

**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 Tuesday, June 18, 2019 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; Senior Staff Accountant Patty Dubie; Vice President for Legal Affairs & General Counsel, and Senior Advisor to the President Sharon Reich Paulsen; Cambridge Associates (C|A) Alexandra Dorf*, Kathryn Stephansky*, Alex Kramer* and David Loughborough*

*Joined via conference call.

Chair Robert Brennan called the meeting to order at 3:02 p.m.

Meeting Minutes

Chair Brennan presented the minutes of the May 23, 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. Kathryn Stephansky led the discussion on the recent market returns through April 30, 2018, directing members to exhibits in the meeting materials showing global market performance for the year to date and month by asset class. Global equities, particularly US equities, have led the way through April, but Ms. Stephansky remarked that there has been a lot of tension and volatility in the last few weeks which have dampened equity returns for the year. With trade war concerns heating up again, Ms. Stephansky compared exports of goods as a percentage of GDP for 2018 noting the large difference in China and Mexico's trade reliance on the US. Market sentiment over the past 12-18 months ago has been volatile. Ms. Stephansky further commented that there have not been significant changes in valuations across the board.

Ms. Stephansky then referred the Subcommittee to the UVM portfolio summary page of the materials, noting UVM's Long-Term Pool was valued as \$538.3 million at the end of April 30, 2019. Calendar year to date performance was +9.0%, ahead of the Target Benchmark by 40 basis points. The portfolio is approximately in line with the newly approved asset allocation targets, but is overweight fixed income to compensate for an underweight to Private Investments.

Investment Subcommittee Minutes

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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 provisions of the Public Records Act. He noted that the session was expected to last 62 minutes, with action not 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; Senior Staff Accountant Patty Dubie; Vice President for Legal Affairs & General Counsel, and Senior Advisor to the President Sharon Reich Paulsen; and Alexandra Dorf, Kathryn Stephansky, Alex Kramer and David Loughborough of C|A.

The meeting was re-opened to the public at 4:20 p.m.

Other Business

The Subcommittee reviewed the draft workplan for fiscal year 2020.

Chair Brennan noted for the Subcommittee the expectation that the semi-annual in-person meeting scheduled for July 17th is expected to be converted to an afternoon conference call due to scheduling conflicts with key participants in the meeting. It is expected that the in-person meeting will be rescheduled for October or possibly September.

Adjournment

There being no further business, the meeting was adjourned at 4:23 p.m.

Respectfully submitted,

Chair Robert Brennan