



## **PSERS PRIVATE INVESTMENT PROGRAM**

**Recommendation for Investment in  
Advent International GPE VI, L.P.**

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# Advent International GPE VI, L.P.

## EXECUTIVE SUMMARY

Advent International Corporation (“Advent” or the “Firm”), one of the most experienced and successful global private equity firms, is establishing its sixth international private equity fund, Advent International GPE VI Limited Partnership (“GPE VI”, the “Fund” or the “Partnership”).

Advent will pursue the same successful sector-focused investment strategy employed in GPE VI’s five predecessor funds, investing primarily in buyout and recapitalization opportunities in upper middle-market companies in Europe and North America. GPE VI has a target capitalization of €5 billion.

Advent’s strong, consistent returns have been driven by leveraging its distinct competitive advantages. These include:

- A market position as the most global mid-market buyout firm, with one of the largest and most experienced international teams in the industry operating from offices in 15 countries;
- Long-established sector focus and in-depth industry knowledge and relationships; and
- Significant operating resources and expertise to build EBITDA in portfolio companies and create value.

These advantages have enabled Advent to build a portfolio of differentiated opportunities comprising three types of investments:

- Buyouts that have a high degree of international complexity already or are leveraging Advent’s global platform to expand intra-regionally or overseas;
- High-growth opportunities in targeted sub-sectors; and
- Companies requiring significant restructuring or turnarounds.

### **Excellent Recent Performance; Strong, Consistent, 18-year Investment Record**

Advent’s 18-year track record is characterized by a strong history of realizations across all the major European economies and North America, with 132 realizations and 118 full exits out of a total of 155 investments since 1989. The GPE Funds have frequently performed above the top-quartile threshold for distributions to paid-in capital of buyout funds as reported by Venture Economics.

In addition, the GPE Funds have consistently outperformed stock market indices. For example, from 1989 to September 2007, the net IRRs of the GPE Funds have outperformed the MSCI World Index by 14%.

## SECTOR-FOCUSED INVESTMENT STRATEGY

### **Europe and North America**

The GPE team will seek to generate attractive risk-adjusted returns from a diversified portfolio of middle-market buyout, recapitalization and growth equity investments, primarily in Europe and North America. The majority of the capital will be invested in Europe, and the remainder in North America and selective global opportunities that leverage Advent’s international capabilities and sector knowledge. GPE VI’s primary focus will be on companies where there is a differentiated opportunity to create or realize value through the application of Advent’s unique international capabilities, experience in targeted sectors and deep operating expertise.

### **Upper Mid-Market**

The Fund will focus further on companies with enterprise values between €200 million and €1 billion – the “middle market” to the “upper middle market.” This segment offers the greatest opportunity for superior returns in Europe and North America for private equity firms with the right approach, and that it is exceptionally well placed to exploit this opportunity. Companies in the middle market more typically have the critical mass to defend and build market share organically and through acquisitions, and to overcome adverse market and economic conditions. They often have high-growth opportunities, including international expansion, and attractive exit options. Yet management teams, support functions and infrastructure of middle-market companies are often insufficient to execute on the company’s next stage of development. Application of Advent’s resources can be the catalyst for unlocking potential and increasing value.

Advent expects to make approximately 30 to 35 investments in GPE VI, maintaining the average deal size firmly in the mid-market to upper mid-market, where it has proven it can make excellent returns and exploit its competitive advantages.

### **Sector-Focused**

GPE VI will invest primarily in companies in five core sectors in which Advent has substantial experience and deep local and international knowledge: (1) Business and Financial Services; (2) Retail, Consumer and Leisure (RCL); (3) Technology, Media and Telecom (TMT); (4) Healthcare; and (5) Industrial. Within these sectors, GPE VI will focus on sub-sectors that are undergoing substantial change, have outstanding growth potential or are otherwise attractive. Advent has been sector-focused since its inception in 1984.

### **Highly Selective From Broad Opportunity Set**

The Fund’s widely diversified geographic and sector coverage allows Advent to effectively adapt its investment focus to the most attractive countries, regions and sectors as conditions merit. Europe, North America, the individual countries in Europe and the different sectors can experience different economic cycles and varying levels of competition within any one fund cycle.

