

**University Enterprises, Inc.**  
**Investment Committee Agenda**  
**Tuesday, August 22, 2017**  
**UEI Conference Room**  
**11:00 a.m. – 12:00 p.m.**

**Attendees:** Mike Lee, Jim Reinhart, Craig Barth, David Bach, Angie Laguna

**Members Absent:** Jeffrey Einhorn, Jay Lee

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

Mike Lee called the meeting to order at 11:00 AM.

Sand Hill Global Advisors began the meeting with a review of the current investment outlook. During the second quarter, global economic growth continued to firm up for the third quarter in a row, supporting our view that this economic expansion is likely to persist. While U.S. first quarter GDP was soft at +1.2%, we expect growth to rebound throughout the remainder of the year, culminating in a 2-2.5% growth rate for the full year. Leading economic indicators suggest the economy may accelerate above trend over the next six months as a recovery in business spending, a jump in factory orders, a strong job market, rising consumer confidence and relatively low borrowing costs propel growth forward. The current environment should be supportive of financial market appreciation as the point of maximum political risk is behind us, corporate earnings growth is poised to deliver above average growth for the next several quarters and the global economy is continuing to heal.

Both domestic and international equity markets continued to appreciate during the quarter. Fixed income yields declined following another Federal Reserve rate hike, leading to a flattening of the yield curve. 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 all asset classes, with the exception of commodities, generated an absolute positive return.

The Investment Account returned 2.35% during the quarter, net of all fees, compared to 2.73% for the benchmark. The top contributor to performance was an overweight to international equity which outperformed the blended benchmark during the quarter. The top detractor to performance was a decline in oil and commodities.

The Student Investment Fund (SIF) account returned 1.0% during the quarter. Sand Hill provided an update on the Sacramento State student internship.

Craig provided an update on the VEBA Account.

The meeting adjourned at 12:00 PM.

Respectfully Submitted,

Sand Hill Global Advisors