

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATIONS

REQUEST FOR ACTION

EXH	MOTION <i>Maimard</i>
	SECOND <i>Richner</i>
	ACTION
APPROVED BY THE REGENTS	
NOTE:	MAR 17 2005

Subject: Alternative Asset Commitment

Action Requested: Approval of Global Catalyst Partners III, L.P.

Background and Summary: We recommend a commitment of \$15.0 million from the Long Term Portfolio to Global Catalyst Partners III, L.P., a \$150 million venture capital fund based in Redwood City, CA, with additional offices in Tokyo, Beijing, and Singapore.

The fund will make seed and early-stage investments in information technology companies in the communications products and internet technology sectors. Global Catalyst takes an active role in the development of its investment companies, investing alongside other experienced venture capital firms to build well-managed businesses. Specific areas of focus are expected to include software, nanotechnology, communications systems and semiconductors.

A distinguishing characteristic of Global Catalyst investments is the focus on global growth opportunities. The investment team's international network and experience will help companies reach global markets for investment, operational, customer, and corporate relationships. In particular, the Beijing and Singapore offices will assist companies with Asian business development. The Tokyo office and the Japanese corporate limited partners in the fund will facilitate access to technology, production, and manufacturing development in Japan.

The investment team members have complementary skills within the information technology sector. Mr. Elahian, a serial entrepreneur who founded several technology companies, has a good understanding of how to fund and nurture very early stage companies. Mr. Parikh, previously a corporate manager at a number of large, global, technology-focused corporations, has experience evaluating investment opportunities based on a company's technical excellence and market demand. Mr. Osawa, previously a manager and director of business development for high-tech companies in Japan, has an extensive network within the Japanese technology community. In addition, each has deep technical knowledge and significant operating experience.

The fund will invest primarily in U.S. based entities, but may, on a very selective basis, invest in opportunities in China, Japan or India.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

March 2005