Meeting Minutes of the Investment Committee
University of Kentucky
Thursday, April 23, 2026

The Investment Committee of the University of Kentucky (UK) Board of Trustees met on Thursday, April 23, 2026, in the Gatton Student Center Harris Ballroom.

A. Meeting Opened

Investment Committee Chair, Lance Lucas, called the meeting to order at 9:00 a.m. and requested a roll call.

B. Roll Call

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

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

The University Investment Staff was represented by Chief Investment Officer Todd D. Shupp, Investment Director Nancy Rohde and Senior Investment Analyst Connor McKee.

Cambridge Associates (Cambridge) was represented by Joe Geissenhainer and Jimmy Crivella.

C. Approval of Minutes for February 19, 2026

Chair Lucas called for a motion to approve the minutes from the Committee meeting on February 19, 2026. The motion was moved by Trustee McCoy and seconded by Trustee Gray. The motion passed without dissent.

D. UK Staff Presentation

Mr. Todd Shupp, Ms. Nancy Rohde and Mr. Connor McKee presented the UK Endowment Overview. Mr. Shupp began with some background including endowment pool growth since inception as well as a three-year look at portfolio gains. Next, Ms. Rohde reviewed UK's investment philosophy and described how the investment office implemented those principles during the past year. She highlighted examples demonstrating the portfolio's emphasis on diversification, thoughtful liquidity management, valuation awareness and rigorous manger oversight. Mr. Shupp reviewed key activities for the year which included 130 manager meetings, five new fund investments, active rebalancing of the portfolio and continued student engagement.

Next, Mr. McKee highlighted the Fiscal Year 2026 Student Educational Series, a multi-week educational initiative featuring presentations from the investment office on asset classes and the operational and consulting functions supporting the portfolio. Ms. Rohde outlined key initiatives for the coming months, including manager due diligence activities, internship program transitions, the annual Investment Policy Statement review and preparation of investment reporting materials for the FY26 external audit process. Mr. Shupp discussed the case for diversification illustrated through a quilt chart of asset class returns.

Next, Investment Staff provided an overview of private equity and the University's history with the asset class. Ms. Rohde outlined the spectrum of private equity strategies, including venture capital, growth equity and buyouts, noting that each offers distinct risk and return characteristics and serves a complementary role within the broader private equity program. Mr. Shupp noted that the endowment has invested in private equity for more than 20 years and reviewed how the program's implementation has evolved to support greater customization and direct investment opportunities.

E. Cambridge Associates Education Session and Risk Review

Mr. Joe Geissenhainer of Cambridge Associates opened the educational session with a summary of the results of a recent Investment Committee survey. He noted that the Committee's priorities and areas of focus have remained relatively consistent since the 2023 survey, with broad agreement that achieving the 7.5% return objective remains the portfolio's primary goal and that the current risk profile is appropriate.

Mr. Geissenhainer began the asset allocation and risk review by noting that asset allocation is a key driver of long-term endowment outcomes. He stated that Cambridge believes the University of Kentucky's current portfolio is appropriately positioned to achieve its long-term objective of a 7.5% nominal return while maintaining a risk profile comparable to a 75% global equity and 25% fixed income portfolio. He emphasized the importance of maintaining an equity-oriented, broadly diversified portfolio in order to maximize long-term return potential while managing volatility and preserving flexibility to address liquidity needs. Mr. Geissenhainer also reviewed key portfolio risks, including return shortfall risk, significant market declines and portfolio volatility.

Ms. Rohde presented a review of UK's annual stress testing of portfolio liquidity. Applying very conservative performance assumptions to simulate what may occur in a severe downturn, the most liquid assets – those that can be fully redeemed within one month – were found to cover over three years of annual spending and capital call requirements. Mr. Shupp reviewed results from a second study which also included assets that can be liquidated within one year. After applying the same conservative return assumptions, the liquid and semi-liquid assets are estimated to cover over four years of the same cash needs on an annual basis.

