

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

In Open Session

Members of the Finance Committee of the University of Louisville Foundation, Inc., met at 12:10 p.m. on December 5, 2012, in the Board Room of the University Club, with members present and absent as follows:

Present:        Mr. Burt Deutsch, Chair  
                    Ms. Joyce Hagen  
                    Dr. William Selvidge  
                    Mr. Frank Weisberg

Guests:         Mr. Jeff Meade, Cambridge Associates, LLC  
                    Mr. Scott Martin, Cambridge Associates, LLC

From the  
Foundation:    Mr. Mike Curtin, Assistant Treasurer

From the  
University:    Mr. Keith Inman, VP for University Advancement  
                    Mr. Michael Kramer, Dir., Investments & Financial Management  
                    Ms. Becky Simpson, Senior Assoc. VP, University Advancement  
                    Ms. Susan Howarth, Director of Budgets  
                    Ms. Debbie Dougherty, Board Liaison

I.        Call to Order

Having determined a quorum present, Chair Deutsch called the meeting to order at 12:10 p.m.

Approval of Minutes,

Ms. Hagen made a motion, which Mr. Weisberg seconded, to approve the minutes of September 17, 2012.

II.       Information Updates

Endowment Performance

Mr. Kramer reviewed the endowment performance. He discussed the market value as of September 30, 2012, the total return analysis, the endowment performance by composite, and marketable alternative and non-marketable performance. Chair Deutsch thanked Mr. Kramer for an excellent report.

Market Update/Review

Mr. Meade from Cambridge Associates briefed the Committee on the economy and the overall state of the financial markets.

#### Bridgeway Liquidation

Mr. Meade discussed re-balancing efforts and no action was required.

#### UL Foundation Related Entity Budget and Debt/Financing Review

Chair Deutsch noted these items were discussed more fully at the last committee meeting. The main reason for reference today is to keep attention on the fact that there are two areas Vice President Curtin and his staff are looking at: 1) loan guarantees/debt of UL Foundation, and 2) budget for Nucleus and Metacyte. Chair Deutsch noted Vice President Curtin and his staff plan to provide a full budget review of these two entities during the next budget review cycle. He noted both entities do a good job, reporting directly to the UL Foundation and Executive Vice President Pierce. Dr. Pierce conducts reviews from a programmatic standpoint; however, the UL Foundation would like to incorporate a budget review of these two entities in the same manner it conducts an annual operating budget review. Chair Deutsch further noted Metacyte provides due diligence regarding companies for direct investments. Vice President Curtin shared an update on New Market Tax Credit status and the savings involved with the building downtown overseen by Nucleus.

Vice President Curtin announced that the UL Foundation recently received its first Health Sciences Tax Increment Financing (TIF) payment from the City of Louisville. He noted a similar payment from the State would be forthcoming.

### III. Action Item: Approval of Establishment of Quasi Endowment for the Brandeis School of Law

Vice President Curtin reported the Brandeis School of Law would like to take \$1,100,000.00 from their unrestricted gift program G0416 (Fund for UofL Law) to create an unrestricted quasi-endowment to support with operating expenses for Admissions, Student Life, Professional Development, travel, and office expenses for the Law School. This will guarantee income for the unit. Mr. Weisberg made a motion, which Dr. Selvidge seconded, to approve the

#### **President's recommendation that the Board of Directors approve the establishment of a Quasi-Endowment for the Brandeis School of Law**

The motion passed.

The Committee took a short break at 1:05 p.m.

### IV. Real Assets Annual Review

Messrs. Meade and Martin reviewed real assets and fielded questions from committee members. The Committee approved the following motion

**That the Board of Directors approve the hiring of Wellington, RS Global and AEW as managers in the real assets portion of the endowment pool. The Committee recommends investing approximately \$38 million between these three managers and adding to two existing investments: SPDR Gold ETF and Van Eck International Investors Gold Fund. These investments will be funded from the redemption of the Wellington DIH portfolio.**

The motion passed.

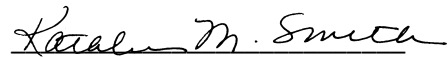
VII. Questions/Discussion

A discussion ensued and Cambridge Associates fielded questions from the Finance Committee.

VIII. Adjourn

The meeting adjourned at 2:30 p.m.

Approved by:



Asst. Secretary