

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

REQUEST FOR ACTION

Approved by the Regents  
February 15, 2007

**Subject:** Alternative Asset Commitment

**Action Requested:** Approval of Bain Capital Asia Fund, L.P.

**Background and Summary:** We recommend a commitment of up to \$20 million to Bain Capital Asia Fund, L.P., a partnership sponsored by Bain Capital. The Regents of the University of Michigan is an investor of a number of Bain Capital sponsored funds across the marketable and alternative asset portions of the endowment portfolio.

Bain Asia will pursue mid-market investments requiring between \$25 million and \$100 million of equity in companies headquartered in China and Japan, as well as South Korea, with the flexibility to make investments in companies headquartered in other parts of Asia. The partnership may make larger investments on an opportunistic basis, co-investing alongside Bain Capital Fund IX, L.P. or Bain Capital Fund VIII-Europe, L.P.

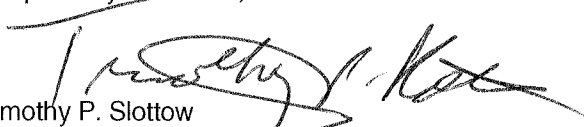
Bain Capital has assembled a team of investment professionals who will be based in Hong Kong, Shanghai, and Tokyo. This Asian team, which includes individuals who have lived and worked in these geographies as well as individuals who transferred from other Bain Capital offices, will be responsible for deal generation and due diligence. Investment decisions will be made in collaboration with Bain Capital.

Bain Asia will follow Bain Capital's well established investment approach which relies on a consulting-based due diligence process to analyze a company's financial performance, market growth potential, industry attractiveness and competitive position. Bain Capital's extensive global private equity experience will be beneficial to Bain Asia by providing the Asia-based team access to other experienced investment professionals who can assist in investment evaluation as well as provide post-transaction support as needed.

The partnership's investments types will be varied. They will include, for example, growth capital transactions in companies across a number of consumer-related sectors, public-to-private investments in companies whose growth prospects would be enhanced by additional capital, and buyout investments in non-core assets of large corporations.

This commitment will further diversify the international portion of the University's private equity portfolio by increasing its exposure to China, Japan, and South Korean mid-market companies and will afford the opportunity to invest alongside Bain Capital, a very successful private equity firm, as it initiates its Asian private equity program.

Respectfully submitted,



Timothy P. Slottow  
Executive Vice President and  
Chief Financial Officer

February 2007