MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE UNIVERSITY OF LOUISVILLE FOUNDATION, INC.

In Open Session

Members of the Board of Directors of the University of Louisville Foundation, Inc. met at 12:02 p.m. on April 29, 2021. As a result of the state of emergency in Kentucky the regular meeting was a hybrid in-person/virtual meeting. The in-person location was the Swain Student Activities Center Ballrooms on the University of Louisville Belknap Campus. Members of the public and media were able to attend in-person or access a livestream of the meeting. Members were present and absent as follows:

Present:	Mr. Earl Reed, Chair Mr. David Anderson Dr. Neeli Bendapudi Mr. Jim Boone Mr. Paul Carrico Mr. John Chilton Ms. Jill Force Mr. David Krebs Mr. Larry McDonald Mr. Mark Nickel Ms. Mary Nixon Mr. Ken Payne Mr. Jim Rogers Mr. David Schultz Mr. John Smith Mr. John Thompson
Absent:	Ms. Sabrina Collins
Board Advisors Present:	Mr. Ernest Brooks, Member of Investment Subcommittee Ms. Jessica Cole, Member of Audit, Compliance and Risk Management Committee Ms. Deborah Lawson, Member of Investment Subcommittee
From the Foundation:	Mr. Keith Sherman, Executive Director/COO Ms. Julie Kroger, Executive Assistant Ms. Gina Lankswert, Director of Administration Ms. Susan Magness, Director of Budget Mr. Justin Ruhl, Controller
From Legal Counsel:	Mr. Franklin Jelsma, Wyatt, Tarrant & Combs
From the University:	Mr. Dan Durbin, Executive Vice President for Finance and Administration Dr. Jasmine Farrier, Vice President for Advancement Mr. Tom Miller, CEO of UofL Health

I. Call to Order

Having determined a quorum present, Chair Reed called the meeting to order at 12:02 p.m. No conflicts of interest or appearances of conflicts were identified.

II. Consent Agenda

Next, Mr. Reed read the **attached** consent agenda as follows:

- Approval of January 28, 2021 Minutes
- Resolution Regarding a Quasi-Endowment

Mr. Anderson made a motion to approve the Consent Agenda, which Mr. Boone seconded. The motion passed.

III. Audit, Compliance & Risk Management Committee Report

Mr. Boone reported the Audit, Compliance & Risk Management Committee approved two recommendations at their April 20, 2021 meeting. They recommend the Board engage Ernst & Young for the purpose of providing financial statement audit services for the fiscal year ending June 30, 2021. They also recommend the Board authorize the Executive Director, subject to the approval of legal counsel, to sign and file tax forms. Mr. Boone moved the adoption of the two **attached** resolutions on behalf of the Audit, Compliance & Risk Management Committee. The motion passed.

IV. Finance Committee Report

Ms. Force reported the Finance Committee reviewed the most recent financials and approved several recommendations during their meeting on April 29, 2021. They recommend the Board approve the **attached** fiscal year 2021-2022 spending policy; fiscal year 2021-2022 operating budget, including the UofL Real Estate Foundation Administrative Services Agreement Schedule A; and the replenishment of underwater endowment accounts plan. The Board approved the **attached** three recommendations.

Investment Subcommittee Report

Mr. Nickel reported the Investment Subcommittee and Finance Committee recommend the Board approve the **attached** recommendation regarding an Investment Policy Statement (IPS) for an endowment managed by PNC as well as changing the flexible capital policy benchmark to the HFRI Asset Weighted Composite. The Board approved the recommendations.

V. ULREF Update

Mr. Payne provided an update on the University of Louisville Real Estate Foundation. During their regular meeting on April 29, 2021 the Board reviewed their third quarter financials; approved their fiscal year 2021-2022 operating budget, including the UofL Foundation Administrative Services Agreement Schedule A; and authorized the Executive Director, subject to the approval of legal counsel, to sign and file tax forms. He noted the final payment to the University for an outstanding debt obligation has been made.

The Board also approved the following actions related to real estate holdings: engage Linebach Funkhouser to complete a Phase I Environmental Site Assessment and a Brownfield Redevelopment Program Application for 2601 S. 3rd Street (commonly referred to as KY-T Property); authorized the Executive Director to obtain and finalize refinancing of 2601 South Third Street; engage PRG Commercial Property Advisors to list for sale and market 601 President's Blvd (commonly referred to as Humana Gym); and subject to several recitals and conditioned upon the University's determination it desires the Foundation to do so, the purchase of property at 1606 Rowan Street.

VI. Reports from the University of Louisville

Mr. Miller provided a brief overview of UofL Health highlighting their role in providing COVID vaccinations in the community.

Dr. Farrier reviewed the **attached** Advancement presentation.

Mr. Durbin reviewed the **attached** financial presentation.

Dr. Bendapudi provided an update on the University highlighting their strong enrollment numbers, financial stability and industry partnerships. She expressed her appreciation to the Foundation and Board, noting the significance of replenishing the remaining underwater endowments accounts.

Mr. Reed expressed his appreciation to Dr. Bendapudi and her team.

VII. Executive Session to Discuss a Specific Business Proposal, Proposed or Pending Litigation, and Personnel Matters Pursuant to KRS 61.810 (1) (g) (c) and (f)

Mr. Reed asked for a motion to go into executive session to discuss a specific business proposal, proposed or pending litigation, and personnel matters pursuant to KRS 61.810(l)(c)(f) and (g). Mr. Anderson made the motion, which Ms. Nixon seconded, to go into executive session at 12:57 p.m. The motion passed.

VIII. Reconvene Open Session

When open session reconvened at 1:32 p.m., Mr. Reed reported that a specific business proposal, proposed or pending litigation, and personnel matters were discussed during the executive session. No action was taken.

IX. Report of the Executive Director

Mr. Sherman stated the modifications in investment asset allocations have allowed investments to benefit from the market which now allows the Foundation to be in a position to bring the remaining underwater endowment accounts above water. It is a significant milestone. The Foundation began focusing on this issue in July 2017. He expressed his appreciation to the current Board as well as those who have served since Ms. Diane Medley was Chair.

Mr. Sherman stated the Foundation has a MOU with UofL Health to receive their philanthropy. That agreement is currently being renegotiated. UofL Health has created

a foundation to help them focus on philanthropy, including a grateful patient program. The negotiations also involve the University who fundraise for UofL Health. Dr. Bendapudi stated that she is Chair of the UofL Health Board and that Mr. Miller reports to her. She noted that having fundraising centralized for the two entities is critical.

Mr. Sherman noted the proposed changes to the governance documents are housekeeping in nature with the sole purpose of updating them to comport with the terms of the new Memorandum of Understanding with the University of Louisville that the Board approved on January 28, 2021. Mr. Jelsma provided a high-level overview of the documents. Ms. Force made a motion that the **attached** amended Articles of Incorporation, Bylaws and Committee Charters be approved. Mr. Rogers seconded the motion. The motion passed.

Mr. Sherman reported the University has requested support to purchase and implement Blackbaud, a Customer Relationship Management (CRM) system. Ms. Nixon made a motion, which was seconded by Ms. Force, to approve the **attached** resolution. The motion passed.

Mr. Sherman concluded his report by providing a high-level review of the **attached** Gift Acceptance Policy.

Mr. Sherman expressed his appreciation to the Board and the Foundation staff.

X. Adjournment

Having no other business, a motion to adjourn the meeting, made by Ms. Nixon and seconded by Mr. Rogers, passed. The meeting adjourned at 1:53 p.m.

Approved by:

[redacted]

James E. Boone, Secretary
University of Louisville Foundation, Inc.

RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE UNIVERSITY OF LOUISVILLE FOUNDATION, INC.

