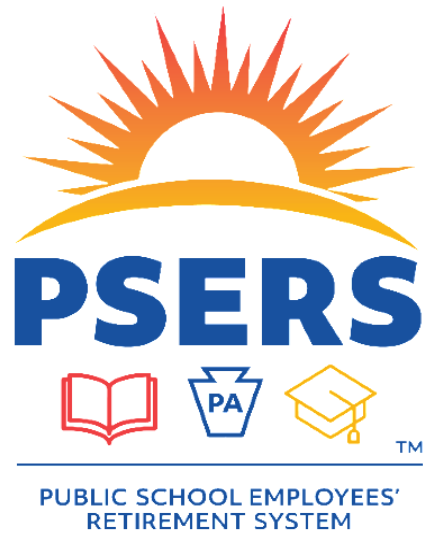


**PSERB Resolution 2025-41**  
**Re: Lindsay Goldberg VI, L.P.**  
**June 13, 2025**

**RESOLVED**, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Investment Committee and commits an amount not to exceed \$100 million, plus reasonable and normal investment expenses, to Lindsay Goldberg VI LP, and/or related investment vehicles in accordance with the recommendation of Luke M. Jacobs, Portfolio Manager and Aksia, LLC.

The final terms and conditions of the investment are subject to legal due diligence and must be satisfactory to the Investment Office, the Office of Chief Counsel, and the Office of Executive Director, as evidenced either by the appropriate signatures on, or by a memo to that effect appended to, the implementing investment contract.



## Lindsay Goldberg VI L.P. Private Equity Recommendation

**Luke M. Jacobs, CFA, CAIA**  
Portfolio Manager

**Sean Sarraf, CFA, CAIA**  
Portfolio Manager

**Mailinh T. Dang**  
Investment Professional

**June 2025**

# Today's Presentation

## *Lindsay Goldberg VI L.P. ("LG VI" or "Fund VI")*

### **Main Presentation**

1. Asset Class Considerations
  - *Recommendation is consistent with PSERS Strategic Asset Allocation (SAA) and current year commitment planning.*
2. Recommendation Overview
  - *PSERS IO and Aksia recommend committing \$100 million to Lindsay Goldberg VI L.P.*
3. Strategy & Expertise
  - *Specifically target businesses which are resilient, market-leading businesses poised for transformational growth, operating within the industrials, services, or healthcare sectors.*
4. Investment Considerations
  - *Investment expected to face certain risks consistent with Private Equity investments, and IOP believe that Lindsay Goldberg ("LG") has identified appropriate mitigants to those risks.*
5. Investment Highlights
  - *Consistent historical performance and complementary fit with PSERS private equity portfolio.*

### **Appendix**

- Investment Committee Disclosure
- Private Equity Dashboard

# 1. Asset Class Considerations

*Recommendation is consistent with PSERS' Strategic Asset Allocation (SAA) and current year commitment planning*

## PSERS SAA and Pacing

1. PSERS SAA has established a target allocation of 12.0% to Private Equity.
2. The current overweight is due to an allocation reduction and slower-than-projected distributions in 2023 and 2024.
3. Aksia's latest pacing analysis suggests \$1.4B-\$2.0B of annual commitments to reach the target exposure in 2026. IOP propose a range of \$700M-\$1.0B in 2025 to scale into long-term target commitment levels.
4. The pacing analysis is revisited periodically based on the actual performance of the Private Equity allocation and the broader PSERS portfolio.

SAA Allocation	
Private Equity Target	12.0%
Private Equity Actual <sup>1</sup>	15.7%
Pacing Budget for 2025	
Proposed Pacing Budget Range	\$700M - \$1.0B
Primary Fund Commitments	
YTD Commitments	\$233M
June 2025 Recommendations	~\$285M
Co-Investments	
YTD Commitments	\$10M
<b>Total Primary and Co-Investments</b>	<b>\$528M</b>
Remaining Budget <sup>2</sup>	\$322M
Est. Remaining Primary Fund Recommendations	~\$300M
Expected to be in Target Budget Range?	Yes

1. Private Equity Actual sourced from Verus 2024 Q3 Total Fund Report
2. Remaining to the mid-point of the pacing budget

## 2. Recommendation Overview

*PSERS IO and Aksia recommend committing \$100 million to LG VI*

Firm Name	Lindsay Goldberg
Investment Professionals / Employees	28 investment professionals / 53 total employees
Fund Name	Lindsay Goldberg VI L.P.
Strategy Invested Capital <sup>1</sup>	\$20.0 billion (across Funds I - VI)
Target Return	20% - 25% Net IRR
Target Fund Size	\$4.0 billion
Recommended Commitment	\$100 million
GP Commitment	\$125 million
Fund Structure	Limited Partnership
PSERS Existing Relationship	Yes
Notable Investment Committee Disclosure <sup>2</sup>	None

