

EXHIBIT 12

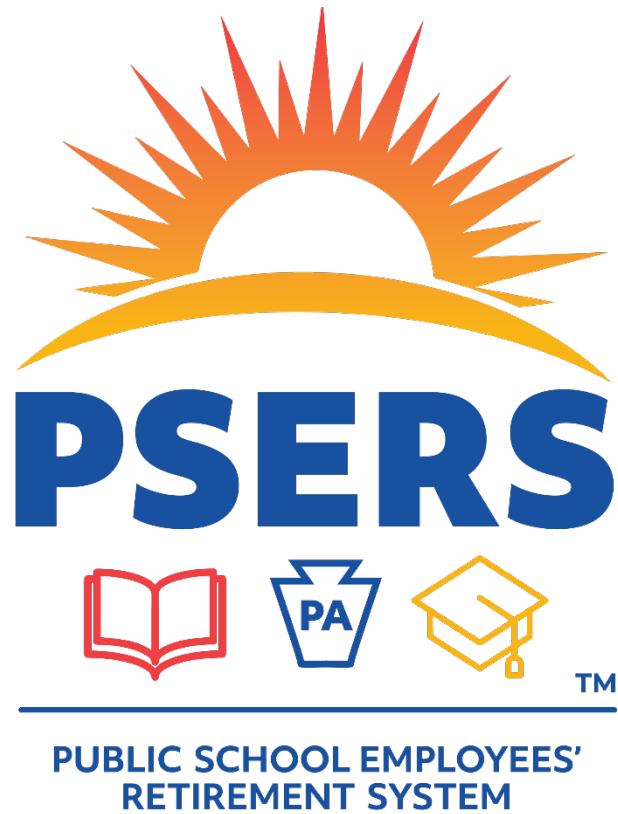
2019-36 Platinum Equity Capital Partners V, L.P.

PSERB Resolution 2019-36

Re: Platinum Equity Capital Partners V, L.P.

August 9, 2019

RESOLVED, that the Public School Employees' Retirement Board (the "Board") hereby invests an amount not to exceed \$300 million plus reasonable normal investment expenses, in Platinum Equity Capital Partners V, L.P. (and/or related investment vehicles), in accordance with the [recommendation of Luke M. Jacobs, Portfolio Manager, dated April 29, 2019 and Hamilton Lane, dated April 1, 2019](#). The final terms and conditions of the investment must be satisfactory to the Investment Office, the Office of Chief Counsel, and the Office of Executive Director, as evidenced either by the appropriate signatures on, or by a memo to that effect appended to, the implementing investment contract.



Public Investment Memorandum

Platinum Equity Capital Partners V, L.P.

Private Equity Fund Commitment

Luke M. Jacobs, CFA
Manager, Private Markets

April 29, 2019



Recommendation:

PSERS Investment Professionals, together with Hamilton Lane Advisors, L.L.C. ("Hamilton Lane"), recommend to the Board a commitment of up to \$300 million to Platinum Equity Capital Partners V, L.P., ("Platinum V" or the "Fund").

Founded in 1995 and based in Los Angeles, Platinum Equity Advisors, LLC ("Platinum" or the "Firm") is a global, operationally focused investment firm that manages approximately \$11 billion in assets across six discrete pools of capital, including four Platinum Equity Capital Partners funds (Platinum Equity Capital Funds I – IV) raised by Platinum since 2004 with commitments from institutional investors. A pre-fund portfolio was invested between 1995 and 2004 with capital provided by the founder and principal executives. The Platinum Small Cap Fund was raised in 2018. Platinum has established Fund V with a target of \$8 billion in capital commitments.

Firm Overview:

Platinum is a global private equity firm headquartered in Los Angeles, with offices in Greenwich, New York, Boston, London and Singapore. The Firm was founded in 1995 by Tom Gores, an entrepreneur and business operator who continues to lead the firm today as its Chief Executive Officer. Mr. Gores is surrounded by a core group of 10 Partners who have been with the firm an average of 18 years, and who together with Mr. Gores, created, expanded and refined the Mergers, Acquisitions and Operations (M&A&O) model. The full organization comprises approximately 240 employees, of which, more than 140 are professionals dedicated to the investment process including operations specialists with hands-on expertise from the board room to the factory floor, and real world experience in company operating positions prior to joining Platinum.

