

L. Investment Committee Report

Mr. Wilcoxson, Chair of the Investment Committee, reported that the Investment Committee met in a special session on May 9 to interview perspective private equity fund managers. As a result of the meeting, the committee approved a 5 percent commitment to private equity through a fund-of-fund approach with a 2 ½ percent commitment this year and a second 2 ½ percent commitment in two years. The committee selected the Commonfund for the initial 2 ½ percent commitment, and the objectives for the investment in private equity are to increase the long-term total return of the endowment and to provide the university's endowment with further diversification.

The committee will meet again in a regular quarterly session in June and will have the performance results at that time for the period ending March 31. He noted that it had not been a very good quarter.

Mr. Wilcoxson added that private equity includes three things: U.S. venture capital, U.S. buyouts, and international venture capital and buyouts. The committee will be dealing with those three different areas with the Commonfund. He said that he or Mr. Henry Clay Owen would be pleased to answer any questions.

Mr. Owen said that the Investment Committee has reviewed asset allocation over the past 18 months and the allocation to private equity is the final step in establishing a revised target asset allocation. The revised target allocation is expected to add diversification and increase total return for the endowment in the future.

Mr. Hardymon agreed with Mr. Wilcoxson that the equities returns this quarter are not going to be great, at least for the month of April. He asked if there were any questions or comments on the Investment Committee report.

M. Athletic Association Board of Directors Report

Ms. Sparks reported that the Board of Directors received a report on the NCAA peer review team visit at their last meeting, and the Board was pleased with the good preliminary review. She mentioned that the following items had been discussed at the last meeting:

Mr. Barnhart gave a detailed report on the accomplishments of the various teams. The CATSBY event was a great night.  
The Big Blue Caravan has begun. The Triple Crown is May 23.  
Dr. Raynor Mullins gave a report on the long-range plan.  
Mr. Rob Mullens gave a detailed report on the budget.

Ms. Sparks said that she was very pleased to report that the internal audit review of basketball ticket accountability was a very clean audit. It showed that approximately \$7.5 million worth of basketball ticket sales was done appropriately, and she is eternally