

Contact: Andrea Anania

FUND MANAGER ISSUE

Action Requested: Recommend the Board of Regents, State of Iowa (the “Board”) approve the First Amendment to the Second Amended and Restated Limited Partnership Agreement dated as of May 27, 2016, of NB IPU Feeder A & B LP (“Agreement”). Such action extends the private market commitment period by two years or until December 31, 2019.

Executive Summary: The Board of Regents investment policy requires that the investment advisor, Marquette Associates (“Marquette”), provide recommendations and advice on matters regarding investment manager retention.

On March 11, 2015, the Board selected Neuberger Berman to manage a private market custom account for the Long Term Endowment Pools. The University of Iowa committed \$93 million and Iowa State University committed \$38 million to the private market custom account, which was invested across 2015, 2016, and 2017. The First Amendment to the Agreement extends the commitment period for two additional years or until December 31, 2019.

The arrival at this recommendation follows numerous discussions surrounding the Long Term Endowment Pools asset allocation and private market commitment schedule.

Marquette supports the First Amendment to the Second Amended and Restated Limited Partnership Agreement and recommends extending the private market commitment period until December 31, 2019.

Background and Analysis: Characteristics of a well-constructed private market program include consistent commitments across multiple vintage years. By extending the commitment period, private market investments will be made over five years rather than three. Using an asset allocation analysis and private market commitment model, Marquette determined that a longer commitment period mitigates private market concentration risk. Furthermore, a longer commitment period provides greater vintage year diversification and offers a broader investment opportunity set.