# The Passive Club

Meeting Minutes for February 19, 2014

Meeting called to order at 11:05 am by President Manu Pasari

Attendees –: John Janci, Bob Mann, Alan Hull, Catherine Chall, Manu Pasari, Morresa Meyer , Sherry Steinhauer (PLEASE LET ME know if I missed you - I was not able to get to the Webex during the meeting)

Absent: Marina Gaikazian, Percy Antonio, Bob Mann, Carolyn Collins

* Secretary’s Report:
  + No secretary's report for January was available. There is no report filed on Bivio for 2014. Morresa offer to take minutes for the meeting today.
* Treasurers Report:
  + Sherry requested everyone verify the amounts on the report she submitted. It appears everyone made their "normal" deposit.
  + John motioned to accept report and Morresa seconded and motion passed
* Portfolio Actions
  + The last purchase spreadsheet is attached to these minutes (thanks Bob!)
  + New purchases are as follows:
    - MGK 1
    - MGV 5
    - VIG 6
    - VOE 2
    - VWO 7
    - VBR 3
* Old Business:
  + We discussed the need to validate who is the club secretary?

Below are the current officers who serve until July 2014

Manu Pasari, President

Morresa Meyer, Vice President

Sherry Steinhauer, Treasurer (Comerica)

Percy Antonio, Secretary

John or Bob continue as co-treasurer (Vanguard).

**If an officer is going to miss a meeting can they please let the other officers know in advance?**

Bob Mann will miss the March meeting due to training.

A review of the Bivio reports planned for this meeting was postponed due to the light attendance today.

* New Business:

Sherry reported that tax reports (member's K-1 are now available. Each member must login to Bivio and obtain their own report.

Once you login, pick the Accounting tab, then pick the Taxes tab, then Step 6 - View my K-1.

Look for the YEAR heading, the first K-1 should be yours for 2013.

(you need to write in your social security number in column E: Partner's identifying number and your address in column: F). If you e-file the information you need to report on your e-file K-1 is on this form.

There was a discussion on replacing the two large capital EFT's (MGV - Large Value and MGK - Large Growth) with VTI - this EFT combines both Large Value and Large growth provides broader coverage. Below are some links discussing this proposal, which will be approved or rejected at the next meeting.

http://www.investmentu.com/2013/March/david-swensen-and-the-yale-model.html

* U.S. Equities - VTI, VOE, and VBR will provide an opportunity to skew the portfolio toward smaller cap and value oriented stocks.

We are in VBR for small value, VOE for mid cap value, this article recommends VTI for overall US stock exposure.

Should we replace MGK and MGV with VTI? This would give a bit of overlap for the mid cap stocks but would include both Large Growth and Value stocks.

We also are focused on US stocks with the VBK and VOT small and mid cap growth.

VIG (the Dividend focused fund is also mostly a large cap blend - but with a less broad focus).

* Foreign Developed Equities (15%) - VEA, VEU, [VSS](http://seekingalpha.com/symbol/vss), [SCZ](http://seekingalpha.com/symbol/scz) gives the investor flexibility to include smaller cap stocks. Keep in mind that VEU, VSS, and SCZ are likely to dip into Emerging Markets.

VEU gives good developed world exposure, which we have now. It appears VEU focuses on about half the same countries as VEU - the more developed ones. Since we have a big exposure to VWO (world wide emerging markets I would think we are ok)

* Emerging Markets (5%) - VWO is the Exchange Traded Fund of choice and I would stick with Swensen's recommendation.

This seems to be a good standard for emerging markets.

The meeting was adjourned at 11:25 am by Manu.

Submitted by

Morresa Meyer

Vice President