

McKnight Brain Research Foundation

Trustees Meeting

February 20, 2002 Conference Call

The McKnight Brain Research Foundation Conference Call was called to order at 2:00 p.m.

The following members were present:

Dr. J. Lee Dockery, Trustee
Dr. Michael Dockery, Trustee
Dr. Nina Ellenbogen Raim, Trustee
Mr. Henry Raattama, Legal Counsel
Mr. Thomas Ronchetti, SunTrust Bank Portfolio Manager
Ms. Teresa W. Borcheck, SunTrust Bank Endowment & Foundation Group
Ms. Judi Sanborn, SunTrust Bank Endowment & Foundation Group

Others attending:

Fran M. Coopersmith, Esquire Fund Evaluation Group, Inc.

Ms. Coopersmith reviewed the Fund Evaluation Group presentation dated January 28, 2002, which outlined the results of Ms. Coopersmith's search for an Alternative Investment Manager. Four managers were reviewed in the presentation. They were Blackstone Alternative Partners, Quellos Capital, Lighthouse Partners, and Meridian Capital. A copy of the presentation is attached to, and made a part of these minutes.

Ms. Coopersmith discussed the strengths and weaknesses of each manager as outlined in the report. She also advised the Trustees that on page 21, under the fee section, that "no carry" means that no performance base fee is added to the fee quoted by the manager, therefore all returns you see are net-net of fees.

The Trustees inquired specifically about the fact that Meridian and Quellos do not carry a bond or liability insurance coverage. Ms. Coopersmith indicated that this should not be a concern, as both bond and liability coverage provide protection as it relates to embezzlement, which should not be a concern if the investment is made with a strong company. Ms. Coopersmith was also asked why some companies carry it when others don't. She indicated that it is usually done to provide an additional comfort level for the client.

Ms. Coopersmith discussed the issues regarding manager termination. She indicated that frequently this is due to the timing of the opening of the funds, and that the Trustees should not be overly concerned about these statistics.

Ms. Coopersmith addressed lock-up periods and withdrawal requirements that were outlined in the report. She indicated that these time frames are frequently negotiable if this is of concern to the investor.

In the original request from the Trustees to Fund Evaluation Group, Ms. Coopersmith was asked to include Lighthouse Partners in her search. Ms. Coopersmith was asked if the Trustees had not asked her to specifically consider Lighthouse, would she have listed them. Ms. Coopersmith advised the Trustees that even if not asked, she would have included the Lighthouse product in her search.

After the review and discussion of the Fund Evaluation Group presentation, Ms. Coopersmith was asked to rank the four managers, based on the information that was provided. She indicated that she would identify two that were significantly preferable, those were Quellos and Lighthouse, with Quellos ranking just slightly higher than Lighthouse, she would rank Meridian third, and Blackstone fourth.

The Trustees asked Mr. Ronchetti to advise how accurately SunTrust will be able to monitor other managers. Mr. Ronchetti indicated that SunTrust Portfolio Managers have full access to information regarding Lighthouse, but would have minimal access to products not managed by Lighthouse, and would have to rely upon Fund Evaluation Group to provide periodic updates.

A motion was made that as Quellos and Lighthouse were closely similar as to the criteria established by the Trustees, that a fair consideration of both Managers would be appropriate. Ms. Coopersmith is directed to invite a representative from Quellos and Lighthouse to the McKnight Brain Research Foundation quarterly meeting on April 17th. The motion was seconded and approved unanimously.

There being no further business, the meeting was adjourned at 3:00 p.m.

Respectfully submitted,

Teresa W. Borcheck
SunTrust Bank, Corporate Trustee