

TO: Commonwealth of Pennsylvania, Public School Employees' Retirement System ("PSERS")

FROM: Aksia LLC ("Aksia")

DATE: December 21, 2021

RE: Whitehorse Liquidity Partners V LP

Dear PSERS Board:

Aksia, having been duly authorized by the Board of PSERS, has evaluated and hereby recommends, in line with PSERS' Investment Policy Statement, Objectives, and Guidelines, a commitment of up to \$200 million plus reasonable, normal investment expenses to Whitehorse Liquidity Partners V, LP ("WLP V" or the "Fund") (and/or related investment vehicles). In addition to the recommended commitment to Fund V, Aksia also supports the establishment of a fund-of-one managed by Whitehorse, that will ultimately hold PSERS' interest in the Fund and PSERS' prior investment in Whitehorse Liquidity Partners IV LP, and additional sums that PSERS Investment Office Professionals may invest to maintain a \$200 million target commitment to each of any subsequent fund.

Whitehorse Liquidity Partners Inc. ("Whitehorse" or "WLP") was founded in August 2015 by Yann Robard. Headquartered in Toronto, Ontario, Whitehorse has raised approximately \$9.5 billion of commitments across its various vehicles. The firm is raising Fund V with a target of \$5.0 billion, its largest fundraise to date. Fund V expects to follow the same strategy as prior funds, providing liquidity to LPs and GPs via a preferred equity investment in their portfolio interests. In addition, the fund may also provide preferred equity capital directly to a GPs' balance sheets as another liquidity option.

We believe the Fund should benefit from a differentiated strategy and an expanded opportunity. WLP also has an experienced, stable team that has been on the forefront of this developing niche from some time. Considerations include potential syndication risk and competitive market dynamics with respect to the secondary fund interests marketplace, as well as the size of the latest fundraise and subsequent deployment pace.

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 management company, investment team, strategy and risk, and track record;
 - Most recent investment due diligence review conducted August 2021
- 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 August 2021
- 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,



Tim Nest
Partner, Head of Private Credit Strategies and Co-investments



Simon Fludgate
Partner, Head of Operational Due Diligence