



C A M B R I D G E A S S O C I A T E S L L C

# University of Louisville Foundation

## Quarterly Investment Performance Report

### Board of Directors Meeting

**June 12, 2012**

# Endowment Performance Comparison

(net returns)



	AACR(%)				
	FYTD	1 Year	3 Year	5 Year	Annual
	7/1/2011 3/31/2012	3/31/2011 3/31/2012	3/31/2009 3/31/2012	3/31/2007 3/31/2012	7/1/1995 3/31/2012

<b>University of Louisville Endowment (Total Assets)</b>	<b>1.7 %</b>	<b>2.5 %</b>	<b>17.1 %</b>	<b>3.0 %</b>	<b>10.3 %</b>
<b>Actual Allocation Benchmark</b>	<b>1.1 %</b>	<b>1.2 %</b>	<b>16.2 %</b>	<b>1.6 %</b>	<b>8.6 %</b>
<b>Cambridge Associates Endowment Median</b>	<b>0.8 %</b>	<b>1.7 %</b>	<b>14.8 %</b>	<b>2.8 %</b>	<b>8.3 %</b>
<i>Pool Size</i>	401	401	393	378	218
<i>Percentile</i>	23	34	10	41	9
<b>Cambridge Assoc. College and University Median</b>	<b>1.0 %</b>	<b>2.0 %</b>	<b>14.8 %</b>	<b>2.7 %</b>	<b>8.2 %</b>
<i>Pool Size</i>	142	142	141	136	101
<i>Percentile</i>	26	43	7	39	9
<b>Cambridge Assoc. College and University \$600mm - \$1bn Median</b>	<b>1.5 %</b>	<b>3.2 %</b>	<b>14.1 %</b>	<b>2.6 %</b>	<b>8.4 %</b>
<i>Pool Size</i>	17	17	17	16	13
<i>Percentile</i>	36	55	0	38	0

Note: Periods of ULF Endowment outperformance in green, periods of underperformance in red.

# Recent Value Changes in Endowment

(in thousands)



	FY 11 Ended 6/30/11	FY 12 To 3/31/2012
Beginning Market Value	\$ 639,654	\$ 730,180
Ending Market Value	\$ 730,180	\$ 725,361
Change	\$ 90,526	(\$ 4,819)
Net Contributions	(\$ 25,992)	(\$ 19,306)
Market Change	\$ 116,518	\$ 14,486

