

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Subject: Alternative Assets Commitment

Action Requested: Approval of the Michigan Climate Solutions Fund

Background and Summary: We recommend a commitment of up to one percent of the value of the Long Term Portfolio to the Michigan Climate Solutions Fund (“MCSF”) strategy. The MCSF strategy involves making direct investments in companies alongside select strategic investors (a “Participating Company” or together “Participating Companies”) who share a similar commitment to achieve net zero or decarbonization goals and whose investment and involvement with the investee company likely meaningfully de-risks the investment.

MCSF seeks to invest in technologies that are critical for meeting decarbonization goals that have been widely adopted by numerous companies in diverse industries. For a given investment, the selected Participating Company or Participating Companies is expected to vet a product/technology on the front end, invest in it and help the company grow, which substantially reduces market risk for such early-stage technology companies. Being able to benefit from Participating Companies’ vetting, help in growing companies, and purchasing power on the back end gives the university a unique, sustainable competitive advantage.

This commitment offers the Long Term Portfolio the opportunity to invest alongside market-leading companies with substantive net zero goals through a no-fee vehicle.

Respectfully submitted,



Geoffrey S. Chatas
Executive Vice President and
Chief Financial Officer

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