The meeting was called to order by chair Mike Lee at 10:40 a.m.

Lee introduced Jeff Einhorn, CFO of NonProfits’ United and newly appointed board member, who will serve on the Investment Committee.

**Investment Environment:** Sand Hill remains positioned for a positive, but anemic growth environment referred to as the “New Normal”. The economic reset triggered by the fiscal cliff as well as a maturing recovery globally continues to impact the overall economic environment. The economy appears to be tracking at a 1.5%-2.0% growth rate this year as a resilient private sector continues to outpace the contracting public sector. While the economic data points remain mixed, on the margin, early indications are that the economy is likely to moderately reaccelerate as we enter 2014. The one critical exception remains the sluggish uptake we are seeing for job creation. The interest rate environment has seen a dramatic reset over the last six months tied to a change in expectations around the Federal Reserve’s bond buying program. UEI’s bond portfolio is positioned for a modestly rising interest rate environment, which Sand Hill sees as the most likely scenario moving forward from here, given the anticipation of a modest economic growth and modest inflationary environment.

**Portfolio Review:** Portfolios have modestly outperformed, returning 1.25% since 6/30/13 inception. Relative outperformance in international markets due to an underweight in emerging markets was offset slightly by underperformance in commodities, where Sand Hill’s defensive posturing did not correlate with the change in oil and precious metals markets due to concerns surrounding Syria. Overall relative performance of 50bp was achieved, although the time period involved is too limited to be meaningful. Portfolios have been fully aligned to Sand Hill’s targeted allocation. The mid-term account’s performance and allocations were reviewed. The committee received the student investment account appraisal.
**VEBA Account:** The retirement account balance and allocation were reviewed. Given the nature and magnitude of this off balance sheet liability, Sand Hill will work with UEI to review the cash flow needs and likely contributions needed to meet the expected draw rates over the next several decades. This asset-liability exercise will commence once the actuarial review is completed.

**Other Business:** Sand Hill will attend the January Board Retreat to make their annual presentation to the board of directors. Additionally, this will present an opportunity to interact with the Student Investment Fund, its director and students. Synergies will be sought.

The meeting was adjourned at 11:30AM.

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Sand Hill Global Advisors