

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

REQUEST FOR ACTION

Approved by the  
Regents  
November 21, 2013

**Subject:** Public Equity

**Action Requested:** Approval of the Vulcan Value Partners

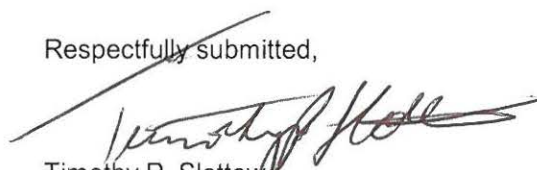
**Background and Summary:** We recommend the approval of the Vulcan Value Partners, a Birmingham, AL based public equity manager, with an initial funding of \$80 million from the Long Term Portfolio.

Established in 2007 by C.T. Fitzpatrick, Vulcan Value Partners specializes in managing portfolios of US public equities for institutional investors and their associated mutual funds. They have a track record of adding value through security selection. Previously, C.T. Fitzpatrick spent 17 years focused on public equity investing at Southeastern Asset Management.

Vulcan Value Partners employs a research-driven fundamental investment process. The firm identifies potential investments by combing the US equity market in search of businesses with sustainable competitive advantages. The Vulcan Value investment team spends the bulk of their time assessing the quality of a business by focusing on factors such as product market opportunity, competition, balance sheet strength, cash flow reliability, and management. When selecting individual stocks, the firm places emphasis on the valuations of these quality businesses and concentrates in 20 to 50 of the cheapest stocks.

This investment will diversify the public equity portfolio and further the University's goal to maximize the long term risk-adjusted return of the Long Term Portfolio.

Respectfully submitted,



Timothy P. Slottow  
Executive Vice President and  
Chief Financial Officer

November 2013