

MINUTES
MCKNIGHT BRAIN RESEARCH FOUNDATION
BOARD OF TRUSTEES MEETING
February 28, 2012

The Trustee's meeting of the McKnight Brain Research Foundation (MBRF) was called to order at 9:00 a.m. on February 28, 2012 in the Board Room of the Hilton University of Florida Conference Center, Gainesville, FL.

The following members were present:

Dr. J. Lee Dockery, Trustee
Dr. Michael Dockery, Trustee
Dr. Nina Ellenbogen Raim, Trustee
Dr. Judith Salerno, Trustee
Ms. Melanie Cianciotto, Corporate Trustee

SunTrust Bank Institutional Investment Solutions

Others attending:

Mr. Henry H. Raattama, Jr., Legal Counsel
Mr. Michael Hill, Managing Director,
SunTrust Institutional Investment Solutions (via conference call)

1. Investment Review

Mr. Hill presented the investment review and commented on key economic and investment factors for the fourth quarter (Attachment 1).

A. Market Environment

- Global equity markets posted strong gains during the 4th quarter, led by smaller capitalization companies in the U.S. Domestic equities outperformed international stocks during the quarter and year. In the U.S. small and mid cap stocks outperformed large cap stocks during the quarter but lag significantly for the trailing year.
- In fixed income markets, the yield on the 10-year U.S. Treasury declined to 1.88% and the 2-year ended the quarter with a yield of 0.24%. High yield bonds led the fixed income sector, rising 6.2% during the quarter.
- Hedge fund performance was negative during the quarter and trailing 1-year. Low volatility and diversified strategies outperformed Global, Macro, Distressed and Equity Hedge on a relative basis.

B. Manager Performance

- Nearly 75% of active large and mid cap domestic managers underperformed their benchmarks during 2011. Active international managers in the portfolio performed well both on a relative and absolute basis during the quarter, helping to erase significant draw downs experienced earlier in the year.
- The Lighthouse Fund of Funds, Global Long/Short, Diversified and Credit Opportunities, outperformed the Hedge Fund Research, Inc., Fund of Funds (HFRI FOF) Index for the year and the fourth quarter.
- Pimco Total Return fund posted a strong 2.2% return for the quarter compared to a return of 1.1% for the Barcap Aggregate Index. The management team repositioned the portfolio in September. The increased U.S. Treasury position along with an extension of duration were two key drivers of excess return.

Action Item 1: The trustees received the investment review for information (Attachment 1).

2. Approval of Minutes

The minutes of the October 20, 2011 meeting of the McKnight Brain Research Foundation were reviewed. The minutes were approved as amended (Attachment 2). While reviewing the minutes, Ms. Cianciotto provided the trustees with the requested information regarding the Association of Small Foundations (ASF) and confirmed the availability of Directors and Officers (D & O) Insurance for the MBRF through its ASF membership. The trustees approved the renewal of the ASF membership in the amount of \$695.

Action Item 2: The trustees approved the minutes of the October 20, 2011 meeting as amended (Attachment 2).

Action Item 3: The trustees approved the renewal of the ASF membership in the amount of \$695.

3. Minimum Distribution Calculation

The trustees reviewed the projected minimum distribution calculation for information (Attachment 3).

Action Item 4: The trustees reviewed the projected minimum distribution calculation for information (Attachment 3).

4. Travel Award Program Update

The trustees reviewed the final costs of the Cognitive Test Battery Group Retreat #2 that was held December 1 – 2, 2011 (Attachment 4).

Action Item 5: The trustees reviewed the final costs of the Cognitive Test Battery Group Retreat #2 that was held December 1 – 2, 2011 (Attachment 4).

5. Electronic Records

The trustees reviewed the information provided by Ms. Cianciotto regarding a secure website for the MBRF (Attachment 5). The use of electronic records was discussed in detail and Ms. Cianciotto was requested to investigate the possibility of creating a secure website to house the foundation records and provide access to the trustees. The costs are estimated to be in the range of \$1,000 per year.

Action Item 6: Ms. Cianciotto will investigate the possibility of creating a secure website to house the foundation records and provide access to the trustees.

6. Upcoming Dates & Events

2012 Inter-Institutional Meeting

The fifth annual McKnight Brain Research Foundation Inter-Institutional Meeting will be hosted by the Evelyn F. McKnight Brain Institute at the University of Arizona in Tucson at the Loews Ventana Canyon Hotel, April 11 – 13, 2012. The trustees will arrive the morning of April 11, 2012 and meet in the afternoon from 12:00 noon to 5:00 p.m. The Inter-Institutional meeting will begin with a reception and dinner in the evening of April 11, followed by the scientific program beginning on April 12 and adjournment at 12:00 noon on April 13. A meeting between the trustees and the leadership council composed of representatives of the four McKnight Brain Institutes will also be scheduled.

