

**MINUTES OF THE FEBRUARY 22, 2022
INVESTMENT COMMITTEE MEETING
OF THE
PATRICK AND AIMEE BUTLER FAMILY FOUNDATION**

The Investment Committee meeting of the Patrick and Aimee Butler Family Foundation was held on Tuesday, February 22, 2022, at 4:00 p.m. Central Time via conference call.

The meeting was called to order by Patrick O'Brien, current Chair of the Investment Committee. John K. Butler acted as recording Secretary of the meeting.

Upon call of the Secretary, the following Committee members were present: Patrick O'Brien, Ronald Kaliebe and Andrew B. LeFevour. Also present was Foundation Chief Investment Officer John Butler. Mr. Butler reminded Committee members that Peter K. Butler resigned his position after the last meeting.

The Chair called for consideration of the minutes of the August 17, 2021 meeting of the Investment Committee. Upon motion duly made, seconded and unanimously carried, the minutes of the August 17, 2021 Investment Committee meeting were approved, ratified and confirmed.

The Chair then called on Mr. John Butler, Chief Investment Officer, to provide an overview of the markets in 2021. Mr. Butler commented that while 2021 was another very strong year for the stock market, the difference between growth and value lessened and many of the more speculative investments performed poorly. Much of the performance over the past five years has been driven by the Federal Reserve, which became decidedly more "hawkish" after year-end, up-ending markets.

The committee then reviewed the 2021 year-end summary statement, which is produced by the Foundation's custodian, Wells Fargo. Mr. Butler mentioned to the Committee that despite an increase in its grants payout in both 2020 and 2021 to almost \$7 million, the Foundation still ended the year with total assets of \$110 million, the result of three years of strong markets. Mr. Butler also noted that the custodial migration to Principal is occurring this month.

Mr. Butler next reviewed the performance of the overall Foundation portfolio for the year. The Foundation's total return for 2021 was 12%, a good absolute return, but below that of market averages and that of other foundations. The Foundation's investment performance since it began tracking results remains strong.

Mr. Butler then reviewed the asset allocation of the Foundation and the performance of the Foundation's individual asset managers. As of December 31, 2021, the asset allocation remains within the targets set by the Foundation's Investment Policy Statement. Mr. Butler also reviewed the performance of the individual asset classes and managers.

Next, Mr. Butler reviewed with the Committee the schedule showing the managers of the various asset classes of the Foundation, where the assets are held (i.e., who is the custodian) and the estimated fees paid by the Foundation. Mr. Butler then discussed the total cost of managing the Foundation's assets versus the costs incurred by other foundations and noted that the Butler Foundation's costs remain well below average.

Mr. Butler then updated the Committee on any potential new investments or recent changes. At the August meeting the Committee had discussed and agreed with the recommendation that a portion of the Mondrian Investment be shifted to the Vanguard Total International Stock Index Fund. Mr. Butler had noted at the time that this change would not be immediate and will depend on market conditions. Mondrian has outperformed year-to-date (2022) by a wide margin and Mr. Butler expects that after the migration to Principal is complete he will move an initial \$5 million. He is expecting that this transfer will occur in May. Mr. Butler also mentioned that he is planning to meet with Northstar Capital, who will soon be raising another fund. Northstar has been a solid performer for the Foundation over the years and fits nicely with the portfolio, so Mr. Butler is planning to commit \$3 million to the upcoming fund. Finally, Mr. Butler mentioned that he is planning to meet with representatives of the local J. P. Morgan office to explore their expertise in the alternative area.

The next Committee meeting will be in August of 2022. The meeting will be scheduled in July and materials for the meeting will be sent one week prior to the meeting.

The meeting adjourned at 4:45 p.m. Central Time.


John K. Butler, Secretary

ATTEST: 
Patrick O'Brien, Committee Chair