

International Private Equity Fund Commitment

The Baring Asia Private Equity Fund V, L.P.

January 20, 2011

See Last Page for Disclaimer

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

The Baring Asia PE Fund V, L.P. – International Private Equity Fund

Overview

- Fund size is anticipated to be \$2.38 billion (hard cap)
- Will invest in Asian growth equity and control buyouts
- Invest between \$50 million & \$150 million of equity capital in companies with enterprise values between \$100 million and \$500 million

Fund Strategy

- The fund will make investments in the middle market in Asia with a particular focus on Greater China and India
- Strategy will focus on companies that exhibit defensive characteristics such as a recurring revenues

Investment Team

- The fund will be managed by CEO and Founding Partner Jean Eric Salata who is originally from Pennsylvania
- The team consists of 60 employees, comprising 41 investment professionals with six offices located in Hong Kong, Beijing, Shanghai, Mumbai, Singapore, and Tokyo

The Baring Asia PE Fund V, L.P. – International Private Equity Fund

GP “Value Add”

- Deal origination advantage from 13 years investing in Asia
- Cross-border deal capability to capitalize on increasing intra-Asian trade
- Focus on capital preservation which has resulted in at least 1x return on every investment since the year 2000

Performance

- Baring Fund IV has a gross 1.5x MOC and a 21.5% IRR (9/30/2010)
- Baring Fund III has a gross 3.2x MOC and a 94.0% IRR (9/30/2010)

Market Opportunity

- The management team’s ability to generate attractive risk-adjusted returns
- Investment in countries with favorable macroeconomic conditions

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History with PSERS

- This will be PSERS third fund investment with Baring. PSERS is an LP in Baring Asia Private Equity Fund III and IV.

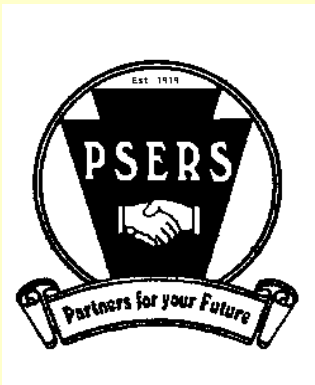
Board Issues

- Pennsylvania Presence – Baring Asia does not currently have a PA presence
- Placement agents – UBS for fund raising; Baring has no other relationship with them
- PA political contributions – None
- Relationship with consultant - Yes

Recommendation

- Staff, together with Portfolio Advisors, recommends that the Board invest an amount equal to 25 percent of the committed capital, but not to exceed \$200 million plus reasonable normal investment expenses.

Notice: This document was presented to the Public School Employees' Retirement Board at the public meeting at which the Board acted on the resolution to which the information relates. The sole purpose for posting the presentation information on this website is to enable the public to have access to documents that were utilized at a public meeting of the Public School Employees' Retirement Board, and no other purpose or use is intended.



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**Proposed
PSERB Resolution 2011-_____**
Re: The Baring Asia Private Equity Fund V, L.P.
January 20, 2011

RESOLVED, that the Finance Committee of the Public School Employees' Retirement Board (the "Board") hereby recommends that the Board invest an amount equal to 25 percent of the committed capital, but not to exceed \$200 million plus reasonable normal investment expenses, in The Baring Asia Private Equity Fund V, L.P. in accordance with the recommendation of Charles J. Spiller, Managing Director, Private Markets and Real Estate, dated January 20, 2011. The final terms and conditions of the investment must be satisfactory to the Investment Office, the Office of Chief Counsel, and the Office of Executive Director, as evidenced either by the appropriate signatures on the implementing investment contract or by a memo to that effect appended to the implementing investment contract.