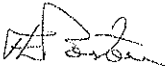


MICHIGAN STATE
UNIVERSITY

October 12, 2011

MEMORANDUM

To: Trustee Finance Committee
From: Fred L. Poston 
Subject: New Investment Manager - ProQuest Investments

RECOMMENDATION

BE IT RESOLVED that the Trustee Finance Committee recommends that the Board of Trustees select ProQuest Investments as an investment manager.

BACKGROUND

ProQuest Investments (ProQuest) is seeking \$350 million for its fifth fund, ProQuest Investments V, LP (Fund). The Fund will primarily invest in private and public healthcare companies making therapeutic drugs and, to a lesser extent, companies developing medical devices.

ProQuest follows a market-driven investment approach and will invest where it sees the best opportunity regardless of the stage of the company, the business model, or the deal structure. The Fund will invest in a range of therapeutic areas including oncology, chronic pain, anti-infective, metabolic disease, and specialty products. Most of its investments will be in U.S. based companies. While ProQuest invests in various stages of company development, it will target companies with later-stage, clinical-stage, or commercial-stage drugs rather than pre-clinical opportunities.

Cambridge Associates advises, and the Investment Advisory Subcommittee and Administration concur, that ProQuest Investments V, LP represents an opportunity to expand MSU's venture portfolio by investing with an experienced manager whose strategy is complementary to existing life sciences managers. The Administration plans to invest \$5 million in the Fund.

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



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