

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

Received by the Regents  
January 19, 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 investments with the previously approved two venture capital partnerships listed below.

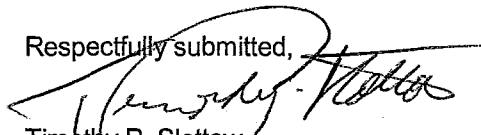
**Emergence Capital Partners III, L.P.**, a venture capital fund located in San Mateo, CA, will invest in software companies which provide internet-based services. Their strategy is to invest in early and growth stage information technology companies with the goal of building high-growth, capital efficient, scalable service companies. The team's primary focus is on software as a service (SaaS), consumer services, information services, mobile applications, and digital media services companies.

This is the University's third investment with Emergence Capital Partners. The University committed \$10 million to Emergence Capital Partners III, L.P. in July 2011. The University committed \$20 million to prior Emergence Capital Partners sponsored funds.

**Sequoia Capital Growth Fund V, L.P.**, a venture capital fund headquartered in Menlo Park, CA, will invest in late stage financings of private companies. This late stage investment strategy complements Sequoia's core business of investing in early stage technology companies. In addition to investments in companies providing products and services in the information technology sector, the Growth Fund may target investments in other areas such as financial services, healthcare, consumer products, and business services.

This is the University's tenth investment with Sequoia Capital. The University committed \$12 million to Sequoia Capital U.S. Growth Fund V, L.P. in October 2011. The University committed \$93 million to prior Sequoia Capital sponsored funds.

Respectfully submitted,



Timothy P. Slottow  
Executive Vice President and  
Chief Financial Officer

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