

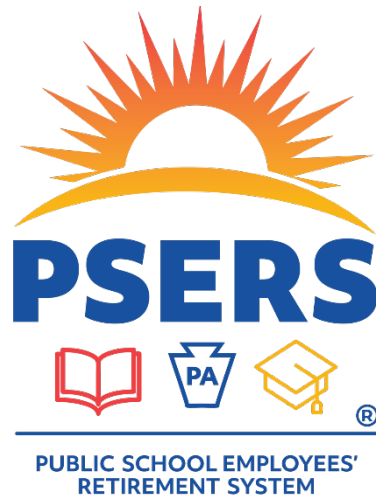
PSERB Resolution 2026-47
Re: Clayton, Dubilier & Rice, LLC, Relationship Level
Delegation
October 22, 2026

RESOLVED, that the Public School Employees' Retirement Board (the "Board") adopts the recommendation of the Investment Committee and delegates the authority to the Chief Investment Officer in his discretion to commit new or additional sums to private markets investment vehicles managed by Clayton, Dubilier & Rice, LLC ("CD&R") and/or their affiliates, subject to each of the following constraints:

- a. Any new or additional commitments must be compliant with the External Manager exposure risk limits outlined in the Private Markets Asset Class Policy.
- b. For any new or additional commitments, PSERS total Private Markets Exposure ("NAV and unfunded") to CD&R shall not represent more than 10% of PSERS Total Private Markets target allocation.
- c. Each individual new or additional commitment to CD&R shall not exceed 1.5% of PSERS Total Private Markets target allocation.

Utilization of this delegated authority is subject to the notification and periodic reporting as prescribed within the External Manager Due Diligence and Monitoring Policy and this delegation prospectively supersedes and nullifies any prior grants of discretion by way of board resolutions related to CD&R.

The final terms and conditions of new or additional commitments authorized under this delegation 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 contracts.



Clayton, Dubilier & Rice, LLC (“CD&R”) Relationship Overview

September 2026

PSERS / CD&R Relationship Overview

- **Singular Focus:** CD&R is a single-strategy private equity firm focusing on buyouts primarily in North America and Europe. This investment strategy has been largely unchanged since the firm's inception and has been shown to drive superior returns regardless of economic conditions. A single strategy allows for a general partner to further focus on sourcing, improving, and exiting the portfolio companies. IOP believes that operating a single line of business drives investment productivity, decision-making clarity, and efficiency.
- **Operational Improvement Specialist:** IOP's portfolio-construction approach seeks to blend scaled, diversified managers with operational expertise that offer distinct sourcing advantages, sector knowledge, and repeatable value-creation capabilities. CD&R would serve as a complementary exposure to broader diversified buyout relationships with a differentiated focus on large and mega-cap investments requiring substantial operating, strategic, and transaction-execution capabilities. CD&R's operating-led model, deep corporate relationships, and experience executing complex transactions including carve-outs, public-to-private transactions, and strategic partnerships provide a differentiated source of exposure within the large-cap buyout market
- **Strategic Partner:** PSERS currently has ~\$100 million in committed to CD&R Fund XII. Staff believes CD&R's extensive track record, operational model, and sourcing capabilities offer compelling partnership opportunities. This commitment will broaden PSERS' exposure to corporate divestitures and other complex situations where operational expertise, proprietary corporate sourcing relationships, and sophisticated structuring can be particularly important

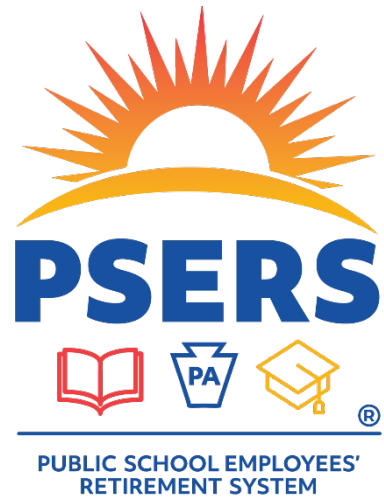
PSERS' Historical Performance – CD&R

Funds	Vintage	Commitment	Contributions	Distributions	NAV	Net IRR	Net MoC
Clayton, Dubilier & Rice Fund XII, L.P.	2023	100.0	43.0	10.5	49.9	27.5%	1.41x
Total		100.0	43.0	10.5	49.9	27.5%	1.41x

