The Regents of the University of California

INVESTMENTS COMMITTEE
May 17, 2022

The Investments Committee met on the above date at the Luskin Conference Center, Los Angeles Campus.

Members present: Regents Anguiano, Cohen, Lott, and Sherman; Ex officio members Drake and Leib, Advisory member Cochran; Chancellors Hawgood, Khosla, Muñoz, and Wilcox; Advisory members Lybarger and Zager; Staff Advisor Tseng

In attendance: Regents Hernandez and Zaragoza, Regent-designate Timmons, Faculty Representative Horwitz, Staff Advisor Lakireddy, Secretary and Chief of Staff Shaw, Chief Investment Officer Bachher, Senior Counsel Katz, and Recording Secretary Li

The meeting convened at 3:05 p.m. with Committee Chair Sherman presiding.

1. **PUBLIC COMMENT**

Committee Chair Sherman explained that the public comment period permitted members of the public an opportunity to address University-related matters. The following persons addressed the Committee concerning the items noted.

A. Charlie Zhao, San Diego resident, spoke in opposition to the elimination of the SAT requirement in UC admissions. He stated that many hardworking students from top public high schools, for whom UC was their dream school, were not admitted to any UC campuses, which left their taxpayer parents confused and shocked. He added that these students had to pay higher tuition at out-of-state universities.

B. Julie Zou called on the University to limit out-of-state and international student admission to ten percent in order to recruit more California students. She stated that UC should prioritize California resident high school students because it was funded by California taxpayers. She had heard anecdotes about highly qualified California resident students who were not accepted by UC.

C. Jennifer Yang, San Diego resident, called on UC to reinstate the SAT requirement in UC admissions. Ms. Yang stated that the SAT was not the only criterion in admissions decisions, and that its removal would introduce favoritism and corruption. She believed that certain people would benefit from the removal of objective criteria in admissions decisions.

D. Kim Freeman, UC Berkeley lecturer, urged President Drake and the Regents to fully fund electrifying UC Berkeley and to use extra funds allocated in the 2022–

23 State budget to pay for electrification at all UC campuses. She stated that the climate crisis was disproportionately affecting vulnerable populations, and that UC was the flagship institution of a state that was a model of progressive leadership in environmental and social justice issues. She called on UC act on the research of faculty and scientists, noting that carbon offsets and neutrality were not enough.

E. Amanda Allbert, UCSD student, addressed item F9, *Fiscal Year 2022–23 Budget for the University of California Office of the President*, and urged President Drake and the Regents to enact actionable milestones for decreasing carbon emissions for the next decade and to allocate sufficient funds for electrification plans. While the University declared a climate emergency in 2019 and was one of the leading institutions in the country producing climate research, UC has not decreased the approximately one million metric tons of carbon dioxide emitted from its campuses in the last decade, largely sourced from the burning of fracked methane gas.

F. Bronson Azama, resident of Hawaii, urged the Regents to stop funding the Thirty Meter Telescope (TMT) project. He stated that the University of Hawaii and others were advocating for the desecration of Mauna Kea, which was a refuge for Native Hawaiians. Mr. Azama stated that the project amounted to cultural genocide, and that there were many young people paying attention to what was happening.

G. Jane Perry, former UC Berkeley professor, asked the University to divest from the TMT project. She stated that Mauna Kea was known to its Native Hawaiian protectors as a mother figure and provided them with food, protection from storms, and spiritual and navigational wisdom. The project would result in trespass and further desecration of a religious sanctuary.

H. Ana Huerta, UCLA Health staff member and member of Teamsters Local 2010, urged the Regents to pay fair wages so that workers could afford the cost of living. She shared her financial struggles in light of high rents and gas prices.

I. Susan Orlofsky, former UCSD staff member, called on the Regents and President Drake to expedite UC’s transition to operations that are free of fossil fuels. She asked that funding be allocated in the 2022–23 budget for UC Berkeley to replace its cogeneration plant with a clean energy microgrid, and that UC prioritize additional funding for shovel-ready electrification plans for all UC campuses so that campuses could make significant carbon emissions reductions by 2030.

