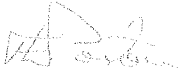


MICHIGAN STATE  
UNIVERSITY

December 5, 2012

**MEMORANDUM**

**To:** Trustee Finance Committee  
**From:** Fred L. Poston   
**Subject:** New Investment Manager - Canyon Capital Advisors LLC

**RECOMMENDATION**

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

**BACKGROUND**

Canyon Capital Advisors LLC (Canyon) is a global credit-oriented manager with approximately \$19.8 billion of assets under management. Canyon Value Realization Fund (Cayman) Ltd. (Fund) pursues a multi-strategy investment approach emphasizing bottom-up fundamental credit analysis.

The Fund invests across the full spectrum of asset classes: bank debt, high yield, distressed and special situation securities, securitized assets, convertibles, and equities, as well as related strategies in convertible arbitrage and risk arbitrage. Capital preservation and current income generation are key priorities. The portfolio is well diversified and position sizes rarely exceed 2-3%.

Cambridge Associates advises, and the Investment Advisory Subcommittee and Administration concur, that Canyon Capital Advisors LLC represents an opportunity to invest with a skilled credit-oriented manager. The Administration plans to invest \$15 million in the Fund.

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



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