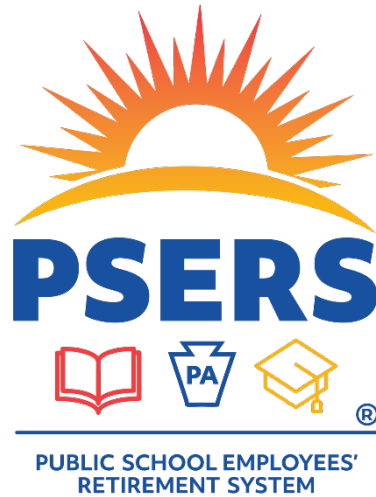




PSERB Resolution 2026-30 Re: PAI Mid-Market Fund II SCSp June 17, 2026

RESOLVED, that the Public School Employees' Retirement Board (the "Board") adopts the recommendation of the Investment Committee to invest an amount not to exceed €100 million, plus reasonable and normal investment expenses, in PAI Mid-Market Fund II SCSp, and/or related investment vehicles.

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.



PAI Mid-Market Fund II SCSp Private Equity Recommendation

Jennifer B. Sassani
Portfolio Manager

Tyler Howell
Investment Professional

Today's Presentation

PAI Mid-Market Fund II SCSp (“MMF II” or the “Fund”)

Main Presentation

1. Recommendation Overview

- *PSERS IO and Aksia recommend committing up to €100M to PAI Mid-Market Fund II SCSp.*

2. Strategy & Expertise

- *One of the longest-tenured pan-European sponsors with decades of experience investing in “Real Economy” sectors: Industrial Goods & Services, Business Services, Food & Consumer, and Healthcare.*
- *Invest in European middle market (“MM”) businesses.*
- *Create regional and international leaders through organic growth, margin expansion, and buy-and-build.*

3. Investment Considerations

- *Investment expected to face certain risks consistent with Private Equity investments, and IOP believe that PAI Partners has identified appropriate mitigants to those risks.*

4. Investment Highlights

- *Consistent historical performance and complementary fit with PSERS' Private Equity portfolio.*

Appendix

- Investment Committee Disclosure

1. Recommendation Overview

PSERS IO and Aksia recommend committing up to €100 million to PAI Mid-Market Fund II SCSp.

Firm Name	PAI Partners
Investment Professionals / Total	19 / 200+
Fund Name	PAI Mid-Market Fund II SCSp
Strategy Invested Capital ¹	~€2B
Target Return	20% Net IRR / 2.0x Net MOIC
Target Fund Size / Hard Cap	€1.2B / €1.3B
Recommended Commitment (Up To)	€100M
GP Commitment	At least 2% of aggregate commitments
Fund Structure	Closed-End
PSERS Existing Relationship	Yes
Notable Investment Committee Disclosures ²	None

2. PAI Partners Strategy & Expertise

For over two decades, PAI Partners has applied its consistent, investment strategy in the European market, capitalizing on buyout opportunities in the “Real Economy”.

- 1. Market Opportunity:** The market opportunity for PAI is characterized by a large and fragmented European middle market, with companies that are often underinvested, undermanaged, and lack systems to effectively scale.
- 2. Strategy:** The Fund will seek to acquire controlling interests in 11-13 “Real Economy” companies. Target companies are characterized by: (1) established market position with structural tailwinds, (2) mission critical products and services, (3) pricing power, (4) diversified customer base, and (5) strong free cash flow. PAI will focus on building regional leaders in Europe via organic growth, strategic add-on opportunities, and margin expansion.
- 3. Portfolio Fit:** A commitment to PAI is consistent with portfolio goals to focus on high quality buyout managers with a proven track record, as well as offering diversified, pan-European exposure.

3. Investment Considerations

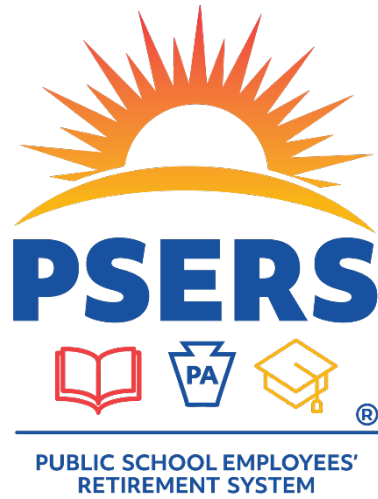
Investment expected to face risks consistent with private equity investments, and Staff believes that PAI Partners has appropriate mitigants to those risks.

