SHAWN T. WOODEN
TREASURER

State of Connecticut
Office of the Treasurer

DARRELL V. HILL
DEPUTY TREASURER

MEMORANDUM

TO: **Members of Investment Advisory Council**

FROM: **Shawn T. Wooden, State Treasurer and Council Secretary**

DATE: **June 4, 2021**

SUBJECT: **Investment Advisory Council Meeting – June 9, 2021**

Enclosed is the agenda package for the Investment Advisory Council meeting on Wednesday, June 9, 2021 starting at 9:00 A.M.

The following subjects will be covered at the meeting:

Item 1: **Approval of the Minutes of the May 10, 2021 Personnel Subcommittee Meeting and the May 12, 2021 IAC Meeting**

Item 2: **Opening Comments by the Treasurer**

Item 3: **Update on the Market and the CRPTF Performance**

Steven Meier, Interim Chief Investment Officer, will provide an update on the capital market environment and will report on the following:

- The CRPTF performance as of April 30, 2021

Item 4: **Presentation by and Consideration of Basis Investment Group Real Estate Fund II**

Danita Johnson, Principal Investment Officer, will provide opening remarks and introduce Basis Investment Group Real Estate Fund II, a Real Assets Fund opportunity.

Item 5: **Presentation by and Consideration of ICG Europe VIII**

Mark Evans, Principal Investment Officer, will provide opening remarks and introduce ICG Europe VIII, Private Investment Fund opportunities.

Item 6: **Presentation by and Consideration of Strategic Value Special Situations Fund V**

Mark Evans, Principal Investment Officer, will provide opening remarks and introduce Strategic Value Special Situations Fund V, a Private Investment Fund opportunity.

Item 7: **Private Capital Pacing Plan Overview**

Hamilton Lane, Private Capital Consultant, will provide an overview of the pacing plans for the Private Investment Fund and the Private Credit Fund.

Item 8: **Real Estate Investments Pacing Plan Overview**

NEPC, Real Estate Consultant will provide an overview of the pacing plan for real estate investments.

Item 9: **Infrastructure and Natural Resources Pacing Plan Overview**

Meketa, General Investment Consultant, will provide an overview of the pacing plan for infrastructure and natural resources investments.

Item 10: **Other Business**

- Discussion of the preliminary agenda for the July 14, 2021 IAC meeting

Item 11: **Comments by the Chair**

Item 12: **Executive Session**

- Consideration of personnel matters
- Discussion of potential contractual matters

We look forward to reviewing these agenda items with you at the June 9th meeting.

If you find that you are unable to attend this meeting, please email katrina.farquhar@ct.gov.

STW/kf

Enclosures

INVESTMENT ADVISORY COUNCIL
Monday, May 10, 2021

SUCH MINUTES ARE IN DRAFT FORM AND SUBJECT TO THE FINAL REVIEW AND APPROVAL OF THE INVESTMENT ADVISORY COUNCIL

MEETING NO. 490

Members present:		Carol Thomas, Personnel Subcommittee Chair
		Treasurer Wooden, Secretary
		Thomas Fiore, representing Secretary Melissa McCaw
		Joshua Hall
	*4:08pm Arrival	Patrick Sampson*
		D. Ellen Shuman
Others present:		John Flores, General Counsel
		Darrell Hill, Deputy Treasurer
		Alex Marcellino, Assistant Treasurer
Guests:		Gary Hudepohl, Hudepohl Associates
		Public Line

With a quorum present, the Investment Advisory Council ("IAC") Chair D. Ellen Shuman called the subcommittee meeting to order at 4:07 p.m.

Executive Session

Chair Shuman asked for a motion to move into Executive Session. **A motion was made by Thomas Fiore, seconded by Joshua Hall that the subcommittee enter into Executive Session to consider personnel matters at 4:09 p.m. The motion passed unanimously.** Darrell Hill, Deputy Treasurer; John Flores, General Counsel; Alex Marcellino, Assistant Treasurer; and Gary Hudepohl, were invited to attend the Executive Session.

Chair Shuman reconvened the regular session at 4:39 p.m**. Chair Shuman noted that no substantive votes or actions were taken during the Executive Session.**

Consideration of Personnel Matters

Chair Shuman asked for a motion to bring the CIO salary range to the May 12, 2021 IAC meeting for a vote. **A motion was made by Patrick Sampson, seconded by Mr. Hall, to bring the CIO salary range to the IAC for a vote. There was one abstention by Mr. Fiore. There being no further discussion, the motion passed.**

Treasurer Wooden read the resolution of the Personnel Subcommittee.

RESOLUTION OF THE PERSONNEL SUB-COMMITTEE OF THE INVESTMENT ADVISORY COUNCIL

Adopted on May 10, 2021

WHEREAS, in January 2021 the Treasurer retained Hudepohl Associates (“Hudepohl”), a nationally recognized executive search firm that specializes in recruiting investment professional talent, to conduct a search for a Chief Investment Officer (“CIO”) for the Connecticut Retirement Plans and Trust Funds (“CRPTF”);

WHEREAS, based on a market analysis of the compensation level for other CIOs, Hudepohl recommended revising the compensation range for the CIO to be $300,000 - $550,000 (the “New Salary Range”) in order for the Treasurer to attract the best talent to oversee the Pension Funds Management (“PFM”) division of the Office of the State Treasurer and the CRPTF assets of approximately $43 billion as of May 7, 2021;

WHEREAS, the New Salary Range is intended to be a range and it is not the intent to start at new CIO at the top of such range;

WHEREAS, the Investment Advisory Council has a strong desire to attract and retain excellent talent for PFM and the CRPTF; and

NOW, THEREFORE, BE IT RESOLVED, the Personnel Committee recommends that the IAC approve the New Salary Range for the CIO.

Meeting Adjourned

There being no further business, Chair Shuman called for a motion to adjourn the meeting. **Mr. Hall moved to adjourn the meeting and the motion was seconded by Mr. Fiore. There being no discussion, the meeting was adjourned at 4:43 p.m.**

INVESTMENT ADVISORY COUNCIL
Wednesday, May 12, 2021

SUCH MINUTES ARE IN DRAFT FORM AND SUBJECT TO THE FINAL REVIEW AND APPROVAL OF THE INVESTMENT ADVISORY COUNCIL

MEETING NO. 491

Members present:
D. Ellen Shuman, Chair
Treasurer Wooden, Secretary
Thomas Fiore, representing Secretary Melissa McCaw
Michael Knight
Michael LeClair*
Steven Muench**
William Murray
Patrick Sampson
Carol Thomas

*11:31am Departure
**11:45am Departure

Members absent:
Joshua Hall

Others present:
Steven Meier, Interim Chief Investment Officer
Kevin Cullinan, Chief Risk Officer
Patricia DeMaras, Legal Counsel
Mark Evans, Principal Investment Officer
Lyndsey Farris, Principal Investment Officer
John Flores, General Counsel
Karen Grenon, Legal Counsel
Darrell Hill, Deputy Treasurer
Barbara Housen, Chief Compliance Officer, Deputy General Counsel
Danita Johnson, Principal Investment Officer
Harvey Kelly, Pension Fund Analyst
Peter Gajowiak, Senior Investment Officer
Felicia Genca, Pension Fund Analyst
Raynald Leveque, Deputy Chief Investment Officer
Alex Marcellino, Assistant Treasurer
Paul Osinloye, Principal Investment Officer
Christine Shaw, Assistant Treasurer for Corporate Governance & Sustainable Investment
Michael Terry, Principal Investment Officer
Olivia Wall, Investment Officer
Jessica Weaver, Corporate Governance Analyst

Guests:
Greg Balewicz, Lord Abbett
LaRoy Brantley, Meketa Investment Group
Mary Mustard, Meketa Investment Group
Adam Rees, Fund Map
Peter Wooley, Meketa Investment Group
Public Line

With a quorum present, Chair D. Ellen Shuman called the Investment Advisory Council ("IAC") meeting to order at 9:08 a.m. She noted that the order of the agenda had been revised to hold the Executive Session at the beginning of the meeting in order to ensure a quorum was present.

Approval of Minutes of the April 14, 2021 IAC Meeting

Chair Shuman called for a motion to accept the minutes of the April 14, 2021 IAC meeting. **Steven Muench moved to approve each of the minutes. The motion was seconded by Carol Thomas.** There were two abstentions from Michael LeClair and Patrick Sampson. **There being no further discussion, the Chair called for a vote and the motion passed.**

Comments by the Treasurer

Treasurer Wooden welcomed IAC members and began by providing a brief update from April 23rd, when the State's $1 billion of Special Tax Obligation bond sale, for transportation infrastructure, achieved an all-time record low borrowing cost, as well as saving taxpayers over $32 million through refinancing previously issued bonds. He stated that the success of this bond sale was in part, a result of Connecticut's recent credit rating upgrade by Moody's on March 31st, the first in over 20 years.

Treasurer Wooden closed by announcing his decision to commit up to $100 million in the Mesirow Financial Real Estate Value Fund IV, and up to $50 million in Penzance DC Real Estate Fund II.

Executive Session

Chair Shuman asked for a motion to move into Executive Session. **A motion was made by Mr. Muench, seconded by William Murray that the Investment Advisory Council enter into Executive Session to consider personnel matters and potential contractual matters at 9:13 a.m. The motion passed unanimously.** Darrell Hill, Deputy Treasurer; John Flores, General Counsel; Alex Marcellino, Assistant Treasurer; and Gary Hudepohl, were invited to attend the Executive Session – consideration of personnel matters. Chair Shuman noted that Steven Meier, Interim Chief Investment Officer and Mark Evans, Principal Investment Officer would be invited to attend the Executive Session – potential contractual matters.

Chair Shuman reconvened the regular session at 9:53 a.m**. Chair Shuman noted that no substantive votes or actions were taken during the Executive Session.**

Consideration of Personnel Matters

Chair Shuman asked for a vote to approve the CIO salary range. **A motion was made by Ms. Thomas, seconded by Mr. Muench, to approve the CIO salary range. The motion passed unanimously.**

Ms. Thomas read the resolution adopted on May 10, 2021 at the Personnel Subcommittee meeting.

RESOLUTION OF THE PERSONNEL SUB-COMMITTEE OF THE INVESTMENT ADVISORY COUNCIL

Adopted on May 10, 2021

WHEREAS, in January 2021 the Treasurer retained Hudepohl Associates ("Hudepohl"), a nationally recognized executive search firm that specializes in recruiting investment professional talent, to conduct a search for a Chief Investment Officer ("CIO") for the Connecticut Retirement Plans and Trust Funds ("CRPTF");

WHEREAS, based on a market analysis of the compensation level for other CIOs, Hudepohl recommended revising the compensation range for the CIO to be $300,000 - $550,000 (the "New Salary Range") in order for the Treasurer to attract the best talent to oversee the Pension Funds Management ("PFM") division of the Office of the State Treasurer and the CRPTF assets of approximately $43 billion as of May 7, 2021;

WHEREAS, the New Salary Range is intended to be a range and it is not the intent to start at new CIO at the top of such range;

WHEREAS, the Investment Advisory Council has a strong desire to attract and retain excellent talent for PFM and the CRPTF; and

NOW, THEREFORE, BE IT RESOLVED, the Personnel Committee recommends that the IAC approve the New Salary Range for the CIO.

Consent to the Waive the 45-day Comment Period for the Potential Contractual Matter

Chair Shuman asked for a motion to waive the 45-day comment period for the potential contractual matter. **A motion was made by Ms. Thomas, seconded by Mr. Muench, to waive the 45-day comment period for the potential contractual matter. Thomas Fiore opposed. There being no further discussion, the motion passed.**

Presentation by and Consideration of Hg Titan 1 & Hg CRPTF Co-Investment

Mark Evans, Principal Investment Officer ("PIO"), provided opening remarks and introduced representatives of Hg Titan 1 & Hg CRPTF Co-Investment ("Hg"), a Private Investment Fund ("PIF") opportunity.

Hg, represented by Luke Finch, Partner and Head of Client Services and Juan Campos, Partner and Head of Capital Markets, made a presentation to the IAC.

Roll Call of Reactions for Hg Titan 1 & Hg CRPTF Co-Investment.

Messrs. Fiore, LeClair, Murray, Muench, Sampson, Michael Knight, Ms. Thomas, and Chair Shuman provided feedback on Hg. There being no further discussion, Chair Shuman called for a motion to waive the 45-day comment period. **A motion was made by Mr. Murray, seconded by Mr. Muench, to waive the 45-day comment period for Hg. The Chair called for a vote and the motion passed unanimously.**

<u>Presentation by and Consideration of Avance Investment Fund</u>

Mark Evans, PIO, provided opening remarks and introduced Avance Investment Fund ("Avance"), a PIF opportunity.

Avance, represented by David Perez, Co-Managing Partner and Luis Zaldivar, Co-Managing Partner, made a presentation to the IAC.

Roll Call of Reactions for Avance Investment Fund.

Messrs. Fiore, Knight, LeClair, Murray, Muench, Sampson, Ms. Thomas, and Chair Shuman provided feedback on Avance. Chair Shuman called for a motion to waive the 45-day comment period. **A motion was made by Mr. Fiore, seconded by Mr. Murray and Ms. Thomas, to waive the 45-day comment period for Avance. There being no additional discussion, the Chair called for a vote and the motion passed unanimously.**

<u>Presentation by and Consideration of Vistria Fund IV</u>

Olivia Wall, Investment Officer ("IO"), provided opening remarks and introduced Vistria Fund IV ("Vistria"), a PIF opportunity.

Vistria, represented by Kip Kirkpatrick, Founding Partner & Co-CEO; Phil Alphonse, Senior Partner and Rob Parkinson, Partner, made a presentation to the IAC.

Roll Call of Reactions for Vistria Fund IV.

Messrs. Fiore, Knight, Murray, Sampson, Ms. Thomas, and Chair Shuman provided feedback on Vistria. Chair Shuman called for a motion to waive the 45-day comment period. **A motion was made by Mr. Murray, seconded by Ms. Thomas, to waive the 45-day comment period for Vistria. There being no additional discussion, the Chair called for a vote and the motion passed unanimously.**

<u>Presentation by and Consideration of Carlyle Realty Partners IX</u>

Danita Johnson, PIO, provided opening remarks and introduced Carlyle Realty Partners IX ("Carlyle"), a Real Assets Fund ("RAF") opportunity.

Carlyle, represented by Chip Lippman, Managing Director and Roman Bas, Managing Director, made a presentation to the IAC.

Roll Call of Reactions for Carlyle Realty Partners IX

Messrs. Fiore, Knight, Murray, Sampson, Ms. Thomas, and Chair Shuman provided feedback on Carlyle. Chair Shuman called for a motion to waive the 45-day comment period. **A motion was made by Mr. Murray, seconded by Ms. Thomas, to waive the 45-day comment period for Carlyle. There being no additional discussion, the Chair called for a vote and the motion passed unanimously.**

<u>Presentation by and Consideration of Covenant Apartment Fund X</u>

Olivia Wall, IO, provided opening remarks and introduced Covenant Apartment Fund X ("Covenant"), a RAF opportunity.

Covenant, represented by Govan White, Managing Partner; Rick Scarola, Managing Partner; Dani Wills, Vice-President of Investor Relations; and Dan Barber, Chief Financial Officer made a presentation to the IAC.

Roll Call of Reactions for Covenant Apartment Fund X

Messrs. Fiore, Knight, Murray, Sampson, Ms. Thomas, and Chair Shuman provided feedback on Covenant. Chair Shuman called for a motion to waive the 45-day comment period. **A motion was made by Mr. Sampson, seconded by Mr. Fiore, to waive the 45-day comment period for Covenant. There being no additional discussion, the Chair called for a vote and the motion passed unanimously.**

<u>Other Business</u>

Chair Shuman invited the council members to submit agenda items for the next meeting being held on June 9, 2021.

<u>Comments by the Chair</u>

Chair Shuman made note that the suggestions made for meeting topics by the members have been taken into consideration and education sessions will be scheduled in the near future.

<u>Update on the Market and the Connecticut Retirement Plans and Trust Funds Performance for Month Ending March 31, 2021</u>

Steven Meier, Interim Chief Investment Officer, provided an update on the Connecticut Retirement Plans and Trust Fund's performance and commented on the capital market environment and the economic outlook.

<u>Meeting Adjourned</u>

There being no further business, Chair Shuman called for a motion to adjourn the meeting. **Mr. Fiore moved to adjourn the meeting and the motion was seconded by Ms. Thomas. There being no discussion, the meeting was adjourned at 2:10 p.m.**

TEACHER'S RETIREMENT FUND

Net of All Fees and Expenses

Periods Ending April 30, 2021

											Compound, annualized returns			
Funds *Benchmark*	**Percent Holdings**	**Policy Weights**	**Lower Range**	**Upper Range**	**Market Value (mil.)**	**Month**	**Three Months**	**Fiscal YTD**	**Calendar YTD**	**One Year**	**Three Year**	**Five Year**	**Seven Year**	**Ten Year**
Teacher's Retirement Fund					**$21,575.4**	**2.76**	**4.97**	**20.55**	**4.88**	**28.30**	**9.05**	**9.89**	**7.78**	**7.57**
Policy Benchmark						*2.05*	*5.31*	*21.38*	*5.06*	*23.06*	*9.70*	*10.14*	*8.00*	*7.84*
Dynamic Benchmark						*2.31*	*5.29*	*21.01*	*5.14*	*24.58*	*9.62*	*10.16*	*8.00*	*N/A*
Domestic Equity	**23.6%**	**20.0**	15.0	25.0	**$5,089.7**	**5.20**	**12.71**	**39.80**	**12.00**	**50.38**	**18.74**	**17.64**	**14.21**	**13.90**
Russell 3000						*5.15*	*12.33*	*40.06*	*11.83*	*50.92*	*18.95*	*17.67*	*14.24*	*14.03*
Developed Markets ISF	**13.2%**	**11.0**	6.0	16.0	**$2,841.4**	**3.03**	**8.51**	**31.99**	**7.21**	**42.82**	**7.02**	**10.16**	**7.07**	**7.08**
MSCI EAFE IMI Net						*3.16*	*7.95*	*31.17*	*6.91*	*41.68*	*7.97*	*10.48*	*7.38*	*7.27*
Emerging Markets ISF	**12.4%**	**9.0**	4.0	14.0	**$2,679.5**	**1.65**	**1.34**	**41.31**	**3.86**	**55.95**	**10.87**	**13.74**	**8.02**	**4.38**
MSCI Emerging Markets IMI						*2.88*	*2.98*	*39.34*	*5.81*	*51.20*	*7.48*	*12.23*	*6.82*	*3.57*
Global Equities [4]	**49.2%**	**40.0**	25.0	55.0	**$10,610.6**	*3.70*	*8.51*	*37.83*	*8.55*	*49.40*	*13.31*	*14.42*	*10.63*	*N/A*
MSCI All Country World Net Index						*4.37*	*9.64*	*35.35*	*9.14*	*45.75*	*13.32*	*13.85*	*9.92*	*N/A*
Core Fixed Income	**12.6%**	**13.0**	8.0	18.0	**$2,708.2**	**0.92**	**-1.75**	**-0.63**	**-2.40**	**1.10**	**4.95**	**3.48**	**3.14**	**3.33**
Barclays U.S. Aggregate Bond Index						*0.79*	*-1.91*	*-1.35*	*-2.61*	*-0.27*	*5.19*	*3.19*	*3.30*	*3.39*
Emerging Market Debt	**5.2%**	**5.0**	0.0	10.0	**$1,122.7**	**2.45**	**-2.06**	**8.09**	**-3.22**	**18.41**	**2.16**	**4.35**	**2.97**	**3.27**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*2.24*	*-2.44*	*5.45*	*-3.50*	*13.60*	*3.18*	*4.14*	*2.84*	*4.02*
High Yield	**6.2%**	**3.0**	0.0	8.0	**$1,334.6**	**1.01**	**1.91**	**15.18**	**2.46**	**21.91**	**6.53**	**7.25**	**4.94**	**5.81**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*1.08*	*1.61*	*13.48*	*1.95*	*19.57*	*6.56*	*7.16*	*5.05*	*6.09*
Liquidity Fund	**2.0%**	**2.0**	0.0	3.0	**$433.5**	**0.01**	**0.01**	**0.12**	**0.02**	**0.20**	**1.51**	**1.35**	**0.94**	**0.73**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*-0.02*	*0.10*	*0.00*	*0.16*	*1.74*	*1.44*	*1.09*	*0.82*
Real Assets[1]	**11.4%**	**19.0**	10.0	25.0	**$2,459.2**	**N/A**	**1.44**	**4.00**	**2.03**	**9.38**	**4.82**	**6.08**	**7.69**	**8.48**
*Blended Custom Benchmark 1Q in Arrears^* [2]						*N/A*	*0.60*	*2.18*	*0.75*	*3.25*	*5.09*	*6.03*	*7.86*	*9.06*
Private Investment[1]	**8.1%**	**10.0**	5.0	15.0	**$1,751.7**	**N/A**	**10.64**	**30.75**	**10.66**	**53.02**	**18.44**	**15.24**	**14.44**	**13.54**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*17.04*	*53.78*	*14.78*	*23.12*	*18.08*	*17.07*	*14.08*	*14.00*
Private Credit[1]	**0.7%**	**5.0**	0.0	10.0	**$154.3**	**N/A**	**2.28**	**14.34**	**5.35**	**12.80**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*5.16*	*21.37*	*5.50*	*5.27*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**4.6%**	**3.0**	0.0	10.0	**$1,000.5**	**0.34**	**2.37**	**7.89**	**1.37**	**11.02**	**2.68**	**4.54**	**2.49**	**3.09**
Absolute Return Strategy blended benchmark [3]						*0.33*	*0.79*	*2.35*	*0.79*	*3.15*	*4.44*	*2.96*	*2.13*	*1.51*

(1) Actual performance, reported one quarter in arrears.

(2) A blended benchmark comprised of the weightings of Real Estate, Infrastructure / Natural Resources and U.S. TIPS as of April 2020.

(3) A blended benchmark comprised of the weightings of each of the investments utilized within the fund of funds vehicle multiplied by their respective benchmarks as of April 2020.

(4) Unofficial Benchmark, for comparison purposes only

STATE EMPLOYEES' RETIREMENT FUND

Net of All Fees and Expenses
Periods Ending April 30, 2021

											Compound, annualized returns			
Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
State Employees' Retirement Fund					$15,770.5	2.78	4.97	20.63	4.89	28.44	9.12	9.96	7.84	7.61
Policy Benchmark						2.05	5.31	21.38	5.06	23.06	9.70	10.14	8.01	7.85
Dynamic Benchmark						2.32	5.29	21.11	5.14	24.68	9.69	10.27	8.11	N/A
Domestic Equity	23.6%	20.0	15.0	25.0	$3,714.5	5.20	12.71	39.80	12.00	50.38	18.74	17.64	14.21	13.90
Russell 3000						5.15	12.33	40.06	11.83	50.92	18.95	17.67	14.24	14.03
Developed Markets ISF	13.2%	11.0	6.0	16.0	$2,081.3	3.03	8.51	31.99	7.21	42.82	7.02	10.17	7.06	7.08
MSCI EAFE IMI Net						3.16	7.95	31.17	6.91	41.68	7.97	10.48	7.38	7.27
Emerging Markets ISF	12.5%	9.0	4.0	14.0	$1,965.0	1.65	1.34	41.31	3.86	55.95	10.87	13.74	8.02	4.38
MSCI Emerging Markets IMI						2.88	2.98	39.34	5.81	51.20	7.48	12.23	6.82	3.57
Global Equities (4)	49.2%	40.0	25.0	55.0	$7,760.8	3.70	8.51	37.83	8.55	49.40	13.31	14.42	10.63	N/A
MSCI All Country World Net Index						4.37	9.64	35.35	9.14	45.75	13.32	13.85	9.92	N/A
Core Fixed Income	12.6%	13.0	8.0	18.0	$1,984.3	0.92	-1.75	-0.63	-2.40	1.10	4.95	3.48	3.14	3.33
Barclays U.S. Aggregate Bond Index						0.79	-1.91	-1.35	-2.61	-0.27	5.19	3.19	3.30	3.39
Emerging Market Debt	5.2%	5.0	0.0	10.0	$821.2	2.45	-2.06	8.09	-3.22	18.41	2.16	4.35	2.97	3.27
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						2.24	-2.44	5.45	-3.50	13.60	3.18	4.14	2.84	4.02
High Yield	6.2%	3.0	0.0	8.0	$975.8	1.01	1.91	15.18	2.46	21.91	6.53	7.25	4.94	5.81
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						1.08	1.61	13.48	1.95	19.57	6.56	7.16	5.05	6.09
Liquidity Fund	1.8%	2.0	0.0	3.0	$286.1	0.01	0.01	0.12	0.02	0.20	1.51	1.36	0.94	0.74
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						0.02	-0.02	0.10	0.00	0.16	1.74	1.44	1.09	0.82
Real Assets(1)	11.4%	19.0	10.0	25.0	$1,803.7	N/A	1.44	4.00	2.03	9.38	4.82	6.08	7.69	8.48
*Blended Custom Benchmark 1Q in Arrears^* (2)						N/A	0.60	2.18	0.75	3.25	5.09	6.03	7.86	9.06
Private Investment(1)	8.2%	10.0	5.0	15.0	$1,285.6	N/A	10.64	30.75	10.66	53.02	18.44	15.24	14.45	13.54
*Russell 3000 + 250 basis points 1Q in Arrears^*						N/A	17.04	53.78	14.78	23.12	18.08	17.07	14.08	14.00
Private Credit(1)	0.7%	5.0	0.0	10.0	$113.1	N/A	2.28	14.34	5.35	12.80	N/A	N/A	N/A	N/A
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						N/A	5.16	21.37	5.50	5.27	N/A	N/A	N/A	N/A
Alternative Investment Fund	4.7%	3.0	0.0	8.0	$739.9	0.34	2.37	7.89	1.37	11.02	2.68	4.54	2.49	3.09
Absolute Return Strategy blended benchmark (3)						0.33	0.79	2.35	0.79	3.15	4.44	2.96	2.13	1.51

(1) Actual performance, reported one quarter in arrears.

(2) A blended benchmark comprised of the weightings of Real Estate, Infrastructure / Natural Resources and U.S. TIPS as of April 2020.

(3) A blended benchmark comprised of the weightings of each of the investments utilized within the fund of funds vehicle multiplied by their respective benchmarks as of April 2020.

(4) Unofficial Benchmark, for comparison purposes only

MUNICIPAL EMPLOYEES RETIREMENT FUND

Net of All Fees and Expenses

Periods Ending April 30, 2021

											Compound, annualized returns			
Funds *Benchmark*	**Percent Holdings**	**Policy Weights**	**Lower Range**	**Upper Range**	**Market Value (mil.)**	**Month**	**Three Months**	**Fiscal YTD**	**Calendar YTD**	**One Year**	**Three Year**	**Five Year**	**Seven Year**	**Ten Year**
Municipal Employees' Retirement Fund					**$3,199.3**	**2.79**	**5.00**	**20.66**	**4.91**	**28.44**	**9.30**	**9.63**	**7.61**	**7.29**
Policy Benchmark						*2.05*	*5.31*	*21.38*	*5.06*	*23.06*	*9.72*	*9.76*	*7.66*	*7.59*
Dynamic Benchmark						*2.34*	*5.31*	*21.13*	*5.16*	*24.69*	*9.86*	*9.85*	*7.77*	*N/A*
Domestic Equity	**23.7%**	**20.0**	15.0	25.0	**$756.7**	**5.20**	**12.71**	**39.80**	**12.00**	**50.38**	**18.74**	**17.64**	**14.21**	**13.90**
Russell 3000						*5.15*	*12.33*	*40.06*	*11.83*	*50.92*	*18.95*	*17.67*	*14.24*	*14.03*
Developed Markets ISF	**13.3%**	**11.0**	6.0	16.0	**$424.8**	**3.03**	**8.51**	**31.99**	**7.21**	**42.82**	**7.02**	**10.17**	**7.06**	**7.08**
MSCI EAFE IMI Net						*3.16*	*7.95*	*31.17*	*6.91*	*41.68*	*7.97*	*10.48*	*7.38*	*7.27*
Emerging Markets ISF	**12.5%**	**9.0**	4.0	14.0	**$398.8**	**1.65**	**1.34**	**41.31**	**3.86**	**55.95**	**10.87**	**13.74**	**8.02**	**4.39**
MSCI Emerging Markets IMI						*2.88*	*2.98*	*39.34*	*5.81*	*51.20*	*7.48*	*12.23*	*6.82*	*3.57*
Global Equities [4]	**49.4%**	**40.0**	25.0	55.0	**$1,580.3**	*3.70*	*8.51*	*37.83*	*8.55*	*49.40*	*13.31*	*14.42*	*10.63*	*N/A*
MSCI All Country World Net Index						*4.37*	*9.64*	*35.35*	*9.14*	*45.75*	*13.32*	*13.85*	*9.92*	*N/A*
Core Fixed Income	**12.6%**	**13.0**	8.0	18.0	**$403.9**	**0.92**	**-1.75**	**-0.63**	**-2.40**	**1.10**	**4.95**	**3.48**	**3.14**	**3.33**
Barclays U.S. Aggregate Bond Index						*0.79*	*-1.91*	*-1.35*	*-2.61*	*-0.27*	*5.19*	*3.19*	*3.30*	*3.39*
Emerging Market Debt	**5.2%**	**5.0**	0.0	10.0	**$167.5**	**2.45**	**-2.06**	**8.09**	**-3.22**	**18.41**	**2.16**	**4.35**	**2.97**	**3.27**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*2.24*	*-2.44*	*5.45*	*-3.50*	*13.60*	*3.18*	*4.14*	*2.84*	*4.02*
High Yield	**6.2%**	**3.0**	0.0	8.0	**$197.9**	**1.01**	**1.91**	**15.18**	**2.46**	**21.91**	**6.53**	**7.25**	**4.94**	**5.81**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*1.08*	*1.61*	*13.48*	*1.95*	*19.57*	*6.56*	*7.16*	*5.05*	*6.09*
Liquidity Fund	**1.5%**	**2.0**	0.0	3.0	**$48.4**	**0.01**	**0.01**	**0.12**	**0.02**	**0.20**	**1.51**	**1.36**	**0.94**	**0.74**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*-0.02*	*0.10*	*0.00*	*0.16*	*1.74*	*1.44*	*1.09*	*0.82*
Real Assets[1]	**11.5%**	**19.0**	15.0	25.0	**$367.2**	**N/A**	**1.44**	**4.00**	**2.03**	**9.38**	**4.82**	**6.08**	**7.69**	**8.48**
*Blended Custom Benchmark 1Q in Arrears^* [2]						*N/A*	*0.60*	*2.18*	*0.75*	*3.25*	*5.09*	*6.03*	*7.86*	*9.06*
Private Investment[1]	**8.2%**	**10.0**	5.0	15.0	**$261.7**	**N/A**	**10.64**	**30.75**	**10.66**	**53.02**	**18.44**	**15.24**	**14.45**	**13.54**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*17.04*	*53.78*	*14.78*	*23.12*	*18.08*	*17.07*	*14.08*	*14.00*
Private Credit[1]	**0.7%**	**5.0**	0.0	10.0	**$22.9**	**N/A**	**2.28**	**14.34**	**5.35**	**12.80**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*5.16*	*21.37*	*5.50*	*5.27*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**4.7%**	**3.0**	0.0	10.0	**$149.4**	**0.34**	**2.37**	**7.89**	**1.37**	**11.02**	**2.68**	**4.54**	**2.49**	**3.09**
Absolute Return Strategy blended benchmark [3]						*0.33*	*0.79*	*2.35*	*0.79*	*3.15*	*4.44*	*2.96*	*2.13*	*1.51*

(1) Actual performance, reported one quarter in arrears.

(2) A blended benchmark comprised of the weightings of Real Estate, Infrastructure / Natural Resources and U.S. TIPS as of April 2020.

(3) A blended benchmark comprised of the weightings of each of the investments utilized within the fund of funds vehicle multiplied by their respective benchmarks as of April 2020.

(4) Unofficial Benchmark, for comparison purposes only

OPEB FUND

Net of All Fees and Expenses

Periods Ending April 30, 2021

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year (Compound, annualized returns)	Five Year (Compound, annualized returns)	Seven Year (Compound, annualized returns)	Ten Year (Compound, annualized returns)
OPEB					**$1,932.9**	**2.80**	**5.03**	**20.85**	**4.94**	**28.65**	**9.74**	**9.49**	**7.67**	**N/A**
Policy Benchmark						*2.05*	*5.31*	*21.38*	*5.06*	*23.06*	*10.05*	*9.49*	*7.78*	*N/A*
Dynamic Benchmark						*2.34*	*5.37*	*21.34*	*5.21*	*24.91*	*10.49*	*9.73*	*7.94*	*N/A*
Domestic Equity	**23.3%**	**20.0**	15.0	25.0	**$449.8**	**5.20**	**12.71**	**39.80**	**12.00**	**50.38**	**18.75**	**17.64**	**14.21**	**N/A**
Russell 3000						*5.15*	*12.33*	*40.06*	*11.83*	*50.92*	*18.95*	*17.67*	*14.24*	*N/A*
Developed Markets ISF	**13.1%**	**11.0**	6.0	15.0	**$253.6**	**3.03**	**8.51**	**31.99**	**7.21**	**42.82**	**7.03**	**10.18**	**7.06**	**N/A**
MSCI EAFE IMI Net						*3.16*	*7.95*	*31.17*	*6.91*	*41.68*	*7.97*	*10.48*	*7.38*	*N/A*
Emerging Markets ISF	**12.3%**	**9.0**	4.0	14.0	**$238.6**	**1.65**	**1.34**	**41.31**	**3.86**	**55.95**	**10.87**	**13.75**	**8.01**	**N/A**
MSCI Emerging Markets IMI						*2.88*	*2.98*	*39.34*	*5.81*	*51.20*	*7.48*	*12.23*	*6.82*	*N/A*
Global Equities (4)	**48.7%**	**40.0**	25.0	54.0	**$942.0**	*3.70*	*8.51*	*37.83*	*8.55*	*49.40*	*13.31*	*14.42*	*10.63*	*N/A*
MSCI All Country World Net Index						*4.37*	*9.64*	*35.35*	*9.14*	*45.75*	*13.32*	*13.85*	*9.92*	*N/A*
Core Fixed Income	**12.4%**	**13.0**	8.0	18.0	**$240.5**	**0.92**	**-1.75**	**-0.63**	**-2.40**	**1.10**	**4.95**	**3.48**	**3.14**	**N/A**
Barclays U.S. Aggregate Bond Index						*0.79*	*-1.91*	*-1.35*	*-2.61*	*-0.27*	*5.19*	*3.19*	*3.30*	*N/A*
Emerging Market Debt	**5.2%**	**5.0**	0.0	10.0	**$99.7**	**2.45**	**-2.06**	**8.09**	**-3.22**	**18.41**	**2.17**	**4.35**	**2.97**	**N/A**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*2.24*	*-2.44*	*5.45*	*-3.50*	*13.60*	*3.18*	*4.14*	*2.84*	*N/A*
High Yield	**6.2%**	**3.0**	0.0	8.0	**$119.1**	**1.01**	**1.91**	**15.18**	**2.46**	**21.91**	**6.53**	**7.25**	**4.93**	**N/A**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*1.08*	*1.61*	*13.48*	*1.95*	*19.57*	*6.56*	*7.16*	*5.05*	*N/A*
Liquidity Fund	**2.5%**	**2.0**	0.0	3.0	**$47.4**	**0.01**	**0.02**	**0.12**	**0.02**	**0.20**	**1.51**	**1.41**	**0.98**	**N/A**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*-0.02*	*0.10*	*0.00*	*0.16*	*1.74*	*1.44*	*1.09*	*N/A*
Real Assets(1)	**11.3%**	**19.0**	15.0	25.0	**$219.1**	**N/A**	**1.44**	**4.00**	**2.03**	**9.38**	**4.82**	**6.08**	**7.69**	**N/A**
*Blended Custom Benchmark 1Q in Arrears^* (2)						*N/A*	*0.60*	*2.18*	*0.75*	*3.25*	*5.09*	*6.03*	*7.86*	*N/A*
Private Investment(1)	**8.2%**	**10.0**	5.0	15.0	**$158.5**	**N/A**	**10.64**	**30.75**	**10.66**	**53.02**	**18.44**	**15.24**	**14.45**	**N/A**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*17.04*	*53.78*	*14.78*	*23.12*	*18.08*	*17.07*	*14.08*	*N/A*
Private Credit(1)	**0.9%**	**5.0**	0.0	10.0	**$17.3**	**N/A**	**2.28**	**14.34**	**5.35**	**12.80**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*5.16*	*21.37*	*5.50*	*5.27*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**4.6%**	**3.0**	0.0	10.0	**$89.3**	**0.34**	**2.37**	**7.89**	**1.37**	**11.02**	**2.68**	**4.54**	**2.49**	**N/A**
Absolute Return Strategy blended benchmark (3)						*0.33*	*0.79*	*2.35*	*0.79*	*3.15*	*4.44*	*2.96*	*2.13*	*N/A*

(1) Actual performance, reported one quarter in arrears.

(2) A blended benchmark comprised of the weightings of Real Estate, Infrastructure / Natural Resources and U.S. TIPS as of April 2020.

(3) A blended benchmark comprised of the weightings of each of the investments utilized within the fund of funds vehicle multiplied by their respective benchmarks as of April 2020.

(4) Unofficial Benchmark, for comparison purposes only

PROBATE JUDGES EMPLOYEES' RETIREMENT FUND

Net of All Fees and Expenses
Periods Ending April 30, 2021

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
											Compound, annualized returns			
Probate Judges Employees' Retirement Fund					**$131.2**	**2.76**	**4.97**	**20.64**	**4.88**	**28.39**	**9.20**	**9.58**	**7.60**	**7.32**
Policy Benchmark						*2.05*	*5.31*	*21.38*	*5.06*	*23.06*	*9.71*	*9.84*	*7.72*	*7.68*
Dynamic Benchmark						*2.31*	*5.29*	*21.10*	*5.14*	*24.66*	*9.91*	*9.95*	*7.85*	*N/A*
Domestic Equity	**23.5%**	**20.0**	15.0	25.0	**$30.8**	**5.20**	**12.71**	**39.80**	**12.00**	**50.39**	**18.74**	**17.64**	**14.21**	**13.90**
Russell 3000						*5.15*	*12.33*	*40.06*	*11.83*	*50.92*	*18.95*	*17.67*	*14.24*	*14.03*
Developed Markets ISF	**13.2%**	**11.0**	6.0	16.0	**$17.3**	**3.03**	**8.51**	**31.99**	**7.21**	**42.82**	**7.02**	**10.17**	**7.06**	**7.08**
MSCI EAFE IMI						*3.16*	*7.95*	*31.17*	*6.91*	*41.68*	*7.97*	*10.48*	*7.38*	*7.27*
Emerging Markets ISF	**12.3%**	**9.0**	4.0	14.0	**$16.2**	**1.65**	**1.34**	**41.31**	**3.86**	**55.95**	**10.87**	**13.74**	**8.01**	**4.39**
MSCI Emerging Markets IMI						*2.88*	*2.98*	*39.34*	*5.81*	*51.20*	*7.48*	*12.23*	*6.82*	*3.57*
Global Equities (4)	**48.9%**	**40.0**	25.0	55.0	**$64.2**	*3.70*	*8.51*	*37.83*	*8.55*	*49.40*	*13.31*	*14.42*	*10.63*	*N/A*
MSCI All Country World Net Index						*4.37*	*9.64*	*35.35*	*9.14*	*45.75*	*13.32*	*13.85*	*9.92*	*N/A*
Core Fixed Income	**12.6%**	**13.0**	8.0	18.0	**$16.5**	**0.92**	**-1.75**	**-0.63**	**-2.40**	**1.10**	**4.95**	**3.48**	**3.14**	**3.33**
Barclays U.S. Aggregate Bond Index						*0.79*	*-1.91*	*-1.35*	*-2.61*	*-0.27*	*5.19*	*3.19*	*3.30*	*3.39*
Emerging Market Debt	**5.2%**	**5.0**	0.0	10.0	**$6.8**	**2.45**	**-2.06**	**8.09**	**-3.22**	**18.41**	**2.16**	**4.35**	**2.96**	**3.27**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*2.24*	*-2.44*	*5.45*	*-3.50*	*13.60*	*3.18*	*4.14*	*2.84*	*4.02*
High Yield	**6.2%**	**3.0**	0.0	8.0	**$8.1**	**1.01**	**1.91**	**15.18**	**2.46**	**21.91**	**6.53**	**7.25**	**4.94**	**5.81**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*1.08*	*1.61*	*13.48*	*1.95*	*19.57*	*6.56*	*7.16*	*5.05*	*6.09*
Liquidity Fund	**2.3%**	**2.0**	0.0	3.0	**$3.0**	**0.01**	**0.01**	**0.12**	**0.02**	**0.20**	**1.51**	**1.35**	**0.94**	**0.74**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*-0.02*	*0.10*	*0.00*	*0.16*	*1.74*	*1.44*	*1.09*	*0.82*
Real Assets(1)	**11.4%**	**19.0**	15.0	25.0	**$15.0**	**N/A**	**1.44**	**4.00**	**2.03**	**9.38**	**4.82**	**6.08**	**7.69**	**8.48**
*Blended Custom Benchmark 1Q in Arrears^* (2)						*N/A*	0.60	*2.18*	0.75	3.25	5.09	6.03	7.86	9.06
Private Investment(1)	**8.0%**	**10.0**	5.0	15.0	**$10.5**	**N/A**	**10.64**	**30.75**	**10.66**	**53.02**	**18.44**	**15.24**	**14.45**	**13.54**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	17.04	*53.78*	*14.78*	*23.12*	*18.08*	*17.07*	*14.08*	*14.00*
Private Credit(1)	**0.7%**	**5.0**	0.0	10.0	**$1.0**	**N/A**	**2.28**	**14.34**	**5.35**	**12.80**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	5.16	*21.37*	*5.50*	*5.27*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**4.7%**	**3.0**	0.0	10.0	**$6.1**	**0.34**	**2.37**	**7.89**	**1.37**	**11.02**	**2.68**	**4.54**	**2.49**	**3.09**
Absolute Return Strategy blended benchmark (3)						*0.33*	*0.79*	*2.35*	*0.79*	*3.15*	*4.44*	*2.96*	*2.13*	*1.51*

(1) Actual performance, reported one quarter in arrears.

(2) A blended benchmark comprised of the weightings of Real Estate, Infrastructure / Natural Resources and U.S. TIPS as of April 2020.

(3) A blended benchmark comprised of the weightings of each of the investments utilized within the fund of funds vehicle multiplied by their respective benchmarks as of April 2020.

(4) Unofficial Benchmark, for comparison purposes only

STATE JUDGES RETIREMENT FUND

Net of All Fees and Expenses

Periods Ending April 30, 2021

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
											Compound, annualized returns			
State Judges Retirement Fund					**$285.9**	**2.78**	**4.99**	**20.63**	**4.90**	**28.40**	**9.30**	**9.64**	**7.62**	**7.40**
Policy Benchmark						*2.05*	*5.31*	*21.38*	*5.06*	*23.06*	*9.72*	*9.76*	*7.66*	*7.59*
Dynamic Benchmark						*2.33*	*5.31*	*21.09*	*5.15*	*24.66*	*9.99*	*9.94*	*7.83*	*N/A*
Domestic Equity	**23.6%**	**20.0**	15.0	25.0	**$67.6**	**5.20**	**12.71**	**39.80**	**12.00**	**50.38**	**18.74**	**17.64**	**14.21**	**13.90**
Russell 3000						*5.15*	*12.33*	*40.06*	*11.83*	*50.92*	*18.95*	*17.67*	*14.24*	*14.03*
Developed Markets ISF	**13.2%**	**11.0**	6.0	16.0	**$37.8**	**3.03**	**8.51**	**31.99**	**7.21**	**42.82**	**7.03**	**10.17**	**7.07**	**7.09**
MSCI EAFE IMI Net						*3.16*	*7.95*	*31.17*	*6.91*	*41.68*	*7.97*	*10.48*	*7.38*	*7.27*
Emerging Markets ISF	**12.4%**	**9.0**	4.0	14.0	**$35.5**	**1.65**	**1.34**	**41.31**	**3.86**	**55.95**	**10.87**	**13.74**	**8.02**	**4.39**
MSCI Emerging Markets IMI						*2.88*	*2.98*	*39.34*	*5.81*	*51.20*	*7.48*	*12.23*	*6.82*	*3.57*
Global Equities (4)	**49.3%**	**40.0**	25.0	55.0	**$140.9**	*3.70*	*8.51*	*37.83*	*8.55*	*49.40*	*13.31*	*14.42*	*10.63*	*N/A*
MSCI All Country World Net Index						*4.37*	*9.64*	*35.35*	*9.14*	*45.75*	*13.32*	*13.85*	*9.92*	*N/A*
Core Fixed Income	**12.6%**	**13.0**	8.0	18.0	**$36.0**	**0.92**	**-1.75**	**-0.63**	**-2.40**	**1.10**	**4.95**	**3.48**	**3.14**	**3.33**
Barclays U.S. Aggregate Bond Index						*0.79*	*-1.91*	*-1.35*	*-2.61*	*-0.27*	*5.19*	*3.19*	*3.30*	*3.39*
Emerging Market Debt	**5.2%**	**5.0**	0.0	10.0	**$14.9**	**2.45**	**-2.06**	**8.09**	**-3.22**	**18.41**	**2.16**	**4.35**	**2.97**	**3.27**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*2.24*	*-2.44*	*5.45*	*-3.50*	*13.60*	*3.18*	*4.14*	*2.84*	*4.02*
High Yield	**6.2%**	**3.0**	0.0	8.0	**$17.6**	**1.01**	**1.91**	**15.18**	**2.46**	**21.91**	**6.53**	**7.25**	**4.94**	**5.81**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*1.08*	*1.61*	*13.48*	*1.95*	*19.57*	*6.56*	*7.16*	*5.05*	*6.09*
Liquidity Fund	**1.8%**	**2.0**	0.0	3.0	**$5.2**	**0.01**	**0.01**	**0.12**	**0.02**	**0.20**	**1.51**	**1.36**	**0.94**	**0.72**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*-0.02*	*0.10*	*0.00*	*0.16*	*1.74*	*1.44*	*1.09*	*0.82*
Real Assets(1)	**11.4%**	**19.0**	15.0	25.0	**$32.7**	**N/A**	**1.44**	**4.00**	**2.03**	**9.38**	**4.82**	**6.08**	**7.69**	**8.48**
*Blended Custom Benchmark 1Q in Arrears^* (2)						*N/A*	*0.60*	*2.18*	*0.75*	*3.25*	*5.09*	*6.03*	*7.86*	*9.06*
Private Investment(1)	**8.1%**	**10.0**	5.0	15.0	**$23.2**	**N/A**	**10.64**	**30.75**	**10.66**	**53.02**	**18.44**	**15.24**	**14.45**	**13.54**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*17.04*	*53.78*	*14.78*	*23.12*	*18.08*	*17.07*	*14.08*	*14.00*
Private Credit(1)	**0.7%**	**5.0**	0.0	10.0	**$2.1**	**N/A**	**2.28**	**14.34**	**5.35**	**12.80**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*5.16*	*21.37*	*5.50*	*5.27*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**4.7%**	**3.0**	0.0	10.0	**$13.3**	**0.34**	**2.37**	**7.89**	**1.37**	**11.02**	**2.68**	**4.54**	**2.49**	**3.09**
Absolute Return Strategy blended benchmark (3)						*0.33*	*0.79*	*2.35*	*0.79*	*3.15*	*4.44*	*2.96*	*2.13*	*1.51*

(1) Actual performance, reported one quarter in arrears.

(2) A blended benchmark comprised of the weightings of Real Estate, Infrastructure / Natural Resources and U.S. TIPS as of April 2020.

(3) A blended benchmark comprised of the weightings of each of the investments utilized within the fund of funds vehicle multiplied by their respective benchmarks as of April 2020.

(4) Unofficial Benchmark, for comparison purposes only

STATE'S ATTORNEYS' RETIREMENT FUND

Net of All Fees and Expenses

Periods Ending April 30, 2021

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year (Compound, annualized returns)	Five Year (Compound, annualized returns)	Seven Year (Compound, annualized returns)	Ten Year (Compound, annualized returns)
State's Attorneys' Retirement Fund					**$2.6**	**2.77**	**4.98**	**20.58**	**4.89**	**28.31**	**8.84**	**9.63**	**7.37**	**7.17**
Policy Benchmark						*2.05*	*5.31*	*21.38*	*5.06*	*23.06*	*10.10*	*10.19*	*7.89*	*N/A*
Dynamic Benchmark						*2.32*	*5.30*	*21.04*	*5.15*	*24.61*	*10.07*	*10.16*	*7.89*	*N/A*
Domestic Equity	**23.4%**	**20.0**	15.0	25.0	**$0.6**	**5.20**	**12.71**	**39.80**	**12.00**	**50.39**	**18.75**	**17.64**	**14.21**	**13.90**
Russell 3000						*5.15*	*12.33*	*40.06*	*11.83*	*50.92*	*18.95*	*17.67*	*14.24*	*14.03*
Developed Markets ISF	**13.2%**	**11.0**	6.0	16.0	**$0.3**	**3.03**	**8.51**	**31.99**	**7.21**	**42.82**	**7.03**	**10.17**	**7.07**	**N/A**
MSCI EAFE IMI Net						*3.16*	*7.95*	*31.17*	*6.91*	*41.68*	*7.97*	*10.48*	*7.38*	*N/A*
Emerging Markets ISF	**12.3%**	**9.0**	4.0	14.0	**$0.3**	**1.65**	**1.34**	**41.31**	**3.86**	**55.95**	**10.87**	**13.74**	**8.01**	**N/A**
MSCI Emerging Markets IMI						*2.88*	*2.98*	*39.34*	*5.81*	*51.20*	*7.48*	*12.23*	*6.82*	*N/A*
Global Equities (4)	**48.9%**	**40.0**	25.0	55.0	**$1.3**	*3.70*	*8.51*	*37.83*	*8.55*	*49.40*	*13.31*	*14.42*	*10.63*	*N/A*
MSCI All Country World Net Index						*4.37*	*9.64*	*35.35*	*9.14*	*45.75*	*13.32*	*13.85*	*9.92*	*N/A*
Core Fixed Income	**12.5%**	**13.0**	8.0	18.0	**$0.3**	**0.92**	**-1.75**	**-0.63**	**-2.40**	**1.10**	**4.95**	**3.48**	**3.14**	**3.37**
Barclays U.S. Aggregate Bond Index						*0.79*	*-1.91*	*-1.35*	*-2.61*	*-0.27*	*5.19*	*3.19*	*3.30*	*3.39*
Emerging Market Debt	**5.2%**	**5.0**	0.0	10.0	**$0.1**	**2.45**	**-2.06**	**8.09**	**-3.22**	**18.41**	**2.16**	**4.34**	**2.96**	**3.27**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*2.24*	*-2.44*	*5.45*	*-3.50*	*13.60*	*3.18*	*4.14*	*2.84*	*4.02*
High Yield	**6.1%**	**3.0**	0.0	8.0	**$0.2**	**1.01**	**1.91**	**15.18**	**2.46**	**21.91**	**6.53**	**7.25**	**4.94**	**5.79**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*1.08*	*1.61*	*13.48*	*1.95*	*19.57*	*6.56*	*7.16*	*5.05*	*6.09*
Liquidity Fund	**2.5%**	**2.0**	0.0	3.0	**$0.1**	**0.01**	**0.02**	**0.12**	**0.02**	**0.20**	**1.51**	**1.37**	**0.95**	**0.74**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*-0.02*	*0.10*	*0.00*	*0.16*	*1.74*	*1.44*	*1.09*	*0.82*
Real Assets(1)	**11.4%**	**19.0**	15.0	25.0	**$0.3**	**N/A**	**1.44**	**4.00**	**2.03**	**9.38**	**N/A**	**N/A**	**N/A**	**N/A**
*Blended Custom Benchmark 1Q in Arrears^* (2)						*N/A*	*0.60*	*2.18*	*0.75*	*3.25*	*N/A*	*N/A*	*N/A*	*N/A*
Private Investment(1)	**8.0%**	**10.0**	5.0	15.0	**$0.2**	**N/A**	**10.64**	**30.75**	**10.66**	**53.02**	**N/A**	**N/A**	**N/A**	**N/A**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*17.04*	*53.78*	*14.78*	*23.12*	*N/A*	*N/A*	*N/A*	*N/A*
Private Credit(1)	**0.7%**	**5.0**	0.0	10.0	**$0.0**	**N/A**	**2.28**	**14.34**	**5.35**	**12.80**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*5.16*	*21.37*	*5.50*	*5.27*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**4.7%**	**3.0**	0.0	10.0	**$0.1**	**0.34**	**2.37**	**7.89**	**1.37**	**11.02**	**N/A**	**N/A**	**N/A**	**N/A**
Absolute Return Strategy blended benchmark (3)						*0.33*	*0.79*	*2.35*	*0.79*	*3.15*	*N/A*	*N/A*	*N/A*	*N/A*

(1) Actual performance, reported one quarter in arrears.

(2) A blended benchmark comprised of the weightings of Real Estate, Infrastructure / Natural Resources and U.S. TIPS as of April 2020.

(3) A blended benchmark comprised of the weightings of each of the investments utilized within the fund of funds vehicle multiplied by their respective benchmarks as of April 2020.