J. Blake Dickman, UCSD student, urged the Regents to address and prevent antisemitism on UC campuses and to honor UC’s Principles of Community. He stated that the interests of groups that were antisemitic, supporters of Boycott, Divestment and Sanctions (BDS), and did not believe in Israel’s right to exist were being perpetuated on campus, and that members of the Students for Justice in Palestine called him a murderer and a participant in genocide because he was Jewish. Mr. Dickman noted examples of antisemitic vandalism and anti-Zionist rhetoric posted on campus, and that Jewish students encountered more antisemitism following a response by Chancellor Khosla.

K. Radha Patel, UCLA alumna, encouraged the Regents to implement an open textbooks program at UC. She stated that, since the 1970s, the cost of textbooks has risen 1,041 percent. Students were choosing between paying for textbooks and meals, and 65 percent of students have opted not to purchase textbooks. She added that open textbooks, published under a professor's open license and free for students to use, would save students thousands of dollars every year.

L. Arielle Ferd, UCSD student, asked the Regents to address policies that perpetuate antisemitism at UC. She stated that academic departments recently invited Taher Herzallah to speak on campus, and that antisemitic incidents, including vandalism and online harassment, have increased at UCSD. She added that members of Students for Justice in Palestine took a photo of her without her consent. She thanked Chancellor Khosla for condemning these incidents but urged more proactive support of Jewish students in the future.

M. Sonia Wong, UCLA student and California Public Interest Research Group (CALPIRG) volunteer, encouraged the Regents to implement an open textbooks program. She stated that the average student spent $1,200 annually on textbooks, and that no-cost course materials and open textbooks, which would be acknowledged by faculty and peer reviewed before publication, could alleviate students' financial burden.

N. Dan Torres, representative of Sprinkler Fitters United Association Local 483, spoke in support of the UCSF Parnassus Heights project. Mr. Torres stated that the project would provide employment opportunities for San Francisco residents, and he urged the Regents to approve the project.

O. Anne Christie, representative of the San Francisco Bay Area Planning and Urban Research Association, spoke in support of the UCSF Parnassus Heights project. She stated that the project could improve the quality of life of San Franciscans for decades to come; modernize UCSF facilities to support the region's growing healthcare needs and increase capacity; create 1,000 unionized construction jobs and 4,000 permanent jobs, and infuse over $20 million into public transportation.

P. Harlan Wong, Vice President of the San Francisco Chinese Chamber of Commerce, spoke in support of the UCSF Parnassus Heights project and urged the Regents' approval. Given the impact of COVID-19 in San Francisco, this project would create thousands of new jobs, benefit local small businesses, nurture future healthcare providers, and address the healthcare demands of an aging population.

Q. Zoe Siegel, representative of Greenbelt Alliance, spoke in support of the UCSF Parnassus Heights project. She stated that the new hospital had the potential to improve quality of life and reduce carbon emissions for decades to come. The project planned to pursue Leadership in Energy and Environmental Design (LEED) Gold certification and to divert 75 percent of its construction waste from landfill. She commended UCSF for its robust engagement with the local community and going above and beyond the requirements of the Environmental Impact Report.

R. Miguel Bustos, representative of the Glide Foundation, spoke in support of the UCSF Parnassus Heights project and urged the Regents' approval. He stated that many lives would be saved by the new hospital, and he thanked Chancellor Hawgood, Vice Chancellors Francesca Vega and Renee Navarro, and Executive Vice Chancellor and Provost Dan Lowenstein for their efforts.

S. Nova Tuana Sari, UC Irvine student and President of DoNotHate, asked the Regents to uphold Regents Policy 4403: Statement of Principles Against Intolerance. She shared that, at a recent rally on campus, participants called for *intifada* and violence, and there were anti-Zionist and antisemitic chants as well. She stated that Students for Justice in Palestine promoted a speaker who praised Hamas and Hezbollah and blamed Jewish people for the September 11 attacks.

T. Allison Luo asked the Regents to reinstate the SAT/ACT requirement in UC admissions. She stated that many hardworking top students have been severely affected by the decision to eliminate the SAT/ACT requirement. In her view, the admissions process must have an objective benchmark based on academic efforts and achievement, and standardized tests were meant to equilibrate differences in grading systems. Ms. Luo shared that she gained acceptance into Northwestern University as an immigrant because of standardized testing.

U. Saumya Saradhi asked what steps the University was taking to ensure that the admissions process was unbiased now that there was no standardized testing requirement. She asked what objective qualities UC sought in an applicant.

V. Lujian Liao, parent of a UCSD alumnus, suggested that the Regents reinstate the SAT/ACT requirement in admissions. He recalled that the UC admissions process for his son included standardized testing and other factors like work experience.

