California Public Employees' Retirement System (CalPERS) Private Equity Program (PE Program)

Quarterly Report Executive Summary

(As of March 31, 2013)

Presentation Date: May 13, 2013

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1.0 Introduction

Private equity is a long-term asset class with performance results influenced by various factors. This report concentrates on several key exposures that contribute to performance results, including sector, geography, structure and vintage year. In addition, the broad industry trends highlighted herein may affect future performance results.

1.2 Highlights of Program Activity

- The PE Program outperformed the Policy Benchmark over the latest three-year period, but trailed over the latest one, five, and ten-year periods. Despite trailing the Policy Benchmark by 100 basis points over the latest ten-year period, **the PE Program's 11.9% average annual return is in line with CalPERS' expected return for the asset class and above the actuarial rate of return**.
- **The PE Program has been net cash flows were positive (i.e., distributions received exceeded capital contributions made) over the past three years.** Over the latest three year period ending March 31, 2013, the PE Program has received $20.6 billion in distributions while contributing $13.0 billion, resulting in a positive net cash flow of $7.6 billion.
- The **Buyout sector continues to be the largest proportion of the PE Program** at 59%, and was the largest contributor to performance over the latest three-year due to valuation increases across the sector. The PE Program's buyout exposures posted a three-year return of 14.2% as of March 31, 2013. **Sector allocations are within target ranges.**
- The **United States, representing the largest exposure of the portfolio at 76%, had the most significant impact on performance** results over the latest three-year period. As of March 31, 2013, the PE Program's domestic exposure generated a 15.7% three-year return compared to a 9.8% return for the PE Program's international-developed world exposure.
- **Partnerships, representing the largest type of investment vehicle in the portfolio, had the most significant impact on performance** results over the past three years posting a 15.4% average annual return as of March 31, 2013.
- An analysis of the existing unfunded commitments shows that the PE Program's general partners have **substantial "dry powder"** ($9.4 billion), almost half of which is from the 2007/2008 vintage years and a material proportion is expected to be deployed within the next couple of years.
- Although the PE Program is entering its twenty-third year, the preponderance of value and performance results are from **commitments made in the last ten years**. More specifically, commitments made in the 2006-2008 vintage years currently represent approximately 74% of aggregate value.
- **The PE Program's five largest general partner relationships represent approximately 36% of total exposure**, which is defined as market value plus unfunded commitments. Amongst these five firms, capital is allocated across 80 investments (partnerships and direct investments), targeting multiple sectors and geographies.

1.3 Industry Trends

- **Fundraising activity in 2013 is off to a slow start in the first quarter.** Approximately $33 billion of commitments were raised domestically in the first quarter of 2013, with buyouts continuing to represent the largest proportion of capital raised. Annualized, this pace would lag the 2012 commitment amount of $160 billion. The market continues to be bifurcated, resulting in the most attractive funds being quickly over-subscribed, with the remainder continuing to struggle in an otherwise challenging environment.

- **Announced U.S. buyout deal volume exhibited quarter-over-quarter increases in 2012 and continued into the first quarter of 2013**. Led by the deals of Dell and Heinz & Co, the first quarter of 2013 announced $77.5 billion in U.S. deal volume. Activity still remains well below the 2007 peak of $595 billion but, announced deals in Q1 2013 represented the largest quarter since the fourth quarter of 2007.

- **Risk levels appeared to ease slightly in the leveraged buyout market during the first quarter of 2013** as purchase price multiples and debt multiples decreased from levels in 2012. Average purchase price multiples in the first quarter of 2013, at 8.4x, matched the ten-year average.

- **Venture capital investment activity decreased in the first quarter of 2013,** continuing a downward trend as investment in the calendar year 2012 levels were below that of 2011. Approximately $5.9 billion was invested across 863 companies in Q1 2013, compared to $6.7 billion invested across 1,013 companies in Q4 2012.

- **Exit activity for venture capital investments decreased in the first quarter of 2013.** The number of merger and acquisition (M&A) transactions decreased in the first quarter, continuing a downward trend from a near-term peak in the second quarter of 2012. Excluding the second 2012 quarter spike due to Facebook, the initial public offering (IPO) market also exhibited slight quarter-over-quarter declines since the fourth quarter of 2011.

- **The outlook for distressed debt investment strategies is mixed.** Debt pricing remains near par (according to the Leveraged Loan Index produced by the Loan Syndications and Trading Association), minimizing the near-term opportunity set for trading strategies. The magnitude of debt that was “amended and extended” during the crisis, pushed out the maturity dates and subsequently reduced the perceived near-term opportunity set for debt-for-control strategies.

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2.0 PE Program Performance Overview

2.1 Overall Private Equity Program Performance

The PE Program outperformed the Policy Benchmark over the latest three-year period while underperforming over the latest one, five and ten-year periods. Despite posting a strong 13.8% return, above long-term expectations for the asset class, the PE Program underperformed the Policy Benchmark by 6.5% over the latest year. The PE Program Policy Benchmark, which is a blend of U.S. and global public equity markets, posted a one-year return well above long-term return expectations with a 20.3% return. The strong absolute three-year returns for the PE Program and the Policy Benchmark exhibit the recovery from the economic crisis in late 2008/early 2009, while the PE Program outperformed by 150 basis points. The low absolute five-year return for the PE Program was impacted by the economic crisis, while the significant underperformance relative to the benchmark was due, in large part, to the composition of the Policy Benchmark. The Custom Young Fund Index, a benchmark utilized until July 2009, did not reflect the public market declines entering the crisis. Subsequent to the crisis, the benchmark changed to a public equity oriented benchmark as public market valuations exhibited a greater rebound despite the PE Program's holdings being marked to market. The **PE Program has posted a return in line with the expected return for the asset class and above the actuarial rate of return over the latest ten-year period**, despite trailing the Policy Benchmark by 100 basis points.

Performance vs. Policy Benchmarks

	1 Year	3 Year	5 Year	10 Year
PE Program Composite[1]	**13.8%**	**14.3%**	**5.5%**	**11.9%**
PE Program Policy Benchmark[2]	*20.3%*	*12.8%*	*11.2%*	*12.9%*
Excess Return *v. Policy Benchmark*	(6.5%)	1.5%	(5.7%)	(1.0%)

Source: Wilshire Associates

[1] The net asset value of CalPERS' PE Program portfolio is lagged one quarter with adjustments for current cash flows through the reporting period

[2] Currently equals (67% FTSE US TMI + 33% FTSE AW x-US TMI) + 3% 1-quarter lagged from and since September 2011; the Wilshire 2500 ex-tob + 3% since July 2009; previous periods for the PE Program Policy Index are linked historically to the Custom Young Fund Index, the PE Program's prior benchmark. The Custom Young Fund Index was composed of private equity holdings where write downs lagged the public markets declines in the reporting period.

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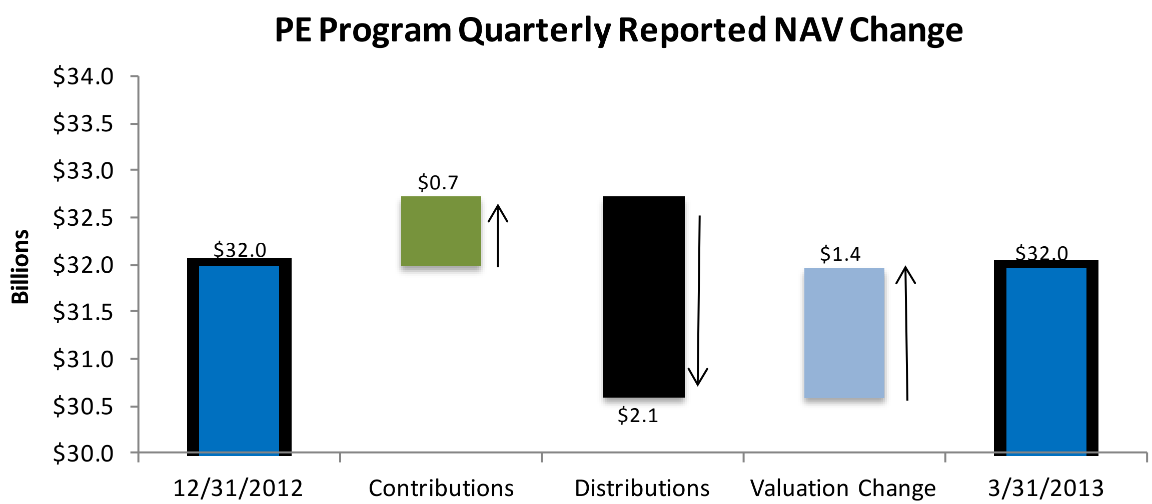
2.2 Net Asset Value Change

At the end of the first quarter of 2013, the PE Program value remained steady from the prior quarter at $32.0 billion. Approximately $0.7 billion of capital was contributed to underlying partnerships during the quarter while **$2.1 billion was distributed (representing almost 7% of year-end market value).** The PE Program holdings appreciated by approximately $1.4 billion resulting in an aggregate valuation of $32.0 billion as of March 31, 2013.