(4) Unofficial Benchmark, for comparison purposes only

AGRICULTURAL COLLEGE FUND

Net of All Fees and Expenses

Periods Ending April 30, 2021

Funds *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
											Compound, annualized returns			
Agricultural College Fund	**100.0%**				**$0.7**	**0.92**	**-1.75**	**-0.61**	**-2.40**	**1.12**	**5.00**	**3.52**	**3.17**	**3.22**
Policy Benchmark						*0.79*	*-1.91*	*-1.35*	*-2.61*	*-0.27*	*5.19*	*3.19*	*3.30*	*3.24*
Dynamic Benchmark						*0.79*	*-1.91*	*-1.35*	*-2.61*	*-0.27*	*5.19*	*3.19*	*3.30*	*N/A*
Core Fixed Income	**99.7%**	**100.0**	100.0	100.0	**$0.7**	**0.92**	**-1.75**	**-0.63**	**-2.40**	**1.10**	**4.95**	**3.48**	**3.14**	**3.33**
Barclays U.S. Aggregate Bond Index						*0.79*	*-1.91*	*-1.35*	*-2.61*	*-0.27*	*5.19*	*3.19*	*3.30*	*3.39*
Liquidity Fund [(1)]	**0.3%**				**$0.0**	**0.00**	**0.00**	**0.06**	**0.00**	**0.18**	**1.34**	**1.02**	**0.71**	**0.58**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*-0.02*	*0.10*	*0.00*	*0.16*	*1.74*	*1.44*	*1.09*	*0.82*

[(1)] Operational cash balance and expense accruals

ANDREW C. CLARK FUND

Net of All Fees and Expenses

Periods Ending April 30, 2021

Funds *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
											Compound, annualized returns			
Andrew C. Clark Fund					**$1.4**	**1.88**	**1.77**	**10.31**	**1.19**	**14.25**	**7.81**	**6.95**	**5.61**	**5.81**
Policy Benchmark						*1.77*	*1.47*	*9.15*	*0.92*	*12.54*	*7.87*	*6.63*	*5.66*	*5.83*
Dynamic Benchmark						*1.86*	*1.62*	*9.66*	*1.08*	*13.02*	*8.00*	*6.74*	*5.72*	*N/A*
Domestic Equity	**16.9%**	**15.0**	10.0	20.0	**$0.2**	**5.20**	**12.71**	**39.80**	**12.00**	**50.39**	**18.75**	**17.64**	**14.21**	**13.89**
Russell 3000						*5.15*	*12.33*	*40.06*	*11.83*	*50.92*	*18.95*	*17.67*	*14.24*	*14.03*
Developed Markets ISF	**11.9%**	**11.0**	6.0	16.0	**$0.2**	**3.03**	**8.51**	**31.99**	**7.21**	**42.82**	**7.03**	**10.17**	**7.07**	**N/A**
MSCI EAFE IMI Net						*3.16*	*7.95*	*31.17*	*6.91*	*41.68*	*7.97*	*10.48*	*7.38*	*N/A*
Emerging Markets ISF	**4.2%**	**4.0**	0.0	5.0	**$0.1**	**1.65**	**1.34**	**41.31**	**3.86**	**55.95**	**10.87**	**13.74**	**8.01**	**N/A**
MSCI Emerging Markets IMI						*2.88*	*2.98*	*39.34*	*5.81*	*51.20*	*7.48*	*12.23*	*6.82*	*N/A*
Global Equities [1]	**33.0%**	**30.0**	16.0	41.0	**$0.5**	*3.70*	*8.51*	*37.83*	*8.55*	*49.40*	*13.31*	*14.42*	*10.63*	*N/A*
MSCI All Country World Net Index						*4.37*	*9.64*	*35.35*	*9.14*	*45.75*	*13.32*	*13.85*	*9.92*	*N/A*
Core Fixed Income	**64.9%**	**67.0**	57.0	77.0	**$0.9**	**0.92**	**-1.75**	**-0.63**	**-2.40**	**1.10**	**4.95**	**3.48**	**3.14**	**3.33**
Barclays U.S. Aggregate Bond Index						*0.79*	*-1.91*	*-1.35*	*-2.61*	*-0.27*	*5.19*	*3.19*	*3.30*	*3.39*
Liquidity Fund	**2.0%**	**3.0**	0.0	4.0	**$0.0**	**0.01**	**0.01**	**0.82**	**0.02**	**0.90**	**4.04**	**3.35**	**2.25**	**1.66**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*-0.02*	*0.10*	*0.00*	*0.16*	*1.74*	*1.44*	*1.09*	*0.82*

[1] Unofficial Benchmark, for comparison purposes only

SOLDIERS' SAILORS' & MARINES' FUND

Net of All Fees and Expenses

Periods Ending April 30, 2021

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
											Compound, annualized returns			
Soldiers' Sailors' & Marines Fund					**$89.5**	**1.87**	**1.78**	**10.34**	**1.20**	**14.26**	**7.83**	**6.95**	**5.61**	**5.91**
Policy Benchmark						*1.77*	*1.47*	*9.15*	*0.92*	*12.54*	*7.87*	*6.63*	*5.66*	*5.93*
Dynamic Benchmark						*1.85*	*1.63*	*9.71*	*1.09*	*13.04*	*8.02*	*6.75*	*5.73*	*N/A*
Domestic Equity	**16.6%**	**15.0**	10.0	20.0	**$14.9**	**5.20**	**12.71**	**39.80**	**12.00**	**50.39**	**18.75**	**17.65**	**14.21**	**13.91**
Russell 3000						*5.15*	*12.33*	*40.06*	*11.83*	*50.92*	*18.95*	*17.67*	*14.24*	*14.03*
Developed Markets ISF	**12.0%**	**11.0**	6.0	16.0	**$10.7**	**3.03**	**8.51**	**31.99**	**7.21**	**42.82**	**7.03**	**10.17**	**7.07**	**N/A**
MSCI EAFE IMI Net						*3.16*	*7.95*	*31.17*	*6.91*	*41.68*	*7.97*	*10.48*	*7.38*	*N/A*
Emerging Markets ISF	**4.3%**	**4.0**	0.0	5.0	**$3.8**	**1.65**	**1.34**	**41.31**	**3.86**	**55.95**	**10.87**	**13.74**	**8.02**	**N/A**
MSCI Emerging Markets IMI						*2.88*	*2.98*	*39.34*	*5.81*	*51.20*	*7.48*	*12.23*	*6.82*	*N/A*
Global Equities (1)	**32.9%**	**30.0**	16.0	41.0	**$29.4**	*3.70*	*8.51*	*37.83*	*8.55*	*49.40*	*13.31*	*14.42*	*10.63*	*N/A*
MSCI All Country World Net Index						*4.37*	*9.64*	*35.35*	*9.14*	*45.75*	*13.32*	*13.85*	*9.92*	*N/A*
Core Fixed Income	**65.0%**	**67.0**	57.0	77.0	**$58.2**	**0.92**	**-1.75**	**-0.63**	**-2.40**	**1.10**	**4.95**	**3.48**	**3.14**	**3.33**
Barclays U.S. Aggregate Bond Index						*0.79*	*-1.91*	*-1.35*	*-2.61*	*-0.27*	*5.19*	*3.19*	*3.30*	*3.39*
Liquidity Fund	**2.1%**	**3.0**	0.0	4.0	**$1.9**	**0.01**	**0.01**	**0.12**	**0.02**	**0.20**	**1.51**	**1.36**	**0.94**	**0.75**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*-0.02*	*0.10*	*0.00*	*0.16*	*1.74*	*1.44*	*1.09*	*0.82*

(1) Unofficial Benchmark, for comparison purposes only

SCHOOL FUND

Net of All Fees and Expenses

Periods Ending April 30, 2021

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
											Compound, annualized returns			
School Fund					**$13.5**	**1.88**	**1.74**	**10.40**	**1.15**	**14.34**	**7.83**	**6.97**	**5.64**	**5.80**
Policy Benchmark						*1.77*	*1.47*	*9.15*	*0.92*	*12.54*	*7.87*	*6.63*	*5.66*	*5.83*
Dynamic Benchmark						*1.85*	*1.58*	*9.76*	*1.03*	*13.11*	*8.01*	*6.75*	*5.75*	*N/A*
Domestic Equity	**16.7%**	**15.0**	10.0	20.0	**$2.3**	**5.20**	**12.71**	**39.80**	**12.00**	**50.38**	**18.75**	**17.64**	**14.21**	**13.90**
Russell 3000						*5.15*	*12.33*	*40.06*	*11.83*	*50.92*	*18.95*	*17.67*	*14.24*	*14.03*
Developed Markets ISF	**11.8%**	**11.0**	6.0	16.0	**$1.6**	**3.03**	**8.51**	**31.99**	**7.21**	**42.82**	**7.03**	**10.17**	**7.07**	**N/A**
MSCI EAFE IMI Net						*3.16*	*7.95*	*31.17*	*6.91*	*41.68*	*7.97*	*10.48*	*7.38*	*N/A*
Emerging Markets ISF	**4.1%**	**4.0**	0.0	5.0	**$0.6**	**1.65**	**1.34**	**41.31**	**3.86**	**55.95**	**10.87**	**13.74**	**8.01**	**N/A**
MSCI Emerging Markets IMI						*2.88*	*2.98*	*39.34*	*5.81*	*51.20*	*7.48*	*12.23*	*6.82*	*N/A*
Global Equities [1]	**32.6%**	**30.0**	16.0	41.0	**$4.4**	*3.70*	*8.51*	*37.83*	*8.55*	*49.40*	*13.31*	*14.42*	*10.63*	*N/A*
MSCI All Country World Net Index						*4.37*	*9.64*	*35.35*	*9.14*	*45.75*	*13.32*	*13.85*	*9.92*	*N/A*
Core Fixed Income	**66.7%**	**67.0**	57.0	77.0	**$9.0**	**0.92**	**-1.75**	**-0.63**	**-2.40**	**1.10**	**4.95**	**3.48**	**3.14**	**3.33**
Barclays U.S. Aggregate Bond Index						*0.79*	*-1.91*	*-1.35*	*-2.61*	*-0.27*	*5.19*	*3.19*	*3.30*	*3.39*
Liquidity Fund	**0.7%**	**3.0**	0.0	4.0	**$0.1**	**0.01**	**0.03**	**0.18**	**0.04**	**0.33**	**2.70**	**2.05**	**1.51**	**1.11**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*-0.02*	*0.10*	*0.00*	*0.16*	*1.74*	*1.44*	*1.09*	*0.82*

[1] Unofficial Benchmark, for comparison purposes only

IDA EATON COTTON FUND

Net of All Fees and Expenses

Periods Ending April 30, 2021

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
											Compound, annualized returns			
IDA Eaton Cotton Fund					**$3.0**	**1.87**	**1.74**	**10.31**	**1.16**	**14.23**	**7.81**	**6.94**	**5.61**	**5.80**
Policy Benchmark						*1.77*	*1.47*	*9.15*	*0.92*	*12.54*	*7.87*	*6.63*	*5.66*	*5.83*
Dynamic Benchmark						*1.84*	*1.59*	*9.67*	*1.04*	*13.00*	*7.99*	*6.73*	*5.73*	*N/A*
Domestic Equity	**16.7%**	**15.0**	10.0	20.0	**$0.5**	**5.20**	**12.71**	**39.80**	**12.00**	**50.38**	**18.75**	**17.64**	**14.21**	**13.90**
Russell 3000						*5.15*	*12.33*	*40.06*	*11.83*	*50.92*	*18.95*	*17.67*	*14.24*	*14.03*
Developed Markets ISF	**11.8%**	**11.0**	6.0	16.0	**$0.4**	**3.03**	**8.51**	**31.99**	**7.21**	**42.82**	**7.03**	**10.17**	**7.07**	**N/A**
MSCI EAFE IMI Net						*3.16*	*7.95*	*31.17*	*6.91*	*41.68*	*7.97*	*10.48*	*7.38*	*N/A*
Emerging Markets ISF	**4.1%**	**4.0**	0.0	5.0	**$0.1**	**1.65**	**1.34**	**41.31**	**3.86**	**55.95**	**10.87**	**13.74**	**8.02**	**N/A**
MSCI Emerging Markets IMI						*2.88*	*2.98*	*39.34*	*5.81*	*51.20*	*7.48*	*12.23*	*6.82*	*N/A*
Global Equities [(1)]	**32.6%**	**30.0**	16.0	41.0	**$1.0**	*3.70*	*8.51*	*37.83*	*8.55*	*49.40*	*13.31*	*14.42*	*10.63*	*N/A*
MSCI All Country World Net Index						*4.37*	*9.64*	*35.35*	*9.14*	*45.75*	*13.32*	*13.85*	*9.92*	*N/A*
Core Fixed Income	**64.9%**	**67.0**	57.0	77.0	**$2.0**	**0.92**	**-1.75**	**-0.63**	**-2.40**	**1.10**	**4.95**	**3.48**	**3.14**	**3.33**
Barclays U.S. Aggregate Bond Index						*0.79*	*-1.91*	*-1.35*	*-2.61*	*-0.27*	*5.19*	*3.19*	*3.30*	*3.39*
Liquidity Fund	**2.4%**	**3.0**	0.0	4.0	**$0.1**	**0.01**	**0.01**	**0.69**	**0.02**	**0.78**	**4.36**	**3.52**	**2.36**	**1.73**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*-0.02*	*0.10*	*0.00*	*0.16*	*1.74*	*1.44*	*1.09*	*0.82*

(1) Unofficial Benchmark, for comparison purposes only

HOPEMEAD FUND

Net of All Fees and Expenses
Periods Ending April 30, 2021

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
											Compound, annualized returns			
Hopemead Fund					**$4.9**	**1.87**	**1.74**	**10.29**	**1.16**	**14.22**	**7.77**	**6.90**	**5.58**	**5.71**
Policy Benchmark						*1.77*	*1.47*	*9.15*	*0.92*	*12.54*	*7.87*	*6.63*	*5.66*	*5.83*
Dynamic Benchmark						*1.84*	*1.59*	*9.67*	*1.04*	*13.01*	*7.97*	*6.71*	*5.70*	*N/A*
Domestic Equity	**16.7%**	**15.0**	10.0	20.0	**$0.8**	**5.20**	**12.71**	**39.80**	**12.00**	**50.39**	**18.75**	**17.64**	**14.21**	**13.89**
Russell 3000						*5.15*	*12.33*	*40.06*	*11.83*	*50.92*	*18.95*	*17.67*	*14.24*	*14.03*
Developed Markets ISF	**11.8%**	**11.0**	6.0	16.0	**$0.6**	**3.03**	**8.51**	**31.99**	**7.21**	**42.82**	**7.03**	**10.17**	**7.07**	**N/A**
MSCI EAFE IMI Net						*3.16*	*7.95*	*31.17*	*6.91*	*41.68*	*7.97*	*10.48*	*7.38*	*N/A*
Emerging Markets ISF	**4.2%**	**4.0**	0.0	5.0	**$0.2**	**1.65**	**1.34**	**41.31**	**3.86**	**55.95**	**10.87**	**13.74**	**8.01**	**N/A**
MSCI Emerging Markets IMI						*2.88*	*2.98*	*39.34*	*5.81*	*51.20*	*7.48*	*12.23*	*6.82*	*N/A*
Global Equities [1]	**32.7%**	**30.0**	16.0	41.0	**$1.6**	*3.70*	*8.51*	*37.83*	*8.55*	*49.40*	*13.31*	*14.42*	*10.63*	*N/A*
MSCI All Country World Net Index						*4.37*	*9.64*	*35.35*	*9.14*	*45.75*	*13.32*	*13.85*	*9.92*	*N/A*
Core Fixed Income	**64.9%**	**67.0**	57.0	77.0	**$3.2**	**0.92**	**-1.75**	**-0.63**	**-2.40**	**1.10**	**4.95**	**3.48**	**3.14**	**3.33**
Barclays U.S. Aggregate Bond Index						*0.79*	*-1.91*	*-1.35*	*-2.61*	*-0.27*	*5.19*	*3.19*	*3.30*	*3.39*
Liquidity Fund	**2.4%**	**3.0**	0.0	4.0	**$0.1**	**0.01**	**0.01**	**0.12**	**0.02**	**0.20**	**1.51**	**1.36**	**0.94**	**0.75**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*-0.02*	*0.10*	*0.00*	*0.16*	*1.74*	*1.44*	*1.09*	*0.82*

[1] Unofficial Benchmark, for comparison purposes only

ARTS ENDOWMENT FUND
Net of All Fees and Expenses
Periods Ending April 30, 2021

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
											Compound, annualized returns			
Arts Endowment Fund		CHECK			**$23.9**	**2.91**	**5.10**	**24.54**	**5.14**	**32.51**	**9.96**	**8.83**	**6.93**	**6.84**
Policy Benchmark						*2.85*	*5.18*	*23.89*	*5.08*	*29.59*	*9.79*	*8.40*	*6.91*	*6.97*
Dynamic Benchmark						*2.91*	*5.30*	*23.79*	*5.22*	*31.05*	*10.12*	*N/A*	*N/A*	*N/A*
Domestic Equity	**30.0%**	**28.0**	23.0	33.0	**$7.2**	**5.20**	**12.71**	**39.80**	**12.00**	**50.38**	**18.74**	**17.65**	**14.22**	**N/A**
Russell 3000						*5.15*	*12.33*	*40.06*	*11.83*	*50.92*	*18.95*	*17.67*	*14.24*	*N/A*
Developed Markets ISF	**17.4%**	**17.0**	12.0	22.0	**$4.2**	**3.03**	**8.51**	**31.99**	**7.21**	**42.82**	**7.03**	**10.18**	**7.07**	**N/A**
MSCI EAFE IMI Net						*3.16*	*7.95*	*31.17*	*6.91*	*41.68*	*7.97*	*10.48*	*7.38*	*N/A*
Emerging Markets ISF	**12.0%**	**12.0**	7.0	17.0	**$2.9**	**1.65**	**1.34**	**41.31**	**3.86**	**55.95**	**10.87**	**13.75**	**8.02**	**N/A**
MSCI Emerging Markets IMI						*2.88*	*2.98*	*39.34*	*5.81*	*51.20*	*7.48*	*12.23*	*6.82*	*N/A*
Global Equities (2)	**59.4%**	**57.0**	42.0	72.0	**$14.2**	*3.70*	*8.51*	*37.83*	*8.55*	*49.40*	*13.31*	*14.42*	*10.63*	*N/A*
MSCI All Country World Net Index						*4.37*	*9.64*	*35.35*	*9.14*	*45.75*	*13.32*	*13.85*	*9.92*	*N/A*
Core Fixed Income	**14.9%**	**16.0**	11.0	21.0	**$3.6**	**0.92**	**-1.75**	**-0.63**	**-2.40**	**1.10**	**4.95**	**3.48**	**3.14**	**3.33**
Barclays U.S. Aggregate Bond Index						*0.79*	*-1.91*	*-1.35*	*-2.61*	*-0.27*	*5.19*	*3.19*	*3.30*	*3.39*
Emerging Market Debt	**7.3%**	**8.0**	3.0	13.0	**$1.7**	**2.45**	**-2.06**	**8.09**	**-3.22**	**18.41**	**N/A**	**N/A**	**N/A**	**N/A**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*2.24*	*-2.44*	*5.45*	*-3.50*	*13.60*	*N/A*	*N/A*	*N/A*	*N/A*
High Yield	**8.6%**	**9.0**	4.0	14.0	**$2.1**	**1.01**	**1.91**	**15.18**	**2.46**	**21.91**	**N/A**	**N/A**	**N/A**	**N/A**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*1.08*	*1.61*	*13.48*	*1.95*	*19.57*	*N/A*	*N/A*	*N/A*	*N/A*
Private Credit(1)	**7.9%**	**9.0**	4.0	14.0	**$1.9**	**N/A**	**2.28**	**14.34**	**5.35**	**14.34**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*5.16*	*21.37*	*5.50*	*5.27*	*N/A*	*N/A*	*N/A*	*N/A*
Liquidity Fund	**1.9%**	**1.0**	0.0	3.0	**$0.5**	**0.01**	**0.01**	**0.12**	**0.02**	**0.19**	**1.51**	**1.33**	**0.92**	**0.73**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*-0.02*	*0.10*	*0.00*	*0.16*	*1.74*	*1.44*	*1.09*	*0.82*

(1) Actual performance, reported one quarter in arrears,

(2) Unofficial Benchmark, for comparison purposes only

POLICEMEN AND FIREMEN SURVIVORS' BENEFIT FUND

Net of All Fees and Expenses

Periods Ending April 30, 2021

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Compound, annualized returns: Three Year	Five Year	Seven Year	Ten Year
Policemen and Firemen Survivors' Benefit Fund		CHECK			**$45.6**	**2.77**	**4.98**	**20.55**	**4.88**	**28.29**	**9.16**	**9.71**	**7.70**	**7.89**
Policy Benchmark						*2.05*	*5.31*	*21.38*	*5.06*	*23.06*	*9.70*	*9.91*	*7.78*	*N/A*
Dynamic Benchmark						*2.32*	*5.30*	*20.98*	*5.14*	*24.55*	*9.84*	*10.01*	*7.90*	*N/A*
Domestic Equity	**23.5%**	**20.0**	15.0	25.0	**$10.7**	**5.20**	**12.71**	**39.80**	**12.00**	**50.38**	**18.74**	**17.64**	**14.21**	**14.08**
Russell 3000						*5.15*	*12.33*	*40.06*	*11.83*	*50.92*	*18.95*	*17.67*	*14.24*	*14.03*
Developed Markets ISF	**13.2%**	**11.0**	6.0	16.0	**$6.0**	**3.03**	**8.51**	**31.99**	**7.21**	**42.82**	**7.02**	**10.17**	**7.07**	**N/A**
MSCI EAFE IMI Net						*3.16*	*7.95*	*31.17*	*6.91*	*41.68*	*7.97*	*10.48*	*7.38*	*N/A*
Emerging Markets ISF	**12.4%**	**9.0**	4.0	14.0	**$5.6**	**1.65**	**1.34**	**41.31**	**3.86**	**55.95**	**10.87**	**13.74**	**8.02**	**N/A**
MSCI Emerging Markets IMI						*2.88*	*2.98*	*39.34*	*5.81*	*51.20*	*7.48*	*12.23*	*6.82*	*N/A*
Global Equities [4]	**49.0%**	**40.0**	25.0	55.0	**$22.4**	*3.70*	*8.51*	*37.83*	*8.55*	*49.40*	*13.31*	*14.42*	*10.63*	*N/A*
MSCI All Country World Net Index						*4.37*	*9.64*	*35.35*	*9.14*	*45.75*	*13.32*	*13.85*	*9.92*	*N/A*
Core Fixed Income	**12.6%**	**13.0**	8.0	18.0	**$5.8**	**0.92**	**-1.75**	**-0.63**	**-2.40**	**1.10**	**4.95**	**3.48**	**3.14**	**3.39**
Barclays U.S. Aggregate Bond Index						*0.79*	*-1.91*	*-1.35*	*-2.61*	*-0.27*	*5.19*	*3.19*	*3.30*	*3.39*
Emerging Market Debt	**5.2%**	**5.0**	0.0	10.0	**$2.4**	**2.45**	**-2.06**	**8.09**	**-3.22**	**18.41**	**2.16**	**4.35**	**2.96**	**3.27**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*2.24*	*-2.44*	*5.45*	*-3.50*	*13.60*	*3.18*	*4.14*	*2.84*	*4.02*
High Yield	**6.2%**	**3.0**	0.0	8.0	**$2.8**	**1.01**	**1.91**	**15.18**	**2.46**	**21.91**	**6.53**	**7.25**	**4.94**	**5.79**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*1.08*	*1.61*	*13.48*	*1.95*	*19.57*	*6.56*	*7.16*	*5.05*	*6.09*
Liquidity Fund	**2.1%**	**2.0**	0.0	3.0	**$0.9**	**0.01**	**0.01**	**0.12**	**0.02**	**0.20**	**1.51**	**1.36**	**0.95**	**0.74**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*-0.02*	*0.10*	*0.00*	*0.16*	*1.74*	*1.44*	*1.09*	*0.82*
Real Assets [1]	**11.4%**	**19.0**	15.0	25.0	**$5.2**	**N/A**	**1.44**	**4.00**	**2.03**	**9.38**	**4.82**	**6.08**	**7.69**	**8.45**
*Blended Custom Benchmark 1Q in Arrears^* [2]						*N/A*	*0.60*	*2.18*	*0.75*	*3.25*	*5.09*	*6.03*	*7.86*	*9.06*
Private Investment [1]	**8.1%**	**10.0**	5.0	15.0	**$3.7**	**N/A**	**10.64**	**30.75**	**10.66**	**53.02**	**18.44**	**15.24**	**14.45**	**N/A**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*17.04*	*53.78*	*14.78*	*23.12*	*18.08*	*17.07*	*14.08*	*N/A*
Private Credit [1]	**0.7%**	**5.0**	0.0	10.0	**$0.3**	**N/A**	**2.28**	**14.34**	**5.35**	**12.80**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*5.16*	*21.37*	*5.50*	*5.27*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**4.7%**	**3.0**	0.0	10.0	**$2.2**	**0.34**	**2.37**	**7.89**	**1.37**	**11.02**	**2.68**	**4.54**	**2.49**	**N/A**
Absolute Return Strategy blended benchmark [3]						*0.33*	*0.79*	*2.35*	*0.79*	*3.15*	*4.44*	*2.96*	*2.13*	*N/A*

(1) Actual performance, reported one quarter in arrears.

(2) A blended benchmark comprised of the weightings of Real Estate, Infrastructure / Natural Resources and U.S. TIPS as of April 2020.

(3) A blended benchmark comprised of the weightings of each of the investments utilized within the fund of funds vehicle multiplied by their respective benchmarks as of April 2020.

(4) Unofficial Benchmark, for comparison purposes only

SHAWN T. WOODEN
TREASURER

State of Connecticut
Office of the Treasurer

DARRELL V. HILL
DEPUTY TREASURER

June 4, 2021

Members of the Investment Advisory Council

Re: Basis Investment Group Real Estate Fund II, L.P.

Dear Fellow IAC Member:

At the June 9, 2021 meeting of the Investment Advisory Council, I will present for your consideration a Real Assets Fund investment opportunity for the Connecticut Retirement Plans and Trust Funds: Basis Investment Group Real Estate Fund II ("BIG II" or "the Fund"), L.P. a real estate fund sponsored by Basis Management Group, LLC, A New York City- based firm specializing in originating and acquiring commercial real estate debt.

I am considering a commitment of up to $125 million in Basis II, which will originate and acquire debt and preferred equity primarily for stabilized and transitional commercial real estate assets located throughout the United States. BIG II will pursue a strategy focused primarily in the middle market segment with a focus on generating stable current income. The Basis team has focused on the middle-market sector, and since inception of the platform in 2009, has invested $1.5 billion of equity in commercial real estate debt across the capital stack of stabilized, transitional, and development assets through products that will be the core focus of the Fund.

Attached for your review is the recommendation from Steven Meier, Interim Chief Investment Officer, and the due diligence report prepared by NEPC. I look forward to our discussion of these materials at next week's meeting.

Sincerely,

Shawn T. Wooden
State Treasurer

OFFICE OF THE STATE TREASURER

MEMORANDUM

RECOMMENDATION

TO: **Shawn T. Wooden, Treasurer**

FROM: **Steven R. Meier, CFA, FRM, Interim Chief Investment Officer**

CC: **Darrell V. Hill, Deputy Treasurer**
Raynald Leveque, Deputy Chief Investment Officer
Kevin J. Cullinan, Chief Risk Officer
Danita Johnson, Principal Investment Officer

DATE: **May 25, 2021**

SUBJECT: **Basis Investment Group Real Estate Fund II, L.P.**

Summary

The purpose of this memorandum is to recommend that the Connecticut Retirement Plans and Trust Funds ("CRPTF") consider a commitment of up to $125 million to BIG Real Estate Fund II (the "Fund" or "BIG Fund II"). The Fund will be managed by BIG Real Estate Fund II GP, LLC, (the "General Partner"), a Delaware limited liability company and an affiliate of Basis Management Group, LLC (the "Firm" or "Basis"). Basis specializes in originating and acquiring commercial real estate debt across the capital stack. The Firm is a minority and woman-owned business headquartered in New York City with 34 employees and offices in five locations.

BIG Fund II is targeting $550 million of capital commitments with a hard cap of $750 million and expects to have a first closing of approximately $400 million on or around June 4, 2021.

Strategic Allocation within the Real Assets Portfolio

BIG Fund II's strategy falls under the real estate allocation of the Real Assets Fund ("RAF"). The Pension Funds Management ("PFM") investment staff believes that an investment in the Fund is consistent with the asset class strategic plan to maintain steady commitments to the real estate sector. In addition, the Fund's strategy is an opportunity for the RAF to enhance portfolio diversification, and to generate attractive total returns with stable current income. The recommended commitment to BIG Fund II would be the CRPTF's second commitment with Basis and would align with the RAF's strategic objective of adding direct exposure to high quality managers in RAF's existing portfolio.

Below is an overview of Connecticut's current investment with Basis Fund I:

- Fund: BIG Real Estate Fund I, L.P.
- Vintage: 2018
- Fund Status: Invested
- CT Commitment: $65 million
- Total Fund Size: $410 million

Overview

Basis Management Group was founded in 2009 by Tammy Jones, in partnership with JEMB Realty Corporation, to focus on providing customized one-stop-shop solutions for the complex financing needs of commercial real estate owners. Prior to founding Basis, Ms. Jones led CWCapital's

Capital Markets Lending Division, a subsidiary of Caisse de dépôt, one of the largest pension fund managers in Quebec. At Caisse de dépôt, Ms. Jones managed a team of over 80 professionals across six offices that originated nearly $6 billion in fixed, floating and mezzanine loans collateralized by commercial real estate assets across the United States. In addition to Chief Executive Officer, Tammy Jones, Fund II is led by the Senior Management Team comprised of Kunle Shoyombo, Chief Investment Officer; Richard Cadigan, General Counsel and Chief Compliance Officer; and Leigh Roumila, Head of Asset Management and Dispositions. Most of the senior management team have worked together at Basis and previous companies for 20 years and have closed over $30 billion in commercial real estate debt investments through multiple market cycles. The firm currently has 34 employees with offices in New York City, Irvine, Chicago, Texas, and Tampa.

The Senior Management Team has proven the ability to leverage its network of industry relationships to access proprietary and consistent deal flow, resulting in the firm having a competitive advantage in the middle market. Since inception, Basis has invested in all Fund II strategies, deploying $1.5 billion of equity, and managed capital for institutions and family offices through its first commingled Fund BIG Real Estate Fund I, L.P. ("BIG Fund I" or "Fund I") and seven prior Basis-sponsored strategic joint ventures. After launching in 2009, Basis became an approved TALF borrower and began investing in distressed debt and CMBS during the height of the Global Financial Crisis. The sourcing, underwriting, structuring, closing, and securitizing of these transactions utilized the same credit and asset management skills required to invest in longer-term offerings and enabled the firm to hone its underwriting and asset management capabilities. As the market environment evolved, Basis identified a broader universe of investment opportunities and began investing these strategies in 2011, through separate accounts and commingled funds which included an Emerging Manager Program with New York State Common Retirement Fund, a B Piece investment platform with Artemis Real Estate Partners, and a Bridge lending joint venture with Fortress.

In 2017, Basis launched Fund I, a multi-strategy fund structured to execute the longer duration strategies previously managed through separate accounts. Fund I's 16 investors comprise public pension plans, private pension plans, fund of funds managers, family office investors and a sovereign wealth fund. Fund I is fully deployed in a diversified portfolio of commercial real estate debt investments with performance projections tracking above target returns. Basis anticipates that all Fund I investors will invest in Fund II which will continue the core investment strategy of Fund I while also looking for distressed opportunities which are anticipated to arise due to the pandemic-induced downturn.

Investment Strategy and Market Opportunity

Fund II will originate and acquire a diversified portfolio of commercial real estate debt and preferred equity investments throughout the United States, pursuing a strategy focused primarily in the middle market segment ($5 - $75 million investments) with a focus on generating stable current income. In addition to diversifying the portfolio by property type, location and borrower, Fund II investments will include a mix of stabilized, transitional, opportunistic, and distressed assets further diversified by their position in the capital stack and property life cycle. Basis' senior management team has been active in the middle market for over 20 years and has developed strong relationships in this sector of the market. Growing demand for debt capital in the middle market has created strong deal flow for Fund I as deals in this segment are less actively pursued by REITs and larger institutions. Moreover, lending from banks and government agencies has been limited for middle market transactions located in secondary markets. Basis continues to maintain an active investment pipeline that the Firm expects to provide ample deal flow through the investment period of Fund II. The Fund targets to achieve a 9% to 11% net IRR and a 1.35x to 1.40x net equity multiple of which 8%+ will be in the form of current income distributed quarterly.

The Basis team targets investments with some or all of the following characteristics: (i) significant current income; (ii) secured by good quality real estate in primary and secondary markets; (iii) downside protection in the form of significant cash or market equity invested by experienced sponsors; and (iv) loan structures in place to maximize repayment potential. The Fund will pursue each investment at the optimal risk-adjusted position in the capital structure based on the underlying asset and the team's evaluation of various factors in determining whether a proposed investment meets the Fund's targeted return. Basis expects to invest 25% to Core/Core+ strategies, 50% to Value-Add strategies and 25% to Opportunistic and Distressed investments.

Core/Core Plus Strategy
Core/Core Plus assets have in-place cash flow that offers ample debt service coverage and strong cash-on-cash returns. Investment opportunities within this asset type will include financing for new acquisitions, refinancing of existing maturing loans and recapitalizations. For the stabilized strategy, the Fund will seek transactions backed by strong middle market owners and intends to target subordinate positions such as mezzanine loans, preferred equity, and B-Notes. Target gross unlevered IRRs range from 10% to 15% over an anticipated three to ten year holding period.

Value Add/Transitional Strategy
Transitional assets lack stabilized in-place cash flow and generally require additional capital, lease-up, or management and ownership changes in order to achieve normalized cash flow. Leverage and loan sizing constraints faced by regional and community banks due to onerous capital requirements are creating opportunities for private debt platforms like Basis. The Fund will offer bridge loans, mezzanine loans, and preferred equity investments to middle market sponsors who own or are acquiring value-add assets. In certain instances, the Fund will acquire B-pieces of collateralized loan obligations. Returns for value-add investments will range from 11% to 16%.

Opportunistic/Development Strategy
A convergence of several market forces is creating a compelling opportunity for lenders to participate in the development space in the current environment. The Fund's development investment strategy involves selectively acquiring and originating mezzanine and preferred equity investments on properties under construction in primary and select secondary markets backed by experienced sponsors with strong track records. Basis does not intend to allocate more than 15% of total investment to development assets and will primarily focus on multifamily development in supply constrained markets. Targeted gross unlevered IRRs would range from 11% to 16% over a two to five-year holding period.

Distressed Debt Strategy
The Fund's distressed debt acquisition strategy involves selectively acquiring whole loans, mezzanine loans and preferred equity investments not exceeding 80% LTV/LTC and acquired at a 10% to 25% discount to par. As the COVID-19 pandemic has taken its toll on the economy, many property owners have experienced cash flow disruption and/or a drying up of equity sources. A wave of defaults is expected as delinquency rates have increased particularly for retail and hotel properties. Also, lenders that relied on aggressive warehouse lines for originating bridge loans are experiencing margin calls and often selling performing loans at discounts. Basis has access to this market through its relationships with lenders, brokers, and special servicers that handle CMBS work outs.

Track Record

Basis Investment Group has sponsored seven real estate strategic joint ventures and one commingled Fund since inception of the platform in 2009 and has invested $1.5 billion of equity in commercial real estate debt across the capital stack of stabilized, transitional, and development assets through products that will be the core focus of the Fund. Through September 30, 2020, Basis has realized over 75% of its total portfolio (including pre-Fund I deals) based on transaction size, representing approximately $1 billion of invested equity, generating an asset level gross IRR of 99% and gross equity multiple of 1.56x.

Fund II is a successor fund to the firm's BIG Fund I and will invest in largely the same strategies. Of the $410 million committed equity in BIG Fund I, 100% has been deployed, and the Fund is projected to return a gross IRR of 16.5% (12.1% net) and an average cash on cash return of 11.0%.

Table A- Basis Performance Track Record (Page 8) summarizes the investment performance of the prior Basis vehicles.

Key Strengths

- Experienced and Cohesive Management Team: The Fund is led by Ms. Jones, along with the senior management team which averages over 20 years of investment experience including positions with global financial institutions as both debt and equity investment professionals. The majority of the senior management team has worked together at Basis and previous companies for approximately twenty years and closed over $30 billion in commercial real estate debt investments through multiple market cycles. This experience of investing through multiple market cycles allows the Fund to employ a balance sheet approach to investing that utilizes a rigorous underwriting process. The collective experience of the Senior Management Team coupled with the cohesiveness of the team is a competitive advantage to investing with the Fund.

- Strong Sourcing Capabilities in the Middle Market Segment: Basis' Senior Management Team has carved out a niche as a solid middle market commercial real estate debt investor and has developed a deep network of relationships in the real estate industry that provide access to proprietary and consistent deal flow. The Fund will continue capitalizing upon these relationships to proactively source investments.

- Rigorous Credit and Collateral Underwriting**:** Basis has taken a conservative approach to credit risk and has created a detailed Risk Toolbox which itemizes the firm's approach toto mitigating each type of risk associated with its investments. During underwriting, the Manager performs both a comprehensive credit and collateral analysis of the borrower/partner and the real estate that will secure the investment. The underwriting for each investment includes gathering and reviewing all material information relating to the financial and physical condition of the subject property, the financial and credit position of the sponsor, the market forces in the area where the property is located, and other factors necessary to ensure that the proposed investment meets the Fund's underwriting requirements. Within each of the strategies anticipated for Fund II, Basis has developed and implemented risk mitigating policies to provide downside protection.

- Diversified Strategy: Although focused on a niche segment of the market, Basis has taken a diversified approach to their investment strategy which has allowed the team to be consistently active as markets have evolved. Since 2009, the team has been able to identify and take advantage of inefficiencies created by dislocations in the market. This flexible approach not only provides borrowers with a one-stop-shop for financing but will also allow the Fund to move up and down the capital stack as the lending environment continues to evolve.

- Active Asset Management: Basis's asset management team is led by Leigh Roumila, who has more than 30 years of experience managing performing and non-performing commercial real estate loans. The experience and hands-on approach of the asset management team ensures both timely and consistent monitoring of investments. and allows the team to identify and act early upon potential challenges. Since the COVID-19 outbreak, the team has actively engaged its sponsors and loan servicers. In addition, the team has been augmented, as needed, to analyze potential downside scenarios for each of the assets and to monitor the most impacted assets.

- Fund I Performance: Fund I is fully invested in deals consistent with the strategy of the Fund and is performing ahead of expectations with 6 realizations. Fund I is projecting a 12.1% net IRR and 1.43 net multiple with an 11% current cash return. The Fund has benefitted from strong performance of middle market assets, migration to the markets they are investing and lending in, and the hands-on asset management of the Basis team.

  In the face of cash flow disruptions caused by Covid-19, rather than offering forbearance, Basis created a preferred equity program called the "BIG Rescue" to help sponsors/borrowers meet their property obligations. The program provided the capital for the property types most impacted by COVID-19 to fund 6 months of debt service, tax, and insurance reserves, to keep the loans current and thus enabling the sponsors to focus on property operations. In total, Basis invested $5.3 million, 1.3% of Fund I equity to create 6 months of reserves that were used exclusively to meet debt service, tax, and insurance obligations, at a 13% preferred return to Fund I.

Risks and Mitigants

- Debt Strategy with Less Upside: Upside potential in debt strategies is limited by the fixed income nature of these investments.

  Mitigant - As commercial real estate debt instruments place little reliance on income growth or value appreciation to generate a return on capital, they offer downside protection. The Fund's strategy while not offering the upside of equity investments, offers defensive positioning and attractive cash-on-cash returns.

- Use of Leverage: The Fund uses financial leverage which could exacerbate Fund losses should they occur.

  Mitigant - Basis is mindful of the lessons learned from the use of leverage prior to the 2008 downturn and has seen similar patterns again through the COVID-19 pandemic. As with the strategy used by Basis in Fund I, the Firm will primarily use leverage as part of its bridge loan strategy and will not use leverage as part of its mezzanine, preferred and structured equity or B Piece strategies. The Fund has agreed to the following guidelines to mitigate risks: 1) As stipulated in the Limited Partnership Agreement, leverage will not exceed 55% of the aggregate cost of the Fund's investments, 2) The Fund will only employ the warehouse facility on the bridge loan strategy. In addition, the Fund's leverage will not involve debt repurchase facilities or mark-to-market debtor debt with re-margining requirements based on movements in prevailing interest rates.

Limited Partner Advisory Committee

The General Partner will form an advisory committee consisting of not more than seven (7) representatives of the Limited Partners), each selected by the General Partner. While there is no minimum commitment required, the LPAC members will likely be the comprised of either the largest first close investors or significant investors that commit to the Fund after the first close. CRPTF is a member of the LPAC for Fund I, and Basis has offered CT membership on the LPAC for Fund II.

Economics/Fees

- 20% carried interest, 8% preferred return, 50% catch-up, GP Clawback
- 1.5% Management Fee per annum on aggregate committed and invested capital. At a commitment of $125 million, Connecticut will receive a 25bps fee discount, for a management fee of 1.25% on aggregate committed and invested capital.
- Term: 8-year term from final closing with two 1-year extension options
- Investment Period: 3 years from final closing
- GP Commitment: $3.5 million

Legal and Regulatory Disclosure (provided by Legal)

Pursuant to its response on Attachment G, Basis Investment Group LLC (along with its affiliates, "the "Firm") states that, in the last five years, (i) it has no material business-related legal or non-routine regulatory matters to report, and (ii) there have been no material claims under its fidelity, fiduciary or E&O insurance policies, and confirms that there are no ongoing internal investigations to report.

In addition, the Firm states that there have been no material changes to its organization or corporate structure in the past two years and none are pending.

The Firm affirms that it has adequate internal investigation procedures pursuant to the Firm's Employee Handbook and Compliance Manual.

Compliance Review (provided by Compliance)

The Chief Compliance Officer's Workforce Diversity and Corporate Citizenship review is attached.

Environmental Social and Governance ("ESG") Analysis

The Assistant Treasurer for Corporate Governance & Sustainable Investment's review is attached.

Table A: Basis Performance Track Record

Fund	Vintage	Fund Size ($mm)	Percent Realized	Total Deals	Deals Realized	Invested ($mm)	Realized ($mm)	Unrealized ($mm)	Total Value ($mm)	Gross TVM	Gross IRR	Net TVM	Net IRR	Loss Ratio
Venture I - CMBS Bonds	2009	12,999,875	100%	3	3	$12,999,875	$18,338,581	$0	$18,338,581	1.41	89.4%	1.32	70.6%	0.00%
Venture II - Mezz/Pref/B Note	2010	153,839,542	36%	18	13	$153,839,542	$83,390,258	$148,410,314	$231,800,572	1.51	12.8%	1.47	12.3%	0.00%
Venture III - Distressed Debt	2011	11,000,000	100%	1	1	$11,000,000	$17,804,250	$0	$17,804,250	1.62	138.4%	1.47	100.7%	0.00%
Venture IV - B-Piece Investment	2012	30,700,474	100%	3	3	$30,700,474	$59,861,846	$0	$59,861,846	1.95	56.7%	1.73	47.3%	0.00%
Venture VI - Bridge	2014	412,245,280	99%	22	21	$412,245,280	$458,390,500	$5,529,673	$463,920,173	1.45[2]	13.9%	1.39	12.6%	0.00%
BIG Fund I	2016	410,000,000	44%	33	6	$353,889,437	$110,805,737	$469,959,876	$580,765,613	1.64	16.5%	1.43	12.1%	0.00%
Co-Investment	2020	11,000,000	0%	1	0	$11,000,000	$0	$16,968,022	$16,968,022	1.54	14.0%	1.49	12.9%	0.00%
Totals		1,041,785,172	68%	81	47	$985,674,609	$748,591,173	$640,867,884	$1,389,459,057					

5/15/21

COMPLIANCE REVIEW FOR BIG REAL ESTATE FUND II

SUMMARY OF LEGAL AND POLICY[1] ATTACHMENTS

SUBMITTED BY

BIG REAL ESTATE FUND II, L.P.

I. Review of Required Legal and Policy Attachments

BIG REAL ESTATE FUND II, L.P. ("BIG Real") a New York City-based, minority/Black and woman-owned firm[2], completed all required legal and policy attachments. The firm disclosed no impermissible third party fees, campaign contributions, known conflicts, gifts or legal/ regulatory proceedings.

II. Workforce Diversity (See Also 3 year Workforce Diversity Snapshot Page Attached)

As of April 2021, BIG Real's parent company, Basis Investment Group LLC (Basis) employed 34, 1 more than the 33 employed in December 2020. Basis identified 2 women and 2 minorities as Executive/Senior Level Officials and Managers, i.e., serving at the senior-most level of the firm. For the period 2018-2021, 7 women and 5 minorities were promoted within the ranks of professionals and managers.

Commitment and Plans to Further Enhance Diversity

Basis is a certified minority and women-owned company.[3] Basis is 100% owned by a woman, and the CEO and controlling member is an African-American woman. The executive team consists of 3 minorities and is committed to diversity in both its hiring and investment practices. In addition, 83% of the senior staff is comprised of minorities or women. Since its inception, the company has invested more than $800 million with qualified minority and women-owned Commercial Real Estate (CRE) owners and developers, and approximately 50% of the vendors that support the company's business are either owned or controlled by a woman or minority. Basis has launched Basis Impact Group, a non-profit foundation dedicated to improve capital access to minorities and women, and to create a pipeline of minorities and women in CRE.

Workforce Statistics

For Executive/Senior Level Officials and Managers:

- Women held 50% (2 of 4) of these positions in all 3 years reported, i.e., 2021, 2020 and 2019.
- Minorities held 50% (50% Black) or (2 of 4) of these positions all 3 years reported, i.e., 2021, 2020 and 2019.

At the Management Level overall:

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[1] The Treasury Unit responsible for reviewing Big Real's ESG submission will prepare a separate report.

[2] Not Connecticut certified.

[3] Certified by Women's Business Enterprise National Council.

- Women held 45% (9 of 20) of these positions in 2021, up from 42% (8 of 19) in 2020 and 36% (8 of 22) in 2019.

- Minorities held 40% (15% Asian and 25% Black) or (8 of 20) of these positions in 2021, down from 42.11% (15.79% Asian and 26.32% Black) or (8 of 19) in 2020, and 45.45% (13.64% Asian and 31.82% Black) or (10 of22) in 2019.

At the Professional Level:

- Women held 50% (6 of 12) of these positions in 2021, down from 58% (7 of 12) in 2020, but up from 42% (5 of 12) in 2019.
- Minorities held 58.33% (25% Asian, 25% Hispanic and 8.33% Black) or (7 of 12) of these positions in 2021, up from 50% (16.67% Asian, 25% Hispanic and 8.33% Black) or (6 of 12) held in 2020, but the same 58.33% (25% Asian, 16.67% Hispanic and 16.67% Black) or (7 of 12) held in 2019.

Company-wide:

- Women held 68% (23 of 34) of these positions in 2021, down from 73% (24 of 33) in 2020, but up from 56% (20 of 36) held in 2019.
- Minorities held 50% (17.65% Asian, 14.71% Hispanic and 17.65% Black) or (17 of 34) of these positions in 2021, up from 48.48% (5.15% Asian, 15.15% Hispanic and 18.18% Black) or (16 of 33) in 2020, but down from 52.78% (16.67% Asian, 11.11% Hispanic and 25% Black) or (19 of 36) held in 2019.

III. Corporate Citizenship

Charitable Giving:

Basis' executive team is active in several minority professional organizations. The company's CEO chairs the Real Estate Executive Council, the preeminent networking organization for real estate executives of color. It is the leading professional trade organization formed to promote the interests of minorities in the CRE industry. Company employees are also active in many trade organizations and university and public boards, such as the CRE Finance Council, Urban Land Institute, Mortgage Bankers Association and the New Agenda. Through these affiliations, the company is able to promote the principles and ideals that it projects as part of its investment strategy. The company' foundation is currently involved in raising funds to help minority high school students attend an intensive 2-week training program at university campuses that introduce students to the CRE industry. The foundation has continued to be active during covid-19, and encourages employees to be active in their local communities, and to promote causes that are important to clients such as, helping with the purchase of desks and other materials for schools in Africa. The company's lending presence is nationwide and it has closed several transactions in Connecticut.

Internships/Scholarships:

Basis supports numerous organizations focused on diversity and inclusion such as, TOIGO and SEO. In partnership with several organizations, the company and foundation have exposed over 400 young people of color to careers in the field of CRE, "the greatest long-term wealth generating investment". Every summer the company provides internships to college students and students seeking post-graduate degrees. For the company's summer internship program in 2019, it hosted 8 interns which included 1 Asian male, 2 Black males, 1 White male, 1 Black female, 1 Hispanic female and 2 white females. For 2021, Basis will resume its summer internship program and has hired 2 interns, 1 of whom is a Black female.

Procurement:
The company has a written procurement policy on selecting vendors and service providers. As part of its diligence it actively looks to hire companies that promote diversity, and approximately 50% of the companies hired are owned or controlled by minorities or women.

Summary of Responses to Attachment M:
Evaluation and Implementation of Sustainable Principles

Submitted by: Basis Investment Group (BIG) Real Estate Fund II

June 2, 2021

	Criteria	Responses
1	Firm has an ESG policy	Yes
1a	If yes, firm described its ESG policy	Yes
2	If yes, firm provided examples of ESG factors considered in the decision-making process, explained the financial impact of these ESG factors	Yes
3	Designated staff responsible for sustainability policies and research	Yes
4	Firm provides training/resources on sustainability issues, explained sources of ESG-related data	Yes
5	Signatory/member of sustainability-related initiatives or groups	No; however firm has applied to UNPRI and expects to become a member by 2Q21
6	Policy for evaluating current or prospective relationships with manufacturers or retailers of civilian firearms	Yes
7	Policy that requires safe and responsible use, ownership or production of guns	No
8	Enhanced screening of manufacturers or retailers of civilian firearms	No
9	Enhanced screening of any industry/sector subject to increased regulatory oversight, potential adverse social and/or environmental impacts	Yes
10	Merchant credit relationships with retailers of civilian firearms and accessories	No
10a	If yes, firm confirms compliance with laws governing firearms sales	N/A
11	Overall assessment of responses (e.g., depth of approach to ESG and integration)	Basis described a detailed integration of ESG into its investment processes, with a dedicated committee -- including its CEO -- in charge of ESG policies and research. The firm plans to release its first CSR report this year and is considering a variety of benchmarking tools with a focus on GRESB (Global Real Estate Sustainability Benchmark). One of the firm's main areas of focus is diversity and inclusion, with 75% of its staff comprised of minorities and women. The firm does not have a policy on investments with civilian firearms manufacturers or retailers, given its view that these investments are not applicable to their business.

NEPC Private Markets Investment Due Diligence Report

Basis Management Group, LLC

BIG Real Estate Fund II, LP

June 2021

BOSTON | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | PORTLAND | SAN FRANCISCO

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Executive Summary

Basis Management Group ("Basis," the "Firm," or the "Manager") is seeking $550 million in commitments for BIG Real Estate Fund II ("Fund II" or the "Fund"). The Fund will target real estate debt investments in the multifamily, office, hotel, industrial, and retail sectors, following the same approach that Basis pursued in the predecessor fund. The Fund will originate, co-originate, and acquire debt, preferred and structured equity, and other high-yielding commercial real estate ("CRE") investments to fund acquisitions, refinancings and recapitalization of well-located CRE throughout the United States. The Fund will pursue bridge loans, mezzanine debt/B notes, preferred and structured equity, B-pieces (the equity tranche in CMBS/Agency securitizations), syndications, distressed debt or discounted notes, and may selectively invest in other opportunistic CRE investments that are accretive to the Fund. The Fund will pursue a strategy focused primarily in the middle-market segment ($5 million to $75 million of investment size) with stable cash-on-cash returns.

Basis invests and lends across the capital stack with a focus in the middle-market. Basis was founded in 2009 by Tammy K. Jones, who is also the majority owner and managing member of the Firm. The Firm is a certified minority and women owned business ("MWOB") and has invested or loaned ~$800 million to other qualified MWOB real estate development and investment firms across the United States. Basis has 34 employees and is headquartered in New York, NY.

The Fund intends to hold a first close in May 2021. The Fund targets to achieve a 9% to 11% net IRR and a 1.35x to 1.40x net equity multiple. The Manager has established a target fund size of $550 million for Fund II and a hard cap of $750 million. The final close is anticipated to occur in the first quarter of 2022.

Positives:

- ***Broad investment strategy:*** The investment strategy is broad, allowing the Manager to invest opportunistically across public and private debt. This should allow the Fund to capitalize on a wide array of opportunities. The Fund will pursue investments across the spectrum of commercial debt, including bridge loans, mezzanine debt/B-notes, preferred and structured equity, B-pieces (the equity tranche in CMBS/Agency securitizations), syndications, distressed debt or discounted notes, and selectively invest in other opportunistic CRE investments.

- ***Team expertise across debt strategies:*** The team consists of 34 investment professionals, is very experienced, and has had little turnover, reporting only one employee departure in the past five years. Most of the senior team has over 25+ years of relevant experience and most of the key firm employees have been working together since the company was founded in 2009.

- ***Strong current income and downside protection:*** The Fund should provide strong downside protection in an uncertain market environment. Careful deal structuring and equity subordination should allow for continual current income, even if market volatility were to arise. The Fund targets to achieve a 9% to 11% net IRR to investors, of which 8%+ will be in the form of current income distributed quarterly.

- ***Diverse manager with strong commitments to diversity, equity, and inclusion:*** The Firm is a certified minority and female owned business and it has completed the certification process with the Women's Business Enterprise National Council. Basis believes it has benefitted from its diversity initiatives and recognizes the positive social impact that they can have on emerging managers and developers, as well as in the communities in which it does business. As part of the Firm's mission to foster greater inclusivity, since its founding, Basis has invested approximately $800 million with minority- and women-owned firms across the United States. Furthermore, Basis takes pride in engaging consultants and third-party vendors that share similar diversity goals or are owned by minorities and/or women; as such, approximately 50% of the Firm's vendors are currently minority- and/or women-owned.

Negatives:

- ***Levered strategy creates borrowing risk:*** The Fund uses financial leverage to enhance its returns. This leverage comes in the form of syndicating an A-note or utilizing a floating-rate warehouse facility. This risk is somewhat mitigated in that the Fund is limited to leverage of 55% at Fund's total assets. The Fund's leverage will not involve mark-to-market debt or debt with re-margining requirements based on the movements in the prevailing interest rates. The Fund will only use the warehouse facility on its first mortgages – and not on its mezzanine, preferred and structured equity, and B-piece investments.

- ***Second commingled fund and limited realizations in predecessor fund:*** The Fund will be the second commingled debt fund sponsored by the Manager and it will execute the same strategy as the predecessor fund. Fund I has a distribution-to-paid-in-capital multiple (DPI) of 0.3x and a total-value-to-paid-in-capital multiple (TVPI) of 1.1x as of September 30, 2020. Of the 34 investments in Fund I, only five are fully realized and one is partially realized. Nonetheless, the Manager still projects all of the assets to fully perform as underwritten. Additionally, the Firm has five additional separately managed accounts that it has invested since 2009, representing $740 million in invested capital and four of those accounts are fully realized and performed at or above expectations.

- ***Exposure to secondary/tertiary markets:*** The Fund will invest in both primary and secondary growth markets. Secondary growth markets may have less liquidity than primary markets in downturns. This risk is partially mitigated through careful asset and sponsor selection coupled with being in a debt position with significant equity subordination and other loan structures such as borrower guarantees, debt-service-coverage ratios triggers, capital expenditure reserves, etc.

Disclosure: Tammy K. Jones, Co-Founder and Chief Executive Officer of Basis Management Group, is the mother of an NEPC employee. Additional information regarding this disclosure is provided at the end of this report.

BIG Real Estate Fund II, LP

Real Estate Debt

Fund Characteristics

Investment Vehicle	BIG Real Estate Fund II, L.P.
Investment Manager	Basis Management Group, LLC
Target Size/Max Size	$550 million / $750 million
Amount Raised	None (first close targeted for May 2021)
Minimum Investment Size	$3.5 million
Target Final Close Date	Q1 2022
Investment Period	Three years after the Fund's final closing
Fund Term	Eight years after the Fund's final closing, subject to two additional one-year extensions
Sponsor's Investment	$3.5 million
Assets Under Management	Approximately $2.8 billion
Investment Focus	Non-Core Real Estate Debt
Geographic Focus	United States
Projected Number of Investments	50-60
Deal Size	Target deal size of $5 million to $75 million
Target Fund Return	9%-11% net IRR and a 1.35-1.4x net equity multiple
Leverage	Will not exceed 55% of the aggregate cost of the investments plus undrawn capital commitments.
Annual Management Fee	1.5% of capital commitments during the Investment Period, and thereafter, 1.5% of equity invested
Other Fees	Organizational expenses up to $1.5 million
Performance Fee	20% carried interest and 8% preferred return with a 50% catch-up
ERISA Fiduciary	The General Partner will use reasonable efforts to limit investment by Benefit Plan Investors to less than 25% of the Fund
Fund Auditor	RSM, LLC
Fund Legal Counsel	Gibson, Dunn & Crutcher LLP
Website	https://www.basisinvgroup.com/

Firm Description

Firm Overview

Basis invests and lends across the capital stack with a focus in the middle-market. Basis was founded in 2009 by Tammy K. Jones, who is also the majority owner and managing member of the Manager. The Manager is a certified minority and women owned business ("MWOB") and has invested ~$800 million to other qualified MWOB real estate development and investment firms across the United States. Basis has 34 employees and is headquartered in New York, NY.

Since inception and through to September 30, 2020, Basis has deployed ~$1.5 billion of equity, representing roughly $4.0 billion of transaction volume across more than 400 investments.

The Fund is the Manager's second real estate debt fund, and it will be managed by Basis Investment Group ("BIG"), a Delaware limited liability company formed as a full-service platform for Basis funds.

Team Overview

Basis was established in 2009 and is led by Tammy K. Jones, who co-founded the Firm. Basis has 34 employees, 16 of which are dedicated fund professionals. The Basis senior management team has been working together for the past 20 years, at Basis and previous firms, executing on strategies similar to what Fund II will be targeting. Ms. Jones has over 25 years of experience in real estate and has invested on behalf of public pension funds and large institutions throughout her career.

Recent Turnover/ Key Departures

Basis had one recent departure in the last five years. Eyan Marshall, who was a Vice President and with the Firm for two years, left the Basis in September 2020 due to health reasons. Basis has hired five people in the past five years, inclusive of Eyan Marshall.

Fund Investment Strategy

Investment Strategy

Fund II will target real estate debt investments in the multifamily, office, hotel, industrial, and retail sectors, following the same approach that Basis pursued in the predecessor fund. The Fund will originate, co-originate and acquire debt, preferred and structured equity and other high-yielding commercial real estate ("CRE") investments to fund acquisitions, refinancings and recapitalization of well-located CRE throughout the United States. The Fund will pursue bridge loans, mezzanine debt/B notes, preferred and structured equity, B pieces (the equity tranche in CMBS/Agency securitizations), syndications, distressed debt or discounted notes and selectively invest in other opportunistic CRE investments that are accretive to the Fund. The Fund will pursue a strategy focused primarily in the middle-market segment ($5 million to $75 million investment size) with stable cash on cash returns and equity like yields with debt protections.

The Manager expects to target investments with the following characteristics:

- $5 million to $75 million target investment size
- Significant current income (projected to be 8-10% cash-on-cash)
- Secured by good quality real estate in growth markets, but includes primary markets where valuations are still supported
- Downside protection in the form of significant cash or market equity invested by experienced sponsors
- Structures in place to maximize repayment potential

For assets considered core/core plus, the Fund intends to target subordinate positions (including mezzanine, B-Note or preferred equity positions), with all-in loan-to-value ("LTV") ratios that generally range from 65% to 85%.

For assets considered value-add, the Fund intends to target bridge loans and subordinate positions (including mezzanine, B-Note or preferred equity positions) generally up to 85% LTV.

The Fund will also opportunistically target "B" Pieces (allowing it to capitalize on the Firm's access to the capital markets and its ability to take advantage of pricing dislocations), structured equity positions and distressed debt or discounted notes backed by CRE properties undergoing distress related to the current COVID-19 pandemic-led recession, among other factors.

The Fund will also selectively invest in other opportunistic CRE investments that are accretive to the Fund, including direct equity, but will not exceed more than 10% of aggregate Fund commitments at any one time.

Target Return

The Fund has target return of 9% to 11% net IRR and 1.35x to 1.40x equity multiple.

Target Investment Types

The Fund will seek to originate and acquire a diverse portfolio of commercial real estate debt investments across the capital stack on stabilized, transitional, and development assets throughout the United States. The Fund will pursue investments primarily in the middle-market segment, with the average deal size of $5-$75 million, resulting in 50 to 60 investments. The Fund will primarily pursue bridge loans, mezzanine debt/B-notes, preferred equity, structured equity, and CMBS B-pieces.

Target Asset Types:

- 40% Multifamily
- 20% Office
- 15% Hotel
- 10% Industrial
- 10% Retail

Target Geographic Focus

The Fund will focus on investment opportunities in the United States.

Use of Leverage
Fund II leverage will not exceed 55% of the aggregate cost of the investments plus undrawn capital commitments.

Recycling of Capital
The General Partner may retain from distributions for reinvestment during the commitment period up to a maximum of $200 million.

Manager’s View of Current Market Conditions
The Manager observes that, while the 2010 through 2019 period showed a dramatic recovery in CRE values, 2020 brought geopolitical volatility, policy uncertainty due to the US general election, a COVID-19 pandemic and the resultant economic recession, all leading to overall risk aversion.

This macro-uncertainty has caused distress in markets resulting in an opportunity to get equity-like yields in CRE debt. Inside of this market uncertainty, CRE debt offers downside protection and cash-on-cash returns not dependent on growth. Specifically, the Manager believes that a market opportunity exists for the Fund for the following reasons:

- **Upcoming Maturities; Need for Gap Financing:** Data from Citi Securitization Research Group indicates that approximately $1.3 trillion in commercial and multifamily debt is expected to mature through 2023 with $2.1 trillion maturing through 2025. Given the pullback in CRE lending by CMBS and other senior lenders, there will be a requirement for gap financing to refinance maturing senior loans.
- **Transaction Volume:** While the COVID-19 pandemic has disrupted the investment sales market in 2020, acquisition and loan volume has been robust since 2014 at approximately $500 billion annually. Distressed debt investing will likely drive activity in the current crisis. Basis is well positioned to capitalize on note sales activity during the current crisis.
- **Capital Markets Volatility:** A large increase in credit and CMBS spreads has led to tightening of lending and underwriting standards, creating distress and attractive opportunities for the Fund.
- **Middle-Market Opportunities:** Evolving demographics and a generational shift are reshaping the country and changing consumption patterns. Baby Boomers control a significant portion of middle-market CRE properties. In addition, according to the Society for Human Resource Management, minorities are now the majority in six of the eight largest metropolitan areas of the U.S. and are expected to be a majority throughout the U.S. in 2040-2050. Over 50% of children under the age of six are minorities and 48% of the population between the ages of 7 to 22 are racial or ethnic minorities (PEW Research Center). The number of women in CRE is now estimated at 35% of the workforce (CREW Network). Diversity is even more critical to business success, yet MWBE borrowers/owners are often overlooked and access to capital is their biggest challenge.
- **COVID-19 Distress:** Property fundamentals in the hotel, retail and selective office sectors have deteriorated due to demand shocks resulting from economic shutdowns. In certain markets, demand recovery is expected to take two to three years after a vaccine for COVID-19 or other effective treatments are found. Levered owners continue to face pressure to service debt resulting in distress sales. Levered lenders too will face increased pressure to sell their loans due to the COVID-19 pandemic and associated economic recession. Given the deterioration in the Mortgage REIT valuations, REITs may have limited ability to access equity and will likely need to sell assets to meet any debt maturities.

Current Fund Investments
The Fund has not closed any investments to-date.

