

SAN BRUNO

Community Foundation

Investment Committee

Belinda Wong, *Chair* • Anthony Clifford, Larry Franzella, Mark Hayes, and Tim Ross, *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

February 23, 2026

4:30 p.m.

Meeting Location:

San Bruno City Hall, 567 El Camino Real, Room 101, 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:** November 19, 2025, Special Investment Committee Meeting
- 5. Executive Director's Report**
- 6. Conduct of Business**
 - a. Receive Report from Sand Hill Global Advisors, LLC (SHGA) regarding SHGA's Investment Outlook and SBCF's Investment Portfolio Performance

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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, May 20, 2026, at 4:30 p.m.

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MINUTES

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:** Committee Chair Pak Lin called the meeting to order at 4:30 p.m.
- 2. Roll Call:** Committee Members Lin, Clifford, Hayes, Ross, and Wong, present.
- 3. Public Comment:** None.
- 4. Approval of Minutes:** August 20, 2025, Regular Investment Committee Meeting: Committee Member Hayes moved to approve the minutes of the August 20, 2025, Regular Meeting, seconded by Committee Member Wong, passed unanimously by roll call vote.

5. Executive Director's Report

Executive Director Hatamiya informed the Committee members that this was Chair Lin's last meeting, as her term on the Board of Directors concludes at the end of 2025 and she is not seeking reappointment. She thanked Chair Lin for her leadership as Treasurer and Investment Committee chair and noted that the Board would formally recognize her at its next meeting. She reported that the current terms of three other Board members also conclude at the end of 2025 and that the San Bruno City Council will interview applicants in early December and make its appointment at its December 9 meeting. She reported that at its November meeting, the Board reelected Malissa Netane-Jones as President, Jim Ruane as Vice President, and Raul Gomez as Secretary. She explained that a new Treasurer will be elected after the City Council makes its appointments to the Board.

Ms. Hatamiya reported that Novogradac & Company prepared the FY2024-2025 audited financials, which were accepted by the Audit Committee in October and approved by the Board in November, and issued a clean opinion. She said the Foundation submitted its state and federal tax returns by the November 15 deadline.

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Ms. Hatamiya then gave an update on the Foundation's recent program highlights:

- **Crestmoor Scholarship and Community Grants Fund:** The Board decided to discontinue both programs, and neither will be offered in the 2025-2026 fiscal year.
- **Recreation and Aquatic Center (RAC) Startup Programming and Outreach Grant:** With regard to the three-year \$2.25 million grant to assist the City with startup programming and outreach activities at the RAC, the City of San Bruno reported spending about \$185,000 of the \$1 million Year 1 allocation, so the Board agreed to amend the disbursement schedule, moving the remaining balance from Year 1 to Years 2 and 3. Year 1 uses of the grant funds included underwriting events such as the Monster Mash Bash and the Polar Bear Plunge, subsidizing new programs such as Child Watch and the Inclement Weather Walking Program, launching a new RAC website, and analyzing facility fees and pricing strategies. The City expects Year 2 uses to include continuing many programs started in Year 1, underwriting Community Day, providing membership incentives, and adding new events and fitness programs.
- **Crestmoor Fields Project Grant:** In December 2024, the Board approved a \$3.4 million strategic grant to the City to help fund Phase 1 of the Crestmoor Fields Project. The City has been working on its agreement with the developer to build the fields, and the agreement should go before the City Council for approval in December. The Foundation Board reserved the possibility of funding the lights at the field, and based on its latest estimates, the City will likely request just under \$2 million from the Foundation for the lights by the end of 2025.
- **Downtown Beautification Grant:** The City is moving forward with its various downtown beautification projects. Over the summer, the City Council approved the contract with the contractor for the planters, greenery, irrigation, and median work, which started in September and is scheduled to be completed by the spring. The grant period was originally scheduled to conclude at the end of December 2025, so the Foundation and the City recently amended the grant agreement to extend the grant period through the end of May 2026.
- **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 San Bruno Park School District has used all funds on the three fields and the full grant amount has been disbursed to the San Bruno Education Foundation.
- **San Bruno-Narita Sister City Program Grant:** The Foundation awarded two three-year grants totaling \$109,000 to the City and the San Bruno Education Foundation to support San Bruno's longstanding sister city relationship with Narita, Japan. In the first year of the grant, San Bruno hosted a delegation of students and officials from Narita in March, and in July, the San Bruno delegation visited Narita. The grant also supports efforts to develop sustainable sources of

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funding for the program, and the City, SBEF, and the San Bruno Park School District are planning the first Narita Alumni Dinner for early 2026.

