

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Subject: Alternative Assets Commitment

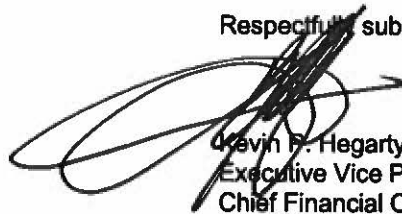
Action Requested: Approval of SDC Digital Infrastructure Opportunity Fund II, L.P.

Background and Summary: We recommend a commitment of up to \$50 million from the Long Term Portfolio to SDC Digital Infrastructure Opportunity Fund II, L.P (the "Fund"), offered by a New York, NY, based fund manager that makes opportunistic investments in the digital infrastructure market, including data centers.

Founded by Todd Aaron in 2017, SDC Capital Partners ("SDC") focuses on mission-critical infrastructure, including development of data centers for strong-credit customers in North America and Europe. The investment team has considerable experience in the digital infrastructure space and has demonstrated its ability to create value over time. SDC leverages its experience and relationships to anticipate demand trends, thereby earning a premium in a rapidly growing end-user market.

This commitment offers the Long Term Portfolio the opportunity to invest alongside an experienced team focused on a fast growing, underserved market segment.

Respectfully submitted,



Kevin F. Hegarty
Executive Vice President and
Chief Financial Officer

February 2020