

SCHOOL INFRASTRUCTURE FUND SFDR WEBSITE DISCLOSURE

Summary

The School Infrastructure Fund II (“the Fund”) will invest in U.S. Charter and District School facilities (ie: schools that are government funded and do not charge students tuition), which can help to address the critical funding gap in school infrastructure through a unique partnership between American Infrastructure Partners (AIP) and Grow Schools. The Fund integrates the review of key performance data in the acquisition and asset management process in efforts to improve the quality of education and increase the capacity of schools it invests in. **[THE FUND IS NOT YET SUBJECT TO REGULATION (EU) 2019/2088 (“SUSTAINABLE FINANCE DISCLOSURE REGULATION”, “SFDR”) AND IS MAKING THIS DISCLOSURE VOLUNTARILY, BUT IT IS INTENDED FOR THE FUND TO BE AN ARTICLE 8 FINANCIAL PRODUCT FOR THE PURPOSE OF THE SFDR WHEN IT IS MARKETED IN THE EUROPEAN ECONOMIC AREA].**

- 1. No sustainable investment objective:** This Fund promotes social characteristics but does not have as its objective sustainable investment.
- 2. Environmental or social characteristics of the financial product:** Social characteristics promoted by the Fund are improving school learning environments and increasing the capacity of schools.
- 3. Investment strategy:** The Fund will invest in U.S. Charter schools and District Schools (ie: schools that are government funded and do not charge students tuition), which can help to address the critical funding gap in school infrastructure. Through a unique partnership between American Infrastructure Partners (AIP) and Grow Schools, the Fund can expand and improve the schools it invests in. Key performance indicators are reviewed as part of due diligence and are monitored post-investment, particularly indicators related to promoting social characteristics.
- 4. Proportion of investments:** The Fund will target at least 85% of the invested capital of the Fund to be invested in U.S. Charter and District School facilities that we are seeking to improve or expand.

- 5. Monitoring of environmental or social characteristics:** Social indicators described below are self-reported on a quarterly basis by educators and consolidated in a portfolio report card by Grow Schools for review by the Fund's Investment Committee.
- 6. Methodologies:** The educators will self-report the social indicators to Grow Schools on a quarterly basis. Data will be compared to previous periods to identify improvements in performance that support the social characteristics promoted by the Fund.
- 7. Data sources and processing:** Data is self-reported by educators to Grow Schools and will be consolidated in a report card on a quarterly basis. School attendance data is from publicly available sources.
- 8. Limitations to methodologies and data:** As indicators are self-reported, Grow Schools will review and follow up as necessary with the educator or regulator to clarify inconsistencies in the data.
- 9. Due diligence:** The Fund's investment strategy integrates review of key performance data in the acquisition and asset management process by using a checklist of items as are defined in the Fund's Investment Criteria policy. Results of the checklist assessment are included in Investment Committee presentations.
- 10. Engagement policies:** Through a unique partnership, AIP and Grow Schools engage with the educators on a frequent basis. The Fund provides support through financing and expertise on enhancing the educational offerings to improve the student outcomes and financial viability of the Fund.
- 11. Designated Reference benchmark:** No reference benchmark has been designated for the purpose of attaining the social characteristics of the Fund.

No Sustainable Investment Objective

This Fund promotes social characteristics but does not have as its objective sustainable investment. The Fund does not currently commit to investing in any sustainable investments (as defined by the SFDR) but may make commitments to investing in them in the future.

Social Characteristics of the Financial Product

Social characteristics promoted by the Fund are:

1. Improve primary and secondary educational facilities to provide more effective learning environments for students – note: the Fund will only invest in educational facilities where tuition is funded by the government and so no tuition fee is charged to students.
2. Increase capacity of schools to accommodate more students, where applicable.

Investment Strategy

The Fund's investment strategy leverages a unique partnership between American Infrastructure Partners (AIP) and Grow Schools with an investment strategy focused on U.S. Charter and District Schools (i.e. schools that are government-funded and do not charge students a tuition fee). The Fund will pursue investments in school facilities and the underlying real estate, leasing the school facilities back to charter school operators and school districts under long-term, triple-net leases with favourable rent escalators. By leveraging a unique partnership between AIP and Grow Schools, the Fund's strategy seeks to take advantage of the critical funding gap in educational infrastructure in the United States.

Management has developed and refined a unique value creation strategy to drive incremental growth and maximize the value of its assets through investing in facility expansions and improvements as well as providing tenant management services through offering working capital.

The Fund's investment strategy integrates reviews of key performance data in the acquisition and asset management process. Potential acquisitions are evaluated for material risks using a checklist as is defined in the Fund's Investment Criteria; it includes potential actions for risks identified in the pre-investment stage.

The Fund collects data on the indicators outlined below to monitor social performance. As AIP's operating partner, Grow Schools interacts directly with school operators to measure performance and collect key information post-investment.

The Fund will only invest in educational facilities where tuition is funded by the government.