April 29, 2021

At a duly convened meeting of the Board of Directors (the "**Board**") of the University of Louisville Foundation, Inc., a Kentucky nonprofit corporation ("**ULF**"), held on April 29, 2021, the Board adopted the following resolutions:

Allocation of the Dr. Spurgeon Shih-Chung Chen Testamentary Gift in the J.B. Speed School of Engineering

WHEREAS, the second amended and restated Memorandum of Understanding between the University of Louisville ("UofL") and ULF states the "Foundation shall not process any request to process the liquidation or transfer of any quasi-endowed account, in whole or in part, without the prior approval of the University's Board of Trustees and the Foundation's Board of Directors. As it relates to testamentary gifts, the Foundation shall automatically quasi-endow any gift of more than $100,000 unless otherwise requested in writing by the University's Board of Trustees."

WHEREAS, the Estate of Dr. Spurgeon Shih-Chung Chen has bequeathed $265,000 to the J.B. Speed School of Engineering.

WHEREAS, Dr. Emmanuel Collins, Dean of the Speed School, requested the entirety of the realized bequest be used immediately to help pay for the renovation of the approximately 10,000 sq. ft. space at 1940 Arthur Street that was formerly occupied by the Additive Manufacturing Institute for Science and Technology's workforce development center. The space will become the new Louisville Automation and Robotics Research Institute ("LARRI").

WHEREAS, UofL President Neeli Bendapudi requested the UofL Board of Trustees approve Dr. Collins' request. It was approved on April 22, 2021 (see attached)

RESOLVED, the Board approves the current use allocation of the Dr. Spurgeon Shih-Chung Chen testamentary gift of $265,000.

BOARD ACTION:
Passed X
Did Not Pass _____
Other

[redacted]

James E. Boone, Secretary
University of Louisville Foundation, Inc.

RESOLUTION OF THE BOARD OF DIRECTORS OF THE UNIVERSITY OF LOUISVILLE FOUNDATION, INC.

April 29, 2021

At a duly convened meeting of the Board of Directors (the "**Board**") of the University of Louisville Foundation, Inc., a Kentucky non-profit corporation ("**ULF**"), held on April 29, 2021, the Board adopted the following resolution:

AUDIT SERVICES PROVIDER

WHEREAS, on June 22, 2017 the University of Louisville Foundation Board of Directors approved engaging Ernst & Young (EY) for the purpose of providing financial statement audit services for the fiscal year ending June 30, 2017, with the option for four one-year renewals, for the following 4 entities: University of Louisville Foundation, Inc.; University of Louisville Real Estate Foundation, Inc.; the Nucleus Real Properties, Inc., a consolidated affiliate of the University of Louisville Foundation, Inc.; and ULH, Inc., a consolidated affiliate of the University of Louisville Foundation, Inc.

WHEREAS, on April 28, 2020, the University of Louisville Foundation Board of Directors approved a one-year renewal for the purpose of providing financial statement audit services for the fiscal year ending June 30, 2020.

NOW THEREFORE, BE IT RESOLVED, upon the recommendation of the Audit Compliance, and Risk Management Committee, the Board approves the engagement of EY for the purpose of providing financial statement audit services for the fiscal year ending June 30, 2021, for the University of Louisville Foundation, Inc. and the University of Louisville Real Estate Foundation, Inc.

BOARD ACTION:
Passed X
Did Not Pass _____
Other

[redacted]

James E. Boone, Secretary
University of Louisville Foundation, Inc.

RESOLUTION OF THE BOARD OF DIRECTORS OF THE UNIVERSITY OF LOUISVILLE FOUNDATION, INC.

April 29, 2021

At a duly convened meeting of the Board of Directors (the "**Board**") of the University of Louisville Foundation, Inc., a Kentucky non-profit corporation ("**ULF**"), held on April 29, 2021, the Board adopted the following resolution:

Filing of Tax Forms

WHEREAS, on November 21, 2017, the Board approved the engagement of Deming Malone Livesay & Ostroff ("DMLO") for the purpose of providing tax preparation services for the fiscal year ending June 30, 2017, with the option of four one-year renewals.

WHEREAS, on October 29, 2020, the Board approved a one-year renewal for the purpose of providing Form 990 tax preparation services for the fiscal year ending June 30, 2020.

WHEREAS, Foundation staff worked with DMLO on the preparation of the Form 990s and Form 990Ts.

WHEREAS, the tax forms were shared with each Board member in advance of the informational sessions on April 13 and 16, 2021 for the Board to review and ask questions about the drafts of the same.

RESOLVED, upon the recommendation of the Audit, Compliance and Risk Management Committee, the Board hereby authorizes Keith Sherman, subject to approval of legal counsel, to sign and file the following:

1. University of Louisville, Foundation, Inc. (Form 990, 990T, 926, and 8665)

2. The Nucleus Real Properties, Inc. (Form 990)

BOARD ACTION:
Passed X
Did Not Pass _____
Other _____

[redacted]

James E. Boone, Secretary
University of Louisville Foundation, Inc.

RESOLUTION OF THE BOARD OF DIRECTORS OF THE UNIVERSITY OF LOUISVILLE FOUNDATION, INC.

April 29, 2021

At a duly convened meeting of the Board of Directors (the "**Board**") of the University of Louisville Foundation, Inc., a Kentucky non-profit corporation ("**ULF**"), held on April 29, 2021, the Board adopted the following resolutions:

Approval of 2021-2022 Spending Policy

RESOLVED, upon the recommendation of the Finance Committee, the Board approves the **attached** spending policy for fiscal year 2021-2022.

BOARD ACTION:
Passed X
Did Not Pass _____
Other

[redacted]

James E. Boone, Secretary
University of Louisville Foundation, Inc.

UNIVERSITY of LOUISVILLE FOUNDATION

University of Louisville Foundation
Policy/Procedure

Subject: Endowment Spending Policy	Author: Keith Sherman
Effective Date: July 1, 2021	Last Review Date: April 29, 2021
Last Revision: April 29, 2021	Revised By: Gina Lankswert
Contact Name: Gina Lankswert	Contact Email: gina.lankswert@louisville.edu
Approved By: Board of Directors on April 29, 2021	Page 1 of 4

I. **General:** The annual spending policy that follows is meant to be an instructional guide for the prudent management of endowment distributions made available by the University of Louisville Foundation Inc.("Foundation"), to the respective academic and support units of the University of Louisville ("University"). The policy is viewed as a living document, which can change as needed by action of the Foundation's Board of Directors.

II. **Unitized Endowment Pool:**

a. The **unitized endowment pool** is housed within the University of Louisville Foundation, Inc., managed by its outsourced chief investment office (OCIO) and primarily comprised of externally managed investments. The unitized endowment pool functions much like a mutual fund. Each endowment account participates in the pool's investment return based on its percentage ownership which is determined by the dollar amount invested and number of shares owned.

b. The principal or corpus (book value/historical gift value), of an endowment account is defined as the original donation + subsequent donations +reinvestment to principal – liquidations.

c. The market value of an endowment account is defined at the current value of the endowment account as of the specified date.

III. **Spending Policy and Administrative Fees**

a. The Foundation's **spending policy,** determined annually by the Foundation's Board of Directors, governs the rate at which funds are made available to the academic and support units benefiting from each endowment account.

i. The dollar amount made available for each account is calculated by multiplying the approved spending policy by the rolling twelve-quarter average of the market value of the account as of the prior December 31.

1. Endowments invested for less than 1 calendar year receive the lesser of the spending policy or the fund's actual return.

ii. The total spending policy allocation for each endowment account is distributed to its related spendable account and made available to the academic and support units on July 1.

iii. Once calculated, reviewed and approved by management and the Foundation Board of Directors, the spending policy allocations, along with other pertinent data elements, are conveyed to the University's designated recipient(s).

iv. For FY22, the Foundation's Board of Directors approved an annual spending policy of **3.0%.**

b. The **administrative fee** is an additional amount withdrawn from the unitized endowment pool used to support the Office of Advancement and Foundation operations. This fee is determined annually by the Board of Directors.

i. The total annual administrative fee will not exceed 1.5% of the rolling twelve-quarter average of the market value of the unitized endowment pool as of the prior December 31.

ii. Each month, 1/12 of the annual administrative fee is allocated to each endowment account based on its percent ownership in the unitized pool.

iii. For FY22, the Foundation's Board of Directors approved an annual administrative fee of 1% ($6,335,175.45) of which $4,434,662.82 (0.70%) is being allocated to support the Office of Advancement and $1,900,552.64 (0.30%) is being allocated to support Foundation operations.

