

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

ITEM FOR INFORMATION

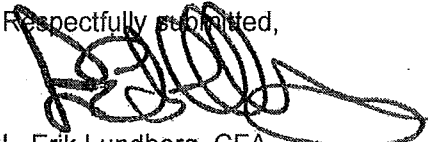
Subject: Monthly Investment Report

Background and Summary:


Attached is the Monthly Investment Report for the Long Term Portfolio as of September 30, 2011.

- Page 1 summarizes the assets as of September 30, 2011. Allocations to Alternative Assets (Illiquid) reflect market values as of June 30, 2011, the most recent date available, adjusted for contributions and distributions through September 30, 2011. Alternative Assets (Illiquid) are valued on a quarterly basis. September 30, 2011, data is not available due to the time involved with gathering the requisite information from the partnerships.
- Page 2 reports the performance of the Marketable Securities by asset class for select periods ending September 30, 2011. Performance for Alternative Assets (Illiquid) is reported only quarterly, as these investments are valued on a quarterly basis.

Respectfully submitted,



L. Erik Lundberg, CFA  
Chief Investment Officer



Timothy P. Slottow  
Executive Vice President and  
Chief Financial Officer

November 2011  
Attachment

**LONG TERM PORTFOLIO**  
**Asset Allocation**  
**As of September 30, 2011**

<b>MARKETABLE SECURITIES</b>	<b>Market Value in millions</b>	<b>Allocation</b>
Equities	\$ 1,598.7	20.9%
Fixed Income	671.7	8.8
Cash	103.6	1.4
Total Traditional Assets	\$ 2,374.0	31.1%
Absolute Return	1,189.7	15.6
<b>TOTAL MARKETABLE SECURITIES</b>	<b>\$ 3,563.7</b>	<b>46.7%</b>

<b>ALTERNATIVE ASSETS (Illiquid)<sup>(a)</sup></b>	<b>Market Value in millions</b>	<b>Allocation</b>
Venture Capital	\$ 941.2	12.3%
Private Equity	1,284.2	16.8
Real Estate	1,045.0	13.7
Energy	804.0	10.5
<b>TOTAL ALTERNATIVE ASSETS (Illiquid)</b>	<b>\$ 4,074.5</b>	<b>53.3%</b>
<b>TOTAL LONG TERM PORTFOLIO</b>	<b>\$ 7,638.2</b>	<b>100.0%</b>

Note: Subtotals may not add due to rounding.

(a) Allocations to Alternative Assets (Illiquid) reflect market values as of June 30, 2011, the most recent date available, adjusted for contributions and distributions through September.

**LONG TERM PORTFOLIO**  
**Performance**  
**Marketable Securities Only <sup>(a)</sup>**  
**As of September 30, 2011**

<b>MARKETABLE SECURITIES</b>	<b>Market Value in millions</b>	<b>Return in Percent</b>	
		<b>Fiscal YTD</b>	<b>Calendar YTD</b>
<b>TOTAL MARKETABLE SECURITIES <sup>(a)</sup></b>	\$ 3,563.7	-9.92	-6.67
Custom Benchmark for Marketable Securities		-9.44	-6.53
Blended Index - 80% Equities/20% Fixed Income		-12.16	-7.63
<b>Equities</b>	\$ 1,598.7	-17.65	-14.68
Russell 3000/Citigroup BMI EX US/IFC-I		-17.80	-13.42
<b>Fixed Income</b>	671.7	5.26	8.30
Barclays Aggregate/Long Bond		9.63	12.93
<b>Cash</b>	103.6	0.13	0.44
Treasury Bills		0.02	0.10
<b>Absolute Return</b>	1,189.7	-6.93	-2.81
HFRI Fund of Funds Index		-3.95	-5.16

(a) These returns do not include Alternative Assets (Illiquid), which are valued only quarterly. Alternative Assets (Illiquid) returns and total portfolio returns therefore will be reported quarterly when the data becomes available.

