

MINUTES OF THE JUNE 21, 2022, INVESTMENT COMMITTEE MEETING

The Investment Committee (“Committee”) of the Board of Regents (“Board”) of the Smithsonian Institution (“Smithsonian”) conducted a virtual meeting on Tuesday, June 21, 2022. Participating were Committee Chair Kathryn (“Katie”) Hall, Committee Vice Chair Roger Ferguson, and Committee members Steve Case, Henry Ellenbogen, J. Tomilson (“Tom”) Hill, and David Rubenstein.

Participating Smithsonian staff included Chief of Staff to the Secretary Greg Bettwy, Chief Investment Officer Amy Chen, Investment Director Jinwen Chen, Under Secretary for Administration Ron Cortez, Managing Director Ryan Dotson, Assistant General Counsel Danielle Fisher, Deputy Chief of Staff to the Regents Kate Forester, Managing Director Michael Giovenco, Inspector General Cathy Helm, Chief Financial Officer Janice Lambert, Deputy Secretary and Chief Operating Officer Meröe Park, Director of Investment Operations Allen Rumanyika, Managing Director Jeff Smith, Assistant Secretary for Advancement Robert Spiller, and Chief of Staff to the Regents Porter Wilkinson.

CALL TO ORDER AND REPORT OF THE CHAIR

Committee Chair Katie Hall called the meeting to order at 12:00 p.m. and reviewed the agenda.

APPROVAL OF THE COMMITTEE MEETING MINUTES

Upon motion duly made and seconded, the draft minutes of the March 23, 2022, Committee meeting were approved without modification.

PORTFOLIO REVIEW

Managing Director Ryan Dotson reviewed the Endowment’s performance as of March 31, 2022, and noted that the total assets were \$2.5 billion.

FINANCIAL STRATEGY REVIEW

Under Secretary for Administration Ron Cortez presented an update on the Central Trust Endowment and a structural deficit in the Central Trust operating budget.

Ms. Chen discussed the current payout policy, which is 5% of the trailing 20-quarter average of the Endowment’s market value to support trust programmatic activity, plus an additional payout of up to 0.5% to support advancement activities. Compared three common payout rules and noted that alternative models based on best practice could provide a payout with lower variability. Further review suggested.

PORTFOLIO IMPLEMENTATION

Ms. Chen reviewed significant changes in capital activity noting the reallocation of capital in marketable alternatives asset class. She noted that we continued to make commitments in real estate and private equity and had received distributions from venture, real estate, and energy and natural resources that resulted in a positive net cash inflow.

ADJOURNMENT

The meeting was adjourned at approximately 2:00 p.m.

Respectfully submitted,

Katie Hall, Chair