IV. **"Underwater Endowments":**

a. **Underwater endowments** are defined as those individual endowment accounts that as of the most recent December 31st, the market value (MV) is less than the book value (BV).

b. In the absence of any donor restrictions or directives to the contrary, when an endowment account is determined to be underwater, the account's spending policy shall be prorated based on its Underwater Percentage.

i. The Underwater Percentage will be determined using the following calculation: (BV – MV)/BV * 100

ii. No new spending policy distribution shall be authorized for any endowment account with an Underwater Percentage of more than 10%.

iii. For endowments with an Underwater Percentage between 1% and 10%, the spending policy will be pro-rated based on the following rate table:

UNDERWATER PERCENTAGE	PRO-RATED PERCENTAGE
1	95
2	90
3	85
4	80
5	75
6	70
7	65
8	60
9	55
10	50

c. An exception applies to state matching endowment accounts funded through the Research Challenge Trust Fund ("B4B"). Any "B4B" endowment account that is underwater, regardless of amount, is ineligible for spending policy.

V. **Annual Spending Policy Use and Re-investment**

a. The Foundation expects that academic and support units managing endowment funds will expend the spending policy in the fiscal year that it is allocated. That is, the managing units have delegated authority to use the allocated funds approved for the fiscal year for the use and purposes specifically identified in the gift agreement.

i. At the election of the Foundation's Board of Directors, any unexpended annual spending policy allocations ("carryover") may be released back into the related endowment account's market value or retained separately in the endowment's related spendable account for future use.

ii. Any unspent FY22 annual allocation will be released from the spendable account to the related endowment's market value on July 1, 2022. It will not be retained in the spendable account (i.e., no new carryover will be created).

iii. The Foundation compliance staff oversees account balances.

VI. **Endowment Funds Held Outside of the Unitized Pool and Managed by the University of Louisville Foundation, Inc.:**

a. Due to terms of the related gift agreements, the Foundation holds and manages six endowment funds outside of the unitized pool ("**Internally Managed Funds")**.

b. The spending policy for the Internally Managed Funds is determined based on the terms of the related gift agreement and is made available to the University on July 1.

VII. **Endowment Funds Not Managed by the University of Louisville Foundation Inc.:**

a. The University of Louisville Trust:

   i. The University of Louisville Trust is a separate unitized investment pool held at PNC Bank currently consisting of nine (9) individually identified endowment accounts, designated for separate and distinct investment strategies as stipulated by the donors.

   ii. The nine endowments participate as part of the combined UofL Trust investment pool, unitizing them within that pool, and calculating their annual spending policy based on that unitization.

   iii. The Trust has an annual spending policy similar to the UofL Foundation Inc. For FY22 the UofL Trust is expected to distribute of 4.0% of the twelve-quarter moving average of the total UofL Trust investment pool. The UofL Foundation calculates the distribution allocation each year, applies any income distributed during the previous fiscal year, and transfers those amounts from PNC to fund the annual spending policy allocation.

   iv. The funds are made available to the University on July 1.

b. There are other separately held trusts and endowments that are managed by outside financial institutions. In these instances, the trustee determines the annual allocation and the Foundation receives only the income earned each year, which may be distributed on a monthly, quarterly, semi-annual, or annual basis. These distributions are added to each endowment's related spendable account and made available to the designated academic and support units at the time of receipt.

VI. **Exceptions**

a. Only selected endowment programs qualify to receive annual spending policy allocations. The endowments that typically do not qualify are flagged in the endowment database and excluded from the annual spending policy calculation These accounts include:

   i. UofL Athletic Association endowments

   ii. Endowments created prior to April 1, 2020 with a market value less than the $10,000 minimal threshold from donations. For endowments created after April 1, 2020, the minimal threshold is $25,000.

RESOLUTION OF THE BOARD OF DIRECTORS OF THE UNIVERSITY OF LOUISVILLE FOUNDATION, INC.

April 29, 2021

At a duly convened meeting of the Board of Directors (the "**Board**") of the University of Louisville Foundation, Inc., a Kentucky non-profit corporation ("**ULF**"), held on April 29, 2021, the Board adopted the following resolutions:

Approval of FY2022 Operating Budget

WHEREAS, drafts of the proposed operating budget were shared with each Board member in advance of the informational sessions on April 13 and 16, 2021 for the Board to review and ask questions about the drafts of the same.

WHEREAS, the Service and Initial Fees, Schedule A, for the Administrative Services Agreement between the University of Louisville Foundation, Inc. and the University of Louisville Real Estate Foundation, Inc. are included in the FY2022 operating budget.

RESOLVED, upon the recommendation of the Finance Committee, the Board approves the operating budget for FY2022, including the Administrative Services Agreement Schedule A, as presented. (Summary attached)

BOARD ACTION:
Passed X
Did Not Pass _____
Other _____

[redacted]

James E. Boone, Secretary
University of Louisville Foundation, Inc.

UNIVERSITY OF LOUISVILLE FOUNDATION, INC.
FY2022
Consolidated Operating Budget
(in thousands)

	ULF	Atria Support Center	Total ULF and Atria Support Center	Cardinal Club Golf	Total FY2022 ULF Consolidated Operating Budget	FY2021 Forecast ULF and Atria Support Center	FY2021 Budget ULF and Atria Support Center	FY2021 Forecast Cardinal Golf Club	FY2021 Budget Cardinal Golf Club	Total FY2021 ULF Consolidated Forecast	Total FY2021 ULF Consolidated Operating Budget
Source of Funds (Revenues)											
Rental Revenue	1,115	3,455	4,570	-	4,570	4,571	4,536	-	-	4,571	4,536
Gifts:											
Current Use Cash Gifts	21,780	-	21,780	-	21,780	18,326	10,000	-	-	18,326	10,000
Endowment Cash Gifts	9,000	-	9,000	-	9,000	7,200	2,750	-	-	7,200	2,750
Pledges	6,050	-	6,050	-	6,050	5,677	10,500	-	-	5,677	10,500
Gifts in Kind	1,000	-	1,000	-	1,000	1,049	2,000	-	-	1,049	2,000
Gifts for UofL Health, LLC	15,000	-	15,000	-	15,000	10,500	10,000	-	-	10,500	10,000
Net Investment Return	43,000	-	43,000	-	43,000	141,490	37,090	-	-	141,490	37,090
Other Revenues:											
University Pointe Residence Life Fee	206	-	206	-	206	206	109	-	-	206	109
Forgiveness of Debt	-	-	-	-	-	5,677	5,446	-	-	5,677	5,446
Tenant Charge Backs	-	113	113	-	113	110	90	-	-	110	90
Prescient and Credit Card Rebates	6	-	6	-	6	109	106	-	-	109	106
Support to Cardinal Club Golf from ULAA	-	-	-	231	231	-	-	-	500	-	500
Cardinal Club Golf Operational Revenue	-	-	-	2,708	2,708	-	-	2,847	2,866	2,847	2,866
Total Revenues	**$ 97,157**	**$ 3,568**	**$ 100,725**	**$ 2,939**	**$ 103,664**	**$ 194,915**	**$ 82,627**	**$ 2,847**	**$ 3,366**	**$ 197,762**	**$ 85,993**
Distributions											
Current Use Support to UofL	20,000	-	20,000	-	20,000	20,000	24,933	-	-	20,000	24,933
Endowment Support to UofL:											
Endowment Spending Policy	17,687	-	17,687	-	17,687	16,000	14,646	-	-	16,000	14,646
Funds Held in Trust by Others	2,555	-	2,555	-	2,555	2,500	2,498	-	-	2,500	2,498
UofL Trust	1,038	-	1,038	-	1,038	1,000	1,029	-	-	1,000	1,029
Internally Managed	372	-	372	-	372	250	589	-	-	250	589
Advancement	4,435	-	4,435	-	4,435	4,600	6,000	-	-	4,600	6,000
Endowment Carryover	4,000	-	4,000	-	4,000	3,000	6,854	-	-	3,000	6,854
Other Support to UofL:											
Gifts in Kind	1,000	-	1,000	-	1,000	1,049	2,000	-	-	1,049	2,000
University Pointe Residence Life Fee	-	-	-	-	-	106	109	-	-	106	109
Contributions to UofL Health, LLC	15,000	-	15,000	-	15,000	10,500	10,000	-	-	10,500	10,000
Distribution to ULF	1,901	-	1,901	-	1,901	1,700	1,700	-	-	1,700	1,700
Total Distributions	67,988	-	67,988	-	67,988	60,705	70,358	-	-	60,705	70,358

