

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ITEM FOR INFORMATION

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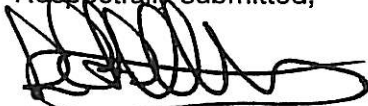
Subject: Monthly Investment Report

Background and Summary:

Attached is the Monthly Investment Report for the Long Term Portfolio as of March 31, 2007.

- Page 1 summarizes the assets for March.
- Page 2 reports the performance of Marketable Securities by asset class for March.
- Page 3 reports the performance for the entire portfolio by asset class for December 31, 2006. The investment performance of Alternative Assets is reported with this one quarter lag in order to gather the requisite information from the limited partnerships.
- Page 4 summarizes the assets for December 31, 2006.

Respectfully submitted,



Erik Lundberg, CFA
Chief Investment Officer



Timothy P. Slotow
Executive Vice President and
Chief Financial Officer

May 2007
attachment

LONG TERM PORTFOLIO
Asset Allocation
As of March 31, 2007

MARKETABLE SECURITIES	Market Value in millions	Allocation
Equities ^(a)	\$ 2,387.9	35.4%
Fixed Income	635.6	9.4
Cash	100.7	1.5
Total Traditional Assets	\$ 3,124.2	46.3%
Absolute Return	1,392.3	20.6
TOTAL MARKETABLE SECURITIES	\$ 4,516.5	66.9%

ALTERNATIVE ASSETS (Illiquid) ^(b)	Market Value in millions	Allocation
Venture Capital	\$ 355.2	5.3%
Private Equity	693.7	10.3
Real Estate	706.2	10.5
Energy	478.3	7.1
TOTAL ALTERNATIVE ASSETS (Illiquid)	\$ 2,233.4	33.1%
TOTAL LONG TERM PORTFOLIO	\$ 6,749.9	100.0%

Note: Subtotals may not add due to rounding.

(a) Includes U.S. and non-U.S. equities which have been combined as discussed in the 2006 Report of Investments.

(b) Allocations to Alternative Assets (Illiquid) reflect market values as of December 31, 2006, the most recent date available, adjusted for contributions and distributions through March.

**LONG TERM PORTFOLIO
Performance
Marketable Securities Only ^(a)
As of March 31, 2007**

MARKETABLE SECURITIES	Market Value in millions	Return in Percent	
		Fiscal YTD	Calendar YTD
TOTAL MARKETABLE SECURITIES ^(a)	\$ 4,516.5	13.21	2.97
Custom Benchmark for Marketable Securities		13.67	2.62
Blended Index - 80% Equities/20% Fixed Income		13.82	1.95
Equities ^(b)	\$ 2,387.9	15.18	2.94
Russell 3000/Citigroup BMI EX US/IFC-I		17.46	2.84
Fixed Income	635.6	7.56	1.62
Lehman Aggregate/Long Bond		7.85	1.25
Cash	100.7	4.01	1.30
Treasury Bills		3.88	1.25
Absolute Return	1,392.3	13.47	3.94
CA FOF Median benchmark		9.58	3.35

(a) These returns do not include Alternative Assets (Illiquid), which are valued only quarterly. Alternative Assets (Illiquid) returns and total portfolio returns therefore will be reported quarterly when the data becomes available.

(b) Includes U.S. and non-U.S. equities which have been combined as discussed in the 2006 Report of Investments.

Performance Summary
LONG TERM PORTFOLIO
As of December 31, 2006

LONG TERM PORTFOLIO	Market Value in millions	Return in Percent	
		Fiscal YTD	Calendar YTD
TOTAL LONG TERM PORTFOLIO	\$ 6,514.6	12.83	20.20
Custom Benchmark for Long Term Portfolio		11.32	16.70
80/20 Blended Index		11.64	13.91

MARKETABLE SECURITIES	Market Value in millions	Return in Percent	
		Fiscal YTD	Calendar YTD
TOTAL MARKETABLE SECURITIES	\$ 4,273.4	9.94	14.72
Custom Benchmark - Marketable Securities		10.77	14.59
Equities	\$ 2,293.8	11.89	19.26
Russell 3000/Citigroup BMI EX US/IFC-I		14.21	20.72
Fixed Income	575.6	5.85	3.11
Lehman Aggregate/Long Bond		6.52	3.54
Cash	44.4	2.67	5.06
Treasury Bills		2.60	4.85
Absolute Return	1,359.6	9.17	15.31
CA FOF Median benchmark		6.03	10.63

ALTERNATIVE ASSETS	Market Value in millions	Return in Percent	
		Fiscal YTD	Calendar YTD
TOTAL ALTERNATIVE ASSETS (Illiquid)	\$ 2,241.2	18.70	32.84
Custom Benchmark - Alternative Assets (Illiquid)		12.34	22.96
Venture Capital	\$ 340.3	13.92	18.37
CA Venture Capital Index		11.71	17.09
Private Equity	674.7	19.95	30.92
CA Private Equity Index		14.54	23.82
Real Estate	742.2	30.38	38.62
NCREIF Property Index		8.18	16.59
Energy	483.9	5.67	34.78
CA Energy Index		16.00	40.13

Performance for all assets is shown as of December 31, 2006, to be consistent with the most recent valuation date for alternative assets.

LONG TERM PORTFOLIO
Asset Allocation
As of December 31, 2006

MARKETABLE SECURITIES	Market Value in millions	Allocation
Equities	\$ 2,293.8	35.2%
Fixed Income	575.6	8.8
Cash	44.4	0.7
Total Traditional Assets	\$ 2,913.8	44.7%
Absolute Return	1,359.6	20.9
TOTAL MARKETABLE SECURITIES	\$ 4,273.4	65.6%

ALTERNATIVE ASSETS (Illiquid)	Market Value in millions	Allocation
Venture Capital	\$ 340.3	5.2%
Private Equity	674.7	10.4
Real Estate	742.2	11.4
Energy	483.9	7.4
TOTAL ALTERNATIVE ASSETS (Illiquid)	\$ 2,241.2	34.4%
TOTAL LONG TERM PORTFOLIO	\$ 6,514.6	100.0%