

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

EXH	MOTION	Brandon
	SECOND	Maynard
	ACTION	APPROVED BY THE REGENTS
NOTE:	JUN 16 2005	

Subject: Alternative Asset Commitment

Action Requested: Approval of Thackeray Partners Realty Fund, L.P.

Background and Summary: We recommend a commitment of \$20 million to Thackeray Partners Realty Fund, L.P., a real estate fund that will make investments in office, industrial, retail and multi-family throughout the U. S. The target capitalization of the fund is \$230 million.

Thackeray Partners was founded on January 1, 2005, by Mary Hager and Anthony Dona, two former long-time employees of Crow Holdings, a large, diversified family office where the two were largely responsible for establishing the firm's private equity real estate business. The University is an investor in three Crow Holdings' real estate funds.

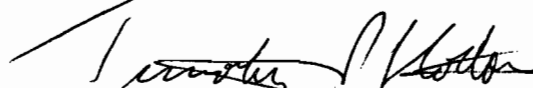
Hager and Dona have been joined by Christopher Cozby, a former Trammell Crow Company employee and William Vanderstraaten, formerly with CarrAmerica, a national office building company. This will be the first fund for the team, although each member has at least 15 years of real estate experience and the individuals have worked with each other on various transactions over their careers.

The Fund will make investments in office, industrial, retail and multi-family properties located throughout the United States, focusing on small to medium size deals where the team believes there is less competition and efficiency, creating an opportunity for attractive returns. The Fund will be diversified both geographically and by product type and will be weighted towards properties that have a current income component, thus reducing investor risk. The team will pursue deals ranging from lower-risk, core-plus opportunities to higher-risk, opportunistic transactions. The principals of Thackeray have established an extensive national network of contacts which they expect will give them a competitive advantage in locating off-market transactions.

Average hold periods for the assets are expected to be four to five years and sales are expected to be to local investors, exchange buyers or the assets may be aggregated and sold as a portfolio to an institutional buyer.

This investment is consistent with the University's real estate strategy to invest with experienced managers who have demonstrated the ability to add value. In addition, the team's focus on small to mid-size deals is an attractive complement to our existing domestic portfolio which is weighted to larger properties.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

June 2005