

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Approved by the Regents

April 19, 2007

Subject: Alternative Asset Commitment

Action Requested: Approval of Vitruvian Investment Partnership I, L.P.

Background and Summary: We recommend a commitment of up to EUR 13 million (~ U.S. \$17 million) from the Long Term Portfolio to Vitruvian Investment Partnership I, L.P., a London-based private equity fund that will invest in middle market buyouts and growth equity transactions in Northern Europe.

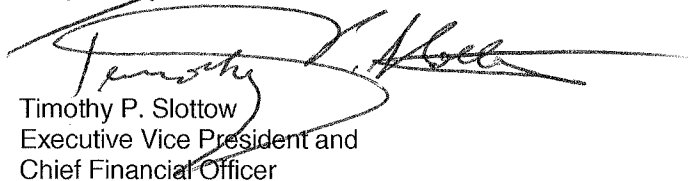
This is a first time fund that will be managed by a team of three investment professionals formerly with Apax Partners and one from each of BC Partners and Bridgepoint. Apax, BC, and Bridgepoint are successful and well-established European private equity firms focused on buyout transactions larger than those Vitruvian will pursue. In addition to private equity experience, the team members have investment banking, consulting, and operating backgrounds.

Vitruvian will invest in private companies undergoing significant change resulting from rapid growth, business transitions, or internal or external events. The investment team categorizes these opportunities as dynamic situations where it believes it can enhance company value through a combination of modified financial structures, operating improvements, and new strategic initiatives.

The investments will focus on companies in sectors in which the investment team has prior experience, including technology, telecommunications, financial and business services, media, consumer, and leisure businesses. In most of the investments, Vitruvian will acquire controlling ownership, but it may undertake a limited number of minority investments.

This commitment will further diversify the international portion of the University's private equity portfolio by increasing its exposure to Northern European middle market companies and will afford the opportunity to invest alongside an experienced but emerging manager as it initiates its independent private equity program.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

April 2007