

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

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ITEM FOR INFORMATION

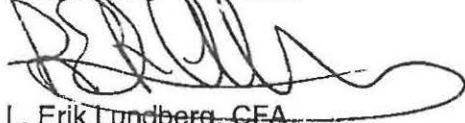
Subject: Monthly Investment Report

Background and Summary:

Attached is the Monthly Investment Report for the Long Term Portfolio as of May 31, 2012.

- Page 1 summarizes the assets as of May 31, 2012. Allocations to Alternative Assets (Illiquid) reflect market values as of December 31, 2011, the most recent date available, adjusted for contributions and distributions through May 31, 2012. Alternative Assets (Illiquid) are valued on a quarterly basis. March 31, 2012, 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, 2012. 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



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

July 2012
Attachment

LONG TERM PORTFOLIO
Asset Allocation
As of May 31, 2012

MARKETABLE SECURITIES	Market Value in millions	Allocation
Equities	\$ 1,565.0	20.4%
Fixed Income	656.4	8.6
Cash	131.1	1.7
Total Traditional Assets	\$ 2,352.5	30.7%
Absolute Return	1,267.8	16.5
TOTAL MARKETABLE SECURITIES	\$ 3,620.3	47.2%

ALTERNATIVE ASSETS (Illiquid) ^(a)	Market Value in millions	Allocation
Venture Capital	\$ 928.7	12.1%
Private Equity	1,178.4	15.4
Real Estate	1,147.8	15.0
Natural Resources ^(b)	788.5	10.3
TOTAL ALTERNATIVE ASSETS (Illiquid)	\$ 4,043.4	52.8%

TOTAL LONG TERM PORTFOLIO	\$ 7,663.7	100.0%
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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, 2011, the most recent date available, adjusted for contributions and distributions through May.

(b) The asset class previously named Energy has been renamed Natural Resources to better reflect the broader scope of investments in the portfolio.

**LONG TERM PORTFOLIO
Performance
Marketable Securities Only ^(a)
As of May 31, 2012**

MARKETABLE SECURITIES	Market Value in millions	Return in Percent		
		3 Months	Fiscal YTD	Calendar YTD
TOTAL MARKETABLE SECURITIES ^(a)	\$ 3,620.3	-4.31	-4.32	3.28
Custom Benchmark for Marketable Securities		-5.09	-3.69	1.84
Equities	\$ 1,565.0	-9.00	-12.44	2.47
Russell 3000/Citigroup BMI EX US/IFC-I		-9.20	-10.78	1.16
Fixed Income	656.4	2.20	14.32	6.02
Barclays Aggregate/Long Bond		3.02	16.02	3.91
Cash	131.1	0.24	1.00	0.44
Treasury Bills		0.03	0.05	0.03
Absolute Return	1,267.8	-1.55	-2.16	3.12
HFRI Fund of Funds Index		-2.20	-3.14	1.10

(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.