

**MINUTES**  
**MCKNIGHT BRAIN RESEARCH FOUNDATION**  
**BOARD OF TRUSTEES MEETING**  
**July 16, 2018**

The Trustee's meeting of the McKnight Brain Research Foundation (MBRF) was called to order at 8:25 a.m. on July 16, 2018, in Orlando, Florida in the Discovery Meeting Room of the Hyatt Regency Orlando International Airport located at 9300 Jeff Fuqua Blvd.

The following members were present:

- Dr. J. Lee Dockery, Trustee
- Dr. Michael Dockery, Trustee
- Dr. Nina Ellenbogen Raim, Trustee
- Dr. Richard Isaacson, Trustee
- Dr. Susan Pekarske, 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. Mike Hill, SunTrust Bank Institutional Investment Solutions
- Ms. Amy Porter, Executive Director

The following members were absent:

- Mr. Henry H. Raattama, Jr., Legal Counsel

**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. stocks rose for June and the second quarter due to an improved outlook. Volatile currencies negatively impacted emerging markets, extending their slide for a fifth straight month. Developed markets were also weak as Europe and Japan declined for the month and quarter due to fading economic growth and resurgent populist sentiment.
- Interest rates remained calm in June with the 10-year U.S. Treasury yield finishing the month at 2.86%, while yields for shorter maturities rose a little more. U.S. core bonds posted small losses, while U.S. high yield bonds notched modest gains. Non-U.S. bond performance continued to suffer as the stronger U.S. dollar hammered returns for U.S. based investors.

- The U.S. economy gathered more momentum, while inflation ratcheted up due to higher crude oil prices. The Federal Reserve responded with another rate hike in June and prepped markets for one or two more rate hikes this year. Data from the European Union and Japan weakened, as each seemed to cool compared to the first quarter. Trade tensions are complicating the global growth outlook and stirring uncertainties in global markets.

## **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, 2018, the total return for the portfolio was 1.41% versus 1.40% 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 presented the Efficient Frontier Analysis. Mr. Hill 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. An increase in private equity is recommended. The MBRF proposed asset allocation mix would yield an expected return of 6.46%.

After review and discussion, including a discussion on implementing a portfolio of 100% equity, 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 6.46%. The motion passed unanimously. Mr. Hill provided the trustees with the recommended revisions to Appendix A and Appendix B of the Investment Policy Statement. These revisions are compatible with the recommendations and 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 16, 2018. 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 6.46%.**

**Action Item 3: The trustees approved the revised Appendix A and Appendix B of the Investment Policy Statement as presented by Mr. Hill with an effective date of July 16, 2018.**

### **3. Approval of Minutes**

The minutes of the April 4, 2018, Board of Trustees Meeting of the McKnight Brain Research Foundation were reviewed (Attachment 2). The minutes were approved as presented.

**Action Item 4: The trustees approved the minutes of the April 4, 2018, Board of Trustees meetings as presented (Attachment 2).**

### **4. Chair's Report**

Dr. J. Lee Dockery provided the Chair's report which included an update on the University of Florida leadership and the recent amendment to the by-laws of the MBRF increasing the number of trustees from seven to 11. The document was signed May 8, 2018 and uploaded to the secure website.

### **5. Executive Director's Report**

Ms. Porter provided the trustees with an update on her activities since joining the MBRF as Executive Director on April 1, 2018. Since joining, Ms. Porter has met with a number of the constituents of the MBRF including representatives from AARP, the Foundation for the National Institutes of Health (FNIH)/National Institute on Aging (NIA), University of Miami, University of Florida, Society for Neuroscience (SfN) and American Brain Foundation (ABF).

### **6. Minimum Distribution Calculation**

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

**Action Item 5: The trustees reviewed, for information, the projected minimum distribution calculation (Attachment 3).**

### **7. Gifts and Grants Report**

The trustees reviewed the Gifts and Grants Report for information (Attachment 4).

**Action Item 6: The trustees reviewed, for information, the Gifts and Grants Report (Attachment 4).**

### **8. Compensation Review**

Ms. Cianciotto presented updated compensation information compiled from information obtained from Exponent Philanthropy and the Council on Foundations (Attachment 5). 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 the annual compensation of \$40,000 per trustee as 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 7: 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 while performing MBRF business (Attachment 5).**

#### **9. Budget Review, 11<sup>th</sup> Inter-Institutional Meeting**

The trustees reviewed the proposed budget for the 11<sup>th</sup> Inter-Institutional Meeting (Attachment 6). The trustees approved an expenditure not to exceed \$100,000 for the 11<sup>th</sup> Inter-Institutional Meeting.

