

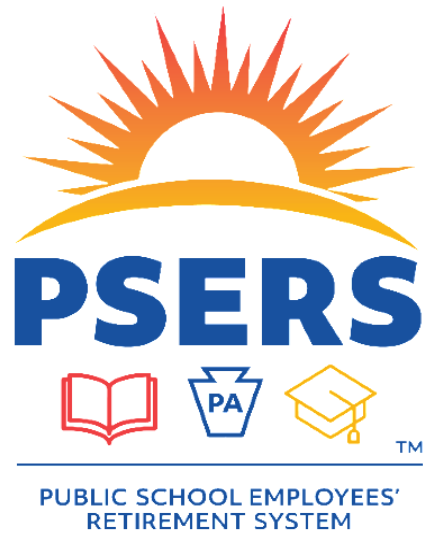
PSERB Resolution 2025-91

Re: HarbourVest Partners, LLC, Strategic Partnership December 12, 2025

RESOLVED, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Investment Committee that the Board establish a separately managed account with HarbourVest Partners, LLC in accordance with the recommendation of Cody Steele, Senior Portfolio Manager and Aksia, LLC, the scope of which shall be limited to the following elements:

1. Commits an amount not to exceed \$200 million, plus reasonable and normal investment expenses, to HarbourVest Co-Investment Fund VII LP and/or related investment vehicles;
2. Commits an amount not to exceed \$200 million, plus reasonable and normal investment expenses, to a PSERS-specific strategic co-investment sidecar vehicle with a broadly similar mandate to the HarbourVest Co-Investment Fund series;
3. Establishes a limited partnership with HarbourVest to underwrite and execute certain PSERS-sourced co-investment opportunities. Exposure in this vehicle will continue to be limited by the authorized co-investment limits set forth in the PSERS Private Markets Asset Class policy; and
4. Establishes a limited partnership for PSERS to transfer the management of selected legacy private equity exposures to HarbourVest. PSERS will not transfer any incremental exposure to this limited partnership if the most recent NAV of the vehicle plus any proposed transfers would exceed \$1 billion.

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.



HarbourVest Strategic Partnership Private Equity Recommendation

Cody Steele
Senior Portfolio Manager

Parin Patel
Investment Professional

November 2025

Today's Presentation

HarbourVest Strategic Partnership

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 up to: \$200M to HarbourVest Co-Investment Fund VII & \$200M to an Overflow SMA Component*
 - *PSERS IO also recommends establishing limited partnerships with HarbourVest to assist in Selective Co-Investment Execution Capacity and Legacy Portfolio Management*
3. Strategy & Expertise
 - *Experienced private markets specialist, focused on buyout and growth equity co-investments across a globally diversified platform*
4. Investment Considerations
 - *Allocation is expected to face certain risks consistent with Private Equity investments, and IOP believe that HarbourVest 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-\$2B of annual commitments to reach the target exposure in 2026. IOP propose a range of \$700M-\$1B in 2025 to scale into long term target commitment levels.
4. The pacing analysis is revisited frequently 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 ¹	12.6%
Pacing Budget for 2025	
Proposed Pacing Budget Range	\$700M - \$1B
Primary Fund Commitments	
YTD Commitments	\$676M
December 2025 Recommendations ³	\$550M
Co-Investments	
YTD Commitments	\$45M
Total Primary and Co-Investments	\$1,271M
Remaining Budget ²	(\$271M)
Est. Remaining Primary Fund Recommendations	~\$0M
Expected to be in Target Budget Range?	No

1. Private Equity Actual sourced from Verus 2025 Q2 Total Fund Report

2. Remaining to the upper level of the pacing budget

3. Includes \$150 million recommended commitment to OceanSound Partners Fund III

2a. Recommendation Overview

PSERS IO recommends establishing a strategic partnership with HarbourVest Partners, LLC with the following four key components

