

**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, May 18, 2021 at 3:00 p.m., via Microsoft Teams.

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

OTHER TRUSTEES PRESENT: Board Chair Ron Lumbra

MEMBERS/ADVISORS ABSENT: Investment Subcommittee Advisor Steven Grossman

PERSONS ALSO PARTICIPATING: Investment Subcommittee Advisor Whit Wagner; Vice President for Finance & Administration Richard Cate; Controller Claire Burlingham; Associate 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, Jon Baron, and Katherine Swaim of Cambridge Associates

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

Meeting minutes

Chair Brennan presented the minutes of the April 21, 2021 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

Kathryn Stephansky of Cambridge Associates (CA) gave a market update referencing performance through April 30, 2021. She noted that the upward trajectory for 2021 continued into April with returns of +4.4% for MSCI ACWI, +5.4% of MSCI US, +3.0% for MSCI EAFE, and +2.5% for the MSCI Emerging Markets Index trailing at +2.5%. Commodities and US REITS were also strong performers for the month, returning +8.3% and +8.1% respectively. The Bloomberg Barclays US Treasury Index returned +0.7% for the month, though the trailing 1-year return on that index was -4.3% due to the decline in interest rates. While, the additional US stimulus and improving vaccine news boosted the growth projections and risk assets, the continued recovery contains a variety of risks due to monitor.

Alexandra Dorf led the discussion on the value and performance of the long-term investment pool through April 30, 2021. The long-term investment pool had an estimated value of \$625.1 million on April 30, 2021, with a return of 20.0% for the fiscal year-to-date versus the target

benchmark return of 16.2% and the undiversified benchmark of 18.1%. The calendar year-to-date return for the portfolio was 2.7% versus the target benchmark of 1.9% and the undiversified benchmark of 1.8%. The trailing one-year return for the endowment was 35.4% versus 33.3% for the target benchmark and 34.0% for the undiversified benchmark.

Executive session

At 3:14 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 one hour and 30 minutes with action anticipated following. The following persons were invited to remain: Board Chair Ron Lumbra; Investment Subcommittee Advisor Whit Wagner; Vice President for Finance & Administration Richard Cate; Controller Claire Burlingham; Associate 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, Jon Baron, and Katherine Swaim of Cambridge Associates.

The meeting re-opened to the public at 4:23 p.m.

Portfolio rebalancing

Chair Brennan entertained a motion to approve the following transactions:

- Commit \$3 million to TrueBridge Seed & Micro-VC Fund I.
- Redeem \$2.6 million from MacKay Shields High Yield Active Core strategy and add the proceeds to cash.

The motion was made, seconded, and passed unanimously.

Adjournment

There being no further business, the meeting adjourned at 4:25 p.m.

Respectfully submitted,

Chair Robert Brennan