

MINUTES OF THE MEETING OF THE FINANCE COMMITTEE OF THE
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.

Members of the University of Louisville Foundation Finance Committee met on Wednesday, November 23, 2005, at 8:30 a.m. in the Alumni Board Room of the Chancey Center with members present and absent as follows:

Present: Mr. Burt Deutsch, Chairman
Mr. H. Scott Davis
Mr. Nathaniel E. Green
Mr. Robert W. Rounsavall, III
Mr. William Wilcox

From the
University: Mr. Mike Curtin, Vice President for Finance
Mr. Joe Gahlinger, Controller's Office
Mr. Rex Davidson, Controller's Office
Mrs. Kathleen Smith, Assistant Secretary
Mrs. Debbie Dougherty, Board Liaison

Others
Present: Mr. John Tyler, Cambridge Associates
Mr. Kent Meyers, Cambridge Associates
Mr. John Fox, Cambridge Associates
Ms. Mary McKinley, BKD Auditors

I. Convene Meeting

Having determined a quorum present, Chair Deutsch called the meeting to order at 8:30 a.m.

Action to Approve Minutes, September 8, 2005

Mr. Davis made a motion, which Mr. Rounsavall seconded, to approve the minutes of September 8, 2005. The motion passed unanimously.

II. Information Updates

Report on Investment Performance

Mr. Gahlinger reviewed the investment performance following the materials provided (copy available upon request).

Endowment Performance

Mr. Tyler reviewed the endowment performance following the materials provided (copy available upon request).

III. Action Item: Approval of FY 2005 Audited Financial Statements

Chairman Deutsch asked Vice President Curtin and Ms. McKinley to update the Committee regarding the audited financial statements. Vice President Curtin reported the financial condition of the Foundation remained strong, noting that of the \$767 million total liabilities and assets, \$542 million represents investment assets.

Ms. McKinley thanked Mr. Curtin for his overview, and concurred with his report. She noted a clean and unqualified audit. She complimented Rex Davidson for his assistance throughout the audit process. Mr. Davis made a motion, which Mr. Green seconded to approve the

Audited financial statements for the period ending June 30, 2005 and 2004 and Independent Auditor's Report as presented by BKD (copy available upon request).

The motion passed unanimously.

The Committee then took a short recess.

IV. Presentation of Money Managers

The Committee received an update on MALT from Kent Meyers, Cambridge Associates. Following that, Mr. Tyler, Cambridge Associates, led an asset allocation strategy discussion. The Committee heard presentations from Brandywine Asset Management, Wellington Management Company, and New Star Asset Management.

V. Discussion of Changes to the Investment Policy Guidelines

The Committee discussed changes to the investment policy guidelines. Upon discussion and review, the Finance Committee proposed an asset allocation plan which will rebalance certain asset classes and funds, provide for the introduction of three new managers and the elimination of one, and establish new asset class targets.

VI. Adjournment

The meeting adjourned at 12 Noon.

BOARD ACTION:

Passed X
Did not pass
Other

Asst. Secretary *Katalin M. Smith*