Ms. Hatamiya then reported on the Ad Hoc Committee on Strategic Planning's work on identifying, in addition to the Fire Station No. 52 replacement project, several final legacy projects for the Foundation to fund with its remaining assets. The City continues to work on a deal with Caltrans to acquire the desired land for the fire station. She noted that the Committee is waiting for better cost estimates for the lighting at the Crestmoor Fields and researching other possible projects with the City and the San Bruno Park School District.

Ms. Hatamiya noted that the Foundation's 2025 Annual Report was mailed to all San Bruno addresses in October. She also reported that the previous day, she and a Board member attended the San Mateo County Board of Supervisors meeting, at which the Board of Supervisors recognized Community Foundation Week and the important work that community foundations like SBCF are doing in the county.

Ms. Hatamiya reviewed the schedule of transfers from the Quasi-Endowment and Strategic Pool accounts to the Liquidity Pool for 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 in 2026 on 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 and SBCF's Investment Portfolio Performance

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 elevated economic uncertainty, overall economic activity and corporate earnings have been resilient, with corporate investment in artificial intelligence a main driver of GDP growth. She noted that the effective rate has been far lower than the statutory tariff rate, with modest impact on economic growth.

Mr. Angelopoulos then reviewed the Foundation's Investment Dashboard for the third quarter of 2025, including September 30, 2025, balances of \$29,630,695 for the Strategic Pool and \$2,419,454 for the Liquidity Pool (total of \$32,050,149 in both accounts). He noted that after the Board's decision to transfer all funds from the Quasi-Endowment to the Strategic Pool in early June, the balance in the Quasi-Endowment was \$0 as of September 30, 2025, and that the Sand Hill team made slight tweaks to

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the quarterly dashboard to emphasize the Strategic Pool. He reported that the Strategic Pool had returns of 3.14% through the end of the third quarter of 2025 and of 8.26% for the year to date. He noted that in response to continued market strength, Sand Hill reduced exposure to large cap stocks and short-duration bonds and invested the proceeds in REITs.

Ms. Sun noted that withdrawals from the portfolio since inception have totaled \$62.1 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 nearly \$24.5 million.

- 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 reported that the Ad Hoc Committee on Strategic Planning continues to consider possible final legacy projects and that while the Board has committed in principle to using the bulk of the Foundation's remaining net assets on a new Fire Station No. 52, it has not yet formally awarded any grants to that project or any other final legacy project.

7. Committee Member Comments: Noting that she would be rolling off the Board and therefore the Investment Committee at the end of December, Committee Chair Lin expressed her gratitude to the other Committee members and her enjoyment working with them over the past few years. Committee Member Ross inquired whether the size of the Investment Committee would decrease and whether the Committee would meet less frequently as the Foundation winds down over the next several years.

8. Adjourn: Committee Member Ross moved to adjourn the meeting at 5:26 p.m., seconded by Committee Member Hayes, approved unanimously.

Respectfully submitted for approval at the Special Investment Committee Meeting of February 23, 2026, by Investment Committee Chair Belinda Wong.

Belinda Wong, Investment Committee Chair

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Memorandum

DATE: February 19, 2026

TO: Investment Committee, San Bruno Community Foundation

FROM: Leslie Hatamiya, Executive Director

SUBJECT: February 23, 2026, 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 Monday, February 23, 2026, at San Bruno City Hall, Room 101. Please note the meeting date.

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 February 23 meeting include:

- Highlights and updates on the Foundation's strategic grant initiatives and development of its final legacy projects.
- 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 remaining 2026 Investment Committee meetings: May 20, August 19, and November 18, all at 4:30 p.m.
- An opportunity under recent updates to the Brown Act to allow the Investment Committee to meet via teleconference (Zoom).

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 Wealth Manager Kristin Sun and Portfolio Manager George Angelopoulos. The SHGA team will give a presentation to the

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Memorandum

Committee that will cover (a) SHGA's investment outlook, and (b) the performance of the Foundation's investment portfolio.

