

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Approved by the Regents
March 19, 2009

Subject: Absolute Return Investment

Action Requested: Approval of Everest Alpha Commodity Fund

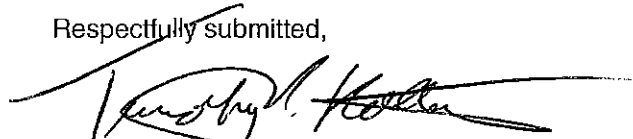
Background and Summary: We recommend the approval of the Everest Alpha Commodity Fund. The fund is managed by Los Angeles based TCW Asset Management and will require no initial funding.

The TCW Group was established in 1971 and has approximately \$130 billion in assets under management. The team from TCW that manages the Everest Alpha Commodity Fund has been widely recognized for their pioneering work in commodity futures.

Everest Alpha will invest in a diversified basket of commodity futures designed to take advantage of inefficiencies in the futures markets created by the diverse interests of producers, consumers and investors. The strategy uses a fundamental analysis of commodity price term-structures and historical returns to produce a low volatility portfolio of long and short positions with a positive expected return. The fund seeks to generate performance that is independent of market movements and uncorrelated with asset classes such as equities, commodities and hedge funds.

An investment in the Everest Alpha Commodity Fund will continue the University's strategy to invest with experienced managers who add value and provide diversification to the Long Term Portfolio.

Respectfully submitted,



Timothy P. Stoltow
Executive Vice President and
Chief Financial Officer

March 2009