

**Minutes**  
**Board of Trustees Investment Committee**  
**Special Session**  
**October 13, 2008**

IN ATTENDANCE:

Investment Committee  
Members: Ms. JoEtta Y. Wickliffe, Chair  
Mr. Stephen P. Branscum  
Mr. Dermontti F. Dawson  
Mr. James F. Hardymon  
Mr. Billy B. Wilcoxson (Community Advisory Member)

Board of Trustees  
Members: Ms. Mira S. Ball  
Dr. Charles R. Sachatello\*

\*Attended the beginning of the meeting, prior to the closed session.

Investment Staff &  
Consultants: Mr. Marc A. Mathews  
Ms. Susan I. Krauss  
Mr. Russ Kuhns (R.V. Kuhns & Associates)  
Mr. Rob Palmeri (R.V. Kuhns & Associates)  
Mr. Bruno Grimaldi (R. V. Kuhns & Associates)

Others: Mr. Frank A. Butler  
Ms. Barbara W. Jones  
Mr. Sergio Melgar  
Mr. John Deans

The meeting was called to order at 11:00 a.m.

Ms. Wickliffe asked for a motion to approve the September 9, 2008 minutes. Mr. Branscum made a motion to approve the minutes, Mr. Hardymon seconded the motion and all approved.

Dr. Sachatello provided the Committee with copies of a Wall Street Journal article dated October 11, 2008, titled "What History Tells Us About the Market". Dr. Sachatello then departed the meeting, prior to the closed session.

At 11:05 a.m., Ms. Wickliffe indicated that the committee needed to go into closed session in order to hear reports on the evaluation of proposals for the absolute return and opportunistic private equity manager searches. The Committee will also hear presentations from the absolute return search finalists. Ms. Wickliffe made a motion that the investment committee go into closed session pursuant to KRS 61.810 (1) (g). (This statutory citation is the exception in the open meetings law that permits a closed session to discuss a specific proposal with a business entity, if, an open discussion would jeopardize the selection of the business entity.) Mr. Dawson seconded the motion and all approved.

Following the closed session, Ms. Wickliffe announced that the closed meeting had concluded, that no matters other than the announced matters were discussed during the closed session and that no actions were taken during the closed session. Ms. Wickliffe indicated that the committee was now back in open session.

Mr. Hardymon made a motion to approve IC 1, which authorizes the investment staff to perform on-site visits of three absolute return managers and subsequently authorize the University's Purchasing Division to enter into contract negotiations with the new managers if the results of the on-site visits are satisfactory. Mr. Dawson seconded the motion and all approved.

Mr. Dawson made a motion to approve IC 2, which authorizes the University's Purchasing Division to enter into contract negotiations with two new managers for the management of the opportunistic private equity allocation. Mr. Hardymon seconded the motion and all approved.

With no further business, the meeting adjourned at 3:10 p.m.

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Susan I. Krauss  
Office of the Treasurer