

Contact: Patrice Sayre

FUND MANAGER ISSUES

Action Requested: Receive the recommendation to add State Street Global Advisors as a manager for Non-US Equity assets.

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 Non-US Equity from 15% to 25%. Following an analysis of International Equity Index Candidates, Wilshire recommends adding State Street Global Advisors as a second fund manager for international equity.

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 investment vehicle and fees, tracking error, organizational quality, and other important factors. State Street offers a MSCI ACWI Ex-US Index that is competitive in all relevant aspects. If State Street Global Advisors is approved by the Board of Regents, Wilshire will continue to work with staff at the universities to efficiently transition assets.

Approval of State Street Global Advisors will initially result in approximately \$17 million being invested with this index manager, adding to the \$42 million currently invested in the GMO Foreign Fund, an active manager.