

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 on September 20, 2013, in the Jefferson Room, of Grawemeyer Hall on Belknap Campus, with members present and absent as follows:

Present: Mr. Burt Deutsch, Vice Chair, Presiding
Dr. Larry Benz
Mr. Jonathan Blue
Mr. Chuck Denny
Dr. Salem George
Ms. Joyce Hagen
Dr. Mark Lynn
Dr. Jody Prather
Ms. Debbie Scoppechio
Mr. Frank Weisberg

Absent: Mr. Junior Bridgeman
Ms. Margaret Handmaker
Mr. Frank Minnifield

From Legal
Counsel: Mr. David Saffer, Stites & Harbison

From the
Foundation: Dr. Shirley Willihnganz, Vice President
Mr. Michael Curtin, Assistant Treasurer
Mrs. Kathleen Smith, Assistant Secretary

From the
University: Dr. David Dunn, Executive Vice President for Health Affairs
Dr. William Pierce, Executive Vice President for Research and Innovation
Mr. Jason Tomlinson, Assistant Vice President for Finance
Ms. Anne Rademaker, Dir. Of General Reporting and University Accounting
Mr. Mike Kramer, Accounting, Controller's Office
Ms. Becky Simpson, Associate VP for Communications and Marketing
Mr. Mark Heber, Director of Media Relations
Ms. Susan Howarth, Director of Budgets, Vice President for Finance
Mr. Jake Beamer, Boards Liaison

I. Call to Order

Having determined a quorum present, Vice Chair Deutsch called the meeting to order at 9:37 a.m.

II. Consent Agenda

Vice Chair Deutsch read the consent agenda.

Approval of Minutes of Regular Meeting, 2/26/2013
From the Finance Committee

- Action Item: Approve FY 2014 Operating Budget
- Action Item: Approval of Change to One Time Spending Policy
- Action Item: Approval of Changes in Asset Allocation
- Action Item: Approval of Resolution Regarding Banking Signature Authority
- Information Item: Interim Financial Statements
- Information Item: Investment Performance Report

Hearing no objection, Ms. Scoppechio made a motion, which Mr. Denny seconded, to approve the consent agenda. The motion passed. Vice Chair Deutsch noted the continuation of a modification to the spending policy as a way for the Foundation to help the University.

III. Approval of Signature Authority

Signature Authority

President Ramsey noted this action was routine in nature and discussed the recommended changes. The President made a motion, which Mr. Weisberg seconded, to approve the

**RESOLUTION
BOARD OF DIRECTORS
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.**

A. CORPORATE SIGNATURE AUTHORITY:

BE IT RESOLVED, that the following named individuals in their capacity as officers or employees of the Foundation or employees of the University acting as agents for the Foundation be and hereby are the only officers and agents of the Foundation empowered to execute contracts on behalf of the University of Louisville Foundation, Inc.:

NAME	TITLE
Debbie Scoppechio	Chair
Joyce Hagen	Vice Chair
James R. Ramsey	President
Shirley Willihnganz	Executive Vice President
Junior Bridgeman	Treasurer
Jason Tomlinson	Assistant Treasurer
Frank Weisberg	Secretary
Kathleen M. Smith	Chief of Staff/Assistant Secretary

B. FINANCE/INVESTMENT SIGNATURE AUTHORITY:

BE IT FURTHER RESOLVED that the following named individuals in their capacity as officers or employees of the Foundation or employees of the University acting as agents for the Foundation be and hereby are the only officers and agents of the Foundation empowered to endorse securities for sale or subscription, purchase or sell securities, and execute any documents incident to the management and administration

of investments, such documents to include but not be limited to purchase or sale authorizations or agreements, participation agreements, stock or bond powers and proxies, on behalf of the University of Louisville, Foundation, Inc.;

