

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

October 23, 2023

Re: OceanSound II, LP

Dear Trustees:

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 OceanSound Partners II, LP (the "Fund" or "Fund II").

OceanSound Partners ("OceanSound", the "Firm", or the "General Partner") was founded in 2018 by Joe Benavides, Ted Coons, and Jeff Kelly (the "Co-Founders"). Collectively, the Co-Founders have nearly 50 years of combined private equity investment experience at institutions such as Veritas Capital, Blackstone Inc., H.I.G. Capital, and TCV (Technology Crossover Ventures).

The Firm is raising Fund II, with a \$1.0 billion target and a hard cap of \$1.25 billion. Fund II will target six to eight control-oriented investments in U.S.-based technology and tech-enabled services companies operating in government-related or commercial end markets. Transactions are expected to take the form of traditional buyouts, founder recapitalizations, and corporate carve-outs. The Fund is expected to utilize its executive partners and internal value creation resources to employ a buy-and-build approach.

The Firm's growth and the successful deployment of Fund I helps mitigate concerns around Co-Founder dependency and the limited track record together as a team. Fund II represents an opportunity to invest with a reputable emerging manager with an experienced senior team and differentiated exposure to the government technology market.

Aksia's recommendation 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 2022
- 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 October 2022
- 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, Head of Private Equity & Real Assets Research



Simon Fludgate
Partner, Head of Operational Due Diligence