A meeting of the Board of Trustees of the University of Vermont and State Agricultural College was held on Saturday, May 18, 2019, at 8:30 a.m. in the Livak Ballroom, 417-419 Dudley H. Davis Center.

MEMBERS PRESENT: Chair David Daigle, Vice Chair Ron Lumbra, Secretary Curt McCormack, Briar Alpert, David Aronoff¹, John Bartholomew, Otto Berkes, Robert Brennan, Kevin Christie, Frank Cioffi², Carolyn Dwyer, David Gringeri, Sidney Hilker, Bernard Juskiewicz, Carol Ode, Ed Pagano, Shap Smith, Thomas Sullivan, Tristan Toleno and Samuel Young

MEMBERS ABSENT: Cynthia Barnhart, Johannah Donovan, Jodi Goldstein, Don McCree, and Governor Phil Scott

ALSO PARTICIPATING: Vice President for Legal Affairs and General Counsel & Senior Advisor to the President Sharon Reich Paulsen, Vice President for Finance and Treasurer Richard Cate, Vice President for University Relations and Administration Thomas Gustafson, and Vice President for Executive Operations Gary Derr

¹ Joined by conference phone at 9:02 a.m.
² Participated by conference phone

Chair David Daigle called the meeting to order at 8:33 a.m.

Approval of Previous Meeting Minutes

A motion was made, seconded and it was voted to approve the minutes from the March 4, 2019 meeting as presented.

Public Comment

There were no requests for public comment.

Committee Reports

Audit Committee

Chair Bernard Juskiewicz offered a summary report of the meeting held on April 8, 2019. KPMG Partner Renee Bourget-Place and Manager Sara Timmerman, presented their Fiscal Year (FY) 2019 engagement plan, including the scope of work, client services team, approach, and timeline. The Committee authorized and directed the Committee Chair to retain KPMG LLP, to conduct the mandatory annual audit of the financial statements and compliance audits for the
fiscal year ending June 30, 2019 with the amended fee schedule set forth in KPMG’s proposal for services.

Ms. Bourget-Place and David Gagnon, Engagement Quality Control Review Partner for the UVM Audit and KPMG’s National Audit Leader for Higher Education, provided the Committee with an update on the state of the higher education industry and reviewed Governmental Accounting Standards Board (GASB) statement changes noting GASB 87 Leases becomes effective June 30, 2021, and will have a significant impact on the University. University Controller Claire Burlingham reported that in preparation for GASB 87, the University is currently identifying its inventory of leases and will have to account for approximately 350 to 450. In preparation for this standard, the University has purchased and is implementing the PeopleSoft lease administration module.

Chief Internal Auditor William Harrison provided a summary of internal audit activity, highlighting the results of the Office of Audit Services research advisory and laboratory safety projects. He also offered an overview of the Three Lines of Defense model and a summary of audit follow-up activity.

Chief Risk & Public Safety Officer Al Turgeon presented an overview of the Calendar Year 2019 Enterprise Risk Management (ERM) process to assist the Committee in its ERM oversight responsibilities. He and Mary Dewey, Director of Risk Management and Safety, and Francis Churchill, Senior Assistant Director of Environmental Safety and Health, presented an update on Enhancing Safety Culture, a new opportunity in the ERM portfolio illustrating the systematic approach being used to enhance the safety culture across campus.

Educational Policy and Institutional Resources Committee (EPIR)

Committee Chair Carolyn Dwyer offered highlights from the meeting, held yesterday afternoon, that began with Interim Provost & Senior Vice President Patricia Prelock sharing observations from her first thirty days in her new role. She noted her various interactions with deans, faculty, staff and students and her attendance at numerous events.

Colleges of Arts & Sciences (CAS) Dean William Falls presented a comprehensive overview of the college’s strategies and progress made on the eight academic excellence goals. Dean Falls reported on efforts to attract, retain, and graduate, in four years, students earning Bachelor degrees in CAS. He also shared efforts under way to improve access to the University’s liberal arts education and to encourage interdisciplinary teaching and research.

Director of Capital Planning and Management Robert Vaughan and Larner College of Medicine (LCOM) Dean Rick Page reviewed a proposal for construction of a Biomedical Research Building. The building’s layout encourages interaction and collaboration by consolidating research laboratory and shared write-up zone infrastructure to facilitate multidisciplinary research and the cross-pollination of ideas. The building’s site will be in a centralized location on the LCOM campus, connected to adjoining Health Science Research Facility, Stafford, and Given buildings. In keeping with the building’s design theme, LCOM submitted a $7.9 million National Institute of Health grant proposal to house a UVM Center for Biomedical Shared Resources on the first floor of the building. It was noted that the project is not dependent on that
funding. It is estimated that this project will cost $45.0 million. Dean Page announced that the building will be named “Firestone Medical Research Building” in honor of College of Medicine alumnus Steven N. Firestone, M.D who has committed a naming gift.

The Committee unanimously approved the project program plan and referred the project to the Budget, Finance & Investment Committee for future financial review.

Faculty Senate Curricular Affairs Committee Chair Laura Almstead introduced the following two academic program proposals, which were endorsed and referred for Board approval:

- The creation of a Minor in Computer Science Education (CSE) in the College of Education and Social Services. The proposed minor is designed for students interested in teaching computer science in schools and other settings. Of central significance is the collaboration between UVM’s Computer Science and Education departments in program design and implementation. The new CSE minor will build on the legislature’s commitment to support programming to increase educational opportunities, particularly for those students who have traditionally been underserved in computer science education and careers.

- The creation of a Bachelor of Social Work Degree (BSW) in the College of Education and Social Services and to transition the existing Bachelor of Science with a major in Social Work to a BSW degree. Social Work is an accredited program and a majority of institutions that offer accredited programs in social work award students BSW degrees. Students that hold a BSW degree are eligible for limited, but substantive, professional work. It will also help students move on to graduate studies or into the job force as well as help UVM attract students to the program.

Vice President for Enrollment Management Stacey Kostell provided an update on the University’s retention strategies and efforts focusing on the newly implemented Educational Advisory Board software (“Navigate”). She was joined by Coordinator of Strategic Retention Sarah Warrington whom provided an online demonstration of the software and explained the capabilities of the tool in assisting students and their advisors. Director of Institutional Research Alex Yin provided an overview of the software’s analytic capabilities, and Stephanie Kramer, a College of Arts & Sciences Honors College sophomore, joined the presentation and shared her experience utilizing the app.

**Budget, Finance and Investment Committee (BFI)**

Vice Chair Briar Alpert reported that the Committee unanimously endorsed the FY 2020 general fund budget proposal totaling $382,300,000, which includes a tuition increase of 2.7% for out-of-state students and 2.8% for in-state students. The Committee also endorsed a graduate student senate fee and a continuous registration fee for graduate students.

