

**Minutes of the Meeting
of the Investment Committee of the
F. M. Kirby Foundation, Inc.
September 13, 2022**

A special meeting of the Investment Committee of the Board of Directors of the F. M. Kirby Foundation, Inc., was held on September 13, 2022 at 11:30 a.m. via Zoom conference call. The following Committee members were present:

S. Dillard Kirby
Jefferson W. Kirby
William J. Raver
Ward K. Horton
F. Morgan Kirby, IV
Evan C. Lorey

Mr. S. Dillard Kirby, Chairman, presided and Mrs. Diana L. Kostas, Secretary/Treasurer, recorded the minutes of the meeting. The Chairman welcomed Messrs. Justin J. Kiczek, Executive Director, and Vanguard Institutional Advisory Services representatives Matthew M. Ruhl, Senior Investment Consultant and Ralph M. Ivory, Director, Non-Profit Solutions as guests.

The meeting was called to receive further input from the Committee, and ultimately a decision vote, regarding the two proposed infrastructure funds being considered for investment, KBI Global Sustainable Infrastructure Fund and Cohen & Steers Global Listed Infrastructure Fund. Mr. S. Dillard Kirby shared a synopsis highlighting the two educational sessions provided by the aforementioned investment managers, the decision made at the July 26, 2022 meeting to commit \$5M to one of the managers, and the research prepared by Ms. Kostas and Mr. Lorey since the Committee last met. The Chairman also noted the unique nature of this process, which evolved from the two informational sessions, rather than the traditional manager search conducted to fill a mandate.

Feedback was sought from Committee members and guests. Mr. Ruhl noted that 1) a \$5M allocation would not make a significant impact on the portfolio, 2) that C&S had more overlap with the energy index and that 3) KBI had a more unique product set, lower turnover, and a higher active share. Mr. Ivory noted the positives for KBI were the lower median market cap, higher yield, and the sustainability thread while the positives for C&S were better manager support and a repeatable process. He noted that the Foundation portfolio fights inflation effectively with equities and that infrastructure doesn't necessarily perform better against inflation. Mr. Raver noted that he would feel comfortable with either investment. Mr. Jefferson W. Kirby suggested a \$5M allocation to both managers.

Mr. Lorey inquired as to the Committee's investment stance on ESG and sustainability. The Chairman stated that while ESG is not formally addressed in the Investment Policy Statement, it is discussed with our investment managers. He stated that the Committee was viewing the investment more from an infrastructure lens than an ESG lens. Mr. Jefferson W. Kirby commented that the Foundation is not prioritizing ESG over higher returns. However, a small allocation would position the Foundation as having ESG exposure and gaining experience in the area. Mr. Kirby, IV, weighed in that there were more opportunities with the Cohen & Steers investment.

Ultimately, the Committee decided on a \$10 million allocation to infrastructure, with \$5M allocated to each manager. The monies will be sourced as follows: \$5M from the Vanguard Ultra-Short-Term Bond Fund and a \$5M drawdown from Walter Scott. Mrs. Kostas will notify both managers and initiate the paperwork process and work toward an implementation by October 31, 2022, subject to satisfactory account arrangement details. The meeting concluded at 12:45 p.m.