## **LARGE BUYOUT TEAM**

### **The Most Global Mid-Market Buyout Firm**

Advent has offices focusing on buyouts in 15 countries, the most extensive global coverage in the mid-market. The Firm has been operating internationally since its inception in 1984 and has wide-ranging experience in winning deals through this differentiation and in helping companies grow and improve their strategic positions by expanding internationally. Fifty-nine percent of the GPE Program portfolio companies over the last 10 years have involved international expansion, and a majority of the remaining domestic portfolio companies have leveraged Advent’s international knowledge base.

### **Largest Buyout Team Focused On The Mid-Market**

Advent International has 110 investment professionals across its four buyout programs representing 22 nationalities. This is by far the largest buyout team in the mid-market and the fourth-largest in the entire private equity industry. Any of these individuals can be deployed on any Advent deal globally to add value, with the entire organization therefore truly operating as “One Advent.”

### **Deep, Experienced GPE Team**

GPE VI will be invested by a dedicated team that is one of the largest and most experienced teams focused on the European and North American middle markets. The GPE team comprises 68 investment professionals with a mix of operating, strategic consulting and financial backgrounds. Its 23 Partners average 17 years in private equity and have worked with Advent on average for 12 years. Senior members of the team were responsible for investing the predecessor GPE Funds. The team is further organized internationally to promote sharing of knowledge, cross-border transfer of best practices and business models, and market development.

### **Seven GPE Offices In The Largest European Economies And In North America**

Primarily consisting of local nationals, the team works out of seven long-established offices in London, Frankfurt, Paris, Madrid, Milan, Amsterdam and Boston. Each office is staffed with very experienced professionals; the Partners in each office average between 13 and 19 years in private equity. The number of staff in each office is maintained at levels above critical mass in their markets to provide deep coverage of local opportunities and position the office as an insider in its local markets. Advent's relative strength across Continental Europe has been an advantage as private equity activity is now less concentrated in the UK. In 1998, Continental Europe accounted for 46% of total European mid-market deals by number, but this has grown to 66% in 2006.

### **Large Network Of Operating Partners**

More than 40 Operating Partners and industrial advisors work closely with deal teams to complement Advent's in-house capabilities in building EBITDA and creating portfolio-company value.

### **Ability To Leverage Other Advent Global Resources**

The Fund also draws on the expertise and networks of 42 other investment professionals investing separate Advent-managed programs in Central Europe, Latin America and Japan. These resources have additional sector and functional skills as well as the ability to assist portfolio companies in their regions.

### **Integrated Firm**

Advent's integrated nature makes it one of the few fund managers that can bring such deep and broad geographic, sector and functional resources to bear on any individual GPE Program transaction, and that it is the only dedicated private equity firm with these capabilities operating in the mid-market.

## **COMPETITIVE ADVANTAGES**

### **Benefits Of International/Local Platform**

The large GPE team and extended Advent resources are managed in an international operating structure with shared worldwide resources and integrated information systems, motivating and enabling the GPE team to work cross-border to see industry trends earlier, create proprietary opportunities, win deals from other funds that cannot draw upon such resources, and make better-informed investment decisions. In the portfolio, Advent employs its international resources to assist portfolio companies with international expansion, cross-border transactions, offshore manufacturing, business alliances, technology and product sourcing, channel development, acquisitions and divestitures. These aspects of business improvement and assistance are increasingly important to companies in the middle market.

### **Benefits Of Long-Established Sector Focus**

As a result of the GPE team's disciplined sector focus, over 90% of the GPE Program investments have been in Advent's target industry sectors. One consequence of this strategy is a long lead-time in tracking potential investments. In GPE V, the average time between contacting a company and closing an investment has been over three years.

These include:

- Proactive targeting and tracking of attractive sub-sectors;
- Superior deal flow and origination of more interesting and proprietary transactions, many sourced through a holistic sourcing program, including international, quota-based cold calling;
- More comprehensive due diligence;
- Creation and execution of value creation plans through application of industry best practices;
- Closer partnerships with management teams and Operating Partners; and
- Ability to drive portfolio companies toward more attractive positions for exit.