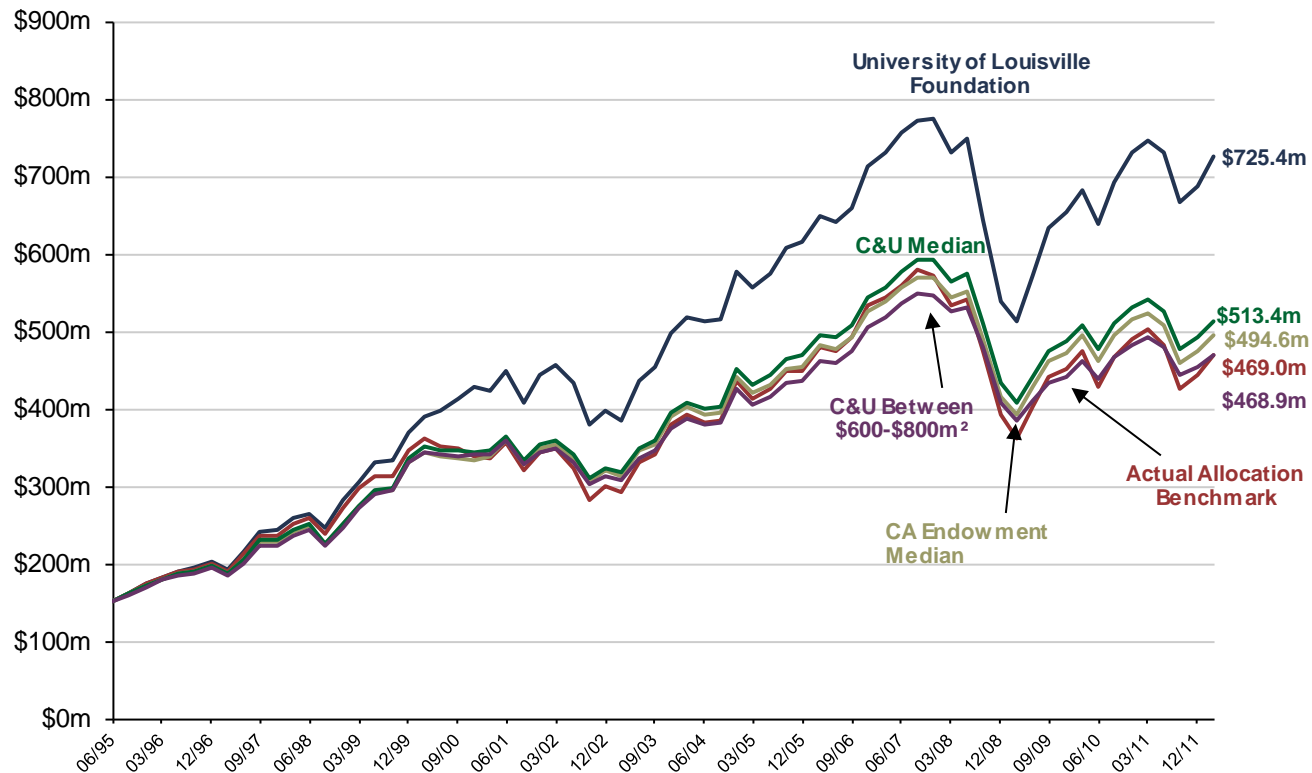
# Total Return Analysis

July 1, 1995 – March 31, 2012



Since 1995, the Foundation's portfolio has added \$ 212.0 million more wealth compared to the CA College and University Median, and \$256.4 million compared to the Actual Allocation Benchmark.

TOTAL RETURN ANALYSIS<sup>1</sup>  
July 1, 1995 - March 31, 2012



<sup>1</sup> Please note this analysis is for ULF Total Assets, which is different from ULF Total Pool. ULF Total Assets includes ULF Total Pool as well as the Unitrust Equity, the Mohr Endowment, and the UHI Line of Credit.

<sup>2</sup> Due to limited preliminary figures, the Colleges & Universities Between \$600-\$800m median return is based on a universe of 12 institutions.

# Endowment Performance by Composite

As of March 31, 2012



<u>Asset Class</u>	<u>Market Value (\$ mm.)</u>	<u>% of Total Portfolio</u>	<u>AACR (%)</u>				<u>Annualized Since Inception</u>
			<u>7/1/2011</u>	<u>3/31/2011</u>	<u>3/31/2009</u>	<u>3/31/2007</u>	
			<u>3/31/2012</u>	<u>3/31/2012</u>	<u>3/31/2012</u>	<u>3/31/2012</u>	
			<u>FYTD</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	
<b>U.S. Equity (12/31/89)</b>	<b>170.6</b>	<b>23.5%</b>	<b>11.4 %</b>	<b>12.9 %</b>	<b>30.9 %</b>	<b>6.8 %</b>	<b>11.1 %</b>
Russell 3000 Index			7.2 %	7.2 %	24.2 %	2.2 %	8.9 %
CA U.S. Equity Manager Median			4.2 %	3.9 %	24.3 %	2.7 %	10.1 %
<b>Developed Global Ex. U.S. Equity (4/28/95)</b>	<b>95.3</b>	<b>13.1%</b>	<b>(5.7 %)</b>	<b>(3.1 %)</b>	<b>18.0 %</b>	<b>(0.6 %)</b>	<b>8.9 %</b>
MSCI EAFE Index			(7.2 %)	(5.8 %)	17.1 %	(3.5 %)	4.3 %
CA Global Ex. U.S. Equity Manager Median			(6.6 %)	(5.1 %)	18.2 %	(2.1 %)	---
<b>Emerging Markets Equity (7/31/02)</b>	<b>59.0</b>	<b>8.1%</b>	<b>(5.7 %)</b>	<b>(5.9 %)</b>	<b>27.6 %</b>	<b>4.7 %</b>	<b>15.3 %</b>
MSCI Emerging Markets Index			(7.6 %)	(8.5 %)	25.4 %	5.0 %	17.0 %
CA Emerging Markets Equity Manager Median			(8.2 %)	(8.9 %)	25.1 %	3.7 %	---
<b>Fixed Income (12/31/89)</b>	<b>72.8</b>	<b>10.0%</b>	<b>13.1 %</b>	<b>16.6 %</b>	<b>11.3 %</b>	<b>8.3 %</b>	<b>7.5 %</b>
Fixed Income Benchmark (12/31/89)			4.1 %	6.8 %	6.7 %	6.5 %	7.0 %
CA Core Bond Manager Median			5.4 %	7.6 %	7.9 %	6.4 %	7.0 %

