THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ITEM FOR INFORMATION

EXH	MOTION
	SECOND
	ACTION APPROVED BY THE REGENTS
NOTE:	MAR 17 2005

Subject: Monthly Investment Report

Background and Summary:

Attached is the Monthly Investment Report for the Long Term Portfolio as of January 31, 2005.

- Page 1 summarizes the assets. Alternative assets values are shown as of September 30, 2004. Alternative assets are valued on a quarterly basis. December 31, 2004, data is not available due to the time involved with gathering the requisite information from the partnerships.
- Page 2 reports the performance of the marketable securities. Performance for alternative assets is reported only quarterly, as alternative assets are valued on a quarterly basis.

Respectfully submitted,

Erik Lundberg, CFA
Chief Investment Officer

Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

March 2005
attachment

LONG TERM PORTFOLIO
Asset Allocation
As of January 31, 2005

MARKETABLE SECURITIES	Market Value in millions	Allocation
U.S. Equities	$ 869.6	18.4%
Non-U.S. Equities	1,047.0	22.2
Fixed Income	728.9	15.4
Cash	12.5	0.3
Total Traditional Assets	$ 2,658.0	56.3%
Absolute Return	791.9	16.8
Distressed Debt	224.6	4.8
Total Liquid Alternative Assets	$ 1,016.5	21.5%
TOTAL MARKETABLE SECURITIES	$ 3,674.5	77.9%

ALTERNATIVE ASSETS (Illiquid) *	Market Value in millions	Allocation
Venture Capital	$ 225.7	4.8%
Private Equity	289.9	6.1
Real Estate	304.9	6.5
Energy	223.3	4.7
TOTAL ALTERNATIVE ASSETS (Illiquid)	$ 1,043.7	22.1%

TOTAL LONG TERM PORTFOLIO	$ 4,718.2	100.0%

* Alternative Assets valued as of 9/30/2004, the most recent date available.

LONG TERM PORTFOLIO
Performance
Marketable Securities Only *
As of January 31, 2005

MARKETABLE SECURITIES	Market Value in millions	Return in Percent 3 Months	Fiscal YTD	Calendar YTD
TOTAL MARKETABLE SECURITIES *	$ 3,674.5	6.21	9.95	-0.51
Custom Benchmark for Marketable Securities		5.29	7.89	-0.84
Blended Index - 80% S&P 500/20% Lehman Aggregate		4.14	4.68	-1.82
U.S. Equities	$ 869.6	7.41	8.14	-2.29
Russell 3000 Index		5.49	5.19	-2.66
Non-U.S. Equities	1,047.0	10.69	15.96	-1.25
Citigroup BMI World ex U.S.		10.01	14.36	-1.36
Fixed Income	728.9	1.74	8.09	1.73
Lehman Aggregate/Long Bond		1.96	8.31	1.59
Cash	12.5	0.53	1.02	0.19
Treasury Bills		0.52	1.02	0.17
Absolute Return	791.9	3.46	6.95	0.14
CA FOF Median benchmark		3.74	5.28	0.22
Distressed Debt	224.6	6.61	10.97	0.47
CA Distressed Median benchmark		6.33	9.62	0.19

* These returns do not include Alternative Assets, which are valued only quarterly. Alternative Asset returns and portfolio returns therefore will be reported quarterly when the data becomes available.