

U.S. Masters Swimming Meeting Minutes

Committee Name:	Investment Committee	Session #:
Committee Chair:	Ralph Davis	Vice Chair: Chris Eckerman
Minutes recorded by:	Phil Dodson	Date/time of meeting: 1/20/26 @ 7 PM EDT

MSA:

1. Approved Meeting Minutes of October 21, 2025
2. MSA: Sell \$38K large cap NOSIX and reinvest into International Developed NOINX
3. MSA: Sell \$160K from cash and split evenly between VGSH and new ST fixed asset fund RAVI.

Number of committee members present: 7 **Absent:** 2 **Other USMS present:** 0

Committee members present (list all, including chair and vice chair): Ralph Davis, Guy Davis, Phil Dodson, Chris Eckerman, , Robin Smith, Denise Dombay (Ex-officio), Gary Keehner (Ex-officio), **Other USMS representatives Present:** None

Absent: Brandon Johnson (Ex-officio), C.J. Rushman

Guests: Jim Gregory, Northern Trust Investment Manager

Minutes

The meeting was called to order at about 7:00PM EDT. Ralph began the meeting asking if there were any conflicts of interest. None were noted. Ralph welcomed Jim Gregory, our Northern Trust (NT) Investment Advisor, who described recent changes in the NT tactical allocation weightings and outlook, followed by a brief review of both the USMS and SSL Investment portfolios year ended 2025 performances. These are the highlights:

- The NT Strategic monthly meeting made some adjustments on tactical asset allocations since last quarter: Hi Yield and Global Natural Resources upgraded to overweight. Cash down graded to equal weight with an allocation to 2% from previous 4%.
- Base case on economy and investment outlooks:
 - NT Expects Fed to cut interest rates twice, June and Fall 2026. Number of cuts and timing somewhat dependent on who becomes Federal Reserve Chair.
 - Real US GDP remains resilient and strong driven by consumers also remaining resilient and strong.
 - Recession probability, was previously 35%, moved down to 25%: Current probabilities outlook: Expansion 75%– Reflation replaced by productivity boost 30% chance and soft landing 45% chance. Recession -25% from supply restraint due to tariffs and stagflation removed.
 - Fed is moving rates lower along with other Int'l central banks
 - Inflation is way off highs, but sticky and above Fed's 2% target.
- Jim reviewed "The Case for Diversification" table. Gold is #1 for 2025 and 2024, mostly from central banks buying. For 2025: Emerging Market #2 and Dev ex –US #3. US Equities comes in #7 just ahead of #8 the traditional 60/40 portfolio.
- There is more market volatility right now given geo political turmoil.
- A 5% correction would not be a surprise right now. Today's 2% market decline not a big deal and expect a recovery soon, though a 5% correction would not be a surprise.

USMS portfolio review – Jim recommends trimming Large cap by 1% or \$38K:

- Equities currently at 57.2% above 54% target but not unusual for USMS, mostly due to Large cap allocation at 43.2%
- High yield at 5.6% versus 4% target which was lowered by NT in early 2025

- A little under weight international due to US overweighting
 - Underweight fixed income – again due to higher equity allocation
 - Jim recommended reducing large cap by \$38K and reallocate to international developed
 - Returns, net of fees: 2025 - 14.12 % A good year!
- Reviewed performance by asset classes in the SSL portfolio which matches the NT model portfolio:
 - Follows the NT tactical asset allocations
 - Most investments are index funds
 - SSL Outperformed USMS portfolio due to Natural Resources allocation which includes gold, but USMS portfolio still out performs in 3, 5 years and since inception.
- Returns, net of fees: 2025 - 14.12% Again a good year!
- Discussions:
 - We are keeping high cash balances (really ST Treasuries). Ralph asked Gary, our Controller, for a brief cash flow outlook. Gary indicated we have able cash and can easily redeploy into higher yielding ST fixed assets. The Committee discussed and decided to reduce cash yielding 3.5% by \$160K and reallocate into ST funds with slightly higher yields of 4 to 4.5%.
 - The Committee briefly discussed and approved Jim's recommendation to reduce US Large Cap Equities and reallocate into International Developed ex US by 1% or \$38K .
- MSA: approve Minutes October 21, 2025 meeting

Next meeting will be April 21st, 2026, at 7:00 PM EDT.

Meeting adjourned 7:52 EST