

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents
September 19, 2013

ITEM FOR INFORMATION

Subject: Alternative Asset Commitments

Background and Summary: Under a May 1994 Request for Action, the University may commit to follow-on investments in a new fund sponsored by a previously approved partnership provided the fund has the same investment strategy and core investment personnel as the prior fund.

Pursuant to that policy, this item reports on the University's follow-on investments with the previously approved real estate and natural resources partnerships listed below.

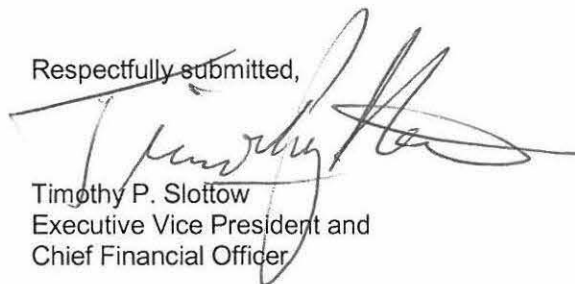
Phoenix Property Investors Fund V, is the fifth fund sponsored by Phoenix Advisors Limited, a Hong Kong based real estate investment firm with offices in Taipei, Taiwan, Tokyo, Japan and Shanghai, China. The Fund will continue the firm's strategy to invest in a diversified portfolio of real estate assets including residential, retail and office in their target markets of Hong Kong, Taipei, Japan, China, Macau and Singapore. Keys to Phoenix's strategy is their extensive market and sector research; their ability to identify and acquire mispriced assets; and their ability to add value through property improvements, repositioning, redevelopment or development activities, or property aggregation.

The University committed \$15 million to Phoenix Property Investors Fund V in June 2013. An additional \$10 million was approved for potential co-investment opportunities.

Yorktown Energy Partners X, L.P., an energy fund based in New York, will continue the team's strategy of making private equity investments in a broad range of energy companies primarily in the exploration and production, transportation, marketing and other midstream and manufacturing sectors. The Fund will target companies that are market leaders in their sector or that have a specific geographical or geological expertise. Criteria for investments include demonstrated cash flow, audited financial statements and significant management ownership. The firm's philosophy is to invest in companies with proven management teams that often have prior experience in a Yorktown portfolio company, and work with the companies to increase operating cash flows and income.

The University committed \$15 million to Yorktown Energy Partners X, L.P. in May 2013.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

September 2013