

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ITEM FOR INFORMATION

Subject: 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

Francisco Partners VI, L.P., a private equity fund with offices in San Francisco, CA, and London, U.K., will invest in middle market technology and technology-related companies. The investments generally will be control ownership positions in the communications and security, financial, healthcare, software, and technology-enabled services and systems sectors. The transactions may include buyouts, corporate spin-outs, recapitalizations, restructurings, or growth equity investments. In all investments, Francisco Partners will focus on improving operations and pursuing growth objectives that maximize enterprise value.

In May 2020, the University committed \$5 million to Francisco Partners VI, L.P.

General Catalyst, a Cambridge, MA, and San Francisco, CA based venture capital firm, targets investments in information technology companies, focusing on defined themes including, emerging platforms, changing nature of work, digital health, and finding value in data. The firm will seek to invest in companies that can disrupt markets and industries that are poised for major change. General Catalyst invests at all stages of a company's growth cycle.

In March 2020, the University committed \$50 million to three General Catalyst funds.

Sequoia Capital, founded in Menlo Park, CA, invests in new and developing companies engaged in businesses where new technologies play a significant role in either processes or products. Sequoia Capital also invests in more mature and established companies where the potential exists for exceptional capital appreciation. The firm invests primarily in information technology companies located in the United States, China, and India. The University has invested with Sequoia Capital since 1992.

In April 2020, the University committed \$85 million to seven Sequoia Capital funds.

Respectfully submitted,



Kevin P. Hegarty
Executive Vice President and
Chief Financial Officer

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