NAME	TITLE
Debbie Scoppechio	Chair
Joyce Hagen	Vice Chair
James R. Ramsey	President
Shirley Willihnganz	Executive Vice President
Junior Bridgeman	Treasurer
Jason Tomlinson	Assistant Treasurer
Susan Magness	Associate Controller, U of L
Michael D. Kramer	Director, Investments

C. DEVELOPMENT/DONOR RELATIONS SIGNATURE AUTHORITY:

BE IT FURTHER RESOLVED that the following named individuals in their capacity as officers or employees of the Foundation or employees of the University acting as agents for the Foundation be and hereby are the only officers and agents of the Foundation empowered to execute gift receipts and U.S. Internal Revenue Service forms pertaining to gift reports, on behalf of the University of Louisville Foundation, Inc.:

NAME	TITLE
Debbie Scoppechio	Chair
Joyce Hagen	Vice Chair
James R. Ramsey	President
Shirley Willihnganz	Executive Vice President
A. Keith Inman	Vice President
Junior Bridgeman	Treasurer
Jason Tomlinson	Assistant Treasurer
Kathleen M. Smith	Chief of Staff

D. CERTIFICATION AUTHORITY:

BE IT FURTHER RESOLVED that the following named individuals in their capacity as officers or employees of the Foundation or employees of the University acting as agents for the Foundation be and hereby are the only officers and agents of the Foundation empowered to certify or authenticate the signatures of a corporate officer and the minutes, resolutions and other records of the Foundation, when such action is required of the University of Louisville Foundation, Inc.:

NAME	TITLE
Frank Weisberg	Secretary
Kathleen Smith	Assistant Secretary

BE IT FURTHER RESOLVED that this resolution shall and does supercede any and all previous resolutions authorizing such signatures for the University of Louisville Foundation, Inc.

The motion passed.

Banking Resolution

President Ramsey reported this action was routine in nature, noting the recommended changes. Dr. Ramsey made a motion, which Mr. Blue seconded, to approve the

**RESOLUTION
RESOLVED THAT:**

PNC Bank (“Bank”) is designated a depository of funds of the University of Louisville Foundation, Inc. (“Foundation”).

This resolution applies to all accounts opened by the University Controller’s Office at the Bank under University of Louisville Foundation, Inc., name.

The following officers of the Foundation, listed below, are authorized to open and/or close Accounts, delegate and delete check signers, obtain Treasury Management services, sign checks on, or withdraw funds from, the Accounts and the Bank is authorized to pay and charge the Accounts for checks or withdrawal requests:

James R. Ramsey _____
President

Shirley C. Willihnganz _____
Executive Vice President

R. Jason Tomlinson _____
Assistant Vice President of Finance

The following employees of the University of Louisville, listed below, are authorized to sign checks on or withdraw funds from the Accounts as agents of the Foundation and the Bank is authorized to pay and charge the Accounts for checks or withdrawal requests subject to the conditions of paragraph (5) of this Resolution:

Susan D. Magness _____
Associate Controller

Michael D. Kramer _____
Dir, Investment & Financial Mgmt

David M. Woods _____
Assistant Treasurer

The following limitations shall apply to the signature authority of the above named Foundation officers and University of Louisville employees acting as agents of the Foundation: (a) for amounts less than \$100,000 – one signature which may be mechanical; (b) for amounts equal to, or greater than, \$100,000 – two signatures, one of which may be mechanical.

The officers and employees named above have provided specimen signature herein and are authorized to sign signature cards and Accounts agreements.

The Assistant Secretary of the Foundation Board of Directors is authorized and directed to deliver for and on behalf of the University, a certificate of this resolution to the bank.

The Bank is authorized to rely upon this Resolution until the bank has received written notice of any amendment or recession of the resolution.

The motion passed.

