

MEMORANDUM

To: Pennsylvania State Employees' Retirement System ("SERS") Board Members
From: StepStone Group ("StepStone")
Date: January 26, 2026
Re: Investment in Francisco Partners VIII and Francisco Partners Agility IV

Recommendation

StepStone recommends that the State Employees' Retirement System Investment Committee approve a commitment of up to US\$100 million to Francisco Partners VIII ("FP VIII"), US\$30 million to Francisco Partners Agility IV ("Agility IV"), and US\$50 million to a sidecar vehicle formed to co-invest in opportunities alongside FP VIII at the February 24th 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:

- Large and Experienced Investment Team & Operating Resources
- Attractive Relative Performance
- Strong Realized Track Record

Overview

Francisco Partners ("FP", the "Firm" or the "GP") is a private investments firm with offices in San Francisco, London, and New York.

StepStone Due Diligence

StepStone's due diligence on the Fund was led by Ian Aaker, Brian Delpit, Kaitlyn Schmid and Andro Armanious, and 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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