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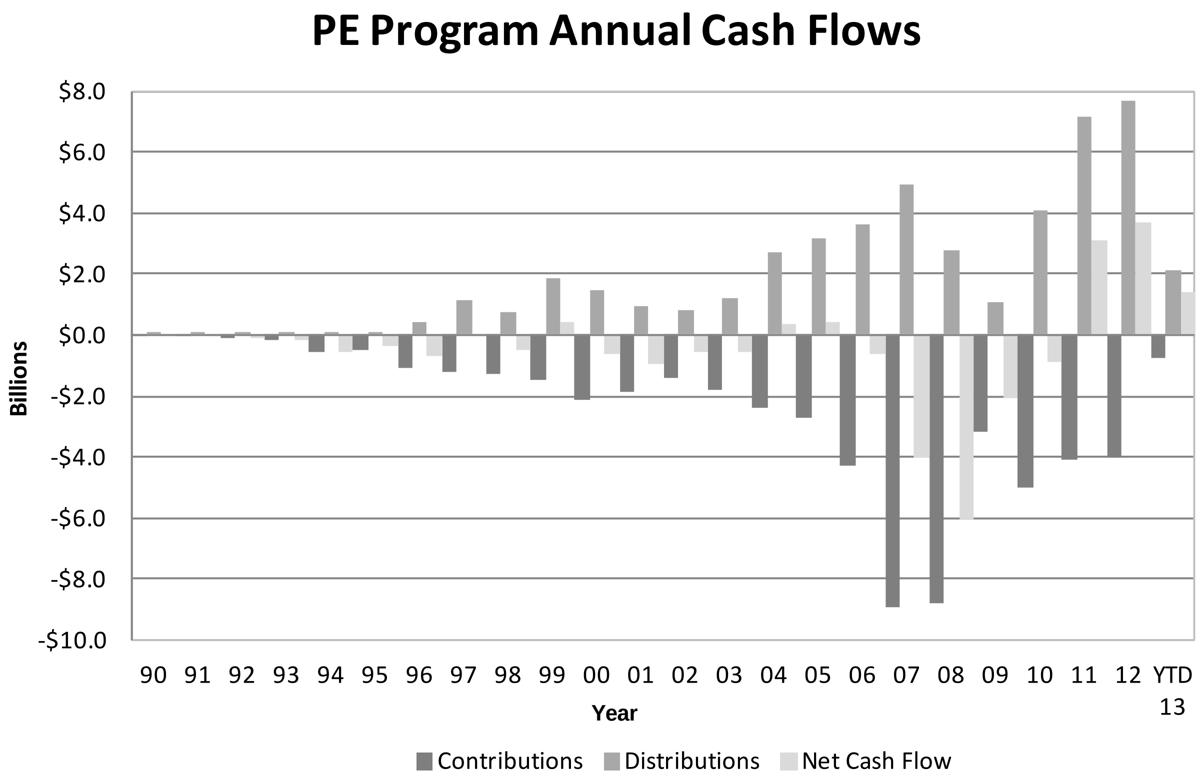
2.3 Portfolio Cash Flows

The PE Program's net cash flow was positive (i.e., distributions exceeded capital contributions) during the quarter and the latest year. Over the last four quarters, the PE Program has received $9.1 billion in distributions while contributing $3.5 billion, resulting in a positive net cash flow of $5.5 billion. Distribution activity has been high, except for the first quarter of 2012, due to more friendly credit markets, the re-emergence of the dividend recap, and greater use of the IPO market. Sales on the secondary market generated distribution activity during the 2012 calendar year, contributing to the positive net cash flows.



Source: Private Edge, PCA

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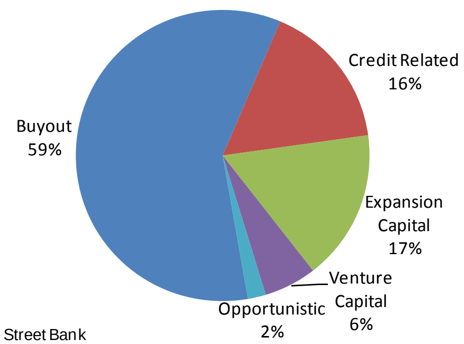
2.4 Portfolio Sector Composition and Performance

Sector distribution reflects the markets that the PE Program has determined will enable it to produce the expected return imbedded in the Investment Committee's asset allocation. The following charts portray distribution by net asset value (NAV). The **Buyout sector continues to be the largest proportion** of the PE Program at 59%. This report reflects reclassified sectors to better depict exposure to the target sectors adopted as policy in November 2011. **Sector allocations are within target ranges.**

PE Program NAV by Sector: $32.0 B



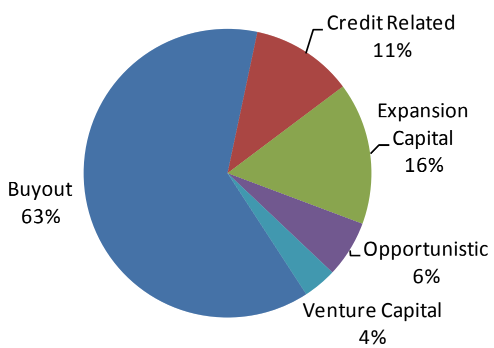
Source: State Street Bank

Target Sector Allocations

Sector	Target	Range	Actual
Buyouts	60%	50%-70%	59%
Credit Related	15%	10%-25%	17%
Venture Capital	1%	0%-7%	6%
Growth/Expansion	15%	5%-20%	17%
Opportunistic	10%	0%-15%	2%

Sector-wise, Buyouts represent the greatest proportion of the PE Program's unfunded commitments and will therefore continue to be the largest exposure within the Program going forward.

PE Program Unfunded Commitments by Sector: $9.4 B



Source: State Street Bank, Private Edge, PCA

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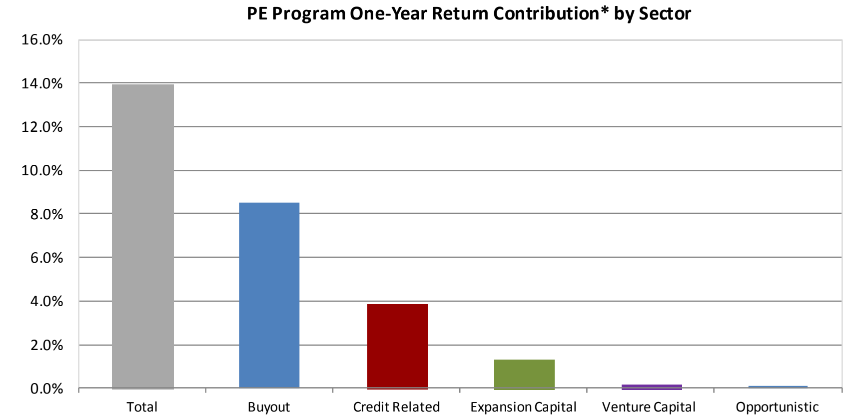
All major sectors of the PE Program contributed positive results over the last year. **Buyouts were the largest contributor to performance** as the sector continued to experience valuation increases. Credit Related, representing 17% of the Program, was the second largest contributor to results for the year.



