MICHIGAN STATE
UNIVERSITY

December 4, 2013

MEMORANDUM

To: Trustee Finance Committee

From: Mark P. Haas *Mark P. Haas*
Vice President for Finance and Treasurer

Subject: New Investment Manager - Ardian

RECOMMENDATION

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

BACKGROUND

Ardian (formerly known as AXA Private Equity) is seeking $5.5 billion for its sixth fund, ASF VI (Fund). The Fund will make secondary investments in North American and European buyout assets.

The Fund will invest in 15 to 20 secondary transactions of existing limited partnerships and portfolios of direct company interests, focusing on large, complex deals. Limited partnerships will be more than 50% funded at time of acquisition. The Fund will seek to achieve diversification across a variety of funds, financial sponsors, vintage years, investment strategies, industry sectors, and geographies.

Cambridge Associates advises, and the Investment Advisory Subcommittee and Administration concur, that Ardian represents an opportunity to diversify MSU's private equity portfolio by investing with a firm whose strategy is complementary to existing managers. The Administration plans to invest $25 million in the Fund.

cc: N. Carter, G. Klein

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