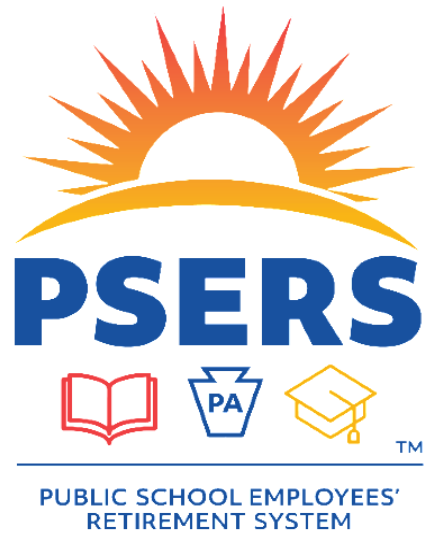


PSERB Resolution 2025-21
Re: I Squared Global Infrastructure Fund IV
March 21, 2025

RESOLVED, that the Public School Employees' Retirement Board (the "Board") accepts the recommendation of the Investment Committee and commits an amount not to exceed \$200 million plus reasonable and normal investment expenses, in I Squared Global Infrastructure Fund IV, and/or related investment vehicles in accordance with the recommendation of Cody Steele, Portfolio Manager and Aksia, LLC.

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.



I Squared Global Infrastructure Fund IV, L.P. Private Infrastructure Recommendation

Cody Steele

Portfolio Manager

Parin Patel

Investment Professional

March 2025

Today's Presentation

I Squared Global Infrastructure Fund IV, L.P. ("ISQ IV")

Main Presentation

1. Asset Class Considerations
 - *Recommendation is consistent with PSERS' Strategic Asset Allocation (SAA) and current year commitment planning*
2. Recommendation Overview
 - *PSERS IO and Aksia recommend committing \$200 million to I Squared Global Infrastructure Fund IV, L.P.*
3. Strategy & Expertise
 - *Demonstrated global expertise with deal sourcing and execution*
4. Investment Considerations
 - *Investment expected to face risks consistent with infrastructure investments, and staff believes that ISQ has identified appropriate mitigants to those risks*
5. Investment Highlights
 - *Strong historical performance and complementary fit within PSERS Private Infrastructure portfolio*

Appendix

- Investment Committee Disclosure
- Private Infrastructure Dashboard

1. Asset Class Considerations

Recommendation is consistent with PSERS' Strategic Asset Allocation (SAA) and current year commitment planning

PSERS SAA and Pacing

1. PSERS SAA has established a long-term target of 5.0% to Private Infrastructure.
2. The current underweight in Private Infrastructure is balanced by an overweight in Public Infrastructure.
3. Aksia's latest pacing analysis suggests \$300M–\$500M of annual commitments to reach the target exposure in 2026.
4. The pacing analysis is revisited frequently based on the actual performance of the Private Infrastructure allocation and the broader PSERS portfolio.

SAA Allocation	
Private Infrastructure Target	5.0%
Private Infrastructure Actual ¹	3.1%
Pacing Budget for 2025	
Pacing Budget Range	\$300M - 500M
Primary Fund Commitments	
YTD Commitments	\$0M
March 2025 Recommendations	\$200M
Co-Investments	
YTD Commitments	\$0M
Total Primary and Co-Investments	\$200M
Remaining Budget ²	\$200M
Est. Remaining Primary Fund Recommendations	\$200M
Expected to be in Target Budget Range?	Yes

1. Private Infrastructure Actual sourced from Verus 2024 Q3 Total Fund Report
2. Remaining to the mid-point of the pacing budget

2. Recommendation Overview

PSERS IO and Aksia recommend committing \$200 million to ISQ IV

Firm Name	I Squared Capital Advisors
Investment Professionals / Employees	108 / 280
Fund Name	I Squared Global Infrastructure Fund IV, L.P.
Strategy Invested Capital ¹	\$38 billion
Target Return	11-16% Net IRR
Target Fund Size	\$15.0 billion
Recommended Commitment Amount	\$200 million
GP Commitment	2.0%
PSERS Existing Relationship	Yes
Notable Investment Committee Disclosure ²	None

