

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

**REQUEST FOR ACTION**

**Subject:** Alternative Assets Commitment

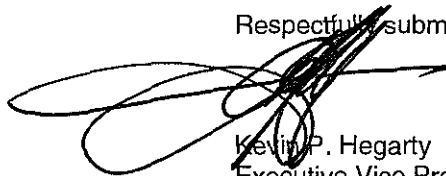
**Action Requested:** Approval of Five Point Energy Fund III LP

**Background and Summary:** We recommend a commitment of up to \$50 million from the Long Term Portfolio to Five Point Energy Fund III LP (the "Fund"), a Houston, TX, based manager that invests in midstream energy infrastructure assets across the United States, with a focus on water.

Five Point Energy ("Five Point") was founded in 2012 by David Capobianco. The investment team has considerable experience in the energy industry, in particular in the development and management of midstream assets. Specifically, Five Point builds water pipelines for energy producers, dramatically decreasing the need for water removal by truck and allowing for more efficient water use and recycling. It has established itself as a first mover in the water offtake pipeline space.

Five Point separates itself by leveraging the team's deep operating expertise to build in-basin midstream businesses.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Kevin P. Hegarty', with a large, stylized flourish extending to the left.

Kevin P. Hegarty  
Executive Vice President and  
Chief Financial Officer

October 2019