Investment Limitations
In accordance with Fund II’s limited partnership agreement, without the consent of the Advisory Committee, the General Partner will not:

- Invest more than 20% of the aggregate commitments in any single investment. The Fund may invest up to 25% of the aggregate commitments in a single investment if, at the time of acquisition, the General Partner has a good faith belief that the amount of the aggregate commitments invested therein can be reduced to no more than 20% of the aggregate commitments within one year. The Fund may invest up to 25% of the aggregate commitments in a single investment involving multiple properties or buildings.

- Make investments secured by collateral located outside of the United States other than US controlled territories such as Puerto Rico.
- Make a new investment other than a transaction in progress or a temporary investment in cash equivalents after the end of the Commitment Period. The origination of a new loan in a managed securitization in which the Fund holds a controlling interest and does not require additional funding by the Fund shall not be considered a new investment.
- Make investments in unentitled land.
- Make investments in any "blind pool" investment funds.

Environmental, Social, and Governance Considerations

Basis implemented a formal ESG Policy in 2016 based on the principles issued by the United Nations Principles of Responsible Investing (UNPRI). The Basis senior management team firmly believes that a commitment to ESG is essential to its continued performance and is in alignment with the senior management team's objective to make a positive impact in the communities where the firm invests. Examples of current ESG initiatives at the firm include the following:

- Basis is in the application process to become a member of UNPRI.
- Basis has established a dedicated ESG committee that meets bi-weekly; it is comprised of the CEO and other senior leaders of the Firm. The committee’s mandate is to ensure Basis is taking real action to integrate ESG not only into the Firm’s investment approach, but also into the Firm’s culture. Basis has established three ESG employee taskforces; one for each element. Every firm employee is on one of the three taskforces.
- Basis’ CEO, Tammy Jones, recently completed a Certificate course on ESG Performance for Professionals and Investors, from The Centre for Sustainability and Excellence’s Sustainability Academy, a recognized global leader in professional Sustainability training and coaching. Ms. Jones is also the Chair of the ESG committee for a public board.
- Basis is finalizing its first annual Corporate Social Responsibility Report (CSR).
- Basis is working on an ESG Report intended for all stakeholders, including investors, which will include a system of ESG-related disclosures, a list of ESG-related goals, and the steps the firm has taken to achieve those goals.

Basis has a formal human Rights Policy whose purpose is to define Basis’s commitment to respect Human Rights as defined by the International Bill of Human Rights and the International Labor Organization’s (ILO) Declaration of Fundamental Principles and Rights at Work.

The Firm’s ESG business priorities and approach to creating positive impact are as follows:

1. Diversity and Inclusion
    - Pipeline- Creating opportunities for woman and minorities
    - Equal access to capital and credit - Leveling the playing field
    - Equal opportunity employer - Benefitting from human diversity
    - Supplier diversity – rewarding qualified minority firms
2. Community Awareness
    - Broadening Educational opportunities - Giving back; the BIG Impact Foundation
    - Inclusive and Resilient Communities – Doing the right thing
    - Workforce housing - Strengthening underserved Markets
    - Health and safety - Promoting clean air and water through our investments
3. Transparency
    - Investor Reporting – Embracing full accountability
    - Due Diligence – Clear communication and measurement of each investment’s ESG strengths, challenges, and goals
    - Employee Relations – Getting team members engaged while juggling work-life balance
    - Compliance – Being a team player, knowing your Customer, corporate governance, and measuring impact
4. Environment
    - Sustainability and Waste reduction - Making an Impact
    - Sustainable building practices and community development
    - Climate change – raising awareness through stakeholder engagement
    - Measuring known factors – requiring full Environmental Assessments of each investment

Fund Economics

Target Fund Size
Basis is targeting $550 million in capital commitments, with a hard cap of $750 million.

Management Fee
The base management fee for the Fund is 1.50% during the investment period, and 1.5% thereafter. The Manager indicated a willingness to discuss modestly lower fees for commitment sizes of $125 million or more.

Performance Fee
The Fund's will be subject to 20% carried interest, with an 8% preferred return and a 50% catch-up.

Other Fees and Expenses
The Fund will bear organizational costs up to $1.5 million.

Sponsor's Investment
The GP contribution will be $3.5 million.

Fund Administration, Structure and Policies

Expected Fund Investor Base
Basis expects to have a similar investor base in Fund II as the predecessor fund. The investor base in prior funds included (among other client types):

- Public Pensions (87%)
- Sovereign Wealth Funds (10%)
- Insurance Companies (3%)

Fund Structure
The Fund is structured as a Delaware Limited Partnership.

ERISA Provisions
Basis will use reasonable efforts to limit investment by Benefit Plan Investors to less than 25% of the Fund.

UBTI Considerations
Fund II intends to invest substantially all its assets through a subsidiary that is intended to qualify as a real estate investment trust ("REIT"), and it is intended that any borrowings will be made at the level of the REIT or below. If the Fund holds assets outside of the REIT, it is intended that these assets either would not be levered or would be held through vehicles treated as corporations. As a result, it is not intended that tax-exempt investors would generate significant UBTI because of an investment in Fund II.

Labor Policy
Basis does not have a formal labor policy.

Key Person Provision
During the Commitment Period, a "Key Person Event" will be triggered if either Tammy K. Jones or both Kunle Shoyombo and Richard Cadigan cease to devote substantially all of his or her time and attention to the Fund and the business lines of Basis and its affiliates and, after the Commitment Period, the Key Person shall devote such time and effort as may be reasonably necessary to promote the activities of the Fund and the Investment Manager.

Upon a Key Person Event, the General Partner shall notify the Limited Partners of the Key Person Event and the Commitment Period will be suspended automatically for a period of 180 days. During the suspension period, a majority of the Limited Partners may approve a replacement key person or elect to recommence the Commitment Period. If the Limited Partners have not approved a replacement key person or elected to recommence the Commitment Period prior to the end of such 180-day suspension period, the Commitment Period will automatically terminate.

General Partner Removal Provision
The Limited Partners, by a vote of 75% in interest, will have the right to remove the General Partner for any reason following the second anniversary of the Final Closing. The Limited Partners, by a majority-in-interest vote, will have the right to remove the General Partner for Cause at any time.

LP Advisory Committee
The Fund has an LP Advisory Committee consisting of not more than five representatives of the Limited Partners, each selected by the General Partner. The Advisory Board will advise the General Partner regarding conflicts of interest and other issues as the General Partner may bring before the Advisory Board or as may be contemplated in the Partnership Agreement.

SEC Audit
Basis has been registered with the SEC since 2017, but has not yet been audited. However, the Firm engages a third-party firm, Foreside, to support the firm’s compliance team. The compliance team, in coordination with Foreside, meet monthly, if not more regularly, to assist the Chief Compliance Officer in implementing and managing the Fund’s compliance manual, code of ethics, and assisting with SEC compliance relating to Basis.

Valuation Policy

Basis will perform quarterly valuations on all investments using a comparative yield and discounted cash flow methodology. In conjunction with the Firm's annual audit, Basis will also prepare year-end investment valuations to be reviewed by an independent third-party valuation consultant.

Current Litigation

There is no material litigation against Basis past or present.

Manager Track Record

Prior Fund Performance

Fund-Level Returns

Fund	Vintage Year	Capital Committed	Capital Funded	Reported Value	Amount Distributed	Total Value, Net of Carry	TVPI Multiple	DPI Multiple	Current Net IRR
Venture I (CMBS)	2009	$13.0	$13.0	Realized	$17.2	$17.2	1.3x	1.3x	70.6%
Venture II (Mezz / Pref)	2010	$153.8	$153.8	$119.7	$83.4	$203.1	1.3x	0.5x	13.0%
Venture V (Portfolio Loans)	2010	$74.7	$532.0	Realized	$1,069.4	$1,069.4	2.0x	2.0x	222.3%
Venture III (Distressed Debt)	2011	$11.0	$11.0	Realized	$16.2	$16.2	1.5x	1.5x	100.7%
Venture IV (B-Piece Investmen	2012	$30.7	$30.7	Realized	$53.1	$53.1	1.7x	1.7x	47.3%
Venture VI	2014	$412.2	$412.2	$5.5	$458.4	$463.9	1.4x	1.4x	12.6%
Venture VII (BIG Fund I)	2016	$410	$332	$264	$112	$376	1.1x	0.3x	12.1%
Venture VIII (Co-Investment)	2020	$11	$11	NAP	NAP	NAP	NAP	NAP	NAP

Track Record Benchmarking

Vintage Year Benchmarking Analysis

Net IRR	Basis Investment Group, LLC			Vintage Year Benchmark Net IRR Comparison			
Vintage Year	Fund	Current Net IRR	Quartile	# Funds	Upper Quartile	Median	Lower Quartile
2009	Venture I (CMBS)	70.6%	1	20	19.8%	14.6%	10.9%
2010	Venture II (Mezz / Pref)	13.0%	3	28	18.8%	13.4%	11.1%
2010	Venture V (Portfolio Loans)	222.3%	1	28	18.8%	13.4%	11.1%
2011	Venture III (Distressed Debt)	100.7%	1	48	20.9%	15.2%	11.4%
2012	Venture IV (B-Piece Investmen	47.3%	1	40	15.1%	11.3%	8.1%
2014	Venture VI	12.6%	2	54	13.5%	10.7%	7.6%
2016	Venture VII (BIG Fund I)	12.1%	2	39	13.5%	10.2%	6.3%
2020	Venture VIII (Co-Investment)	NAP	1	9	(4.6%)	(9.0%)	(13.1%)

DPI Multiple	Basis Investment Group, LLC			Vintage Year Benchmark DPI Multiple Comparison			
Vintage Year	Fund	DPI Multiple	Quartile	# Funds	Upper Quartile	Median	Lower Quartile
2009	Venture I (CMBS)	1.3x	4	20	2.0x	1.5x	1.4x
2010	Venture II (Mezz / Pref)	0.5x	4	28	1.7x	1.5x	1.4x
2010	Venture V (Portfolio Loans)	2.0x	1	28	1.7x	1.5x	1.4x
2011	Venture III (Distressed Debt)	1.5x	3	48	1.8x	1.5x	1.3x
2012	Venture IV (B-Piece Investmen	1.7x	1	40	1.5x	1.2x	0.9x
2014	Venture VI	1.4x	1	54	1.0x	0.8x	0.4x
2016	Venture VII (BIG Fund I)	0.3x	2	39	0.5x	0.3x	0.2x
2020	Venture VIII (Co-Investment)	NAP	NA	9	0.0x	0.0x	0.0x

TVPI Multiple	Basis Investment Group, LLC			Vintage Year Benchmark TVPI Multiple Comparison			
Vintage Year	Fund	TVPI Multiple	Quartile	# Funds	Upper Quartile	Median	Lower Quartile
2009	Venture I (CMBS)	1.3x	4	20	2.0x	1.6x	1.5x
2010	Venture II (Mezz / Pref)	1.3x	4	28	1.8x	1.6x	1.4x
2010	Venture V (Portfolio Loans)	2.0x	1	28	1.8x	1.6x	1.4x
2011	Venture III (Distressed Debt)	1.5x	3	48	1.9x	1.6x	1.4x
2012	Venture IV (B-Piece Investmen	1.7x	1	40	1.6x	1.4x	1.3x
2014	Venture VI	1.4x	2	54	1.5x	1.4x	1.2x
2016	Venture VII (BIG Fund I)	1.1x	3	39	1.3x	1.2x	1.1x
2020	Venture VIII (Co-Investment)	NAP	1	9	1.0x	0.9x	0.9x

Note: Benchmark data as of 09/30/2020. Benchmark is the Cambridge Associates Thomson One United States Opportunistic & Value-Add Real Estate Closed-End Real Estate fund benchmark.

ESG INTEGRATION EVALUATION

General Fund Information	
Firm	Basis Management Group, LLC
Fund	BIG Real Estate Fund II, LP
Strategy-Type	Real Estate Debt
Diverse-Owned Firm	Yes

ESG Rating

ESG 2

ESG Ratings are on a scale of 1 through 5, with 1 indicating a best in class approach and 5 indicating no integration.

Analyst Opinion

Basis implemented a formal ESG Policy in 2016 based on the principles issued by the United Nations Principles of Responsible Investing (UNPRI). The Basis senior management team firmly believes that a commitment to ESG is essential to its continued performance and is in alignment with the Firm's objective to make a positive impact in the communities where the it invests. Examples of current ESG initiatives at the firm include:

- Basis is in the application process to become a member of UNPRI.
- Basis has established a dedicated ESG Committee that meets bi-weekly; the Committee is comprised of the CEO and other senior leaders of the Firm. The Committee's mandate is to ensure Basis is taking real action to integrate ESG not only into the Firm's investment approach, but also into the Firm's culture.

Basis is also keenly focused on diversity and inclusion and notes that over 70% of the Firm's employees are minorities and/or women.

Evaluation Criteria and Commentary	
Firm-Level	
Firm-Level Commitment	Basis has fully adopted an ESG policy that encompasses the Firm's core values as well as the initiatives that have been incorporated into its investment process. Basis is finalizing its first annual Corporate Social Responsibility Report (CSR). The Firm is working on an ESG Report intended for all stakeholders, including investors, which will include a system of ESG-related disclosures, a list of ESG-related goals, and the steps the firm has taken to achieve those goals.
Resources	The Firm does not have any dedicated resources but expects each of its employees to integrate Basis's ESG policy into their work flow. Basis may utilize third-parties when evaluating environment impacts of specific assets.
Engagement Policies	Basis' due diligence process for each new investment includes an evaluation how ESG issues are addressed by the underlying property owner. The Firm's investment, legal, and asset management teams integrate environmental and social due diligence as part of the standard asset-level underwriting and monitoring.
Strategy-Level	
Overview	In order to ensure a consistent approach, Basis outlines all of its ESG initiatives in its policy. The Firm believes that sound ESG practices can mitigate certain risks and lead to better risk-adjusted returns at the property level.
Integration Process	ESG is thoroughly integrated into the diligence process for each Basis investment. Although this is a credit strategy, Basis will work closely with the sponsor to ensure that best practices are adhered to. Additionally, Basis is currently surveying each sponsor it works with to evaluate how these groups integrate ESG factors into their investment processes. Basis is also researching ways to quantify the environmental impact of their assets.
Resources	The strategy does not have any dedicated resources, but Basis is likely considering adding a dedicated professional in the coming year.

Disclaimers and Disclosures

- Past performance is no guarantee of future results.
- The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.
- Information on market indices was provided by sources external to NEPC, and other data used to prepare this report was obtained directly from the investment manager(s). While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.
- NEPC may provide background information on fund structures or the impact of taxes but you should contact your legal counsel or tax professional for specific advice on such matters.
- This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.

In addition, it is important that investors understand the following characteristics of non-traditional investment strategies including hedge funds, real estate and private equity:

1. Performance can be volatile and investors could lose all or a substantial portion of their investment
2. Leverage and other speculative practices may increase the risk of loss
3. Past performance may be revised due to the revaluation of investments
4. These investments can be illiquid, and investors may be subject to lock-ups or lengthy redemption terms
5. A secondary market may not be available for all funds, and any sales that occur may take place at a discount
6. These funds are not subject to the same regulatory requirements as registered investment vehicles
7. Managers may not be required to provide periodic pricing or valuation information to investors
8. These funds may have complex tax structures and delays in distributing important tax information
9. These funds often charge high fees
10. Investment agreements often give the manager authority to trade in securities, markets or currencies that are not within the manager's realm of expertise or contemplated investment strategy

Additional Disclosure
Tammy K. Jones, Co-Founder and Chief Executive Officer of Basis Management Group, is the mother of an NEPC employee. The research of Basis Management Group and the BIG Real Estate Fund II was conducted by NEPC's Real Assets Research Team. This employee is not a member of NEPC's research teams (including the Real Assets Research Team) and is not a member of any NEPC investment committees. All information regarding this investment was received directly from the Manager or from third parties.

BASIS INVESTMENT GROUP

CONNECTICUT RETIREMENT PLANS AND TRUST FUNDS

BIG Real Estate Fund II, L.P.

BASIS INVESTMENT GROUP, LLC

JUNE 2021

FIRM OVERVIEW

BIG OVERVIEW

Invests in CRE "DEQUITY" across the capital stack throughout the U.S.

Established Platform	• Founded during GFC in 2009 by Tammy K. Jones in partnership with family office • Deployed approximately $1.5B / Closed nearly $4.0B in 47 states • One of the few MWOB CRE managers
Experienced Team	• Successful 12-year track record investing both family office & institutional capital • Cycle-tested team with 20 years' experience investing together • Debt and equity experience
Distinctive Approach	• Diversification • Current Income • Equity-like yields targeted / debt protections

BASIS INVESTMENT GROUP

- Investing in mezz, preferred / structured equity, bridge loans, distressed debt and B-Pieces
- Middle market focus
- Disciplined investment approach to investing across the capital stack
- Defensive strategy with downside protections and equity-like returns

BIG HISTORY

Phase I → Building a track record – JVs and Separate Accounts
Phase II → Successfully raise & invest commingled Fund
Phase III → Raise Fund II investing in same strategies

2009-2010	2011	2012	2013	2014 - 2015	2016 - 2019	2020 ONWARD
Partnership with JEMB Partnership with Wells Fargo	Expanded Wells Fargo Partnership Family Office Capital	JV with large private equity fund	New York Common (NYSCRF) - CRE Emerging Manager Program	JV with global investment manager	JV - $55MM from anchor (2016-2017) BIG Real Estate Fund I - $410MM (2017-2019)	BIG Real Estate Fund II $550MM Target
- CMBS Bonds - Senior Securitized CMBS and Agency Lending (2010-2017) - Profitable start up year - Approved by Fed as TALF borrower	**Distressed Debt/ B Notes/Mezz**	**B-Piece**	**Mezz & Pref Equity**	**Bridge**	**Mezz/Pref Equity/ Bridge/B-Pieces**	**Mezz/Pref Equity/ Bridge/ B-Pieces/Distress**
	- Ranked in top 10 US CMBS lenders	- Launched B Piece Venture	- Expanded Mezzanine & Preferred Equity platform	- Established Bridge lending platform - Additional $50MM (NYSCRF)	- Oversubscribed commingled fund - Contains all core strategies - 16 institutional LPs	- Leverage Fund I success - Proven experience managing through a downturn

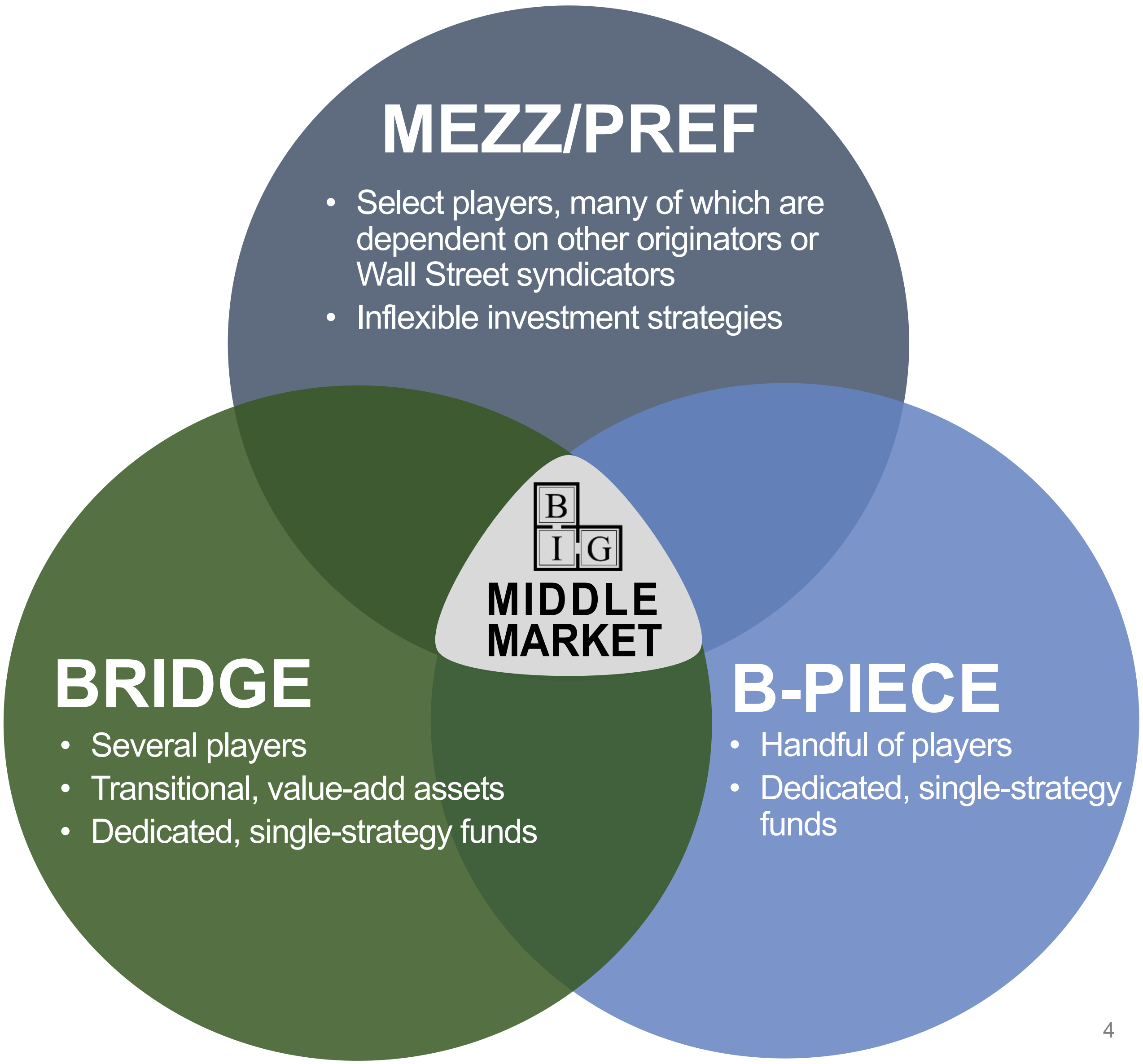
BIG Investment Platform

BASIS INVESTMENT GROUP, LLC

STANDING OUT IN THE CROWD

Basis is one of the few multi-strategy debt platforms:

- investing across the credit spectrum
- maximizing returns through diversification



CONSISTENT LEADERSHIP

Senior professionals have worked together for much of the past 20 years and have invested through multiple cycles

Tammy K. Jones

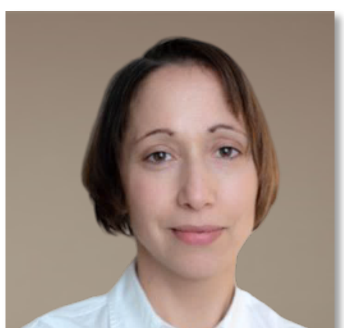
Kunle Shoyombo

Rich Cadigan

Leigh Roumila

Shaunak Tanna

Jason Shukofsky



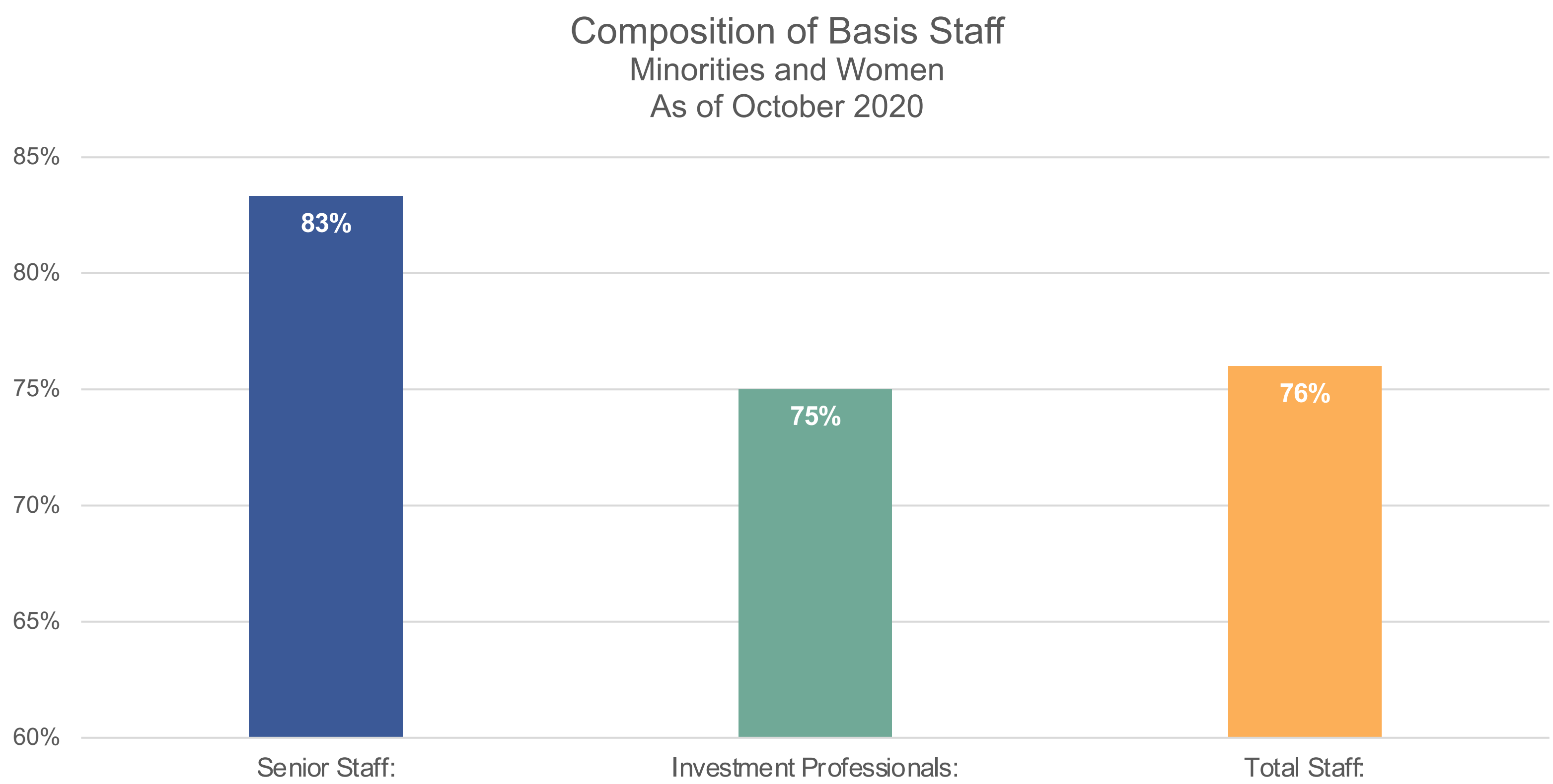
Sarah Kaplan

Anisa Keith

Arina Diary

Stephen Kennelly

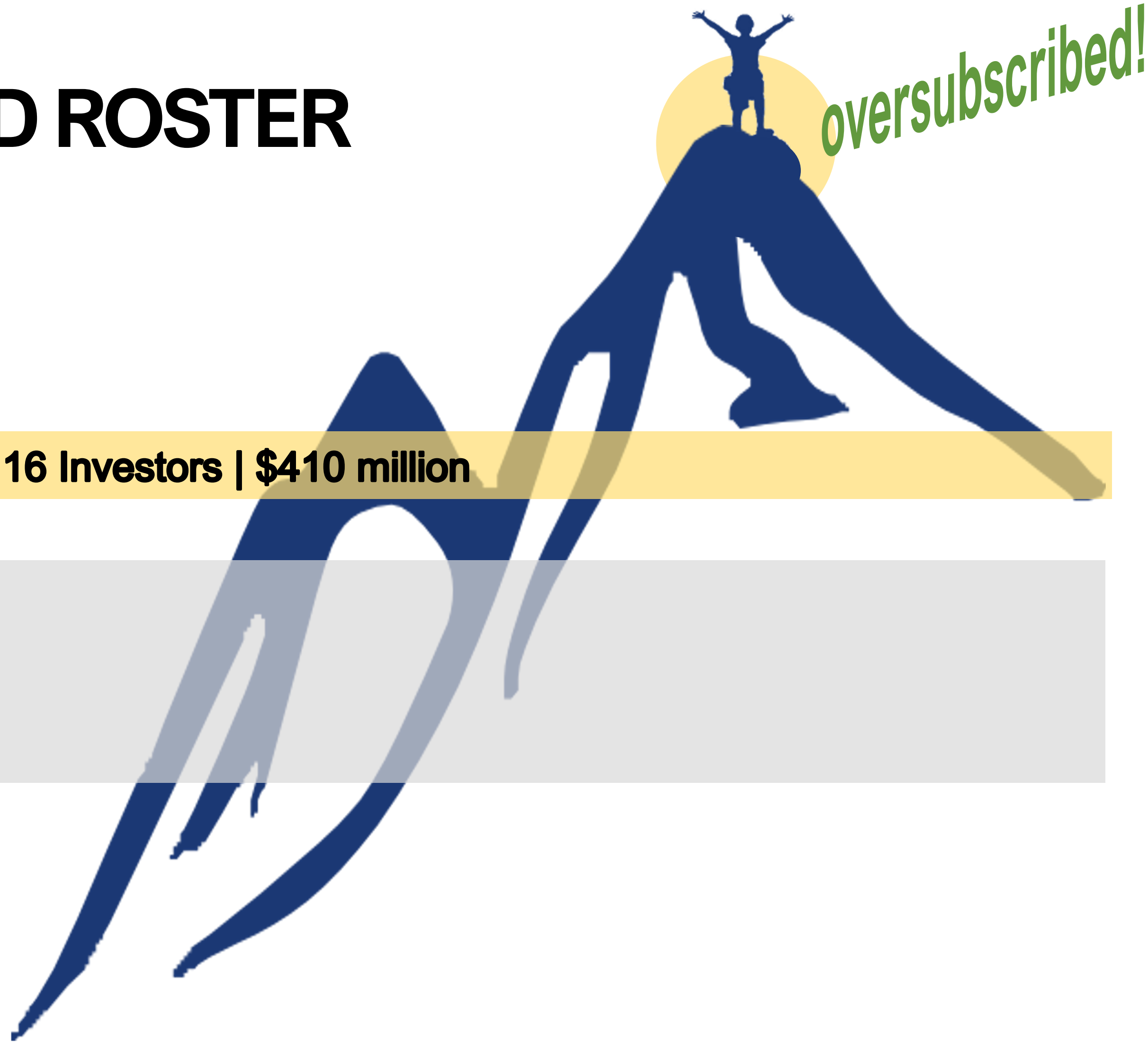
BIG DIVERSITY
“Our secret sauce”



15% qualified MWOB sponsors targeted for the Fund; currently nearly 30%

FUND I REVIEW

DISTINGUISHED ROSTER OF INVESTORS



BIG REAL ESTATE FUND I: 16 Investors | $410 million

- Institutional
- Public Plans
- Sovereign Wealth Fund
- Family Office

BIG FUND I DEPLOYMENT

100%

capital deployed

Bridge

Mezzanine & Preferred Equity

B-Piece

DELIVERING AS PROMISED

Fund I Score Card

PLAN	EXECUTION How are we doing?
Diversification	✓
Current Income	✓
Equity-like yields / debt protections	✓
Middle market focus	✓
Invest and protect capital	✓

FUND II OPPORTUNITY

BIG REAL ESTATE FUND II

Follow-on fund investing in similar strategies

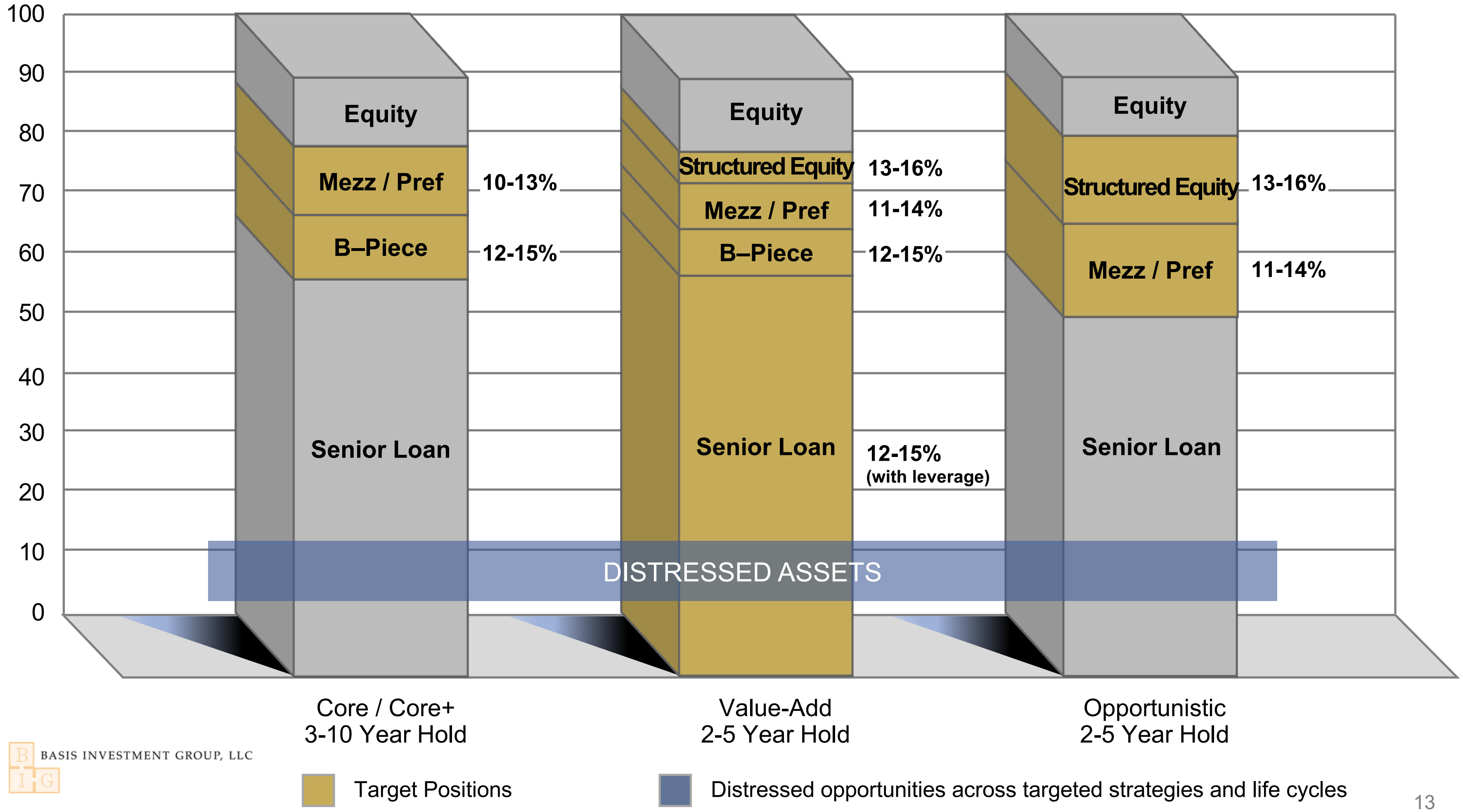
Mezzanine • Preferred Equity • Bridge Debt • B Pieces • Distressed Debt

Fund acquisitions, refinancings and recapitalizations	Target the $5-$50MM middle market segment with significant current income	Generally 5-10 year term, fixed and floating rate investments	Projected Gross Returns of 12-14%	Target Cash on Cash (CoC) Return of 8-10%

Up to $750MM Target Size

DIVERSIFIED INVESTMENT STRATEGY

Target Capital Stack Positions & Potential Returns



BASIS INVESTMENT GROUP, LLC

CRE DEBT & STRUCTURED EQUITY OPPORTUNITY

Demand Drivers

- Debt Maturities
- Transaction Volume
- Capital Market Volatility
- Middle Market Opportunities
- COVID-19 Disruption

Opportunities

BIG Real Estate Fund II Target Investments:

- Gap Equity – Mezzanine and Preferred
- Bridge Debt
- B-Piece/CMBS Bonds
- Development Mezz / Preferred Equity
- Structured Equity
- Distressed Investments

FUNDRAISING TIMELINE

1st Close
55%
Q2 2021

2nd Close
& 3rd Close
80%
Q3 2021

Final Close*
100%
Q4 2021

INVESTMENT PROCESS

Consistent approach to credit with zero credit loss since inception

Sourcing Investments	- Access to deals through brokers, banks, Wall Street firms, and direct borrower relationships - National footprint – closed deals in more than 47 U.S. states with 40+ national and regional brokerage firms - Routinely provided "last look" by several regional brokerage firms due to certainty of execution - Diverse CRE debt platform provides "one stop" solution
Deal Screening / Pipeline Management	- Senior professionals involved with all transactions early on to ensure they meet internal requirements - Detailed ground-up review of collateral, sponsor, location, tenancy, etc. - Deals structured to maximize returns and minimize risks
Due Diligence	- Detailed investment and market analysis, valuation determination using discounted cash flow model - Emphasis on cash flow underwriting, exit analysis, and site visits - Well reasoned and narrated credit analysis - Extensive legal review
Approval, Structuring / Closing	- Investment Committee approval with a team approach – each member involved in every transaction - Streamlined credit committee process - Creativity and flexibility in structuring complex transactions with credit enhancements
Asset Management / Investor Reporting	- Active investment management by dedicated asset management group - Careful monitoring of borrower business plans with structural features - Quarterly and annual reporting to investors. Audited tax returns
Exit	- Exit through pay-off from refinance or sale of underlying assets, portfolio sale possible - Basis has successfully exited with zero principal loss since inception - Assets currently under management generally performing as agreed

WHY BIG REAL ESTATE FUND II?

Defensive strategy with high absolute returns and downside protection

Diversified Strategy	Creates stable and diverse income streams with a consistent cash component
Experienced	Senior team has invested together for 20 years, through multiple cycles with an average of 22 years of experience in debt & equity
Proven Success	Demonstrated success in all Fund strategies with a strong 9-year track record; Fund Manager nationally recognized
Credit Centric	Disciplined credit culture with no credit losses since inception
Pipeline	Broad and deep loan sourcing channels and active pipeline
Market Opportunity	Positioned to capitalize on market opportunity to generate equity-like yields with debt protections

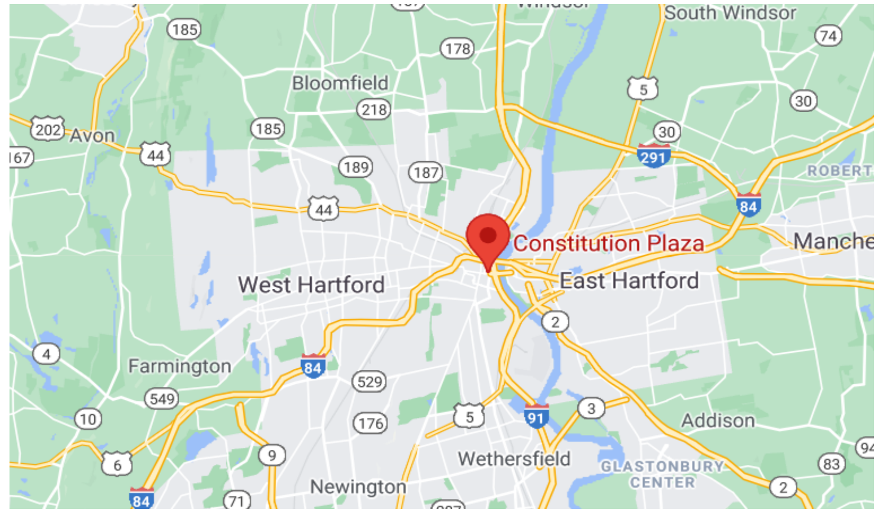
CASE STUDIES

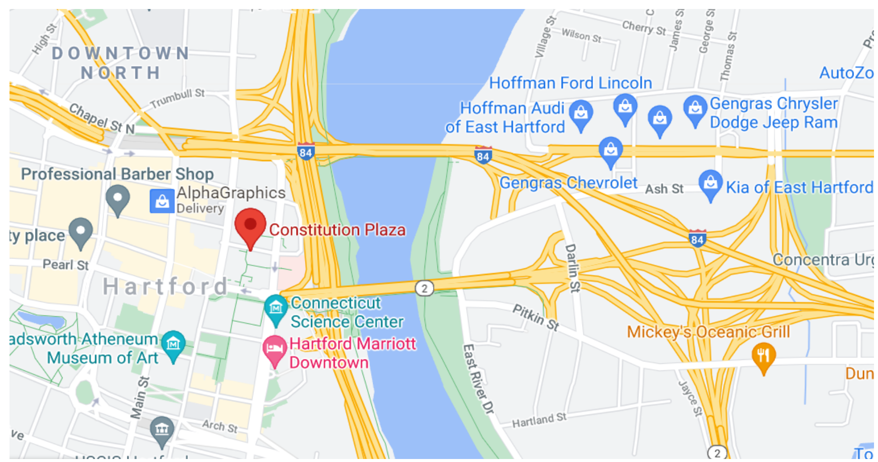
TRANSITIONAL ASSET REALIZED

REAL ESTATE

CONSTITUTION PLAZA

HARTFORD, CT





BASIS INVESTMENT GROUP, LLC

CONFIDENTIAL

TRANSITIONAL ASSET REALIZED

INVESTMENT RECAP

CONSTITUTION PLAZA

HARTFORD, CT

OVERVIEW

Invested Equity	$65 million
Acquisition Date	June 2015
Purpose	Acquisition
Location	Hartford, CT
Sponsor	Aaron Berger

Description

- $65.0 million ($98/SF) bridge loan investment in a 664,158 SF, Class A, six building complex located in the Hartford, CT Central Business District (the "Loan").
- The Loan, along with $14.1 million in cash equity was used to acquire the Property.

Property

- The Property is located in Hartford, CT.
- The transaction represented an opportunity to invest in an institutionally owned asset taken over by MetLife in the aftermath of the financial crisis and acquired by an opportunistic NY based investor.
- The Property had an impressive tenant roster comprising of investment grade companies with a long term occupancy history at the asset. All the top 5 tenants at the property had been in occupancy for over 10 years and had weighted average remaining lease terms of ~7 years.
- The Property's neighborhood was seeing significant public and private investments enhancing the appeal for tenants to be at this CBD location.

Sponsor

- Sponsor was Aaron Berger, an experienced commercial real estate investor and operator with over 28 years of experience.
- Mr. Berger has acquired, sold, and managed a real estate portfolio of over $210 million containing retail, office, industrial, and residential properties.

Opportunity

- Transaction represented an opportunity to get an above-average spread of L+625 for a class A property in a CBD location with a stabilized LTV of 74.7%.
- The Loan basis was at a 65% discount to estimated replacement cost.
- The Loan was structured with full cash flow sweep, springing LOC requirements for major tenants, rebalancing based on performance and funding of required reserves for TI/LC and capital expenses.

CONSTITUTION PLAZA

HARTFORD, CT

BUSINESS PLAN UPDATE

UNDERWRITING	FINAL*
• The Sponsor's strategy was to increase occupancy, add term to the anchor tenants and renew the Hartford City lease.	• The Borrower renewed Hartford and stabilized occupancy. • Sponsor paid the loan off on April 18, 2018, in-line with our projected investment duration.

COMPARATIVE ANALYSIS

		UNDERWRITING	FINAL	STABILIZED
PROJECTED PERFORMANCE	Occupancy	86.0%	**84.3%**	92.3%
	Net Cash Flow (NCF)	$4.20MM	**$2.54MM**	$5.57MM
	Debt Service Coverage Ratio (DSCR)	1.05x	**0.84x**	1.30x
	Debt Yield	6.9%	**3.9%**	8.6%
PROJECTED GROSS RETURNS	IRR	15.6%	**15.5%**	15.5%
	Multiple	1.5x	**1.4x**	1.4x

** Sponsor paid-off the loan prior to new leasing and renewals being accounted for in the cash flow*

RIVERGATE APARTMENTS

WOODBRIDGE, VA

RIVERGATE APARTMENTS

WOODBRIDGE, VA

OVERVIEW

Invested Equity	$13.5 million
Acquisition Date	September 2016
Purpose	Development
Location	Woodbridge, VA
Sponsor	IDI Group

Description

- $13.5 million ($192,267/unit; 75.1% LTC) mezzanine construction loan
- Ground-up development of a 402-unit, 6-story multifamily property
- $60.3 million senior construction loan

Property

- The Property is located in Woodbridge, VA
- Washington-Arlington MSA (sixth largest nationally); anchored by nation's capital
- Strong employment; 31% higher per-capita income than national average

Sponsor

- Highly experienced; developed 12,000 residential community units in D.C.'s MD and VA metro areas

Opportunity

- Opportunity to provide mezzanine debt at a low last dollar basis (26% discount to average sales comps)
- $20.1 million in cash equity subordinated to the investment
- Structural protection through completion guarantee and guarantee for carrying costs including interest and recourse rebalancing

CURRENT STATUS

RIVERGATE APARTMENTS
WOODBRIDGE, VA

BUSINESS PLAN UPDATE

UNDERWRITING	FINAL
• Finance the ground-up development of a new five-story waterfront development	• Borrower finished the construction on time and on budget, leased-up the property and paid off the loan on September 26, 2019 through a sale

COMPARATIVE ANALYSIS

		FINAL	STABILIZED
PROJECTED PERFORMANCE	Occupancy	**89.6%**	95.0%
	Net Cash Flow (NCF)*	**NAP**	$5.40MM
	Debt Service Coverage Ratio (DSCR)*	**NAP**	1.07x
	Debt Yield*	**NAP**	7.4%
PROJECTED GROSS RETURNS	IRR	**17.3%**	17.4%
	Multiple	**1.5x**	1.5x

**Borrower sold the property on lease-up before meaningful trailing numbers were available*

APPENDIX

SPEAKER BIOGRAPHIES

Tammy K. Jones
Co-Founder & Chief Executive Officer

Ms. Jones has more than 20 years of experience in the commercial real estate industry. Over her entire career, Ms. Jones has invested in and loaned CRE assets on behalf of large pension funds and institutional investors, including Equitable Real Estate (largest pension fund advisor and investment management firm at the time), GMACCM (one of the largest CRE lenders, owned by GM) and CWCapital (the U.S. debt investment platform owned by Caisse de dépôt, one of the largest pension fund managers in Quebec). Ms. Jones is a seasoned veteran in CRE investments, capital markets, and structured finance. Since 2009, Ms. Jones has served as both Co-Founder & Chief Executive Officer of Basis Investment Group (Basis), a multi-strategy commercial real estate investment platform she founded with JEMB Realty Corporation that acquires and originates a variety of senior and subordinated loans, preferred equity and joint venture equity positions on behalf of its investors. Under her leadership, Basis has succeeded in closing nearly $4.0 billion in commercial real estate debt and structured equity related investments across the United States. Prior to joining Basis, Ms. Jones worked at CWCapital LLC (CW) from 2004 to 2009, serving as head of CW's fixed and floating rate Capital Markets Lending Division and closing approximately $6B in investments. Between 1997 and 2004, Ms. Jones was a Senior Vice President of Commercial Capital Initiatives, Inc., a GMACCM subsidiary (now Berkadia) (GMACCM) and part of the leadership team responsible for creating GMAC's Capital Markets lending division. Prior to her seven years with GMACCM, she held various positions on the equity and asset management side of the business at commercial real estate investment companies including Equitable Real Estate and AMRESCO Management, Inc.

Ms. Jones currently serves as Chair of the Board of Mack-Cali Realty Corporation (NYSE: CLI) and formerly served as Lead Independent Director since June 2020, is an Independent Director for Crown Castle International Corp. (NYSE: CCI), is the Chair of the Real Estate Executive Council (REEC), is a member of the President's Council of Cornell Women (PCCW), is a member of the Executive Leadership Council, is on the Advisory Board for NYU's Schack Institute of Real Estate and is the Vice-Chairman of Basis Impact Group Foundation, a non-profit organization dedicated to creating a pipeline of women and minorities in commercial real estate. Ms. Jones formerly served as an Independent Director for Monogram Residential Trust, Inc. (NYSE: MORE). Ms. Jones was selected as one of Crain's New York Business' Notable Black Leaders and Executives of 2021, received the 2020 Cornell Baker Industry Leader Award, received the Council of Urban Professionals (CUP) 2019 Finance Catalyst Award and was recognized as one of The Network Journal's 25 Most Influential Black Women in Business in 2017. Ms. Jones holds a BA in Economics from Cornell University and an MBA with a concentration in Real Estate Finance from the J. Mack Robinson College of Business at Georgia State University.

Kunle Shoyombo
Chief Investment Officer

Mr. Shoyombo is Chief Investment Officer of Basis where he oversees investment sourcing, investment analysis, and investment management. Together with the CEO, Mr. Shoyombo develops and maintains Basis's investment goals, acquisition strategies, capital raising initiatives, asset allocation, employee management and overall firm leadership. Mr. Shoyombo has more than 25 years of experience in all aspects of CRE debt financing and structured equity investments. Prior to joining Basis, Mr. Shoyombo served as Managing Director and CIO for the Capital Markets Lending Division of CWCapital. He was one of original four senior executives who established CW Capital's lending platform, which originated, securitized, and sold CRE loans and structured equity investments totaling in excess of $6 billion. While at CWCapital, Mr. Shoyombo played a vital role in sourcing, underwriting, and structuring bridge loans, mezzanine and preferred equity investments. He also served as member of CW Capital's Investment Committee. Prior to joining CW Capital, Mr. Shoyombo held a senior position at GMAC Commercial Mortgage where he played an instrumental role within the company's CRE loan origination and securitization group. While at GMACCM, Mr. Shoyombo sourced, underwrote and closed CRE investment transactions in excess of $4 billion, and also served as a member of the firm's Investment Committee. Prior to GMACCM, Mr. Shoyombo held various senior positions at major financial institutions including Nomura Asset Capital, where he was responsible for originating, structuring, closing, and securitizing fixed and floating rate debt instruments in excess of $3 billion; Community Redevelopment Agency of Los Angeles; and Kenneth Michael and Company. Mr. Shoyombo earned an MBA in Finance with Honors from the Anderson Graduate School of Management at UCLA

SPEAKER BIOGRAPHIES

Richard Cadigan
Chief Compliance Officer

Mr. Cadigan joined Basis in 2009 and is a member of the firm's senior management team. As Managing Director, Mr. Cadigan handles all corporate legal matters, including negotiating and managing Basis's credit facilities, supervising all corporate governance and compliance matters, negotiating joint venture and separate account agreements, and the development and implementation of Basis's policies and procedures for structuring and closing all transactions. With over 20 years of experience both in the legal and business aspects of CRE finance, Mr. Cadigan works closely with Ms. Jones and Mr. Shoyombo to implement a legal agenda that proactively identifies and addresses critical issues that affect both the company and its strategic partners with the goal to foster continued growth and opportunities across all investment strategies. Prior to joining Basis, Mr. Cadigan was a partner at North River Capital Partners, a private equity fund established to invest in commercial mortgage debt through both the origination of new loans and the acquisition of existing debt instruments. Prior to his employment at North River, Mr. Cadigan was the manager of the transaction management team responsible for structuring fixed and floating rate loans at Dillon Read Capital Management LLC (DRCM), a hedge fund that was wholly owned by UBS. Prior to joining DRCM, Mr. Cadigan worked with Ms. Jones, Mr. Shoyombo, and Ms. Roumila at GMACCM. Mr. Cadigan received a JD from Seton Hall University School of Law and a BA from LaSalle University.

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By acceptance hereof, you also agree that: you are an "accredited investor" as defined in Regulation D promulgated under the U.S. Securities Act of 1933, as amended, and a “qualified purchaser” within the meaning of section 3(c)(7) of the U.S. Investment Company Act of 1940, as amended. You also agree that you (i) are capable of independently evaluating the investment risks of a potential investment in the Fund and (ii) will exercise such independent judgment in evaluating potential investments in the Fund.

This Presentation does not constitute an offer to sell or a solicitation of an offer to buy any securities and may not be used or relied upon in evaluating the merits of investing in the Fund. The offer and sales of interests in the Fund will be made only pursuant to the final offering and definitive governing documentation for the Fund (the “Fund Documents”) and in accordance with applicable securities laws. The terms of your investment in the Fund have not yet been finalized and, therefore, any discussion of terms or practices herein is preliminary and subject to change. The information set forth herein (including potential terms of the Fund) is provided for discussion and due diligence purposes only, is a summary, does not purport to be complete, does not contain key information about the Fund and is qualified in its entirety by reference to the Fund Documents. This Presentation is not a part of or supplemental to the Fund Documents. This Presentation, including any performance information contained herein, is superseded in its entirety by the applicable Fund Documents.

The recipients should make their own investigations and evaluations of the information contained in this Presentation. Prior to the closing of any Fund, prospective participants therein will have the opportunity to ask questions and receive additional information concerning the terms and conditions of investment in the Fund and other relevant matters. Each prospective investor should consult its own attorney, business advisor and tax advisor as to legal, business, tax and related matters concerning the information contained in this Presentation and such offering and in order to make an independent determination of the suitability and consequences of potential participation in the Fund.

References herein to the duration of the sponsor team's track record, experience and investments refer to investments made in the context of a variety of investment structures, the performance of which may differ materially from that of a private commingled investment fund such as the Fund. Further, the team of investment professionals of Basis responsible for the Fund's investment activities and operations will not necessarily be composed of the same investment professionals that have been responsible for all prior investment structures and their respective investments.

It should not be assumed that future investments will be profitable, will equal the performance of the investments in this Presentation, or will not incur losses. Future investments may be under materially different economic conditions, including interest rates, market trends and general business conditions, affecting different investments and using different investment strategies and these differences may have a significant effect on the results portrayed. No representation or warranty, express or implied, is made as to the accuracy or completeness of the information contained herein, and nothing shall be relied upon as a promise or representation as to the future performance of any investment.

SHAWN T. WOODEN
TREASURER

State of Connecticut
Office of the Treasurer

DARRELL V. HILL
DEPUTY TREASURER

June 4, 2021

Members of the Investment Advisory Council ("IAC")

Re: **Consideration of ICG Europe Fund VIII SCSp**

Dear Fellow IAC Member:

At the June 9, 2021 meeting of the IAC, I will present for your consideration a private equity opportunity for the Private Investment Fund ("PIF") in the Connecticut Retirement Plans and Trust Funds (the "CRPTF"): ICG Europe Fund VIII SCSp ("ICG Europe VIII" or the "Fund"). The Fund has a target size of €7 billion, or approximately $8.5 billion, and is being raised by Intermediate Capital Group ("ICG"), based in London.

I am considering a commitment of up to €150 million (approximately $183 million) in ICG Europe VIII, a fund that will make subordinated debt and structured equity investments in middle market companies across Western Europe. The Fund will provide the CRPTF with additional exposure to ICG, the largest mezzanine investor in Europe, and its differentiated capital solutions strategy that has allowed ICG to generate attractive and consistent returns for more than two decades.

Attached for your review is the recommendation from Steven Meier, Interim Chief Investment Officer, and the due diligence report prepared by Hamilton Lane. I look forward to our discussion of these materials at the next meeting.

Sincerely,

Shawn T. Wooden
State Treasurer

OFFICE OF THE STATE TREASURER
MEMORANDUM

DECISION

TO: **Shawn T. Wooden, Treasurer**

FROM: **Steven R. Meier, Interim Chief Investment Officer**

CC: **Darrell V. Hill, Deputy Treasurer**
Raynald D. Leveque, Deputy Chief Investment Officer
Kevin Cullinan, Chief Risk Officer
Mark E. Evans, Principal Investment Officer
Jason Melita, Investment Officer

DATE: **May 21, 2021**

SUBJECT: **ICG Europe Fund VIII SCSp – Final Due Diligence**

Summary

The purpose of this memorandum is to recommend that the Connecticut Retirement Plans and Trust Funds ("CRPTF") consider a commitment of up to €150 million (approximately $183 million) to ICG Europe Fund VIII SCSp ("ICG Europe VIII" or the "Fund"), a fund formed to invest primarily subordinated debt and junior capital in European middle market companies. The Fund has a target size of €7 billion and a hard cap of €8 billion, inclusive of a €0.5 billion commitment from the Fund's parent company, Intermediate Capital Group plc ("ICG"). The Fund held a first close on €2.5 billion of limited partner commitments in May 2021, with a second closed scheduled for June, and final close expected later in 2021.

The general partner of the Fund is ICG Europe Fund VIII GP LP SCSp ("ICG Europe" or the "Firm"), an affiliate of ICG, a publicly listed (LSE: ICP) investment management firm with approximately €47 billion of assets under management. ICG was established in London in 1989 to capitalize on opportunities in the European subordinated debt/intermediate capital market. The Fund is managed by a dedicated investment team of 35 professionals located in eight offices across Europe.

Strategic Allocation within the Private Investment Fund

The Fund's mezzanine or junior capital focus would be categorized within the mezzanine sub-strategy of the Private Investment Fund's ("PIF") Corporate Finance allocation. The Investment Policy Statement ("IPS") establishes target allocation ranges of 70% to 100% to Corporate Finance investments within the PIF portfolio as measured by a percentage of total exposure, defined as market value plus unfunded commitments. The PIF's total exposure to Corporate Finance strategies was approximately 84%, as of September 30, 2020.

A commitment to ICG Europe VIII would be aligned with several objectives of the PIF strategic pacing plan. The Fund would represent the CRPTF's second commitment to ICG's flagship European subordinated debt and equity strategy and allow the CRPTF to gain additional exposure to the market leading mezzanine investment firm in Europe. The recommended Fund commitment would also be in line with maintaining the PIF's long-term exposure to mezzanine strategies of 7% to 9% while also increasing the PIF's exposure to a differentiated European focused strategy. As of September 30, 2020, the PIF's exposure to mezzanine strategies was approximately 7% while its exposure to Europe was 13%.

Firm and Management Team

ICG was established in London in 1989 with the backing of nine financial institutions to capitalize on the growth of the European subordinated debt, or intermediate capital, market. After investing from its balance sheet for several years, ICG Europe began managing capital on behalf of third-party investors in 1994 and raised its first co-mingled fund focused on European mezzanine investments in 1998. Since that time, ICG's investment platform has expanded globally, and the Firm had approximately €47 billion of assets under management as of December 31, 2020 across strategies encompassing structured and private equity, private debt, real assets, and liquid and structured credit. ICG had more than 450 employees located in 14 countries at the end of 2020.

The Fund will be managed by 28 investment professionals that are dedicated to the ICG Europe fund activities. ICG and the ICG Europe funds are led by Benoit Durteste, who is ICG's Chief Executive Officer and Chief Investment Officer. Durteste joined ICG in 2002 and has led the ICG Europe platform for more than a decade. The ICG Europe investment team includes 15 Managing Directors, including four Managing Directors that oversee regional or country focused teams. Nine Managing Directors also serve as Industry Champions who have developed substantial expertise in the core sectors in which ICG invests. The Fund's investment team is spread across eight ICG offices in Europe consistent with the GP's strategy of maintaining a strong, local market presence.

Unlike many traditional credit firms, ICG Europe is an active, involved investor with each of its companies. A senior ICG Europe deal team member attends board meetings for every portfolio company, either as an observer or non-executive director, and the Firm's professionals are in frequent contact with portfolio company management. ICG Europe VII has board attendance rights for all of its unrealized investments, and the GP will seek the same access rights for the Fund. The ICG Europe investment team is supported by a seven-member Value Enhancement team, led by Rosine Vitman, a Managing Director who joined ICG in 2000. The Value Enhancement team members work closely with ICG Europe's investment professionals pre- and post-investment in areas such as commercial due diligence execution, ESG screening and due diligence, capital markets, supporting value creation initiatives, and portfolio monitoring and valuations.