1. As of September 30, 2024
2. Additional detail in appendix (Slide 9)

3. ISQ IV Strategy & Expertise

Demonstrated expertise across traditional infrastructure sectors

1. **Global, Diversified Infrastructure:** ISQ's IV will provide investors with exposure to broad geographic and sector exposure to value-add infrastructure, setting it apart from other "middle-market" offerings.
2. **Local Presence:** Local presence in target markets, and the team's ability to analyze trends, track regulatory changes, and pinpoint sourcing opportunities have translated into positive returns and no realized losses to date.
3. **Platform Building:** ISQ IV expects to deploy at least 60% of its capital in "platform" opportunities where additional investment is extended over time based on the success of portfolio company management in identifying and executing on attractive underlying projects.

4. Investment Considerations

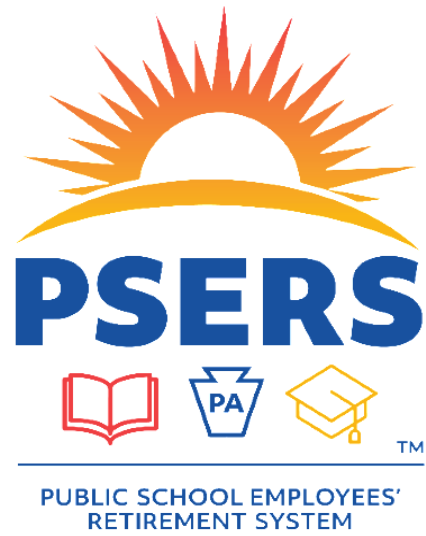
Investment expected to face risks consistent with infrastructure investments, and staff believes that ISQ has identified appropriate mitigants to those risks

Risk	Detail	Mitigating Factors
Deployment / Fund Size	ISQ aims to raise \$15 billion for Fund IV, up from \$2.8B (Fund I, 2014), \$6.8B (Fund II, 2017), and \$12B (Fund III, 2021). While this reflects confidence in ISQ's growth, deploying such capital may be challenging amid competition, geopolitical risk, and regulatory complexities.	Fund IV global mandate allow a broader geographic and sectoral allocation which can reduce concentration risks and allows ISQ to strategically identify emerging opportunity in less saturated markets.
Team Turnover / Succession Planning	As ISQ's AUM and credit business grow, strengthening its investment and operations team is key to value creation. Long-term success also requires focus on succession planning and diverse team growth.	IOP believes that ISQ has taken strategic initiative in placing some key individuals in the leadership roles and expanding offices to nine locations globally. The team is comprised of 100+ investment professional, 40+ asset management and value creation team and a global network of 100+ sector specific external advisors, providing support through all phases of the investment process.
Global Investment Mandate	ISQ maintains a global investment mandate and has historically invested approximately 26% of its total capital into Asia and Latin America. Current geopolitical tensions are an important risk consideration for ISQ global mandate. These tensions can lead to political instability, policy reversals and, especially in EM, higher currency volatility making it challenging to maintain returns with a consistent cash yield.	ISQ has deep experience in Global Infrastructure Fund IV's target markets, assessing geopolitical, regulatory, and policy risks. PSERS IOP views ISQ's framework as strong in risk evaluation and mitigation through diversification.

5. Investment Highlights

Strong historical performance and complementary fit with Private Infrastructure portfolio