As recommended by the Investment Subcommittee, the Committee reviewed and endorsed revisions to the Statement of Investment Policies & Objectives related to asset class descriptions and target benchmarks and approved the establishment of the Investment of Endowment Cash Policy to meet the endowment’s needs and maximize investment return on the pool of cash on
hand for expenditure. The policy authorizes the Vice President for Finance and Treasurer to invest and withdraw endowment cash into and out of a short-term bond fund as necessary.

The Committee discussed funding for the On-Campus Multipurpose Center project and endorsed the administration’s proposal to issue bonds to help fund this project, as well as deferred maintenance, and to refund a portion of its outstanding 2009 Bonds to take advantage of lower interest rates. The Committee approved a resolution authorizing the issuance of bonds. Specifically, the resolution authorizes issuance of up to $90 million of refunding bonds, including $75 million for the On-Campus Multipurpose Center, $12 million for deferred maintenance, and $3.0 million for capitalized interest.

Additionally, the Committee approved a student fee totaling $400 per year to cover the cost of the associated debt service of the On-Campus Multipurpose Center project. Effective fall 2020, there will be a $260 per year increase in the Athletics & Recreation Fees and a further increase of $140 per year in fall 2021. Vice Chair Alpert noted that these fees are consistent and within the fee range at other institutions.

All resolutions were unanimously endorsed and referred to the Board for approval.

The Committee discussed and received updates on the following:

Vice President for Enrollment Management Stacey Kostell presented information regarding comparative tuition and cost of attendance data, student debt, and the composition of the incoming class.

As of March 31, 2019, the endowment balance was $530.6 million. Investment Subcommittee Chair Robert Brennan noted that the Foundation has an additional $33 million in non-monetary philanthropic assets generated from donations made for specific use as designated by the donor.

Vice President for Finance and Treasurer Richard Cate reported that the University is at 94% of its revenue and has spent 75% of its expense budget. It is expected the University will end the year with a positive fund balance.

University Controller Claire Burlingham provided a brief update on the capital project pre-funding account noting that as of March 31, 2019, after the approved transfer to Ifshin Hall, the balance of the account is $0.00. She also reported that of the same date, the balance of the net tuition stabilization fund is $4.5 million.

UVM Foundation Chief Financial Officer Charles Feeney updated the Committee on the progress in fundraising. As of May 17, 2019, the Foundation had commitments totaling $32.7 million for the On-Campus Multipurpose Center. The Foundation projects they will have cash receipts for the project totaling $15.2 million by December of 2021.

**Board Governance Committee**

Chair Frank Cioffi reported that the Board Governance Work Group met twice since the last Board meeting to discuss the composition of the Board to best support the University’s success
with achieving its goals and aspirations for years to come. The Work Group will meet again over the summer.

Vermont Agricultural College Board

Chair Tristan Toleno reported that the annual election of officers occurred. Tristan Toleno and Shap Smith were re-elected Chair and Vice Chair respectively and John Bartholomew was elected Secretary.

University of Vermont Board

Chair Ron Lumbra reported the Board discussed succession planning and desired skillsets and areas of expertise for the next slate of trustee candidates.

Incumbent officers Chair Ron Lumbra, Vice Chair David Aronoff and Secretary Briar Alpert were all re-elected. Each officer will serve one-year terms.

Approval of Consent Agenda

Chair Daigle introduced the revised consent agenda, noting that resolutions presented at yesterday’s Committee of the Whole meeting have been added. An opportunity for discussion was offered. There being none, the Chair presented the following resolutions to be voted on as a consent agenda:

COMMITTEE OF THE WHOLE


WHEREAS, on July 15, 2012, E. Thomas Sullivan became the 26th President of the University of Vermont; and

WHEREAS, Leslie Black Sullivan returned to her beloved alma mater and brought a sense of pride and grace to the University; and

WHEREAS, Tom Sullivan has been unwavering in his commitment to enhancing academic excellence, ensuring access and affordability for students, and providing focused and effective leadership to the University; and

WHEREAS, Tom and Leslie have dedicated themselves with remarkable passion to the success of UVM’s students, faculty, and staff and to advancement of all aspects of the University; and

WHEREAS, Tom and Leslie have committed themselves to fostering lasting and enduring relationships with UVM alumni and reinforcing their commitment to and relationship with their alma mater; and

WHEREAS, Tom and Leslie have built strong and sustained relationships with the Vermont community, in particular, the Vermont State Legislature; and
WHEREAS, during Tom’s seven-year tenure, the University of Vermont’s physical campus has
been transformed, the value of the endowment has grown significantly, course offerings have
been expanded, and a $500 million comprehensive campaign has reached successful completion
a year ahead of schedule;

THEREFORE, BE IT RESOLVED, that this Board of Trustees expresses its deep and abiding
appreciation for President Tom and Leslie Sullivan’s profound positive and lasting impact on
UVM, and extends its best wishes for a future that includes their continuing presence in Vermont
and involvement with the University.

2. Resolution Authorizing On-Campus Multipurpose Center Project Program Plan and
Expenditures

WHEREAS, on February 4, 2017, the Board of Trustees authorized the administration to expend
$750,000 to take steps relating to an on-campus Multipurpose Center (“Project”), including
initiation of the schematic design phase and generation of a Project cost estimate and funding
plan;

WHEREAS, on October 20, 2017, the Board authorized the expenditure of $1,000,000 of private
gift funds for the first phase of design development for the Project;

WHEREAS, on February 3, 2018, the Board authorized the expenditure of $1,500,000 of private
gift funds to fund the next phase of design development and permitting for the Project;

WHEREAS, on May 18, 2018, the Board authorized the expenditure of $2,000,000 of private
gift funds to fund the last phase of design development and permitting for the Project;

WHEREAS, on October 26, 2018, the Educational Policy & Institutional Resources Committee
approved the conceptual scope of the Project as presented to the Committee and then referred the
Project to the Budget, Finance & Investment Committee for financial review;

WHEREAS, on October 26, 2018, the Budget, Finance & Investment Committee recommended
to the Board that it authorize total Project expenditures of up to $95,000,000 (inclusive of the
$5,250,000 previously authorized), subject to certain conditions specified by the Committee;

WHEREAS, on October 27, 2018, the Board approved a resolution authorizing the Project as
presented to the Educational Policy & Institutional Resources Committee, at a cost not to exceed
$95,000,000 (inclusive of the $5,250,000 previously authorized), subject to the University’s
receipt and approval by February 1, 2019 of signed commitments from donors that total at least
$30,000,000 in gifts directed for athletics or the Project, with at least $15,000,00 of the
$30,000,000 to be scheduled to be received as cash no later than December 31, 2021;

