

MEMORANDUM

To: Pennsylvania State Employees' Retirement System ("SERS") Board Members
From: StepStone Group ("StepStone")
Date: July 14, 2020
Re: Investment in LLR Equity Partners VI, L.P.

Recommendation

StepStone recommends that the State Employees' Retirement System Investment Committee approve a commitment of up to US\$50 million to LLR Equity Partners VI, L.P. ("LLR VI", "Fund VI" or the "Fund") at the July 29th 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 and Cohesive Senior Team
- Strong Absolute and Relative Performance

Overview

LLR Partners ("LLR" or the "Firm") is a Philadelphia, Pennsylvania-based private equity firm.

StepStone Due Diligence

StepStone's due diligence on LLR VI was led by Michael Elio (Partner), Matthew Roche (Vice President), Ted Black (Associate), Nicholas Zak (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 – Buyout portfolio, including a review of other available opportunities
- 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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