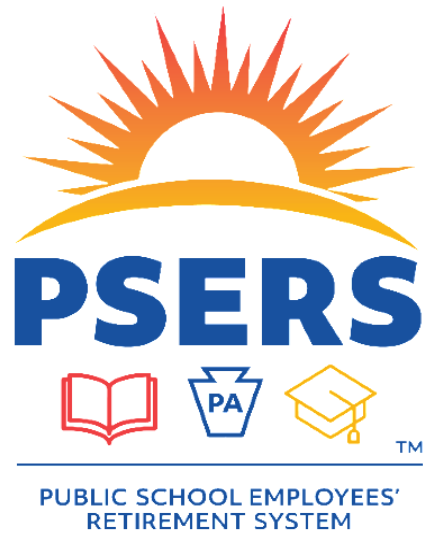


PSERB Resolution 2025-90
Re: OceanSound Partners Fund III, LP
December 12, 2025

RESOLVED, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Investment Committee and commits an amount not to exceed \$150 million, plus reasonable and normal investment expenses, in OceanSound Partners Fund III, LP and/or related investment vehicles in accordance with the recommendation of Ryan Rathman, Senior Portfolio Manager, and Aksia, LLC.

The final terms and conditions of the investment are subject to legal due diligence and must be satisfactory to the Investment Office, the Office of Chief Counsel, and the Office of Executive Director, as evidenced either by the appropriate signatures on, or by a memo to that effect appended to, the implementing investment contract.



OceanSound Partners Fund III, LP Private Equity Recommendation

Ryan Rathman
Senior Portfolio Manager

Tyler Howell
Investment Professional

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Today's Presentation

OceanSound Partners

Main Presentation

1. Asset Class Considerations
 - *Recommendation is consistent with PSERS' Strategic Asset Allocation (SAA) and current year commitment planning.*
2. Recommendation Overview
 - *PSERS IO and Aksia recommend committing up to: \$150M to OceanSound Partners Fund III, LP.*
3. Strategy & Expertise
 - *Middle market buyout specialist focused on tech-enabled solutions across defense, government, and other highly regulated end-markets in the United States.*
4. Investment Considerations
 - *Investment expected to face certain risks consistent with Private Equity investments, and IOP believe that OceanSound has identified appropriate mitigants to those risks.*
5. Investment Highlights
 - *Consistent historical performance and complementary fit with PSERS' private equity portfolio.*

Appendix

- Investment Committee Disclosure
- Private Equity Dashboard

1. Asset Class Considerations

Recommendation is consistent with PSERS' Strategic Asset Allocation (SAA) and current year commitment planning

PSERS SAA and Pacing

1. PSERS' SAA has established a target allocation of 12.0% to Private Equity.
2. The current overweight is due to an allocation reduction and slower-than-projected distributions in 2023 and 2024.
3. Aksia's latest pacing analysis suggests \$1.4B-\$2B of annual commitments to reach the target exposure in 2026. IOP propose a range of \$700M-\$1B in 2025 to scale into long term target commitment levels.
4. The pacing analysis is revisited frequently based on the actual performance of the Private Equity allocation and the broader PSERS portfolio.

SAA Allocation	
Private Equity Target	12.0%
Private Equity Actual ¹	12.6%
Pacing Budget for 2025	
Proposed Pacing Budget Range	\$700M - \$1B
Primary Fund Commitments	
YTD Commitments	\$676M
December 2025 Recommendations	\$550M ²
Co-Investments	
YTD Commitments	\$45M
Total Primary and Co-Investments	\$1,271M
Remaining Budget ³	(\$271)
Est. Remaining Primary Fund Recommendations	\$0M
Expected to be in Target Budget Range?	No

1. Private Equity Actual sourced from Verus 2025 Q2 Total Fund Report

2. Includes \$400 million recommended commitment to HarbourVest (HCF VII + SMA)

3. Remaining to the upper-level of the pacing budget

2. Recommendation Overview

PSERS IO and Aksia recommend committing up to \$150M to OceanSound Partners Fund III, LP

Firm Name	OceanSound Partners
Investment Professionals / Employees	23 Investment Professionals / 47 Employees
Fund Name	OceanSound Partners Fund III, LP
Strategy Invested Capital ¹	~\$4.5B
Target Return	20% net IRR / 2.0x net MoC
Target Fund Size / Hard Cap	\$2.0B / \$2.75B
Recommended Commitment	\$150M
GP Commitment	Lesser of 2% of aggregate commitments and 2% of target fundraise
Fund Structure	Closed-End
PSERS Existing Relationship	Yes
Notable Investment Committee Disclosures ²	None

3. OceanSound Strategy & Expertise

Middle market buyout specialist focused on tech-enabled solutions across defense, government, and other highly regulated end-markets in the United States

Market Opportunity: The opportunity is driven by the persistent growth of technology spending in government and highly regulated end markets, focusing on the modernization of antiquated systems that makes these industries more efficient and adaptable.

Strategy: OceanSound invests in tech-enabled services companies that possess long-term growth, defensible business models, and sticky customer bases.

