

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ITEM FOR INFORMATION

Received by the Regents
May 14, 2009

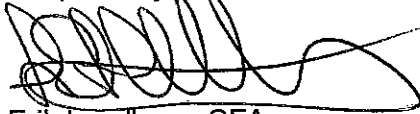
Subject: Monthly Investment Report

Background and Summary:

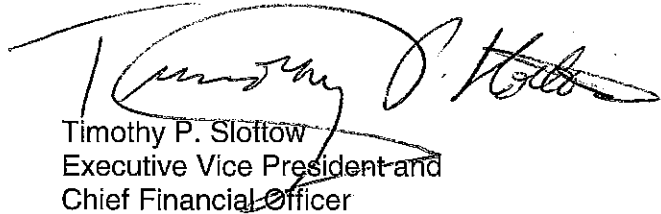
Attached is the Monthly Investment Report for the Long Term Portfolio as of March 31, 2009.

- Page 1 summarizes the assets for March.
- Page 2 reports the performance of Marketable Securities by asset class for March.
- Page 3 reports the performance for the entire portfolio by asset class for December, 2008. The investment performance of Alternative Assets is reported with this one quarter lag in order to gather the requisite information from the limited partnerships.
- Page 4 summarizes the assets for December 31, 2008.

Respectfully submitted,



Erik Lundberg, CFA
Chief Investment Officer



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

May 2009
attachment

LONG TERM PORTFOLIO
Asset Allocation
As of March 31, 2009

MARKETABLE SECURITIES	Market Value in millions	Allocation
Equities	\$ 1,267.7	22.3%
Fixed Income	539.2	9.5
Cash	44.2	0.8
Total Traditional Assets	\$ 1,851.1	32.5%
Absolute Return	1,138.4	20.0
TOTAL MARKETABLE SECURITIES	\$ 2,989.5	52.6%

ALTERNATIVE ASSETS (Illiquid) ^(a)	Market Value in millions	Allocation
Venture Capital	\$ 463.3	8.1%
Private Equity	795.6	14.0
Real Estate	815.6	14.3
Energy	623.1	11.0
TOTAL ALTERNATIVE ASSETS (Illiquid)	\$ 2,697.5	47.4%

TOTAL LONG TERM PORTFOLIO	\$ 5,687.0	100.0%
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Note: Subtotals may not add due to rounding.

(a) Allocations to Alternative Assets (Illiquid) reflect market values as of December 31, 2008, the most recent date available, adjusted for contributions and distributions through March.

**LONG TERM PORTFOLIO
Performance
Marketable Securities Only ^(a)
As of March 31, 2009**

MARKETABLE SECURITIES	Market Value in millions	3 Months	Return in Percent	
			Fiscal YTD	Calendar YTD
TOTAL MARKETABLE SECURITIES ^(a)	\$ 2,989.5	-5.55	-29.20	-5.55
Custom Benchmark for Marketable Securities		-5.92	-28.58	-5.92
Blended Index - 80% Equities/20% Fixed Income		-9.11	-32.51	-9.11
Equities	\$ 1,267.7	-9.06	-42.17	-9.06
Russell 3000/Citigroup BMI EX US/IFC-I		-10.31	-41.94	-10.31
Fixed Income	539.2	-5.36	-6.21	-5.36
Lehman Aggregate/Long Bond		-3.03	3.53	-3.03
Cash	44.2	0.67	-1.57	0.67
Treasury Bills		0.05	0.90	0.05
Absolute Return	1,138.4	-2.05	-22.35	-2.05
CA FOF Median benchmark		0.95	-17.59	0.95

(a) These returns do not include Alternative Assets (Illiquid), which are valued only quarterly. Alternative Assets (Illiquid) returns and total portfolio returns therefore will be reported quarterly when the data becomes available.

Performance Summary
LONG TERM PORTFOLIO
As of December 31, 2008

LONG TERM PORTFOLIO	Market Value	Return in Percent	
	in millions	Fiscal YTD	Calendar YTD
TOTAL LONG TERM PORTFOLIO	\$ 5,919.5	-25.79	-25.27
Custom Benchmark for Long Term Portfolio		-21.54	-24.84
80/20 Blended Index		-25.74	-32.16

MARKETABLE SECURITIES	Market Value	Return in Percent	
	in millions	Fiscal YTD	Calendar YTD
TOTAL MARKETABLE SECURITIES	\$ 3,292.8	-25.04	-26.95
Custom Benchmark - Marketable Securities		-24.09	-28.86
Equities	\$ 1,387.8	-36.41	-42.33
Russell 3000/Citigroup BMI EX US/IFC-I		-35.27	-42.10
Fixed Income	569.7	-0.91	-2.18
Lehman Aggregate/Long Bond		6.77	6.99
Cash	167.3	-2.23	0.88
Treasury Bills		0.85	2.06
Absolute Return	1,168.1	-20.73	-15.29
CA FOF Median benchmark		-18.37	-19.78

ALTERNATIVE ASSETS	Market Value	Return in Percent	
	in millions	Fiscal YTD	Calendar YTD
TOTAL ALTERNATIVE ASSETS (Illiquid)	\$ 2,626.6	-26.50	-22.51
Custom Benchmark - Alternative Assets (Illiquid)		-14.20	-13.73
Venture Capital	\$ 454.3	-14.90	-17.44
CA Venture Capital Index		-15.10	-16.24
Private Equity	790.2	-26.23	-28.30
CA Private Equity Index		-22.01	-23.40
Real Estate	770.6	-29.39	-31.21
NCREIF Property Index		-11.07	-9.14
Energy	611.5	-29.99	-4.69
CA Energy Index		-6.50	-3.69

Performance for all assets is shown as of December 31, 2008, to be consistent with the most recent valuation date for alternative assets.

The benchmarks are preliminary for the total fund benchmark and all of the alternative benchmarks.

LONG TERM PORTFOLIO
Asset Allocation
As of December 31, 2008

MARKETABLE SECURITIES	Market Value in millions	Allocation
Equities	\$ 1,387.8	23.4%
Fixed Income	569.7	9.6
Cash	167.3	2.8
Total Traditional Assets	\$ 2,124.8	35.9%
Absolute Return	1,168.1	19.7
TOTAL MARKETABLE SECURITIES	\$ 3,292.8	55.6%

ALTERNATIVE ASSETS (Illiquid)	Market Value in millions	Allocation
Venture Capital	\$ 454.3	7.7%
Private Equity	790.2	13.3
Real Estate	770.6	13.0
Energy	611.5	10.3
TOTAL ALTERNATIVE ASSETS (Illiquid)	\$ 2,626.6	44.4%
TOTAL LONG TERM PORTFOLIO	\$ 5,919.5	100.0%