

**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, October 30, 2019 at 8:00 a.m., at 437 Madison Avenue, 22nd Floor, New York City, New York.

MEMBERS PRESENT: Chair Robert Brennan, Vice Chair Don McCree, David Daigle and David Aronoff*

MEMBERS ABSENT: None

PERSONS ALSO PARTICIPATING: Vice President for Finance and Treasurer Richard Cate*; Alexandra Dorf, Kathryn Stephansky, Samit Chhabra, and Kenly Drake of Cambridge Associates (C|A)

* Joined via conference call

Chair Robert Brennan called the meeting to order at 8:05 a.m.

Meeting Minutes

Chair Brennan presented the minutes of the August 14, 2019 meeting for approval. A motion was made, seconded and it was voted to approve the minutes as presented.

Resolution reaffirming the Endowment Budget Policy

Chair Brennan presented:

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 –

A motion was made, seconded and it was unanimously voted to approve the resolution as presented.

Recent Market Returns and Portfolio Performance

Alexandra Dorf, of C|A, provided a market update, referring to the following market returns as of September 30: US Equities (+20%), International Developed equity (+13%), Emerging Markets equity (+6%), and BC Aggregate index (+8.5%). Ms. Dorf then reviewed the year-to-date (as of September 30) performance of the University's portfolio. The total portfolio returned +9.6%, driven by +21% returns in US Equity, +12% in International Developed equity, +3% in Emerging Market equity, +7% in Private Investments, +6% in Marketable Alternatives, and +8% in Fixed Income. Public Real Assets were a drag on the portfolio with a return of -1%.

Executive Session

At 8:30 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 noted that the session would last approximately four hours and thirty 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; Alexandra Dorf, Kathryn Stephansky, Samit Chhabra, and Kenly Drake of C|A.

The meeting was re-opened to the public at 1:34 p.m.

Portfolio Rebalancing

Chair Brennan entertained a motion to approve the following proposed transactions:

- Exit Fir Tree at the next available redemption date.
- Exit Discovery at the next available redemption date.
- Commit \$5M to Peppertree Capital Fund VIII.
- Commit up to \$5M to Consonance Private Equity II, subject to the completion of due diligence.

The motion was made, seconded, and passed unanimously.

Adjournment

There being no further business, the meeting was adjourned at 1:36 p.m.

Respectfully submitted,

Chair Robert Brennan