IV. Report of the Nominating Committee

The President reported the Nominating Committee's recommendation for the following officer for 2013-14:

CHAIR	Debbie Scoppechio
PRESIDENT	James R. Ramsey
VICE CHAIR	Joyce Hagen
TREASURER	Junior Bridgeman
SECRETARY	Frank Weisberg
COUNSEL	Stites & Harbison
ASSISTANT SECRETARY	Kathleen Smith
ASSISTANT TREASURER	Jason Tomlinson

Executive Committee:

CHAIR	Debbie Scoppechio
EX. OFFICIO	James R. Ramsey
	Joyce Hagen
	Junior Bridgeman
	Frank Weisberg

Board Appointments:

- **Reappointment of Chuck Denny and Frank Weisberg with terms ending June 30, 2016.**
- **Appointment of Frank Minnifield, William Selvidge, and Jean Frazier as at large members with terms ending June 30, 2016.**
- **ULF Finance Committee Chair:**
William Selvidge
- **Audit Committee Chair:**
Salem George

President Ramsey made a motion, which Mr. Weisberg seconded, to approve the Nominating Committee's recommendation. The motion passed.

Vice Chair Deutsch symbolically passed the gavel to newly elected Chair Scoppechio who thanked Mr. Deutsch and the Board for their confidence in her leadership.

V. Approval of the Authorization of the President or his Designees to represent the Foundation on Entrepreneurial Investments.

Chair Scoppechio explained the President's service was representational only and any distribution to board members by these companies from liquidity events, stock authorization, dividend payments, or company actions to increase the worth of the investments will accrue to the UofL Foundation. Additionally, Chair Scoppechio recommended the action extend to future companies the Foundation invested in and reflected the representational position of the President or his designees.

Mr. Denny made a motion, which Dr. Prather seconded, to approve the:

The Chair's recommendation that the President, or his designee, serve on the Boards of Directors for the following companies:

Advanced Cancer Therapeutics (ACT)

ApoVax

Edumedics

Intrepid Bioinformatics

PGxL Laboratories

Rhinocyte

The motion passed.

VI. Report of the President

The President showed a presentation of the year in review. Highlights included: the opening of "The Nucleus" at 300 East Market St.; a record breaking freshman class; the GE/UofL Partnership and Master Licensing Agreement; the Creation of the Hall of Provosts; the KY One Health joint operating agreement; \$5.5 million from the HSC TIF; the 2013 Allstate Sugar Bowl Championship; the NCAA Women's Basketball Tournament Runner-Up title; the NCAA Men's Basketball Tournament Championship title; the College World Series; the Cardinal Singers win in South Korea; and the continued expansion of all campuses including "The Nucleus" on the Health Sciences Campus, 700 North on the Shelby Campus, and the Belknap Applied Sciences and Research Park on the Belknap Campus.

The President showed a video of the University's trajectory and the Foundation's part in helping to achieve success.

Chair Scoppechio thanked the President for his Report.

VII. Executive Session

Ms. Hagen made a motion, which Mr. Blue seconded to go into Executive Session to discuss real estate and personnel matters as pursuant to KRS 61.810(1) (b) and (f). The motion passed.

VIII. Open Session Reconvenes

Chair Scoppechio reported that real estate and personnel matters were discussed. She recommended:

The Board of Directors to:

Take action to provide a merit increase for 2013-14 of four (4) percent of the President's Foundation 2012-13 salary in recognition of Dr. Ramsey's outstanding performance; and

Take action to make a supplemental retirement payment to the President for achievement of the annual goals set by the Board of Trustees in an amount equal to 25% of Dr. Ramsey's 2012-13 total salary.

Mr. Deutsch made a motion, which Mr. Blue seconded, to approve the Chair's recommendation. The motion passed.

IX. Report of the Chair

Chair Scoppechio discussed ESPN's desire to create a documentary about the University and its athletic successes.

Dr. Benz commented on the outstanding academic achievements of the University's athletes and believed a documentary would transcend athletics.

The Board agreed and recommended the Foundation share the expense with Athletics.

