

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ITEM FOR INFORMATION

Subject: Alternative Asset Commitments and Public Equity Investment

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.

CBPE Capital IX B, L.P., a London, U.K., based private equity fund, will invest in management buyouts of U.K. midmarket companies. CBPE is focused on backing strong management teams and investing in well-established businesses with good growth prospects and strong market positions. Investment opportunities will come primarily from the disposition of non-core activities by larger corporations and restructurings of private and public companies. CBPE will focus on sectors in which the investment team has prior experience, including the distribution, manufacturing, logistics, finance, and services sectors.

In August 2016 the University committed £24.76 million (~\$32.20 million) to CBPE IX, L.P.

Andreessen Horowitz, a Silicon Valley based venture capital firm, raised two funds, **Andreessen Horowitz Fund V, L.P.** and its companion fund, **Andreessen Horowitz Parallel Fund V, L.P.**, to invest in information technology companies across the spectrum of seed, venture, and growth stage opportunities. Andreessen Horowitz V will invest in both early and later stage companies, while the vast majority of the Parallel Fund's capital will be invested in later stage companies. The investment focus of both funds will include consumer internet services, enterprise software, and infrastructure hardware.

In April 2016 the University committed a total of \$23 million to Andreessen Horowitz Fund V, L.P. and Andreessen Horowitz Parallel Fund V, L.P.

Acadia Investors V, INC., a New York based real estate fund, will make opportunistic and value-add investments in retail properties in high barrier to entry markets primarily along the East Coast and in Chicago. Once acquired, Acadia will use its vertically integrated organization to implement its value add strategy through improving occupancy, increasing below-market rents, re-tenanting, redeveloping, and repositioning.

In June 2016 the University committed a total of \$50 million to Acadia Investors V, INC.

Prince Street Capital Management, an emerging and frontier markets public equity specialist, established **PS Latin America Offshore, LTD.**, managed in Sao Paulo, Brazil, to capitalize on investment opportunities in Latin American public markets. Prince Street combines bottom-up fundamental analysis with top-down macro-economic and political analysis. Historical outperformance has been generated through stock selection and country selection as well as by holding cash when appropriate, such as in conditions when the manager believes a temporary defensive posture should be followed, or when stocks appear expensive.

In May 2016 the University invested \$20 million in PS Latin America Offshore, LTD.

Respectfully submitted,



Kevin P. Hegarty
Executive Vice President and
Chief Financial Officer

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