



State of New Jersey

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Director

July 25, 2025

MEMORANDUM TO: The State Investment Council

FROM: Shoaib Khan
Director

SUBJECT: **Real Asset Investment - DIF Infrastructure VIII SCSp, DIF Value-Add IV SCSp and Co-Investment Vehicle**

The Division of Investment (the “Division”) is proposing an investment of up to €75 million in the DIF Infrastructure VIII SCSp (“DIF VIII”), up to €75 million in the DIF Value-Add IV SCSp (“DIF Value-Add”) and up to €150 million in a co-investment vehicle alongside DIF VIII and DIF Value-Add, each managed by CVC DIF (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:

Strong Historical Track Record: CVC DIF boasts a robust track record in the infrastructure space, having made over 220 unique investments with a total capital deployment exceeding €11 billion. Since 2008, the Firm has achieved a net IRR of approximately 10% in its flagship strategy and around 12% in its value-add strategy. With more than 130 realized investments, the team has delivered an impressive gross IRR of 16%. Additionally, the combined loss ratio for these strategies remains below 1.5%, highlighting strong downside protection.

Extensive, Experienced, & Global Team: CVC DIF boasts a large and dedicated team of approximately 247 professionals, including around 121 members in the investment team, making it one of the largest in the middle market infrastructure space. In addition to its headquarters in Amsterdam, the team operates from 12 offices across 4 continents, underscoring its strong local presence in various markets. This large team size enables thorough diligence, effective value creation, strategic exits, and robust succession planning.

Strong Portfolio Fit & Attractive Fee Structure: Investing in both DIF VIII and DIF Value-add IV aligns well with the Division of Investment’s objective to build an infrastructure-focused Real Assets portfolio. The underlying targeted investments provide robust risk-adjusted returns through cash yield and downside protection characteristics. Additionally, the Pension Fund will benefit from fee savings through discounts and a co-investment side car vehicle.

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

Division Staff and its real asset 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 has not engaged a third-party solicitor ("placement agent").

In accordance with the State Investment Council’s Environmental, Social and Governance (ESG”) Policy, the Division’s Corporate Governance Team completed its review of CVC DIF’s ESG efforts. CVC DIF maintains a robust Responsible Investment Policy which is governed by the Firm’s Sustainability Committee. All investments are subject to the Firm’s ESG screening tool and ongoing monitoring of key ESG KPIs. The Firm is also a signatory to the United Nations Principles for Responsible 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 investments are authorized pursuant to Articles 69 and 71 of the Council’s regulations. Each of DIF Infrastructure VIII SCSp, DIF Value-Add IV SCSp and Co-Investment Vehicle is considered a real asset investment, as defined under N.J.A.C. 17:16-71.1.

A formal written due diligence report for the proposed investments was sent to each member of the IPC and a meeting of the IPC was held on July 17, 2025. In addition to the formal written due diligence report, all other information obtained by the Division on the investments was made available to the IPC.

We look forward to discussing the proposed investments at the Council’s July 30, 2025 meeting.

Attachment

DIF Infrastructure VIII & DIF Value-Add IV

- **Commitment:** €300 million allocated as follows
 - €75 million to DIF Infrastructure VIII
 - €75 million to DIF Value-Add IV
 - €150 million to a co-investment vehicle
- **Strategy:** Real Assets – Infrastructure
- **Investment Focus:**
 - DIF VIII: Diversified, Global Core Plus Infrastructure
 - DIF Value-Add IV: Diversified, Global Value-Add Infrastructure
- **Target Returns:**
 - DIF VIII: 10%+ Net IRR
 - DIV Value-Add IV: 13%+ Net IRR
- **Target Fund Size:**
 - DIF VIII: €6 billion
 - DIV Value-Add IV: €2 billion
- **Investment Thesis:**
 - Strong Historical Track Record
 - Strong Portfolio Fit & Attractive Fee Structure
 - Extensive, Experienced, & Global Team

Fund Name: CVC DIF Infrastructure VIII, CVC DIF Value-Add IV & Co-Investment Vehicle (precise sidecar legal name to be determined during legal execution period) July 25, 2025

Contact Info: Divya Biyani, 10 Grand Central, 155 East 44th Street, Suite 2305, New York, NY 10017

Fund Details:

