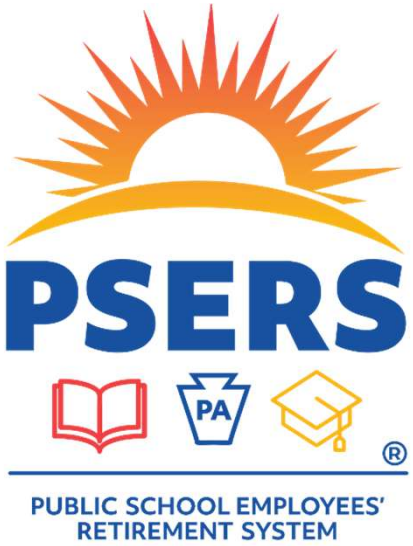
PSERB Resolution 2026-44
Re: Keystone Partners, LP
October 22, 2026

RESOLVED, that the Public School Employees' Retirement Board (the “Board”) adopts the recommendation of the Investment Committee to invest an amount not to exceed $100M in Keystone Partners, L.P. Series C, which will directly invest in Newmarket Structured Credit Solutions Fund V LP, and up to a $75M increase in Keystone Partners, L.P. Series B, plus reasonable and normal investment expenses, 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.



Keystone Partners, L.P.
(Newmarket Structured Credit Solutions Fund V, L.P.)
Private Credit Recommendation

Sean Sarraf
Portfolio Manager

Parin Patel
Investment Professional

Today's Presentation

Newmarket Structured Credit Solutions Fund V, L.P. ("Newmarket" or the "Fund")

Main Presentation

1. Recommendation Overview
   - *PSERS IO and Aksia recommend committing up to $100 million to Keystone Partners, L.P. Series C, which will directly invest in Newmarket Structured Credit Solutions Fund V LP and up to a $75 million increase in Keystone Partners, L.P. Series B, plus reasonable and normal investment expense.*
2. Strategy & Expertise
   - *Leading Specialist in Significant Risk Transfer capital solutions with focus on infrastructure lending.*
3. Investment Considerations
   - *Investment expected to face certain risks and IOP believe Newmarket has identified appropriate mitigants.*
4. Investment Highlights
   - *Newmarket has an experienced team and complementary fit with PSERS' private credit portfolio.*

Appendix

- Investment Committee Disclosure

1. Recommendation Overview

PSERS IO and Aksia recommend committing up to $100 million to Keystone Partners, L.P. Series C, which will directly invest in Newmarket Structured Credit Solutions Fund V LP and up to a $75 million increase in Keystone Partners, L.P. Series B, plus reasonable and normal investment expense.

Fund Name	Newmarket Structured Credit Solutions Fund V, L.P. (“Newmarket V” or the “Fund”)
Total Employees / Investment Professionals	30 total employees / 17 investment professionals
Firm Name	Newmarket Investment Management, LP(“the Firm” or “Newmarket”)
Firm Strategy Invested Capital (AUM)	$3B (Firm) / $3B (Strategy)
Target Return	9-12% net IRR, 1.3x – 1.4x net MoC
Target Fund Size / Hard Cap	$1B / $1.0B / USD
Recommended Commitment (up to)	$175M ($100M Fund V; $75M co-invest)
GP Commitment	$1.2M
Fund Structure	Closed-End
PSERS Existing Relationship	Yes
Notable Investment Committee Disclosures [2]	No

1. As of March 2026
2. Details in Appendix (Slide 8)

2. Strategy & Expertise

Newmarket is an employee-owned, Pennsylvania-based alternative asset manager with approximately $3 billion of AUM, specializing in SRT and related bank regulatory-capital solutions. PSERS has committed approximately $500 million to Newmarket across two commingled funds and two SMAs, generating excess value relative to its Public Fixed Income benchmark.

1. **Market Opportunity:** Basel IV is continuously increasing banks' demand for capital-relief solutions, particularly for long-dated infrastructure and project-finance loans. Newmarket is positioned to capitalize on this need through specialized SRT transactions that help banks transfer credit risk, release capital, and maintain lending capacity, while providing access to historically lower-default, higher-recovery infrastructure debt.

2. **Strategy:** Fund V will provide first-loss protection on diversified portfolios of bank-originated loans through bilateral SRT transactions, helping global banks manage regulatory capital and risk-weighted assets. The strategy targets stable, contractual income and 9%–12% net returns through disciplined underwriting, structural protections, and diversification across borrowers, sectors, and geographies.

3. **Portfolio Fit:** The commitment expands PSERS' high-conviction relationship with Newmarket while adding differentiated exposure to long-dated infrastructure credit through SRTs, which is expected to be less correlated with traditional private credit and enhance portfolio stability. Favorable fee terms and co-investment access further reduce the strategy's all-in cost and support improved net returns.

3. Investment Considerations

Investment expected to face certain risks and IOP believe Newmarket has identified appropriate mitigants.

