

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Received by the Regents
December 15, 2011

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 venture capital and real estate partnerships listed below.

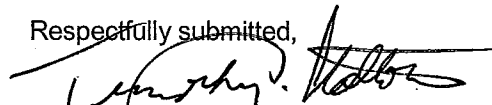
GSR Ventures IV, L.P., a venture capital fund located in Beijing, China, will invest in early stage semiconductor, wireless, internet, and green technology companies based in China. GSR's investment companies are expected to have completed prototype development and have demonstrated significant customer interest, but have little or no revenue. GSR's investment professionals have extensive operating and corporate investing experience at major technology companies in China and/or the U.S. as well as entrepreneurial experience as founders and executives at venture capital funded technology companies.

This is the University's fourth investment with GSR Ventures. The University committed \$7.0 million to GSR Ventures IV, L.P. in June 2011. The University committed a total of \$41 million to prior GSR sponsored funds.

Patron Capital, L.P., IV, is a €750 million (~\$1,060 million) real estate fund that will make opportunistic and value-oriented investments in distressed and undervalued property assets, loans and corporate entities with substantial underlying property value. Patron will then build value through the repositioning, redevelopment and intensive management of the real estate assets and operational improvement of corporate entities, successfully realizing this value at exit. Patron will use its established network of local operating partners to source deals. These local partners invest equity in the transactions and participate in their success. Patron will primarily invest in Western Europe but may also pursue opportunities in Central Europe. The fund will be diversified over time, geography, strategy and asset type.

This is the University's fourth investment with Patron Capital. The University committed €25 million (~\$35.4 million) to Patron Capital, L.P., IV in July 2011. The University previously committed a total of ~\$105 million to prior Patron Capital sponsored funds.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

December 2011