Title	Resolution Section	Explanation
Commingled Co-investment Fund	Commits an amount not to exceed \$200 million, plus reasonable and normal investment expenses, to HarbourVest Co-Investment Fund VII LP and/or related investment vehicles;	Commingled Fund expected to deliver exposure to ~30-40 buyout investments at lower fee exposure compared to traditional fund exposure
Overflow SMA Component	Commits an amount not to exceed \$200 million, plus reasonable and normal investment expenses, to a PSERS-specific strategic co-investment sidecar vehicle with a broadly similar mandate to the HarbourVest Co-Investment Fund series;	Broadly similar mandate to the above, but PSERS specific sleeve without existing seed assets and lower overall expense
Selective Co-Investment Execution Capacity	Establishes a limited partnership with HarbourVest to underwrite and execute certain PSERS-sourced co-investment opportunities. Exposure in this vehicle will continue to be limited by the authorized co-investment limits set forth in the PSERS Private Markets Asset Class policy; and	HarbourVest will be available to execute select co-investments sourced by PSERS which are authorized under the Private Markets Asset Class Policy and will continue to be governed by the limits therein
Legacy Portfolio Management	Establishes a limited partnership for PSERS to transfer the management of selected legacy private equity exposures to HarbourVest. PSERS will not transfer any incremental exposure to this limited partnership if the most recent NAV of the vehicle plus any proposed transfers would exceed \$1 billion.	PSERS will transfer select legacy private equity interests to HarbourVest for management, monitoring, and liquidation. PSERS will retain indirect economic interest in the funds through liquidation.

2b. Recommendation Overview

The proposed HarbourVest structure combines commingled and SMA components, with attractive, tiered economics and capacity to execute select co-investments that might otherwise be handled directly by staff.

Firm Name	HarbourVest Partners, LLC
Investment Professionals / Employees	232 Investment Professionals / 1,245 Employees
Strategy Invested Capital ¹	~\$33.7B
PSERS Existing Relationship	No
Notable Investment Committee Disclosures ²	None
Commingled Co-investment Fund	
Fund Name	HarbourVest Co-Investment Fund VII L.P. (HCF VII).
Target Return	15 – 18% net IRR / 2.0x - 2.25x net MoC
Target Fund Size / Hard Cap	\$4.0B / \$5.0B
Recommended Commitment	See prior page
GP Commitment	1% Total Aggregate Commitments
Fund Structure	Closed-End

3. HarbourVest Strategy & Expertise

Experienced private markets specialist, focused on buyout and growth equity co-investments across a globally diversified platform

Strategy: HCF VII and Overflow SMA will pursue a globally diversified portfolio of primarily buyout co-investments in resilient, cash-generative businesses, leveraging HarbourVest's extensive GP network and disciplined selection process. HarbourVest's broad geographic reach and strict diversification limits aim to deliver consistent, risk-adjusted returns across market cycles.

Market Opportunity: Amid volatility and tighter liquidity, investors are gravitating toward high-quality, operationally focused GPs. HarbourVest is well positioned to capitalize on this shift through a diversified program targeting resilient secular growth themes such as digital transformation, AI, healthcare, and fintech.

Portfolio Fit: The commitment to HarbourVest is consistent with portfolio goals of:

- I. Expanding Co-Investment Program
- II. Alignment with PE's Strategic Plan
- III. Managing PSERS' PE legacy assets

4. Investment Considerations

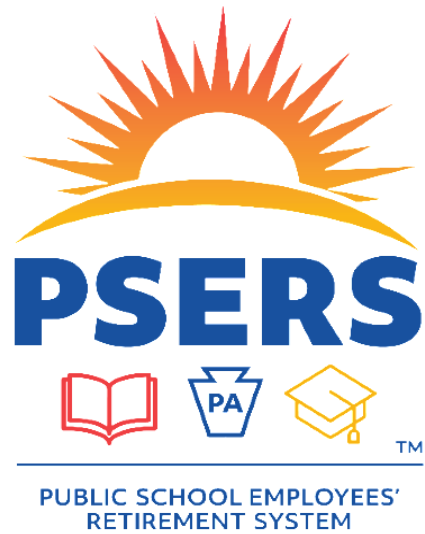
The risks for the proposed partnership with HarbourVest are consistent with PSERS' broader Private Equity portfolio.

Risk	Detail	Mitigating Factors
Alignment of Interest for Broader Relationship	The strategic partnership with HarbourVest introduces potential alignment risks, including limited incentive for value realization on legacy assets and possible lower-priority deal flow or constrained independence within PSERS-sourced transactions.	Active PSERS oversight, robust governance, and the long-term partnership incentive structure help ensure fiduciary alignment, disciplined management, and value-focused execution across all mandates.
Rising Entry Multiples	Elevated entry valuations across the private equity market increase the risk of multiple compression and weaker exit outcomes amid rising rates and volatility.	HarbourVest mitigates this through disciplined underwriting, and access to off-market deals via deep GP relationships, focusing on resilient, cash-generative businesses to sustain value in higher-valuation environments..
Historical Loss Ratio	In reviewing the historical track record, HarbourVest has experienced a loss ratio of 15.6% across fully realized transactions	Majority of these transactions originated in Funds I and II (vintage years 2004, 2007) and the successful transactions have more than offset the impact of transactions realized below cost, further supporting HarbourVest's diversified approach to portfolio construction

5. Investment Highlights

HarbourVest specialized expertise matches today's market opportunity.

