

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

REQUEST FOR ACTION

Approved by the  
Regents  
September 17, 2015

**Subject:** Alternative Asset Commitment

**Action Requested:** Lovell Minnick Equity Partners IV, L.P.

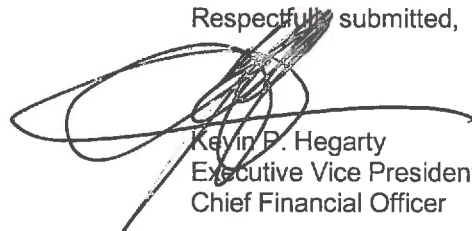
**Background and Summary:** We recommend a commitment of \$35 million from the Long Term Portfolio to Lovell Minnick Equity Partners IV, L.P., a Radnor, PA, and Los Angeles, CA, based private equity fund, which will invest in private, lower middle market companies in the financial and related businesses services sectors.

Lovell Minnick will pursue both minority and control-oriented investments in a number of areas, including asset management, financial product distribution, securities brokerage, banks, specialty finance, and related business. The firm uses a research driven, theme based approach to identify, proactively pursue, and develop industry leading companies. Four key areas of focus include investment solutions, underserved credit markets, outsourcing, and consolidation opportunities. In all cases, the investment strategy is to invest in growth-oriented companies with experienced management teams, high-quality revenue streams, and a strong position within a market niche.

The Lovell Minnick investment team provides both strategic and operating support to portfolio companies by helping management formulate long term strategic plans, evaluate new products and markets, and institute best practices in growing businesses. The investment goal is to create a valuable asset attractive to a strategic buyer or the public markets.

This commitment offers the Long Term Portfolio the opportunity to invest in a sector-focused fund alongside an experienced team with a successful track record investing in financial services businesses.

Respectfully submitted,



Kevin P. Hegarty  
Executive Vice President and  
Chief Financial Officer

September 2015