

## MINUTES OF THE DECEMBER 11, 2012, INVESTMENT COMMITTEE MEETING

The Investment Committee (“the Committee”), a committee of the Smithsonian Board of Regents, conducted a meeting on Tuesday, December 11, 2012, at 1:30 p.m. in Committee Chair David Silfen’s office in New York City. Participating were Mr. Silfen; Committee Members David Rubenstein\*, Roger Sant\*, Afsaneh Beschloss\* and Alan Spoon\*.

Committee Vice Chair Stephen Case and member Tim O’Neill were absent.

Participating staff included Secretary G. Wayne Clough\*, Chief of Staff to the Secretary Patricia Bartlett\*, Chief Investment Officer Amy Chen, Investment Officer Ryan Dotson\*, Manager of Investment Operations Rika Feng\*, Investment Officer Michael Giovenco, Under Secretary for Finance and Administration and Chief Financial Officer Albert Horvath, Chief of Staff to the Regents John Lapiana\*, General Counsel Judith Leonard\* and Investment Officer Jeff Smith\*. Guest: Marc Schwartz\*, Chief Investment Officer for The Broad Foundations.

### CALL TO ORDER

Chair David Silfen called the meeting to order.

### APPROVAL OF MINUTES

After consideration and upon motion duly made, seconded, and unanimously approved, the minutes of the September 19, 2012, Committee meeting were approved.

### REPORT OF THE CHAIR

Mr. Silfen welcomed the Committee Members and informed them that Committee Member J. Tomilson Hill had stepped down from the Committee. Mr. Silfen thanked Mr. Hill for his contributions to the Endowment that began when the Committee was formed in 2005.

### PORTFOLIO REVIEW

Chief Investment Officer Amy Chen also expressed her gratitude to Mr. Hill for his many years of support and contributions to the Committee. Ms. Chen reported that positive performance this year has been supported by improving equity markets. Overall, performance was generally in line with the peer universes relative to the Endowment.

Mr. Silfen added that quartile ranges are very narrow, with differences between quartiles being minimal. Mr. Silfen stated that longer term performance must be considered when comparing endowment quartile performance against peers so that performance is not so heavily impacted by any particular quarter.

\* *participated by telephone*

## **PORTFOLIO IMPLEMENTATION**

Investment Officer Michael Giovenco reviewed the portfolio implementation section. Mr. Giovenco commented on initiatives aimed at restructuring the Endowment's emerging markets portfolio. The Endowment's current allocation remains in line with the long-term policy targets.

## **OPERATIONS REVIEW**

Ms. Chen updated Committee Members on the Endowment's custodial search. Ms. Chen also discussed the 2013 business plan.

Mr. Silfen and Ms. Chen thanked the staff's analysts for their contributions to supporting the completion of quarterly committee reports.

## **EXECUTIVE SESSION**

Staff was dismissed and an executive session was held.