

MINUTES
MCKNIGHT BRAIN RESEARCH FOUNDATION
BOARD OF TRUSTEES MEETING
July 25, 2017

The Trustee's meeting of the McKnight Brain Research Foundation (MBRF) was called to order at 12:45 p.m. on July 25, 2017 in Gainesville, Florida in the Champion Room of the Holiday Inn University Center located at 1250 W. University Avenue.

The following members were present:

Dr. J. Lee Dockery, Trustee
Dr. Michael Dockery, Trustee
Dr. Nina Ellenbogen Raim, Trustee (via conference call)
Dr. Richard Isaacson, Trustee
Dr. Gene G. Ryerson, Trustee
Dr. Madhav Thambisetty, Trustee
Dr. Robert Wah, Trustee
Ms. Melanie Cianciotto, Corporate Trustee
SunTrust Bank Institutional Investment Solutions

Others attending:

Mr. Henry H. Raattama, Jr., Legal Counsel
Mr. Mike Hill, SunTrust Bank Institutional Investment Solutions

1. Investment Review

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

A. Market Environment

- U.S. economic data progressively firmed, rebounding from the softness of the first quarter. European economic and earnings data continued to steadily improve, while solid demand in emerging markets persists.
- U.S. stocks stretched their rally to eight straight months, the longest winning streak since 2011 and matching its longest run since 1995. A strong June saved the second quarter for small caps, boosting its year-to-date gains. European stocks stumbled in June but lead the pack for the quarter.
- Higher quality bonds suffered during June with U.S. core bonds down modestly, while corporate and high yield bonds outperformed.

B. Portfolio Review

Asset Allocation: The asset classes of the investments within the portfolio of the MBRF remain within the guidelines established by trustees in the Investment Policy Statement of the Foundation.

Portfolio Performance: For the quarter ending June 30, 2017 the total return for the portfolio was 3.28% versus 2.39% for the Investment Policy Statement index.

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

2. Efficient Frontier Analysis

Mr. Hill and Ms. Shelly Simpson presented the Efficient Frontier Analysis. Mr. Hill and Ms. Shelly Simpson explained to the trustees the capital market assumptions for various bond and stock indexes, as well as non-traditional asset classes and discussed how the estimated investment return is factored into the proposed allocation. The proposed allocation incorporates the changes from the Efficient Frontier Analysis. Within the equity asset class, there is some adjustment within the sub asset classes of the broad class of equities. There will be a reduction in U.S. large cap core, growth and value will be rebalanced back to neutral and the allocation to international developed and emerging markets will be increased. Also, there will be some adjustment within the sub asset classes of fixed income. An increase in private equity is recommended. The MBRF proposed asset allocation mix would yield an expected return of 6.44%.

After review and discussion, a motion was made to accept the recommended proposed mix of asset classes for the investment portfolio of the MBRF as presented in the asset allocation study with a targeted return of 6.44%. The motion passed unanimously. The corporate trustee in consultation with Mr. Hill recommended that Appendix A and Appendix B of the Investment Policy Statement be revised to be compatible with the recommendations and to update the inflation figure obtained through the Biomedical Research and Development Price Index. The motion passed unanimously. A third motion was made to approve the amendments to the Investment Policy Statement with an effective date of July 25, 2017. The motion passed unanimously.

Action Item 2: The trustees approved the Efficient Frontier Asset Allocation Analysis with the mix of asset classes for the investment portfolio of the MBRF to produce an anticipated yield of 6.44%.

Action Item 3: The MBRF corporate trustee in consultation with Mr. Hill recommended that Appendix A and Appendix B of the Investment Policy Statement be revised to be compatible with the implementation of the recommendations.

Action Item 4: The trustees approved the amendments to the Investment Policy Statement with an effective date of July 25, 2017.

3. Approval of Minutes

The minutes of the April 5, 2017 Board of Trustees Meeting of the McKnight Brain Research Foundation were reviewed (Attachment 2). The minutes were approved as presented.

Action Item 5: The trustees approved the minutes of the April 5, 2017 Board of Trustees meetings as presented (Attachment 2).

