

Triskeles Foundation

Asset Management Committee Meeting

Thursday 04/20/2017, 5:30 pm

Friends Fiduciary

Present: Mark Watson, Joyce Ferris, Rich Kent, Michael D'Allaird, Jeremy Bach

Staff/Guests: Jeff Salvo, Clemens Pietzner, Alexis McCarthy, Jerry Schwartz

Apologies: Gary Shinner, Dave Resnik, Rahul Shah

Quorum Reached: Yes

I. Introduction/Welcome

- a. Mark opened the meeting and welcomed all.
- b. Clemens introduced the newest AMC member, Joyce Ferris.
 - i. Joyce provided a brief background.
 - ii. Mark asked Joyce if she believes energy efficiencies in renewables have a place in impact investing.
 1. Joyce responded yes, in terms of installation efficiencies.
 - iii. Mark turned the meeting over to Jerry for an update of the markets and Triskeles' reports.

II. Review of the Markets/Triskeles Reports

- a. Jerry made the point to focus on what is happening, not what people are saying.
 - i. Regarding Trump's election, the "Trump bump" was going strong into the new year and has generally continued.
 - ii. There has been some profit taking, which is expected, but what has impressed Jerry the most is that even with issues such as the North Korea situation, Syria, and the use of the M.O.A.B, the market has been strong.
 - iii. There has been money flowing into bonds, which he does not think will continue.
 - iv. Overall, the underlying economic news remains positive.
 - v. Rich asked if there was any anticipation of asset allocation changes.
 1. Jerry responded that this is something we've grappled with at almost every meeting as we're a very idiosyncratic group, providing CNote as an example.
 2. Mark asked Jerry, since we're idiosyncratic, how does Triskeles compare to and how does he manage Triskeles vs other clients.
 - a. Jerry responded that each is quite different, with most of his other clients being long term investors with very little trading.
 3. Mark asked in terms of investments, what percentage of overlap is there between Triskeles and other accounts.
 - a. Jeremy asked if Jerry's accounts are 100 percent ESG.
 - i. Jerry responded that he wished, but that Arista is a financial planning firm; they emphasize ESG, but not all clients want that.
 - b. Jeremy asked what percentage of Jerry's accounts were taxable vs nontaxable accounts
 - i. Jerry responded that there was an approximate 50/50 mix.
 4. Jeremy, getting back to Rich's question, responded to Jerry that he felt Rich was asking in more general terms, such as equities vs. bonds.
 - a. Jerry responded that allocating more towards equities is appropriate.

5. Rich also mentioned that the question was more geared towards the nonprofit accounts, where there may be more discretion and possibly more performance driven.
 - a. Jeremy asked if normally there is a 60/40 allocation (equities/bonds), where we are now, will there be a change.
 - b. Jerry responded that he is moving more towards a 62% equity allocation.
6. Rich stated that there is currently a low international allocation and if that is being considered.
 - a. Jerry responded that he recognizes this, but that there just aren't a lot of ESG options in the international space
7. Michael asked, in regards to asset allocation, are we looking at our asset allocation vs other top money managers and how we compare to them.
 - a. Jerry responded that this is not formally being done, and then continued to explain the process when new funds are received and reviewed in conjunction with Clemens.
 - b. Clemens expanded on the process and provided examples, including Soltane, which currently has a heavy cash allocation, based on their request, because of a known future building renovation.
 - i. Jerry commented on how normally this would be moved into a separate account with a specific purpose.
 - c. In conclusion, it is more of an organic process.
8. Mark asked Jerry about his capacity, especially as Triskeles grows.
 - a. Jerry responded that capacity is not an issue in terms of AUM, but potentially in number of accounts.

III. Next Meetings

- a. The next meeting was set for Thursday July 27, 2017, at 5:30 pm, location to be determined.
- b. Jerry exited the meeting.
- c. An interim call will be held for review of a prospective new investment manager, Sonen Capital, for which a calendar invite will be sent based on AMC members availability.

IV. IPS

- a. Mark suggested, considering that he will be attending the next Board meeting in person, that he will present the AMC's work on the IPS and IG, and the approval process moving forward.

V. Motion

- a. Jeremy moved to approve the minutes of the prior AMC meeting, Michael seconded and the motion was approved.

VI. Skyline Group

- a. Suzanne (Sue) Sheurman and her colleague Dan joined the meeting via conference call.
- b. Sue introduced herself and gave a brief background on her group.
- c. She mentioned that she is a stock picker and that she utilizes four separate strategies: an EFT, income, growth, and a gender parity fund, utilizing a separately managed account approach.
 - i. Michael asked if Skyline's performance numbers are audited.
 1. Sue responded yes and no: Morgan Stanley reports the numbers, but there is not a third party independent audit.
 - ii. Mark asked about the universe of investable stocks, the number of investments in each portfolio and fund minimums.
 1. Sue responded that there are about 250 investable stocks, of which about 25-30 investments in each portfolio, and fund minimums are \$250,000 and \$25,000 for the EFT.
 - iii. Michael asked if Morgan Stanley was required to be the custodian of assets.
 1. Sue responded yes.
 - iv. Further discussion revealed that the Skyline team consist of 14 individuals, including staff, although all are fully licensed, and they do act as a fiduciary.
 - v. Regarding risk mitigation, Sue stated that they use MSCI WealthBench for stress testing.

1. Mark asked if they use in portfolio planning or just after portfolio constructing.
 - a. Sue responded that they use it for both and also to go back and evaluate mistakes.
2. Clemens noted that any additional questions from the AMC would be forwarded to Sue and if necessary, an additional call could be held.

VII. Motion

- a. Mark motioned to adjourn the meeting, Joyce seconded and the motion was approved.

The Meeting was adjourned at 7:30 pm.

Respectfully submitted,

Jeff Salvo
Vice President of Operations