Highlight	Detail
<p>Experienced, Independent and Well Aligned Senior Leadership Team</p>	<p>ISQ has a seasoned team with an average of 25 years of experience, many working together for over 13 years. While the managing partners oversee decision-making, regional investment teams drive the process, leveraging local presence for strong deal flow.</p> <p>As an independent, partner-led firm, ISQ focuses solely on investing for its limited partners. For Fund IV, the GP and affiliates will commit 2% of investor capital, totaling \$300 million.</p>
<p>Realized Performance and Loss Ratio</p>	<p>As of September 30, 2024, ISQ had executed seven full realization which produced a gross IRR of 28.8% and gross MoC of 2.2x, on \$1.5 billion of invested capital. The manager has also generated \$4.5 billion in realizations through partial sales and dividends.</p> <p>During the same time, the global infrastructure series had a loss ratio of 0%. IOP believes that this distinguishes ISQ from other value-add infrastructure manager that invests on a global scale.</p>
<p>Local Presence</p>	<p>ISQ has developed a significant local presence in each of the global markets in which it operates. These teams lead much of the day-to-day origination and asset management activity of ISQ’s platform investments.</p> <p>PSERS IOP believes that this local model reporting up to a central investment committee led by the experienced team leading ISQ today presents a good balance of blending local expertise with a more macro view on relative value of the full set of opportunities that are surfaced without ISQ.</p>



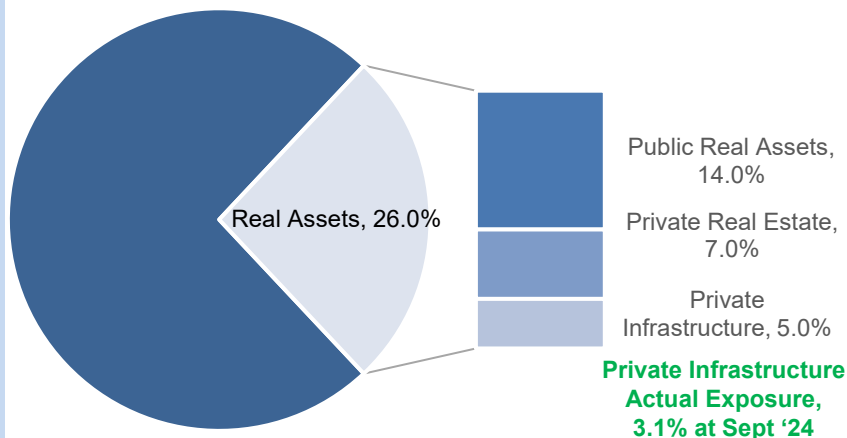
Appendix

Investment Committee Disclosure

Disclosure	Response
Relationship with Aksia	As of September 30, 2024, three (3) current Aksia advisory and investment management clients have made total aggregate commitments of \$627.8 million across investment managed by I Squared Capital Advisors (US) LLC, including two (2) current advisory accounts (\$621.9 million) and one (1) current investment management account (\$5.9 million). As of January 21, 2025, there are no other Aksia client considering a commitment to ISQ Global Infrastructure Fund IV or ISQ Open Infrastructure Company LLC.
Introduction Source	Aksia / PSERS IOP
Compliance with Placement Agent Policy	As confirmed by PSERS' Office of Chief Counsel on Feb 5 th , 2025, this investment complies with the Public School Employees' Retirement Board Placement Agent Policy.
PA Political Contributions	No reportable political contributions
PA Presence	None Disclosed
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	Blackstone receives communications from regulators and may be involved in litigation from time to time in the ordinary course of business and 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 the Fund.
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.

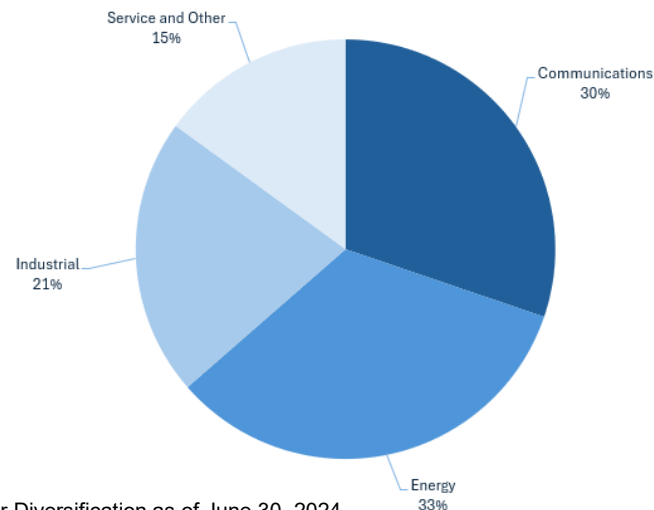
Private Infrastructure Portfolio *as of September 30, 2024*

