

U.S. Masters Swimming Meeting Minutes

Committee Name:	Investment Committee	Session #:	
Committee Chair:	Ralph Davis	Vice Chair:	Vacant
Minutes recorded by:	Phil Dodson	Date/time of meeting:	4/15/25 @ 7 PM EDT

MSA:

1. Approved Meeting Minutes of January 28, 2025
2. MSA: Sell \$26K of Global Infrastructure, MFC Flexshares Trust STOXX Global, and sell \$94K of Public High Yield.(\$47 MFC IHSHARES & \$47 MFO PIMCO) Purchase \$50K of TIPS, MFC Flexshares TR IBOXX 5Yr Target and purchase \$70K Vanguard Short-term Treasury VGSH.
- 3.

Number of committee members present: 7	Absent: 2	Other USMS present: 1
Committee members present (list all, including chair and vice chair): Ralph Davis, Phil Dodson, Chris Eckerman, Robin Smith, Gary Keehner (Ex-officio), C.J. Rushman,), Other USMS representatives Present:		
Absent:. Guy Davis, Brandon Johnson (Ex-officio), Teddy Decker (Ex-officio)		
Guests: Jim Gregory, Northern Trust Investment Manager		

Minutes

The meeting was called to order at about 7:01PM EDT. Ralph began the meeting asking if there were any conflicts of interest. None were noted. Ralph introduced Jim Gregory, our Northern Trust (NT) Investment Advisor, who described recent changes in the NT tactical allocation weightings and outlook resulting from the Trump tariff policies, followed by a brief review of both the USMS and SSL Investment portfolios first quarter 2025 performances. These are the highlights:

- The NT Strategic monthly meeting made some small adjustments: less US equity and more cash due to the higher risk environment. Base case:
 - Updated NT expectations base case supply shocks on tariffs weigh on consumer and business decisions
 - Even small, 2% EU and 4% Japan tariffs to US will have an impact. There are better opportunities ex US. Our International exposures are helping our portfolio
 - Soft landing, but government policies keep uncertainty high
 - Central banks will continue easing
- Risk case:
 - Reflation, Administration policies have stimulus effect, above trend growth with p[ersistent inflation causing the Federal Reserve to pause it's rate cutting
 - Supply restraints from immigration changes and higher tariffs weigh on economic uncertainty and activity causing a recession to form
- Jim reviewed "The Case for Diversification" table. Gold is #1 YTD and for 2024. Natural resources, which we are precluded from investing is #2 YTD and Developed ex-US is #3. US equities are the lowest performer YTD with a minus 4.5%.
- Macro global overview:
 - CPI coming in good, gasoline prices down helping a lot
 - Growth and inflations statistics were settling before the recent tariff policies disruptions

- Us economic growth chart slowing, but hard to forecast now due to high uncertainty. GDP forecast; may see business investment turn negative. Earnings coming down.
- Inflation was coming in through March, but right now unpredictable going forward.
- Volatility: lots and expecting to continue
- Jim asks and answers rhetorically “Are we still in bull market? Who knows?”
- Jim discussed some Re-Allocation observations and ideas:
 - Equities currently at 56.4% close enough to 54% target
 - Tactical allocations chart has already changed since March, presentation slightly out dated
 - Neutral - High income
 - Plus- Developed ex-US
 - Less – Fixed income, except higher on TIPS
 - Jim recommended small re-allocations: sell \$26K of Global Real Estate (Alternatives) to reduce exposure from 4.8% to 2%, and sell \$94K Hi Yield to reduce exposure from 8.8% to 6%. ((\$47K MFC ISHARES TR BROAD USD HIGH YIELD CORPORATE BD ETF and \$47K MFO PIMCO FDS PAC INVT MGMT SER HIGH YIELD FD)
 - Reinvest the \$120K; add \$50K to TIPS and add \$70K to Short-term Treasury Bonds
 - Question was asked about increasing allocation in International Emerging since we are way under the tactical allocation. Jim responded we could but believed at 56% =equity allocation did not want to increase it.
- MSA: Sell \$26K of Global Infrastructure, MFC Flexshares Trust STOXX Global, and sell \$94K of Public High Yield. Purchase \$50K of TIPS, MFC Flexshares TR IBOXX 5Yr Target and purchase \$70K Vanguard Short-term Treasury VGSH.
- Jim briefly reviewed the line by line asset class performances for both the USMS and SSL portfolios

Next meeting will be July 15th, 2025 at 7:00 PM EDT.

Meeting adjourned 8:05 EDT