* Sector return weighted by proportion of NAV.
Source: State Street Bank, PCA

Over the most recent three-year period, the PE Program posted a 14.3% average annual return. The three-year results reflect the recovery from the depths of the economic crisis in late 2008/early 2009 as assets appreciated from valuation lows. The Buyout sector (with a 14.2% return) was a large factor in generating returns over the last three years due to its significant allocation in the PE Program. The Credit Related sector was also a large contributor, posting a return of 19.0% over the same time period. The Buyout sector has generated attractive results over the longer ten-year period, posting an average annual return of 17.2%.

Performance Summary: by sector

	1 Year	3 Year	5 Year	10 Year
PE Program	**13.8%**	**14.3%**	**5.5%**	**11.9%**
Buyout	*14.5%*	*14.2%*	*5.8%*	17.2%
Credit Related	*23.6%*	*19.0%*	*12.0%*	*15.3%*
Expansion Capital	*8.0%*	*11.2%*	*(0.1%)*	*6.2%*
Venture Capital	*3.1%*	*7.3%*	*1.0%*	*3.3%*
Opportunistic	*4.9%*	*28.6%*	*0.8%*	*5.4%*

Source: State Street Bank

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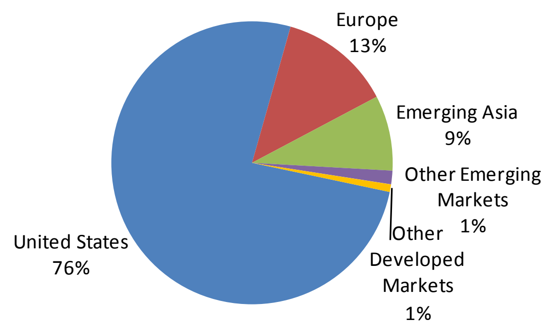
2.5 Portfolio Geographic Composition and Performance

The PE Program, like CalPERS' other asset classes, invests globally. Approximately **76% of the PE Program's NAV is inside of the United States** (based on the location of the investment firm) with 14% invested in developed markets (primarily Europe at 13%) and 10% in emerging markets (primarily Asia at 9%).

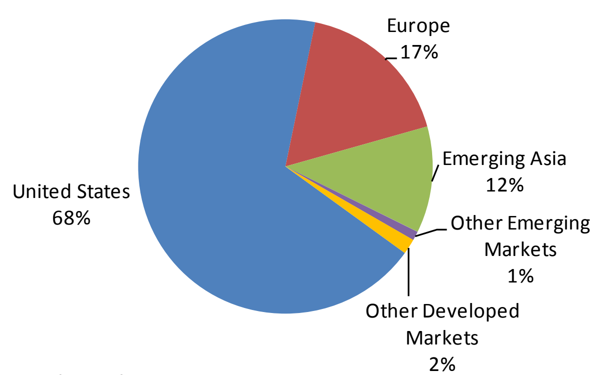
PE Program NAV by Geography: $32.0 B



Source: State Street Bank, PCA

The United States is expected to receive 68% of remaining unfunded commitments, followed by Europe at 17% and emerging Asia at 12%.

PE Program Unfunded Commitments by Geography: $9.4 B



Source: State Street Private Edge

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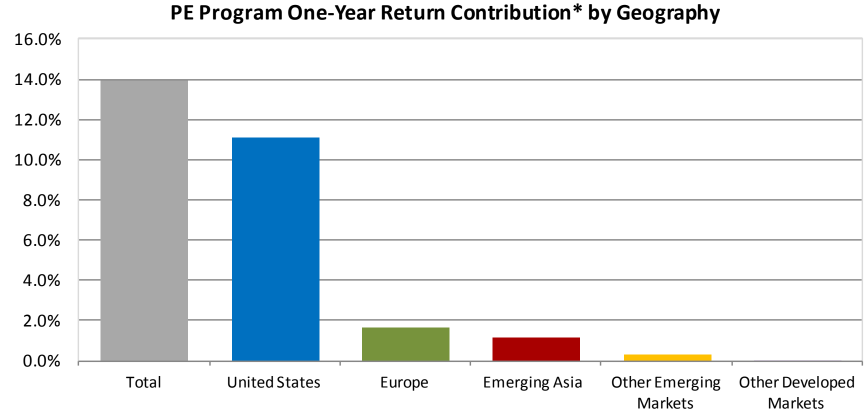
Performance results were positive across the major geographic sectors except for Other Developed Markets. The **United States, representing the largest exposure of the portfolio, had the most significant positive impact on performance** results over the past year. Europe, the second largest exposure, generated positive results over the latest year but had a much smaller contribution to performance than the domestic holdings.



*Geographic return weighted by proportion of NAV.
Source: State Street Bank, PCA

Over the most recent three-year period, the PE Program's United States exposure was the largest contributor to performance as the overall Program posted a 14.3% return. The PE Program's U.S. exposure posted an average annual return of 15.7% over the past three-year period. The PE Program's international developed markets exposure posted a 9.8% average annual return over this period while emerging markets returned 11.5%. The U.S. has historically represented the largest geographic component of the Program but its prominence has decreased over recent years with the globalization of the portfolio. The U.S. exposure posted average annual returns of 6.3% and 11.4% over the latest five-year and ten-year periods, respectively.

Performance Summary: by geography[3]

	1 Year	3 Year	5 Year	10 Year
PE Program	**13.8%**	**14.3%**	**5.5%**	**11.9%**
United States	*14.6%*	*15.7%*	*6.3%*	11.4%
International- Developed World	*10.4%*	*9.8%*	*0.5%*	*15.9%*
International- Emerging Markets	*13.9%*	*11.5%*	*6.8%*	*12.9%*

Source: State Street Bank

[3] Currency exposure for the non–U.S.-dollar denominated portion of the PE Program is managed by CalPERS' fixed income group.

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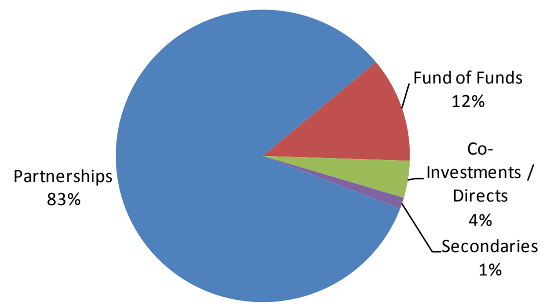
2.6 Portfolio Structure Composition and Performance

The PE Program has been constructed using multiple investment structures. Approximately **82% of the PE Program's NAV is invested in partnership structures,** with fund of funds representing an additional 12%, followed by co-investments/directs at 4% and secondaries at 1%.

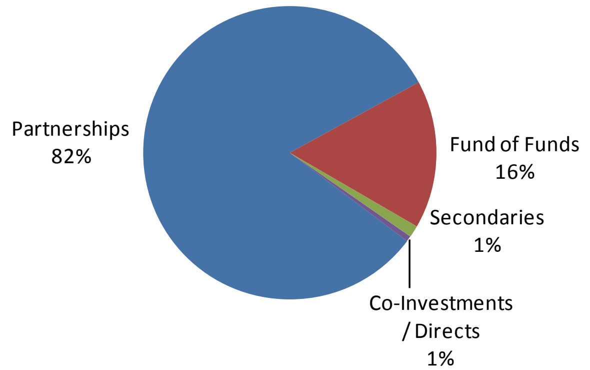
PE Program NAV by Structure: $32.0 B



Source: State Street Bank

Partnerships are expected to receive the vast majority of unfunded commitments at 82%, followed by fund of funds at 16%.

