

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

Received by the Regents  
July 21, 2011

ITEM FOR INFORMATION

Subject: Monthly Investment Report

Background and Summary:

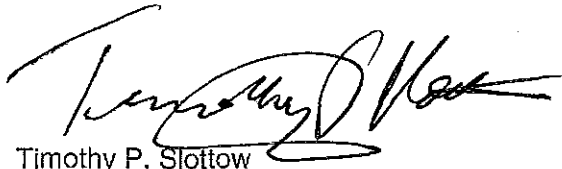
Attached is the Monthly Investment Report for the Long Term Portfolio as of May 31, 2011.

- Page 1 summarizes the assets as of May 31, 2011. Allocations to Alternative Assets (Illiquid) reflect market values as of December 31, 2010, the most recent date available, adjusted for contributions and distributions through May 31, 2011. Alternative Assets (Illiquid) are valued on a quarterly basis. March 31, 2011, data is not available due to the time involved with gathering the requisite information from the partnerships.
- Page 2 reports the performance of the Marketable Securities by asset class for select periods ending May 31, 2011. Performance for Alternative Assets (Illiquid) reported only quarterly, as these investments are valued on a quarterly basis.

Respectfully submitted,



Erik Lundberg, CFA  
Chief Investment Officer



Timothy P. Slottow  
Executive Vice President and  
Chief Financial Officer

July 2011  
Attachment

**LONG TERM PORTFOLIO**  
**Asset Allocation**  
**As of May 31, 2011**

<b>MARKETABLE SECURITIES</b>	<b>Market Value in millions</b>	<b>Allocation</b>
Equities	\$ 1,948.7	25.0%
Fixed Income	648.2	8.3
Cash	190.7	2.5
Total Traditional Assets	\$ 2,787.6	35.8%
Absolute Return	1,317.6	16.9
<b>TOTAL MARKETABLE SECURITIES</b>	<b>\$ 4,105.2</b>	<b>52.8%</b>

<b>ALTERNATIVE ASSETS (Illiquid) <sup>(a)</sup></b>	<b>Market Value in millions</b>	<b>Allocation</b>
Venture Capital	\$ 805.1	10.3%
Private Equity	1,167.4	15.0
Real Estate	965.7	12.4
Energy	737.2	9.5
<b>TOTAL ALTERNATIVE ASSETS (Illiquid)</b>	<b>\$ 3,675.4</b>	<b>47.2%</b>

<b>TOTAL LONG TERM PORTFOLIO</b>	<b>\$ 7,780.6</b>	<b>100.0%</b>
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Note: Subtotals may not add due to rounding.

(a) Allocations to Alternative Assets (Illiquid) reflect market values as of December 31, 2010, the most recent date available, adjusted for contributions and distributions through May.

**LONG TERM PORTFOLIO**  
**Performance**  
**Marketable Securities Only <sup>(a)</sup>**  
**As of May 31, 2011**

MARKETABLE SECURITIES	Market Value in millions	3 Months	Return in Percent	
			Fiscal YTD	Calendar YTD
<b>TOTAL MARKETABLE SECURITIES <sup>(a)</sup></b>	\$ 4,105.2	2.05	19.90	4.97
Custom Benchmark for Marketable Securities		2.04	21.15	4.76
Blended Index - 80% Equities/20% Fixed Income		1.93	27.33	6.57
<b>Equities</b>	\$ 1,948.7	1.63	29.11	5.47
Russell 3000/Citigroup BMI EX US/IFC-I		2.37	34.33	7.06
<b>Fixed Income</b>	648.2	3.77	7.54	4.53
Barclays Aggregate/Long Bond		3.91	4.72	4.13
<b>Cash</b>	190.7	0.17	0.44	0.24
Treasury Bills		0.05	0.15	0.08
<b>Absolute Return</b>	1,317.6	2.06	16.06	5.15
HFRI Fund of Funds Index		-0.13	6.59	0.24

(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.

