THE UNIVERSITY OF MICHIGAN REGENTS COMMUNICATION

ITEM FOR INFORMATION

Subject: Monthly Investment Report

Background and Summary:

Attached is the Monthly Investment Report for the Long Term Portfolio as of February 29, 2016.

- Page 1 summarizes the assets as of February 29, 2016. Allocations to Alternative Assets (Illiquid) reflect market values as of September 30, 2015, the most recent date available, adjusted for contributions and distributions through February 29, 2016. Alternative Assets (Illiquid) are valued on a quarterly basis. December 31, 2015, data is not available due to the time involved with gathering the requisite information from the partnerships.
- Page 2 reports the performance of the Marketable Securities by asset class for select periods ending February 29, 2016. Performance for Alternative Assets (Illiquid) is reported only quarterly, as these investments are valued on a quarterly basis.

Respectfully submitted,

L. Erik Lundberg, CFA

Chief Investment Officer

April 2016 Attachment Kevin P. Hegarty

Executive Vice President and

Chief Financial Officer

LONG TERM PORTFOLIO

Asset Allocation As of February 29, 2016

	Market Value	
MARKETABLE SECURITIES (a)	In millions	Allocation
Equities	\$ 2,475.7	25.9%
Fixed Income (b)	1,019.7	10.7
Cash	134.5	1.4
Total Traditional Assets	\$ 3,630.0	38.0%
Absolute Return	1,820.2	19.1

\$ 5,450.2

57.1%

ALTERNATIVE ASSETS (Illiquid) (c)	Market Value In millions	Allocation
Venture Capital	\$ 1,363.2	14.3%
Private Equity	1,254.5	13.1
Real Estate	847.6	8.9
Natural Resources	637.1	6.7
TOTAL ALTERNATIVE ASSETS (Illiquid)	\$ 4,102.4	42.9%
TOTAL LONG TERM PORTFOLIO	\$ 9,552.5	100.0%

Note: Subtotals may not add due to rounding.

TOTAL MARKETABLE SECURITIES

- (a) Marketable securities include some investments in funds that have liquidity provisions which enable the University to make full or partial withdrawals with notice subject to restrictions on the timing and amounts, and illiquid private equity structures in which underlying investments are in the form of market traded securities.
- (b) The fixed income allocation includes a receivable note which represents part of the proceeds from a real estate secondary sale.
- (c) Allocations to Alternative Assets (Illiquid) reflect market values as of September 30, 2015, the most recent date available, adjusted for contributions and distributions through February.

LONG TERM PORTFOLIO Performance Marketable Securities Only ^(a) As of February 29, 2016

MADVETADI E CECLIDITIEC	Market Value In millions 3 Months		Return in Percent Fiscal YTD Calendar YTD	
MARKETABLE SECURITIES	III IIIIIIIOIIS	3 MIOITIIS	ristal IID	Calellual 11D
TOTAL MARKETABLE SECURITIES	\$ 5, 450.2	-5.46	-8.13	-3.94
Custom Benchmark for Marketable Securities		-4.85	-6.66	-3.76
Equities	\$ 2,475.7	-8.78	-13.32	-6.38
Russell 3000/Citigroup BMI EX US/IFC-I		-8.56	-11.68	-6.90
Fixed income	1,019.7	0.54	1.67	1.20
Barclays Aggregate/Long Bond		2.64	4.18	3.22
Cash	134.5	0.21	0.39	0.21
Treasury Bills		0.06	0.07	0.03
Absolute Return	1,820.2	-4.61	-6.78	-3.76
HFRI Fund of Funds Index		-4.25	-6.51	-3.76

⁽a) These returns do not include Alternative Assets (Illiquid), which are valued only quarterly. Alternative Assets (Illiquid) returns and total portfolio returns therefore will be reported quarterly when the data becomes available.