Rose Kennedy Greenway Conservancy

**Minutes of the Investment Committee**

July 23, 2024

Staff present via Zoom: Chris Cook, Tracey Cooke, Talia Aronson, Bwiza Kironyo

Directors present via Zoom: Matt Conti, Conor Finley, Deniz Johnson

Advisory Members present via Zoom: Stephen Hugel

Advisory Members absent: Dan Fink

Non-advisory Members present via Zoom: Chris Shepler, Rick Tyson

The Committee meeting began at 4:34 pm. **Upon a motion made by Conor Finely and seconded by Deniz Johnson, the minutes from the 4/16/24 meeting were approved.**

Tracey Cooke reviewed the 6/30/24 investment summary, noting a 5% return overall. In general, the results were even with Q1 performance. For reference, the investment returns were up by 14% in 2023, however, the Conservancy noted that a 5% return for the first two quarters is good.

Chris Shepler reviewed the Greenway portfolio and market outlook, noting the influences of inflation. Shepler explained that the economy is currently experiencing a period of relative calm, with inflation having come down to a more normal level, partly due to an undercounted increase in labor supply, including non-traditional workers. However, there is concern about a potential second wave of inflation, historically driven by factors like the Federal Reserve cutting rates and rising housing costs due to increased demand from migrant labor. Given this, there is a suggestion to consider buying six-month treasuries at a 5% locked-in rate, anticipating a potential yield decrease of 50 basis points. Conti shared his view that the market has been driven by stimulus and as these forces lessen, this could pull down the market. He recommended waiting to evaluate Shepler’s proposal next year to see if we are in a declining rate environment. Conti inquired about other issues, aside from inflation and the Magnificent 7, that the Committee should consider. Shepler discussed market projections based on the presidential election. Foley asked questions about the effect of excess labor on the market. Hugel inquired about S&P 500 projections.

Shepler moved onto discussing target asset allocation and portfolio performance, noting that there is a gap between the benchmark and performance due the timing of receiving Conservancy funds. Conti suggested showing annual performance bars against the benchmark to resolve this reporting discrepancy. The Committee discussed the Green portfolio performance and benchmarking. Conti suggested moving from equal weight benchmarking to market weight benchmarking as the market diversifies. The Committee discussed coming up with a more neutral benchmark that reflects a tactical view and re-evaluating the benchmark every couple of years. Johnson shared her appreciation for this discussion on how to think about the portfolio differently. The Committee agreed to discuss alternatives, private equity, emerging markets, and benchmarking against other nonprofits portfolios with Fiduciary at a future meeting.

With no other business, the Investment Committee adjourned shortly after 5:30 PM.