

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

ITEM FOR INFORMATION

Received by the Regents
June 21, 2007

Subject: Alternative Asset Commitments

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.

Pursuant to that policy, this item reports on the University's follow-on investments with the previously approved venture capital partnership and three real estate partnerships listed below.

Udata Partners IV, L.P., a venture capital fund with offices in Reston, VA and Edison, NJ, invests in growth-stage information technology companies. Within the information technology sector, Udata focuses on both software and information technology services. The software-related investments include application and infrastructure software products such as those needed to address storage, security, network management, and financial processes for small and medium size businesses. Udata's technology services investments focus on the consulting, staffing, outsourcing, and systems integration areas. Udata's target companies generally have strong management teams, products, and current revenue, although they do not have to be profitable.

This is the University's second investment in an Udata venture capital fund. The University committed \$15 million to Udata Partners IV, L.P. in February 2007. The University committed \$10 million to Udata Partners III, L.P. in October 2004.

Greenfield Acquisition Partners V, L.P., a real estate fund with offices in Norwalk, CT and Chicago, IL, invests in a diversified portfolio of real estate assets and operating companies, including multi-family projects, office buildings, hotels, resort and recreational properties, retail properties, industrial buildings, and undeveloped land. The fund targets assets where the General Partner can add value through capital infusion, re-leasing, rehabilitation, expansion and other repositioning. Although it is expected that the portfolio will primarily be domestic, Greenfield also may opportunistically invest abroad.

This is the University's fourth investment with the Greenfield team in this strategy. The University committed \$40 million to Greenfield Acquisition Partners V, L.P. in March 2007. The University committed \$90 million to previous Greenfield Acquisition Partners funds.

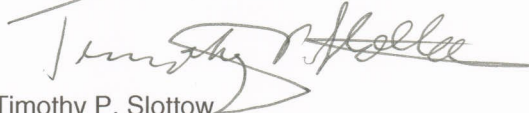
Greenfield Land Partners II, L.P., a real estate fund with offices in Norwalk, CT and Chicago, IL invests primarily in undeveloped land in the United States. Greenfield believes long-term land investments are inefficiently priced because of the much shorter term orientation of traditional real estate investors. Areas of investment focus will include partially developed land, development and redevelopment opportunities, and undervalued or distressed land. Greenfield will target land in locations with attractive investment fundamentals including strong population growth and the increasing scarcity of large parcels of developable land.

This is the University's second investment with the Greenfield team in this strategy. The University committed \$35 million to Greenfield Land Partners II, L.P. in April 2007. The University committed \$35 million to Greenfield Land Partners I, L.P. in December 2005.

Thackeray Partners Realty Fund II, L.P., a real estate fund based in Dallas, TX, invests in office, industrial, retail and multi-family properties located throughout the United States. Thackeray focuses on small to medium size deals where the team believes there is less competition and efficiency, creating the opportunity for attractive returns. The Fund will be diversified both geographically and by product type and will be weighted towards properties that have a current income component, thus reducing investor risk. The team will pursue deals ranging from lower-risk, core-plus opportunities to higher-risk, opportunistic transactions. The principals of Thackeray have established an extensive national network of contacts which they expect will give them a competitive advantage in locating off-market transactions.

This is the University's second investment with Thackeray Partners. The University committed \$20 million to Thackeray Partners Realty Fund II, L.P. in April 2007. The University committed \$20 million to Thackeray Partners Realty Fund I, L.P. in June 2005.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Timothy P. Slottow". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

June 2007