

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Subject: Alternative Assets Commitment

Action Requested: Approval of Vendera Resources IV-B, LP

Background and Summary: We recommend a commitment of up to \$50 million from the Long Term Portfolio to Vendera Resources IV-B, LP (the "Fund"), a Dallas, TX, based manager that invests primarily in mature, producing oil and gas properties in the U.S.

Vendera Resources ("Vendera") was founded in 2011 and is raising its second institutional fund. The investment team, led by A. Wood Brookshire, has considerable engineering and operating experience. It brings robust sourcing and technical capabilities to focus on small assets, where there is a large supply of opportunities and less institutional competition. The team looks for mature, cash-flowing assets with long-lived reserves that are well located. These mature assets are producing oil and gas at the low end of the global cost curve.

Vendera separates itself by using its robust internal expertise to focus on small assets in a business that does not scale well. The team is unusually disciplined regarding both asset quality and pricing. Because assets are cash flowing day one and a significant amount of production can be hedged, Vendera offers investors stable cash flow.

Respectfully submitted,



Kevin A. Hegarty
Executive Vice President and
Chief Financial Officer

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