

**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, February 22, 2022 at 8:00 a.m., in Suite 1560 at 230 Park Avenue, New York, NY.

MEMBERS PRESENT: Chair Robert Brennan, Vice Chair Don McCree¹, Briar Alpert² and David Aronoff²

MEMBERS/ADVISORS ABSENT: ISC Advisor Steven Grossman

OTHER TRUSTEES PRESENT: Board Chair Ron Lumbra

PERSONS ALSO PARTICIPATING: Advisor Whit Wagner; Vice President for Finance & Administration Richard Cate²; Controller Claire Burlingham²; and Richard Morrison, Kate Dumas and Zac Smith² of Prime Buchholz (PB)

¹Joined the meeting at 8:21 a.m.

²Joined the meeting via Microsoft Teams.

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

Meeting minutes

Chair Brennan presented the minutes of the December 15, 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 overview

Richard Morrison, of Prime Buchholz (PB), led a discussion surrounding recent market performance. Domestic equity performance was strong and largely driven by rising earnings, which has reduced P/E ratios recently. The acceleration of core inflation over the final three quarters of 2021 and the resulting rate hike guidance from the Federal Reserve was highlighted.

Kate Dumas reviewed the performance of the long-term investment pool, net of investment management fees, through January 31st, 2022. Despite the market decline in January, the portfolio was up 13.5% over the trailing year and well ahead of both the Actual Index and Policy Index portfolio benchmarks. This relative one-year outperformance was largely driven by strong results from private capital investments.

Executive session

At 8:34 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 3 hours 40 minutes with action anticipated following. The following persons were invited to remain: Advisor Whit Wagner; Vice President for Finance & Administration Richard Cate; Controller Claire Burlingham; and Richard Morrison, Kate Dumas and Zac Smith of Prime Buchholz (PB)

The meeting was re-opened to the public at 11:49 a.m.

Resolution to reaffirm the Investment of Endowment Cash Policy

Chair Brennan present the following resolution for approval:

Resolution to reaffirm the Investment of Endowment Cash Policy

WHEREAS, on May 18, 2019, the Board of Trustees adopted the *Investment of Endowment Cash Policy* as follows:

BE IT RESOLVED, that the Vice President for Finance and Treasurer be authorized to invest and withdraw Endowment cash in a money market or a short-term bond fund to maximize investment return and meet Endowment needs; and

BE IT RESOLVED, that the Investment Subcommittee hereby recommends the Investment of Endowment Cash Policy to the Budget, Finance & Investment Committee for reaffirmation and referral to the Board of Trustees.

Adopted by: Board of Trustees – May 18, 2019
Reaffirmed by: Board of Trustees – May 15, 2020
Reaffirmed by: Board of Trustees – June 4, 2021
Reaffirmed by: Board of Trustees –

Chair Brennan entertained a motion to approve the resolution. A motion was made, seconded, and approved unanimously.

Portfolio rebalancing

Chair Brennan entertained motions to approve the following transactions:

- Commit \$10 million to Audax Private Equity Fund VII.
- SEG Sheridan Square: additional purchase to bring allocation up to 5% of portfolio.
- Vanguard Total World Stock Index Instl. Fund: partial redemption of \$6.5 million to fully fund SEG purchase.
- Invest an additional \$2 million with RA Capital Healthcare International Fund, Ltd, funded from cash balance.
- Invest \$9 million with FPA Crescent Fund, funded from cash balance.

The motions were made, seconded, and unanimously approved.

Adjournment

There being no further business, the meeting adjourned at 11:51 a.m.

Respectfully submitted,

Robert Brennan, Chair