PE Program Unfunded Commitments by Structure: $9.4 B



Source: State Street Bank, Private Edge, PCA

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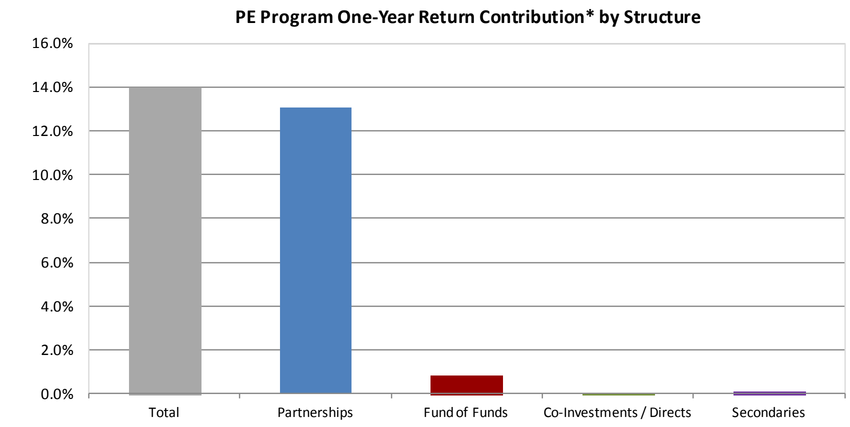
Performance results are net positive across all structures, except for co-investments/directs which slightly dampened results over the latest year. **Partnerships, representing the largest structure of the portfolio, had the most significant impact on performance** results over the past year. The PE Program's fund of funds provided the second largest positive contribution.



* Sector return weighted by proportion of NAV.
Source: State Street Bank, PCA

Over the most recent three-year period, the PE Program's partnership investments were the largest contributors to performance as the overall Program posted a 14.3% return. The PE Program's partnership investments, with the largest exposure, posted an average annual return of 15.4% over the past three-year period. Partnership investments have historically represented the largest component of the Program and have posted average annual returns of 6.7% and 12.8% over the latest five-year and ten-year periods, respectively. Co-investments/directs[4], while representing a small proportion of the overall portfolio and underperforming over the most recent year, posted a strong 18.8% average annual return over the latest ten-year period while fund of funds were a drag on performance with a 5.8% average annual return.

Performance Summary: by structure

	1 Year	3 Year	5 Year	10 Year
PE Program	**13.8%**	**14.3%**	**5.5%**	**11.9%**
Partnerships	*15.9%*	*15.4%*	*6.7%*	12.8%
Fund of Funds	*7.5%*	*10.1%*	*2.7%*	*5.8%*
Co-Investment/Directs	*(3.4%)*	*20.1%*	*(6.5%)*	*18.8%*
Secondaries	*6.7%*	*11.4%*	*5.5%*	*11.5%*

Source: State Street Bank

[4] The five-year return as of March 31, 2013 fell to (6.5%) from 16.9% last quarter as a 260% return for the first quarter of 2008 "rolled off" the five-year time horizon.

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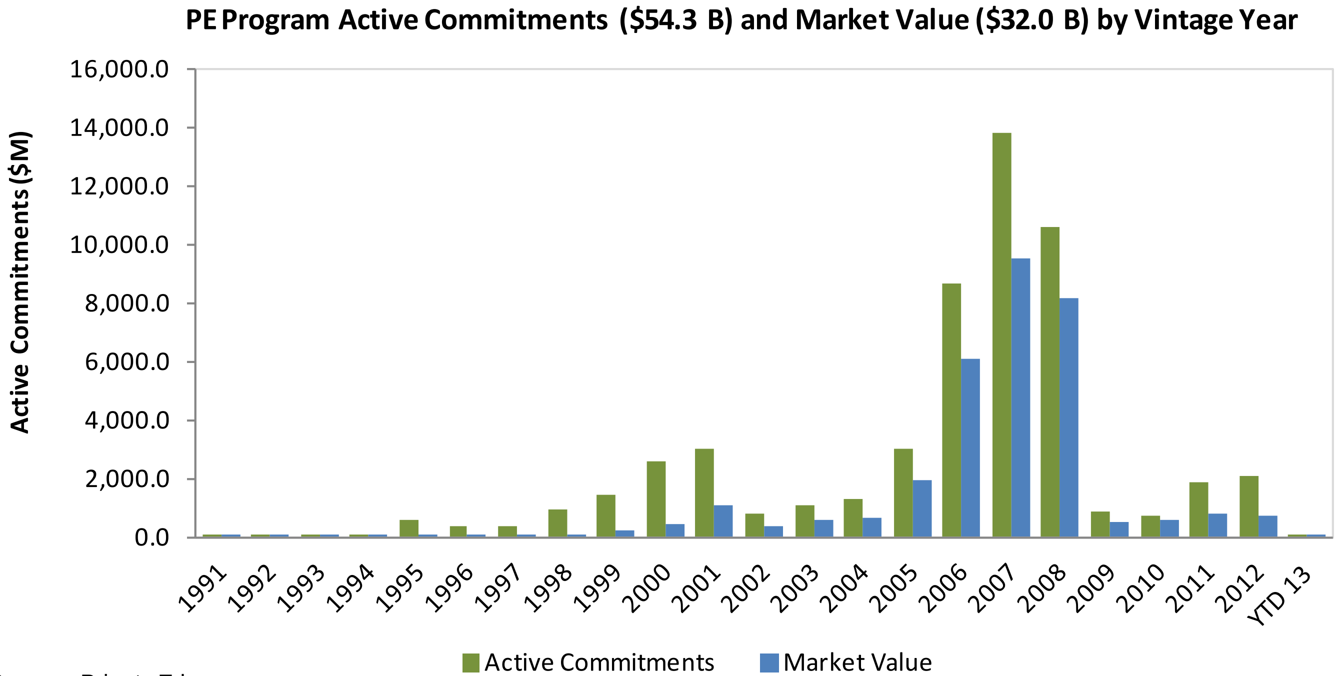
2.7 Portfolio Vintage Year Composition and Performance

The PE Program currently has $54.3 billion in active commitments[5] and $32.0 billion in market value. Consistent with the behavior of other large private equity investors, the **PE Program has made very few new commitments in recent years** ($900 million during 2009, $700 million in 2010, $1.9 billion in 2011, and $2.0 billion in 2012). The majority of active commitments and market value are currently represented by the 2006 to 2008 vintage years at $33.0 billion and $23.8 billion, respectively.



Source: Private Edge

[5] Active commitments only include commitments that have drawn down capital as of the reporting date.

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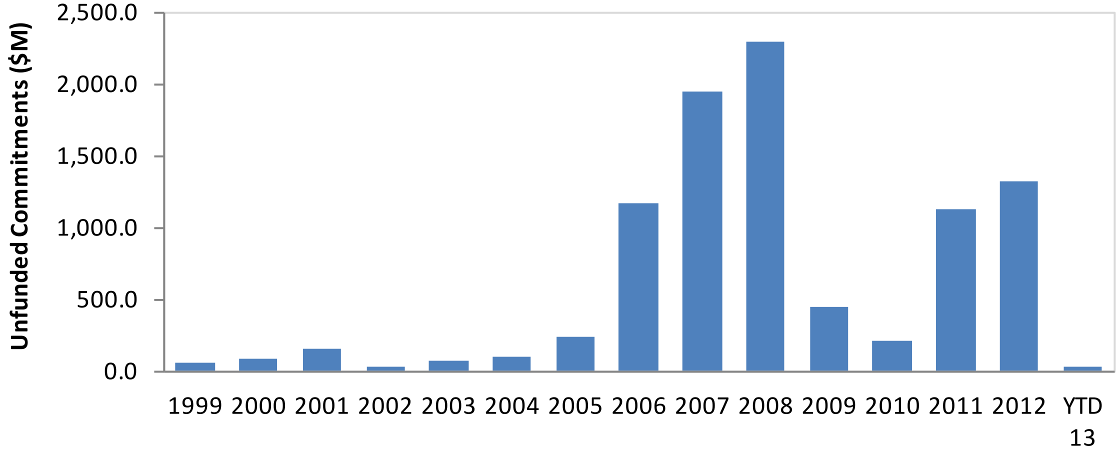
An analysis of the existing unfunded commitments shows that the **PE Program's general partners have substantial "dry powder"** ($9.4 billion) to pursue investments consistent with the strategies contained in their limited partnership agreements with the PE Program. The 2006 vintage year includes $8.7 billion of commitments and has $$1.2 billion unfunded as of March 31, 2013. Commitments categorized as 2007 and 2008 vintages were $13.8 billion (14% unfunded) and $10.6 billion (22% unfunded), respectively. Only $0.9 billion of commitments were categorized as a 2009 vintage, 50% of which remains unfunded. The 2010 vintage year commitments of $700 million have drawn approximately $490 million in contributions and are therefore 30% unfunded. Commitments to 2011 vintage funds, with $1.9 billion of commitments, have drawn down approximately $780 million and remain 59% unfunded. Approximately $730 million in contributions have been drawn on 2012 commitments, which remain 64% unfunded as of March 31, 2013.