The Fund's Investment Committee, which is responsible for investment approval and portfolio management oversight, is comprised of five voting members and two non-voting members. The voting members include Benoit Durteste and four senior members of the ICG Europe investment with an average tenure of 16 years at ICG and more than 25 years of total investment experience. Rosine Vitman, Head of Value Enhancement, and Eimear Palmer, Managing Director – Responsible Investing, are the non-voting members of the Investment Committee.

Investment Strategy and Market Opportunity

ICG Europe VIII will follow an investment strategy consistent with ICG Europe's predecessor funds, with a focus on providing bespoke subordinated debt and junior capital solutions to middle market European companies. ICG Europe generally targets customized capital solutions investments that may consist of a blend of senior and subordinated debt, structured notes, and equity or equity-like instruments. The Firm's investments often involve complex capital structures, which provide the ICG Europe funds the opportunity to deliver both a significant contractual return and an attractive overall risk-adjusted return, particularly when compared to traditional debt or structured equity financings. As a result of the differentiated value proposition and customized capital solutions that ICG Europe provides, the Firm expects to deliver returns comparable to European private equity strategies but with the added benefit of significantly less risk and volatility derived from the Fund's credit and structured equity focus. The Fund's targeted gross internal rate of return ("IRR") and total value multiple ("TVM") are 18% and 1.8x, respectively, which are consistent with the expected returns for the more mature ICG Europe V and VI portfolios.

The ICG Europe investment strategy has evolved over the last three decades from an initial focus on syndicated mezzanine transactions to the strategy that has been successfully executed over its more recent ICG Europe Funds: targeting locally sourced, directly originated, and privately negotiated subordinated debt and other junior capital investments. To source and successfully close investment opportunities that meet the Fund's investment criteria, ICG Europe leverages the experience and broad network of relationships that its 28 investment professionals have developed across Western Europe. ICG believes having local deal teams that speak the languages and understand the cultures of the specific markets in which ICG operates is a key competitive advantage. To that end, the Fund's investment team is located in ICG offices in London, Amsterdam, Frankfurt, Luxembourg, Madrid, Milan, Paris and Stockholm.

ICG Europe VIII will generally target investments in mature European middle market companies with experienced management teams and enterprise values between €200 million and €3 billion. While ICG is not a sector focused manager, the recent ICG Europe funds have invested in nine core sectors, with business services, healthcare and pharma, software, manufacturing, and building materials comprising most of the exposure in the ICG V, VI, and VII portfolios. Due to its long-term position in the European market, the ICG Europe funds have frequently followed many target companies for years and have been able to invest in repeat transactions with the same companies, which have often increased in size and gone through various ownership transitions over time.

ICG Europe has developed an expertise and solid reputation in providing these targeted companies with customized, flexibly structured debt and equity capital solutions that are not readily available from investment firms focused exclusively on either debt or private equity capital. Further, ICG Europe's flexible capital strategy and team experience allows the Firm to target and invest in various transaction types across different market conditions, which ICG Europe categorizes into the three market segments summarized below.

- **Corporate** - These opportunities generally involve management-led transactions, where ICG may partner with an existing management team seeking to structure a management buyout from the current majority shareholder, which could be a family enterprise or a private equity firm. ICG Europe also seeks to partner with existing management-led or family-owned companies that are seeking a flexible capital solution to refinance existing debt or fund growth strategies without having to give up control to a private equity buyout firm. The majority of ICG Europe's capital deployment over the last eight years have been in Corporate opportunities.
- **Sponsored** – ICG Europe will provide capital in support of a private equity sponsor-led buyout or growth transaction; however, the Firm tends to select only those opportunities where it has an angle, e.g., it has previously invested in the company, and where the sponsor is not simply seeking the lowest priced capital.

- **Opportunity** – Through its long-standing presence in the European middle market, ICG Europe identifies opportunities to invest in solidly performing companies that are known to the Firm but may have capital structures that are impeding growth or strategic initiatives. Opportunity investments may result from a short-term dislocation or volatility in a company's end market, which causes the target's shareholders to seek a custom, flexible capital solution to address a needed recapitalization or refinancing. ICG Europe also seeks out Opportunity investments created when an existing lender or investor becomes a "forced" seller due to market, regulatory, or other pressures.

The ICG Europe team has observed an increased market opportunity across the Corporate, Sponsored, and Opportunity categories as Europe continues to recover from the impacts of COVID-19. Corporate opportunities have increased due to family and management-owned companies prioritizing flexible capital solutions to maneuver market complexities, with some seeking a capital partner to effect opportunistic acquisitions. ICG expects an increase in Opportunity deal flow as more companies seek an accommodative capital structure to alleviate financial stress or to acquire competitors that may be under stress. ICG expects to remain selective in the Sponsored market segment but has identified an increased demand for junior capital, particularly for larger transactions involving companies that have performed well during COVID.

Consistent with recent ICG Europe funds, the Firm expects the ICG VIII's portfolio to be constructed of 15 to 25 companies diversified across security type, sector, geography, and investment size. The ICG Europe funds invest across Europe, although historically most of the funds' exposure was derived from the larger economies of the UK, France, and Germany. The GP expects the Fund's investment size to range from €100 million to €700 million per company. The ICG Europe average investment size has increased with each successive fund as the GP has continued to focus on larger, more established companies in higher valued segments such as software. As noted, the Firm has frequently invested in the same company through repeat transactions, which tend to increase in size as these companies continue to grow.

ICG Europe also seeks to identify investment opportunities that will provide the Fund with an opportunity for exit three to five years after its investment is made. The Fund's credit orientation and ICG Europe's adherence to sound structuring, documentation and governance practices allows the Firm to de-risk the portfolio through contractual interest payments during the hold period while also providing downside protection and stronger recovery potential should a company underperform. Since inception, ICG Europe has generated an average return of 1.1x cash on all realized investments that were in default, evidencing the Firm's focus on downside protection and ability to manage challenged investments.

Track Record

Since raising its first institutional fund focused on mezzanine and intermediate capital in 1998, ICG Europe had invested more than €21.5 billion in approximately 390 transactions, which generated a gross TVM of 1.6x as of December 31, 2020. These investment results include capital invested through the ICG Europe funds as well as €8.6 billion of ICG plc balance sheet capital and over $1 billion of co-investment capital.

While the track record for all ICG Europe funds is provided in the Investment Performance Summary table, PFM investment professionals focused on a review of the still active ICG Europe V, VI, and VII funds, which are also most closely aligned with Fund's scale and strategy.

ICG V through VII had invested €6.9 billion across 49 investments as of December 31, 2020, which generated a gross IRR and TVM of 19% and 1.7x, respectively.

On a net basis, the ICG Europe V through VII had generated a net IRR of 16% and a net TVM of 1.5x as of December 31, 2020 as shown in the following table.

(€ in millions, as of December 31, 2020)

ICG Europe
Investment Performance Summary[1]

Fund	Vintage Year	Fund Size	# Deals	Invested Capital	Realized Value	Unrealized Value	Total Value	Gross / Net TVM	Gross / Net IRR	Gross / Net DPI	Quartile Rank TVM	Quartile Rank IRR	Quartile Rank DPI
Fully Realized Funds													
ICG Mezzanine I	1998	€85	23	€53	€78	€0	€78	1.5x / 1.3x	12% / 9%	1.5x / 1.3x	3rd	2nd	3rd
ICG Mezzanine II	2000	€308	55	€373	€633	€0	€633	1.7x / 1.6x	17% / 14%	1.7x / 1.6x	2nd	1st	2nd
ICG Mezzanine III	2003	€668	80	€1,677	€2,399	€20	€2,419	1.9x / 1.6x	13% / 13%	1.4x / 1.6x	2nd	2nd	2nd
ICG Europe IV	2006	€1,746	47	€1,622	€2,522	€0	€2,522	1.6x / 1.5x	11% / 9%	1.6x / 1.5x	2nd	2nd	1st
ICG Europe IV-RF	2008	€643	11	€532	€994	€0	€994	1.9x / 1.6x	16% / 12%	1.9x / 1.6x	2nd	2nd	1st
ICG Europe IV-MP	2008	€115	4	€121	€247	€0	€247	2.0x / 1.8x	34% / 24%	2.0x / 1.8x	1st	1st	1st
Active Funds													
ICG Europe V	2011	€2,500	22	€2,015	€2,994	€575	€3,568	1.8x / 1.6x	16% / 13%	1.5x / 1.3x	2nd	2nd	1st
ICG Europe VI	2015	€3,000	17	€2,422	€1,731	€2,752	€4,484	1.9x / 1.7x	23% / 20%	0.7x / 0.6x	1st	1st	2nd
ICG Europe VII	2018	€4,500	10	€2,511	€92	€3,447	€3,539	1.4x / 1.3x	23% / 24%	0.0x / 0.0x	1st	1st	3rd
Total Active Funds Funds		**€10,000**	**49**	**€6,948**	**€4,817**	**€6,775**	**€11,591**	**1.7x / 1.5x**	**19% / 16%**	**0.7x / 0.6x**			

Source: ICG, Hamilton Lane, and CRPTF. Hamilton Lane Credit (EUR) Benchmark. Quartile Rank based on net returns.
1. Fund size includes GP/ICG plc commitment alongside relevant ICG Europe fund; net returns shown are based on fund limited partner returns.

ICG Europe V ranked as second quartile fund on an IRR and TVM basis and the fund's distributed to paid in capital ("DPI") ratio placed it the first quartile of Hamilton Lane's Credit (Euro denominated) benchmark as of December 31, 2020. As of the same date, ICG Europe V had fully or substantially realized 18 investments, which generated a gross return on invested capital of 2.0x with one investment realized for slightly less than cost. Several of the remaining unrealized ICG Europe V companies were adversely impacted by COVID-19, but the unrealized value of these investments represented approximately 4% of the fund's total value.

ICG Europe VI ranked as a first quartile fund on an IRR and TVM basis when compared to the 2015 vintage year funds in the Hamilton Lane benchmark; the fund's DPI of 0.6x as of December 31, 2020 placed it in the second quartile. The fund had fully or substantially realized ten investments as of December 31, 2020, with a combined TVM of 1.9x. Six of the fund's investments were fully realized as of the end of 2020 and returned a total of 1.8x invested capital, inclusive of the fund's one realized loss. All but one of the fund's seven fully unrealized portfolio companies were held above cost as of December 31, 2020, with the one impaired investment impacted by COVID-19 related shutdowns in the company's home market of Italy.

PFM investment professionals note that quartile rankings are less relevant for funds of recent vintage years, but ICG Europe VII's portfolio performed relatively well during COVID-19 with only one company's performance moderately impacted due to lockdowns in France and Italy. All ICG Europe VII companies were marked above cost as of December 31, 2020 when the fund ranked in the first quartile on an IRR and TVM basis. The fund is still in its investment period and had limited realizations as of December 31, 2020; therefore, the fund's below median DPI quartile ranking was not reflective of the fund's expected performance at maturity. As of February 2021, ICG Europe VII was 85% committed when considering transactions pending or under exclusivity.

While not shown in the Investment Performance Summary table above, ICG Europe V through VII all ranked as first quartile funds on an IRR and TVM basis when utilizing the more narrowly defined Hamilton Lane Credit/Mezzanine (Euro) benchmarks as of December 31, 2020. In addition, ICG Europe V, VI, and VII all generated positive public market equivalent returns as of December 31, 2020 using the CS High Yield index.

Key Strengths

1. ***Well-Established Market Presence & Experienced Team*.** ICG is the largest and longest-tenured investor of mezzanine and junior capital in Europe. ICG Europe has one of the largest teams of investment professionals dedicated to the European mezzanine market, which is a significant competitive advantage and essential to executing the Fund's strategy. The ICG Europe funds are led by an experienced, cohesive team of investment professionals who have worked together for more than 16 years on average and have more than 25 years of average investment experience. The Firm's long-term reputation as a trusted capital partner, experienced investment team, and institutional knowledge base serve as competitive advantages that are expected to benefit the Fund's investors.

2. ***Differentiated Strategy with Proven Execution & Performance*.** The Fund's flexible investment strategy allows the Firm to identify attractive investment opportunities across various market conditions and from numerous deal sources. The opportunity for ICG Europe's expertise with customized capital solutions is expected to remain strong as Europe continues to recover from the impacts of COVID-19 and companies and shareholders seek a proven, capital partner to address both challenges and growth opportunities. The breadth of opportunities sourced through ICG Europe's local, direct origination model allows the Firm to maintain highly disciplined with its investment selection and underwriting standards. The investment team's significant experience structuring complex, customized financings has allowed the Firm to deliver consistently strong performance with low loss ratios, which demonstrates the effectiveness of the Fund's strategy.

Major Risks and Mitigants

1. ***Increased Fund Size*.** Assuming ICG Europe VIII reaches its hard cap of €8 billion, inclusive of ICG plc's commitment, the Fund would be more than 75% larger than ICG Europe VII. Such a substantial increase in fund size raises concerns about the manager's ability to effectively deploy a larger pool of capital and whether the market opportunity is sufficiently available. Based on a review of ICG Europe's recent investment activities, the growth of the ICG Europe team, and the size of the available market opportunity, PFM investment professionals gained comfort with GP's ability to effectively source and manage investments consistent with the ICG Europe strategy at the Fund's expected size.

   The ICG Europe team has effectively deployed larger funds, while maintaining disciplined underwriting standards in line with the ICG Europe strategy. The ICG Europe investment and value enhancement teams have grown since ICG Europe VII was raised in 2018, consistent with the Firm's historical practices of investing to support a larger capital base. The size of the average ICG Europe investment has grown from €114 million in ICG Europe V to over €380 million in ICG Europe VII driven by several factors, including the increased demand for ICG's flexible junior capital solutions due to growing transaction complexity and portfolio company size. ICG Europe's increased investment size is also impacted by the Firm's history of making repeat investments in the same company, particularly those that have continued to expand over time. This differentiated sourcing angle provides the ICG Europe team with advantaged deal flow and the ability to make more informed investment decisions based on deep insights developed through existing working relationships with management and shareholders. ICG Europe committed €1.6 billion of capital to four transactions during the twelve months ended February 2021, which demonstrates both the Firm's capacity to deploy capital effectively and the scale of the market opportunity available to it.

Legal and Regulatory Disclosure (provided by Legal)

Through its disclosure, ICG Europe SARL ("ICG"), states (i) it has no material legal or non-routine regulatory matters, (ii) no material claims under its fidelity, fiduciary or E&O insurance policies, and (iii) no ongoing internal investigations to report. ICG states it has adequate procedures in place to undertake internal investigations of its employees, officers and directors.

Compliance Review

The Chief Compliance Officer's Workforce Diversity & Corporate Citizenship review is attached.

Environment, Social & Governance Analysis ("ESG")

The Assistant Treasurer for Corporate Governance & Sustainable Investment's Evaluation and Implementation of Sustainable Principles review is attached.

COMPLIANCE REVIEW FOR PRIVATE INVESTMENT FUND (ICG EUROPE FUND VIII)

SUMMARY OF LEGAL AND POLICY[1] ATTACHMENTS

SUBMITTED BY

ICG INTERMEDIATE CAPITAL GROUP PLC & ICG EUROPE SARL

I. Review of Required Legal and Policy Attachments

ICG INTERMEDIATE CAPITAL GROUP PLC AND ICG EUROPE SARL ("ICG") a Luxembourg-based company, completed all required legal and policy attachments. It disclosed no third-party fees, campaign contributions, known conflicts, gifts or legal/regulatory proceedings.

II. Workforce Diversity

ICG being European-based does not track workforce diversity data. However, it did provide gender breakdown information as follows: as of March 31, 2020, it employed 409, of which 132 (or 32%) are women. Also, as of March 31, 2020, there were no female Executive Directors. However, of the 20 Senior Managers reporting to the Executive Directors, 5 are women, as is the Head of Internal Audit who reports to the Chair of the Audit Committee.

Commitment and Plans to Further Enhance Diversity

ICG believes that a more diverse and inclusive workforce will enhance delivery of its strategic objectives and shareholder value. It has pledged to increase the number of women in Senior Management roles in an industry in which senior investment positions are held predominantly by men. ICG reported progress with regard to addressing its gender pay gap, and also that it has put in place a number of initiatives to increase talent diversity and to foster a culture of inclusivity. Some of these initiatives include, extending the reach of its search and selection to balance "candidate short lists for all roles", and maximizing diversity on interview panels to moderate bias and to also support individuals in their career progression through mentoring and training. It acknowledges it will take some time for the measures put in place to be reflected in the statistics.

III. Corporate Citizenship

Charitable Giving:
ICG reported that the human impact of the Covid-19 pandemic is of utmost importance to the company. It has supported charities who are working to "soften the wider impact of Covid-19 around the world". £250,000 was donated to two such charities and the funds were split equally between the Covid-19 Solidarity Response Fund and City Harvest. The Covid-19 Solidarity Response Fund is a global initiative to fund the World Health Organization's work to track and understand the spread of the virus. The £125,000 donated will help ensure patients get the care they need and frontline workers get essential supplies and information and will accelerate efforts to develop vaccines, tests and treatments. City Harvest is a London-based charity that puts surplus food to good use in a sustainable way. It collects nutritious surplus food from all segments of London's food industry and redistributes it to serve thousands of healthy meals each week to vulnerable populations. It will use the £125,000 donated primarily to extend its distribution methods. ICG has also established a more robust charitable giving initiative and developed a three-year program to increase its charitable giving. As such, it recently entered into a binding commitment to donate £1.5m over three years to two educational charities identified by the Educational Endowment Foundation which have significant impact on improving the outcomes of underprivileged young people in the UK.

[1] The Treasury Unit responsible for reviewing ICG's ESG submission will prepare a separate report.

Internships/Scholarships:
As was mentioned earlier, ICG has committed to donate £1.5m, over 3 years in collaboration with the Education Endowment Foundation and will support the Nuffield Early Learning Intervention and the Tutor Trust.

Procurement:
ICG reported that that it has a local policy to engage diverse businesses, however, such a policy would be illegal in continental Europe.

Evaluation and Implementation of Sustainable Principles (provided by Assistant Treasurer of Corporate Governance and Sustainable Investing Policy)

	Criteria	Responses
1	Firm has an ESG policy	Yes
1a	If yes, firm described its ESG policy	Yes
2	If yes, firm provided examples of ESG factors considered in the decision-making process, explained the financial impact of these ESG factors	Yes
3	Designated staff responsible for sustainability policies and research	Yes
4	Firm provides training/resources on sustainability issues, explained sources of ESG-related data	Yes
5	Signatory/member of sustainability-related initiatives or groups	Yes
6	Policy for evaluating current or prospective relationships with manufacturers or retailers of civilian firearms	Yes
7	Policy that requires safe and responsible use, ownership or production of guns	Yes
8	Enhanced screening of manufacturers or retailers of civilian firearms	Yes
9	Enhanced screening of any industry/sector subject to increased regulatory oversight, potential adverse social and/or environmental impacts	Yes
10	Merchant credit relationships with retailers of civilian firearms and accessories	No
10a	If yes, firm confirms compliance with laws governing firearms sales	N/A
11	Overall assessment of responses (e.g., depth of approach to ESG and integration)	The firm described a comprehensive integration of ESG into its investment process. ICG is a signatory of the UN PRI, a founding signatory of the ICI (Initiative Climate International) network in the UK, and a member of the Carbon Disclosure Project. Their Responsible Investment Committee is in charge of ESG policies and research, which includes their Responsible Investment Officer and Head of Value Enhancement. The firm utilizes an internal ESG checklist on every investment as part of their due diligence process and conducted a climate risk (scenario analysis) assessment this past year to identify investments with high risk exposure. ICG conducts ongoing monitoring of ESG issues and reports on findings annually. The firm bans investments in civilian firearm manufacturers and retailers.
	SCORE: Excellent - 1 Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented organizations; enhanced screening of firearms and/or higher-risk sectors Very Good - 2 Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented+B3 organizations Satisfactory - 3 General description of ESG philosophy and integration; some evidence of framework for ongoing ESG assessment; member of sustainability-oriented organizations Needs Improvement - 4 Generic and/or vague description of ESG philosophy and integration; no ongoing ESG assessment; no dedicated ESG staff or resources Poor - 5 Incomplete or non-responsive	1

Hamilton Lane

Connecticut Retirement Plans and Trust Funds
ICG Europe Fund VIII SCSp

Recommendation Report

April 2021

Important Disclosures

All information contained within this report has been gathered from sources believed to be reliable, including but not limited to the general partner(s), other industry participants and the Hamilton Lane Investment Database, but its accuracy cannot be guaranteed.

The information contained in this report may include forward-looking statements regarding the fund presented or its portfolio companies. Forward-looking statements include a number of risks, uncertainties and other factors beyond the control of the fund or the portfolio companies, which may result in material differences in actual results, performance or other expectations. The opinions, estimates and analyses reflect our current judgment, which may change in the future.

The past performance information contained in this report is not necessarily indicative of future results and there is no assurance that the fund will achieve comparable results or that it will be able to implement its investment strategy or achieve its investment objectives. The actual realized value of currently unrealized investments will depend on a variety of factors, including future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the current unrealized valuations are based.

Any tables, graphs or charts relating to past performance included in this report are intended only to illustrate the performance of the fund or the portfolio companies referred to for the historical periods shown. Such tables, graphs and charts are not intended to predict future performance and should not be used as the basis for an investment decision.

By accepting receipt of this investment report and in consideration of access to the information contained herein (together with the investment report, the “Confidential Information”), the recipient agrees to maintain the strict confidentiality of any and all Confidential Information in accordance with the terms of this paragraph. The recipient acknowledges that (i) the Confidential Information constitutes proprietary trade secrets, and (ii) disclosure of any Confidential Information may cause significant harm to Hamilton Lane Advisors, L.L.C. (“Hamilton Lane”), its affiliates or any of their respective businesses. Unless otherwise required by law, the recipient shall not disclose any Confidential Information to any third party. If required by law to disclose any Confidential Information, the recipient shall provide Hamilton Lane with prompt written notice of such requirement prior to any such disclosure so that Hamilton Lane may seek a protective order or other appropriate remedy. Prior to making any disclosure of any Confidential Information required by law, the recipient shall use its reasonable best efforts to claim any potential exemption to such requirement and otherwise shall limit disclosure only to such information that is necessary to comply with such requirement.

The calculations contained in this document are made by Hamilton Lane based on information provided by the general partner (e.g. cash flows and valuations), and have not been prepared, reviewed or approved by the general partner.

Stacked bar charts or pie charts presented in the Strategy section in this report may not equate to 100% per the data labels on the charts due to rounding; however, all stacked bar charts and pie charts equate to 100% using exact proportions.

Table of Contents

Fund Information

Organization Overview

General Partner:

Intermediate Capital Group plc ("General Partner"), ("ICG")

Firm Inception:

1989

Team:[1]

35 investment professionals

Senior Partners:[2]

Benoît Durteste, Hadj Djemai, James Roddis, Jens Tonn and Luigi Bartone

Location:

London (headquarters), Frankfurt, Milan, Madrid, Paris, Stockholm, Amsterdam and seven other locations

Fund Overview

Fund:

ICG Europe Fund VIII SCSp ("Fund")

Target Size/Hard Cap:[3]

€7.0 billion/not provided

Strategy:

Mezzanine

Substrategy:

Sponsored/unsponsored

Geography:

Western Europe

Industries:

Diversified

Portfolio Construction

Enterprise Values:

€300 million to €3.0 billion

Investment Sizes:

€100 million to €700 million

Target Number of Investments:

15 to 25

Max Single Investment Exposure:

10%

Expected Hold Period Per Investment:

3 to 5 years

[1]Including Value Enhancement team
[2]Voting investment committee members
[3]Including up to €500 million from the General Partner's commitment

Net Performance and Benchmarks

Intermediate Capital Group plc Prior Investment Performance[1] As of 12/31/20								HL Benchmark Credit As of 12/31/20			PME Benchmark CS High Yield As of 12/31/20	J-Curve Benchmark Mezzanine As of 9/30/20
(€mm) Fund	Vintage	Fund Size	% Drawn[2]	DPI	TVPI	Net IRR	Quarters to Break J-Curve	Spread vs. Top-Quartile DPI	TVPI	Net IRR	Spread vs. PME	Comparison to Peers (quarters)
Fund V	2011	€ 2,500	101%	1.3x	1.6x	12.6%	7	0.0x	-0.3x	-5 bps	+415 bps	3 later
Fund VI	2015	3,000	97%	0.6x	1.7x	19.7%	7	-0.3x	0.5x	+1250 bps	+1585 bps	5 later
Fund VII	2018	4,500	62%	0.0x	1.3x	24.4%	2	-0.3x	0.2x	+1552 bps	+2177 bps	1 later
Total				**0.6x**	**1.5x**	**16.1%**					**+1018 bps**	

Fundraise Update

- Early first close expected on May 10, 2021
- First close expected in June 2021

[1]Capital Drawn, Capital Distributed and NAV are calculated from the cash flows of fee-paying limited partners and exclude any cash flows from the General Partner's commitment
[2]Fund Size and percent drawn provided by the General Partner and inclusive of the General Partner's commitment

Executive Summary (cont.)

Key Terms[1]

Term	Summary
Investment Period	5 years; + 1 one-year extension with limited partner approval
Fund Term	10 years; + 1 one-year extension at the discretion of the General Partner; + 1 one-year extension with limited partner approval
GP Commitment	7% (€500 million)[2]
Management Fee	1.5% of aggregate commitments stepping down to 1.25% of net invested capital during the post-investment period
Fee Discount	See table below
Fee Offset	100%
Organization Expenses	The greater of (i) 0.09% of fund commitments, excluding ICG's commitment, or (ii) €6 million
Carry/Preferred Return	20%/8%; European waterfall; full return of contributions
GP Catch-up	100%
Clawback	Yes

Fee Discount

Capital Commitment	Investment Period
<€150 million	• 1.5% of aggregate commitments
€150 million - €199 million	• 10 basis point discount
€200 million - €249 million	• 10 basis point discount on the first €150 million • 20 basis point discount on the portion over €150 million
>€250 million	• 10 basis point discount on the first €150 million • 20 basis point discount on the portion between €150 million and €200 million • 25 basis point discount on the portion over €200 million

[1]Refers to the terms proposed by the General Partner as of March 2021; terms are subject to change during fundraising; [2]ICG plc commitment and team member commitment.

Executive Summary (cont.)

Investment Thesis

Established asset manager with reputable brand name and local, European presence	• ICG has built a strong brand name through consistent market presence and repeated investment success since its inception in 1989, with strategies spanning private and public markets • Established, local investment teams with deep networks drive origination in the General Partner's key markets
ICG's flexible investment strategy is differentiated from its competitive set	• ICG pursues a flexible mandate, often combining positions across the capital structure to fit specific deals, allowing the General Partner to optimize the risk-return profile of each investment • ICG's experience in structured deals is well suited to the current environment, with a flexible strategy able to capitalize on Corporate unsponsored, Sponsored LBOs or Opportunity transactions in a bifurcated post-pandemic environment
Well-tenured, cohesive, leadership team supported by deepened, Value Enhancement team	• The General Partner is led by a cohort of well-tenured, cohesive, senior investment professionals with regional coverage responsibilities • ICG has expanded value creation and portfolio management capabilities by growing its Value Enhancement team
Near- and Top-quartile net returns, across prior funds	• Funds VI and VII have generated top-quartile net IRR returns relative to peers, while Fund V has generated near-top quartile performance • Since Fund VI, gross-to-net spreads have improved given an increased focus on fund management, including the implementation of a bridge facility for capital calls • As of 12/31/20, mature funds display low loss ratios, reflective of the General Partner's focus on structuring investments to protect downside

Executive Summary (cont.)

Investment Considerations

The General Partner can successfully deploy the larger Fund while replicating its prior investment success	• In order to continue to partner with known management teams in the Corporate unsponsored channel and replicate its investment success, the General Partner plans to grow the Fund in line with the growth of the companies it targets • While target investment sizes are expected to moderately increase, these are not expected to do so to the extent of altering the competitive positioning of the Fund • In recent funds, ICG has successfully stepped up its investment sizes; the local investment teams have rich pipelines of opportunities in their respective markets, and capacity exists across the broader team to deploy and manage the larger Fund
ICG will construct a balanced and diversified portfolio	• The General Partner will need to maintain a disciplined approach to portfolio construction as it considers a flexible approach across its three pillars of Corporate unsponsored deals, Sponsored LBOs and Opportunity transactions • Deep expertise in its strategy informs investment selection, as ICG is able to prioritize opportunities in which it can apply bespoke structures to derive a combination of contractual returns with further non-contractual upside potential • Relative to Fund VII, ICG intends to complete more deals to diversify the Fund
The General Partner can identify and train the future leadership group within the organization	• ICG is well positioned from a leadership standpoint today with a streamlined approach to decision making; future leadership potential is less clear today • In addition to continued recruitment and promotions, the General Partner is placing more responsibility on senior investment team members to cultivate cross-platform collaboration and enable further professional development • Economics are broadly distributed across the team to the benefit of cohesion and talent retention

Recommendation

Based on the analysis and information presented herein, Hamilton Lane believes that a commitment to ICG Europe VIII SCSp works towards achieving the goals set forth for the Connecticut Retirement Plans and Trust Funds. A commitment in the Fund will maintain a relationship with a high-quality General Partner. Taking into account the investment strategy and portfolio diversification objectives of the Private Investment Fund, Hamilton Lane recommends a commitment to the Fund.

General Partner

Established asset manager with reputable brand name and local, European presence	• ICG has built a strong brand name through consistent market presence and repeated investment success since its inception in 1989, with strategies spanning private and public markets • Established, local investment teams with deep networks drive origination in the General Partner's key markets
Well-tenured, cohesive, leadership team supported by deepened, Value Enhancement team	• ICG is led by a cohort of well-tenured, cohesive, senior investment professionals with regional coverage responsibilities • The General Partner is placing more responsibility on senior investment team members to cultivate cross-platform collaboration and enable further development • In addition to the investment team growth, ICG has expanded value creation and portfolio management capabilities by adding to its Value Enhancement team
Economic structure aligns interest broadly	• The dedicated investment team receives a majority of the carried interest allocation with the remainder allocated to the General Partner • Carried interest is broadly distributed across the investment team

General Partner (cont.)

- Founded in 1989, the General Partner is a longstanding, publicly listed, asset manager operating across the credit landscape
  - In 1994, ICG began managing funds on behalf of third-party investors, and in 1998, it launched its first third-party fund targeting subordinated debt and intermediate capital investments across Europe
  - On 6/24/94, the General Partner was listed on the London Stock Exchange under the ticker "ICP"
    - As of 4/7/21, ICG had a market capitalization of approximately £5.6 billion
- As of 12/31/20, ICG managed €12.8 billion of assets in structured and private equity strategies, €14.9 billion in private debt strategies, €5.2 billion in real estate strategies and €14.3 billion in other liquid credit strategies
  - The Fund represents the General Partner's flagship strategy and a core focus for Mr. Durteste, current CEO and CIO of ICG plc

Snapshot:[1]

Inception/Founders:

1989/Andrew Jackson, Tom Bartlam, Jean-Loup de Gersingy and James Odgers

AUM:

€47.2 billion

Management Company:

Public company (LON: ICP)

Headcount:[2,4]

16 senior investment professionals and 19 other investment professionals

Locations:

London (headquarters), Frankfurt, Milan, Madrid, Paris, Stockholm, Amsterdam and seven other locations

Strategies/Product Lines:

Direct lending, mezzanine, high yield, real estate and infrastructure, alternative credit, strategic secondaries and fund of funds

Current Leadership:[3,4]

Benoît Durteste, Hadj Djemai, Jens Tonn, James Roddis and Luigi Bartone

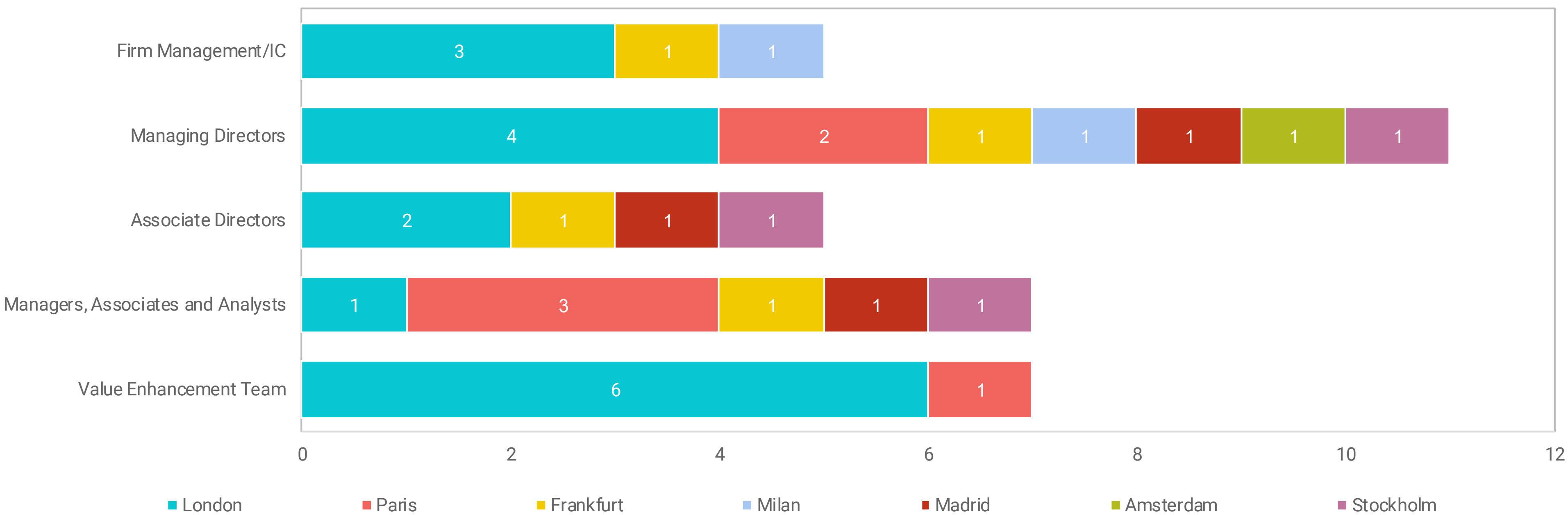
[1]As of 12/31/20; [2]Including Value Enhancement team; [3]Voting investment committee members; [4]Headcount and Current Leadership for ICG's flagship mezzanine fund

General Partner (cont.)

- Headquartered in London with offices across Europe, ICG has established deep local networks that drive sourcing capabilities in its targeted region, enabling the General Partner to position itself as the partner of choice for management teams
  - The regional networks of the local investment teams drive deal flow and direct origination for the strategy
- Since Fund VII, the General Partner has grown all of its local investment teams and added an office in Milan, Italy

Investment Team by Role/Region

As of March 2021



General Partner (cont.)

- In addition to the regional overlay, the General Partner has begun to adopt a Sector Head practice, whereby certain Managing Directors lead sector verticals aligned with relevant experience, enabling further development and responsibility for ICG's senior investment team outside of the regional leaders
  - The combination of local investment teams and Sector Heads is expected to ultimately benefit investment practices, adding sector expertise to decision-making while also promoting knowledge-sharing across regional teams
- As of 12/31/20, the broader platform consisted of 451 employees, of which 194 represent investment professionals, 181 corporate & business services professionals, 39 marketing & client relations professionals and 37 support staff members

Investment Team

Benoît Durteste[1]

Northern Europe			Southern Europe		
James Roddis[1]		Jens Tonn[1]	Hadj Djemai[1]		
UK	Nordics	DACH	France	Italy	Spain
Zeina Bain (MD)		Martin Preuss (MD)	Erwan Le Tanneur (MD)	Luigi Bartone[1] (MD)	Jaime Chocrón (MD)
Matthew Robinson (MD)	Timo Larjomaa (MD)	Tobias Haeusel (AD)	Thierry Beliard (MD)	Giulio Piccinini (MD)	Pablo Arechabaleta (AD)
Bernie Coady (MD)	Peter Berglund (AD)	Nelli Mirontschenko (M)	Antoine Morandi (M)		Javier Gonzales (M)
Jamie Rivers (MD)	Christina Axson Johnson (A)		Simon Perez (A)		
Dan Simon (AD)	Benelux		Alban Lhuissier (A)		
Sam McKelvey (AD)	Rist Brouwer (MD)				
Miro Angelov (M)					

Financial Services	Technology & Telecom	Industrials
Jamie Rivers (MD)	Martin Preuss (MD)	Zeina Bain (MD)
Media	**Healthcare**	**Construction**
Jamie Rivers (MD)	Giulio Piccinini (MD)	Erwan Le Tanneur (MD)
Education	**Business Services**	**Leisure & Hospitality**
Matthew Robinson (MD)	Thierry Beliard (MD)	Bernie Coady (MD)
	Bernie Coady (MD)	

Managing Director (MD)	Associate Director (AD)
Manager (M)	Associate / Analyst (A)

[1]Denotes voting members of the investment committee

General Partner (cont.)

- The Fund's senior leadership team is highly cohesive with average tenure of approximately 16 years
- The investment committee ("IC") is chaired by Mr. Durteste, CEO & CIO, and comprises Messrs. Djemai, Bartone, Roddis and Tonn, Regional Heads across ICG's core targeted markets; decision-making follows a consensus approach
  - Rosine Vitman and Eimear Palmer, Managing Directors, who head the Value Enhancement team and the firm's responsible investing practices, respectively, sit on the IC as non-voting, observer members
- Deal teams consist of one IC member, a Sector Head and generally two or more investment professionals, incorporating regional and sector-specific perspectives into decision making
- From a diversity standpoint, one of sixteen Managing Directors is female, and the IC includes two female non-voting members
  - ICG is comprised of investment professionals from various nationalities across Europe
  - ICG is actively implementing initiatives to improve the diversity of its investment team; with time, the objective is to balance out the profile of the senior decision-making group

Name	Title	Role	Location	Tot. Exp. (yrs.)	Tenure (yrs.)	Fund V	2012	2013	2014	Fund VI	2016	2017	Fund VII	2019	2020	Fund VIII
Benoît Durteste[1]	CEO & CIO	Portfolio Manager	London	28	20											
Hadj Djemai[1]	Managing Director	Head of Southern Europe	London	24	22											
Luigi Bartone[1]	Managing Director	Italy	Milan	24	18											
James Roddis[1]	Managing Director	Head of UK, Nordics & Benelux	London	30	14											
Jens Tonn[1]	Managing Director	Head of DACH	Frankfurt	28	9											
Matthew Robinson	Managing Director	UK	London	23	22											
Timo Larjomaa	Managing Director	Nordics	Stockholm	17	16											
Bernie Coady	Managing Director	UK	London	19	15											
Jaime Chocron	Managing Director	Spain	Madrid	17	14											
Erwan Le Tanneur	Managing Director	France	Paris	17	9											
Giulio Piccinini	Managing Director	Italy	Milan	16	5											
Zeina Bain	Managing Director	UK & Nordics	London	20	3											
Jamie Rivers	Managing Director	UK	London	20	3											
Thierry Beliard	Managing Director	France	Paris	20	3											
Martin Preuss	Managing Director	Germany	Frankfurt	16	3											
Rist Brouwer	Managing Director	Benelux	Amsterdam	25	1											

[1]Denotes voting members of the investment committee

= Tenure with Intermediate Capital Group plc

= Total Experience

- The Value Enhancement team complements the investment professionals with operating expertise across capital markets, value creation, portfolio monitoring and responsible investing
  - The team is headed by Rosine Vitman, who during her 20-year tenure has worked in various investment roles and since 2012 has been focused primarily on portfolio management
  - Since raising Fund VII, the Value Enhancement team has grown from five professionals to seven professionals
- Whereas across prior vintages, the Value Enhancement professionals were only involved with the current portfolio, for the Fund, the team is expected to work on new investment opportunities in addition to monitoring and contributing to the existing portfolio
  - The team will contribute primarily at the advanced stages of due diligence, the 100-day post investment plans, the quarterly portfolio monitoring reviews and with exit processes for value maximization

Value Enhancement Team			
Rosine Vitman[1]			
Capital Markets	**Due Diligence & Value Creation**	**Portfolio Monitoring**	**Responsible Investing**
Pascal Borello (MD)	**Esther Najjar** (MD)	**Lei Tao** (MD)	**Eimear Palmer**[1] (MD)
Benjamin Edgar (MD)		**Varun Khullar** (M)	

Managing Director (MD)	Associate Director (AD)
Manager (M)	Associate / Analyst (A)

[1]Denotes observer members of the investment committee

Investment Strategy

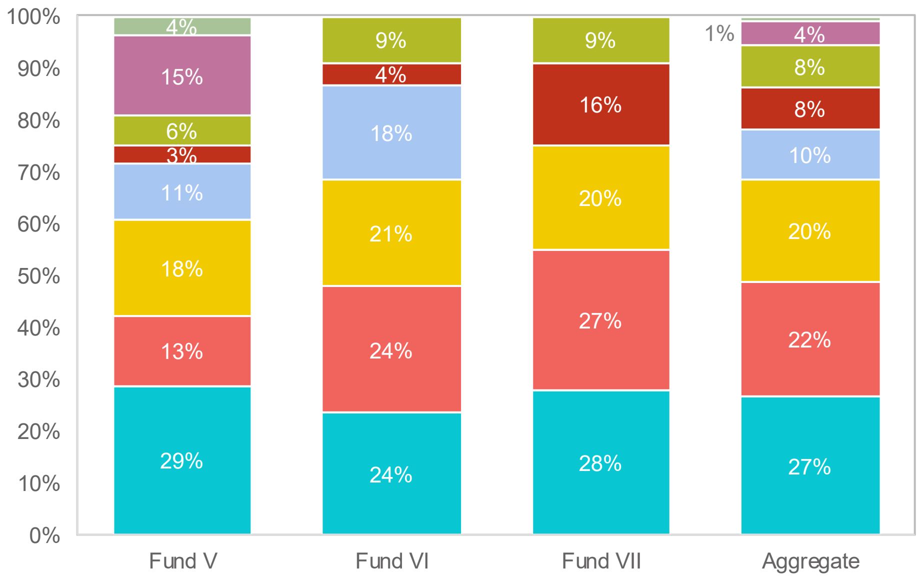
Pan-European, middle-market investor growing in tandem with opportunity set	• The General Partner seeks to invest in performing Western European, middle-market and upper middle-market companies across resilient sectors • In order to replicate investment success and complete investments similar to prior funds, ICG is increasing its targeted investment size and enterprise value as deal sizes are increasing, namely in the corporate unsponsored channel
Flexible mandate investing across Sponsored LBOs, Corporate and Opportunity transactions	• The General Partner employs a flexible investment strategy across its three investment types: Sponsored LBOs, Corporate unsponsored transactions and Opportunity situations • ICG forms tailored investment solutions using a mix of debt and equity instruments to fit specific deals, allowing the General Partner to optimize the risk-return profile of each investment between contractual and non-contractual elements
Bilateral sourcing driven by relationships with sponsors, corporates and management teams	• The General Partner leverages its broad professional networks and local knowledge to source the majority of its transactions through bilateral processes • Transactions are typically sourced directly through relationships with sponsors, management teams and corporates

Investment Strategy (cont.)

- The General Partner is a longstanding, pan-European investor with a local presence in its targeted markets
  - Historically, ICG has been overweight in investing in the U.K. and France given the relative sizes of these markets
- The Fund is restricted from investing more than 10% of aggregate commitments outside Europe

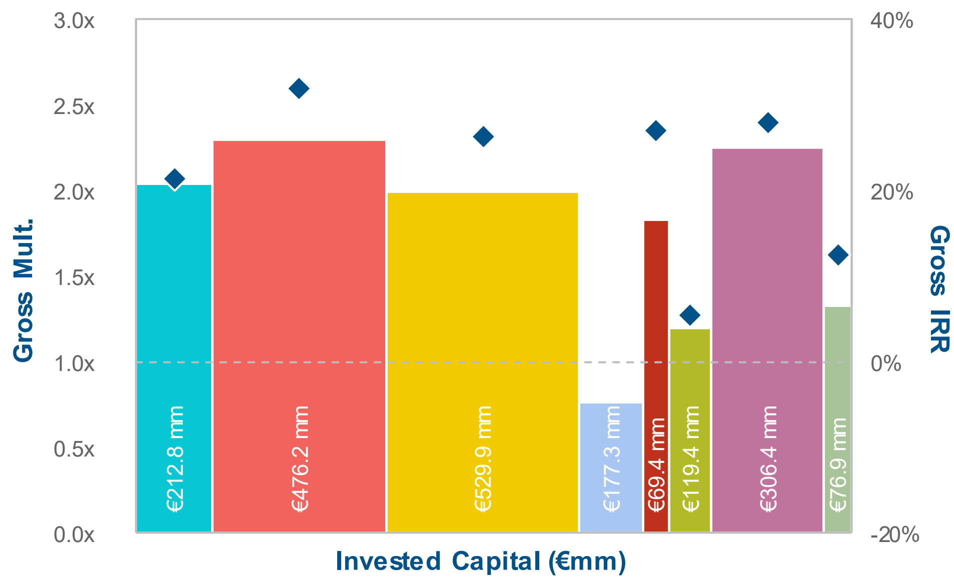
Prior Investments - % by Region[1,2]

As of 12/31/20



Realized Performance – by Region[1,2]

As of 12/31/20



UK | France | Germany | Nordics | Italy | Spain | Benelux | Other | Gross IRR

[1]Realized investments in the Nordics generated a -26% gross IRR

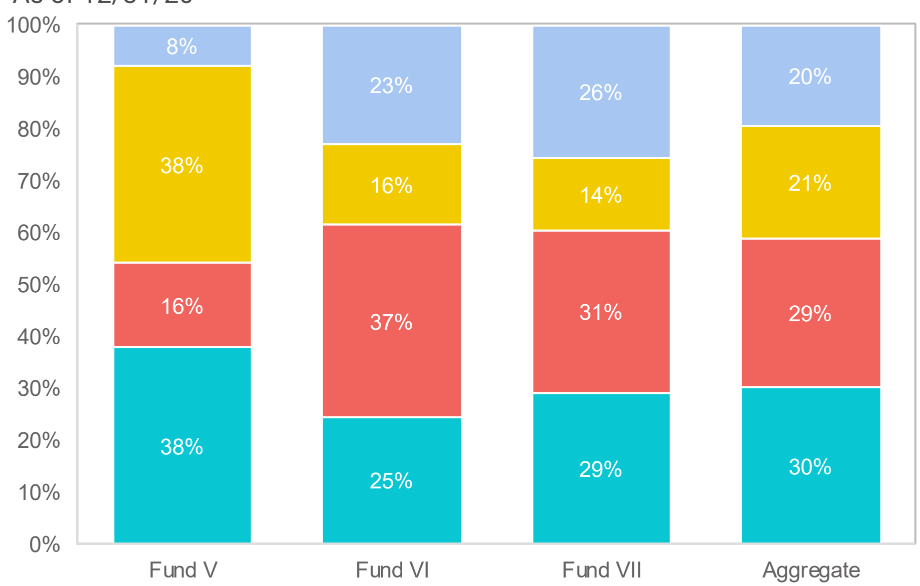
[2]The other category comprises Fund V portfolio company Riverland Jersey Ltd, for which the General Partner did not provide regional attribution

Investment Strategy (cont.)

- As a sector-agnostic investor, ICG has historically invested in industrials, business services, consumer and healthcare sectors
  - Subsectors invested in include education, financial services, media, technology & telecom, construction & building materials and leisure & hospitality
  - Consumer Products includes businesses in the manufacturing, education, food, retail and distribution sub-sectors, which have consumers as end users, but many of which operate in the business-to-business segment of the value chain
- While a nascent organizational change, expertise from sector leads is being incorporated in due diligence, aiding new investment decision-making and execution capabilities

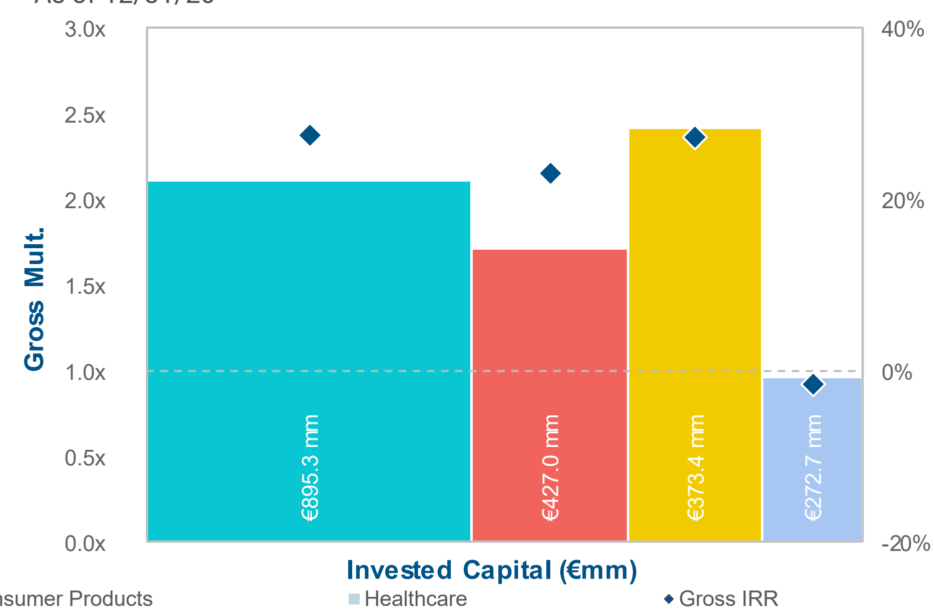
Prior Investments - % by Sector

As of 12/31/20



Realized Performance – by Sector

As of 12/31/20



Investment Strategy (cont.)

- The General Partner targets investments in companies with enterprise values between €300 million and €3.0 billion, which represents an uptick from Fund VII
- ICG intends to create a more diversified portfolio relative to Fund VII, targeting 15 to 25 deals through the Fund
- The General Partner seeks to deploy between €100 million and €700 million per portfolio company
- The General Partner employs a flexible investment strategy across three investment channels: Sponsored LBOs, Corporate unsponsored transactions and Opportunity situations
- The General Partner expects to allocate between 50% to 70% of the Fund in Corporate unsponsored transactions and between 10% and 30% of the Fund to each category of Sponsored LBOs and Opportunity situations
- ICG will target investments across the capital structure, allowing for the optimization of the risk-return profile of each investment between contractual and non-contractual elements
- The General Partner expects to structure downside protection into its deals in the form of governance rights and cash while also ensuring the contractual nature of returns through PIK coupons and non-call protections for three to four years
- The General Partner's longstanding local presence across the European landscape and experience in this segment of the market drives deal flow
- ICG's ability to structure complex and customized transactions across the capital structure gives the General Partner a competitive advantage in sourcing and execution, namely in situations where management teams do not want to cede control
- The General Partner acts primarily as the lead arranger and sole investor in its deals, providing a complete capital solution to companies while also optimally structuring the opportunity across the capital stack
- Working closely with the deal team, the Value Enhancement team is utilized to support deal structuring while also optimizing financing over the life of each investment

Track Record

Near- and Top-quartile, net returns across prior funds	• Funds VI and VII have generated top-quartile net IRR returns relative to peers, while Fund V has generated near-top quartile performance • Since Fund VI, gross-to-net spreads have improved given an increased focus on fund management, including the implementation of a bridge facility for capital calls
Larger fund will necessitate increased pace of deployment	• The General Partner intends to raise 55% more capital relative to Fund VII, the predecessor fund • Pacing is set to increase as the General Partner intends to deploy more capital into more deals than anticipated for Fund VII
Limited loss ratio; unrealized portfolio is performing well	• The unrealized portfolio remains sizeable and largely resilient to the COVID-19 pandemic, with meaningful exposure to healthcare and software sectors • Low loss ratios in prior funds are predicated on the structuring of securities and downside protection built into legal documentation

- As of 12/31/20, the General Partner had generated top-quartile, net IRR returns against credit benchmarks in Funds VI and VII, while generating near-top quartile returns in Fund V; Funds VI and VII have both generated performance in excess of targeted net IRR returns
- Fund VII's net IRR is higher than its gross IRR due to the impact of the bridge facility and early write ups across the portfolio

Intermediate Capital Group plc Prior Investment Performance[1] As of 12/31/20									HL Benchmark Credit As of 12/31/20			PME Benchmark CS High Yield As of 12/31/20
									Top-Quartile			
(€mm) Fund	Vintage	Fund Size[2]	Capital Drawn	Capital Distributed	NAV	DPI	TVPI	Net IRR	DPI	TVPI	Net IRR	PME IRR
Fund V	2011	€ 2,500	€1,867.3	€2,505.6	€413.1	1.3x	1.6x	12.6%	1.3x	1.8x	12.7%	8.5%
Fund VI	2015	3,000	2,104.0	1,239.1	2,302.0	0.6x	1.7x	19.7%	0.8x	1.2x	7.2%	3.8%
Fund VII	2018	4,500	2,035.0	0.0	2,685.9	0.0x	1.3x	24.4%	0.3x	1.2x	8.9%	2.6%
Total			**€5,878.9**	**€3,617.3**	**€5,401.0**	**0.6x**	**1.5x**	**16.1%**				**6.0%**

[1]Capital Drawn, Capital Distributed and NAV are calculated from the cash flows of fee-paying limited partners and excludes any cash flows from the General Partner's commitment
[2]Fund size is inclusive of the General Partner's commitment

Larger fund will necessitate increased pace of deployment

- As of 12/31/20, Fund V was largely realized and valued at a 1.8x gross multiple
- Fund VI had generated a 1.9x gross multiple and was beginning to see meaningful liquidity from its mature portfolio
- Post-12/31/20, including deals in advanced stages, the General Partner anticipates Fund VII to be more than 90% invested, completing the investment period for Fund VII, and expects to begin to deploy the Fund in Q2 2021

Intermediate Capital Group plc
Prior Investment Performance
As of 12/31/20

(€mm) Fund	Vintage	# of Inv. Total	# of Inv. Real.	Fund Size[1]	Amount Invested	Amount Realized	Unrealized Value	Gross Mult.	Gross IRR
Fund V	2011	22	17	€ 2,500	€1,949.8	€2,955.1	€574.8	1.8x	16.4%
Fund VI	2015	17	6	3,000	2,394.0	1,703.4	2,752.5	1.9x	23.1%
Fund VII	2018	10	0	4,500	2,487.1	69.6	3,446.8	1.4x	22.9%
Total		**49**	**23**		**€6,831.0**	**€4,728.2**	**€6,774.0**	**1.7x**	**19.4%**

Intermediate Capital Group plc
Realized Investment Performance
As of 12/31/20

(€mm) Fund	Amount Invested	Amount Realized	Unrealized Value	Gross Mult.	Gross IRR
Fund V	€1,330.8	€2,698.3	€0.0	2.0x	23.9%
Fund VI	572.6	1,023.6	0.0	1.8x	23.3%
Fund VII	0.0	0.0	0.0	n/a	n/a
Total	**€1,903.4**	**€3,721.8**	**€0.0**	**2.0x**	**23.8%**

Intermediate Capital Group plc
Unrealized Investment Performance
As of 12/31/20

(€mm) Fund	Amount Invested	Amount Realized	Unrealized Value	Gross Mult.	Gross IRR
Fund V	€619.0	€256.9	€574.8	1.3x	5.0%
Fund VI	1,821.4	679.8	2,752.5	1.9x	23.0%
Fund VII	2,487.1	69.6	3,446.8	1.4x	22.9%
Total	**€4,927.5**	**€1,006.4**	**€6,774.0**	**1.6x**	**16.6%**

[1]Fund size is inclusive of the General Partner's commitment

- ICG is a signatory to PRI and institutes best practices internally around ESG integration into its investment process, decision making and ESG risk mitigation through its value creation plan. The ESG committee is composed of senior decision makers and ESG-dedicated professionals to address general ESG considerations across investment and non-investment activities. Eimear Palmer, Head of Responsible Investing, has led the ESG activities at ICG for the past three years and was previously an ESG professional at The Carlyle Group for seven years.
- The General Partner is equally focused on environmental, social and governance risks, mitigation and reporting; given the history, size and public status of the firm, ICG has over time developed and refined the values that encompass its ESG considerations. As an active investor, good governance is of the essence, environmental considerations are transcended to all portfolio companies, and social impact is a growing area of focus in line with the broader European institutional market.
- Diversity & Inclusion ("D&I") is addressed at the D&I committee, through the Women at ICG Network, the LGBTQ Network and the 100 Black Interns program. There is room for progress given 90% of the investment team dedicated to the Fund is male and no female representation at the IC level (only non-voting members). However, the Value Enhancement team is led by a female, Managing Director Rosine Vitman. ICG is comprised of investment professionals from various nationalities across Europe.

ESG Summary

ESG Policy	Yes
ESG-Dedicated Professionals	Yes; Eimear Palmer (Head of Responsible Investing)
Signatories	PRI since 4/12/13
Environmental Focus	Supports the TCFD recommendations
Diversity	Investment professionals: 90% male/10% female Total employees: 61% male/39% female The General Partner does not actively track the ethnicity of its employees
ESG in Due Diligence Process	Third party ESG DD for large investments where ICG has influence

Integration in Decision Making	IC memos include ESG requirements
ESG Focus – Planning	ESG is always included in strategic planning
Monitoring	Monitors KPIs across portfolio companies
Reporting	Included in the ICG Annual Report
Requirements of Portfolio Companies	Portfolio companies required to adopt ESG policies and set goals

Portfolio Fit

Based on the analysis and information presented herein, ICG Europe VIII SCSp ("the Fund") meets the criteria and guidelines set forth in the CRPTF's Investment Policy Statement. The Fund would be considered a fiscal year 2021 commitment to the Mezzanine portfolio within the Private Investment Fund. As of September 30, 2020, CRPTF's investments in Mezzanine represented 7% of Private Investment Fund exposure[1] and active investments have generated a net IRR of 12.5%. Inclusive of CRPTF's investments approved after September 30, 2020, Mezzanine exposure increases to 9% following a commitment of up to €150 million to the Fund.