Referring to the historical scenario analysis presented during the session, Trustee Swanson asked what factors in today's environment could contribute to an equity market downturn. Mr. Geissenhainer replied that several factors could contribute to equity market declines, including elevated valuations, market concentration, monetary policy uncertainty, geopolitical tensions and stagflation concerns. Trustee Swanson then asked about the severity of the liquidity stress test and how the modeled market environment compared to historical drawdown scenarios presented earlier in the presentation. Mr. Shupp noted that the liquidity analysis assumes a severe and extended market downturn, with markets remaining depressed for multiple years after an initial decline. He stated that these assumptions are materially more conservative than the market environments experienced during recent selloffs. Dr. Abell asked if the 7.5% return target (based on a 2.5% inflation rate) should be raised given recent inflation trends. Mr. Geissenhainer responded that the 7.5% return objective remains appropriate as a long-term-spending-plus-inflation target. While inflation has recently exceeded historical averages, he noted that the portfolio's expected long-term return is sufficient to preserve purchasing power and no change in the policy objective is currently recommended.

F. Cambridge Associates Private Equity Education Session

Mr. Jimmy Crivella, Cambridge Associates, presented a private equity education session and reviewed current market conditions and UK's private investments portfolio. He noted that private equity and venture capital have produced strong long-term results for the portfolio despite recent headwinds, including a constrained exit environment and the relative challenge posed by strong public equity market performance. He highlighted signs of improving exit activity, a healthier fundraising environment and the importance of manager selection within private markets.

Mr. Crivella then reviewed UK's private investments portfolio, noting that the allocation remained below target as of September 30, 2025. He discussed the continued transition from fund-of-funds investments to direct manager relationships, ongoing commitment pacing, and the impact of slower distributions and J-curve effects on recent performance. He concluded by reviewing key areas within the portfolio, including venture and growth equity, buyouts, secondaries and private credit, and provided an introduction to Pelican Energy Partners.

Mr. Tatro asked what risks could challenge the long-term investment case for private equity and at what point Cambridge would determine that the asset class was no longer meeting expectations relative to its assumptions. Mr. Crivella responded that Cambridge continues to believe in the long-term merits of private investments but recognizes that opportunities vary across sub-strategies. He noted that Cambridge's approach is to identify the most attractive areas of the market while avoiding segments where valuations, competition or other market dynamics have become less favorable.

G. Endowment Manager Presentation: Pelican Energy Partners

Mr. Mike Scott, founder of Pelican Energy Partners, provided a presentation on his firm and investment strategy.

H. Investment Staff Report

Mr. Shupp reviewed the endowment's asset allocation as of February 28, 2026, noting that the portfolio remains well diversified and near target allocations. He highlighted strong non-U.S. equity market performance, continued diversification within international equities, routine rebalancing activity and redemption payout activity within diversifying strategies.

Ms. Nancy Rohde discussed recent manager appointments, terminations and due diligence for the period. On the appointments side, UK committed $30 million to Revelation Healthcare Fund V and $25 million to Searchlight Opportunities Fund III. She stated there were no terminations during the period. She concluded that manager meetings were standard during this period.

I. Performance Review and Market Update

Mr. Geissenhainer began the performance review and market update by noting that global equity markets were positive through February, with non-U.S. markets outperforming U.S. markets. UK's portfolio generated positive returns and modestly outpaced its benchmark, supported by strong international equity results, active small-cap exposure and value-add from diversifying strategies. Offsetting these gains, private equity continued to lag public markets, while growth-oriented international equities strategies and a global equity manager with a U.S. bias underperformed as non-U.S. markets led returns during the period.

J. Other

Mr. Shupp reviewed the schedule of remaining 2026 Investment Committee meetings and tentative agenda items. The September meeting will include proposed changes to the Endowment Investment Policy and a fiscal year 2026 review from Cambridge Associates in addition to an educational session. In December, approval will be sought for the Endowment Investment Policy changes, and an educational session will be provided by Cambridge Associates.

K. Adjournment

Hearing no further business, the meeting was adjourned at 11:58 am.

Respectfully submitted,

Kristina W. Goins
University Financial Services