

Meeting Minutes of the Investment Committee
University of Kentucky
Tuesday, December 3, 2024

The Investment Committee of the University of Kentucky Board of Trustees met on Tuesday, December 3, 2024, in the Gatton Student Center Harris Ballroom.

A. Meeting Opened

Investment Committee Chair, Elizabeth McCoy, called the meeting to order at 10:03 a.m. and requested a roll call.

B. Roll Call

The following members of the Investment Committee were in attendance: Elizabeth McCoy, Ray A. Daniels, Lance Lucas, Hollie Swanson and Robert Vance.

The following Community Advisory members were in attendance: Tom Abell, M.D., William C. Britton, Kelly Craft, Kathy McMullen and Quint Tatro.

The University Investment Staff was represented by Chief Investment Officer Todd D. Shupp and Investment Director Nancy Rohde.

Cambridge Associates was represented by Eric Thornton.

C. Approval of Minutes for September 12, 2024

Chair McCoy called for a motion to approve the minutes from the Committee meeting on September 12, 2024. The motion was moved by Trustee Vance and seconded by Trustee Lucas. The motion passed without dissent.

D. Endowment Manager Presentation: Select Equity Group

Ms. Kerry Dempsey and Mr. Brian Vollmer, from investment manager Select Equity Group, presented an overview of their firm and provided an update on the Sheridan Square strategy.

E. ICR 1 - Endowment Investment Policy Review and Approval

Mr. Todd Shupp presented ICR 1, a recommendation that the Investment Committee of the Board of Trustees approve minor revisions to the Endowment Investment Policy. Chair McCoy called for a motion to approve ICR 1. The motion was moved by Trustee Daniels and seconded by Trustee Vance. The motion passed without dissent.

F. Investment Staff Report

Mr. Shupp presented the Investment Staff Report beginning with an overview of the endowment asset allocation as of October 31, 2024. The global equity allocation increased slightly from the last update, as of July 31, 2024, due to modest gains in public equity markets as well as an uptick in the private equity portfolio as valuations for the second quarter were incorporated. Global fixed income was essentially flat, with private credit experiencing a very minor uptick. Regarding real assets, he stated there were no notable updates to share as that part of the portfolio stayed flat over the period. The diversifying strategies allocation decreased by half a percentage point due to redemption activity. Next, Mr. Shupp reviewed the net cash flows corresponding to each asset class. He concluded with remarks on liquidity, stating that both the portfolio's asset allocation and liquidity are well within guidelines, with the liquidity profile improving some since the last meeting.

Ms. Nancy Rohde discussed recent manager appointments, terminations and due diligence for the period. On the appointments side, UK committed \$15 million to Summit Partners Growth Equity Fund XII and invested \$45 million in Wellington Global Research Equity Extended Fund. On the terminations side, she stated there were no redemptions since the last meeting. Lastly, Ms. Rohde referenced manager due diligence and research during the period. She highlighted updates with both new and existing managers, with a high proportion of private asset class meetings occurring in the fall.

Mr. Shupp briefly discussed the private investments overview report, noting that this information had been updated through June 30, 2024. He highlighted that private investments will be discussed further in the February meeting, with Cambridge private investment specialists providing a presentation focused on the private equity portfolio.

G. Performance Review and Market Update

Mr. Eric Thornton of Cambridge Associates presented a performance review and market update for the calendar year-to-date period ending October 31, 2024. He stated that it was a very strong year for equities and a mediocre year for bonds. Mr. Thornton briefly discussed some themes driving the market for this period, including inflation, economic and earnings growth, interest rate cuts as well as the U.S. election. Specific to UK, drivers of portfolio performance for the first 10 months of the year included gains in public equities and diversifying strategies, public real assets outpacing their benchmark and manager outperformance in international equities. Countering this, private real assets (natural resources and real estate) underperformed, private equity trailed public equity returns by a wide margin, and overweights to small-cap and emerging markets detracted from performance.

Mr. Thornton concluded by sharing some highlights from the Cambridge Associates 2025 outlook.

H. Other Business

Mr. Shupp reviewed the schedule of 2025 Investment Committee meetings and tentative agenda items. In addition to the regular agenda items, February's meeting will include an education session from Cambridge Associates' private equity research specialists as well as an update from the Undergraduate Student Managed Investment Fund (SMIF).

I. Meeting Adjourned

Hearing no further business, the meeting was adjourned at 11:13 a.m.

Respectfully submitted,



Kristina W. Goins
University Financial Services