grant payments.

Finally, Ms. Hatamiya reminded the Committee of upcoming meetings, including one last meeting in 2025 (November 19), and four meetings in 2026 (February 18, May 20, August 19, and November 18).

6. Conduct of Business

- a. Receive Report from Sand Hill Global Advisors, LLC (SHGA) regarding SHGA's Investment Outlook, SBCF's Investment Portfolio Performance, and Upcoming SHGA Report to the SBCF Board of Directors

SHGA Senior Portfolio Manager Meghan Daters, Senior Wealth Manager Kristin Sun, and Analyst George Angelopoulos represented SHGA at the meeting.

Ms. Daters gave an overview of the firm's investment outlook, noting that despite high economic uncertainty in the first half of the year, both economic and corporate earnings growth remained resilient, and that the Federal Reserve is expected to make two interest rate cuts in the second half of 2025 after keeping rates unchanged in the first half of the year.

Mr. Angelopoulos then reviewed the Foundation's Investment Dashboard for the second quarter of 2025, including June 30, 2025, balances of \$2,233 for the Quasi-Endowment, \$31,214,521 for the

SAN BRUNO

Community Foundation

Investment Committee

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Strategic Pool, and \$749,711 for the Liquidity Pool (total of \$31,966,464 in all three accounts). He noted the Board's decision to transfer all funds from the Quasi-Endowment to the Strategic Pool in early June, in alignment with recent program strategy decisions, and said that as of the transfer on June 5, the Quasi-Endowment had returns of 3.89% for 2025 and of 7.32% annualized since inception. The Strategic Pool had returns of 3.23% through the end of the second quarter of 2025 and of 3.46% annualized since inception. He noted that the Foundation's diversification strategy has been successful, including a rebalancing toward equities when there was increased market volatility in April in response to federal tariff policy.

Ms. Sun noted that withdrawals from the portfolio since inception have totaled \$61.8 million to support a wide array of community benefits including the new Recreation and Aquatic Center, and that the total value added to the portfolio since inception is \$23.4 million.

The Sand Hill team also previewed the firm's presentation to the full Board at the September 3, 2025, Board meeting.

- b. Discuss and Provide Direction Regarding Future Cash Flow Strategies Related to Funding of Final Legacy Projects

The Committee briefly discussed cash flow strategies related to the funding of any final legacy project grants. Ms. Hatamiya explained that this is a new item that will appear on Investment Committee regular meeting agendas going forward to give the Committee the opportunity to provide guidance as the Foundation approves final legacy project grants spending down the Foundation's remaining total net assets. She said that although the Board has committed in principle to helping the City of San Bruno fund a new Fire Station No. 52, all the final legacy projects being considered remain in the planning stage and the Board has not formally approved any grants related to those projects. As a result, the Committee did not consider any guidance related to movement of investment funds from the Strategic Pool to the Liquidity Pool in anticipation of those potential grants.

7. Committee Member Comments: None.

8. Adjourn: Committee Member Ross moved to adjourn the meeting at 5:46 p.m., seconded by Committee Chair Lin, approved unanimously.

Respectfully submitted for approval at the Special Investment Committee Meeting of November 19, 2025, by Investment Committee Chair Pak Lin.

Pak Lin, Investment Committee Chair

SAN BRUNO

Community Foundation

Memorandum

DATE: November 13, 2025

TO: Investment Committee, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: November 19, 2025, Investment Committee Special Meeting

The Investment Committee of the San Bruno Community Foundation will hold a special quarterly meeting at 4:30 p.m. on Wednesday, November 19, 2025, at the San Bruno Recreation and Aquatic Center, 2nd Floor Conference Room. Please note the change in location.

