

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ITEM FOR INFORMATION

Received by the Regents

March 19, 2009

**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 two private equity partnerships listed below.

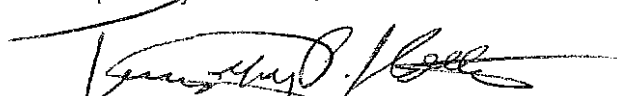
**Charterhouse Capital Partners IX, L.P.**, a private equity fund based in London, U.K., will invest in larger company buyout transactions in Western Europe, with a focus principally on opportunities in the United Kingdom and France. The fund will invest in management buyouts and corporate restructurings, pursuing a relatively small number of investments on a selective basis. Target companies will typically be substantial, established private businesses, although occasionally Charterhouse may pursue an investment in a public company. Charterhouse focuses on companies with demonstrable potential for growth, either through sales expansion, margin enhancement, or new strategic development. While transactions are not restricted to specific industries, the investment team has experience in sectors such as leisure, business services, telecommunications, and consumer products.

This is the University's third investment with Charterhouse. The University committed €25 million to Charterhouse Capital Partners IX, L.P. in September 2008. The University committed €45 million to prior Charterhouse sponsored funds.

**CBPE Capital VIII B, L.P.**, a London, U.K. based private equity fund, will invest in management buyouts of UK midmarket companies. CBPE is focused on backing strong management teams and investing in well-established businesses with good growth prospects and strong market positions. Investment opportunities will come primarily from the disposition of non-core activities by larger corporations and restructurings of private and public companies. The fund will target companies generating positive cash flow and will use structures that provide current cash payments to investors. This is an attractive feature during periods when exit opportunities are limited. Relying on its network of serial entrepreneurs with operating experience to help source and manage investments and continuing its buy-and-build and turnaround strategies, CBPE will focus on sectors in which the investment team has prior experience, including the distribution, manufacturing, logistics, and services sectors.

This is the University's second investment with CBPE. The University committed £10 million to CBPE VIII in February 2009. The University committed £10 million to a prior CBPE sponsored fund.

Respectfully submitted,



Timothy P. Slottow  
Executive Vice President and  
Chief Financial Officer

March 2009