

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

REQUEST FOR ACTION

**Subject:** Alternative Asset Commitment

**Action Requested:** Approval of Union Capital Equity Partners II, L.P.

**Background and Summary:** We recommend a commitment of \$25 million from the Long Term Portfolio to Union Capital Equity Partners II, L.P., a Greenwich, CT, based private equity fund which will invest in smaller, U.S. founder-owned businesses.

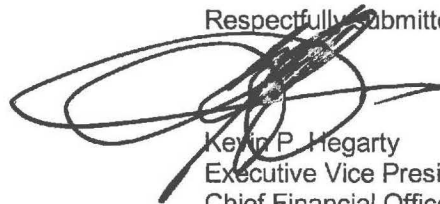
Union Capital is led by Reis L. Alford, Jay F. Landauer, and William S. Ogden who have a decade-long track record of investing together on a deal-by-deal basis on behalf of Union Capital Corporation, the family office of Mr. James Marlas.

In a continuation of the strategy employed at Union Capital Corporation, the team will invest in companies with good growth prospects and strong market positions, but in need of operational improvements. Working closely with company management, Union Capital will take a hands-on approach to help create value by implementing changes to improve margins, grow revenues, and increase earnings.

The team will source investment opportunities from local and regional business brokers and will typically be a company's first institutional investor. Union Capital will invest in sectors in which the investment team has prior experience, including business services, food and beverage, and light manufacturing.

This commitment offers the Long Term Portfolio the opportunity to invest alongside a newly established firm managed by experienced professionals who will focus on less competitive, lower middle market private equity opportunities.

Respectfully Submitted,



Kevin P. Hegarty  
Executive Vice President and  
Chief Financial Officer

October 2016