

**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, June 22, 2022 at 2:30 p.m., in room 351 Waterman Building via remote conferencing.

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

MEMBERS/ADVISORS ABSENT: ISC Advisors Whit Wagner, David Aronoff, and Steven Grossman

OTHER TRUSTEES PRESENT: Board Chair Ron Lumbra

PERSONS ALSO PARTICIPATING: Vice President for Finance & Administration Richard Cate\*; Controller Claire Burlingham\*\*; Senior Staff Accountant Patty Dubie; Endowment Accountant Marie Tiemann; Vice President for Legal Affairs & General Counsel and Senior Advisor to the President Sharon Reich Paulsen; Trustee Coordinator Corinne Thompson; and Richard Morrison and Ian McPherson of Prime Buchholz (PB)

Chair Robert Brennan called the meeting to order at 2:34 p.m.

\* Departed the meeting at 3:00 p.m.

\*\* Departed the meeting at 3:00 p.m. and rejoined at 4:00 p.m.

### **Meeting minutes**

Chair Robert Brennan presented the minutes of the April 20, 2022 & June 10, 2022 meetings 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 and portfolio performance. He commented on the most recent market activity and particularly noted the continued inflation concerns that have caused most markets outside of the real asset categories to fall into negative territory. Within the U.S. equity market, the energy and consumer staples have been the only sectors to record gains for the year-to-date. Through the first five months of 2022, hedge fund holdings have provided some protection to the portfolio. Mr. Morrison noted that although the current inflation rate has been high, the intermediate-term rate is expected to drop to a level of approximately 3%. The U.S. dollar remains strong as compared to major trading counterpart.

Mr. Morrison then noted the performance for the long-term pooled portfolio as of April 30, 2022. The year-to-date return through April 30 was -9.1%, outperforming both the Global Equity Index (-12.9%) and the Aggregate Bond Index (-9.5%) and returns since inception were 8.0%. The estimated value of the portfolio as of June 21, 2022 was \$751 million.

### **Executive session**

At 2:51 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 2 hours 5 minutes with action anticipated following. The following persons were invited to remain: Trustees; Vice President for Finance & Administration Richard Cate; Controller Claire Burlingham; Senior Staff Accountant Patty Dubie; Endowment Accountant Marie Tiemann; Vice President for Legal Affairs & General Counsel and Senior Advisor to the President Sharon Reich Paulsen; Trustee Coordinator Corinne Thompson; and Richard Morrison and Ian McPherson of Prime Buchholz (PB)

The meeting was re-opened to the public at 4:06 p.m.

### **Portfolio rebalancing**

Chair Brennan entertained a motion to approve the following transaction: increase the exposure of RA Capital Healthcare International Fund, Ltd to the size of 1.5% of the endowment portfolio, to be funded by trimming the FPA Crescent Fund.

The motion was made, seconded, and unanimously approved.

### **Adjournment**

There being no further business, the meeting adjourned at 4:07 p.m.

Respectfully submitted,

Robert Brennan, Chair