

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Subject: Alternative Asset Commitment

Action Requested: Approval of Mosaic Ventures, L.P.


Background and Summary: We recommend a commitment of \$10 million from the Long Term Portfolio to Mosaic Ventures, L.P., a London based venture capital fund, which will invest in early stage information technology companies in Europe, primarily the U.K., Germany, and the Nordic region.

This is a first time fund being raised by three partners, Michael Chalfen, Simone Levene, and Toby Coppel, who have prior venture capital investing and operating experience in early and growth stage technology companies. Mosaic will be positioned to take advantage of a market opportunity created by the growing number of European-based technology companies in need of start up financing in an environment where less venture capital is available. Many established, European-focused venture capital firms have raised larger funds and prefer to invest in growth stage companies, leaving a less competitive market opportunity for Mosaic as a "first money in" institutional investor. In addition to providing needed capital, the investment team will work closely with portfolio companies to add value in areas such as strategic planning, management team additions, and financing activities.

The fund's investments will focus on sectors the investment team believes offer attractive investment opportunities, including web, mobile and software related companies.

This commitment offers the Long Term Portfolio the opportunity to increase its exposure to European-based early stage technology companies.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

June 2014