### 3. Lindsay Goldberg VI Strategy & Expertise

*Expertise in partnering with family and founders to grow leading businesses.*

1. **Sector & Geography**: Fund VI's strategy seeks to make control investments in North American and Western European companies in the healthcare, industrials and services sectors.
2. **Portfolio Construction**: The Fund will invest between \$150 million - \$500 million in 10 - 15 companies.
3. **Value Creation Focus**: The LG team takes an active approach to business building and is typically able to employ a variety of value creation initiatives, with limited execution risk, by virtue of being the first private equity partner involved in the business. The Firm focuses on operational improvements and institutionalizing / professionalizing business processes, as well as executing on strategic acquisitions.

## 4. Investment Considerations

*Investment expected to face certain risks consistent with Private Equity investments, and staff believes that Lindsay Goldberg has identified appropriate mitigants to those risks*

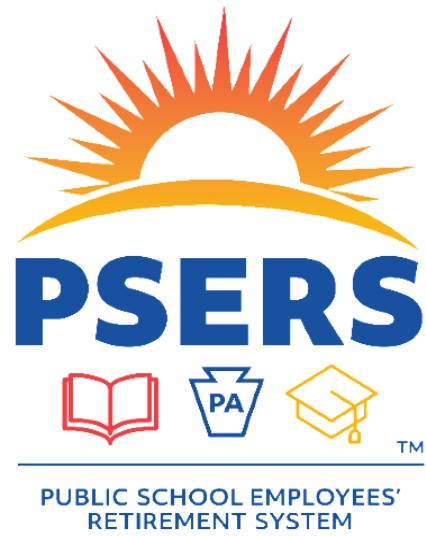
Risk	Detail	Mitigating Factors
Team Turnover	There has been some turnover on LG's team.	<i>Turnover was mostly caused by the firm's strategic decision to discontinue its energy sector focus, in 2015. Additionally, one other person left the healthcare team to start his own firm. LG has cultivated a strong, cohesive team of &gt;28 investment professionals, primarily consisting of home-grown talent, complemented by select lateral hires. The longstanding tenure of the team is demonstrated by the average tenure of both their senior leadership team (18 years), and partner group (15 years).</i>
Underperformance of Legacy Funds	LG's prior funds, Fund II, (a 2006 vintage year) and Fund III (a 2008 vintage year), have underperformed relative PE benchmarks.	<i>These two funds' underperformance can be attributed to their exposure to the energy sector. LG discontinued investment into the energy sector starting with Fund IV (2015 vintage). When evaluating fund-level performance ex-energy across Funds II / III, returns improve materially.</i>
Competitive Landscape in Middle Market PE	The PE middle market buyout space remains highly competitive, with large amounts of capital allocated to invest in the market, coupled with a more measured approach by prospective lenders.	<i>The Firm's relationship-driven approach allows them to identify and source opportunities using channels outside of traditional PE competitive auction processes. Additionally, the Firm's focus on resilient, cash-flowing businesses and its use of lower-than-average leverage helps to mitigate these challenges, supporting the Firm's ability to invest in resilient businesses at reasonable multiples and to earn attractive returns even while using less leverage.</i>

## 5. Investment Highlights

*Relationship-driven firm that should complement PSERS existing Private Equity portfolio*

Highlight	Detail
Portfolio Fit Consideration	A commitment to Fund VI enables PSERS to continue our exposure to a well-established PE manager across its three core sectors – healthcare, industrials and services. These targeted sectors complement PSERS existing exposure to technology and software, especially in the buyout sleeve of the overall PE portfolio. Additionally, LG has provided PSERS with a number of co-investment opportunities, which have been accretive to the PE portfolio over the years. PSERS will continue to actively pursue these opportunities with LG with a commitment to Fund VI.
Focus on Family and Founder Businesses	Family-owned and founder-led businesses represent an attractive target market to Lindsay Goldberg for several reasons. First, it is believed these opportunities are often hard to access and are more likely to transact in a non-marketed or limited process, a dynamic that positions Lindsay Goldberg to avoid overpaying for businesses. Second, as typically the first institutional private equity investor in family-owned and founder-led businesses, Lindsay Goldberg believes it is often poised to generate significant value helping these businesses grow revenue and improve margins. Third, these businesses have typically not had access to a balance sheet to fund follow-on investments, and the Firm is often able to create significant value through strategic and accretive follow-on investments. Since inception, over 65% of Lindsay Goldberg’s platform investments have been in family-owned or founder-led businesses.
Strong Performance of Recent Funds & PSERS’ Historical Performance	After dropping energy as one of their sector focus industries, LG Fund’s IV and V have resulted in attractive performance. Based on their respective net IRR and DPI metrics, Fund IV (2015 vintage year) and Fund V (2020 vintage year) ranked in the first and second quartile in Cambridge Associate’s North American Medium and Large Buyouts Peer Rankings (as of 9/30/2024).





