



Veritas Preparatory Charter School

Minutes

Investment Sub-Committee Committee Meeting

Date and Time

Tuesday January 20, 2026 at 4:00 PM

Location

Join Zoom Meeting

<https://vpcs-org.zoom.us/j/84657214277?pwd=bVfltN095dVkaHI77uaej7bex0yPxf.1>

Meeting ID: 846 5721 4277

Passcode: 614095

Committee Members Present

A. Mendelson (remote), M. Landon (remote), R. Martin (remote)

Committee Members Absent

D. Ford

Guests Present

N. Gauthier (remote), R. Romano (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 Jan 20, 2026 at 4:02 PM.

C. Approve Minutes

M. Landon made a motion to approve the minutes from Investment Sub-Committee Committee Meeting on 10-16-25.

R. Martin seconded the motion.

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

II. Investment Sub-Committee

A. Veritas Investment Portfolio Update

Steve Howard noted that the portfolio achieved a 3.61% return in the fourth quarter and a 12.87% return for the full year 2024. Asset allocation currently stands at approximately 70% equities, with discussion around the potential to modestly increase equity exposure. The total portfolio balance has grown to over \$728,000, representing a significant recovery from the market downturn that began in January 2022, when the portfolio declined to approximately \$440,000.

The committee discussed several individual equity holdings. The purchase of 10X Genomics was reviewed, noting that shares were acquired in the mid-teens after a significant decline from a 2021 high of approximately \$200 to \$9 due to concerns related to NIH funding and regulatory changes.

The stock subsequently recovered to over \$200 prior to the current day's market movement. Alphabet was also reviewed, having been added to the portfolio over a year ago when it was considered asymmetrically undervalued. The investment thesis emphasizes Alphabet's strong artificial intelligence capabilities, infrastructure, and customer base, positioning it similarly to Microsoft's cloud transition advantage in 2011. Recent developments include Alphabet's partnership with Apple for Siri integration, ownership of Waymo autonomous driving technology, and an estimated 10% stake in Starlink and SpaceX.

Steve shared the market outlook and strategic assumptions, noting a base case of accelerating economic growth with decelerating inflation. Anticipated policy actions under the Trump administration were discussed, including populist measures aimed at supporting midterm election outcomes, such as troop disbursements, potential interest-rate caps on credit cards, and efforts to maintain low oil prices. The committee viewed relative outperformance of small-cap equities versus large-cap equities as a positive signal that investors are not retreating to defensive positions. Potential risks were also acknowledged, including escalation to a broader conflict in Europe, which would warrant a more defensive portfolio posture.

Alternative investments were reviewed, with market-neutral funds from AQR and BlackRock highlighted as key diversifiers providing low correlation to traditional asset classes. These strategies utilize quantitative, factor-based approaches to take long and short positions designed to perform across market environments. The committee noted that AQR's performance improved significantly after 2021 when it expanded beyond its historically underperforming small-cap and value factors. Both market-neutral funds demonstrated strong defensive characteristics during April's market decline, posting positive returns while the broader market declined by approximately 15–16%.

Fixed income and cash management strategies were also discussed. Federal Home Loan Bank agency paper was highlighted for offering above-average yields of approximately 6% while maintaining liquidity and safety through callable structures. Although these securities have long-term maturity dates, they are callable within roughly one year, keeping prices near par. The Rational Special Situations Income Fund was noted to be outperforming the broader bond market over one- and three-year periods.

Several portfolio adjustments were reviewed. The committee approved the sale of the Celsius position after a 54% gain due to concerns about inventory levels, with proceeds redeployed into other investment opportunities. Allocations to buffer funds were reduced in order to increase exposure to market-neutral strategies and pure equity investments. The Moat ETF allocation was maintained based on expectations of improving market breadth and the potential benefits of equally weighted strategies relative to the concentrated S&P 500.

Correlation analysis of market-neutral funds was reviewed, showing a correlation of approximately 0.2 between the AQR and BlackRock strategies over the past two years. Correlation to the S&P 500 remains minimal at approximately 0.1, with a negative correlation of approximately -0.18 to the bond market. The committee reaffirmed a target allocation of approximately 20% to market-neutral strategies and expressed a preference for increasing exposure to AQR due to its recent underperformance in early 2025, presenting a potential mean-reversion opportunity.

In closing, the committee agreed to continue its current strategy of leaning into equity exposure while maintaining diversification through market-neutral investments. Additional incremental investments in the AQR market-neutral fund will be made following its recent pullback. Ongoing monitoring will focus on assumptions related to economic growth and inflation trends, with close attention to geopolitical developments that could necessitate a more defensive repositioning.

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 4:36 PM.

Respectfully Submitted,
M. Landon

Documents used during the meeting

- Veritas Performance Monitor January 2026.pdf