

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Subject: Absolute Return Commitment

Action Requested: Approval of Brevet Direct Lending – Intermediate Duration Fund, L.P.

Background and Summary: We recommend a commitment of \$60 million, including co-investment opportunities, from the University's investment pool for working capital to Brevet Direct Lending – Intermediate Duration Fund, L.P., a private debt fund sponsored by Brevet Capital Management, LLC, headquartered in New York, NY.

The fund seeks to invest primarily in a diversified portfolio of private, senior-secured, asset-based loans made to collateral-rich, middle and lower-market North American based companies. The team directly originates, underwrites, and structures all of its loans. The fund targets privately owned businesses seeking growth capital that are no longer served by traditional lenders and lends against assets that are complex and difficult to evaluate. The fund will focus on small customized transactions and will not participate in syndicated deals.

Brevet's expertise in non-traditional secured financing has created a steady source of direct inquiry and deal flow through well-established, diversified, and nationwide channels. Referral networks have been built from decades of experience in the industry, long-standing business relationships, and industry associations.

This investment is consistent with the University's strategy to invest with experienced managers who have a niche strategy and ability to add value.

Respectfully submitted,



Kevin P. Hegarty
Executive Vice President and
Chief Financial Officer

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