Total Firm Assets (\$bil.):	\$19 billion	Key Investment Professionals: Wim Blaasse – Mr. Blaasse is Chair of CVC DIF. He has been with the firm since its founding. He will chair all CVC DIF investment committees, remain engaged in select company board roles and provide strategic input on sourcing and deal execution matters. Prior to CVC DIF, Mr. Blaasse was a partner at PwC and was responsible for infrastructure, PPP and energy related transactions. Gijs Voskuyl – Mr. Voskuyl is a Managing Partner and the Head of CVC DIF. He led the DIF Infrastructure Funds (flagship strategy) since 2018 and has played a key role in leading the organization as Deputy Head. Mr. Voskuyl has been with CVC DIF for 16 years and has 19 years of professional experience. At CVC DIF, he has been responsible for numerous initiatives including the oversight of the establishment of the Toronto office. Prior to CVC DIF, Mr. Voskuyl worked at ING where he advised and provided financing to infrastructure clients. Alard Ruijs - Mr. Ruijs is a Partner and Chief Investment Officer of CVC DIF, and joined CVC DIF in 2007. He oversees the investment process from deal origination, deal execution, through value creation and exit. He is also vice-chair of the CVC DIF investment committees. Prior to his appointment as CIO, he was head of Investor Relations & Business Development. Prior to CVC DIF, Mr. Ruijs was Head of Private Equity, Infrastructure, Commodities and Special Products at MN. Tom Goossens - Mr. Goossens is a Partner and serves as the Co-Head of DIF Infrastructure Funds. Prior to his appointment as Co-Head, he served as the Deputy Head of DIF Infrastructure Funds. Mr. Goossens has over 17 years of experience and joined CVC DIF in 2014. At CVC DIF, he has mainly been responsible for European investments and also leads the origination team based in London. Prior to CVC DIF, Mr. Goossens was a director in the structured finance Natural Resources team at ING Bank. Caine Bouwmeester - Mr. Bouwmeester is a Partner and serves as the Co-Head of DIF Infrastructure Funds alongside Mr. Goossens. He is also the Firm's Head of Renewable Energy. Mr. Bouwmeester joined CVC DIF in 2020 and brings extensive renewable energy investment experience from his decades long experience at Macquarie and Green Investment Group. During his time at CVC DIF, he has helped expand the dedicated renewable energy team and expand the strategy which is becoming a more important part of the Funds. Willem Jansonius - Mr. Jansonius is a Partner and serves as Head of DIF Value-add. Sometime in the near future, he will become Co-Head of DIF Value-add alongside an individual who has been identified, but yet to be made public. His role covers origination, analysis, and investment management within the Value-add Funds. He has been with CVC DIF for 8 years and was previously employed by Macquarie where he served as Head of Benelux and Nordics for 7 years.
Strategy:	Infrastructure	
Year Founded:	2005	
Headquarters:	Amsterdam, Netherlands	
GP Commitment:	1%	

Investment Summary

Both DIF VIII and VA IV will employ a private equity value creation approach to infrastructure companies while remaining focused on downside protection. The two strategies can be differentiated in their value creation approach by “build-to-core” for DIF VIII and “buy-and-build” for VA IV.

DIF VIII – “build-to-core”: The fund will target companies that provide robust downside protection through predictable revenue streams and expenses, controlled capex profiles, and robust downside sensitivities. However, in order to gain increased returns over the “core” profile of these assets and businesses, the strategy will also seek to enhance value through the development and construction of new projects.

VA IV – “buy-and-build”: The Value-add Fund will target similar companies to DIF VIII, however, the fund will target assets and companies with more reliance on a development pipeline or similar growth aspects such as growing untapped business lines.

Existing and Prior Funds

Funds	Vintage Year	Strategy	Returns as of 03/31/2025
DIF Infrastructure IV	2015	Infrastructure	8.1% Net IRR; 1.5x Net TVPI; 1.0x DPI
DIF Infrastructure V	2017	Infrastructure	8.2% Net IRR; 1.5x Net TVPI; 0.2x DPI
DIF Infrastructure VI	2020	Infrastructure	12.2% Net IRR; 1.3x Net TVPI; 0.1x DPI
DIF Infrastructure VII	2022	Infrastructure	9.3% Net IRR; 1.1x Net TVPI; 0.0x DPI
DIF Value-Add II	2019	Infrastructure	13.8% Net IRR; 1.4x Net TVPI; 0.2x DPI
DIF Value-Add III	2022	Infrastructure	16.6% Net IRR; 1.2x Net TVPI; 0.0x DPI
Source of Returns - CVC DIF			
IRR = Internal Rate of Return; TVPI = Total Value to Paid-In; DPI= Distributions to Paid-In			

Vehicle Information:

DIF Infrastructure VIII SCSp			
Inception:	2025	Auditor:	Ernst & Young
Fund Size:	€6 billion	Legal Counsel:	Debevoise & Plimpton
1.25% on committed during the Investment Period; .thereafter 0.3125% quarterly on actively invested and unfunded			
Management Fee:			
Carry:	17.5%		
Hurdle Rate:	7%		
Additional Expenses:	100% management fee offset		
DIF Value-Add IV SCSp			
Inception:	2025		
Fund Size:	€2 billion		
1.25% on committed during the Investment Period; .thereafter 0.3125% quarterly on actively invested and unfunded			
Management Fee:			
Carry:	17.5%		
Hurdle Rate:	7.5%		
Additional Expenses:	100% management fee offset		
Co-Investment Vehicle			
Inception:	2025		
Fund Size:	€151.5 million		
Management Fee:	0.00%		
Carry:	0.00%		
Additional Expenses:	0.15% Administrative Fee on Invested Capital		

NJ AIIP Program

DIF Infrastructure VIII SCSp			
Recommended Allocation (\$mil.):	up to €75 million		
% of Fund:	1.25%		
LP Advisory Board Membership:	Observer		
DIF Value-Add IV SCSp			
Recommended Allocation (\$mil.):	up to €75 million		
% of Fund:	1.25%		
LP Advisory Board Membership:	Full LPAC Seat		
Co-Investment Vehicle			
Recommended Allocation (\$mil.):	up to €150 million	Consultant Recommendation:	YES
% of Fund:	99.0%	Placement Agent:	NO
		Compliance w/ Division Placement Agent Policy:	N/A
		Compliance w/ SIC Political Contribution Reg:	YES

*This review memorandum was prepared in accordance with the State Investment Council rules governing the Alternatives Investment Program and the policies and procedures related thereto.