The investment team is complimented by a highly institutionalized support platform comprising over 30 professionals with significant experience across key functions including investor relations, fund administration, marketing, finance, accounting, legal, tax and HR. Many of these professionals have also worked at Platinum for a significant portion of their careers and continue to help expand and evolve the platform.

Fund Size:

The Fund is seeking equity commitments of up to \$8 billion, with a hard cap of \$10 billion.

Investment Strategy:

Platinum's investment strategy for Fund V, consistent with all of its prior funds, is to invest primarily in underperforming, undermanaged and undervalued businesses and apply operational improvements to those businesses to create value that generate attractive investment returns.

Platinum's investment strategy is focused on identifying value creation opportunities based on three key tenets: (i) favorable entry price, (ii) operational improvements and (iii) downside protection through target company characteristics and swift return of invested capital.

Fund V will opportunistically target companies that are experiencing operational difficulty but exhibit strong underlying business characteristics, including (i) long-term customer relationships; (ii) products and services or other elements that make the customer base and associated revenues "sticky" and predictable; (iii) established brands; (iv) sizable market shares; and (v) value locked in the balance sheet. Because of its comprehensive operations focus and capabilities, Platinum believes it is able to identify and acquire non-core or underperforming assets of large companies whose value is being negatively



impacted by operating challenges, to establish those assets as improved standalone businesses, and to create and extract value by improving the company's operations and integrating add-on acquisitions.

Fund V will invest primarily in North America and Western Europe but will also review opportunities in other geographies. The Firm's approach is not industry specific, but in the past has invested in technology, manufacturing, services, materials, equipment rentals, hospitality and other businesses. Platinum is well positioned to capitalize on opportunities across a wide variety of industries because its fundamental approach is not sector-focused but instead focuses on the business characteristics of the target and the dynamics of the transaction.

Platinum began in 1995 by acquiring and fixing small software businesses facing operational risks. Over time, the Firm methodically expanded (i) its capabilities and focus to businesses in industries beyond software and technology and (ii) its ability to execute its strategy in larger and more complicated transactions with higher equity commitments and greater potential for value creation. In addition, Platinum has focused on building portfolio companies into market leaders not only through internal growth, but also through the integration of add-on acquisitions.

Investment Team:

The following list represents the individuals who will be dedicated to the Fund as well as Platinum's senior executives who will be involved in overseeing the successful execution of the Fund:

Name	Title	Yrs. Experience At the Firm	Prior Experience
Tom Gores	Chairman and CEO	24	Ventech Software, Entrepreneur
Mark Barnhill	Partner	17	Fleishman-Hillard Inc., U.S.C.
Bryan Kelln	Partner	12	Nortek, Inc., Jacuzzi Brands Inc., Mercer
Jacob Kotzubei	Partner	17	Goldman Sachs, Sullivan & Cromwell
Johnny Lopez	Partner	24	Ventech Software
Louis Samson	Partner	12	CIBC World Markets, Stikeman Elliott LLP
Mary Ann Sigler	Chief Financial Officer & Chief Compliance Officer	15	Ernst & Young
Robert Wentworth	Partner	22	Alden Electronics, Ernst & Young
Robert Wymbs	Partner	19	Los Angeles Dodgers, McKinsey & Company
Philip Norment	Partner	22	Pilot Software, Inc.
Stephanie Barter	Partner	21	Peak Technologies, NextiraOne
John Diggins	Partner	23	Dun & Bradstreet, GEAC Computer

Investment Instruments:

The Fund will make private investments principally in equity, equity-oriented, debt securities or other instruments (including preferred equity and bank loans) which offer equity-like returns in undervalued, undermanaged and/or underperforming businesses.

Market Opportunity:

Platinum has demonstrated characteristics that make the Fund an attractive investment including:



