


MICHIGAN STATE
UNIVERSITY

April 7, 2010

MEMORANDUM

To: Trustee Finance Committee

From: Fred L. Poston 

Subject: New Investment Manager – Chilton Investment Company, LLC

RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends that the Board of Trustees authorize the Administration to select Chilton Investment Company, LLC as an investment manager.

BACKGROUND

Chilton Investment Company, LLC (Chilton) manages approximately \$5.4 billion across six different investment strategies including \$2.7 billion in Chilton Global Natural Resources Partners, L.P. (the Fund). The Fund invests in a diversified portfolio of global natural resource securities, commodities and real assets. The Fund is net long biased and uses short strategies opportunistically. Investments are made across the natural resource markets including energy, precious metals, base metals, agriculture and other commodities.

The investment strategy combines top-down industry level research with bottom-up company research focused on selecting securities that are attractively priced relative to the intrinsic value of the relevant commodity. Company research drives individual stock selection and includes fundamental analysis, manager meetings and extensive fieldwork to gain firsthand company knowledge.

Cambridge Associates advises, and the Investment Advisory Subcommittee and Administration concur, that Chilton Global Natural Resources Partners, L.P. represents an opportunity to diversify the Inflation Hedge asset class by investing with an experienced global natural resource manager. The Administration plans to invest \$20 million in the Fund to be funded by a redemption from Wellington Placer Creek and available cash.

cc: D. Brower, N. Carter, G. Klein, K. Lindahl



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