

Received by the Regents
May 19, 2011

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ITEM FOR INFORMATION

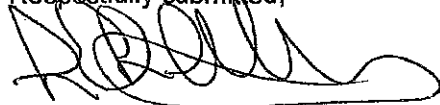
Subject: Monthly Investment Report

Background and Summary:


Attached is the Monthly Investment Report for the Long Term Portfolio as of March 31, 2011.

- Page 1 summarizes the assets as of March 31, 2011. Allocations to alternative assets (Illiquid) reflect market values as of December 31, 2010, the most recent date available, adjusted for contributions and distributions through March.
- Page 2 reports the performance of Marketable Securities by asset class for select periods ending March 31, 2011.
- Page 3 reports the performance for the entire portfolio by asset class as of December 31, 2010. 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 as of December 31, 2010.

Respectfully submitted,



Erik Lundberg, CFA
Chief Investment Officer



Timothy P. Slotow
Executive Vice President and
Chief Financial Officer

May 2011
Attachment

LONG TERM PORTFOLIO
Asset Allocation
As of March 31, 2011

MARKETABLE SECURITIES	Market Value in millions	Allocation
Equities	\$ 1,860.5	24.0%
Fixed Income	623.2	8.0
Cash	232.4	3.0
Total Traditional Assets	\$ 2,716.1	35.0%
Absolute Return	1,363.8	17.6
TOTAL MARKETABLE SECURITIES	\$ 4,079.9	52.6%

ALTERNATIVE ASSETS (Illiquid)^(a)	Market Value in millions	Allocation
Venture Capital	\$ 798.8	10.3%
Private Equity	1,191.5	15.4
Real Estate	948.8	12.2
Energy	730.7	9.4
TOTAL ALTERNATIVE ASSETS (Illiquid)	\$ 3,669.8	47.4%
TOTAL LONG TERM PORTFOLIO	\$ 7,749.7	100.0%

Note: Subtotals may not add due to rounding.

(a) Allocations to Alternative Assets (Illiquid) reflect market values as of December 31, 2010, the most recent date available, adjusted for contributions and distributions through March.

**LONG TERM PORTFOLIO
Performance
Marketable Securities Only ^(a)
As of March 31, 2011**

MARKETABLE SECURITIES	Market Value in millions	Return in Percent	
		Fiscal YTD	Calendar YTD
TOTAL MARKETABLE SECURITIES ^(a)	\$ 4,079.9	17.77	3.10
Custom Benchmark for Marketable Securities		18.89	2.81
Blended Index - 80% Equities/20% Fixed Income		24.56	4.25
Equities	\$ 1,860.5	26.86	3.63
Russell 3000/Citigroup BMI EX US/IFC-I		31.61	4.89
Fixed Income	623.2	3.39	0.49
Barclays Aggregate/Long Bond		0.77	0.21
Cash	232.4	0.37	0.17
Treasury Bills		0.13	0.05
Absolute Return	1,363.8	14.88	4.09
HFRI Fund of Funds Index		6.61	0.26

(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, 2010

LONG TERM PORTFOLIO	Market Value	Return in Percent	
	in millions	Fiscal YTD	Calendar YTD
TOTAL LONG TERM PORTFOLIO	\$ 7,675.5	15.85	16.99
Custom Benchmark for Long Term Portfolio		15.03	13.44
80/20 Blended Index		19.48	12.85

MARKETABLE SECURITIES	Market Value	Return in Percent	
	in millions	Fiscal YTD	Calendar YTD
TOTAL MARKETABLE SECURITIES	\$ 4,017.2	14.23	13.30
Custom Benchmark - Marketable Securities		15.64	11.53
Equities	\$ 1,866.4	22.41	14.68
Russell 3000/Citigroup BMI EX US/IFC-I		25.47	15.15
Fixed Income	620.2	2.89	10.32
Barclays Aggregate/Long Bond		0.56	8.38
Cash	164.3	0.20	0.77
Treasury Bills		0.08	0.13
Absolute Return	1,366.3	10.37	13.85
HFRI Fund of Funds Index		6.33	4.33

ALTERNATIVE ASSETS	Market Value	Return in Percent	
	in millions	Fiscal YTD	Calendar YTD
TOTAL ALTERNATIVE ASSETS (Illiquid)	\$ 3,658.3	17.67	21.31
Custom Benchmark - Alternative Assets (Illiquid)		13.62	16.43
Venture Capital	\$ 779.8	29.27	35.75
CA Venture Capital Index		12.58	13.81
Private Equity	1,204.1	18.35	21.35
CA Private Equity Index		12.69	20.51
Real Estate	935.1	9.54	8.53
NCREIF Property Index		8.66	13.11
Energy	739.3	16.09	24.18
CA Energy Index		24.45	16.16

Performance for all assets is shown as of December 31, 2010, to be consistent with the most recent valuation date for alternative assets.

LONG TERM PORTFOLIO
Asset Allocation
As of December 31, 2010

MARKETABLE SECURITIES	Market Value in millions	Allocation
Equities	\$ 1,866.4	24.3%
Fixed Income	620.2	8.1
Cash	164.3	2.1
Total Traditional Assets	\$ 2,650.9	34.5%
Absolute Return	1,366.3	17.8
TOTAL MARKETABLE SECURITIES	\$ 4,017.2	52.3%

ALTERNATIVE ASSETS (Illiquid)	Market Value in millions	Allocation
Venture Capital	\$ 779.8	10.2%
Private Equity	1,204.1	15.7
Real Estate	935.1	12.2
Energy	739.3	9.6
TOTAL ALTERNATIVE ASSETS (Illiquid)	\$ 3,658.3	47.7%
TOTAL LONG TERM PORTFOLIO	\$ 7,675.5	100.0%