### **Benefits Of Significant Operating Resources And Expertise**

Advent's approach is to work extensively with portfolio-company management to accelerate growth and create value through operational improvements, strategic repositioning and market expansion – domestically and internationally. GPE VI will draw on Advent's proven operational expertise; 12 of the 23 current Partners have operating or strategic consulting backgrounds. Additionally, Advent's Operating Partners are heavily involved with most investments, often as portfolio-company executives or active board members. Advent's heavy involvement allows it to:

- Build a board of directors that has strong operational expertise – from outsiders as well as Advent Partners – and governs very actively;
- Develop detailed strategic and operating plans and track progress against milestones, while providing the important, but more traditional, financial input;
- Enhance, upgrade or change a management team when appropriate; and
- Manage or drive projects on behalf of the portfolio company such as entering new markets or executing an acquisition or disposal program.

These distinct competitive advantages have enabled it to build buyout portfolios with high upside to generate excellent long-term performance and are central to sustaining superior results through the GPE VI fund cycle and beyond.

## **INVESTMENT STRATEGY**

The GPE team will deploy its long-established and globally successful strategy of operationally intensive, sector-focused investing in upper middle-market companies (enterprise values of €200 million to €1 billion) across Europe and in North America.

The team will seek to generate attractive risk-adjusted returns from a diversified portfolio of buyout, recapitalization and growth equity investments, focused on value-creation opportunities in strategic restructuring situations, high-growth industries and international expansion programs. Advent's large resource base of experienced deal personnel operating from its integrated global office network will drive and execute this strategy.

The Fund's combined points of differentiation in the middle market – widely diversified geographic coverage, operational intensity and multi-sector expertise – allow Advent to select an exemplary set of companies for the GPE portfolios from a very broad set of opportunities. During any given investment period, Advent is able to adjust its focus to the most attractive countries, regions and industry sectors at that time, capitalizing on local economic and competitive trends.

### **Europe and North America**

Europe and North America are the world's most sophisticated and established private equity markets and are currently very attractive areas of investment for firms with the right approach. Conditions are favorable for investing in and developing private middle-market companies, as well-established banking, legal, accounting and advisory communities support rapid, thorough execution and help provide downside protection, and exit markets are clearly well-developed.

The Fund's current target investment allocation is at least 60% in Europe and most of the remainder in North America. In pursuing investments, Advent will emphasize cross-border collaboration between teams in Europe and the U.S., as this enables the Firm to see industry trends earlier, create proprietary opportunities, win deals from other funds that cannot draw upon such resources, make better-informed investment decisions and support the international development of portfolio companies. North America is the world's largest single market, with tremendous deal flow and broad opportunities for rapidly growing companies. The concentration on Europe is driven by a continuing deep deal flow of first-time buyouts of corporate divisions divested because of increasing focus on core businesses or restructuring pressure. In addition, a growing set of entrepreneurial companies are taking advantage of new opportunities (many cross-border) or taking the lead in regional or international market consolidation. In Europe and North America, there are a number of secondary buyouts that need a new partner for further development steps such as international expansion.

Many companies have important positions in both Europe and North America, and Advent's strong position in both regions is a significant advantage in working with such international businesses. Fifty-six percent of the companies in the GPE V portfolio are global already or have plans for transcontinental expansion. A further 17% are expanding regionally and using Advent's local office network.

The Fund may selectively invest outside Europe and North America, often in partnership with another Advent program in that region (Latin America or Central Europe). In other cases, for example in Asia or South Africa, businesses may be seeking to expand globally or team up with Advent based on its industrial or sector expertise. The GPE program has an excellent track record co-investing with other regional programs, though the frequency is limited. The most recent realization in this category came from Dufry, a GPE IV investment led by Advent's Latin American team, which has expertise in airport services.

### **Upper Middle Market**

Advent has focused on the middle-market segment since 1989. There are a large number of European and North American companies with enterprise values between €200 million and €1 billion that are attractive for private equity. Advent's market position is also more differentiated in the middle market.

Compared with smaller companies, mid-market firms generally possess the critical mass and infrastructure to defend and build market share, both organically and through acquisitions, and overcome or indeed take advantage of adverse market and economic conditions. Further, they have numerous growth opportunities (such as international expansion) and better exit options than smaller companies do.

