

Memorandum

From: StepStone Group ("StepStone")
To: Employees' Retirement System of Rhode Island ("ERSRI") Investment Committee
Date: May 27, 2026
Subject: Investment in SkyKnight Capital Partners V

Recommendation

StepStone recommends that the State Employees' Retirement System Investment Committee approve a commitment to SkyKnight Capital Partners V, LP ("Fund V," the "Fund," or "SkyKnight V") of up to US\$30 million for ERSRI and up to US\$1 million for OPEB at the May 27th 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:

- Matt Ebbel's Leadership and Network
- Strong Historical Performance with No Losses
- Consistent Track Record of Generating Liquidity

Overview

SkyKnight Capital Partners ("SkyKnight," the "GP," or the "Firm") is a bi-coastal investment firm with offices in San Francisco, CA, and New York, NY. The Firm is currently raising Fund V to continue its strategy of targeting control and significant minority positions in high-quality businesses operating across three primary sectors experiencing "acyclical growth": financial services, healthcare, and tech-enabled services. Within these sectors, SkyKnight employs a proactive and thematic sourcing approach to identify attractive industry themes and prioritize leading businesses. The Firm has flexibility to pursue long-term investments with six-to-ten-year hold periods in situations where the GP believes it can generate outsized gross TVMs.

Matt Ebbel, who was previously a Managing Director at New Mountain Capital, founded SkyKnight in 2015. Today, SkyKnight has grown to 30 professionals, including a 13-person investment team led by Mr. Ebbel, who serves as the sole Managing Partner. Within the investment team, Mr. Ebbel is joined by Partner Jordan Milich, who has been with the Firm for approximately eight years and previously spent time with Mr. Ebbel at New Mountain as a junior professional. Messrs. Ebbel and Milich are supported on the investment team by three Managing Directors: Jaryd Solomon, Victoria Potter and Don Wu.

In aggregate, the Firm has raised US\$1.95 billion in capital commitments across four funds and has invested US\$1.36 billion across 25 investments (21 unique platforms). The Firm has generated strong absolute and relative returns, producing a gross TVM/IRR of 2.3x/40% with no losses and a net TVM/IRR of 1.9x/30%, as of December 31, 2025.

SkyKnight is targeting US\$1.5 billion of capital commitments for Fund V with a hard cap of \$1.75 billion. The Fund has a five-year investment period and twelve-year term with two one-year extensions. The management fee is 1.75% of commitments during the investment period. Thereafter, the management fee will be 1.75% of the aggregate investment contributions less contributions for assets that have been disposed of or

permanently written down. The Fund has an American waterfall with 20% carried interest over an 8% hurdle rate, 100% GP catchup, and a GP clawback. Fund V is targeting a first and final close in July 2026.

StepStone Due Diligence

StepStone's due diligence on the Fund was led by Natalie Walker, Jonathan True, Sam Marguleas, and David Lightbourn, 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.

IMPORTANT INFORMATION

This document is meant only to provide a broad overview for discussion purposes. All information provided here is subject to change. This document is for informational purposes only and does not constitute an offer to sell, a solicitation to buy, or a recommendation for any security, or as an offer to provide advisory or other services by StepStone Group LP, its subsidiaries or affiliates (collectively, "StepStone") in any jurisdiction in which such offer, solicitation, purchase or sale would be unlawful under the securities laws of such jurisdiction. The information contained in this document should not be construed as financial or investment advice on any subject matter. StepStone expressly disclaims all liability in respect to actions taken based on any or all of the information in this document.

This document is solely for the use of StepStone and the existing and potential clients of StepStone to whom it has been delivered, where permitted. By accepting delivery of this presentation, each recipient undertakes not to reproduce or distribute this presentation in whole or in part, nor to disclose any of its contents (except to its professional advisors), without the prior written consent of StepStone. While some information used in the presentation has been obtained from various published and unpublished sources considered to be reliable, StepStone does not guarantee its accuracy or completeness and accepts no liability for any direct or consequential losses arising from its use. Thus, all such information is subject to independent verification by prospective investors.

The presentation is being made based on the understanding that each recipient has sufficient knowledge and experience to evaluate the merits and risks of investing in private market products. All expressions of opinion are intended solely as general market commentary and do not constitute investment advice or a guarantee of returns. All expressions of opinion are as of the date of this document, are subject to change without notice and may differ from views held by other businesses of StepStone.

All valuations are based on current values provided by the general partners of the Funds and may include both realized and unrealized investments. Due to the inherent uncertainty of valuation, the stated value may differ significantly from the value that would have been used had a ready market existed for all of the portfolio investments, and the difference could be material. The long-term value of these investments may be lesser or greater than the valuations provided.

StepStone is not in the business of providing tax or legal advice. These materials and any tax-related statements are not intended or written to be used, and cannot be used or relied upon, by any taxpayer for the purpose of avoiding tax penalties. Tax-related statements, if any, may have been written in connection with the "promotion or marketing" of the transaction(s) or matter(s) addressed by these materials, to the extent allowed by applicable law. Any taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Prospective investors should inform themselves and take appropriate advice as to any applicable legal requirements and any applicable taxation and exchange control regulations in the countries of their citizenship, residence or domicile which might be relevant to the subscription, purchase, holding, exchange, redemption or disposal of any investments. Each prospective investor is urged to discuss any prospective investment with its legal, tax and regulatory advisors in order to make an independent determination of the suitability and consequences of such an investment.

An investment involves a number of risks and there are conflicts of interest. Please refer to the risks and conflicts disclosed herein.

StepStone Group LP is an Investment Adviser registered with the Securities and Exchange Commission. StepStone Group Europe LLP is authorized and regulated by the Financial Conduct Authority, firm reference number 551580. Such registrations do not imply a certain level of skill or training and no inference to the contrary should be made.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. ACTUAL PERFORMANCE MAY VARY.