

March 23, 2004

MEMORANDUM

TO: The Board of the University of Virginia
Investment Management Company:

John O. Wynne, Chair
A. Macdonald Caputo
Peter F. Dolan
Thomas F. Farrell, II
Christine P. Gustafson
Mark J. Kington
Leonard W. Sandridge
Thomas A. Saunders, III
Matthew G. Thompson
Gordon F. Rainey, Jr., Ex Officio

and

William G. Crutchfield, Jr.	Don R. Pippin
Susan Y. Dorsey	John R. M. Rodney
G. Slaughter Fitz-Hugh, Jr.	Terence P. Ross
W. Heywood Fralin	Warren M. Thompson
Glynn D. Key	E. Darracott Vaughan, Jr., M.D.
Lewis F. Payne	Georgia M. Willis

FROM: Alexander G. Gilliam, Jr.

RE: Correction to the UVIMCO Minutes of March 16, 2004

The Minutes of the meeting of the Board of Directors of the University of Virginia Investment Management Company (UVIMCO) dated March 16, 2004, should be corrected as follows: On page 2, 5th paragraph, the members of the Nominating Committee are the Chair and Messrs. Caputo and Saunders, not the Chair and Messrs. Kington and Saunders.

AGG:lah

These minutes have been posted to the University of Virginia's Board of Visitors website.

<http://www.virginia.edu/bov/uvimcominutes.html>

March 16, 2004

MEMORANDUM

TO: The Board of the University of Virginia
Investment Management Company:

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FROM: Alexander G. Gilliam, Jr.

RE: Minutes of the Meeting of the Board of the University of
Virginia Investment Management Company on March 16, 2004

The Board of Directors of the University of Virginia Investment Management Company (UVIMCO) met, in Open Session, at 1:00 p.m., Tuesday, March 16, 2004, in the UVIMCO offices in Charlottesville at 560 Ray C. Hunt Drive in the Fontaine Research Park; John O. Wynne, Chair, presided. A. Macdonald Caputo, Peter F. Dolan, Ms. Christine P. Gustafson, Mark J. Kington, Leonard W. Sandridge, Thomas A. Saunders, III, and Gordon F. Rainey, Jr., Rector, were present.

Matthew G. Thompson participated by telephone.

Present as well were Alexander G. Gilliam, Jr., Rob Walker Freer, Ms. Elizabeth Snyder, Sherif Nahas, Ms. Kristina Lilly, Ben Cable, Jeremy Ivey, Ms. Joy Hua and Ms. Dawn Wilson.

The Chair gave an overview of what he foresaw as agendas for the next several meetings of the Board. The reorganization of UVIMCO will be discussed. Another topic of paramount importance will be the process of hiring a new President and additional staff. Measures to sustain the performance of the Endowment in this interim period must also be put in place.

The reorganization of UVIMCO along the lines authorized by the Board of Visitors will require much work in that the revamped UVIMCO with its new autonomies must be in place by July 1st. Compensation and benefits for staff must be discussed. A considered conflict of interest policy must be devised. The Board must consider a proper balance of spending vs investments, review asset allocations and performance benchmarks, and evaluate performances of managers.

The Chair suggested that one way to accomplish these tasks could be to organize the Board into subcommittees, each of which would have specific assignments.

The composition of the UVIMCO Board is another item to be considered. The Chair pointed out that the enabling resolution adopted by the Board of Visitors establishes a two year term for the Chair (as Chair) and staggered terms for the Public Members of the Board: Mr. Thompson thus will serve for one year, Ms. Gustafson and Mr. Dolan for two years and Mr. Caputo for three years. For considering new Public Members, the Chair suggested a nominating committee to consist of Messrs. Saunders and Kington and himself to propose candidates to the full Board.

Finally, the Chair proposed that there be a discussion of the Board's philosophy, stating his own belief that the Board should not micromanage UVIMCO, should establish stated operational guidelines, and have annual conversations about asset allocations.

After adopting the following motion, the Board went into Executive Session at 1:30 p.m.:

That the Board of the University of Virginia Investment Management Company go into Executive Session for discussion of investment strategies relating to University Endowment Funds, as provided for in Section 2.2-3711 (A) (6) of the Code of Virginia.

At 6:25 p.m., the Board resumed in Open Session and adopted the following resolution stating that its discussions in Executive Session had been conducted in accordance with the provisions of the Virginia Freedom of Information Act:

That we vote on and record our certification that, to the best of each Board member's knowledge, only public business matters lawfully exempted from open meeting requirements and which were identified in the motion(s) authorizing the closed session, were heard, discussed or considered in closed session.

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On motion, the Board adopted a resolution authorizing the allocation of \$50million to the existing allocation to the Boston Company.

Also on motion, the Board voted to confirm the hiring of Standish Mellon for Internal Bond Portfolio and Aggregate Cash Account, an action taken by a Board committee since the previous meeting of the full Board.

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The Board also set meeting dates for the remainder of 2004 - with the understanding that additional meetings may be required: May 19th at Morgan Stanley in New York and a retreat on September 15th and 16th, with the location to be determined.

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On motion, the meeting was adjourned at 6:35 p.m.

AGG:lah

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