	ULF	Atria Support Center	Total ULF and Atria Support Center	Cardinal Club Golf	Total FY2022 ULF Consolidated Operating Budget	FY2021 Forecast ULF and Atria Support Center	FY2021 Budget ULF and Atria Support Center	FY2021 Forecast Cardinal Golf Club	FY2021 Budget Cardinal Golf Club	Total FY2021 ULF Consolidated Forecast	Total FY2021 ULF Consolidated Operating Budget
Administrative Expenses											
Personnel	2,075	211	2,286	1,576	3,862	1,952	1,943	1,471	1,870	3,423	3,813
General and Administrative											
Utilities	9	346	355	185	540	337	401	194	199	531	600
Public Relations	24	-	24	-	24	24	24	-	-	24	24
General and Administrative	442	60	502	674	1,176	552	453	753	709	1,305	1,162
Repairs and Maintenance	154	549	703	389	1,092	571	666	242	398	813	1,064
Legal Fees-Ordinary	175	-	175	-	175	142	150	-	-	142	150
Legal Fees-Extraordinary	700	-	700	-	700	765	1,100			765	1,100
Other Professional Services	316	202	518	115	633	506	568	58	90	564	658
Interest Expense	1,737	-	1,737	-	1,737	1,973	1,810	-	2	1,973	1,812
Service Agreement-Personnel	(602)	-	(602)	-	(602)	(641)	(641)		-	(641)	(641)
Service Agreement-Operating Expenses	(42)	-	(42)	-	(42)	(38)	(38)	-	-	(38)	(38)
ShelbyHurst Expenses	649	-	649	-	649	576	654	-	-	576	654
Total Administrative Expenses	**$ 5,637**	**$ 1,368**	**$ 7,005**	**$ 2,939**	**$ 9,944**	**$ 6,719**	**$ 7,090**	**$ 2,718**	**$ 3,268**	**$ 9,437**	**$ 10,358**
Less: Paid by endowment to Foundation	(1,901)	-	(1,901)	-	(1,901)	(1,700)	(1,700)	-	-	(1,700)	(1,700)
Net ULF Administrative Expenses	**$ 3,736**	**$ 1,368**	**$ 5,104**	**$ 2,939**	**$ 8,043**	**$ 5,019**	**$ 5,390**	**$ 2,718**	**$ 3,268**	**$ 7,737**	**$ 8,658**
Other Expenses											
Annuity and Unitrust Payments	820	-	820	-	820	835	760	-	-	835	760
Bad Debt (Gains)/Losses	4,227	-	4,227	-	4,227	4,200	2,157	-	-	4,200	2,157
Depreciation and Amortization	593	1,533	2,126	239	2,365	2,173	2,219	237	239	2,410	2,458
Total Other Expenses	**$ 5,640**	**$ 1,533**	**$ 7,173**	**$ 239**	**$ 7,412**	**$ 7,208**	**$ 5,136**	**$ 237**	**$ 239**	**$ 7,445**	**$ 5,375**
Total Uses of Funds (Distributions, Admin, Other)	**$ 77,364**	**$ 2,901**	**$ 80,265**	**$ 3,178**	**$ 83,443**	**$ 72,932**	**$ 80,884**	**$ 2,955**	**$ 3,507**	**$ 75,887**	**$ 84,391**
Change in Net Assets (net loss)	**$ 19,793**	**$ 667**	**$ 20,460**	**$ (239)**	**$ 20,221**	**$ 121,983**	**$ 1,743**	**$ (108)**	**$ (141)**	**$ 121,875**	**$ 1,602**

RESOLUTION OF THE BOARD OF DIRECTORS OF THE UNIVERSITY OF LOUISVILLE FOUNDATION, INC.

April 29, 2021

At a duly convened meeting of the Board of Directors (the "**Board**") of the University of Louisville Foundation, Inc., a Kentucky non-profit corporation ("**ULF**"), held on April 29, 2021, the Board adopted the following resolution:

Administrative Services Agreement

WHEREAS, on March 28, 2017 the Board approved the Administrative Services Agreement between the University of Louisville Foundation, Inc. and the University of Louisville Real Estate Foundation, Inc. attached hereto as Exhibit A.

RESOLVED, the Board approves the services and initial fees for fiscal year 2022, conditioned upon approval of the same by the University of Louisville Real Estate Foundation, as stated in Schedule A attached hereto as Exhibit B.

BOARD ACTION:
Passed X
Did Not Pass _____
Other
[redacted]

James E. Boone, Secretary
University of Louisville Foundation, Inc.

EXHIBIT A

ADMINISTRATIVE SERVICES AGREEMENT

THIS ADMINISTRATIVE SERVICES AGREEMENT (the "Agreement"), is made and entered into as of May 1, 2017 (the "Effective Date"), by and between the **UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC.** ("ULREF"), and **UNIVERSITY OF LOUISVILLE FOUNDATION, INC.** ("Service Provider"; and with ULREF each a "Party" and collectively, the "Parties").

A. ULREF is organized and operated to receive, hold, invest, and administer property and to make expenditures to and for the benefit of the University of Louisville.

B. The Service Provider is organized and operated to receive, hold, invest, and administer property and to make expenditures to and for the benefit of the University of Louisville.

C. ULREF needs certain services which the Service Provider is able to provide.

D. ULREF and the Service Provider desire to enter into this Agreement in order to formalize and document their agreement concerning the Services (as that term is defined below).

NOW, THEREFORE, in consideration of the foregoing, and the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, ULREF and the Service Provider, intending to be legally bound, agree as follows:

1. Services**.** During the Term (as that term is defined in Section 4 below), the Service Provider will provide the services listed on Schedule A to ULREF (the "Services").

2. Monthly Service Fees**.** In exchange for each of the Services, each month during the Term, ULREF will pay to the Service Provider the Monthly Service Fee indicated next to each of the applicable Services on Schedule A. At the end of each month during the Term, the Service Provider will submit an invoice to ULREF in the amount of the total Monthly Service Fees incurred during such month. Such invoices will be due and payable within thirty (30) business days of receipt. Any invoice not paid within such 30 day period may be assessed finance charges equal to the lower of one and one-half percent (1.50%) per month or the maximum amount permitted by applicable law.

3. Increase of Monthly Service Fees during the Term. If, during the Term, the cost of providing any of the Services increases, the Service Provider may notify ULREF of such increase in cost and request an increase in the Monthly Service Fee applicable to such Service. Upon receipt of documentation establishing that the actual cost of providing the Service has increased directly proportionate to the amount of the requested increase in the Monthly Service Fee, ULREF shall have a period of sixty (60) days from ULREF's receipt of such document to either (i) reject the proposed Monthly Service Fee increase in which case the Service will be

deleted from this Agreement and the Service Provider will no longer be obligated to provide such Service to ULREF or (ii) accept the increase in Monthly Service Fee; in either case this shall be accomplished by an amendment to this Agreement.

4. Term. The term of this Agreement (the "Term") shall begin on the Effective Date and continue through April 30, 2022. Either Party can terminate this Agreement upon thirty (30) days prior written notice to the other Party.