# Endowment Performance by Composite (cont.)

As of March 31, 2012



Asset Class	Market Value (\$ mm.)	% of Total Portfolio	AACR (%)				Annualized Since Inception
			7/1/2011 3/31/2012 FYTD	3/31/2011 3/31/2012 1 Year	3/31/2009 3/31/2012 3 Year	3/31/2007 3/31/2012 5 Year	
<b>Marketable Alternatives (12/31/04)</b>	<b>154.2</b>	<b>21.3%</b>	<b>(0.6 %)</b>	<b>(1.0 %)</b>	<b>9.8 %</b>	<b>3.2 %</b>	<b>5.4 %</b>
HFRI Fund of Funds Diversified Index (12/31/04)			(1.9 %)	(3.1 %)	4.5 %	(0.6 %)	2.4 %
CA Fund of Funds Hedge Fund Manager Median			(0.5 %)	(0.5 %)	8.2 %	2.1 %	4.7 %
<b>Marketable Real Assets (10/31/96)</b>	<b>58.7</b>	<b>8.1%</b>	<b>(8.8 %)</b>	<b>(14.2 %)</b>	<b>21.9 %</b>	<b>(0.9 %)</b>	<b>12.8 %</b>
Real Assets Benchmark (10/31/96)			(2.9 %)	(5.3 %)	15.3 %	3.0 %	10.5 %
<b>Private Real Assets (11/15/94)</b>	<b>13.4</b>	<b>1.8%</b>	<b>4.8 %</b>	<b>12.0 %</b>	<b>3.1 %</b>	<b>2.5 %</b>	<b>4.2 %</b>
<b>Total PI ex. Real Assets (11/15/96)</b>	<b>66.8</b>	<b>9.2%</b>	<b>(2.8 %)</b>	<b>0.5 %</b>	<b>8.2 %</b>	<b>4.0 %</b>	<b>22.4 %</b>
<b>PNC Schoen (1/1/08)</b>	<b>1.7</b>	<b>0.2%</b>	<b>(1.6 %)</b>	<b>(2.1 %)</b>	<b>16.8 %</b>	<b>---</b>	<b>(5.1 %)</b>
<b>Cash Pending Placement (3/30/09)</b>	<b>-9.1</b>	<b>-1.3%</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Unitrust (11/30/01)</b>	<b>5.4</b>	<b>0.7%</b>	<b>6.1 %</b>	<b>6.1 %</b>	<b>23.3 %</b>	<b>1.7 %</b>	<b>2.5 %</b>
<b>UHI Line of Credit (1/22/08)</b>	<b>38.2</b>	<b>5.3%</b>	<b>2.5 %</b>	<b>3.3 %</b>	<b>3.3 %</b>	<b>---</b>	<b>3.5 %</b>
<b>TOTAL Assets (12/31/89)</b>	<b>725.4</b>	<b>100.0%</b>	<b>1.7 %</b>	<b>2.5 %</b>	<b>17.1 %</b>	<b>3.0 %</b>	<b>10.3 %</b>

## LAND & BUILDING HOLDINGS

Cost	Depreciation	Income
\$92,668,663	-\$8,669,210	\$2,002,951

GDP Deflator	0.6 %	1.2 %	1.5 %	1.5 %	2.2 %
Total Spending Rate	5.6 %	7.5 %	7.0 %	6.0 %	6.0 %
Real Growth	(4.5 %)	(6.2 %)	8.6 %	(4.5 %)	2.1 %

