

**COMMITTEE MEMORANDUM**

**TO:** Investment Committee Members  
Board of Regents, State of Iowa

**FROM:** Pamela Elliott Cain

**DATE:** June 1, 2005 *ASN*

**SUBJ:** FY 2006 Investment Committee Work Plan

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**Recommended Action:**

Review the Committee activities to date and approve the FY 2006 work plan.

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**Executive Summary:**

**Committee Activities** The Board changed its committee structure in May 2004 and created an Investment Compliance Committee. This Committee's responsibilities, while similar to activities previously completed by the Board's Banking Committee, are more extensive. During the past year, the Committee:

- Severed investment relationships with four fund managers.
- Hired a new international equity fund manager, new fixed income fund manager, two new large capitalization domestic equity fund managers, and new small capitalization fund manager; and provided for a contingent fixed income manager should another one be needed within the next year.
- Implemented changes to the Board's investment policy including modification to fund manager allocations, option of splitting fixed income portfolios, guidelines for use of soft dollars, and broader limits on initial common stock offerings in portfolios.
- Initiated regular evaluation of investment advisor's performance.
- Developed a benchmarking snapshot for fund manager performance on a quarterly basis.

**Proposed Changes** The attached work plan takes the Committee's activities through June 2006 and includes the following changes from the previous work plan:

- Adds an extensive review and evaluation of the Board's investment policy, conducted by a group consisting of, at most, three Committee members, Wilshire Associates, and representatives from the institutions and Board Office. A report is to be presented at the September 2005 Committee meeting that includes items reviewed such as policy restrictions, asset allocations, fund manager changes, regulatory changes, and, if necessary, specific investment policy modifications and new fund manager selections.
  - Assigns the annual evaluation of fund manager performance to a subcommittee on a semi-annual time frame (spring and fall) with a summary report to be presented to the Committee as a whole. The first performance report would be presented in June 2006 and would include the annual performance through March 31, 2006.
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**Investment Committee Memorandum**  
Board of Regents, State of Iowa

**Subject:** Proposed Committee Work Plan

**Prepared by:** Pamela M. Elliott

**Date Submitted:** June 1, 2005

June 13-14, 2005 Council Bluffs	September 14-15, 2005 UNI	December 14-15, 2005 ISU	March 22-23, 2006 Des Moines	June 21-22, 2006 (To be determined)
<b>Agenda</b>	<b>Agenda</b>	<b>Agenda</b>	<b>Agenda</b>	<b>Agenda</b>
<ul style="list-style-type: none"> <li>• Approval of minutes</li> <li>• Discussion of quarterly investment report ended March 31</li> <li>• Approval of 2005-2006 committee work plan</li> <li>• Anticipated issues for September 14-15 meeting in Cedar Falls</li> </ul>	<ul style="list-style-type: none"> <li>• Approval of minutes</li> <li>• Discussion of quarterly investment report ended June 30</li> <li>• Review of Regent investment policy with specific direction and actions</li> <li>• Annual review of banking and broker relationships</li> <li>• Anticipated issues for December 14-15 meeting in Ames</li> </ul>	<ul style="list-style-type: none"> <li>• Approval of minutes</li> <li>• Discussion of quarterly investment report ended September 30</li> <li>• Annual performance review of investment advisor</li> <li>• Anticipated issues for March 22-23 meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Approval of minutes</li> <li>• Discussion of quarterly investment report ended December 31</li> <li>• Review initial draft of 2006-2007 committee work plan</li> <li>• Anticipated issues for June 21-22 meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Approval of minutes</li> <li>• Discussion of quarterly investment report ended March 31</li> <li>• Report from subcommittee on annual performance review of certain fund managers</li> <li>• Approval of 2006-2007 committee work plan</li> <li>• Anticipated issues for September 27-28</li> </ul>