University Enterprises, Inc. Investment Committee Meeting Minutes
May 8, 2015

Attendees: Jim Reinhart, Craig Barth, Jeffrey Einhorn, David Bach, Yan Zhou, Arlette Barnard
Members Absent: Mike Lee
Presenting: Sand Hill Global Advisors - Brian Dombkowski, Sara Craven, Meghan DeGroot

Meeting called to order at 11:00 AM.

Sand Hill Global Advisors began the meeting with a review of the current investment outlook. Sand Hill continues to think the nature of this recovery may set us up for a moderate and more extended economic cycle, with the U.S. leading the developed world in 2015. Sand Hill expects economic growth to be in the 2.5 - 3% range in 2015, as lower energy prices and limited Federal Reserve tightening create a favorable forward backdrop.

The portfolio was up 2.16% during the first quarter, outperforming the benchmark by 0.25%. Outperformance was driven by an overweight, as well as fund selection, within international equity. During the first quarter, the S&P 500 appreciated very modestly as the market digested the negative earnings impact of a stronger U.S. dollar and lower energy prices on large-cap multinational and energy companies. International equity markets were buoyed by the introduction of a quantitative easing program by the ECB which drove sovereign yields down to historic lows in the euro zone. Commodities declined although this abated toward the end of the quarter as oil prices began to stabilize.

Per the committee’s request, Sand Hill presented portfolio risk metrics which included the standard deviation, Sharpe Ratio, Information Ratio and the Sortino Ratio. In addition, Sand Hill provided a reconciliation report trying the committee’s books to investment performance.

The mid-term account and Student Investment Fund account were reviewed. Sand Hill announced that they have hired a member of the Student Investment Fund for a 10 week internship that begins June 8th.

Craig discussed other business related to the VEBA performance and GASB 72, Fair Value Measurements and Applications. UEI might need more disclosure on portfolio holdings for their audited financial statements. Sand Hill offered to provide any additional disclosures they might need.

Jim discussed liquidity for the dining commons renovation. Construction would begin in 2016, and the committee expressed a desire to draw from the mid-term CD account first.

The meeting adjourned at 12:00 PM.