

Private Equity Managing Director Update

Investment Committee
January 24, 2018

Gerald J. Yahoudy II, CAIA
Private Equity



NEW YORK STATE TEACHERS' RETIREMENT SYSTEM
PRIVATE EQUITY ACTIVITY
QUARTER ENDED DECEMBER 31, 2017

As of December 31, 2017, the Private Equity portfolio had 213 active partnerships across 89 sponsors. The program had \$19.6 billion in active commitments, approximately \$7.5 billion in market value and \$5.2 billion in unfunded commitments. Inception through September 30, 2017, the portfolio had returned a net IRR of 12.20% and a net multiple of 1.61x invested capital.

For the quarter ended December 31, 2017, there were \$464 million in contributions to our existing partnerships and we received \$802 million in distributions. Thus, the portfolio was \$338 million cash positive on a net basis.

The following new partnerships were approved and/or closed between October 1, 2017 and December 31, 2017:

- **Clearlake Capital Partners V, L.P.** – A commitment of up to \$150 million was approved by the Executive Director/CIO on October 12, 2017 and a commitment of \$125 million closed on December 15, 2017. Clearlake focuses on North American middle market companies in the technology, industrial and consumer sectors that are underperforming peers or experiencing financial distress.
- **The Maple Fund, L.P.** – A commitment of up to \$600 million was approved by the Executive Director/CIO on October 13, 2017 and by the Investment Committee of the Board on October 26, 2017. The Fund is expected to close by January 31, 2018. The Maple Fund is a separately managed account dedicated to deploying capital to active and passive co-investment opportunities from a select subset of NYSTRS' private equity managers.
- **Thoma Bravo Discover Partners II, L.P.** – A commitment of up to \$100 million was approved by the Executive Director/CIO on November 17, 2017 and a commitment of \$100 million closed on December 20, 2017. Thoma Bravo Discover will focus on lower middle market application and infrastructure software and technology enabled services companies.
- **Siris Partners IV, L.P.** – A commitment of up to \$150 million was approved by the Executive Director/CIO on November 20, 2017 and a commitment of \$150 million closed on December 22, 2017. Siris will focus on North American middle market buyouts in technology companies with a strong legacy business and a next generation technology component.
- **IK Small Cap Fund II, L.P.** – A commitment of up to €55 million was approved by the Executive Director/CIO on November 27, 2017 and a commitment of €50 million closed on December 14, 2017. IK Small Cap will focus on buy-and-build small market buyouts in companies located in Northern Continental Europe.
- **Patria – Private Equity Fund VI, L.P.** – A commitment of up to \$150 million was approved by the Executive Director/CIO on November 28, 2017 and a commitment of \$150 million closed on December 28, 2017. Patria is a middle market buyout fund that will invest in controlling or relevant minority positions in Brazilian and other Latin American business in healthcare, food & beverages, and agribusiness sectors.
- **Sycamore Partners III, L.P.** – A commitment of up to \$100 million was approved by the Executive Director/CIO on November 30, 2017 and a commitment of \$100 million closed on December 22, 2017. Sycamore is a buyout fund focused on North American-based large and middle market retail and consumer businesses at attractive valuations where there is a clear opportunity to create value by improving profitability.
- **LS Power Equity Partners IV, L.P.** – A commitment of up to \$100 million was approved by the Executive Director/CIO on December 12, 2017 and a commitment of \$100 million closed on December 13, 2017. LS Power is a private equity fund focused on complex North American-based power generation assets that are often undercapitalized, undermanaged, and underappreciated by the existing corporate owners.