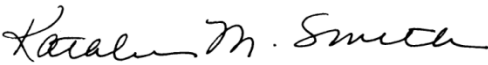
Chair Scoppechio concluded her report.

X. Other Business

Hearing no other business,

VI. Adjournment

Ms. Hagen made a motion, which Mr. Weisberg seconded, to adjourn the meeting at 12:30 p.m. The motion passed.



Assistant Secretary

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

In Executive Session

Members of the University of Louisville Foundation, Inc. Board of Directors met on September 20, 2013, in the Jefferson Room, of Grawemeyer Hall on Belknap Campus, with members present and absent as follows:

Present: Mr. Burt Deutsch, Vice Chair, Presiding

Dr. Larry Benz
Mr. Jonathan Blue
Mr. Chuck Denny
Dr. Salem George
Ms. Joyce Hagen
Dr. Mark Lynn
Dr. Jody Prather
Ms. Debbie Scoppechio
Mr. Frank Weisberg

Absent: Mr. Junior Bridgeman
Ms. Margaret Handmaker
Mr. Frank Minnifield

From Legal
Counsel: Mr. David Saffer, Stites & Harbison

From the
Foundation: Dr. Shirley Willihnganz, Vice President
Mr. Michael Curtin, Assistant Treasurer
Mrs. Kathleen Smith, Assistant Secretary

From the
University: Dr. David Dunn, Executive Vice President for Health Affairs
Dr. William Pierce, Executive Vice President for Research and Innovation
Mr. Jason Tomlinson, Assistant Vice President for Finance
Ms. Anne Rademaker, Dir. Of General Reporting and University Accounting
Mr. Mike Kramer, Accounting, Controller's Office
Ms. Becky Simpson, Associate VP for Communications and Marketing
Mr. Mark Heber, Director of Media Relations
Ms. Susan Howarth, Director of Budgets, Vice President for Finance
Mr. Jake Beamer, Boards Liaison

I. Call to Order

Chair Scoppechio called the executive session to order.

II. Real Estate and Personnel Matters

President Ramsey briefed the board on real estate.

President left the Jefferson Room as the Board discussed a personnel matter.

III. Adjournment

The executive session adjourned.

President Ramsey rejoined the Board.

ACTION:

Passed X
Did not pass
Other

Katalin M. Smith
Assistant Secretary

**RECOMMENDATION TO THE FINANCE COMMITTEE OF THE
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.**

July 24, 2013 (Finance Committee)
September 20, 2013 (Board of Directors)

RESOLUTION

RESOLVED THAT:

- (1) PNC Bank ("Bank") is designated a depository of funds of the University of Louisville Foundation, Inc. ("Foundation").
- (2) This resolution applies to all accounts opened by the University's Controller's Office at the Bank under University of Louisville Foundation, Inc., name.
- (3) The following officers of the Foundation, listed below, are authorized to open and/or close Accounts, delegate and delete check signers, obtain Treasury Management services, sign checks on, or withdraw funds from, the Accounts and the Bank is authorized to pay and charge the Accounts for checks or withdrawal requests:

James R. Ramsey
President



Shirley C. Willihnganz
Executive Vice President

R. Jason Tomlinson
Assistant Vice President of Finance

- (4) The following employees of the University of Louisville, listed below, are authorized to sign checks on or withdraw funds from the Accounts as agents of the Foundation and the Bank is authorized to pay and charge the Accounts for checks or withdrawal requests subject to the conditions of paragraph (5) of this Resolution:

Susan D. Magness
Associate Controller

Michael D. Kramer
Dir, Investment & Financial Mgmt

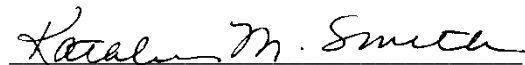
David M. Woods
Assistant Treasurer

- (5) The following limitations shall apply to the signature authority of the above named Foundation officers and University of Louisville employees acting as agents of the Foundation: (a) for amounts less than \$100,000 – one signature which may be mechanical; (b) for amounts equal to, or greater than, \$100,000 – two signatures, one of which may be mechanical.
- (6) The officers and employees named above have provided specimen signature herein and are authorized to sign signature cards and Accounts agreements.
- (7) The Assistant Secretary of the Foundation Board of Directors is authorized and directed to deliver for and on behalf of the University, a certificate of this resolution to the bank.
- (8) The Bank is authorized to rely upon this Resolution until the bank has received written notice of any amendment or recession of the resolution.

