

**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 Monday, May 1, 2023 at 3:15 p.m., in room 351 Waterman Building, via remote conferencing.

MEMBERS PRESENT: Chair Robert Brennan and Susan Brengle

MEMBERS/ADVISORS ABSENT: Vice Chair Don McCree and Advisor Steven Grossman

OTHER TRUSTEES PRESENT: Board Chair Ron Lumbra

PERSONS ALSO PARTICIPATING: Advisors Whit Wagner and David Aronoff^{**}; Vice President for Finance and Administration Richard Cate; Associate Controller Lindsey Donovan; Endowment Accountant Marie Tiemann; Vice President for Legal Affairs & General Counsel Trent Klingerman^{*}; Trustee Coordinator Corinne Thompson; and Richard Morrison, Ian MacPherson, and Zac Smith of Prime Buchholz (PB)

^{*} Joined the meeting at 3:32 p.m.

^{**} Departed the meeting at 4:31 p.m.

Chair Robert Brennan called the meeting to order at 3:22 p.m.

Meeting minutes

Chair Brennan presented the minutes of the February 13, 2023 meeting for approval. A motion was made, seconded and it was voted to approve the minutes as presented.

Executive session

At 3:23 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 30 minutes with action anticipated following. The following persons were invited to remain: Advisors Whit Wagner and David Aronoff; Vice President for Finance and Administration Richard Cate; Associate Controller Lindsey Donovan; Endowment Accountant Marie Tiemann; Vice President for Legal Affairs & General Counsel Trent Klingerman; Trustee Coordinator Corinne Thompson; and Richard Morrison, Ian MacPherson, and Zac Smith of Prime Buchholz (PB)

The meeting was re-opened to the public at 4:54 p.m.

Recent market and portfolio performance overview

Ian MacPherson, of Prime Buchholz, led a discussion surrounding recent market and portfolio performance as of March 31, 2023. He reviewed the summary of returns for the various market sectors and noted that the 2023 first quarter returns ended in a positive position amidst the uncertainty and banking stress that existed in the market environment. He commented that over the trailing year, private capital outperformed public equity exposure. For the fiscal year-to-date, private capital held up well versus the -5.6% segment benchmark return. Mr. MacPherson reported on the long-term pooled portfolio returns, noting a 4.1% return for the calendar year-to-date, a fiscal year-to-date return of 5.8%, and 7.8% return for inception to date. Commenting further, he noted the relatively lower duration fixed income assets have outpaced the Barclays Aggregate Index over the last year.

Portfolio rebalancing

Chair Brennan entertained motions to approve the following transactions:

- \$7.5 million commitment to the Davidson Kempner Opportunities VI
- \$3 million commitment to TrueBridge Capital Partners Fund VIII, LP
- \$2 million commitment to TrueBridge Seed & Micro-VC Fund II, LP

The motions were made, seconded, and unanimously approved.

Resolutions to establish Quasi-Endowments

Chair Brennan present the following resolutions for approval:

Resolution to establish the Land Grant Quasi-Endowment

WHEREAS, the College of Engineering and Mathematical Sciences Land Grant Endowment has accumulated unspent endowment income distributions in excess of \$66,000; and

WHEREAS, the University may decide to designate assets as quasi-endowment funds to gain the benefit of the earning power of the University's consolidated endowment pool while retaining the flexibility to be expended in whole or in part; and

WHEREAS, the Dean of the College of Engineering and Mathematical Sciences has requested that \$65,000 of the remaining balance be used to establish the Land Grant Quasi-Endowment, with the same restrictions as the Land Grant Endowment within the University's consolidated endowment pool;

NOW, THEREFORE, BE IT RESOLVED, that the Investment Subcommittee approves the creation of the Land Grant Quasi-Endowment within the University's consolidated endowment pool, for the benefit of the College of Engineering and Mathematical Sciences.

Resolution to establish the College of Engineering Fund Quasi-Endowment

WHEREAS, the College of Engineering and Mathematical Sciences College of Engineering Fund has accumulated unspent endowment income distributions in excess of \$91,000; and

WHEREAS, the University may decide to designate assets as quasi-endowment funds to gain the benefit of the earning power of the University's consolidated endowment pool while retaining the flexibility to be expended in whole or in part; and

WHEREAS, the Dean of the College of Engineering and Mathematical Sciences has requested that \$90,000 of the remaining balance be used to establish the College of Engineering Fund Quasi-Endowment, with the same restrictions as the College of Engineering Fund Endowment within the University's consolidated endowment pool;

NOW, THEREFORE, BE IT RESOLVED, that the Investment Subcommittee approves the creation of the College of Engineering Fund Quasi-Endowment within the University's consolidated endowment pool, for the benefit of the College of Engineering and Mathematical Sciences.

Resolution to establish the Edwin Flint Professorship Quasi-Endowment

WHEREAS, the College of Engineering and Mathematical Sciences Edwin Flint Professorship has accumulated unspent endowment income distributions in excess of \$201,000; and

WHEREAS, the University may decide to designate assets as quasi-endowment funds to gain the benefit of the earning power of the University's consolidated endowment pool while retaining the flexibility to be expended in whole or in part; and

WHEREAS, the Dean of the College of Engineering and Mathematical Sciences has requested that \$200,000 of the remaining balance be used to establish the Edwin Flint Professorship Quasi-Endowment, with the same restrictions as the Edwin Flint Professorship Endowment within the University's consolidated endowment pool;

NOW, THEREFORE, BE IT RESOLVED, that the Investment Subcommittee approves the creation of the Edwin Flint Professorship Quasi-Endowment within the University's consolidated endowment pool, for the benefit of the College of Engineering and Mathematical Sciences.

Chair Brennan entertained a motion to approve the three quasi-endowment resolutions. A motion was made, seconded, and unanimously approved.

