

MEMORANDUM

To: Pennsylvania State Employees' Retirement System ("SERS") Board Members
From: StepStone Group ("StepStone")
Date: September 10, 2021
Re: Investment in Clearlake Opportunities Partners III, L.P.

Recommendation

StepStone recommends that the State Employees' Retirement System Investment Committee approve a commitment of up to US\$75 million to Clearlake Opportunities Partners III, L.P. (the "Fund") at the September 28th PA SERS Investment Committee meeting. This recommendation is made solely within the context of Pennsylvania SERS' investment guidelines and is given solely for the benefit of Pennsylvania SERS.

Key investment highlights supporting the opportunity are as follows:

- Experienced Senior Team
- Strong Risk-Adjusted Performance

Overview

Clearlake Capital Partners is a Santa Monica, California-based private equity firm.

StepStone Due Diligence

StepStone's due diligence on the Fund was led by Ian Aaker (Partner), Carson Kvaternik (Principal), Brian Delpit (Senior Associate) and Alisa Forgeron (Associate), supported by StepStone's broader private equity team. The Fund was reviewed and approved by StepStone's Investment Committee considering the context of Pennsylvania SERS' private equity investment objectives. Key diligence items included:

- Consideration of portfolio fit within the Pennsylvania SERS Private Credit portfolio, including a review of other available opportunities
- Meetings with the Firm's senior investment professionals
- A review of the Firm's strategy and track record, including a review of drivers of historical returns
- Detailed operational due diligence

Disclaimer

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