

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

REQUEST FOR ACTION

**Subject:** Alternative Asset Commitment

**Action Requested:** Approval of The Huron Fund IV, L.P.

**Background and Summary:** We recommend a commitment of \$15 million from the Long Term Portfolio to The Huron Fund IV, L.P., a private equity fund based in Detroit, MI, and sponsored by Huron Capital Partners. The Huron Fund will make control investments in private, lower middle market companies based in the U.S. or Canada and will employ a buy and build strategy of platform company investing followed by synergistic add-on acquisitions.

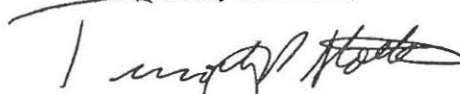
The investment transactions will include management buyouts of privately-held companies, the acquisition of non-core corporate subsidiaries, recapitalizations of private companies for shareholder liquidity and growth, and family succession transactions.

Huron Capital's goal is to identify and acquire fundamentally sound companies which are operating below their potential. The firm takes an active role with each of its portfolio companies, helping management grow corporate earnings and improve margins through operational improvements, implementation of strategic initiatives, and add-on acquisitions. In addition, Huron has a team of operating partners who work with portfolio companies and assist management in setting and implementing corporate strategy.

The fund's investments will cover a range of sectors in which the investment team has prior experience, including consumer products, business services, and industrial manufacturing.

This commitment offers the Long Term Portfolio the opportunity to increase its exposure to lower middle market private equity investments.

Respectfully submitted,



Timothy P. Slottow  
Executive Vice President and  
Chief Financial Officer

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