5. Financial Information and Reporting. ULREF shall provide to Service Provider during the Term of this Agreement the following financial information: (i) as soon as it is available after the end of each fiscal year of ULREF beginning with its fiscal year ending June 30, 2016, ULREF's audited financial statements; and (ii) as soon as it is available after the end of the fiscal year of ULREF beginning with its fiscal year ending June 30, 2016, ULREF's Form 990, Return of Organization Exempt from Income Tax; and (iii) as soon as it is available beginning with its fiscal year ending June 30, 2016, an operating budget for ULREF for the immediately succeeding fiscal year. ULREF shall also provide to Service Provider's Board of Directors, a quarterly report, presented by the chairperson of ULREF or his or her designee, on the financial performance of ULREF during the immediately preceding quarter, such quarterly report to include an update on the financial performance of ULREF, any development projects underway or study, and the amount of Tax Increment Financing revenue received year-to-date and during the immediately preceding quarter. ULREF shall also provide to Service Provider, with reasonable promptness, such other financial data and information with respect to ULREF as from time to time may reasonably be requested, including without limitation, any such data or information which may be requested by any governmental or public body or agency having jurisdiction over Service Provider.

6. Performance. The failure of either Party to insist upon strict performance of any provision of this Agreement shall not constitute a waiver of the right to insist upon strict performance of any other provision or the obligation to perform such provision strictly thereafter.

7. Indemnification. The Service Provider agrees, to the extent permitted by law, to indemnify, defend, and hold harmless ULREF, its members, affiliates, officers, managers, employees, agents and clients from and against any and all damages, claims, suits, losses, penalties, judgments, costs, fines, liabilities or expenses of whatever nature that ULREF may incur or suffer relating in any way to (i) to any breach or failure of the Service Provider to perform any of its representations and warranties contained in this Agreement; or (ii) any actual or alleged personal injury, death, economic loss or property damage, whatsoever related to this Agreement caused by the negligence or willful misconduct of Service Provider. The Parties agree to the allocation of liability risk set forth in this Section.

8. Representations and Warranties. The Service Provider represents as follows: (i) it shall use established, sound and professional knowledge, skill, judgment, principles and practices in accordance with the highest professional and industry standards in its provision of the Services under this Agreement; (ii) all work product shall conform to its specifications, requirements and descriptions in Schedule A; (iii) the Service Provider shall comply with all applicable laws, ordinances, codes and regulations in performing the Services under this Agreement; and (iv) it has the right to enter into and provide the Services required by this Agreement. ULREF is

entitled to inspect and review all Services provided pursuant to this Agreement for conformity with the Service Provider's obligations under this Agreement.

9. Relationship of Parties. ULREF and the Service Provider understand and agree that, with respect to and for the purposes of this Agreement, ULREF and the Service Provider are not partners or joint venturers and nothing in this Agreement shall be construed so as to make them partners or joint venturers or impose any liability as such on either of them. The relationship between ULREF and the Service Provider with respect to and for the purposes of this Agreement shall be that of independent contractors. All employees furnished by the Service Provider are and shall be considered employees of the Service Provider. The Service Provider is solely responsible for the compensation of such employees, including without limitation salary, benefits, and insurance coverage, including but not limited to workers' compensation insurance and other liability insurance. No employee of the Service Provider shall receive any salary or other compensation or benefits from ULREF. The Service Provider shall pay all personnel, administrative, facilities and other costs and expenses necessary or required to provide the Services required to be rendered by it under this Agreement.

10. Notices. All notices and other communications under this Agreement shall be in writing and shall be delivered by hand or mailed by registered or certified mail (return receipt requested) or transmitted by facsimile to the Parties at the following addresses (or at such other addresses for a Party as shall be specified by like notice) and shall be deemed given on the date on which such notice is received:

If to ULREF:

University of Louisville Real Estate Foundation, Inc.
215 Central Avenue, Suite 212
Louisville, Kentucky 40208
Attention: Justin Ruhl
Email: Justin.ruhl@louisville.edu

If to the Service Provider:

University of Louisville Foundation, Inc.
215 Central Avenue, Suite 212
Louisville, Kentucky 40208
Attention: Keith Sherman
Email: keith.sherman@louisville.edu

11. Amendments. No amendments, waivers or modifications of this Agreement shall be made or deemed to have been made unless in writing executed by the Party to be bound thereby.

12. Confidentiality. As a condition to the provision of the Services, each Party agrees to treat any confidential information (i.e., information identified as such and if provided in writing marked as confidential) relating to the other in accordance with the provisions of this Section. Each Party agrees that the confidential information relating to the other will be used solely for the purpose of providing the Services and not for any other business purpose, and that such

confidential information will be kept strictly confidential during and after the Term for a period of two (2) years. Each Party agrees to give access to the confidential information of the other Party only to those of its representatives who need to have access to such confidential information in order to provide the Services. Notwithstanding the foregoing, nothing in this Agreement shall prevent either Party from making a disclosure to the extent that such disclosure has been consented to in writing by the other Party or is required by law, regulation, supervisory authority or other applicable judicial or governmental order. The term "confidential information", when used with respect to a Party, refers to any information concerning that Party, its affiliates and/or subsidiaries, including without limitation their businesses and future prospects, whether prepared by them or their representatives or otherwise, that is furnished or disclosed or learned in connection with this Agreement, whether furnished or disclosed or learned before or after the date of this Agreement, together with any analyses, compilations, studies or other documents prepared by the other Party or any of its representatives that contain or otherwise reflect such information; *provided that*, the term "confidential information" does not include information (i) about a Party that was or becomes generally available to the public other than as a result of a disclosure by the other Party or its representatives or (ii) that was or becomes available on a non-confidential basis from a source other than one of the Parties or its representatives, provided that such source was not known to be bound by any agreement to keep such information confidential, and was not otherwise prohibited from transmitting the information by a contractual, legal or fiduciary obligation.

13. Force Majeure. Neither Party shall be in default of this Agreement or liable to the other Party for any delay or default in performance where occasioned by any cause of any kind or extent beyond its control, including but not limited to, armed conflict or economic dislocation resulting therefrom; embargoes; shortages of labor, raw materials, production facilities or transportation; labor difficulties; civil disorders of any kind; action of any civil or military authorities (including priorities and allocations); fires; floods; and accidents. The dates on which the obligations of a Party are to be fulfilled shall be extended for a period equal to the time lost by reason of any delay arising directly or indirectly from:

A. Any of the foregoing causes, or

B. Inability of that Party, as a result of causes beyond its reasonable control, to obtain instruction or information from the other Party in time to perform its obligations by such dates.

14. Severability. If any provision in this Agreement or the application of such provision to any person or circumstance shall be invalid, illegal or unenforceable, the remainder of this Agreement or the application of such provision to persons or circumstances other than those to which it is held invalid, illegal or unenforceable shall not be affected thereby.

15. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute this Agreement.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, without giving effect to its conflict of law rules.

17. Specific Performance. Each Party acknowledges that the rights and obligations granted under this Agreement are of a special character which gives them a peculiar and unique value, the loss of which cannot be reasonably or adequately compensated in damages in an action at law. Without limiting either Party's right to pursue all other legal and equitable remedies available to it, each of the Parties agrees that the other Party shall be entitled to injunctive and other equitable relief (including specific performance) to prevent any violation or continuing violation of this Agreement without the need to introduce evidence of the inadequacy of money damages to remedy such violation.

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EXHIBIT B

SCHEDULE A

Services and Initial Fees

Effective July 1, 2021

The following Services are covered by this Agreement and the following fees will apply subject to adjustments in accordance with this Agreement. The Service Provider will charge ULREF for actual costs incurred. The initial fees represent the per unit cost of the Services. These amounts may not be exceeded without the mutual consent of the Parties.

