

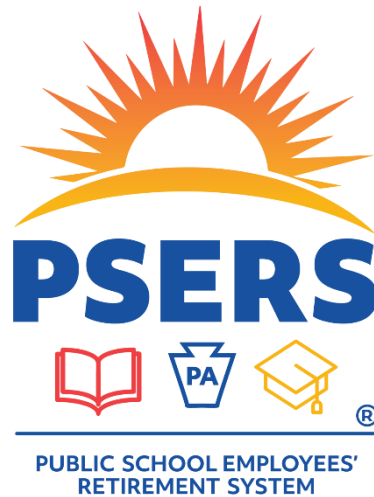
PSERB Resolution 2026-45

Re: Kennedy Lewis Capital Partners Domestic Fund IV 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, plus reasonable and normal investment expenses, in Kennedy Lewis Capital Partners Domestic Fund IV LP ("Fund IV") and/or related investment vehicles, and an amount not to exceed \$50M, plus reasonable and normal investment expenses, to a co-investment vehicle to invest alongside Fund IV, 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.



Kennedy Lewis Capital Partners Domestic Fund IV LP Private Credit Recommendation

Sean Sarraf
Portfolio Manager

Michael Severance
Investment Professional

Today's Presentation

Kennedy Lewis Capital Partners Domestic Fund IV LP ("KLCP IV" or the "Fund")

Main Presentation

1. Recommendation Overview

- *PSERS IO and Aksia recommend committing up to \$100M to Kennedy Lewis Capital Partners Domestic Fund IV LP and/or related investment vehicles and up to \$50M to a co-investment vehicle investing alongside PSERS' KLCP IV commitment, plus reasonable and normal investment expense*

2. Strategy & Expertise

- *Established credit platform providing flexible capital solutions typically through senior secured, non-sponsor transactions with a focus on asset-based collateral; senior investment professionals bring significant experience across their six core verticals*

3. Investment Considerations

- *Investment expected to face certain risks and IOP believe Kennedy Lewis has identified appropriate mitigants.*

4. Investment Highlights

- *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 \$100M to Kennedy Lewis Capital Partners Domestic Fund IV LP and/or related investment vehicles and up to \$50M to a co-investment vehicle investing alongside PSERS' KLCP IV commitment, plus reasonable and normal investment expense.

Fund Name	Kennedy Lewis Capital Partners Domestic Fund IV LP ("KLCP IV" or the "Fund")
Total Employees / Investment Professionals	140+ total employees / 40+ investment professionals
Firm Name	Kennedy Lewis Management LP ("the Firm" or "KLIM")
Firm Strategy Invested Capital (AUM)	\$33B (Firm) / \$11B (Strategy)
Target Return	12-14% net IRR, 1.5-2.0x net MoC
Target Fund Size / Hard Cap	\$4.0B / \$4.5B / USD
Recommended Commitment (up to)	\$100M to the Fund + \$50M Co-Investment
GP Commitment	2% of LP Commitments
Fund Structure	Closed-End
PSERS Existing Relationship	No
Notable Investment Committee Disclosures ²	No

2. Special Situations Strategy & Expertise

Established credit platform providing flexible capital solutions typically through senior secured, non-sponsor transactions with a focus on asset-based collateral; senior investment professionals bring significant experience across their six core verticals

1. **Market Opportunity:** The strategy targets a persistent gap in middle-market lending, particularly within non-sponsor-backed companies that have limited access to flexible, long-duration capital as banks retrench and private credit focuses on sponsor-led transactions. These opportunities are typically less intermediated and more complex, allowing for enhanced economics, stronger covenant protections, and greater lender control.
2. **Strategy:** The Fund focuses on directly originating private, first-lien senior secured loans, primarily in North America, with an emphasis on non-sponsor-backed lending and opportunistic allocation across asset-based and specialty verticals. The strategy combines rigorous bottom-up underwriting with flexible structuring and typically acts as a sole or lead lender to enhance control, downside protection, and risk-adjusted returns.
3. **Portfolio Fit:** The strategy provides differentiated exposure to non-corporate, asset-based collateral, complementing existing sponsor-driven private credit allocations and reducing reliance on traditional corporate credit risk.

3. Investment Considerations

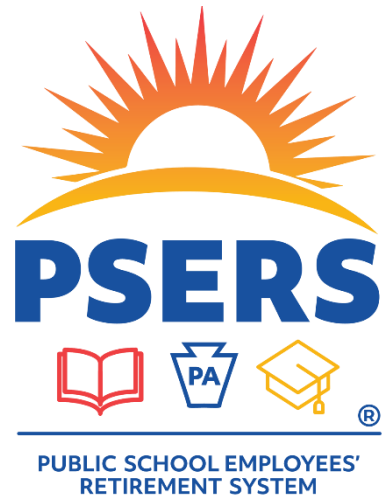
Investment expected to face certain risks and IOP believe Kennedy Lewis has identified appropriate mitigants.

