



VCU

VIRGINIA COMMONWEALTH UNIVERSITY

VCU Investment Policy Advisory Committee Meeting

January 23, 2015

10:00 AM

Committee members in attendance: William Decatur, Cathleen Burke, Carl Gattuso, Edward Ishac

Committee members absent: Kevin Davenport, John Wiencek, Brent Smith

Others in attendance: Heidi Jack (for John Wiencek); Barry Schmitt, CAPTRUST; Daniel Jason, VCU

I. Fund change recommendation (Fidelity platform only)

CAPTRUST recommended that VCU consider alternative funds for the Core Bond option in the approved lineup. The current fund on the Fidelity platform is PIMCO Total Return.

CIO and co-founder, Bill Gross, left PIMCO in September. He was replaced on the PIMCO Total Return Strategy by Scott Mather, Mark Kiesel, and Mihir Worah with Scott Mather taking lead management responsibilities. While each of these portfolio managers are excellent investors in their own right and have managed successful strategies, this is their first attempt working as a team to manage Total Return. Given the uncertainty created by this transition, CAPTRUST provided two alternatives and recommended the Prudential Total Return Bond Fund. After further discussion, the Committee accepted the recommendation. A fund replacement action will be initiated with Fidelity.

II. Fund Closure and Mapping Project

Mr. Schmitt led a discussion on progress made on the fund closure and mapping project. CAPTRUST provided the Committee with a document that outlined the criteria used to effect the mapping of assets from non-approved funds to approved funds, along with the specific mapping recommendations on a fund by fund basis. The Committee discussed the pros and cons of this process along with the methodology utilized. The Committee accepted the following recommendation:

- For both the Fidelity and TIAA-CREF platforms, close all non-approved funds and map assets in those funds to approved funds except where mapping is not possible.
- For those funds that can't be mapped (CREF Variable annuities), VCU will work with TIAA-CREF to communicate directly with faculty and staff that have investments remaining within the accounts.
- Going forward, any fund that no longer meets policy guidelines will follow this same process.

Ms. Burke, Mr. Jason, and Mr. Schmitt will work with each vendor on the timing and communications of this process. We will request some additional meeting days as the date of these changes gets closer.

III. Other items

Investment Policy Statement

CAPTRUST will review the Investment Policy Statement and make adjustments as necessary.

The meeting was adjourned at 10:45 a.m.