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 first quarter of 2026, including the firm's perspective on economic growth, interest rates, employment market, corporate earnings, international markets, 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 fourth quarter of 2025 (second quarter of the fiscal year). The SHGA team will walk the Committee through the attached Investment Dashboard for December 31, 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 Foundation's final legacy projects and provide direction, as appropriate, under the second business item on February 23.

Attachments:

1. SBCF Investment Dashboard, as of December 31, 2025

The San Bruno Community Foundation Investment Dashboard

As of December 31, 2025

Current Outlook:

Economic Environment: Most economic forecasts indicate that the strong pace of GDP growth seen in 2025 should continue this year, supported by sustained investment in artificial intelligence, stimulative provisions from the OBBB, and a continued modest easing of interest-rates. While overall growth remains resilient, labor market conditions began to cool midway through last year, with the unemployment rate rising to 4.6% by November—its highest level in more than four years. This increase has been most pronounced among younger workers, potentially reflecting fewer entry-level opportunities or a broader hesitancy to hire as corporate leaders evaluate how AI may reshape workforce needs. Much of the recent economic momentum has been driven by technology-sector capital spending, which accounted for roughly 40–45% of U.S. GDP growth over the past three quarters, up from less than 5% a year earlier. This trend is also evident in earnings, with technology companies expected to generate nearly half of total S&P 500 index earnings growth this year. Importantly, as AI adoption broadens, these productivity gains should increasingly extend beyond the technology sector, supporting improved efficiency, profitability, and earnings growth across a wider range of industries.

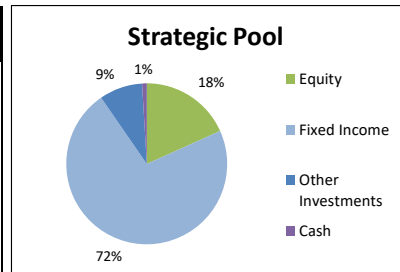
Market Environment: Market volatility resurfaced in the final quarter of the year as concerns about a potential AI bubble moved to the forefront, despite another quarter of corporate earnings that largely exceeded expectations. The S&P 500 gained an additional 2% during the quarter, finishing the year up nearly 18%. Small- and mid-cap stocks posted similar quarterly gains. International equities rose approximately 5% in the fourth quarter and delivered returns of more than 30% for the full year. Bonds also performed well, with the Bloomberg Aggregate Bond Index advancing over 7% for the year. Commodities were the strongest-performing asset class in the fourth quarter and rose more than 15% for the year, while REITs continued to lag, ending the year with gains of just under 3%.

Portfolio Response: In response to continued market strength, we reduced exposure to large cap stocks. We invested the proceeds into bonds.

Performance		Strategic Pool	Custom Blended Benchmark	+ / -	Quasi-Endowment Pool	Custom Blended Benchmark	+ / -
Quarterly	Q4 2025	1.28%	1.32%	-0.04%	-	-	-
	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%
Annual	2025	9.65%	8.99%	0.66%	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 - 12/31/25	3.74%	3.63%	0.11%	7.32%*	7.29%*	0.03%*

* Performance through 6/5/2025

Asset Allocation	Strategic Pool	31-Dec-25	Strategic Target
Large Cap Equity	\$2,732,073	9%	9%
SMID Cap Equity	\$1,148,530	4%	3%
International/EM Equity	\$1,617,098	5%	4%
Fixed Income	\$21,613,578	72%	70%
Real Assets	\$1,314,077	4%	4%
Market Neutral	\$1,290,943	4%	8%
Cash	\$287,836	1%	2%
Total	\$30,004,134	100%	100%



Strategic Pool Portfolio Action	Increased	Decreased	Growth/Capital Preservation
Q4 2025	Rebalanced Following Strong Equity Returns		22/78
	Bonds	Large Cap Stocks	
Q3 2025	Managed Through Extreme Volatility		22/78
	REITs	Large Cap Stocks	
		Short Duration Bonds	

Balances	Quasi-Endowment	Strategic	Liquidity	Total
Q4 2025	\$0	\$30,004,134	\$2,440,406	\$32,444,540
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

Net Cash Flows	Quasi-Endowment	Strategic	Liquidity	Total
Q4 2025	\$0	\$0	\$0	\$0
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

Illiquidity as of 12/31/25	< 1 Yr	1-3 Yrs	> 3 Yr	Total
Strategic Pool	1.95%	0.00%	0.00%	1.95%

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.