Relative to larger buyouts (companies with enterprise values above €1 billion), the GPE team's experience is that high rates of growth and rapid business change are easier to accomplish in

mid-market companies, as they are particularly suited to Advent's hands-on approach. Mid-market management teams are often operationally strong, but many recognize that they lack the requisite management depth, support functions and knowledge of industry best practices for rapid growth, as well as broad international experience and reach to access new markets.

Consequently, such management teams can benefit from a close partnership with Advent professionals or Operating Partners who become actively involved with the company at strategic and operational levels. More proprietary deals and proprietary angles can be found in this less efficient segment than the large market, especially in Continental Europe.

Over the past 20 years, the definition of the middle market has changed. In the early 1990s, a mid-market transaction typically had an enterprise value of €10 million to €20 million. When GPE V was raised in 2004, the mid-market was defined as €50-€500 million. Deal sizes have grown significantly over the past few years, with the increased legitimacy of private equity as an asset class and greater market efficiency. The megafunds have moved up in deal size and are systematically seeking transactions with enterprise values above €1 billion. This has allowed the middle-market players, including Advent, to expand their deal sizes as well to the space beneath the €1 billion threshold. The average enterprise value of the 10 most recent investments completed or announced in GPE V was €510 million.

It is interesting to note that while the smaller transactions in GPE IV and V have performed very well, the larger businesses have produced even better returns. Realized and publicly traded investments with an entry enterprise value of less than €200 million in GPE IV and V have a total gross IRR of 62%, while investments greater than €200 million have a gross IRR of 76%.

### **Sector Specialization**

GPE VI will emphasize five core sectors:

- 1) Business and Financial Services
- 2) Retail, Consumer and Leisure (RCL)
- 3) Healthcare
- 4) Technology, Media and Telecom (TMT)
- 5) Industrial

Advent has substantial experience in each of these sectors, and the GPE team has identified attractive sub-sectors with strong business models that may either have particularly strong growth opportunities or are relatively insulated from a recession or slower-growth economic cycle. Within these sub-sectors, Advent will seek to utilize existing organizational knowledge and experience to identify investments in areas where it has had previous success and develop new opportunities based on a clear understanding of industry trends and competitive landscapes.

Advent will also consider investments outside these core sectors in cases where its investment platform is likely to provide a strong competitive advantage in winning a transaction and building value.

### **Buyouts And Control Positions**

Advent seeks to have controlling positions in its investments through majority ownership or by implementing strong minority protections, negative controls or de facto control through the board of directors. To date, Advent has led or co-led 86% of the deals in the GPE Program track record and increasingly is the sole investor in its transactions. The GPE team has held

seats on the boards of 92% of the GPE portfolio companies and 100% of the investments in the two most recent funds, GPE IV and GPE V. Advent or an investment syndicate control most of

the investments in these funds. Advent regards control as fundamental to exercising proper influence on portfolio companies and to ensure better downside protection.

Since 2000, the GPE Program has focused primarily on buyouts. Ninety percent of the investments in GPE IV were control buyouts, and 17 of the 18 investments in GPE V as of September 30, 2007, have been control buyouts.

### **Diversified Portfolio, But Adapted To The Cycles**

Advent's ability to invest in a variety of geographies, sectors, deal types and sizes gives its deal teams and investment committees a wide choice and allows a high degree of selectivity. Different cycles will affect the risk-return profile of investments within the regions or categories. The breadth of Advent's capabilities enables the Firm to develop a diversified portfolio, while adapting the portfolio to the specific conditions during the fund's investment period. Advent's focus on business change and EBITDA growth can allow the portfolio to outperform regardless of the cycle.

Relative to previous Advent portfolios, there were more investments in Continental Europe than in the UK and more restructuring opportunities, but fewer industrial and retail investments due to the recession and fewer TMT deals as a result of the technology and telecom downturn. The mid-market size mix was as expected.

There are more industrial investments because of the increase in commodity prices and because the restructuring investments, often industrial businesses, had more attractive valuations than the cash-flow-driven buyouts in a high debt cycle. There are also more investments in financial services because of successful, proactive efforts by the team and more larger transactions in GPE V as the mid-market space moved up significantly during the fund cycle.

