**Fund Manager Issue**

**Action Requested:** Recommend approval for the addition of the Aristotle Pacific Bank Loan Fund to the Long-Term Endowment Pool, Diversified Intermediate Portfolio, and the Operating Portfolio.

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

The Aristotle Pacific Bank Loan Fund ("Aristotle") seeks to outperform the Credit Suisse Leveraged Loan Index by investing primarily in bank debt instruments of non-investment grade companies.

Aristotle is managed on a team-basis by investment professionals who have worked on the strategy since inception. Portfolios are built primarily from the bottom-up through fundamental research, but the team incorporates top-down macro views to identify risks and opportunities over the medium term. The strategy focuses on larger, more liquid issuers with a margin of safety to help improve downside risk. The portfolio will tend to be more concentrated, taking meaningful positions in companies where there is strong conviction.

The Long-Term Endowment Pool, Diversified Intermediate Portfolio, and the Operating Portfolio have existing allocations bank loan products. Aristotle will help complement existing bank loan manager allocations.