

**THE UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE  
BOARD OF TRUSTEES**

**INVESTMENT SUBCOMMITTEE**

Chair Robert Brennan, Vice Chair Donald McCree, and Susan Brengle

**Friday, February 9, 2024**

2:05 p.m. – 2:10 p.m.

Livak Ballroom (417-419), Dudley H. Davis Center

**AGENDA**

|    | <b>Item</b>   | <b>Enclosure</b>   | <b>Discussion Leader</b> | <b>Time*</b>      |
|----|---|--------------------|--------------------------|-------------------|
|    | <b>Call to order</b>  |                    |                          | <b>*2:05 p.m.</b> |
| 1. | Approval of August 16, 2023, September 19, 2023 and November 16, 2023 minutes | Attachments<br>1-3 | Robert Brennan           | 2:05 - 2:08       |
| 2. | Other business  |                    | Robert Brennan           | 2:08-2:10         |
|    | <b>Motion to adjourn</b>  |                    |                          | <b>2:10 p.m.</b>  |

**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, August 16, 2023, at 3:00 p.m., in room 351 Waterman Building, via remote conferencing.

MEMBERS PRESENT: Chair Robert Brennan and Vice Chair Don McCree

MEMBERS/ADVISORS ABSENT: Trustee Susan Brengle, Advisors David Aronoff, and Steven Grossman

PERSONS ALSO PARTICIPATING: Advisor Whit Wagner; Vice President for Finance and 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 Trent Klingerman; Trustee Coordinator Corinne Thompson; and Richard Morrison, Ian MacPherson, and Zac Smith of Prime Buchholz (PB)

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

**Meeting minutes**

Chair Brennan presented the minutes of the June 21, 2023, and July 10, 2023, meetings for approval. A motion was made, seconded and it was voted to approve the minutes as presented.

**Recent market and portfolio performance overview**

Richard Morrison, of Prime Buchholz, led a discussion surrounding recent market and portfolio performance as of June 30, 2023. He noted that 2023 has been an interesting year in market activity and similar to the activity in 2021. He reported on June 30<sup>th</sup> year-to-date performance for the various market sectors noting the global equities and fixed income posted strong returns while the real asset exposures were negative. The S&P 500 Index equity returns were 16.9%, the Morgan Stanley Capital International and Europe, Australasia, and Far East (MSCI) returns were 11.7% while the MSCI China returns were -5.5% year-to-date. All sectors of the domestic equity generated positive returns in June, and he noted that the consumer discretionary and technology sectors produced the highest returns. Mr. Morrison commented that the Federal Reserve, after a significant tightening cycle, is close to ending the interest rate hikes. He noted that the activity in the private equity sector slowed to a low level due to inflation.

Ian MacPherson led the discussion on the long-term pooled portfolio performance noting the portfolio returns were 7.6% year-to-date and 8.4% fiscal year-to-date as of June 30, 2023, which were slightly behind the policy index. He noted that the public equity was the strongest performing sector while the private capital underperformed due to private equity inactivity. Mr. MacPherson explained that capital calls for the private sector decreased, but near-term activity has a positive outlook. He commented that July returns are estimated to be 2% and the market value for the portfolio is above \$800 million for July 2023. He reported on the peer performance

analysis with respect to endowments in the \$250 million - \$1 billion range. The University's performance ranks in the second quartile for the trailing year and first quartile for the 3-year time frame amongst our peers. He also noted that the University is continuing to gain competitive results and is moving up in the rankings.

### **Executive session**

At 3:30 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 stated that the session would last approximately 1 hour with action anticipated following. The following persons were invited to remain: Advisor Whit Wagner; Vice President for Finance and 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 Trent Klingerman; Trustee Coordinator Corinne Thompson; and Richard Morrison, Ian MacPherson, and Zac Smith of Prime Buchholz (PB)

The meeting was re-opened to the public at 4:33 p.m.

### **Resolutions reaffirming the Endowment Budget Policy and approving a revision to the Endowment Administration Fee Policy**

Chair Brennan presented the following resolutions for approval:

#### **Resolution Reaffirming the Endowment Budget Policy**

RESOLVED, that the *Endowment Budget Policy* is reaffirmed as reads below:

BE IT RESOLVED, that the annual budget for spending from Endowment be set at 4.5 percent of the average market value for the previous thirteen quarters ending December 31 of the prior calendar year; and

BE IT FINALLY RESOLVED, that the Investment Subcommittee will review and make recommendation to the Budget, Finance and Investment Committee regarding the reaffirmation or revision of the *Endowment Budget Policy* each year no later than December 31.

*Adopted by:* Board of Trustees - May 13, 1995

*Reaffirmed:* Board of Trustees - September 8, 2007

Board of Trustees - September 5, 2008

Board of Trustees - October 24, 2009

Board of Trustees - October 30, 2010

Board of Trustees - October 22, 2011

Board of Trustees - November 8, 2012

Board of Trustees - October 26, 2013

Board of Trustees - October 18, 2014

*Board of Trustees - October 3, 2015*  
*Board of Trustees - October 22, 2016*  
*Board of Trustees - October 20, 2017*  
*Board of Trustees - October 27, 2018*  
*Board of Trustees - January 31, 2020*  
*Board of Trustees - September 25, 2020*  
*Board of Trustees – October 29, 2021*  
*Board of Trustees – October 29, 2022*  
*Board of Trustees -*

**Resolution approving revision to the Endowment Administration Fee Policy**

RESOLVED, that the *Endowment Administration Fee policy* is reaffirmed as reads below:

BE IT FURTHER RESOLVED, that the Board of Trustees hereby approves that an endowment management fee equal to 100 basis points, 80 of which shall flow to the University of Vermont Foundation and 20 of which shall flow to the University, shall be applied to the University endowment beginning as of July 1, 2024~~2022~~ and continuing through June 30, 2025~~2024~~; and

BE IT FURTHER RESOLVED, that calculation of the endowment management fee will be based on the average market value of the University endowment for the previous thirteen quarters ending December 31 of the prior calendar year; and

BE IT FINALLY RESOLVED, that the Investment Subcommittee will review and make a recommendation to the Budget, Finance and Investment Committee regarding the reaffirmation or revision of the *Endowment Administration Fee Policy* each year no later than December 31.