Risk	Detail	Mitigating Factors
Partner Turnover	As expected for a firm with PAI Partners' tenure, the Firm has experienced Partner-level turnover, which may affect sourcing, execution, and ultimately returns to LPs.	<i>PAI's approach to deal origination, staffing, and value creation is a framework that focuses less on key individuals and more on collaborative efforts of multiple teams throughout the investment process.</i>
Sector Cyclicity	"Real Economy" sectors are linked to the broader economic cycle. Economic downturns may impact PAI's ability to effectuate portfolio company business plans and achieve returns.	<i>PAI Partners' tenured and deep team has experience navigating challenging markets with a realized track record of generating compelling returns across economic cycles.</i>
Strategy Focus, Resource Allocation, and Middle Market Company Risk	There is a risk that the MMF strategy could receive less organizational focus or resource allocation relative to the PAI's Flagship Funds. In addition, middle market companies generally have greater sensitivity to economic downturns than larger businesses, which can contribute to increased volatility in operating performance and investment outcomes.	<p><i>The dedicated MMF team is led by two senior/tenured PAI team members that transitioned from the Flagship Funds.</i></p> <p><i>Additionally, the MMF team and MMF portfolio companies have full access to PAI's broader platform and operational resources.</i></p>

4. Investment Highlights

Strong historical performance and complementary fit with PSERS' Private Equity Portfolio.

Highlight	Detail
Cycle-Tested Manager	<i>PAI's investment strategy has delivered strong realized returns across multiple market cycles, with an emphasis on downside protection and capital preservation. Drivers of return span a broad mix of European geographies and sector verticals, reflecting a balanced approach to sourcing. The long-tenured, senior team and deep bench of talent also ensure continuity in PAI's value creation framework.</i>
Utilization of PAI's Platform	<i>PAI's approach to deal origination, staffing, and value creation has created a replicable playbook that helps the Firm offer value-add resources to its portfolio companies at scale.</i>
Exposure to "Real Economy" Sectors	<i>PAI's "Real Economy" strategy is complementary to PSERS' broader Private Equity portfolio.</i>
Strong Track Record with Co-Invest Opportunities	<p><i>A core tenet of PAI's fund management philosophy has been to seek consistent return of capital to Limited Partners which is reflected in the mature funds' DPIs (distributions to paid-in capital).</i></p> <p><i>Additionally, PAI has a strong track record of offering co-investment opportunities to its Limited Partners.</i></p>



Appendix

Investment Committee Disclosure

Disclosure	Response
Relationship with Aksia	As of January 31, 2026, three (3) current Aksia advisory and investment management clients have made total aggregate subscriptions and commitments of \$979.3 million across investments managed by PAI Partners, including two (2) current advisory accounts (\$914.3 million) and one (1) current investment management account (\$65.0 million). As of May 12, 2026, there are currently no other Aksia clients considering a commitment to PAI Mid-Market Fund II.
Introduction Source	PSERS IOP
Compliance with Placement Agent Policy	As confirmed by PSERS' Office of Chief Counsel on March 26, 2026, this investment complies with the Public-School Employees' Retirement Board Placement Agent Policy.
PA Political Contributions	No reportable political contributions.
PA Presence	Yes, 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	PAI has regular and proactive interactions with regulators. Regarding litigations, PAI may be involved in litigation from time to time in the ordinary course of business. 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 the Fund.
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.

May 13, 2026

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

Re: PAI Mid-Market Fund II

Aksia LLC ("Aksia"), having been duly authorized by Board of PSERS, has evaluated and hereby recommends, in line with PSERS' Investment Policy Statement, Objectives, and Guidelines, an amount not to exceed €100 million in PAI Mid-Market Fund II ("the Fund" or "MMF II").

PAI Partners ("PAI" or the "Firm"), headquartered in Paris with six offices across Europe and one in New York, traces its origins to 1872 as the principal investment arm of Banque Paribas. PAI was established as an independent management company in 1998, with its senior team completing a management buyout in 2002 to gain full independence. The Firm has developed into a control-oriented buyout manager focused on investments in mid- to large-cap companies across Europe, operating a Flagship fund series as well as a dedicated Mid-Market strategy launched in 2020.

MMF II is targeting €1.2 billion in commitments and is expected to pursue control-oriented investments in European mid-market companies with enterprise values of €100 million to €500 million and equity investments of €50 million to €200 million. The Fund expects to build a portfolio of 11 to 13 companies, focusing on businesses operating in Food & Consumer, Healthcare, Business Services, and Industrial Goods & Services sectors across Western Europe, including France, Italy, Iberia, DACH, and Benelux. MMF II will seek to partner with founders, families, and corporate management, often in the context of carve-outs or succession planning, leveraging PAI's platform and Performance Group to drive value creation through international expansion and add-on acquisitions, with the goal of building pan-European leaders.

Aksia's recommendation 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 May 2026
- 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 May 2026
- 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. For a description of the risks associated with this investment, please see the relevant due diligence report. 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,



Michelle Davidson
Partner, Co-Head of Private Equity



Simon Fludgate
Senior Advisor, Operational Due Diligence