WHEREAS, on February 1, 2019, there remained some portion of additional fundraising to be
concluded;

WHEREAS, on April 15, 2019, the Executive Committee of the Board authorized the
expenditure of up to $700,000 of private gift funds for pre-construction design assistance;
WHEREAS, on May 17, 2019, the University confirmed to the Board that it has received at least $30,000,000 of signed commitments from donors directed for athletics or the Project; that at least $15,000,000 of the $30,000,000 is scheduled to be received as cash no later than December 31, 2021; and that all bequests are irrevocable commitments that have been verified in writing;

WHEREAS, on May 17, 2019, the University presented to the Board planned modifications to the construction plan;

WHEREAS, the Board is satisfied with the current construction plans and financing plan;

WHEREAS, the Board is aware that private fundraising efforts for the Project continue;

THEREFORE, BE IT RESOLVED, that the Board hereby authorizes total Project expenditures of up to $95,000,000 (inclusive of the $5,950,000 previously authorized), subject to conditions specified in this resolution, with the funds to be expended in a manner consistent with the report made on this date;

BE IT FURTHER RESOLVED, that the Board authorizes additional Project expenditures of up to $5,000,000 from private gift funds that are evidenced by signed commitments from donors directed for athletics or the Project and are received in cash, and that are in excess of the $15,000,000 currently scheduled to be received as cash by December 31, 2021;

BE IT FURTHER RESOLVED, that all donor receipts for the Project are required to be used to fund Project expenditures or repay University debt; and

BE IT FURTHER RESOLVED, that the up to $95,000,000 of funds for Project expenditures referenced above be drawn from a combination of gifts, general funds, and up to $75,000,000 of University debt.

3. Authorizing Resolution Related to the Negotiation and Execution of a Voluntary Payment for Services Agreement with the City of Burlington

WHEREAS, on September 8, 2007, the Board of Trustees authorized the administration to enter into a letter agreement with the City of Burlington regarding a voluntary payment for services;

WHEREAS, the September 2007 letter agreement expired on June 30, 2014;

WHEREAS, annual extensions of the 2007 letter agreement have been approved by the Board since the expiration of the original agreement;

WHEREAS, the latest extension of the 2007 letter agreement expired on June 30, 2018;

WHEREAS, the City and University have been in negotiations regarding excess billing for water by the City and as a result the University did not enter into a new Voluntary Payment for Services Agreement with the City after the expiration of the existing Agreement on June 30, 2018; and


WHEREAS, the City and University have reached agreement, subject to the Board of Trustees approval, on repayment by the City of the overbilling for water and agreement on a new Voluntary Payment for Services Agreement with the City of Burlington;

BE IT RESOLVED, that the Board hereby authorizes the administration to negotiate and execute a new Voluntary Payment for Services Agreement with the City of Burlington consistent with the terms discussed with and approved by the Board on this date.

4. Authorizing Resolution Related to the Repayment of Overbilling for Water Charges by the City of Burlington

WHEREAS, because of an issue related to water metering, the City of Burlington overcharged the University for water over a period of years;

WHEREAS, the University was unaware of the overbilling and when notified by the City of Burlington of the overbilling, the parties entered into negotiations as to the amount of the overbilling and repayment;

WHEREAS, the City and University have reached agreement, subject to the Board of Trustees approval, on repayment by the City of the overbilling for water;

BE IT RESOLVED, that the Board hereby authorizes the administration to negotiate and execute a Repayment Agreement with the City of Burlington, consistent with the terms discussed with and approved by the Board on this date.

EDUCATIONAL POLICY & INSTITUTIONAL RESOURCES

5. Resolution Approving Project Program Plan for Larner College of Medicine Biomedical Research Building

WHEREAS, the administration today reported on the strategic and operational need for the construction of the Larner College of Medicine Biomedical Research Building Project and the associated program scope;

THEREFORE, BE IT RESOLVED, that the Educational Policy & Institutional Resources Committee hereby approves the project scope that the administration presented on this date and refers the Project to the Budget, Finance & Investment Committee for future financial review.

6. Resolution Approving the Creation of a Minor in Computer Science Education in the College of Education and Social Services

BE IT RESOLVED, that the Board of Trustees approve the creation of a Minor in Computer Science Education in the College of Education and Social Services, as approved and advanced by the Interim Provost and President on April 22, 2019.
7. Resolution Approving the Creation of a Bachelor of Social Work Degree in the College of Education and Social Services

BE IT RESOLVED, that the Board of Trustees approves the creation of a Bachelor of Social Work Degree in the College of Education and Social Services, as approved and advanced by the Interim Provost and President on April 26, 2019.

BUDGET, FINANCE & INVESTMENT

8. Resolution Approving Fiscal Year 2020 Budget Planning Assumptions: General Fund

RESOLVED, that the Board of Trustees hereby approves the budget planning assumptions for Fiscal Year 2020, which lead to a General Fund operating expense budget for the University of $382,291,000, and hereby authorizes the President to proceed with detailed budget preparation in accordance with these assumptions.

9. Resolution Approving Tuition Charges for Fiscal Year 2020

RESOLVED, that the Board of Trustees hereby approves increases in the following tuition rates effective with the 2019-2020 academic year:

- In-state tuition from $15,936 to $16,392 per year, or $683 per credit hour.
- Out-of-state tuition from $40,176 to $41,280 per year, or $1,720 per credit hour.
- Medical student in-state tuition from $36,340 to $37,070 per year.
- Medical student out-of-state tuition from $62,910 to $64,170 per year.

10. Resolution Approving Graduate Student Senate Fee for Fiscal Year 2020

RESOLVED, that the Board of Trustees approves a continuation of the Graduate Student Senate fee in the amount of $20 for the academic year.

11. Resolution Approving Continuous Registration Fee for Graduate Students for Fiscal Year 2020

RESOLVED, that the Board of Trustees approves a continuation of a varying Graduate Continuous Registration fee, effective with the 2019-2020 academic year, as follows:

- Less than half-time, $100 per semester
- Half to full-time, $200 per semester
- Full-time, $300 per semester

12. Resolution Approving Establishment of the Investment of Endowment Cash Policy

WHEREAS, on April 16, 2019, the Investment Subcommittee endorsed the establishment of the Investment of Endowment Cash Policy for referral to the Budget, Finance & Investment Committee as follows:

RESOLVED, that the Investment of Endowment Cash Policy is established as reads below:
BE IT FURTHER RESOLVED, that the Vice President for Finance and Treasurer be authorized to invest and withdraw Endowment cash in a money market or a short term bond fund to maximize investment return and meet Endowment needs; and

BE IT FURTHER RESOLVED, that the Budget, Finance & Investment Committee hereby recommends that the Board of Trustees adopt the Investment of Endowment Cash Policy.

