



Investment Committee

Item Number 8 – Open Session

Subject: Investment Insight Speaker – China Risk and Opportunities

Presenter(s): Kewsong Lee, The Carlyle Group

Item Type: Information

Date & Time: January 27, 2021 – 20 minutes

Attachment(s): None

PowerPoint(s): The Carlyle Group – China Risks and Opportunities

POLICY

The Investment Insight Speaker has been on the agenda of past Investment Committee meetings. For the January meeting, we have a speaker that will focus on China as part of the FY 20-21 Investment Committee work plan to Study Growth in Asia. As with any investment activity, this item falls under the overall CalSTRS Investment Policy and Management Plan, Teachers' Retirement Board Policy Manual, Section 1000, page A-17.

HISTORY AND PURPOSE OF THE ITEM

The Investment Insight Program has been part of the Investment Committee agenda for the past several fiscal years. The objective is to hear from investment industry experts to educate and challenge the Committee, staff and consultants on key topics confronting the portfolio. The purpose of this meeting's item is to hear from Kewsong Lee, of The Carlyle Group, a private equity partner, and his insights in China risks and opportunities. Mr. Lee will be joined by Xiang-Dong Yang and Jason Thomas, also from Carlyle.

BACKGROUND



KEWSONG LEE

Kewsong Lee is the Chief Executive Officer of Carlyle, Chairman of the Executive Group, and was elected to the Board of Directors effective January 1, 2018.

Mr. Lee joined Carlyle in 2013 as Deputy Chief Investment Officer for Corporate Private Equity and in 2016 he assumed the additional role of leading the Global Credit segment. Prior to joining Carlyle,

Mr. Lee was a partner and a member of the Executive Management Group at Warburg Pincus, where he spent 21 years.

He is currently the President of Lincoln Center Theater, Vice Chairman for the US Chamber of Commerce China Center and a member of the Business Roundtable and Global Advisory Council of Harvard University. He also serves on the board of the US China Business Council and FCLT Global, and is a Trustee of the Center for Strategic and International Studies and an Executive Committee Member of the Partnership for New York.

Mr. Lee has been married to his wife Zita Ezpeleta for over 25 years, and they have two adult children. He earned his AB in applied mathematics in economics at Harvard College and his MBA from Harvard Business School.



XIANG-DONG (X.D.) YANG

Xiang-Dong (X.D.) Yang is a Managing Director and Chairman of Carlyle Asia, leading all Corporate Private Equity investments in Asia (ex-Japan). He joined Carlyle in 2001 as a Co-Head of the Asia Buyout advisory team. Carlyle has been investing in Asia for over two decades and is one of the largest private equity investors in Asia. Carlyle Asia has invested over US\$15.5 billion in more than 150 companies in corporate private equity, and has current assets under management of more than US\$11.8 billion, as of June 30, 2020. Mr. Yang is based in Hong Kong.

Prior to joining Carlyle, Mr. Yang spent nine years at Goldman Sachs, where he was a Managing Director and Co-Head of Private Equity Investment Asia ex-Japan.

Mr. Yang serves on the boards of Grand Foods Holdings Limited (McDonald's China) and Du Xiaoman Financial. Mr. Yang is also a member of the Global Advisory Council of Harvard University and a trustee of the Hirshhorn Museum in Washington D.C.

Mr. Yang received his BA in economics from Harvard University and MBA from Harvard Business School. He is a native of China.



JASON THOMAS

Jason Thomas is a Managing Director and Head of Global Research at The Carlyle Group, focusing on economic and statistical analysis of Carlyle portfolio data, asset prices and broader trends in the global economy. He is based in Washington, DC.

Mr. Thomas serves as Economic Adviser to the firm's corporate Private Equity, Real Estate and Credit Investment Committees. His research helps to identify new investment opportunities, advance strategic initiatives and corporate development, and support Carlyle investors.

Prior to joining Carlyle, Mr. Thomas was Vice President, Research at the Private Equity Council. Prior to that, he served on the White House staff as Special Assistant to the President and Director for Policy Development at the National Economic Council. In this capacity, Mr. Thomas served as primary adviser to the President for public finance.

Mr. Thomas received a BA from Claremont McKenna College and an MS and PhD in finance from George Washington University, where he studied as a Bank of America Foundation, Leo and Lillian Goodwin Foundation, and School of Business Fellow.

Mr. Thomas has earned the chartered financial analyst designation and is a Financial Risk Manager certified by the Global Association of Risk Professionals.