W. Rebecca Emigh, UCLA professor, urged the Regents to electrify UC campuses. UC Berkeley and UCLA had cogeneration plants that needed to be replaced, and the University was emitting about one million tons of carbon dioxide every year.

X. Adee Newman, UCSD student, condemned antisemitism on campus. She stated that, despite a sit-in by Jewish students, Chancellor Khosla did not release a statement condemning antisemitism until after Taher Herzallah's speaking event and antisemitic vandalism had occurred on campus. Ms. Newman shared that she received hateful comments on social media posts and felt unsafe on campus.

2. **APPROVAL OF MINUTES OF PREVIOUS MEETING**

Upon motion duly made and seconded, the minutes of the meeting of March 15, 2022 were approved.

3. **REVIEW OF THIRD QUARTER PERFORMANCE FOR FISCAL YEAR 2021–22 OF UC PENSION, ENDOWMENT, BLUE AND GOLD POOL, AND WORKING CAPITAL**

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Chief Investment Officer (CIO) Bachher reported that, as of May 16, the University's total assets under management was $157 billion, compared with $168 billion as of March 31. Despite this decline, markets were still performing better than they had been at the start of the COVID-19 pandemic. About $115 billion was in retirement assets, about $22 billion in working capital, and about $21 billion in the endowment. Where UC invested globally remained largely unchanged. Also as of May 16, the Office of the CIO invested 50 percent of UC investment assets in public equity, 26 percent in fixed income, about 23 percent in private assets, and about one percent in cash. There were many factors causing current market volatility. He presented charts comparing net returns in December 2021 and March 2022, noting that endowment returns were positive while returns for the pension, Blue and Gold Pool, and working capital were negative. By April and May, the endowment also had negative returns. Mr. Bachher believed that returns were less likely to increase due to a rise in uncertainty, inflation, a high probability of recession, global conflict and its effect on the energy markets, and the pandemic.

Satish Ananthaswamy, Senior Portfolio Manager of Asia Investments and Global Rates and Trading, began his remarks by underscoring global inflation and rising interest rates. He attributed the increase in inflation to rising demand and constrained supply, resulting in price increases.

David Schroeder, Director of Global Rates and Trading, stated that inflation has been more persistent and pervasive than previously thought. The year-on-year Consumer Price Index (CPI) was above eight percent, input prices were above ten percent, import prices were at 12 percent, and the Producer Price Index was at 11 percent. Whether service inflation, which was currently five to six percent, and goods inflation, currently about ten percent, would change was unknown. Factors driving goods inflation included a broken supply chain and the impact of commodity expansion on input price due to the invasion of Ukraine by Russia. One-year forward inflation was about five percent, and in two years was about three percent. The Federal Reserve (Fed) were raising short-term rates to above three percent in an attempt to curb retail price increases, and the ten- and two-year Treasury rates have risen in anticipation of this action. This has increased returns in the fixed income markets, which has been reflected in the Office of the CIO's portfolio.

Mr. Bachher remarked that, given its effects on U.S. politics and personal finances, taming inflation was a priority for the Fed. With higher interest rates, fixed income offered income and bonds had negative returns. Mr. Ananthaswamy noted that deglobalization, or the rise of local industries, would not help ease inflation.

Mr. Bachher stated that he planned to propose revised guidelines for the Short Term Investment Pool (STIP) portfolio to take advantage of short-term opportunities. The asset allocation for the Total Return Investment Pool (TRIP) was almost evenly split between fixed income and public equity. He stated that, with the Regents' approval, the Office of the CIO transitioned from the Barclays Aggregate Bond Index to the U.S. 1 to 5 Year Government/Credit Float Adjusted Index and saved $1 billion. Mr. Ananthaswamy added that fixed income yields have remained low after the last financial crisis, which led to the decision to invest in liquid, short-duration assets instead.

Ronnie Swinkels, Managing Director of Public Equity Investments, stated that the MSCI All Country World Index (ACWI) declined by 12 percent and the Standard and Poor's (S&P) 500 declined by 5.5 percent. Corporate earnings in the U.S. remained strong, but the outlook for many companies was uncertain, which created a negative pressure on equities. Although valuations have decreased, equities were still a more attractive option than fixed income. Compared with one year ago, utilities and energy were outperforming. Fiscal year to date, performance decreased significantly for China and other emerging markets. U.S. equities have continued to perform well and remained attractive. Mr. Bachher remarked that his views on investing in China and Europe had changed.

