

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ITEM FOR INFORMATION

Subject: Monthly Investment Report

Background and Summary:

Attached is the Monthly Investment Report for the Long Term Portfolio as of July 31, 2021.

- Page 1 summarizes the assets as of July 31, 2021. Allocations to Alternative Assets (Illiquid) reflect market values as of March 31, 2020, the most recent date available, adjusted for contributions and distributions through July 31, 2021. Alternative Assets (Illiquid) are valued on a quarterly basis. June 30, 2021, data is not available due to the time involved with gathering the requisite information from the partnerships.
- Page 2 reports the performance of the Marketable Securities by asset class for select periods ending July 31, 2021. Performance for Alternative Assets (Illiquid) is reported only quarterly, as these investments are valued on a quarterly basis.

Respectfully submitted,



L. Erik Lundberg, CFA
Chief Investment Officer

Brian Smith
Interim Executive Vice President and
Chief Financial Officer

September 2021
Attachment

LONG TERM PORTFOLIO

Asset Allocation As of July 31, 2021

MARKETABLE SECURITIES ^(a)	Market Value in millions	Allocation
Equities	\$ 2,331.8	14.1%
Fixed Income	623.1	3.8
Cash	603.7	3.7
Total Traditional Assets	\$ 3,558.7	21.6%
Absolute Return	3,627.4	22.0
TOTAL MARKETABLE SECURITIES	\$ 7,186.1	43.6%

ALTERNATIVE ASSETS (Illiquid) ^(b)	Market Value in millions	Allocation
Venture Capital	\$ 4,116.6	25.0%
Private Equity	2,362.5	14.3
Real Estate	1,472.5	8.9
Natural Resources	1,358.0	8.2
TOTAL ALTERNATIVE ASSETS (Illiquid)	\$ 9,309.6	56.4%
TOTAL LONG TERM PORTFOLIO	\$ 16,495.7	100.0%

Note: Subtotals may not add due to rounding.

(a) Marketable Securities include some investments in funds that have liquidity provisions which enable the University to make full or partial withdrawals with notice subject to restrictions on the timing and amounts, and illiquid private equity structures.

(b) Allocations to Alternative Assets (Illiquid) reflect market values as of March 31, 2021, the most recent date available, adjusted for contributions and distributions through July.

**LONG TERM PORTFOLIO
Performance
Marketable Securities Only ^(a)
As of July 31, 2021**

MARKETABLE SECURITIES	Market Value in millions	3 Months	Return in Percent	
			Fiscal YTD	Calendar YTD
TOTAL MARKETABLE SECURITIES	\$ 7,186.1	2.16	-0.67	6.32
Custom Benchmark for Marketable Securities		2.25	0.34	6.20
Equities	\$ 2,331.8	1.86	-1.25	11.84
Russell 3000/MSCI EAFE/MSCI EM		2.94	0.41	11.91
Fixed Income	623.1	4.78	1.86	-2.65
Barclays Aggregate/Long Bond		4.71	1.95	-1.21
Cash	603.7	-0.01	0.00	-0.01
Treasury Bills		0.00	0.01	0.03
Absolute Return	3,627.4	2.32	-0.82	5.14
HFRI Fund of Funds Index		-0.07	-0.78	4.13

(a) These returns do not include Alternative Assets (Illiquid), which are valued only quarterly. Alternative Assets (Illiquid) returns and total portfolio returns therefore will be reported quarterly when the data becomes available.

Performance Summary
LONG TERM PORTFOLIO
As of March 31, 2021

LONG TERM PORTFOLIO	Market Value	Return in Percent	
	in millions	Fiscal YTD	Calendar YTD
TOTAL LONG TERM PORTFOLIO	\$ 16,326.3	29.12	6.16
Custom Benchmark for Long Term Portfolio		21.69	4.35
Blended Passive Index ^(a)		20.96	3.55

MARKETABLE SECURITIES	Market Value	Return in Percent	
	in millions	Fiscal YTD	Calendar YTD
TOTAL MARKETABLE SECURITIES	\$ 6,916.8	21.01	1.98
Custom Benchmark - Marketable Securities		16.28	1.15
Equities	\$ 2,350.9	41.25	5.96
Russell 3000/MSCI EAFE/MSCI EM		29.93	4.61
Fixed Income	587.6	-5.44	-8.43
Barclays Aggregate/Long Bond		-4.94	-6.94
Cash	551.3	0.03	0.00
Treasury Bills		0.09	0.03
Absolute Return	3,427.0	18.61	1.36
HFRI Fund of Funds Index		14.99	2.02

ALTERNATIVE ASSETS	Market Value	Return in Percent	
	in millions	Fiscal YTD	Calendar YTD
TOTAL ALTERNATIVE ASSETS (Illiquid)	\$ 9,409.5	35.62	9.46
Custom Benchmark - Alternative Assets (Illiquid)		28.34	8.56
Venture Capital	\$ 4,216.2	57.71	11.60
CA Venture Capital Index		53.90	15.13
Private Equity	2,375.2	33.46	8.98
CA Private Equity Index		34.29	7.97
Real Estate	1,497.4	6.10	1.44
CA Real Estate Index		5.28	1.86
Natural Resources	1,320.7	21.67	13.50
Blended Natural Resources Index		12.75	7.61

Performance for all assets is shown as of March 31, 2021, to be consistent with the most recent valuation date for alternative assets.

- (a) The benchmark has been modified to include additional asset classes in order to be more representative of a passive implementation of a global, diversified institutional portfolio. The benchmark shown is the historical 80% Equities/20% Fixed Income benchmark until June 30, 2011, and the new, broader benchmark after that date.

LONG TERM PORTFOLIO
Asset Allocation
As of March 31, 2021

MARKETABLE SECURITIES	Market Value in millions	Allocation
Equities	\$ 2,350.9	14.4%
Fixed Income	587.6	3.6
Cash	551.3	3.4
Total Traditional Assets	\$ 3,489.8	21.4%
Absolute Return	3,427.0	21.0
TOTAL MARKETABLE SECURITIES	\$ 6,916.8	42.4%

ALTERNATIVE ASSETS (Illiquid) ^(a)	Market Value in millions	Allocation
Venture Capital	\$ 4,216.2	25.8%
Private Equity	2,375.2	14.5
Real Estate	1,497.4	9.2
Natural Resources	1,320.7	8.1
TOTAL ALTERNATIVE ASSETS (Illiquid)	\$ 9,409.5	57.6%
TOTAL LONG TERM PORTFOLIO	\$ 16,326.3	100.0%

Note: Subtotals may not add due to rounding.