

Contact: Patrice Sayre

INVESTMENT ADVISOR RECOMMENDATION

Action Requested: Recommend that the Board:

- ◆ Approve Wilshire Consulting Group 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 every five years. The last RFP process for investment advisor was conducted during 2006 and a contract was executed with Wilshire Consulting Group in 2007.

In September 2011, a Request for Proposal (RFP) for an Investment Advisor was distributed. Nine proposals were received. In accordance with the established competitive process, a selection committee comprised of University representatives and Board Office staff, and including Regent Jack Evans as 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 Wilshire Consulting Group 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. Wilshire Consulting Group will continue to adjust their annual retainer fee on January 1 each year based on the U.S. Bureau of Labor Statistics Consumer Price Index for all Urban Consumers All Items, U.S. City Average. The fee for 2011 was \$155,100.

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>)