

**McKnight Brain Research Foundation
Board of Trustees Conference Call Minutes
November 5, 2003**

The McKnight Brain Research Foundation Conference Call was called to order at 7:30 a.m.

The following members were present:

Dr. J. Lee Dockery, Trustee
Dr. Michael Dockery, Trustee
Dr. Nina Ellenbogen Raim, Trustee
Mrs. Teresa W. Borcheck, SunTrust Bank Endowment & Foundation Trust Services

Others Attending:

Mr. Henry H. Raattama, Legal Counsel
Mr. Tim Nash, Trusco Capital Management

1. Efficient Frontier Analysis Update

Mr. Nash reviewed the updated Efficient Frontier Analysis, which included data from June 1991 to September 2003. As agreed on the 10/15/03 Trustees' meeting, the updated analysis eliminated the use of the NAREIT Equity Component. Mr. Nash reported that after removing the NAREIT component from the equation, he tested all three remaining asset classes, and confirmed that projections indicated the portfolio could meet its expected returns without an allocation to the NAREIT. Mr. Nash also advised that based on the analysis, adding a percentage of the allocation to Small Capitalization (Small Cap.) Equities would move the portfolio closer to the efficient frontier without adding any significant risk.

After discussion and review of the updated analysis, a motion was made to adopt Trusco Capital Management's recommendation to add an allocation to Small Cap. Equities, with a target of 12% of the total MBRF portfolio, and that Trusco Capital Management be given the discretion to distribute the 12% allocation between Small Cap. Value and Small Cap. Growth. Motion was seconded and approved unanimously. A second motion was made to approve modifications to the MBRF Investment Policy Statement that would reflect the addition of Small Cap. Equities to the Asset Allocation. Mr. Raattama & Mr. Nash were asked to make the modifications to the policy along with completing other changes to the policy as discussed in previous meetings, and present a draft of the new policy reflecting those changes to the Trustees at the next quarterly meeting. Motion was seconded and approved unanimously.

The Updated Efficient Frontier analysis is attached and made a part of these minutes as attachment #1.

Action:

- A. Reviewed the Updated Efficient Frontier analysis, approved addition of Small Cap. Equities to the Asset Allocation, with a target of 12% of the total portfolio, with Trusco Capital Management to have the discretion to distribute the 12% between Small Cap Value and Small Cap Growth.**
- B. Mr. Raattama and Mr. Nash were asked to revise the Investment Policy to reflect this change in the Asset Allocation. Updated Efficient Frontier analysis is Attachment #1.**

2. Corporate Trustee Responsibilities

In response to questions raised at the October 15, 2003 meeting regarding the responsibilities of SunTrust Bank as Corporate Trustee of the MBRF, Mrs. Borcheck presented a summary of the Trustee/Financial Services and Ancillary Services which are provided to the Foundation by SunTrust as the Corporate Trustee. Ms. Borcheck was asked if SunTrust would accept another administrative service to include, "review and respond to all correspondence in a timely manner with communication and

consultation with the trustees as appropriate". Ms. Borcheck agreed to the performance of this service to be a responsibility of SunTrust. These amended summaries are attached and made a part of these minutes as attachment #2.

Action—The summary of the Trustee/Financial Services and ancillary services which are provided to the Foundation by SunTrust as the Corporate Trustee, were amended to include, "review and respond to all correspondence in a timely manner with communication and consultation with the trustees as appropriate".

Summary of Action Items

1. A. Reviewed the Updated Efficient Frontier analysis, approved addition of Small Cap. Equities to the Asset Allocation, with a target of 12% of the total portfolio, with Trusco Capital Management to have the discretion to distribute the 12% between Small Cap Value and Small Cap Growth.

B. Mr. Raattama and Mr. Nash were asked to revise the Investment Policy to reflect this change in the Asset Allocation. Updated Efficient Frontier analysis is Attachment #1.

2. The summary of the Trustee/Financial Services and ancillary services which are provided to the Foundation by SunTrust as the Corporate Trustee, were amended to include, "review and respond to all correspondence in a timely manner with communication and consultation with the trustees as appropriate".

There being no further business, the meeting was adjourned at 8:45 a.m.

Respectfully submitted,



Teresa W. Borcheck
SunTrust Bank, Corporate Trustee