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 two real estate, one energy, and two venture capital partnerships listed below.

El Fund V, L.P. In a December 2010 Item for Information the Board was informed of our recent $25 million follow-on investment in El Fund V, L.P., a real estate fund sponsored by Equity International Properties, Ltd. (EIP), based in Chicago. The fund’s strategy is to find, create and build large-scale institutional-quality real estate operating companies outside of the United States. The fund will focus on geographical regions that are characterized by strong economic growth, capital markets inefficiency and limited competition such as Brazil, India, Egypt and China.

As a result of significant distributions from liquidity events in earlier Equity International funds, we decided to increase our commitment to Fund V by an additional $15 million. This $15 million commitment in February 2011 combined with the initial commitment of $25 million in September 2010 increases the total commitment to El Fund V to $40 million. The University previously committed $95 million to prior Equity International sponsored real estate funds.

Hampshire Partners VIII, Inc., a real estate fund based in Morristown, NJ, will continue the firm’s strategy to invest primarily in office, industrial and retail properties throughout the Northeastern and mid-Atlantic states. Hampshire will focus on markets where they have local expertise and will target properties that have not been broadly marketed or have fallen out of contract with other bidders. Properties will be acquired at prices significantly below replacement cost and will have correctable risk factors such as poor management, existing vacancies or imminent tenant rollover, where Hampshire can use its expertise to add value. It is expected that a significant number of the acquisitions will have a current or near-term income component. Holding periods will average less than five years and exits will include single asset and/or portfolio sales to institutional or individual investors as well as sales to 1031 exchange buyers.

This is the University’s third investment with Hampshire Partners. In February 2011 the University committed $10 million to Hampshire Partners REIT VII, Inc. The University previously committed $40 million to prior Hampshire sponsored real estate funds.

JOG V, L.P., is a Canadian based, energy private equity fund that will make investments in the growth stage of junior Canadian exploration and production companies. The team invests with experienced management teams that plan to build companies and take advantage of the institutional market’s demand for larger companies. JOG requires the management teams to make significant capital commitments and focuses on teams with prior experience in their particular areas of focus.

This is the University’s third investment with JOG Capital. In March 2011 the University committed C$20 million to JOG V, L.P. The University previously committed C$20 million to prior JOG sponsored energy private equity funds.
Matrix Partners India II, LLC, a Mumbai based fund, will make investments in private companies in India. The investments will focus on companies expected to benefit from India's fast growing, consumer driven economy, with the goal to identify new Indian markets early and to build leading companies. The fund will invest in both early and growth stage companies with a focus on the internet and mobile, education, financial and commercial, healthcare, and consumer products and services sectors.

This is the University’s second investment with Matrix Partners India. In March 2011 the University committed $12.5 million to Matrix Partners India II, L.P. The University previously committed $15 million to the prior Matrix Partners India fund.

Matrix Partners China II, L.P., a Beijing and Shanghai based partnership, will invest in private companies in China. The investments will focus on companies expected to benefit from China’s growing economy and increasing number of middle class consumers. The fund will invest in both early and expansion stage companies with a focus on digital, internet, mobile, cleantech, consumer, and healthcare opportunities. In most cases, the investments will have a differentiating technology component.

This is the University’s second investment with Matrix Partners China. In March 2011 the University committed $12.5 million to Matrix Partners China II, L.P. The University previously committed $11 million to the prior Matrix Partners China fund.

Respectfully submitted,

[Signature]

Timothy P. Slootman
Executive Vice President and
Chief Financial Officer

June 2011