

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

Approved by the Regents
June 21, 2007

REQUEST FOR ACTION

Subject: Alternative Asset Commitment

Action Requested: Approval of Advent Latin American Private Equity Fund IV, L.P.

Background and Summary: We recommend a commitment of up to \$20 million from the Long Term Portfolio to Advent Latin American Private Equity Fund IV, a partnership sponsored by Advent International to make private equity investments in later stage growth companies in Latin America. The Regents of the University of Michigan is an investor in three Advent International global private equity funds that focus on buyout transactions in Western Europe and North America. The Latin American team benefits from its access to Advent International's resources and its ability to collaborate with Advent's global industry experts when evaluating opportunities.

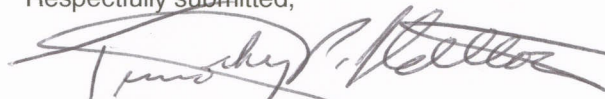
Advent, an active investor in Latin America since 1995, has a team of eighteen investment professionals in Mexico City, Mexico; Sao Paulo, Brazil; and Buenos Aires, Argentina. Investments in Fund IV will be primarily in these three emerging market countries where attractively priced investment opportunities exist and the private equity capital is limited. There will be no fixed allocation to any particular country. Capital will be deployed based on the attractiveness of each investment opportunity, and a portion of the fund may be invested outside Latin America in sectors where the investment professionals have demonstrated expertise.

Advent's investment strategy is to take controlling stakes in cash-generating businesses. The firm's focus is on companies requiring relatively low capital expenditures and possessing significant growth potential. Advent takes an active role on the board of directors, assisting its portfolio companies implement operational improvements such as assembling capable management teams, developing corporate business plans, and installing financial systems and controls.

The fund will focus on sectors where the team has experience. Prior investments were in airport-related services, such as duty-free retailing, catering, concessions and parking; financial services, including banking, consumer finance, foreign exchange and credit management; and business outsourcing, including data processing, call centers, and industrial cleaning. Advent Latin America continues to find these three sectors attractive and expects them to be a source of investment opportunities.

This commitment will further diversify the international portion of the University's private equity portfolio by initiating exposure to a fund focused on investments in middle market companies in Latin America.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

June 2007