

MINUTES
MCKNIGHT BRAIN RESEARCH FOUNDATION
BOARD OF TRUSTEES MEETING
July 31, 2019

The Trustee's meeting of the McKnight Brain Research Foundation (MBRF) was called to order at 8:25 a.m. on July 31, 2019, in Orlando, Florida, in the Endeavour Meeting Room of the Hyatt Regency Orlando International Airport located at 9300 Jeff Fuqua Blvd.

The following members were present:

Dr. J. Lee Dockery, Chair Emeritus (via conference call)
Dr. Michael Dockery, Chair
Dr. Richard Isaacson, Trustee
Dr. Susan Pekarske, Trustee
Dr. Gene G. Ryerson, Trustee
Dr. Robert Wah, Trustee
Ms. Melanie Cianciotto, Corporate Trustee,
SunTrust Bank Institutional Investment Solutions

Members absent:

Dr. Madhav Thambisetty, Trustee

Others attending:

Mr. Henry H. Raattama, Jr., Legal Counsel
Mr. Mike Hill, SunTrust Bank Institutional Investment Solutions (via conference call)
Ms. Shelly R. Simpson, SunTrust Advisory Services (via conference call)
Ms. Amy Porter, Executive Director
Ms. Valerie Patmintra, Senior Communications Director

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

- The U.S. expansion is entering a record setting 11th year. We continue to expect solid U.S. growth in 2019. Although we still see an upside in stocks, we expect bouts of volatility to continue.
- Global rates have declined sharply on sluggish economic trends, a pivot in central bank policies and waning inflation expectations. The 10-year U.S. Treasury yield is being pulled down by the nearly \$13 trillion worth of negative yielding bonds worldwide. Credit conditions remain healthy while rates have moved lower.

B. Portfolio Review

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

Portfolio Performance: For the quarter ending June 30, 2019, the total return for the portfolio was 2.82% versus 3.29% for the Investment Policy Statement index.

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

2. Efficient Frontier Analysis

Ms. Simpson presented the Efficient Frontier Analysis. Ms. 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. 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. 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 with an effective date of July 31, 2019. 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 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 31, 2019.

3. Approval of Minutes

The minutes of the April 10, 2019, 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 10, 2019, Board of Trustees meetings as presented (Attachment 2).

4. Chair's Report

Dr. Mike Dockery provided the Chair's report which included a welcome to Dr. Lee Dockery to his first meeting as Chair Emeritus. Dr. Mike Dockery asked that the Membership and Governance Committee report reflect the trustees' prior approval in June 2019 by unanimous consent of the duties and responsibilities of the Chair Emeritus and that those approved duties be included with the minutes of the meeting (Attachment 3).

Dr. Mike Dockery restated his goals for the MBRF as:

- Maintain a strong and cohesive Board
- Identify and recruit new trustees
- Maintain healthy relationships with the McKnight Brain Institutes and the MBRF's other partners
- Challenge partners to move the MBRF mission forward
- Promote better collaborations
- Continue to be prudent fiduciaries
- Consider the possibility of "growing" the MBRF capital

Dr. Mike Dockery noted that the new board structure has been established. The committees have met for the first time and appear to be working well and he thanked everyone for their hard work and service. He asked that each committee identify programs and deadlines in their area of responsibility from which to develop a work plan for next year.

Dr. Mike Dockery said he would review the current MBRF Strategic Plan and note the items completed and those he feels are priorities for action next year. He feels that the MBRF should become more proactive rather than reactive as it relates to funding grant requests. He suggested that the MBRF would benefit from a Five-Year Strategic Plan.

In a phone conversation with Dr. Ralph Sacco, Dr. Mike Dockery recommended that the Leadership Council be composed of 3 members from each MBI. At the current time, the representation is uneven across the MBIs.