Target Allocation to Real Assets In Long-Term Strategic Asset Allocation



Note: 3.1% figure sourced from Verus 2024 3Q – Total Fund Report

Sector Diversification³



³ Sector Diversification as of June 30, 2024

Recent Fund Commitments (\$M)

2024	
CION Grosvenor Infrastructure Interval Fund, LP	\$300
Blackstone European Infrastructure Fund	€ 200
Peppertree Communications Infra X	\$100
Brookfield Infrastructure Structured Solutions	\$250
2025	
I Squared Global Infrastructure Fund IV, L.P.	\$200

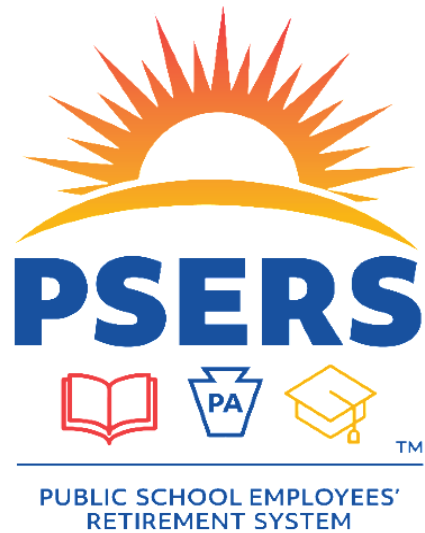
Portfolio Performance

	Time-Weighted					Dollar-Weighted		
	1-YR	3-YR	5-YR	10-YR	ITD	KS PME ¹	Direct Alpha	ITD
Total Portfolio	19.9%	15.9%	15.1%	N/A	15.0%	1.25x	10.6%	15.8%
Benchmark ²	4.7%	4.5%	4.0%	6.5%	---	---	---	---

Color-coding: **outperformance** or **underperformance** vs. benchmark.

¹ KS PME and Direct Alpha are calculated compared to Private Infrastructure's policy benchmark.

² Benchmark: FTSE Developed Core Infrastructure 50/50 Net Index (Hedged to USD)



I Squared Global Infrastructure Fund IV, L.P. Private Infrastructure Recommendation

Cody Steele

Portfolio Manager

Parin Patel

Investment Professional

March 2025

January 30, 2025

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

Re: ISQ Global Infrastructure Fund IV (UST) 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 ISQ Global Infrastructure Fund IV (UST) LP (the "Fund", "Fund IV").

I Squared ("ISQ", the "Firm") was founded in 2012 by Sadek Wahba, Gautam Bhandari, and Adil Rahmathulla as a spin-out of Morgan Stanley Infrastructure Partners. The manager invests globally in infrastructure and infrastructure-related assets, focusing on North America, Europe, and select growth economies in Asia and Latin America. ISQ is best known for its flagship global equity strategy but has recently formed several new strategies: growth markets, energy transition, infrastructure credit, and infratech. ISQ maintains nine global offices following recent openings in São Paulo, Munich, Abu Dhabi, and Sydney.

Fund IV is expected to pursue the same strategy and approach as its predecessors, focusing on global middle market infrastructure investments and platform scale-up opportunities. Target sectors are expected to include power & utilities, digital, transport & logistics, social infrastructure, and environmental infrastructure. Investments are expected to take two forms: (i) platforms, incorporating asset roll-up and traditional buy-and-build strategies; and (ii) larger opportunistic acquisitions in sectors that have fallen out of favor. In line with its predecessor, Fund IV is targeting between 25 and 30 portfolio investments, with average equity commitments ranging from \$400 million to \$1billion.

Aksia's recommendation to commit as described above 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 December 2024
- 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 December 2024
- 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. 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,



Michael Brand
Managing Director, Co-Head of Real Assets



Simon Fludgate
Partner, Head of Operational Due Diligence