
Recommendation for GGV Capital IX, GGV Capital IX Plus and GGV Discovery IV-US

To: RISIC
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The purpose of this memo is to provide RISIC with a summary of Cliffwater's recommendation on GGV Capital IX, GGV Capital IX Plus, and GGV Discovery IV-US (collectively, the "GGV IX Series" or the "Funds"). Cliffwater has completed its investment due diligence and operational due diligence and recommends the Funds as part of ERSRI's and OPEB's Private Equity allocation.

Summary of GGV IX Series

Fund Overview: GGV IX Series will make venture investments in technology companies with a focus on the U.S. and Asia. As in the past, the fundraising includes three strategies: GGV Discovery IV, which will invest in early-stage investment rounds; GGV Capital IX, which will invest in mid and late stage financing rounds; and, GGV Capital IX Plus, which will invest in similar transactions as GGV Capital IX that require more capital than available in GGV Capital IX. Unlike in prior offerings, the GGV IX Series offers the GGV Discovery IV strategy in two separate vehicles, one for US investments and one for Asia investments. This recommendation includes the US investment fund (GGV Discover IV-US) and not the Asia investment fund.

People and Organization: GGV Capital ("GGV" or the "Firm"), formerly known as Granite Global Ventures, was founded in 2000 to focus on expansion-stage investments in the U.S. and China. The Firm was initially anchored by Venrock Associates, Piper Jaffray, and the Singapore Economic Development Board. The Firm raised its first USD fund in 2000 and its first RMB fund in 2011. Currently, GGV's core USD investment activities are led by six managing partners, namely Jixun Foo, Jenny Lee, Hans Tung, Eric Xu, Glenn Solomon and Jeff Richards, who are supported by four partners, six venture and operating partners, two principals, five vice presidents, and 13 associates and analysts. A completely separate team manages the RMB strategy. The Firm has a total of 118 employees and is headquartered in Menlo Park, with offices in San Francisco, Singapore, Shanghai, Beijing, and New York City.

Investment Strategy and Process: GGV will target diversified stage venture capital investments globally, with a primary focus on the United States and China, and a secondary focus on Southeast Asia, India, and Latin America. GGV will allocate investments between GGV Discovery IV-US, GGV IX, and GGV IX Plus according to investment stage. GGV Discovery IV-US will complete seed and series A investments in technology companies located in the U.S. The Discovery Funds may also complete early stage investments through GGV's dedicated scout program, which was founded by GGV to expand the Firm's focus and ability to identify high-potential deals at an earlier stage and will target equity investments of \$100,000 to \$1 million in order to track innovative ideas and experienced entrepreneurs at a very early stage of company formation. The fund is expected to complete 20 to 30 core investments per year with entry equity investments of \$0.1 million to \$10 million for ownership stakes of 10% to 20% per company. GGV Discovery IV-US will typically invest in companies with initial valuations of up to \$100 million and will target investment-level returns of at least 10 times invested capital, with a target fund return of 4 to 6 times invested capital. GGV IX and GGV IX Plus may invest in Discovery Fund portfolio companies once the Discovery Fund has invested at least \$5 million and the investment meets the criteria of the given funds. GGV IX, the largest vehicle of the GGV IX series, represents the Firm's longest-standing strategy and will complete mid-stage venture capital investments globally, primarily large series A rounds as well as series B and series C rounds of financing. GGV IX will typically invest in companies with entry valuations of at least \$100 million. The fund will typically make initial equity investments of \$10 million of \$50 million. The fund will target

This report reflects information only through the date hereof. Our due diligence and reporting rely upon the accuracy and completeness of financial information (which may or may not be audited by the fund manager) and other information publicly available or provided to us by the fund manager, its professional staff, and through other references we have contacted. We have not conducted an independent verification of the information provided other than as described in this report. Our conclusions do not reflect an audit of the investment nor should they be construed as providing legal advice. Past performance does not guarantee future performance. The information contained herein is confidential commercial or financial information, the disclosure of which would cause substantial competitive harm to you, Cliffwater LLC, or the person or entity from whom the information was obtained, and may not be disclosed except as required by applicable law.

investment-level returns of at least five times invested capital and a target fund-level return of three to five times invested capital. GGV IX Plus will serve as an overflow vehicle for GGV IX and will deploy late-stage capital in promising portfolio companies, assuming that GGV IX has completed an equity investment of at least \$25 million in a given company. The fund will target rapidly growing, high-quality companies in the existing GGV portfolio which are at a later stage of development. As a result, the fund will target a relatively lower loss ratio and a lower total fund return of 2 to 3 times invested capital. GGV seeks to be an active investor in most of its core investments, particularly in its deals in the GGV IX and GGV IX Plus portfolios. Post-investment, GGV will assist management teams through board representation and participation, strategic guidance, finance and fundraising efforts, business development, sales and marketing, and hiring efforts. GGV has built out a large platform services team, which is responsible for assisting companies post-investment. The team is comprised of 30 dedicated functional experts including seven focused on marketing, four focused on talent and hiring, one focused on business development, seven focused on legal and government relations, and four focused on data analytics and finance.

Performance: As of September 30th, 2022, GGV's 15 previous funds have generated a net IRR of 16.6% since 2000. Investing in the Russell 2000 Growth Index¹ during the same period would have generated a return of 6.4% and investing in the MSCI China Index would have generated a net return of 1.2%. GGV has outperformed the Russell 2000 Growth Index by 10.2% and the MSCI China Index by 15.4%. Four of the Firm's prior nine mature funds have generated second quartile or better performance on a net IRR and net TVPI basis relative to Cambridge Associates' global venture capital benchmarks. The Firm's 2018 and 2021 vintage fund series are too immature for meaningful benchmarking.

Investment Terms: Cliffwater finds the investment terms, taken as a whole, to be in accordance with industry standards for a venture capital fund. The Funds have a 5 year investment period and 10 year term. GGV Capital IX and Discovery IV-US will charge a management fee equal to 2.5% of total commitments during the investment period; thereafter, until the 10th anniversary of the initial contribution, 2.5% of the sum of (i) invested capital and (ii) uncalled capital commitments reserved for investments, as reasonably determined by the General Partner; thereafter, until the 14th anniversary of the initial contributions, 1.5% of invested capital. GGV Capital IX Plus will not charge a management fee. The Funds charge a carried interest will be equal to 20% on fund-level basis until (i) the limited partners receive cumulative allocations of net realized income and gain equal to 150% of aggregate capital contributions, then (ii) a 75%/25% catch-up in favor of the General Partner until the General Partner receives 25% of total net realized income and gain to date, and then (iii) 25% thereafter. The General Partner will commit a minimum of \$50million, collectively, to the Funds.

Cliffwater Recommendation

Cliffwater recommends an investment of up to \$6.4 million to GGV Capital IX, \$7 million to GGV Discovery IV-US, and \$1.6 million to GGV Capital IX Plus as part of ERSRI's Private Equity allocation. Cliffwater recommends an investment of up to \$0.8 million to GGV Capital IX and \$0.2 million to GGV Capital IX Plus as part of OPEB's Private Equity allocation.

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