

MINUTES OF THE OCTOBER 17, 2018, INVESTMENT COMMITTEE MEETING

The Investment Committee (“Committee”) of the Board of Regents (“Board”) of the Smithsonian Institution (“Smithsonian”) conducted a meeting on Wednesday, October 17, 2018, at Committee Chair Tim O’Neill’s office in New York City. Participating were Committee Chair Tim O’Neill, Committee members Steve M. Case,* Henry Ellenbogen, Kathryn (“Katie”) Hall,* Alice Handy, J. Tomilson (“Tom”) Hill,* and Michael Tennenbaum.* Committee Vice-Chair Roger Ferguson and Committee member David Rubenstein were unable to participate.

Participating Smithsonian staff included Secretary Dr. David Skorton; Director of Investment Operations Genta Arovas; Chief of Staff to the Secretary Greg Bettwy;* Chief Investment Officer Amy Chen; Investment Officer Ryan Dotson;* Associate General Counsel Farleigh Earhart;* Deputy Chief of Staff to the Board of Regents Kate Forester;* Investment Officer Michael Giovenco;* Inspector General Cathy Helm;* Under Secretary for Finance and Administration, Chief Financial Officer Albert Horvath; Investment Officer Jeff Smith; and Assistant Secretary for Advancement Robert Spiller.*

CALL TO ORDER / REPORT OF THE CHAIR

Committee Chair Tim O’Neill called the meeting to order at 12:06 p.m. and welcomed everyone. Secretary David Skorton with other Committee members thanked Chair Tim O’Neill for his extraordinary leadership as the Chair of the Investment Committee at the Smithsonian and congratulated Ms. Katie Hall for being selected as the next Chair of the Investment Committee.

APPROVAL OF THE JUNE 27, 2018, COMMITTEE MEETING MINUTES

Upon motion duly made and seconded, the draft minutes of the June 27, 2018, Committee meeting were approved without modification.

PORTFOLIO REVIEW

Chief Investment Officer Amy Chen reported that the Endowment ended June 30, 2018, with assets of \$1.57 billion and outperformed its policy benchmark as well as the simple composite benchmark which is comprised of 75% equities and 25% bonds over one-, three-, five- and ten-year periods. The Endowment ranked in the first quartile against the Cambridge Associates (“CA”) peer universe of endowments and foundations for all periods. Ms. Chen also reviewed the asset allocation and noted that staff would evaluate the need to revise the policy ranges.

INVESTMENT PROCESS REVIEW

Director of Investment Operations, Genta Arovas, and Jeff Smith, Investment Officer, discussed the investment and operational processes.

** Participated by telephone*

PORTFOLIO IMPLEMENTATION

Ms. Chen reviewed investment activities for the last quarter.

OPERATION REVIEW

Ms. Chen and Ms. Arovas updated the Committee on staff changes and the summer internship program.

EXECUTIVE SESSION

The Committee moved into an executive session at approximately 1:42 p.m. to discuss general investment matters.

ADJOURNMENT

The meeting was adjourned at approximately 1:57 p.m.