

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Received by the
Regents
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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 partnerships listed below.

Brookdale Investors Seven, L.P., a real estate fund based in Atlanta, GA, will make investments in existing, high-quality suburban and urban office properties in the traditionally high-growth submarkets of the Sunbelt region of the United States. Properties will generally be in excellent condition but may have high levels of vacancy, short term tenant roll-over or substantial capital expenditure needs where Brookdale can apply its real estate operating expertise to increase value. In certain markets with a lack of new supply, Brookdale may develop new buildings to meet increased demand.

The University committed \$50 million to Brookdale Investors Seven, L.P., in December 2014.

Crow Holdings Realty Partners VII, L.P., a real estate fund based in Dallas, TX, will invest in a diversified portfolio of domestic real estate including industrial properties, grocery-anchored and neighborhood retail properties, multi-family housing, office buildings and hotels. The fund will include income-oriented investments with modest forecasted appreciation as well as value-add 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 changes in the market cycle and shift fund investments accordingly to seek the most favorable risk-adjusted returns.

The University committed \$50 million to Crow Holdings Realty Partners VII, L.P., in December 2014.

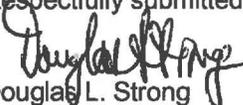
Bridgepoint Europe V, L.P., a pan-European private equity fund headquartered in London, U.K., will invest in middle-market businesses across Europe. The fund has no fixed geographic investment allocations, and capital will be invested in the best opportunities regardless of location. Bridgepoint relies on its multinational investment teams with diverse industry sector expertise to source and manage its portfolio of companies on a collaborative basis. The investment focus is on industry sectors where Bridgepoint has prior experience, including healthcare services, specialty retail, financial services, and media.

The University committed €25 million (~\$28 million) to Bridgepoint Europe V, L.P., in February 2015.

New Leaf Ventures III, L.P., a venture capital fund with offices in New York, NY, and San Mateo, CA, will invest in venture and growth stage healthcare technology companies. The primary focus will be on opportunities in the U.S., with opportunistic investments in Europe and Canada. The fund will invest across a number of healthcare sectors, including biopharmaceuticals, information technology, medical devices, biological tools, and diagnostics. On an opportunistic basis New Leaf may invest in undervalued public companies.

The University committed \$25 million to New Leaf Ventures III, L.P., in November 2014.

Respectfully submitted,


Douglas L. Strong
Interim Executive Vice President and
Chief Financial Officer