



International Private Equity Fund Commitment

# CVC European Equity Partners V, L.P.

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# CVC European Equity Partners V – International Private Equity

## Overview

- Fund size is 11 billion Euros, hard cap is 12.1 billion Euros
- Upper middle market and large market European based companies
- Focus on investments with an enterprise value of 250 million Euros to 10 billion Euros
- Historically the United Kingdom, Netherlands, and Germany have been the largest geographies of investments

## Fund Strategy

- Invest in companies that provide organic growth or growth through acquisitions
- Companies tend to have above average return on invested capital and stable cash flows
- Pennsylvania Presence – Samsonite has retail stores in PA; Univar has five distribution networks in PA; and Flint has a sales operations center in Toughkenamon, PA

# **CVC European Equity Partners V – International Private Equity**

## Investment Team

- CVC's European operations have an experienced team of 67 investment professionals
- CVC has 12 offices in Europe capable of producing proprietary investment opportunities

# CVC European Equity Partners V – International Private Equity

12 Offices - 60 Investment Professionals



# CVC European Equity Partners V – International Private Equity

## GP “Value Add”

- CVC creates value with its portfolio companies by: creating a business plan designed to optimize value; installing top quality management; and insuring that proper financial and legal structures are in place.

## Performance

- The gross IRR's of past funds are: 28.3% - Fund I, 23.3% - Fund 2, 54.9% - Fund 3, Fund 4 is a vintage year 2005 fund and the IRR is not yet meaningful

# **CVC European Equity Partners V – International Private Equity**

## Market Opportunity

- Staff highly values the depth of the team; their ability to create value; and the very good performance of their prior funds
- CVC European Equity Partners V would provide PSERS more exposure to the upper mid market and large market in Europe

## History with PSERS

- Committed \$300 million to CVC Asia at the August 3, 2007 Finance Committee Meeting

## Recommendation

- Staff, together with Portfolio Advisor's, recommends a 300 million Euro commitment to the approximately 11 billion Euro fund