

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

REQUEST FOR ACTION

EXH	MOTION <i>Brandon</i>
	SECOND <i>White</i>
	ACT <del>APPROVED BY THE REGENTS</del>
NOTE:	OCT 21 2005

**Subject:** Alternative Asset Commitment

**Action Requested:** Approval of Newbridge Asia IV, L.P.

**Background and Summary:** We recommend a commitment of \$25 million from the Long Term Portfolio to Newbridge Asia IV, L.P., a \$1.5 billion private equity fund that will invest in companies organized or doing business in Northeast and Southeast Asia as well as in China and India.

Founded in 1994 and one of the first private equity funds dedicated to Asian investments, Newbridge Asia today has seven offices across the region and an investment team of twenty seven professionals. Affiliations with Texas Pacific Group and Blum Capital Partners, two current University of Michigan endowment fund managers, facilitate Newbridge's access to global investment opportunities and due diligence process.

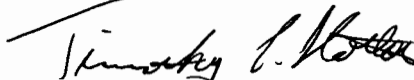
Newbridge Asia's investment approach falls into two main categories. In regions such as China and India, which are characterized by high growth and high risk, there will be greater emphasis on equity control investments and low levels of debt. In lower growth, lower risk areas such as Australia, Hong Kong, South Korea, Japan and Taiwan, the investments will more closely resemble traditional leveraged buyouts and include corporate divestitures, bankruptcy and restructurings, and privatizations.

A key element of Newbridge's investment strategy is to use its industry expertise to develop investment themes and proactively seek investment opportunities. Two of Newbridge's most developed themes to date involve financial services and telecom services. Depending on global industry conditions and the stage of development of specific markets in Asia, these sectors as well as consumer products and services, life sciences, natural resources, and outsourcing businesses will be likely investment areas for Newbridge Asia IV.

The partnership plans to invest between \$75 million and \$200 million per transaction. Newbridge tends to seek out complex transactions which require substantial capital. The investment team generally takes an active role in the strategic direction of companies, typically acquiring controlling ownership positions or negotiating for management rights and representation on the board of directors. The holding period for investments is expected to be three to five years.

Newbridge Asia offers the opportunity to invest with an experienced team in inefficient, attractively priced private equity markets which are experiencing macroeconomic growth and are increasingly open to foreign investment.

Respectfully submitted,



Timothy P. Slotow  
Executive Vice President and  
Chief Financial Officer

October 2005