

Investment Committee of the Board of Trustees

February 2016

A meeting of the Investment Committee of the Board of Trustees of Villanova University was held on Monday, February 8, 2016 at 11:30 am in the Villanova University Conference Center. Present were Theodore Arapis, Ph.D., Justin G. Gmelich, Chair, Dylan Gray '16, Neil J. Horgan, Rev. Francis J. Horn, OSA, Kyle Lubiejewski '16, Shane McAndrew, Patrick McMahan, Thomas M. Mulroy, David R. Shaffer, Ph.D., Kenneth G. Valosky, and Giovanna Ban and Joe Geissenhainer (by conference call), Cambridge Associates, Mr. Larry Unrein and Ms. Courtney Mee, J.P. Morgan Private Investments.

The agenda included the following topics:

1. Approval of the Minutes from December Meeting

Minutes from the previous meeting held on December 2, 2015 were approved.

2. Market Environment and Performance Review

Ms. Ban, from Cambridge Associates, provided a review of 2015 market conditions and presented expectations for 2016 market performance. In brief, 2015 has been a tough year as equity, emerging, bond, energy, and currency markets have been under pressure. Although these tough conditions, Cambridge Associates had positive returns in their investment portfolios. Moving forward to 2016 market conditions and concerns remain stable as in 2015. Ms. Ban explained in great detail Villanova's exposure to the market and described 2016 investment strategy. Based on this presentation, it is clear that Cambridge Associates are monitoring the market closely and adjusting Villanova's investment strategy to minimize risks.

3. Fossil Fuel Divestment Discussion

Ms. Ban, from Cambridge Associates, in response to a December request by the committee for more information about fossil fuel/coal investments, presented Villanova's exposure to fossil fuels and coal. Evidently, Villanova has a fairly low exposure in fossil fuels and coal. Further, Villanova's investments on fossil fuels are socially responsible and follow all guidelines from the U.S. Conference of Catholic Bishops. The Committee, following the example of a handful of academic institutions (Boston College, Georgetown, Notre Dame, University of Pennsylvania), decided to put together a statement that clarifies the university's divestment policy in regard to fossil fuels and coal.

4. J.P. Morgan Private Investments

Mr. Larry Unrein and Ms. Courtney Mee, from J.P. Morgan, provided a detailed presentation of their Private Equity Group investment policies and performance. Further, they presented Villanova's Private Assets Fund objectives and performance highlights. In brief, Villanova Private Assets investments have been on target since 2014, the time of inception of this private fund. Mr. Unrein and Ms. Mee made it clear that their objective is to develop a best in class investment portfolio.

5. December Meeting Follow up

The Real Estate sub-committee did not take a decision in regard to investing with Morrison Street Capital Debt Opportunities. The sub-committee decided to speak with more managers about real estate investment strategies before a final decision is taken about Morrison Street Capital. It seems that decision about committing funds with Morrison Capital has been deferred to June.

Respectfully,
Theo Arapis