4. Minimum Distribution Calculation

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

Action Item 6: The trustees reviewed, for information, the projected minimum distribution calculation for information (Attachment 3).

5. Tenth Inter-Institutional Meeting

The trustees reviewed the proposed budgets for the Inter-Institutional Meeting (Attachment 4) and the pre-meeting (Attachment 5). The trustees approved the budget for the Inter-Institutional Meeting as presented. Dr. Lee Dockery will follow up with Ms. Vicki Hixon at the University of Alabama at Birmingham and Dr. Carol Barnes to request clarification of the proposed pre-meeting budget the purpose of which was unclear in the proposed budget.

Action Item 7: The trustees approved the budget for the Inter-Institutional Meeting (Attachment 4) as presented.

Action Item 8: Dr. Lee Dockery will follow up with Ms. Vicki Hixon at the University of Alabama at Birmingham and Dr. Carol Barnes to request clarification of the pre-meeting budget (Attachment 5).

6. Travel Award Program Update

The trustees reviewed the travel award program payments for information (Attachment 6).

Action Item 9: The trustees reviewed, for information, the travel award program payments (Attachment 6).

7. Compensation Review

Ms. Cianciotto presented updated compensation information compiled from information obtained from Exponent Philanthropy and the Council on Foundations (Attachment 7). The trustees discussed their current level of compensation. The nature of the work continues to emphasize the research grant support relative to the programs funded to date in fulfilling the mission of the MBRF. The scientific research being funded by the MBRF is producing more research outcomes, which the trustees must review and monitor without any reduction in the time devoted to management of the investments. The review of currently funded research projects, requests for new grant support, on site visits by the trustees and review of scientific reports for each of the MBRF funded programs are very important functions of the trustees and require continual monitoring. In order to fulfill the purpose and the mission of the MBRF,

the trustees must continuously educate themselves as to the current status and future direction of the research initiatives in learning and memory loss in the aging. The trustees continue to expand and develop research partnerships to encourage increased interest and support of research in learning and memory in the aging.

The trustees discussed the number of hours each spends on Foundation business and confirmed that each spend, on average, a minimum of 4 to 8 hours per week on Foundation matters. The trustees agreed that the \$200 per hour benchmark for trustee compensation initially agreed to in the year 2000 is, low by today's standards. However, the current hourly rate of \$200 is definitely within the range of the hourly charge that the MBRF would incur if it retained persons, either as staff or independent contractors, with the necessary scientific knowledge and experience to provide the services to the MBRF provided by the trustees. Based on the amount of time devoted to the MBRF business and comparable charges for that type of scientific work and other duties and responsibilities, the trustees approved annual compensation of \$40,000 per trustee is reasonable and appropriate.

The trustees also approved the continued reimbursement of any out of pocket documented expenses, and travel costs, associated with MBRF business.

Action Item 10: The trustees received the updated compensation information compiled from information obtained from Exponent Philanthropy and the Council on Foundations and unanimously approved the current level of compensation at \$40,000 annually and the continued reimbursement of any out of pocket documented expenses incurred with MBRF business (Attachment 7).

9. Upcoming Dates & Events

A. September 2017 Conference Call

The trustees have agreed to hold a conference call on September 11, 2017 from 10:00 a.m. – 12:00 p.m. with Debbie Mason, President, Strategists, Inc., to discuss the staff and trustee roles of the MBRF.

B. November 2017 Trustees Meeting

The trustees have agreed to hold the November 2017 meeting of the MBRF in Orlando at the Hyatt Regency Orlando International Airport. The trustees will arrive the evening of November 7, 2017. The trustees meeting will begin at 8:00 a.m. and conclude no later than 3:00 p.m.

C. Society for Neuroscience (SfN) 2017 McKnight Poster Session

The poster/reception is an MBRF sponsored and hosted event for graduate students and faculty who will be attending the annual meeting of the SFN from each of the four institutions to which the MBRF provides funding. The reception will feature scientific poster displays from each of the four McKnight Brain Institutes. The trustees are invited to attend the event, which will be held on Sunday, November 12, 2017 at the Embassy Suites DC Convention Center in Washington, D.C.

