

ITEM FOR INFORMATION

Subject: Alternative Asset Commitments

Background and Summary: Under a May 1994 Request for Action, the University may commit to follow-on investments in a new fund sponsored by a previously approved partnership provided the fund has the same investment strategy and core investment personnel as the prior fund.

Pursuant to that policy, this item reports on the University's follow-on investments with the previously approved private equity, energy, and absolute return partnerships listed below.

Capital International Private Equity Fund VI, L.P., a London and Singapore based partnership, will acquire influential minority ownership or control buyout positions of middle market companies in a number of global emerging markets, including Asia, Latin America, Africa, and the Middle East. The fund may also invest in companies in developed markets on a limited, opportunistic basis.

Using a disciplined, bottom-up approach, Capital International Private Equity seeks to identify and invest in market leading local companies that will benefit from increased consumer demand for goods such as durable items, real estate, healthcare, education, and leisure as well as in companies that respond to global demand for exports and services. As active investors, the investment team helps portfolio companies with management additions, financial restructurings, add-on acquisitions or divestitures, and access to global industry knowledge.

This is the University's second investment with Capital International Private Equity. The University committed \$20 million to Capital International Private Equity Fund VI, L.P. in September 2011. The University committed a total of \$20 million to a prior Capital International Private Equity sponsored fund.

MAP 2012, L.P., a U.S. focused energy fund based in Palo Alto, California, acquires royalty interests associated with large, long-life natural gas fields and renewable energy projects. In the renewable space, MAP's activities have been focused on wind power projects primarily and the Fund is expected to invest about a third of the commitment in that space.

Royalty interests are structured to generate long-lived cash flow streams and represent a percentage of the gross revenues from the different types of energy production that are paid to the mineral or wind easement owners, who in many cases are not the same as the owners of the land. MAP will buy the interests from owners and the percentage shares of the revenues are distributed to the Partnership and paid out to the investors.

This is the University's third investment with MAP. The University committed \$20 million to MAP 2012, L.P. in November 2011. The University committed \$30 million to prior MAP sponsored funds.

Stone Tower Credit Fund, L.P., a credit absolute return fund based in New York, NY, invests primarily in senior secured bank loans and to a lesser extent in structured debt securities.

The actively managed fund is long-biased and focuses on bottom-up fundamental analysis of senior secured corporate credit with in-depth evaluation of industry, management, and financial performance of each company. The team focuses on companies with sufficient pricing power, commitment to de-leveraging and sufficient equity support from sponsors and management. The Fund invests mainly in securities that are senior and or secured and with short durations.

This is the University's second investment with Stone Tower LLC. The University committed \$40 million to Stone Tower Credit Fund, L.P. in October 2011. The University committed a total of \$30 million to a prior Stone Tower LLC sponsored fund.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Timothy F. Slottow". The signature is written in a cursive style with a large, sweeping initial "T".

Timothy F. Slottow
Executive Vice President and
Chief Financial Officer

February 2012