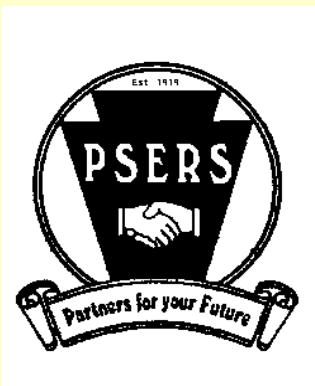


Secondary Fund Commitment



CS Strategic Partners V, L.P.

January 20, 2011

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

CS Strategic Partners V, L.P. - Secondary Fund

Overview

- Fund size is \$3.1 billion
- Purchase of secondary interests in mature, high-quality private equity funds primarily from investors seeking liquidity
- Since its inception in 2000, Strategic Partners has invested \$6.7 billion in 534 secondary transactions

Fund Strategy

- Targets secondary investment opportunities located in the U.S. and Western Europe
- Focus on investments in which a prospective seller's original commitment ranges in size from \$100,000 to \$100 million
- Will primarily pursue leveraged buyout funds, with mezzanine, real estate, venture capital, distressed securities and fund of funds also considered

CS Strategic Partners V, L.P. – Secondary Fund

Investment Team

- Dedicated Strategic Partners team comprising 24 investment professionals located in New York, London and San Francisco
- Led by Stephen Can, who has more than 17 years of private equity and secondary investing experience

GP “Value Add”

- Access to a deep global base of analysts with a unique competitive advantage in evaluating and pricing secondary purchases
- Strong relationships with fund sponsors and investors

Performance

- SP IV (2008) has a gross 1.22x multiple and a 16.4% gross IRR
- SP III (2005) has a gross 1.08x multiple and a 4.1% gross IRR
- SP II (2003) has a gross 1.79x multiple and a 36.8% gross IRR

CS Strategic Partners V, L.P. – Secondary Fund

Market Opportunity

- Ability to substantially reduce blind pool risk relative to primary private equity investments
- Investment in mature secondary funds has allowed the SP funds to make distributions in nearly every quarter since inception

History with PSERS

- This would be PSERS fifth investment in a CS main secondary fund. PSERS has also invested in CS real estate and venture capital secondary funds.

CS Strategic Partners V, L.P. – Secondary Fund

Board Issues

- Pennsylvania Presence – N/A
- Placement Agents – Credit Suisse Securities (USA), LLC
- 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 \$150 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.

**Proposed
PSERB Resolution 2011-_____**
Re: CS Strategic Partners 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 \$150 million plus reasonable normal investment expenses, in CS Strategic Partners 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 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.