MINUTES OF THE JULY 8, 2008, INVESTMENT COMMITTEE MEETING

The Smithsonian Investment Committee (“the Committee”), a committee of the Smithsonian Board of Regents, conducted a teleconference meeting at 3:00 p.m. on Tuesday, July 8, 2008. Participating were Committee Chair David Silfen and Committee members Afsaneh Beschloss, Eli Broad, L. Hardwick Caldwell III, Roger Sant, and Alan Spoon; J. Tomlinson Hill III was unable to participate. Staff attending the meeting met in the Smithsonian Castle in Washington, D.C., and included Secretary G. Wayne Clough; Chief Investment Officer Amy Chen; Acting Under Secretary for Finance and Administration Alison McNally; Investment Officer Michael Giovenco; Manager of Investment Operations Rika Feng; Treasurer Sudeep Anand; Chief Financial Officer Alice Maroni, Special Advisor to the Regents John K. Lapiana, General Counsel John E. Huerta and Director of Human Resources Jim Douglas.

Call to Order

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 April 15, 2008, meeting were approved.

Portfolio Review

As of May 31, 2008, total Endowment assets were $1.065 billion. Although results for June are still preliminary, the Endowment’s performance will likely reflect the sharp market downturn. The Endowment’s asset allocations differed from long-term policy targets due to the October 2007 decision to overweight cash.

The Committee would like to compare the Endowment’s June 30th return against Cambridge’s peer median returns once the data is available.

Portfolio Implementation

Staff were asked to develop an implementation plan to raise cash to a range between 8% to 10%. In addition to an increased cash position, the Committee also felt that staff should examine the Endowment’s currency exposure and consider allocating to energy related investments. Most did not think the opportunity cost of holding cash was material.

Forward Calendar

A forward calendar of possible future investments was presented to the Committee. Ideas that any Committee members have should be forwarded directly to the staff. Additionally, staff requested help getting into several funds that were high priority funds.

Executive Session

Staff was dismissed and an Executive Session was held.