

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION EXH

ITEM FOR INFORMATION

| |
|--------------------------------|
| MOTION |
| SECOND |
| ACTION APPROVED BY THE REGENTS |
| MAY 19 2005 |
| NOTE: |
| |
| |

Subject: Monthly Investment Report

Background and Summary:

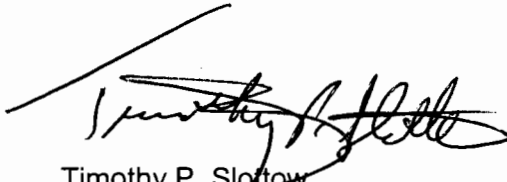
Attached is the Monthly Investment Report for the Long Term Portfolio as of March 31, 2004.

- Page 1 summarizes the assets for March.
- Page 2 reports the performance of Marketable Securities by asset class for March.
- Page 3 reports the performance for the entire portfolio by asset class for December 31, 2004. The investment performance of Alternative Assets is reported with this one quarter lag in order to gather the requisite information from the limited partnerships.
- Page 4 summarizes the assets for December 31, 2004.

Respectfully submitted,



Erik Lundberg, CFA
Chief Investment Officer



Timothy P. Slotow
Executive Vice President and
Chief Financial Officer

May 2005
attachment

LONG TERM PORTFOLIO
Asset Allocation
As of March 31, 2005

| MARKETABLE SECURITIES | Market Value in millions | Allocation |
|------------------------------------|-------------------------------------|-------------------|
| U.S. Equities | \$ 923.4 | 18.9% |
| Non-U.S. Equities | 1,055.7 | 21.6 |
| Fixed Income | 715.9 | 14.6 |
| Cash | 43.5 | 0.9 |
| Total Traditional Assets | \$ 2,738.6 | 55.9% |
| Absolute Return | 791.7 | 16.2 |
| Distressed Debt | 227.1 | 4.6 |
| Total Liquid Alternative Assets | \$ 1,018.8 | 20.8% |
| TOTAL MARKETABLE SECURITIES | \$ 3,757.5 | 76.7% |

| ALTERNATIVE ASSETS (Illiquid) * | Market Value in millions | Allocation |
|--|-------------------------------------|-------------------|
| Venture Capital | \$ 222.2 | 4.5% |
| Private Equity | 316.0 | 6.5 |
| Real Estate | 365.3 | 7.5 |
| Energy | 237.3 | 4.8 |
| TOTAL ALTERNATIVE ASSETS (Illiquid) | \$ 1,140.8 | 23.3% |
| TOTAL LONG TERM PORTFOLIO | \$ 4,898.3 | 100.0% |

* Allocations to Alternative Assets (Illiquid) reflect values as of December 31, 2004, the most recent date available, adjusted for contributions and distributions in the March 2005 quarter.

LONG TERM PORTFOLIO
Performance
Marketable Securities Only *
As of March 31, 2005

| MARKETABLE SECURITIES | Market Value in millions | Return in Percent | |
|--|-----------------------------|-------------------|--------------|
| | | Fiscal YTD | Calendar YTD |
| TOTAL MARKETABLE SECURITIES * | \$ 3,757.5 | 10.71 | 0.18 |
| Custom Benchmark for Marketable Securities | | 8.30 | -0.46 |
| Blended Index - 80% S&P 500/20% Lehman Aggregate | | 4.70 | -1.80 |
| U.S. Equities | \$ 923.4 | 9.07 | -1.45 |
| Russell 3000 Index | | 5.68 | -2.20 |
| Non-U.S. Equities | 1,055.7 | 18.46 | 0.88 |
| Citigroup BMI World ex U.S. | | 16.94 | 0.87 |
| Fixed Income | 715.9 | 6.17 | -0.08 |
| Lehman Aggregate/Long Bond | | 6.37 | -0.22 |
| Cash | 43.5 | 1.43 | 0.60 |
| Treasury Bills | | 1.43 | 0.57 |
| Absolute Return | 791.7 | 8.05 | 1.16 |
| CA FOF Median benchmark | | 6.09 | 0.99 |
| Distressed Debt | 227.1 | 12.65 | 1.99 |
| CA Distressed Median benchmark | | 11.63 | 2.03 |

* These returns do not include Alternative Assets, which are valued only quarterly. Alternative Asset portfolio returns therefore will be reported quarterly when the data becomes available.

