Accola Investment Committee Minutes
Wednesday, July 15, 2026
Via Zoom

Present: Kevin Berg; Julie Gerend; Jack Hansen; Steve Kenney; Mary Lydon

Special Guest: Zach Brumett, LCG

Staff: Matt Halley; Lacy Sietsema; Marie Smith

Excused Absence: Tiffany Melnik

The Accola Investment Committee meeting convened on Wednesday, July 15, 2026 at 7:30 a.m. via Zoom.

DEI: Read by Steve.

Spiritual Centering: Led by Mary.

Minutes: The April 2026 minutes were presented for approval. Hearing no corrections or changes, Jack moved to approve the minutes and Steve seconded. All present members voted to approve.

Updates on Distributions
SMHC: Mary reported that the Board approved a motion to transfer the SMHC funds. This transfer was made to the Clinics on May 31, with the final distribution amount totaling 6.1 million.

Accola July 1: Mary reported that the annual distribution is split into two payments a year. The amount is typically calculated based on a rolling average of 5%. The Board voted to approve a 7% annual distribution in June due to previous shortfalls in the last couple of years.

Marie presented a detailed financial report showing the fund balance movements, including the SMHC transfer and various transactions, with the fund standing at $21.65 million after a $600,000 disbursement.

Reports

First Horizon Custodian/LCG Q2 Summary: Zach reported that First Horizon holds all Accola-owned investments in its custody. These funds are protected. He discussed current market conditions, noting strong performance across major asset classes including domestic and international equities, and highlighted concerns about inflation and energy prices. Zach reported that the portfolio gained $4.5 million in hard dollars over the fiscal year, with particularly strong performance in emerging markets up nearly 50% and fixed income up 4%, though he noted plans to diversify the concentrated emerging markets holdings.

The committee discussed the 19.3% return figure, which covers July 2025 to June 2026, and agreed to use December 1st, 2025 as the official start date for LCG's management rather than July 2025. Zach explained that the portfolio changes planned for the next month or two would better reflect LCG's impact, and the group agreed to use September 30th as the clean start date for measuring LCG's performance. The discussion concluded with plans to update asset allocation guidelines to provide broader categories for LCG to manage, rather than specific details about international vs domestic equities.

Selection of New Mangers/Asset Allocation Guidelines: Zach outlined plans to adjust the portfolio by incorporating social-oriented equity investments in the US and emerging markets while reducing duration in fixed income due to flattening yield curves. The committee discussed maintaining a 70% equity and 30% fixed income allocation and reviewed appropriate ranges for managing within the targets. The group agreed to let LCG's internal Investment Committee make the final decisions on specific index fund changes and manager selections before September 30th.

The group discussed removing sub-asset class targets and ranges, focusing on maintaining a 70% equity target with a 5% tolerance band, which would allow more flexibility in portfolio management without requiring daily rebalancing. Zach explained that LCG monitors portfolios frequently, with formal reviews by the internal Investment Committee monthly, and they would take action if the portfolio exceeded the established guardrails. The committee agreed on a 5% band for equity targets, with the understanding that extreme market conditions might require additional oversight and committee discussion.

The current Investment Policy was reviewed and will require Board approval.

2026-2027 Work Plan

Mary reviewed the FY25 plan and all the committee accomplished. New things are below:

1. Update/Approval of Investment and Spending Policy
2. Develop Evaluation Metric/Tool – Revisit Jack's VAM Article: What is this committee going to do/how will it evaluate LCG's performance?
3. Additional Members
4. Present to full Board a presentation about LCG/OCIO services

The committee discussed possible evaluation tools that include both quantitative measures (tracking error, etc.) and qualitative service measurement.

Other

The committee discussed rescheduling the October meeting for early November.

Adjournment: The committee adjourned at 8:34 a.m.

Respectfully submitted,
Lacy Sietsema, Accola