Portfolio Fit: A commitment to OceanSound is consistent with portfolio goals to increase exposure to: 1) specialist managers that possess domain expertise and 2) co-investment capacity to cost effectively deploy capital.

4. Investment Considerations

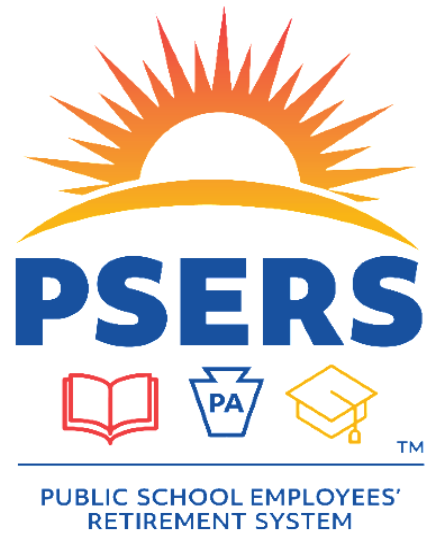
The risks for OceanSound are consistent with Private Equity Buyout strategies

Risk	Detail	Mitigating Factors
Potential Changes to Government Budgets	Due to OceanSound's focus on regulated end-markets, particularly government end-markets, its strategy is vulnerable to budgetary shifts.	<i>Technology spending on the modernization of cybersecurity and IT infrastructure in government remains a critical bipartisan effort.</i>
Key Person	As the sole key person, Joe Benavides is viewed as the head of OceanSound from a management and investment perspective.	<i>Staff believe Joe Benavides has significantly aligned himself to the future results of OceanSound.</i>
Performance	Founded in 2019, OceanSound is a younger firm with a shorter track record.	<i>OceanSound has successfully executed its investment thesis, and Staff has continued to observe the team's efforts, and the resulting performance's maturation.</i>

5. Investment Highlights

OceanSound's specialized expertise matches today's market opportunity

Highlight	Detail
Single, Sector-focused Strategy	OceanSound manages a single strategy, thereby enabling the Firm to specialize and dedicate all its sourcing, due diligence, value creation, and realization efforts to one strategy.
Experienced & Deep Team	OceanSound possesses a deep bench of talent with extensive experience that is complementary to the platform. Staff believes OceanSound benefits from its ability to draw upon the prior investment experience of its team members at the Partner level and below.



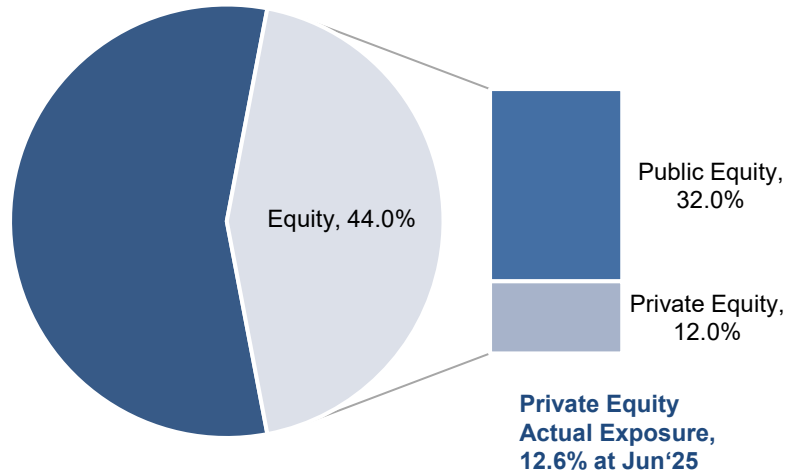
Appendix

Investment Committee Disclosure

Disclosure	Response
Relationship with Aksia	<i>As of August 31, 2025, five (5) current Aksia advisory and investment management clients have made total aggregate subscriptions and commitments of \$253.6 million across investments managed by OceanSound Partners, including three (3) current advisory accounts (\$168.0 million) and two (2) current investment management accounts (\$85.5 million). As of November 3, 2025, there are five (5) other Aksia clients considering a commitment to OceanSound Partners Fund III LP.</i>
Introduction Source	Existing Relationship
Compliance with Placement Agent Policy	As confirmed by PSERS' Office of Chief Counsel on November 14, 2025, this investment complies with the Public School Employees' Retirement Board Placement Agent Policy.
PA Political Contributions	No reportable political contributions.
PA Presence	Please see confidential memo.
Potential Conflicts	PSERS is not aware of any actual or potential conflicts of interest that would be created by PSERS' investment in the Fund.
Litigation Disclosure	To the best of the sponsor's knowledge, the Firm and its funds are not involved in any litigation which has or may have a material effect on the Firm or its funds.
Has the Firm reimbursed and/or paid for PSERS IOP travel in the past two calendar years?	No
Certification of Diligence Costs	IOP certifies that PSERS paid all travel costs, if any, and was not reimbursed for the travel costs related to due diligence of the fund.

