A meeting of the Investment Subcommittee (ISC) of the Board of Trustees of the University of Vermont State and Agricultural College was held on Monday, September 25, 2017, at 3:00 p.m., in Room, 351 Waterman Building, Burlington, Vermont.

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

MEMBERS ABSENT: David Aronoff

PERSONS ALSO PARTICIPATING: Vice President for Finance and Treasurer Richard Cate; Controller Claire Burlingham; Assistant Controller Lindsey Donovan; Sr. Staff Accountant Patty Dubie; Endowment Accountant Marie Tiemann; and Ali Dorf*, Evan Fitzmaurice*, Haley Brown*, and Greg Maslak* of Cambridge Associates (C|A)

*via conference call.

Chair Robert Brennan called the meeting to order at 3:06 p.m.

Meeting Minutes

Chair Brennan presented the minutes of the July 26, 2017 meeting for approval. A motion was made, seconded, and it was voted to approve the minutes as presented.

Recent Market Returns and Total Portfolio Performance Review

Ms. Dorf, of C|A, led discussion on recent Market Returns through August 31, 2017, directing the ISC to exhibits in the C|A materials. She reviewed performance and trends for various capital market indices, noting that the Emerging Markets sector was the strong performer with a year-to-date return of 28.3%. The US Equities sector returned 11.7%, while the Hedge Funds and 10-Year U.S. Treasury Bonds returned 4.9% & 3.9% respectively. Ms. Dorf next directed the ISC to the exhibit displaying C|A’s current valuations and noted the Emerging Markets Equities continue to reside in the Fairly Valued category and US Equities have maintained position in the Very Overvalued category.

Ms. Brown next referred the ISC to exhibits displaying the Long-Term Pooled Endowment performance for the month of August 31, 2017. The Long-Term Pool was valued at $505 million at the end of August with a return of +0.5% for the month of August, bringing the 2017 calendar year-to-date returns to 9.8% with the Public Equities being a strong contributor to the performance. She commented that the asset allocations are in line with targets with the exception of the private equity / venture capital allocation, which is underweight. In response to an ISC request, Ms. Brown highlighted the exhibit indicating components of the endowment growth since 2005 in relation to the addition of gifts and distributions. Trustee Daigle requested that C|A include a breakdown of the information on a yearly basis.
Executive Session

At 3:15 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. The motion was made, seconded and approved. The following persons were invited to remain: Vice President for Finance and Treasurer Richard Cate; Controller Claire Burlingham; Assistant Controller Lindsey Donovan; Sr. Staff Accountant Patty Dubie; Endowment Accountant Marie Tiemann; and Ali Dorf, Evan Fitzmaurice, Haley Brown, and Greg Maslak of C|A.

The meeting was re-opened to the public at 4:41 p.m.

Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Robert Brennan, Chair