

UNIVERSITY ENTERPRISES, INC.
Investment Committee Meeting Minutes
Thursday, April 18, 2019
Via Conference Call
12:15 p.m. – 1:00 p.m.

Attendees: Jim Reinhart, Craig Barth, Jonathan Bowman, David Bach, Jeffrey Einhorn, Steve Perez, Jai Joon Lee, Angie Laguna

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

Jonathan Bowman called the meeting to order at 12:15 PM.

Sand Hill Global Advisors provided a review of the current investment outlook. Global economic growth slowed during the second half of last year and central banks stepped-up their levels of accommodation as a result. Since the beginning of the year, financial conditions have eased globally as equity markets have recovered and interest rates have fallen. In our view, this appears to be leading to economic stabilization. We recently entered the eleventh year of this economic cycle, and even though growth has slowed, a recession does not appear to be imminent, based on recent economic data.

Financial markets were significantly impacted by central bank actions and announcements during the quarter which led to the yield curve flattening, and briefly inverting, in the U.S. Equity markets recovered the majority of their losses and gains were broad-based across sectors and regions which is a change from previous periods when U.S. large cap technology stocks contributed the majority of gains. REITs, and other investments with attractive yields, had a strong quarter as bond yields declined. Commodities also recovered as the price of oil rebounded and as signs of global economic stabilization materialized.

The Investment Account returned 10.87% during the quarter, net of all fees, compared to 10.75% for the benchmark. From an asset allocation standpoint, the top contributor to performance during the quarter was an overweight to equity and an underweight to fixed income. From a selection standpoint, the top contributor to performance was manager selection within small cap equity.

The Student Investment Fund (SIF) Account returned 12.95% during the quarter.

Craig Barth provided an update on the VEBA Account.

The meeting adjourned at 12:35 PM.