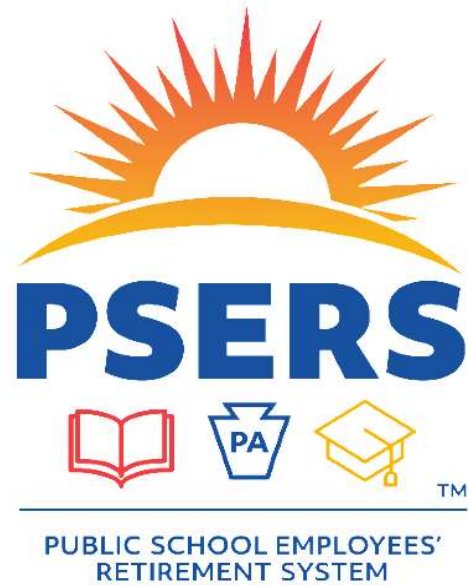


PSERB Resolution 2026-46
Re: CD&R Fund XIII L.P.
October 22, 2026

RESOLVED, that the Public School Employees' Retirement Board (the "Board") adopts the recommendation of the Investment Committee to invest an amount not to exceed \$200M, plus reasonable and normal investment expenses, in CD&R Fund XIII L.P., 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.



CD&R Fund XIII, L.P Private Equity Recommendation

Cody Steele
Senior Portfolio Manager

Parin Patel
Investment Professional

September 2026

1. Recommendation Overview

PSERS IO and Aksia recommend committing up to \$200M to CD&R Fund XIII, L.P.

Firm Name	Clayton, Dubilier & Rice, LLC
Investment Professionals / Employees	324 Total / 127 Investment Professionals
Fund Name	CD&R Fund XIII, L.P
Strategy Invested Capital ¹	~\$200 billion
Target Return	20% net IRR / 2.0x net MoC
Target Fund Size / Hard Cap	\$26 billion / \$28.5 billion
Recommended Commitment	\$200 million
GP Commitment	Min 5% of total LP commitments
Fund Structure	Closed-End
PSERS Existing Relationship	No
Notable Investment Committee Disclosures ²	None

2. CD&R Strategy & Expertise

Long-standing, partner-owned, focused North American and Europe buyout sponsor, specializing in six core “Real Economy” sectors.

Strategy: CD&R pursues a control-oriented private equity strategy focused on creating value through operational transformation, revenue growth, margin improvement, and strategic repositioning rather than financial engineering. The firm differentiates itself through deep operating-partner involvement and complex transaction capabilities including carve-outs, take-privates, and partnership investments.

Market Opportunity: CD&R operates in a sizable large and mega-cap buyout opportunity set across North America and Europe, supported by corporate portfolio reshaping, carve-outs, take-privates, and ownership-transition needs among family-owned businesses. As higher entry valuations and lower leverage increase the operational requirements for achieving target returns, CD&R’s integrated operating resources, flexible structuring, and solution-capital approach position it to pursue complex, less intermediated transactions.

Portfolio Fit: A commitment to CD&R would increase PSERS’ buyout exposure while supporting the Private Equity Strategic Plan’s emphasis on top-tier managers with demonstrated operational value-creation capabilities. CD&R complements the broader buyout portfolio through its differentiated large and mega-cap focus, deep operating resources, and ability to source and execute complex carve-outs, take-privates, and strategic partnerships.

3. Investment Considerations

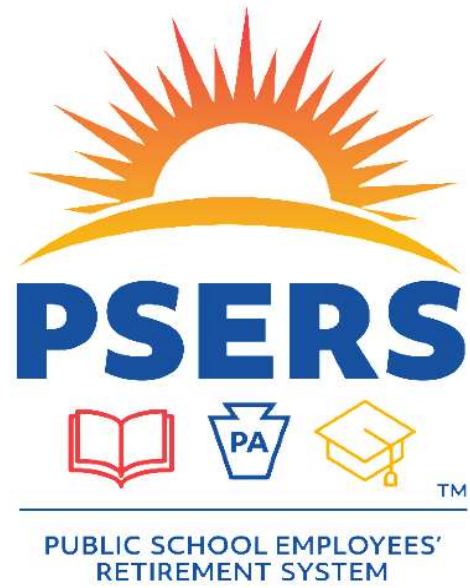
The risks for CD&R are consistent with Private Equity Buyout strategies