Exposure Analysis	CRPTF Current Exposure[1]	IRR[2]	CRPTF Pro Forma Exposure
Strategy			
Mezzanine	7%	12.5%	9%

[1] As a percentage of total exposure, equal to net asset value plus unfunded commitments, as of September 30, 2020

[2] As of September 30, 2020, active Mezzanine investments; Inclusive of liquidated Mezzanine investments, the inception to-date net IRR is 3.9%

Section 4 | Appendices

Experience of Investment Professionals							
Name	Title	Focus	Location	Tot. Exp. (yrs.)	Tenure (yrs.)	Prior Experience	Educational Background
Benoît Durteste[1]	CEO & CIO	Portfolio Manager	London	28	20	• Swiss Re • BNP Paribas • GE Capital	• École Supérieure de Commerce de Paris
Hadj Djemai[1]	Managing Director	Head of Southern Europe	London	24	22	• BNP Paribas	• Institut National Agronomique de Paris
Luigi Bartone[1]	Managing Director	Italy	Milan	24	18	• AT Kearney • Mars & Co	• INSEAD • École Centrale Paris
James Roddis[1]	Managing Director	Head of UK, Nordics & Benelux	London	30	14	• Montagu Private Equity • PwC	• University of Manchester
Jens Tonn[1]	Managing Director	Head of DACH	Frankfurt	28	9	• Vestar Capital • Candover Partners • Citicorp	• European Business School
Matthew Robinson	Managing Director	UK	London	23	22	• KPMG	• Bristol University
Timo Larjomaa	Managing Director	Nordics	Stockholm	17	16	• Roschier • Boston Consulting Group (BCG)	• Helsinki School of Economics • University of Helsinki
Bernie Coady	Managing Director	UK	London	19	15	• Fexco • Nextec	• The University of Queensland
Jaime Chocron	Managing Director	Spain	Madrid	17	14	• JP Morgan • Goldman Sachs • Santander Investment	• ICADE University
Erwan Le Tanneur	Managing Director	France	Paris	17	9	• PAI Partners • Fondations Capital • Boston Consulting Group	• Massachusetts Institute of Technology (MIT) • École Polytechnique • École Nationale Supérieure des Télécommunications (ENST)
Giulio Piccinini	Managing Director	Italy	Milan	16	5	• Vision Capital • BAML • Bain & Co	• New York University - Stern School of Business • LUISS University of Rome
Zeina Bain	Managing Director	UK & Nordics	London	20	3	• The Carlyle Group • European Digital Partners • Merrill Lynch	• Oxford University
Jamie Rivers	Managing Director	UK	London	20	3	• BC Partners • OC&C Strategy	• INSEAD • Oxford University
Thierry Beliard	Managing Director	France	Paris	20	3	• ADIA • Chequers Capital • Boston Consulting Group (BCG)	• Harvard Business School • École Polytechnique
Martin Preuss	Managing Director	Germany	Frankfurt	16	3	• KKR • Citi	• The Berlin School of Economics and Law • Anglia Ruskin University
Rist Brouwer	Managing Director	Benelux	Amsterdam	25	1	• Silverfem	• Rotterdam School of Management • University of Groningen

[1]Denotes members of the investment committee

Benchmark Analysis:	An analysis that compares the net IRR of the prior funds to the top-quartile net IRR benchmarks for similar funds (based on strategy and vintage) as reported by the Hamilton Lane database. The benchmark data shown is the most recent data available at this time
DPI:	Distributed-to-Paid In = (Amount of Distributions Received)/(Total Amount of Capital Paid-In)
ESG:	Environmental, Social and Governance
Gross IRR:	Internal Rate of Return ("IRR") of investments at the "fund level," excludes fees paid by LPs to the General Partner such as management fees and carried interest. For investments held less than one year, Hamilton Lane nominalizes the IRR to match the hold period of the investment in order to represent a more meaningful number
Investment Pacing:	An analysis of the total capital invested during the given years. Includes all prior investments, realized or unrealized
J-Curve Benchmark:	Peer (median by age) is calculated by taking the median IRR of similar funds (based on strategy and vintage) in Hamilton Lane's database at each quarter, which are simulated as investing at the same point in time. The length of time to break the J-curve is calculated from inception to the first time each fund generated a positive net IRR
Loss Ratio Analysis:	An analysis of the capital invested in realized transactions generating different multiples of invested capital
Net IRR:	Annualized Internal Rate of Return ("IRR") of investments at the LP level inclusive of fees such as management fees and carried interest paid to the General Partner
Net Returns to Limited Partners:	The performance of the General Partner's prior investment vehicles at the net LP level, inclusive of all fees, carried interest and expenses. Performance data is as reported by the General Partner using actual capital contributions, distributions and net asset value for either all limited partners, or a sample set of limited partners, in the respective funds
Outlier Analysis:	An analysis of the gross returns of investments in prior funds, comparing overall performance against the performance when certain 'outlier' transactions are excluded. Outliers are defined as transactions that generate exceptionally positive or negative results
PME Analysis:	Calculated by taking the fund's monthly cash flows and investing them in the relevant Total Return Index (where all dividends are re-invested). Contributions were scaled by a factor such that the ending portfolio balance would be equal to the private equity net asset value (equal ending exposures for both portfolios). This prevents shorting of the public market equivalent portfolio in order to match the performance of an outperforming private equity portfolio. Distributions were not scaled by this factor. The IRRs were then calculated based on these adjusted cash flows. The selected PME represents the most relevant public market benchmark
Realized Attribution Analysis:	Analysis of the capital invested in, and performance of, the prior realized transactions according to the criteria indicated
Realized Investments:	Hamilton Lane classifies investments as "realized" if it has: i) an unrealized value of less than 20% of the total value; ii) a carrying value that has been written to zero or has been previously written-off; or iii) been fully exited and the GP has no remaining interest in the company
RVPI:	Remaining Value-to-Paid In = (Current Net Asset Value)/(Total Amount of Capital Paid-In)
TVPI:	Total Value-to-Paid In = (Amount of Distributions Received + Current Net Asset Value)/(Total Amount of Capital Paid-In)

Definitions (cont.)

Time-Zero IRR:	Represents the gross IRR calculated as if every investment were initiated on the same date
Write-Down Ratio:	The ratio of capital invested in realized investments that have been sold for a value that is less than 1.0x their original cost basis, divided by the total capital invested in all realized investments
Write-Off Ratio:	The ratio of capital invested in realized investments that have been sold for a value that is less than 0.5x their original cost basis, divided by the total capital invested in all realized investments

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ICG Europe VIII

2021 June

Prepared for State of Connecticut Retirement Plans and Trust Funds

ICG Europe VIII

Private equity-like returns with significantly lower risk and volatility

ICG EUROPE FUND VIII	▪ **ICG's flagship strategy with a €7bn target for Fund VIII** ▪ Locally sourced and directly originated investments into European mid-market corporates ▪ **Target returns of 1.6x (net) MoIC, 16% (net) IRR**
LEADING EUROPEAN INVESTOR	▪ **32-year track record**; invested c.€21bn across 389 subordinated debt and equity deals ▪ 28 dedicated investment professionals spread across **8 European offices**; supported by Value Enhancement team ▪ **Established local presence drives off-market opportunities**
DIFFERENTIATED INVESTMENT APPROACH	▪ Flexibility to invest across three key pillars: **Corporate, Sponsored LBO and Opportunistic** transactions ▪ **Bespoke and complex capital structures**, with a focus on **downside protection** ▪ **Board participation** provides enhanced access to, and influence over, key stakeholders
RICH MARKET OPPORTUNITY	▪ **Europe VIII strategy ideally suited for current market environment** ▪ **Record levels of deal flow** across all three of ICG's key pillars simultaneously ▪ **Market bifurcation** is driving both Corporate and Opportunistic transactions ▪ **Deals are getting larger** and more complex; local presence is major advantage

ICG overview

32
Year track record

$57.7bn
AUM

451
Employees

15
Countries

FTSE 100

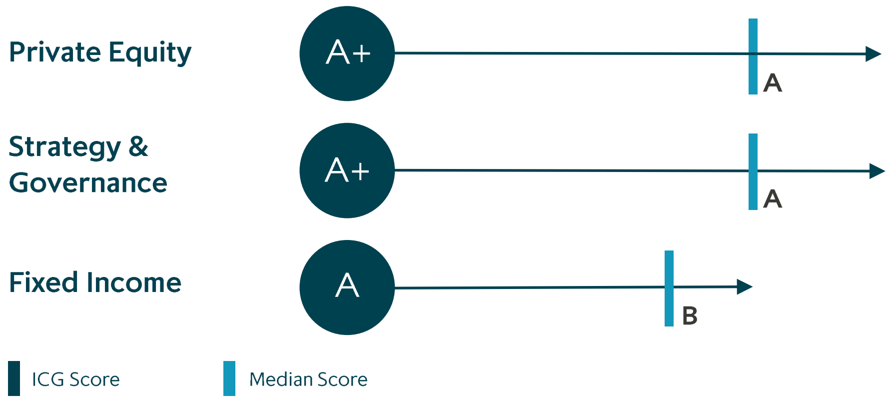
c.£5.5bn
Market Cap

STRUCTURED & PRIVATE EQUITY STRATEGIES	PRIVATE DEBT STRATEGIES	REAL ASSET STRATEGIES	CREDIT STRATEGIES
$16.0bn AUM	$17.0bn AUM	$6.3bn AUM	$18.4bn AUM
81 Investment professionals	24 Investment professionals	44 Investment professionals	45 Investment professionals

Investment teams supported by a further 220 Operational and Support professionals. Source: ICG, data as at 31 December 2020. Figures include permanent employees only. Market Cap as at 17 March 2021. Dubai office expected to open in 2021

ESG Approach

BEST EVER PRI SCORES



ICG'S COMMITMENT TO CLIMATE CHANGE

CHARITY ENGAGEMENT

DIVERSITY

- **Signatory** to the **HM Treasury Women in Finance Charter since 2018**
- Commitment to **increasing** the number of **women in** UK **senior management (up c.20% since 2018)**

COMMITMENT TO RESPONSIBLE INVESTING

- Signatory of **the UNPRI since 2013**
- Responsible Investing Policy covers **100% AUM**
- **FTSE 4Good constituent since 2018**
- ICG is a **launch signatory** of a UK private equity **climate change network – Initiative Climate International (iCI)**
- Raised a £550m **ESG-linked Revolving Credit Facility** for ICG plc in 2021

Note 1: CDP is the Carbon Disclosure Project, an organisation which supports companies and cities to disclose the environmental impact of major corporations.

ICG Europe VIII strategy

The anatomy of an ICG deal

EARLY ENGAGEMENT

- Investment executives embedded within their local markets
- Early access to key stakeholders
- Detailed knowledge of local regulation to structure bespoke investments

UNIQUE INVESTMENT SOLUTION

- Tailored investment solutions use a mix of debt and equity instruments
- Non-vanilla structures provide:
  - A less dilutive option to owners through the use of debt instruments; or
  - Reduced debt (average 3.9x cash pay leverage for Fund VII)

Senior Debt
1st / 2nd Lien
Mezzanine
PIK
PIYC
Convertibles
Structured notes
Preferred Equity
Common Equity

ICG FLEXIBILITY

VALUE ENHANCEMENT

- Board representation at the portfolio company
- ICG's Value Enhancement team supports portfolio companies with:
  - Capital structure optimization
  - DD & value creation initiatives
  - ESG initiatives

ESG & digital transformation integrated into investment process

ICG's three pillar strategy

ICG

CORPORATE

- Management-led transactions
- Capital re-organisations in partnership with family owners and other key stakeholders
- Funding for acquisitions or growth
- Range of debt instruments; selective higher equity exposure

OPPORTUNITY

- Capital in support of recapitalisations led by private equity sponsors or lenders
- Liquidity for key business stakeholders
- Leveraging our deep credit and PE network
- Range of debt instruments; selective higher equity exposure

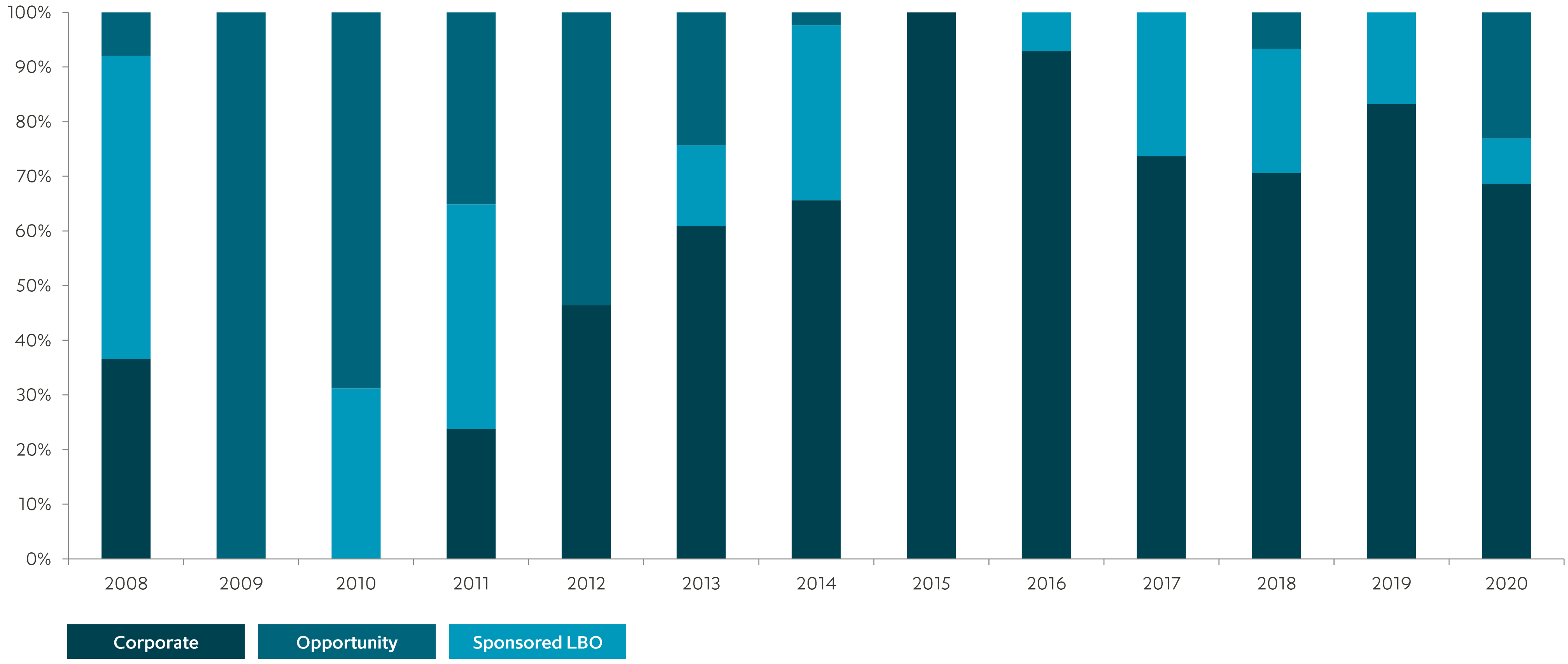
SPONSORED LBO

- Supporting European LBOs where ICG has a unique angle
- Avoiding any syndicated transactions
- Range of debt instruments; equity participation

ICG deployment through market cycles

Flexible approach enables continued deployment

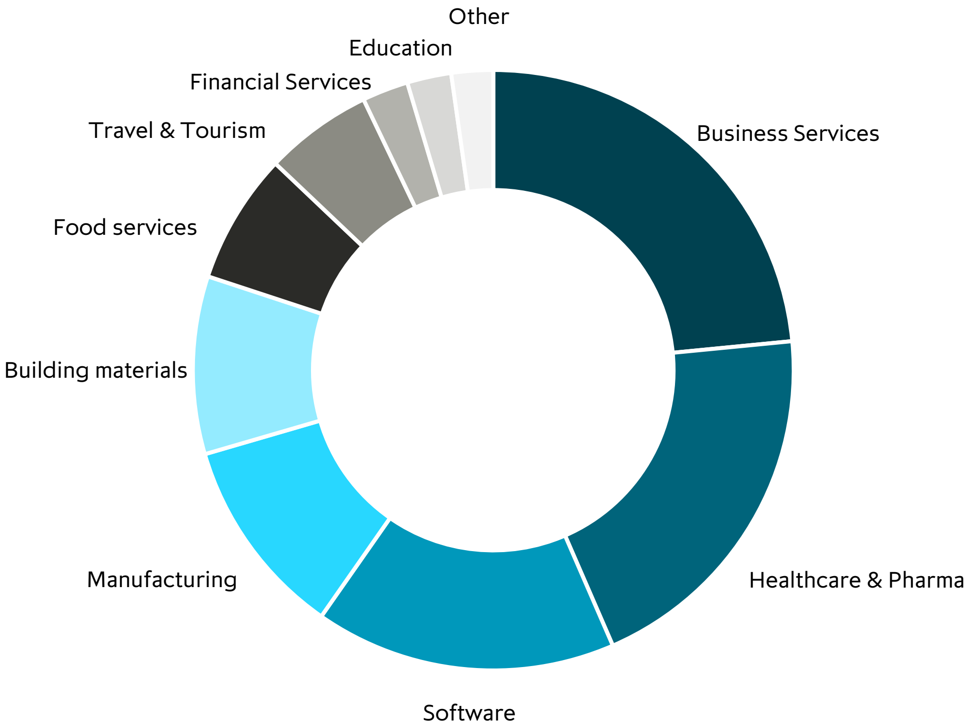
THREE-PILLAR APPROACH THROUGHOUT THE CYCLE[1]



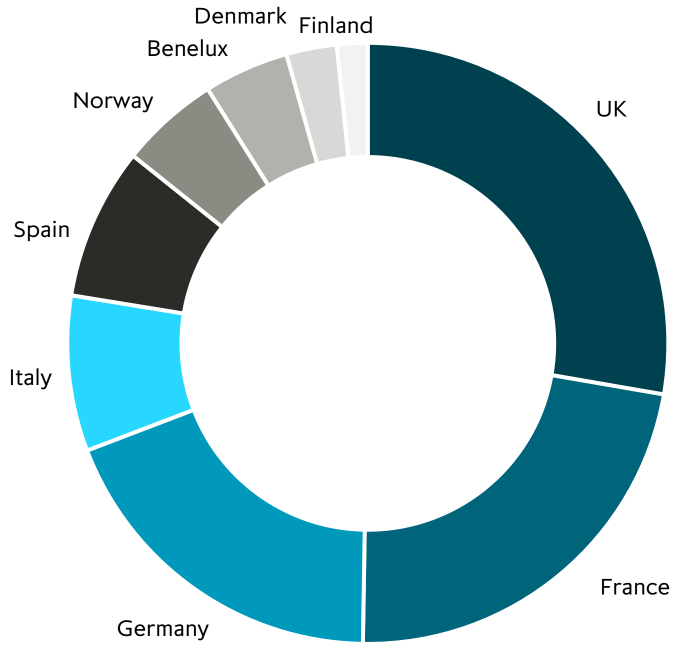
1. Data as at 31 December 2020.

Sector and geographic diversification

FUND V-VII SECTOR DIVERSIFICATION



FUND V-VII GEOGRAPHIC DIVERSIFICATION



Source ICG as at 31 December 2020

ESG integrated throughout investment process

Deal Screening

ESG SCREENING

- Sector exclusion list
- Climate risk
- Bribery and corruption
- Risk
- Corporate governance

Pre-Investment

DUE DILIGENCE

- ESG due diligence findings included in all investment proposals
- Climate risk screening

Portfolio Monitoring

ENGAGEMENT

- Establish bespoke ESG KPIs
- Annual ESG survey
- Raise issues to boards
- Implementation of ESG action plans
- Carbon footprinting

Exit

ENGAGEMENT

- Preparation for exit & visibility for potential buyers

ICG Europe team

Benoit Durteste[1] / Chief Executive Officer and Chief Investment Officer / 28 years experience

Southern Europe

Hadj Djemai[1]
Managing Director
24 years experience

France

Erwan Le Tanneur
Managing Director
17 years experience

Thierry Beliard
Managing Director
19 years experience

Antoine Morandi
Manager
8 years experience

Simon Perez
Associate
6 years experience

Alban Lhuissier
Associate
7 years experience

Italy

Luigi Bartone[1]
Managing Director
24 years experience

Giulio Piccinini
Managing Director
16 years experience

Spain

Jaime Chocron
Managing Director
17 years experience

Pablo Arechabaleta
Associate Director
14 years experience

Javier Gonzalez
Manager
9 years experience

Northern Europe

James Roddis[1]
Managing Director
30 years experience

Jens Tonn[1]
Managing Director
28 years experience

UK

Zeina Bain
Managing Director
19 years experience

Matthew Robinson
Managing Director
23 years experience

Bernie Coady
Managing Director
18 years experience

Jamie Rivers
Managing Director
19 years experience

Dan Simon
Associate Director
11 years experience

Sam McKelvey
Associate Director
9 years experience

Miro Angelov
Manager
7 years experience

Nordics

Timo Larjomaa
Managing Director
17 years experience

Peter Berglund
Associate Director
13 years experience

Dawit Snögren
Associate
4 years experience

Netherlands

Rist Brouwer
Managing Director
25 years experience

Germany

Martin Preuss
Managing Director
15 years experience

Tobias Haeusel
Associate Director
13 years experience

Nelli Mirontschenko
Manager
6 years experience

Marcel Windus
Associate
4 years experience

Value Enhancement

Rosine Vitman[1]
Managing Director
25 years experience

Pan-Europe

Pascal Borello
Managing Director
Capital Markets team
24 years experience

Benjamin Edgar
Managing Director
Capital Markets team
21 years experience

Esther Najjar
Managing Director
Due Diligence & Value Creation
16 years experience

Lei Tao
Managing Director
Portfolio monitoring
15 years experience

Eimear Palmer[1]
Managing Director
Responsible Investing
15 years experience

Varun Khullar
Manager
Portfolio Monitoring
10 years of experience

Ivaylo Dimov
Manager
Responsible Investing
10 years of experience

Mid-Market Fund

Gareth Knight
Portfolio Manager
21 years experience

Pan-Europe

Paul Barry
Managing Director
19 years experience

Peter Kirtley
Managing Director
21 years experience

Robin Molvin
Managing Director
23 years experience

Oliver Golder
Managing Director
20 years experience

Thomas Von Werner
Managing Director
24 years experience

Liam McGivern
Associate Director
15 years experience

William Shaw
Associate
7 years experience

Source: ICG, Years of experience as at 31 March 2021
Note 1: Members of the Investment Committee. Rosine and Eimear are non-voting IC members.

ICG Europe Subordinated Debt and Equity

Track record

FUND	VINTAGE	CAPITAL COMMITTED (M)
ICG Europe Fund II[1]	2000	€388
ICG Europe Fund III[2]	2003	€1,418
ICG Europe Fund IV: European Fund 2006[2]	2006	€1,746
ICG Europe Fund IV: Minority Partners[2,3]	2008	€116
ICG Europe Fund IV: Recovery Fund[2,3]	2008	€643
ICG Europe Fund V	2011	€2,500
ICG Europe Fund VI	2015	€3,000
ICG Europe Fund VII	2018	€4,500
ICG Europe VII: Mid-Market Fund	2019	€997

Source: ICG. Fund performance figures are returns on third party capital.
Notes: All returns as at 31 March 2021.
1. Fund I was a €81 million co-investment vehicle.
2. ICG Europe Fund II, Fund III, Fund IV: European Fund 2006, ICG Europe Fund IV: Recovery Fund, and Fund IV: Minority Partners are fully exited.
3. ICG Minority Partners (“MP”) and Recovery Fund (“RF”) were launched to increase Fund IV: European Fund 2006’s capacity to invest in non-LBO and opportunistic situations, respectively.

Past performance is not necessarily indicative of future results, and there can be no assurance that any ICG investment vehicle will achieve results comparable to those of any of ICG’s prior funds, vehicles, accounts or programmes, or that such investment vehicle will be able to implement its investment strategy or achieve its investment objectives.

Illustrative Rate Card

FUND CHARACTERISTICS

Target fund size	€7bn (including ICG commitment)
Investment period	5 years from final close
Fund structure	Luxembourg fund structure in line with ICG Europe VII
Recycling	Recycling is possible within 36 months of acquisition
Fund term	10 years, extendable by two one-year periods
Maximum investment in single transaction	10% of aggregate capital commitments

KEY ECONOMIC TERMS

Target returns	1.8x (Gross), 1.6x (Net)
Management fee	Investment period 1.5% on committed capital (see discount table below), post investment period 1.25% of outstanding invested cost
Carried Interest	20% performance fee with 8% preferred return (with 100% catch-up)
ICG commitment	Up to €500m

MANAGEMENT FEE TIERS

Investor Commitment	Management Fee Discounts
Below €150m	1.50%
€150m-€199m	10bps discount on entire commitment
€200m-€249m	10bps discount on first €150m, and 20bps discount on commitment in excess of €150m
>€250m	10bps discount in the first €150m, 20bps discount €150-200m, 25bps discount on commitment in excess of €200m

Notes

Calculation and Presentation Notes

Note 1 - Target Returns

The targeted returns are gross returns; actual net returns to investors after deducting fees, expenses, carried interest and taxes would be lower. Target IRRs are calculated based on assumed gross proceeds (at exit and any other proceeds received over the course of an investment) and the assumed amount invested, taking into account the timing of flows to calculate the internal rate of return. The target internal rate of return and cash yield of an investment is based on the General Partner's beliefs about the returns that may be achievable on investments that the Fund intends to pursue in light of the investment team's experience with similar investments historically, the General Partner's view of current market conditions, potential investment opportunities the General Partner is currently or has recently reviewed, availability of financing and certain assumptions about investing conditions and market fluctuation or recovery. The returns and assumptions are inherently uncertain and are subject to numerous business, industry, market, regulatory, competitive and financial risks that are outside of the General Partner's control. Actual operating results, asset values, timing and manner of dispositions or other realisation events and resolution of other factors taken into consideration may differ materially from the assumptions upon which estimates are based. Accordingly, the actual realised return on the Fund's investments may be materially lower than the target IRRs and cash yield disclosed herein, and the Fund may sustain losses. In considering the prior performance information contained herein, prospective investors should bear in mind that past performance is not indicative of future results. There can be no assurance that such returns will be achieved, that the Fund will achieve comparable results or that the Fund will be able to implement its investment strategy or achieve its investment objective.

Note 2 - Gross and Net performance

Gross internal rates of returns (IRRs) are from date sold or valued using the actual investment cash flows, and excludes deductions for management fees and carried interest, each payable to ICG in respect of the aggregate performance of the Fund, and organization and other expenses, which in the aggregate may be substantial. The effect of these expenses on net performance can be material. Net performance is calculated by applying the management fee, carried interest and organizational and other expenses to the gross performance. Net returns are calculated after a management fee of 150 bps per annum, during the commitment period, and 125 bps thereafter, paid quarterly in arrears plus a 20% carried interest fee over any amounts over an 8% hurdle rate. Net performance for any particular investor may be higher or lower than presented herein. Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size. Performance results may be based on unaudited, preliminary information and subject to change. The valuations of unrealized investments are determined on a fair value basis in accordance with ICG's valuation policies and procedures. There can be no assurance that unrealized investments will be realized at the valuations used to calculate the information contained herein, as actual realized returns will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions on which the valuations used to calculate the information contained herein are based. Performance for each investment is calculated in the local currency of that investment and, if different from the base currency of the Fund, currency fluctuations may impact performance results. Investments in funds and accounts managed by ICG may lose value. Investment results will fluctuate. Certain market and economic events having a positive impact on performance may not repeat themselves. PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS AND NO REPRESENTATION IS MADE THAT RESULTS SIMILAR TO THOSE SHOWN CAN BE ACHIEVED.

Note 3 - Returns on current investment

Returns information for individual investments are presented on a "gross" basis unless otherwise indicated, and do not reflect the deduction at the fund level for management/advisory fees, "carried interest," taxes, transaction costs and other expenses that are borne by investors, which in the aggregate may be substantial. Prospective investors, upon request, may obtain an illustration of the effect of such fees, expenses and other charges on such returns. PAST PERFORMANCE IS NOT NECESSARILY AN INDICATOR OF FUTURE RESULTS, and there can be no assurance that any ICG investment vehicle will achieve results comparable to those of any of ICG's prior funds, vehicles, accounts or programmes, or that such investment vehicle will be able to implement its investment strategy or achieve its investment objectives.

Note 4 - Case Studies

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ID: 12162079

SHAWN T. WOODEN
TREASURER

State of Connecticut
Office of the Treasurer

DARRELL V. HILL
DEPUTY TREASURER

June 4, 2021

Members of the Investment Advisory Council ("IAC")

Re: **Consideration of Strategic Value Special Situations Fund V**

Dear Fellow IAC Member:

At the June 9, 2021 meeting of the IAC, I will present for your consideration a private equity opportunity for the Private Investment Fund ("PIF") in the Connecticut Retirement Plans and Trust Funds (the "CRPTF"): Strategic Value Special Situations Fund V ("SVSS V" or the "Fund"). The Fund has a target size of $4.0 billion and is being raised by Strategic Value Partners, LLC ("SVP"), a Greenwich, Connecticut based investment management firm.

I am considering a commitment of up to $150 million in SVSS V, a fund that will make distressed debt investments to establish influential or control positions in middle market companies and assets in North America and Europe. The Fund will provide the CRPTF with exposure to SVP's special situations strategy, which combines elements of more traditional distressed credit and private equity strategies to generate strong absolute and relative returns.

Attached for your review is the recommendation from Steven Meier, Interim Chief Investment Officer, and the due diligence report prepared by Hamilton Lane. I look forward to our discussion of these materials at the next meeting.

Sincerely,

Shawn T. Wooden
State Treasurer

OFFICE OF THE STATE TREASURER

MEMORANDUM

DECISION

TO:	**Shawn T. Wooden, Treasurer**
FROM:	**Steven R. Meier, Interim Chief Investment Officer**
CC:	**Darrell V. Hill, Deputy Treasurer** **Raynald D. Leveque, Deputy Chief Investment Officer** **Mark E. Evans, Principal Investment Officer** **Jason M. Melita, Investment Officer** **Kevin J. Cullinan, Chief Risk Officer**
DATE:	**May 24, 2021**
SUBJECT:	**Strategic Value Special Situations Fund V – Final Due Diligence**

Summary

The purpose of this memorandum is to recommend that the Connecticut Retirement Plans and Trust Funds ("CRPTF") consider a commitment of up to $150 million in Strategic Value Special Situations Fund V[1] ("SVSS V" or the "Fund"). SVSS V will seek to acquire influential or control positions in distressed, stressed and deep-value opportunities through the acquisition of the debt of middle market companies and assets in North America and Europe. The Fund has a target size of $4.0 billion with a hard cap of $5.0 billion and is likely to be oversubscribed. SVP closed on $3.4 billion in April 2021 and is anticipating a closing on June 1, 2021 that will bring total commitments to approximately $4.4 billion.

The Fund's general partner (the "GP") and investment manager are affiliates of Strategic Value Partners, LLC ("SVP" or the "Firm"). SVP was founded in 2001 by Victor Kholsa, who is SVP's Chief Investment Officer. The Firm, headquartered in Greenwich, Connecticut, currently has approximately $15 billion of assets under management across several complementary strategies, including the Special Situations funds series, an open-end hedge fund, a dislocation fund, and tailored credit strategy.

Strategic Allocation within the Private Investment Fund

The Fund's turnaround and distressed strategy falls under the Corporate Finance allocation of the Private Investment Fund ("PIF"). The Investment Policy Statement ("IPS") establishes target allocation ranges of 70% to 100% to Corporate Finance investments within the PIF portfolio as measured by a percentage of total exposure, defined as market value plus unfunded commitments. The PIF's total exposure to Corporate Finance strategies was approximately 84%, as of September 30, 2020.

More specifically, given SVSS V's target strategy, the Fund would be categorized as a distressed/restructuring fund. As of September 30, 2020, distressed/restructuring funds

[1] Any commitment made would be to a specific limited partnership in the SVSS V fund complex based on legal and tax considerations.

represented approximately 7.0% of the PIF's total exposure. The Fund commitment would be consistent with the PIF's FY2021 strategic pacing plan objective of targeting long-term exposure to the distressed/turnaround sub-strategy at 8% to10% of the PIF's total portfolio.

The recommended commitment to SVSS V would be the CRPTF's first investment with SVP and would provide a meaningful opportunity to partner with a strong, Connecticut-based manager. An investment in SVSS V would align with the PIF's strategic objective of adding exposure to top performing, specialist managers as a complement to the PIF's existing portfolio.

Firm and Management Team

SVP, headquartered in Greenwich, was founded in 2001 by Victor Kholsa and Jean-Louis Lelogeais, who has subsequently retired and serves as a senior advisor. Khosla is SVP's Chief Investment Officer and has over 30 years of industry experience. After beginning his career Citibank, Khosla built and managed the distressed proprietary trading business at Merrill Lynch and had investment authority for $2 billion in corporate and real estate investments and led a team of 40 analysts and traders at the time of his departure. He also previously served as president of Cerberus Capital and ran MooreSVP, which was a joint venture with Moore Capital focused on distressed debt investing in Japan.

As of February 28, 2021, the Firm had a total of 127 employees, including 49 investment team members. SVP's investment team is led by Khosla and four lead managing directors with an average of approximately 23 years of relevant industry experience, including 14 years at SVP. SVP has a total of 15 Managing Directors who have an average of 21 years of experience, including nine with SVP. There are an additional 33 investments professionals that support the global platform. The SVP investment committee is chaired by Khosla and comprised of five additional senior investment team members. All investment opportunities that may result in material influence or control transactions are reviewed by the investment committee. The Firm's employees are spread across primary offices in Greenwich and London, while SVP maintains a small office in Tokyo for investor relations purposes.

SVP has an Advisory Council comprised of current or former senior executives of prominent firms and regulatory bodies in the financial sector and other industries. The Advisory Council members dedicate at least one day a week to SVP, further the SVP franchise, and are particularly supportive of the Firm's investment sourcing efforts. The Advisory Council currently consists of 11 members, with seven in Europe and four in the US. The Firm also maintains the SVP Global Operating Council, which is comprised of current and former portfolio company board chairs and members that are another resource available to advise SVP and current portfolio companies.

SVP organizes its investment team by its self-defined three pillars of Sourcing, Deal Analysis & Financial Restructuring, and Operational Management to execute its strategy. Each of the three pillars have dedicated team members; however, the teams work in an integrated manner to execute the Fund's strategy. The Sourcing team comprises three individuals who are solely focused on deal origination and sourcing of investments. The Deal Analysis & Financial Restructuring Team has 35 individuals focused on investment diligence, monitoring, and portfolio company operations. The Operational Management team has eight professionals that work directly with fellow investment team members and portfolio companies to execute operational improvements and drive the value creation process.

Investment Strategy and Market Opportunity

SVSS V is the fifth fund in the Special Situations series managed by SVP. While the largest fund raised to date, it will follow a consistent investment strategy as the prior funds: Strategic Value Special Situations ("SVSS I"), Strategic Value Special Situations Fund II ("SVSS II"), Strategic Value Special Situations Fund III ("SVSS III"), and Strategic Value Special Situations Fund IV, L.P. ("SVSS IV") (collectively, the "Predecessor Funds").

SVP's strategy primarily focuses on acquiring senior distressed debt in middle-market companies, which the Firm seeks to utilize to effect or influence restructurings. SVP has developed a differentiated approach to distressed debt investing that combines aspects of traditional distressed credit and private equity investment strategies. SVP takes an active role with the majority of the companies in which it invests and historically has acquired controlling equity interests in 20% to 30% of its investments through credit restructurings. Post-restructuring, SVP seeks to drive value creation of its control investments through operational and other improvements. SVP focuses on asset-heavy, "old economy" businesses where there are consistent cash flows and low technology risks, including industrials and infrastructure. SVSS V has a global mandate but will focus primarily on Europe and North America where the Firm has a long track record of success and well-established networks.

The GP intends to underwrite investments with a minimum targeted gross internal rate of return ("IRR") of 20% with an expected holding period of two to four years. SVP intends to build an SVSS V portfolio consisting of 20 to 40 core investments, with most of the Fund's capital expected to be invested in those companies that SVP takes control of through a restructuring. Like its Predecessor Funds, SVSS V will have the ability to recycle capital throughout the commitment period, which allows for a more diversified portfolio to complement the larger core portfolio holdings. Through the recycling of capital and the higher multiple return potential of its control equity investments, SVP has been able to generate higher returns on invested capital than many traditional distressed credit strategies.

SVP's investment strategy is driven by its three pillars of Sourcing, Deal Analysis & Financial Restructuring, and Operational Management. Through its robust sourcing team and network, SVP maintains a strong pipeline of opportunities and is capable of building positions at attractive entry prices. The Firm has developed a differentiated, direct sourcing model to identify opportunities in the middle market, where broker-dealers are less active. The Firm generally targets companies with enterprise values up to $1.5 billion. SVP's direct sourcing model also frequently provides SVP the opportunity to identify opportunities early and establish a first mover advantage.

Complementing SVP's sourcing capabilities, SVP has developed rigorous analytics and underwriting practices to review potential investments. SVP focuses on select industries where it has gained a strong understanding of broader industry drivers and trends as well as specific companies within the industry. SVP's analysis also allows for a more complete view of potential risks in a deal by leveraging the expertise of its investment, accounting, tax, legal, trading, and operating professionals as well as its Advisory Council members.

SVP targets distressed debt, focused on the senior level to protect downside risk, and has developed expertise with financial restructurings, including the nuances within bankruptcy laws in local jurisdictions. This allows for SVP to influence creditors' committees and drive the restructuring process. SVP's operational team works with deal team during the due diligence process to assess the target company's operations and to identify opportunities for improvement. Once SVP has established a position of influence, SVP operational team leads the value creation plans developed for each company.

SVP believes the market opportunity to be robust due to the various macro and micro economic challenges caused by the recent pandemic. In response to COVID-19, governments and central banks across the world have injected massive amounts of liquidity into financial markets. This helped to alleviate liquidity concerns largely within investment grade companies. However, SVP has identified a large portion of the market, where SVP believes there is a compelling distressed opportunity involving middle market, non-investment grade companies. SVP considers its core market opportunity to be within the more than $4.5 trillion of debt issuance across the markets for U.S. and European leveraged loans, U.S. and European high yield debt, U.S. direct lending, and European leveraged loans. In addition, SVP estimates that there is a significant distressed investment opportunity within the more than $2.5 trillion of debt issued by asset-heavy sectors such as hotels, lodging, airplanes, power generation, and infrastructure, where the Firm has meaningful investment experience.

Given the trend toward elevated corporate leverage levels in the pre-pandemic environment, the impacts of COVID-19 impacts have accelerated the default cycle in certain sectors and have pushed more companies into stress or distress. SVP estimates that the U.S. default rate alone is projected to be in the 10% neighborhood amongst high-yield issuers, with Europe expected to be similar. While issuers in ailing sectors such as retail and airlines were the earliest to default, SVP expects companies with high leverage, but stronger fundamental businesses to predominate the next wave of distressed opportunities. While the GP expects the Fund's investments to be largely comprised of distressed debt restructuring opportunities, the SVSS V flexible mandate allows SVP to capture short-term opportunities that may be available due to temporary market dislocations. The Firm has demonstrated expertise with investing through such dislocations when SVP has been able to create attractive investment opportunities by focusing on distressed sellers in need of liquidity rather than on the distressed debt restructurings.

Track Record

As of December 31, 2020, SVP's Special Situations Funds had invested $9.3 billion across 416 deals, which generated a gross IRR and a total-value-multiple ("TVM") of 18% and 1.8x, respectively. The Special Situations Funds realized 329 investments as of December 31, 2020, which generated a gross IRR of 18% and a gross TVM of 1.3x on $4.3 billion of invested capital. The realized return profile is largely attributable to the impact of the volume of smaller investments that SVP did not result in a restructuring or were not held for a substantial period of time.

SVSS I through SVSS IV generated a net TVM of 1.6x and a net IRR of 15% through December 31, 2020, as outlined in the following table.

($USD in millions, as of December 31, 2020)

Strategic Value Partners - Special Situations Funds														
Investment Performance Summary (Levered)														
	Vintage	Fund	#	Invested	Realized	Unrealized	Total	Gross/Net[1]			Quartile Rank			Loss
Fund	Year	Size	Deals	Capital	Value	Value	Value	TVM	IRR	DPI	TVM	IRR	DPI	Ratio
SVSS I	2008	$346	125	$1,004	$1,398	$107	$1,505	2.4x / 2.0x	17% / 15%	1.7x	1	1	1	5%
SVSS II	2010	$918	118	$2,230	$2,610	$703	$3,313	2.3x / 1.9x	16% / 14%	1.3x	1	1	2	9%
SVSS III	2013	$1,310	84	$2,605	$2,243	$1,861	$4,104	2.2x / 1.8x	17% / 13%	0.6x	1	1	2	14%
SVSS IV	2017	$2,500	89	$3,491	$1,139	$3,244	$4,383	1.4x / 1.3x	32% / 24%	NM	1	1	2	9%
Total		$5,074	**416**	**$9,329**	**$7,390**	**$5,915**	**$13,305**	**1.8x / 1.6x**	**18% / 15%**	**0.5x**				**10%**

Source: SVP, CRPTF, and Hamilton Lane Distressed Debt Benchmark.

1. Returns shown based on LP returns. DPI shown is net.

The Predecessor Funds all ranked as first quartile funds on a net TVM and IRR basis when compared to the Hamilton Lane Distressed Debt Benchmark as of December 31, 2020. SVSS II, III, and IV ranked as second quartile funds on a distributed to paid-in basis ("DPI") where SVSS I was a first quartile performer. SVSS II and III are expected to have near term realizations on some of the funds' larger holdings, which will increase each fund's DPI ratio upon exit. SVSS IV is still in its investment period when capital is recycled in lieu of distributions.

SVP's loss ratio ranged from 5% to 14% across the Predecessor Funds as of December 31, 2020, including realized and unrealized investments. The Firm's more significant historical losses have largely been in sectors prone to commodity price volatility, including in oil and gas and container/dry-bulk shipping. As a result of lessons learned and the incorporation of newer ESG initiatives into its investment strategies, SVP has indicated that the Fund's exposure to these sectors would be limited.

Key Strengths

1. **Experienced Senior Team with Diverse Skillsets.** SVP is led by its CIO, Victor Kholsa, and four lead managing directors who average nearly 23 years of relevant industry experience, including 14 years at SVP. The Firm has a wide network and strong reputation within the distressed debt market, including a long-time presence in Europe. This is a key differentiator versus most other middle market firms that do not have teams in the US and Europe and allows for an on the ground approach for new deal opportunities in both key markets. SVP's broader senior deal team has vast industry experience, including an average tenure at SVP of 9 years. SVP further intends to promote from within to continue to build an experienced and cohesive team of investment professionals.

   SVP has built a team of investment, accounting, tax, legal, trading, and operating professionals, which bring the diverse set of skills and experience required to execute its differentiated distressed debt strategy, which combines elements of more traditional distressed credit and private equity approaches. While the SVP investment professionals are dedicated to the Firm's three pillars of Sourcing, Deal Analysis & Financial Restructuring, and Operational Management, the team works in an integrated manner to optimize investment return potential while maintaining a focus on downside protection. The SVP team's expertise and networks are further complemented by the Advisory Council and members of the SVPGlobal Operating Council.

2. **Demonstrated Strong Investment Performance.** The Fund will execute the same strategy that has allowed SVP to generate consistent, top quartile performance across the Predecessor Funds. The Firm is well-positioned to utilize its distressed debt investment expertise to

deliver attractive returns for the Fund, particularly in light of the favorable outlook for stressed and distressed opportunities in SVP's core target markets.

Major Risks and Mitigants

1. **Focus on Asset Heavy Sectors.** SVP focuses on "old-economy" asset heavy sectors and its Predecessor Funds have invested in sectors such as oil and gas and shipping that performed poorly due to unfavorable macroeconomic conditions. Continued exposures to these sectors may create risks to the Fund due to commodity price volatility. These risks are largely mitigated through revisions to the Special Situations funds strategy based on lessons learned in these sectors and, for oil and gas in particular, enhanced ESG practices that are fully integrated into investment opportunity analysis. Therefore, the Fund's exposure to these sectors is expected to be minimal. Undue risk to any sector is also mitigated by SVP's portfolio construction discipline, which the Firm utilizes to build diverse portfolio exposures. The effectiveness of SVP's risk management practices is evidenced in the strong overall performance of SVSS II and III despite the funds' exposure to unsuccessful investments in the oil and gas and shipping sectors.
2. **Cross-Fund Transactions.** SVP manages several pools of capital, including SVSS IV, that could potentially invest in the same transactions or companies as the Fund. The potential for cross-fund investments creates the risk of conflicts of interests between SVP affiliates. PFM investment professionals have reviewed the SVP Allocation Policy and gained comfort that the Firm has established robust policies to address the allocation and prioritization of investment opportunities across actively managed SVP vehicles. The SVP Allocation Committee is responsible for reviewing the allocations of various pending transactions as well as trade allocations deemed substantial. The SVP Allocation Committee is comprised of senior members of the Firm, including its Chief Investment Officer, Head Trader, Chief Risk Officer, Chief Operating Officer, General Counsel and Chief Compliance Officer, and Chief Financial Officer. Based on analysis of SVP's track record performed by PFM investment professionals, no particular trends nor bias were noted in the performance of prior cross-fund investments.

Legal and Regulatory Disclosure (provided by Legal)

In its disclosure to the Office of the Treasurer, Strategic Value Partners, LLC ("SVP" or the "Firm") states (i) it has no material legal or non-routine regulatory matters, (ii) no material claims under its fidelity, fiduciary or E&O insurance policies, and (iii) no ongoing internal investigations, to report.

SVP states there have been no material changes within the past two years, and there are no pending changes, to the firm's organization and corporate structure.

Additionally, SVP affirms that it has adequate internal investigation procedures, which are outlined in its Compliance Manual.

Compliance Review

The Chief Compliance Officer's Workforce Diversity & Corporate Citizenship review is attached.

Environment, Social & Governance Analysis (“ESG”)

The Assistant Treasurer for Corporate Governance & Sustainable Investment’s Evaluation and Implementation of Sustainable Principles review is attached/

COMPLIANCE REVIEW FOR STRATEGIC VALUE PARTNERS, LLC

SUMMARY OF LEGAL AND POLICY[2] ATTACHMENTS

SUBMITTED BY

STRATEGIC VALUE PARTNERS, LLC

I. Review of Required Legal and Policy Attachments

STRATEGIC VALUE PARTNERS, LLC ("SVPGLOBAL") a Greenwich Connecticut-based company, completed all required legal and policy attachments. It disclosed no third party fees, campaign contributions, known conflicts, or gifts. The company's disclosure of legal/regulatory proceedings is being reviewed by the Legal unit.

II. Workforce Diversity (See Also 3 year Workforce Diversity Snapshot Page Attached)

As of March 2021 SVPGlobal employed 127, the same number of employees employed in December 31, 2020. Three women and 6 minorities are Executive/Senior Level Officials and Managers, i.e., serve at the highest level of the company. Over the 3 year period 2019-2021, 5 women and 8 minorities were promoted within the ranks of professionals or managers.

Commitment and Plans to Further Enhance Diversity

As part of its strategic diversity and inclusion efforts SVPGlobal recognizes that to build a more diverse and inclusive workforce the investment industry must begin to address the systemic lack of access faced by students from underrepresented gender, ethnic and socioeconomic backgrounds. To this end, the company started a Career Advancement Program called Propel. The vision is to propel Connecticut students from underserved backgrounds into Investment Management careers by introducing them to the industry and providing targeted professional development and support. In 2021, the Propel pilot program will bring students to sponsor firms and send firm representatives to campuses to support career initiatives. Sacred Heart University is already a confirmed pilot school. Other schools invited include, Fairfield University, and potential partner schools include, University of Connecticut, Storrs, Central Connecticut, and University of New Haven. SVPGlobal is also committed to making diverse hires through its recruiting efforts including, building diverse slates for all open positions and only contracting with recruiters committed to delivering diverse slates.

Workforce Statistics

For Executive/Senior Level Officials and Managers:

- Women held 9% (3 of 33) of these positions in 2021, down from 10% (3 of 29) in 2020, and 50% (12 of 24) held in 2019.
- Minorities held 21% (21% Asian) or (7 of 33) of these positions in 2021, down from 24% (24% Asian) or (7 of 29) held in 2020, but the same 21% (21% Asian) or (5 of 24) held in 2019.

At the Management Level overall:

- Women held 11% of these positions in both 2021 (7 of 62) and 2020 (7 of 61), up from 10% (5 of 50) held in 2019.

[2] The Treasury Unit responsible for reviewing SVPGlobal's ESG submission will prepare a separate report.

- Minorities held 24.19% (20.97% Asian, 1.61% Hispanic and 1.61% Two or More Races) or (15 of 62) of these positions in 2021, slightly down from 24.59% (21.31% Asian, 1.64% Hispanic and 1.64% Two or More Races) or (15 of 61) in 2020, but up from 22% (20% Asian and 2% Two or More Races) or (11 of 50) held in 2019.

At the Professional Level:

- Women held 29% (16 of 55) of these positions in 2021, down from 30% (17 of 57) in 2020, but up from 26% (14 of 53) held in 2019.
- Minorities held 21.82% (16.36% Asian, 3.64% Hispanic and 1.82% Black) or (12 of 55) of these positions in 2021, down from 24.56% (19.3% Asian, 3.51% Hispanic and 1.75% Black) or (14 of 57) in 2020, and 28.3% (22.64% Asian, 3.77% Hispanic and 1.89% Black) or (15 of 53) in 2019.

Company-wide:

- Women held 26% (33 of 127) of these positions in both 2021 and 2020, up from 24% (27 of 111) held in 2019.
- Minorities held 23.62% (18.11% Asian, 3.15% Hispanic, 1.57% Black and 0.79% Two or More Races) or (30 of 127) of these positions in 2021, down from 25.2% (19.69% Asian, 3.15% Hispanic, 1.57% Black and 0.79% Two or More Races) or (32 of 127) in 2020, and 25.23% (20.72% Asian, 1.8% Hispanic, 1.8% Black and 0.9% Two or More Races) or (28 of 111) in 2019.

III. Corporate Citizenship

Charitable Giving:
SVPGlobal provides financial support to local area charities and organizations to give back to those in need. Over the years the company has supported causes such as, the empowerment of women, underserved youth, and research for cancer and cerebral palsy, to name a few. The company makes direct donations and matches employee contributions. Funding to the Cerebral Palsy Alliance Research Foundation annually has been approximately $15,000, exclusive of additional fundraising by employees. Connecticut has specifically benefited, for example in Fairfield County, SVPGlobal made a $10,000 donation to help with the development of Impact Vine, a crowdfunding platform that helps nonprofits raise funds for socially impactful projects in the community and for donors to support projects they most care about. Employees also support the company's Thanksgiving food drive, winter clothing drive, and holiday toy drive, in partnership with Person To Person located throughout Fairfield County. Person To Person is a community supported agency that provides emergency assistance for basic needs and supports individuals and families as they move toward stability.

Internships/Scholarships:
The investment team launched a MBA recruiting program in 2017 as a talent pipeline initiative and has made 50% of the offers to minorities and women, and placed diverse hires full-time. Of the 3 MBA interns this summer on the investment team there is 1 female, 1 male person of color, and 1 white male. SVPGlobal also offers undergraduate summer internships to provide exposure to students who typically have finished their first or second year of college. Participants represent a mix of both ethnic and gender diversity. In 2021 SVPGlobal is leading the launch of two programs to introduce underrepresented minorities to the investment management industry. The first is Propel (mentioned earlier), and the second is Inveniam, a partnership with Stepping Stones and the University of Pennsylvania, where SVP is the lead firm of 4 creating an investment management career pathway for high potential but socioeconomically underserved students. SVPGlobal is also leading on funding the 1

week boot camp to prepare interns for their summer. SVPGlobal will have 4 to 5 paid interns identified from these programs in summer 2021, all from underserved backgrounds. Of the 10 total undergraduate 2021 interns at SVPGlobal, 70% will be female or persons of color, and 50% will be underrepresented minorities. The company does not offer direct scholarships at this time.

Procurement:
SVPGlobal did not address whether it has a written procurement policy or program to engage diverse businesses, but stated its committed to support local businesses that are women and minority-owned, and staffed by diverse talent including, current business relationships with recruiting agencies, and other local businesses. The company is in the process of tracking metrics and setting goals for these relationships.

Evaluation and Implementation of Sustainable Principles (provided by Assistant Treasurer of Corporate Governance and Sustainable Investing Policy)

	Criteria	Responses
1	Firm has an ESG policy	Yes
1a	If yes, firm described its ESG policy	Yes
2	If yes, firm provided examples of ESG factors considered in the decision-making process, explained the financial impact of these ESG factors	Yes
3	Designated staff responsible for sustainability policies and research	Yes
4	Firm provides training/resources on sustainability issues, explained sources of ESG-related data	Yes
5	Signatory/member of sustainability-related initiatives or groups	Yes
6	Policy for evaluating current or prospective relationships with manufacturers or retailers of civilian firearms	No
7	Policy that requires safe and responsible use, ownership or production of guns	No
8	Enhanced screening of manufacturers or retailers of civilian firearms	Yes
9	Enhanced screening of any industry/sector subject to increased regulatory oversight, potential adverse social and/or environmental impacts	Yes
10	Merchant credit relationships with retailers of civilian firearms and accessories	No
10a	If yes, firm confirms compliance with laws governing firearms sales	N/A
11	Overall assessment of responses (e.g., depth of approach to ESG and integration)	The firm described a comprehensive integration of ESG into its decision-making process. Their ESG Committee currently leads ESG initiatives and research, with the Chief Risk Officer and Chief Strategy Officer serving as Co-Chairs of the Committee. They are a UN PRI Signatory as of December 2020 and are a member of sustainability related groups such as SASB. SVP incorporates SASB standards into their due diligence practices and are currently in the process of reviewing and standardizing their own ESG KPIs. The firm does not have a formal exclusion policy regarding firearms, but has historically and deliberately avoided civilian firearms.
	SCORE: Excellent - 1 Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented organizations; enhanced screening of firearms and/or higher-risk sectors Very Good - 2 Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented+B3 organizations Satisfactory - 3 General description of ESG philosophy and integration; some evidence of framework for ongoing ESG assessment; member of sustainability-oriented organizations Needs Improvement - 4 Generic and/or vague description of ESG philosophy and integration; no ongoing ESG assessment; no dedicated ESG staff or resources Poor - 5 Incomplete or non-responsive	**2**

Hamilton Lane

Connecticut Retirement Plans and Trust Funds
Strategic Value Special Situations Fund V, L.P.

Recommendation Report

March 2021

Important Disclosures

All information contained within this report has been gathered from sources believed to be reliable, including but not limited to the general partner(s), other industry participants and the Hamilton Lane Investment Database, but its accuracy cannot be guaranteed.

The information contained in this report may include forward-looking statements regarding the fund presented or its portfolio companies. Forward-looking statements include a number of risks, uncertainties and other factors beyond the control of the fund or the portfolio companies, which may result in material differences in actual results, performance or other expectations. The opinions, estimates and analyses reflect our current judgment, which may change in the future.

The past performance information contained in this report is not necessarily indicative of future results and there is no assurance that the fund will achieve comparable results or that it will be able to implement its investment strategy or achieve its investment objectives. The actual realized value of currently unrealized investments will depend on a variety of factors, including future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the current unrealized valuations are based.

Any tables, graphs or charts relating to past performance included in this report are intended only to illustrate the performance of the fund or the portfolio companies referred to for the historical periods shown. Such tables, graphs and charts are not intended to predict future performance and should not be used as the basis for an investment decision.

By accepting receipt of this investment report and in consideration of access to the information contained herein (together with the investment report, the “Confidential Information”), the recipient agrees to maintain the strict confidentiality of any and all Confidential Information in accordance with the terms of this paragraph. The recipient acknowledges that (i) the Confidential Information constitutes proprietary trade secrets, and (ii) disclosure of any Confidential Information may cause significant harm to Hamilton Lane Advisors, L.L.C. (“Hamilton Lane”), its affiliates or any of their respective businesses. Unless otherwise required by law, the recipient shall not disclose any Confidential Information to any third party. If required by law to disclose any Confidential Information, the recipient shall provide Hamilton Lane with prompt written notice of such requirement prior to any such disclosure so that Hamilton Lane may seek a protective order or other appropriate remedy. Prior to making any disclosure of any Confidential Information required by law, the recipient shall use its reasonable best efforts to claim any potential exemption to such requirement and otherwise shall limit disclosure only to such information that is necessary to comply with such requirement.

The calculations contained in this document are made by Hamilton Lane based on information provided by the general partner (e.g. cash flows and valuations), and have not been prepared, reviewed or approved by the general partner.

Stacked bar charts or pie charts presented in the Strategy section in this report may not equate to 100% per the data labels on the charts due to rounding; however, all stacked bar charts and pie charts equate to 100% using exact proportions.

Table of Contents

Fund Information

Organization Overview	Fund Overview	Portfolio Construction
General Partner: Strategic Value Partners, LLC ("General Partner"), ("SVP")	**Fund:** Strategic Value Special Situations Fund V, L.P. ("Fund")	**Enterprise Values:** Generally, up to $1.5 billion
Firm Inception: 2001	**Target Size/Hard Cap:**[1] $4.0 billion/$5.0 billion	**Equity Investments:** n/a
Team: 49 investment professionals	**Strategy:** Distressed debt	**Target Number of Investments**[2]**:** 20 to 40
Senior Partners: Victor Khosla, John Brantl, Kevin Lydon, HJ Woltery and David Greenberg	**Substrategy:** Multi-strategy	**Max Single Investment Exposure:** 10%
Location: Greenwich (headquarters), London and Tokyo	**Geography:** Europe and North America	**Expected Hold Period Per Investment:** 2 to 4 years
	Industries: Diversified	

[1]Including the General Partner's commitment
[2]Total number of investments may be higher after recycling; expectation is 20-40 investments during the Fund's investment period

Net Performance and Benchmarks

Strategic Value Partners LLC Prior Investment Performance As of 12/31/20								HL Benchmark Distressed Debt As of 12/31/20			PME Benchmark[3] CS High Yield Index As of 12/31/20	J-Curve Benchmark[4] Distressed Debt As of 9/30/20
								Spread vs. Top-Quartile				
($mm) Fund	Vintage	Fund Size	% Drawn[1]	DPI[2]	TVPI	Net IRR	Quarters to Break J-Curve	DPI	TVPI	Net IRR	Spread vs. PME	Comparison to Peers (quarters)
Fund I	2008	$346	100%	1.7x	1.9x	15.0%	3	0.2x	0.4x	+49 bps	+388 bps	Equal
Fund II	2010	918	91%	1.2x	1.8x	13.7%	8	-0.2x	0.4x	+215 bps	+741 bps	6 later
Fund III	2013	1,310	90%	0.6x	1.8x	13.1%	2	-0.7x	0.4x	+495 bps	+751 bps	Equal
Fund IV	2017	2,500	85%	0.0x	1.3x	23.9%	1	-0.5x	0.1x	+1148 bps	+1433 bps	1 earlier
Total				**0.5x**	**1.6x**	**14.7%**					**+743 bps**	

Fundraise Update

- First close expected on 4/1/21 on approximately $3.0 billion

[1]Percentage drawn is calculated off of the amount of aggregate commitments made by both fee-paying limited partners and from the General Partner's commitment
[2]Capital Distributed is calculated from the cash flows of fee-paying limited partners and excludes any cash flows from the General Partner's commitment
[3]Methodology used for PME Benchmark is the Cobalt PME (PME II)
[4]Peer J-Curve Benchmark is calculated as of 9/30/20 by taking the median IRR of small buyout funds of similar vintages in Hamilton Lane's database at each quarter, which are simulated as investing at the same point of time

Key Terms[1]

Term	Summary
Investment Period	4 years; + 1 six-month extension at the discretion of the General Partner
Fund Term	7 years; + 1 one-year extension at the discretion of the General Partner; + 1 one-year extension with limited partner approval
GP Commitment	2% (at least $80 million)
Management Fee	See table below
Fee Discount	Yes; 10 basis points for first close commitments
Fee Offset	100%
Organization Expenses	$4.5 million
Carry/Preferred Return	20%/8%; full return of contributions
GP Catch-up	Yes
Clawback	Yes

Management Fee

Capital Commitment	Investment Period	After 50% of capital has been called	Post-investment Period
<$100 million	0.875% of aggregate commitments	1.75% of aggregate commitments	1.75% of the lesser of aggregate commitments and net invested capital
>$100 million	0.775 of aggregate commitments	1.55% of aggregate commitments	1.55% of the lesser of aggregate commitments and net invested capital

[1] Refers to the terms proposed by the General Partner as of February 2021; terms are subject to change during fundraising

Investment Thesis

Experienced distressed debt investor with a global remit and well-defined sourcing channels	• Led by Victor Khosla, Founder and CIO, SVP is an experienced and cycle-tested distressed debt investor focused on deploying capital primarily across North America and Europe • The General Partner's transatlantic presence has permitted the investment team to develop deep sourcing networks with industry experts and banking institutions for middle-market deal flow • Dedicated sourcing professionals leverage the investment team's and Advisory Council's professional networks, increasing the efficacy of direct origination
Dedicated and growing embedded portfolio operations team	• SVP's competitive positioning is defined by its ability to drive operational value in the companies where it gains significant influence or control over the equity • The dedicated portfolio operations team drives value creation by strengthening management teams, implementing cost reduction programs, pursuing accretive M&A campaigns and bolstering governance structures
Top-quartile net performance across prior funds	• Across prior funds, the General Partner has generated top-quartile returns on a TVPI and net IRR basis • The General Partner foresees meaningful upside in the next 12 to 18 months across all funds • By targeting discounted senior debt investments and driving upside through operational performance, the General Partner has delivered attractive risk-adjusted returns

Executive Summary (cont.)

