

MEMORANDUM

To: Pennsylvania State Employees' Retirement System ("SERS") Board Members
From: StepStone Group ("StepStone")
Date: May 20, 2022
Re: Investment in Sentinel Capital Partners VII, L.P. & Sentinel Junior Capital II, L.P.

Recommendation

StepStone recommends that the State Employees' Retirement System Investment Committee approve commitments of up to US\$100 million to Sentinel Capital Partners VII, L.P. and up to US\$25 million to Sentinel Junior Capital II, L.P. (collectively, the "Funds") at the June 3rd 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, Tenured, and Cohesive Team
- Strong Absolute and Relative Performance

Overview

Sentinel Capital Partners is a New York, NY-based private equity firm.

StepStone Due Diligence

StepStone's due diligence on the Funds was led by Matthew Roche (Principal), Meg von Schroeter (Associate), and Anagha Havildar (Analyst), 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 Equity – Buyout 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

This recommendation is given solely for the benefit of Pennsylvania SERS and cannot be relied upon by other investors considering an investment in the Fund, since their needs, objectives and circumstances may not be the same as those of Pennsylvania SERS. The scope of this recommendation is limited to the investment thesis as previously outlined. StepStone does not provide legal or other non-related investment advice.

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