## Appendix

# Investment Committee Disclosure

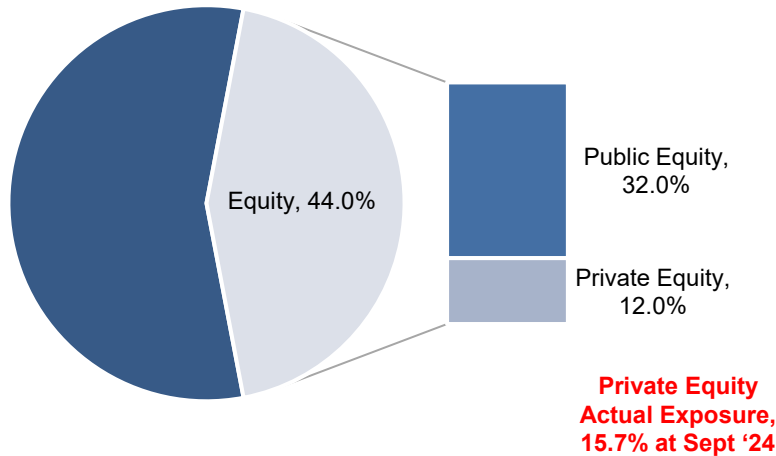
*No material mandatory disclosures*

Disclosure	Response
Relationship with Aksia	As of January 31, 2025, six current Aksia advisory clients have made total aggregate subscriptions and commitments of \$1.3 billion across investments managed by Lindsay Goldberg. As of April 21, 2025, there are no other Aksia clients considering a commitment to Lindsay Goldberg VI LP. <sup>1</sup>
Introduction Source	Existing Relationship
Compliance with Placement Agent Policy	As confirmed by PSERS' Office of Chief Counsel on April 10, 2025, this investment complies with the Public School Employees' Retirement Board Placement Agent Policy.
PA Political Contributions	None disclosed
PA Presence	Yes, see Confidential Memo.
Potential Conflicts	PSERS is not aware of any actual or potential conflicts of interest that would be created by PSERS' investment in the Fund.
Litigation Disclosure	LG receives communications from regulators and is involved in litigation from time to time in the ordinary course of business. The sponsor does not believe Lindsay Goldberg is subject to any past, pending or threatened litigation that would reasonably be expected to have a material and adverse effect on the Firm.
Has the Firm reimbursed and/or paid for PSERS IOP travel in the past two calendar years?	Yes
Certification of Diligence Costs	IOP certifies that PSERS paid all travel costs, if any, and was not reimbursed for the travel costs related to due diligence of the fund.

1. Please note that this information, which is available to PSERS upon request, is subject to change pending further review and decision making between Aksia and its clients.

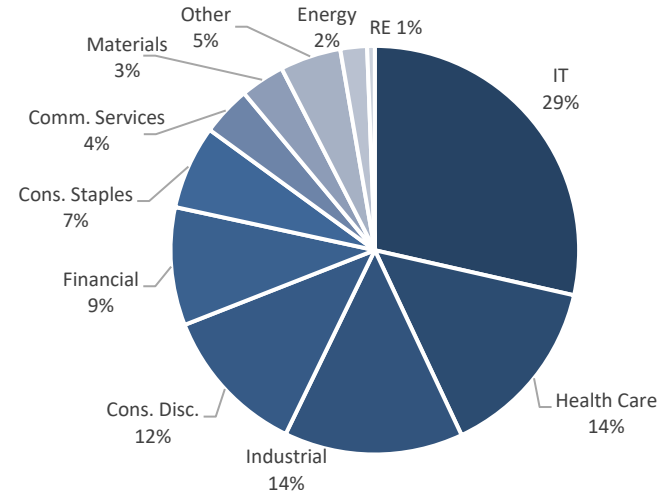
# Private Equity Portfolio

## Target Allocation to Private Equity In Long-Term Strategic Asset Allocation



Source: Verus 3Q 2024, "Total Fund Report."