Committee Chair Sherman observed that the returns have continued to demonstrate that transitioning to a fossil-free index has benefited UC. Mr. Bachher stated that there were longer-term benefits to investing in the tobacco-free and fossil-free indices, but not on a one- and two-year basis. The last year's performance has been exasperated by war between Russia and Ukraine. He and his team would pay close attention to the energy markets, growth in Europe, the global supply chain, and commodities like food.

Committee Chair Sherman asked if the geopolitical risk observed in China was being replicated in India. Mr. Bachher replied that, while 80 percent of the military equipment in India came from Russia and the United States showed support for Pakistan, it was unlikely that India would side with China due to border issues. In his view, India was a local market instead of a global one, and its biggest challenge was corruption. India's population growth, anticipated growth in gross domestic product (GDP), and experience with higher interest rates and addressing inflation made it an attractive investment option.

Mr. Ananthaswamy remarked that the pandemic-related lockdown in China could have global repercussions, and that Europe's dependence on natural gas from Russia could slow down the European economy and bring the continent into recession. U.S. consumer spending was still strong, and there was $4 trillion in excess savings in commercial banks. 11.5 million jobs were available in the U.S. for six million unemployed people, which put pressure on wages and income and could drive inflation higher. However, if the unemployment rate continues to decrease and the Fed raises interest rates, the U.S. might still be a few years away from recession. Mr. Schroeder added that, in 2021, real GDP growth was nearly six percent after a decade of about two percent growth and was projected to come back down to 2.7 percent in 2022. Mr. Bachher stated that, as part of its zero-COVID policy, China locked down about 40 cities, which accounted for four percent of China's GDP growth. China projected five percent GDP growth per annum over the next five years, and India anticipated similar growth. There was a one-third likelihood of a recession in the U.S.

Mr. Bachher projected that the Blue and Gold Endowment would have about $2 billion by June, adding that it was an option when moving money out of STIP. The pension had $83 billion, down from $90 billion in March, and was within about one percent of its target asset allocation.

Committee Chair Sherman asked when new money in the pension was deployed. Mr. Bachher replied that new money was deployed as quickly as possible, and the Office of the CIO kept a lower cash balance. He preferred equities over bonds and noted gimmicks in the private market. The Office of the CIO has also been selling real estate.

Managing Director of Defined Contributions Products Marco Merz indicated that the UC Retirement Savings Program (UCRSP) had 316,000 participants who have amassed $32.4 billion in assets as of March, which declined to about $31 billion. $13.8 billion was invested in the target date fund, $18.1 billion was invested in 13 core options, and $2.3 billion was invested in a brokerage window. The average management fee was four basis points. While the Office of the CIO did not have direct influence on the topline asset allocation, it was similar to the allocation of total investment assets. The Office of the CIO has continued to communicate with and offer help to participants through live webinars and emails regarding inflation and volatility. Participants could also have direct conversations with ten retirement planners. As was done with the endowment, pension, and working capital, the Office of the CIO would reduce UCRSP's exposure to fossil fuel companies in the coming months. The Office of the CIO was determining how to provide all American investors democratized access to greener funds and was a seed investor in two exchange-traded funds that were benchmarked against an index aligned with the Paris Climate Accords.

Committee Chair Sherman asked about participation in the annuity option. Mr. Merz responded that the first annuity option became available in August and September 2021, with another window in September 2022. He attributed the muted response to this option to the eligible age range being 62 to 69. Committee Chair Sherman projected that participation would improve as annuity rates rise.

Committee Chair Sherman asked if participants could choose inflation protection like Treasury Inflation-Protected Securities (TIPS) among the core options. Mr. Merz replied that the Pathway target date fund and the core line offered rates, TIPS, and commodities. Mr. Bachher asked how much was in the two TIPS funds. Mr. Merz replied that there was $550 million, most of which was in the regular TIPS fund.

Mr. Bachher asked Mr. Shroeder about TIPS performance. Mr. Schroeder noted that duration-adjusted TIPS returns were much less negative than nominal bond returns. The Commodity Research Bureau Index has returned over 20 percent on a one-year trailing basis. The five-year forward inflation rate in five years’ time would be 2.75 percent. Inflation protection should be acquired when energy prices were low, which was not currently the case.

