

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Subject: Public Equity

Action Requested: Approval of PS Opportunities Offshore Ltd.

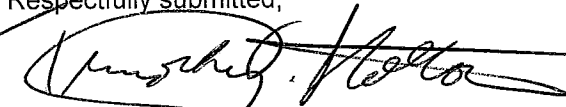
Background and Summary: We recommend the approval of PS Opportunities Offshore Ltd., managed by Prince Street Capital Management LLC, a New York, NY, and Singapore based emerging and frontier markets equity specialist with an initial funding of \$25 million from the Long Term Portfolio.

Established in 2001 by David Halpert, Prince Street Capital Management LLC provides investors with a portfolio of smaller emerging and frontier market equities.

Prince Street combines bottom-up fundamental analysis with top-down macro-economic and political analysis. Historical outperformance has been generated through stock selection and country selection as well as by holding cash when appropriate, such as in conditions when the manager believes a temporary defensive posture should be followed, or when stocks appear expensive. Prince Street also invests in smaller and more illiquid companies with a greater exposure to frontier markets. The manager invests in companies that the group knows well and with whom it has kept in close communication for several years. Prince Street takes a long-term absolute return view, and does not attempt to manage monthly volatility.

This investment will expand the University's public equity portfolio exposure to emerging and frontier markets with fast growing economies, and will further the University's goal to maximize long term risk-adjusted returns to the Long Term Portfolio.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

November 2011