

MICHIGAN STATE
UNIVERSITY

April 4, 2012

MEMORANDUM

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

RECOMMENDATION

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

BACKGROUND

Astenbeck Capital Management, LLC (Astenbeck) offers Astenbeck Offshore Commodities Fund II, Ltd. (the Fund) which invests opportunistically across the commodity sub-sectors, focusing on energy, seeking to capitalize on long-term supply and demand trends. The Fund primarily invests in commodities, but also commodity-related securities and currencies.

The Fund seeks to anticipate changes in market fundamentals and prices or identify situations where prices do not properly reflect fundamentals based on medium to long-term views of the market. The Fund generally takes long positions but may occasionally take short positions. The Fund invests primarily in futures and is highly liquid, enabling the portfolio manager to trade the portfolio quickly.

Cambridge Associates advises, and the Investment Advisory Subcommittee and Administration concur, that Astenbeck Capital Management, LLC represents an opportunity to diversify the Inflation Hedge asset class by investing with an experienced commodities manager. The Administration plans to invest \$10 million in the Fund.

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



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