## **INVESTMENT PROCESS**

Deriving the benefit of high portfolio quality and strong returns from Advent's competitive advantages requires rigorous and sophisticated investment processes and disciplines. Advent's approach has been professionalized over 23 years and consists of:

- Purposeful target selection – extensive sector experience and market analysis to target and identify attractive sub-sectors and companies;
- Systematic deal origination – holistic sourcing and sophisticated sector-based marketing programs;
- Development of a value creation plan – strategies that leverage Advent's industry knowledge and global capabilities;
- Rigorous due diligence and deal execution;
- Implementation of the value creation plan – active ownership and partnership with management and Operating Partners; and
- Exit focus – identifying an exit path prior to investing and guiding a portfolio company along that path.

### **Purposeful Target Selection**

Advent deal origination starts with a market map of a targeted industry. With independent research, the Advent sector team determines the size of the targeted market, its historical growth and drivers, and the competitor set. The team looks for global and regional market

trends and key industry developments. Based on this research, the team creates plans detailing sub-sector opportunities, characteristics of desirable companies and possible targets. Advent also uses the target selection process to identify and develop its network of Operating

Partners. One key benefit of this process is the ability to engage in “serial sector investing,” targeting new investments in areas where Advent has been successful before. This allows the Firm to reuse management teams, Operating Partners, industry knowledge and best practices in the sub-sectors.

### **Systematic Deal Origination**

Advent pursues an integrated deal sourcing plan based on industry sector focus and consisting of: (1) quota-based cold calling and other direct company contact; (2) lead review and generation by Operating Partners; (3) organized interaction and relationship-building with a comprehensive range of intermediaries and advisory firms; and (4) sector-focused marketing. The combination of these four efforts creates a highly effective deal generation system, which it refers to as “holistic sourcing.”

Based on the sector plans and market maps, the teams systematically pursue companies of interest. The targeted approaches are intended to ensure early access to high-quality opportunities and often catalyze proprietary transactions.

Advent is one of few firms in the private equity industry known for its structured quota-based cold-calling program and is one of the few firms to have applied the approach on a broad international scale. Of the investments in the GPE Program track record, approximately 25% were initially contacted through this cold-calling program.

Advent introduced its quota-based cold-calling program in 1988 and, as of September 30, 2007, there were over 55,000 companies in its database. Proprietary software is used to manage the cold-calling process and track the development of potential investments. Cold calling is the primary responsibility of the GPE team’s Associates and an ongoing responsibility of the team’s Principals. These professionals operate across their local markets and regions but very importantly are attached to sector teams, which guide the activity toward targeted sub-segments and companies.

Advent uses the target selection process to identify and develop its network of Operating Partners. These managers provide extremely valuable feedback regarding key market trends and, often, potential deal situations in their markets. Involving Operating Partners in the deal-sourcing process also provides another valuable communication channel to target companies. Founders and managers of private businesses often find discussion with a fellow manager to be highly valuable, and Advent’s Operating Partners therefore play a key role in cementing the Advent relationship with the attractive target company. In addition, Advent has sophisticated local and sector-based marketing programs aimed at corporates, influential industry managers, consultants, brokers, bankers and other intermediaries. The Firm also sources deals directly through the extensive personal and professional contact networks it has developed over 23 years.

These efforts enable Advent to track potential investee companies over long periods, during which time the Firm can cultivate relationships with management teams and vendors, follow the performance of the business, construct value creation plans and develop angles to win transactions if the sale process is competitive.

Advent’s comprehensive sourcing methodology generates a broad base of potential opportunities. The sourcing engine operates regardless of changes in business cycles, stock market cycles, sector cycles, debt cycles or private equity cycles. Changes in the cycles will

clearly affect the availability and attractiveness of individual deals, but Advent’s sourcing efforts give it the advantage of greater choice and selectivity. This keeps the investment program healthy and active regardless of the cycles.

### **Development Of A Value Creation Plan**

Prior to investing, Advent develops a detailed value creation plan that identifies specific actions required to realize a company's potential and drive it to a successful exit. The plan draws on the GPE team's in-depth knowledge of the environment, international prospects, opportunities and challenges of its sub-sector, and the characteristics of the target company and its

management team. A well-developed value creation plan, especially in more complex situations, may help Advent to win a transaction and get the value creation process off to a rapid start post-investment. Advent's long experience in the international mid-market and history of close involvement with portfolio companies enable it to benefit from opportunities that other firms may find challenging.

