ITEM FOR INFORMATION

Subject: Alternative and Absolute Return 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 partnerships listed below.

Alternative Asset Commitments

**Trilantic Capital Partners VI Parallel (North America) L.P.**

A New York, NY, based private equity fund was formed in 2009, and was previously the private equity investment arm of Lehman Brothers Merchant Bank. Trilantic will invest in middle-market companies with favorable growth prospects, positive cash flow, and enterprise values in the range of $100 million to $1 billion. The investments, which may be control or significant minority holdings, will focus on North American companies in the consumer, business services, and energy sectors. The firm uses a “buy in” approach to its investments, providing growth capital to its portfolio companies and aligning itself with management as a supportive, value-added partner.

In March 2018 the University committed $20 million to Trilantic Capital Partners VI Parallel (North America) L.P.

**Thackeray Partners Realty Fund V, L.P.**

A Dallas, TX, based real estate fund that will make investments primarily in multi-family and industrial properties, and to a lesser extent, retail strip centers in the United States. Thackeray targets small assets of $5 million to $25 million in size due to the belief that there is less institutional capital in transactions of this size and as a result, less efficiency in pricing. The portfolio is expected to be a combination of longer-term hold assets with strong cash flows and shorter-term hold assets where Thackeray will implement value-add strategies to improve operations and increase values.

In February 2018 the University committed $40 million to Thackeray Partners Realty Fund V, L.P.

**Zell Equity International VI Pegasus Co-Investment**

A co-investment opportunity offered by Zell Equity International, a Chicago, IL, based real estate manager. This investment represents an opportunity to build a real estate platform in Argentina by partnering with Pegasus, a leading real estate firm located in Argentina, and acquire existing assets and transform them into a real estate platform.

In February 2018 the University committed $10 million to the Zell Equity International VI Pegasus Co-Investment.

Absolute Return Commitments

**Anagenesis Capital Partners SBIC, L.P.**

A New York, NY, based credit fund, will invest in privately negotiated, structured credit instruments in private equity sponsored, lower-middle-market companies in the United States. The fund will invest in cash flowing companies with proven business models, will be senior in the capital structure, and will focus on the healthcare sector. Anagenesis is expected to earn attractive risk-adjusted returns through a combination of cash yield, equity participation, and low-cost SBA provided leverage.

In June 2017 the University committed $25 million to Anagenesis Capital Partners SBIC, L.P. from the Long Term Portfolio. In November 2017, the University committed $12 million from the University's Short Term Pool as a follow-on investment to an unleveraged separately managed account managed by Anagenesis Capital Partners, LLC.
McLarty Capital Partners SBIC II, L.P., a New York, NY, and Dallas, TX, based credit fund, will invest in privately negotiated, structured credit instruments in lower-middle-market companies in the United States. The fund will invest in cash flow companies with proven business models, will be senior in the capital structure and will frequently be the companies’ only institutional investor. McLarty is expected to earn attractive risk-adjusted returns through a combination of cash yield, equity participation, and low-cost SBA provided leverage.

In May 2017 the University committed $25 million to McLarty Capital Partners SBIC II, L.P. from the Long Term Portfolio. In November 2017 the University committed $12 million from the University’s Short Term Pool as a follow-on investment to an unleveraged separately managed account managed by McLarty Capital Advisors SBIC II, LLC.

**Siguler Guff Brazil Special Situations Fund**, a New York, NY, and Sao Paulo, Brazil, based investment fund. The Brazil Special Situations Fund will invest in legal claims against Brazilian government entities. Specifically, this strategy will invest in legal claims against the federal government only after an unappealable judicial decision has found them to have legal merit. While these claims primarily originate from decades old regulatory bad acts, plaintiffs have only had a clear legal path to restitution in the last ten years due to judicial and constitutional reforms. Currently, Brazil’s multi-year recession presents a valuable window to acquire these legal claims from plaintiff corporations and individuals with attractive valuations and structures.

In February 2018 the University committed $25 million to Siguler Guff Brazil Special Situations Fund from the University’s Long Term Portfolio.

Respectfully submitted,

[Signature]

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Executive Vice President and
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July 2018