

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents
September 20, 2012

ITEM FOR INFORMATION

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 investment with the previously approved one venture capital and two private equity partnerships listed below.

Chengwei Ventures Evergreen Fund, L.P., a venture capital fund located in Shanghai, China, will invest in Chinese companies that have significant growth potential and provide goods and services to the Chinese economy. Chengwei's industry focus as well as size and stage of the investments are not pre-determined but depend on the available opportunities and the prevailing economic conditions. The general partner will invest across a variety of industries, including manufacturing, consumer goods, the internet, and oil and gas, and will fund both early stage entrepreneurial and established businesses in need of expansion capital. The fund's evergreen structure allows the general partner to build successful companies and create value over the long-term.

This is the University's fourth commitment to Chengwei Ventures. In June 2012 the University committed \$20.0 million for the next four year investment cycle of Chengwei Ventures Evergreen Fund, L.P. which began on July 1, 2012, with an additional fifty percent committed on a stand-by basis should additional capital be needed to fund larger investments. The University previously committed \$42 million to Chengwei sponsored funds.

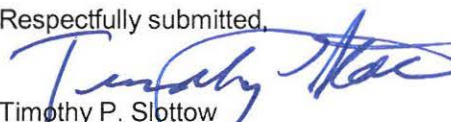
Advent International Global Private Equity VII, L.P., a private equity partnership headquartered in Boston, MA, with affiliated offices in Europe, Latin America, and Asia, will invest in private mid-market to upper mid-market companies in North America, the U.K., and Continental Europe. Investments will include control buyouts of private companies or non-core divisions of large corporations, minority or majority recapitalizations, and internal or acquisition-led growth financings. The fund invests in industries in which the investment team has particular expertise, including business and financial services, technology, media, telecom, industrial, retail, and healthcare services. In all cases, Advent seeks to invest in companies with proven management teams, leading market positions, unexploited market opportunities, and significant growth prospects.

This is the University's seventh investment with Advent International. The University committed \$35 million to Advent International Global Private Equity VII, L.P. in June 2012. The University previously committed \$110 million to prior Advent International sponsored funds.

Russia Partners Technology Fund, L.P., a private equity fund affiliated with New York-based Siguler Guff & Company, LLC, will make equity investments in high growth businesses in areas related to technology and innovation in Russia and the countries of the former Soviet Union as well as in companies which will implement global technologies and processes throughout Russia and the countries of the former Soviet Union. The Fund will invest in companies across all stages of the business development lifecycle. The investment focus will be on companies with proven technologies and experienced management teams.

This is the University's third investment with Russia Partners. The University committed \$15 million to Russia Partners Technology Fund, L.P. in April 2012. The University previously committed \$40 million to prior Russia Partners sponsored funds.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer