

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Subject: Alternative Assets Commitment

Action Requested: Approval of Cresta Energy Sustainable Infrastructure I, LP.

Background and Summary: We recommend a commitment of up to \$60 million from the Long Term Portfolio to Cresta Energy Sustainable Infrastructure I, LP (the "Fund"), a Dallas, TX, based manager that invests in energy infrastructure across the United States.

The Fund will focus on the infrastructure needed to support the growth of renewable energy and to mitigate, reduce or replace carbon used in essential industries. Cresta Fund Management ("Cresta") was founded in 2016 by Chris Rozzell, David Miller and Drew Armstrong. The Fund will focus on investments to reduce carbon emissions, to sequester carbon dioxide and to develop and support renewable power.

This commitment offers the Long Term Portfolio the ability to invest with a firm that will utilize its extensive experience to access compelling energy transition opportunities. These investments are expected to offer an attractive risk-adjusted return as well as to be consistent with the university's broader focus on renewable energy and more efficient resource utilization.

Respectfully submitted,



Kevin P. Hegarty
Executive Vice President and
Chief Financial Officer

March 2021