Risk	Detail	Mitigating Factors
Fund Size	Fund XIII's anticipated \$26–\$28 billion size may require CD&R to pursue larger enterprise-value investments which could heighten deployment, concentration, and timing risk, particularly if large-cap market conditions weaken.	<i>CD&R has demonstrated the ability to invest in, scale, and realize large businesses, including through public-market exits.</i> <i>The firm has also strengthened position-sizing discipline and expanded its investment and operating resources to support governance and execution across larger, more complex portfolio companies.</i>
Sector Expansion	CD&R's expansion into sectors where it has relatively less established investing and operating experience could increase underwriting, execution, and value-creation risk, particularly if a larger fund results in more capital deployed into fewer or less familiar opportunities.	<i>CD&R is expanding selectively, applying its established business-building model, and adding experienced sector leaders and operating resources similar to their prior sector expansion.</i>
Co-Sponsor Deals	Greater use of co-sponsor transactions may reduce CD&R's control over strategy, governance, capital allocation, and exit timing, while introducing potential conflicts with other financial sponsors.	<i>CD&R seeks to mitigate these risks through disciplined position sizing, portfolio diversification, and experience structuring governance rights and aligning incentives with corporate sellers, founders, families, and management partners.</i>

4. Investment Highlights

CD&R's expertise matches today's market opportunity

Highlight	Detail
Operating Model	<p>CD&R employs an integrated, operations-led investment model that combines investment professionals with operating partners, advisors, and functional specialists throughout the investment lifecycle.</p> <p>The firm emphasizes active ownership, formal operating reviews, and business-building initiatives including digital, automation, and AI capabilities to drive revenue growth, margin expansion, and EBITDA improvement.</p>
Single Strategy & Alignment of Interest	<p>CD&R is a single-strategy buyout firm focused primarily on North America and Europe, providing consistency in sourcing, underwriting, portfolio improvement, and exit execution.</p> <p>Alignment is reinforced through meaningful GP commitments, a shared profit and carry pool, and an internal-promotion model intended to support retention, succession, and consistent execution across market cycles</p>
Strong Track Record	<p>CD&R has outperformed PSERS' Public Equity Policy Benchmark and generated favorable public-market-relative results versus the Russell 2000 and Russell 3000.</p> <p>The firm's positive Direct Alpha and KS-PME results indicate that, across the active fund (Fund VIII – XII) , it has exceeded the opportunity cost of investing in comparable public-market benchmarks.</p>



Appendix

Investment Committee Disclosure

Disclosure	Response
Relationship with Aksia	As of May 31, 2026, seven (7) current Aksia advisory and investment management clients have made total aggregate commitments of \$238.0 million across investments managed by Clayton Dubilier & Rice, including four (4) advisory accounts (\$221.0 million) and three (3) investment management accounts (\$17.0 million).
Introduction Source	IO Staff and Aksia.
Compliance with Placement Agent Policy	As confirmed by PSERS' Office of Chief Counsel on September 15, 2026, this investment complies with the Public School Employees' Retirement Board Placement Agent Policy.
PA Political Contributions	No reportable political contributions.
PA Presence	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.

July 27, 2026

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

Re: CD&R Fund XIII LP

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 \$200 million in CD&R Fund XIII LP ("the Fund" or "Fund XIII").

Clayton, Dubilier & Rice ("CD&R") is a buyout firm founded in 1978 by Martin Dubilier, Eugene Clayton, Bill Welsh, and Joseph Rice III, initially investing in companies on a deal-by-deal basis prior to raising its first institutional fund in 1984. Since then, CD&R has raised multiple successor buyout funds but has refrained from launching ancillary fund strategies or new business lines. CD&R has completed multiple leadership transitions over its history and today is led by CEO Nate Sleeper, Co-Presidents Dave Novak and Rick Schnall, and Chairman Don Gogel.

Fund XIII is expected to pursue a value-oriented strategy focused primarily on control-oriented investments in large companies based in North America and Western Europe. Investments are expected to target a variety of industries, including consumer & retail, industrials, healthcare, technology, business services, and most recently, financial services. Historically, CD&R has often engaged in partnership transactions with founders, families, or corporations rather than acquiring businesses through intermediated processes. However, recent partnership transactions have shifted to other private equity sponsors and strategics as CD&R has moved up market. CD&R has also become increasingly more active in public-to-private transactions as its funds and company sizes have scaled.

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