

**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 19, 2022 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: Susan Brengle and Steven Grossman

OTHER TRUSTEES PRESENT: Board Chair Ron Lumbra

PERSONS ALSO PARTICIPATING: ISC Advisors Whit Wagner and David Aronoff*; Vice President for Finance & 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 and Ian MacPherson of Prime Buchholz (PB)

Chair Robert Brennan called the meeting to order at 3:00 p.m.

* Joined the meeting at 3:36 p.m.

** Departed the meeting at 3:40 p.m.

Meeting minutes

Chair Robert Brennan presented the minutes of the August 9, 2022 meeting for approval. A motion was made, seconded and it was voted to approve the minutes as presented.

Fiscal year and recent market returns and portfolio performance overview

Richard Morrison, of Prime Buchholz (PB), led a discussion surrounding recent market and portfolio performance as of June 30, 2022. He noted that the commodities, natural resources and private equities were the 3 market sectors that were the best performers and the only sectors that had positive returns for the fiscal year. He further commented that energy and utilities have been the only positive industries in the domestic equity sector. Mr. Morrison highlighted that UVM's portfolio returns are in the top half in the peer group for endowments & foundations. Commenting further on the market performance, he noted that the private equity uncalled capital is at record high levels, but the purchase prices have started to decrease amid the market volatility and environmental, social & governance (ESG) returns declined further.

Ian MacPherson, of Prime Buchholz, reviewed the market segments of the portfolio and noted that weaknesses have occurred in all segments, however, U.S. equities have held up better. Although the market growth was good in July, it has continued to fall since that time. The private capital segments of the portfolio have held up well in the weak market and the alternative

investments have provided protection of the portfolio during this time. Mr. MacPherson noted that the University's long term pool portfolio returns as of August 31, 2022 were -2.3% for the month while the year-to-date returns were -12.4% the portfolio value was \$733,630,769.

Executive session

At 3:19 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 25 minutes with action anticipated following. The following persons were invited to remain: Trustees; ISC Advisors Whit Wagner and David Aronoff; Vice President for Finance & 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 and Ian McPherson of Prime Buchholz (PB)

The meeting was re-opened to the public at 5:10 p.m.

Portfolio rebalancing

Chair Brennan entertained a motion to approve the following transactions:

Commit \$7 million to the Silver Point Specialty Credit Fund III.

Liquidate the position in SEG Sheridan Square Fund and transfer the proceeds to the SEG Baxter Street Fund.

Invest \$9 million to RhumbLine S&P 500 Index Fund funded by a \$3.5 million redemption from the Vanguard Short-Term Bond Index Fund and \$5.5 million from the cash balance.

The motion was made, seconded, and unanimously approved.

Adjournment

There being no further business, the meeting adjourned at 5:12 p.m.

Respectfully submitted,

Robert Brennan, Chair