# THE UNIVERSITY OF MICHIGAN
## REGENTS COMMUNICATION

### ITEM FOR INFORMATION

Received by the Regents
June 21, 2007

Subject: Monthly Investment Report

Background and Summary:

Attached is the Monthly Investment Report for the Long Term Portfolio as of April 30, 2007.

- Page 1 summarizes the assets. Alternative assets values are shown as of December 31, 2006. Alternative assets are valued on a quarterly basis. December 31, 2006, 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,

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Chief Investment Officer

Timothy P. Slottow
Executive Vice President and
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June 2007
attachment

# LONG TERM PORTFOLIO
# Asset Allocation
# As of April 30, 2007

| MARKETABLE SECURITIES | Market Value in millions | Allocation |
|---|---|---|
| Equities [a] | $ 2,456.1 | 35.8% |
| Fixed Income | 639.9 | 9.3 |
| Cash | 61.5 | 0.9 |
| Total Traditional Assets | $ 3,157.6 | 46.1% |
| Absolute Return | 1,461.4 | 21.3 |
| **TOTAL MARKETABLE SECURITIES** | $ 4,619.0 | 67.4% |

| ALTERNATIVE ASSETS (Illiquid) [b] | Market Value in millions | Allocation |
|---|---|---|
| Venture Capital | $ 357.4 | 5.2% |
| Private Equity | 697.9 | 10.2 |
| Real Estate | 696.0 | 10.2 |
| Energy | 482.0 | 7.0 |
| **TOTAL ALTERNATIVE ASSETS (Illiquid)** | $ 2,233.3 | 32.6% |

| | | |
|---|---|---|
| **TOTAL LONG TERM PORTFOLIO** | $ 6,852.3 | 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 April.

# LONG TERM PORTFOLIO
## Performance
## Marketable Securities Only [a]
## As of April 30, 2007

| MARKETABLE SECURITIES | Market Value in millions | 3 Months | Return in Percent Fiscal YTD | Calendar YTD |
|---|---|---|---|---|
| **TOTAL MARKETABLE SECURITIES** [a] | $ 4,619.0 | 4.67 | 16.51 | 5.97 |
| Custom Benchmark for Marketable Securities | | 4.89 | 17.15 | 5.76 |
| Blended Index - 80% Equities/20% Fixed Income | | 4.77 | 18.07 | 5.76 |
| **Equities** [b] | $ 2,456.1 | 5.88 | 20.05 | 7.29 |
| Russell 3000/Citigroup BMI EX US/IFC-I | | 6.29 | 22.64 | 7.38 |
| **Fixed Income** | 639.9 | 2.34 | 8.29 | 2.31 |
| Lehman Aggregate/Long Bond | | 2.34 | 8.68 | 2.03 |
| **Cash** | 61.5 | 1.29 | 4.46 | 1.74 |
| Treasury Bills | | 1.28 | 4.34 | 1.69 |
| **Absolute Return** | 1,461.4 | 4.08 | 15.56 | 5.85 |
| CA FOF Median benchmark | | 3.64 | 11.48 | 5.14 |

(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.