

MEMORANDUM

To: Pennsylvania State Employees' Retirement System ("SERS") Board Members
From: StepStone Group ("StepStone")
Date: November 19, 2019
Re: Investment in Insight Partners XI, L.P.

Recommendation

StepStone recommends that the State Employees' Retirement System Board approve a commitment of up to US\$75 million to Insight Partners XI, L.P. ("Insight XI" or the "Fund") at the December 4th PA SERS Board meeting. This recommendation is made solely within the context of Pennsylvania SERS' investment guidelines and is given solely for the benefit of Pennsylvania SERS.

The key investment highlights supporting the opportunity are as follows:

- Highly Experienced Technology and Software Investor
- Ambitious Culture with "Winning" Attitude
- Strong Absolute and Relative Performance
- Flexible and Creative Investment Approach

Overview

Insight Partners ("Insight" or the "Firm") is a New York, NY-based private equity firm that invests in growth stage software, software-enabled services and Internet business on a global basis. The Firm was founded in 1995 and today the team comprises 119 investment and operations professionals.

StepStone Due Diligence

StepStone's due diligence on Insight XI was led by Andrew Callahan (Managing Director), Matthew Roche (Vice President), Ted Black (Associate) and Adam Buckley (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 – Special Situations portfolio, including a review of other available opportunities
- In-person meetings with all of 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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