

International Private Equity Fund Commitment

Nordic Capital Fund VII, L.P.

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Nordic Capital Fund VII, L.P. – International Private Equity

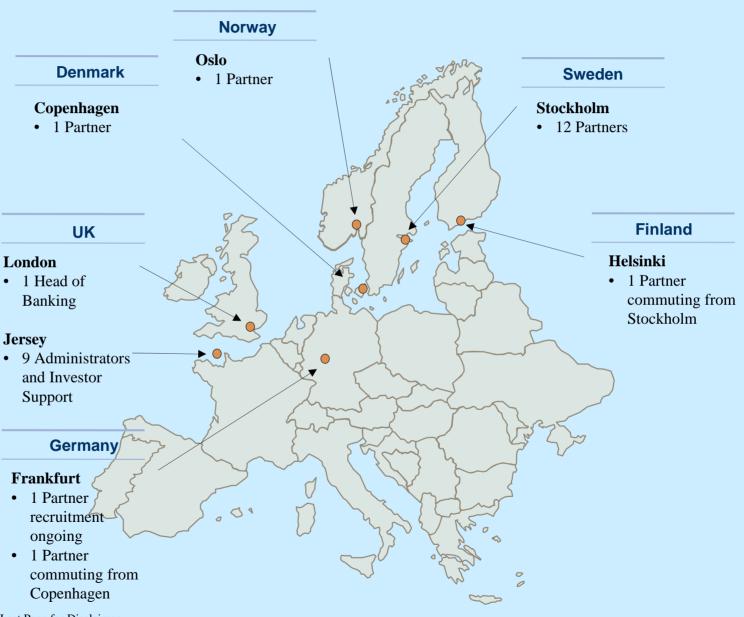
Overview

- Fund size is €3.7 billion Euros, hard cap is €4.3 billion Euros
- Primarily Scandinavian based upper middle market and large market companies
- Investment horizon is 3 to 5 years
- Expects to make 15 to 20 investments

Fund Strategy

- Invest in companies that have the potential for significant long-term value and growth through operational improvements
- Establish value creation themes which have been proven to be scaleable outside the Nordic region, primarily Northern Europe
- Pennsylvania Presence None

Nordic Capital Fund VII, L.P. - Office Locations



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Investment Team

- Nordic Capital has 16 partners and 18 investment professionals
- Expects to hire 7 to 9 new investment professionals in 2008
- Since inception, Nordic Capital has never had a partner leave the firm

GP "Value Add"

 Nordic Capital creates value through the implementation of operational and financial improvements. To drive value, they will apply strategies such as buy and build, new industrial combinations, and strategic repositioning

Performance

The gross IRR's of past funds are: 75.6% - Fund 1; 105.3% - Fund II;
38.6% - Fund III; 29.3% - Fund IV; 34.5% - Fund V; 20.4% - Fund VI

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Market Opportunity

- Staff highly values the depth of the team; their ability to create value; and the very good performance of their prior funds
- Nordic Capital Fund VII would provide PSERS exposure to the upper mid market and large market in Northern Europe

History with PSERS

This would be PSERS first relationship with Nordic Capital

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

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