Subject: Alternative and Absolute Return 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.

Alternative Asset Commitments

TDR Capital IV, L.P., a private equity fund based in London, U.K., will invest in private middle market companies headquartered in or having significant operations in Europe. TDR applies a value based and operationally focused investment strategy. It invests in mature but undermanaged companies which TDR believes it can transform. The firm's approach includes implementing strategic repositioning, making significant operational improvements, and facilitating accretive buy-and-build strategies. TDR's investment approach relies on teams of investment professionals and operating partners who collaborate on all aspects of deal origination, investment decision, and value creation initiatives.

In December 2016 the University committed €25 million (~$26.8 million) to TDR Capital IV, L.P.

Longreach Capital Partners 3-USD, L.P., a Hong Kong, China, based private equity fund, will invest in businesses in the industrial, technology, financial services, business services, and consumer related sectors. Longreach invests primarily in control buyouts and selectively in structured minority investments in Japan-focused businesses which, may have cross-border growth potential. The firm may also invest selectively in companies headquartered in other Asian locations, including Hong Kong, Taiwan, and Thailand.

Longreach's opportunities include investments in non-core assets of large Japanese corporations that become available as industrial and technology conglomerates reconfigure their businesses; in family run businesses without a next generation of leadership with the skills to manage in the challenging domestic environment and to capture growth; and Japanese companies seeking lower-cost offshore manufacturing or looking to sell into other consumer markets in Asia.

In January 2017 the University committed $40 million to Longreach Capital Partners 3-USD, L.P.


Africa Opportunity Fund II is a fund of funds which commits capital to smaller, regional, and sector specific investment managers across private equity, agribusiness, real estate, natural resources, infrastructure, and public debt and equity opportunities. Co-Investment Vehicle II invests alongside Opportunity Fund II.

In April 2015 the University committed a total of $50 million to Kuramo Africa Opportunity Fund II, L.P. and Kuramo Africa Opportunity Co-Investment Vehicle II, L.P. In January 2017 the University increased its total commitment to $60 million.

Orion European Real Estate Fund V, SLP, a London, U.K., based real estate investment fund will make opportunistic real estate investments in all property types in Europe. The Orion team will target properties
where they can use their expertise to create value by focusing on the physical, leasing, financial, operating, legal, and structural aspects of the property.

Orion has demonstrated the ability to identify and invest ahead of market trends, generating strong returns by taking advantage of changing markets and inefficiencies. For Fund V Orion believes opportunities will be created by the political uncertainty in Europe.

In January 2017, the University committed €50 million (~$53.4 million) to Orion European Real Estate Fund V, SLP.

Siccar Point (Guernsey) Investment Limited, is a co-investment opportunity offered by Blue Water Energy Fund I, a London, U.K., based natural resources fund. Siccar Point will use the proceeds from this co-investment to acquire a portfolio of long-lived assets located in the U.K. North Sea. These assets are complementary to Siccar Point's existing North Sea assets and provide the opportunity for future development and exploration in the area.

The economics of this co-investment are more favorable than those of Blue Water Energy Fund I.

In December 2016, the University committed $10 million to Siccar Point (Guernsey) Investment Limited.

Respectfully submitted,

[Signature]
Kevin P. Hegarty
Executive Vice President and
Chief Financial Officer

April 2017