Advent's value creation plans are comprehensive, encompassing many aspects of the business, and often include:

- Organic growth, market expansion and acquisitions;
- Restructuring, disposal of non-core assets, cost reduction and cash-flow optimization;
- Strategic repositioning;
- Enhancing or changing management;
- Implementing industry best practices; and
- Applying other specific actions designed to make the company more attractive to strategic acquirers.

### **Rigorous Due Diligence And Deal Execution**

Advent consistently applies high due diligence standards to potential investments, focusing on management references and customer calls, a review of operations, finances, legal standing and, very importantly, the viability of implementing the value creation plan.

Advent encourages cross-border support and resource-sharing among different regional groups through its common culture, information sharing systems and carried interest structure. International deal teams can be put together rapidly and effectively consisting of one or more investment professionals from the relevant regional offices, members of the sector team and/or an Operating Partner. Advent professionals outside the region can be added to the team to gain additional sector expertise or assistance in an overseas market from a local office team.

Regional Investment Advisory Committees consisting of the more experienced Partners meet on a frequent, iterative basis to direct the due diligence process, apply the correct country/sector mix to deal teams and drive the development of investment theses and value creation plans. David Mussafer and Steve Tadler of the Boston office and Will Schmidt from London sit on both the European and North American Investment Advisory Committees. This approach provides homogeneous standards and encourages comprehensive use of Advent's global resources.

### **Implementation Of The Value Creation Plan**

Advent has led or co-led 86% of the transactions in GPE IV and GPE V and has taken responsibility as an owner of the business. The Firm has taken board seats on 92% of the companies in the GPE track record and 100% of the investments in GPE IV and V. Advent or an investment syndicate control most of the investments in these funds.

Typically additions are made to a management team, though key managers may be changed. In virtually every case, a new board of directors is appointed. In most investments, an Advent Operating Partner is brought in as chairman, active non-executive member of the board, executive on the management team or as a consultant.

Beyond active governance and the initial placing of a new board and/or management team, an Advent deal team is fully involved at both strategic and operational levels, although not to the extent of day-to-day management. A deal team is often engaged in designing, launching and monitoring the “100-day plan.” They also become involved in specific projects on behalf of the company, such as international expansion, acquisitions, alliances, disposals, discussions with potential purchasers of the business, and technology or operational sub-committees.

As a result of Advent’s active involvement and focus on driving business change, companies in the GPE Program portfolios have shown substantial increases in enterprise value and exit value for the funds.

### **Exit Focus**

At the time of investment, the GPE team should already see a clear route to value creation and exit. Target companies are typically among the leaders or potential leaders in their niche or geography with the opportunity either to expand internationally and/or become strategic acquisition targets for multinational trade buyers. Most of the companies will undergo a high degree of business change to accelerate growth or for restructuring. The investment process includes identifying potential buyers prior to an investment, tracking them and developing a relationship with them while implementing the value creation plan.

As an international investor, Advent can proactively seek the most attractive markets for exiting its investments. The Firm has a successful and extensive realization history, particularly through trade sales, secondary buyouts and public flotations. In total, the GPE Funds have returned approximately €7.2 billion through public offerings, trade and secondary sales in 16 countries. Of the 42 exits since 2005 not driven by recapitalizations, 21 have been trade sales, eight have been secondary sales to other private equity firms and five have been public flotations.

## **MANAGEMENT**

**Bruce Barclay - Partner, London** - Mr. Barclay joined Advent in 1997 and has over 19 years of private equity and M&A experience and six years’ experience working in industry. He has been involved in some of Advent’s largest transactions, including HMV and Italtel. In recent years, he has spent much of his time meeting with investors globally and working on strategic programs, such as Advent’s evaluation of the Asia buyouts opportunity and the likely impact of, and Advent’s response to, hedge fund convergence with private equity.

Prior to Advent, Mr. Barclay worked for KPMG Corporate Finance, specializing in private equity transactions, and Hill Samuel Investment Banking, moving from previous roles in the computing and high technology industries. He has an MBA from IMD in Switzerland and a degree in management studies from the University of Waikato in New Zealand. He also holds a diploma from the UK Securities Institute and is currently a member of the EVCA’s Media Awareness Committee.

