

Contact: Patrice Sayre

INVESTMENT ADVISOR SELECTION

Action Requested: Recommend that the Board:

- ◆ Approve Marquette Associates, Inc. as Investment Advisor to the Regent universities financial portfolios.
- ◆ Authorize the Executive Director to execute the investment advisor contract on behalf of the Board.

Executive Summary: In accordance with Board policy, bids are solicited for investment advisor through a competitive process at least every five years. The last RFP process for investment advisor was conducted during 2011 and a contract was executed with Wilshire Consulting Group in 2012.

In August 2015, a Request for Proposal (RFP) for an Investment Advisor was distributed; 13 proposals were received. In accordance with the established competitive process, a selection committee comprised of University representatives and Board Office staff, including Regent Larry McKibben as Chair and Regent Patty Cownie as Vice Chair of the Audit/Compliance and Investment Committee, reviewed the proposals and interviewed four candidate firms.

Based on information in the proposals, interviews, qualifications, organizational structure, institutional personnel and capability of the firms, the selection committee recommends the hiring of Marquette Associates, Inc. as Investment Advisor.

If this fund manager is approved by the Board of Regents, the Executive Director will be authorized to negotiate a contract with the firm. Marquette Associates, Inc. has proposed an all-inclusive, full-retainer fee of \$245,000 per year, including all out-of-pocket expenses. The contract term will be a five (5) year agreement; the initial term will be twelve (12) months and afterwards operate on a continuous basis until terminated by either Party with thirty (30) days prior written notice to the other Party, or the end of five (5) years

Background: The Board of Regents' Investment Policy may be found in Chapter 7.04 of the Policy Manual (<http://www.regents.iowa.gov/Policies/Chapter%207/chapter7.04.htm>).