

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Subject: Public Equity Commitment

Action Requested: Approval of FPR Partners

Background and Summary: We recommend the approval of FPR Partners with an initial commitment of \$200 million from the Long Term Portfolio. FPR Partners is a public equity manager based in San Francisco, CA.

Andy Raab and Bob Peck founded FPR Partners in 2007, with the goal of generating superior long-term returns. To achieve this goal, FPR invests in a concentrated portfolio of high quality companies that are trading below intrinsic value.

FPR looks for high-quality businesses with good management teams and sustainable structural advantage, whose market price is significantly below their assessment of long-term value. The team engages constructively with management to realize shareholder value over what tends to be a long holding period. The strategy primarily focuses on public equities in the U.S., but may opportunistically invest in non-U.S. markets.

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

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