5. Executive Director's Report

Ms. Porter provided the Executive Director's report. She shared that Dr. Nina Ellenbogen Raim, Trustee Emeritus, is in receipt of the certificate and gift from the Trustees in appreciation of her years of service as a Trustee. Ms. Porter discussed working with the Communications Working Group and their input on the new MBRF logo. In addition, Ms. Porter has been working with the American Brain Foundation on refining the announcement of the scholarship opportunity. Ms. Porter has reached out to over 30 individual fellowship directors in the UCNS (United Council for Neurological Subspecialties). Ms. Porter invited Dr. Sedaghat, a McKnight Scholar, to attend the McKnight Poster Session at the Society for Neuroscience (SfN) meeting in Chicago in October. Ms. Porter will be attending the Reserve & Resilience Workshop at the NIH September 9 – 10, 2019.

6. Corporate Trustee's Report

- A.** The trustees reviewed the projected minimum distribution calculation for information (Attachment 4).
- B.** The trustees reviewed the Gifts and Grants Report for information (Attachment 5).
- C.** The trustees reviewed the Travel Award Program for information (Attachment 6).
- D.** Ms. Cianciotto shared the summary of the 2017 and 2018 Operating Expenses with the trustees (Attachment 7).

Action Item 5: The trustees reviewed, for information, the projected minimum distribution calculation (Attachment 4).

Action Item 6: The trustees reviewed, for information, the Gifts and Grants Report (Attachment 5).

Action Item 7: The trustees reviewed, for information, the Travel Award Program (Attachment 6).

Action Item 8: The trustees reviewed, for information, the Operating Expenses Report (Attachment 7).

7. Compensation Review

Ms. Cianciotto presented updated compensation information compiled from information obtained from Exponent Philanthropy and the Council on Foundations (Attachment 8). 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, experience and education 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 9: The trustees received the updated compensation information compiled from information obtained from Exponent Philanthropy and the Council on Foundations (Attachment 8) 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.

8. Committee Reports

A. Membership and Governance

1. The trustees approved the proposed amended Board Policy on Term Limits (Attachment 9) as recommended by the committee. The term limits will now read "Length of term: Three (3) years, which may be renewed for additional terms, pending approval of the Board of Trustees for a maximum of nine (9) years."
2. The trustees approved the proposed amended Qualifications for New Trustees (Attachment 10) as recommended by the committee.
3. The trustees approved the role of Trustee Emeritus/Emerita (Attachment 11) as recommended by the committee.

Action Item 10: The trustees approved the proposed amended Board Policy on Term Limits (Attachment 9) as recommended committee.

Action Item 11: The trustees approved the proposed amended Qualifications for New Trustees (Attachment 10) as recommended by the committee.

Action Item 12: The trustees approved the role of Trustee Emeritus/Emerita (Attachment 11) as recommended by the committee.

B. Finance

1. The trustees approved the proposal for the Clinical Translational Research Scholars Dinner at the 2020 AAN Meeting (Attachment 12) not to exceed \$4,000 as recommended by the committee.
2. The trustees approved the proposal for the Clinical Translational Research Scholars to attend the 2020 Inter-Institutional Meeting (Attachment 13) not to exceed

\$16,000 and funded using the Travel Award budget as recommended by the committee.

3. The trustees approved the proposal for the 2020 Inter-Institutional Meeting (Attachment 14) not to exceed \$117,000 as recommended by the committee.
4. The trustees approved the proposal for Pre-Meeting Sessions at the 2020 Inter-Institutional Meeting (Attachment 15) not to exceed \$4,000 as recommended by the committee and would like clarification regarding who will be attending the pre-meeting sessions and the expected outcome.
5. The trustees approved the Expense Reimbursement Policy (Attachment 16) as recommended by the committee.

Action Item 13: The trustees approved the proposal for the Clinical Translational Research Scholars Dinner at the 2020 AAN Meeting (Attachment 12) not to exceed \$4,000 as recommended by the committee.

Action Item 14: The trustees approved the proposal for the Clinical Translational Research Scholars to attend the 2020 Inter-Institutional Meeting (Attachment 13) not to exceed \$16,000 and funded using the Travel Award budget as recommended by the committee.

Action Item 15: The trustees approved the proposal for the 2020 Inter-Institutional Meeting (Attachment 14) not to exceed \$117,000 as recommended by the committee.