D. February 2018 Trustees Meeting

The trustees have agreed to hold the February 2018 meeting of the MBRF in Tucson, Arizona in combination with a site visit to the Evelyn F. McKnight Brain Institute (EMBI) at the University of Arizona (UA). Dr. Lee Dockery will reach out to Dr. Carol Barnes, Director of the EMBI at the UA, to request dates for the meeting.

E. 2018 Inter-Institutional Meeting

The tenth McKnight Brain Research Foundation Inter-Institutional Meeting will be hosted by the Evelyn F. McKnight Brain Institute at the University of Alabama at Birmingham April 4 – 6, 2018. The trustees will arrive the morning of April 4, 2018 and meet in the afternoon beginning at 12:00 noon. The Inter-Institutional meeting will begin with a reception on the evening of April 4, 2018 followed by the scientific sessions on April 5 - 6, adjourning at noon on April 6, 2018.

10. University of Florida Reports

Dr. David Guzick, Senior Vice President for Health Affairs at the University of Florida (UF) and President of UF Health welcomed the trustees to the UF and introduced faculty and representatives from the UF associated with the research programs in cognitive aging and memory supported by the endowment from the MBRF. Those accompanying Dr. Guzick were:

- A. Todd E. Golde, M.D., Exec. Director, Evelyn F. and William L. McKnight Brain Institute (MBI)
- B. Steven DeKosky, MD, Deputy Director, MBI
- C. Glenn Smith, PH.D., Chair Department of Health and Clinical Psychology, College of Public Health and Human Performance (PHHP)
- D. Ronald A. Cohen, Ph.D., Evelyn F. McKnight Chair for Clinical Translational Research in Cognitive Aging and Memory; Director, UF Center for Cognitive Aging and Memory Clinical Translational Research
- D. Thomas Foster, Ph.D., Evelyn F. McKnight Chair for Learning and Memory in Aging and Professor, Department of Neuroscience, College of Medicine
- E. Kenneth A. Marks, Director of Operations, MBI
- F. Laura Huntley, Associate Vice President, Administration, UF Health Science Center

In Dr. Guzick's remarks, he described the many positive changes in the relocation of the faculty in the Cognitive Aging and Memory Clinical Translational Program (CAM-CTRP) from the Institute on Aging to the Department of Clinical and Health Psychology in the College of PHHP. With the relocation and the establishment of the Center for Cognitive Aging and Memory Clinical Translational Research (the CAM Center), Dr. Guzick opined it will provide greater opportunities for collaboration and advance the success of the program. Dr. Guzick further commented that the reorganization and relocation of the research space for the CAM Center into the renovated space within the MBI also provides for greater efficiency and convenience for patients and the research scientists. Dr. Guzick, in introducing the Associate Vice President for Administration of the UF Health Center, assured the trustees of the accountability and transparency of the fiscal oversight of the research programs supported by the endowment by the MBRF.

Individual Reports were presented by the following individuals:

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

Todd E. Golde, M.D., Executive Director, met with the trustees and provided a verbal report and an update on the research programs in cognitive aging and age related memory loss under his leadership.

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

Thomas Foster, PhD, Evelyn F. McKnight Chair for Learning and Memory in Aging and Professor, Department of Neuroscience, College of Medicine met with the trustees and provided an update on his research initiatives (Attachment 8).

3. Evelyn F. McKnight Chair for Clinical Translational Research in Cognitive Aging and Memory, the University of Florida

Ronald Cohen, PhD., Evelyn F. McKnight Chair; Professor, Neurology, Psychiatry, College of Medicine; Clinical and Health Psychology in the College of Public Health and Human Performance, Director Cognitive Aging and Memory Clinical Translational Program (CAM-CTRP), Director, Center for Cognitive Aging and Clinical Translational Research met with the trustees and provided an update on the research initiatives associated with the CAM-CTRP related to the relocation of his academic home and the occupancy of renovated space for the CAM Center in the MBI (Attachment 9).

