



## Request for City Council Committee Action from the Department of Finance

**Date:** October 18, 2010

**To:** Honorable Betsy Hodges, Chair, Ways and Means / Budget Committee

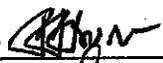
**Referral to:** City Council

**Subject:** Assignment of City's investment management contract with FAF Advisors, Inc. to Nuveen Asset Management

**Recommendation:** Authorize the assignment of the City's current contract with FAF Advisors, Inc. to Nuveen Asset Management

**Previous Directives:** On July 31, 2009, City Council approved entering into an investment management contract with FAF Advisors, Inc.

Prepared by: LeaAnn M. Stagg, Director, Treasury Division

Approved by: Patrick Born, City Finance Officer 

Steven Bosacker, City Coordinator 

Presenters in Committee: LeaAnn M. Stagg, Director, Treasury Division

### Reviews (under Previous Directives)

- Permanent Review Committee (PRC): Approval  Date April 3, 2009
- Policy Review Group (PRG): Approval  Date February 4, 2009

### Financial Impact

- No financial impact

### Community Impact

- N/A

## **Supporting Information**

FAF Advisors, Inc. (FAF), the investment advisor of First American Funds (of US Bancorp Asset Management) has entered into an agreement whereby Nuveen Investments, Inc. (Nuveen Investments) will acquire FAF's long-term asset management business and combine it with Nuveen Asset Management (a subsidiary of Nuveen Investments, Inc.). The transaction is expected to be completed by the end of 2010. As a part of the transaction, U.S. Bancorp will take an equity stake in Nuveen Investments.

Also, as part of the transaction, FAF will assign the City's current investment management agreement to Nuveen Asset Management or its wholly owned subsidiary. FAF has committed to retaining its current investment management teams, philosophies and investment approach to portfolio management.

Given the continuation of the staff, investment process and outperformance of its total return benchmark, the City recommends accepting the assignment of the City's current investment management agreement with FAF Advisors to Nuveen Asset Management or its wholly owned subsidiary.