

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION
REQUEST FOR ACTION

Approved by the
Regents
May 21, 2015

Subject: Alternative Asset Commitment

Action Requested: Approval of Marquee Brands Partners

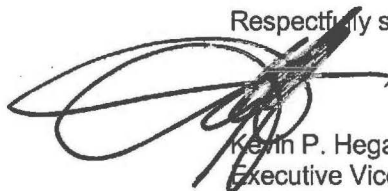
Background and Summary: We recommend a commitment of \$25 million from the Long Term Portfolio to Marquee Brands Partners, L.P. a New York, NY, based fund which will purchase and improve consumer brands.

Marquee Brands is a fund founded and sponsored by Neuberger Berman, an employee-owned global investment firm with \$250 billion under management, to acquire the intellectual property of underutilized consumer brands. Management of the fund will be comprised of experienced private equity investors from Neuberger Berman and industry executives with significant experience in brand licensing. The fund will purchase brands with the intent of licensing them to manufacturers and retailers. The resulting business is asset light, requiring no capital equipment, minimal headcount and very little working capital.

Marquee's strategy is to identify, acquire and license brands that have proven consumer appeal and that can be improved by product extension and geographic expansion. Once a brand is identified as a potential target, the team will use its extensive network of industry contacts to assess its attractiveness in the marketplace and get indications of interest to license the brand. The brand is then acquired and licensed to these pre-identified partners. The nature of the licensing agreements provides Marquee with significant control over how a brand is used and a low probability of permanent impairment of capital.

This commitment offers the Long Term Portfolio the opportunity to invest in a differentiated strategy with an attractive risk and return profile.

Respectfully submitted,



Kevin P. Hegarty
Executive Vice President and
Chief Financial Officer

May 2015