



BOARD OF DIRECTORS

Minutes of the Annual Meeting June 13, 2025

The Board of Directors met at 10:00 a.m. EDT on Friday, June 13, 2025, in Sterling ballroom at Hilton Airport in Knoxville.

Directors Present: Chair Alan D. Wilson, Vice Chair Arthur L. Sparks, President Kerry W. Witcher, Isaac E. Bennett, K. Jeannie Beauchamp, Karen M. Bowling, Douglas A. Brown, Chancellor Yancy Freeman, C. Douglas Haney, Judith A. Herbert (late arrival), Renee B. Iacona, Deborah A. Ingram, Emily Capadalis Love, Chancellor Linda Martin, Misty D. Mayes, J. Phenise Poole, Richard F. Warren. A quorum was confirmed.

Directors not present: UT President Randal Boyd, Past Chair Ronald E. Frieson, Trustee David N. Watson, UTAA Past President Brian Winbigler.

Foundation Leadership Present: Board Secretary Rachael LeBlanc, Treasurer and CFO Adam Heller, Vice Chancellors Evan Beech, Brian Broyles, Charley Deal, Brigitte Grant and Jeanna Swafford, UTAA ED Mike McCay, Communications ED Jackie Wise and Planned Giving AVP Woody Henderson.

UT Chief Investment Office Rip Mecherle attended to present.

I. WELCOME, OPENING REMARKS and CALL TO ORDER

Chair Alan Wilson welcomed everyone and stated the meeting was open to the public, but no visitors were present. He called the meeting to order.

II. UNIVERSITY ENDOWMENT and INVESTMENT UPDATE

Chair Wilson welcomed UT CIO, Rip Mecherle. Rip works closely with Cambridge Associates and talked about oversight of the University Endowment/Consolidated Investment Pool (CIP), ~\$1.5Billion that includes all UT and UTFI Endowments (but does not include UT Chattanooga assets). Mr. Mecherle shared the estimate report as of March 31, 2025 (Exhibit 1). Benchmarks are global market (60/40 stock/bond) and CPI+5.5%. Most endowments did well even through ugly markets. He went on to explain NACUBO; our goal is to thread the upper middle, not focusing on S&P or peers. Commodities were decreased and performance increased. Asset allocations shifts focus on more volatile and cyclical assets moving to private equity. We continue to see healthy cash flow. In response to a question, Rip confirmed we do not hold in cash funds that will be called. They are funded by liquidity in public equity, bonds and cash.

He shared the asset allocation relative to peers (size and staff) as of 12/31/24, which Cambridge follows and Endowments v Distributions rolling average. The orange line represents the 5.5% spend. Giving trends are strong and philanthropy plays a big role in the endowment. Rip followed with net flow rate by year and CIP market value to show fundraising impact. In

the appendix, he confirmed the proposed legislation will not impact UT's endowment at this time and shared hypothetical impact on private huge endowments. Hearing no questions, Rip offered to speak with anyone offline to give more information if needed.

III. COMMITTEE REPORTS

a. Executive Committee

Article VI Section 1 of the UTFI Bylaws states the Executive Committee shall report to the Board all decisions made since its last meeting. Mr. Wilson stated Executive Committee had assisted with transactions and referenced the report (Exhibit 2) in the material.

b. Audit and Finance Committee

Committee Chair Karen Bowling stated the committee had met on May 29 to review the investment portfolio, fiscal 2025 results, and the FY26 draft budget. She asked the CFO to review the FYTD financial reports, and Adam briefly shared the budget to actual results as of May 22 (Exhibit 3), with revenue and expenses both as expected. He stated the report date was odd due to data in the University's Oracle implementation in refinement stage.

The CFO stated the budget being presented for approval is a draft, and the final budget will come for approval at the fall meeting. The Board had been briefed in Executive Session regarding the approval by Audit and Finance Committee to update the Investment Strategy for non-endowed funds, moving to 55% fixed income/35% equities/10% cash to increase targeted earnings from 4% to 5.5% without increasing risk. The draft budget presented reflects this change in earnings.

