

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the
Regents
November 20, 2014

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.

Catalyst Fund IV Parallel Limited Partnership, a distressed debt fund based in Toronto, Canada, will seek to take control of financially distressed Canadian companies. Catalyst creates value by restructuring its target companies' balance sheets in the bankruptcy process and by developing and implementing plans to improve the companies' operations.

The University committed \$15.0 million to Catalyst Fund IV Parallel Limited Partnership in July 2014.

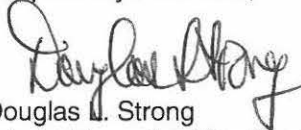
Roark Capital Partners IV, L.P., an Atlanta, GA, based private equity fund, will invest in middle market companies headquartered in North America. Roark invests in the franchising/multi-unit, consumer products and services, environmental services and business services sectors. Roark's specific industry focus is a competitive advantage which allows its investment team to understand opportunities and risks, to access proprietary or less competitive deal flow, and to create operating improvements readily.

The University committed \$40.0 million to Roark Capital Partners IV, L.P. in September 2014.

Sequoia Capital China Venture Fund V, L.P., a venture capital fund with offices in Beijing, Shanghai, and Hong Kong, is sponsored by Sequoia Capital, a prominent venture capital firm headquartered in Menlo Park, CA. The fund will focus on making early stage investments in China across four sectors: information technology, consumer, healthcare, and clean tech. The investments will be in companies positioned to benefit from China's substantial domestic economy and large number of consumers. The China team makes independent investment decisions, but it benefits from the global collaboration among Sequoia Capital's investment professionals.

The University committed \$5.0 million to Sequoia Capital China Venture Fund V, L.P. in September 2014.

Respectfully submitted,



Douglas L. Strong
Interim Executive Vice President and
Chief Financial Officer

November 2014