

**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 15, 2020 at 3:00 p.m., remotely via Microsoft Teams.

MEMBERS PRESENT: Chair Robert Brennan, Vice Chair Don McCree, David Aronoff¹ and Briar Alpert

MEMBERS/ADVISORS ABSENT: Investment Subcommittee Advisors David Daigle and Steve Grossman

PERSONS ALSO PARTICIPATING: Investment Subcommittee Advisor Whit Wagner; Controller Claire Burlingham; Assistant Controller Lindsey Donovan; Senior Staff Accountant Patty Dubie; Endowment Accountant Marie Tiemann; Vice President for Legal Affairs & General Counsel, and Chief of Staff to the President Sharon Reich Paulsen²; Special Assistant to the Chief of Staff Erin Dickinson; and Alexandra Dorf, Kathryn Stephansky, Jessica Kaplan, Samit Chhabra, Kenly Drake, Katherine Swaim, and Stephen Clarke of Cambridge Associates

¹Exited the meeting at 4:20 p.m.

²Exited the meeting at 4:10 p.m.

Chair Robert Brennan called the meeting to order at 3:03 p.m. He began with comments about the University of Vermont Board of Trustees unanimous vote to divest the university's endowment of fossil fuel investments. He noted the decision is supportive of the university's commitment to sustainability and environmental leadership. Chair Brennan expressed appreciation for the research and efforts performed by the Board's Sustainability Work Group (SWG) and Cambridge Associates. He also acknowledged the hard work of fellow Investment Subcommittee members in supporting the SWG and thanked them for coming to a unanimous conclusion on a process to execute the recommendations in the SWG' report.

Meeting minutes

Chair Brennan presented the minutes of the June 17, 2020 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

Jessica Kaplan of Cambridge Associates (CA) led discussion on market performance as of May 31, 2020. She commented on how the market rebounded in the second quarter and highlighted the Global and US equities assets which contributed to the strong performance. Ms. Kaplan further commented that the 2nd quarter of 2020 ranks as the strongest performing quarter in 20 years, while following a near-record loss in the 1st quarter. Due to the Covid-19 pandemic, the global digitalization trend lead tech stocks gains. Uncertainty remains in the market for the near future due to the unknown impact of Covid-19and the high unemployment rate.

Kathryn Stephansky of CA commented on the performance for the long-term investment pool as of May 31, 2020. She stated that the portfolio assets value was \$534.8 million on May 31st with a -5.3% return for the calendar year-to-date and -1.1% for the fiscal year-to-date. Ms. Stephansky further noted the portfolio's estimated value for June 30, 2020 is \$546 million with an estimated return of 2.2% for the month of June. She stated that the Fixed Income sector protected the portfolio during the disruption to the market in the 1st quarter of 2020 and the Marketable Alternative program performed well in May with a 2% rebound. Ms. Stephansky highlighted the preliminary June increase in returns of 2.2% resulting in a -3.2% return for the calendar year-to-date and 1% return for the fiscal year-to-date for the long-term portfolio.

Executive session

At 3:25 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 disclosure under provisions of the Public Records Act. He noted that the session would last approximately 65 minutes with action anticipated following. The following persons were invited to remain: Investment Subcommittee Advisor Whit Wagner; Controller Claire Burlingham; Assistant Controller Lindsey Donovan; Senior Staff Accountant Patty Dubie; Endowment Accountant Marie Tiemann; Vice President for Legal Affairs & General Counsel and Chief of Staff to the President Sharon Reich Paulsen; Special Assistant to the Chief of Staff Erin Dickinson; and Alexandra Dorf, Kathryn Stephansky, Jessica Kaplan, Samit Chhabra, Kenly Drake, Katherine Swaim, and Stephen Clarke of Cambridge Associates.

The meeting was re-opened to the public at 4:29 p.m.

Fiscal year 2021 work plan

Due to the interest of time, Chair Brennan advised the members to review the fiscal year 2021 work plan at their leisure.

Portfolio rebalancing

Chair Brennan entertained a motion on the following proposed transactions:

- Commit \$5 million to Thomas Bravo Fund XIV
- Commit \$5 million to Charles Bank Fund X subject to completion of due diligence.

The motion was made, seconded, and passed unanimously.

Adjournment

There being no further business, the meeting adjourned at 4:30 p.m.

Respectfully submitted,

Chair Robert Brennan