

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

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 real estate, private equity, and two venture capital partnerships listed below.

**Crow Holdings Realty Partners VI, L.P.**, is a Dallas, TX, based real estate fund that will invest in a diversified portfolio of domestic real estate, including industrial, grocery-anchored and neighborhood retail properties, multi-family housing, office buildings, hotels and land. The fund will include income-oriented investments with modest forecasted appreciation as well as value-added or opportunistic investments where a greater amount of the profit will be derived from capital appreciation. The fund's domestic, multi-sector approach allows the manager to adjust to stages in the market cycle and shift fund investments accordingly to seek the most favorable risk-adjusted returns.

This is the University's sixth investment with Crow Holdings. The University committed \$20 million from its Long Term Portfolio to Crow Holdings Realty Partners VI in August 2012. The University has committed a total of \$150 million to five prior Crow Holdings sponsored real estate funds.

**Silver Lake Partners IV, L.P.**, a private equity fund with offices in NY, NY, Menlo Park, CA, Hong Kong, and London, U.K. invests in leveraged buyouts and recapitalizations of technology, technology-enabled, and related growth businesses. As with prior Silver Lake funds, Silver Lake IV will invest in subsidiaries and divisions of large corporations that are attractive but under-managed businesses. In addition, the partnership will acquire and recapitalize closely held businesses and will invest in traditional growth companies in mature industries in which technology or technology-based solutions can transform growth and profitability.

This is the University's fourth investment in a Silver Lake private equity fund. The University committed \$30 million to Silver Lake Partners IV, L.P. from its Long Term Portfolio in September 2012. The University committed a total of \$80 million to prior Silver Lake funds.

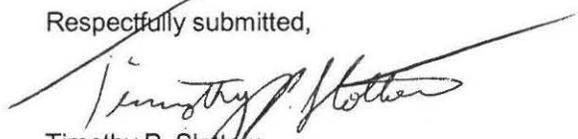
**Sequoia Capital U.S. Venture Fund XIV, L.P.** and **Sequoia Capital China Venture Fund IV, L.P.** are funds sponsored by Sequoia Capital, a venture capital firm headquartered in Menlo Park, CA. The U.S. Venture Fund will invest primarily in early stage technology companies located in the U.S., while the China Venture Fund will focus on making early stage investments in China across four sectors: information technology, consumer, healthcare, and energy.

Each fund will be managed by a separate investment team. The U.S. Venture group is based in Menlo Park, while the China Venture fund is managed from three main offices, located in Beijing, Shanghai, and Hong Kong. The U.S. and China teams make independent investment decisions, but benefit from global collaboration among investment professionals.

Sequoia's U.S. investments will be in companies solving specific problems through technology and innovative management, while the China investments will be in companies positioned to benefit from China's domestic economy and large number of consumers.

These are the University's twelfth and thirteenth investments with Sequoia Capital. The University committed \$5 million to Sequoia Capital U.S. Venture Fund XIV, L.P. and \$4 million to Sequoia Capital China Venture Fund IV, L.P. from its Long Term Portfolio in September 2012. The University previously committed \$117 million to prior Sequoia Capital sponsored funds.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Timothy P. Slotow", written over a horizontal line that extends to the right.

Timothy P. Slotow  
Executive Vice President and  
Chief Financial Officer

February 2013