INVESTMENT SUBCOMMITTEE
BOARD OF TRUSTEES
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

A meeting of the Investment Subcommittee (ISC) of the Board of Trustees of the University of Vermont State and Agricultural College was held on Tuesday, December 19, 2017, at 3:00 p.m., in Room, 351 Waterman Building, Burlington, Vermont.

MEMBERS PRESENT: Chair Robert Brennan*, Vice Chair Don McCree****, David Aronoff**, and David Daigle

MEMBERS ABSENT: None

PERSONS ALSO PARTICIPATING: Vice President for Finance and Treasurer Richard Cate***; Controller Claire Burlingham*; Assistant Controller Lindsey Donovan; Endowment Accountant Marie Tiemann; General Accounting Manager Renee Hunt; Vice President & General Counsel Sharon Reich Paulsen****; and Ali Dorf*, Kathryn Stephansky*, Evan Fitzmaurice*, Haley Brown*, Kenly Drake*, Samit Chhabra*, and Gretchen Curry* of Cambridge Associates (C|A)

*via conference call.
**Joined the meeting at 3:07 p.m.
***Participated via conference call and departed the meeting at 3:35 p.m.
****Departed the meeting at 3:43 p.m.
*****Departed the meeting at 4:45 p.m.

Chair Robert Brennan called the meeting to order at 3:04 p.m.

Meeting Minutes

Chair Brennan presented the minutes of the September 25, 2017 meeting for approval. A motion was made, seconded, and it was voted to approve the minutes as presented.

Resolution Approving the Establishment of the Historic Preservation Quasi-Endowment Fund

The Subcommittee considered the following resolution:

Resolution Approving the Establishment of the Historic Preservation Quasi-Endowment Fund

WHEREAS, the College of Arts and Sciences’ Historic Preservation Endowment has accumulated unspent endowment income distributions in excess of $150,000; and

WHEREAS, the University may decide to designate assets as quasi-endowment funds to gain the benefit of the earning power of the University’s consolidated endowment pool while retaining the flexibility to be expended in whole or in part; and
WHEREAS, the Dean of the College of Arts and Sciences has requested that $100,000 of the accumulated unspent endowment income distributions be used to establish the Historic Preservation quasi-endowment with the same restrictions as the Historic Preservation Endowment within the University’s consolidated endowment pool;

NOW THEREFORE BE IT RESOLVED, that the Investment Subcommittee approves the creation of the Historic Preservation Fund as a quasi-endowment within the University’s consolidated endowment pool.

A motion was made, seconded and it was unanimously voted to approve the resolution as presented.

Resolution Approving the Establishment of the Caldwell Family Quasi-Endowment Scholarship Fund

The Subcommittee considered the following resolution:

Resolution Approving the Establishment of the Caldwell Family Quasi-Endowed Scholarship Fund

WHEREAS, the Larner College of Medicine has established the “Medical Alumni Association Challenge” stating that any donor that gives between $50,000 and $100,000 to establish a new endowed scholarship fund will have their gift matched at 50%; and

WHEREAS, the Larner College of Medicine has received a gift of $100,000 to establish the Caldwell Family Quasi-Endowed Scholarship; and

WHEREAS, the University may decide to designate assets as quasi-endowment funds to gain the benefit of the earning power of the University’s consolidated endowment pool while retaining the flexibility to be expended in whole or in part; and

WHEREAS, the Dean of the Larner College of Medicine has requested that $50,000 of Dean’s Discretionary Gift Funds be used to establish the Caldwell Family Quasi-Endowed Scholarship Fund as a quasi-endowment within the University’s consolidated endowment pool;

NOW THEREFORE BE IT RESOLVED, that the Investment Subcommittee approves the creation of the Caldwell Family Quasi-Endowed Scholarship Fund as a quasi-endowment within the University’s consolidated endowment pool.

A motion was made, seconded and it was unanimously voted to approve the resolution as presented.
Resolution Approving Revisions to the Statement of Investment Policies and Objectives

Chair Brennan directed the members to Attachment 2; Appendix A of the meeting materials for the annual review of Statement of Investment Policy and Objectives.

Following review and discussion, Chair Brennan noted that the Subcommittee will defer action to allow further review and revisions of the document.

Annual Review of Cash Management and Liquidity Policy

Chair Brennan directed the members to Attachment 3 of the meeting materials for the annual review of the Cash Management and Liquidity Policy.

Following review and discussion Chair Brennan requested Vice President for Finance and Treasurer Richard Cate to review the investment vehicles and strategy of objectives and provide recommendations for consideration at a later meeting.

Recent Market Returns and Total Portfolio Performance Review

Ms. Stephansky, of C|A, led the discussion on recent Market Returns and Portfolio Performance through October 31, 2017. She referenced the exhibits in the C|A materials displaying the recent market performance and trends for various capital market indices. Ms. Stephansky next noted that the Long-Term pool was valued at $521.9 million at the end of October with a return of +1.1% for the month of October, bringing the 2017 calendar year-to-date return to +12.2%. Ms. Stephansky commented that the growth of the UVM Endowment over the past ten years has resulted in an approximately 60% increase in assets. She also noted that the current asset allocations are within target ranges.

Executive Session

At 3:36 p.m., Chair Brennan entertained a motion to enter Executive Session for the purposes of receiving advice from legal counsel; discussing contracts of which premature general public knowledge would clearly place the University at a substantial disadvantage, and records exempt from the access to public records act provisions. The motion was made, seconded and approved. The following persons were invited to remain: Controller Claire Burlingham; Assistant Controller Lindsey Donovan; Endowment Accountant Marie Tiemann; General Accounting Manager Renee Hunt; Vice President & General Counsel Sharon Reich Paulsen; and Ali Dorf, Kathryn Stephansky, Evan Fitzmaurice, Haley Brown, Kenly Drake, Samit Chhabra, and Gretchen Curry of C|A.

The meeting was re-opened to the public at 4:51 p.m.

Portfolio Rebalancing

Chair Brennan entertained a motion to approve a $5.0 million commitment to NGP Natural Resources Fund XII. The motion was made, seconded and passed unanimously.
Adjournment

There being no further business, the meeting was adjourned at 4:53 p.m.

Respectfully submitted,
Robert Brennan, Chair