PE Program Unfunded Commitments by Vintage Year: $9.4 B



Source: Private Edge

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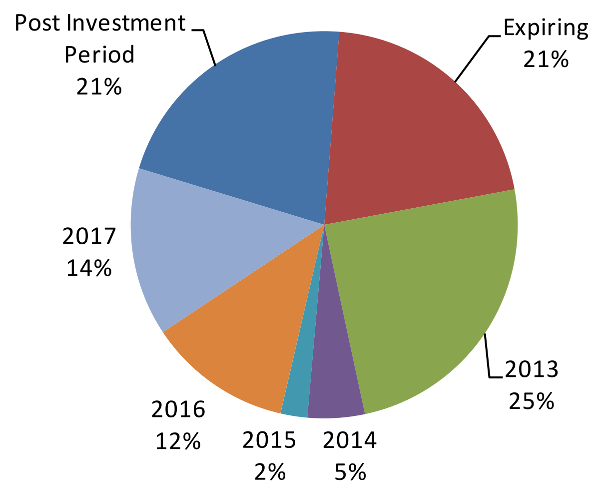
The **majority of unfunded commitments are expected to be deployed within the next couple of years** (utilizing the assumption that investment periods commonly terminate after five years and only follow-on investment activity would occur post investment period). However, the pace at which capital is drawn is primarily at the discretion of each general partner and may be called at any time, subject to any restrictions contained in the respective limited partnership agreements. The material increase in the Post Investment Period and Expiring categories from prior reports are due to the significant commitments ($22.5 billion) made in 2006 and 2007 vintage years.

PE Program Unfunded Commitments by Maturity



Source: State Street Bank, Private Edge, PCA

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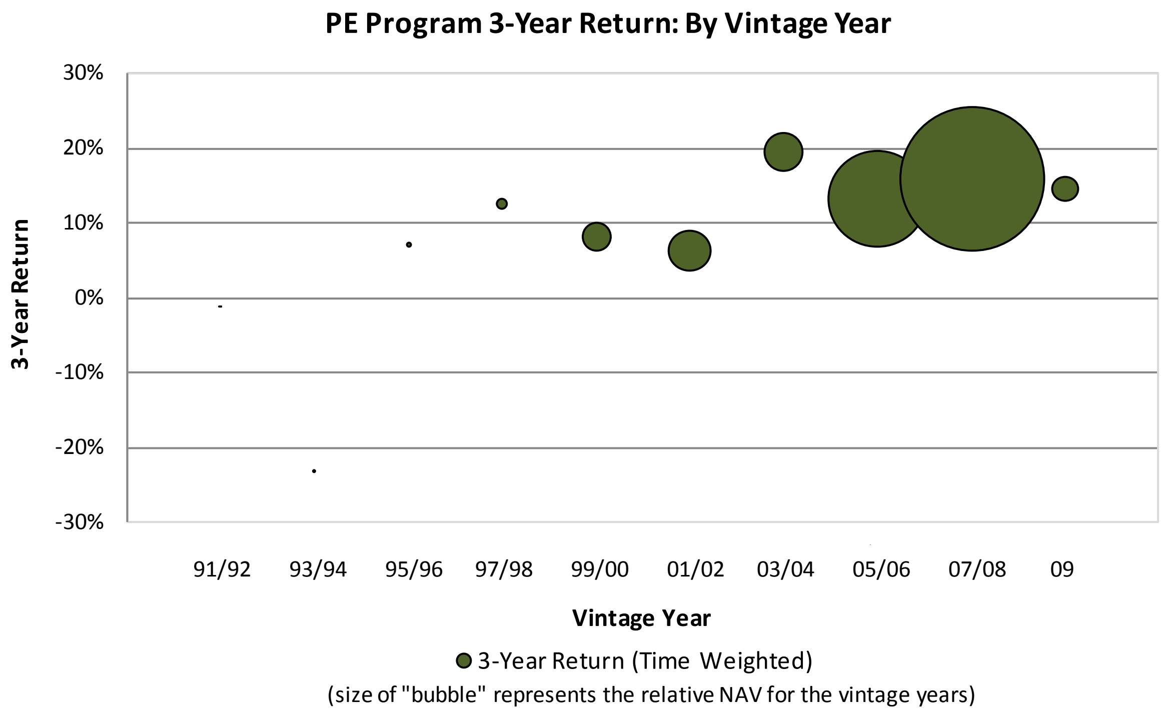
The following chart depicts the distribution of returns and net asset values by vintage years for the PE Program. Although the Program is entering its twenty-third year, the preponderance of value (represented by the size of the "bubbles" below) and **performance results are being driven by commitments made in the last ten years**.



Source: State Street Bank, PCA

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2.8 Annual Commitment Activity and Manager Concentration

The PE Program has committed $483 million across two opportunities at March 31, 2013 categorized as a 2013 vintage. Both commitments in 2013 so far represent existing relationships.

PE Program Commitment Activity Through Q1 2013

Partnership/Firm	Commitment ($M)	Sector	Relationship
TowerBrook Investors IV	$400.0	Buyout	Existing
FR AFG Co-Investment	82.5	Co-investment	Existing

Source: CalPERS, PCA

The PE Program's five largest relationships, based on total exposure (defined as market value plus unfunded commitments) are listed below and represent approximately 36% of total exposure. Amongst these five firms, capital is allocated across 80 investments (partnerships and direct investments) and targets multiple sectors and geographies.

Largest PE Program Relationships by Total Exposure

Firm	Investments	Total Exposure ($M)	% of Program
Apollo Investment Management	12	$4,285	10%
The Carlyle Group	32	4,043	10%
Blackstone Group	13	2,572	6%
TPG Capital	16	2,436	6%
Advent International	7	1,392	3%

Source: State Street Bank, Private Edge, PCA

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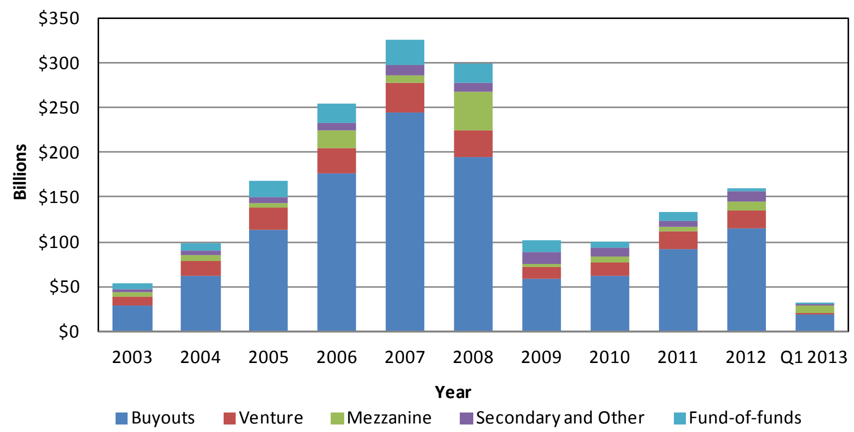
3.0 Private Equity Market Environment

Fund Raising Trends

- After experiencing year over year declines in 2009 and 2010, fundraising activity had increased over the past two calendar years.
- During the first quarter of 2013, approximately $33 billion of commitments were raised. Annualized, this pace would lag the 2012 commitment amount of $160 billion.
- Buyouts led fundraising activities in the first quarter of 2013 raising $18 billion of commitments, followed by mezzanine at almost $8 billion, venture capital at $3 billion, fund of funds at $2 billion, and secondary and "other" at just under $2 billion.

