

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ITEM FOR INFORMATION

Received by the
Regents
November 21, 2013

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.

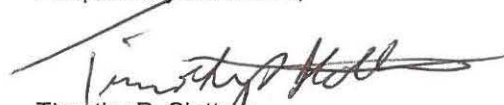
Pursuant to that policy, this item reports on the University's follow-on investment with the previously approved real estate partnership listed below.

Orion European Real Estate Fund IV, C.V., a London, UK, based real estate investment fund will make opportunistic real estate investments in all property types primarily in France, Germany, Italy, Spain, Scandinavia and the United Kingdom. The Orion team will target properties where they can use their expertise to create value by focusing on the physical, leasing, financial, operating, legal and structural aspects of the property.

Orion has demonstrated the ability to identify and invest ahead of market trends, generating strong returns by taking advantage of changing markets and inefficiencies. For Fund IV, Orion expects opportunities to develop from deleveraging and sales by banks, motivated/pressured sellers due to debt maturities, distressed owners needing equity and public market dislocations.

The University committed €20 million from its Long Term Portfolio to Orion European Real Estate Fund IV, C.V., in August 2013.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

November 2013