

MICHIGAN STATE
U N I V E R S I T Y

November 30, 2011

MEMORANDUM

To: Trustee Finance Committee
From: Fred L. Poston 
Subject: New Investment Manager - Thoma Bravo, LLC

RECOMMENDATION

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

BACKGROUND

Thoma Bravo, LLC (Bravo) is seeking \$950 million for its tenth fund, Thoma Bravo Fund X, L.P. (Fund). The Fund will make middle-market software and technology services oriented investments.



Bravo targets control investments in companies with strong business franchises and experienced management teams. The Fund will continue the strategy of industry consolidation investing, using acquisitions to accelerate earnings growth. The portfolio is expected to be comprised of 12 to 15 platform companies with 1 to 10 add-ons per deal. Add-ons are expected to grow platform companies' customer bases and add maintenance or software-as-a-service revenues.

Cambridge Associates advises, and the Investment Advisory Subcommittee and Administration concur, that Thoma Bravo, LLC represents an opportunity to diversify MSU's private equity portfolio by investing with an experienced firm whose strategy is complementary to existing managers. The Administration plans to invest up to \$10 million in the Fund.

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

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