



WAAIME Division
Annual Meeting
Sunday, February 27, 2022



Minutes

9:00 AM – 12:00 PM Mountain Standard Time
Salt Lake Marriott Downtown at City Creek
Canyons Room
Call in # 1-866-546-3377 Passcode 6605223908

Division Members Present

Winnell Burt, Chair
Katherine Pinochet, Vice Chair
Lydia Hull, Scholarship Chair
Margie Mansanti, incoming Western Rep
Blanche Blattner

SME Staff

Michelle Kroeger, SME Director of Finance & Administration

Guests

Tom Austin, UBS
Ryan Smith, UBS

Welcome and Introduction

Ms. Burt opened the meeting by welcoming everyone.

UBS Investment Presentation

Thomas Austin and Ryan Smith from UBS presented the market and economic outlook. Highlights from their presentation:

- In Q2, most risk assets staged a modest rally
- The S&P 500 in January recorded its largest monthly decline since March 202

and its worst January performance since 2009 which reinforces the benefits of diversification

- Travel & leisure have seen a downturn with omicron
- Stimulus has helped the economy to rebound though COVID-19 cases remain a key risk
- 2021 was a year of strong GDP growth while inflation remains high
- Smaller stocks are cheap and have strong earnings growth
- The central perspective predicts that
 - US Inflation stays elevated through early 2022 before gradually falling toward 2% by late 2022
 - The Federal Reserve finishes tapering by March, raises rates in line with market pricing, and begins quantitative tightening in 2022
 - Growth decelerates but recovers to above trend by Q2
 - Market focus shifts back to growth and inflation. Economic reopening continues at a gradual pace throughout 2022
- As of 2/18/22 the WAAIME portfolio is made up of 5% cash, 26% fixed income, 65% equities and 4% in Atlas, a hedge fund.

The total amount of expected cash flows over the next year is \$203,055.

The 8-year rate of return is 6.36.

Recommendations from UBS:

- Reduce US Large Cap Growth Exposure by 3% add to US Large Cap Value
- Reduce US SMID Cap by 2% add to Fixed Income

Tom and Ryan then left the meeting.

Approval of Minutes

Ms. Burt asked if there were any updates to the minutes from 9-11-21 before approval. None were stated. The minutes were approved.

Financial Presentation

Ms. Kroeger presented an overview of the financials for the WAAIME division:

- Revenue:
 - FY2021 \$1,566,081
 - Three Months as of 12/31/21 \$555,261
 - FY2022 Budget \$904,341
- Expenses:
 - FY2021 \$456,335
 - Three Months as of 12/31/21 \$5,216
 - FY2022 Budget \$620,009
- Net Income:
 - FY2021 \$1,109,746
 - Three Months as of 12/31/21 \$550,045
 - FY2022 Budget \$284,332

- The rate of return for the investment portfolio was 16.6% for FY2021 and 5.3% for the 3 months ending 12/31/21. Withdrawals total \$524,543 which was used to fund scholarships and to pay administrative costs.

By-laws discussion update

Some additional time is needed to complete the review of the draft of the by-laws to allow Margie to review all of the documents.

Other Items

A motion was made by Winnell and seconded by Lydia to put a hold on the discussion of moving the portfolio due to the volatility in the market.

With that the meeting was voted to a close.

Respectively submitted.

Winnell Burt
Michelle Kroeger