

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

Approved by the  
Regents  
March 19, 2015

REQUEST FOR ACTION

**Subject:** Alternative Asset Commitment

**Action Requested:** Turner Multifamily Impact Fund, L.P.

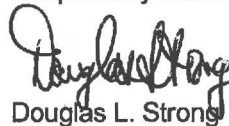
**Background and Summary:** We recommend a commitment of \$20 million from the Long Term Portfolio to the Turner Multifamily Impact Fund, L.P., a Santa Monica, CA, based real estate fund which will invest in workforce rental housing in underserved urban communities in the United States.

Turner Impact Capital, the Fund's sponsor, is a management team led by K. Robert Turner. Previously a part of Canyon Capital Advisors, a Los Angeles, CA, based money management firm, the team left in late 2013 to form Turner Impact Capital. Prior to 2013 the University invested in several Canyon Capital sponsored investments including the Canyon-Agassi Charter School Fund in 2011. The charter school fund has been renamed the Turner-Agassi Charter School Fund and management for the fund now resides with Turner Impact Capital. Management of the other Canyon Capital sponsored investments remains with Canyon Capital.

This is the first fund in this multifamily strategy for Turner Impact Capital, although the team implemented a similar strategy while at Canyon Capital. The fund will acquire, improve and preserve workforce rental housing in densely populated, ethnically diverse, underserved urban communities. Based upon increased demand and lack of new supply, Turner will target existing multifamily properties that serve low to moderate income households where they can apply the team's real estate skills to increase occupancies, stabilize the tenant bases and improve any negative market perception of the properties. In addition, Turner will involve local stakeholders to provide services to meet educational, healthcare and safety needs of the residents, creating an attractive residential community where renters want to live. Exits could include individual asset sales, portfolio sales or an initial public offering.

This commitment offers the Long Term Portfolio the opportunity to invest alongside an experienced team focused on an underserved segment of the real estate asset class.

Respectfully submitted,



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

March 2015