

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ITEM FOR INFORMATION

Subject: Absolute Return and Alternative Asset Commitments

Background and Summary: Under a May 1994 Request for Action, the university may commit to follow-on investments in a new fund sponsored by a previously approved partnership, provided the fund has the same investment strategy and core investment personnel as the prior fund.

Pursuant to that policy, this item reports on the university's follow-on investments with the previously approved partnerships listed below.

Alternative Asset Commitments

Plural is a seed and early-stage venture capital firm with a focus on investing in European startups. It seeks to differentiate itself from existing VC firms by being Europe-based and having strong connections through its founders to local startup communities. The university committed €20,000,000 to Plural in April 2022.

In May 2022, the university committed €15.0 million to a Plural sponsored fund to make follow-on investments in the firm's earlier stage investments.

Accel is a Palo Alto, CA, based venture capital firm that invests in global later-stage companies, including growth equity investments in U.S. based technology startups. Areas of investment focus will typically be in sectors where the investment team has prior experience, including but not limited to consumer internet, software and services, cloud-based computing, enterprise infrastructure, and mobile businesses. The investment team has considerable startup operational knowledge, significant venture capital investing experience, and a network of industry relationships for sourcing investments.

In June 2022, the university committed \$15.0 million to an Accel sponsored fund.

Sequoia Capital invests in companies across seed, venture, and growth stages located in the China, India and Southeast Asia (SEA) regions. Areas of investment focus include, but are not limited to, financial services, enterprise software, deep tech, enterprise technology, consumer technology, Web3 industries, and healthcare. The investment team has developed a proprietary sourcing technique for investments alongside cultivating a network of founders, executives, employees, and service providers as well as establishing deep knowledge within specific areas.

In June 2022, the university committed a combined \$75.0 million to seven Sequoia Capital sponsored funds.

TCV, a venture capital fund with offices in Palo Alto, CA, London, U.K., and New York, NY, invests in expansion and late-stage technology companies. TCV, as an active long-term investor, stays involved with its portfolio companies through their initial public offerings and (in select cases) beyond. Within technology, TCV focuses on businesses in the internet, software, infrastructure, and services sectors. The investment team conducts deal sourcing via a combination of "old fashioned networking" and data science.

In June 2022, the university committed \$25.0 million to a TCV sponsored fund.

Matrix Partners invests in early-stage companies throughout the U.S, India, and China. Matrix focuses on investing meaningful stakes as early as possible in target companies within, but not limited to, big data, computer vision, API, IoT, payment, creator tools, fintech, mobility, consumer, and B2B commerce businesses. The investment team utilizes its strong localized networks and global reach to source deals and maintain brand presence.

In June 2022, the university committed a combined \$36.0 million to two Matrix sponsored funds.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'G. Chatas', with a long horizontal flourish extending to the right.

Geoffrey S. Chatas
Executive Vice President and
Chief Financial Officer

September 2022