**Action Item 8: The trustees approved an expenditure not to exceed \$100,000 for the 11<sup>th</sup> Inter-Institutional Meeting.**

#### **10. MBRF Scholars Mentoring Proposal**

The trustees reviewed the MBRF Scholars Mentoring proposal (Attachment 7) submitted by Dr. Tatjana Rundek. After discussion, the proposal was approved as presented.

**Action Item 9: The MBRF Scholars Mentoring proposal was approved as presented.**

#### **11. Cognitive Aging Conference 2018**

Ms. Porter and Dr. Isaacson gave an overview of the Cognitive Aging Conference they attended in May. The next Cognitive Aging Conference will be in 2020. The trustees would like to consider supporting a MBRF poster session similar to the one at the Society for Neuroscience (SfN) at the Cognitive Aging Conference. Dr. Thambisetty will informally speak with the program director to determine if there is a way that the MBRF can sponsor a poster

session. Ms. Porter will develop a proposal for hosting a poster session at the Cognitive Aging Conference to be reviewed at the October 2018 meeting of the trustees.

**Action Item 10: Ms. Porter will develop a proposal for hosting a poster session at the Cognitive Aging Conference in 2020, to be reviewed at the October 2018 meeting of the trustees.**

**12. The McKnight Clinical Translational Research Scholarship in Cognitive Aging and Age-Related Memory Loss (a partnership with the American Brain Foundation and the American Academy of Neurology)**

The trustees reviewed the marketing plan for the 2019 McKnight Clinical Translational Research Scholarships in Cognitive Aging and Age-Related Memory Loss (Attachment 8). The trustees discussed how the MBRF could encourage more applications and opportunities for the trustees to share information about the scholarships. The trustees were alerted to the need for an in-depth review of the 2020 call for applications regarding cosmetic and descriptive enhancements.

**Action Item 11: The MBRF will continue to explore ways in which the scholarships are being marketed and identify the appropriate places to attract applicants.**

**13. Awards, Society for Neuroscience Poster Session**

Since 2016, the MBRF has awarded three cash awards for the first, second and third place winners of the Poster Session. The awards have been \$500 for first, \$300 for second and \$200 for third place. In 2017, three honorable mention award winners were chosen and received certificates. After discussion, the trustees approved awarding the three honorable mention winners awards of \$100 each beginning with the 2018 poster session. This brings the total award budget to \$1,300.

**Action Item 12: The trustees approved awarding the three honorable mention winners with cash awards of \$100 each beginning with the 2018 poster session.**

**14. MBRF Logo Designs and Usage**

The trustees reviewed the three MBRF logo designs which are currently in use; a copyrighted logo for use with letterhead, envelopes and personal cards, and two Inter-Institutional logos that are not currently copyrighted and are used for inter-institutional programs, announcements and institute websites (Attachment 9). After discussion, it was decided that no action would be taken at this time to change the way in which the three logos are currently used by the MBRF or to copyright the two Inter-Institutional logos, pending an overall review of the management of the communications of the MBRF through print, website and media outreach with its variety of constituents.

**Action Item 13: No action at this time will be taken to change the way in which the three MBRF logos are used or to copyright the two Inter-Institutional logos.**

### **15. Discussion – Communication Strategy**

The trustees discussed the need for the MBRF to have a communication strategy to disseminate information on research and increase public awareness of cognitive aging and age-related memory loss. After discussion, it was agreed that Ms. Porter will develop a plan in collaboration with a media consultant, Dr. Isaacson and the MBI affiliates for expansion of media outreach for the MBRF with a suggested budget for implementation for review by the trustees at the October 2018 meeting of the trustees. A budget of \$4,000 was requested to support the additional staff required to develop the proposal.

#### **Action Item 14:**

**A. Ms. Porter will develop a plan in collaboration with a media consultant, Dr. Isaacson and the MBI affiliates for expansion of media outreach for the MBRF with a suggested budget for implementation for review by the trustees at the October 2018 meeting of the trustees.**

**B. A budget of \$4,000 was approved to support the additional staff required to develop the communication proposal.**

### **16. Trustee Reappointment**

The trustees held an executive session to discuss the renewal of the appointment of Dr. Robert Wah as a trustee for three more years. After discussion, the trustees unanimously voted to renew Dr. Robert Wah's appointment as a trustee for a third and final three year term.

The trustees held a second executive session to discuss the renewal of the appointment of Dr. Madhav Thambisetty as a trustee for a second three year term. After discussion, the trustees unanimously voted to renew Dr. Madhav Thambisetty's term for a second three year term.

