

MINUTES OF THE REGULAR MEETING OF THE UNIVERSITY OF LOUISVILLE
FOUNDATION FINANCE COMMITTEE

In Open Session

Members of the University of Louisville Foundation Finance Committee met on Monday, September 17, 2007, 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. Robert W. Rounsavall, III (arrived at 1:00 p.m.)
Mr. Frank Weisberg

Absent: Ms. Joyce Hagen
Mr. Harry Jones
Ms. Sandra Metts Snowden
Mr. William Wilcox

Other Board Members

Present: Mr. Sam Rechter
Ms. Barbara Weakley-Jones

From the

University: Mr. Mike Curtin, Vice President for Finance
Mr. Keith Inman, Vice President for University Advancement
Mr. Larry Owsley, Vice President for Business Affairs
Ms. Susan Ingram, Director of Budgets
Ms. Susan Magness, Controller's Office
Mr. Joe Gahlinger, Controller's Office
Mr. Rex Davidson, Controller's Office
Mrs. Kathleen M. Smith, Assistant Secretary
Mrs. Debbie Dougherty, Board Liaison

Others

Present: Mr. John Tyler, Cambridge Associates
Ms. Letitia Hall, Cambridge Associates

By Conference

Call: Mr. George Hasiotis, Cambridge Associates

I. Convene Meeting

Without a quorum present, Chair Deutsch allowed the information items to be presented.

II. Action Item: Approval of Capital South/METRO Mezzanine Fund

Committee members reviewed the proposal; action was postponed to the Board meeting.

III. Information Updates

Endowment Performance

Mr. Gahlinger reviewed the Investment Performance Summary, Alternative Investments Summary, and Quarterly Investment Performance Report. Since 1995, the Foundation's diversified portfolio has added \$176.7 million in wealth compared to the Cambridge Associates' College and University Median and \$140.1 million compared to the Actual Allocation Benchmark. Chair Deutsch thanked Mr. Gahlinger for his report.

Investment Performance & Manager Update

Ms. Hall and Mr. Tyler discussed investment performance and provided an update on the investment managers.

Portfolio Rebalancing Implementation

Mr. Tyler discussed proposed changes for rebalancing allocations.

MALT Update

Mr. Hasiotis, via conference call, briefed the Committee on the MALT investments. (Mr. Rounsavall arrived at 1:00 p.m.)

The Committee took a brief break at 1:20 p.m.

IV. Presentation of Money Managers

Silchester International: Michael Cowan and Chris Cowie

The Committee heard a presentation by Messrs. Cowan and Cowie by phone.

New Star International Growth: Tom Holmberg

The Committee heard a presentation by Mr. Tom Holmberg by phone.

V. Discussion Regarding Portfolio Risk

Mr. Tyler and Ms. Hall discussed risks involved with the portfolio.

VI. Discussion Regarding Real Assets

Mr. Tyler and Ms. Hall discussed non-marketable and natural resources options.

VII. Adjournment

The group disassembled after discussing these information items.

BOARD ACTION:

Passed X

Did not pass

Other

Asst. Secretary *Katalin M. Smith*