

Meeting Minutes of the Investment Committee
University of Kentucky
Thursday, September 11, 2025

The Investment Committee of the University of Kentucky (UK) Board of Trustees met on Thursday, September 11, 2025, in the Gatton Student Center Harris Ballroom.

A. Meeting Opened

Investment Committee Chair, Lance Lucas, called the meeting to order at 2:02 p.m. and requested a roll call.

B. Roll Call

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

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

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.

C. Approval of Minutes for June 12, 2025

Chair Lucas called for a motion to approve the minutes from the Committee meeting on June 12, 2025. The motion was moved by Trustee Vance and seconded by Trustee Swanson. The motion passed without dissent.

D. Proposed Changes to Endowment Investment Policy

Mr. Todd Shupp discussed minor proposed changes to the Endowment Investment Policy. He first outlined a proposal to change the endowment management fee to 1.0% and remove related language that had become stale. The proposed fee is within the approved fee range outlined in the existing Policy and in line with the management fee being assessed in the current fiscal year. Additionally, he discussed a refinement to the private credit benchmark to better represent the exposure in this part of the portfolio. Finally, he noted the inclusion of additional detail in both the private equity and private credit benchmark language.

E. Investment Staff Report

Mr. Shupp presented the Investment Staff Report beginning with an overview of the endowment asset allocation as of July 31, 2025, stating that the portfolio remained in line with asset allocation targets. He highlighted a quasi-endowment inflow of \$20 million that

took place in early July. The global equity allocation moved up and is exactly in line with the target due to strong equity markets during the period and a lift in first quarter private equity valuations. The allocation to both private real assets and diversifying strategies declined due to distribution and redemption activity, respectively. Mr. Shupp then reviewed net cash flows for the period, highlighting key transactions within each of the asset classes. He concluded by reviewing portfolio liquidity against policy guidelines, stating that liquidity remains well within the established target range.

Ms. Nancy Rohde discussed recent manager appointments, terminations and due diligence for the period, stating that there were no updates to share regarding manager hires or redemptions. As for meetings, the period consisted mainly of routine due diligence updates and other meetings. Lastly, Mr. Shupp reviewed the private investments overview report. He stated that the private investment allocation is on target, well-diversified and is seeing an increase in net positive cash flows due to continued distribution activity.

F. Performance Review and Market Update

Mr. Eric Thornton presented a performance review and market update for the fiscal year ending June 30, 2025. He began with a backdrop for the markets, noting that most risk assets ended the year higher despite increased volatility related to geopolitical and tariff uncertainty. Bond performance improved as monetary easing drove short-dated yields lower. In the private markets, private equity returns showed some improvement but struggled to keep pace with public markets. Meanwhile, private real estate continued to face headwinds from relatively tight monetary policy over the period and less favorable supply/demand dynamics.

UK's portfolio benefitted from the strength of the public equity market, with non-U.S. stocks outperforming domestic equities. Diversifying strategies generated a solid gain, driven by strong performance from event driven and opportunistic managers. Additionally, public fixed income outperformed. Countering this, private markets lagged public markets again over the period and a tactical position within public real assets weighed on overall performance for the fiscal year.

Trustee Vance requested clarification on the criteria used to determine whether a company is classified as domestic or international within the global markets. Mr. Thornton answered that it is based on a number of factors, mainly a company's primary listing exchange. Trustee Swanson asked for Cambridge's perspective on whether we might be nearing an AI-driven technology bubble. Mr. Thornton replied that it is difficult to know with certainty as bubbles can only be accurately identified in hindsight. Still, he acknowledged signs of speculative behavior in the market that could be interpreted as warning signs. Trustee Gray asked if the returns discussed are measured net of all fees. Mr. Shupp responded that the return numbers are indeed net of all fees.

G. Other Business

Mr. Shupp reviewed the schedule of remaining 2025 Investment Committee

meetings and tentative agenda items. The remaining meeting of the year will take place on December 2nd. Key agenda items will include an ICR for the proposed changes to the Endowment Investment Policy as well as an educational session from Cambridge Associates.

H. Meeting Adjourned

Hearing no further business, the meeting was adjourned at 2:52 p.m.

Respectfully submitted,



Kristina W. Goins
University Financial Services