13. Resolution Approving Revisions to the Statement of Investment Policies & Objectives

WHEREAS, in February 2011, the Board adopted a Statement of Investment Policies and Objectives to govern the investment of UVM’s Long-Term Investment Pool, including the Endowment Fund; and

WHEREAS, the Investment Subcommittee is charged with an annual review of the Statement of Investment Policies and Objectives; and

WHEREAS, on April 16, 2019, the Investment Subcommittee endorsed proposed amendments to the Statement of Investment Policies and Objectives for referral to the Budget, Finance & Investment Committee,

THEREFORE, BE IT RESOLVED, that the Budget, Finance & Investment Committee hereby recommends that the Board of Trustees adopt the amended Statement of Investment Policies and Objectives, appearing as Appendix A to this document.

14. Approval of Fee to Fund Debt Service for the Multipurpose Center Project

RESOLVED, that the Board of Trustees approves a total increase in the Athletics and Recreation Fee of $200 per semester to fund the Multipurpose Center Project to be implemented incrementally as follows:

- $130 per semester increase beginning in Fall 2020
- An additional $70 per semester increase beginning in Fall 2021

15. Resolution Authorizing Bond Issuance

The University of Vermont and State Agricultural College
Board of Trustees

GENERAL OBLIGATION BONDS,
SERIES 2019


WHEREAS, a working group of Trustees appointed by the Chair of the University’s Board of Trustees (the “Bond Work Group”) was consulted, and, due to favorable market conditions, recommends to the University’s Board of Trustees (the “Board”) that the University refund all or a portion of the outstanding Series 2009 Bonds (the “Refunded Bonds”); and

WHEREAS, in addition, the Bond Work Group was consulted, and, due to favorable market conditions, recommends to the Board that the University finance the cost of a Multipurpose Center project and deferred maintenance of the University which either have been authorized by the Board prior to the date hereof (including authorized reimbursements for prior University expenditures on such Multipurpose Center project and/or deferred maintenance expenditures) as more particularly described on Exhibit A attached hereto, or are not required to be authorized by the Board (the “Project”); and

WHEREAS, the Board has determined that it is desirable to authorize the Vice President for Finance and Treasurer, or his successor or designee, to proceed toward the refunding of the Refunded Bonds and/or financing of the Project, in consultation with the Bond Work Group, and to execute any and all contracts and documents necessary for the issuance by the University of the Series 2019 Bonds (as defined below); and

WHEREAS, the Board has determined that in order to refund the Refunded Bonds and pay associated administrative costs, it is necessary and desirable to authorize (i) the issuance by the University of its General Obligation Bonds, Series 2019 in an amount not to exceed $75 million aggregate principal amount (the “Refunding Series 2019 Bonds”), in one or more series, at one or more times, with anticipated net present value savings resulting from the issuance of the Refunding Series 2019 Bonds of not less than 3% of the total par amount of the Refunded Bonds and costs of issuance not to exceed 1.25% of the par amount of the Refunding Series 2019 Bonds and (ii) the execution of a supplemental indenture between the University and the Trustee, establishing the amount of the Refunding Series 2019 Bonds and the details thereof and describing the Refunded Bonds; and

WHEREAS, the Board has determined that in order to finance the Project and pay capitalized interest on the Series 2019 Bonds allocable to the Multipurpose Center portion of the Project
through October 1, 2020 and associated administrative costs, it is necessary and desirable to authorize (i) the issuance by the University of its General Obligation Bonds, Series 2019 in an amount not to exceed $94 million (comprised of an amount not to exceed $75 million aggregate principal amount allocable to the Multipurpose Center portion of the Project; an amount not to exceed $12 million aggregate principal amount allocable to the deferred maintenance portion of the Project, provided that such amount of Series 2019 Bonds issued shall be limited to the amount of deferred maintenance expenditures authorized by the Board; an amount not to exceed $3 million aggregate principal amount allocable to capitalized interest on the Series 2019 Bonds allocable to the Multipurpose Center portion of the Project; and the remainder for costs of issuance of the Series 2019 Bonds or other costs related to the Series 2019 Bonds or the Project) (the “Project Series 2019 Bonds” and together with the Refunding Series 2019 Bonds, the “Series 2019 Bonds”), in one or more series, at one or more times, with one or more series designations which may reflect the year of issuance, with costs of issuance not to exceed 1.25% of the par amount of the Project Series 2019 Bonds and (ii) the execution of a supplemental indenture between the University and the Trustee, establishing the amount of the Project Series 2019 Bonds and the details thereof and describing the Project; and

WHEREAS, the Board proposes to issue the Series 2019 Bonds on a parity with the outstanding Series 2009 Bonds, Series 2010 Bonds, Series 2012A Bonds, Series 2014 Bonds, Series 2015 Bonds, Series 2016 Bonds and Series 2017 Bonds (the Series 1990 Bonds, the Series 1998 Bonds, the Series 2002 Bonds, the Series 2005 Bonds and the Series 2007 Bonds being no longer outstanding) pursuant to the terms of the Indenture and one or more Supplemental Indentures thereto relating to the Series 2019 Bonds (collectively, the “Supplemental Indentures”), between the University and the Trustee; and

WHEREAS, the Board desires to authorize the execution and delivery of one or more Bond Purchase Agreements (collectively, the “Bond Purchase Agreements”) among the University, Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated (the “Underwriters”), pursuant to which the University will sell the Series 2019 Bonds to the Underwriters in accordance with the terms and conditions set forth therein; and

WHEREAS, the Board desires to authorize the execution and delivery of one or more Escrow Agreements (collectively, the “Escrow Agreements”) between the University and the Trustee, in its capacity as Trustee for the Refunded Bonds, pursuant to which the University will direct the Trustee to purchase certain Eligible Securities (as defined in the Indenture) and deposit funds necessary to pay the principal and interest on the Refunded Bonds when due and/or the redemption price for the Refunded Bonds on the applicable redemption date; and

WHEREAS, in connection with the issuance and sale of the Series 2019 Bonds, one or more Preliminary Official Statements (collectively, the “Preliminary Official Statements”) and final Official Statements (collectively, the “Official Statements”) will be prepared by the University, which will present information about the University, the terms of the Series 2019 Bonds and the security for the Series 2019 Bonds, among other things; and

WHEREAS, the Board desires to authorize the execution and delivery of one or more Continuing Disclosure Agreements (collectively, the “Continuing Disclosure Agreements”) between the University and the Trustee, pursuant to which the University will be obligated to
update certain information in the applicable Official Statement and provide certain other notices to the specified repository in accordance with the terms and conditions set forth therein; and

WHEREAS, copies of the forms of the following documents relating to the transactions described above have been filed with the University:

1. the Supplemental Indentures;
2. the Bond Purchase Agreements;
3. the Escrow Agreements;
4. the Preliminary Official Statements (including Appendix A thereto); and
5. the Continuing Disclosure Agreements;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. Issuance of Series 2019 Bonds.