4. Chair and Elizabeth Faulk Endowed Professor, Department of Clinical and Health Psychology, College of Public Health and Human Performance.

Glenn Smith, Ph.D., the Chair of the Department of Clinical and Health Psychology and the Elizabeth Faulk Professor in the College of PHHP is the chair of the academic department in which the faculty of the CAM-CTRP have their academic appointment. Dr. Smith also welcomed the trustees and conveyed his enthusiasm for the research support in cognitive aging and age-related memory loss and the compatibility with his own research interest. As chair of the department in which the faculty of the CAM-CTRP reside, he expressed his commitment to facilitate successful research collaborations. (Dr. Smith's abbreviated CV, Attachment 10)

5. Director of Operations of the MBI

Kenneth A. Marks, Director of the Operations of the MBI discussed his role with the MBI and presented the operating 2018 budget for the spendable funds from the investment income from the MBRF Endowments for the programs located in the MBI and the CAM Center for the CAM-CTRP (Attachment 11).

10. Investment Report by University of Florida Foundation & University of Florida Investment Corporation (UFICO)

Ms. Maria Gutierrez Martin, Assistance Vice President for Development presented an overview of the Endowment funds from the MBRF held by the University of Florida Foundation. Ms.

Martin distributed Excel spreadsheets which displayed the current market value of the MBRF endowment fund, the status of each of the MBRF endowment fund accounts, the investment return and the distributions for each of the fund accounts (Attachment 12).

Mr. Bill Reeser, CEO, UFICO presented the trustees with an update on the UFICO Investment Pool, the endowment asset allocation and performance (Attachment 13).

11. Adjournment

The meeting of the trustees on July 25, 2017 was adjourned at 5:10 p.m. and was scheduled to reconvene at 7:30 AM for the scientific program on July 26, 2017 at the MBI on the UF Health Center Campus. The scientific program will be preceded by with a tour of the renovated facilities for the CAM Center and the laboratories of the age-related memory loss core faculty located in the MBI.

12. Scientific Program, July 26, 2017

The trustees reconvened at 7:30 AM in the lobby of the MBI and following a continental breakfast proceeded to tour the renovated laboratories and research space for the CAM Center on the first floor of the MBI. Following the tour, the scientific program was convened in the first floor auditorium of the MBI. The trustees were welcomed by Dr. Todd Golde Executive Director of the MBI and Dr. Thomas Pearson, Vice President for Research for the University of Florida Health Science Center. The program consisted of three presentations by the faculty of the CAM-CTRP and three from the faculty of the Age Related Memory Loss (ARML) core in the MBI (Attachment 14). The scientific program was concluded and the meeting was adjourned at 11:45 AM. Following the adjournment optional tours were conducted to view the laboratory facilities of the ARML core faculty.

Summary of action items:

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

Action Item 2: The trustees approved the Efficient Frontier Asset Allocation Analysis with the mix of asset classes for the investment portfolio of the MBRF to produce an anticipated yield of 6.44%.

Action Item 3: The MBRF corporate trustee in consultation with Mr. Hill recommended that Appendix A and Appendix B of the Investment Policy Statement be revised to be compatible with the implementation of the recommendations.

Action Item 4: The trustees approved the amendments to the Investment Policy Statement with an effective date of July 25, 2017.

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Action Item 6: The trustees reviewed, for information, the projected minimum distribution calculation for information (Attachment 3).

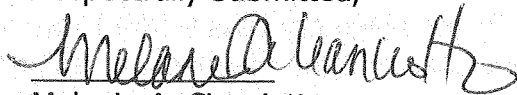
Action Item 7: The trustees approved the budget for the Inter-Institutional Meeting (Attachment 4) as presented.

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Action Item 10: The trustees received the updated compensation information compiled from information obtained from Exponent Philanthropy and the Council on Foundations and unanimously approved the current level of compensation at \$40,000 annually and the continued reimbursement of any out of pocket documented expenses incurred with MBRF business (Attachment 7).

Respectfully Submitted,



Melanie A. Cianciotto
SunTrust Bank, Corporate Trustee