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, November 28, 2012, at 3:00 p.m. in the President’s Conference Room, 351 Waterman Building, Burlington, Vermont.

MEMBERS PRESENT: Chair Samuel Bain*, Robert Brennan* and David Daigle*

MEMBERS ABSENT: None

OTHER TRUSTEES PRESENT: Board of Trustees Chair Robert Cioffi*

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*, LaRoy Brantley*, Christopher Warren* and Justin Atwood* of Cambridge Associates (C|A).

*By means of conference telephone.

Chair Samuel Bain called the meeting to order at 3:05 p.m.

Approval of Minutes

A motion was made, seconded and voted to approve the minutes of the October 24, 2012 meeting.

Annual Review of University’s Cash Management Policy, and Statement of Investment Policies & Objectives

Mr. Cate provided a brief review of the current balances and structure of the University’s pooled cash. A motion was made, seconded, and the Subcommittee unanimously approved the existing Cash Management Policy as presented. In the interest of time, Mr. Cate suggested deferring review the Statement of Investment Policies and Objectives to the December meeting.

Discussion of Proposed Revisions to Investment Subcommittee Charge

In the interest of time, Chair Bain deferred this topic until the next meeting.

Benchmarking Discussion

Mr. Warren led the discussion surrounding Benchmark Compositions and directed the members to the exhibits provided in the meeting materials, comparing the current target benchmarks with the proposed modified target benchmarks. Following discussion surrounding the historic returns and modifications, the Subcommittee unanimously approved to adopt the recommended changes in benchmarking. The Subcommittee requested that C/A continue to carry the current
benchmark and the modified benchmark for the portfolio on the performance reports for a few months. The members also agreed to review and evaluate benchmarking on an annual basis.

**Recent Market Returns**

Chair Bain limited discussion due to time constraints. He referenced the information provided in the meeting materials on this topic and noted that each member can review it at their leisure.

**Quarterly Performance report as of September 30th and Monthly Flash Report as of October 31, 2012**

Chair Bain limited discussion due to time constraints. He referenced the information provided in the meeting materials on this topic and noted that each member can review it at their leisure.

**Executive Session**

At 3:25 p.m., Chair Bain entertained a motion to enter executive session for the purpose of discussing contract negotiations. The motion was seconded and approved. All present remained for executive session.

At 4:58 p.m., the meeting was re-opened to the public.

**Fund Managers**

A motion was made, seconded and unanimously approved to commit $4 million in the Dover Street VIII Fund with HarbourVest Partners. The initial call for capital of approximately 10% is planned for December.

**Other Business**

Chair Bain reviewed agenda items to discuss at the December and February meetings. He requested that discussion on the Manager Watch List and Private Investment Program be included on the December agenda, and that some commentary on a recent New York Times article examining the Endowment Investment Model be included on the February Agenda.

**Adjournment**

There being no further business, the meeting was adjourned at 5:06 p.m.

Respectfully submitted,

Samuel Bain, Chair