



International Private Equity Fund Commitment

The HSBC Private Equity Fund 6, L.P.

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The HSBC Private Equity Fund 6 – International Private Equity

Overview

- Fund size is \$1.25 billion, with a hard cap of \$1.5 billion
- Middle market expansion capital and buyout investments
- Focus on investments of between \$40 and \$150 million
- Will invest in Greater China, South Korea, India, and Southeast Asia

Fund Strategy

- Geographic specific strategies with teams dedicated to China, South Korea, and Southeast Asia
- The strong brand name and regional network of 700 offices across the region will represent a significant competitive advantage for HSBC
- Pennsylvania Presence – Not applicable

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Investment Team

- 19 investment and portfolio executives complemented by 9 professionals in its finance and investor relations team
- Offices in Hong Kong & Singapore

GP “Value Add”

- HSBC provides its companies with assistance in improving financial systems, corporate governance, building out the depth of management teams, and advice on brand positioning and expansion strategies

Performance

- The 29 investments completed by HSBC Private Equity since January 1, 1998 (post Asian crisis) have generated a gross IRR of 27% and a gross multiple of 1.9x.

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Market Opportunity

- Staff highly values the depth of the team, the good performance since 1998 and the HSBC brand name
- HSBC would offer PSERS additional exposure to the mid-market in Asia

History with PSERS

- This would be PSERS first fund relationship with HSBC

Recommendation

- Staff, together with Portfolio Advisor's, recommends a \$200 million commitment to the approximately \$1.5 billion fund