

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ITEM FOR INFORMATION

**Subject:** Absolute Return and Alternative Assets Commitments

**Background and Summary:** Under a May 1994 Request for Action, the university may commit to follow-on investments in a new fund sponsored by a previously approved partnership, provided the fund has the same investment strategy and core investment personnel as the prior fund.

Pursuant to that policy, this item reports on the university's follow-on investments with the previously approved partnerships listed below.

**Absolute Return Commitment**

**Napier Park Global Capital** is a New York, NY and London, U.K., based alternative credit manager. The university invested in a fund which invests in primary and secondary, mezzanine and equity, tranches of third-party managed European CLOs. The fund's flexible mandate enables it to source attractive returns in all market environments.

In October 2023, the university committed up to €71.5 million (approximately \$76 million) to one Napier Park-sponsored investment.

**Alternative Assets Commitments**

**SDC Capital Partners** is a New York, NY, based manager that develops, acquires, and manages digital infrastructure properties primarily located in the United States and Europe. The firm focuses on mission-critical infrastructure, including development of data centers for strong-credit customers, and the team has demonstrated its ability to create value over time. SDC leverages its experience and relationships to anticipate demand trends, thereby earning a premium in a rapidly growing end-user market.

In January and April 2024, the university committed up to \$145 million to two SDC-sponsored investments.

**MDH Partners** is an Atlanta, GA, based manager that acquires, develops, and manages industrial warehouse and distribution properties located primarily in the Southern and Eastern U.S. The firm has in-house development, construction, and asset management expertise. MDH has a deep network and a reputation for being a reliable transaction partner, contributing to substantial highly attractive proprietary deal flow.

In January 2024, the university committed up to \$100 million to an MDH-sponsored investment.

Respectfully submitted,



Geoffrey S. Chatas  
Executive Vice President and  
Chief Financial Officer

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