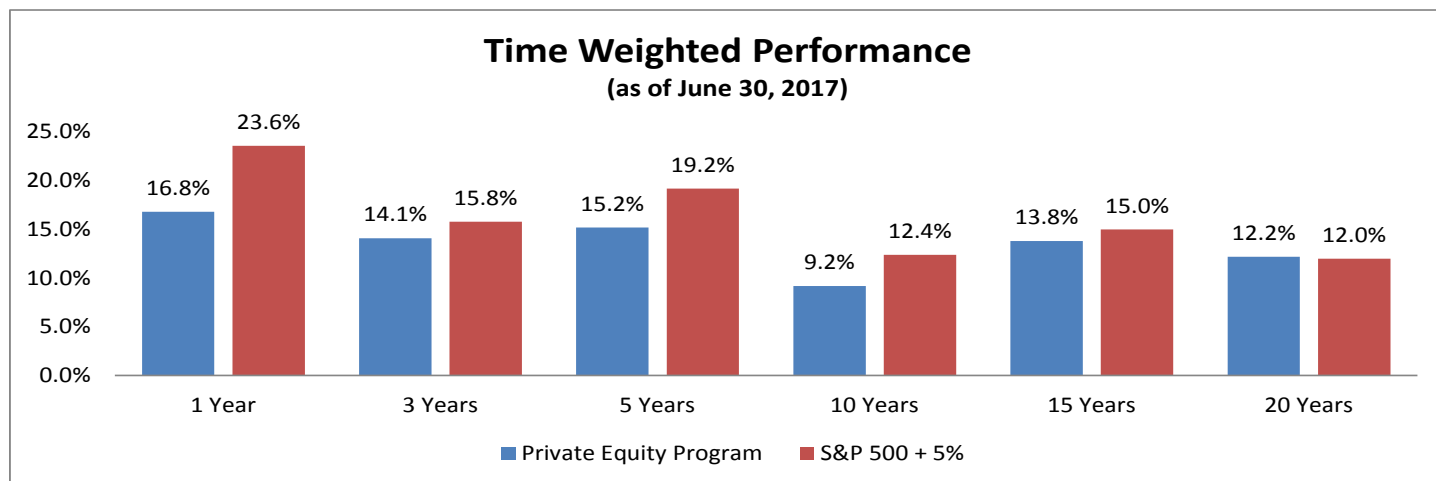
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- **CapVis Equity V, L.P.** – A commitment of up to €75 million was approved by the Executive Director/CIO on December 18, 2017 and a commitment of €75 million closed on December 28, 2017. CapVis is a middle market buyout fund focused on control positions in companies headquartered in Switzerland, Germany, Austria, Italy, Belgium, Liechtenstein, Luxembourg, and the Netherlands.
- **ADV Opportunities Fund II, L.P.** - A commitment of up to \$100 million was approved by the Executive Director/CIO on July 20, 2017 and a commitment of \$100 million closed on December 22, 2017. ADV is a private equity fund focused on deep value and special situations opportunities in China, India, and Asia-Pacific.

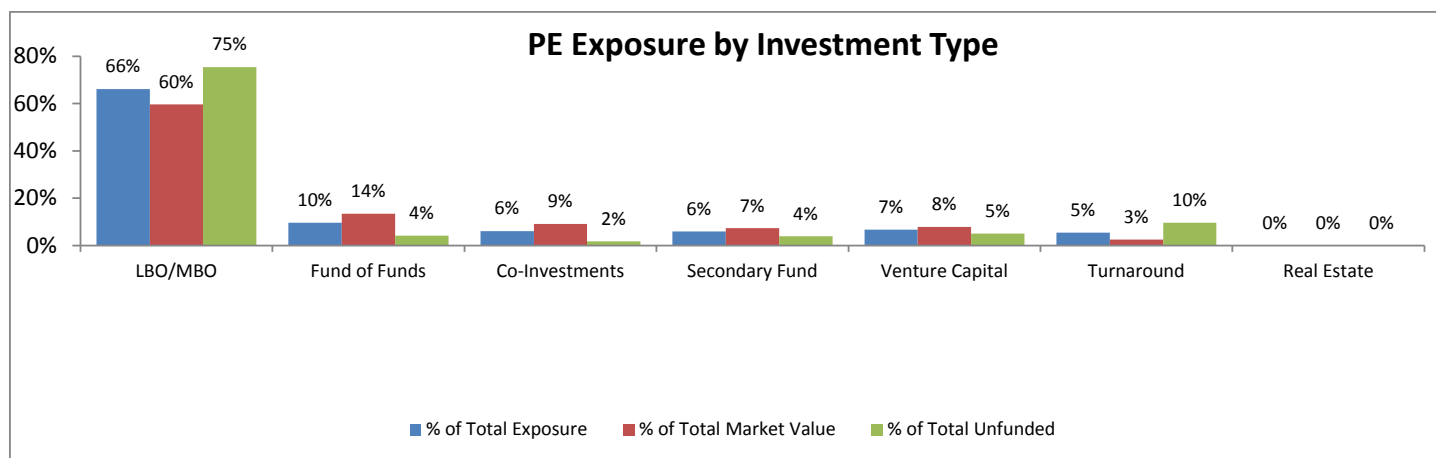
The following new partnerships were approved after December 31, 2017:

- **Linden Capital Partners IV, L.P.** A commitment of up to \$100 million was approved by the Executive Director/CIO on January, 16 2018 and is expected to close on January 23, 2018. Linden focuses on North American middle market healthcare services, products and distribution companies.
- **Carlyle Asia Partners V, L.P.** – A commitment of up to \$100 million was approved by the Executive Director/CIO on January 16, 2018 and is expected to close by January 31, 2018. Carlyle Asia focuses on Pan-Asian buyouts and strategic minority investments across various industries.

Time weighted performance compared to its benchmark, as of September 30, 2017, is listed below.

