

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

REQUEST FOR ACTION

Approved by the Regents  
July 21, 2011

**Subject:** Approval of Alternative Asset Commitment

**Action Requested:** Kuramo Africa Opportunity Fund

**Background and Summary:** We recommend a commitment of \$15 million from the Long Term Portfolio to Kuramo Africa Opportunity Fund, a \$300 million opportunistic multi-asset class fund of funds that will invest in managers who are focused on sub-Saharan Africa.

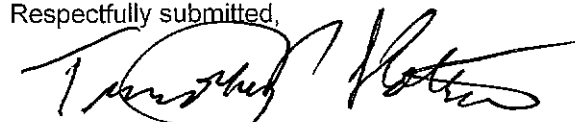
Kuramo Capital Management, LLC, the General Partner of the Fund, was recently founded by Walé Adeosun, a native of Nigeria. Prior to founding Kuramo, Adeosun was Chief Investment Officer and Treasurer of Rensselaer Polytechnic Institute (RPI) where he managed endowment and pension assets and broadly expanded the investment program into emerging and frontier markets, including a five percent commitment to Africa across multiple asset classes. Prior to joining RPI, he was Managing Director in the Investments Group of The MacArthur Foundation where he made several investments in Africa and also was a member of the foundation's Africa Task Force Program which provided oversight for its programmatic work there. The firm is based in New York City and will have additional locations in Nairobi, Kenya, and Lagos, Nigeria.

The Fund is being formed to realize long term capital appreciation through a diversified portfolio of investments across multiple asset classes in investment funds run by managers focused primarily in countries in sub-Saharan Africa, a developing region for investments by institutional investors. These countries now exhibit many of the same characteristics that have yielded attractive multi-year investment environments in the historical emerging markets and have economies that now are reaching the scale required to make these economies attractive from an investment perspective. The Fund will also seek to invest directly in equity, equity-related and debt securities of companies based in or with substantial ties to sub-Saharan Africa.

The University typically does not invest in fund of funds due to the added layer of fees. In this case the added fees are justified as Kuramo is committed to having an open exchange of information with its limited partners in this developing area of investments. The General Partner will provide significant transparency with regard to the management of the Fund's assets and knowledge with respect to its due diligence and fund manager selection process. In addition, Kuramo will provide access to its local network.

This commitment offers the opportunity to invest with an emerging Africa focused team that also will be a resource to the University.

Respectfully submitted,



Timothy P. Slottow  
Executive Vice President and  
Chief Financial Officer

July 2011