**James Brocklebank - Partner, London** - Mr. Brocklebank joined Advent in 1997 and has more than 10 years of private equity experience. He has led Advent’s investment in Equiniti (Lloyds TSB Registrars) and participated in investments in AIRCOM International, MACH, Dan Net, Jacobs Rimell, Cybercity and Tertio.

Prior to Advent, Mr. Brocklebank worked in the London office of investment bank Baring Brothers, where he advised clients on various international mergers and acquisitions. Previously he focused on transatlantic transactions at Dillon, Read & Co., then an affiliate of Barings, in New York. He also worked in Barings' Paris office. Mr. Brocklebank has an MA in geography, specializing in economic and political geography, from Cambridge University.

**Luis Camilleri - Partner, Madrid** - Mr. Camilleri joined Advent's Spanish office in 2002 from Dresdner Kleinwort Capital (DrKC) Spain, where he was a founding partner. He has 18 years of private equity experience. While at DrKC, he worked with Advent through a joint venture from 1996 to 2002. Mr. Camilleri has led, co-led or participated in 12 investments, including Euroloc and Parques Reunidos while at Advent and Alcala Farma, Jazztel and Alta Gestion while at DrKC. He has served on the boards of 12 companies.

Prior to DrKC, Mr. Camilleri was an investment manager with Iberfomento, an independent Spanish private equity and M&A firm. Previously, he held the positions of controller of Texaco Spain and general manager of Floyd, moving from Arthur Andersen Audit and Taxes. Mr. Camilleri has a degree in law and business administration from ICADE and a master's degree in taxes from Instituto de Empresa.

**Steven J. Collins - Partner, Boston** - Mr. Collins joined Advent in 1995 as an associate focusing on buyouts and growth equity investments. He also served as chief financial officer of Kirkland's, an Advent portfolio company. Following business school, Mr. Collins rejoined Advent to focus on investments in the retail and business services sectors. He has over 10 years of private equity experience. He has co-led or participated in a number of Advent investments, including lululemon athletica, Making Memories, Shoes For Crews, Aspen Technology, Datek Online/The Island ECN, Resort Sports Network, Inframetrics and Kirkland's.

Mr. Collins' past experience includes positions with Merrill Lynch & Co. in mergers and acquisitions and with Coopers & Lybrand in the audit group. He received a BA and BS in economics, with honors, from the University of Pennsylvania's Wharton School and an MBA from Harvard Business School.

**Francesco de Giglio - Partner, Milan** - Mr. de Giglio joined Advent in 2006 and is managing director of the Firm's Italian office. He has 19 years of private equity experience.

Before joining Advent, Mr. de Giglio was chairman of SG Private Equity Italia and manager of the Milan office of SG Capital Europe Advisors. From 1988 to 1999, he was senior director of So.Pa.F., one of Italy's leading merchant banks, and also partner of Invest Equity Partners, one of the bank's buyout funds focusing on the Italian market. Mr. de Giglio has led transactions across a broad range of sectors including automotive components, IT, industrial manufacturing, commercial aviation, shipping, business services, and food and beverage-related businesses. He has a degree in mechanical engineering and an MBA from Bocconi University.

**Juan Díaz-Laviada - Partner, Madrid** - Mr. Díaz-Laviada joined Advent in 2002 and is managing director of the Firm's Spanish office. He has over 20 years of private equity and M&A experience. He was previously a founding partner and managing director of Dresdner Kleinwort Capital (DrKC) Spain, where he worked with Advent through a joint venture from 1996 to 2002. Throughout his career, he has led or co-led 19 investments, including Euroloc and Parques Reunidos while at Advent and Alcala Farma, Jazztel and Alta Gestion while at DrKC.

Prior to DrKC, Mr. Díaz-Laviada was a co-founder of Iberfomento, an independent Spanish M&A and private equity firm, and worked as a manager in the audit and consultancy division of Arthur Andersen. He is currently chairman of the Spanish Association of Risk Capital Entities. Mr. Díaz-Laviada has a degree in law and business administration (ICADE), an MBA from Keller School of Management, Chicago and is a chartered accountant.

**Tim Franks - Partner, London** - Mr. Franks joined Advent in 1999 and has nine years of private equity experience. He has led, co-led or participated in Advent's investments in Fat Face, Sportfive, VRON (Radio 538), ILVA, Poundland and Vinnolit.

