

ITEM FOR INFORMATION

**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 investments with the previously approved private equity, absolute return, and natural resources partnerships listed below.

**Morgan Stanley Private Equity Asia IV, L.P.**, a private equity fund with offices in Hong Kong, Seoul and New York, makes private equity investments in Asia. The focus markets are primarily China and South Korea, with opportunistic investments in Japan, Singapore, Hong Kong, Taiwan, and selected countries in Southeast Asia.

The fund invests in publicly listed or private mid-sized growth businesses where improved operating performance, rather than financial leverage, can lead to significant value creation. The investments may be control or minority investments and will focus on companies that are recognizable domestic brands, globally competitive low-cost providers, or beneficiaries of favorable changes in regulatory or operating environments. The fund invests in a variety of industry sectors, with an emphasis on consumer products, financial services, industrial products and other service-related businesses.

This is the University's third investment in a Morgan Stanley Private Equity Asia fund. The University committed \$25 million to Morgan Stanley Private Equity Asia IV, L.P. in November 2012. The University committed \$40 million to prior Morgan Stanley Private Equity Asia sponsored funds.

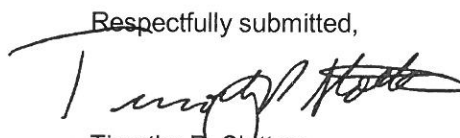
**GSO Capital Solutions Fund II, L.P.**, a fund located in New York, NY, continues GSO Capital Partners' strategy to provide "rescue financing" to distressed companies primarily in North America and Western Europe. The group employs a rigorous investment process to evaluate all potential opportunities with preservation of principal as a primary goal. The Fund has a focused, disciplined approach that includes performing intensive credit work, carefully structuring the transactions, and actively influencing or controlling portfolio companies through board representation or other governance rights. The Fund targets businesses with leading market share positions, sustainable barriers to entry, strong asset values that support the investment, high quality management teams and the potential for high free cash flow generation after restructuring.

This is the University's fourth investment with GSO Capital Partners. The University committed \$30 million to GSO Capital Solutions Fund II, L.P., in November 2012. The University previously funded or committed \$110 million to prior GSO Capital Partners sponsored funds.

**JOG Limited Partnership No. VI**, is a Calgary-based energy private equity fund that provides early stage growth capital mainly to private Canadian oil and gas companies, however they may invest in publicly listed companies if appropriate. The team invests alongside experienced management teams that plan to build companies and take advantage of the institutional market's demand for larger companies. JOG is often the lead investor, although does not always require a control position. The fund is expected to be diversified across twelve to fifteen portfolio companies focused on Western Canada.

This is the University's fourth investment with JOG Capital. The University committed C\$20 million to JOG VI, L.P. in November 2012. The University committed C\$40 million to prior JOG sponsored energy private equity funds.

Respectfully submitted,



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Executive Vice President and  
Chief Financial Officer