(a) The Board hereby approves and confirms the issuance by the University of the Refunding Series 2019 Bonds, in one or more series, at one or more times, to provide funds to refund all or a portion of the outstanding Refunded Bonds of the University (including the costs of issuance and any other related expenses, including the Underwriters’ discount and their expenses, provided such costs shall not exceed 1.25% of the par amount of the Refunding Series 2019 Bonds). The Refunding Series 2019 Bonds shall bear a true interest cost not exceeding 5.00% per annum with net present value savings of not less than 3% of the par amount of the Refunded Bonds. The Refunding Series 2019 Bonds shall be in the initial principal amount of not more than $75 million, shall mature not later than the final maturity date of the Refunded Bonds and shall have a weighted average maturity not exceeding the weighted average maturity of the Refunded Bonds by more than two years.

(b) The Board hereby approves and confirms the issuance by the University of the Project Series 2019 Bonds, in one or more series, at one or more times, with one or more series designations which may reflect the year of issuance, to provide funds to finance the cost of the Project (including capitalized interest on the Series 2019 Bonds allocable to the Multipurpose Center portion of the Project through October 1, 2020, the costs of issuance and any other related expenses, including the Underwriters’ discount and their expenses, provided such costs shall not exceed 1.25% of the par amount of the Project Series 2019 Bonds). The Project Series 2019 Bonds shall bear a true interest cost not exceeding 5.00% per annum. The Project Series 2019 Bonds shall be in the initial principal amount of not more than $94 million (comprised of an amount not to exceed $75 million aggregate principal amount allocable to the Multipurpose Center portion of the Project; an amount not to exceed $12 million aggregate principal amount allocable to the deferred maintenance portion of the Project, provided that such amount of Series 2019 Bonds issued shall be limited to the amount of deferred maintenance expenditures authorized by the Board; an amount not to exceed $3 million aggregate principal
amount allocable to capitalized interest on the Series 2019 Bonds allocable to the Multipurpose Center portion of the Project; and the remainder for costs of issuance of the Series 2019 Bonds or other costs related to the Series 2019 Bonds or the Project) and shall mature no later than 35 years from their dated date.

(c) If the Series 2019 Bonds are issued at more than one time, each issuance of the Series 2019 Bonds shall comply with the limitations contained in this Resolution; provided that the aggregate principal amounts of Refunding Series 2019 Bonds and Project Series 2019 Bonds shall not exceed the limitations on principal amount set forth herein. The Board hereby finds and determines that these purposes are necessary and desirable and hereby authorizes the Vice President for Finance and Treasurer, in consultation with the Bond Work Group, to determine (i) whether the Series 2019 Bonds should be issued as two or more sub-series of bonds, issued together or at different times (based on whether the issuance of the Series 2019 Bonds in two or more sub-series, issued together or at different times, will facilitate debt management or marketing of the Series 2019 Bonds or compliance with federal tax law restrictions or is expected to maximize present value savings or otherwise reduce interest rate or other costs) and (ii) the terms of the Series 2019 Bonds and the terms of the sale of the Series 2019 Bonds (including the maturity dates and amounts, the interest rates, the original issue premium or discount, the redemption provisions of the Series 2019 Bonds based on financial or structural benefits to the University and marketing considerations and the underwriters’ compensation) subject to the limitations set forth in this resolution and the applicable Supplemental Indenture. The form and content of the Series 2019 Bonds as set forth in the applicable Supplemental Indenture are hereby approved and confirmed. The Vice President for Finance and Treasurer, and the Secretary or the Assistant Secretary of the Board are authorized and directed to execute and deliver the Series 2019 Bonds for and on behalf of the University, in substantially the form and content set forth in the applicable Supplemental Indenture, but with such changes, additions or deletions as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, additions or deletions.

Section 2. Authorization to Determine Refunded Bond Redemptions. The Board hereby authorizes and directs the Vice President for Finance and Treasurer, in consultation with the Bond Work Group, to determine which maturities (or portions of maturities) of the Refunded Bonds shall be refunded with the proceeds of the Refunding Series 2019 Bonds and the dates of redemption of such Refunded Bonds; provided that such refunding results in net present value savings of not less than 3% of the par amount of the Refunded Bonds (from each issuance of Refunding Series 2019 Bonds if issued at more than one time).

Section 3. Authorization of Supplemental Indentures. The Board hereby approves and confirms the form and content of one or more Supplemental Indentures. The Vice President for Finance and Treasurer, and the Secretary or Assistant Secretary of the Board are hereby authorized and directed to execute and deliver one or more Supplemental Indentures for and on behalf of the University, in substantially the form and content made available to the Board, but with such changes, additions or deletions as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, additions or deletions. From and after the execution and delivery of the Supplemental Indentures, the Vice President for Finance and Treasurer, and the Secretary or
Assistant Secretary of the Board and all other officers of the Board and the University are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Supplemental Indentures as executed.

Section 4. **Authorization of Bond Purchase Agreements.** The Series 2019 Bonds shall be awarded and sold to the Underwriters pursuant to the terms of one or more Bond Purchase Agreements at an aggregate underwriters’ discount or fee to be determined by the Vice President for Finance and Treasurer in consultation with the Bond Work Group, of not more than 0.30% ($3.00 per $1,000 bond) plus an additional amount to cover out-of-pocket expenses of the Underwriters. The Series 2019 Bonds shall be authenticated and delivered to or upon the order of the Underwriters upon payment of the purchase price set forth in the Bond Purchase Agreement. The form and content of the Bond Purchase Agreements are hereby approved. The Vice President for Finance and Treasurer is hereby authorized and directed to execute and deliver the Bond Purchase Agreements for and on behalf of the University, in substantially the form and content made available to the University, but with such changes, additions or deletions as shall to him seem necessary, desirable or appropriate, his execution thereof to constitute conclusive evidence of his approval of any and all such changes, additions or deletions therein. From and after the execution and delivery of the Bond Purchase Agreements, the Vice President for Finance and Treasurer and all other officers of the Board and the University are hereby authorized and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Bond Purchase Agreements as executed.