Certificate

I certify that I am the duly qualified Assistant Secretary of the Board of Directors of the University of Louisville Foundation, Inc., that the foregoing is a true copy of a resolution adopted at the regular meeting of such Board which was duly held on the ____ day of _____ 2013, at which meeting a quorum was present, and a majority of members present voted in favor of the adoption of such resolution. I further certify that such resolution is still in full force and effect.

Dated this 9 day of September , 2013.



Assistant Secretary
Board of Directors

(Seal of the Foundation)

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

SEPTEMBER 20, 2013

RECOMMENDATION:

The Finance Committee recommends that the Board of Directors:

Approve the attached asset allocation plan for immediate implementation.

BACKGROUND:

The Finance Committee conducted a comprehensive review of the strategic asset allocation plan for the investment portfolio and after careful consultation with Cambridge Associates, LLC recommends that several changes be made to the current plan. The recommended changes are based on current market considerations, combined with an effort to increase the pool's risk-adjusted returns. The major changes recommended are: 1) a 1% increase in Hedge Fund allocation, raising the target from 20% to 21%; and a 1% decrease in Fixed Income, reducing the target from 11% to 10%. The attached table provides specific details.

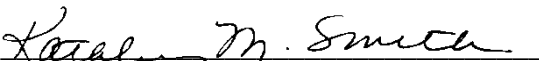
Board Action:

Passed: X

Did not Pass:

Other:

Date:


Assistant Secretary


Chair

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)	21.0%	15%-30%	HFRI Fund of Funds Diversified Index
Real Assets	15.0%	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)	12.0%	5%-15%	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., CONCERNING
ONE TIME SPENDING CALCULATION MODIFICATION**

SEPTEMBER 20, 2013

RECOMMENDATION:

The Finance Committee recommends the Board of Directors approve a one-time change to the current spending policy calculation for Fiscal Year 2014 (FY14). Specifically, the standing three-year rolling average of endowment market values will be replaced by dropping the year with the lowest market value between 2010 and 2012 and averaging over the remaining two years. Underwater Research Challenge Trust Endowments will not receive spending policy for FY2014. This is a one-time modification applicable to the FY14 budget year only.

BACKGROUND:

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. For FY14 spending calculations, the years 2011, 2012 and 2013 would be used. Since 2011, the spending policy has been modified so that only the two highest market values of the past three years were used in the calculation. This can be achieved by eliminating 2012 from the FY14 calculations and averaging over the remaining two years (2010 and 2011.) Cambridge Associates also recommended that the Foundation no longer appropriate the unspent portion of spending policy from previous years in the current spending policy calculation. If spending policy is calculated on the previous balances, the Foundation is allocating the spending policy on top of prior spending policy distributions. The Finance Committee Chair feels this is the most prudent action. This will ensure the Foundation upholds its fiduciary responsibility to its donors.


ACTION:

Passed X

Did not pass _____

Other _____

Date _____



Assistant Secretary

**RECOMMENDATION TO THE BOARD OF DIRECTORS
UNIVERSITY OF LOUISVILLE FOUNDATION, INC.,
REGARDING THE OPERATING BUDGET FOR 2013-2014**

Finance Committee July 24, 2013
Board of Directors September 20, 2013

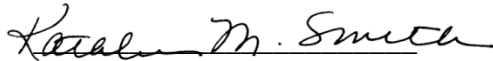
RECOMMENDATION:

The President recommends that the Board of Directors approve the proposed operating budget for the fiscal year 2013-2014 for the University of Louisville Foundation, Inc. as specified in the attached budget document and supporting schedules; and

That the President be authorized to make adjustments for discretionary programmatic expenditures from budgeted reserves up to the balance available in the reserve.

