

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION EXH
REQUEST FOR ACTION

MOTION	Maynard
SECONDED BY	White
ACTED	
NOTE	APPROVED BY THE REGENTS
	NOV 17 2005

Subject: Alternative Asset Commitment

Action Requested: Approval of ChrysCapital IV, LLC

Background and Summary: We recommend a commitment of \$15 million from the Long Term Portfolio to ChrysCapital IV, LLC, a \$400 million private equity fund that will provide expansion capital to companies operating in or having ties to the Indian subcontinent.

In a continuation of the investment strategy employed in its prior funds, ChrysCapital will invest in high growth businesses positioned to benefit from India's large domestic market for goods and services, high quality talent, and low labor costs. The majority of the portfolio is likely to be invested in six target sectors: business services, financial services, pharmaceuticals and healthcare, industrials, infrastructure and consumer discretionary.

ChrysCapital's investment team consists of twelve investment professionals based in New Delhi who have both global investment experience and local operating expertise. The team takes a top-down approach to investing based on its view of the macroeconomic outlook and industry sector prospects. Prior to any investment commitment, there is a rigorous evaluation of a company's strategy, operations and management.

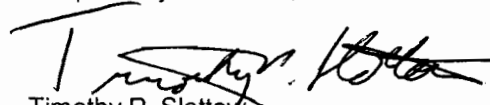
ChrysCapital takes an active role in its portfolio companies, with a focus on assisting companies in a few key areas, including corporate governance, financial management, and globalization of their businesses. The firm is extremely selective in seeking to back entrepreneurs who have high integrity, successful track records, and strong business skills.

In addition to investing in private companies, the fund will consider investments in public companies listed in India. Many of these companies are essentially illiquid and "quasi-private", allowing ChrysCapital to invest and assume the role of an influential shareholder.

The general partner intends to build a relatively concentrated portfolio of twelve to eighteen companies, with a focus on expansion stage investments of \$10 million to \$60 million staged over the life of the investment. The anticipated holding period of each investment company is three to seven years. Exits are expected to come from the sale of companies to strategic acquirers or via the sale of equity in the public market.

ChrysCapital IV, the first India-focused private equity fund to which the University would commit, offers the opportunity to diversify the private equity portfolio further and invest with an experienced local team in a large and growing inefficient, emerging market

Respectfully submitted,



Timothy P. Slotto
Executive Vice President and
Chief Financial Officer

November 2005