

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents

January 17, 2008

REQUEST FOR ACTION

Subject: Alternative Asset Commitment


Action Requested: Approval of Commitment to Matrix Partners China, L.P.

Background and Summary: We recommend a commitment of up to \$20 million from the Long Term Portfolio to Matrix Partners China, L.P., a Beijing based partnership which will invest in private companies in China. The investments will focus on companies expected to benefit from China's rapidly growing economy and increasing number of middle class consumers. The fund will invest in both early and expansion stage companies across several high growth industries. The investment sectors will include consumer driven industries that have a technology component.

Matrix Partners, an existing University of Michigan venture capital relationship, is a sponsor of the fund. Matrix Partners and Matrix China will collaborate to share investment insights and firm building knowledge. The Matrix China investment team members have prior venture capital investment experience and well established networks within the local community of entrepreneurs.

This commitment provides further diversification of the University's venture capital portfolio by investing capital with a China-based fund dedicated to finding and building early and expansion stage companies that focus on the large and growing local consumer market.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

January 2008