

MINUTES OF THE JUNE 2, 2015, INVESTMENT COMMITTEE MEETING

The Investment Committee (“Committee”) of the Board of Regents of the Smithsonian Institution (“Smithsonian”), conducted a meeting on Tuesday, June 2, 2015, in the Committee Chair David Silfen’s office in New York City. Participating were Committee Chair David Silfen and Committee members Afsaneh Beschloss*, Kathryn (“Katie”) Hall, J. Tomilson (“Tom”) Hill, Tim O’Neill*, Alan Spoon* and Michael Tennenbaum*. Board and Executive Committee Chair John W. McCarter, Jr. also participated. Committee Vice Chair Steve Case and Committee members David Rubenstein and Roger Sant were unable to participate.

Participating Smithsonian staff included Director of Investment Operations Genta Arovvas*; Acting Chief of Staff Greg Bettwy; Chief Investment Officer Amy Chen; Investment Officer Michael Giovenco; Inspector General Cathy Helm*; Acting Secretary Albert Horvath*; Acting Under Secretary for Finance and Administration and Chief Financial Officer John Lapiana*; General Counsel Judith Leonard, Deputy Chief of Staff to the Regents Rachel Parker*; Investment Officer Jeff Smith, and Chief of Staff to the Regents Porter Wilkinson*.

CALL TO ORDER

Chair David Silfen called the meeting to order.

APPROVAL OF THE MARCH 3, 2015, COMMITTEE MEETING MINUTES

Upon motion duly made and seconded, the minutes of the March 3, 2015, Committee meeting were approved without modification.

REPORT OF THE CHAIR

Mr. Silfen welcomed the Committee members and introduced new member Tom Hill.

PORTFOLIO REVIEW

Chief Investment Officer Amy Chen reported the Smithsonian Endowment’s one-year rate of return as of March 31, 2015, was 9.0% versus the policy benchmark of 3.0%. The portfolio outperformed the policy benchmark, as well as, a simple 60/40 portfolio on a trailing one, three, five, and ten-year basis. Ms. Chen also reviewed the Integrated Risk Framework.

CURRENCY & PORTFOLIO HEDGING

Investment Officer Michael Giovenco provided an executive summary of the portfolio’s currency exposures.

PORTFOLIO IMPLEMENTATION

* *participated by telephone*

Investment Officer Jeff Smith reviewed the Endowment's portfolio construction and natural resources portfolio.

ADJOURNMENT

The meeting was adjourned at 3:05 p.m. and an executive session was held.