

**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 Wednesday, July 17, 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; Assistant Controller Lindsey Donovan; Senior Staff Accountant Patty Dubie; Endowment Accountant Marie Tiemann; Vice President for Legal Affairs & General Counsel, and Senior Advisor to the President Sharon Reich Paulsen; Cambridge Associates (C|A) Kathryn Stephansky*, Kenly Drake*, Samit Chhabra*, Alex Kramer* and David Loughborough*

*Joined via conference call.

Chair Robert Brennan called the meeting to order at 3:03 p.m.

Meeting Minutes

Chair Brennan presented the minutes of the June 18, 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, of C|A, led the discussion on the recent market returns through June 30, 2019, directing members to exhibits in the meeting materials displaying global market performance for the year-to-date and month by asset class. Global equities, particularly US equities, have continued to lead the way through June. Ms. Stephansky remarked that the June market performance rebounded following the May downturn. The Equity and Bond markets both performed well in the second quarter; the Global Equities returns increased by 3.6% and the US returns increase by 4.1%. Ms. Stephansky commented on the economic outlook noting that while the bull market is the longest on record, it has not been the steepest. In regards to trade war concerns, Ms. Stephansky noted that the US is less reliant on trade than some of its peers and that US tariffs are no longer among the lowest in the world. Ms. Stephansky next commented on the market valuations, noting that while no significant changes have occurred across asset classes, the US market is more expensive.

As of June 30, 2019, the Long-Term Pool portfolio had an estimated value of \$523 million with a 3.2% return for the month; lagging the benchmark by 30 basis points. Calendar year-to-date performance was 8.9% trailing the 9.2% benchmark. The U.S. Equity allocation contributed to

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the strong absolute and relative performance while the Emerging Market allocation was the underperformer due to its defensive bias in a rising market.

Executive Session

At 3:16 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 30 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; Senior Staff Accountant Patty Dubie; Endowment Accountant Marie Tiemann; Vice President for Legal Affairs & General Counsel, and Senior Advisor to the President Sharon Reich Paulsen; and Kathryn Stephansky, Kenly Drake, Samit Chhabra, Alex Kramer and David Loughborough of C|A.

The meeting was re-opened to the public at 4:04 p.m.

Portfolio Rebalancing

Chair Brennan entertained a motion to invest \$7 million with TrueBridge Capital Partners Fund VI. The motion was made, seconded, and passed unanimously.

Adjournment

There being no further business, the meeting was adjourned at 4:09 p.m.

Respectfully submitted,

Chair Robert Brennan