MICHIGAN STATE
UNIVERSITY

June 11, 2014

MEMORANDUM

To: Trustee Finance Committee

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

Subject: New Investment Manager - Venrock Capital Partners

RECOMMENDATION

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

BACKGROUND

Venrock Capital Partners (Venrock) is seeking $450 million for its seventh fund, Venrock Associates VII, L.P. (Fund). The Fund will invest across the IT, healthcare IT, and life sciences sectors, primarily in the U.S.

The Fund will target 30-40 investments allocating 75% of capital to IT, including healthcare IT and the remainder to life sciences. The IT portfolio is expected to be split between consumer-focused companies and enterprise-focused companies. Within life sciences, Venrock expects to find opportunities in late stage biotechnology and device companies.

Cambridge Associates advises, and the Investment Advisory Subcommittee and Administration concur, that Venrock Capital Partners represents an opportunity to diversify MSU's venture capital portfolio by investing with a firm whose strategy is complementary to existing managers. The Administration plans to invest $15 million in the Fund.

cc: L. Simon, J. Youatt, S. Udpa, B. Beekman, B. Noto, G. Klein, N. Carter

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