

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Subject: Alternative Assets Commitment

Action Requested: Approval of Star Asia Japanese Special Situations V, L.P.

Background and Summary: We recommend a commitment of up to \$25 million from the Long Term Portfolio to Star Asia Japan Special Situations V, L.P. (the “Fund”), a manager that invests in private real estate and real estate related assets in Japan.

Star Asia Group (“Star Asia”) was founded in 2006 by Malcolm F. MacLean IV and Taro Masuyama. The investment team has considerable experience in real estate, credit, corporate finance, capital markets, and securitization. In addition, it has deep in-house expertise in construction, development, and leasing. Star Asia seeks special situations throughout Japan where the team is able to acquire high quality assets at meaningful discounts due to complexity, distress, or unique situations. It has established itself as a trusted counterparty that can move quickly and discreetly.

Star Asia separates itself by having an extremely deep, nimble team that is exclusively focused on Japan. The team has the expertise to resolve both physical and financial structural issues as well as ready access to capital, differentiating it from local buyers. Star Asia’s ability to focus on a single transaction to meet a tight seller deadline gives it an advantage relative to large, pan-Asian funds. The combination of these attributes, with an unusually high level of investment discipline, has led to outstanding risk-adjusted returns.

Respectfully submitted,



Kevin P. Hegarty
Executive Vice President and
Chief Financial Officer

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