

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ITEM FOR INFORMATION

Received by the Regents
February 18, 2010

Subject: Alternative Asset Commitment

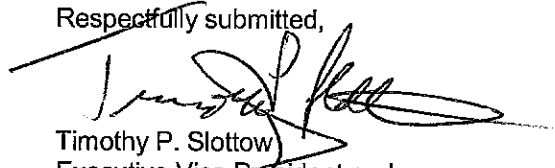
Background and Summary: Under a May 1994 Request for Action, the University may commit to follow-on investments in a new fund sponsored by a previously approved partnership provided the fund has the same investment strategy and core investment personnel as the prior fund. This Request also allows for add-on investments to existing funds, provided the add-on investment does not exceed 10% of the original commitment amount.

Pursuant to that policy, this item reports on the University's follow-on investment and add-on investment with the previously approved absolute return partnership listed below.

Ashmore Global Special Situations Fund 5, L.P., an absolute return fund, will invest opportunistically in special situations in emerging market countries. Special situations are mainly privately sourced and structured longer term debt and equity investments with event-driven value, generally linked to restructuring opportunities. Investments tend to be in capital intensive industries and where local entrepreneurial capital is exhausted. The portfolio will be diversified by country, region, industry, and deal type.

This is the University's third investment with Ashmore Investment Management Limited in this strategy. The University committed \$15 million to Ashmore Global Special Situations Fund 5, L.P. in October 2009 and an additional 10% in January 2010, which increased the overall commitment to \$16.5 million. The University previously committed \$120 million to two Ashmore funds.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

February 2010