Investment Considerations

The General Partner continues to expand its leadership group	• Mr. Khosla continues to be the ultimate decision maker at the firm-level, however, a group of Managing Directors is emerging with more responsibility and influence • Recent turnover since Fund IV includes the departures of two Co-Heads of US, both of whom were senior external hires and one Co-Head of Europe, who retired • More recently, a COO and a Head of Human Resources joined the firm and a management committee has been formed to oversee day-to-day operations
SVP is able to execute its strategy through a larger fund	• SVP is raising a fund that is meaningfully larger than its predecessor and expects to significantly recycle capital throughout the investment period; delays in capital deployment and fees on committed capital could negatively impact net returns • The Fund's investment period will initially overlap with the remaining recycling capability of Fund IV's investment period and the remainder of the Dislocation fund; this is expected to be mitigated by the scale of the opportunity targeted by SVP
The General Partner is increasingly well-versed to deliver outsized returns and drive liquidity in prior funds in the current market environment	• SVP will need to demonstrate its ability to deliver liquidity across the large value driving and concentrated positions in prior funds in the short term as expected • Investment theses to drive outsized multiple returns are crafted by an experienced and selective, multifaceted investment team, with input from third-party specialist consultants, who collectively perform private equity style due diligence with rigours screenings and re-underwriting exercises
SVP remains focused on portfolio construction and fund management	• Across prior vintages, gross-to-net spread profiles have improved given the increasing focus on cash management and the introduction of capital call facilities • The General Partner's mark-to-market valuation policy on its debt investments can create volatile portfolio marks as it builds positions of control or influence • Portfolio construction to sensitive sectors, concentration and fund management will need to be carefully managed

Recommendation

Based on the analysis and information presented herein, Hamilton Lane believes that a commitment to Strategic Value Special Situations Fund V, LP works towards achieving the goals set forth for the Connecticut Retirement Plans and Trust Funds. A commitment to the Fund will establish a relationship with a high-quality, Connecticut based General Partner. Taking into account the investment strategy and portfolio diversification objectives of the Private Investment Fund, Hamilton Lane recommends a commitment to the Fund.

General Partner

Experienced distressed debt investor with well-defined, transatlantic sourcing channels	• Victor Khosla, Founder and CIO, leads the investment team and is supported by a core senior group of well-tenured Managing Directors • The General Partner's transatlantic presence has permitted the investment team to develop deep sourcing networks with industry experts and banking institutions • Dedicated sourcing professionals leverage the investment team's and Advisory Council's professional networks, increasing the efficacy of direct origination
Dedicated and growing embedded portfolio operations team	• SVP's competitive positioning is defined by its ability to drive operational value in the companies where it gains significant influence or control over the equity • The dedicated portfolio operations team drives value creation by strengthening management teams, implementing cost reduction programs, pursuing M&A campaigns and bolstering governance structures
Growing leadership group and firm-wide processes	• Since Fund IV, a management committee has been formed to oversee day-to-day operations and broader, non-investment related strategic matters • Managerial resources are growing with the recent additions of Ranji Nagaswami as COO and Sarah Pillmore as Head of Human Resources
Economics gradually broadening beyond most senior professionals	• The General Partner seeks to promote well-tenured professionals rather than recruiting externally for senior-level roles, to the benefit of cohesion across the investment team • The Fund's economics are concentrated at the senior-level and may be allocated to some mid-level professionals, subject to tenure and individual performance

General Partner (cont.)

- Founded in 2001 by Victor Khosla, SVP is a global distressed debt investor focused primarily on opportunities across North America and Europe
- In addition to the Fund, Strategic Value Special Situations ("SVSS"), the General Partner also manages the following fund lines:
  - Strategic Value Restructuring Fund ("SVRF"), an open-ended vehicle with $1.6 billion in assets under management as of January 2021, targeting non-control and short-term credit investments
  - Strategic Value Dislocation Fund ("SVDF"), a private credit vehicle with $2.5 billion of commitments targeting investments in market dislocation opportunities arising from the COVID-19 pandemic; SVDF shares some strategic overlap with SVSS
  - The General Partner also manages an additional separately managed accounts that invest alongside the SVSS and SVRF fund lines

Snapshot:[1]

Inception/Founders:
2001/Victor Khosla

AUM:[2]
$10.6 billion

Management Company:
Private

Headcount:
49 investment professionals and 78 other employees

Locations:
Greenwich (headquarters), London and Tokyo

Strategies/Product Lines:
Distressed debt (SVSS), hedge fund (SVRF), event-driven credit (SVDF), separately managed accounts

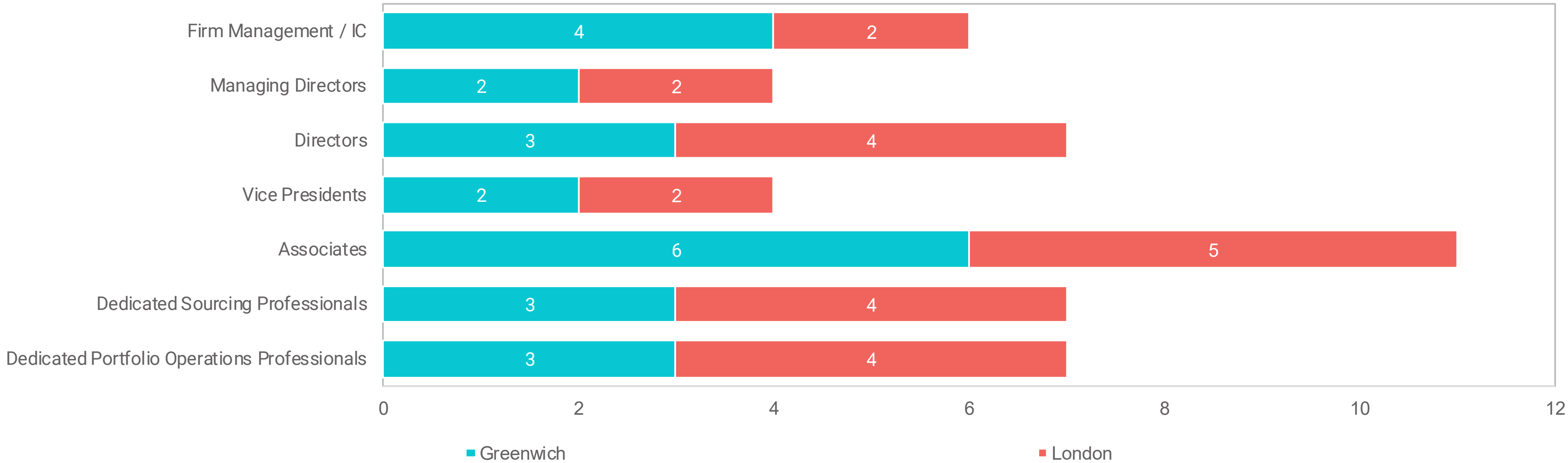
Current Leadership:
Victor Khosla, John Brantl, Kevin Lydon, HJ Woltery and David Greenberg

[1] As of 12/31/20; [2] Cumulative NAV of open and closed-ended funds

- The General Partner is headquartered in Greenwich, Connecticut
  - Since 2004, SVP has had a presence in Europe through its London office and also retains an office in Tokyo comprised of investor relations professionals
- The investment team consists of 49 professionals, staffed across deal underwriting, sourcing, portfolio operations and risk management functions
- The investment team is further supported by an Advisory Council of 11 members supporting the dedicated sourcing efforts, and a 10 person group of experienced portfolio chairmen supporting the portfolio operations professionals

Investment Team by Role/Region[1,2]

As of 12/31/20



[1] Firm Management / IC includes Kevin Lydon, Global Head of Sourcing
[2] Excludes Risk Management professionals: one Managing Director, one Director and one Vice President

General Partner (cont.)

- The investment team is led by Mr. Khosla and counts 15 Managing Directors covering deal underwriting, sourcing, portfolio operations and risk management; the average tenure across the group is 9 years
  - The senior group is supported by 33 junior- and mid-level investment professionals who collectively oversee investment activities for all product lines
  - Regarding SVP's other products, the Fund maintains priority for allocation on illiquid and control-oriented investments
- The investment committee is chaired by Mr. Khosla and comprises HJ Woltery and John Brantl, Co-Heads of Europe, David Greenberg, Head of US, Kevin Lydon, Global Head of Sourcing and Sujan Patel, Head of Real Estate
  - Senior deal underwriting professionals have autonomy to invest in small debt positions to gain company-specific information
  - Investment opportunities at the stage of material influence or control are discussed at the committee-level with Messrs. Woltery, Brantl, Greenberg, Lydon and Patel growing their influence, but Mr Khosla having senior influence over decisions
  - From a diversity standpoint, the investment committee is well-positioned with the senior vote representing a minority group; SVP is actively recruiting for investment professionals from a pool of MBA candidates with defined diversity buckets

Name	Title	Focus Area	Location	Tot. Exp. (yrs.)	Tenure (yrs.)	Fund I	2009	Fund II	2011	2012	Fund III	2014	2015	2016	Fund IV	2018	2019	2020	Fund V
Victor Khosla[1]	Founder & CIO	Firmwide	Greenwich	31	19														
HJ Woltery[1]	Managing Director	Deal Underwriting	London	35	16														
Greg Braylovskiy	Managing Director	Sourcing	Greenwich	18	14														
Michael Schwartz	Managing Director	Deal Underwriting	Greenwich	17	14														
John Brantl[1]	Managing Director	Deal Underwriting	London	15	14														
Kevin Lydon[1]	Managing Director	Sourcing	Greenwich	27	13														
Hannah Cusworth	Managing Director	Sourcing	London	16	11														
David Geenberg[1]	Managing Director	Deal Underwriting	Greenwich	15	11														
Alvaro Fabian	Managing Director	Deal Underwriting	London	19	7														
Anthony O'Carroll	Managing Director	Portfolio Operations	London	24	5														
Jon Kinderlerer	Managing Director	Risk Management	Greenwich	20	5														
Jason Pike	Managing Director	Deal Underwriting	Greenwich	23	2														
James MacNamara	Managing Director	Deal Underwriting	London	23	2														
David Peck	Managing Director	Portfolio Operations	Greenwich	27	1														
Sujan Patel[1]	Managing Director	Deal Underwriting	Greenwich	19	1														
Paul Marchand	Managing Director	Portfolio Operations	London	16	1														

= Tenure with Strategic Value Partners LLC

= Total Experience

[1] Denotes investment committee member

General Partner (cont.)

- The General Partner's transatlantic presence has enabled the investment team to develop deep sourcing networks with industry experts and banking institutions
  - Origination uniformly starts through SVP's relationships with banks and incrementally evolves into bilateral discussions with direct managers including loan funds and CLOs, managed by the sourcing team and the Advisory Council
  - The 11-person Advisory Council is of former senior executives of prominent firms and regulatory bodies; these are not full-time employees and are remunerated on a part-time consultant basis
- The dedicated portfolio operations team drives value creation by strengthening management teams, implementing cost reduction programs, pursuing M&A campaigns and bolstering governance structures
  - This team further draws extensively on a network of 10 current and past chairmen and board members from the SVP portfolio
  - Members from the Advisory Council may represent SVP at the board level of portfolio companies, assisting in the implementation of operational value-add programs

Victor Khosla - *Founder & CIO*

Investment Team

Sourcing	Deal Underwriting		Portfolio Operations	Risk Management
Kevin Lydon[1] - *Global Head*	**David Geenberg**[1] - *Head of US*	**HJ Woltery**[1] - *Co-Head of Europe*	**David Peck** - *Head of US*	**Jon Kinderlerer** - *Chief Risk Officer*
	Sujan Patel[1] - *Head of Real Estate*	**John Brantl**[1] - *Co-Head of Europe*	**Anthony O'Carroll** - *Head of Europe*	
2 Managing Directors	4 Managing Directors	7 Directors	1 Managing Director	1 Director
5 Directors	4 Vice Presidents	11 Associates	3 Directors	1 Vice President
			1 Vice President	

Investor Relations	Firm Infrastructure
6 Managing Directors	5 Managing Directors
3 Directors	1 Director
6 additional professionals	57 additional professionals

[1] Denotes investment committee member

Investment Strategy

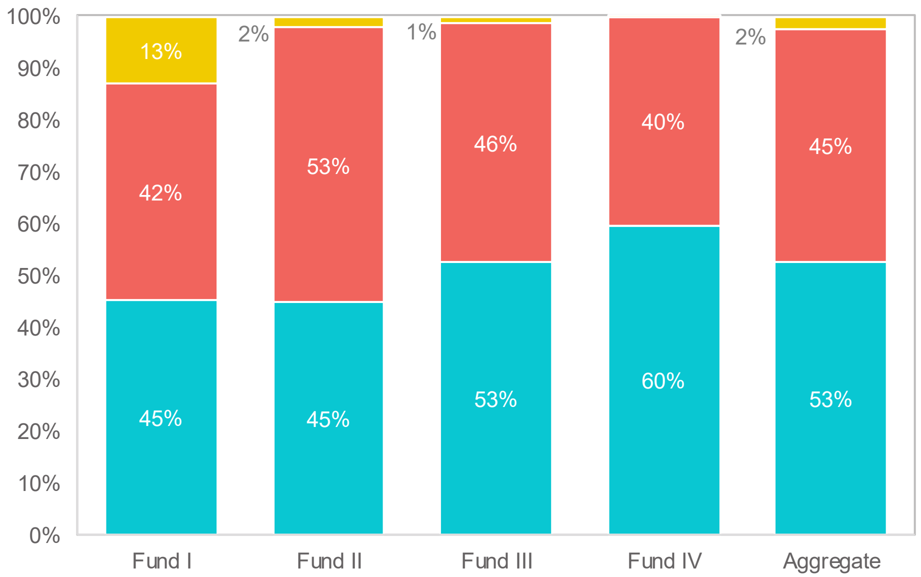
Consistent, thematic investment strategy with transatlantic mandate	• Consistent with prior funds, the General Partner targets undervalued debt investments in businesses experiencing financial stress or distress • SVP invests thematically across sectors, focusing on old economy-type companies with hard asset backing and predictable cash flows across Europe and North America
Middle-market focus with flexible investment sizing to gain control in high conviction positions	• The General Partner pursues a flexible mandate across sectors with a primary focus on middle-market companies with enterprise values largely up to $1.5 billion • SVP seeks to gradually build its positions over-time as company-specific situations evolve, initially to gain informational advantages and later to take control during restructuring processes in select key value-driving assets from the portfolio
Invests in discounted debt sourced bilaterally by dedicated origination resources	• The General Partner predominantly targets discounted senior debt securities and may combine these with other discounted junior debt or equity-like instruments • Origination uniformly starts through SVP's relationships with banks and incrementally evolves into bilateral discussions with direct managers including loan funds and CLOs, managed by the sourcing team and the Advisory Council
Value creation through price appreciation, financial restructurings and building equity upside through an operationally intensive approach	• The General Partner looks to gain influence in order to act as the primary creditor in its largest investments to lead restructuring processes • When in a position of influence or control, the portfolio operations team drives value creation through cost reductions, M&A and by strengthening management • Equity upside contributes to returns where restructurings are successful, otherwise price appreciation and recycling create value when a restructuring is not achieved

Investment Strategy (cont.)

- The General Partner will continue to invest in North America and Europe and expects to allocate the Fund evenly between regions
  - SVP may also invest opportunistically in other geographies

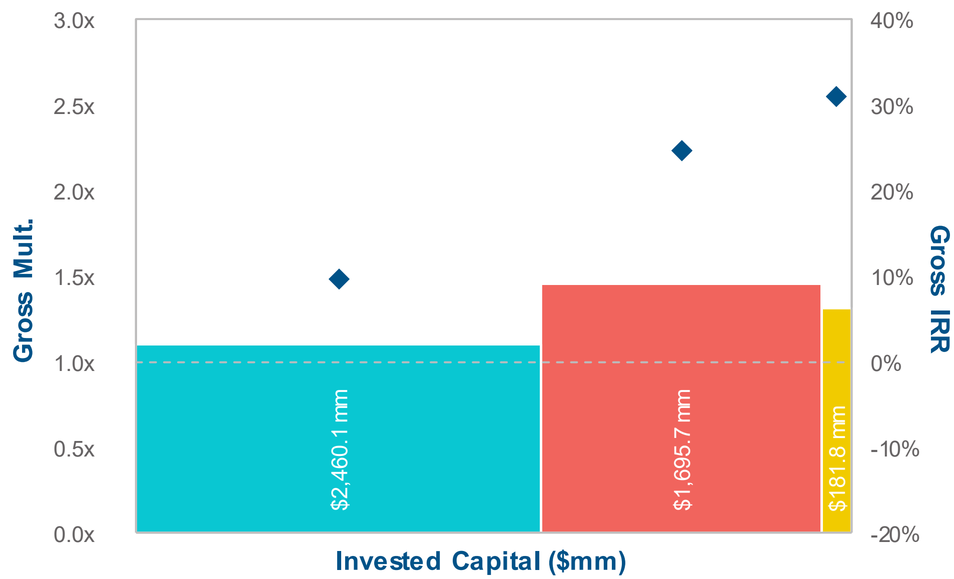
Prior Investments - % by Region

As of 12/31/20



Realized Performance – by Region

As of 12/31/20

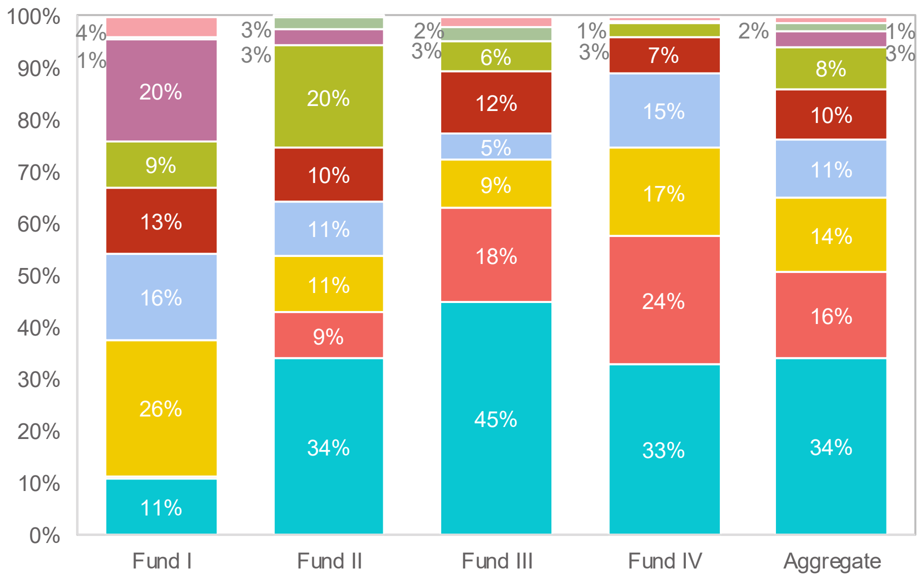


Investment Strategy (cont.)

- The General Partner invests thematically across sectors, focusing on old economy-type companies with hard asset backing and predictable cash flows
  - These include infrastructure projects, power and energy assets, building products and materials, real estate and housing, aircraft leasing, shipping financing and other industrial service providers

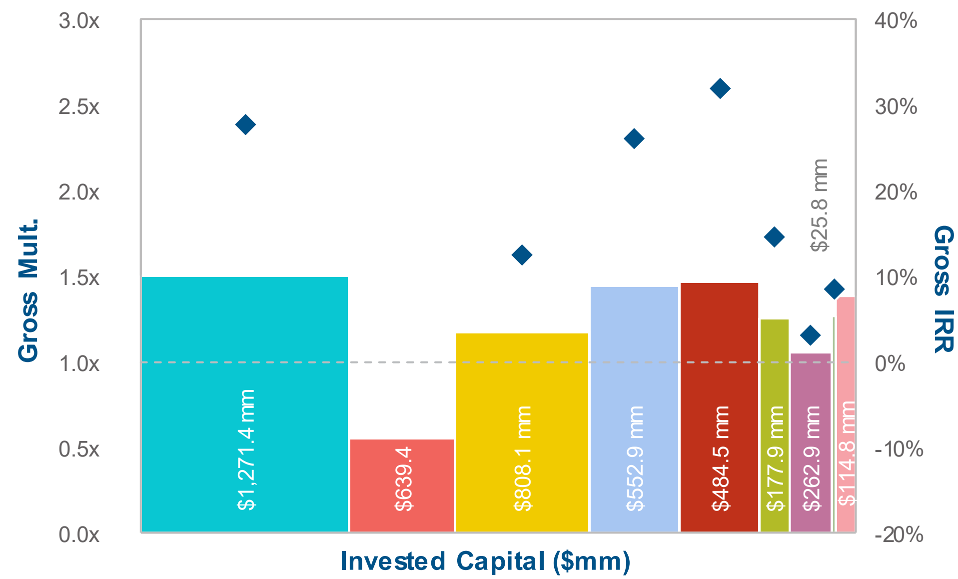
Prior Investments - % by Sector[1,3]

As of 12/31/20



Realized Performance – by Sector[1,2,3]

As of 12/31/20



Industrials | Energy | Consumer Discretionary | Real Estate | Liquidations | Materials | Financials | Healthcare | Technology & Telecommunications | Gross IRR

[1] Realized investments in the Energy sector generated a -55.1% gross IRR; [2] Realized investments in the Technology & Telecommunications sector generated a 68.3% gross IRR; [3] Liquidations refers to targeted asset claims in a mix of sectors

Investment Strategy (cont.)

- SVP targets middle-market investments in companies with enterprise values largely up to $1.5 billion
  - The General Partner pursues a flexible investment strategy and may invest part of the Fund in larger companies
- For the Fund, SVP is targeting 20 to 40 platform investments and expects to allocate more than 50% of capital to the top 20 positions, increasing the size of its highest conviction investments following initial toehold positions
- In line with the prior fund, the General Partner intends to target undervalued debt positions in companies facing financial stress or distress, as well as asset liquidations
  - SVP may structure its positions with a combination of senior debt, subordinated debt and equity securities
- The General Partner expects to build influential debt positions by allocating a larger quantum of capital to its best performing investments, to ultimately drive financial restructurings as the lead creditor
- Origination uniformly starts through SVP's relationships with banks and incrementally evolves into bilateral discussions with direct managers including loan funds and CLOs, managed by the sourcing team and the Advisory Council
- In the case that influential debt position cannot be achieved, SVP seeks to realize these investments generating returns through price appreciation of the debt, and expects to recycle these proceeds during the investment period
- Where financial restructurings occur, SVP seeks to ultimately gain substantial influence or control over the equity
- When the General Partner has gained influence over the equity, operating professionals drive value-added initiatives such as cost reduction initiatives, improving governance structures, strengthening management teams and add-on acquisitions
- Equity upside contributes to returns where restructurings are successful, otherwise price appreciation and recycling create value when a restructuring is not achieved

Top-quartile net performance across prior funds	• Across prior funds, the General Partner has generated top-quartile returns on a TVPI and net IRR basis • SVP uses significant recycling to enhance returns on a multiple basis, albeit with a corresponding impact on DPI early in the fund's life • The General Partner expects the DPI for Funds II and III to exceed 2.0x by year-end 2021
SVP has continued to focus on portfolio construction and fund management	• Across prior vintages, gross-to-net spread profiles have improved given an increased focus on cash management and the introduction of capital call facilities • The General Partner's mark-to-market valuation policy on its debt investments can create volatile portfolio marks as it builds positions of control or influence • Portfolio construction to sensitive sectors, concentration and fund management will need to be carefully managed
Attractive unrealized portfolio with expected near-term upside and realizations	• As of 12/31/20, the General Partner was the controlling shareholder in nine portfolio companies within its track record • The General Partner foresees meaningful upside in the next 12 to 18 months across all funds

Track Record (cont.)

- As of 12/31/20, the General Partner had generated top-quartile returns across its prior funds on a net IRR and TVPI basis
- SVP uses significant capital recycling to benefit returns on a multiple basis
    - This in turn has impacted the distribution profile of the funds in the early years

Strategic Value Partners LLC Prior Investment Performance[1] As of 12/31/20									HL Benchmark Distressed Debt As of 12/31/20			PME Benchmark[2] CS High Yield Index As of 12/31/20
									Top-Quartile			
($mm) Fund	Vintage	Fund Size	Capital Drawn	Capital Distributed	NAV	DPI	TVPI	Net IRR	DPI	TVPI	Net IRR	PME IRR
Fund I	2008	$346	$359.8	$598.4	$88.2	1.7x	1.9x	15.0%	1.5x	1.6x	14.6%	11.2%
Fund II	2010	918	939.2	1,162.0	551.7	1.2x	1.8x	13.7%	1.5x	1.5x	11.5%	6.3%
Fund III	2013	1,310	1,175.0	668.8	1,453.8	0.6x	1.8x	13.1%	1.3x	1.4x	8.2%	5.6%
Fund IV	2017	2,500	2,038.9	9.9	2,610.3	0.0x	1.3x	23.9%	0.5x	1.2x	12.4%	9.5%
Total			**$4,512.9**	**$2,439.1**	**$4,704.1**	**0.5x**	**1.6x**	**14.7%**				**7.2%**

[1] Capital Drawn, Capital Distributed and NAV are calculated from the cash flows of fee paying limited partners and excludes any cash flows from the General Partner's commitment; Capital Drawn and Capital Distributed include the effects of recycling

[2]Methodology used for PME Benchmark is the Cobalt PME (PME II)

Track Record (cont.)

- On a gross basis, prior funds have generated attractive performance with the significant use of capital recycling in the investment period benefitting returns on a multiple basis

Strategic Value Partners LLC
Prior Investment Performance
12/31/20

($mm) Fund	Vintage	# of Inv. [3]		Fund Size	Capital Drawn less Recallable Distributions [4]	Amount Invested	Realized	Unrealized	# of Times Recycled	Deal Level Gross Mult. [1]	Profit Generated	Fund Level Gross Mult. [2]	Gross IRR
		Total	Real.										
Fund I	2008	125	122	$346	$343.6	$1,003.7	$1,398.3	$106.7	2.9x	1.5x	$501.3	2.5x	23.4%
Fund II	2010	118	108	918	833.3	2,229.7	2,610.0	702.9	2.7x	1.5x	1,083.1	2.3x	19.0%
Fund III	2013	84	64	1,310	1,180.1	2,604.6	2,243.0	1,861.1	2.2x	1.6x	1,499.5	2.3x	18.2%
Fund IV	2017	89	35	2,500	2,112.6	3,490.5	1,139.0	3,244.2	1.7x	1.3x	892.6	1.4x	24.0%
Total		**416**	**329**		**$4,469.6**	**$9,328.6**	**$7,390.2**	**$5,914.9**	**2.2x**	**1.4x**	**$3,976.6**	**1.9x**	**20.2%**

[1] Represents the gross multiple at the deal level w hich excludes the effects of recycling

[2] Represents the gross multiple at the fund level w hich includes the effects of recycling

[3] Represents aggregate number of positions

[4] Accounts for all capital draw n from fee-paying limited partners and the General Partner commitment minus all recallable distributions from fee-paying limited partners and the General Partner commitment

Strategic Value Partners LLC
Realized Investment Performance
12/31/20

($mm) Fund	Amount Invested	Amount Realized [1]	Unrealized Value	Gross Mult.	Gross IRR
Fund I	$892.2	$1,236.4	$11.3	1.4x	22.8%
Fund II	1,597.8	2,046.4	0.7	1.3x	18.2%
Fund III	1,313.0	1,711.9	15.1	1.3x	17.0%
Fund IV	534.6	394.6	7.4	0.8x	-25.2%
Total	**$4,337.6**	**$5,389.3**	**$34.6**	**1.3x**	**17.9%**

[1] May have distributed or re-invested

Strategic Value Partners LLC
Unrealized Investment Performance
12/31/20

($mm) Fund	Amount Invested	Amount Realized [1]	Unrealized Value	Gross Mult.	Gross IRR
Fund I	$111.5	$161.9	$95.4	2.3x	26.1%
Fund II	631.9	563.6	702.2	2.0x	19.9%
Fund III	1,291.6	531.1	1,846.0	1.8x	18.9%
Fund IV	2,955.9	744.3	3,236.8	1.3x	33.2%
Total	**$4,990.9**	**$2,001.0**	**$5,880.4**	**1.6x**	**22.3%**

[1] May have distributed or re-invested

- The latest renewed ESG-oriented efforts are led by a new COO who joined in 2020 and the CRO. SVP is in the process of becoming a signatory to PRI. SVP considers ESG risk identification at the screening, due diligence and control stages of its investments. SVP is developing 'ESG Champions' across its investment team, individuals tasked with promoting and infusing ESG culture across the investment team and process. The General Partner is actively recruiting for two ESG dedicated professionals to further build out its resources in this area.
- The General Partner is mainly focused on governance risks given the nature of its investment strategy. SVP enforces good governance in its largest investments by participating at the board level given its control over the companies' equity. Recently, increased attention has been given to environmental risks, given SVP's target sectors; under SVP ownership, Genon Energy, the 6th largest power generator in the US, the company has divested from and shut down its coal-fired power plants and improved its emissions profile by reducing coal consumption.
- As of Q4 2020, the General Partner is establishing a Diversity & Inclusion committee and is in the process of drafting an official Diversity & Inclusion plan applicable to employees, portfolio companies, investors and suppliers, expected for 2021. In 2020, SVP recruited a minority female COO, who directly reports to Mr. Khosla, a female Head of Human Resources and a female Fund Accounting Controller.

ESG Summary

ESG Policy	Yes (since 2012, refined in 2014 for control investments, expected update in 2021)
ESG-Dedicated Professionals	Two Co-Heads of ESG Committee (non-dedicated professionals)
Signatories	PRI (provisional approval in December 2020)
Environmental Focus	Incorporated in ESG policy, member of SASB, not TCFD compliant
Diversity	26% female (one investment team Managing Director) / 74% male 76% minority in ownership, 4% female in ownership
ESG in Due Diligence Process	Third party environmental consultants for control investments

Integration in Decision Making	IC memos include ESG risk considerations
ESG Focus – Planning	ESG risks are considered in the general strategic planning of the firm
Monitoring	SVP still in the process of reviewing and standardizing ESG KPIs
Reporting	No official LP reporting
Requirements of Portfolio Companies	The GP requires portfolio companies over which it has control to adopt ESG policies and at times hire dedicated ESG staff; Detailed control ESG questionnaire issued to all control investments

Portfolio Fit

Based on the analysis and information presented herein, Strategic Value Special Situations Fund V, LP ("the Fund") meets the criteria and guidelines set forth in the CRPTF's Investment Policy Statement. The Fund would be considered a fiscal year 2021 commitment to the Distressed/Restructuring portfolio within the Private Investment Fund. As of September 30, 2020, CRPTF's investments in Distressed/Restructuring represented 7% of Private Investment Fund exposure[1] and has generated a net IRR of 14.9%. Inclusive of CRPTF's investments approved after September 30, 2020, Distressed/Restructuring exposure increases to 9% following a commitment of up to $150 million to the Fund.

Exposure Analysis	CRPTF Current Exposure[1]	IRR	CRPTF Pro Forma Exposure
Strategy			
Distressed/Restructuring	7%	14.9%	9%

[1] As a percentage of total exposure, equal to net asset value plus unfunded commitments, as of September 30, 2020

Appendices

Experience of Investment Professionals								
Name	Title	Focus Area	Location	Age	Tot. Exp. (yrs.)	Tenure (yrs.)	Prior Experience	Educational Background
Victor Khosla	Founder & CIO	Firmwide	Greenwich	62	31	19	• Cerberus Capital Management • Merrill Lynch • Citi Bank	• University of Chicago (MBA) • Vanderbilt University (MA) • Delhi University (BSc)
HJ Woltery	Managing Director	Deal Underwriting	London	55	35	16	• Deutsche Bank	• Ashridge Management College (MBA)
Michael Schwartz	Managing Director	Deal Underwriting	Greenwich	42	17	14	• Arnold & Porter LLP • Weil, Gotshal & Manges LLP	• Harvard Law School (JD) • Wesleyan University (BA)
Greg Braylovskiy	Managing Director	Sourcing	Greenwich	41	18	14	• FridsonVision	• New York University (MBA) • Pace University (BA)
John Brantl	Managing Director	Deal Underwriting	London	37	15	14	• Goldman Sachs	• Princeton University (BA)
Kevin Lydon	Managing Director	Sourcing	Greenwich	50	27	13	• Credit Suisse • Merril Lynch • Fitch Investment Services	• New York University (MBA) • Washington and Lee University (BA)
Hannah Cusworth	Managing Director	Sourcing	London	38	16	11	• Cheyne Capital Management (UK) LLP • JP Morgan	• Oxford University (MA)
David Geenberg	Managing Director	Deal Underwriting	Greenwich	37	15	11	• Goldman Sachs	• Dartmouth College (BA)
Alvaro Fabian	Managing Director	Deal Underwriting	London	41	19	7	• Arcano • Goldman Sachs • Morgan Stanley	• Universidad Pontificia de Comillas (BSc)
Anthony O'Carroll	Managing Director	Portfolio Operations	London	46	24	5	• 3i Private Equity • TowerBrook Capital Partners • Bain & Company	• Dublin University (LLB)
Jon Kinderlerer	Managing Director	Risk Management	Greenwich	47	20	5	• Credit Suisse • Goldman Sachs	• Birkbeck, University of London (MSc) • University of Newcastle (MEng)
Jason Pike	Managing Director	Deal Underwriting	Greenwich	44	23	2	• Charlesbank Capital Partners • Eos Partners • Citi Group	• The Wharton School at the University of Pennsylvania (MBA) (BSc)
James MacNamara	Managing Director	Deal Underwriting	London	44	23	2	• Kildare Partners • Mount Kellett	• Cambridge University (BA)
David Peck	Managing Director	Portfolio Operations	Greenwich	50	27	1	• KPS • Alix Partners • A.T Kearney, Inc.	• University of Michigan Graduate School of Business (MBA) • Cornell University (Meng) • Cornell University (BSc)
Sujan Patel	Managing Director	Deal Underwriting	Greenwich	42	19	1	• Colony Management • NorthStar Compnies • Thayer Loding Group	• Dartmouth College (BA)
Paul Marchand	Managing Director	Portfolio Operations	London	40	16	1	• Bain Capital Private Equity • Bain & Company	• Cambridge University (MEng)

Definitions

Benchmark Analysis:	An analysis which compares the net IRR of the prior funds to the top-quartile net IRR benchmarks for similar funds (based on strategy and vintage) as reported by the Hamilton Lane database. The benchmark data shown is the most recent data available at this time
DPI:	Distributed-to-Paid In = (Amount of Distributions Received)/(Total Amount of Capital Paid-In)
ESG	Environmental, Social and Governance
Gross IRR:	Internal Rate of Return ("IRR") of investments at the 'fund level', excludes fees paid by LPs to the General Partner such as management fees and carried interest. For investments held less than one year, Hamilton Lane nominalizes the IRR to match the hold period of the investment, in order to represent a more meaningful number
Investment Pacing:	An analysis of the total capital invested during the given years. Includes all prior investments, realized or unrealized
J-Curve Benchmark:	Peer (median by age) is calculated by taking the media IRR of similar funds (based on strategy and vintage) in Hamilton Lane's database at each quarter, which are simulated as investing at the same point of time. The length of time to break the J-curve is calculated from inception to the first time each fund generated a positive net IRR
Loss Ratio Analysis:	An analysis of the capital invested in realized transactions generating different multiples of invested capital
Net IRR:	Annualized Internal Rate of Return ("IRR") of investments at the 'LP level', inclusive of fees such as management fees and carried interest paid to the General Partner
Net Returns to Limited Partners:	The performance of the General Partner's prior investment vehicles at the net LP level, inclusive of all fees, carried interest and expenses. Performance data is as reported by the General Partner, using actual capital contributions, distributions and net asset value for either all limited partners, or a sample set of limited partners, in the respective funds
Outlier Analysis:	An analysis of the gross returns of investments in prior funds, comparing overall performance against the performance when certain 'outlier' transactions are excluded. Outliers are defined as transactions which generate exceptionally positive or negative results
PME Analysis:	Calculated by taking the fund monthly cash flows and investing them in the relevant Total Return Index (where all dividends are re-invested). Contributions were scaled by a factor such that the ending portfolio balance would be equal to the private equity net asset value (equal ending exposures for both portfolios). This prevents shorting of the public market equivalent portfolio in order to match the performance of an outperforming private equity portfolio. Distributions were not scaled by this factor. The IRRs were then calculated based off of these adjusted cash flows. The selected PME represents the most relevant public market benchmark
Realized Attribution Analysis:	Analysis of the capital invested in, and performance of, the prior realized transactions according to the criteria indicated
Realized Investments:	Hamilton Lane classifies investments as 'realized' if it has i) an unrealized value of less than 20% of the total value; ii) a carrying value that has been written to zero or has been previously written-off; or iii) been fully exited and the GP has no remaining interest in the company
RVPI:	Remaining Value-to-Paid In = (Current Net Asset Value)/(Total Amount of Capital Paid-In)
TVPI:	Total Value-to-Paid In = (Amount of Distributions Received + Current Net Asset Value)/(Total Amount of Capital Paid-In)

Definitions (cont.)

Time-zero IRR:	Represents the gross IRR calculated as if every investment was initiated on the same date
Write-Down Ratio:	The ratio of capital invested in realized investments that have been sold for a value that is less than 1.0x their original cost basis, divided by the total capital invested in all realized investments
Write-Off Ratio:	The ratio of capital invested in realized investments that have been sold for a value that is less than 0.5x their original cost basis, divided by the total capital invested in all realized investments

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SVPGLOBAL

EXPERIENCE • INSIGHT • VALUE

June 9, 2021

Special Situations Fund V

Presentation Prepared for

Connecticut Retirement Plans and Trust Funds

STRATEGIC VALUE PARTNERS, LLC

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Please see important disclosures on gross and net calculations and performance reporting at the end of this presentation. Projected financial information and other forward looking statements do not, nor are they intended to, constitute a promise of actual results.

SVPGlobal – The Firm

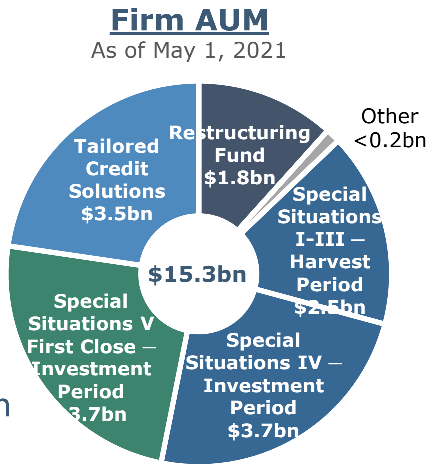
Focused on restructurings, event-driven deals, special situations and trading-oriented opportunities

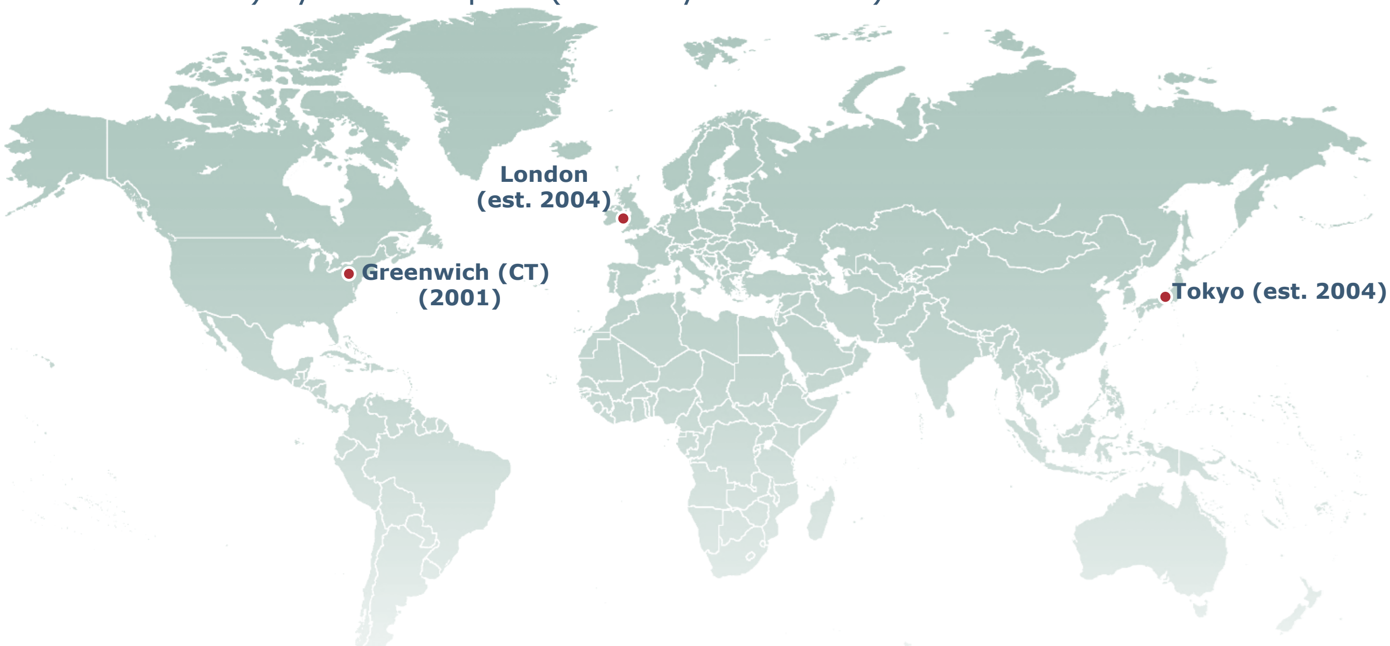
Established Presence
- Firm was founded in 2001 by Victor Khosla; $15.3bn in AUM

Global Operations
- 128-person team – 50 investment professionals, with offices in US, Europe and Japan

Distressed Focus
- Restructurings, event-driven deals, special situations and trading-oriented opportunities
- Full skill set: sourcing, financial restructuring and operational

European Pioneer
- One of the earlier entrants in the European market with London office founded in 2004
- Awarded Best Distressed Loan Investor 6 years in a row (2014-2019) by GlobalCapital (formerly EuroWeek)





Please see "General Disclosure Notes" at the end of this presentation for information on calculations and determinations included herein.

SVPGlobal – The Team – Three Pillars

The team has continued to grow, including investment professionals—especially in the operational area—as well as Advisory Council and Portfolio Chairs

128 People

Sourcing (8)

Kevin Lydon

Greg Braylovskiy
Hannah Cusworth

+ 5 Professionals

Advisory Council (11)

Patrick Daniello (US)
Flip Huffard (US)
Jeff Johnson (US)
Goran Puljic (US)
Sumeet Salwan (US)
José Barreiro (EU)
Dagmar Kent Kershaw (EU)
Leonardo Mathias (EU)
Atosa Moini (EU)
David Weaver (EU)
Stefan Winter (EU)

Investing & Restructuring (32)

Victor Khosla, CIO

David Geenberg
John Brantl
Sujan Patel
HJ Woltery

Jason Pike
Michael Schwartz
Ari Barzideh
Michael Kuharski

Alvaro Fabian
William de Wulf
Bouk van Gelovan

+ 17 Directors, Vice Presidents, Associates, and Analysts

Risk Management

Jon Kinderlerer

+ 2 Professionals

Operational Improvement (10)

Anthony O'Carroll
Paul Marchand
David Peck
Bill Allen
+ 6 Professionals

Portfolio Chairs (10)

Jorgen Rasmussen, *Dolphin*
Andy Pearson, *Douro*
Mac McFarland, *GenOn*
Matt Espe, *Kloeckner & OmniMax*
Miguel Kohlmann, *Pfleiderer*
Mark Zurcher, *PureField Ingredients*
Tyler Duvall, *SH 130*
Marcus Rowland, *SilverBow*
Christoph Mueller, *Swissport*
Mark Robertshaw, *Vita Group*

Operations, Finance, Legal, Talent and Investor Relations (78)

Name	Title
Edward Kelly	COO
Jim Dougherty	CFO
David Charnin	GC & CCO
Ranji Nagaswami	Chief Strategy and Chief Commercial Officer
Sarah Pillmore	Head of Talent
Michael Hewett	Global Head of Investor Relations
Carter Weil	Head of North American Business Development

Please see the "General Disclosure Notes" at the end of this presentation for information on Advisory Council members, Operational Improvement members and Portfolio Chairmen. Compensation for these persons is borne directly or indirectly by SVP–managed funds and accounts.

Special Situations Funds – Overview

Fund numbers are strong, consistent and all four funds are top quartile funds[a]

	Vintage	Committed Capital	DVPI*	FY2020 Net ROR	Q1 2021 Net ROR	IRR[b] (as of 3/31/2021) Gross	IRR[b] (as of 3/31/2021) Net	Multiple (as of 3/31/2021) Gross	Multiple (as of 3/31/2021) Net	Performance vs. Benchmark[a]
SVSS I	**2008**	$346mm	1.8x	77.1%	7.6%	18.0%	15.9%	2.4x	2.0x	1st Quartile
SVSS II	**2010**	$918mm	1.5x	53.0%	16.9%	16.7%	14.4%	2.3x	2.0x	1st Quartile
SVSS III	**2013**	$1.31bn **$1.56bn** (including capacity for fund of one)	0.9x	22.6%	12.1%	18.3%	15.0%	2.4x	2.0x	1st Quartile
SVSS IV	**2017**	$2.50bn **$2.85bn** (including capacity for fund of one)	N/A	15.1%	10.0%	35.5%	27.6%	1.5x	1.4x	1st Quartile

*Distributed capital as a percentage of Peak Capital Called as of May 13, 2021. DVPI is not applicable to SVP funds that are still in their investment periods.
Past performance is not necessarily indicative of future results. Please see important disclosures on gross and net calculations and performance reporting at the end of this presentation.

Firm Overview & Special Situations Funds Overview

- **The Opportunity Today**

Special Situations Funds Highlights

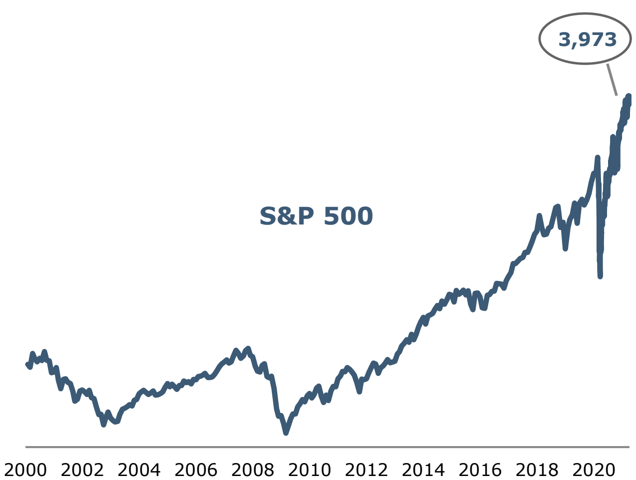
Case Study

Appendix: Select Biographies

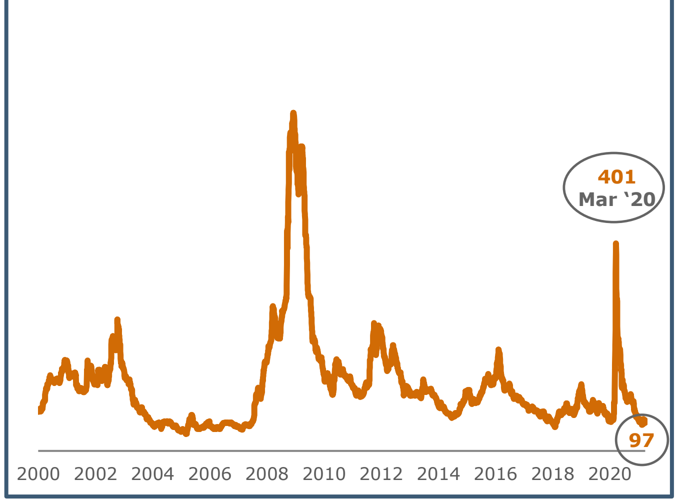
Market Turmoil – Debt & Equity Markets

We are in a 2-tiered world—stabilization and recovery in investment grade and equity markets—and a surging default and bankruptcy cycle in high yield

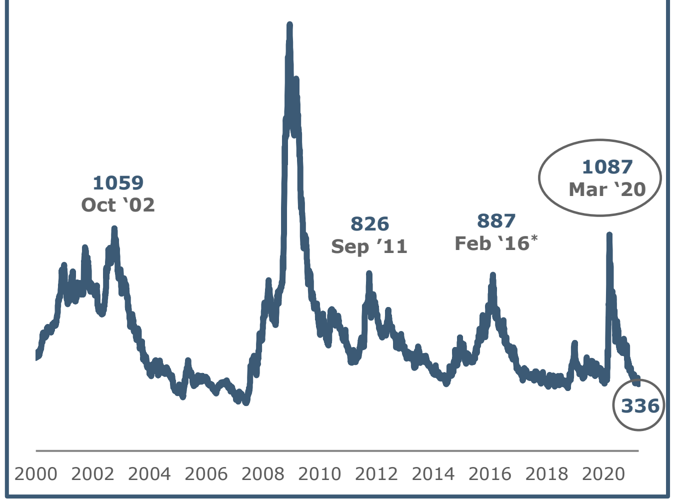
Equity Markets[a]



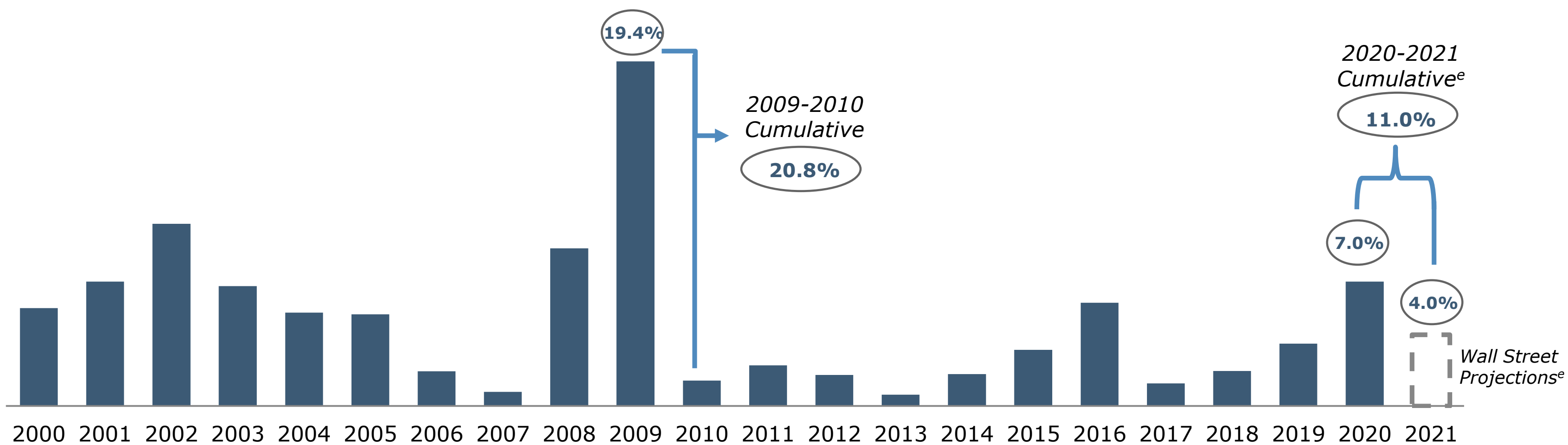
Investment Grade Spreads[b]



High Yield Spreads[c]



High Yield Default Rates[d]

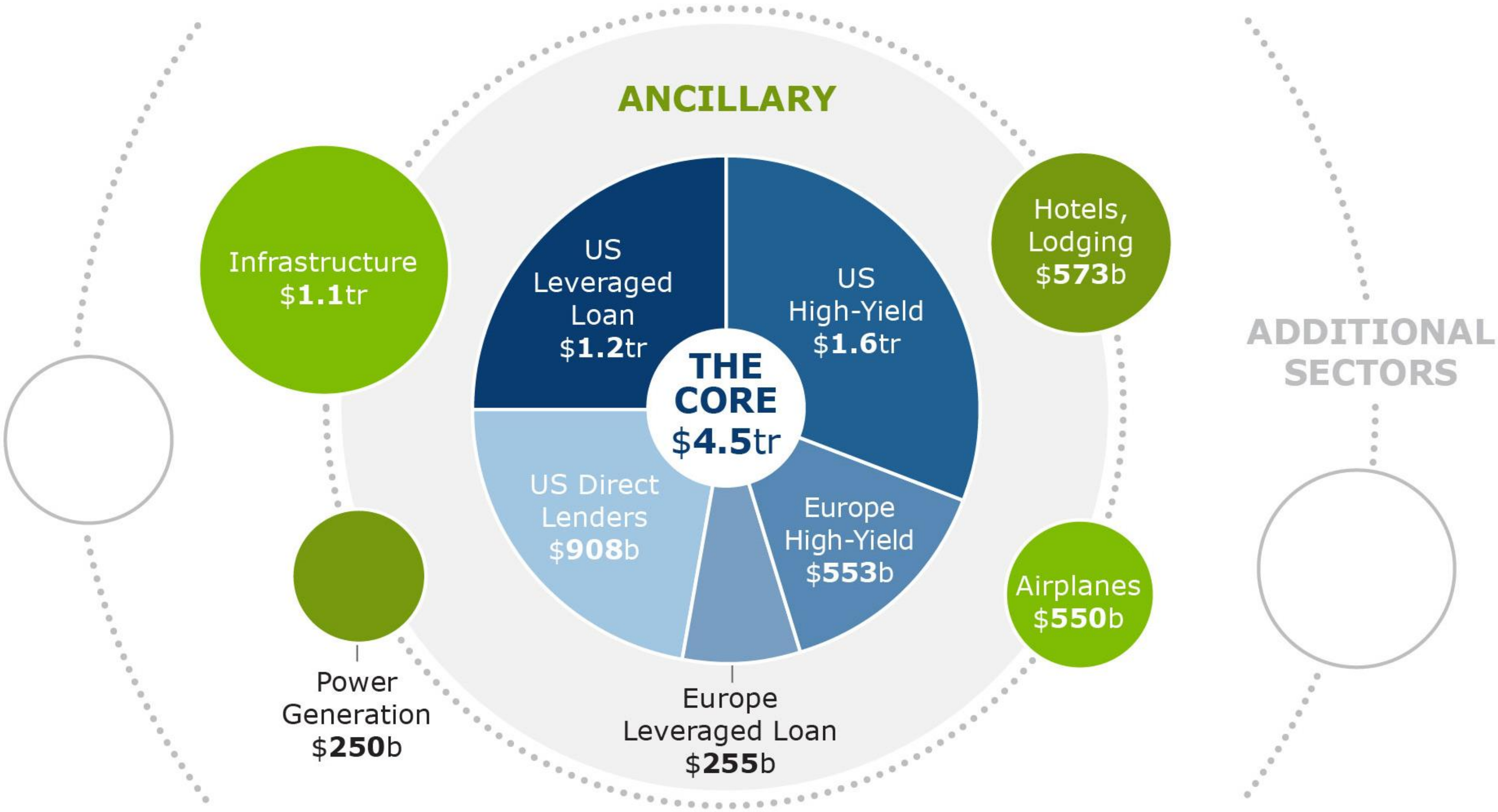


Distressed World – Opportunity

SVP believes the global pandemic has created a once in 10 year opportunity in distressed investments

$4.5 Trillion Core Opportunity Plus Trillions More in Ancillary Sectors[a]

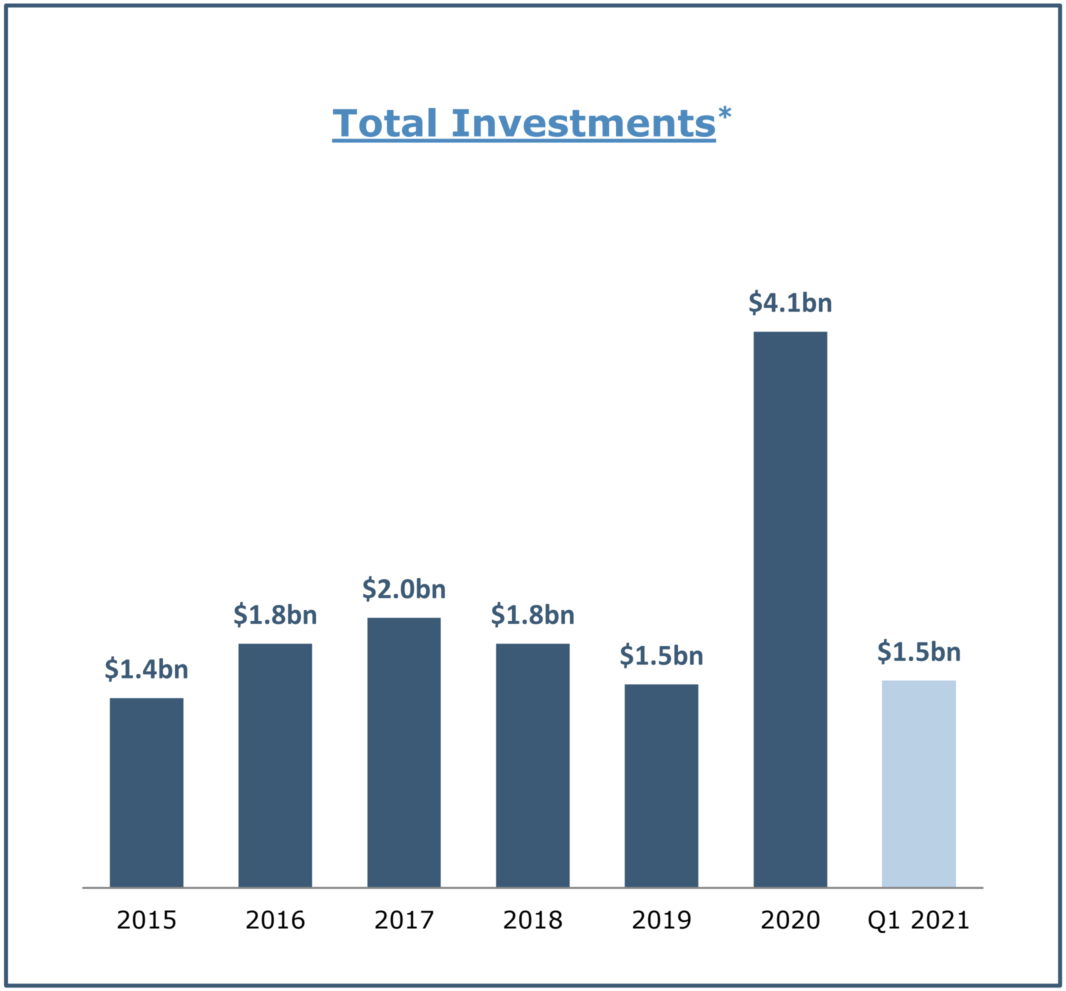
Breeding Grounds of Distressed Debt

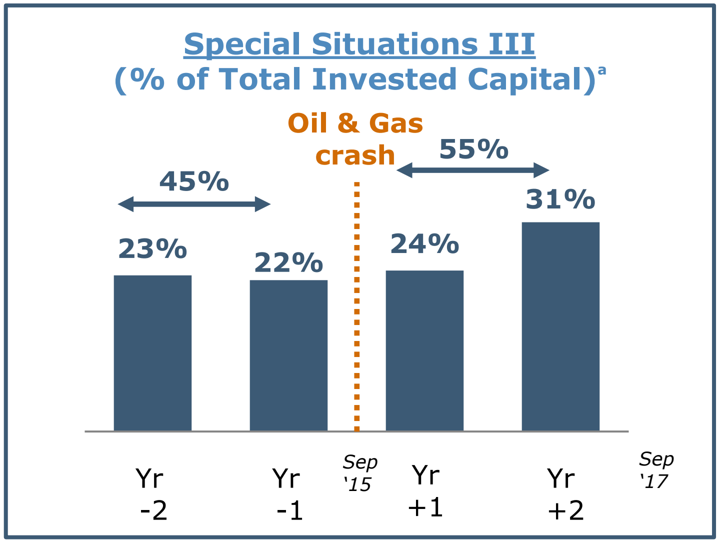


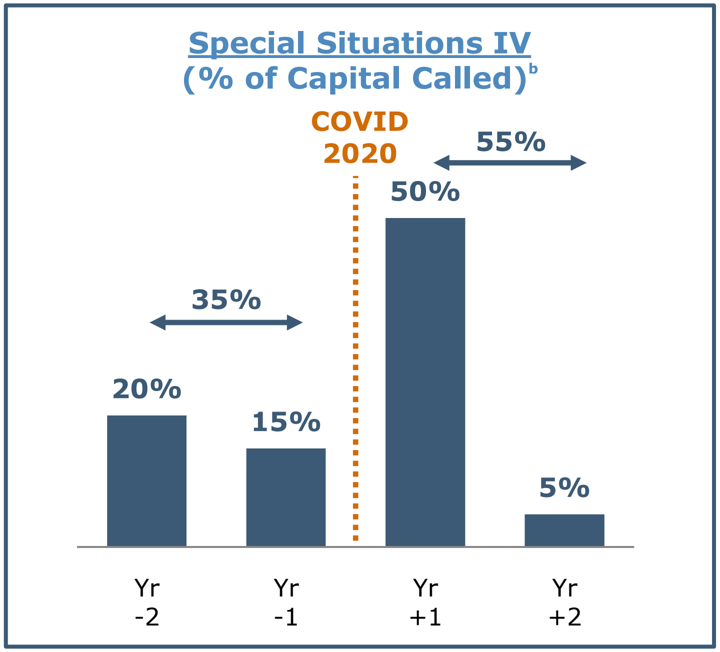
Please see "Endnotes and Sources" for important information related to this slide and the "General Disclosure Notes" at the end of this presentation for information on calculations and determinations included herein.

