

MINUTES OF THE SEPTEMBER 20, 2016, INVESTMENT COMMITTEE MEETING

The Investment Committee (“Committee”) of the Board of Regents of the Smithsonian Institution (“Smithsonian”) conducted a meeting on Tuesday, September 20, 2016, in Committee Chair Tim O’Neill’s office in New York City. Participating were Committee Chair Tim O’Neill and Committee members Kathryn (“Katie”) Hall*, J. Tomilson (“Tom”) Hill, Roger Sant*, and Michael Tennenbaum*. Board and Executive Committee Chair John W. McCarter, Jr. was unable to participate. Committee Vice Chair Steve Case and member David Rubenstein were unable to participate in the meeting.

Participating Smithsonian staff included Secretary David Skorton*; Director of Investment Operations Genta Arovas*; Acting Chief of Staff to the Secretary Greg Bettwy*; Chief Investment Officer Amy Chen; Director of Advancement Virginia Clark; Investment Officer Ryan Dotson; Investment Officer Michael Giovenco; Under Secretary for Finance and Administration and Chief Financial Officer Albert Horvath; General Counsel Judith Leonard*; and Investment Officer Jeff Smith*.

CALL TO ORDER / REPORT OF THE CHAIR

Committee Chair Tim O’Neill called the meeting to order at 12:02 p.m. Secretary David Skorton commented on the grand opening of the National Museum of African American History and Culture on Saturday, September 24, 2016.

APPROVAL OF THE JULY 17, 2016, COMMITTEE MEETING MINUTES

Upon motion duly made and seconded, the minutes of the July 17, 2016, Committee meeting were approved without modification.

CHARTER REVIEW

Upon motion duly made and seconded, the Charter of the Investment Committee was ratified and affirmed without modification.

PORTFOLIO REVIEW

Investment Officer Ryan Dotson reported the Smithsonian Endowment’s preliminary one-year return as of June 30, 2016 was -2.1% versus -1.9% for the policy benchmark. Though the portfolio slightly underperformed the policy benchmark on a trailing one-year basis, it outperformed on a three-, five-, and ten-year basis, with lower volatility. Mr. Dotson reviewed the Integrated Risk Framework. In terms of performance attribution, returns continue to be driven primarily by private equity and venture capital investments.

* *participated by telephone*

PORTFOLIO IMPLEMENTATION

Mr. Giovenco reviewed the Watch List and sought input from Committee members on managers listed on the Forward Calendar.

OPERATIONS REVIEW

Ms. Chen updated the Committee on the status of staffing and technology.

ADJOURNMENT

The meeting was adjourned at 1:21 p.m. and an executive session was held.