

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

REQUEST FOR ACTION

Approved by the Regents
April 19, 2007

Subject: Alternative Asset Commitment

Action Requested: Approval of Capital International Private Equity Fund V, L.P.

Background and Summary: We recommend a commitment of up to \$20 million from the Long Term Portfolio to Capital International Private Equity Fund V, a partnership sponsored by Capital International, Inc. to make private equity investments in global emerging markets. Capital International is part of The Capital Group Companies Inc. which manages a global public equity account in the Long Term Portfolio.

The fund is led by Koenraad Foulon, based in London, and Lam Nguyen-Phoung, located in Singapore. They, along with the eight other senior investment partners on their team, benefit from close collaboration with Capital International's global institutional research group which facilitates the fund's sourcing, evaluating, monitoring, and exiting private equity investments. Capital International is widely regarded as a pioneer in emerging markets, with over nineteen years of emerging markets investing experience. The private equity team has been actively investing in private companies in emerging markets since 1992.

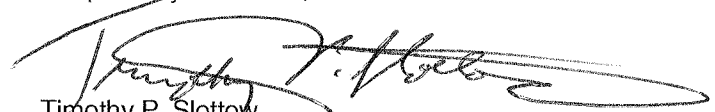
Using a disciplined, bottom-up approach, Capital International Private Equity seeks to identify and invest in market leading local companies and companies with substantial competitive export advantage. As active investors, the investment team helps portfolio companies with management additions, financial restructurings, add-on acquisitions or divestitures, and access to global industry knowledge.

Capital International Private Equity will acquire influential minority ownership or control buyout positions and will pursue growth capital, buyout and restructuring transactions, with a focus on companies with middle market enterprise values.

The fund has the ability to invest in a number of global emerging markets, including Asia, Latin America, Africa and the Middle East, and on a limited, opportunistic basis it will invest in non-US developed market companies. Investments will focus on a broad spectrum of industries in which the team has prior experience, including telecommunications, industrial, consumer, healthcare and financial sector companies.

This commitment will further diversify the international portion of the University's private equity portfolio by increasing its exposure to middle market companies in global emerging markets.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

April 2007