

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ITEM FOR INFORMATION

Subject: Monthly Investment Report

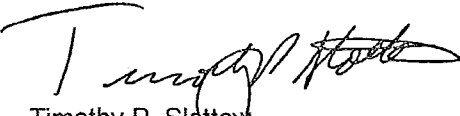
Background and Summary:

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

MARKETABLE SECURITIES	Market Value in millions	Allocation
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
TOTAL MARKETABLE SECURITIES	\$ 3,563.7	46.7%

ALTERNATIVE ASSETS (Illiquid)^(a)	Market Value in millions	Allocation
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
TOTAL ALTERNATIVE ASSETS (Illiquid)	\$ 4,074.5	53.3%
TOTAL LONG TERM PORTFOLIO	\$ 7,638.2	100.0%

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 ^(a)
As of September 30, 2011**

MARKETABLE SECURITIES	Market Value in millions	Return in Percent	
		Fiscal YTD	Calendar YTD
TOTAL MARKETABLE SECURITIES ^(a)	\$ 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
Equities	\$ 1,598.7	-17.65	-14.68
Russell 3000/Citigroup BMI EX US/IFC-I		-17.80	-13.42
Fixed Income	671.7	5.26	8.30
Barclays Aggregate/Long Bond		9.63	12.93
Cash	103.6	0.13	0.44
Treasury Bills		0.02	0.10
Absolute Return	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.

