

THE UNIVERSITY OF MICHIGAN  
REGENTS COMMUNICATION

Received by the Regents  
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ITEM FOR INFORMATION

**Subject:** Alternative Asset Commitments

**Background and Summary:** Under a May 1994 Request for Action, the University may commit to follow-on investments in a new fund sponsored by a previously approved partnership provided the fund has the same investment strategy and core investment personnel as the prior fund.

Pursuant to that policy, this item reports on the University's follow-on investments with the previously approved venture capital partnership, private equity partnership, and absolute return partnership listed below.

**Ceyuan Ventures II, L.P.**, a venture capital fund with offices in Beijing, China; Shanghai, China; and San Francisco, CA will make early stage investments in China and China-related information technology companies.

The fund will proactively target investments in emerging growth companies in China that offer products and services uniquely suited to China, have business models with strong cost advantages, and are founded by strong local teams. The investments will focus on Internet and wireless services, as well as supporting information technology sectors related to these industries, including software and services, semiconductors, and digital media.

This is the University's second investment with Ceyuan Ventures. The University committed \$20 million to Ceyuan Ventures II, L.P. in October 2007. The University previously committed \$15 million to Ceyuan Ventures I, L.P. in 2005.

**ChrysCapital V, LLC**, a private equity fund based in New Delhi, India and Mumbai, India will provide expansion capital to companies operating in or having ties to the Indian subcontinent.

In a continuation of the investment strategy employed in its prior fund, ChrysCapital will invest in high growth businesses positioned to benefit from India's large domestic market for goods and services. The majority of the portfolio is likely to be invested in six target sectors: business services, consumer goods and services, financial services, pharmaceuticals and healthcare, infrastructure, and manufacturing.

In addition to investing in private companies, the fund will consider investments in public companies listed in India on an opportunistic basis.

This is the University's second investment with ChrysCapital. The University committed \$22 million to ChrysCapital V, L.P. in July 2007. The University previously committed \$10 million to ChrysCapital IV, LLC in 2005.

**Ashmore Global Special Situations Fund 4, L.P.**, an absolute return fund, will invest opportunistically in special situations in emerging market countries. Special situations are mainly privately sourced and structured longer term debt and equity investments with event-driven value, generally linked to reorganization and restructuring opportunities. Investments tend to be in capital intensive industries and where local entrepreneurial capital is exhausted. Ashmore typically enters a transaction with several exit strategies already defined. As value creation becomes evident, exit opportunities take the form of a secondary sale, trade sale or initial public offering. The portfolio will be diversified by country, region, industry and deal type.

This is the University's second investment with Ashmore in this strategy. The University committed \$60 million to Ashmore Global Special Situations Fund 4, L.P. in September 2007. The University previously committed \$60 million to Ashmore Global Special Situations Fund 3, L.P. in 2006.

Respectfully submitted,



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