Date as of 03/31/2026

Index: PSERS Public Equity Policy Benchmark

	PSERS Public Equity Policy BM	Russell 2000 TR	Russell 3000 TR
Direct Alpha	9.4%	9.0%	9.2%
KS PME	1.1x	1.1x	1.1x
EVM	10.2	10.5	11.1



Appendix

Cycle tested, deep broadly resourced manager

Leadership Team



Nathan K. Sleeper, Chief Executive Officer

Nate Sleeper joined CD&R in 2000. He serves as the Firm's CEO, chairs its Executive Committee and is a member of its Investment, Operating Review and Compliance committees. He also leads the firm's Industrials investment vertical and is responsible for firm operations. He has been involved in a significant number of the Firm's investments and currently serves on the boards of many of its industrial portfolio companies. Prior to CD&R, he worked in the investment banking division of Goldman Sachs and at the investment firm Tiger Management. He is a member of the Business Council, serves on the Williams College Board of Trustees and is Chair of the Investment Committee for the college's endowment. Nate has an M.B.A. from Harvard Business School and a B.A. from Williams College.



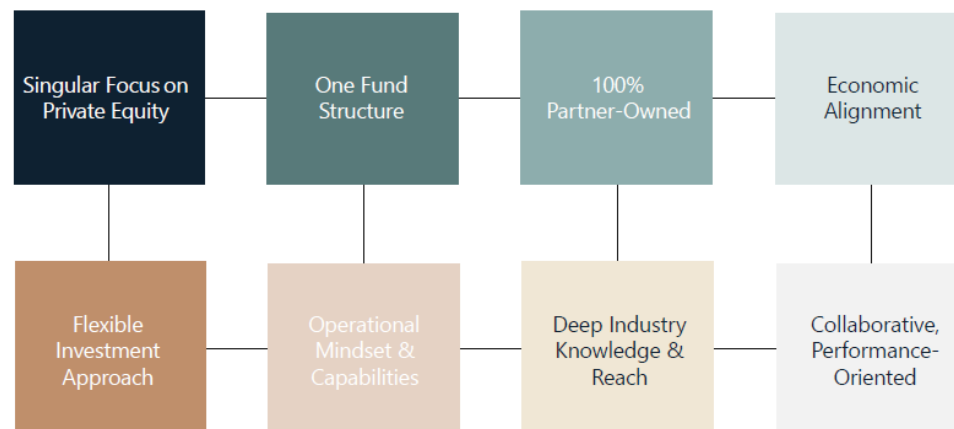
David A. Novak, Co-President

David A. Novak joined CD&R in 1997 and serves as the Firm's Co-President. He is a member of the Investment, Executive and Operating Review committees. He is responsible for the Firm's European business and the Firm's external relations activities. He serves on the boards of many of the Firm's European portfolio companies. Previously, he worked in the private equity and investment banking divisions of Morgan Stanley. David is a member of the Amherst College Board of Trustees, the Cambridge University Endowment Fund Investment Advisory Board and Director of Windmill Hill Asset Management and Chair of its Investment Committee. He is an Advisor to Ahren Innovation Capital. David has an M.B.A. from Harvard Business School and a B.A. from Amherst College.



Richard J. Schnall, Co-President

Richard J. Schnall joined CD&R in 1996 and is a member of the Investment and Executive committees. Previously, he worked in the investment banking divisions of Smith Barney & Co. and Donaldson, Lufkin & Jenrette. Richard is a board member of the Michael J. Fox Foundation for Parkinson's Research and the CD&R Foundation. He is a graduate of the University of Pennsylvania's Wharton School and holds an M.B.A. from Harvard Business School.



Firm

48

years in business

1

strategy (control-oriented PE)

6

economic cycles

Investments

15-20

companies per fund

75%/25%

North America/Europe split

70%

Value creation from EBITDA growth^(a)

Team

324

employees

127

investment professionals

64

operating resources/advisors to CD&R funds^(c)