- M&A&O - Platinum has developed a fully integrated Mergers, Acquisitions and Operations (M&A&O) process that is highly differentiated in the market in which highly experienced operations executives are assigned at a granular level in the earliest stages of the acquisition process. Platinum has in-house expertise across a wide range of functional disciplines, including manufacturing, distribution, legal, real estate, tax, accounting, treasury and cash management, IT, insurance, human resources, sales and marketing, public affairs and branding. The deployment of Platinum's operations professionals inside portfolio companies has generally resulted in a rapid improvement in portfolio companies' cash flow and profitability and laid the foundation for long-term value creation.
- Robust Deal Pipeline - Platinum has a dedicated business development group focused on deal sourcing. This group employs a multilayered approach that utilizes coverage, transaction development and business intelligence resources to generate transaction opportunities. These leads are screened to identify qualified deals, and then assigned to transaction teams best equipped to execute them successfully.
- Low Tolerance for Financial Risk - Platinum intends to maintain a fundamental discipline in pricing and financing its investments and to seek to avoid paying over-inflated entry multiples. The Firm strives to minimize financial risk by (i) striking the right entry price and minimizing the initial cash investment, (ii) employing a disciplined cash management program inside portfolio companies and (iii) swiftly recovering invested capital as operations improve and balance sheet elements are managed more efficiently, resulting in improved cash flow.
- Proven Investment Strategy - The Fund will utilize the same disciplined approach that Platinum has used to create meaningful enterprise value and generate attractive returns since its inception. Platinum uses its investment strategy to execute a unique strategy that identifies value creation opportunities based on three key tenets: (i) favorable entry price, (ii) operational improvements and (iii) downside protection through target company characteristics and swift return of invested capital.

Investment Highlights:

- Global Firm with Stable Senior Team
- Solid Track Record
- Differentiated Investment Approach and Operational Acumen
- Significant Alignment of Interest with Limited Partners
- Ability to Build Market Leaders and Create Additional Value through Acquisitions

Investment/Risk Considerations:

- Larger Fund Size
- Risks of Effecting Operating Improvements
- Highly Competitive Market for Investments
- Risks of Fewer, Larger Investments

PSERS History & Performance:

This will be PSERS' sixth commitment to a Platinum Equity fund. PSERS has committed to Platinum Equity Capital Partners Fund I, II, III, IV and Platinum Equity Small Cap Fund.



Portfolio Fit:

A commitment to the Fund will give PSERS' Private Markets portfolio, specifically in the private equity space, exposure to the larger end of the buyout market. A commitment to the Platinum Equity Capital Partners V will be allocated to the Private Equity sleeve of PSERS' Private Markets portfolio. The table below summarizes PSERS' projected Private Equity exposure as of December 31, 2018 (in millions):

Investment Type	Market Value	%	Unfunded ¹	%	Total Exposure ¹	%
Private Equity	\$5,227	63.8%	\$4,295	72.7%	\$9,522	67.5%
Special Situations	\$1,200	14.6%	\$825	14.0%	\$2,025	14.4%
Venture Capital	\$1,048	12.8%	\$697	11.8%	\$1,745	12.4%
PE Internal	\$721	8.8%	\$93	1.6%	\$814	5.8%
Total	\$8,195	100.0%	\$5,910	100.0%	\$14,105	100.0%
¹ As of December 31, 2018; plus proposed commitments through May 2019.						

Investment Committee Disclosure:

Relationship with Hamilton Lane:	Yes, Hamilton Lane has invested discretionary capital for multiple clients in prior funds and will commit to Fund V.
Introduction Source:	PSERS has been an investor since 2004
Placement Agent:	No
PA Political Contributions:	None Disclosed
PA Presence:	Yes, 23 investments across three funds
Potential Conflicts:	None Disclosed
History with PSERS:	Yes, please see PSERS History and Performance on page 4
PSERS Allocation Implementation Committee Meeting Approval:	April 29, 2019

Oversight Responsibility:

Investment Office:	Charles J. Spiller Deputy CIO, Non-Traditional Investments
	Darren C. Foreman, CAIA Director
	Luke M. Jacobs, CFA Manager
External Consultant:	Hamilton Lane



Hamilton Lane

April 1, 2019

Board of Trustees
Commonwealth of Pennsylvania
Public School Employees' Retirement System
5 North 5th Street
Harrisburg, PA 17101

Re: Platinum Equity Capital Partners V, L.P.