Mr. Ananthaswamy stated that real estate was an attractive investment option. Family housing has been underbuilt since the last financial crisis, and a housing shortage persisted. With rents increasing as much as 40 percent in some regions, multi-family housing was being underwritten to capitalization rates of four percent. Pension funds were investing in multi-family buildings without leverage in order to capitalize on higher inflation. Industrial real estate and logistics complexes were in demand in light of deglobalization and the growth of e-commerce. The Office of the CIO has been selling these types of real estate assets. The market for office real estate was bifurcated; there was a demand among the younger generation in the work force for more community-oriented workspaces. One Vanderbilt in New York City was recently completed, and both the rent and demand for office space in this building were very high. There was also a demand for life sciences complexes. Chief Operating Officer Arthur Guimaraes predicted that real estate would be UC’s highest performing asset class. The Office of the CIO sold $2 billion in real estate assets over two years and was engaged with student housing. Mr. Bachher underscored the value of real estate around university campuses. Committee Chair Sherman remarked that this was consistent with the team’s outlook on inflation.

Regent Leib asked for more information about One Vanderbilt. Mr. Bachher replied that the community-based, collaborative workspace was in demand. Mr. Ananthaswamy added that the building featured recreation rooms, specialty cafeterias, and common areas.

Regent Leib asked about retail real estate. Mr. Ananthaswamy replied that the retail real estate market was depressed and would remain that way for some time. Many retail complexes were being converted to logistical warehouses for e-commerce use. In his view, the trend of putting on leverage in light of low interest rates over the last 40 years has ended.

Regent Hernandez opined that taking a more aggressive approach to student housing investment could address the student housing shortage and generate income for the University. Mr. Bachher responded that the Office of the CIO did not wish to have any special favors. As a public university, UC campuses should have best choice of investor. He invited campuses to speak with the Office of the CIO, whose low fees and long-term horizons offered a competitive advantage, and to give the Office of the CIO a fair chance as a market participant.

Chancellor Khosla asked if individuals could invest in an asset class as a product. Mr. Bachher expressed his wish to make this available but noted that there were barriers to entry. Mr. Merz stated that there were liquidity issues and operational hurdles. Chancellor Khosla asked why there was no UCRSP fund that had a similar asset allocation as the endowment or pension. Mr. Merz responded that the duration of the pension was similar to that of a target date fund for an individual 40 years from retirement. The Office of the CIO could add asset classes that were in the pension but not in the target date fund, such as private equity.

Regent Cohen asked if there was Regents Policy that prevented the Office of the CIO from making certain real estate investments. Mr. Bachher believed that certain perceptions about potential conflict of interest were preventing these investments. Chancellor Khosla shared that the San Diego campus needed a large laboratory space but did not wish to enter into a public-private partnership with a private developer that would exit after several years. He believed that the Office of the CIO should be able to invest on market terms.

Committee Chair Sherman suggested that Mr. Bachher and Executive Vice President and Chief Financial Officer Brostrom could explain to the Committee at the next meeting what restrictions the Office of the CIO encountered when it wished to provide capital for UC projects. He stated that real estate investments could be split between STIP and TRIP. Mr. Guimaraes shared that campus housing offices have given away their right of first refusal and that land leases must be approved by campuses.

Advisor Lybarger noted that $1 billion was transferred to help offset the decreased employer contribution to the UC Retirement Plan (UCRP). She asked when and if the entire amount was transferred, and if this money was invested before the current market decline. Mr. Bachher replied that the money was transferred at the end of the fiscal year, and that money was typically invested almost immediately unless there was a particular need for cash. Market timing was not an area of expertise for the Office of the CIO.

Chancellor Muñoz stated that there was much interest in commercially developing the hundreds of acres available at UC Merced, and the campus was approached by groups with shorter-term interests. These types of developments could become more cost-prohibitive for the campus. He expressed hope that chancellors could provide the Office of the CIO with more leverage to help the campuses. Committee Chair Sherman asked if rental or for-sale housing was preferred. Chancellor Muñoz replied that both were desirable. Merced had a vacancy rate of less than one percent. UC Merced needed student, faculty, and staff housing that was high-quality, affordable, and conveniently located.

