

**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, December 17, 2019 at 3:00 p.m., in Room, 351 Waterman Building, Burlington, Vermont.

MEMBERS PRESENT: Chair Robert Brennan<sup>1</sup>, Vice Chair Don McCree<sup>1</sup>, David Daigle<sup>1</sup> and David Aronoff<sup>1</sup>

MEMBERS ABSENT: None

TRUSTEES ALSO PRESENT: Trustee Carol Ode<sup>2</sup>

PERSONS ALSO PARTICIPATING: Vice President for Finance and Treasurer Richard Cate; Controller Claire Burlingham; Endowment Accountant Marie Tiemann; Vice President for Legal Affairs & General Counsel, and Chief of Staff to the President Sharon Reich Paulsen<sup>3</sup>; Cambridge Associates (C|A) Alexandra Dorf<sup>4</sup>, Kathryn Stephansky<sup>4</sup>, Kenly Drake<sup>4</sup>, Alex Kramer<sup>4</sup>, and David Loughborough<sup>4</sup>

<sup>1</sup>Joined via conference call.

<sup>2</sup>Joined the call at 3:06 p.m.

<sup>3</sup>Joined the call at 3:20 p.m.

<sup>4</sup>Exited the meeting at 3:58 p.m.

Chair Robert Brennan called the meeting to order at 3:04 p.m.

### **Meeting Minutes**

Chair Brennan presented the minutes of the November 19, 2019 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**

Ms. Kathryn Stephansky, of C|A, led the discussion on the recent market returns through October 31, 2019, directing members to exhibits in the meeting materials displaying market performance for the year-to-date by asset class. Ms. Stephansky included comments on the November and December rising market activity, highlighting the strong year-to-date returns for equities with the Morgan Stanley Capital International (MSCI) All Country World Index (+25%), Standard & Poor 500 (+30%), MSCI Europe, Australasia, and Far East (+22%), and MSCI Emerging Markets (+15%) all posting strong returns. She noted that the market outlook for the near future continues to be optimistic.

As of October 31, 2019, the long-term pool portfolio had an estimated value of \$547.1 million with a preliminary 7.2% return for the fiscal year, and 10.9% return for the calendar year-to-date.

Ms. Stephansky remarked that the private equity allocation added value to the portfolio while the Hedge Fund allocation was a detractor.

### **Executive Session**

At 3:27 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 50 minutes. The following persons were invited to remain: Vice President for Finance and Treasurer Richard Cate; Controller Claire Burlingham; Endowment Accountant Marie Tiemann; Vice President for Legal Affairs & General Counsel, and Chief of Staff to the President Sharon Reich Paulsen; Alexandra Dorf, Kathryn Stephansky, Kenly Drake, Alex Kramer, and David Loughborough, of C|A; and Trustee Carol Ode.

At 3:56 p.m., the following persons exited the meeting: Alexandra Dorf, Kathryn Stephansky, Kenly Drake, Alex Kramer, and David Loughborough, of C|A.

The meeting was re-opened to the public at 4:20 p.m.

### **Portfolio Rebalancing**

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

- Sell \$3 million of the university's position with Clarion Lion Properties Real Estate Fund.
- Move all but \$5 million from the Vanguard Short-Term Bond Fund balance to the Vanguard Intermediate-Term Bond Index Fund.

The motion was made, seconded, and passed unanimously.

### **Adjournment**

There being no further business, the meeting was adjourned at 4:22 p.m.

Respectfully submitted,

Chair Robert Brennan