

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Approved by the
Regents
February 19, 2015

Subject: Alternative Asset Commitment

Action Requested: Approval of CVC Growth Partners, L.P. and CVC Growth Partners Co-Investment, L.P.

Background and Summary: We recommend a total commitment of up to \$30 million from the Long Term Portfolio to CVC Growth Partners, L.P. and its companion Co-Investment fund, new initiatives sponsored by CVC Capital Partners, a large, global private equity firm with investments in Europe, North America, and Asia-Pacific. CVC Growth Partners will invest in smaller, growth-oriented technology companies and will be managed by a separate team of experienced professionals dedicated to Growth Partners.

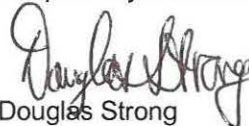
The CVC Growth Partners investment program will be led by John M. Clark. Prior to joining CVC in 2014, Mr. Clark established a successful track record investing in technology companies during his thirteen year tenure at Welsh, Carson, Anderson and Stowe, a New York based private equity firm.

CVC Growth Partners will benefit from CVC's international perspective and notable investment experience. While the CVC Growth Partners fund will actively source its own investment opportunities, the team will benefit from CVC's global network of technology-focused investment professionals who often find opportunities which are too small for CVC's large private equity funds but may be of interest to the Growth fund. Similarly, CVC's global presence is expected to benefit the Growth fund's portfolio companies as they plan to expand internationally.

The Growth Partners' investments will focus on technology companies in sectors where the investment team has prior experience, including software as a service, infrastructure, payments, and technology enabled business services. Investment criteria would include a company's potential to become a market leader, generate strong sales growth with good profitability, have a subscription or recurring revenue business model, and meet the needs of a large, addressable market. The investments may be control or shared control, growth equity or buyout investments, and may be located in North America or Europe. The Co-Investment fund will provide capital for investments which meet the Growth fund's criteria but exceed the equity investment limit of the Growth fund.

CVC Growth Partners offers the Long Term Portfolio the opportunity to invest in a fund managed by an experienced team focused on middle-market technology companies and differentiated by its access to the additional resources of its sponsoring global private equity firm.

Respectfully submitted,



Douglas Strong
Interim Executive Vice President and
Chief Financial Officer