

ITEM FOR INFORMATION

Subject: Alternative Asset Commitment

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 partnership and two real estate partnerships listed below.

Telegraph Hill Partners III, L.P., a San Francisco based venture capital fund, will make buyout and growth equity investments in small, privately-held life science, medical technology, and healthcare infrastructure companies. Telegraph Hill requires its portfolio companies be profitable at the time of investment and have innovative technology capable of driving future revenue growth. As a control investor, Telegraph Hill works alongside experienced management teams, helping companies build value through organic growth accelerated by strategic acquisitions.

Telegraph Hill's investments are expected to be in areas where the investment principals have prior experience, including chemical reagent manufacturers, drug discovery service companies, and medical device firms.

This is the University's second investment with Telegraph Hill Partners. The University committed \$20 million from its Long Term Portfolio to Telegraph Hill Partners III, L.P. in July 2012. The University committed \$15 million to a prior Telegraph Hill sponsored fund.

Acadia Strategic Opportunity Fund IV, LLC, a New York based real estate fund, will make opportunistic and value-add investments in retail properties and mixed-used projects with a significant retail component primarily in high barrier to entry markets along the East Coast and Chicago. Once acquired, Acadia will use its vertically integrated organization to implement its value add strategy through improving occupancy, increasing below-market rents, re-tenanting, redeveloping and repositioning. Typical investment size will be \$10 to \$25 million and the average hold period will be 4 to 5 years.

This is the University's second investment with Acadia Realty Trust. The University committed \$15 million from its Long Term Portfolio to Acadia Strategic Opportunity Fund IV, LLC in July 2012. The University committed \$20 million to a prior Acadia sponsored fund.

Green Courte Partners/The Parking Spot, a Lake Forest, Illinois based real estate fund, acquired a 40 percent interest in a portfolio of 17 well-located parking properties at 12 major airports across the United States. The remaining 60 percent interest is owned by Green Courte Real Estate Partners III, an existing University investment fund. Green Courte intends to continue to grow the portfolio and net operating income through improving the existing facilities, acquiring additional parking properties and developing new parking lots. Exit is anticipated through either an Initial Public Offering or a portfolio sale.

This is the University's second investment with Green Courte. The University committed \$5 million from its Long Term Portfolio to Green Courte Partners/The Parking Spot in July 2012. The University committed \$20 million to Green Courte Real Estate Partners III.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer