

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

Received by the  
Regents  
July 16, 2015

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, 2015.

- Page 1 summarizes the assets as of May 31, 2015. Allocations to Alternative Assets (Illiquid) reflect market values as of December 31, 2014, the most recent date available, adjusted for contributions and distributions through May 31, 2015. Alternative Assets (Illiquid) are valued on a quarterly basis. March 31, 2015, 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, 2015. 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

July 2015  
Attachment

# LONG TERM PORTFOLIO

## Asset Allocation As of May 31, 2015

<b>MARKETABLE SECURITIES <sup>(a)</sup></b>	<b>Market Value</b>	
	<b>in millions</b>	<b>Allocation</b>
Equities	\$ 2,978.7	29.5%
Fixed Income <sup>(b)</sup>	1,030.5	10.2
Cash	457.5	4.5
<b>Total Traditional Assets</b>	<b>\$ 4,466.6</b>	<b>44.2%</b>
Absolute Return	1,733.0	17.1
<b>TOTAL MARKETABLE SECURITIES</b>	<b>\$ 6,199.6</b>	<b>61.3%</b>

  

<b>ALTERNATIVE ASSETS (Illiquid) <sup>(c)</sup></b>	<b>Market Value</b>	
	<b>in millions</b>	<b>Allocation</b>
Venture Capital	\$ 1,233.7	12.2%
Private Equity	1,182.5	11.7
Real Estate	890.2	8.8
Natural Resources	608.2	6.0
<b>TOTAL ALTERNATIVE ASSETS (Illiquid)</b>	<b>\$ 3,914.6</b>	<b>38.7%</b>

  

<b>TOTAL LONG TERM PORTFOLIO</b>	<b>\$ 10,114.2</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 in which underlying investments are in the form of market traded securities.

(b) The fixed income allocation includes a receivable note which represents part of the proceeds from a real estate secondary sale.

(c) Allocations to Alternative Assets (Illiquid) reflect market values as of December 31, 2014, 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, 2015**

<b>MARKETABLE SECURITIES</b>	<b>Market Value in millions</b>	<b>Return in Percent</b>		
		<b>3 Months</b>	<b>Fiscal YTD</b>	<b>Calendar YTD</b>
<b>TOTAL MARKETABLE SECURITIES</b>	\$ 6,199.6	1.90	2.56	4.56
Custom Benchmark for Marketable Securities		1.09	3.90	4.11
<b>Equities</b>	\$ 2,978.7	3.31	1.84	7.23
Russell 3000/Citigroup BMI EX US/IFC-I		1.91	3.16	6.12
<b>Fixed Income</b>	1,030.5	-1.73	4.21	0.23
Barclays Aggregate/Long Bond		-1.84	4.45	0.12
<b>Cash</b>	457.5	0.25	0.53	0.39
Treasury Bills		0.00	0.02	0.01
<b>Absolute Return</b>	1,733.0	2.17	4.15	3.82
HFRI Fund of Funds Index		1.96	5.27	3.86

(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.