Prior to Advent, Mr. Franks worked for the investment banking division of Credit Suisse First Boston in London and the project finance group at Deutsche Morgan Grenfell. He has an MA from Cambridge University, where he was awarded the Dr. Herchel Smith Scholarship for continued study at Harvard University. At Harvard, he received a Master of Public Policy focusing on international finance and development from the John F. Kennedy School of Government.

**David McKenna - Partner, Boston** - Mr. McKenna has 15 years of private equity experience and focuses on buyout investments in the industrial sector. He has co-led Advent's investments in Boart Longyear, Li & Fung (Distribution) and Keystone Automotive Operations, and has been involved in investments in Moulin International Holdings, Inframetrics, Tweeter Home Entertainment Group and Creative Multimedia. Mr. McKenna rejoined Advent in mid-2003 after three years with Bain Capital, where he was a senior dealmaker working on large buyouts in the industrial, retail and consumer sectors. Prior to Bain, he spent eight years with Advent, including two years as head of the Firm's Hong Kong office, where he focused on buyouts in Greater China and Southeast Asia. He also worked for Advent's private equity team in Boston, executing buyout and growth equity investments in the retail, distribution and industrial technology sectors.

Previously, Mr. McKenna was a consultant with The Monitor Group, a leading strategy consulting firm, where he worked in manufacturing and financial services industries. He graduated *cum laude* with an AB from Dartmouth College.

**David Mussafer – Managing Director, Boston** - Mr. Mussafer leads Advent's North American buyout group and is a member of the Firm's Executive Committee. He joined Advent in 1990 and has 18 years of private equity experience. He has been involved in more than 30 deals at Advent and personally led more than a dozen buyout and growth equity investments across a range of industries. Selected investments include lululemon athletica, Datek Online, Dollar Express and Managed Healthcare Associates.

Previously, Mr. Mussafer worked at Chemical Bank and Adler & Shaykin in New York. He holds a BSM, *cum laude*, from Tulane University and an MBA from the Wharton School of the University of Pennsylvania.

**Christopher Pike - Partner, Boston** - Mr. Pike joined Advent in 1997 and has 11 years of private equity experience. He has participated in more than 10 Advent investments, including BondDesk Group, Long Term Care Group, GFI Group, Datek Online/The Island ECN, RedPrairie, Contact East and Managed Healthcare Associates.

Prior to Advent, Mr. Pike spent five years at Coopers & Lybrand in the Business Assurance and Financial Advisory Services groups, providing M&A advisory services to clients in the financial, manufacturing and business services industries. He received a BA in economics and Spanish from Amherst College.

**Pascal Stefani - Partner, Paris** - Mr. Stefani has 17 years of private equity experience and joined Advent in 1998. He is head of the Firm's Paris office. He has led or co-led Advent's investments in Sportfive, BCS, Loxam and MCI.

Prior to Advent, Mr. Stefani spent eight years with Financière Saint Dominique, the private equity arm of Natexis (formerly Crédit National), where he worked on management buyouts and expansion financings in various sectors, including retail, industrial, media and communications.

Before joining Natexis, he worked as an assistant to the CEO of a distribution company specializing in do-it-yourself products and building materials, and as head of acquisitions for an automotive supplier. Mr. Stefani has a degree in business administration from HEC (Paris).

**Frederic Wakeman - Partner, London** - Mr. Wakeman joined Advent in 1998 and has 15 years of private equity experience. He has led or participated in 15 Advent investments including Venere.com, Fat Face, AVIP, Sportfive, Radio 538, ILVA and Poundland.

Prior to Advent, Mr. Wakeman was a director in GE Capital's equity capital group, where he specialized in later-stage growth capital investments, primarily in the media and business services sectors in both the U.S. and Europe. He received joint BAs in economics and history from the University of California at Berkeley and an MBA from the Georgetown University School of Business.

## **CONCLUSION/RECOMMENDATION**

Based upon the successful track record and experience of the principals and the recommendation of PSERS' consultant, Portfolio Advisors, staff recommends that the Board invest an amount equal to 25 percent of the committed capital, but not to exceed €200 million plus reasonable normal investment expenses, in Advent International GPE VI, L.P. The final terms and conditions of the investment must be satisfactory to the Investment Office, the Office of Chief Counsel, and the Executive Director.