Services	**Initial Fees / Unit**	**Description**
Executive/Supervisory Services	$14,955.90/month	All executive and supervisory services necessary for the operation and administration of ULREF.
Accounting, Tax and Audit Services	$20,225.52/month	Accounting and tax services contributed by internal accounting staff to record, pay, track, and report financial activity of ULREF. Services provided by internal accounting staff to negotiate audit services and provide client assistance.
Operations/Development Services	$4,318.15/month	Operational and real estate development services. Includes but not limited to I/T, legal, grant administration, program management, payroll and benefits, budget, and purchasing services
Property Management Services	$10,658.17/month	Maintenance and administration of real estate, buildings and structures.
Public Relations/Janitorial/ General & Administrative	$3,500/month	Costs of public relations, janitorial service of Cardinal Station suite, and miscellaneous general & administrative such as copying services, postage, and office supplies.
Investment/Treasury/Cash Management Services	Actual Out of Pocket	Money management, investment and treasury services.
Copying / Postage / Office Supplies	Actual Out of Pocket	Actual cost of copying services, postage, and office supplies.
Travel Expenses	Actual Out of Pocket	Actual cost of travel and related expenses.
Miscellaneous	Actual Out of Pocket	All services and related expenses provided by Service Provider not otherwise described above.
Total Fees	**$53,657.73/month**	

RESOLUTION OF THE BOARD OF DIRECTORS OF THE UNIVERSITY OF LOUISVILLE FOUNDATION, INC.

April 29, 2021

At a duly convened meeting of the Board of Directors (the "**Board**") of the University of Louisville Foundation, Inc., a Kentucky non-profit corporation ("**ULF**"), held on April 29, 2021, the Board adopted the following resolution:

Replenishment of Underwater Endowments

WHEREAS, the University of Louisville Foundation, Inc. (the "Foundation") has been working for several years to address numerous underwater endowment accounts in its main endowment pool.

WHEREAS, the number of underwater endowment accounts since December 31, 2016 has been as high as 1,032 and as much as $58.0M underwater.

WHEREAS, through sound fiscal stewardship, a change in investment strategies, reinvestment of unspent carryover by numerous University of Louisville academic units and two prior infusions of new cash by the Foundation to replenish market values of underwater accounts, the Foundation has made significant progress in bringing all accounts above water.

WHEREAS, on March 31, 2021, there remained 107 underwater endowment accounts totaling $3.8M underwater.

WHEREAS, the Foundation has generated $4M of unrestricted cash from investments returns in its Operating Reserve Account that is available to replenish the remaining underwater accounts.

WHEREAS, the Replenishment Plan does not affect spendable carryover balances for any account.

WHEREAS, it is understood that the Foundation does not guarantee investment performance, and therefore, it remains possible that due to investment performance all or some of these replenished accounts could again become temporarily underwater.

RESOLVED, upon the recommendation of the Finance Committee, the Board of Directors authorizes the replenishment of all underwater endowment accounts, based upon their April 30, 2021 values and effective the same date through use of $4M from the Operating Reserve account.

BE IT FURTHER RESOLVED, upon the recommendation of the Finance Committee, that any cash in excess of the underwater accounts as of April 30, 2021 be proportionately added to the underwater accounts to help increase their market value even further.

BE IT FURTHER RESOLVED, upon the recommendation of the Finance Committee, the Board of Directors authorizes any endowment account that was underwater as of December 31, 2018, continue to be infused with cash, as available, for the foreseeable future to assist in adding market value to such accounts.

BOARD ACTION:
Passed X
Did Not Pass _____
Other _____

[redacted]

James E. Boone, Secretary
University of Louisville Foundation, Inc.

RESOLUTION OF THE BOARD OF DIRECTORS OF THE UNIVERSITY OF LOUISVILLE FOUNDATION, INC.

April 29, 2021

At a duly convened meeting of the Board of Directors (the "**Board**") of the University of Louisville Foundation, Inc., a Kentucky non-profit corporation ("**ULF**"), held on April 29, 2021, the Board adopted the following resolution:

Investment Policy Statement for PNC Managed Endowment Accounts

WHEREAS, the purpose of an Investment Policy Statement is to identify and present a formal set of investment objectives and performance standards in order that the Board of Directors of the Foundation and its Investment Subcommittee can be assured that the assets of the Foundation, including Funds Held in Trust By Others and endowments, not requiring a specific asset allocation, closely align with the Investment Policy Statements approved for Prime Buchholz, and are managed in accordance with generally accepted standards and in a manner consistent with donor expectations and the future financial needs of the University.

RESOLVED, upon the recommendation of the Investment Subcommittee and the Finance Committee, the Board approves the Investment Policy Statements, in substantially the form attached hereto as Exhibit A.

BOARD ACTION:
Passed X
Did Not Pass _____
Other
[redacted]

James E. Boone, Secretary
University of Louisville Foundation, Inc.

The University of Louisville Foundation

PNC Managed Endowment Accounts

INVESTMENT POLICY STATEMENT

As of

July 2020

I. Description

The mission of the University of Louisville Foundation is to provide financial support to the University of Louisville, a public institution of higher learning located in Louisville, Kentucky, in support of its academic mission. The primary purpose of this document is to identify and present a formal set of investment objectives and performance standards in order that the Board of Directors of the Foundation and its Investment Committee can provide oversight and measure the performance of the assets relative to the investment objectives and performance standards herein. It is intended that the assets of the Foundation, including those Endowment Accounts overseen by PNC Bank (the "Fund"), be managed in accordance with generally accepted standards and in a manner consistent with the financial needs of the University. An Investment Policy Statement ("IPS") is not typically a document that is substantially or frequently changed. Rather, the investment approach of the Fund should be generally consistent, absent extraordinary circumstances.

II. Investment Objective and Liquidity

A. Investment Objective

The Fund's investment objective is to preserve its purchasing power, while providing a continuing and stable and sustainable funding source to support the current and future mission of The University of Louisville. To accomplish this objective, the Fund seeks to generate a total return that will exceed not only its spending rate (detailed in Appendix C – Spending Policy), but also all expenses associated with managing the fund and the eroding effects of inflation. It is the intention that all total return (interest income, dividends, realized gains, and unrealized gains), above and beyond the amount approved for expenditure or distribution, will be reinvested in the Fund. The Fund will be managed on a total return basis, consistent with the applicable standard of conduct set forth in the Uniform Prudent Management of Institutional Funds Act (UPMIFA). PNC Bank will only be subject to Kentucky Uniform Prudent Management of Institutional Funds Act sections 273.615(2)&(4), as only those sections apply to PNC Bank as Investment Manager.

In addition to the objectives outlined above, the Investment Committee will also monitor the progress of the Fund toward meeting the following relative return rate of objectives:

I. Attain a total return on the Fund, net of fees, which exceeds the return on a composite of unmanaged market indexes weighted in proportion to the actual asset allocation of the Fund. In other words, the Fund should benefit from active management.
II. Outperform the median return of a pool of similar sized peer college and university endowment funds with broadly similar investment objectives and policies. The Foundation shall identify the appropriate benchmark pool to be used consistent with the Fund's characteristics.

B. Liquidity

The Fund has a long-term investment horizon with relatively moderate to low liquidity needs. For this reason, the Fund can tolerate short- and intermediate-term volatility provided that long-

term returns meet or exceed its investment objective. Consequently, as outlined by the Fund's asset allocation, the Fund may take advantage of less liquid investments, such as flexible capital/hedge funds, , which typically offer higher risk-adjusted return potential as compensation for reduced, but limited, liquidity. To ensure adequate liquidity for distributions and to facilitate rebalancing, the Investment Committee ("Committee") and Investment Office will conduct a periodic review of total Fund liquidity.

