

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

REQUEST FOR ACTION

**Subject:** Alternative Asset Commitment

**Action Requested:** Approval of FSN Capital V L.P.

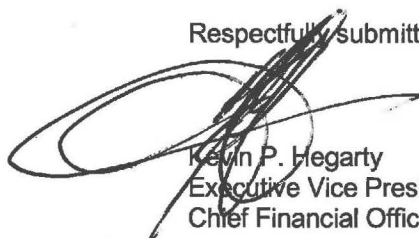
**Background and Summary:** We recommend a commitment of up to SEK 290 million (~ \$35 million) from the Long Term Portfolio to FSN Capital V L.P., an Oslo, Norway; Stockholm, Sweden; and Copenhagen, Denmark; based private equity fund which will invest in private, midsized companies in the Nordic region.

FSN Capital, established in 1999 by Frode Strand-Nielsen and Cato A. Holmsen, invests in buyout transactions where FSNC is the majority owner and works in coordination with portfolio company management to transform small, local businesses into Nordic leaders. In addition, FSNC has established a Global Private Equity Alliance which facilitates globalization of selected FSNC portfolio companies.

FSNC's investment team has a combination of relevant private equity, financial, and operating experience and has the additional resource of senior advisors with sector specific knowledge and operational capabilities who participate in due diligence processes and portfolio company management. The firm takes a multi sector approach to its investments and expects to double portfolio company earnings over the life of the fund's ownership, typically between four and six years. FSNC helps its companies achieve organic growth or implement buy-and-build strategies to achieve performance objectives.

This commitment offers the Long Term Portfolio the opportunity to invest alongside a well-established Nordic investment firm in a region-specific, concentrated portfolio of multi sector, middle market companies.

Respectfully submitted,



Kevin P. Hegarty  
Executive Vice President and  
Chief Financial Officer

June 2016