

**Minutes of Meeting
Of
COLORADO STATE UNIVERSITY FOUNDATION
Committee on Investor Responsibility
February 29, 2024**

The meeting of the Colorado State University Foundation (CSUF) Committee on Investor Responsibility (CIR) was called to order at 9:02 a.m. virtually via Zoom Online. A quorum was established.

The Committee on Investor Responsibility consists of students, members of the CSUF Board and staff, CSU faculty (CSU College of Business sponsoring faculty), alumni (CSUF Board and Committee members who are alumni), CSU Governing Board members, and community members.

Those in attendance:

Board of Directors:

- Deb DeMuth, Chair
- Michelle Martinez, Vice Chair
- Ric Thomas, Past Chair
- Cherí O’Neill, President & CEO
- Luke Daniel, Director
- David Diehl, Director
- Jim Martell, Director
- Mark Smith, Director

Ex-Officio members:

- Derek Dictson, Vice President for University Advancement, CSU
- Brendan Hanlon, Vice President for University Operations & CFO, CSU

CSUF:

- Allen Padilla, Vice President & CFO/Treasurer
- Jill Higham, General Counsel
- Sara Campbell, Director of Operations/Board Secretary
- Terilyn Larson, Controller
- Marie Dondlinger, Assistant Controller
- Kacee Scheidenhelm, Executive Assistant

Additional attendees:

- KC Connors, Partner, Chief Consulting Officer, NEPC
- Alix Stewart, Senior Consulting Analyst, NEPC
- Will Bogle, Consulting Analyst, NEPC
- Hilla Skiba, Associate Professor, Department of Finance & Real Estate, CSU
- Tanner Wise, CSU Student
- Suyash Bhave, CSU Student
- Caiden Marquis, CSU Student

- David Wise, CSU Student

Not in attendance:

- Jim Detterick, Director, CSUF
- Morris Price, Director, CSUF
- Scott Thisted, Director, CSUF
- Amy Parsons, President, CSU
- Polly Baca, Board of Governors Representative

Introduction

DeMuth welcomed attendees and introduced Hilla Skiba, Associate Professor in CSU's Department of Finance & Real Estate. Skiba provided an overview of the three student-managed Summit funds, explaining their role in offering students a hands-on opportunity to replicate real-world portfolio management. Skiba explained that earnings from the Summit funds, after accounting for inflation, are distributed to students as scholarships.

Summit presentation

Marquis explained that the Summit Student Investment Fund's Investment Policy Statement was reevaluated and updated this semester. Marquis provided an overview of the class structure, highlighting the functional roles assigned to students. The stock valuation process for the Summit Fund incorporates financial, operational, and performance factors, with investments requiring sound ethical practices and strong ESG scores. The portfolio achieved a 20.45% return over the trailing one-year period, compared to its benchmark (SPY), which returned 28.87% during the same period.

Bhave, Marquis, D. Wise, and T. Wise co-presented a detailed case supporting their decision to invest in NVIDIA in 2024. They highlighted NVIDIA's leadership in producing high-quality graphics processing units (GPUs) essential for scientific simulations, gaming, and deep learning applications. With the artificial intelligence market projected to grow from \$241 billion to \$736 billion by 2030, significant expansion is anticipated in the technology sector. NVIDIA demonstrated robust financial performance, including 100% revenue growth in FY24, and maintains a healthy supply chain with over 100 customers, positioning it to capitalize on the AI and AGI surge.

The student presenters emphasized NVIDIA's commitment to ESG principles, noting its AAA rating under MSCI ESG standards—a top-quartile rating sustained over the past five years. NVIDIA operates energy-efficient data centers and promotes workforce diversity. Additionally, NVIDIA has consistently outperformed analysts' earnings estimates over the last four quarters. Since the students made the investment, it has achieved an 18.4% return, reinforcing the soundness of their decision.

Hanlon joined at 9:20.

A brief question-and-answer segment followed. Students shared their majors, plans, and ambitions. DeMuth thanked the students for their excellent presentation.

NEPC presentation

Connors provided an overview of NEPC's philosophy on impact investing and diversity, equity, and inclusion (DEI) as it relates to the foundation's portfolio. ESG integration and thematic investing are core elements of NEPC's research process and are well-represented in the foundation's portfolio, with thematic investing more prominent in private market holdings. As a PRI signatory since 2014, NEPC focuses on four pillars: screening, ESG integration, thematic investing, and engagement. Connors noted NEPC's role as a thought leader in ESG and DEI,

including participation in White House initiatives, and highlighted measurable ESG goals established in 2019 supported by dedicated personnel. NEPC firmly believes in fully embedding ESG and DEI into firms and strategies rather than treating them as optional add-ons.

NEPC employs proprietary ESG and DEI rating systems to evaluate manager integration and measure diversity across asset classes, strategies, geographies, and sectors to bolster resilience against market fluctuations. Additionally, NEPC values diversity in thought, ideas, and experiences through the inclusion of diverse managers, believing such diversity adds measurable value. NEPC has implemented a diverse manager policy and publishes an annual progress report on its DEI efforts. Connors emphasized three key components of NEPC's DEI approach: ensuring managers recognize DEI's importance for client outcomes and their own organizational sustainability, embodying DEI principles internally, and advocating for greater industry-wide adoption. NEPC Research has developed DEI ratings for 479 strategies, encompassing nearly 80% of its Marketable Security FPL strategies.

JEDI & ESG dashboard

Stewart presented the CSUF JEDI & ESG dashboard, providing an overview of NEPC's rating systems for ESG and DEI. These systems use a scale of 1 to 5, with 1 indicating best-in-class integration and 5 reflecting no integration, applied at both the firm and strategy levels. NEPC defines diverse-owned firms as those with at least 50% ownership by an under-represented group and diverse-led firms as those with 33% to 50% ownership by an under-represented group. As of December 31, 2023, the endowment portfolio's public markets investments held an average ESG rating of 2.6, with 7.3% of the portfolio invested in diverse-led and diverse-owned firms.

Stewart concluded with insights into thematic investments within the foundation's private markets portfolio. Specific highlights included investments in sustainable energy funds, diverse-led funds, and Colorado-focused impact funds. Stewart also noted that legacy fossil fuel investments are aging out of the private markets portfolio.

DeMuth thanked attendees for their participation and input.

With no further business, the meeting adjourned at 10:01 a.m.

Respectfully submitted,



Sara Campbell
Director of Operations/Board Secretary