

Contact: Brad Berg

FUND MANAGER ISSUE

Action Requested: Recommend the Board re-engage Neuberger Berman through December 31, 2022 to manage a private market custom account for the Long Term Endowment Pools. Neuberger Berman was initially engaged for this assignment in 2015. 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 expires on December 31, 2019.

Executive Summary: Board of Regents investment policy requires that the investment advisor, Marquette Associates, 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 initially committed \$93 million and Iowa State University initially committed \$38 million to the private market custom account, which was invested across 2015, 2016, and 2017. The Agreement extended this investment period until the end of 2019. By re-engaging, Neuberger Berman will invest, in accordance with the investment policy, across 2020, 2021 and 2022.

The arrival at this recommendation follows a comprehensive due diligence evaluation of multiple private market investment managers.

Background and Analysis: Marquette evaluated proposals from 10, high-quality, diversified global private equity managers. Each candidate offered similar investment structures and proposed allocating capital across multiple segments and fund sizes.

Marquette eliminated seven managers based on high fees, unconvincing performance, and limited deployment scale. Marquette selected three finalists based on capability, performance, and reasonable fees. These three managers were interviewed by Marquette and university representatives. Neuberger Berman was ultimately selected as the most qualified candidate based on breadth and depth of structure, compelling fees and performance.