Action Item 16: The trustees approved the proposal for Pre-Meeting Sessions at the 2020 Inter-Institutional Meeting (Attachment 15) not to exceed \$4,000 as recommended by the committee and would like clarification regarding who will be attending the pre-meeting sessions and the expected outcome.

Action Item 17: The trustees approved the Expense Reimbursement Policy (Attachment 16) as recommended by the committee.

C. Communications

Ms. Valerie Patmintra, Senior Communications Advisor and Dr. Richard Isaacson provided the trustees with the communications report.

1. The trustees approved Design B to include the tagline "Preserving Memory, Enhancing Life" (Attachment 17) as the new logo for the MBRF.

Action Item 18: The trustees approved Design B to include the tagline "Preserving Memory, Enhancing Life" (Attachment 17) as the new logo for the MBRF.

D. Education

Dr. Robert Wah provided the trustees with the education committee report.

E. Research

1. The trustees reviewed the Transcutaneous Vagal Nerve Stimulation and Cognitive Training to Enhance Cognitive Performance in Healthy Older Adults proposal (Attachment 18) submitted through the Cognitive Aging and Memory Intervention Core. The trustees approved a block grant not to exceed \$60,000 annually for a period of two years beginning October 1, 2019 for a total not to exceed \$120,000.

Action Item 19: The trustees approved a block grant not to exceed \$60,000 annually for a period of two years beginning October 1, 2019 for a total not to exceed \$120,000 for the Transcutaneous Vagal Nerve Stimulation and Cognitive Training to Enhance Cognitive Performance in Healthy Older Adults.

9. Upcoming Dates & Events

Society for Neuroscience (SfN) 2019 McKnight Poster Session

The trustees will host a poster/reception in conjunction with the annual meeting of the Society for Neuroscience (SfN). Dr. Mike Dockery, Dr. Gene Ryerson and Ms. Porter will attend the event, which will be held on Sunday, October 20, 2019 from 5:00 – 7:00 p.m. at the Loews Chicago Hotel in Chicago, Illinois.

October 22 – 23, 2019 Trustees Meeting

The trustees have agreed to hold the October 2019 meeting of the MBRF in Orlando at the Hyatt Regency Orlando International Airport. The trustees will arrive the evening of October 22, 2019. The trustees' dinner will be held at 7:00 p.m. at Hemisphere Restaurant in the Hyatt Regency Orlando International Airport. The trustees will meet October 23, 2019, beginning at 8:00 a.m. and concluding no later than 3:00 p.m.

2020 Inter-Institutional Meeting

The 12th McKnight Brain Research Foundation Inter-Institutional Meeting will be hosted by the Evelyn F. McKnight Brain Institute at the University of Miami April 1-3, 2020. The trustees will arrive the morning of April 1, 2020, and meet in the afternoon beginning at 12:00 noon. The Inter-Institutional meeting will begin with a reception on the evening of April 1, 2020, followed by the scientific sessions on April 2-3, adjourning at noon on April 3, 2020.

10. New Business

University of Florida Proposal

Dr. Lee Dockery and Dr. Gene Ryerson provided the trustees with a summary of their meeting with Dr. Todd Golde and Dr. Jennifer Bizon to discuss the Proposal to Create a University Center from the ARML Program (Attachment 19). The proposal is to establish a new Center

within the Evelyn F. and William L. McKnight Brain Institute of the University of Florida. No additional funding is being requested from the MBRF. After discussion, the trustees agreed to invite Dr. Todd Golde and Dr. Jennifer Bizon to the October meeting of the trustees. Ms. Melanie Cianciotto will extend an invitation to Dr. Golde and Dr. Bizon inviting them to the meeting to discuss the proposal in further detail.

Action Item 20: Ms. Cianciotto will extend an invitation to Dr. Golde and Dr. Bizon inviting them to the October meeting of the MBRF trustees to discuss the proposal in more detail.

University of Miami

The trustees reviewed the "Investing in Our Future" proposal (Attachment 20) from the Evelyn F. McKnight Brain Institute at the University of Miami. The trustees agreed the proposal was strong but the amount of funding requested is beyond what the MBRF can commit at this time. Dr. Lee Dockery suggested the growth in the corpus be reallocated to another fund to meet the \$4 million dollars needed to fund the proposal. Dr. Mike Dockery will reach out to Dr. Ralph Sacco and Dr. Tatjana Rundek to arrange a phone call to discuss ideas on how the MBRF could help move the proposal forward.

