

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

December 4, 2013

MEMORANDUM

To: Trustee Finance Committee

From: Mark P. Haas *Mark P. Haas*
Vice President for Finance and Treasurer

Subject: New Investment Manager - Edgbaston Investment Partners Limited

RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends that the Board of Trustees select Edgbaston Investment Partners Limited as an investment manager.

BACKGROUND

Edgbaston Investment Partners Limited (Edgbaston) is a developed global ex U.S. and emerging markets manager with approximately \$662 million of assets under management. The Edgbaston Asian Equity Trust (Fund) invests in companies located in Asia (excluding Japan), Australia, or New Zealand.

The Fund uses a fundamental, bottom-up methodology to invest in a portfolio of equities across the range of market capitalization. Database screens are used to identify securities with a combination of high dividend yield, low price to earnings, low price to book value, low financial leverage, and high return on equity. A range of qualitative and quantitative factors are then used to select investments considered to have the best fundamental investment value.

Cambridge Associates advises, and the Investment Advisory Subcommittee and Administration concur, that Edgbaston Investment Partners Limited represents an opportunity to diversify MSU's developed global ex U.S. and emerging markets equity portfolios by investing with a firm whose strategy is complementary to existing managers. The Administration plans to invest \$30 million in the Fund to be funded by a complete redemption from Boston Company and available cash.

cc: N. Carter, G. Klein



OFFICE OF THE
VICE PRESIDENT FOR
FINANCE

Mark P. Haas
Vice President for Finance
and Treasurer

Michigan State University
Hannah Administration Building
426 Auditorium Road, Room 412
East Lansing, Michigan
48824

Phone 517.355.5014
Fax 517.353.6772
www.finance.msu.edu