

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Approved by the
Regents
July 16, 2015

Subject: Alternative Asset Commitment

Action Requested: Approval of Visium Healthcare Partners, L.P.

Background and Summary: We recommend a \$50 million commitment from the Long Term Portfolio to Visium Healthcare Partners, L.P., a New York and London based private equity fund, which will invest in the healthcare industry.

Visium Healthcare Partners will provide customized financing secured by senior claims on cash flows or assets to healthcare companies in need of growth capital. Their investments will take the form of royalty interests, revenue streams, structured debt or some hybrid thereof. These types of instruments are generally self-liquidating and are not dependent upon capital markets activity for a successful exit. The fund will focus on situations where their investment is underpinned by commercially-validated products with any technological risk providing additional return.

Visium Healthcare Partners is a first-time fund run by a team assembled by Visium Fund Management, a \$7 Billion long-short hedge fund manager. The fund is led by Kenneth Macleod, PhD and Avinash Amin, MD. The team has extensive experience making private investments in the healthcare space and a broad network of contacts from which to source investments. This experience and network is bolstered by that of the parent organization, Visium Fund Management, a respected investor in publicly traded companies in the healthcare industry.

The team expects the fund to invest in both the Biopharmaceutical (biotechnology and pharmaceuticals) and Medtech (devices, diagnostics and tools) sectors of the healthcare industry and to source the majority of its deals from North America, Western Europe and Japan.

This commitment will further the University's goal to maximize the long term risk-adjusted return of the Long Term Portfolio.

Respectfully submitted,



Kevin P. Hegarty
Executive Vice President and
Chief Financial Officer

July 2015