

Memorandum

From: StepStone Group ("StepStone")
To: Employees' Retirement System of Rhode Island ("ERSRI") Investment Committee
Date: November 24, 2025
Subject: Investment in Udata Partners VIII

Recommendation

StepStone recommends that the State Employees' Retirement System Investment Committee approve a commitment to Udata Partners VIII ("Udata VIII", or the "Fund") of up to US\$30 million for ERSRI and up to US\$2 million for OPEB at the December 3rd Investment Committee meeting.

This recommendation is made solely within the context of ERSRI and OPEB's investment guidelines and is given solely for the benefit of ERSRI and OPEB.

Key investment highlights supporting the opportunity are as follows:

- Cohesive Leadership Team
- Active Value Creation Approach
- Track Record of Capital Preservation

Overview

Udata Partners ("Udata," the "GP," or the "Firm") is a technology-focused growth equity investment firm based in Washington, D.C. The Firm is led by General Partners Carter Griffin, Jon Seeber, and Braden Snyder (the "General Partners"). Messrs. Griffin and Seeber have worked together since 2006, during the deployment of Udata Partners III ("Udata III" or "Fund III"), while Mr. Snyder joined the Firm in 2014 and was elevated to General Partner during the deployment of Udata Partners VII ("Udata VII" or "Fund VII"). The General Partners have complementary experience as company founders, corporate development professionals at global IT firms, and investment bankers, and are supported by 14 additional investment professionals.

Udata targets fast-growing, typically bootstrapped B2B software businesses, primarily in the U.S., that are seeking institutional growth capital to scale into leading organizations. Within the U.S. market, the GP targets opportunities outside of the Bay Area, but will also make opportunistic investments in Canada, Europe, and Australia. Although the Firm was founded in 1998, the strategy was refined in 2006 to focus exclusively on growth equity investing; therefore, StepStone believes the relevant track record consists of funds beginning with Fund III (2004 vintage). Across these funds, Udata has invested US\$1.3 billion in 71 platform investments, generating a 2.2x/17% aggregate gross TVM/IRR and a 5% loss ratio.

Udata is currently raising Udata Partners VIII, targeting US\$800 million in commitments and may raise slightly above the target given LP demand. The Fund will target investments in high-growth companies with TEVs between US\$50 million and \$250 million and revenues between US\$5 million and US\$50 million.

The Fund has a five-year investment period and ten-year term with three one-year extensions. Management fee is 2% of commitments during the investment period; thereafter, 2% of portfolio investment cost basis plus uncalled capital commitments reserved for follow-ons investments. The Fund has a European waterfall with 20% carried interest over an 8% hurdle rate, 100% GP catchup, and a GP clawback.

StepStone Due Diligence

StepStone's due diligence on the Fund was led by Greg Wallem, John Weng, Jacob Berns, and Michael Brittingham, and supported by StepStone's broader private equity team. The Fund was reviewed and approved by StepStone's Investment Committee considering the context of the Employees' Retirement System of Rhode Island's private equity investment objectives. Key diligence items included:

- Consideration of portfolio fit within the ERSRI and OPEB Private Growth portfolio, including a review of other available opportunities
- Meetings with the Firm's senior investment professionals
- A review of the Firm's strategy and track record, including a review of drivers of historical returns
- Detailed operational due diligence

Disclaimer

This recommendation is given solely for the benefit of the Employees' Retirement System of Rhode Island and OPEB and cannot be relied upon by other investors considering an investment in the Fund, since their needs, objectives and circumstances may not be the same as those of ERSRI's or OPEB's. The scope of this recommendation is limited to the investment thesis as previously outlined. StepStone does not provide legal or other non-related investment advice.

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