

MEMORANDUM

To: Pennsylvania State Employees' Retirement System ("SERS") Board Members
From: StepStone Group ("StepStone")
Date: September 15, 2020
Re: Investment in Thoma Bravo XIV, L.P. & Thoma Bravo Discover III, L.P.

Recommendation

StepStone recommends that the State Employees' Retirement System Investment Committee approve a commitment of up to US\$50 million to Thoma Bravo XIV, L.P. ("Fund XIV") and a commitment of up to US\$25 million to Thoma Bravo Discover III, L.P. ("Discover III") at the September 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
- Sector Specialist Investor

Overview

Thoma Bravo, LLC ("Thoma Bravo" or the "Firm") is a Chicago, Illinois and San Francisco, California-based private equity firm.

StepStone Due Diligence

StepStone's due diligence on Fund XIV and Discover III was led by Ian Aaker (Partner), Carson Kvaternik (Vice President), Brian Delpit (Senior Associate) and Sohail Qazi (Analyst), supported by StepStone's broader private equity team. The funds were 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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