July 2012 Board of Trustees Meeting

The trustees have agreed to hold the July 2012 meeting of the MBRF in Orlando. The trustees will arrive the evening of July 24, 2012. The trustees will meet July 25, 2012 beginning at 8:00 a.m. with breakfast in order to facilitate adjourning at 3:00 p.m.

Society for Neuroscience 2012 McKnight Poster Session

The trustees agreed to host another MBRF reception/poster session in conjunction with the 2012 Annual Meeting of the Society for Neuroscience in New Orleans, LA. The administrative staff to Dr Sweatt, Director of the Evelyn F. McKnight Brain Institute and the Evelyn F. McKnight Chair of Learning and Memory in the Aging at the University of Alabama at Birmingham (UAB) have agreed to organize and manage the event again this year. The proposed budget will be developed by the UAB staff and presented for consideration during the April 11, 2012 trustees meeting.

October 2012 Board of Trustees Meeting

The trustees have agreed to hold the October 2012 meeting of the MBRF in Orlando. The trustees will arrive the evening of October 23, 2012. The trustees will meet October 24, 2012 beginning at 8:00 a.m. with breakfast in order to facilitate adjourning at 3:00 p.m.

February 2013 Board of Trustees Meeting

MBRF February 28, 2012
1st Draft March 7, 2012
2nd Draft March 13, 2012

The trustees have agreed to hold the February 2013 meeting of the MBRF at the University of Miami. The date has tentatively been set for February 12 – 13, 2013.

2013 Inter-Institutional Meeting

The sixth annual McKnight Brain Research Foundation Inter-Institutional Meeting will be hosted by the Evelyn F. McKnight Brain Institute at the University of Alabama at Birmingham. The dates that have been proposed are April 17 – 19, 2013 or April 24 – 26, 2013. The suggested dates will be discussed with the leadership council composed of representatives of the four McKnight Brain Institutes and the selected date announced at the April, 2012, Inter-Institutional meeting in Tucson.

7. Investment Report by University of Florida Foundation and University of Florida Investment Corporation (UFICO)

Mr. Thomas J. Mitchell, Vice President for Development and Alumni Affairs presented an overview of the University of Florida Foundation, its recent capital campaign and a comparison of the foundation versus its peers (Attachment 6). Mr. Douglas R. Wynkoop, President and Chief Investment Officer, UFICO presented the trustees an update on the UFICO Investment Pool, the endowment asset allocation and performance (Attachment 7).

8. Cognitive Aging Study Institute of Medicine (IOM)

The trustees reviewed the memo and information provided by Dr. J. Lee Dockery regarding an Institute of Medicine Study on Cognitive Aging (Attachment 8). The trustees agree the concept of a study is valid and would like to seek further guidance from the IOM. The trustees approved the spending of up to \$100,000 to pursue development of the potential scope of a study. Dr. Judith Salerno recused herself from voting on this topic. Dr. J. Lee Dockery will continue discussions with Dr. Andrew Pope and Ms. Cathy Liverman at the Institute of Medicine to further refine the scope and define achievable outcomes of a proposed study.

Action Item 7: The trustees approved the spending of up to \$100,000 to pursue development of a study.

Action Item 8: Dr. J. Lee Dockery will continue discussions with Dr. Andrew Pope and Ms. Cathy Liverman at the Institute of Medicine to further refine the scope and define achievable outcomes of a proposed study.

9. MBRF – State Income Tax Returns

The trustees reviewed the memorandum provided by Mr. Raattama regarding the State Income Tax Returns and the Unrelated Business Income generated by the Lighthouse Partnerships (Attachment 9). Lighthouse (and the Partnerships) has not provided MBRF with information adequate to prepare and file accurate state tax returns. Based on advice of Legal

Counsel and agreed to by MBRF tax return preparers, MBRF will not file state tax returns until adequate information to do so is provided. Ms. Cianciotto will follow up with Batts, Morrison, Wales & Lee regarding the decision of the Trustees in regards to filing State Income Tax Returns.

The trustees also discussed the review and filing of the 990 PF and 990 T by the corporate trustee on behalf of the foundation. It was decided that the returns be reviewed by the corporate trustee and Legal Counsel prior to filing. A copy of the returns will be submitted to the trustees prior to filing for their records.

Action Item 9: Ms. Cianciotto will follow up with Batts, Morrison, Wales & Lee regarding the decision of the Trustees in regards to filing State Income Tax Returns.

Action Item 10: Ms. Cianciotto will develop a report on the cost of correcting prior tax returns for the trustees at their next meeting.