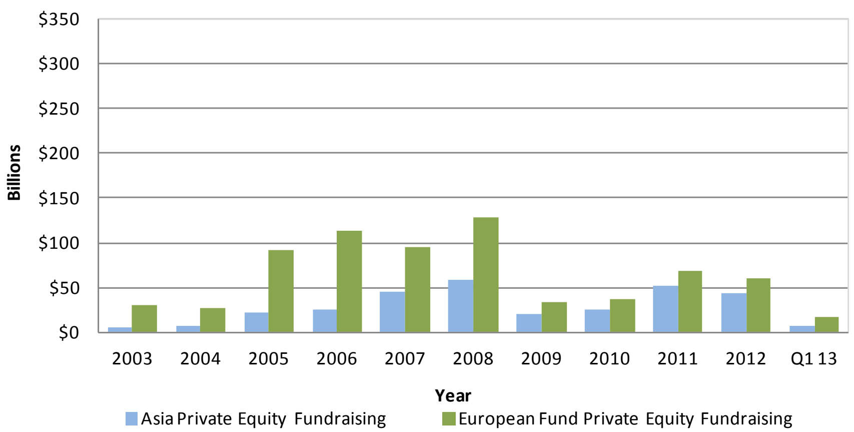
Commitments to U.S. Private Equity Partnerships



Source: *Private Equity Analyst* through March 2013

- Commitments to private equity partnerships outside of the U.S. have exhibited similar trends in fund raising activity over the past several years.
- Commitments to European funds have historically outpaced those to Asian private equity funds. This continues to be true year-to-date in 2013.

Commitments to Non-U.S. Private Equity



Source: Thomson Reuters

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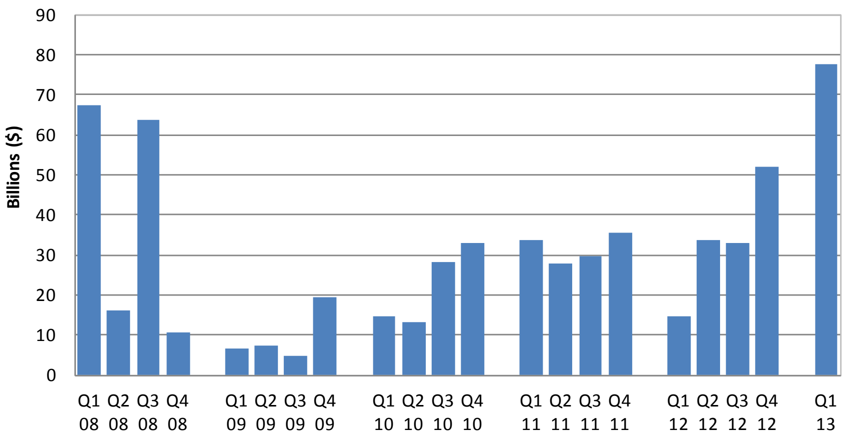
U.S. Buyout Market Trends

- Total announced U.S. buyout deal volume was $77.5 billion in Q1 2013, the highest level since Q4 2007 which was $210.5 billion.
- The announced deals for Dell (approximately $24 billion) and Heinz & Co (approximately $23 billion) represented 60% of the announced volume during the first quarter of 2013.
- Q1 2013 saw platform investments representing the largest proportion of transactions followed closely by stand-alone buyout, and add-on acquisitions.

Announced and Disclosed U.S. Quarterly LBO Deal Value*



* Total deal size (both equity and debt).
Source: *Thomson Reuters Buyouts*

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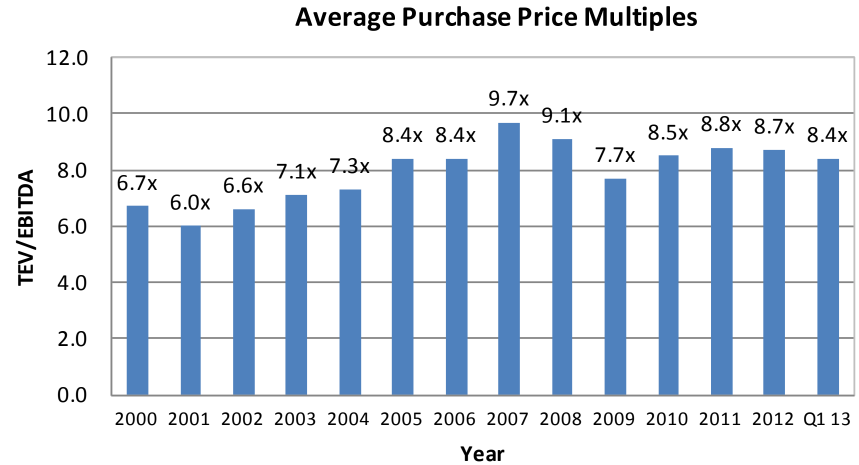
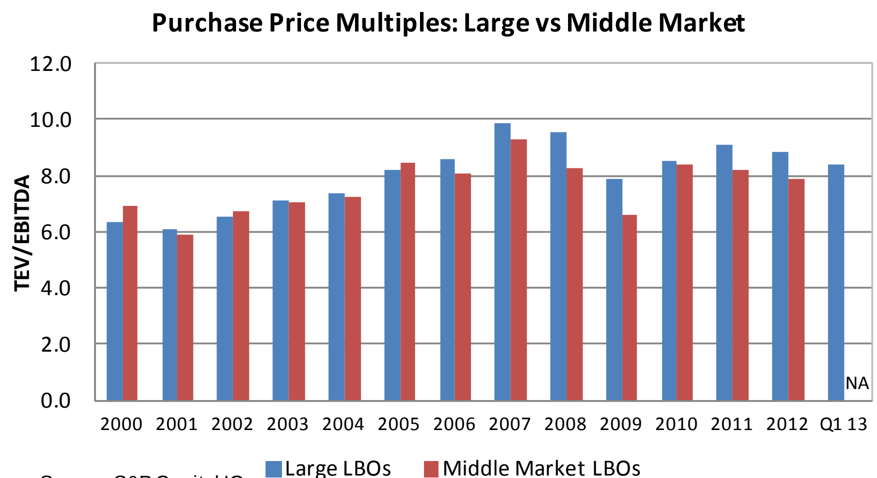
Purchase Price Multiples

- Purchase price multiples (as represented by total enterprise value divided by earnings before interest, taxes, depreciation and amortization or "EBITDA") have exhibited volatility over the past several years. Purchase price multiples initially declined from their 2007 peak to a near-term low in 2009, but rebounded to 8.8x in 2011 and dipped slightly to 8.7x in 2012.
- The average purchase price multiple for the first quarter of 2013, at 8.4x, matches the ten-year average.



Source: S&P Capital IQ

- Purchase price multiples for larger transactions (EBITDAs >$50 million and represented by the blue bars) have historically been higher than the purchase price multiples exhibited in the smaller and middle market (EBITDAs <$50 million and represented by the red bars).
- Given the anticipated focus on commitments to smaller/middle market opportunities, there could be additional competition for deals going forward that could influence the purchase price multiple in the smaller end of the market. The pricing gap between larger and smaller transactions narrowed in the fourth quarter of 2012. Data is not available for middle-market transactions in the first quarter of 2013.