Dear Trustees:

Platinum Equity, LLC ("Platinum") was founded in 1995 by Tom Gores, who continues to lead the General Partner today. Platinum's investment activities are managed by Jacob Kotzubei, Louis Samson, Robert Wentworth and Robert Wymbs on a day-to-day basis, as Mr. Gores has shifted focus towards overseeing broader organization initiatives; however, Mr. Gores remains involved in all investment decisions and maintains a veto right on the investment committee. The General Partner's professionals are organized within functional groups who specialize across each stage of due diligence in order to better inform investment and operating decisions. In addition to back-office professionals, Platinum's broader resources include business development, portfolio operations and corporate divestitures specialists who support investment professionals before and during the investment hold period. The General Partner's M&A&O process includes three core groups, M&A Operations, M&A Finance and M&A Execution, which comprises 80 total professionals. The Portfolio Operations Group is responsible for managing the transition of newly acquired businesses into the portfolio, executing pre-determined operational enhancement plans and closely monitoring performance. The Portfolio Operations group is engaged post-investment, representing a seamless transition from the M&A&O groups, to drive value creation initiatives in each portfolio company through the direct deployment of in-house professionals. Platinum is targeting \$8 billion in commitments for its fifth buyout fund, Platinum Equity Capital Partners V, L.P. (the "Fund"). Platinum expects to hold a first close in April 2019 and a final close in September 2019. The General Partner will commit at least 5% of commitments to invest in the Fund.

Consistent with the General Partner's prior funds, the Fund will maintain an opportunistic approach and target businesses across sectors, primarily located in North America. Platinum seeks to construct a diversified portfolio to reduce macroeconomic risk while utilizing its flexible mandate to increase portfolio exposure to sectors that are well-positioned to benefit from broader economic trends. Consistent with Platinum's prior fund, the Fund will invest in larger, healthier businesses while continuing to pursue complex transactions, where the General Partner has significant experience driving successful outcomes. Deal execution professionals are informed by operations professionals who perform extensive pre-acquisition diligence and provide a granular understanding of key risk considerations and deal complexities, facilitating a highly selective investment approach. The General Partner's value creation initiatives have evolved significantly over time, incorporating a comprehensive organic growth and operations playbook, which is inclusive of both revenue and cost improvement initiatives, in addition to opportunistic add-ons. Significant, specialized functional resources are allocated and deployed to each investment to ensure a rapid implementation of value creation initiatives, focused towards quickly returning invested capital. The Fund will target 20 to 30 equity investments up to \$1 billion in companies with enterprise values up to \$4 billion. Excluding Fund II, which is near top-quartile, the General Partner has generated top-quartile performance on a net IRR, DPI and TVPI basis across all other prior funds.

Platinum Equity Capital Partners V's investment thesis can be summarized as follows:

- Reputable, experienced and capable investment team, supported by a broad institutional platform



Hamilton Lane

- Highly differentiated, repeatable approach with a focus on specialization at each stage of the investment process
- Best-in-class operational capabilities drives significant value creation opportunities
- Consistent, attractive performance across prior funds with a heavy focus on early distributions

Hamilton Lane's recommendation is based upon the following analytical factors and is made within the context of Commonwealth of Pennsylvania, Public School Employees' Retirement System's ("PSERS") investment guidelines.

- Detailed due diligence, including interviews with industry peers and private equity professionals. The initial review was completed January 14, 2019; the on-site due diligence was conducted January 21, 2019; the Fund was approved by Hamilton Lane's Investment Committee on February 19, 2019 and the recommendation to PSERS was issued April 1, 2019
- Evaluation of the composition of the investment team, how they work together, compensation structure and other factors that help determine whether a group is likely to be able to replicate past successes as currently configured
- Detailed operational due diligence, including interviews with Platinum's back office team to review the controls and processes surrounding the firm's finance, fund administration, tax, legal, compliance, IT, HR, and accounting functions
- Evaluation of the Fund's proposed investment strategy within the context of the current investment environment
- The strategy proposed for the Fund is appropriate for the Private Markets Partnership component of the portfolio

The individuals at Hamilton Lane who were involved in the due diligence process for the Fund are:

Andrea Kramer – Managing Director, Bala Cynwyd Office
Victor DeVincenzo – Associate, Bala Cynwyd Office
Patrick Burnette – Analyst, Bala Cynwyd Office

Based on the above, Hamilton Lane recommends that PSERS commit up to \$300 million in Platinum Equity Capital Partners V, L.P. Hamilton Lane makes this recommendation considering the General Partner's qualifications and PSERS' overall investment guidelines.

This recommendation is given solely for the benefit of PSERS and cannot be relied upon by other investors considering an investment in the Fund, since their needs, objectives and circumstances may not be identical to those of PSERS. The scope of this recommendation is limited to the investment merits of the Fund. Hamilton Lane does not provide legal or other non-investment-related advice.

Sincerely,

Michael Koenig,
Chief Client Officer

Corina English,
Principal