



May 17, 2022

Board of Trustees
Commonwealth of Pennsylvania
Public School Employees' Retirement System
5 North 5th Street
Harrisburg, PA 17101

Re: Greenoaks Capital Opportunities Fund V, L.P.

Dear Trustees:

Greenoaks Capital Partners LLC (“Greenoaks”, “General Partner”) was founded in 2012 by Neil Mehta and Benjamin Peretz to make minority equity and equity-like investments in high-growth software and internet companies. The General Partner targets consumer internet, FinTech and application & infrastructure software companies exhibiting durable business models with strong upside. Messrs. Mehta and Peretz lead the firm with support from an experienced and knowledgeable group of senior-level investment professionals and a developing network of junior- and mid- level professionals. The investment team is complimented by a four-person group of research professionals, which has built a proprietary data infrastructure to enhance Greenoaks’ sourcing, theme development and diligence capabilities. The research function assists in streamlining the selection process, positioning Greenoaks to make investment decisions faster and more efficiently, identifying market trends and supporting portfolio company strategic guidance. The General Partner targets market leaders, characterized by resilient cash flow, efficient business models, large total addressable markets, and strong founders, that are expected to be able to weather volatility. The General Partner is targeting \$2.25 billion in commitments with a hard cap of \$2.7 billion from limited partners for its fifth fund, Greenoaks Capital Opportunities Fund V, L.P. (the “Fund”). Greenoaks expects to hold a first close on July 22, 2022, with a final close targeted for Q4 2022. The General Partner will commit at least 3.3% of commitments to invest in or alongside the Fund.

Greenoaks has generated attractive performance across its deal leads, indicating the quality of talent and experience on the team. Greenoaks primarily invests in North America but maintains a global mindset by pursuing opportunities across Europe, Asia (with exception of mainland China), South America, Israel and Australia. The General Partner typically seeks to invest at the early stage to allow for follow-on opportunity, while opportunistically investing in smaller, earlier stage companies through its Acorn program, as well as public equities alongside Greenoaks Capital Opportunities Partnership LP (“GCOP”). The General Partner has the flexibility to invest in public securities, underwriting these to the same return and holding period as private investments; however, it has the option to exit in shorter timeframes depending on market conditions. Greenoaks remains flexible in pursuing fundraising rounds but typically invests in Series B or C, where there is established product-market fit and tangible growth. The General Partner typically leads investments but may participate as a minority co-investor in follow-on rounds of high conviction opportunities. The General Partner has increased investment pacing in line with the step up in fund size. The larger fund size provides the General Partner with the opportunity to write larger equity checks and participate in follow-on rounds to maintain ownership. The Fund will target approximately 15 to 20 investments of \$30 million to \$75 million. Greenoaks has generated outperformance in Funds I, II and III, meeting or exceeding top-quartile benchmarks across all metrics. Fund IV remains early, with an average hold period of 0.2 years, but is tracking well.

Greenoaks Capital Opportunities Fund V, L.P.’s investment thesis can be summarized as follows:

- Cohesive investment team augmented by growing research group



Hamilton Lane

- Consistent, fundamental approach to investing, driven by data to target strong founders and high-quality, tech-enabled businesses
- Attractive net performance across prior funds with capital deployment demonstrating ability to invest fund size

Hamilton Lane's recommendation is based upon the following analytical factors and is made within the context of the Commonwealth of Pennsylvania, Public School Employees' Retirement System's ("PSERS") investment guidelines.

- Detailed due diligence including interviews with industry peers and private equity professionals. The initial review was completed in April 2022; the on-site due diligence was conducted on May 4, 2022; the fund was approved by Hamilton Lane's Investment Committee on May 16, 2022; and the recommendation to PSERS was issued on May 17, 2022.
- Evaluation of the composition of the investment team, how they work together, compensation structure and other factors that help determine whether a group is likely to be able to replicate past successes as currently configured
- Detailed operational due diligence, including interviews with Greenoaks' back-office team to review the controls and processes surrounding the firm's finance, fund administration, tax, legal, compliance, IT, HR, and accounting functions
- Evaluation of the Fund's proposed investment strategy within the context of the current investment environment
- The strategy proposed for the Fund is appropriate for the private equity partnership component of the portfolio.

The individuals at Hamilton Lane who were involved in the due diligence process for the Fund are:

Andrew Rich – Vice President, San Francisco Office
Conor Kelly – Senior Associate, Conshohocken Office
Jesten Jacob – Analyst, Conshohocken Office

Based on the above, Hamilton Lane recommends that PSERS commit up to \$100 million in Greenoaks Capital Opportunities Fund V, L.P. Hamilton Lane makes this recommendation considering the General Partner's qualifications and PSERS' overall investment guidelines.

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. The scope of this recommendation is limited to the investment merits of the Fund. Hamilton Lane does not provide legal or other non-investment-related advice.

Sincerely,

Michael Koenig,
Chief Client Officer

Corina English,
Principal