III. Roles and Responsibilities

Fiduciary Level	Written Investment Policy	Written Investment Strategy	Tactical Allocation Among Asset Classes	Strategy Within an Asset Class	Manager & Fund Selections	Security Selection
Board of Directors	Approves	Informed	Informed	Informed	Informed	Informed
Investment & Finance Committees	Recommends	Approves	Informed	Informed	Informed	Informed
PNC	Recommends	Recommends	Selects/Approves	Selects/Approves	Selects	Monitors
Foundation Staff	Monitors	Monitors	Monitors	Monitors	Monitors	Monitors

IV. Asset Allocation

To achieve its investment objective, the Fund will allocate among several asset classes with a bias toward equity and equity-like investments due to their higher long-term return potential. Other asset classes may be added to the Fund in an effort to enhance returns, reduce volatility through diversification, and/or offer a broader investment opportunity set.

The domestic equity segments are intended to provide long-term growth and offer high expected real returns and liquidity. The international equity and emerging market equity segments are intended to enhance return and diversify the public equity portfolio. Flexible capital strategies may be employed with the intention to offer market comparable returns with lower expected volatility and correlation. Fixed income is intended to provide stability and protection in deflationary environments. Lastly, cash may provide short-term liquidity and serve as a funding source for distributions and rebalancing.

The Fund will be diversified both by and within asset classes. The purpose of diversification is to provide reasonable assurance that no single security, or class of securities, will have a disproportionate impact on the performance of the total Fund. Asset class diversification should reduce the portfolio risk.

These guidelines are consistent with prudent investor standards as well as the standards in accordance with Kentucky Law and the Uniform Prudent Management of Institutional Funds Act (UPMIFA) adopted by Kentucky on July 15, 2010. PNC Bank will only be subject to Kentucky Uniform Prudent Management of Institutional Funds Act sections 273.615(2)&(4), as only those sections apply to PNC Bank as Investment Manager.

The following factors, if relevant, must be considered when the Foundation is making investment management decisions:

a. General economic conditions;
b. The possible effect of inflation or deflation;
c. The role that each investment or course of action plays within the overall portfolio;
e. The expected total return from income and the appreciation of investments;
f. The needs of the funds available to make distributions, while also preserving capital; and,
g. The special relationship or special value of the asset, if any, to the mission of the University.

The Fund's long-term, strategic asset allocation is set forth in Appendix A, which also lists the long-term policy target allocations for each asset category and the permissible ranges of actual investment exposure.

V. Rebalancing

Assets should be rebalanced back to their respective targets to ensure the asset allocation remains an accurate reflection of the University of Louisville Foundation's desired risk profile. PNC will use cash inflows and outflows to rebalance the portfolio. In addition, should actual allocations move outside of allowable ranges due to short term changes in the market value of the portfolio, PNC will determine the appropriate course of action.

PNC will review the Fund's asset allocation on at least a monthly basis. PNC will review deviations from asset class policy targets outside of the allowable ranges at any point in time and if necessary, rebalancing may occur.

In general, the Fund's average asset allocation should match the targets listed in the table below. However, there may be times when tactical over or underweights are maintained to take advantage of favorable market conditions or instabilities in certain asset categories. In addition, the Committee recognizes that investing in certain illiquid investments (i.e. hedge funds) makes it more challenging to quickly adjust those allocations. Furthermore, the pace of commitments to these investments must be measured to construct an optimally diversified portfolio. As a consequence of these constraints, deviations from policy targets may occur.

Cash receipts shall be invested as soon as practical and in accordance with the then current asset allocation policy, unless otherwise approved.

VI. Performance Evaluation Benchmarks

Benchmarks are useful to gauge the performance of the Fund, but they are best viewed over longer periods, generally three to five years. Benchmarks for each of the broad asset classes are presented in the table below.

Asset Class	Benchmark
Domestic Equity	Russell 3000 Index
Non U.S. Developed Equity	Morgan Stanley Capital International EAFE Index
Emerging Markets	Morgan Stanley Capital International Emerging Markets Index
Flexible Capital	Hedge Fund Research Inc. (HFRI) Fund of Funds or Fund Weighted Index
Fixed Income	Barclays Aggregate, Custom Benchmark

The Fund will be compared to its Policy Benchmark, which represents the "Policy Portfolio" selected by the Committee. The Policy Benchmark is defined as the sum total of all the policy target weights for each of the asset classes multiplied by the returns of their respective benchmarks. Significant performance deviations from the Policy Benchmark will be explained and appropriate actions taken, if necessary.

In addition to the Fund and asset-class benchmarking, all investment managers within each asset class will be compared to their own relevant style index benchmarks. While a horizon of at least three years is the preferred performance comparison period, significant short-term differences will be considered and, if warranted, action steps may be taken by PNC to reduce or eliminate allocations to such investment managers.

VII. Investment Limitations and Restrictions

The Committee has established the following investment limitations and restrictions in order to define the level of risk that is acceptable in the Fund. Investment managers selected to manage foundation assets must adhere to these guidelines, unless the Committee has authorized modifications in writing. Investments in pooled investment vehicles are not subject to the following restrictions; however, these guidelines should be taken into account in selecting appropriate commingled funds.

General

The following categories of investments are **not** permitted for investment without the Committee's prior written approval or as specifically authorized in the implementation of alternative strategies: (i) private placements or restricted securities, other than Rule 144A Securities; (ii) commodities including gold, precious gems or commodity futures; (iii) uncovered options; (iv) short sales or margin transactions; (v) use of derivatives or leverage (see Section IX); (vi) securities of the investment manager or its respective parent, subsidiaries or affiliates; private capital; and direct investment in fossil fuels. PNC Bank will seek to obtain best execution in selection of brokers for execution of securities trades for the account(s) and will comply with the brokerage guidelines contained in Section 18 of the Investment Management Agreement.

Manager Diversification

The Foundation may invest a portion of its portfolio in active managers to generate superior, relative risk-adjusted performance, net of all expenses. Passive mandates may be used in more efficient (occasionally in less efficient) segments of the capital markets, and also to gain temporary market exposure until active management can be retained.

VIII. Manager Selection and Monitoring

The Committee has delegated investment manager selection to PNC. PNC is also responsible for the ongoing monitoring of the investment managers it selects and the provision of reports to the staff and Committee to assist in their oversight of the Fund.

PNC shall seek investment managers and/or funds that it believes demonstrate effective strategies, sustainable advantages, and high-quality organizational structures. PNC shall seek active managers that it believes have the ability to generate superior, relative risk-adjusted performance, net of all expenses. Passive mandates should be used in more efficient (occasionally in less efficient) segments of the capital markets, for the purpose of gaining market exposure.

Attractive investment manager characteristics typically include:

- strong reputation in the marketplace and a meaningful, high-quality, institutional client base;
- competitive long-term performance among peers;
- aligned interests (e.g. significant amount of principal/employee dollars invested in the funds);
- stable and experienced professional team and principals/employees own equity in the firm;
- demonstrated record of compliance and/or compliance excellence;
- strong operating processes and procedures (including use of reputable service providers) and
- controlled growth and a manageable level of assets under management.

PNC shall conduct extensive due diligence prior to investing in an underlying investment manager. Evaluations shall include meetings with key personnel and typically include at least one on-site visit to the principal office. Research should also include reviews of audited financial statements, reference checks with other clients and business associates, and comparison to competitors. When deemed appropriate by PNC, background checks may be conducted. PNC will use its respective network of contacts to gain further confirmation of an investment manager's abilities and business practices. New firms may have additional business risk and be subject to a more rigorous level of due diligence and more stringent ongoing monitoring. Selection of investment managers is not geographically restricted.

The ongoing review and analysis, both quantitative and qualitative, of existing investment managers is just as important as the due diligence implemented during the manager selection process. In addition to performance measurement, PNC will monitor for consistent implementation of investment strategy and philosophy, appropriate risk controls, adherence to any stated guidelines, and any material changes in the investment manager's organization and/or personnel.

The performance of the Fund's investment managers will be actively monitored by PNC. Quarterly performance will be evaluated versus appropriate benchmarks and peer universes, but emphasis will be placed on relative performance over longer investment periods.

PNC has the discretion to take corrective action by replacing an investment manager, if deemed appropriate at any time. Corrective action typically occurs as a result of meaningful organizational or process-related change, and, in some cases, sustained relative underperformance. Significant short-term underperformance may also trigger a review.

