

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Subject: Public Equity Commitment

Action Requested: Approval of GQG Partners International Equity

Background and Summary: We recommend the approval of GQG Partners International Equity Strategy with an initial funding of \$100 million from the Long Term Portfolio. GQG is a public equity manager based in Fort Lauderdale, FL.

Rajiv Jain founded GQG Partners in 2016 after achieving a strong 20+year track record at Vontobel Asset Management. The Strategy takes a bottom-up, fundamental approach to investing, seeking companies with high earnings quality that is sustainable and durable. GQG's portfolio is positioned based on what its bottom-up research determines is the appropriate tradeoff between sustainable growth, quality, and valuation across the market. A defining aspect of the Strategy is the willingness to rotate out of sectors when the expected long-term growth no longer justifies valuations. Rajiv Jain takes a longer-term, forward-looking view which will propel him into areas of growth that are mispriced or underappreciated by the markets' short-term focus. The International Equity Strategy invests globally-ex U.S. in mid- to large-cap companies. The portfolio can hold up to 15 percent in U.S. stocks that derive at least half of their revenue from outside of the U.S.

This investment will diversify the public equity portfolio and further the University's goal to maximize the long-term risk-adjusted return of the Long Term Portfolio.

Respectfully submitted,


Brian Smith
Interim Executive Vice President and
Chief Financial Officer

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