COMMITTEE: Endowment Management

ITEM: Report and Recommendations from Cambridge Associates Regarding Endowed and Non-Endowed Assets

DATE PREVIOUSLY SUBMITTED:

SUMMARY:

(1) Approval is requested to rebalance the portfolio by redeploying $15.3 million, of which $7.5 million will come from US equities and $7.8 million will come from cash. The funds will be reinvested as follows: $13.8 million to fixed income, $1.2 million to emerging markets, and the balance expected to be called by some of our private equity funds. The justification for this recommendation will be presented by Cambridge Associates.

(2) Cambridge Associates will also recommend investing an additional $1.5 million in an existing hedge fund manager.

(3) Cambridge Associates will present an overview of the market, the asset allocation and performance, and other analysis of the investment portfolio.

SUPPORTING DOCUMENTATION: Cambridge Associates discussion materials book (as to item 1, pages 43 to 44; as to item 2, pages 47 to 53).

FISCAL NOTE: As to item 1, $15.3 million; as to item 2, $1.5 million.

RECOMMENDATION/ ACTION REQUESTED: Administration recommends approval of items 1 and 2. Item 3 is information only.

COMPONENT: University of Houston System

EXECUTIVE VICE CHANCELLOR

Carl Carlucci

DATE 4/27/2012

CHANCELLOR

Renu Khator

DATE 5/3/12

05/15/12
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