

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents

October 25, 2007

REQUEST FOR ACTION

Subject: Alternative Asset Commitment

Action Requested: Approval of an Additional Commitment to Matrix Partners India I, LLC

Background and Summary: We recommend a commitment of an additional \$15 million from the Long Term Portfolio to Matrix Partners India I, LLC, a partnership which makes investments in private companies in India. The investments focus on companies expected to benefit from India's fast growing, consumer driven economy, with the goal to identify new Indian markets early and build leading companies.

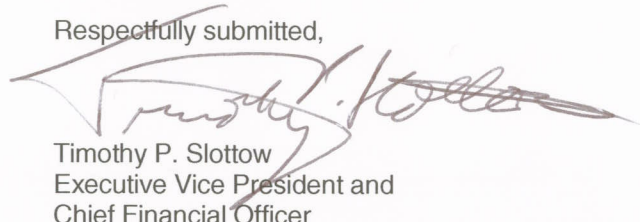
In July 2006, the Board of Regents approved a \$9 million commitment to Matrix Partners India I, LLC. Since its inception, the fund has been implementing its strategy of investing in companies in the internet, mobile communications, and consumer services sectors.

In the process of reviewing investment opportunities, Matrix Partners India's investment team found a larger than expected number of attractive, consumer-related growth equity investment opportunities which require larger equity investments than contemplated by Matrix Partners India I as it was initially capitalized. To permit the fund to invest in such companies that require somewhat larger capital commitments, the general partner plans to increase the fund size. The University of Michigan's additional capital commitment amount is \$15 million.

Matrix Partners, an existing University of Michigan venture capital relationship, is a sponsor of the fund. Matrix Partners and Matrix India collaborate to share investment insights and firm building knowledge.

This additional commitment provides further diversification of the University's venture capital portfolio by investing additional capital with an India fund that backs early, expansion, and growth stage technology-enabled companies that focus on the large and growing local consumer market.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

October 2007