AGENDA ITEM 16.

DELEGATION OF APPROVAL OF COLLEGE ILLINOIS!® PREPAID TUITION PROGRAM PASSIVE DOMESTIC EQUITY INVESTMENT MANAGER SELECTION TO THE INVESTMENT COMMITTEE

Submitted for: Action

Summary: The contract with Rhumbline Investment Advisors for passive all-cap (Wilshire 5000) investment management expired on Dec. 30, 2011. Their services have been extended through February 2012 using a one-time purchase for less than $20,000. An RFP was issued in early January for Passive Domestic Equity Investment Managers. Responses are due on January 27 and evaluation of responses is anticipated to occur in early February.

The new mandate will need to be awarded and funded prior to the scheduled March 26 Commission meeting in order to facilitate an orderly transfer or continuation of this mandate. Absent a timely selection and funding of a new mandate, assets will either lack professional investment management or could be transferred to the SSgA passive large-cap mandate, incurring transaction costs and loss of exposure to small-cap stocks.

Candidates will be scored using a uniform scoring template. The evaluation committee has not been finalized, but will include at least three members, including the Chief Investment Officer. Interviews are not currently anticipated.

Action requested: That the Commission approve the following resolution:

“BE IT RESOLVED that due to exigent circumstances, the Commission makes a one time delegation of authority to the Investment Committee for the limited purpose of approving the selection of the Passive Domestic Equity Investment Manager. The Investment Committee shall move for ratification of its decision at the next Commission meeting. The approval action must be conducted in a public open meeting”.