

Contact: Patrice Sayre

### FUND MANAGER ISSUES

**Action Requested:** Receive the recommendation to add Adams Street Partners-2010 Global Offering and Landmark Equity Partners XIV, L.P. as managers for Private Equity investments.

**Executive Summary:** At the September 2008 Audit/Compliance and Investment Committee, the Board approved a new asset allocation for the endowment portfolio. Wilshire Consulting's recommendation included increasing the asset allocation of Private Equity from 5% to 10%.

Following an analysis of Private Equity candidates with distinct strategies, Wilshire recommends adding Adams Street Partners-2010 Global Offering and Landmark Equity Partners XIV as fund managers for private equity assets.

Wilshire worked collaboratively with members of this Committee, investment staff at the universities, and Board office staff to arrive at this selection. The process considered several factors including analyzing market conditions and opportunities, evaluating private equity exposures, and interviewing suitable investment manager alternatives.

- Landmark Equity Partners XIV is particularly attractive because it enables the endowment portfolios to backfill exposures to prior vintage years at discounted valuations, invest further along the J-curve with the anticipation of realizing gains earlier than may occur otherwise, and seek to exploit general market conditions as a provider of capital.
- Adams Street Partners-2010 Global Offering represents an opportunity to build the private equity allocation over time through future commitments in both U.S. and non-U.S. markets. This program will offer primary exposures in buyout and venture capital spaces, but will also include smaller investments in mezzanine debt, distressed situations, and special situations.

If these fund managers are approved by the Board of Regents, subject to finalization of due diligence by the universities, Wilshire will continue to work with staff at the universities to efficiently transition assets.

Approval of Adams Street Partners-2010 Global Offering and Landmark Equity Partners XIV Funds will result in approximately \$14 million being invested over time with these managers, adding to the \$17.4 million committed in Commonfund Funds: International Partners VI, Private Equity VII, and Venture Capital VIII, and Neuberger Crossroads XVIII.