Section 5. **Authorization of Escrow Agreements.** The form and content of one or more Escrow Agreements are hereby approved. The Vice President for Finance and Treasurer is hereby authorized and directed to execute and deliver one or more Escrow Agreements for and on behalf of the University, in substantially the form and content made available to the Board, but with such changes, additions or deletions as shall to him seem necessary, desirable or appropriate, his execution thereof to constitute conclusive evidence of his approval of any and all such changes, modifications, additions or deletions. From and after the execution and delivery of the Escrow Agreements, the Vice President for Finance and Treasurer and all other officers of the Board and the University are hereby authorized and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Escrow Agreements as executed.

Section 6. **Authorization of Continuing Disclosure Agreements.** The form and content of one or more Continuing Disclosure Agreements are hereby approved. The Vice President for Finance and Treasurer is hereby authorized and directed to execute and deliver one or more Continuing Disclosure Agreements for and on behalf of the University, in substantially the form and content made available to the Board, but with such changes, additions or deletions as shall to him seem necessary, desirable or appropriate, his execution thereof to constitute conclusive evidence of his approval of any and all such changes, modifications, additions or deletions. From and after the execution and delivery of the Continuing Disclosure Agreements, the Vice President for Finance and Treasurer and all other officers of the Board and the University are hereby authorized and directed to do all such acts and things and to execute all
such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Agreements as executed.

Section 7. Approval of Preliminary Official Statements and Official Statements. The form, terms and content of the Preliminary Official Statements and the Official Statements in substantially the form of the Preliminary Official Statements (but including the terms of the Series 2019 Bonds) are authorized, approved and confirmed, with such changes, additions or deletions therein as shall seem necessary, desirable or appropriate to the Vice President for Finance and Treasurer. The use of the Preliminary Official Statements and of the Official Statements by the Underwriters in connection with the sale of the Series 2019 Bonds is hereby authorized, approved and confirmed. The Vice President for Finance and Treasurer is authorized to execute the Official Statements on behalf of the University.

Section 8. Tax Certificates. The Vice President for Finance and Treasurer of the University is hereby authorized to execute certificates in order to evidence the University’s compliance with the Internal Revenue Code of 1986 and the applicable Income Tax Regulations thereunder.

Section 9. No Personal Liability. No stipulation, obligation or agreement herein contained or contained in the Series 2019 Bonds, the Indenture, the Supplemental Indentures, the Bond Purchase Agreements, the Escrow Agreements, the Continuing Disclosure Agreements or any other instrument related to the issuance of the Series 2019 Bonds shall be deemed a stipulation, obligation or agreement of any officer, agent or employee of the University in his or her individual capacity, and no such officer, agent or employee shall be personally liable on the Series 2019 Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

Section 10. Actions of Officers. The officers of the Board and of the University are hereby authorized and directed to do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate in order to consummate the transactions contemplated by (i) this Resolution, (ii) the Indenture and the Supplemental Indentures and (iii) the documents presented to this meeting or made available for review: except that none of the above shall be authorized or empowered to do anything or execute any document which is in contravention, in any way of (a) the specific provisions of this Resolution, (b) the specific provisions of the Indenture or the Supplemental Indentures, (c) any agreement to which the University is bound, (d) any rule or regulation of the University or (e) any applicable law, statute, ordinance, rule or regulation of the United States of America or the State of Vermont.

Section 11. Severability of Invalid Provisions. If any one or more of the agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining agreements and provisions and shall in no way affect the validity of any of the other agreements and provisions hereof or of the Series 2019 Bonds authorized hereunder.
Section 12. **Conflicting Provisions.** All prior resolutions or parts thereof of the University in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 13. **Effective Date.** This Resolution shall take effect upon its adoption.

**Approved by Board of Trustees: May 18, 2019**

Exhibit A

The Project shall consist of an on-campus Multipurpose Center and deferred maintenance projects for fiscal years 2018, 2019 and 2020.

A motion was made, seconded, and the consent agenda was unanimously approved as presented.

**Executive Session**

At 9:03 a.m., Chair Daigle entertained a motion to enter into executive session for the purpose of discussing contracts, premature general public knowledge of which would clearly place the University at a substantial disadvantage. He noted that no action was anticipated following the session anticipated to last approximately five minutes. The motion was made, seconded and approved.

The following persons were invited to remain: Vice President for Legal Affairs and General Counsel & Senior Advisor to the President Sharon Reich Paulsen and Vice President for Executive Operations Gary Derr.

At 9:24 a.m., the meeting re-opened to the public.

Chair Daigle acknowledged this is President Sullivan’s final meeting and on behalf of the Board expressed gratitude and appreciation to President Sullivan and Leslie Black Sullivan for all they have done for the University and personally noted it has been a pleasure to work with both of them.

**Adjournment**

There being no further business, the meeting adjourned at 9:29 a.m.

Respectfully submitted,

David Daigle, Chair
UNIVERSITY OF VERMONT

STATEMENT OF INVESTMENT POLICIES AND OBJECTIVES

I. INTRODUCTION

This statement is issued by the Investment Subcommittee (the “ISC”) of the Board of Trustees of the University of Vermont (the “Board”). The ISC was established by the Board and the Budget, Finance and Investment Committee in late 2006 and charged with oversight of investment strategy and investment managers for the Long-Term Investment Pool, including the Endowment Fund, collectively called the “Fund”, of the University. The policy statement will be reviewed annually and modified by the ISC as conditions warrant.

II. FIDUCIARY STANDARDS

The Board, the ISC, the Treasurer and finance staff, and any third-parties (e.g., investment managers) retained to advise the Board, the ISC, the Treasurer and/or finance staff as to investment strategy and management (any and all of whom may be referred to as “Responsible Parties”) shall exercise their responsibilities with respect to the Fund’s assets in compliance with the requirements of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), enacted in the state of Vermont in 2009. In accordance with UPMIFA, key facets of the Responsible Parties’ roles include:

- Acting in good faith, with the care an ordinarily prudent person would exercise;
- Incurring only reasonable costs in investing and managing charitable funds;
- Making decisions about each asset in the context of the portfolio of investments, as part of an overall investment strategy;
- Diversifying investments, unless due to special circumstances, the purposes of the Fund are better served without diversification;
- Disposing of unsuitable assets; and
- In general, developing an investment strategy appropriate for the Fund and the University.