The following are some examples of reasons that may cause PNC to lose confidence in an investment manager:

- Change in organizational structure or personnel – A significant change in culture through a merger or acquisition that is likely to distort incentives and promote turnover; or if the investment team leaves the firm.
- Changes in strategy and style – If the investment manager departs from the strategy and style that they were hired to implement; such as a switch from a quantitative process to a fundamental one; and
- Performance – continued performance shortfalls versus a peer group of managers with similar style and/or a market index. Performance is most meaningfully evaluated over a medium-to long-term time horizon of three to five years.

Underlying investment manager fees are expected to be reasonable. Incentive performance fees are common in the illiquid asset categories and, in some cases, more traditional asset classes.

IX. Use of Derivatives and Leverage

In general, the Fund will not make direct use of derivatives or leverage. However, the Fund may have exposure through certain investment managers, such as those in the private capital, long/short hedge, absolute return and real assets. When prudently used, derivative instruments and strategies can be an important element of general portfolio management. Derivatives offer investment management firms effective alternatives to trading physical securities, provided firms have the technical knowledge of the market factors, the quantitative skills to analyze the securities over a range of scenarios, and the ability to determine reasonable valuation before purchasing. Portfolio management agreements or investment manager guidelines must explicitly authorize the use of derivatives, or clearly state when their use is permitted.

X. Transaction Execution

PNC Bank will seek to obtain best execution in selection of brokers for execution of securities trades for the account(s) and will comply with the brokerage guidelines contained in Section 18 of the Investment Management Agreement. Commissions may be designated for the payment of investment-related products and services, provided that such directed trades do not significantly compromise the overall goal of best execution.

XI. Proxy Voting

In general, the investment managers are authorized to vote proxies on the Fund's behalf and are expected to exercise this duty in the Fund's best interest. Additionally, at the Investment Committee or Staff's discretion, third parties may be retained to assist in the proxy voting process.

XII. Environmental, Social, Governance ("ESG") Investing

Although its primary objective is to maximize return, the Committee acknowledges that there may be ESG considerations in the administration of the Foundation funds. Subject to the Committee's determination, such considerations may preclude investment in certain companies, industries or countries regardless of apparent investment attributes.

XIII. Conflict of Interest

If any member of the Committee, Board of Directors, or Staff shall have, or appear to have, a conflict of interest that impairs or appears to impair the respective member's ability to exercise independent and unbiased judgment in the good faith discharge of his or her duties, he or she shall disclose such conflicts prior to meaningful discussion of the matter to which the conflict relates. The Committee, Board of Directors, and Staff must also comply with any other conflicts of interest policies adopted by the University of Louisville Foundation. PNC Bank has a Code of Business Conduct and Ethics ("Code") that guides the company in conducting business with the highest integrity and highest ethics standards. The Code requires that any situation that creates a conflict of interest for PNC Bank be avoided.

XIV. Policy Review

In order to keep the IPS current, it is subject to no less than annual review by the Investment Committee.

Appendix A: Asset Allocation

Asset Class		Target (%)		Range (%)
Global Public Equity		**70**		**55 – 85%**
Domestic		40		
International Developed		20		
Emerging Markets		10		
Flexible Capital		**10**		**7 – 13%**
Fixed Income		**20**		**15 – 25%**
Liquid Capital		**0**		**0 – 5%**
Total Assets		**100**		

Please note: The liquid capital balance will be kept as low as practical and may be considered in conjunction with the fixed income allocation.

The University of Louisville Foundation

By: _____

_____

PNC Bank, National Association

By: _____

_____

RESOLUTIONS OF THE BOARD OF DIRECTORS OF THE UNIVERSITY OF LOUISVILLE FOUNDATION, INC.

April 29, 2021

At a duly convened meeting of the Board of Directors (the "**Board**") of the University of Louisville Foundation, Inc., a Kentucky nonprofit corporation ("**ULF**"), held on April 29, 2021, the Board adopted the following resolutions:

Approval of Governing Documents

WHEREAS, ULF and the University of Louisville entered into that certain Second Amended and Restated Memorandum of Understanding dated January 1, 2021 ("MOU"), which requires certain revisions to the Articles of Incorporation, Bylaws, and Committee Charters of ULF;

WHEREAS, in connection with the MOU, the Board desires to amend the Articles of Incorporation of ULF to remove the prohibition that ULF shall not form an Executive Committee (the "**Amendment**"), pursuant to those certain Articles of Amendment to the Articles of Incorporation, substantially in the form presented to the Board (the "**Articles of Amendment**");

WHEREAS, in connection with the MOU, the Board also desires to amend and restate the Amended and Restated Bylaws of ULF, pursuant to those certain Second Amended and Restated Bylaws, substantially in the form presented to the Board (the "**Bylaws**");

WHEREAS, the Bylaws provide that written notice of a proposed change to the Bylaws shall be provided to each member of the Board at least five (5) business days before any meeting at which such change is to be considered ("**Notice**");

WHEREAS, in connection with the MOU, the Board also desires to amend and restate each Charter of the following standing committees of the Board: (i) Audit, Compliance and Risk Management Committee, (ii) Compensation Committee, (iii) Finance Committee, (iv) Investment Subcommittee of the Finance Committee and (v) Governance and Nominating Committee (each a "**Committee**" and, collectively, the "**Committees**"), pursuant to each certain Charter of each Committee, substantially in the forms presented to the Board (each a "**Charter**" and, collectively, the "**Charters**").

RESOLVED, that the Board hereby authorizes and approves the Amendment and the Articles of Amendment;

FURTHER RESOLVED, that the Board hereby waives the Notice and authorizes and approves the Bylaws; and

FURTHER RESOLVED, that the Charters, be and each hereby is, authorized and approved and each Committee shall be governed by, and have the power, authority and duties of the Board with respect to, the matters set out in its Charter.

General Resolutions

RESOLVED, that the officers of ULF be and hereby are each authorized, empowered and directed, for and on behalf of ULF and in its name, to execute, deliver, file and record such agreements, instruments, documents and certificates and to take or cause to be taken such other and further action as they shall, in their reasonable discretion, deem necessary or appropriate in order to effectuate the purposes of, and implement, the foregoing resolutions and all actions heretofore taken by them in connection with the foregoing, are hereby ratified, confirmed, adopted and approved.

BOARD ACTION:

Passed X

Did Not Pass _____

Other

[redacted]

Jim Boone, Secretary
University of Louisville Foundation, Inc.

100353527.1

RESOLUTION OF THE BOARD OF DIRECTORS OF THE UNIVERSITY OF LOUISVILLE FOUNDATION, INC.

April 29, 2021

At a duly convened meeting of the Board of Directors (the "**Board**") of the University of Louisville Foundation, Inc., a Kentucky non-profit corporation ("**ULF**"), held on April 29, 2021, the Board adopted the following resolution:

BLACKBAUD

WHEREAS, University Advancement ("Advancement") requires a customer relationship manager ("CRM") software system to effectively manage its operations.

WHEREAS, Advancement's current CRM is no longer supported by the manufacturer and further lacks the functionality required to be effective in the current and future environment.

WHEREAS, Advancement issued an RFP for a new CRM and after careful consideration selected a new CRM created by Blackbaud, which is a cloud-based system that focuses on fundraising and donor management among other things.

WHEREAS, the University of Louisville has requested the Foundation partner in funding the purchase and implementation of Blackbaud.

WHEREAS, the total cost of purchasing and implementing the software is not to exceed $2M.

WHEREAS, Blackbaud will interface with the Foundation's endowment management software and be used daily by Foundation staff including gift processing.

RESOLVED, the Board authorizes the Executive Director to process reimbursements to the University totaling an amount not to exceed $1M toward the purchase and implementation of the Blackbaud software.

BOARD ACTION:
Passed X
Did Not Pass _____
Other [redacted]

James E. Boone, Secretary
University of Louisville Foundation, Inc.