

MEMORANDUM

To: Pennsylvania State Employees' Retirement System ("SERS") Board Members
From: StepStone Group ("StepStone")
Date: September 8, 2022
Re: Investment in Ardian Secondary Fund IX, L.P.

Recommendation

StepStone recommends that the State Employees' Retirement System Investment Committee approve commitments of up to US\$100 million to Ardian Secondary Fund IX, L.P. (the "Fund"), and US\$50 million to a no-fee/no-carry co-investment vehicle intended to be invested alongside the Fund at the September 22nd 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 and Extensive Track Record

Overview

Ardian is a global private markets firm with US\$141 billion of assets under management.

StepStone Due Diligence

StepStone's due diligence on the Fund was led by Michael Elio, Jonathan True, Cole Buese, Anagha Havildar, and Sam Marguleas, 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 – Special Situations 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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