

**MINUTES OF THE FEBRUARY 15, 2023  
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 Wednesday, February 15, 2023, 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 were Foundation Chief Investment Officer John Butler and Foundation Co-Director, Robert Hybben.

The Chair called for consideration of the minutes of the August 17, 2022 meeting of the Investment Committee. Upon motion duly made, seconded and unanimously carried, the minutes of the August 17, 2022 Investment Committee meeting were approved, ratified and confirmed.

The Chair then called on Mr. John Butler to provide an overview of the markets in 2022. Mr. Butler commented that the year was noteworthy in three respects; interest rate rose significantly after declining for the past 40 years, it was one of the worst years ever for a balanced portfolio, and value stocks made a roaring comeback after being written off by most investors.

The committee then reviewed the 2022 year-end summary statement, which is produced by the Foundation's custodian, Principal Custody Solutions. Mr. Butler pointed out that despite a significant increase in its grants payout in both 2020 and 2021 and widespread market declines in 2022, the Foundation still ended the year with total assets of \$97 million.

Mr. Butler next reviewed the performance of the overall Foundation portfolio for the year. The Foundation's total return for 2022 was -6.4%, significantly better than average return for other Foundations, which Mr. Butler estimated at -15%. While the Foundation's investment performance still trails that of the average foundation over the past five years, the relative long-term performance 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, 2022, 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. As mentioned at the August Committee meeting, Mr. Butler expects to shift another \$5 million from Mondrian to the Vanguard Total International Stock Fund at some point in 2023 and will likely increase its exposure to domestic equities by adding to the Vanguard Small-Cap Index Fund during the year as well. Mr. Butler also believes the J.P. Morgan Global Transportation Fund would be a good addition to the portfolio but would like to watch it a bit longer to see how it performs given higher interest rates and a potential economic slowdown.

The Committee then reviewed the Investment Policy Statement. This is usually done at the August meeting, but at that time it was decided that the Investment Policy Statement should be updated to include language on proxy voting. It was also decided that suggested changes should be postponed to the February Investment Committee meeting. This was done, and after discussion, the Committee determined that the proposed changes were fine and should be submitted for approval by the Foundation Board at their April meeting.

The next Committee meeting will be in August of 2023. 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.

ATTEST   
Patrick O'Brien, Committee Chair

  
John K. Butler, Secretary