Source: S&P Capital IQ

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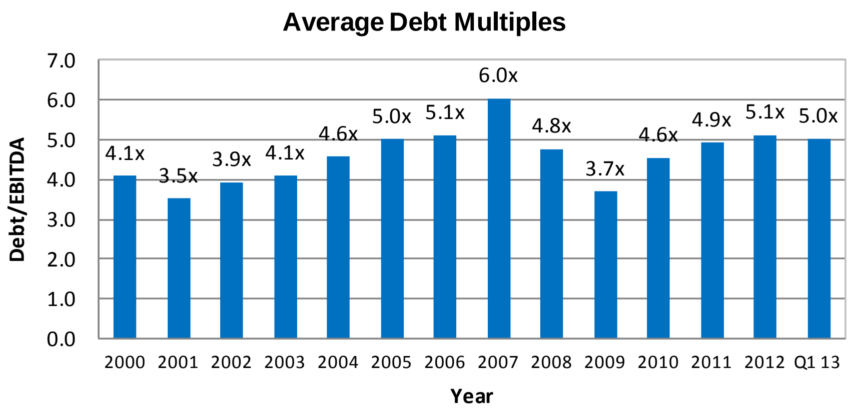
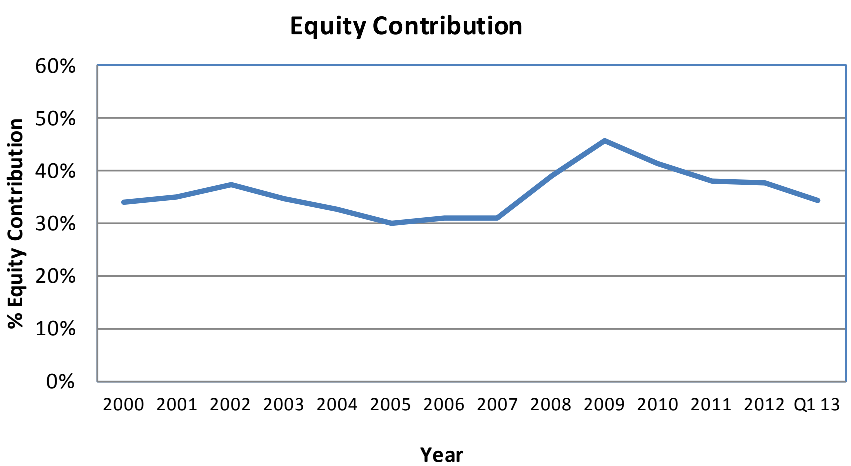
Debt Multiples

- The first quarter of 2013 exhibited a slight decrease in the average debt multiple at 5.0x.
- The average debt multiple had increased from a low in 2009 of 3.7x, up to 5.1x in 2012 as risk appeared to be increasing in buyout transactions.



Source: S&P Capital IQ

- The average equity contribution has declined from a high of 46% in 2009 and was at 34% in the first quarter of 2013.
- Lower equity contributions result in less conservative capital structures for transactions. The long-term impact on performance results remains uncertain.



Source: S&P Capital IQ

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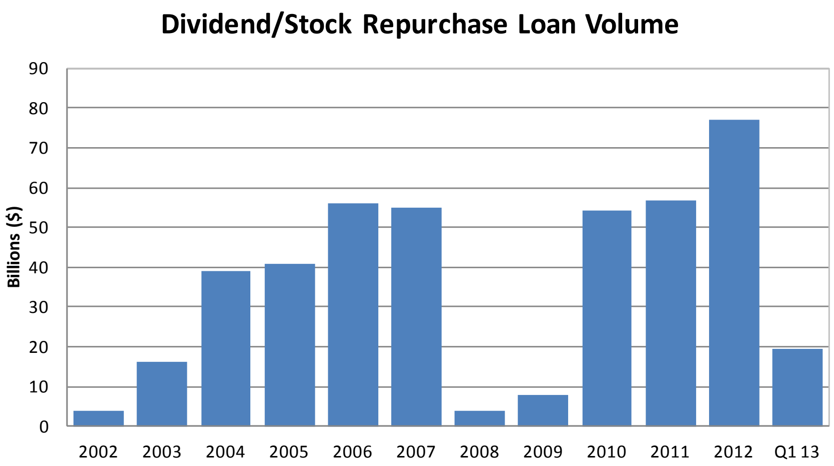
Recaps and Stock Repurchases

- The private equity market saw a re-emergence of dividend recaps and stock repurchase activity in 2010, which had virtually disappeared post credit bubble.
- Dividend recaps result in increasing leverage, and ultimately risk, at the portfolio company level.
- $19.6 billion in dividend recaps/stock repurchases occurred in the first quarter of 2013, on pace to exceed the $77.2 billion that occurred in 2012.



Source: S&P Capital IQ LCD, Bank of America Merrill Lynch

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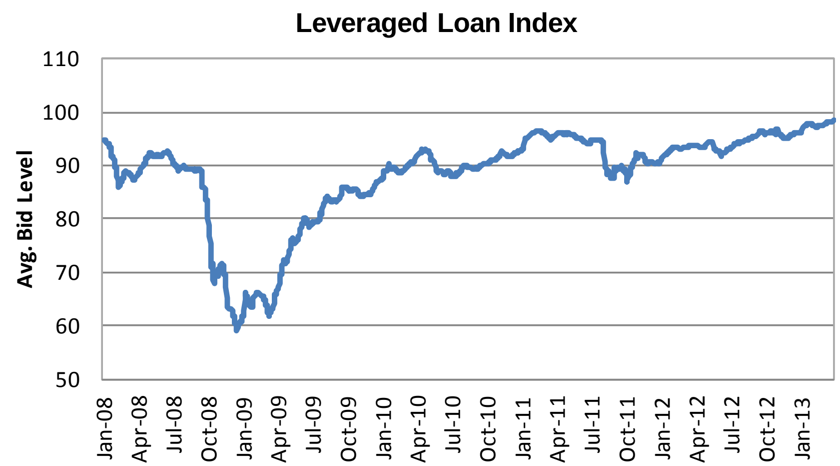
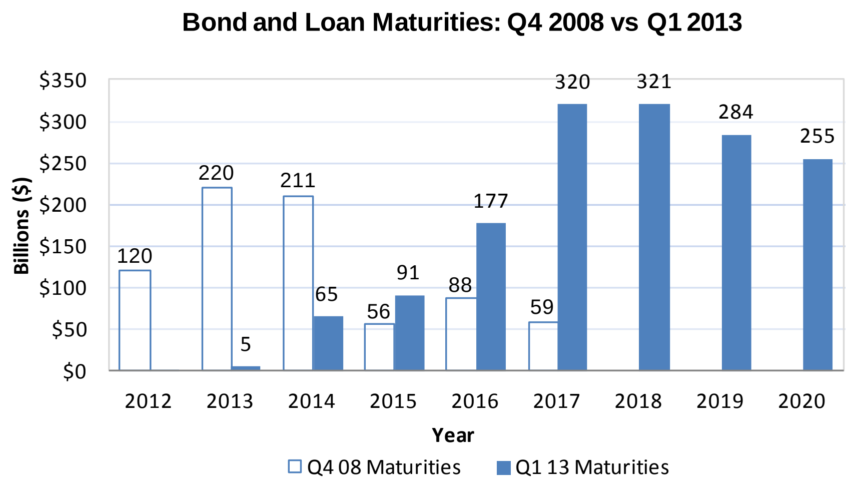
Distressed Debt

- Interest in the leveraged loan market pushed the price of leveraged loans back towards par after lows seen in 2009, easing the opportunity set for trading strategies.
- Prices have continued a steady climb towards par since late 2011, limiting opportunities.



Source: Loan Syndications and Trading Association (LSTA)

- The opportunity set for debt-for-control strategies remains unclear. There appears to be an attractive pending opportunity set over the longer-term. With the magnitude of debt that was "amended and extended" during the crisis, a significant volume of debt issues are now maturing several years out.



Source: LCD, Standard & Poors, Ares Management

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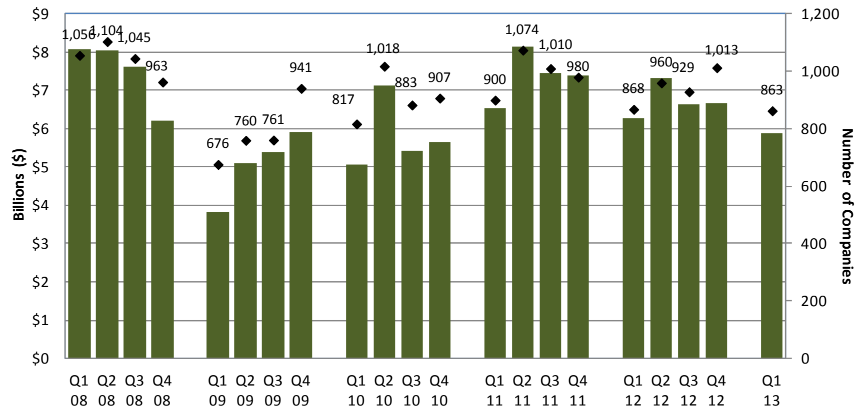
U.S. Venture Capital Trends

- After year over year increases in venture capital investment activity from 2009 through 2011, 2012 exhibited a slight decrease of investment activity. Approximately $26.9 billion was invested across 3,770 transactions in 2012, down from $29.6 billion invested across 3,964 transactions in 2011.

