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, June 17, 2020 at 3:00 p.m., remotely via Microsoft Teams.

MEMBERS PRESENT: Chair Robert Brennan, Vice Chair Don McCree, David Aronoff\(^1\) and Briar Alpert

OTHER TRUSTEES PRESENT: Board Chair Ron Lumbra

MEMBERS/ADVISORS ABSENT: Investment Subcommittee Advisor David Daigle

PERSONS ALSO PARTICIPATING: Investment Subcommittee Advisor Whit Wagner; Vice President for Finance & Treasurer Richard Cate\(^2\); Controller Claire Burlingham; Assistant Controller Lindsey Donovan; Endowment Accountant Marie Tiemann; Vice President for Legal Affairs & General Counsel, and Chief of Staff to the President Sharon Reich Paulsen\(^3\); Special Assistant to the Chief of Staff Erin Dickinson; and Alexandra Dorf, Kathryn Stephansky\(^3\), Samit Chhabra, Kenly Drake, Katherine Swaim, and Jessica Kaplan of Cambridge Associates

\(^1\)Joined the meeting at 3:14 p.m.
\(^2\)Exited the meeting at 4:30 p.m.
\(^3\)Exited the meeting at 4:00 p.m. and rejoined at 4:30 p.m.

Chair Robert Brennan called the meeting to order at 3:05 p.m.

**Meeting minutes**

Chair Brennan presented the minutes of the May 12, 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**

Kathryn Stephansky of Cambridge Associates (CA) led discussion on market performance as of April 30, 2020. She commented on how risk assets rebounded in April due to the strong policy responses and how the flattening of the coronavirus curve helped mute the impact of the weakening economic and earnings data. She also mentioned how high unemployment due to the coronavirus has contributed to the economic outlook.

Jessica Kaplan of CA commented on the performance for the long-term investment pool as of April 30, 2020. She stated that the portfolio assets value was approximately $521 million on April 30\(^{th}\) with a -7.9% return for the calendar year-to-date and -3.9% for the fiscal year-to-date. Ms. Kaplan further noted the portfolio’s estimated value for May 31, 2020 is $534.7 million with an estimated return of 2.8% for the month of May. The May return brought the estimated
calendar year-to-date return to -5.3%. Cambridge Associates will send the May performance report to UVM for distribution to subcommittee members.

Divestment discussion

Chair Brennan led discussion on fossil fuel divestment. He reported on actions taken by other institutions with regards to divestment from fossil fuels. He recognized the research that CA has performed on this topic and the value of their assistance. He also highlighted the variety of potential strategies an institution can pursue when considering fossil fuel divestment.

Chair Brennan discussed three questions that institutions must address when considering divestment: How restrictive will the mandate be; how quickly is the transition desired to occur, and what costs will or could be incurred to transition the portfolio? The members discussed the various approaches and how each of those could impact allocations within the portfolio. Chair Brennan noted that the subcommittee has made no new private investment commitments to natural resources related strategies since 2017. Chair Brennan stated that the subcommittee will continue discussion on this topic in executive session to address individual contracts.

Executive session

At 3:43 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 with no action anticipated following. The following persons were invited to remain: Investment Subcommittee Advisor Whit Wagner; Vice President for Finance & Treasurer Richard Cate; Controller Claire Burlingham; Assistant Controller Lindsey Donovan; 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, Samit Chhabra, Kenly Drake, Katherine Swaim, and Jessica Kaplan of Cambridge Associates.

The meeting was re-opened to the public at 4:43 p.m.

Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Chair Robert Brennan