Highlight	Detail
Strong Strategic Rationale	The proposed structure enhances PSERS' co-investment capacity, fee efficiency, and execution capabilities while supporting a more balanced and cost-effective portfolio design. By integrating internal and third-party resources, PSERS can capture more high-quality opportunities, maintain strong governance, and scale its program without materially increasing costs.
Sourcing Edge	HarbourVest leverages its expansive, multi-strategy platform and deep relationships with over 650 GPs to source more than 1,000 high-quality co-investment opportunities annually, securing early access and consistent outperformance through disciplined selection, structuring expertise, and trusted GP partnerships.
Attractive Economics & Portfolio Diversification	The HCF program applies a disciplined, globally diversified co-investment strategy with balanced buyout and growth exposure and strict concentration limits. The proposed overflow SMA adds diversification and pacing benefits, while the partnership's scaled economics featuring reduced fees, lower carry, and additional concessions which enhance alignment and long-term portfolio efficiency.
Team Stability & Low Turnover	HarbourVest's experienced leadership and cohesive co-investment team averaging over 15 years of tenure and 16 years investing together which provide stability, deep institutional knowledge, and strong GP relationships that underpin consistent sourcing quality and disciplined execution across market cycles.



Appendix

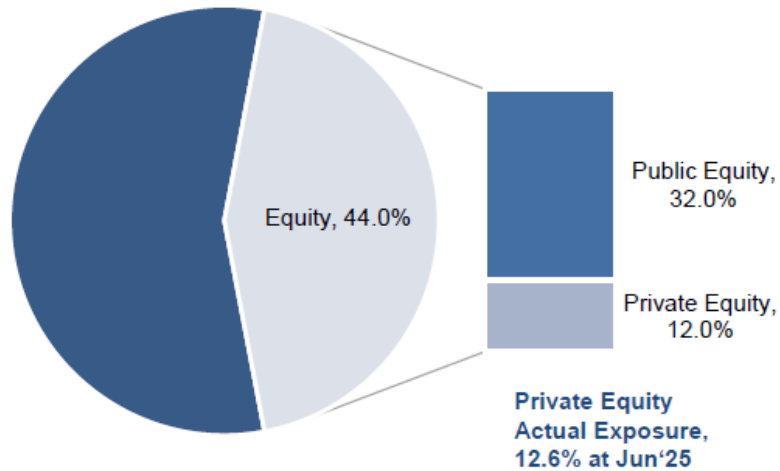
Investment Committee Disclosure

Disclosure	Response
Relationship with Aksia	As of August 31, 2025, nine (9) current Aksia advisory client has made total aggregate subscriptions and commitments of \$2.2 billion across investments managed by HarbourVest Partners
Introduction Source	PSERS IO Staff
Compliance with Placement Agent Policy	As confirmed by PSERS' Office of Chief Counsel on November 10 th 2025, this investment complies with the Public School Employees' Retirement Board Placement Agent Policy.
PA Political Contributions	No reportable political contributions
PA Presence	Please 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	To the best of the sponsor's knowledge, the Firm and its funds are not involved in any litigation which has or may have a material effect on the Firm or its funds.
Has the Firm reimbursed and/or paid for PSERS IOP travel in the past two calendar years?	No
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.

Private Equity Portfolio

Allocation

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



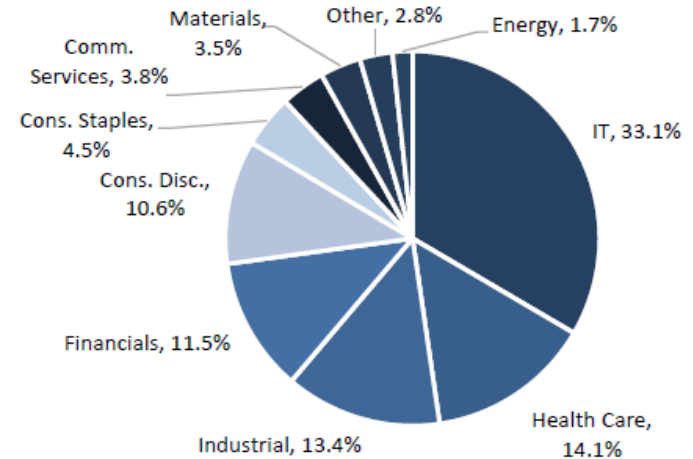
Source: Verus 2025 Q2 – Total Fund Report (Q1 2025 Private Markets data given 1Q Lag).

