The meeting was called to order at 5:54 p.m.

There were present:

**Committee Members:**
- Hon. Barry F. Schwartz, Chair
- Hon. Valerie Lancaster Beal
- Hon. Una S. T-Clarke
- Hon. Terrence F. Martell, faculty member
- Mr. George Alvarenga, student member

**Ex-officio:**
- Hon. Benno Schmidt
- Hon. Philip A. Berry

**Staff:**
- Senior Vice Chancellor and Secretary of the Board Jay Hershenson
- General Counsel and Senior Vice Chancellor Frederick P. Schaffer
- Deputy to the Secretary Hourig Messerlian
- Ms. Towanda Lewis
- Mr. Anthony Vargas

**University Staff:**
- Executive Vice Chancellor and Chief Operating Officer Allan H. Dobrin
- Vice Chancellor Matthew Sapienza
- Chief Investment Officer Janet Krone

The agenda items were considered in the following order:

I. **ACTION ITEMS:**

   A. **APPROVAL OF THE MINUTES OF THE MEETING OF FEBRUARY 1, 2016.** The minutes were approved as submitted.

   The public meeting was adjourned at 5:55 p.m. to go into Executive Session.
The Executive Session was called to order at 5:56 p.m.

There were present:

**Committee Members:**
- Hon. Barry F. Schwartz, Chair
- Hon. Valerie Lancaster Beal
- Hon. Una S. T-Clarke
- Hon. Terrence F. Martell, faculty member
- Mr. George Alvarenga, student member

**University Staff:**
- Executive Vice Chancellor and Chief Operating Officer Allan H. Dobrin
- Vice Chancellor Matthew Sapienza
- Chief Investment Officer Janet Krone

**Ex-officio:**
- Hon. Benno Schmidt

**Trustee Observer:**
- Hon. Judah Gribetz

**Staff:**
- Senior Vice Chancellor and Secretary of the Board Jay Hershenson
- Ms. Towanda Lewis
- Mr. Anthony Vargas

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II. INFORMATION ITEMS:

A. **Performance Update**

***PRESENTATION BY CUNY CHIEF INVESTMENT OFFICER JANET KRONE AND MANAGING DIRECTOR THOMAS SMITT-JEPPESEN OF CAMBRIDGE ASSOCIATES***

B. **Portfolio Review & Updates**

***PRESENTATION BY CUNY CHIEF INVESTMENT OFFICER JANET KRONE AND VICE CHANCELLOR MATTHEW SAPIENZA***

The Executive Session was adjourned at 6:20 p.m.
The Public Session of the Subcommittee on Investment was reconvened 6:21 p.m.

There were present:

**Committee Members:**
- Hon. Barry F. Schwartz, Chair
- Hon. Valerie Lancaster Beal
- Hon. Una S. T-Clarke
- Hon. Terrence F. Martell, faculty member
- Mr. George Alvarenga, student member

**Ex-officio:**
- Hon. Benno Schmidt

**Trustee Observer:**
- Hon. Judah Gribetz

**Staff:**
- Senior Vice Chancellor and Secretary of the Board Jay Hershenson
- Ms. Towanda Lewis
- Mr. Anthony Vargas

**University Staff:**
- Chancellor James B. Milliken
- Executive Vice Chancellor and Chief Operating Officer Allan H. Dobrin
- Vice Chancellor Matthew Sapienza
- Chief Investment Officer Janet Krone

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**I. ACTION ITEMS, continued:**

**B. POLICY CALENDAR**

1. **NYPMIFA Annual Spending Deliberation and resolution.**

***REPORT BY CUNY CHIEF INVESTMENT OFFICER JANET KRONE AND MANAGING DIRECTOR THOMAS SMITT-JEPPESEN OF CAMBRIDGE ASSOCIATES***

In response to a question from Mr. George Alvarenga, CUNY Chief Investment Officer Janet Krone explained that the “similarly situated” language in the report means that the funds would fall under the purpose of academic support, institutional support, scholarships and fellowships, and instruction. She added that they are all invested in the same comingled pool.

In response to another question from Mr. Alvarenga, CIO Janet Krone stated that sixty-eight percent of the endowment fund is for scholarships and fellowships, and they are all over the place in terms of different colleges, and specific intent of the donor; however, some are more restrictive in terms of being allowed to spend the 4.5 percent.

Vice Chancellor Matthew Sapienza added that there are some donors who want to give money to students who are in a specific program of study. It varies. Thousands of these donations are made by private donors, but the University is gratified that the overwhelming majority of the funds that are spent out of the pool go towards fellowships and scholarships.

In response to a question from Trustee Valerie Beal, Vice Chancellor Sapienza stated that in regards to the availability of scholarships, the University encourages students to contact the local financial aid office at their campus because many of the scholarships are campus specific, and most of the donors give to a CUNY campus, and not necessarily to the University.
In response to a question from Mr. Alvarenga, CIO Krone stated that CUNY has a website for the investment pool accessible to the participants in the pool. In terms of spending, after the Office of the University Controller gets an approval on the spending rate from the Board, it is calculated according to a formula, using the 4.5 percent spending rate. The website shows the availability of funds for each fund, broken down by endowed and non-endowed, and it is very specific but it is not open to the public.

CIO Krone noted that prior to NYPMIFA, the University did not have the by fund spending. The reason that NYPMIFA currently includes this provision is so that there is no cross-subsidization of spending. This does indeed happen if no limits are placed on a by fund basis.

Subcommittee Chair Barry Schwartz stated that the investment policy and the spending policy are connected, however, the report does not make the connection effectively. He is supportive of the resolution because the actual spending versus the target return has not met the 4.5 percent spending rate.

In response to a question from Subcommittee Chair Schwarz, Mr. Thomas Smitt-Jeppesen stated that the University is not expecting a return on its investment of 4.5 percent over the long term, but does so in the short term.

Subcommittee Chair Schwartz stated that there should be a future presentation made to the Subcommittee, demonstrating the interaction between the investment policy and the spending policy, factoring in inflation and the increased University budget.

Mr. Smitt-Jeppesen stated that NYPMIFA has dictated a pretty formulated way of handling this process. He added that there have been other discussions about asset allocation, among others, to show what the expected return of different asset classes are, and as compared to historical returns.

Subcommittee Chair Schwartz stated that he is not disputing what is required. The Subcommittee needs to hear a greater explanation as to how the University satisfies what is required. It would be helpful going forward, particularly if CUNY changes its investment policy.

In response to a question from Trustee Beal, CIO Krone stated that in regard to scholarships, the Office of the University Controller has multiple communications going out on a regular basis to advise people of their spending and lack thereof.

Mr. Smitt-Jeppesen added that there is a link on the CUNY website that students can use, which is called Fund Your Scholarship. He added that the Committee will be provided with this link.

Following discussion, this item was approved for submission to the Board.

The meeting was adjourned at 6:43 p.m.