

MINUTES OF THE OCTOBER 6, 2021, INVESTMENT COMMITTEE MEETING

The Investment Committee (“Committee”) of the Board of Regents (“Board”) of the Smithsonian Institution (“Smithsonian”) conducted a virtual meeting on Wednesday, October 6, 2021. Participating were Committee Chair Kathryn (“Katie”) Hall, Committee Vice-Chair Roger Ferguson, and Committee members Steve Case, Alice Handy, J. Tomilson (“Tom”) Hill, David Rubenstein, and Michael Tennenbaum.

Participating Smithsonian staff included Chief of Staff to the Secretary Greg Bettwy; Chief Investment Officer Amy Chen; Senior Investment Analyst Jinwen Chen; Investment Officer Ryan Dotson; Deputy Chief of Staff to the Board of Regents Kate Forester; Investment Officer Michael Giovenco; Inspector General Cathy Helm; Chief Financial Officer Janice Lambert; General Counsel Judith Leonard; Deputy Secretary and Chief Operating Officer Meroë Park; Director of Investment Operations Allen Rumanyika; Investment Officer Jeff Smith; and Assistant Secretary for Advancement Robert Spiller.

CALL TO ORDER AND REPORT OF THE CHAIR

Chair Katie Hall called the meeting to order at 12:00 p.m. and reviewed the agenda.

TRIBUTE TO AND RECOGNITION OF MICHAEL TENNENBAUM

Committee Chair Katie Hall acknowledged the final meeting for outgoing Committee member Michael Tennenbaum. The Regents and Smithsonian staff expressed their gratitude for Mr. Tennenbaum’s dedication as a member of the Investment Committee during his eight-year term.

APPROVAL OF THE COMMITTEE MEETING MINUTES

Upon motion duly made and seconded, the draft minutes of the June 9, 2021, Committee meeting were approved without modification.

ANNUAL CHARTER REVIEW

Per its mandate to annually review and assess the Charter and evaluate its performance, the Committee proposed an amendment to ensure that the Charter is consistent with the charters of other Regent committees.

Upon motion duly made and seconded, the Committee approved the following motion:

VOTED that the Investment Committee recommends approval by the Governance and Nominating Committee of the proposed amendment to the Investment Committee Charter.

PORTFOLIO REVIEW

Chief Investment Officer Amy Chen and Investment Officer Michael Giovenco reviewed the portfolio. Mr. Giovenco reviewed the Endowment's preliminary one-year return as of June 30, 2021, which was 42.3% compared to the policy benchmark return of 29.3%.¹ Mr. Giovenco reviewed the Endowment's performance relative to the Cambridge All Endowment Universe, noting that the portfolio's performance consistently ranks in the top decile relative to peers over the one-year, three-year, five-year, and ten-year periods.

REAL ASSETS STRATEGY REVIEW

Investment Officer Jeff Smith reviewed the real assets investment program. Mr. Smith noted that the role of the real assets program is to provide an inflation hedge, produce equity-like returns, and diversify the portfolio relative to other asset classes.

RISK MITIGATION STRATEGY

Ms. Chen updated the Committee on the strategy to mitigate equity risk in the portfolio.

PORTFOLIO IMPLEMENTATION

Ms. Chen and Mr. Smith reviewed the 2022 commitment budget for private investments.

CENTRAL TRUST MITIGATION BUDGET REVIEW

Chief Financial Officer Janice Lambert provided a review of the Trust Budget.

ADJOURNMENT

The meeting was adjourned at approximately 1:50 p.m. and no executive session was held.

¹ Final one year portfolio return was 44.5% vs. the policy benchmark of 32.3%.