

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 April 30, 2020.

- Page 1 summarizes the assets as of April 30, 2020. Allocations to Alternative Assets (Illiquid) reflect market values as of December 31, 2019, the most recent date available, adjusted for contributions and distributions through April 30, 2020. Alternative Assets (Illiquid) are valued on a quarterly basis. March 31, 2020, data is not available due to the time involved with gathering the requisite information from the partnerships. March 31, 2020, market values for Alternative Assets (illiquid) likely will be lower than shown on this page due to fluctuations in the market during the March 2020 quarter.
- Page 2 reports the performance of the Marketable Securities by asset class for select periods ending April 30, 2020. 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



Kevin P. Hegarty
Executive Vice President and
Chief Financial Officer

June 2020
Attachment

LONG TERM PORTFOLIO

Asset Allocation As of April 30, 2020

| MARKETABLE SECURITIES ^{(a)(b)} | Market Value in millions | Allocation |
|--|-------------------------------------|-------------------|
| Equities ^(b) | \$ 1,634.9 | 13.1% |
| Fixed Income | 485.3 | 3.9 |
| Cash | 528.7 | 4.2 |
| Total Traditional Assets | \$ 2,648.9 | 21.2% |
| Absolute Return ^(b) | 2,791.0 | 22.3 |
| TOTAL MARKETABLE SECURITIES | \$ 5,439.9 | 43.5% |

| ALTERNATIVE ASSETS (Illiquid) ^(c) | Market Value in millions | Allocation |
|---|-------------------------------------|-------------------|
| Venture Capital | \$ 2,484.1 | 19.9% |
| Private Equity | 1,885.1 | 15.1 |
| Real Estate | 1,461.0 | 11.7 |
| Natural Resources | 1,233.8 | 9.9 |
| TOTAL ALTERNATIVE ASSETS (Illiquid) | \$ 7,064.0 | 56.5% |

| | | |
|----------------------------------|--------------------|---------------|
| TOTAL LONG TERM PORTFOLIO | \$ 12,503.9 | 100.0% |
|----------------------------------|--------------------|---------------|

Note: Subtotals may not add due to rounding.

- (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.
- (b) Beginning July 1, 2018, returns for the Marketable Securities, Equities and Absolute Return are non lagged which are consistent with our practice for reporting returns of Alternative Assets (Illiquid).
- (c) Allocations to Alternative Assets (Illiquid) reflect market values as of December 31, 2019, the most recent date available, adjusted for contributions and distributions through April.

LONG TERM PORTFOLIO
Performance
Marketable Securities Only ^(a)
As of April 30, 2020

| MARKETABLE SECURITIES | Market Value in millions | 3 Months | Return in Percent | |
|--|-------------------------------------|-----------------|--------------------------|---------------------|
| | | | Fiscal YTD | Calendar YTD |
| TOTAL MARKETABLE SECURITIES | \$ 5,439.9 | -10.03 | -6.99 | -10.47 |
| Custom Benchmark for Marketable Securities | | -6.96 | -1.77 | -6.86 |
| Equities | \$ 1,634.9 | -18.27 | -14.61 | -19.68 |
| Russell 3000/MSCI EAFE/MSCI EM | | -13.19 | -7.21 | -14.47 |
| Fixed Income | 485.3 | 5.15 | 13.16 | 8.96 |
| Barclays Aggregate/Long Bond | | 4.26 | 12.25 | 7.99 |
| Cash | 528.7 | 0.53 | 2.17 | 0.69 |
| Treasury Bills | | 0.45 | 1.61 | 0.58 |
| Absolute Return | 2,791.0 | -5.77 | -4.21 | -5.91 |
| HFRI Fund of Funds Index | | -5.74 | -3.48 | -5.47 |

(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.