State of New Jersey

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Director

October 23, 2026

MEMORANDUM TO: State Investment Council

FROM: Shoaib Khan, Director

SUBJECT: **Private Equity Investment - American Industrial Partners Capital Fund IX, L.P.**

The Division of Investment (the "Division") is proposing an investment of up to $250 million in American Industrial Partners Capital Fund IX, L.P. (the "Fund") managed by American Industrial Partners ("AIP" or the "Firm"). This memorandum is presented to the State Investment Council (the "Council") pursuant to N.J.A.C. 17:16-69.9.

The Division is recommending this investment based on the following factors:

Experienced Sector Team
AIP's professionals have worked collaboratively and successfully together for many years. Kim Marvin and Dino Cusumano have worked together for 25 years, and overall, the members of the Executive Committee have worked at AIP, on average, for over 17 years.

Operational Focus
For each investment, AIP develops a customized Operating Agenda that seeks to double EBITDA over the hold period. AIP's realized performance has been driven by revenue growth (43%) and margin improvement (104%) rather than multiple expansion (17%) and financial engineering

Strong Returns in Previous Vintages
As of March 31, 2026, Funds IV through VIII have generated a combined 26.5% gross IRR and 2.5x gross TVPI with an overall loss ratio of 5.0%. Relative performance has also been strong as each of the last five funds has generated mostly first and second quartile performance for all performance metrics.

A report of the Investment Policy Committee ("IPC") summarizing the details of the proposed investment is attached.

Division Staff and its private equity consultant, Aksia LLC, undertook extensive due diligence on the proposed investment in accordance with the Division's Alternative Investment Due Diligence Procedures.

As part of its due diligence process, staff determined that the Fund engaged a third-party solicitor ("placement agent") in the fundraising of the fund, but the placement agent was not engaged or paid in connection with New Jersey's potential investment.

American Industrial Partners' current ESG Policy and related diligence disclosures were reviewed by the Corporate Governance team in accordance with the Council's ESG Policy. The Firm incorporates ESG into its investment process and will continue to monitor ESG factors post investment.

Staff will work with representatives of the Division of Law and outside counsel to review and negotiate specific terms of the legal documents to govern the investment. A preliminary Disclosure Report of Political Contributions has been obtained in accordance with the Council's regulation governing political contributions (N.J.A.C. 17:16-4), and no political contributions have been disclosed. An updated Disclosure Report will be obtained at the time of closing.

Note that the investment is authorized pursuant to Articles 69 and 90 of the Council's regulations. American Industrial Partners Capital Fund IX, L.P is considered a private equity investment, as defined under N.J.A.C. 17:16-90.1.

A formal written due diligence report for the proposed investment was sent to each member of the IPC and a meeting of the IPC was held on October 14, 2026. In addition to the formal written due diligence report, all other information obtained by the Division on the investment was made available to the IPC.

We look forward to discussing the proposed investment at the Council's October 28, 2026 meeting.

Attachment

American Industrial Partners Capital Fund IX

- **DOI Commitment:** Up to $250 million
- **Strategy:** Buyout
- **Investment Focus:** American Industrial Partners Capital Fund IX will build a portfolio of 10-15 platform investments in north American headquartered industrial businesses.. The Fund expects to target companies with median EVs of $1.2bn and equity checks ranging from $400-700 million. Fund IX will be diversified across sub sectors such as capital equipment, metals & mining, and transportation & logistics.
- **Target Returns:** 3.0x / 30% Gross
- **Investments Thesis:**
  - Experienced sector team
  - Strong returns across previous vintages
  - Operational, value-oriented investment focus
  - Focus on strategic exits

Fund Name: American Industrial Partners Capital Fund IX — October 23, 2026

Contact Info: ***American Industrial Partners, 450 Lexington Avenue, 40th Floor, New York, NY 10017***

Fund Details:

Total Firm Assets:	$17.8 billion
Strategy:	Buyout
Year Founded:	1989
Headquarters:	New York, NY
GP Commitment:	2.50%

Key Investment Professionals:

Kim Marvin. Kim Marvin is a Managing Partner and joined AIP in 1997. Prior to joining the Firm, Kim served in the Mergers and Acquisitions and Financial Instructions Group of Goldman, Sachs & Co from 1994 through 1997. He also served as Chief Operating Officer of the American Original Corporation where he was employed from 1985 through 1991.

Dino Cusumano. Dino Cusumano is a Managing Partner and joined AIP in 2000. Prior to joining the Firm, Dino served in the investment banking department of JP Morgan & Co. Inc. from 1998 through 2000 where he worked on mergers and acquisitions and capital raising transactions primarily in the industrial sector.

Justin Fish. Justin Fish is a Managing Partner and joined AIP in 2012. Prior to joining the Firm, Justin was an Investment Associate at Chilton Investment Company. Previously he held a variety of financial, supply chain and operational roles at Lear Corporation.

Investment Summary

The Fund will pursue a value-oriented strategy primarily focused on making control-oriented investments in North American industrial businesses. AIP will invest the Fund across a variety of industrial end markets such as industrial technology, metals & mining, building products, capital equipment, distribution, and paper and packaging. The Fund will seek to invest in underperforming, undervalued, and distressed businesses operating with market leading positions, sustainable competitive advantages, defensible business models, high recurring revenues, valuable hard assets, low capital intensity and potential pricing power.

Existing and Prior Funds

Funds	*Vintage Year*	*Strategy*	*Returns: Net IRR, Net TVPI, Net DPI* *
Fund V	2011	Buyout	9.5%, 1.9x, 1.7x
Fund VI	2016	Buyout	18.8%, 2.7x, 2.0x
Fund VII	2019	Buyout	22.6%,2.4x,0.3x
Fund VIII	2024	Buyout	23.4%,1.3x,0.1x

Source of Returns -Aksia

*Net as of 3/31/2026

IRR = Internal Rate of Return; TVPI = Total Value to Paid-In; DPI = Distributions to Paid-In

	American Industrial Partners Capital Fund IX L.P.
Inception:	2026
Fund Size :	$8 billion
Management Fee:	2% on Capital Commitments during the Investment Period with a 6 month Management Fee Holiday for all LPs. Thereafter, if no competing fund has commenced, 2% on invested capital. Thereafter, 1.5% on invested capital. Thereafter, zero unless the Investor Advisory Committee otherwise consents.
Incentive Fee:	20%
Hurdle:	8%

Auditor: **RSM US LLP**

Legal Counsel: **Simpson Thacher & Bartlett LLP**

NJ AIP Program

Recommended Allocation ($mil.):	up to $250 million	**LP Advisory Board Membership:**	**YES**
% of Fund:	3.13%	**Consultant Recommendation:**	**YES**
		Placement Agent:	**NO**
		Compliance w/ Division Placement Agent Policy:	**N/A**
		Compliance w/ SIC Political Contribution Reg:	**YES**