

Meeting Minutes of the Investment Committee  
University of Kentucky  
Tuesday, December 2, 2025

The Investment Committee of the University of Kentucky (UK) Board of Trustees met on Tuesday, December 2, 2025, in the Gatton Student Center Harris Ballroom.

A. Meeting Opened

Investment Committee Chair, Lance Lucas, called the meeting to order at 10:00 a.m. and requested a roll call.

B. Roll Call

The following members of the Investment Committee were in attendance: Lance Lucas, Elizabeth McCoy, Hollie Swanson and Robert Vance. Jim Gray was not in attendance.

The following Community Advisory members were in attendance: Tom Abell, Kelly Craft, Kathy McMullen and Quint Tatro. William C. Britton was not in attendance.

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

Cambridge Associates (CA) was represented by Eric Thornton and Drew Landry.

C. Approval of Minutes for September 11, 2025

Chair Lucas called for a motion to approve the minutes from the Committee meeting on September 11, 2025. The motion was moved by Trustee Swanson and seconded by Trustee Vance. The motion passed without dissent.

D. CA Education Session: Governance Best Practices

Mr. Eric Thornton began the Governance Best Practices presentation by first noting that the discussion was intended to maintain awareness of best practices, rather than to signal any concerns, and that he is confident the organization is adhering to them. He reviewed the distinct roles of the Investment Committee (IC) versus staff, recommending a focus on oversight for the former, including approving investment policy, reviewing portfolio strategy and assessing performance and risk. In contrast, investment staff should maintain a management focus, including implementing the policy, developing portfolio-level recommendations, hiring and firing managers and rebalancing the portfolio.

Next, Mr. Todd Shupp presented a historical overview of the governance framework of UK's endowment, dating back to its inception in 1992. He highlighted key areas of evolution, including endowment size, staffing, consulting relationship model, asset allocation implementation, investment manager search process and manager hire

and fire decisions. He then outlined how various responsibilities are organized for the UK endowment across several levels, with a primary focus on the Investment Committee, staff and consultant. Trustee Williams asked for a brief description of the manager hire model. Mr. Shupp replied that Investment Staff and Cambridge Associates collaborate in generating investment ideas, conducting due diligence and making manager selection decisions.

Mr. Thornton reemphasized the central role of overseeing the investment policy for the Investment Committee and provided some reminders on its role and best practices. Specifically, he noted that the investment policy sets long-term objectives, risk parameters, implementation guidelines, and establishes the framework for monitoring performance and evaluating staff and advisors. It is intended to remain consistent rather than shift with short-term market conditions. He concluded with best practices for IC function including optimal structure, clear processes and access to comprehensive information.

#### E. ICR 1 - Endowment Investment Policy Review and Approval

Mr. Shupp presented ICR 1, a recommendation that the Investment Committee of the Board of Trustees approve minor revisions to the Endowment Investment Policy. Chair Lucas called for a motion to approve ICR 1. The motion was moved by Trustee McCoy 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, 2025, stating that the portfolio remained in line with asset allocation targets. Global equities moved up, driven by a strong equity market in the three-month period. Global fixed income stayed relatively flat, though it was a period of solid performance for high-quality fixed income. Real assets also moved up due to strong performance within the public real assets space. Diversifying strategies drifted slightly down as some ongoing redemption proceeds were paid out. Next, he reviewed the net cash flows by asset category for the period. He concluded by reviewing portfolio liquidity against policy guidelines, stating that liquidity remains well within the established target range.

Trustee Swanson inquired whether there is a threshold at which liquidity would be deemed excessive in the portfolio. Mr. Shupp acknowledged the importance of getting the liquidity balance right in the portfolio and noted that the coming investment strategy survey will ask respondents to evaluate the current liquidity profile of the portfolio. He further noted that staff are currently working to reach a higher target allocation to private equity, the most illiquid asset class, which will result in greater portfolio illiquidity in the future. On the topic of private investments, Mr. Tatro noted that private credit has been a focus of recent media coverage and reminded the Committee that the endowment has minimal exposure in this area. Mr. Shupp replied that the private credit target is indeed a very small part of the portfolio, around 2%. While staff and Cambridge Associates support maintaining a foothold in the asset class, opportunities in private credit and private equity

are evaluated in a more integrated manner.

Ms. Nancy Rohde discussed recent manager appointments, terminations and due diligence for the period. On the appointments side, UK invested \$15 million in Newtyn TE Partners LP. On the terminations side, a full redemption was made from Hillhouse China Value Fund. Turning to manager due diligence, highlights included class visits to all three student managed investment funds, as well as a visit to Dallas and Houston to meet with existing investment managers.

Lastly, Mr. Drew Landry reviewed the private investments overview report. He stated that the overall private investment allocation is on target, well-diversified and continues to see an increase in net positive cash flows due to ongoing distribution activity.

#### G. Performance Review and Market Update

Mr. Landry presented a performance review and market update for the calendar year ending October 31, 2025. He began with a backdrop for the markets, noting that equities reached all-time highs in October, and investment-grade bonds delivered solid returns. All major asset classes posted gains in the calendar year-to-date period, with the only negative outlier being the U.S. dollar.

UK's portfolio benefitted from strong performance by public equities, with active managers producing strong value add. Public fixed income also outperformed its benchmark, and diversifying strategies posted solid gains for the period. Countering this was relative underperformance from private real assets (natural resources and real estate). Private equity also lagged over the period, and public real assets underperformed relative to the benchmark.

#### H. Other Business

Mr. Shupp reviewed the schedule of 2026 Investment Committee meetings and tentative agenda items. In addition to the regular agenda items, February's meeting will include a presentation from a small cap equity investment manager as well as an update by the Graduate Student Managed Investment Fund (SMIF).

#### I. Meeting Adjourned

Hearing no further business, the meeting was adjourned at 11:03 am.

Respectfully submitted,



Kristina W. Goins  
University Financial Services