

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, 2021.

- Page 1 summarizes the assets as of April 30, 2021. Allocations to alternative assets (Illiquid) reflect market values as of December 31, 2020, the most recent date available, adjusted for contributions and distributions through April 30, 2021.
- Page 2 reports the performance of Marketable Securities by asset class for select periods ending April 30, 2021.
- Page 3 reports the performance for the entire portfolio by asset class as of December 31, 2020. The investment performance of Alternative Assets is reported with this one quarter lag in order to gather the requisite information from the limited partnerships.
- Page 4 summarizes the assets as of December 31, 2020.

Respectfully submitted,

A stylized, cursive signature in blue ink, likely belonging to L. Erik Lundberg.

L. Erik Lundberg, CFA  
Chief Investment Officer

A stylized, cursive signature in black ink, likely belonging to Brian Smith.

Brian Smith  
Interim Executive Vice President and  
Chief Financial Officer

June 2021  
Attachment

# LONG TERM PORTFOLIO

## Asset Allocation As of April 30, 2021

<b>MARKETABLE SECURITIES</b> <sup>(a)(b)</sup>	<b>Market Value in millions</b>	<b>Allocation</b>
Equities <sup>(b)</sup>	\$ 2,409.8	15.5%
Fixed Income	594.7	3.8
Cash	550.7	3.5
Total Traditional Assets	\$ 3,555.2	22.8%
Absolute Return <sup>(b)</sup>	3,430.0	22.0
<b>TOTAL MARKETABLE SECURITIES</b>	<b>\$ 6,985.2</b>	<b>44.9%</b>

  

<b>ALTERNATIVE ASSETS (Illiquid)</b> <sup>(c)</sup>	<b>Market Value in millions</b>	<b>Allocation</b>
Venture Capital	\$ 3,755.5	24.1%
Private Equity	2,184.7	14.0
Real Estate	1,474.1	9.5
Natural Resources	1,159.5	7.5
<b>TOTAL ALTERNATIVE ASSETS (Illiquid)</b>	<b>\$ 8,573.7</b>	<b>55.1%</b>

  

<b>TOTAL LONG TERM PORTFOLIO</b>	<b>\$ 15,559.0</b>	<b>100.0%</b>
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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, 2020, the most recent date available, adjusted for contributions and distributions through April.

# LONG TERM PORTFOLIO

## Performance

### Marketable Securities Only <sup>(a)</sup>

#### As of April 30, 2021

MARKETABLE SECURITIES	Market Value in millions	3 Months	Return in Percent	
			Fiscal YTD	Calendar YTD
<b>TOTAL MARKETABLE SECURITIES</b>	\$ 6,985.2	3.56	22.97	3.64
Custom Benchmark for Marketable Securities		4.71	19.44	3.89
<b>Equities</b>	\$ 2,409.8	7.78	46.10	9.60
Russell 3000/MSCI EAFE/MSCI EM		9.14	35.02	8.71
<b>Fixed Income</b>	594.7	-4.72	-4.05	-7.09
Barclays Aggregate/Long Bond		-3.88	-3.64	-5.66
<b>Cash</b>	550.7	0.00	0.03	0.00
Treasury Bills		0.02	0.10	0.03
<b>Absolute Return</b>	3,430.0	2.64	19.38	2.02
HFRI Fund of Funds Index		5.04	17.57	4.31

(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.

# Performance Summary

## LONG TERM PORTFOLIO

### As of December 31, 2020

LONG TERM PORTFOLIO	Market Value	Return in Percent	
	in millions	Fiscal YTD	Calendar YTD
<b>TOTAL LONG TERM PORTFOLIO</b>	\$ 15,466.4	21.62	19.04
Custom Benchmark for Long Term Portfolio		16.61	14.21
Blended Passive Index <sup>(a)</sup>		16.80	10.81

MARKETABLE SECURITIES	Market Value	Return in Percent	
	in millions	Fiscal YTD	Calendar YTD
<b>TOTAL MARKETABLE SECURITIES</b>	\$ 6,765.8	18.66	12.61
Custom Benchmark - Marketable Securities		14.96	12.93
<b>Equities</b>	\$ 2,025.6	33.30	19.79
Russell 3000/MSCI EAFE/MSCI EM		24.20	14.60
<b>Fixed Income</b>	478.8	3.27	14.24
Barclays Aggregate/Long Bond		2.14	11.81
<b>Cash</b>	748.4	0.03	0.74
Treasury Bills		0.07	0.67
<b>Absolute Return</b>	3,512.9	17.02	15.95
HFRI Fund of Funds Index		12.71	10.88

ALTERNATIVE ASSETS	Market Value	Return in Percent	
	in millions	Fiscal YTD	Calendar YTD
<b>TOTAL ALTERNATIVE ASSETS (Illiquid)</b>	\$ 8,700.6	23.90	24.60
Custom Benchmark - Alternative Assets (Illiquid)		18.22	15.11
<b>Venture Capital</b>	\$ 3,828.1	41.32	59.29
CA Venture Capital Index		33.68	41.53
<b>Private Equity</b>	2,199.3	22.47	24.64
CA Private Equity Index		24.38	24.68
<b>Real Estate</b>	1,507.0	4.59	-3.68
CA Real Estate Index		3.36	-2.01
<b>Natural Resources</b>	1,166.3	7.20	-9.75
Blended Natural Resources Index		4.78	-12.68

Performance for all assets is shown as of December 31, 2020, to be consistent with the most recent valuation date for alternative assets.

(a) The benchmark has been modified to include additional asset classes in order to be more representative of a passive implementation of a global, diversified institutional portfolio. The benchmark shown is the historical 80% Equities/20% Fixed Income benchmark until June 30, 2011, and the new, broader benchmark after that date.

# LONG TERM PORTFOLIO

## Asset Allocation

### As of December 31, 2020

MARKETABLE SECURITIES	Market Value in millions	Allocation
Equities	\$ 2,025.6	13.1%
Fixed Income	478.8	3.1
Cash	748.4	4.8
Total Traditional Assets	\$ 3,252.8	21.0%
Absolute Return	3,512.9	22.7
<b>TOTAL MARKETABLE SECURITIES</b>	<b>\$ 6,765.8</b>	<b>43.7%</b>

ALTERNATIVE ASSETS (Illiquid) <sup>(a)</sup>	Market Value in millions	Allocation
Venture Capital	\$ 3,828.1	24.8%
Private Equity	2,199.3	14.2
Real Estate	1,507.0	9.7
Natural Resources	1,166.3	7.5
<b>TOTAL ALTERNATIVE ASSETS (Illiquid)</b>	<b>\$ 8,700.6</b>	<b>56.3%</b>

<b>TOTAL LONG TERM PORTFOLIO</b>	<b>\$ 15,466.4</b>	<b>100.0%</b>
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Note: Subtotals may not add due to rounding.