

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ITEM FOR INFORMATION

Received by the Regents

March 18, 2010

Subject: Alternative Asset Commitment

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.

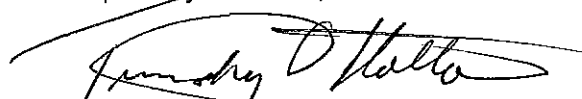
Pursuant to that policy, this item reports on the University's follow-on investment with the previously approved private equity partnership listed below.

SAIF Partners IV, L.P., a private equity fund with offices in Hong Kong and Beijing, China, and in Hyderabad, India, will invest primarily in expansion stage, established businesses in China and India which have year-over-year positive revenue growth, are generally cash flow positive, have capable management, and provide sought after goods and services in rapidly growing domestic markets. On an opportunistic basis, SAIF will invest in a few early to mid-stage private companies or invest in public companies the investment team considers undervalued. In all its investments, SAIF takes a disciplined, valued-based approach and looks to acquire significant minority ownership positions in companies it believes are undervalued relative to their long-term growth prospects.

The investment team will focus on industry sectors that benefit from the strong economic growth and rapidly rising local consumption in its markets, including financial services, retail and distribution, healthcare, agribusiness, education, and business services.

This is the University's second commitment to SAIF Partners. The University committed \$10 million to SAIF Partners IV, L.P. in November 2009. The University committed \$20 million to a prior SAIF sponsored fund.

Respectfully submitted,



Timothy P. Slotow
Executive Vice President and
Chief Financial Officer

March 2010