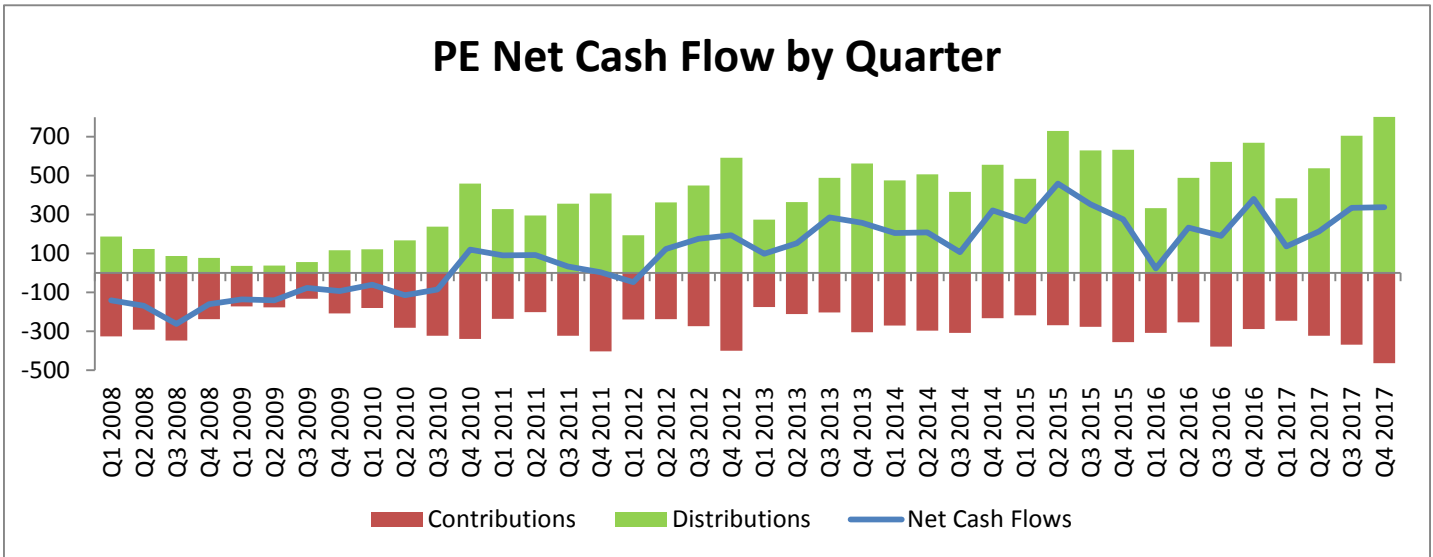


The private equity portfolio had the following exposures by investment type as of December 31, 2017:

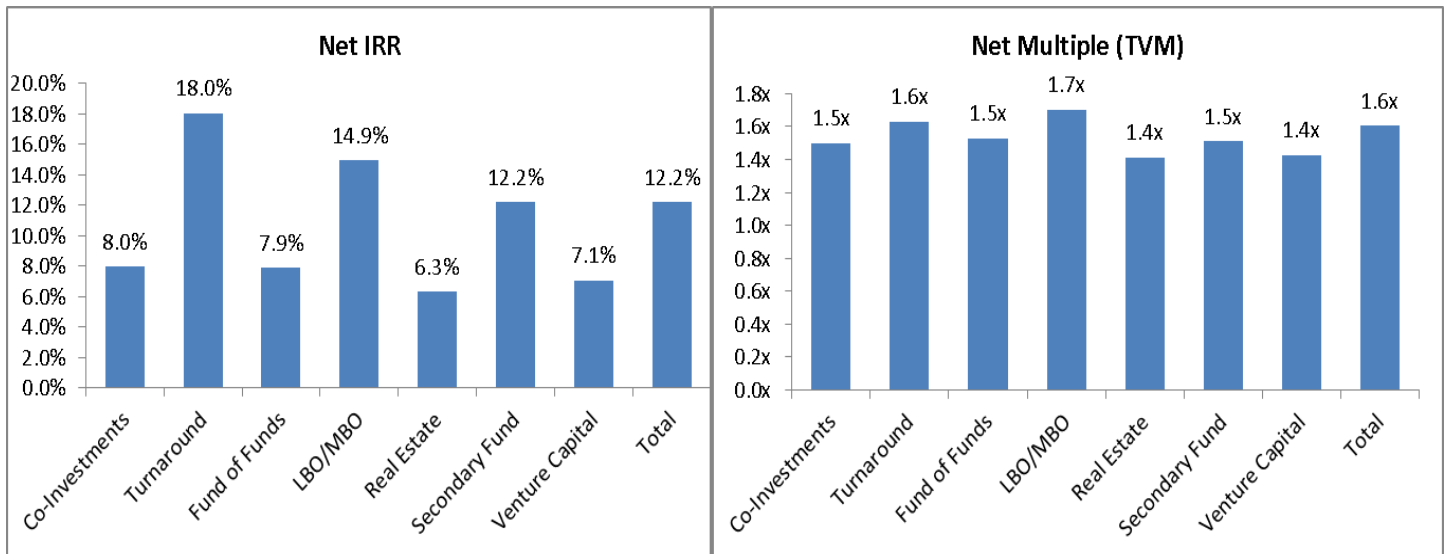


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The private equity portfolio had the following quarterly cash flows since 2008:



Net IRR and multiple by investment strategy as of September 30, 2017:



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Net IRR and multiple by vintage year through September 30, 2017:

