



Public Investment Memorandum

GCM US Partnership Opportunities, L.P.

Private Infrastructure Commitment

Allocation Implementation Committee
Approval Date: 5/24/2022



Executive Summary

William P. Stalter, Senior Portfolio Manager, and Hamilton Lane, (“Hamilton Lane”), recommend that the Board commit an amount not to exceed \$250 million plus reasonable normal investment expenses, to GCM US Partnership Opportunities, L.P. (the “Fund”, or “GCM UPO”,), and/or related investment vehicles.

Fund Name	GCM US Partnership Opportunities, LP
Firm Name	GCM Grosvenor, Inc. (NASDAQ: GCMG) (or “GCM”)
Target Fund Size / Hard Cap	\$250 million / \$250 million (Note: PSERS Specific Fund of One)
Recommended Commitment Amount	\$250 million
Existing Relationship	Yes
Asset Class / Sub Asset Class	Real Assets / Private Infrastructure
Investment Office Professionals Due Diligence Team (“IOP”)	William P. Stalter Cody E. Steele
Investment Office Oversight	William P. Stalter Cody E. Steele
External Consultant Oversight	Hamilton Lane

Firm Overview:

GCM Grosvenor was founded in 1971 by Richard Elden and has grown into an organization that focuses on private equity, infrastructure, real estate, credit, absolute return strategies, and multi-asset class opportunistic investments. The General Partner went public in November 2020 with GCM's existing senior management team continuing to lead and control the business, which operates as GCM Grosvenor Inc. (NASDAQ: GCMG). GCM's infrastructure platform was established in 2003 and currently manages two commingled funds and 29 separately managed accounts that focus on investing in primary and secondary funds as well as co-investments alongside institutional fund sponsors.

Market Opportunity:

Economic growth, technological development, population shifts, and urbanization continue to stress public funding sources, supporting the sustained and growing opportunity for private investment in infrastructure worldwide. The Global Infrastructure Hub estimates that the worldwide infrastructure investment spend will be \$94 trillion through 2040, or approximately \$3.7 trillion per year to close the current spending gap. The recognition of this capital need, together with the belief that infrastructure assets present compelling opportunities for long-term, risk-adjusted returns, and has significantly increased total inflows of private capital as well as the ways in which such capital may be deployed into the sector.

The opportunity set is expected to remain strong in the Fund's target sectors, including transportation, regulated utilities, public private partnerships / social infrastructure, digital infrastructure, conventional / renewable power generation, and energy transition infrastructure. With the Biden Administration's congressionally approved infrastructure plan likely to lead to more infrastructure opportunities and greater federal spending levels, the time is opportune for PSERS to enter this custom separate account with GCM. PSERS can further benefit from its natural tax advantage as a U.S. non-taxable entity.



Fund Investment Strategy:

GCM intends to invest in U.S. operating infrastructure assets owned through operating partnerships, where PSERS' tax-exempt status provides for an advantaged return relative to taxable investors in another similar investment vehicle. GCM plans to target minority positions across the U.S. renewable energy, digital infrastructure, power generation, and transportation sectors.

Fund of One Structure:

PSERS will invest through a limited partnership structure on terms generally consistent with other closed-end infrastructure fund commitments, including customary limitations on liability. However, in this vehicle PSERS and GCM will be the only limited partners, so that PSERS investments can specifically tailored to the investment strategy above. GCM will also serve as the general partner of the Fund. The Fund will be allocated opportunities alongside other GCM managed commingled funds, "fund-of-one" structures, and separately managed accounts where the underlying asset fits the investment criteria of those funds.

PSERS History & Performance¹

Investment (Vintage)	Commitment	Contributions	Distributions	NAV	Net IRR	Net MoC
<i>Measure</i>	<i>\$M</i>	<i>\$M</i>	<i>\$M</i>	<i>\$M</i>	<i>%</i>	<i>0.0x</i>
GCM CIS II, LP (2018)	100.0	101.1	76.1	52.2	13.4	1.42
Total	100.0	101.1	76.1	52.2	13.4	1.42

Portfolio Fit

Asset Class	Market Value	Unfunded ²	Total Exposure		Pending Current Recommendations		
					June 2022	Total Exposure	
			\$m	%	\$m	\$m	%
Infrastructure	1,032.5	1,504.6	2,537.0	nm	250.0	2,787.1	nm
Total	1,032.5	1,504.6	2,537.0	nm	250.0	2,787.1	nm

Investment Highlights

- Proven, Consistent Track Record
- Experienced Senior Leadership Team
- Tailored Approach

Investment / Risk Considerations

- General Investment Risk
- Portfolio Sector Composition / Diversification
- Transaction Allocation

¹ As of 4/26/2022

² Unfunded as of 4/26/2022 and includes all commitments up to last Board meeting and/or notational ballot voting



Investment Committee Disclosure

Relationship with Hamilton Lane:	<p>No discretionary Hamilton Lane clients or commingled products have committed to prior GCM funds/vehicles. Additionally, no discretionary Hamilton Lane clients or commingled products have made co-investments alongside GCM/Grosvenor.</p> <p>In an advisory capacity, Hamilton Lane has completed diligence alongside two U.S. public pension plans that have structured customized separately managed accounts with GCM/Grosvenor. The customized separately managed accounts are not specific to infrastructure.</p>
Introduction Source:	Existing PSERS Relationship
Compliance with Placement Agent Policy:	As confirmed by PSERS' Office of Chief Counsel on 5/17/2022, this investment complies with the Public School Employees' Retirement Board Placement Agent Policy.
PA Political Contributions:	None Disclosed
PA Presence:	Yes
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:	GCM receives communications from regulators and may be involved in litigation from time to time in the ordinary course of business at this time and to the best of GCM's knowledge, the Firm and its funds are not involved in any litigation which has or may have a material effect on GCM or the Fund.
Has the Firm reimbursed and/or paid for PSERS IOP travel in the past two calendar years?	No
Certification of Due 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.