

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS
OF THE UNIVERSITY OF LOUISVILLE FOUNDATION, INC.

In Open Session

Members of the University of Louisville Foundation, Inc. Board of Directors met at 1:54 p.m. on March 31, 2015, in the UofL Foundation Board Room, Cardinal Station, with members present and absent as follows:

Present: Dr. Robert Curtis Hughes, Chair
Dr. Larry Benz
Mr. Jonathan Blue
Mr. Chuck Denny
Dr. Salem George
Ms. Joyce Hagen
Ms. Margaret Handmaker
Dr. Mark Lynn
Dr. Jody Prather
Dr. James R. Ramsey
Dr. William Selvidge
Mr. Frank Weisberg

Absent: Mr. Junior Bridgeman

Judge Rebecca Jackson
Mr. Frank Minnifield

Guests: Mr. Jeff Meade, Cambridge Associates, LLC
Mr. Scott Martin, Cambridge Associates, LLC
Ms. Letitia Johnson, Cambridge Associates, LLC
Mr. Chris Warren, Cambridge Associates, LLC

From Legal
Counsel: Mr. Tom Halbleib, Stites & Harbison

From the
Foundation: Dr. William Pierce, Vice President
Mrs. Kathleen Smith, Assistant Secretary
Mr. Burt Deutsch, Consultant
Mr. Mike Kramer, Dir., Investments and Financial Management
Ms. Susan Magness, Foundation Financials
Mr. Justin Ruhl, Foundation Accounting Supervisor
Mr. Jason Tomlinson, Assistant Treasurer

From the
University: Dr. Neville Pinto, Dean of Speed Engineering

Mr. Harlan Sands, Sr. VP for Finance and Administration, CFO/COO
Mr. Keith Inman, Vice President for University Advancement
Ms. Becky Simpson, Sr. Assoc. VP for Communications and Marketing
Ms. Trisha W. Smith, Deputy Chief of Staff
Mr. Jake Beamer, Boards Liaison

I. Call to Order

Having determined a quorum present, Chairman Hughes called the meeting to order at 1:54 p.m.

II. Consent Agenda

Chairman Hughes read the consent agenda as follows:

Consent Agenda

- **Approval of Minutes, January 30, 2015**
- From Finance Committee**
- **Approval of Spending Policy**
 - **Approval of Asset Allocation Change**
 - **Approval of Exception to Testament Gift Policy**

Hearing no objection, Dr. Selvidge made a motion, which Dr. Lynn seconded, to approve the Consent Agenda.

The motion passed.

III. Report of the President

President Ramsey gave a presentation on University events since the previous meeting of the UofL Foundation. Highlights included: UofL making the 2015 “Best for Vets” List; three alums making Forbes “30 Under 30” List (Marianne Barnes, Jeremiah Chapman, and Alex Frommeyer); UofL being named Carnegie Community Engagement University; \$1.5 million gift to the Cardinal Covenant Program; Announcement of the Schnatter/Koch \$6.3 million gift; and a \$2.3 million NIH grant for asthma study.

President Ramsey concluded his report with economic impact updates on the Belknap Engineering and Applied Sciences Research Park, the ShelbyHurst Campus, and the J.D. Nichols Campus for Innovation and Entrepreneurship. .

Chairman Hughes thanked the President for his report.

IV. Report of the Chair

Chairman Hughes had no report.

V. Adjournment

Having no other business to come before the board, Mr. Weisberg made a motion, which Dr. Selvidge seconded, to adjourn the meeting at 2:37 p.m. The motion passed.

Approved by:

Karen M. Smith

Assistant Secretary

**RECOMMENDATION TO THE BOARD OF DIRECTORS
UNIVERSITY OF LOUISVILLE FOUNDATION, INC., CONCERNING
SPENDING POLICY**

MARCH 31, 2015

RECOMMENDATION:

The President recommends the Board of Directors approve the spending policy for fiscal year 2016. The current spending policy calculation for endowments is based on appropriating 5.5% of the three-year moving average of endowment market value as of December 31st for the three most recent calendar years. The total amount of spending policy for fiscal year 2016 will be \$39,080,985.46. This is an increase of 1.60% from fiscal year 2015.

Committee Action:

Passed: X

Did not Pass:

Other:

Date:

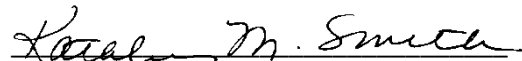
Board Action:

Passed: X

Did not Pass:

Other:

Date:


Assistant Secretary

**RECOMMENDATION TO THE BOARD OF DIRECTORS
UNIVERSITY OF LOUISVILLE FOUNDATION, INC. CONCERNING REVISED
ASSET ALLOCATION PLAN**

MARCH 31, 2015

RECOMMENDATION:

The Finance Committee recommends that the Board of Directors:

Approve the attached asset allocation plan for immediate implementation.

Committee Action:

Passed: X

Did not Pass:

Other:

Date:

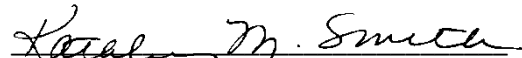
Board Action:

Passed: X

Did not Pass:

Other:

Date:


Assistant Secretary

UNIVERSITY OF LOUISVILLE FOUNDATION, INC.

POLICY ASSET ALLOCATION TARGETS, RANGES, and BENCHMARKS

| <u>Asset Class:</u> | <u>Target</u> | <u>Range</u> | <u>Specified Benchmark</u> |
|---------------------------------------|----------------------|---------------------|---|
| U.S. Equity | 14.0% | 10%-30% | Russell 3000 Index |
| Developed Non-U.S. Equity | 14.0% | 10%-25% | MSCI EAFE Index |
| Emerging Non-U.S. Equity | 14.0% | 5%-20% | MSCI Emerging Markets Index |
| Marketable Alternatives (Hedge Funds) | 20.0% | 15%-30% | HFRI Fund of Funds Diversified Index |
| Real Assets | 14.0% | 9%-30% | 25% MSCI World Natural Resources Index/ 25% UBS Global Real Estate Investors Index/ 25% DJ UBS Commodity Index Total Return/ 25% Barclays U.S. TIPS Index |
| Private Equity (NMAA ex. Real Assets) | 14.0% | 5%-20% | Russell 3000 + 5% Index |
| Fixed Income | 10.0% | 5%-25% | 65% BC Aggregate Bond Index/ 35% Citigroup WGBI |

The Fund's Custom benchmark shall be calculated by applying the Long Term Target Asset Allocation percentages defined above to the relevant Specified Benchmark.

**RECOMMENDATION TO THE BOARD OF DIRECTORS
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.
APPROVING EXCEPTION TO TESTAMENTARY GIFT POLICY**

MARCH 31, 2015

RECOMMENDATION:

The President recommends that the Board of Directors:

approve the availability of the Murrell Straley Estate proceeds for current use spending, thereby providing an exception to the policy for testamentary gifts.

Committee Action:

Passed: X

Did not Pass:

Other:

Date:

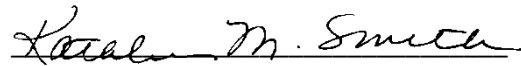
Board Action:

Passed: X

Did not Pass:

Other:

Date:


Assistant Secretary