Activity

Recent Fund Commitments (\$M)

2024	
LLR Equity Partners VII	\$125M
Summit Partners Growth Equity Fund XII	\$100M
2025 (As of Oct-25)	
Stellex Capital Partners III	\$133M
K6 Private Investors	\$100M
Hg Saturn 4	\$100M
Hg Genesis 11	€75 M
Hg Mercury 5	€50 M
Lindsay Goldberg VI, L.P.	\$100M
Oak HC/FT Partners VI, L.P.	\$100M

Sector Diversification



Source: Aksia as of March 31, 2025

Portfolio Performance

	Time-Weighted Return					10-Yr PME Analysis	
	1-Yr	3-Yr	5-Yr	10-Yr	15-Yr	KS-PME ¹	Direct Alpha ²
Buyout	-1.7%	2.0%	14.6%	10.9%	10.8%	1.1x	2.4%
Growth Equity	11.4%	6.2%	21.3%	19.2%	17.8%	1.4x	9.8%
Venture Capital	4.2%	-0.9%	13.4%	7.2%	5.6%	0.9x	-2.0%
Co-Investment	0.5%	2.2%	19.3%	16.4%	21.9%	1.3x	6.7%
Total Portfolio	1.6%	2.9%	16.0%	11.9%	11.6%	1.1x	3.1%
Benchmark	6.1%	3.4%	15.2%	12.3%	12.6%		

Color-coding: outperformance or underperformance vs. benchmark.

¹ 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; – ticker M1WDW\$GI).

² Benchmark for TWR comparisons is the PE Policy Benchmark

Source: MSCI/Burgiss and Aksia of as March 31, 2025

Diversification

Performance

November 10, 2025

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

Re: HarbourVest Strategic Partnership (PSERS SMA)

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 \$200 million in HarbourVest Co-Investment Fund VII ("HCF VII", the "Fund") and/or related investment vehicles, and an amount not to exceed \$200 million to a strategic co-investment vehicle ("the co-investment vehicle"), which invests in HarbourVest sourced overflow deal flow. Aksia is also supportive of PSERS plans to establish limited partnerships with HarbourVest Partners ("HarbourVest" or the "Firm") to assist in executing select PSERS-sourced co-investment deal flow and for managing the wind-down of certain legacy private equity interests.

HarbourVest was founded in 1982 by Ed Kane and Brooks Zug as Hancock Venture Partners, a fully owned subsidiary of John Hancock Mutual Life Insurance Company. In January 1997, the management team formed an independent management company, HarbourVest Partners, owned equally by its eight partners. Over the years, the Firm's ownership has expanded to select senior professionals. Today, HarbourVest invests globally across primaries, secondaries, and co-investments through commingled funds, separate accounts, and open-ended vehicles. The Firm is headquartered in Boston, Massachusetts, and operates out of more than a dozen additional global offices.

HarbourVest is expected to source \$400 million, of which \$200 million will be committed to HCF VII and deployed roughly evenly over the investment period, with the remaining \$200 million allocated to the co-investment vehicle (\$50 million per year over four years). HCF VII is comprised of separate sleeves for buyout ("HCF VII Buyout") and growth investments ("HCF VII Growth"), which are expected to represent approximately 90% (40-50 companies) and 10% (25-30 companies) of capital in HCF VII, respectively. Up to 5% of commitments in HCF VII may be allocated to primary investments. The co-investment vehicle is expected to target 15 to 20 investments with an 80-100% allocation to buyouts and up to a 20% allocation to growth. In addition to the investments in HCF VIII and the co-investment vehicle, HarbourVest and PSERS are expected to review PSERS sponsor relationships annually and create a tactical plan for co-investments sourced by PSERS.

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 November 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 November 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

The recommendation to invest in the co-investment vehicle is based solely on the IDD and ODD review of the Fund and did not include a review of any information or documentation, or any due diligence, specific to the co-investment vehicle. 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