**Action Item 15: The trustees unanimously approved the renewal of Dr. Robert Wah as an MBRF Trustee for a third and final three year term.**

**Action Item 16: The trustees unanimously approved the renewal of Dr. Madhav Thambisetty as an MBRF Trustee for a second three year term.**

### **17. Upcoming Dates & Events**

#### **A. October 30 – 31, 2018 Trustees Meeting**

The trustees have agreed to hold the October 2018 meeting of the MBRF in Miami at the Hyatt Regency. The trustees will arrive the morning of October 30, 2018 and meet in the afternoon

beginning at 12:00 noon and concluding at 5:00 p.m. The trustees' dinner on October 30 will be held at the Capital Grille beginning at 6:00 p.m. The trustees will meet at the University of Miami on October 31, 2018. The trustees will attend Scientific Presentations and the installation of Dr. Rundek followed by lunch. The meeting will begin at 8:00 a.m. and conclude no later than 1:00 p.m.

#### **B. Society for Neuroscience (SfN) 2018 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 4, 2019, from 5:00 – 7:00 p.m. at the Westin San Diego Gaslamp Quarter, in San Diego, CA.

#### **C. February 2019 Trustees Meeting**

The trustees have agreed to hold the February 2019 meeting of the MBRF in Orlando at the Hyatt Orlando International Airport. The trustees will arrive the evening of February 19, 2019. The Trustees will meet February 20, 2019, beginning at 8:00 a.m. and concluding no later than 3:00 p.m.

#### **D. 2019 Inter-Institutional Meeting**

The 11<sup>th</sup> McKnight Brain Research Foundation Inter-Institutional Meeting will be hosted by the Evelyn F. McKnight Brain Institute at the University of Florida April 10-12, 2019. The trustees will arrive the morning of April 10, 2019, and meet in the afternoon beginning at 12:00 noon. The Inter-Institutional meeting will begin with a reception on the evening of April 10, 2019, followed by the scientific sessions on April 11-12, adjourning at noon on April 12, 2019.

#### **18. Old Business**

The trustees received the updated Annual Report Template for review (Attachment 10). After review, the trustees approved the addition to the report of the footnote \*When using acronyms, please spell out all acronyms not universally understood.

**Action Item 17: The trustees approved the footnote to the annual report template: \*When using acronyms, please spell out all acronyms not universally understood.**

There being no further business, the meeting was adjourned at 2:20 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 Efficient Frontier Asset Allocation Analysis with the mix of asset classes for the investment portfolio of the MBRF to produce an anticipated yield of 6.46%.**

**Action Item 3: The trustees approved the revised Appendix A and Appendix B of the Investment Policy Statement as presented by Mr. Hill with an effective date of July 16, 2018.**

**Action Item 4: The trustees approved the minutes of the April 4, 2018, Board of Trustees meetings as presented (Attachment 2).**

**Action Item 5: The trustees reviewed, for information, the projected minimum distribution calculation (Attachment 3).**

**Action Item 6: The trustees reviewed, for information, the Gifts and Grants Report (Attachment 4).**

**Action Item 7: 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 while performing MBRF business (Attachment 5).**

**Action Item 8: The trustees approved an expenditure not to exceed \$100,000 for the 11<sup>th</sup> Inter-Institutional Meeting.**

**Action Item 9: The MBRF Scholars Mentoring proposal was approved as presented.**

**Action Item 10: Ms. Porter will develop a proposal for hosting a poster session at the Cognitive Aging Conference in 2020, to be reviewed at the October 2018 meeting of the trustees.**

**Action Item 11: The MBRF will continue to explore ways in which the scholarships are being marketed and identify the appropriate places to attract applicants.**

**Action Item 12: The trustees approved awarding the three honorable mention winners with cash awards of \$100 each beginning with the 2018 poster session.**



**Action Item 13: No action at this time will be taken to change the way in which the three MBRF logos are used or to copyright the two Inter-Institutional logos.**

**Action Item 14:**

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**B. A budget of \$4,000 was approved to support the additional staff required to develop the communication proposal.**

**Action Item 15: The trustees unanimously approved the renewal of Dr. Robert Wah as an MBRF Trustee for a third and final three year term.**

**Action Item 16: The trustees unanimously approved the renewal of Dr. Madhav Thambisetty as an MBRF Trustee for a second three year term.**

**Action Item 17: The trustees approved the footnote to the annual report template:  
\*When using acronyms, please spell out all acronyms not universally understood.**

Respectfully Submitted,



Melanie A. Cianciotto

SunTrust Bank, Corporate Trustee

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