Action Item 21: Dr. Mike Dockery will reach out to Dr. Ralph Sacco and Dr. Tatjana Rundek to arrange a phone call to discuss ideas on how the MBRF could help move the proposal forward.

Qualifications for Committee Membership

The trustees received the Qualifications for Committee membership (Attachment 21). After discussion, the trustees recommended the title of the document be amended to read "Qualifications for Advisory Committee Membership." The trustees approved the document as amended.

Action Item 22: The trustees approved the Qualifications for Committee Membership with the amended title "Qualifications for Advisory Committee Membership."

There being no further business, the meeting was adjourned at 2:40 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 6.44%.

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 31, 2019.

Action Item 4: The trustees approved the minutes of the April 10, 2019, Board of Trustees meetings as presented (Attachment 2).

Action Item 5: The trustees reviewed, for information, the projected minimum distribution calculation (Attachment 4).

Action Item 6: The trustees reviewed, for information, the Gifts and Grants Report (Attachment 5).

Action Item 7: The trustees reviewed, for information, the Travel Award Program (Attachment 6).

Action Item 8: The trustees reviewed, for information, the Operating Expenses Report (Attachment 7).

Action Item 9: The trustees received the updated compensation information compiled from information obtained from Exponent Philanthropy and the Council on Foundations (Attachment 8) 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.

Action Item 10: The trustees approved the proposed amended Board Policy on Term Limits (Attachment 9) as recommended committee.

Action Item 11: The trustees approved the proposed amended Qualifications for New Trustees (Attachment 10) as recommended by the committee.

Action Item 12: The trustees approved the role of Trustee Emeritus/Emerita (Attachment 11) as recommended by the committee.

Action Item 13: The trustees approved the proposal for the Clinical Translational Research Scholars Dinner at the 2020 AAN Meeting (Attachment 12) not to exceed \$4,000 as recommended by the committee.

Action Item 14: The trustees approved the proposal for the Clinical Translational Research Scholars to attend the 2020 Inter-Institutional Meeting (Attachment 13)

not to exceed \$16,000 and funded using the Travel Award budget as recommended by the committee.

Action Item 15: The trustees approved the proposal for the 2020 Inter-Institutional Meeting (Attachment 14) not to exceed \$117,000 as recommended by the committee.

Action Item 16: The trustees approved the proposal for Pre-Meeting Sessions at the 2020 Inter-Institutional Meeting (Attachment 15) not to exceed \$4,000 as recommended by the committee and would like clarification regarding who will be attending the pre-meeting sessions and the expected outcome.

Action Item 17: The trustees approved the Expense Reimbursement Policy (Attachment 16) as recommended by the committee.

Action Item 18: The trustees approved Design B to include the tagline "Preserving Memory, Enhancing Life" (Attachment 17) as the new logo for the MBRF.

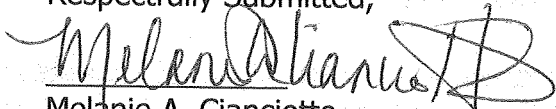
Action Item 19: The trustees approved a block grant not to exceed \$60,000 annually for a period of two years beginning October 1, 2019 for a total not to exceed \$120,000 for the Transcutaneous Vagal Nerve Stimulation and Cognitive Training to Enhance Cognitive Performance in Healthy Older Adults.

Action Item 20: Ms. Cianciotto will extend an invitation to Dr. Golde and Dr. Bizon inviting them to the October meeting of the MBRF trustees to discuss the proposal in more detail.

Action Item 21: Dr. Mike Dockery will reach out to Dr. Ralph Sacco and Dr. Tatjana Rundek to arrange a phone call to discuss ideas on how the MBRF could help move the proposal forward.

Action Item 22: The trustees approved the Qualifications for Committee Membership with the amended title "Qualifications for Advisory Committee Membership."

Respectfully Submitted,



Melanie A. Cianciotto
SunTrust Bank, Corporate Trustee