SVSS Funds – Capital Deployment

We are "evergreen" investors, investing steadily, leaning in after a crash like Europe 2011 or oil & gas crash 2015, but this crash is bigger—we expect the pace of deployment to be faster





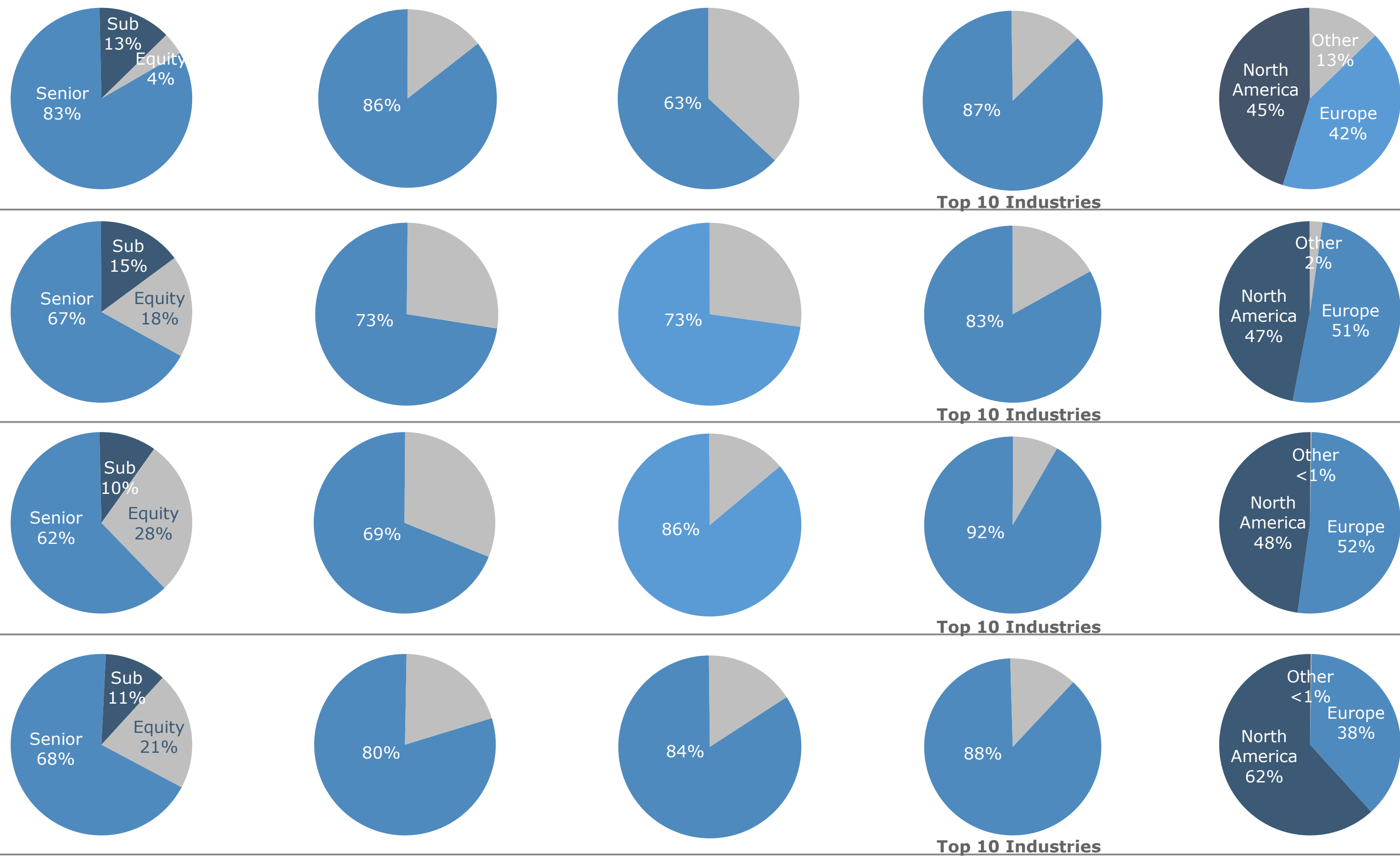


*Includes purchases from all SVP funds YTD through March 31, 2021.

Special Situations Funds – Highlights

Our approach—DNA—has been consistent over the years

As of 03/31/2021	Purchase Senior Debt	Focus on Mid-Sized Deals	Seek Positions of Influence[a]	Concentrate on Key Industries[b]	Invest Globally
SVSS I $346mm					
SVSS II $918mm					
SVSS III $1.31bn					
SVSS IV $2.50bn					
	Controlled Risk	Less Competitive Segment	Leadership Role	Sector Expertise	Balance Between U.S. & Europe



Fund size represents committed capital. Charts calculated as a percent of Invested Capital as of March 31, 2021. Classifications are based on the judgment of management. Mid-sized defined as deals with EV below $2 billion face value and consequently EV below $1.5 billion at market prices.

Special Situations Funds I, II, III & IV – Report Card (by Deal)

The approach has resulted in consistent returns, not just at fund level, but also deal level. It has produced a high win/loss percentage and losses have been controlled[a]

Profits[b]

$5,506mm

Top Profitable Investments – SVSS I-IV* Profits >$35mm

(as of 03/31/2021)	Invested Capital (mm)	Profit – SVSS I-IV[a,c] (mm)	Gross Investment IRR	Gross Investment Multiple	Profit – All SVP Funds (mm)
Kloeckner Pentaplast	$384	$882	40.7%	3.3x	$1,535
Pfleiderer	$351	$569	26.8%	2.6x	$721
Vita Group Ltd	$64	$492	88.1%	8.7x	$647
Cory Environmental	$158	$395	68.9%	3.5x	$691
Genon Energy	$512	$327	38.7%	1.6x	$603
Linpac	$189	$250	25.0%	2.3x	$312
SH 130 Concession Co	$348	$181	15.1%	1.5x	$329
Auto-Estradas Do Douro Litoral	$148	$165	26.8%	2.1x	$232
OmniMax International Inc	156.5	$147	218.7%	1.9x	$183
Swissport International	331	$123	66.6%	1.4x	$210
Syncora Holdings Ltd	$160	$110	21.5%	1.7x	$191
Selecta	$101	$102	99.7%	2.0x	$172
Spanish Toll Roads	$333	$97	8.6%	1.3x	$206
PureField Ingredients	$45	$88	66.9%	3.0x	$128
Indiana Toll Road	$167	$84	40.1%	1.5x	$159
Vernal	$30	$74	73.1%	3.4x	$86
Vallourec	$176	$55	111.9%	1.3x	$132
Japan CMBS	$132	$49	31.3%	1.4x	$70
AMR Corporation	$101	$49	99.5%	1.5x	$111
Solarworld	$37	$44	50.6%	2.2x	$94
McCarthy & Stone	$47	$40	27.9%	1.9x	$104
Jeyes	$26	$39	19.1%	2.5x	$60
Terraform Power Inc	$50	$38	50.6%	1.8x	$75
Northwest Parkway	$105	$38	19.0%	1.4x	$45
White Energy	$88	$38	7.5%	1.4x	$41
Lehman	$131	$36	34.1%	1.3x	$68
GSE Environmental	$91	$35	16.7%	1.4x	$38
Wastequip	$28	$35	18.4%	2.3x	$36

Losses[b]

$903mm

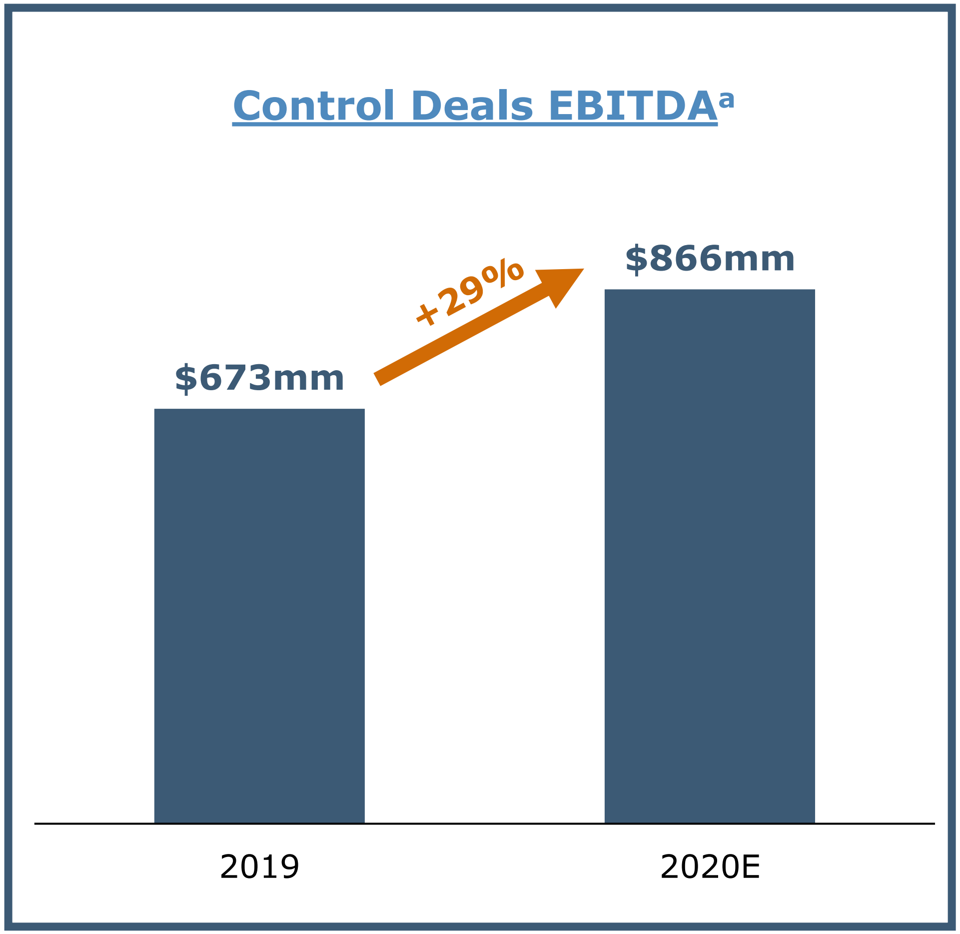
Top Unprofitable Investments* Losses >$35mm

(as of 03/31/2021)	Invested Capital (mm)	Loss – SVSS I-IV[a,c] (mm)	Gross Investment IRR	Gross Investment Multiple	Loss – All SVP Funds (mm)
Pacific Drilling	$203	($189)	-79.0%	0.1x	($326)
Chaparral Energy Inc	$140	($140)	-96.6%	0.0x	($230)
Dolphin Drilling Holdings Ltd	$158	($94)	-39.7%	0.4x	($183)
Co-Operative Bank Plc	$92	($82)	-65.5%	0.1x	($135)
Genco Shipping	$138	($78)	-14.0%	0.4x	($127)
SilverBow Resources	$57	($41)	-22.3%	0.3x	($98)

***Past performance is not indicative of future results**. This slide reflects aggregate investment-level performance across multiple SVP funds, rather than the performance of any single SVP fund. Investment-level performance is reported only on a gross basis as net calculations are impractical and "Profits" does not reflect the overall performance of the funds in which such investments were made. Further, the performance of each investment varies from fund to fund. Please see important disclosures on performance calculations at the end of this presentation. **Complete investment-level performance is available upon request.**

Special Situations Funds – COVID Impact

It has also produced a portfolio which has done well through COVID



6/9 Deals flat to positive EBITDA year-on-year

- ✓ **Investments in resilient industries**
- ✓ **Modest Leverage**

Firm Overview & Special Situations Funds Overview

The Opportunity Today

Special Situations Funds Highlights

- **Case Study**

Appendix: Select Biographies

Newest Investments: Swissport

swissport

Swissport is the largest independent airport services provider in the world, headquartered in Switzerland with global operations

SOURCING

- Material declines in passenger and cargo volume beginning in March 2020 due to COVID meant the company had an unsustainable cash burn
- SVP funds built a €450m position in the senior secured debt in 43 transactions over 6 months
- Directly sourced[a] almost 2/3rds of senior debt position from European CLOs and other counterparties, surpassing all other distressed buyers and becoming leader of the ad hoc group

UNDERWRITING / FINANCIAL RESTRUCTURING

- SVP has been cautious in COVID-affected businesses; but Swissport is a global market-leading business with high barriers to entry, being created for ~€1.2bn v. previous acquisition EV of €3bn[b]
- Drove debt-for-equity restructuring negotiations in August 2020 with senior lenders to receive >90% of the post-reorg equity upon consummation[c]

OPERATIONAL VALUE ADD / STRATEGIC INITIATIVES

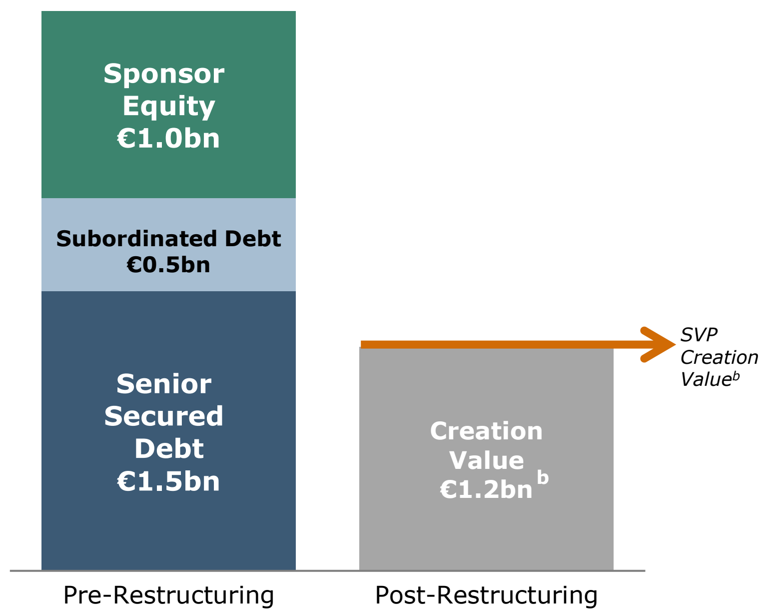
- Once restructuring is completed, SVP set to emerge as largest shareholder with 33% stake
- Identified multiple streams of post-reorg value creation with potential for an additional €150-200m EBITDA upside from operational and commercial initiatives[d]
- Targeting refinancing before sale

64% SOURCED DIRECTLY[a]
sourced directly from asset managers and European banks

BOUGHT INTO MARKET LEADER AT 60% DISCOUNT

IDENTIFIED €150-200M EBITDA UPSIDE[d]
compared to 2019 run-rate EBITDA of €272m

AGREED DEBT FOR EQUITY RESTRUCTURING



Source: SVP as of September 30, 2020, unless otherwise noted.
Case studies presented herein reflect a selection of the new and large positions held by SVP funds and accounts as of September 30, 2020.
Target returns stated herein are based on assumptions and actual returns may vary materially. Projected financial information and other forward looking statements do not, nor are they intended to, constitute a promise of actual results. Please see important disclosures on gross and net calculations and performance reporting at the end of this presentation. Please see "Endnotes and Sources" for important information related to this slide.

Senior Investment Team

Victor Khosla
Founder & CIO

Mr. Khosla established SVP in 2001, and has built it into one of the major firms in distressed debt and private equity investments with $15.3 billion in assets under management. Mr. Khosla has 32 years in the industry. He got his start at Citibank (1989-1993) and subsequently built and managed the distressed proprietary trading business at Merrill Lynch (1993-1998). At the time of his departure from Merrill Lynch, Mr. Khosla had investment authority for $2 billion in corporate and real estate investments and headed a team of 40 analysts and traders based in New York, Tokyo, London and Hong Kong. After leaving Merrill Lynch, Mr. Khosla had leadership roles at two well-known funds; he was President of Cerberus Capital (1998-1999) and ran MooreSVP (1999-2002), a JV with Moore Capital, which invested in distressed debt in Japan. Mr. Khosla graduated with a first class Bachelors of Commerce (Honors) degree from Delhi University, a MA in Economics from Vanderbilt University, as well as a MBA from the University of Chicago. He is a member of the Management Council at the University of Chicago Booth School of Business and is on the board of Pratham USA, one of the largest non-governmental education organizations in India.

Kevin Lydon
Managing Director

Mr. Lydon is Global Head of Sourcing for the Firm. From 2005 to 2007, Mr. Lydon was a Managing Director and Co-Head of European and Asian Special Situations in London at Credit Suisse. From 1997 to 2005, Mr. Lydon was at Merrill Lynch, most recently serving as a Managing Director and Co-Head of European Leveraged Finance Trading in London, and previously in New York, where he managed a book of distressed loans. Prior to that, Mr. Lydon worked as an Analyst at Fitch Investment Services in New York from 1993 to 1997. Mr. Lydon received a BA in Economics from Washington and Lee University in 1992 and an MBA in Finance from New York University in 2000.

David Geenberg
Managing Director

Mr. Geenberg oversees the North American investment team, with responsibility across the firm's investment, restructuring, and operational functions based in Greenwich, CT. Since joining SVP in 2009, Mr. Geenberg has led investment efforts over a range of industries including infrastructure, energy, power generation, and industrials. In that capacity, Mr. Geenberg has overseen the firm's control deals in North America, including GenOn, OmniMax, PureField, and SH-130. Previously, Mr. Geenberg worked at Goldman, Sachs & Co., most recently in its infrastructure private equity business, and, prior to that, in the investment bank's natural resources group. Mr. Geenberg received a BA in Economics summa cum laude from Dartmouth College in 2005. Mr. Geenberg is on the Boards of Directors of OmniMax International, GenOn Holdings, Purefield Ingredients, and SilverBow Resources, and previously served on the Boards of Bicent Power, Penn Virginia Corporation, Chaparral Energy, and White Energy.

Senior Investment Team

John Brantl
Managing Director

Mr. Brantl is Co-Head of the European investment team. He joined SVP in 2006 and has been based in London since 2012. Prior to joining SVP, Mr. Brantl worked in investment banking in Goldman, Sachs & Co.'s Financial Institutions Group. Mr. Brantl received an AB in Economics from Princeton University in 2005. Mr. Brantl serves on the Boards of Directors of Klöckner Pentaplast, Pfleiderer Group, and APCOA Parking.

HJ Woltery
Managing Director

Mr. Woltery is Co-Head of the European investment team having joined SVP at the opening of the European office in 2004. From 1985 to 2004, Mr. Woltery worked at Deutsche Bank, with his last role being a Senior Research Analyst and Head of Research, Germany, in the London Distressed Products Group, where he was responsible for covering European credits across a variety of industries and jurisdictions. Mr. Woltery received a Diploma in Banking from the Bank Academy in Aachen/Coburg in 1991 and an MBA from the Ashridge Management College in 2001. Mr. Woltery serves on the Boards of Directors of Swissport International.

Sujan Patel
Managing Director

Mr. Patel is Head of Real Estate for the Firm. Prior to joining SVP, Mr. Patel served as Managing Director and Co-Head of U.S. Investment Management at Colony Capital Inc., which resulted from Colony's purchase of NorthStar Asset Management and NorthStar Realty Finance in January 2017. From 2007 to 2017, Mr. Patel worked at the NorthStar companies, most recently serving as a Managing Director and Co-Head of Investments, where he led over $25 billion in investments across office, hospitality, multi-family, manufactured housing, logistics, retail and other real estate sectors. Earlier, Mr. Patel was the Vice President of Acquisitions at Thayer Lodging Group, now part of Brookfield, and he started his career as an Investment Banking Analyst at Morgan Stanley. Mr. Patel received a BA in Engineering Science and Economics from Dartmouth College.

Senior Infrastructure Team

Edward Kelly
Managing Director & COO

Mr. Kelly oversees the finance, operations and legal functions of the firm. From 1999 to 2006, Mr. Kelly was a Partner and Chief Financial Officer for Sagamore Hill Capital Management. From 1998 to 1999, Mr. Kelly was Chief Financial Officer of Croesus Capital Management. Prior to that, Mr. Kelly worked at Goldstein Golub Kessler from 1990 to 1998, where he was a Senior Manager specializing in audit, tax and consulting services for hedge funds and broker-dealers. Mr. Kelly received a BS in Accounting from State University of New York at Albany in 1990.

Michael Hewett
Managing Director

Mr. Hewett is Global Head of Investor Relations. From 2004 to 2010, Mr. Hewett worked at Terra Firma Capital Partners most recently as a Managing Director and Head of Investor Relations. From 1999 to 2004, Mr. Hewett was part of the senior team of Atlantic-Pacific Capital, an institutional placement firm. From 1991 to 1999, Mr. Hewett held various positions at Morgan Stanley in London and Tokyo, mostly in the private equity area. Mr. Hewett received a BA in 1991 and an MA in 1995 in Politics, Philosophy and Economics from the University of Oxford.

Ranji Nagaswami
Managing Director & Chief Strategy and Chief Commercial Officer

Ranji Nagaswami is Chief Strategy and Chief Commercial Officer and Co-Head of ESG Committee. Most recently, Ms. Nagaswami was CEO and Board Director at Hirtle Callaghan & Co., a $20 Billion+ Outsourced Chief Investment Officer platform serving endowments, foundations and ultra-high net worth families. She has held various leadership roles throughout her career, including as Chief Investment Advisor to Mayor Bloomberg and the City of New York and at AllianceBernstein where she rose over ten years to serve as Chief Investment Officer of the multi-asset and retail investment businesses. She started her career at UBS, where she became a Co-Head of the US Fixed Income Division. Ms. Nagaswami has served as trustee and member of several boards and investment committees, including the Yale University investment committee, UAW VEBA investment advisory council, and the Curtis Institute investment committee. She is a Henry Crown Fellow at the Aspen Institute and also the Founder and Lead Moderator of the Aspen Finance Leaders Fellowship program, designed to create a global network of enlightened leaders that use finance to advance society. She graduated from Mumbai University with a Bachelors of Commerce, received her MBA from Yale University. Ms. Nagaswami is a CFA charterholder.

SVP funds' Advisory Council

José Barreiro
Member – SVP funds' Advisory Council

José Barreiro is primarily involved in furthering the European franchise, in particular Spanish relationships. Mr. Barreiro has more than 30 years of experience in the banking sector. He has held a number of executive positions at BBVA from 1998 to 2012, including Global Head of Corporate and Investment Banking from 2005. He was also a member of BBVA's Executive Committee at Group level from 2005 onwards and most recently a Senior Advisor to the bank. Prior to BBVA, Mr. Barreiro held senior positions at a number of financial organizations, including Banco Santander, Bankers Trust Company and Chase Manhattan Bank. In addition to nonprofit board roles, he was, until recently, Deputy Chairman of Bolsas y Mercados Españoles, the operator of all stock markets and financial systems in Spain.

Flip Huffard
Member – SVP funds' Advisory Council

Flip Huffard is primarily involved in furthering the North American franchise. Mr. Huffard is a retired Senior Managing Director of The Blackstone Group, where he was employed from 1995 to 2014. Mr. Huffard was one of the leaders of Blackstone's Restructuring and Reorganization Group, where he provided financial advisory services to companies and creditors in a wide range of situations. Among others, he worked on transactions including Patriot Coal and Tribune Co. and led Blackstone's restructuring efforts in the shipping industry with deals such as ZIM Integrated Shipping and Excel Maritime. Prior to Blackstone, Mr. Huffard worked at Hellmold Associates, Inc., a distressed investment and advisory firm, and in corporate finance at Smith, Barney, Harris Upham & Co. Mr. Huffard is also Chairman of the board of Vubiq Networks, Inc., a wireless broadband networking technology company and a member of the board at CORE Media Group. He received an AB in Economics from Harvard College in 1985 and an MBA with a concentration in finance and accounting from the Kellogg Graduate School of Management at Northwestern University in 1992.

Dagmar Kent Kershaw
Member – SVP funds' Advisory Council

Dagmar Kent Kershaw is primarily involved in furthering the European franchise. From 2008 to 2016, Ms. Kent Kershaw was a partner at Intermediate Capital Group Plc, where she was Head of Credit Fund Management, Europe and Australia and led a €9bn AUM business investing in alternative credit: leveraged finance, direct lending and structured credit. Prior to ICG, Ms. Kent Kershaw spent ten years at Prudential M&G where she was variously Head of Structured Credit Products and Head of Debt Private Placements. She began her career at Scotia Capital and NatWest Bank. Ms. Kent Kershaw received a Bachelor of Arts (with Honors) in Economics from the University of York; she is also a graduate of the Investment Management Programme at the London Business School. She currently serves as a board member of Aberdeen Smaller Companies Income Trust Plc.

SVP funds' Advisory Council

Leonardo Mathias
Member – SVP funds' Advisory Council

Leonardo Mathias is primarily involved in furthering the European franchise with a focus on Portuguese relationships. Mr. Mathias currently serves as President of the Fiscal Council of Tagus – Sociedade de Titularização de Crédito, member of the board of directors of Swipe News, Advisor to Brightgate Capital, and member of the board of directors of Abypay. From 2013 to 2015, he served as Secretary of State of Economy as a Member of the XIX Constitutional Government of Portugal. Mr. Mathias founded Dunas Capital, an independent asset manager in 2010, which he sold in 2015. Prior to this, Mr. Mathias was a Managing Director at Schroders for ten years, where he held various positions covering both Spain and Portugal, served on the European Investment and Savings Product Development committee and served as a member of the board of directors of Schroders' Alternative Funds in Luxembourg. He began his career at Banco Espirito Santo focused on Debt and Derivative investments. Mr. Mathias received a BA in Business Administration and International Finance and Marketing from American University in 1988.

Atosa Moini
Member – SVP funds' Advisory Council

Atosa Moini is a member of SVP funds' Advisory Council and is primarily involved in furthering the European franchise. Ms. Moini has 24 years of investment banking experience in a range of roles including establishing, managing and restructuring business units with revenues in excess of $1bn and sourcing and evaluating distressed trading and investment opportunities in EMEA. From 2005 to 2016, Ms. Moini was at Goldman Sachs International, UK, as a Managing Director and then a Partner, where in her most recent roles she ran the EMEA Credit Sales and the Asset Backed Products Group. She ran strategic client coverage programs which helped the repositioning of the credit business across multiple client segments and widened the distribution of a range of products including corporate and leveraged loans, Corporate and HY bonds, CLOs, structured finance and distressed debt. She was previously with Deutsche Bank/Bankers Trust, UK from 1995 to 2004 where she was Managing Director and head of Distressed Asset Origination. Ms. Moini received a Bachelor of Arts (with Honors) in Industrial Engineering from the University of Surrey, UK and her Master in Business Administration from London Business School, UK. She currently serves as a non-executive board member of Volta Finance Ltd.

SVP funds' Advisory Council

Goran Puljic
Member – SVP funds' Advisory Council

Goran Puljic is primarily involved in furthering the North American franchise. His primary goal is to help broaden relationships with non-bank debt investors to augment SVP's sourcing capabilities and help identify potential lenders to SVP portfolio companies. Mr. Puljic is a retired Partner of Oak Hill Advisors, where, from 2008 to 2016, he was a Portfolio Manager and Co-head of the Corporate Structured Products Group focusing on investments in CLOs. He also had primary responsibility for the creation of new Oak Hill CLO vehicles in both the US and Europe. In these capacities, he managed over $2 billion of CLO investments and was in charge of raising, structuring and placing over a dozen CLOs in both the US and Europe since 2011. From 2002 to 2008, Mr. Puljic was a Managing Director at Lehman Brothers Private Equity group where he founded and ran the Structured Products Investment Group. Prior to this, Mr. Puljic was a Managing Director at Goldman Sachs for nearly ten years, where he held various roles in derivatives and structured products including Head of Fixed Income for Goldman Sachs Germany. He began his career at Morgan Stanley, Westpac and Lehman Brothers. Mr. Puljic received a BA in Economics and graduated cum laude from Columbia University in 1986.

David Weaver
Member – SVP funds' Advisory Council

David Weaver is primarily involved in furthering the European franchise. Mr. Weaver has over 34 years of experience in the financial services sector, most recently as CEO and Chairman of the Board at Jefferies International, where he led the firm's European expansion over a nine year period. Prior to this, Mr. Weaver was a senior banker at Deutsche Bank/Alex Brown & Sons, serving as Global Head of Technology Investment Banking, Head of Europe Client Coverage and Head of European Equity Capital Markets. Mr. Weaver began his career at the Irving Trust and then founded and led a public-sector finance group at Sumitomo Bank in New York. Mr. Weaver graduated from Williams College in 1982 with a BA in English literature and received an MBA from Harvard Business School in 1990.

Stefan Winter
Member – SVP funds' Advisory Council

Stefan Winter is primarily involved in furthering the European franchise. Prior to joining SVP, Mr. Winter was member of the board of managing directors at UBS in Germany, where he oversaw the bank's equity and fixed income business in Germany, and led esteemed IPOs for Lufthansa, Deutsche Telekom, Deutsche Post, Premiere, MTU and Wacker Chemie, among others. Earlier in his career, he worked for Bankers Trust in London and Citibank in Frankfurt. From 2010 to 2019, he was President of the Association of Foreign Banks in Germany. Mr. Winter holds a degree in Business Administration from Johann Wolfgang Goethe University, Frankfurt am Main.

Senior Advisor

Jean-Louis Lelogeais
Senior Advisor

Jean-Louis Lelogeais, Senior Advisor. Before transitioning to this role in 2018, Mr. Lelogeais was Senior Managing Director in charge of strategic relationships, having co-founded the business in 2001. Previously Mr. Lelogeais held a number of roles in banking and consultancy including being a Partner with Booz Allen Hamilton. Mr. Lelogeais received an MS in Engineering from Ecole des Mines in 1981 and an MS in Management Sciences from the Massachusetts Institute of Technology in 1985.

Endnotes & Sources

Special Situations Funds – Overview

a. As of December 2020, Cambridge Associates LLC. For the Distressed Securities Benchmark, SVSS I is in the top quartile for the 2008 vintage based on net IRR and net multiple. SVSS II is in the top quartile for the 2010 vintage based on net IRR and net multiple. SVSS III is in the top quartile for the 2013 vintage based on net IRR and net multiple. SVSS IV is in the top quartile for the 2017 vintage based on net IRR and net multiple. Cambridge Associates LLC Distressed Securities Benchmark is only available through December 2020 due to the reporting time frame of private investments fund managers. The number of reporting funds per applicable vintage for the Cambridge Associates' Distressed Securities Benchmark are as follows: (i) 21 funds for 2008 vintage; (ii) 22 funds for 2010 vintage; (iii) 28 funds for 2013 vintage; and (iv) 21 funds for 2017 vintage.

b. The performance information presented herein for SVSS III and IV includes the impact of fund-level credit facilities that may be drawn upon to fund portions of certain investments in advance of calling committed capital, which has the effect of augmenting internal rates of return relative to the return that would otherwise have been presented had drawdowns from partners been initially used to acquire the investment. Because IRRs are time-weighted calculations, investments that have been held for a shorter duration of time will be more significantly impacted by near-term cash flows. In other words, the use of fund-level credit facilities has the potential to increase an IRR by decreasing the time an investor's money is drawn by the fund.

Market Turmoil – Debt & Equity Markets

a. Source: Bloomberg. Chart represents cumulative performance of the S&P 500 from January 2000 through March 31, 2021.
b. Source: BAML. Chart represents BAML US Investment Grade spread to US Treasuries from January 2000 through March 31, 2021.
c. Source: BAML. Chart represents BAML US High Yield spread to US Treasuries from January 2000 through March 31, 2021.
d. Source: BofA LTM Par-weighted Default Rate. Chart represent the average trailing 12 month default rates for BoFAML US HY Index.
e. 2021 Wall Street Projection Default rates are manager estimates based on median of seven bank/rating agency forecasts.

Distressed World - Opportunity

a. Sources: High-Yield: Bank of America Merrill Lynch US High Yield indices and Strategic Value Partners estimates. Leveraged Loans: Standard & Poor's Leveraged Commentary & Data as of December 31, 2019 and Strategic Value Partners estimates. Direct Lenders: Preqin and Wells Fargo as of Q2 2019. Infrastructure: Inframation Group as of December 31, 2019. Hotels, Lodging: Real Capital Analytics as of December 31, 2019. Airplanes: IATA Economic Performance of the Airline Industry estimate for year-end 2020 and Bloomberg. Power Generation: Strategic Value Partners estimates.

SVSS Funds – Capital Deployment

a. Deployment for SVSS III is shown for investment period only and excludes 10% of capital reserved for follow-on investments. Deployment for SVSS III is not necessarily representative of deployment for SVSS IV. Deployment for all Special Situations Funds is available upon request.
b. Reference to "Yr -2" includes the period from the first close of SVSS IV (April 2017) through end of February 2019. COVID 2020 represents March 1, 2020.

Special Situations Funds – Highlights

a. In determining whether SVP has played a leadership role, is active in, or has influence on an investment, management considers, among other things, whether SVP has (or is entitled to) a position on any board of directors, board of managers, advisory board, creditors' committee (whether official or otherwise), and whether SVP's funds and accounts are among the top three creditors.
b. As of March 31, 2021 based on Invested Capital for each of the SVSS funds. For SVSS I, the top 10 industries are Real Estate, Packaging, Housing, Media/Telecommunications, Gaming/Leisure, Consumer Discretionary, Chemicals, Liquidations, Power and Infrastructure. For SVSS II, the top 10 industries are Packaging, Infrastructure, Shipping, Liquidations, Real Estate, Consumer Discretionary, Manufacturing, Power, Housing and Air Transportation. For SVSS III, the top 10 industries are Infrastructure, Liquidations, Energy, Packaging, Shipping, Building Products, Power, Industrial, Media/Telecommunications and Real Estate. For SVSS IV, the top 10 industries are Real Estate, Industrial, Power, Consumer Discretionary, Energy, Infrastructure, Liquidations, Manufacturing, Gaming/Leisure, and Media/Telcommunications.

Special Situations Funds I, II, III & IV – Report Card (by Deal)

a. Past performance is not necessarily indicative of future results. Please see important disclosures on gross and net calculations and performance reporting at the end of this presentation.
b. Profits and losses for all SVSS I-IV investments. Includes unrealized gains that ultimately may not be realized. Projected financial information and other forward looking statements do not, nor are they intended to, constitute a promise of future results. Past performance is not necessarily indicative of future results. Unrealized profits and losses may become realized losses at a future date.
c. Profits and losses solely for deals with greater than $35 million in profits or losses. Includes unrealized gains/losses that ultimately may not be realized. Projected financial information and other forward looking statements do not, nor are they intended to, constitute a promise of future results. Past performance is not necessarily indicative of future results. Unrealized profits and losses may become realized losses at a future date.

Endnotes & Sources

Special Situations Funds - COVID Impact

a. Includes all nine deals currently held by SVSS Funds with >50% equity control of operating companies, and excludes real estate developments and escrows holdings. Results for 2020 are based on management guidance for full year, which is estimated and unaudited as of September 30, 2020, and may differ materially from actual results. Non-USD 2019 EBITDA was converted using December 31, 2019 Euro to USD FX rate and non-USD 2020E EBITDA was converted using September 30, 2020 Euro to USD FX rates.

Newest Investments: Swissport International

a. Calculated as a percentage of invested capital. Sourced directly from sellers includes all transactions in which SVP believes that the interests were purchased directly from the selling institution or sourced directly from the selling institution, but transacted through a third party.
b. Creation value based on average entry price for SVP funds of 78¢ for senior debt. This includes an average entry price of 72¢ of face for SVSS IV. Calculation is weighted based on invested capital and includes the average entry price of other funds and accounts managed by SVP and its affiliates.
c. Equity to be received by senior lenders under agreed-upon restructuring subject to certain equity valuations.
d. Projected financial information and other forward looking statements do not, nor are they intended to, constitute a promise of future results, and should not be relied upon. Projected financial information is based on numerous assumptions made by Swissport management. These assumptions are subjective, and the facts underlying such assumptions are subject to multiple interpretations and revisions based on general business, economic, market and financial conditions and other matters. These assumptions regarding future events are difficult, if not impossible to predict, and many are beyond Swissport's control. Accordingly, there can be no assurance that the assumptions made by management in preparing the financial information will prove accurate. It is expected that there will be differences between actual and projected results, and actual results may be materially greater or less than those contained in the financial models provided by Swissport.

INDICES AND BENCHMARKS:

Various indices are referenced because they are well recognized measures, which relate to the investment strategy of the Fund, but do not reflect the actual portfolio, fees and expenses, credit risk, volatility or investment strategy of investment funds and accounts managed by SVP. SVP sources index data from third parties, and we can therefore make no guarantee as to their accuracy. Unless otherwise specified, we seek to cite the latest index data available, and we may therefore cite updated or revised index data in future materials without notice. Calculations are performed by eVestment Analytics and are based on the monthly returns for each index.

- **"S&P 500"** represents the total return of the S&P 500 Index and is a market capitalization weighted index of 500 large capitalization companies in major industries. This index is referenced because it serves as a representation of the US equity markets. Source: eVestment Analytics.
- **"ML US High Yield" or "US HY"** represents the Bank of America Merrill Lynch US High Yield Index, which is comprised of below investment grade USD denominated corporate bonds that are publicly issued in the US domestic markets. Index constituents are capitalization-weighted based on their current amount outstanding times the market price plus accrued interest. This index is referenced because it serves as a representation of the US High Yield market. Source: Bloomberg.
- **"HFRI Distressed"** represents the HFRI ED: Distressed/Restructuring Index, an equal weighted index including single manager hedge funds in this strategy, as defined by HFR. It is referenced because it is comprised of hedge funds with a distressed/restructuring strategy, which relates to the investment strategy of SVRF. Source: HFR, www.hedgefundresearch.com, © Hedge Fund Research, Inc.
- **"Cambridge Associates Distressed Securities Benchmark"** represents the Cambridge Associates LLC Distressed Securities Benchmark. Cambridge Associates LLC Distressed Securities Benchmark is only available on a delayed basis due to the reporting time frame of private investments fund managers. Cambridge Associates maintains performance data used to derive distressed securities' benchmarks for private equity funds of similar vintages, although strategies within such vintages may vary significantly. The Cambridge Associates Distressed Securities Benchmark typically lags SVP's data by one to two quarters. As used in the Cambridge Associates Distressed Securities Benchmark, "Vintage Year" is defined as the legal inception date as noted in a fund's financial statements. "First Quartile" means, the upper quartile calculated by Net IRR or Net Multiple to limited partners necessary to be in the top 25% of performance of the funds included in a particular Vintage Year. Cambridge Associates notes that its research shows most funds take at least six years to settle into their final quartile ranking, and previous to this settling they typically rank in 2-3 other quartiles, and therefore fund or benchmark performance metrics from more recent vintage years may be less meaningful.

The indices and benchmark presented are for illustrative purposes only to show general trends in the market for the relevant periods shown. The returns do not represent the actual returns of any particular investor. Most of the investments were illiquid, private investments, which SVP valued internally in accordance with its valuation policies and were not necessarily comparable to liquid investment reflected in the indices. The comparison between SVP's performance in the indices is not intended to imply that an account's portfolio is benchmarked to an index either in composition or level of risk. The indices are unmanaged, have no expenses and reflect the reinvestment of dividends and distributions. A variety of factors may cause an index to be an inaccurate benchmark for any particular account and the indices do not necessarily reflect the actual investment strategy of a fund-of-one. It should not be assumed that correlations to indices based on historical returns would persist in the future.

General Disclosure Notes

<u>CALCULATIONS</u>:

SVP has used a consistent methodology, detailed in the notes following, for the purposes of all calculations in this presentation. The net asset value of the Special Situations Funds are audited as of December 31 each year, except for the current year. All other calculations are unaudited and are as of March 31, 2021 unless otherwise indicated.

Realized value is based on the sum of distributions, interest income and cash proceeds from dispositions of such investments. The values of unrealized investments are estimated as of the month indicated in this presentation, are inherently uncertain and subject to change. There is no guarantee that such value will be ultimately realized by an investment or that such value reflects the actual value of the investment. The actual realized returns on unrealized investments will depend on, among other factors, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and timing and manner of disposition, all of which may differ from the assumptions and circumstances on which the valuations used in the performance data contained herein are based. As a result, the ultimate realized returns on these unrealized investments may vary materially from these amounts indicated herein.

Net performance is calculated net of fees, other client expenses or performance or incentive allocations, based on contributions, distributions and ending unrealized value.

In considering the performance information contained herein, prospective clients should bear in mind that past or projected performance is not necessarily indicative of future results, and there can be no assurance that SVP will achieve comparable results. Each investment is subject to its own unique risks and the financial performance of the investments will vary from investment to investment and those variances may be material. An investment or investment strategy is impacted by numerous factors, including market and economic conditions, which are out of the control of SVP and which may result in a loss to clients.

I. Special Situations Information:

All calculations are as of March 31, 2020 unless otherwise indicated.

References to the performance of SVSS I are composite calculations based on the aggregate performance of Strategic Value Special Situations Master Fund, L.P. and its feeder entities. References to the performance of SVSS II are composite calculations based on the aggregate performance of Strategic Value Special Situations Master Fund II, L.P. and its feeder entities. References to the performance of SVSS III are composite calculations based on the aggregate performance of Strategic Value Special Situations Master Fund III, L.P. and its feeder entities. References to the performance of SVSS IV are composite calculations based on the aggregate performance of Strategic Value Special Situations Master Fund IV, L.P. and its feeder entities.

Investment-level performance is illustrated on a gross basis only because management fees and carried interest are not calculated on an investment-by-investment basis. Only net fund-level performance reflects management fees, incentive allocations or other performance compensation and expenses that ultimately impact returns realized by investors.

"Invested Capital" is the sum of Gross Investment-Level Cash Flows from the fund associated with such investments, excluding amounts funded for foreign currency hedges and amounts management considers to be temporary fundings, if applicable.

"Gross Investment-Level Cash Flows" are based on the trade date of the applicable consummated investments net of leverage, if applicable, with unrealized positions assumed to have been sold at their estimated fair values as of the applicable date. Gross Investment-Level Cash Flows are net of taxes paid by the Fund, deal-specific expenses and hedge gains and/or losses. Gross Investment-Level Cash Flows are gross of management fees, incentive allocations and non-investment specific expenses. Amounts that management considers to be temporary fundings, if applicable, are excluded from the calculation of Gross Investment-Level Cash Flows.

General Disclosure Notes

I. Special Situations Information (cont'd)

"Distributed to Paid In" MOI is calculated at the investment level by dividing Realized Proceeds by Invested Capital.

"Gross Fund-Level Cash Flows" are based on investor cash flows and the value of the fund's capital accounts before management fees and incentive allocations. Gross Fund-Level Cash Flows take into account fund-level expenses in addition to those expenses already included at the investment level.

"IRRs," "Losses" and "Profits" are based on the Gross Investment-Level Cash Flows, Gross Fund-Level Cash Flows, Net Fund-Level Cash Flows as applicable and the timing thereof.

"Market Value" is the fair value of the investments still held as of the applicable date and does not include gains/losses on foreign exchange rate hedging and interest income on unrealized investments.

"Multiples of Investments" ("MOI") at the investment level is calculated by dividing Total Value by Invested Capital. Gross fund level MOI is calculated by taking the value of the fund's capital accounts adding back distributions, management fees and incentive allocations divided by inception-to-date called capital. Net fund-level MOI is net of management fees and incentive allocations to the fund's capital accounts.

"Net Fund-Level Cash Flows" are based on Gross Fund-Level Cash Flows but are net of management fees and incentive allocations.

"Net ROR" is calculated as the profit/loss for the period (taking into account the effect of incentive allocations and management fees) divided by the opening NAV (adjusted for the effect of capital flows) for the specified period. The return is compounded quarterly.

"Realized proceeds" includes actual cash flows received and amounts held in escrow or similar arrangements that we anticipate will be received.

"Total Value" is the sum of both Realized Proceeds and Unrealized Value.

"Unrealized Value" is the fair value of the investments still held as of the applicable date.

II. Firm Information:

Information for assets under management is as of May 1, 2021. Total firm-wide assets under management include amounts in certain liquidating vehicles, except where otherwise indicated. For private equity funds and managed accounts, AUM is based on NAV + uncalled commitments during the investment period (i.e., for SVSS IV, SVDF and other funds/accounts, as applicable) and is based on NAV during the harvest period (i.e., for SVGO I/I-A, SVSS I, SVSS II, SVSS III and other funds/accounts, as applicable).

Reference to the Best Distressed Debt Investor Award refers to the award for Best Distressed Debt Investor presented to Strategic Value Partners, LLC by GlobalCapital (formerly EuroWeek). GlobalCapital published its most recent award for Best Distressed Investor (2019) as of February 12, 2020. See https://www.globalcapital.com/. For a record of previous years, please contact Investor Relations at investorrelations@svpglobal.com for a copy of the published rankings for 2014 through 2018.

Employee headcount is as of May 7, 2021. Operating professionals and advisory council expenses (including salary and incentive compensation) are charged to the SVP Funds. Operating professionals are employees of SVP, except for Bill Allen, who is a consultant. Advisory council members are consultants of the Fund and are not full-time members of the SVP team. Portfolio chairmen are chairmen of their respective boards and are compensated by their respective portfolio companies, which is an indirect expense of the Fund. Portfolio chairmen generally do not perform services directly for or on behalf of SVP, are not employees of SVP, are not compensated by SVP or its clients and have no ongoing relationship with SVP. While portfolio chairmen are personnel and relationships that SVP deems valuable, portfolio chairmen generally owe duties only to their portfolio companies and typically do not owe any duties to SVP or its clients. Prior to, and following, their term as a portfolio chairman, these persons generally did not have and most likely will not have a relationship with SVP or its clients. Portfolio chairmen are paid by their respective portfolio company, and therefore are an indirect expense of the Fund.

Important Disclosures

DISCLOSURES/DISCLAIMERS:

Unless the context indicates otherwise, the terms "SVP", "we", "us", "our" and similar terms refer to Strategic Value Partners, LLC and its respective affiliates.

1. Not an Offer to Sell or a Solicitation of an Offer to Buy: This presentation is being furnished for informational purposes only, and does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, including any securities issued by any investment vehicle managed by SVP (each, a "Fund"). This presentation is subject to a more complete description and does not contain all of the information necessary to make an investment decision, including but not limited to, the risks, fees, and investment strategies of the Funds. Any offering will only be made pursuant to additional presentations, including the relevant offering memorandum, a copy of the limited partnership agreement, memorandum and articles of association, or similar organizational documents of the Funds and a subscription agreement, all of which must be read in their entirety. No offer to purchase interests will be made or accepted prior to receipt by an offeree of these documents, the completion of all appropriate documentation and the meeting of eligibility (and such other) requirements as may be determined by SVP. U.S. persons must, among other requirements, be "accredited investors" and "qualified purchasers," as defined in the applicable securities laws, before they can invest in the Funds.

2. Not Investment Advice: The market views and opinions included in this presentation represent the views and opinions of SVP only and should not be construed as investment advice. In connection with the preparation of these materials, SVP and its affiliates have relied on certain assumptions, as well as certain information provided by portfolio companies, the accuracy of which has not been verified by SVP.

3. Not a Promise of Actual Results: Target return and volatility figures do not, nor are they intended to, constitute a promise of actual results. Actual returns and volatility may vary significantly from the target figures included in this presentation.

Past performance is not necessarily indicative of future performance. Future returns may be higher or lower than the results portrayed in this presentation. The performance information included in this presentation relates to the past performance of certain of the Funds. The investment strategy, goals, credit risk and investment horizons of the Funds going forward may differ from the past, and there can be no assurance that similar results will be achieved.

Investments described herein have been selected to demonstrate investment strategies, techniques and modes of analysis utilized by SVP and should not be considered illustrative or typical of the investments in funds or accounts managed by SVP. It should not be assumed that the investments purchased by funds and accounts managed by SVP in the future will have similar results as the investments discussed in this presentation.

4. Sources; Forward Looking Statements: This presentation was prepared by SVP based upon information from sources believed to be reliable. However, SVP does not guarantee the accuracy of the information provided. This presentation includes opinions, projections and other forward-looking statements that reflect the opinions of SVP and are not guarantees of future performance.

This presentation includes various forward-looking statements with respect to the fund. The words "anticipates," "projects," "intends," "estimates," "expects," "believes," "plans," "may," "will," "should," "could," and other similar expressions are intended to identify such forward-looking statements. Forward-looking statements are necessarily speculative, speak only as of the date made, and are subject to numerous assumptions, risks and uncertainties, all of which may change over time. The following factors, among others, could cause actual results to differ materially and adversely from those projected by means of such forward-looking statements: operational factors relating to the performance of the fund, market conditions, and general economic conditions. Any statements made that are not historical facts should be considered to be forward-looking statements.

5. Comparison to Third Party Indices: Various third party indices and benchmarks are referenced because they are well recognized measures, which relate to the investment strategy of the Fund, but do not reflect the actual portfolio, fees and expenses, credit risk, volatility or investment strategy of investment funds and accounts managed by SVP. SVP sources index data from third parties, and we can therefore make no guarantee as to their accuracy. Unless otherwise specified, we seek to cite the latest index data available, and we may therefore cite updated or revised index data in future materials without notice. Calculations are performed by eVestment Analytics and are based on the monthly returns for SVRF and each index.

"**S&P 500**" represents the total return of the S&P 500 Index and is a market capitalization weighted index of 500 large capitalization companies in major industries. This index is referenced because it serves as a representation of the US equity markets.

"**ML Global HY**" represents the Bank of America Merrill Lynch US High Yield Index, which is comprised of below investment grade USD denominated corporate bonds that are publicly issued in the US domestic markets. Index constituents are capitalization-weighted based on their current amount outstanding times the market price plus accrued interest. This index is referenced because it serves as a representation of the US High Yield market.

"**Barclays US Aggregate**" represents the Barclays Capital U.S. Aggregate Bond Index, which is a market capitalization weighted index that includes U.S. treasury securities, government agency bonds, mortgage-backed bonds, and corporate bonds. This index is referenced because it serves as a representation of the U.S. bond market.

"**HFRI Distressed**" represents the HFRI ED: Distressed/Restructuring Index, an equal weighted index including single manager hedge funds in this strategy, as defined by HFR. It is referenced because it is comprised of hedge funds with a distressed/restructuring strategy, which relates to the investment strategy of SVRF. Source: HFR, www.hedgefundresearch.com, © Hedge Fund Research, Inc.

"**HFRI Composite**" represents the HFRI Fund Weighted Composite Index and is a global, equal-weighted index of over 2,000 single-manager funds that report to HFR Database. This index is referenced because it is comprised of hedge funds across a wide range of strategies and serves as a representative index of the hedge fund universe. Source: HFR, www.hedgefundresearch.com, © Hedge Fund Research, Inc. The recipient should bear in mind that past or targeted investment characteristics may not be indicative of future investment characteristics and there can be no assurance that a fund-of-one will have comparable investment characteristics or that target investment characteristics will be achieved. There can be no assurance that a fund-of-one's investment objectives will be achieved and investment results may vary substantially over time.

"**Cambridge Associates Distressed Securities Benchmark**" represents the Cambridge Associates LLC Distressed Securities Benchmark. Cambridge Associates LLC Distressed Securities Benchmark is only available through December 2019 due to the reporting time frame of private investments fund managers. Cambridge Associates maintains performance data used to derive distressed securities' benchmarks for private equity funds of similar vintages, although strategies within such vintages may vary significantly. The Cambridge Associates Distressed Securities Benchmark typically lags SVP's data by one to two quarters. As used in the Cambridge Associates Distressed Securities Benchmark, "Vintage Year" is defined as the legal inception date as noted in a fund's financial statements. "First Quartile" means, the upper quartile calculated by Net IRR or Net Multiple to limited partners necessary to be in the top 25% of performance of the funds included in a particular Vintage Year. Cambridge Associates notes that its research shows most funds take at least six years to settle into their final quartile ranking, and previous to this settling they typically rank in 2-3 other quartiles, and therefore fund or benchmark performance metrics from more recent vintage years may be less meaningful.

The indices and benchmark presented are for illustrative purposes only to show general trends in the market for the relevant periods shown. The returns do not represent the actual returns of any particular investor. Most of the investments were illiquid, private investments, which SVP valued internally in accordance with its valuation policies and were not necessarily comparable to liquid investment reflected in the indices. The comparison between SVP's performance in the indices is not intended to imply that an account's portfolio is benchmarked to an index either in composition or level of risk. The indices are unmanaged, have no expenses and reflect the reinvestment of dividends and distributions. A variety of factors may cause an index to be an inaccurate benchmark for any particular account and the indices do not necessarily reflect the actual investment strategy of a fund-of-one. It should not be assumed that correlations to indices based on historical returns would persist in the future.

Important Disclosures

DISCLOSURES/DISCLAIMERS:

6. Historical Examples of Past Transactions: Historical examples of past transactions executed by one or more of SVP's funds may fit within one or more of the different investment categories. Each historical example has been assigned to the investment category that SVP has determined to be the best match for such example.

7. ERISA: Nothing set forth in this presentation is intended to constitute a recommendation that any person take or refrain from taking any course of action within the meaning of U.S. Department of Labor Regulation §2510.3-21(b)(1), including without limitation buying, selling or continuing to hold any security. No information contained herein should be regarded as a suggestion to engage in or refrain from any investment-related course of action as SVP is not undertaking to provide investment advice, act as an adviser to any plan or entity subject to the Employee Retirement Income Security Act of 1974, as amended, individual retirement account or individual retirement annuity, or give advice in a fiduciary capacity with respect to the materials presented herein. Each recipient of this presentation is advised to contact its own financial advisor or other fiduciary
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This presentation may only be issued to an EEA Investor who is a "professional client" within the meaning of the EU Directive 2004/39/EC on Markets in Financial Instruments and only if (i) such EEA investor is situated in, has registered office in, or is domiciled in, as applicable, an EEA member state in which the Fund has been registered as being marketed; (ii) such EEA Investor is either a holder of interests in the Fund or has requested to receive this presentation at its own initiative; or (iii) applicable law implementing the AIFM Directive would not deem the communication of this presentation to constitute the 'marketing' of the Fund to such EEA Investor.

