


**MICHIGAN STATE**  
**UNIVERSITY**

December 5, 2012

**MEMORANDUM**

**To:** Trustee Finance Committee  
**From:** Fred L. Poston   
**Subject:** New Investment Manager - Senator Investment Group LP

**RECOMMENDATION**

BE IT RESOLVED that the Trustee Finance Committee recommends that the Board of Trustees select Senator Investment Group LP as an investment manager.

**BACKGROUND**

Senator Investment Group LP (Senator) is a global long/short manager with approximately \$3.7 billion of assets under management. Senator Global Opportunity Offshore Fund Ltd. (Fund) seeks to deliver absolute returns by employing an opportunistic strategy for investing in distressed debt, value equities, and event equities.

The Fund's long/short distressed debt strategy uses fundamental analysis to identify investments where the trading value of the debt does not reflect its intrinsic value. The long/short value equity strategy takes long positions in companies with strong long-term fundamentals. Short positions are taken in companies where the market has overestimated the quality of the franchise or management team or where identifiable catalysts exist. The long/short event strategy seeks situations where a company or industry is undergoing a large, fundamental change that may be misjudged by the market.

Cambridge Associates advises, and the Investment Advisory Subcommittee and Administration concur, that Senator Investment Group LP represents an opportunity to invest with a skilled multi-strategy manager. The Administration plans to invest \$10 million in the Fund.

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



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