**FUND MANAGER ISSUES**

**Action Requested:** Recommend the Board of Regents, State of Iowa (the “Board”) approve the addition of two investment managers to the Long-Term Endowment Pool, Diversified Intermediate Portfolio, and the Operating Portfolio.

- Vanguard Total International Stock Fund
- JP Morgan Prime Liquidity Fund

**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.

**Vanguard Total International Stock Fund**

The Vanguard Total International Stock Fund (“International Stock Fund”) is a low cost, non-US equity index fund. The International Stock Fund employs an indexing investment approach designed to track the performance of the FTSE Global All Cap ex US Index, a free-float-adjusted market-capitalization-weighted index designed to measure equity market performance of companies located in developed and emerging markets, excluding the United States. The index includes more than 5,300 stocks of companies located in 46 countries. The fund invests substantially all its assets in the common stocks included in its target index.

The Long-Term Endowment Pool has an existing allocation to global all cap non-US equity. The International Stock Fund affords a more liquid investment strategy at a low cost.

**JP Morgan Prime Liquidity Fund**

The JP Morgan Prime Liquidity Fund (“Prime Liquidity Fund”) endeavors to provide current income while maintaining liquidity and preserving capital. Key investment characteristics are as follows:

- Weighted average maturity; 60 days or less
- Weighted average life; 120 days or less
- Permissible investments; high quality, short term obligations, including:
  - Securities issued or guaranteed by the US government or its agencies
  - Non-US sovereign debt obligations
  - Commercial paper
  - Repurchase agreements
  - US municipal securities

The Portfolios maintain a dedicated allocation to a variety of liquidity funds. The Prime Liquidity Fund is a large, well-diversified short-term investment strategy that will bolster the existing line-up.