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Office of the Treasurer
September 13, 2011

Members, Investment Committee

TERMINATION OF CONTRACT WITH ABSOLUTE RETURN MANAGER

Recommendation: that the Investment Committee approve termination of the University's contract with GAM.

Background: RVK recommends termination of the University's contract with GAM, absolute return fund-of-funds manager, due to departure of four senior investment team members in the last few months as outlined in the attached memo.

The University's investment staff and RVK have issued an RFP for a new absolute return fund-of-funds manager and plan to bring a manager recommendation to the Investment Committee on October 25, 2011.

Upon approval of this action, investment staff will issue a redemption request to GAM, effective for December 31, 2011 (GAM's redemption notification period is 95 calendar days prior to quarter-end). Redemption proceeds are expected to be received within 35 calendar days after the redemption date and will be invested with the new manager as soon as possible thereafter.

Action Taken: Approved Disapproved Other _____