Further details can be found in the Grow School's Responsible Investing Policy found here:

<https://growschools.com/why-we-exist/>

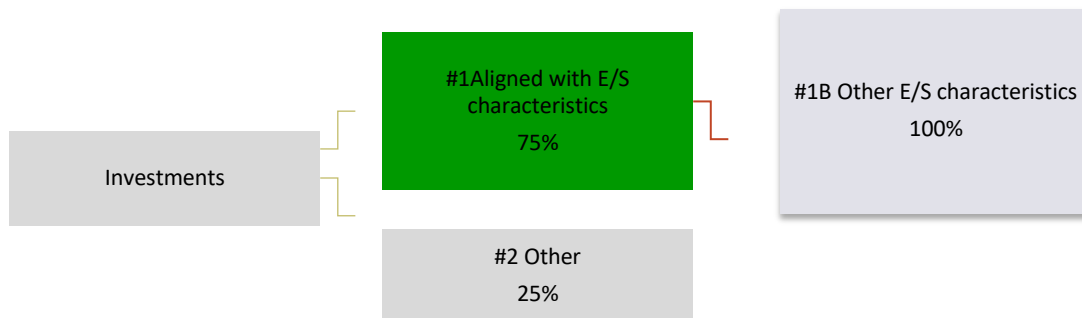
Evaluating Good Governance

The governance practices of educators are assessed prior to making an investment and continually assessed during the investment holding period. The Fund ensures that the educator is in good standing and adhering to the minimum standards set forth by the charter school authorizer in the respective region prior to making an investment. This evaluation of good governance includes a review of management practices, employee relations and tax compliance. Additionally, the Fund will not invest in startup charter school operations that do not have an established record. Post investment, Grow Schools conducts annual site visits with the Educator and charter school authorizer to ensure proper governance practices are being followed.

AIP and Grow Schools works with public educational institutions, which are held to high standards of transparency, integrity, and ethical conduct.

Proportion of Investments

The AIFM and Portfolio Manager will target at least 85% of the invested capital of the fund to be invested in U.S. Charter and District School facilities that we are seeking to improve or expand. The Fund will only invest in educational facilities where tuition is funded by the government.



Monitoring of Social Characteristics

The following indicators will be tracked for each school and collectively help to demonstrate attainment of the social characteristics promoted by the School Infrastructure Fund.

Social Characteristic	Indicator
Improve educational facilities to provide more effective learning environments for students	<ul style="list-style-type: none"> Area (square footage) of classroom space improved measured by the area of existing classroom space that experienced physical upgrades. We identify projects to upgrade classrom space as investments in the school that are not deferred maintenance (e.g. physical

Social Characteristic	Indicator
	<p>upgrades to accommodate additional students or improve the learning environment)</p> <ul style="list-style-type: none"> • Number of schools with an objective to upgrade classroom space. We identify projects to upgrade classroom space as investments in the school that are not deferred maintenance (e.g. physical upgrades to accommodate additional students or improve the learning environment)
<p>Increase capacity of schools to accommodate more students</p>	<ul style="list-style-type: none"> • Area (square footage) of classroom space added • Number of schools with an objective to add classroom space • School attendance based on publicly available school attendance data • Number of schools whose attendance has increased

The Fund will also track the number of schools whose academic performance has improved. Measurement of academic performance may vary from school to school but will generally be based on average letter grade scores of the student body – e.g. B grade or equivalent and higher, C grade or equivalent, D or F grades or equivalent.

The indicators measure whether schools are increasing attendance, investing or planning to invest in expanded or upgraded classroom space and if academic performance is improving over time. We identify an investment as having contributed to the social characteristics promoted by the Fund if the school has increased attendance, upgraded classroom space or is planning to upgrade or expand classroom space. Given academic performance may take several years to improve and is a result of many factors outside of the control of the Fund, academic improvement is not required to achieve attainment of the social characteristics promoted by the Fund. However, we measure academic improvement to understand how school operators are performing post-investment and if students are benefitting from an improved learning environment.

Methodologies for Social Characteristics

The educators will self-report the social indicators to Grow Schools on a quarterly basis. Data will be compared to previous periods to identify improvements in performance that support the social characteristics promoted by the Fund.

Data Sources and Processing

The social indicators described above are self-reported by each educator except for school attendance data which is publicly available. Grow Schools will consolidate the data in a portfolio report card, which is reviewed by the Investment Committee on a quarterly basis. We do not expect to estimate data as the social indicators collected are standard metrics tracked by school operators. Area data for new classroom space added or classroom space upgraded may be approximated based on the precision of data available to educators.

Limitations to Methodologies and Data

The Fund requires educators to self-report data. Grow Schools will review the data and follow up with educators when there are any inconsistencies. Data will be collected from educators using a standard information request.

Due Diligence

The Fund's investment strategy integrates reviews of key performance data in the acquisition and asset management process. Potential acquisitions are evaluated for material risks using a checklist as are outlined in the Fund's Investment Criteria policy. The checklist includes potential actions for risks identified in the pre-investment stage. Results of the checklist assessment are included in all Investment Committee presentations and reviewed prior to investment.

Engagement Policies

Through a unique partnership with Grow Schools, the Fund is able to maintain an active relationship with the educator it invests in. Grow Schools will meet with the operator on at least an annual basis to review performance and discuss possible enhancements to the school's educational offerings.

Designated Reference Benchmark

No reference benchmark has been designated for the purpose of attaining the social characteristics promoted by the Fund.