

MINUTES OF THE UNIVERSITY OF LOUISVILLE
FOUNDATION FINANCE COMMITTEE

In Open Session

Members of the University of Louisville Foundation Finance Committee met on Wednesday, September 6, 2006, at 12 Noon 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 (arriving at 1:30)
Mr. William Wilcox
Mr. Nathaniel Green
Mr. Robert W. Rounsavall, III

Board of
Directors: Mr. Frank Hower
Mr. Harry Jones

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

Others
Present: Mr. John Tyler, Cambridge Associates
Mr. John Fox, Cambridge Associates

I. Convene Meeting

Having determined a quorum present, Chair Deutsch called the meeting to order at 12:15 p.m.

Action to Approve Minutes, May 31, 2006

Mr. Green made a motion, which Mr. Rounsavall seconded, to approve the minutes of May 31, 2006. The motion passed unanimously.

II. Information Updates

Endowment Performance

Mr. Gahlinger reviewed the Investment Summary Report (copy available upon request). He noted that since 1995, the Foundation's portfolio has added \$150.9 million in wealth. For comparison,

Cambridge Associates College and University Median was \$121.8 million compared to the Actual Allocation Benchmark. As of June 30, 2006, the ending market value was \$640.4 million. Chairman Deutsch thanked Mr. Gahlinger for an excellent report and reminded the University that a complete compilation of gifts would be helpful as the Foundation focuses on additional fundraising.

Investment Performance & Manager Update

Messrs. Tyler and Fox discussed investment performance.

MALT Update

Messrs. Tyler and Fox provided an update on the performance of MALT. The Committee members agreed to provide the following recommendation to the Board of Directors:

That the Board of Directors approve retaining an investment consultant firm, Hammond Associates Institutional Fund Consultants, Inc., of St Louis, Missouri, to conduct periodic performance reviews of the Marketable Alternative (MALT) investments of the Foundation, contingent upon successfully negotiating a contract for services. The contract would call for semi-annual reviews over a two year period and is expected to cost \$60,000 per year.

The motion passed unanimously.

The Committee took a five-minute break at 1:25 p.m.

III. Värde VIII Presentation

The Committee heard a presentation by Ms. Kirsten Voss via conference call.

IV. Large Cap Value Manager Presentations

TCW

The Committee heard a presentation by Ms. Clare A. Polidore, Managing Director, US Equities and Mr. Robert M. dePalma, Vice President, Private Client Services.

Davis

The Committee heard a presentation by Mr. Peter J. Sackmann, CFA, Director, Institutional Services and Research and Mr. Steven Ralff, Manager, Institutional Services and Research.

V. Adjournment

The meeting adjourned at 4:00 p.m.

BOARD ACTION:

Passed X

Did not pass

Other

Asst. Secretary *Katalin M. Smith*