

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Subject: Public Equity Commitment

Action Requested: Approval of Sandglass Select Fund, L.P.

Background and Summary: We recommend the approval of Sandglass Select Fund, L.P. (the "Fund") with a \$50 million commitment from the Long Term Portfolio. The Fund is managed by Sandglass Capital Management ("Sandglass"), an investment firm based in London, UK.

Sandglass was founded in 2012 by Genna Lozovsky to invest in special situations in emerging and frontier markets. Sandglass' primary focus is on stressed and distressed credit instruments where near-term catalysts exist to drive value independent of market movements. The Fund may invest in both public and private securities.

Mr. Lozovsky previously worked in various emerging market investment roles at Salute Capital Management, UFG Asset Management, and Renaissance Capital, where Mr. Lozovsky developed his investment philosophy prior to founding Sandglass. Mr. Lozovsky is joined by three deeply experienced analysts with extensive investment backgrounds.

This investment will diversify the public equity portfolio and further the University's goal to maximize the long term risk-adjusted return of the Long Term Portfolio.

Respectfully submitted,



Kevin P. Hegarty
Executive Vice President and
Chief Financial Officer

March 2019