

**COLLEGE OF MICRONESIA-FSM BOARD OF REGENTS**  
**Minutes of the July 30, 2020, Meeting**  
**Special Zoom Meeting**

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- Present:** Regent Tulensru Waguk, PhD, from Kosrae (chairman); Regent Pelma J. Mingii representing the National Government (secretary/treasurer); Regent Johannes Berdon from Chuuk; and Acting President & CEO Karen Simion (*ex officio member*)
- Absent:** Regent Jesse Salalu from Yap (vice chairman); and Regent Suzanne Gallen from Pohnpei
- Resources:** Vice President for Administrative Services Joseph Habuchmai; Vice President for Instructional Affairs Karen Simion; and Comptroller Roselle Togonon.
- Guests:** Dan Roland and Amanda Gima from Raymond James

**1. CALL TO ORDER – 3:04 PM**

Chairman Waguk called the meeting to order and declared a quorum with three members present.

**8. Report from Raymond James**

The chair expressed appreciation to Dan Roland from Raymond James for being available to provide an update on our investments especially during this challenging times due to COVID-19.

Mr. Roland provided an overview of the global economy, “K” economy, equities, global bond, and commodities & currencies, and summarized views and key 2020 year-end targets for economy; bond market, equities, dollar direction, oil and elevated volatility. He then provided performance updates for both our endowment fund and reserves funds and went over each manager performance. Clarkston is still on watch, and they have two recommendations. In spite of the volatility of the market, our endowment fund is doing well with \$8,156,000 as of July 30<sup>th</sup>, an increase of \$579,000 since June 30. The Reserve Funds is more conservative with \$3,385,105 as of July 30<sup>th</sup>, an increase of \$70,105 since June 30. There is no recommendation to re-balance our accounts.

He also reported on 2019 NACUBO – TIAA Study of Endowment (NTSE) Results, an annual survey of performance, of a mixture of groups. He is pleased with the results showing we are very competitive, better than our peer group.

Being pro-active, Raymond James is recommending two changes. One is to replace Renaissance Investment Management as the U.S. Large Growth Manager due to underperformance relative to similar alternatives available. Based on research and due diligence, they are recommending three options, especially two with that they felt as best suited to the college due to their focus on environmental, social and governance (ESG) factors in their investment process. They all have higher returns with lesser fees. He then went over the investment strategy and statistics for each recommended manager. The second

recommendation is to replace the actively managed Templeton Global Bond Fund (TGBF) of international bonds mutual fund based on continuing underperformance with passively managed iShares Core International Aggregate Bond ETF (ETF) as the global bond manager. The change would alleviate continued underperformance relative to performance benchmark, continue the main benefit of the asset class, a low correlation to U.S. fixed income; reduce annual investment fees, and allow for considering active strategies in the future as needed. Historical performance comparison and iShares fact sheet were shared.

**10. NEXT MEETING**

The will consider the recommendations and reconvene on Thursday, August 6, 2020, at 3:00 PM to vote on the recommendations.

**11. ADJOURNMENT – July 30, 2020**

The meeting adjourned at 4:37 PM.

Minutes of the COM-FSM Board of Regents July 30, 2020, meeting was approved this \_\_\_ day of \_ 2020.