## Sector Diversification



Source: Aksia, as of 9/30/2024.

## Recent Fund Commitments (\$M)

2024	
LLR Equity Partners VII	\$125M
Clearlake Capital Partners VIII	\$100M
Summit Partners Growth Equity Fund XII	\$100M
2025	
Stellex Capital Partners III	\$133M
K6 Private Investors, LP	\$100M

Source: PSERS IOP, as of 4/30/25.

## Portfolio Performance

	Time-Weighted Return					10-Yr PME Analysis	
	1-Yr	3-Yr	5-Yr	10-Yr	15-Yr	KS-PME	Direct Alpha
Buyout	4.6%	6.5%	13.3%	11.2%	11.7%	1.0x	1.6%
Growth Equity	9.5%	3.1%	19.7%	19.3%	18.9%	1.3x	9.4%
Venture Capital	6.8%	-1.1%	12.9%	7.8%	7.8%	0.9x	-1.8%
Co-Investment	7.0%	4.9%	16.2%	17.7%	22.9%	1.3x	6.6%
Total Portfolio	5.3%	5.3%	14.5%	12.2%	12.3%	1.1x	2.5%
Benchmark	7.9%	4.5%	13.6%	12.4%	13.0%		

As of: 9/30/2024

\* Color-coding: **outperformance** or **underperformance** vs. benchmark.

\* KS PME and Direct Alpha are calculated compared to Private Equity's PME benchmark (MSCI ACWI IMI with USA Gross, Non-US Net Index, unhedged)

\* Benchmark for TWR comparisons is the PE Policy Benchmark, Burgiss PE Total Market Cap.

Diversification

Performance

Allocation

Activity

April 14, 2025

Board of Trustees  
Commonwealth of Pennsylvania, Public School Employees' Retirement System ("PSERS")  
5 North Fifth Street  
Harrisburg, PA 17101

Re: Lindsay Goldberg VI LP

Aksia LLC ("Aksia"), having been duly authorized by Board of PSERS, has evaluated and hereby recommends, in line with PSERS' Investment Policy Statement, Objectives, and Guidelines, an amount not to exceed \$100 million in Lindsay Goldberg VI LP (the "Fund").

Goldberg Lindsay & Co. LLC ("Lindsay Goldberg") was founded in 2001 by Alan Goldberg and Robert Lindsay (together, the "Co-Founders"), who began their careers together at Morgan Stanley in 1978 and managed Morgan Stanley's private equity program. The Co-Founders raised \$2.0 billion for their inaugural fund in 2001 and subsequently raised four additional private equity funds, followed by a non-institutional lower middle-market strategy in 2022. Today, the Firm is led by Goldberg after Lindsay transitioned to chairman in 2016.

The fund is expected to pursue control-oriented buyouts in middle and upper middle market companies based in North America and, to a lesser extent, Western Europe. Lindsay Goldberg is a balanced investor that pursues companies operating within the industrials, healthcare, and services sectors. Previously the firm pursued companies within the energy sector but discontinued this practice starting in Fund IV given underperformance in the industry. Historically, the firm has targeted founder/family-led businesses and has emphasized corporate carve-outs in recent funds. Targeted businesses often have enterprise values between \$200mn and \$2.5bn and EBITDA between \$30mn and \$150mn at entry.

Aksia's recommendation to commit as described above is based upon the following analytical factors and is made within the context of PSERS' investment guidelines:

- Due diligence of the Fund's investment process, including a review of the sponsor, investment strategy, market positioning, investment personnel, and risk management;
  - Most recent investment due diligence review conducted April 2025
- Due diligence of the Fund's operations, including a review of its organizational structure, service providers, regulatory and compliance, and financial statement analysis;
  - Most recent operational due diligence review conducted April 2025
- Consideration of the Fund's strategy within the context of the current investment environment; and
- Consideration of the Fund's strategy as a component of PSERS' portfolio

This recommendation is given solely for the benefit of PSERS and cannot be relied upon by other investors considering an investment in the Fund, since their needs, objectives, and circumstances may not be identical to those of PSERS. In addition, please consult your tax, legal and/or regulatory advisors before allocating to any private investment fund.

Please feel free to contact us should you have any questions about this recommendation.

Respectfully,



Thomas Martin  
Partner, Co-Lead of Private Equity



Simon Fludgate  
Partner, Head of Operational Due Diligence