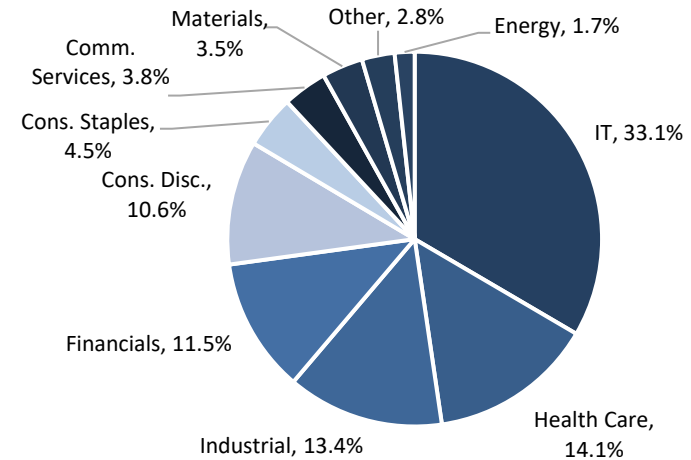
Private Equity Portfolio

Target Allocation to Private Equity In Long-Term Strategic Asset Allocation



Source: Verus 2025 Q2 – Total Fund Report (Q1 2025 Private Markets data given 1Q Lag).

Sector Diversification



Source: Aksia as of March 31, 2025

Recent Fund Commitments (\$M)

2024	
LLR Equity Partners VII	\$125M
Summit Partners Growth Equity Fund XII	\$100M
2025 (As of Oct-25)	
Stellex Capital Partners III	\$133M
K6 Private Investors	\$100M
Hg Saturn 4	\$100M
Hg Genesis 11	€75 M
Hg Mercury 5	€50 M
Lindsay Goldberg VI, L.P.	\$100M
Oak HC/FT Partners VI, L.P.	\$100M

Portfolio Performance

	Time-Weighted Return					10-Yr PME Analysis	
	1-Yr	3-Yr	5-Yr	10-Yr	15-Yr	KS-PME ¹	Direct Alpha ²
Buyout	-1.7%	2.0%	14.6%	10.9%	10.8%	1.1x	2.4%
Growth Equity	11.4%	6.2%	21.3%	19.2%	17.8%	1.4x	9.8%
Venture Capital	4.2%	-0.9%	13.4%	7.2%	5.6%	0.9x	-2.0%
Co-Investment	0.5%	2.2%	19.3%	16.4%	21.9%	1.3x	6.7%
Total Portfolio	1.6%	2.9%	16.0%	11.9%	11.6%	1.1x	3.1%
Benchmark	6.1%	3.4%	15.2%	12.3%	12.6%		

Color-coding: **outperformance** or **underperformance** vs. benchmark.

¹ KS PME and Direct Alpha are calculated compared to Private Equity's PME benchmark (MSCI ACWI IMI with USA Gross, Non-US Net Index, unhedged; – ticker M1WDW\$GI).

² Benchmark for TWR comparisons is the PE Policy Benchmark

Source: MSCI/Burgiss and Aksia as of March 31, 2024

Allocation

Activity

10

Diversification

Performance

October 31, 2025

Board of Trustees
Commonwealth of Pennsylvania, Public School Employees' Retirement System ("PSERS")
5 North Fifth Street
Harrisburg, PA 17101

Re: OceanSound Partners Fund III LP

Aksia LLC ("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, an amount not to exceed \$150 million in OceanSound Partners Fund III LP ("Fund III", the "Fund").

OceanSound Partners ("OceanSound", the "Firm") is a New York City based private equity firm that was founded in 2018 by Joe Benavides, Ted Coons, and Jeff Kelly (the "Co-Founders"). The Co-Founders have overlapping tenures at Veritas Capital and Blackstone with prior experience investing in government and regulated markets, the Firm's focus. In its formative years, OceanSound entered into two passive economic arrangements with SP Capital Partners, an affiliate of Sixpoint Partners (now Harris Williams), who helped seed the platform, and Petershill Partners ("Petershill"), an affiliate of Goldman Sachs, who provided capital and resources towards the end of the debut fundraise. Today, OceanSound is led by Benavides (Managing Partner) and Coons (President) with support from Kelly and three additional Partners.

Fund III is expected to pursue control-oriented investments in middle market technology and tech-enabled services companies that serve the aerospace, defense, government, and regulated end markets, primarily within the United States. The Firm prefers to be the first institutional capital and targets businesses with some level of complexity, which has translated to a focus on founder/family-owned businesses and corporate carve-out transactions. OceanSound plans to leverage its years of experience and network of former government advisors and executives to identify industries with durable budget tailwinds and regulatory frameworks that require technology solutions to stay compliant, efficient, and competitive. Post-acquisition, the Firm aims to professionalize management teams and systems and leverages M&A to expand the geographic footprint, acquire new customers, and execute strategic pivots such as license to subscription or cloud transitions.

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 sponsor, investment strategy, market positioning, investment personnel, and risk management;
 - Most recent investment due diligence review conducted September 2025
- 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 September 2025
- 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,



Thomas Martin
Partner, Co-Lead of Private Equity



Simon Fludgate
Partner, Head of Operational Due Diligence