PSERB Resolution 2026-32
Re: American Industrial Partners Capital Fund IX, L.P
August 13, 2026

RESOLVED, that the Public School Employee' Retirement Board (the "Board") accept the recommendation of the Investment Committee and commits an amount not to exceed $150 million, plus reasonable and normal investment expenses, in American Industrial Partners Capital Fund IX, L.P. and/or related investment vehicles in accordance with the recommendation of Jennifer Sassani, 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.

PSERS

PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

American Industrial Partners Capital Fund IX, L.P.
Private Equity Recommendation

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Portfolio Manager

Mailinh Dang
Investment Professional

1. Recommendation Overview

PSERS IO and Aksia recommend committing up to $150M to American Industrial Partners Capital Fund IX, L.P.

Firm Name	American Industrial Partners (“AIP”) (“Firm”)
Investment Professionals / Employees	100+ Total / 50+ Investment Professionals
Fund Name	American Industrial Partners Capital Fund IX, L.P.
Strategy Invested Capital [1]	~$17.8 billion
Target Return	23% net IRR / 2.6x net MoC
Target Fund Size / Hard Cap	$8.0 billion
Recommended Commitment	$150 million
GP Commitment	At least 2.5% of aggregate commitments
Fund Structure	Closed-End
PSERS Existing Relationship	No, new relationship
Notable Investment Committee Disclosures [2]	None

1. As of March 31, 2026
2. Detail in appendix (Slide 7)

2. AIP Strategy & Expertise

Market cycle-tested, private equity firm focused on intensive, complex control transactions in U.S. and Canadian headquartered industrial businesses

Strategy: AIP IX targets the large fragmented industrial sector. The Fund will invest in market-leading companies and non-core divisions of larger enterprises. AIP focuses on businesses with proprietary technologies, recurring revenues, and mission-critical products where operational improvements can drive significant EBITDA growth. The Fund will primarily acquire control positions in high-quality, operationally intensive companies with perceived suboptimal EBTIDA.

Market Opportunity: Several tailwinds support the industrial sector, including decades of underinvestment in U.S. manufacturing, the renewed strategic importance of North American industrial capacity, and accelerating demand for physical infrastructure driven by artificial intelligence ("AI") and electrification. According to McKinsey, decades of underinvestment have created a substantial backlog of deferred capital expenditures requiring an estimated $2 trillion, or roughly 6% of GDP, of investment to restore manufacturing capacity. This represents a multi-decade investment opportunity across industrial end markets.

Portfolio Fit: PSERS' Staff seeks to construct a portfolio of diversified and specialist managers. AIP is a leading North American industrial investor with deep expertise across industrial subsectors. AIP provides differentiated exposure through its experienced engineering-oriented operating capabilities investment team, value creation approach through operationally intense improvements, and proven track record across market cycles.

3. Investment Considerations

The risks for AIP are consistent with private equity buyout strategies

Risk	Detail	Mitigating Factors
Increase in Fund Size	The target fund size of AIP IX is expected to materially increase.	*The $8.0 billion fund size reflects current investment pace over a target investment period while augmenting the ability to deploy more capital into a single investment. Previous fund size increases which have used the same pacing calculation, have not pushed the strategy's subsequent fundraises out of historical niche.*
Dispersion of Returns	Operationally complex businesses may provide return dispersion due to increased range in operating performance and investment outcomes.	*AIP has a lengthy track record of investing in these businesses delivering strong realized returns of across market cycles.*
Sector Cyclicality; Commodity, Raw Material, and Cost Exposure	Industrial businesses are inherently cyclical regarding capital expenditures, industrial production, and customer demand. AIP portfolio companies may be exposed to fluctuations in raw materials, energy, and industrial inputs.	*AIP's operational capabilities, disciplined procurement practices, and selective use of contractual pass-through provisions and hedging provide meaningful tools to mitigate cyclical and input cost pressures while supporting value creation across market environments.*

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4. Investment Highlights

AIP's expertise matches today's market opportunity

Highlight	Detail
Market Cycle-Tested Manager with Stable Team	Under the current senior leadership, AIP has delivered strong realized returns across multiple market cycles. Returns span a broad mix of sector verticals, with no partner disproportionately driving returns, reflecting a diversified and repeatable investment process. The senior team has remained highly stable, and the Firm's flat, non-hierarchical, collaborative culture promotes continuity in sourcing, underwriting, deal execution, portfolio management and governance.
Demonstrated Success in Complex Transactions and Operational Improvements	AIP has established itself as a leading industrial private equity specialist in North America by consistently sourcing and executing complex transactions while maintaining valuation discipline across market cycles. The Firm's repeatable operating playbook has driven consistent value creation while strengthening relationships that support future deal flow.
Differentiated Industrial Specialist Strategy	AIP employs a value-oriented turnaround strategy focused on durable earnings improvement, including EBITDA growth, working capital efficiencies, and associated deleveraging. Historically, the bulk of the realized/partially realized gains are attributed to EBITDA growth. The strategy is also highly differentiated relative to the broader private equity market, indicating meaningful diversification by both sector exposure and return drivers.

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Appendix

Investment Committee Disclosure

Disclosure	Response
Relationship with Aksia	As of April 30, 2026, three (3) current Aksia advisory and investment management clients have made total aggregate commitments of $375.0 million across investments managed by American Industrial Partners.
Introduction Source	IO Staff and Aksia
Compliance with Placement Agent Policy	As confirmed by PSERS' Office of Chief Counsel on July 15, 2026, 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.

1. Please note that this information, which is available to PSERS upon request, is subject to change pending further review and decision making between Aksia and its clients

July 13, 2026

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

Re: American Industrial Partners Capital Fund IX

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 $150 million in American Industrial Partners Capital Fund IX ("the Fund" or "Fund IX").

American Industrial Partners ("AIP") is a middle market private equity firm, founded in 1989 by Ted Rodgers and Richard Bingham, to invest in manufacturing and industrial companies across North America. Following their retirement in 2005, Kim Marvin, Dino Cusumano, and John Becker assumed equal ownership of the management company and transitioned AIP from a corporate organization into a traditional partnership. In 2015, AIP expanded its platform by hiring Jason Perri, Mike Aingorn, and Rich Dennis to establish a dedicated credit sleeve within its private equity funds and pursue debt-for-control investments. In late 2024, Becker retired and Justin Fish was elevated to Managing Partner, concurrent with Blackstone's acquisition of a 10% passive minority stake in the management company. AIP currently has a single flagship strategy focused exclusively on the industrials sector.

Fund IX is expected to pursue control investments in large industrial companies in complex situations across North America and Europe. Within the industrials sector, the Fund is expected to focus on end-markets such as automotive, building products, chemicals, equipment and machinery, metals and mining, and distribution. The Fund is expected to pursue a deep value and turnaround strategy, with investments typically taking the form of corporate carve-outs, take-privates, and debt-for-control transactions. In support of this strategy, AIP is expected to employ a hands-on, operationally intensive approach to value creation that begins during diligence and is executed through multi-year operating agendas, often emphasizing lean manufacturing principles and enhancements across company leadership, procurement, pricing, and inventory planning. Fund IX is expected to build a concentrated portfolio of 10 to 15 platform investments, with equity tickets of $400 million to $700 million at entry, and a median enterprise value of $1.2 billion.

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 July 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 July 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