

MINUTES OF THE MARCH 22, 2011, INVESTMENT COMMITTEE MEETING

The Smithsonian Investment Committee (“the Committee”), a committee of the Smithsonian Board of Regents, met at 12:00 p.m. on March 22, 2011, in the Office of the Chief Information Officer’s video conference room in Washington, D.C. Participating were Committee Chair David Silfen, Vice Chair Roger Sant, and Committee members Eli Broad**, J. Tomilson Hill III*, Timothy O’Neill, David Rubenstein, and Alan Spoon*. Committee member Afsaneh Beschloss was not able to participate. Participating staff included Secretary Wayne G. Clough, Chief of Staff to the Secretary Patricia Bartlett, Chief Investment Officer Amy Chen, Director of Advancement and Philanthropic Giving Virginia Clark, Investment Analyst Ryan Dotson, Manager of Investment Operations Rika Feng, Investment Officer Michael Giovenco, Chief of Staff to the Regents John Lapiana, General Counsel Judith Leonard, Investment Officer Michael Giovenco, Under Secretary for Finance and Administration Alison McNally, and Investment Officer Jeff Smith. Guests from Ibbotson Associates were Chief Investment Officer and Director of Research Tom Idzorek, Vice President of Global Investment Services John Thompson, and Consultant Philip Straehl.

Call to Order

Chair David Silfen called the meeting to order.

Approval of Minutes

After consideration and upon motion duly made and seconded, the minutes of the January 18, 2011, Committee meeting were unanimously approved.

Annual Portfolio Review — Ibbotson Associates

Tom Idzorek, Ibbotson Associates Chief Investment Officer and Director of Research, presented a review of the Endowment portfolio which incorporated Ibbotson’s economic outlook, intermediate-term and long-term expectations for asset class performance, an analysis of Endowment spending, and an assessment of risks and opportunities for the Endowment.

Ibbotson was asked to review the impact of the increase in the spending rate from 5 percent to 6 percent. Ibbotson noted that the increase should not have a deleterious impact on the Endowment, provided that the forecasted contributions to the Endowment are received. The Committee directed the Investment and Advancement staff to communicate regularly to review anticipated contributions and/or changes in forecasts.

National Campaign Update

The Secretary provided a brief status report to the Committee.

* *Participated by video conference.*

** *Participated by teleconference.*

Operations Update

The update included information on the audit for fiscal year 2010, an expense analysis, and notice of an upcoming staff retreat.

Executive Session

Staff were dismissed at 1:30 p.m. and an executive session was held.