# Marketable Alternative Performance

As of March 31, 2012



Asset Class	Market Value (\$ mm.)	% of Total Portfolio	AACR (%)				Annualized Since Inception
			7/1/2011 3/31/2012 FYTD	3/31/2011 3/31/2012 1 Year	3/31/2009 3/31/2012 3 Year	3/31/2007 3/31/2012 5 Year	
<b><u>ABSOLUTE RETURN</u></b>							
Multi-Strategy Arbitrage (12/31/04)	37.1	24.1%	0.3 %	(0.4 %)	9.6 %	2.3 %	5.6 %
Event-Driven (12/31/04)	23.1	15.0%	0.7 %	2.3 %	14.7 %	4.6 %	6.3 %
Credit Arbitrage (12/31/04)	1.0	0.6%	---	---	9.1 %	6.3 %	6.1 %
Distressed (12/31/04)	17.7	11.5%	(1.3 %)	(2.2 %)	15.2 %	3.8 %	7.5 %
Global Macro (11/30/11)	7.6	4.9%	---	---	---	---	8.1 %
<b><u>LONG/ SHORT</u></b>							
U.S. Long/Short (12/31/04)	26.9	17.4%	2.1 %	1.0 %	12.1 %	4.9 %	5.8 %
Global/Regional Long/Short (12/31/04)	40.7	26.4%	(3.7 %)	(4.0 %)	4.1 %	0.4 %	2.9 %
<b>TOTAL (12/31/04)</b>	<b>154.2</b>	<b>100.0%</b>	<b>(0.6 %)</b>	<b>(1.0 %)</b>	<b>9.8 %</b>	<b>3.2 %</b>	<b>5.4 %</b>

# Non-Marketable Performance

As of December 31, 2011



<u>Asset Classes</u>	<u>Commitment(s)</u>	<u>Paid-In Capital</u>	<u>Unfunded Commitment(s)</u>	<u>Distributions at Market</u>	<u>Current Net Asset Value (NAV)</u>	<u>Asset Class IRR</u>	<u>CA Median</u>	<u>Total Value/ Paid In Multiple</u>
<b>U.S. Venture Capital</b>	<b>45.3</b>	<b>37.4</b>	<b>7.9</b>	<b>40.2</b>	<b>19.1</b>	<b>35.5%</b>	<b>10.5%</b>	<b>1.6</b>
<b>U.S. Private Equity</b>	<b>17.5</b>	<b>13.6</b>	<b>3.9</b>	<b>9.5</b>	<b>10.3</b>	<b>12.1%</b>	<b>8.8%</b>	<b>1.5</b>
<b>Non-U.S. Private Equity</b>	<b>11.0</b>	<b>6.0</b>	<b>5.0</b>	<b>0.5</b>	<b>6.0</b>	<b>3.2%</b>	<b>4.4%</b>	<b>1.1</b>
<b>Opportunistic</b>	<b>53.0</b>	<b>41.7</b>	<b>11.3</b>	<b>50.0</b>	<b>26.1</b>	<b>19.5%</b>	<b>16.0%</b>	<b>1.8</b>
<b>Inactive/Liquidated Investments</b>	<b>1.0</b>	<b>1.0</b>	<b>0.0</b>	<b>1.9</b>	<b>0.0</b>	<b>9.6%</b>	<b>8.4%</b>	<b>1.9</b>
<b>ULF Direct Investments</b>	<b>3.0</b>	<b>4.7</b>	<b>0.0</b>	<b>0.0</b>	<b>5.2</b>	<b>6.9%</b>	<b>NA</b>	<b>1.1</b>
<b>Total Private Investments ex Real Assets</b>	<b>130.7</b>	<b>104.3</b>	<b>28.1</b>	<b>102.1</b>	<b>66.7</b>	<b>21.3%</b>	<b>12.2%</b>	<b>1.6</b>
<b>Total Private Real Assets</b>	<b>37.0</b>	<b>22.5</b>	<b>14.5</b>	<b>10.0</b>	<b>18.1</b>	<b>7.8%</b>	<b>2.2%</b>	<b>1.3</b>
<b>TOTAL PORTFOLIO</b>	<b>167.7</b>	<b>126.8</b>	<b>42.6</b>	<b>112.1</b>	<b>84.7</b>	<b>18.3%</b>	<b>10.8%</b>	<b>1.6</b>

Reporting Currency: U.S. Dollars (\$), in millions

Paid-In Capital: Capital paid in to the partnership, which includes fees and capital for investments.

Distributions at Market: Capital distributed to an investor from the partnership.

Current Net Asset Value (NAV): The residual value of an investor's interest, which is reported by the partnership in its financial statements.

IRR: The investor's return on its investment in the partnership, net of fees, expenses, and carried interest received by the general partners.

Total Value: Total value is calculated by adding the NAV and Distributions at Market.

Direct Investments are not factored into benchmarking because they are not standard alternative asset partnerships.