Investment Recommendation

SERS Investment Office staff and SERS' Private Equity Consultant, StepStone Group, recommend that the Investment Committee of the State Employees' Retirement Board interview HarbourVest Partners, LLC ("HarbourVest", the "GP", or the "Firm") at its meeting on September 30, 2025, to consider a potential commitment of up to (i) $100 million to Dover Street XII L.P. ("Dover Street XII", "Fund XII", or the "Fund"), and (ii) $50 million to Dover Street Secondary Overflow Fund VI-A L.P. ("SOF VI"), subject to successful completion of contract negotiations and execution and delivery of closing documents by all parties, including required Commonwealth legal approvals. The Firm is targeting commitments of $20.0 billion for Fund XII with no confirmed hard cap at this time. The Fund is expected to have a final close in Q4 of 2027.

Investment Rationale

SERS IO staff identified Fund XII and SOF VI as a strong candidate for a SERS capital commitment, as it offers:
➢ Experienced and stable senior team
➢ Leverage of broader HarbourVest platform (sourcing capabilities)
➢ Extensive secondary track record
➢ Increased vintage year diversification for SERS' private equity portfolio
➢ Strong risk adjusted returns
➢ Attractive economics

Investment Risks

SERS IO staff identified the following potential risks of a commitment to Fund XII and SOF VI:
➢ Product Proliferation
➢ Competitive secondary market environment
➢ Limited outperformance compared to public markets
➢ Increase in fund size
➢ Concentration in Secondary Overflow funds

Portfolio Implications

The recommended $150 million commitment to Dover Street XII and Secondary Overflow VI would be a 2025 vintage allocation in the Private Equity asset class within the Buyouts sub-asset class. As of March 31, 2025, SERS' market value of Buyout investments was approximately 51.6% of the Private Equity portfolio, excluding legacy assets. A commitment to Dover Street XII and Secondary Overflow VI can be expected to add approximately 0.5% of Buyout market value.

SERS Core PE Sub-Strategy Allocation as of 3/31/2025 — Growth 16.0%, Special Situations 32.4%, Buyout 51.6%

SERS Projected Core PE Sub-Strategy Allocation — Growth 16.1%, Special Situations 31.8%, Buyout 52.1%