III. RESPONSIBILITIES of INVESTMENT SUBCOMMITTEE

Responsibilities and goals of the ISC include:

- Ensuring that current and future spending requirements are supported while also preserving the real purchasing power of the Fund;
- Achieving an optimum level of return within appropriate risk tolerances;
- Developing a sound and consistent investment policy including asset allocation, diversification and rebalancing guidelines;
- Selecting and maintaining qualified investment managers and advisors;
- Monitoring and evaluating results to ensure that policy guidelines are being adhered to and that policy objectives are being met; and
- Taking action under appropriate circumstances to discharge an investment manager or advisor for failing to perform in terms of stated expectations.
The ISC is authorized to delegate certain responsibilities to staff to assist in properly meeting the overall responsibilities as outlined above.

IV. CONFLICT OF INTEREST POLICY

In addition to the responsibilities set forth in the Board of Trustees’ Conflicts of Interest policy, it is the responsibility of the ISC members to disclose to the ISC Chair any situation in which there may be reasonably construed to be a perceived or actual conflict of interest. The ISC Chair will work with the members to determine an appropriate response.

The ISC will generally not consider investments in funds directly managed by a member of the ISC. In addition, a member of the ISC employed by an investment or other firm that provides services to the Fund will recuse him/herself from all discussions and votes on existing or potential investments or other services managed or provided by that firm. The ISC recognizes, however, that certain exceptions to this policy may be appropriate. Such exceptions will be made only upon a majority vote of the disinterested members of the ISC.

In the event that the ISC is considering an investment in an access-constrained investment opportunity, any ISC member wishing to invest for his/her own benefit in such an opportunity shall notify the ISC Chair in writing.

V. MORAL, SOCIAL AND ETHICAL CONSIDERATIONS IN INVESTMENT STRATEGY

The University Statement of Investment Policies and Objectives requires the Board, the Investment Subcommittee (ISC) of the Board Budget, Finance and Investment Committee, the Treasurer, and third parties such as investment managers, to exercise their responsibilities with respect to the Long-Term Investment Pool, including Endowment Fund assets, in compliance with the requirements of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”).

In accordance with UPMIFA, key facets of the Responsible Parties’ roles, as paraphrased below, include:

- Acting in good faith, with the care an ordinarily prudent person would exercise;
- Incurring only reasonable costs in investing and managing charitable funds;
- Making decisions about each asset in the context of the portfolio of investments, as part of an overall investment strategy;
- Diversifying investments, unless due to special circumstances, the purposes of the Fund are better served without diversification;
- Disposing of unsuitable assets.

Achieving the Financial and Investment Objectives of the Fund is essential to provide resources to fulfill the institutional mission of the University. The core responsibility of the ISC is to achieve the Financial and Investment Objectives of the fund in a manner consistent with the requirements of UPMIFA and prudent fiduciary practices.

The primary objective of achieving the Financial and Investment Objectives of the Fund does not preclude consideration of moral, ethical and social criteria in selecting investments or participating in shareholder resolutions that address moral, ethical or social issues. However, the core responsibility of the Board is to steward University assets in a manner consistent with prudent fiduciary practices.
VI. FINANCIAL & INVESTMENT OBJECTIVES

The overall financial objective of the Fund is to provide a stable and consistent level of ongoing support for the University’s programs through a reasoned spending policy consistent with preserving and enhancing the real (i.e., inflation-adjusted) purchasing power of the Fund over time.

The primary long-term investment objective of the Fund is to attain a real total return\(^1\) (net of investment management fees) that exceeds the amount being distributed for spending and administration, currently set at 4.75%. This will be measured over the long term, capturing a full market cycle, as it is unlikely that the Fund’s return will meet or exceed the spending rate in each individual year. Other important investment objectives are to achieve annualized returns in excess of the strategic policy portfolio blended benchmark (defined herein), measured over a full market cycle; and to outperform the median return of a pool of endowment funds of similar size with broadly similar investment objectives and policies.

VII. ASSET ALLOCATION

The policy portfolio for the Fund is a target or “normal” set of investments, based on long-term return, risk and correlation assumptions that balance the organization’s need for liquidity, preservation of purchasing power, and risk tolerance. Certain investments are made for capital appreciation and return enhancement: global equities, long/short hedge funds, venture capital and private equity; some are made to protect against unanticipated inflation: real estate, energy, timber, commodities, TIPS; and some are made to protect against deflationary periods and to reduce volatility: primarily, high quality intermediate bonds for the former and absolute return hedge funds for the latter. The ISC, with input and assistance from staff and external advisors, shall periodically examine the policy portfolio targets and consider adjustments to the asset allocation as may be appropriate (for example, due to a material change in the capital market assumptions). Changes to the policy portfolio targets will be reviewed and approved by the ISC and presented to the Budget, Finance and Investment Committee and the Board, as necessary.

In addition to being diversified across asset classes, the Fund will be diversified within each asset class. This will provide reasonable assurance that the performance of any single security, issuer or class of securities, or active manager will not have a disproportionate impact on the total Fund performance.

The most current asset allocation / strategic policy portfolio for the Fund is attached as Appendix A.

VIII. REBALANCING

The Fund's actual asset allocation will be monitored monthly and reviewed by the ISC at its regular meetings relative to established policy portfolio targets and allowable ranges. Adjustments may be constrained by practical limits with respect to liquidity and transaction costs, but rebalancing efforts will be made as practicable. Cash flow in or out of the Fund may create an opportunity to shift the allocation closer toward policy targets. The ISC may at times authorize investments in new or developing asset classes that are not part of the strategic policy portfolio at the time of their adoption, with the intention of revising the policy portfolio shortly thereafter.

\(^1\) Real total return is the sum of realized and unrealized capital appreciation (or loss) and current income in the form of dividends and interest, adjusted for inflation as measured by the Consumer Price Index.
IX. PERFORMANCE EVALUATION, BENCHMARKS, and ASSET CLASS CHARACTERISTICS

The performance objectives for the total Fund, each asset class and each manager are outlined below, with the purpose of establishing specific parameters for regular and ongoing review. While performance is measured over both short- and long-term periods, the focus and emphasis of performance evaluation is on longer time periods as represented by a full market cycle.

Overall Fund

There are a number of different benchmarks for assessing performance at the overall Fund level:

Undiversified Benchmark – this simple market benchmark helps the ISC evaluate the value added from a sophisticated investment program versus a portfolio that could be easily replicated through investment in U.S.-index funds.

Target Benchmark – this custom benchmark compares the total return of the Fund to a blended benchmark based on applying the target policy weights of each underlying asset class to the performance of the asset class benchmarks. The individual asset class benchmarks are discussed in the next section.

Current Allocation Benchmark – this benchmark is composed of the current allocations for each of the underlying composite asset classes weighted against the corresponding returns of their respective benchmarks.

