

MINUTES OF THE MARCH 21, 2017, INVESTMENT COMMITTEE MEETING

The Investment Committee (“Committee”) of the Board of Regents of the Smithsonian Institution (“Smithsonian”) conducted a meeting on Tuesday, March 21, 2017, in the Regents’ Room at the Smithsonian Castle in Washington, D.C. Participating were Committee Chair Tim O’Neill, Committee Vice Chair Steve Case, and Committee members Henry Ellenbogen, Kathryn (“Katie”) Hall,* Alice Handy, J. Tomilson (“Tom”) Hill,* David Rubenstein, and Michael Tennenbaum.*

Also present by invitation of the Committee were Director of Investment Operations Genta Arovas; Chief Investment Officer Amy Chen; Assistant Secretary for Advancement Virginia Clark; Investment Officer Ryan Dotson; Investment Officer Michael Giovenco; Inspector General Cathy Helm; Under Secretary for Finance and Administration/Chief Financial Officer Albert Horvath; General Counsel Judith Leonard; and Chief of Staff to the Regents Porter Wilkinson.*

CALL TO ORDER / REPORT OF THE CHAIR

Committee Chair Tim O’Neill called the meeting to order at 12:02 p.m. He noted the Committee’s appreciation of Roger Sant’s invaluable contributions and dedication as a founding member of the Committee in 2005. Mr. O’Neill then introduced new Committee members Henry Ellenbogen and Alice Handy.

APPROVAL OF THE NOVEMBER 15, 2016, COMMITTEE MEETING MINUTES

Upon motion duly made and seconded, the draft minutes of the November 15, 2016, Committee meeting were approved without modification.

ANNUAL PORTFOLIO REVIEW

Chief Investment Officer Amy Chen reported that the Smithsonian Endowment’s one-year return as of December 31, 2016 was 6.6% versus the policy benchmark of 6.4%. Ms. Chen reviewed the manager rankings and portfolio attribution analysis. She also reviewed the portfolio liquidity.

FACTOR ANALYSIS AND ASSET ALLOCATION REVIEW

Ms. Chen reviewed the factor analysis and asset allocation study. The Committee agreed with Investment staff’s recommendation that no changes be made to the target Long Term Policy Portfolio.

PORTFOLIO IMPLEMENTATION

Ms. Chen sought the Committee’s approval for Investment staff’s proposed commitment levels for 2017.

** Participated by telephone*

Ms. Chen also sought the Committee's approval for a policy benchmark to be consistent with the Long Term Policy Portfolio.

ADJOURNMENT

The meeting was adjourned at 2:00 p.m. and an executive session was held.