

**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 Thursday, May 23, 2019 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: Vice President for Finance and Treasurer Richard Cate\*\*\*; Controller Claire Burlingham\*\*\*\*; Assistant Controller Lindsey Donovan; Endowment Accountant Marie Tiemann; Cambridge Associates (C|A) Alexandra Dorf\*, Kathryn Stephansky\*, Kenly Drake\* and David Loughborough\*

\*Joined via conference call.

\*\*Joined via conference call at 3:30 p.m.

\*\*\*Departed the meeting at 3:45 p.m.

\*\*\*\*Departed the meeting at 4:20 p.m.

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

### **Meeting Minutes**

Chair Brennan presented the minutes of the April 16, 2019 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. Stephansky reviewed market returns for the year-to-date through March 31<sup>st</sup>, noting a sharp rebound across risk asset categories in the first quarter of 2019. She commented that the rebound was a response to the Federal Reserve Board suggesting it will pause further interest rate increases. Ms. Stephansky highlighted current market trends and reviewed asset class valuations. She commented that while US equities are the most expensive, the emerging markets are in an attractive position.

As of March 31, 2019, the portfolio had an estimated value of \$530 million. Calendar year-to-date performance was +7.4%, outperforming the target benchmark. Ms. Stephansky noted the portfolio has maintained steady growth due to additions to the endowment pool being higher than the distributions. The portfolio's performance ranking in the peer universe is under the median due to the overweight to emerging markets and underweight to private equities. The Investment Subcommittee is continuing to address rebalancing of the asset allocations.

### **Executive Session**

At 3:18 p.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 access under public records act provisions. He noted that the session was expected to last 70 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; Controller Clair Burlingham; Assistant Controller Lindsey Donovan; Endowment Accountant Marie Tiemann; and Alexandra Dorf, Kathryn Stephansky, Kenly Drake, and David Loughborough of C|A.

The meeting was re-opened to the public at 4:32 p.m.

### **Portfolio Rebalancing**

Chair Brennan entertained a motion to redeem the entire position held with Neon Liberty Emerging Markets Fund LTD. The motion was made, seconded, and passed unanimously.

Chair Brennan entertained a motion to commit up to \$5 million with Great Hill Equity Partners VII. The motion was made, seconded, and passed unanimously.

### **Adjournment**

There being no further business, the meeting was adjourned at 4:34 p.m.

Respectfully submitted,

Chair Robert Brennan