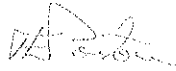


MICHIGAN STATE
UNIVERSITY

June 13, 2011

MEMORANDUM

To: Trustee Finance Committee
From: Fred L. Poston 
Subject: New Investment Manager - Freshford Capital Management, LLC

RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends that the Board of Trustees select Freshford Capital Management, LLC as an investment manager.

BACKGROUND

Freshford Capital Management, LLC (Freshford) is a U.S.-focused long/short equity manager with approximately \$629 million of assets under management. Michael Doheny founded Freshford in October 2008 after working for eight years at long/short equity hedge fund, Kensico.

Freshford Partners, LP (the Fund) seeks to generate superior risk-adjusted returns on a sustainable basis while preserving capital. The Fund invests long and short in the common stock of publicly traded companies that generally have a market capitalization below \$5 billion. Long opportunities are focused on the expected favorable outcomes of management changes, complicated accounting issues, complex situations and good business/great management. Short opportunities are focused on businesses with low barriers to entry, recent IPOs and merger announcements, short product cycles, and aggressive accounting practices.

Cambridge Associates advises, and the Investment Advisory Subcommittee and Administration concur, that Freshford Capital Management, LLC represents an opportunity to invest with a talented long/short manager. The Administration plans to initially invest up to \$7.5 million in Freshford Partners, LP which will be funded with available cash.

cc: D. Brower, N. Carter, M. Haas, G. Klein, K. Lindahl



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