

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ITEM FOR INFORMATION

Subject: Monthly Investment Report

Background and Summary:

Attached is the Monthly Investment Report for the Long Term Portfolio as of October 31, 2016.

- Page 1 summarizes the assets as of October 31, 2016. Allocations to Alternative Assets (Illiquid) reflect market values as of June 30, 2016, the most recent date available, adjusted for contributions and distributions through October 31, 2016. Alternative Assets (Illiquid) are valued on a quarterly basis. September 30, 2016, data is not available due to the time involved with gathering the requisite information from the partnerships.
- Page 2 reports the performance of the Marketable Securities by asset class for select periods ending October 31, 2016. Performance for Alternative Assets (Illiquid) is reported only quarterly, as these investments are valued on a quarterly basis.

Respectfully submitted,



L. Erik Lundberg, CFA  
Chief Investment Officer



Kevin P. Hegarty  
Executive Vice President and  
Chief Financial Officer

December 2016  
Attachment

# LONG TERM PORTFOLIO

## Asset Allocation As of October 31, 2016

<b>MARKETABLE SECURITIES <sup>(a)</sup></b>	<b>Market Value</b>	
	<b>in millions</b>	<b>Allocation</b>
Equities	\$ 2,762.0	27.0%
Fixed Income	746.7	7.3
Cash	122.7	1.2
Total Traditional Assets	\$ 3,631.3	35.5%
Absolute Return	2,328.7	22.8
<b>TOTAL MARKETABLE SECURITIES</b>	<b>\$ 5,960.0</b>	<b>58.3%</b>

  

<b>ALTERNATIVE ASSETS (Illiquid) <sup>(b)</sup></b>	<b>Market Value</b>	
	<b>in millions</b>	<b>Allocation</b>
Venture Capital	\$ 1,318.5	12.9%
Private Equity	1,245.3	12.2
Real Estate	940.6	9.2
Natural Resources	760.8	7.4
<b>TOTAL ALTERNATIVE ASSETS (Illiquid)</b>	<b>\$ 4,265.2</b>	<b>41.7%</b>

  

<b>TOTAL LONG TERM PORTFOLIO</b>	<b>\$ 10,225.3</b>	<b>100.0%</b>
----------------------------------	--------------------	---------------

Note: Subtotals may not add due to rounding.

(a) Marketable securities include some investments in funds that have liquidity provisions which enable the University to make full or partial withdrawals with notice subject to restrictions on the timing and amounts, and illiquid private equity structures in which underlying investments are in the form of market traded securities.

(b) Allocations to Alternative Assets (Illiquid) reflect market values as of June 30, 2016, the most recent date available, adjusted for contributions and distributions through October.

**LONG TERM PORTFOLIO  
Performance  
Marketable Securities Only <sup>(a)</sup>  
As of October 31, 2016**

<b>MARKETABLE SECURITIES</b>	<b>Market Value in millions</b>	<b>3 Months</b>	<b>Return in Percent</b>	
			<b>Fiscal YTD</b>	<b>Calendar YTD</b>
<b>TOTAL MARKETABLE SECURITIES</b>	\$ 5,960.0	1.95	4.85	5.63
Custom Benchmark for Marketable Securities		-0.53	2.38	4.44
<b>Equities</b>	\$ 2,762.0	2.21	6.92	6.71
Russell 3000/Citigroup BMI EX US/IFC-I		-0.72	3.84	5.26
<b>Fixed Income</b>	746.7	-2.13	-0.19	7.69
Barclays Aggregate/Long Bond		-2.52	-0.96	8.69
<b>Cash</b>	122.7	0.46	0.56	2.73
Treasury Bills		0.09	0.12	0.27
<b>Absolute Return</b>	2,328.7	3.33	4.64	2.62
HFRI Fund of Funds Index		1.02	2.59	-0.17

(a) These returns do not include Alternative Assets (Illiquid), which are valued only quarterly. Alternative Assets (Illiquid) returns and total portfolio returns therefore will be reported quarterly when the data becomes available.