Risk	Detail	Mitigating Factors
Firm AUM Growth and Platform Expansion	The manager has experienced significant AUM growth since inception, including expansion into new strategies and verticals. While this growth has broadened the platform, it introduces potential risks.	<i>Platform expansion appears to have been additive, with new capabilities enhancing sourcing breadth, structuring flexibility, and overall deal flow rather than diluting the core strategy. Moreover, the Firm has scaled both its investment professionals and back-office / operational infrastructure alongside AUM growth.</i>
DPI of Prior Funds	Given the Fund's focus on senior secured, cash-yielding credit, one would generally expect a relatively strong DPI profile across vintages. To date, realization levels appear more muted.	<i>While net DPI to Limited Partners is muted across prior vintages, this is mainly due to the fund level recycling. The investment level DPI across Funds I-III have been in line with expectations.</i>
Departure of Healthcare / Life Science Strategy Head	While overall retention at the Firm has been strong, there has been a recent senior departure within the healthcare vertical, which may impact sourcing and deployment within that sector.	<i>Since the initial underwriting, the Firm has appointed a new Life Science strategy head. Staff has met with the new head and is comfortable with his qualifications and approach to the strategy. Staff will continue to monitor investment activity within this vertical.</i>

4. Investment Highlights

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

Highlight	Detail
Experienced Team	The senior leadership team has a history of working together across prior platforms, supporting continuity in decision-making and underwriting discipline. The Investment Committee brings an average tenure of ~26 years of experience, reinforcing depth across sourcing, structuring, and portfolio management. Kennedy Lewis has also invested meaningfully in scaling both its investment and operational capabilities.
Portfolio Fit	The strategy represents a highly complementary addition to the portfolio and meaningful exposure to non-corporate and asset-based collateral through its allocation to specialty verticals, including homebuilder finance and asset-backed opportunities, while also introducing incremental dislocation capabilities and co-investment opportunities.
Downside-Focused Mindset	The strategy is designed with a clear emphasis on capital preservation, supported by seniority in the capital structure and structural protections at the asset-level. The Fund primarily originates first-lien senior secured loans, typically backed by income-generating businesses or diversified collateral pools, providing priority on cash flows and underlying value support in downside scenarios.



Appendix

Investment Committee Disclosure

Disclosure	Response
Relationship with Aksia	As of July 31, 2026, five (5) current Aksia advisory and investment management clients have made total aggregate subscriptions and commitments of \$782.5 million across investments managed by Kennedy Lewis Investment Management LP, including three (3) current advisory accounts (\$760.0 million) and two (2) current investment management accounts (\$22.5 million).
Introduction Source	Existing Relationship
Compliance with Placement Agent Policy	As confirmed by PSERS' Office of Chief Counsel on May 5, 2026, this investment complies with the Public School Employees' Retirement Board Placement Agent Policy.
PA Political Contributions	No reportable political contributions
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.

Manager Recommendation Memo



September 22, 2026

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

Re: Kennedy Lewis Capital Partners Domestic Fund IV 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 Kennedy Lewis Capital Partners Fund IV LP ("KLCP IV" or the "Fund") and up to \$50 million to the KLCP Co-Investment Domestic Fund IV LP Sidecar (the "Co-Investment Fund").

Kennedy Lewis Investment Management ("Kennedy Lewis" or the "Firm"), founded in 2017 by David Chene and Darren Richman, is a multi-strategy, opportunistic credit investment firm that targets a wide span of collateral types, primarily corporate credit, specialty finance, and real estate. The Firm's main credit strategies include opportunistic credit, core lending, homebuilder finance, and CLOs. The Firm employs over 140 professionals, including 45 investment professionals. Kennedy Lewis has experienced measured growth, expanding its platform through the addition of new verticals, the launch of a public REIT (Millrose Properties), and the acquisition of a majority interest in its CLO management business in 2021.

KLCP IV is an opportunistic credit fund that is expected to primarily target senior secured private loans to predominantly non-sponsored middle market companies experiencing disruption or undergoing transition as well as privately originated asset-based finance opportunities. The Fund is also expected to include up to a 25% allocation to homebuilder finance investments, where the Firm partners with homebuilders and land developers to originate asset-backed investments. Fund IV also plans to include a sleeve for opportunistic public security investments, where the Fund seeks to capitalize on market dislocations with shorter-term trades.

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 February 2026 and refreshed in September 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 February 2026.
 - Most recent operational due diligence review on the Co-Investment Fund conducted in April 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. 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,

A handwritten signature in blue ink, appearing to read "Tim Nest".

Tim Nest
Partner, Co-Head of Private Credit

A handwritten signature in blue ink, appearing to read "Simon Fludgate".

Simon Fludgate
Senior Advisor, Operational Due Diligence