

Board Meeting
November 12, 2009

ROLL CALL

AUTHORIZE INVESTMENT MANAGERS

Action: Approve Hiring of DB Advisors and Wells Capital Management to Provide Investment Management Services

Funding: Investment Income

The Vice President/Chief Financial Officer and Comptroller recommends establishment of investment management contracts with DB Advisors and Wells Capital Management and adoption of the attached resolution. The purpose of the recommendation is to diversify University money market investments to protect principal and ensure access to liquidity. The University's treasury staff and consultant EnnisKnupp conducted a review of the primary liquidity options for the operating funds investment program. The University's treasury staff conducted a request for proposal to evaluate manager alternatives. The request for proposal was mailed to fourteen investment firms and listed on the University's procurement web site. Responses were received from eight investment firms. The responses were carefully evaluated and interviews conducted with four finalists. The recommended firms have excellent investment performance records and competitive fees¹. Importantly, both firms avoided

miscues in the 2008 financial crisis environment. This recommendation is made with the concurrence of University treasury staff and the University's financial consultant, EnnisKnupp.

The Board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes*, *The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The President of the University concurs.

¹ DB Advisors annual fee is 15 basis points (.0015%) or \$112,500 on a \$75 million portfolio. Wells Capital Management annual fee is 13 basis points (.0013%) or \$97,500 on a \$75 million portfolio.