A meeting of the Investment Subcommittee (ISC) of the Board of Trustees of the University of Vermont and State Agricultural College was held on Wednesday, June 22, 2011, at 8:45 a.m. in the President’s Conference Room, 351 Waterman Building, Burlington, VT.

MEMBERS PRESENT: Chair Samuel Bain*, Vice Chair Susan Hudson-Wilson*, Ian Boyce* and David Daigle*

MEMBERS ABSENT: none

PERSONS ALSO PARTICIPATING: Vice President for Finance and Administration and Treasurer Richard Cate; Controller Claire Burlingham; Assistant Controller for Tax and Treasury Services Kathy Snell; Bets Kent* and Christopher Warren* of Cambridge Associates

*By means of conference telephone.

Chair Samuel Bain called the meeting to order at 9:05 a.m.

Approval of Minutes

A motion was made, seconded and voted to approve the minutes of the May 25, 2011 meeting.

Asset Impairment

Vice President Cate led a discussion of impaired assets as required annually under the Asset Impairment guidelines. Metropolitan RE Fund was valued at $1.8M as of 9/30/10, a valuation decline of approximately $1.2M or 39%, compared to $3.05M paid-in-capital as of that date. The net-asset-value estimate provided to Cambridge Associates for 12/31/2010 was $2.2M, a decline of 34% or $1.1M from total paid-in-capital of $3.35M as of that date. Discussion ensued about the imminent availability of 12/31/10 financials from Metropolitan.

July Meeting Planning

Chair Bain led a brief discussion regarding the Wednesday, July 27th meeting schedule, expressing his pleasure in hosting the meeting in Boston. The Subcommittee finalized the invitees to the July meeting. Chair Bain will coordinate accommodations and logistics with Assistant Trustee Coordinator Erin St. John.

Executive Session

At 9:12 a.m., Chair Bain entertained a motion to enter executive session for the purpose of discussing contract negotiations. The motion was seconded and approved. All in attendance remained for executive session.

The meeting was re-opened to the public at 11:20 a.m.
Performance and Asset Allocation

Ms. Kent directed the Subcommittee to the Flash Report for the month ending May 31, 2011. The portfolio returned -1.2% for the month, with common stock returning -1.6%, public real assets returning -4.0%, and bonds returning +1.3%. There were no tremendous outliers.

Other Business

The July agenda shall include 30 minutes for discussion of contracts.

Adjournment

There being no further business, the meeting was adjourned at 11:25 a.m.

Respectfully submitted,

Samuel Bain, Chair