

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Subject: Alternative Assets Commitment

Action Requested: Approval of MHS Capital Partners III, L.P.

Background and Summary: We recommend a commitment of up to \$15 million from the Long Term Portfolio to MHS Capital Partners III, L.P. (the "Fund"), a San Francisco, CA, based venture capital firm that is focused on making investments in seed-stage and early-stage companies.

MHS Capital Partners ("MHS") was founded in 2006 by Mark Sugarman. The investment team has considerable startup operational knowledge, significant venture capital investing experience, and a network of industry relationships for sourcing investments.

Typical areas of investment focus will be in sectors where the investment team has prior experience. MHS separates itself from the prototypical venture firm by taking an independent and at many times contrarian view on the venture capital landscape. MHS frequently finds companies and founders that are overlooked but produce substantial returns.

This is an opportunity to invest with an experienced venture capital team focused on differentiated areas of interest.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Kevin P. Hegarty', with a long horizontal line extending to the right.

Kevin P. Hegarty
Executive Vice President and
Chief Financial Officer

June 2019