

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Subject: Real Estate Commitment

Action Requested: Approval of Woodside Special Opportunity Fund, L.P.

Background and Summary: We recommend a commitment of up to \$50 million from the Long Term Portfolio to Woodside Special Opportunity Fund, L.P., a Dallas, TX, based real estate fund purchasing stressed and distressed small balance commercial real estate.

Woodside Special Opportunity Fund, L.P. will purchase stressed and distressed commercial real estate with below market occupancy rates at significant discounts to stabilized and replacement values. Woodside will then invest the necessary capital to complete basic renovations to increase the occupancy rates and then sell at stabilized market cap rates. Woodside will invest across the United States in areas with positive economic trends. Woodside investments have expected holding periods of 24 to 30 months.

Woodside Capital Partners was founded in 2016 by Mark Horrell and other former FirstCity Financial Corporation senior management. Mark Horrell first implemented this strategy at FirstCity Financial Corporation in 2009, first as Managing Director of Acquisitions and then as CEO. The partners' combined experience in the strategy provides the team with the requisite network and experience to be successful.

This commitment offers the Long Term Portfolio the opportunity to invest alongside an experienced team in this differentiated investment strategy.

Respectfully submitted,



Kevin P. Hegarty
Executive Vice President and
Chief Financial Officer

September 2017