1. Executive Director's Report

As I do at each meeting, I will provide updates on the Foundation's programs and operations. Key items I will cover at the November 19 meeting include:

- Highlights and updates on the Foundation's strategic grant initiatives and other programs.
- Schedule of transfers from the Quasi-Endowment and Strategic Pool accounts to the Liquidity Pool account for FY2025-2026 to cover the Foundation's cash needs through June 30, 2026, consistent with the FY2025-2026 budget passed by the Foundation Board in June 2025.
- A reminder of 2026 Investment Committee meetings: February 18, May 20, August 19, and November 18, all at 4:30 p.m.

2. Report from Sand Hill Global Advisors (SHGA) Regarding SHGA's Investment Outlook and SBCF's Investment Performance

Representing SHGA at the Committee meeting will be Senior Portfolio Manager Meghan Daters, Senior Wealth Manager Kristin Sun, and Analyst George Angelopoulos. The SHGA team will give a presentation to the Committee that will cover (a) SHGA's investment outlook, and (b) the performance of the Foundation's investment portfolio.

SAN BRUNO

Community Foundation

Memorandum

a. SHGA's Investment Outlook

In this portion of the presentation, the SHGA team will provide an overview of SHGA's current economic forecast, particularly for the fourth quarter of 2025, including the firm's perspective on economic growth, interest rates, employment market, corporate earnings, international market, housing market, inflation, commodity markets, and valuation.

b. SBCF's Investment Performance

The second part of SHGA's presentation will review the performance of the Foundation's investment portfolio for the third quarter of 2025 (first quarter of the fiscal year). The SHGA team will walk the Committee through the attached Investment Dashboard for September 30, 2025, a one-page summary of the Foundation's portfolio. At the meeting, the SHGA team will also provide more detailed and up-to-date information about the Foundation's investment holdings, including performance data of underlying funds.

3. Discussion Regarding Future Cash Flow Strategies Related to Funding of Final Legacy Projects

The Committee will have the opportunity to discuss future cash flow strategies related to the final legacy projects and provide direction, as appropriate, under the second business item on November 19.

Attachments:

1. SBCF Investment Dashboard, as of September 30, 2025

The San Bruno Community Foundation Investment Dashboard

As of September 30, 2025

Current Outlook:

Economic Environment: Despite elevated economic uncertainty in the first half of this year, both overall economic activity and corporate earnings proved more resilient than expected, supported by steady consumer spending and continued private investment. Notably, corporate investment in artificial intelligence has emerged as a significant driver of GDP growth, with some estimates indicating it surpassed consumer spending and contributed about 1.1% to GDP growth during the first half of the year. Labor market activity began to soften in May, and although the unemployment rate has remained low, the pace of job creation has slowed. This appears to reflect a long-awaited alignment between labor supply and demand for the first time in more than a decade. However, the outlook for future job growth has become uncertain enough to prompt the Federal Reserve to resume its rate-cutting cycle. Meanwhile, GDP is growing at an above-average pace, and corporate earnings significantly exceeded expectations in the first half of the year. The IPO market continues to show signs of revival, and a sustained increase in issuance could further support economic activity. Lower interest rates should also provide a modest boost, offering some relief to floating-rate borrowers and potentially easing mortgage rates, although the latter remain more closely linked to market-driven 10-year Treasury yields.

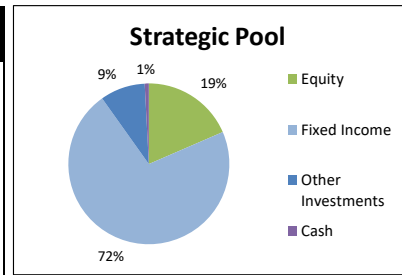
Market Environment: Market volatility was relatively muted in the third quarter as strong second-quarter earnings helped offset concerns about global trade. The S&P 500 gained more than 8% for the quarter, bringing its year-to-date return to just under 15%. Small-cap stocks advanced more than 11% as investors anticipated the first interest-rate cut of the year. International equities also moved higher, with emerging market stocks rising over 10% and developed-market stocks up just under 5%. Bonds, commodities, and REITs each posted gains of 2–3%.

