

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

Approved by the  
Regents  
April 17, 2014

REQUEST FOR ACTION

**Subject:** Public Equity

**Action Requested:** Approval of Mittleman Investment Management

**Background and Summary:** We recommend the approval of Mittleman Investment Management, a New York, NY, based public equity manager, with an initial funding of \$35 million from the Long Term Portfolio.

Established in 2005 by Chris Mittleman, Mittleman Investment Management specializes in managing portfolios of mostly small and micro-cap, global public equities. Chris Mittleman has pursued the same investment strategy for the past 23 years in various capacities and has built a strong record of adding value through security selection

Mittleman Investment Management pursues superior returns by investing in undervalued securities while limiting risk. They identify undervalued securities by focusing on smaller companies where public markets are less efficient and by investing globally to maximize the opportunity set. Risk is mitigated by investing in businesses that are proven franchises with durable economic advantages evidenced by substantial free cash flow generation over complete business cycles. They then assemble a portfolio of 10 to 25 stocks based on the perceived mispricing of each stock and the risk of permanent loss of capital.

This investment will diversify the public equity portfolio and further the University's goal to maximize the long term risk-adjusted return of the Long Term Portfolio.

Respectfully submitted,



Timothy P. Slottow  
Executive Vice President and  
Chief Financial Officer

April 2014