Cambridge Associates’ Universe of Endowment Pool Returns – a universe of over 300 institutions, a broad peer universe against which the ISC compares the Fund’s return. In addition to this broad comparison, the ISC may also compare the Fund’s results to various subsets of this broad universe, which include institutions of similar size and with similar characteristics.

Asset Classes & Managers

Each manager will be expected to outperform (net of fees) a benchmark that is appropriate based on the asset class and style of the manager, over a full market cycle. Performance results will be reviewed with the ISC at its regular meetings and in an interim period when there is a major event (personnel change, for example) at the firm. The manager will be evaluated on long-term performance so that shorter-term failure to meet the benchmark target returns is not an automatic basis for manager termination.

Due to the broad nature of the asset classes and the unique style of managers, it is important to note that the specific benchmark of the individual manager may not necessarily be the same as the benchmark for the particular asset class composite as defined below. For example, the Total U.S. Equity benchmark is the S&P 500 but small cap managers, for example, will be compared to the appropriate small cap benchmarks.
<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Market Index Used in Target Benchmark²</th>
<th>Underlying Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Equities</td>
<td>S&amp;P 500, which represents a relatively broad investable universe of U.S. stocks</td>
<td>Portfolios are expected to focus on investments in the U.S. equity market.</td>
</tr>
<tr>
<td>International Developed Equity</td>
<td>MSCI EAFE Index</td>
<td>Portfolios are expected to focus on the world’s developed markets, excluding the U.S.</td>
</tr>
<tr>
<td>Emerging Markets Equity</td>
<td>MSCI Emerging Markets Index</td>
<td>Portfolios are expected to focus on the world’s developing equity markets.</td>
</tr>
<tr>
<td>Public Global Equity</td>
<td>MSCI ACWI</td>
<td>Portfolios are expected to focus on public global, US, international developed, and/or emerging markets.</td>
</tr>
<tr>
<td>Marketable Alternatives</td>
<td>Hedge Fund Research Inc. (HFRI) Fund of Funds Composite Index</td>
<td>Investment mandates may include: multi-strategy arbitrage, event arbitrage, distressed securities, credit/capital structure arbitrage and long/short equity investments in global markets.</td>
</tr>
<tr>
<td>Private Investments (Private Equity and Venture Capital)</td>
<td>2/3 C</td>
<td>A Private Equity FOF (Fund of Funds) / 1/3 C</td>
</tr>
<tr>
<td>Public Real Assets</td>
<td>Dynamic benchmark that reflects each underlying investment’s individual benchmark and their respective weight within the Real Assets allocation. (The Dynamic benchmark will evolve as asset types are added or removed from the portfolio and as the allocation between public and private investments changes over time.)</td>
<td>Holdings may consist of both public and private investments which may include energy-natural resource related equity securities, MLPs, diversified commodities, US issued TIPS and other, similar public investment strategies, private oil, private gas, and private real estate funds.</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>Bloomberg Barclays Aggregate Bond Index</td>
<td>Holdings may consist of U.S. Treasury bonds, mortgages, and corporate credit investments.</td>
</tr>
</tbody>
</table>

Individual manager accounts will be monitored for consistency of each manager’s investment philosophy and process, return relative to objectives, investment risk as measured by asset concentrations, exposure to

² Indices used in Target Benchmark are effective as of May 18, 2019 December 19, 2016.
extreme economic conditions, and market volatility. In the broadest sense, the monitoring process is intended to confirm that the reasons the manager was initially retained still hold true.

X. MANAGER GUIDELINES

Investment managers will be hired for a specific skill set, and the resulting investments will be made either through separately managed accounts or pooled vehicles. Each manager of a separate account will adhere to the firm’s stated philosophy and investment strategy. Where investments are in commingled funds, mutual funds, off-shore funds or limited partnerships, the permissible investments are governed by the appropriate fund prospectus or offering memorandum. Some of these products permit the use of derivatives for certain investment strategies and in instances where a manager has demonstrated skill in effectively utilizing these instruments. For example, they may be used in reducing risk or replacing positions to gain flexibility and efficiency.

XI. MANAGER REPORTING

Each investment manager of marketable assets will provide monthly portfolio valuations and total return net of all commissions and fees. On a quarterly basis, managers will report current holdings at market value, and purchases and sales for the quarter. Traditional marketable managers with whom UVM is invested through a separate account may be required to reconcile records of holdings, transactions, and dividend/interest income with the Fund’s custodian on a periodic basis. Specialty managers (who manage hedge funds and non-marketable partnerships) will report on portfolio details with as much transparency as possible. Each of these managers will provide annually their most recent audited financial statements, which include the basis of accounting and the auditor’s opinion. In addition, each specialty manager will disclose its respective valuation policies and procedures on an annual basis.

Regular communication from all managers concerning investment strategy and outlook is expected. The ISC will regularly review a Watch List that is maintained to highlight managers’ relative performance when it is outside the normal range or expected returns, new organizational issues, and/or any significant changes in strategy that raise concerns. Additionally, managers are required to inform the University of Vermont of any significant change in firm ownership, organizational structure, professional personnel, or fundamental investment philosophy. Managers will also send a copy of their form ADV to the University at least annually.

XII. PROXY VOTING GUIDELINES

University of Vermont’s Endowment Accountant votes the shareholder proxies.

XIII. GUIDELINES FOR TRANSACTIONS

As a general guideline that should apply to all assets managed, transactions should be entered into on the basis of best execution, which is interpreted normally to mean best realized price.

*Adopted by the Board of Trustees on February 5, 2011, to replace the former “Statement of Investment Objectives and Policies,” as revised most recently on November 11, 2006.*

*Approved as revised by the Board of Trustees: February 9, 2013*

*Approved as revised by the Board of Trustees: February 8, 2014*
### APPENDIX A

**ASSET ALLOCATION POLICY TARGETS**

*Revised, as of April 2019*

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target (%)</th>
<th>Allowable Range (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Global Equity*</td>
<td>43%</td>
<td>30-65</td>
</tr>
<tr>
<td>Marketable Alternatives</td>
<td>13.0</td>
<td>10-20</td>
</tr>
<tr>
<td>Private Investments*</td>
<td>25.0</td>
<td>15-35</td>
</tr>
<tr>
<td>Public Real Assets*</td>
<td>5.0</td>
<td>0-10</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>14.0</td>
<td>5-25</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>0.0</td>
<td>0-5</td>
</tr>
</tbody>
</table>

*Appendix A Targets last revised by Investment Subcommittee: April 16, 2019*

*These asset class names differ than the names listed on page 5 of this policy, based on recommendations made at the March 29, 2019 and April 16, 2019 Investment Subcommittee meetings. The revised names will be presented to the Board of Trustees for final approval at their May 18, 2019 meeting.*