

MINUTES OF THE NOVEMBER 13, 2014, INVESTMENT COMMITTEE MEETING

The Investment Committee (“Committee”) of the Board of Regents of the Smithsonian Institution conducted a meeting on Thursday, November 13, 2014, at 12:00 p.m. in the Regents’ Room at the Smithsonian Castle in Washington, D.C. Participating were Committee Acting Chair David Rubenstein, Committee Vice Chair Steve Case*, and Committee members Afsaneh Beschloss*, Eli Broad*, Roger Sant, Alan Spoon*, and Michael Tennenbaum*. Board and Executive Committee Chair John W. McCarter, Jr.* also participated. Committee Chair David Silfen and member Tim O’Neill were unable to participate.

Participating Smithsonian staff included Chief Investment Officer Amy Chen, Director of Investment Operations Genta Arovas, Investment Analyst Yizhi Ge, Investment Officer Michael Giovenco, Inspector General Cathy Helm, Under Secretary for Finance and Administration and Chief Financial Officer Albert Horvath, General Counsel Judith Leonard, and Deputy Chief of Staff to the Regents Rachel Parker. Secretary Wayne Clough and Chief of Staff to the Secretary Patricia Bartlett were unable to participate.

CALL TO ORDER

Acting Chair David Rubenstein called the meeting to order.

APPROVAL OF MINUTES

After consideration and upon motion duly made and seconded, the minutes of the September 9, 2014, Committee meeting were unanimously approved.

REPORT OF THE CHAIR

Mr. Rubenstein welcomed the Committee members.

APPROVAL OF CHARTER AMENDMENT

After consideration and upon motion duly made and seconded, the amendment to the Investment Committee Charter, effective January 2015, was unanimously approved and recommended for approval by the Board of Regents at its next meeting.

PORTFOLIO REVIEW

Chief Investment Officer Amy Chen reported on the Smithsonian Endowment’s final performance of 15.3% against the policy benchmark of 13.3% for the period ending June 30, 2014 based on final June 30 private investment returns. Going forward, comparative peer performance using final June 30 investment valuations will be issued annually. Ms. Chen also reviewed the Endowment’s *preliminary* performance for the period ending September 30, 2014 and the overall liquidity of the Endowment’s portfolio.

* *participated by telephone*

PORTFOLIO IMPLEMENTATION

Ms. Chen reviewed the current and pro-forma investment activity.

OPERATIONS REVIEW

Director of Investment Operations Genta Arovas reviewed the new performance reporting process that accommodates private investment performance reported on a lagged and final basis.

EXECUTIVE SESSION

Staff was dismissed at 12:57 p.m. and an executive session was held.