A meeting of the Investment Subcommittee (ISC) of the Board of Trustees of the University of Vermont State and Agricultural College was held on Wednesday, March 22, 2017, at 3:00 p.m., in Room, 351 Waterman Building, Burlington, Vermont.

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

MEMBERS ABSENT: None

PERSONS ALSO PARTICIPATING: Controller Claire Burlingham; Assistant Controller for Tax and Treasury Services Kathy Snell; Vice President for Legal Affairs & General Counsel Francine Bazluke****; Endowment Accountant Marie Tiemann; Gretchen Curry***, Kathryn Stephansky*, Evan Fitzmaurice*, and Haley Brown* of Cambridge Associates (C|A)

*via conference call.
**Joined the meeting at 3:12 p.m.
***Participated via conference call and departed the meeting at 3:28 p.m.
****Departed the meeting at 3:35 p.m.

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

Meeting Minutes

Chair Brennan presented the minutes of the March 6, 2017 meeting for approval. A motion was made, seconded, and it was voted to approve the minutes unanimously.

Approval of Proposed List of Approved Managers/Funds

Ms. Burlingham directed the members to Attachment 2 indicating the proposed list of approved Managers/Fund pursuant to Cash Management and Liquidity Policy was being presented for annual review. Following review and discussion, Chair Brennan made a motion to approve the following list of managers. The motion was seconded, and it was voted to approve the list unanimously.

Proposed List of Approved Managers / Funds pursuant to Cash Management and Liquidity Policy (“Allowable Assets for Asset Groups”)

Short-term pool:

Demand Deposit Account
Repurchase Agreement
Certificate of Deposit
Money Market Deposit Account
Line of Credit:
People’s United Bank
TD Bank, N.A.

Intermediate-term pool:
Laddered bond portfolio:
Edward Jones
Morgan Stanley Smith Barney
Merrill Lynch
People’s United Bank
Raymond James Financial Services
State Street Global Advisors
TD Wealth Management
UBS Financial Services
Wells Fargo Advisors

Long-term pool:
Units of the University of Vermont’s Pooled Endowment

Executive Session
At 3:13 p.m., Chair Brennan entertained a motion to enter Executive Session for the purposes of discussing contracts of which premature general public knowledge would clearly place the University at a substantial disadvantage, and receiving advice of counsel. The motion was seconded and approved. The following persons were invited to remain: Claire Burlingham, Kathy Snell, Francine Bazluke, Marie Tiemann, Gretchen Curry, Kathryn Stephansky, Evan Fitzmaurice, and Haley Brown.

The meeting was re-opened to the public at 3:35 p.m.

Recent Market Returns
Ms. Stephansky, of C|A, led the discussion on recent Market Returns through February 28, 2017. She referenced the exhibits in the C|A materials displaying the recent market performance and trends for various capital market indices. She reviewed the 12-month returns through February 2017 and noted the enthusiasm surrounding the U.S. Equities which had a +3.9% return while the Natural Resources sector lagged in February. She then noted the exhibit that indicated the growth in earnings per share in Japan and Europe during the 4th quarter of 2016. Ms. Stephansky then reviewed equity valuations by geographic region, noting that U.S. equities are close to their 90th percentile on a price-earnings basis.
Monthly Flash Report as of February 28, 2017

Ms. Stephansky next led discussion surrounding the portfolio’s performance through February 28, 2017, directing the members to the exhibits in the meeting materials. She indicated that while the current asset allocations are within the target ranges, the Emerging Market and Private Equity allocations are slightly underweight. The Long-Term pool was valued at $466.1 million at the end of February with a return of +1.1% for the month, bringing the 2017 calendar year-to-date returns to +3.3%. Ms. Stephansky mentioned that recent returns were led by the U.S., Developed, and Emerging Markets Equity allocations.

Executive Session

At 3:50 p.m., Chair Brennan entertained a motion to enter Executive Session for the purpose of 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 seconded and approved, and the following persons invited to remain: Claire Burlingham, Kathy Snell, Marie Tiemann, Kathryn Stephansky, Evan Fitzmaurice, and Haley Brown.

The meeting was re-opened to the public at 4:23 p.m.

Portfolio Rebalancing

Chair Brennan entertained a motion to approve a $9.0 million investment in Elliott Flagship Funds. The motion was made, seconded and passed unanimously.

Adjournment

There being no further business, the meeting was adjourned at 4:25 p.m.

Respectfully submitted,

Robert Brennan, Chair