The Investment Committee (“the Committee”), a committee of the Smithsonian Board of Regents, conducted a telephonic meeting on Wednesday, November 10, 2008, at 11:00 a.m. Attending were Committee Chair David Silfen and committee members J. Tomlinson Hill III, Eli Broad, L. Hardwick Caldwell III, Alan Spoon, and also ex officio member Roger Sant. Chief Investment Officer Amy Chen attended the meeting, along with Investment Officer Michael Giovenco, Manager of Investment Operations Rika Feng, Investment Analyst Ryan Dotson, and Special Advisor to the Regents John K. Lapiana.

**Call to Order**

Committee Chair David Silfen called the meeting to order.

**Portfolio Review**

Chief Investment Officer Amy Chen reviewed the portfolio’s preliminary October 31, 2008, returns. Ms. Chen indicated that the fund was not experiencing any difficulty with regard to redemptions or liquidity issues.

**Year-End Portfolio Actions**

Staff presented an exhibit detailing the proposed year-end actions. The Committee considered a rebalancing recommendation to add capital to an existing U.S. equity manager. The Committee decided against adding to the position. It was acknowledged that with the termination and partial redemption of some of the global equity managers, the total global equity allocation was within the policy range of 25% to 55% but notably underweight the target of 40%. All other proposed actions were agreed to by the Committee.

The Committee weighed the merits of increasing the cash allocation from approximately 12.5% to a higher number. Concern was expressed about continued market dislocations and the future ability of managers to provide alpha. The Committee proposed using some of the cash to make a tactical allocation to convertibles and/or senior bank loans. If an allocation was made to investment-grade convertibles and/or bank loans it could be utilized as a substitute for physical cash. The Committee agreed that total cash levels, as defined by physical cash, fixed income, and a tactical allocation to investment-grade convertibles and/or bank loans, should be in the 20–25% level.

The meeting was adjourned at 11:40 a.m.