

**UNIVERSITY ENTERPRISES, INC.**  
**Investment Committee Meeting Minutes**  
**Wednesday, May 3, 2017**  
**UEI Conference Room**  
**11:50 a.m. – 12:45 p.m.**

Members Present: David Bach  
Joni Zhou

Members Absent: Jeff Einhorn  
Mike Lee

Staff Present: Craig Barth, Chief Financial Officer  
Angie Laguna, Recording Secretary  
Jim Reinhart, Executive Director

Presenting: Sand Hill Global Advisors – Brian Dombkowski, Sara Craven, Meghan DeGroot

Joni Zhou called the meeting to order at 11:45 AM.

Sand Hill Global Advisors began the meeting with a review of the current investment outlook. Global economic growth continued to firm up during the first quarter of 2017, supporting the view that economic expansion is likely to persist. Expectations are for U.S. economic growth to average a 2 -2.5% pace this year. Leading economic indicators suggest economic growth may accelerate over the next six months as a recovery in business spending, and a jump in factory orders, a strong job market, rising consumer confidence and relatively low borrowing costs propel growth forward. Globally, corporate earnings are projected to grow for the first time in two years and this should support equity markets around the globe, particularly international developed and emerging markets where valuation is more reasonable than it is in the U.S.

Both domestic and international equity markets appreciated during the quarter and many of the areas that lagged during the fourth quarter were among the strongest performers during the period. For the first time in four years, both emerging market and international equity outpaced domestic large cap equity leading to attractive returns in diversified portfolios. Fixed income yields declined slightly even in the face of another Federal Reserve rate hike. Commodities were the only asset class that generated a negative return during the period as oil prices softened in response to rising inventories. The end result was a quarter where portfolios managed with an endowment style generated an attractive risk-adjusted return.

The Investment Account returned 4.53% during the quarter, net of all fees, compared to 4.23% for the benchmark. The top contributors to performance were an overweight to emerging market equity and active management within small-cap equity. The top detractor to performance was a late quarter decline in oil and commodities.

The Student Investment Fund (SIF) account returned 5.7% during the quarter. Sand Hill hired a student from the SIF for a 10-week internship this summer.

Jim discussed projects that UEI is involved with as well as potential future cash flow needs. The committee will keep Sand Hill updated if there are any liquidity needs in the future.

The meeting adjourned at 12:45 PM.