

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Subject: Alternative Assets Commitment

Action Requested: Approval of Bay & King Investment Fund, LLC

Background and Summary: We recommend a commitment of up to \$130 million from the Long Term Portfolio to Bay & King Investment Fund, LLC ("BKIF"), a Toronto, Canada-based fund focused on non-correlated or idiosyncratic investment opportunities.

BKIF is an investment vehicle being formed by Isser Elishis and the team that manages the University's investment in the Waterton Mining Parallel Fund (the "Waterton Mining Fund") and the University. The fund will invest in a range of investments of often limited capacity in companies primarily located in North America that may include mining, distressed opportunities, operating businesses, and commodities or production inputs that exhibit attractive upside potential due to valuation dislocations, transactional complexities, or supply and demand imbalances.

This commitment offers the Long Term Portfolio the opportunity to invest alongside an experienced team in this differentiated investment strategy.

Respectfully submitted,



Kevin P. Hegarty
Executive Vice President and
Chief Financial Officer

December 2017