

Rose Kennedy Greenway Conservancy

Minutes of the Investment Committee

February 13, 2025 - 4:30 PM to 6:00 PM

Staff present via Zoom: Chris Cook, Caleb Friday, Bwiza Kironyo

Board Members present via Zoom: Matt Conti, Conor Finley

Advisory Members present via Zoom: Dan Fink, Tony Pell, Casey Skoglund

Advisory Members absent: Stephen Hugel

Non-advisory Members present via Zoom: Chris Shepler and Richard Tyson of Fiduciary Trust

1. The Investment Committee meeting began at 4:35 pm. Caleb Friday, the new Director of Finance and Administration was welcomed by the committee. Tracey Cooke, the former Director of Finance and Administration has retired from a full-time position and continues to contribute part-time. Cooke is involved in special projects related to finance that were previously put on hold and will provide ongoing support and valuable expertise during the transition to the new director of finance, Caleb Friday. Friday presented December 2024 Investment Balances noting 10.5% increase in principal balance over the last 12 months. This growth indicates a positive trend in the overall financial health of the investment portfolio. The increase is likely attributed to effective investment strategies and market performance during the year.
2. Chris Shepler from Fiduciary Trust discussed Market Review / 2024 Year-End Results. Strong returns 2024 are expected, driven by a favorable economic environment and potential deregulation benefiting banks. Inflation is projected to decrease as lagging indicators, such as shelter and motor vehicle insurance, show signs of easing. The liquidity bazooka effect, resulting from the Treasury's spending without issuing new debt, is anticipated to support financial assets in the near term. The potential deregulation trend is expected to benefit banks by allowing for increased mergers and acquisitions, enhancing profitability. Analysts predict that the easing of regulatory constraints could lead to a more competitive banking landscape, driving growth and investment opportunities.

Shepler moved into the Market Analysis and Portfolio Performance review. Shepler discussed inflation data and Federal Reserve's stance and explained the 'liquidity bazooka' effect until June. Shepler reviewed portfolio performance: 11% return for the year and noted fixed income outperformed its benchmark.

3. Shepler then went on to review the Green Portfolio and Benchmark Discussion and discussed changing the benchmark for the green portfolio. Shepler proposed moving to the Russell 3000 index for broader market exposure. The board also considered maintaining S&P 500 exposure while adjusting the green portfolio. Lastly, Chris Shepler reviewed the ESG Scoring and Portfolio Refinement and proposed using Neuberger Berman's enhanced ESG scoring approach. Shepler noted the new approach offers 70% reduction in carbon footprint vs. 17% currently, reduced tracking error from 150 to 100 basis points with cost reduction from 20 to 18 basis points.
4. *Board member* Susanna Lavoie was proposed as a new investment committee member. Lavoie has a strong understanding of the financial operations of the organization and involvement with the Wharf District Council provides valuable insights into community engagement and development. The board emphasized the goal of growing endowment to support Conservancy projects.

Upon a motion made by Conor Finley and seconded by Matt Conti, the Investment Committee meeting adjourned at 5:35pm.