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Office of the Treasurer
October 13, 2008

Members, Investment Committee

AUTHORIZATION TO ENTER CONTRACT NEGOTIATIONS WITH TWO NEW MANAGERS FOR
THE MANAGEMENT OF OPPORTUNISTIC PRIVATE EQUITY ALLOCATION

Recommendation: that the Investment Committee authorize the University's Purchasing Division to enter into contract negotiations with two new managers for the management of the opportunistic private equity allocation.

Background: The Investment Committee approved a revised asset allocation and manager structure on June 16, 2008, which includes a new opportunistic private equity allocation of 1.12%. Investment staff and R. V. Kuhns & Associates ("RVK") issued a Request for Proposals for opportunistic private equity fund-of-funds managers in August 2008 and received proposals from 4 firms on 5 different strategies. Staff and RVK performed the evaluation of proposals and selected two firms to manage the opportunistic private equity allocation. Based on private equity forecasting recently completed by staff and RVK, staff needs to commit \$5-7 million in each of the next five years to an opportunistic private equity fund-of-funds manager, therefore establishing a relationship with two managers is beneficial.

The recommendation of the two managers, along with a description of the RFP process, is included in a confidential memo from RVK dated October 1, 2008, which was distributed to the Investment Committee. Disclosure of the names of the managers could jeopardize the contract negotiations with these firms.

Action Taken: Approved Disapproved Other _____