

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the
Regents
December 19, 2013

REQUEST FOR ACTION

Subject: Investment programs

Action Requested: Limited authority to commit to new investment managers

Background and Summary:

The Executive Vice President and Chief Financial Officer (EVP & CFO) oversees the Office of the Chief Investment Officer which is responsible for the University's endowment and investment pools. That responsibility includes researching and recommending new investment managers and investment vehicles for the University's investment pools. All new investment managers and vehicles are subject to approval by the Board of Regents on the recommendation of the EVP & CFO at a regularly scheduled Regents meeting prior to being engaged by the University. This practice has been preserved even as the University's investment portfolios have grown in size and complexity and the number of investment managers and vehicles has increased substantially.

Although the Board of Regents will not meet in a regular format in January 2014, we expect to have an opportunity to make an important new investment before the February board meeting. We therefore request that the Board of Regents delegate to the Executive Vice President and Chief Financial Officer, for such time until the Board again meets at the regularly scheduled meeting in February 2014, the authority to approve up to two new investment managers or vehicles for the University's investment programs for investments in an aggregate amount no greater than one percent of the value of the Long Term Portfolio. Any such new investment manager or vehicle must meet the objectives of the University's investment programs; exhibit risk and return characteristics consistent with past investments and be appropriately sized; and will be reported to the Board of Regents in an Item of Information at the February 2014 meeting.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

December 2013