

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Subject: Absolute Return Commitment

Action Requested: Approval of Holdco Opportunities Fund IV, L.P.

Background and Summary: We recommend the approval of Holdco Opportunities Fund IV, L.P. ("Holdco") with funding up to \$75 million from the Long Term Portfolio. Holdco is a manager based in Fort Lauderdale, FL, investing in opportunistic niche credit and equity asset classes.

Founded in 2011 by Vik Ghei and Misha Zaitzeff, Holdco utilizes a fundamental, bottoms-up approach to analyzing each investment and deploying capital opportunistically across a broad range of niche credit and equity asset classes, often of stressed and distressed companies. Holdco frequently invests in complex transactions that require deep analyses of companies' balance sheets, identifying hidden value that has been overlooked by other investors. When necessary, Holdco will be friendly activists to help unlock value by working with related parties.

The overarching principle and investment philosophy is implementing thorough underwriting of complex situations and focusing on downside protection to limit the probability of loss of invested capital. This approach has allowed the two principals to demonstrate their ability to deliver strong absolute and relative risk-adjusted returns for over ten years.

Holdco's approach to investing opportunistically in niche and complex transactions will add diversification to the portfolio and further the University's goal to maximize the long-term risk-adjusted return of the Long Term Portfolio.

Respectfully submitted,



Executive Vice President and
Chief Financial Officer

March 2022