



SRJC Foundation Investment Committee

Meeting Minutes

Thursday, November 6, 2025 / 11:30pm – 1pm

SRJC Land Acknowledgement: *We acknowledge that we gather at Santa Rosa Junior College on the territorial traditional land of the Pomo People in Santa Rosa and the Coast Miwok People in Petaluma, past and present, and honor with gratitude the land itself and the people who have stewarded it throughout the generations.*

Participants: Marion Walker - Chair, Michael Tremont, Matt Hunstock, Sarah Lagos, Kate Jolley, Scott Bartley

Consultants: Tony Parmisano

Staff: Sarah Laggos, Stephanie Dirks

1) **Call to Order** – Marion Walker

The meeting was called to order and the land acknowledgement was read.

2) **Public Comment** – Marion Walker

A member of the community was present to sit in and observe the committee's perspectives.

3) **Approval of Minutes**

Minutes from the August 5, 2025 meeting were distributed in advance. Marion Walker asked for an addition to be made regarding the portfolio allocation update. The Committee discussed the private equity investments and confirmed it will be managed to the portfolio target.

With this update, all in favor. Minutes were approved with noted revision. MSP with revision.

4) **Consultant's Report**

- Q3 2025 Capital Market Review and Outlook
- Graystone covered a review of the capital markets performance for the third quarter highlighting the strength in markets on a year-to-date basis and particular areas of the market experiencing strength and weakness.
 - In particular, Graystone brought attention to the concentrated nature of the market, and narrow subset of industries participating in the significant upside of the market over the last 12 months – presenting challenges for active public equity managers.
- Looking forward
 - Economy
 - Forecast continues to be for a moderating rate of change, from over 2% GDP growth down to closer to 1% by the end of 2026. This is still a positive growth environment but slowing. There is a potential for this to surprise to the upside due to the giant amount of capex coming from AI spending and infrastructure buildout, which has been driving economic growth this year.
 - Inflation, Rates & the Fed:
 - The tone has shifted from the fed away from inflation fears to the labor market. MS is expecting the labor market to soften. Some of these labor market trends may be directly impacted by increased productivity from AI. This may lead to an environment where inflation is running above the 2% target,



perhaps close 3%, but labor is weakening. This could lead to Fed cuts. The expectation is for the fed to cut ~4x next year by 1 to 1.25%. The base case for the 10yr was 4% for this year and 3.1% for end of 2026.

- Equity markets
 - Equity market valuations are stretched relative to history ~22-23x forward P/E. However, the earnings growth estimates are forecast to be very strong over the next several years. If the forecasted earnings growth comes to fruition, you could make the case that markets are reasonably priced today.
- Investment conclusions
 - The groundwork is laid for bubble like conditions. The Fed is easing at the same time that a transformational technology is being developed. This could lead to “mania” like markets. However, it could last years into the future. Brace for volatility in the short term, but longer-term expectations remain strong.
 - Graystone continues to recommend maximum diversification and including asset classes outside of public equities and fixed income.
- Performance Monitor ended September 30, 2025
 - Graystone next covered the portfolio review ended 9/30/2025 and started by highlighting that from an asset allocation perspective, the portfolio sits very close to targets and well within the ranges allowed by the investment policy statement.
 - Questions about the portfolios liquidity were addressed, highlighting that there is ample liquidity in the portfolio to meet several years’ worth of spending, if markets were to go through an extended decline.
 - From a performance perspective, the numbers continue to look very good with year-to-date returns above the spending plus inflation benchmark.
 - Graystone highlighted the various points of attribution relative to benchmarks for the quarter with results driven by strong absolute returns from the public equity composite. However, public equity also presented the weakest relative performance relative to the benchmark. Graystone highlighted that active managers that have a quality, valuation and diversification discipline and guidelines have been operating in a challenging environment as the index leadership continues to be narrow, with index returns largely concentrated in Mag-7 cohort, low quality and AI stocks.
 - Graystone also took the committee through some specific attribution for the private equity portfolio.
 - Graystone highlighted that there were no issues at the individual manager level that warranted termination or reduction in size of any of the underlying strategies, but mentioned that they are evaluating potentially incorporating more passive investments in the public equity ESG strategy, with more to come on this in the future.



5) **Adjourn**

Meeting adjourned

Next Investment Committee meeting February 5, from 11:30am – 1pm at 707 Elliott Avenue.

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