Portfolio Response: In reponse to continued market strength, we reduced exposure to large cap stocks and short-duration bonds. We invested the proceeds into REITs, which have been showing early signs of a fundamental turn-around but have lagged the broader market for the last several years.

Performance		Strategic Pool	Custom Blended Benchmark	+ / -	Quasi-Endowment Pool	Custom Blended Benchmark	+ / -
Quarterly	Q3 2025	3.14%	3.01%	0.13%	-	-	-
	Q2 2025	3.23%	2.63%	0.60%	3.89%*	3.39%*	0.50%*
	Q1 2025	1.68%	1.75%	-0.07%	-0.37%	-0.15%	-0.22%
	Q4 2024	-2.38%	-2.51%	0.13%	-1.59%	-1.59%	0.00%
Annual	YTD	8.26%	7.57%	0.69%	3.50%*	3.24%*	0.26%*
	2024	4.62%	4.27%	0.35%	10.95%	10.36%	0.59%
	2023	8.03%	8.31%	-0.28%	13.99%	14.08%	-0.09%
	2022	-11.84%	-13.12%	1.28%	-15.16%	-14.49%	-0.67%
	2021	4.47%	3.42%	1.05%	13.21%	12.81%	0.40%
ITD - 9/30/25		3.71%	3.59%	0.12%	7.32%*	7.29%*	0.03%*

* Performance through 6/5/2025

Asset Allocation	Strategic Pool	30-Sep-25	Strategic Target
Large Cap Equity	\$2,758,907	9%	9%
SMID Cap Equity	\$1,132,051	4%	3%
International/EM Equity	\$1,600,875	5%	4%
Fixed Income	\$21,226,386	72%	70%
Real Assets	\$1,357,587	5%	4%
Market Neutral	\$1,309,239	4%	8%
Cash	\$245,649	1%	2%
Total	\$29,630,695	100%	100%



Strategic Pool Portfolio Action	Increased	Decreased	Growth/Capital Preservation
Q3 2025	Managed Through Extreme Volatility		22/78
	REITs	Large Cap Stocks	
		Short Duration Bonds	
Q2 2025	Managed Through Extreme Volatility		21/79
	Large Cap Growth Stocks	Bonds	
	Short Duration Bonds		

Balances	Quasi-Endowment	Strategic	Liquidity	Total
Q3 2025	\$0	\$29,630,695	\$2,419,454	\$32,050,149
Q2 2025	\$2,233	\$31,214,521	\$749,711	\$31,966,464
Q1 2025	\$24,135,126	\$5,529,316	\$794,353	\$30,458,795
Q4 2024	\$24,220,497	\$5,436,482	\$1,427,413	\$31,084,392

Net Cash Flows	Quasi-Endowment	Strategic	Liquidity	Total
Q3 2025	\$0	\$0	-\$850,000	-\$850,000
Q2 2025	-\$25,173,885	\$25,021,667	-\$205,000	-\$357,218
Q1 2025	\$0	\$0	-\$647,000	-\$647,000
Q4 2024	\$0	\$0	-\$327,250	-\$327,250

Illiquidity as of 9/30/25	< 1 Yr	1-3 Yrs	> 3 Yr	Total
Strategic Pool	2.04%	0.00%	0.00%	2.04%

Governance Checklist

Asset allocation within target range: All weights are in compliance.	OK
No direct investments in any equity or debt securities of Pacific Gas & Electric.	✓
No individual equity securities (stocks) will be held in any direct account.	✓
No below investment grade allocation > 5% of portfolio value.	✓
With the exception of U.S. government securities, no more than 5% at cost of the portfolio may be invested in the securities of a single issuer.	✓
Strategic Pool can maintain up to 10% illiquidity.	✓

Note: The Quasi-Endowment Pool's final day of management was June, 5 2025 and all assets were consolidated into the Strategic Pool shortly thereafter.