

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

REQUEST FOR ACTION

Approved by the Regents

April 17, 2008

**Subject:** Absolute Return Investment

**Action Requested:** Approval of ADM Maculus Fund V, L.P.

**Background and Summary:** We recommend the approval of ADM Maculus Fund V, L.P. with a commitment of up to \$50 million from the Long Term Portfolio. This is a limited partnership, organized by the Hong Kong based investment manager ADM, to invest in single company turn-arounds and restructurings, as well as non-performing loan portfolios and complex special situation credits in Asia and Europe.

This fund is the fourth\* in the Maculus series and is positioned to take advantage of the increasing volume of distressed and special situations resulting from the current turmoil in the credit markets. The fund will seek long-term capital appreciation by investing in situations where financial distress can be alleviated by strategic capital infusion or where circumstances of complexity, opportunity or both permit assets to be acquired for less than their intrinsic value.

A commitment to ADM Maculus Fund V, L.P. will geographically diversify the University's exposure to distressed investments and continue the University's policy of opportunistically allocating assets to distressed opportunities when economic conditions are favorable.

Respectfully submitted,



Timothy P. Slottow  
Executive Vice President and  
Chief Financial Officer

April 2008

\* The number four is commonly regarded as bad luck in modern Chinese culture, especially in Cantonese (southern China) dialects where its pronunciation is homonymic to the word "death" (死). As a consequence ADM Capital is 'skipping' the number IV in the ADM Maculus Fund series.