



Secondary Fund Commitment

Partners Group Secondary 2008, L.P.

March 6, 2008

Charles J. Spiller, Director of
Private Markets and Real Estate

Partners Group Secondary 2008, L.P. – Secondary Fund

Overview

- Fund size is 2 billion Euros with no hard cap yet established
- Secondary investments in Europe, US and Asia
- Partners Group has experience in secondary investing, fund of funds and direct investments

Fund Strategy

- To invest in high quality funds and managers based on an accurate assessment of intrinsic value
- To obtain favorable deal flow and purchase prices through an edge in sourcing, structuring and closing transactions
- Pennsylvania Presence – N/A

Partners Group Secondary 2008, L.P. – Secondary Fund

Investment Team

- Over 100 private equity professionals with 10 investment professionals dedicated to secondary funds
- Has offices in London, Switzerland, Guernsey, New York, San Francisco, Singapore and Tokyo

GP “Value Add”

- Their strategy is to acquire secondary investments at an attractive discount to their intrinsic value

Performance

- A 39% gross IRR and return multiple of 1.39x as of 9/30/2007

Partners Group Secondary 2008, L.P. – Secondary Fund

Market Opportunity

- Staff values the local experience of the team with 7 offices worldwide and the very good performance across three funds
- Partners Group Secondary 2008 would offer PSERS additional exposure to European Funds

History with PSERS

- This would be PSERS first fund relationship with the Partners Group

Recommendation

- Staff, together with Portfolio Advisor's, recommends that the Board invest an amount equal to 25 percent of the committed capital, up to €150 plus reasonable normal investment expenses.