

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Approved by the Regents

June 18, 2009

Subject: Alternative Asset Commitment

Action Requested: Andreessen Horowitz Fund I, L.P.

Background and Summary: We recommend a commitment of \$7.5 million from the Long Term Portfolio to Andreessen Horowitz Fund I, L.P., a Menlo Park, CA based venture capital fund that will invest in early stage technology companies. The investment focus will be on software companies serving areas such as consumer and mobile internet, data storage, and networking.

Andreessen Horowitz will be led by Marc Andreessen and Ben Horowitz. Marc Andreessen was the cofounder of Netscape, while Ben Horowitz joined Mr. Andreessen at Netscape where he was responsible for much of the company's server product line. In addition to their extensive experience as successful entrepreneurs and operating executives who have worked together for fifteen years, Mr. Andreessen and Mr. Horowitz have been angel investors the last three years, investing in a number of well recognized early stage technology companies.

Andreessen Horowitz's goal is to invest in projects sponsored by gifted entrepreneurs who are focused on developing excellent technology and to help those entrepreneurs build market leading companies. The firm's investment model permits it to commit small amounts of capital to a large number of early stage opportunities, while retaining the option of providing follow on financing on a selective basis. In addition, Andreessen Horowitz has an established network with leading venture capital firms that value the opportunity to review and potentially invest in later stages of Andreessen Horowitz's portfolio companies

An important component of Andreessen Horowitz's strategy will be its focus on helping entrepreneurs refine and target investment ideas while providing relevant coaching and mentoring.

This commitment offers the opportunity to invest with an emerging venture capital management team that will provide capital to promising entrepreneurs seeking to build market leading technology companies.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

June 2009