*Adopted by: Board of Trustees - September 13, 2003*  
*Reaffirmed: Board of Trustees - September 8, 2007*  
*Board of Trustees - September 5, 2008*  
*Amended: Board of Trustees - October 24, 2009*  
*Reaffirmed: Board of Trustees - October 30, 2010*  
*Board of Trustees - October 22, 2011*  
*Board of Trustees - November 8, 2012*  
*Board of Trustees - October 26, 2013*  
*Board of Trustees - October 18, 2014*  
*Board of Trustees - October 3, 2015*  
*Board of Trustees - October 22, 2016*  
*Board of Trustees - October 21, 2017*  
*Board of Trustees - January 31, 2020*  
*Board of Trustees - May 15, 2020*  
*Amended: Board of Trustees - September 25, 2020*  
*Board of Trustees – October 29, 2021*  
*Board of Trustees – October 29, 2022*

*Board of Trustees –*

Chair Brennan entertained a motion to approve the resolutions. A motion was made, seconded and the resolutions were unanimously approved for referral to the Budget, Finance & Investment Committee.

**Portfolio rebalancing**

Chair Brennan entertained motions to approve the following transactions:

- Liquidate 100% position from the DSM Capital Partners large cap growth equity strategy fund and invest 2/3 of the proceeds to RhumbLine S&P 500 Index account and 1/3 to Greenhouse Funds LLP a long only equity fund.
- Fully liquidate the Charles-Lim Asia Global position and invest the proceeds in the Vanguard Treasury Money Market Fund.

The motions were made, seconded, and unanimously approved.

**Adjournment**

There being no further business, the meeting adjourned at 4:37 p.m.

Respectfully submitted,

Robert Brennan, Chair

**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, September 19, 2023 at 9:15 a.m., in room 205 Grasse Mount, 411 Main Street, via remote conferencing.

MEMBERS PRESENT: Chair Robert Brennan, Vice Chair Don McCree, and Susan Brengle

ADVISORS PRESENT: Whit Wagner

ADVISORS ABSENT: David Aronoff and Steven Grossman

PERSONS ALSO PARTICIPATING: University of Vermont Investment Management Company (UVIMCO) members: Rob Cioffi, David Daigle, and Meg Guzewicz; ex-officio member: UVM Foundation CEO & President Monica Delisa; UVM: Vice President for Finance and Administration Richard Cate, Controller Claire Burlingham, and Associate Controller Lindsey Donovan; UVM Foundation: Interim Vice President and Chief Financial Officer Mark Metivier

**Executive session**

At 9:10 a.m., Chair Brennan called the meeting to order and briefly discussed the transition of the ISC to UVMICO.

At 9:19 a.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 stated that the session would last approximately 1.5 hours with action anticipated following. All participants were invited to remain.

The meeting was re-opened to the public at 11:50 a.m.

**Portfolio rebalancing**

Chair Brennan entertained a motion to approve the following transaction:

- Investment Sub-Committee authorizes the Chair to execute or decline a \$5 million investment contract with Peppertree X.

The motion was made, seconded, and unanimously approved.

**Adjournment**

There being no further business, the meeting adjourned at 12:00 p.m.

Respectfully submitted, Robert Brennan, Chair

**INVESTMENT SUBCOMMITTEE  
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A meeting of the Investment Subcommittee (ISC) of the Board of Trustees of the University of Vermont State and Agricultural College was held on Thursday, November 16, 2023, at 3:00 p.m., in room 205 Grasse Mount, 411 Main Street, via remote conferencing.

MEMBERS PRESENT: Chair Robert Brennan, Vice Chair Don McCree, and Susan Brengle

ADVISORS PRESENT: Whit Wagner

ADVISORS ABSENT: David Aronoff and Steven Grossman

PERSONS ALSO PARTICIPATING: University of Vermont Investment Management Company (UVIMCO) members: Rob Cioffi, David Daigle, and Meg Guzewicz; ex-officio member: UVM Foundation CEO & President Monica Delisa; UVM: President Suresh Garimella, Vice President for Finance and Administration Richard Cate, Controller Claire Burlingham, and Associate Controller Lindsey Donovan; UVM Foundation: Interim Vice President and Chief Financial Officer Mark Metivier, Prime Bucholtz, Zachery Smith, and Ian MacPherson

**Executive session**

At 3:07 p.m., Chair Brennan called the meeting to order and 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 stated that the session would last approximately 1.5 hours with action anticipated following. All participants were invited to remain.

The meeting was re-opened to the public at 4:28 p.m.

**Portfolio rebalancing**

Chair Brennan entertained a motion to approve the following transaction(s):

- Full liquidation of Renaissance Global equity with proceeds invested in the Vanguard Treasury Money Market
- Liquidate \$20 million from the Short-Term Bond Funds and invest in the Intermediate Bond Fund

The motion was made, seconded, and unanimously approved.

**Adjournment**

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

Respectfully submitted,

Robert Brennan, Chair