

APPROVED



Veritas Preparatory Charter School

Minutes

Investment Sub-Committee Meeting

Date and Time

Tuesday October 24, 2023 at 4:00 PM

Location

[Join Zoom Meeting](#)

ID: 85389761818

Passcode: 347079

[\(US\) +1 309-205-3325](#)

Passcode: 347079

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Meeting host: ngauthier@vpcs.org

Join Zoom Meeting:

<https://vpcs-org.zoom.us/j/85389761818?pwd=aTREWFo2bVg0VWpLT2dHWDE3Z3VVZz09>

Committee Members Present

D. Ford (remote), M. Landon (remote)

Committee Members Absent

D. Fuller, R. Romano

Guests Present

N. Gauthier (remote), S. Howard (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

M. Landon called a meeting of the Investment Sub-Committee Committee of Veritas Preparatory Charter School to order on Tuesday Oct 24, 2023 at 4:04 PM.

C. Approve Minutes

D. Ford made a motion to approve the minutes from Investment Sub-Committee Meeting on 07-25-23.

M. Landon seconded the motion.

The committee **VOTED** unanimously to approve the motion.

II. Investment Sub-Committee

A. Veritas Investment Portfolio Update

Steve Howard provides the subcommittee with an update on the current market. We are continuing to see deterioration within the market so caution is still warranted.

We will begin to add to equity exposure when we see some of our forecasts play out. We didn't earn any money this quarter but it was still good in terms of a risk management perspective; we are only down less than 1%.

Steve reviews that status and performance of certain assets. We are in a narrow market currently, we are going to look for equities with directional exposure and we will do this through buffer funds.

Steve talks about where we will continue to look for opportunities. We will look at buffers, power buffers, and ultra buffers with 20% upside exposure. We will also look at diversified equity funds (i.e. MOAT).

They will also be looking at non-bank lenders that have held very well (i.e. Aries Capital).

Energy and insurance are the two areas that are showing accelerating fundamentals.

Steve had a question about commodities - i.e. Hartford Schroder's has a commodity ETF but it has not thus far been harmful or helpful. If we thought we are going into a meaningful inflationary period, is this type of asset approved (an ETF that invests in direct commodity exposure)?

Matt thinks that would be in the available universe because it's public and liquid.

Steve says maybe they could put it in liquid alts. Matt agrees that would be good so we can keep track of it.

Steve's other question was related to gold?

Matt doesn't see a roadblock here either - as long as we aren't taking any big bets.

Denise asks if we have any exposure to commercial real estate anymore?

Steve says no we got rid of all that in January 2022 and moved into January buffers.

Steve mentions our interval fund that was having a tough go in the beginning but when we see a rise in unemployment, this fund won't do that well so on November 8th, we'll get rid of that one.

The rational special situations fund has helped a lot in the fixed income world. Over the next six months, they expect to see rational special situation exposure go up. If you look at their return profile, they are managing pretty well.

Denise asks what Steve thinks about our government not having a budget?

Steve says this dysfunction leads to other issues across the world. It exacerbates the tail risks because people think it's another government shutdown. Steve talks to the subcommittee about how this governmental dysfunction causes a ripple effect that impacts capital markets across the globe.

Denise asks if this will lower the U.S.'s rating again?

Steve talks about Japan as an example to answer this question. He also discusses the Chinese treasury.

Matt summarizes the key take away which is stay the course, look for opportunities, and monitor progress. He also mentions how his company is in line with this strategy. As the forecast improves, they will make their opportunistic decisions.

Steve says over the next two quarters he anticipates something happening that will allow us to put our foot on the gas again. That is at least his best guess as of right now with all factors considered.

III. Closing Items

A.

Adjourn Meeting

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 4:59 PM.

Respectfully Submitted,
M. Landon

Documents used during the meeting

- Veritas Performance Monitor October Meeting.pdf
- Veritas October Meeting.pdf