Adam stated Audit and Finance Committee had reviewed and recommends the draft budget. Karen Bowling moved approval, Phenise Poole seconded, and the draft FY2026 budget (Exhibit 4) was approved as submitted.

c. Nominating and Governance Committee

Committee Chair Emily Love reported that Nominating and Governance Committee had met by conference call December 12, to review the board profile and evaluate needs for this year's election. It was determined that UTAA Past President Brian Winbigler should be nominated for election, and that the Board's current size suits our needs well. Therefore, the committee recommended there would not be an advanced call for nominations. However, Directors were offered to make nominations from the floor.

Emily moved that the Directors presented by the Committee, Jeannie Beauchamp, Karen Bowling, Doug Haney, and Alan Wilson, be re-elected to serve three-year terms effective July 1, 2025. Renee Iacona seconded, and the Directors were re-elected.

Hearing no additional nominations for new Directors, Emily moved on behalf of Nominating and Governance Committee to elect Brian Winbigler to serve an initial three-year term as Director beginning July 1, 2025. Jeannie Beauchamp seconded, and Brian was elected.

Emily noted that all continuing Directors will be asked to complete self-evaluations and an evaluation of the full Board later this summer, and that the Board Chair and Vice Chair will be conducting phone calls regarding Director engagement over the past year, expectations for the coming year, feedback for improvement, and best practices. Everyone was asked to share feedback in the coming months.

d. Real Estate Committee

Committee Chair Richard Warren shared the report (Exhibit 5) on the Real Estate Committee activities since the November 2024 meeting.

IV. FOUNDATION PRESIDENT'S REPORT

President Kerry Witcher thanked the Board of Directors for their time, service and support, and reported (Exhibit 6) on progress toward FY25 Goals and Priorities as well as priorities for FY26. Fundraising has reached a new record for our best fundraising year overall. Knoxville, Chattanooga and Southern have exceeded their annual goals. Institute of Agriculture and Martin are up from last year, and Knoxville has named the Winston College of Law. Kerry thanked the Board for implementing opportunities to increase our annual fundraising growth.

Donor numbers are behind goal, except for Institute of Agriculture. Baby 7 colt was born prematurely and became a social media phenomenon. Hundreds of gifts have been made on the colt's behalf, elevating numbers of UTIA donors. Alumni Engagement overall has exceeded goals, and Advocacy Network is also tracking toward reaching goal by June 30.

In order for UTFI to do our part in making this the greatest decade in UT history, we anticipate reaching \$3B in fundraising by the end of 2029, and each campus has a proportionate goal. Chattanooga has exceeded their campaign goal, and we do anticipate all other units will reach theirs as well.

Hawken Brackett has been hired as AVP for Prospect Management and Research. Adam Heller is chairing the VP/CTO search, with four finalist interviews completed last week. Kerry expects to make an offer next week.

FY26 projects are continuations from 2025 mostly. Goals for 2026 are being set with Vice Chancellors. In January, we expect to return to the Strategic Plan, with a draft coming forward in June 2026. The Vice Chancellor for Advancement at UTC search is still to be determined, based on Kim's retirement plans following a new Chancellor in office next month.

Isaac inquired about our fundraising touch point with graduating seniors. Some campuses are active with senior gift campaigns, which we hope to expand. Brian noted UTK will begin suggesting monthly rather than one-time giving from the group next year to encourage continuing. Donor retention is also a focus.

V. CONSENT ACTION AGENDA

Having received no requests to discuss any item on the consent agenda, Mr. Wilson moved approval of the items, Richard Warren seconded, and the November 6, 2024 Minutes and Proposed 2026 Meeting Dates (Exhibit 7) were approved.

VI. RECOGNITION OF RETIRING DIRECTORS

Chair Wilson made remarks on each retiring director's service and thanked them once again.

- Chancellor Linda Martin has served as the Chancellor representative for one year on Audit and Finance Committee. Her successor Chancellor Melinda Arnold is expected to serve the second year of the term.
- UTM Chancellor Yancy Freeman has served for two years on Real Estate Committee. President Boyd plans to appoint Chattanooga's new Chancellor Lori Bruce as the next chancellor representative. (subsequent note – it was decided that Chancellor Bruce would not be appointed to UTFI Bord at this time)
- Debbie Ingram has served four years as a member of Nominating and Governance Committee, as well as many years in UTAA Leadership.

VII. ADJOURNMENT

With no additional business, the meeting was adjourned.


Rachael LeBlanc, Secretary