

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

REQUEST FOR ACTION

Approved by the  
Regents  
September 18, 2014

**Subject:** Alternative Asset Commitment

**Action Requested:** Approval of Old Ironsides Energy II, L.P.

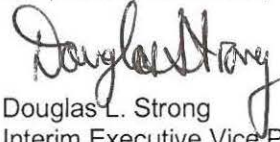
**Background and Summary:** We recommend a commitment of \$30 million from the Long Term Portfolio to Old Ironsides Energy II, L.P., a Boston, MA, based natural resources private equity fund.

Old Ironsides was formed from a full team spinout of Liberty Energy in 2013, the oil and gas investment arm of Liberty Mutual. Liberty Mutual will support them as a large anchor investor in this fund. The team of principals has been investing together since 2001 and will continue the strategy of acquiring and developing assets in the upstream and midstream sectors of the oil and gas industry in North America.

The fund will diversify among traditional private equity investments in exploration and production companies where the team can use its expertise to help the companies increase production and improve cash flows, direct drilling investments in oil and gas projects with experienced operators focused on early stage and development projects, and select midstream assets. The team intends to invest with proven management teams, many of which they have previously funded, and will target investments between \$25 million and \$150 million.

This commitment offers the University the opportunity to invest alongside an experienced natural resources team with a proven track record of backing strong management teams.

Respectfully submitted,



Douglas L. Strong  
Interim Executive Vice President and  
Chief Financial Officer

September 2014