


MICHIGAN STATE
U N I V E R S I T Y

October 17, 2012

MEMORANDUM

To: Trustee Finance Committee
From: Fred L. Poston 
Subject: New Investment Manager - Gardner Russo & Gardner

RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends that the Board of Trustees select Gardner Russo & Gardner as an investment manager.

BACKGROUND

Gardner Russo & Gardner has approximately \$6.5 billion of assets under management. Tom Russo manages \$5.6 billion in a value-oriented global equity strategy, the Semper Vic Partners (QP), LP (Fund).



The Fund focuses on high quality, franchise/brand-driven businesses targeting underpriced companies that generate high, sustainable levels of free cash flow and high returns on assets, with strong balance sheets. The portfolio tends to be oriented toward large/mega cap companies based in the U.S. and Western Europe.

Cambridge Associates advises, and the Investment Advisory Subcommittee and Administration concur, that an investment in the Fund represents an opportunity to diversify MSU's global equity portfolio by engaging an experienced manager, Gardner Russo & Gardner, whose strategy is complementary to existing managers. The Administration plans to invest \$15 million in the Fund.

cc: N. Carter, M. Haas, G. Klein

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