Risk	Detail	Mitigating Factors
Structural Subordination	The Fund obtains synthetic credit exposure rather than direct ownership of loans, leaving it dependent on originating banks' servicing, credit culture, workout capabilities, and actions across underlying borrowers	*Losses are tied to defined borrower-credit events not mark-to-market volatility and banks retain a pari passu first-loss position. Eligibility criteria exclude fraud, corruption, documentation, and legal-enforceability losses, concentrating exposure on borrower credit risk.*
Competitive Landscape	Growing institutional participation in the SRT market, particularly in standardized transactions, may continue to compress spreads and reduce the return premium available to new investments. Competition may also intensify for infrastructure-related credit exposures.	*Newmarket has historically achieved spreads above traditional private-credit and public-credit comparables due to the bespoke, complex, and illiquid nature of its transactions. Its loan-level underwriting capabilities and broad bank relationships support differentiated sourcing and execution across diverse, less commoditized portfolios.*

4. Investment Highlights

Newmarket has an experienced team and complementary fit with PSERS' private credit portfolio.

Highlight	Detail
Regulatory Tailwind & Robust Opportunity Set	Basel III/IV capital and stable-funding requirements are continuously increasing the cost to banks of holding long-dated infrastructure and project-finance loans, creating demand for SRT solutions that release capital and balance-sheet capacity. Newmarket seeks to monetize this regulatory constraint by providing credit protection to relationship-driven bank portfolios, while focusing on infrastructure loans backed by essential assets, contractual cash flows, and historically stronger recovery characteristics.
Experienced Management Team	Newmarket's core investment team has managed the SRT strategy together since 2013, providing more than a decade of continuity across the mandate, bank counterparties, and regulatory environment. No key departures have occurred since the firm became independent in 2020, supporting retention of underwriting knowledge and institutional experience.
Differentiated Underwriting & Asset Selection	Newmarket combines bank-level diligence with bottom-up loan analysis, concentrating on identified, seasoned, cash-generative infrastructure assets rather than blind pools or development-stage risk. Bilateral negotiations, proprietary portfolio modeling, structural protections, and downside stress testing support disciplined asset selection and portfolio resilience.

PSERS

PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

Appendix

Investment Committee Disclosure

Disclosure	Response
Relationship with Aksia	As of June 30, 2026, six (6) current Aksia advisory and investment management clients have made total aggregate subscriptions and commitments of $539.2 million across investments managed by NewMarket Investment Management LP, including two (2) current advisory accounts ($500.7 million) and four (4) current investment management account ($38.5 million).
Introduction Source	Existing Relationship
Compliance with Placement Agent Policy	As confirmed by PSERS' Office of Chief Counsel on May 20, 2026, this investment complies with the Public School Employees' Retirement Board Placement Agent Policy.
PA Political Contributions	Yes, PA political contributions were disclosed to PSERS.
PA Presence	None
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	NA
Has the Firm reimbursed and/or paid for PSERS IOP travel in the past two calendar years?	No, the Firm has not paid for or reimbursed PSERS IOP travel.
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

Manager Recommendation Memo

Aksia

September 23, 2026

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

Re: Newmarket Structured Credit Solutions Fund V LP

Dear Trustees:

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, a commitment of up to $100 million to Keystone Partners, L.P. Series C (the "Series C"), which will directly invest in Newmarket Structured Credit Solutions Fund V LP ("Fund V" or the "Fund"), and an upsize of up to $75 million to Keystone Partners, L.P. Series B (the "Series B").

Newmarket Investment Management, LP ("Newmarket" or the "Firm"), founded in 2020, is an independent alternative asset manager focused on Significant Risk Transfer ("SRT"), primarily targeting infrastructure loan portfolios. Newmarket's primary strategy predates the Firm's formation and was originally launched within Mariner Investment Group ("Mariner") in 2013 as International Infrastructure Finance Company ("IIFC") I, the first vintage in the IIFC series. In 2020, the core team, led by Andrew Hohns, spun out from Mariner to establish Newmarket as an independent platform, while the IIFC strategy-level branding remained in place through subsequent vintages. The senior team has remained substantially continuous throughout this progression: Andrew Hohns, Aaron Barnes, and Molly Whitehouse were involved in the strategy's development at Mariner, while Thierry Adant and Jeffrey Schellenger joined at the launch of the independent platform in 2020.

Newmarket is in the process of launching Fund V, a closed-end strategy expected to focus on SRT and other bank risk transfer transactions with large financial institutions primarily in Europe. Fund V is the first vintage marketed under the Structured Credit Solutions ("SCS") name and represents the continuation of the prior IIFC strategy. The Fund is expected to provide first loss protection to counterparty banks against underlying loan portfolios primarily consisting of, or with material exposure to, infrastructure and project finance loans, with selective investments in mezzanine tranches where the GP believes target returns can be achieved. Underlying collateral has historically been concentrated in renewable power, transportation, digital infrastructure and social infrastructure, with more limited exposure to adjacent sectors, while geographic exposure is expected to focus primarily on Western Europe and North America, with selective emerging market exposure.

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 was conducted in July 2026.
- Due diligence of the Fund's operations, including a review of its organizational structure, service providers, regulatory and compliance, LPA and financial statement analysis;
  - Most recent operational due diligence review on the Fund was conducted in July 2026.
- Evaluation of the Funds' strategy within the context of the current investment environment; and
- Appropriateness 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 these funds, since their needs, objectives, and circumstances may not be identical to those of PSERS. The recommendation to invest in the co-investment vehicle is based solely on the IDD and ODD review of the Fund and did not include a review of any information or documentation specific to the co-investment vehicle. 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,

Tim Nest
Partner, Co-Head of Private Credit

Rebecca Heun
Managing Director, Co-Head of Operational Due Diligence