Performance Summary
LONG TERM PORTFOLIO
As of December 31, 2004

| LONG TERM PORTFOLIO | Market Value | Return in Percent | |
|--|---------------------|--------------------------|---------------------|
| | in millions | Fiscal YTD | Calendar YTD |
| TOTAL LONG TERM PORTFOLIO | \$ 4,893.4 | 13.08 | 19.45 |
| Custom Benchmark for Long Term Portfolio | | 10.08 | 14.01 |
| 80/20 Blended Index | | 6.63 | 9.60 |

| MARKETABLE SECURITIES | Market Value | Return in Percent | |
|--|---------------------|--------------------------|---------------------|
| | in millions | Fiscal YTD | Calendar YTD |
| TOTAL MARKETABLE SECURITIES | \$ 3,705.4 | 10.52 | 14.11 |
| Custom Benchmark - Marketable Securities | | 8.80 | 11.81 |
| U.S. Equities | \$ 940.5 | 10.67 | 15.70 |
| Russell 3000 Index | | 8.06 | 11.95 |
| Non-U.S. Equities | 1,053.3 | 17.43 | 22.93 |
| S&P/Citigroup BMI World ex U.S. | | 15.94 | 22.23 |
| Fixed Income | 716.5 | 6.25 | 5.86 |
| Lehman Aggregate/Long Bond | | 6.61 | 6.45 |
| Cash | 18.3 | 0.82 | 1.34 |
| Treasury Bills | | 0.85 | 1.33 |
| Absolute Return | 752.2 | 6.81 | 11.26 |
| CA FOF Median benchmark | | 5.05 | 7.03 |
| Distressed Debt | 224.7 | 10.45 | 16.76 |
| Altman Index for Defaulted Bonds | | 9.41 | 14.56 |

| ALTERNATIVE ASSETS | Market Value | Return in Percent | |
|--|---------------------|--------------------------|---------------------|
| | in millions | Fiscal YTD | Calendar YTD |
| TOTAL ALTERNATIVE ASSETS (Illiquid) | \$ 1,188.0 | 22.06 | 40.15 |
| Custom Benchmark - Alternative Assets (Illiquid) | | 14.18 | 21.25 |
| Venture Capital | \$ 265.5 | 68.92 | 77.07 |
| CA Venture Capital Index | | 13.46 | 15.21 |
| Private Equity | 316.2 | 14.23 | 21.83 |
| CA Private Equity Index | | 15.56 | 22.83 |
| Real Estate | 362.5 | 11.09 | 22.97 |
| NCREIF Property Index | | 6.66 | 12.42 |
| Energy | 243.8 | 15.14 | 60.35 |
| CA Energy Index | | 25.60 | 42.42 |

Performance for all assets is shown as of December 31, 2004, to be consistent with the most recent valuation date for alternative assets.

LONG TERM PORTFOLIO
Asset Allocation
As of December 31, 2004

| MARKETABLE SECURITIES | Market Value in millions | Allocation |
|------------------------------------|-------------------------------------|-------------------|
| U.S. Equities | \$ 940.5 | 19.2% |
| Non-U.S. Equities | 1,053.3 | 21.5 |
| Fixed Income | 716.5 | 14.6 |
| Cash | 18.3 | 0.4 |
| Total Traditional Assets | \$ 2,728.5 | 55.8% |
| Absolute Return | 752.2 | 15.4 |
| Distressed Debt | 224.7 | 4.6 |
| Total Liquid Alternative Assets | \$ 976.9 | 20.0% |
| TOTAL MARKETABLE SECURITIES | \$ 3,705.4 | 75.7% |

| ALTERNATIVE ASSETS (Illiquid) | Market Value in millions | Allocation |
|--|-------------------------------------|-------------------|
| Venture Capital | \$ 265.5 | 5.4% |
| Private Equity | 316.2 | 6.5 |
| Real Estate | 362.5 | 7.4 |
| Energy | 243.8 | 5.0 |
| TOTAL ALTERNATIVE ASSETS (Illiquid) | \$ 1,188.1 | 24.3% |
| TOTAL LONG TERM PORTFOLIO | \$ 4,893.5 | 100.0% |