10. University of Florida Reports

A. Evelyn F. and William L. McKnight Brain Institute (MBI)

Tetsuo Ashizawa, MD, Melvin Greer Professor and Chairman met with the trustees to provide the trustees with an update on research activities and recruitment and to supplement his written annual report.

B. Evelyn F. McKnight Chair, Learning and Memory in Aging

Thomas Foster, PhD, Evelyn F. McKnight Chair and Professor, Department of Neuroscience, McKnight Brain Institute met with the trustees to provide an update on his research initiatives and to supplement his written annual report.

C. Cognitive Aging and Memory Clinical Translational Program (CAM-CTRP)

Marco Pahor, MD, Professor and Chair, Department of Aging and Geriatric Research, Director, Institute on Aging Scientific Coordinator, CAM-CTRP met with the trustees to provide an update on the development of CAM-CTRP and to announce the successful recruitment of Dr. Ronald Cohen from Brown University School of Medicine as the Incoming Director of CAM-CTRP.

11. Annual Reports

A. University of Alabama – The trustees reviewed the annual report from the University of Alabama (UAB) (Attachment 10).

Action Item 11: Send thank you letter to Dr. Shirley Salloway Kahn acknowledging the report.

B. University of Arizona – The trustees reviewed the annual report concerning the Evelyn F. McKnight Brain Institute at the University of Arizona (Attachment 11).

Action Item 12: Send thank you letter to Dr. Carol Barnes acknowledging the report.

C. University of Florida – The trustees reviewed the annual report concerning the Evelyn F. McKnight Brain Institute at the University of Florida (Attachment 12).

Action Item 13: Send a thank you letter to Dr. Tetsuo Ashizawa, Dr. Thomas Foster and Dr. Marco Pahor acknowledging the report.

D. University of Miami – The trustees reviewed the annual report concerning the Evelyn F. McKnight Brain Institute at the University of Miami submitted by Dean Goldschmidt (Attachment 13). The trustees would like clarification of the financial information submitted by the University of Miami regarding the investment income on the unmatched portion of the gift. Ms. Cianciotto will follow up with the University to obtain clarification of the financial information.

Action Item 14: Send a thank you letter to Dean Goldschmidt, Dr. Sacco and Dr. Wright acknowledging the report and asking for clarification of the financial information.

14. New Trustee Discussion

Dr. J. Lee Dockery presented the trustees with the Curriculum Vitae for Dr. Gene G. Ryerson as a potential new trustee (Attachment 14). A discussion regarding the addition of a new trustee ensued. It was decided that a subsequent conference call be scheduled to further discuss the matter. Ms. Cianciotto will schedule a conference call for March 14, 2012 at 4:00 p.m. and provide the trustees with the criteria previously agreed upon to identify new trustees.

Action Item 15: Ms. Cianciotto will schedule a conference call for March 14, 2012 at 4:00 p.m. and provide the trustees with the criteria previously agreed upon to identify new trustees.

There being no further business, the meeting adjourned at 4:55 p.m.

Summary of Action Items:

Action Item 1: The trustees received the investment review for information (Attachment 1).

Action Item 2: The trustees approved the minutes of the October 20, 2011 meeting as amended (Attachment 2).

Action Item 3: The trustees approved the renewal of the ASF membership in the amount of \$695.

Action Item 4: The trustees reviewed the projected minimum distribution calculation for information (Attachment 3).

Action Item 5: The trustees reviewed the final costs of the Cognitive Test Battery Group Retreat #2 that was held December 1 – 2, 2011 (Attachment 4).

Action Item 6: Ms. Cianciotto will investigate the possibility of creating a secure website to house the foundation records and provide access to the trustees.

Action Item 7: The trustees approved the spending of up to \$100,000 to pursue development of a study.

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Action Item 10: Ms. Cianciotto will develop a report on the cost of correcting prior tax returns for the trustees at their next meeting.

Action Item 11: Send thank you letter to Dr. Shirley Salloway Kahn acknowledging the report.

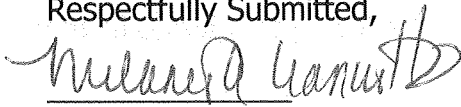
Action Item 12: Send thank you letter to Dr. Carol Barnes acknowledging the report.

Action Item 13: Send a thank you letter to Dr. Tetsuo Ashizawa, Dr. Thomas Foster and Dr. Marco Pahor acknowledging the report.

Action Item 14: Send a thank you letter to Dean Goldschmidt, Dr. Sacco and Dr. Wright acknowledging the report and asking for clarification of the financial information.

Action Item 15: Ms. Cianciotto will schedule a conference call for March 14, 2012 at 4:00 p.m. and provide the trustees with the criteria previously agreed upon to identify new trustees.

Respectfully Submitted,



Melanie A. Cianciotto
SunTrust Bank, Corporate Trustee