Advisor Zager asked about the state of high-yield and investment grade bonds. Mr. Schroeder replied that high-yield bonds seemed a more reasonable investment than investment grade bonds, which returned negative 12 percent and had an eight-year duration. Mr. Bachher asked about emerging market debt. Mr. Schroeder stated that, fiscal year to date, emerging market debt declined around 17 percent. The Russian invasion of Ukraine caused much investment-grade debt to decrease to zero dollars. The Office of the CIO was discussing with investment managers whether to pursue a passive strategy for growth fixed income in its emerging market portfolio.

4. **UPDATE ON DIVERSITY, EQUITY, AND INCLUSION AT UC INVESTMENTS**

[Background material was provided to Regents in advance of the meeting, and a copy is on file in the Office of the Secretary and Chief of Staff.]

Chief Operating Officer Arthur Guimaraes stated that the Office of the Chief Investment Officer (CIO) considered diversity in three ways: as an investor, an employer, and a shareholder. As an investor, the Office of the CIO was preparing its third diversified returns report, which it would share at a future meeting. Progress was made in allocating to Black and Latino(a) managers. The Office of the CIO has partnered with one of its managers to organize its environmental, social, and governance (ESG) data for better insight into diversity among its managers and investments. As an employer, the Office of the CIO changed its hiring strategy, which has recently resulted in a fully diverse group of candidates. As a shareholder, the Office of the CIO was working with like-minded institutions to target its shareholder votes. Last year, activist shareholders approached 274 companies without women or people of color on their boards of directors. One year later, 27 companies had at least one woman or person of color on their board.

Chief of Staff Dianne Klein reported that the whole team at the Office of the CIO participated in an endeavor to meet with at least 100 firms led by women and people of color. Out of these meetings, the Office of the CIO found opportunities with 18 firms, which exceeded the industry norm of opportunities arising out of one percent of meetings. These firms underwent the same due diligence process as other firms working with the Office of the CIO. Internally, the team had a newfound appreciation for diverse perspectives and strategies.

Regent Anguiano expressed disappointment in the brevity of the presentation and the lack of data in the presentation materials, adding that they did not represent the importance of the issue. Chief Investment Officer Bachher replied that the Office of the CIO would be dedicating its annual report to this topic. Of the 100 meetings, the Office of the CIO met further with 26 firms and decided to move on with 18 of them; this was the only data point available. The diversified returns report would be folded into the annual report released in September.

Craig Huie, Investment Director of Absolute Return Investments, introduced the UC Investment Academy. UC students interested in a career in finance, investment, and business might not have career opportunities or the capital to gain investment experience. The Office of the CIO found that it could complement existing efforts by faculty, career centers, and campus administrations with a scalable platform that could provide students with experience, opportunities, and confidence. With a goal to first serve 100 students this year and 10,000 students over the next five years, the Office of the CIO launched the UC Investment Academy at UC Merced in the spring and provided education, training, experience, mentorship, and ultimately career opportunities. Financial training organizations like Training the Street helped students differentiate themselves in interviews and be prepared to work in an investment firm. Forage provided students with virtual work experience. The Office of the CIO's own partners shared their experiences and insights as guest speakers. The feedback from students has been very positive so far. The Office of the CIO planned to provide updates on the Academy's progress.

Staff Advisor Lakireddy asked how the Office of the CIO communicates with the participants of the UC Retirement Savings Program. She suggested that the team visit the campuses and be available to students, staff, and faculty. Managing Director of Defined Contributions Products Marco Merz replied that the Office of the CIO was using all avenues to communicate with participants, including on campus. Every campus had a dedicated retirement planner serving employees. The Office of the CIO hosted live webinars and sent emails and letters. Over the last year, the Office of the CIO had over one million points of contact with participants. Teleconference meetings for education and one-on-one communication have been better received. In Mr. Bachher's view, being open-minded, having conversations, and not presenting the campuses with prescriptive solutions would lead to better relationships and better opportunities.

Ms. Lakireddy asked if the Office of the CIO invested in land with water rights. Mr. Bachher replied that such opportunities were considered, and he underscored the importance of water rights in housing and agriculture. The Office of the CIO has invested in agricultural commodities with water rights, but these were challenging investments.

Regent Lott stated that campus alumni associations could help with outreach to alumni and student constituents.

Mr. Bachher shared an anecdote about one of the diverse managers he had met as part of the Office of the CIO's 100-meeting goal. He stressed the importance of staying curious as it could lead to interesting opportunities.

The meeting adjourned at 5:25 p.m.

Attest:

Secretary and Chief of Staff