ACTION:

Passed X
Did not pass
Other


Assistant Secretary

MINUTES OF THE NOMINATING COMMITTEE OF THE ULH, INC., AND UNIVERSITY OF LOUISVILLE FOUNDATION, INC. MEETING

In Open Session

Members of the Nominating Committee of the ULH, Inc., and University of Louisville Foundation, Inc., met on September 20, 2013, in the President's Conference Room, Grawemeyer Hall, Belknap Campus with members present and absent as follows:

Present: Dr. James R. Ramsey, Chair
Mr. Burt Deutsch
Dr. Salem George

From the University: Mrs. Kathleen Smith, Assistant Secretary
Mr. Jake Beamer, Boards Liaison

I. Call to Order

Having determined a quorum present, Chair Ramsey called the meeting to order at 9:20 a.m.

Approval of Minutes

Dr. George made a motion, which Mr. Deutsch seconded, to approve the minutes of December 6, 2012. The motion passed.

II. Discussion Regarding Slate of Officers and Nominations for ULH, Inc.

Committee members discussed the slate of officers and nominations. Mr. Deutsch made a motion, which Mr. Weisberg seconded, to approve the

Following officers for ULH, Inc. for 2013-2014

CHAIR	Debbie Scoppechio
PRESIDENT	James R. Ramsey
VICE CHAIR	Joyce Hagen
TREASURER	Junior Bridgeman
SECRETARY	Frank Weisberg
COUNSEL	Stites & Harbison
ASSISTANT SECRETARY	Kathleen Smith
ASSISTANT TREASURER	Jason Tomlinson

Executive Committee:

CHAIR	Debbie Scoppechio
EX. OFFICIO	James R. Ramsey
	Joyce Hagen
	Junior Bridgeman
	Frank Weisberg

Board Appointments:

Reappointment of Chuck Denny and Frank Weisberg with terms ending June 30, 2016.

Appointments of Frank Minnifield, William Selvidge, and Jean Frazier as at large members with terms ending June 30, 2016.

Audit Committee Chair:

Salem George

Finance Committee Chair:

William Selvidge

The motion passed.

- IV. Discussion Regarding Slate of Officers and Nominations for UL Foundation Board Members
Committee members discussed the slate of officers for the UL Foundation board. Mr. Weisberg made a motion, which Mr. Deutsch seconded, to approve the

Election as officers of the UofL Foundation Board and its Executive Committee for 2013-2014:

CHAIR	Debbie Scoppechio
PRESIDENT	James R. Ramsey
VICE CHAIR	Joyce Hagen
TREASURER	Junior Bridgeman
SECRETARY	Frank Weisberg
COUNSEL	Stites & Harbison
ASSISTANT SECRETARY	Kathleen Smith
ASSISTANT TREASURER	Jason Tomlinson

Executive Committee:

CHAIR	Debbie Scoppechio
EX. OFFICIO	James R. Ramsey
	Joyce Hagen
	Junior Bridgeman
	Frank Weisberg

Board Appointments:

Reappointment of Chuck Denny and Frank Weisberg with terms ending June 30, 2016.

Appointments of Frank Minnifield, William Selvidge, and Jean Frazier as at large members with terms ending June 30, 2016.

Audit Committee Chair:

Salem George

Finance Committee Chair:

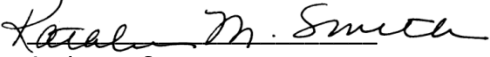
William Selvidge

The motion passed.

- V. Adjournment

There being no further business to discuss, the meeting adjourned at 9:26 a.m.

Approved by:


Assistant Secretary