

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.

Emergence Capital Partners IV, L.P. a venture capital fund located in San Mateo, CA, will invest in software companies which provide internet-based services for enterprise customers. The firm's strategy is to invest in early and growth stage information technology companies with the goal of building high-growth, capital efficient, scalable service companies. The team's primary focus is on software as a service (SaaS), cloud services, mobile business applications, and digital media services companies.

The University committed \$15 million to Emergence Capital Partners IV, L.P., in January 2015.

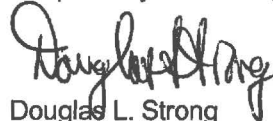
Athyrium Opportunities Fund II, L.P. a private equity fund located in New York, NY, will pursue income generating investments in the healthcare sector. The firm's strategy is to make structured debt investments in healthcare companies using the debtor's intellectual property as collateral. The fund's investments will cover a range of healthcare sub-sectors in which the investment team has prior experience such as pharmaceuticals, medical devices, diagnostic products and facilities.

The University committed \$40 million to Athyrium Opportunities Fund II, L.P., in November 2014.

Magna Hotel Fund V, L.P., a real estate fund based in Warwick, RI, will make investments in hotel properties in North America. The team will focus on limited service hotels in major urban markets like New York, Boston and Washington, D.C. where limited service hotels represent an underserved segment. The fund will also acquire full-service hotels in other markets where they can use their deep expertise to reposition and improve the asset, and may develop new hotel properties in markets where appropriate.

The University committed \$30 million to Magna Hotel Fund V, L.P., in January 2015.

Respectfully submitted,



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Interim Executive Vice President and
Chief Financial Officer

April 2015