- In the first quarter of 2013, 863 companies received approximately $5.9 billion of capital down from the fourth quarter of 2012. This activity represents the lowest U.S. venture capital deal volume since the fourth quarter of 2010.

- Despite lower investment activity, several dynamics in the industry suggest potential for attractive long-term results going forward, including: reduced institutional investor commitments to venture capital resulting in decreased competition for deals and less “me too” companies; ability for entrepreneurs to create new companies at a lower cost due to ongoing technological enhancements; embedded value within existing venture capital portfolios that have yet to be realized.

Quarterly U.S. Venture Capital Deal Volume*



* Only includes equity portion of deal value.
Source: Thomson Reuters

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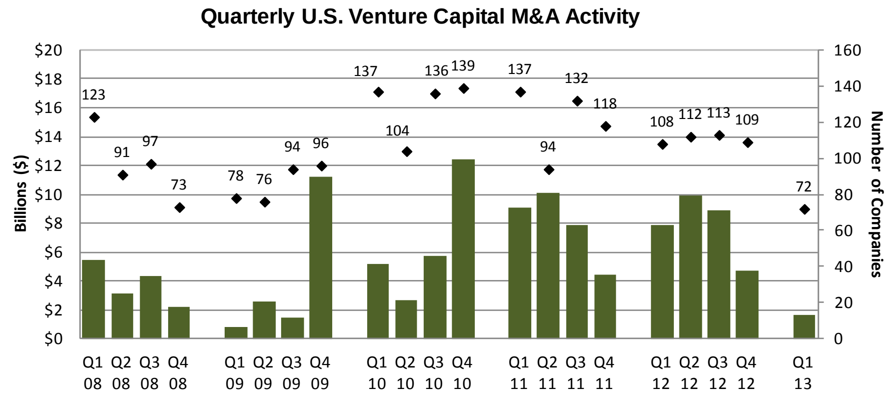
Venture Capital Exit Environment

- M&A value for venture-backed companies decreased in the first quarter of 2013, as 72 transactions were completed representing only $1.7 billion of value.

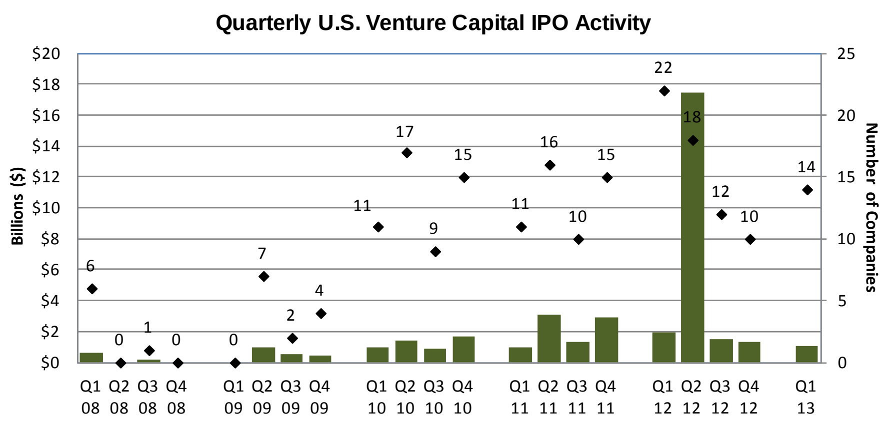
- Exit opportunities for venture-backed companies had leveled off over the past two years. In 2011, 481 venture-backed M&A transactions representing $31.4 billion in value were completed, matching the $31.4 billion in value transacted across 442 companies in 2012. Year-to-date, 2013 levels are well below the prior two years.



Source: Thomson Reuters

- Fourteen venture-backed companies went public in the first quarter of 2013, raising $1.1 billion after 10 companies went public in the fourth quarter raising $1.3 billion.

- Removing the Q2 2012 spike in IPO activity due to Facebook, capital raised in the IPO market has declined on a quarter-over-quarter basis since the fourth quarter of 2011.



Source: Thomson Reuters

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Appendix 1: PE Program Relationships by Total Exposure (Market Value Plus Unfunded Commitments)

Firm	Total Exposure ($M)	% of Program
APOLLO MANAGEMENT	4,285	10%
CARLYLE GROUP	4,043	10%
TPG CAPITAL	2,572	6%
BLACKSTONE GROUP	2,436	6%
ADVENT INTERNATIONAL	1,392	3%
KKR AND CO.	1,289	3%
CALIFORNIA EMERGING VENTURES	1,212	3%
CAPITAL DYNAMICS	1,204	3%
CVC CAPITAL PARTNERS	1,109	3%
SILVER LAKE	1,050	3%
57 STARS	907	2%
OAK HILL CAPITAL PARTNERS	883	2%
YUCAIPA	813	2%
HELLMAN AND FRIEDMAN CAPITAL PAR	774	2%
FIRST RESERVE	725	2%
ARES MANAGEMENT LLC	688	2%
HEALTH EVOLUTION PARTNERS	657	2%
BRIDGEPOINT CAPITAL	624	2%
STANDARD LIFE	604	1%
GREEN EQUITY INVESTORS	539	1%
TOWERBROOK CAPITAL PARTNERS	522	1%
NEW MOUNTAIN CAPITAL LLC	493	1%
HAMILTON LANE	459	1%
MHR	438	1%
WLR RECOVERY	432	1%
CERBERUS	423	1%
AURORA CAPITAL GROUP	419	1%
ASIA ALTERNATIVE ASSETS	393	1%
RIVERSTONE	387	1%
PROVIDENCE EQUITY PARTNERS	378	1%
MADISON DEARBORN PARTNERS	369	1%
WAYZATA OPPORTUNITIES FUND	367	1%
KHOSLA VENTURES	351	1%
COLLER CAPITAL	349	1%
KMCP	340	1%
AVENUE CAPITAL PARTNERS	324	1%
WELSH AND CARSON AND ANDERSON	321	1%

Firm (continued)	Total Exposure ($M)	% of Program
THL EQUITY ADVISORS	294	1%
PERMIRA	292	1%
ARCLIGHT	276	1%
SAIF PARTNERS	259	1%
FRANCISCO PARTNERS	254	1%
BIRCH HILL EQUITY PARTNERS	252	1%
PALLADIUM	215	1%
OAKTREE CAPITAL MANAGEMENT	208	1%
LEVINE LEICHTMAN CAPITAL PARTNER	197	<1%
THE RESOLUTE FUND	194	<1%
KPS	193	<1%
AUDAX GROUP	190	<1%
RIVERWOOD CAPITAL LLC	183	<1%
AFFINITY EQUITY PARTNERS	179	<1%
CLEARWATER CAPITAL	172	<1%
CLESSIDRA CAPITAL	164	<1%
LION CAPITAL	164	<1%
LIME ROCK	163	<1%
HUNTSMAN GAY CAPITAL	147	<1%
WELLSPRING CAPITAL MANAGEMENT	139	<1%
AISLING CAPITAL	138	<1%
INSIGHT CAPITAL	137	<1%
POLISH ENTERPRISE	122	<1%
ESSEX WOODLANDS HEALTH VENTUR	120	<1%
DARBY OVERSEAS INVESTMENTS	110	<1%
MAGNUM CAPITAL	107	<1%
BASTION CAPITAL	106	<1%
VANTAGEPOINT VENTURE PARTNERS	106	<1%
W CAPITAL PARTNERS	105	<1%
LOMBARD INVESTMENTS	103	<1%
PAGASI	101	<1%
CREDIT SUISSE	99	<1%
EM ALTERNATIVES	93	<1%
CLARUS VENTURES	92	<1%
GRANITE GLOBAL VENTURES	86	<1%
RHONE PARTNERS	83	<1%
FR AFG	83	<1%
OTHER	704	2%

Source: State Street Bank, Private Edge, PCA