

Investment Recommendation

SERS Staff and SERS' Private Equity Consultant, StepStone Group, recommend that the State Employees' Retirement System Investment Committee interview Francisco Partners Management, L.P. ("Francisco Partners", the "GP", "FP", or the "Firm") at the February 24, 2026 Investment Committee Meeting to consider a potential commitment of up to (i) \$100 million to Francisco Partners VIII, L.P. ("Fund VIII" or "Flagship"), (ii) \$30 million to Francisco Partners Agility IV, L.P. ("Agility IV"), and (iii) \$50 million to a co-investment sidecar vehicle (FP VIII PA Co-Invest, L.P.), subject to the satisfactory completion of legal due diligence. The Firm is targeting commitments of \$14 billion and \$3.5 billion for Fund VIII and Agility IV, respectively. Both funds are expected to have a final close in Q3 2026.

Investment Rationale

SERS IO staff identified Francisco Partners VIII and Francisco Partners Agility IV as strong candidates for a SERS capital commitment, as they offer:

- Additional exposure to a top performing manager
- Large and experienced investment team
- Operating resources (FPO team)
- Consistent and differentiated strategy
- Deep domain expertise
- LP favorable terms

Investment Risks & Mitigants

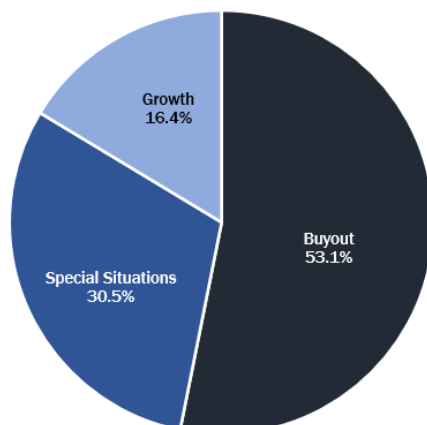
SERS IO staff identified the following potential risks of a commitment to Francisco Partners equity funds:

- Large unrealized portfolio and potential capacity constraints
- Fund VI volatility
- Competitive environment

Portfolio Implications

The recommended \$180 million commitment to Francisco Partners VIII, Francisco Partners Agility IV, and FP VIII PA Co-Invest would be a 2026 vintage allocation in the Private Equity asset class within the Buyouts sub-asset class. As of June 30, 2025, SERS' market value of Buyout investments was approximately 53.1% of the Private Equity portfolio, excluding legacy assets. A commitment to Francisco Partners can be expected to add approximately 1.2% of Buyout market value.

SERS Core PE Sub-Strategy Allocation as of 6/30/2025



SERS Projected Core PE Sub-Strategy Allocation

