

Contact: Andrea Anania

MINUTES OF MARCH 12, 2014, COMMITTEE MEETING

**MAIN LOUNGE, IOWA MEMORIAL UNION
UNIVERSITY OF IOWA
IOWA CITY, IOWA**

Committee Members

Nicole Carroll
Milt Dakovich
Robert Downer (Chair)

Ruth Harkin (absent)
Larry McKibben
Katie Mulholland

Bruce Rastetter
Subhash Sahai
Hannah Walsh

Others

Mike Dudkowski, Wilshire Consulting

Chair Downer called the meeting to order at 11:45 a.m.

Minutes of February 6, 2014, Committee Meeting

- MOVED by CARROLL, SECONDED by MULHOLLAND, to approve the minutes of the February 6, 2014, Committee meeting. MOTION APPROVED UNANIMOUSLY.

Investment and Cash Management Report for the Quarter Ended December 31, 2013

Mike Dudkowski from Wilshire Consulting provided highlights on investment performance for the institutions' operating, intermediate, and long-term endowment portfolios.

Regent Downer asked for Mike Dudkowski's comments on Vanguard High Yield Fund's consistent underperformance to the Barclays High-Yield Index.

Mr. Dudkowski said this part of the diversified program is predominantly implemented with indexed mutual funds. Vanguard High Yield Fund is sub-advised by Wellington Management and they employ a more conservative approach as compared to the high-yield index and manage with a higher credit quality bias. They have struggled to keep up with the index because they have avoided some of the lowest-rated segments (triple C rated and below) which rewarded aggressive risk taking. He said the conservative bias was understood and there was intention to reflect that in the program.

- The Committee received the report by GENERAL CONSENT.

Modification of Financial Institutions, Brokerage Firms, and Money Market Mutual Funds

Chair Downer reported that the University of Iowa requests to add Bankers Trust as a financial institution. Vice President Doug True said the University is impressed with company leadership and wanted to explore what they have to offer.

- By GENERAL CONSENT, the Committee recommended that the Board approve the proposed modifications as shown in the agenda item. MOTION APPROVED UNANIMOUSLY.

Chair Downer adjourned the meeting at 12:06 p.m.

The corresponding docket memorandum for each agenda item, an integral component of the minutes, is available on the Board of Regents website: <http://www.regents.iowa.gov/>. Copies of these memoranda can also be obtained from the Board Office by calling 515-281-3934. Audio of the meeting is also available on the web site.