

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

REQUEST FOR ACTION

**Subject:** Alternative Assets Commitment

**Action Requested:** Approval of Penzance DC Real Estate Fund LP

**Background and Summary:** We recommend a commitment of up to \$30 million from the Long Term Portfolio to Penzance DC Real Estate Fund LP, a Washington, D.C., based real estate fund that will invest in office, multifamily, and development properties in the Washington, D.C. metro area including Northern Virginia and Maryland.

Co-founded by Julia Springer Tolkan and Victor K. Tolkan in 1996, Penzance is a fully-integrated real estate investment and operating company with property management, construction, development, and leasing capabilities. While this is Penzance's first multi-investor fund, the firm has experience managing institutional capital through several joint venture relationships.

Penzance's primary strategy is to purchase under-valued office and multifamily assets in complex situations where the firm can use its 20+ years of experience and its fully-integrated team to add value through aggressive asset management. It is expected that less than 25 percent of the fund will be new development.

This commitment offers the Long Term Portfolio the opportunity to invest alongside an experienced team focused on the metro Washington D.C. real estate market.

Respectfully submitted,



Kevin P. Hegarty  
Executive Vice President and  
Chief Financial Officer

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