A meeting of the Investment Subcommittee (ISC) of the Board of Trustees of the University of Vermont State and Agricultural College was held on Friday, March 29, 2019 at 8:00 a.m., at Penn Club, 30 West 44th Street, New York City, New York.

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

MEMBERS ABSENT: None

PERSONS ALSO PARTICIPATING: Vice President for Finance and Treasurer Richard Cate; Assistant Controller Lindsey Donovan*; Endowment Accountant Marie Tiemann*; Alexandra Dorf, Kathryn Stephansky, Samit Chhabra and Kenly Drake of Cambridge Associates (C|A)

* Joined via conference call. Departed the meeting at 8:46 a.m.

Chair Robert Brennan called the meeting to order at 8:06 a.m.

Meeting Minutes

Chair Brennan presented the minutes of the February 12, 2019 meeting for approval. A motion was made, seconded and it was voted to approve the minutes as presented.

Executive Session

At 8:10 a.m., Chair Brennan entertained a motion to enter Executive Session for the purposes of discussing contracts, premature general public knowledge of which would clearly place the University at a substantial disadvantage, and records exempt from disclosure under provisions of the Public Records Act. He noted that the session would last approximately fifteen minutes, with action anticipated following. The motion was made, seconded and approved. The following persons were invited to remain: Vice President for Finance and Treasurer Richard Cate; Assistant Controller Lindsey Donovan; and Endowment Accountant Marie Tiemann. Representatives from Cambridge Associates were excused for this topic.

The meeting was re-opened to the public at 8:26 a.m. Cambridge Associates rejoined the meeting.

Resolution to Establish the Stephen N. Ifshin Quasi Endowment Fund

The Subcommittee considered the following resolution:

Resolution to Establish the Stephen N. Ifshin Quasi Endowment Fund

WHEREAS, the Grossman School of Business’ Stephen N. Ifshin gift fund has a remaining balance of $161,006; 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 Grossman School of Business has requested that $161,006 of the remaining balance of the Stephen N. Ifshin gift fund be used to establish the Stephen N. Ifshin quasi-endowment with the same restrictions as the Stephen N. Ifshin gift fund within the University’s consolidated endowment pool;

NOW, THEREFORE, BE IT RESOLVED, that the Investment Subcommittee approves the creation of the Stephen N. Ifshin quasi-endowment within the University’s consolidated endowment pool, for the benefit of the Grossman School of Business.

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

Recent Market Returns and Total Portfolio Performance Review

Ms. Stephansky reviewed the market returns for the year-to-date through February 28th, noting that the broad risk rally continued in February and that fixed income assets also had posted positive returns.

As of February 28, 2019, the portfolio had an estimated value of $527 million. Calendar year-to-date performance was +6.4%, ahead of the target benchmark return of +5.8%. The portfolio is approximately in line with its broad equity targets, but is underweight with the marketable alternatives target and correspondingly overweight with the cash and fixed income targets. Portfolio liquidity remains in line with expectations.

Executive Session

At 8:46 a.m., Chair Brennan entertained a motion to enter executive session for the purposes of discussing contracts, premature general public knowledge of which would clearly place the University at a substantial disadvantage, and records exempt from disclosure under provisions of the Public Records Act. He noted that the session would last approximately four hours, with action anticipated following. The motion was made, seconded, and approved. The following persons were invited to remain: Vice President for Finance and Treasurer Richard Cate; Alexandra Dorf, Kathryn Stephansky, Kenly Drake, and Samit Chhabra of C|A.

The meeting was re-opened to the public at 1:06 p.m.

Discussion and Consideration of Asset Allocation Targets

Chair Brennan entertained a motion to amend the Asset Allocation Policy Targets, as shown in track changes in Appendix A. In addition, two asset class names were revised as shown.

The motion was made, seconded, and passed unanimously.
Transactions

Chair Brennan entertained a motion to approve the following proposed transactions:

- Submit notice for full redemption from Centerbridge Credit Partners Ltd.
- Invest $10 million with Diameter Capital Partners
- Commit $7 million to HarbourVest Dover Street X

The motion was made, seconded, and passed unanimously.

Chair Brennan entertained a motion to approve the following proposed transactions:

- Redeem $8 million from Acadian Emerging Markets
- Redeem $5 million from Capital International EuroPacific Growth Fund
- Invest $13 million in Vanguard Short-Term Bond Fund

The motion was made, seconded, and passed unanimously. Trustee Daigle abstained from the approval of the redemption of $5 million from Capital International EuroPacific Growth Fund.

Adjournment

There being no further business, the meeting was adjourned at 1:15 p.m.

Respectfully submitted,

Chair Robert Brennan
## APPENDIX A

### ASSET ALLOCATION POLICY TARGETS

*Revised, as of February 2018 March 2019*

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target (%)</th>
<th>Allowable Range (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Equity</td>
<td>20.0</td>
<td>15-30</td>
</tr>
<tr>
<td>Global ex U.S. Equity</td>
<td>23.00</td>
<td>15-45</td>
</tr>
<tr>
<td>- International Developed Equity</td>
<td>(13.0)</td>
<td>(10-25)</td>
</tr>
<tr>
<td>- Emerging Markets Equity</td>
<td>(10.0)</td>
<td>(5-20)</td>
</tr>
<tr>
<td>Marketable Alternatives</td>
<td>1913.0</td>
<td>15-25</td>
</tr>
<tr>
<td><em><em>Public Real Assets</em> (Inflation Hedging)</em>*</td>
<td>135.0</td>
<td>10-25</td>
</tr>
<tr>
<td><em><em>Private Investments</em> Equity / Venture Capital</em>*</td>
<td>1325.0</td>
<td>5-20</td>
</tr>
<tr>
<td><strong>Subtotal Equity</strong></td>
<td><strong>8886.0</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Fixed Income Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Income</td>
<td><strong>1314.0</strong></td>
<td>5-25</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>0.0</td>
<td>0-5</td>
</tr>
<tr>
<td><strong>Subtotal Fixed Income/Cash</strong></td>
<td><strong>1314.0</strong></td>
<td></td>
</tr>
</tbody>
</table>

Appendix A Targets last revised by Investment Subcommittee: February 14, March 29, 2019

*These two asset class names were revised based on recommendations made at the March 29, 2019 Investment Subcommittee meeting. The revised names will be presented to the Board of Trustees for final approval at their May 18, 2019 meeting.