

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Subject: Alternative Asset Commitment

Action Requested: Approval of OpCapita Consumer Opportunities Fund II, L.P.

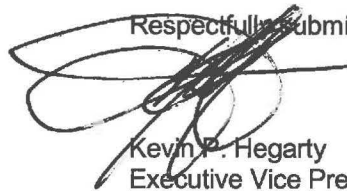
Background and Summary: We recommend a commitment of up to €32 million (~ \$36 million) from the Long Term Portfolio to OpCapita Consumer Opportunities Fund II, L.P., a London, U.K., based private equity fund which will invest in private, middle market companies in the retail, consumer, and leisure sectors, with a focus on businesses located in the U.K., France, Germany, and Spain.

OpCapita, established in 2006 by Henry Jackson, David Hamid, and John von Spreckelsen, invests in companies which are strategically sound, but are operationally underperforming their own potential or that of their peers. The complexity of the transactions and the limited availability of leverage for smaller, underperforming companies contribute to less competition from other potential acquirers of companies which fit OpCapita's investment parameters.

Opportunities are expected to come from corporate carve outs, balance sheet restructurings, sale of family owned businesses, public to private transactions, bank restructuring, and acquisitions from lenders.

This commitment offers the Long Term Portfolio the opportunity to invest alongside an experienced investment team with specific sector expertise and skill executing operationally intensive improvements in middle market companies in Europe.

Respectfully submitted,



Kevin P. Hegarty
Executive Vice President and
Chief Financial Officer

June 2016