By taking receipt of this presentation, each recipient acknowledges that the above applies to them or the organization on whose behalf they are receiving this presentation.

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10. No Obligation to Update: SVP does not undertake any obligation to update or revise any information contained in this presentation to reflect events, circumstances or changes in circumstances or expectations after the date of this presentation.

11. Disclosure related to our Representative Office in Dubai: Strategic Value Partners, LLC is regulated as a representative office of the Dubai Financial Services Authority ("DFSA"). This presentation may relate to a financial product, which is not subject to any form of regulation or approval by the DFSA. The DFSA has no responsibility for reviewing or verifying any prospectus or other presentations in connection with this financial product. Accordingly, the DFSA has not approved this presentation or any other associated presentations nor taken any steps to verify the information set out in this presentation, and has no responsibility for it. The financial product to which this presentation relates may be illiquid and/or subject to restrictions on its resale. Prospective purchasers should conduct their own due diligence on the financial product. If you do not understand the contents of this presentation you should consult an authorized financial adviser.

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Hamilton Lane

Connecticut Retirement Plans and Trust Funds

Pacing Plan – Private Credit Fund Portfolio

June 2021









We Enrich Lives & Safeguard Futures

- Do the right thing
- Integrity, candor and collaboration
- The pursuit of excellence
- A spirit of competition that inspires innovation
- Promoting equity and inclusion from within

Private Credit Strategic Planning

CRPTF Credit FY22 Portfolio Goals

- Target a commitment pacing range of $950M to $1,050M for the fiscal year 2022
- Diversify commitments across the capital stack, targeting balanced risk-adjusted returns
  - Align long-term portfolio targets to CRPTF's Private Credit benchmark of S&P LSTA Leveraged Loan Index + 150bps
- Evaluate re-ups to existing relationships currently in market or that are expected to return to market in FY22
- Review manager landscape, considering new managers where CRPTF can allocate meaningful capital in the form of a customized vehicle or separate account
- Consider opportunities in strategic partnerships/SMAs, secondary credit, and credit co-investments

Private Credit Commitment Pacing

The Horizon Model is a Hamilton Lane proprietary tool that uses existing portfolio information coupled with future allocation targets to create a quantitative future investment plan

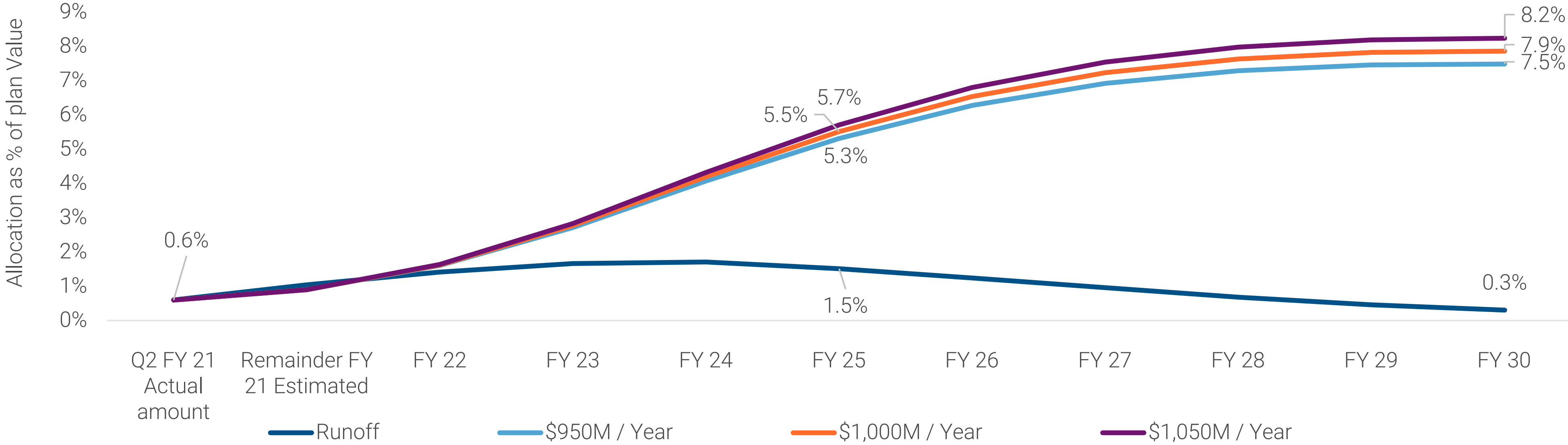
- Model uses a formulaic approach to project value and future cash flows using internal data base of 4,600+ funds
- The pacing model takes into account Connecticut's historical Private Credit commitments
- The table below summarizes the input assumptions used to forecast cash flows and market values

Horizon Model Pacing Assumptions	
Connecticut Total Plan Assets[1]	$41,069 million
Net Plan Growth Rate	3.0%; 4.0%; 5.0%
Private Credit as % of Plan[1]	0.6%
Target Allocation to Private Credit	5.0%
Private Credit Boundary	0% - 10%

See endnotes in the Appendix
[1] As of December 31, 2020

Private Credit Pacing Scenarios

3% Plan Growth Rate

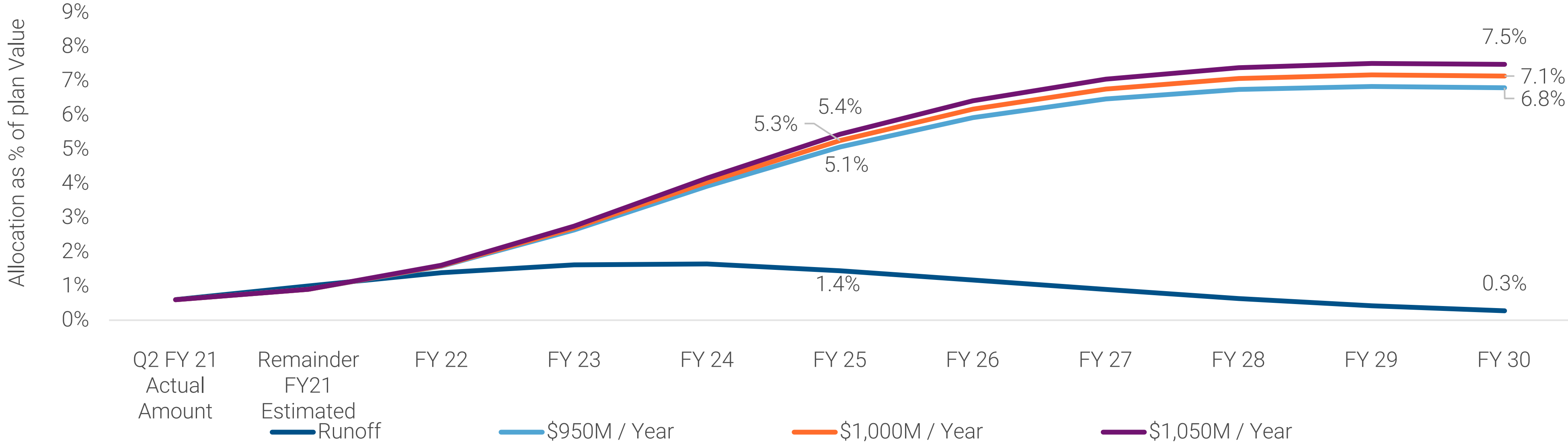


Annual Cash Flow Summary Assuming Midpoint Commitment Target											
($ in millions)	**Q2 FY21 Actual**	**Remainder FY21 Estimated**	**FY 22**	**FY 23**	**FY 24**	**FY 25**	**FY 26**	**FY 27**	**FY 28**	**FY 29**	**FY 30**
Annual Cash Flow											
Paid-in Capital	$19.8	$259.7	$384.6	$630.9	$869.7	$957.4	$984.8	$993.5	$996.0	$997.8	$998.6
Distributions	$3.3	$38.7	$96.1	$167.9	$307.1	$471.4	$678.3	$890.4	$1,050.0	$1,167.8	$1,255.7
Net Cash Flow	**($16.5)**	**($221.0)**	**($288.5)**	**($463.0)**	**($562.7)**	**($486.0)**	**($306.5)**	**($103.1)**	**$53.9**	**$170.0**	**$257.1**

See endnotes in the Appendix.
For additional cash flows, NAV, and potential exposure please see pages 16 and 17 for additional detail.

Private Credit Pacing Scenarios

4% Plan Growth Rate

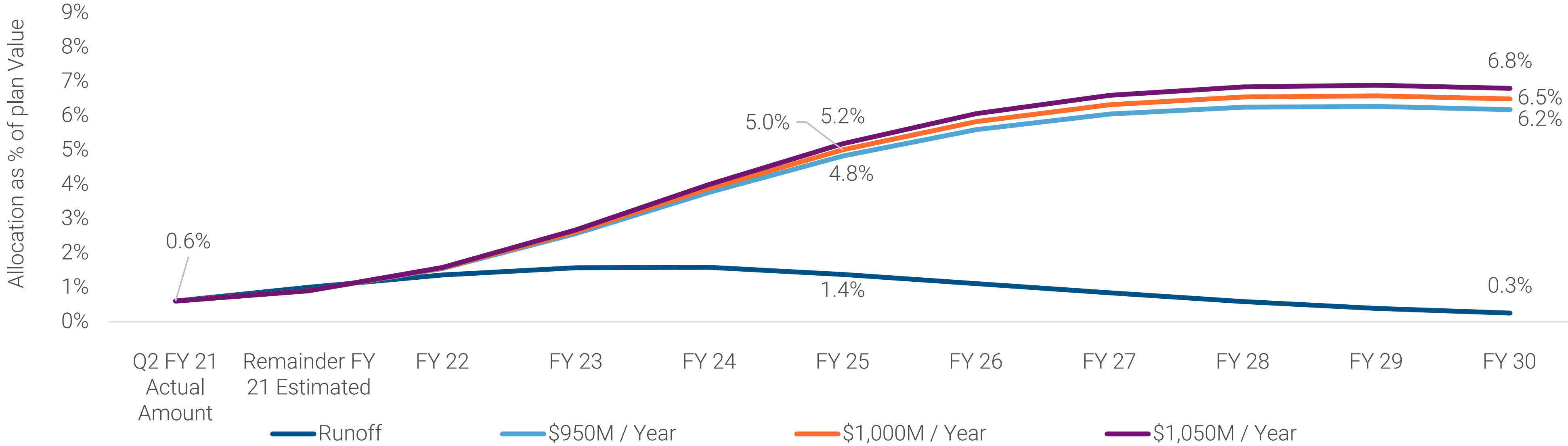


Annual Cash Flow Summary Assuming Midpoint Commitment Target										
($ in millions)	**Q2 FY21 Actual**	**Remainder FY21 Estimated**	**FY 22**	**FY 23**	**FY 24**	**FY 25**	**FY 26**	**FY 27**	**FY 28**	**FY 29**	**FY 30**
Annual Cash Flow											
Paid-in Capital	$19.8	$259.7	$384.6	$630.9	$869.7	$957.4	$984.8	$993.5	$996.0	$997.8	$998.6
Distributions	$3.3	$38.7	$96.1	$167.9	$307.1	$471.4	$678.3	$890.4	$1,050.0	$1,167.8	$1,255.7
Net Cash Flow	**($16.5)**	**($221.0)**	**($288.5)**	**($463.0)**	**($562.7)**	**($486.0)**	**($306.5)**	**($103.1)**	**$53.9**	**$170.0**	**$257.1**

See endnotes in the Appendix.
For additional cash flows, NAV, and potential exposure please see pages 16 and 17 for additional detail

Private Credit Pacing Scenarios

5% Plan Growth Rate



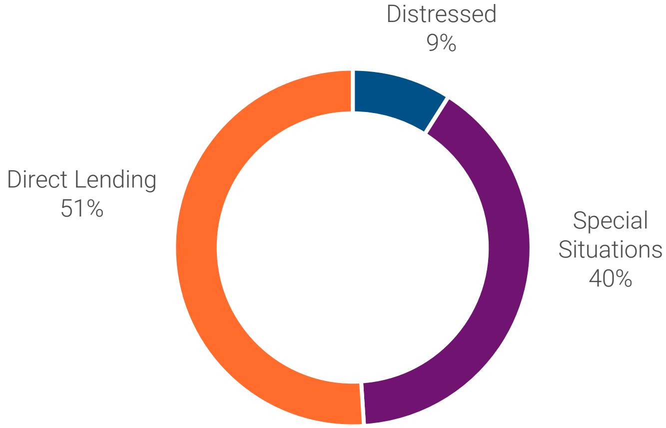
Annual Cash Flow Summary Assuming Midpoint Commitment Target										
($ in millions)	**Q2 FY21 Actual**	**Remainder FY21 Estimated**	**FY 22**	**FY 23**	**FY 24**	**FY 25**	**FY 26**	**FY 27**	**FY 28**	**FY 29**	**FY 30**
Annual Cash Flow											
Paid-in Capital	$19.8	$259.7	$384.6	$630.9	$869.7	$957.4	$984.8	$993.5	$996.0	$997.8	$998.6
Distributions	$3.3	$38.7	$96.1	$167.9	$307.1	$471.4	$678.3	$890.4	$1,050.0	$1,167.8	$1,255.7
Net Cash Flow	**($16.5)**	**($221.0)**	**($288.5)**	**($463.0)**	**($562.7)**	**($486.0)**	**($306.5)**	**($103.1)**	**$53.9**	**$170.0**	**$257.1**

See endnotes in the Appendix.
For additional cash flows, NAV, and potential exposure please see pages 16 and 17 for additional detail

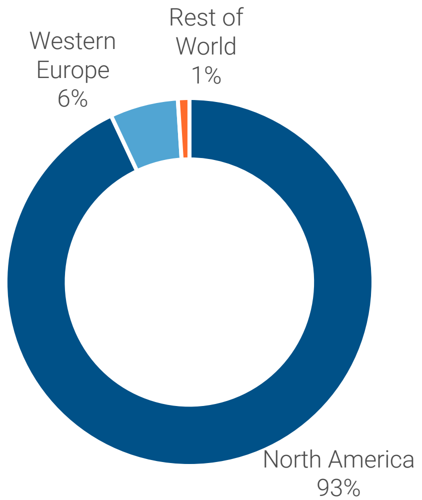
Private Credit Strategic Considerations

Current Diversification

by Strategy

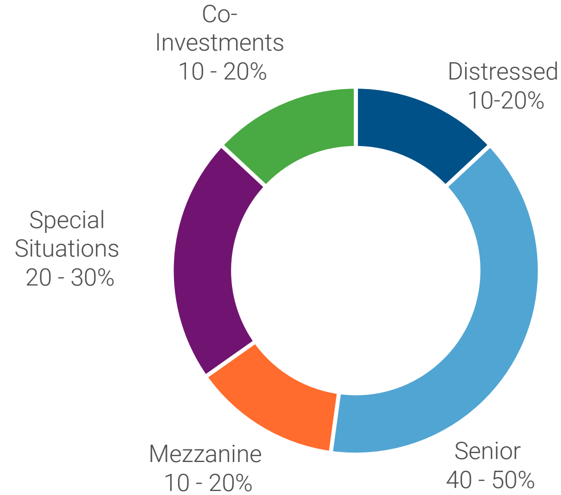


by Geography*

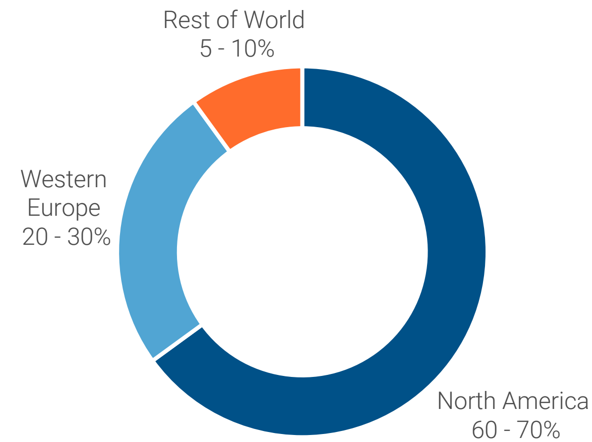


Target Diversification

by Strategy



by Geography



Note: Current Strategic Diversification shown as measured by Total Exposure

*Preliminary exposure as of December 31, 2020; subject to change pending full receipt and review of manager statements.

Building the Portfolio

Long-Term Portfolio Targets				
Strategy	Long-Term Portfolio Target	Target Commitments	Target Commitment Sizes ($M)	Pacing Target ($M)
Senior	40-50%	4-7	$100-$250	$700-$1,000
Mezzanine	10-20%	1-2	$100-$150	$100-$300
Special Situations	20-30%	2-3	$100-$200	$300-$400
Distressed	10-20%	1-2	$100-$150	$100-$300
Co-Investments	10-20%	6-10	$10-$20	$100-$200

Long-Term Portfolio Targets- By Geography				
Geography	Long-Term Portfolio Target	Target Fund Commitments	Target Commitment Sizes ($M)	Pacing Target ($M)
North America	60-70%	4-7	$100-$250	$700-$1,000
Western Europe	20-30%	1-3	$100-$200	$200-$300
Rest of World	0-10%	0-2	$0-$100	$0-$200

Fund Manager Discussion

FY 2021 Commitments – Private Credit

Connecticut FY 2021 Pipeline – Private Credit			
Partnership	Strategy	Primary Geography	Commitment (USD In Millions)
Closed			
Goldman Sachs Private Middle Market Credit II	Direct Lending	North America	$50
OSP Value Fund III	Special Situations	North America	$75
OSP Value Fund III-B	Special Situations	North America	$12.6
Fortress Lending Fund II MA-CRPTF LP	Direct Lending	North America	$200
Fortress Credit Opportunities Fund V Expansion MA-CRPTF	Distressed	North America	$100
TSSP Adjacent Opportunities Partners (B)	Special Situations	Global	$250
West Street CT Private Credit Partnership	Special Situations	North America	$225
West Street Senior Capital Partners III	Direct Lending	North America	$75
Total Closed			**$987.6**
Approved Pending Close			
HG Titan	Mezzanine	Western Europe	$75
Total Approved Pending Close			**$75**
Total			**$1,062.6**

- The Connecticut Private Credit Portfolio has completed its FY 2021 Commitments

Private Credit
Horizon Model Scenarios

Private Credit Horizon Model Output

CRPTF Credit Runoff Horizon Model											
($ in millions)	**Q2 FY21 Actual**	**Remainder FY 21 Estimated**	**FY 22**	**FY 23**	**FY 24**	**FY 25**	**FY 26**	**FY 27**	**FY 28**	**FY 29**	**FY 30**
Commitments											
Total	**$1,250.2**	**$150.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
Annual Cash Flow											
Paid-in Capital	$19.8	$210.2	$239.1	$219.5	$179.4	$87.8	$32.6	$10.5	$3.4	$2.1	$1.4
Distributions	$3.3	$48.4	$108.1	$149.4	$204.7	$227.2	$221.1	$204.6	$168.2	$131.2	$92.0
Net Cash Flow	**($16.5)**	**($161.8)**	**($131.1)**	**($70.1)**	**$25.2**	**$139.5**	**$188.5**	**$194.1**	**$164.8**	**$129.2**	**$90.7**
Cumulative Cash Flow											
Paid-in Capital	$304.6	$514.8	$753.9	$973.3	$1,152.8	$1,240.5	$1,273.1	$1,283.6	$1,287.0	$1,289.1	$1,290.5
Distributions	$81.5	$129.9	$237.9	$387.3	$592.0	$819.2	$1,040.3	$1,244.9	$1,413.1	$1,544.4	$1,636.4
Net Cash Flow	**($223.1)**	**($384.9)**	**($516.0)**	**($586.0)**	**($560.8)**	**($421.3)**	**($232.8)**	**($38.7)**	**$126.1**	**$255.3**	**$345.9**
PE Portfolio											
PE Market Value	$266.4	$440.9	$615.4	$746.5	$790.1	$720.6	$608.5	$484.3	$354.0	$244.8	$167.9
3.00% Plan Growth	**0.6%**	**1.0%**	**1.4%**	**1.7%**	**1.7%**	**1.5%**	**1.2%**	**1.0%**	**0.7%**	**0.5%**	**0.3%**
4.00% Plan Growth	**0.6%**	**1.0%**	**1.4%**	**1.6%**	**1.6%**	**1.4%**	**1.2%**	**0.9%**	**0.6%**	**0.4%**	**0.3%**
5.00% Plan Growth	**0.6%**	**1.0%**	**1.4%**	**1.6%**	**1.6%**	**1.4%**	**1.1%**	**0.8%**	**0.6%**	**0.4%**	**0.3%**

CRPTF Credit $950M / Year Horizon Model											
($ in millions)	**Q2 FY21 Actual**	**Remainder FY21 Estimated**	**FY 22**	**FY 23**	**FY 24**	**FY 25**	**FY 26**	**FY 27**	**FY 28**	**FY 29**	**FY 30**
Commitments											
Total	**$1,250.2**	**$150.0**	**$950.0**	**$950.0**	**$950.0**	**$950.0**	**$950.0**	**$950.0**	**$950.0**	**$950.0**	**$950.0**
Annual Cash Flow											
Paid-in Capital	$19.8	$259.7	$378.0	$610.5	$836.1	$915.0	$937.7	$944.5	$946.4	$948.0	$948.7
Distributions	$3.3	$38.7	$96.0	$166.3	$301.6	$458.7	$655.8	$856.4	$1,006.5	$1,116.4	$1,197.9
Net Cash Flow	**($16.5)**	**($221.0)**	**($282.0)**	**($444.2)**	**($534.5)**	**($456.3)**	**($281.9)**	**($88.1)**	**$60.0**	**$168.4**	**$249.1**
Cumulative Cash Flow											
Paid-in Capital	$304.6	$564.3	$942.3	$1,552.8	$2,388.9	$3,303.9	$4,241.5	$5,186.1	$6,132.5	$7,080.5	$8,029.2
Distributions	$81.5	$120.2	$216.2	$382.5	$684.1	$1,142.8	$1,798.5	$2,654.9	$3,661.4	$4,777.8	$5,975.7
Net Cash Flow	**($223.1)**	**($444.1)**	**($726.2)**	**($1,170.3)**	**($1,704.8)**	**($2,161.1)**	**($2,443.0)**	**($2,531.1)**	**($2,471.1)**	**($2,302.7)**	**($2,053.6)**
PE Portfolio											
PE Market Value	$266.4	$382.5	$700.4	$1,217.7	$1,880.8	$2,529.6	$3,077.3	$3,495.7	$3,790.9	$3,995.6	$4,131.6
3.00% Plan Growth	**0.6%**	**0.9%**	**1.6%**	**2.7%**	**4.1%**	**5.3%**	**6.3%**	**6.9%**	**7.3%**	**7.5%**	**7.5%**
4.00% Plan Growth	**0.6%**	**0.9%**	**1.6%**	**2.6%**	**3.9%**	**5.1%**	**5.9%**	**6.5%**	**6.7%**	**6.8%**	**6.8%**
5.00% Plan Growth	**0.6%**	**0.9%**	**1.5%**	**2.6%**	**3.8%**	**4.8%**	**5.6%**	**6.0%**	**6.2%**	**6.3%**	**6.2%**

See endnotes in the Appendix

Private Credit Horizon Model Output

CRPTF Credit $1,000M / Year Horizon Model											
($ in millions)	**Q2 FY21 Actual**	**Remainder FY21 Estimated**	**FY 22**	**FY 23**	**FY 24**	**FY 25**	**FY 26**	**FY 27**	**FY 28**	**FY 29**	**FY 30**
Commitments											
Total	**$1,250.2**	**$150.0**	**$1,000.0**	**$1,000.0**	**$1,000.0**	**$1,000.0**	**$1,000.0**	**$1,000.0**	**$1,000.0**	**$1,000.0**	**$1,000.0**
Annual Cash Flow											
Paid-in Capital	$19.8	$259.7	$384.6	$630.9	$869.7	$957.4	$984.8	$993.5	$996.0	$997.8	$998.6
Distributions	$3.3	$38.7	$96.1	$167.9	$307.1	$471.4	$678.3	$890.4	$1,050.0	$1,167.8	$1,255.7
Net Cash Flow	**($16.5)**	**($221.0)**	**($288.5)**	**($463.0)**	**($562.7)**	**($486.0)**	**($306.5)**	**($103.1)**	**$53.9**	**$170.0**	**$257.1**
Cumulative Cash Flow											
Paid-in Capital	$304.6	$564.3	$948.9	$1,579.8	$2,449.6	$3,406.9	$4,391.7	$5,385.2	$6,381.2	$7,379.0	$8,377.6
Distributions	$81.5	$120.2	$216.3	$384.2	$691.2	$1,162.6	$1,840.9	$2,731.3	$3,781.3	$4,949.1	$6,204.7
Net Cash Flow	**($223.1)**	**($444.1)**	**($732.6)**	**($1,195.6)**	**($1,758.3)**	**($2,244.3)**	**($2,550.8)**	**($2,653.9)**	**($2,599.9)**	**($2,429.9)**	**($2,172.8)**
PE Portfolio											
PE Market Value	$266.4	$382.5	$706.9	$1,243.8	$1,938.3	$2,623.4	$3,205.7	$3,652.4	$3,970.2	$4,191.8	$4,339.3
3.00% Plan Growth	**0.6%**	**0.9%**	**1.6%**	**2.8%**	**4.2%**	**5.5%**	**6.5%**	**7.2%**	**7.6%**	**7.8%**	**7.9%**
4.00% Plan Growth	**0.6%**	**0.9%**	**1.6%**	**2.7%**	**4.0%**	**5.3%**	**6.2%**	**6.8%**	**7.1%**	**7.2%**	**7.1%**
5.00% Plan Growth	**0.6%**	**0.9%**	**1.6%**	**2.6%**	**3.9%**	**5.0%**	**5.8%**	**6.3%**	**6.5%**	**6.6%**	**6.5%**

CRPTF Credit $1,050M / Year Horizon Model											
($ in millions)	**Q2 FY21 Actual**	**Remainder FY21 Estimated**	**FY 22**	**FY 23**	**FY 24**	**FY 25**	**FY 26**	**FY 27**	**FY 28**	**FY 29**	**FY 30**
Commitments											
Total	**$1,250.2**	**$150.0**	**$1,050.0**	**$1,050.0**	**$1,050.0**	**$1,050.0**	**$1,050.0**	**$1,050.0**	**$1,050.0**	**$1,050.0**	**$1,050.0**
Annual Cash Flow											
Paid-in Capital	$19.8	$259.7	$391.2	$651.3	$903.4	$999.8	$1,031.9	$1,042.5	$1,045.6	$1,047.5	$1,048.4
Distributions	$3.3	$38.7	$96.2	$169.5	$312.5	$484.0	$700.9	$924.4	$1,093.5	$1,219.2	$1,313.5
Net Cash Flow	**($16.5)**	**($221.0)**	**($294.9)**	**($481.9)**	**($590.9)**	**($515.7)**	**($331.1)**	**($118.0)**	**$47.8**	**$171.6**	**$265.0**
Cumulative Cash Flow											
Paid-in Capital	$304.6	$564.3	$955.5	$1,606.8	$2,510.2	$3,510.0	$4,541.9	$5,584.4	$6,630.0	$7,677.5	$8,725.9
Distributions	$81.5	$120.2	$216.4	$385.9	$698.4	$1,182.4	$1,883.3	$2,807.7	$3,901.2	$5,120.3	$6,433.8
Net Cash Flow	**($223.1)**	**($444.1)**	**($739.1)**	**($1,220.9)**	**($1,811.8)**	**($2,327.5)**	**($2,658.6)**	**($2,776.6)**	**($2,728.8)**	**($2,557.2)**	**($2,292.1)**
PE Portfolio											
PE Market Value	$266.4	$382.5	$713.4	$1,270.0	$1,995.8	$2,717.1	$3,334.1	$3,809.1	$4,149.5	$4,388.0	$4,547.0
3.00% Plan Growth	**0.6%**	**0.9%**	**1.6%**	**2.8%**	**4.3%**	**5.7%**	**6.8%**	**7.5%**	**8.0%**	**8.2%**	**8.2%**
4.00% Plan Growth	**0.6%**	**0.9%**	**1.6%**	**2.7%**	**4.2%**	**5.4%**	**6.4%**	**7.0%**	**7.4%**	**7.5%**	**7.5%**
5.00% Plan Growth	**0.6%**	**0.9%**	**1.6%**	**2.7%**	**4.0%**	**5.2%**	**6.1%**	**6.6%**	**6.8%**	**6.9%**	**6.8%**

See endnotes in the Appendix

Endnotes

Pages 6-8; 14-15

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The following hypothetical example illustrates the effect of fees on earned returns for both separate accounts and fund-of-funds investment vehicles. The example is solely for illustration purposes and is not intended as a guarantee or prediction of the actual returns that would be earned by similar investment vehicles having comparable features. The example is as follows: The hypothetical separate account or fund-of-funds consisted of $100 million in commitments with a fee structure of 1.0% on committed capital during the first four years of the term of the investment and then declining by 10% per year thereafter for the 12-year life of the account. The commitments were made during the first three years in relatively equal increments and the assumption of returns was based on cash flow assumptions derived from a historical database of actual private equity cash flows. Hamilton Lane modeled the impact of fees on four different return streams over a 12-year time period. In these examples, the effect of the fees reduced returns by approximately 2%. This does not include performance fees, since the performance of the account would determine the effect such fees would have on returns. Expenses also vary based on the particular investment vehicle and, therefore, were not included in this hypothetical example. Both performance fees and expenses would further decrease the return.

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As of March 31, 2021

Connecticut Retirement Plans and Trust Funds

Pacing Plan– Private Investment Fund Portfolio

June 2021

We Enrich Lives & Safeguard Futures

- Do the right thing
- Integrity, candor and collaboration
- The pursuit of excellence
- A spirit of competition that inspires innovation
- Promoting equity and inclusion from within

Private Investment Fund Strategic Plan

CRPTF PIF FY22 Portfolio Goals

- ❑ Target a commitment pacing range of $1,100M to $1,300M for the fiscal year 2022
- ❑ Diversify commitments across strategies and geographies, in-line with long-term Portfolio targets
  - ❑ Align long-term Portfolio targets to CRPTF's Private Investment Fund benchmark of Russell 3000 + 250bps
- ❑ Evaluate re-ups to existing relationships currently in market or that are expected to return to market in FY22
- ❑ Review manager landscape, considering new managers as a replacement or complement to existing managers
- ❑ Consider implementing a diversified Co-Investment program alongside of primary fund commitments

Private Investment Fund Commitment Pacing

The Horizon Model is a Hamilton Lane proprietary tool that uses existing portfolio information coupled with future allocation targets to create a quantitative future investment plan

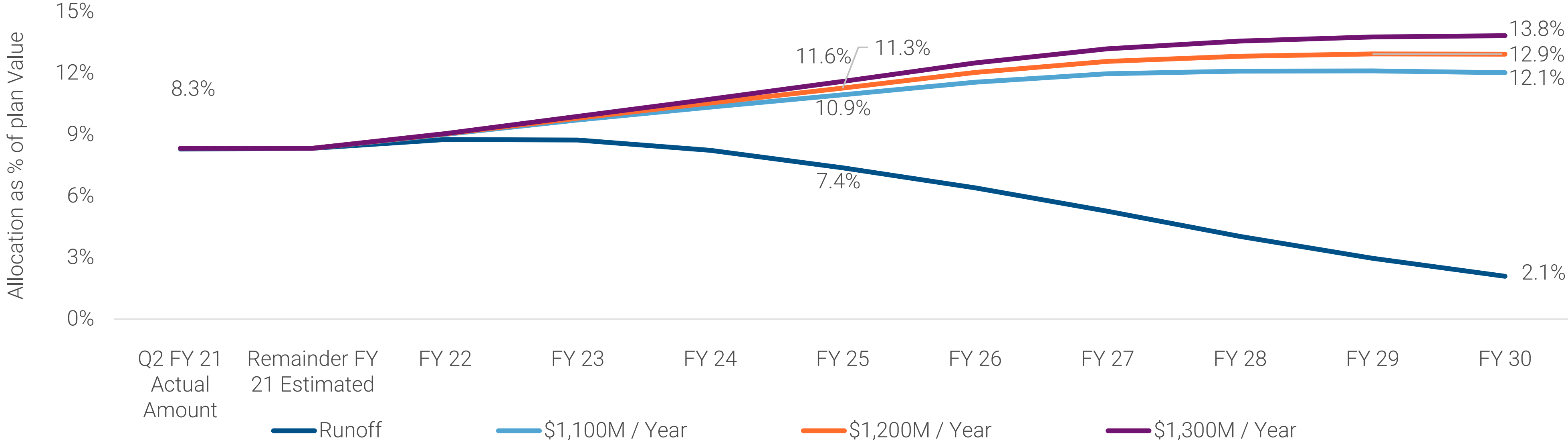
- Model uses a formulaic approach to project value and future cash flows using internal data base of 4,800+ funds
- The pacing model takes into account Connecticut's historical Private Investment Fund commitments
- The table below summarizes the input assumptions used to forecast cash flows and market values

Horizon Model Pacing Assumptions	
Connecticut Total Plan Assets[1]	$41,069 million
Net Plan Growth Rate	3.0%; 4.0%; 5.0%
Private Investment Fund as % of Plan[1]	8.3%
Target Allocation to Private Investment Fund	10.0%
Private Investment Fund Boundary	5.0% - 15.0%

See endnotes in the Appendix
[1] As of December 31, 2020

Private Investment Fund Pacing Scenarios

3% Plan Growth Rate

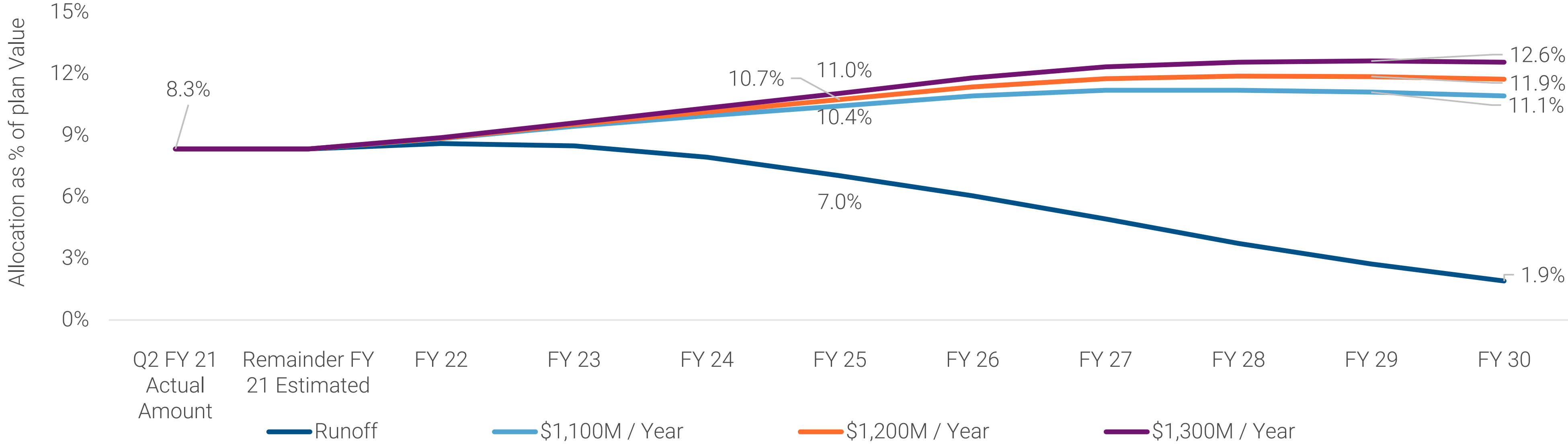


Annual Cash Flow Summary Assuming Midpoint Commitment Target											
($ in millions)	**Q2 FY 21 Actual**	**Remainder FY 21 Estimated**	**FY 22**	**FY 23**	**FY 24**	**FY 25**	**FY 26**	**FY 27**	**FY 28**	**FY 29**	**FY 30**
Commitments											
Total	**$10,834.3**	**$1,170.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**
Annual Cash Flow											
Paid-in Capital	$374.3	$554.3	$1,013.3	$1,075.1	$1,137.9	$1,181.0	$1,191.2	$1,192.9	$1,187.0	$1,190.8	$1,193.9
Distributions	$317.9	$786.8	$1,007.0	$1,054.5	$1,172.8	$1,273.8	$1,304.7	$1,464.3	$1,652.0	$1,764.8	$1,862.1
Net Cash Flow	**($56.4)**	**$232.5**	**($6.2)**	**($20.5)**	**$34.9**	**$92.7**	**$113.6**	**$271.4**	**$465.0**	**$574.0**	**$668.1**

See endnotes in the Appendix

Private Investment Fund Pacing Scenarios

4% Plan Growth Rate

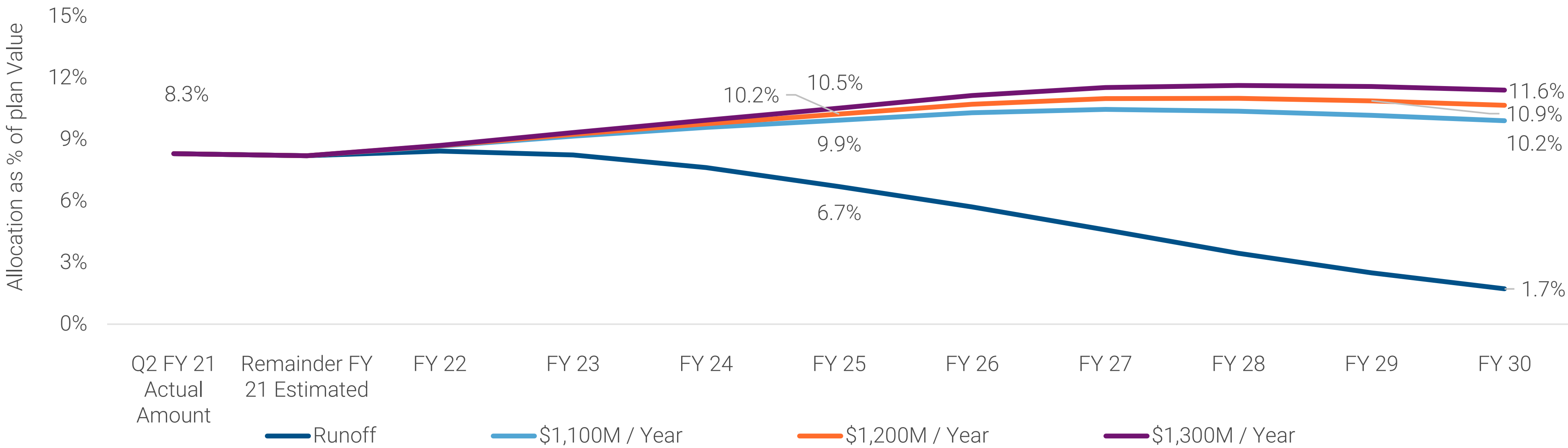


Annual Cash Flow Summary Assuming Midpoint Commitment Target											
($ in millions)	**Q2 FY 21 Actual**	**Remainder FY 21 Estimated**	**FY 22**	**FY 23**	**FY 24**	**FY 25**	**FY 26**	**FY 27**	**FY 28**	**FY 29**	**FY 30**
Commitments											
Total	**$10,834.3**	**$1,170.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**
Annual Cash Flow											
Paid-in Capital	$374.3	$554.3	$1,013.3	$1,075.1	$1,137.9	$1,181.0	$1,191.2	$1,192.9	$1,187.0	$1,190.8	$1,193.9
Distributions	$317.9	$786.8	$1,007.0	$1,054.5	$1,172.8	$1,273.8	$1,304.7	$1,464.3	$1,652.0	$1,764.8	$1,862.1
Net Cash Flow	**($56.4)**	**$232.5**	**($6.2)**	**($20.5)**	**$34.9**	**$92.7**	**$113.6**	**$271.4**	**$465.0**	**$574.0**	**$668.1**

See endnotes in the Appendix

Private Investment Fund Pacing Scenarios

5% Plan Growth Rate



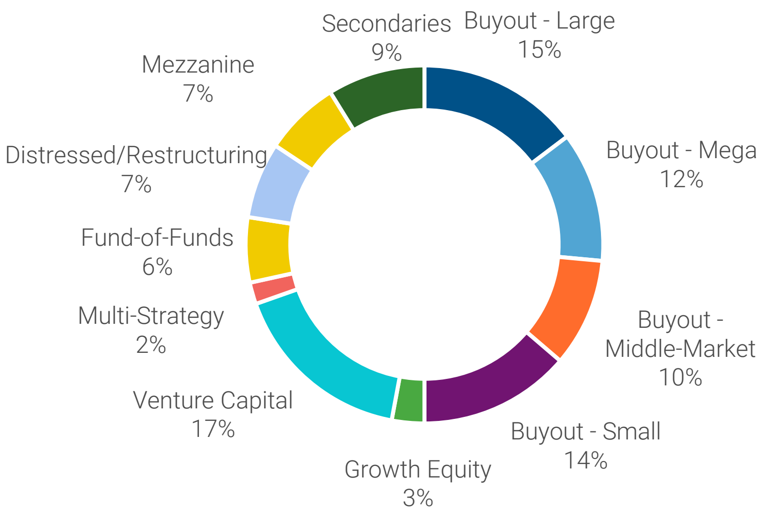
Annual Cash Flow Summary Assuming Midpoint Commitment Target											
($ in millions)	**Q2 FY 21 Actual**	**Remainder FY 21 Estimated**	**FY 22**	**FY 23**	**FY 24**	**FY 25**	**FY 26**	**FY 27**	**FY 28**	**FY 29**	**FY 30**
Commitments											
Total	**$10,834.3**	**$1,170.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**
Annual Cash Flow											
Paid-in Capital	$374.3	$554.3	$1,013.3	$1,075.1	$1,137.9	$1,181.0	$1,191.2	$1,192.9	$1,187.0	$1,190.8	$1,193.9
Distributions	$317.9	$786.8	$1,007.0	$1,054.5	$1,172.8	$1,273.8	$1,304.7	$1,464.3	$1,652.0	$1,764.8	$1,862.1
Net Cash Flow	**($56.4)**	**$232.5**	**($6.2)**	**($20.5)**	**$34.9**	**$92.7**	**$113.6**	**$271.4**	**$465.0**	**$574.0**	**$668.1**

See endnotes in the Appendix

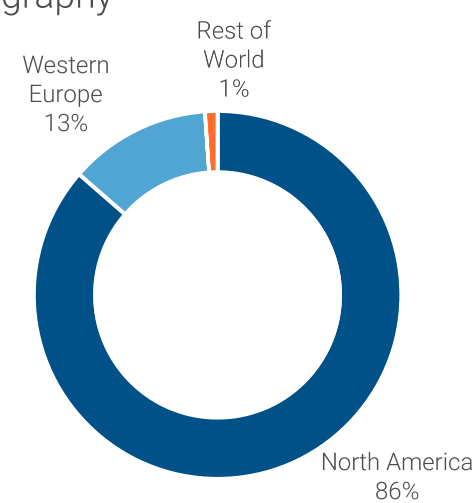
Private Investment Fund Strategic Considerations

Current Diversification

by Strategy

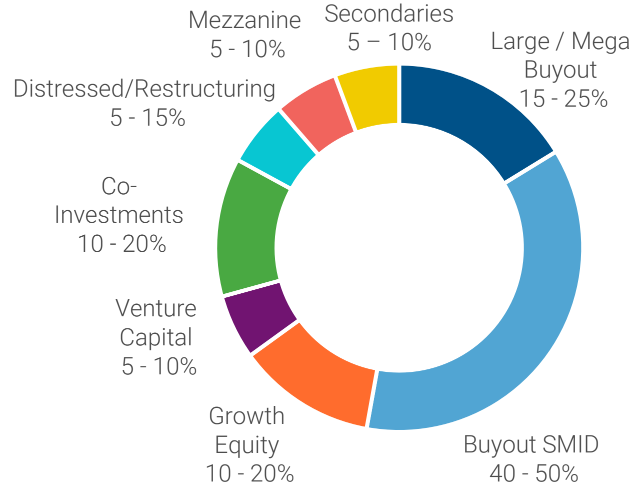


by Geography

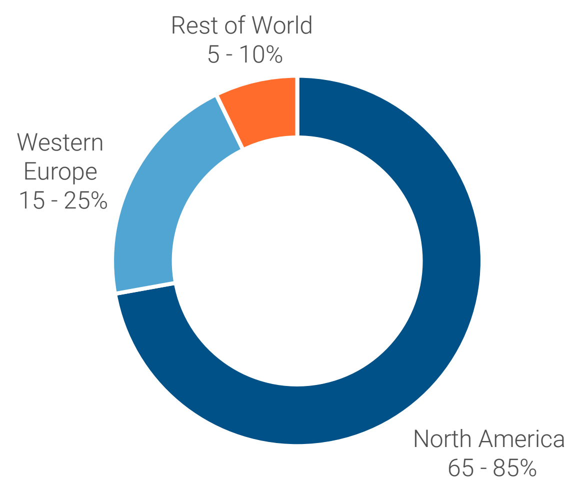


Target Diversification

by Strategy



by Geography



Note: Current Strategic Diversification shown as measured by Total Exposure

Building the Portfolio

Long-Term Portfolio Targets				
Strategy	Long-Term Portfolio Target	Target Fund Commitments	Target Commitment Sizes ($M)	Pacing Target ($M)
Buyout	55-75%	5-8	$100-$200	$800-$1,00
Buyout Large/Mega	*15-25%*	*1-3*	*$100-$200*	*$200-$600*
Buyout SMID	*40-50%*	*4-5*	*$100-$200*	*$500-$800*
Growth Equity	10-20%	2-3	$75-$150	$225-$300
Co-Investments	10-20%	7-10	$10-$20	$120-$200
Venture Capital*	5-10%	0-1	$0-$150	$0-100
Secondaries	5-10%	1-2	$100-$150	$150-$200
Mezzanine	5-10%	1-2	$100-$150	$150-$200
Distressed/Restructuring	5-15%	1-2	$100-$150	$150-$200

Long-Term Portfolio Targets- By Geography				
Geography	Long-Term Portfolio Target	Target Fund Commitments	Target Commitment Sizes ($M)	Pacing Target ($M)
North America	65-75%	6-8	$100-$200	$800-$1,200
Western Europe	15-25%	2-4	$100-$150	$300-$400
Rest of World	5-10%	0-2	$100-$150	$0-$200

* Venture Capital exposure to be accessed through a vehicle/SMA structure

Fund Manager Discussion

FY 2021 Approved and Commitments Under Consideration

CRPTF FY 2021 Pipeline – Private Investment Fund			
Partnership	Strategy	Primary Geography	Commitment ($ in Millions)
Closed			
Constitution Fund V, Seried E (re-up)	Venture / Balanced	North America	75
Clearlake Flagship Plus Partners	Distressed / Restr.	North America	100
Secondary Overflow Vehicle IV	Secondaries	Global	50
K5 Private Investors	Buyout / Large	North America	125
Livingbridge 7	Buyout / Mid	Western Europe	138
One Rock Capital Partners III	Buyout / Mid	North America	125
Insight Partners Opportunity Fund I	Mezzanine	North America	75
Icon Partners II	Buyout / Large	North America	38
Icon Partners III	Buyout / Large	North America	11
Icon Partners IV	Buyout / Large	North America	38
Total Closed			**$775**
Approved Pending Close			
Vistria Fund IV (re-up)	Buyout / Mid	North America	150
Avance Investment Partners	Buyout / Small	North America	100
Hg Co-Investment Sidecar	Co-Investment	Western Europe	75
	Under Consideration		
Strategic Value Special Situations Fund V	Distressed Debt	Global	150
ICG Europe VIII (re-up)	Mezzanine	Western Europe	180*
Total Pending Close/Under Consideration			**$655**
Total			**$1,430**

- The Private Investment Fund Portfolio has approximately $1.43 billion in closed and commitments under consideration for FY 2021

* Assuming €150M of committed capital converted to USD

Appendix

Private Investment Fund Horizon Model Scenarios

Private Investment Fund Horizon Model Output

CRPTF PIF Runoff Horizon Model											
($ in millions)	**Q2 FY 21 Actual**	**Remainder FY 21 Estimated**	**FY 22**	**FY 23**	**FY 24**	**FY 25**	**FY 26**	**FY 27**	**FY 28**	**FY 29**	**FY 30**
Commitments											
Total	**$10,834.3**	**$1,170.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
Annual Cash Flow											
Paid-in Capital	$374.3	$554.3	$888.3	$685.5	$513.4	$346.6	$205.5	$113.2	$58.9	$37.8	$24.8
Distributions	$317.9	$786.8	$1,004.7	$1,032.4	$1,106.1	$1,117.4	$996.8	$967.6	$919.8	$784.1	$640.8
Net Cash Flow	**($56.4)**	**$232.5**	**$116.4**	**$346.9**	**$592.7**	**$770.8**	**$791.3**	**$854.5**	**$860.9**	**$746.3**	**$616.0**
Cumulative Cash Flow											
Paid-in Capital	$9,038.2	$9,592.5	$10,480.8	$11,166.3	$11,679.7	$12,026.3	$12,231.8	$12,345.0	$12,403.9	$12,441.7	$12,466.5
Distributions	$10,919.0	$11,705.8	$12,710.5	$13,742.9	$14,849.0	$15,966.3	$16,963.1	$17,930.8	$18,850.6	$19,634.7	$20,275.5
Net Cash Flow	**$1,880.8**	**$2,113.3**	**$2,229.7**	**$2,576.6**	**$3,169.2**	**$3,940.0**	**$4,731.3**	**$5,585.8**	**$6,446.7**	**$7,193.0**	**$7,809.0**
PE Portfolio											
PE Market Value	$3,422.4	$3,525.2	$3,814.2	$3,917.2	$3,807.0	$3,510.5	$3,140.0	$2,654.1	$2,097.3	$1,587.6	$1,149.1
3.00% Plan Growth	**8.3%**	**8.3%**	**8.8%**	**8.7%**	**8.2%**	**7.4%**	**6.4%**	**5.3%**	**4.0%**	**3.0%**	**2.1%**
4.00% Plan Growth	**8.3%**	**8.3%**	**8.6%**	**8.5%**	**7.9%**	**7.0%**	**6.0%**	**4.9%**	**3.7%**	**2.7%**	**1.9%**
5.00% Plan Growth	**8.3%**	**8.2%**	**8.4%**	**8.2%**	**7.6%**	**6.7%**	**5.7%**	**4.6%**	**3.5%**	**2.5%**	**1.7%**

CRPTF PE Horizon Model - $1,100M											
($ in millions)	**Q2 FY 21 Actual**	**Remainder FY 21 Estimated**	**FY 22**	**FY 23**	**FY 24**	**FY 25**	**FY 26**	**FY 27**	**FY 28**	**FY 29**	**FY 30**
Commitments											
Total	**$10,834.3**	**$1,170.0**	**$1,100.0**	**$1,100.0**	**$1,100.0**	**$1,100.0**	**$1,100.0**	**$1,100.0**	**$1,100.0**	**$1,100.0**	**$1,100.0**
Annual Cash Flow											
Paid-in Capital	$374.3	$554.3	$1,002.8	$1,042.6	$1,085.8	$1,111.5	$1,109.0	$1,102.9	$1,093.0	$1,094.7	$1,096.5
Distributions	$317.9	$786.8	$1,006.8	$1,052.7	$1,167.2	$1,260.7	$1,279.1	$1,422.9	$1,591.0	$1,683.1	$1,760.3
Net Cash Flow	**($56.4)**	**$232.5**	**$4.0**	**$10.1**	**$81.4**	**$149.2**	**$170.0**	**$320.0**	**$498.0**	**$588.4**	**$663.8**
Cumulative Cash Flow											
Paid-in Capital	$9,038.2	$9,592.5	$10,595.4	$11,638.0	$12,723.8	$13,835.3	$14,944.3	$16,047.3	$17,140.3	$18,235.0	$19,331.5
Distributions	$10,919.0	$11,705.8	$12,712.6	$13,765.3	$14,932.6	$16,193.3	$17,472.4	$18,895.3	$20,486.3	$22,169.4	$23,929.6
Net Cash Flow	**$1,880.8**	**$2,113.3**	**$2,117.3**	**$2,127.4**	**$2,208.8**	**$2,358.0**	**$2,528.0**	**$2,848.0**	**$3,346.0**	**$3,934.3**	**$4,598.1**
PE Portfolio											
PE Market Value	$3,422.4	$3,525.2	$3,924.4	$4,356.0	$4,781.4	$5,208.5	$5,669.2	$6,044.5	$6,292.0	$6,485.6	$6,633.4
3.00% Plan Growth	**8.3%**	**8.3%**	**9.0%**	**9.7%**	**10.3%**	**10.9%**	**11.6%**	**12.0%**	**12.1%**	**12.1%**	**12.0%**
4.00% Plan Growth	**8.3%**	**8.3%**	**8.8%**	**9.4%**	**10.0%**	**10.4%**	**10.9%**	**11.2%**	**11.2%**	**11.1%**	**10.9%**
5.00% Plan Growth	**8.3%**	**8.2%**	**8.7%**	**9.2%**	**9.6%**	**9.9%**	**10.3%**	**10.5%**	**10.4%**	**10.2%**	**9.9%**

See endnotes in the Appendix

Private Investment Fund Horizon Model Output

CRPTF PE Horizon Model - $1,200M											
($ in millions)	**Q2 FY 21 Actual**	**Remainder FY 21 Estimated**	**FY 22**	**FY 23**	**FY 24**	**FY 25**	**FY 26**	**FY 27**	**FY 28**	**FY 29**	**FY 30**
Commitments											
Total	**$10,834.3**	**$1,170.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**	**$1,200.0**
Annual Cash Flow											
Paid-in Capital	$374.3	$554.3	$1,013.3	$1,075.1	$1,137.9	$1,181.0	$1,191.2	$1,192.9	$1,187.0	$1,190.8	$1,193.9
Distributions	$317.9	$786.8	$1,007.0	$1,054.5	$1,172.8	$1,273.8	$1,304.7	$1,464.3	$1,652.0	$1,764.8	$1,862.1
Net Cash Flow	**($56.4)**	**$232.5**	**($6.2)**	**($20.5)**	**$34.9**	**$92.7**	**$113.6**	**$271.4**	**$465.0**	**$574.0**	**$668.1**
Cumulative Cash Flow											
Paid-in Capital	$9,038.2	$9,592.5	$10,605.8	$11,680.8	$12,818.7	$13,999.8	$15,190.9	$16,383.8	$17,570.9	$18,761.7	$19,955.6
Distributions	$10,919.0	$11,705.8	$12,712.8	$13,767.4	$14,940.2	$16,213.9	$17,518.7	$18,983.0	$20,635.0	$22,399.8	$24,261.8
Net Cash Flow	**$1,880.8**	**$2,113.3**	**$2,107.0**	**$2,086.5**	**$2,121.4**	**$2,214.2**	**$2,327.7**	**$2,599.1**	**$3,064.1**	**$3,638.1**	**$4,306.2**
PE Portfolio											
PE Market Value	$3,422.4	$3,525.2	$3,934.4	$4,395.9	$4,869.9	$5,362.9	$5,899.2	$6,352.7	$6,673.3	$6,930.9	$7,132.0
3.00% Plan Growth	**8.3%**	**8.3%**	**9.0%**	**9.8%**	**10.5%**	**11.3%**	**12.0%**	**12.6%**	**12.8%**	**12.9%**	**12.9%**
4.00% Plan Growth	**8.3%**	**8.3%**	**8.9%**	**9.5%**	**10.1%**	**10.7%**	**11.4%**	**11.8%**	**11.9%**	**11.9%**	**11.7%**
5.00% Plan Growth	**8.3%**	**8.2%**	**8.7%**	**9.2%**	**9.8%**	**10.2%**	**10.7%**	**11.0%**	**11.0%**	**10.9%**	**10.7%**

CRPTF PE Horizon Model - $1,300M											
($ in millions)	**Q2 FY 21 Actual**	**Remainder FY 21 Estimated**	**FY 22**	**FY 23**	**FY 24**	**FY 25**	**FY 26**	**FY 27**	**FY 28**	**FY 29**	**FY 30**
Commitments											
Total	**$10,834.3**	**$1,170.0**	**$1,300.0**	**$1,300.0**	**$1,300.0**	**$1,300.0**	**$1,300.0**	**$1,300.0**	**$1,300.0**	**$1,300.0**	**$1,300.0**
Annual Cash Flow											
Paid-in Capital	$374.3	$554.3	$1,023.7	$1,107.5	$1,189.9	$1,250.6	$1,273.3	$1,282.9	$1,281.0	$1,286.9	$1,291.4
Distributions	$317.9	$786.8	$1,007.2	$1,056.4	$1,178.4	$1,286.8	$1,330.4	$1,505.7	$1,713.0	$1,846.5	$1,963.8
Net Cash Flow	**($56.4)**	**$232.5**	**($16.5)**	**($51.1)**	**($11.6)**	**$36.2**	**$57.1**	**$222.8**	**$432.0**	**$559.6**	**$672.5**
Cumulative Cash Flow											
Paid-in Capital	$9,038.2	$9,592.5	$10,616.2	$11,723.7	$12,913.6	$14,164.2	$15,437.5	$16,720.4	$18,001.4	$19,288.3	$20,579.7
Distributions	$10,919.0	$11,705.8	$12,713.0	$13,769.4	$14,947.8	$16,234.6	$17,565.0	$19,070.7	$20,783.7	$22,630.2	$24,594.0
Net Cash Flow	**$1,880.8**	**$2,113.3**	**$2,096.8**	**$2,045.7**	**$2,034.1**	**$2,070.4**	**$2,127.4**	**$2,350.2**	**$2,782.2**	**$3,341.8**	**$4,014.3**
PE Portfolio											
PE Market Value	$3,422.4	$3,525.2	$3,944.4	$4,435.8	$4,958.5	$5,517.3	$6,129.1	$6,660.9	$7,054.7	$7,376.1	$7,630.6
3.00% Plan Growth	**8.3%**	**8.3%**	**9.1%**	**9.9%**	**10.7%**	**11.6%**	**12.5%**	**13.2%**	**13.6%**	**13.8%**	**13.8%**
4.00% Plan Growth	**8.3%**	**8.3%**	**8.9%**	**9.6%**	**10.3%**	**11.0%**	**11.8%**	**12.3%**	**12.6%**	**12.6%**	**12.6%**
5.00% Plan Growth	**8.3%**	**8.2%**	**8.7%**	**9.3%**	**9.9%**	**10.5%**	**11.1%**	**11.5%**	**11.6%**	**11.6%**	**11.4%**

See endnotes in the Appendix

Endnotes

Pages 6-8; 15-16

The information contained herein and based upon Hamilton Lane's proprietary Horizon Model (the "Model") may include forward-looking statements regarding the Model itself, our opinions, performance, fees, carried interest, distributions, projected economic benefit or other events. Forward-looking statements include a number of risks, uncertainties and other factors beyond our control which may result in material differences in actual results, economic benefit, performance or other expectations. The Model has been prepared based upon historical private equity fund data and is not intended to indicate future performance of investments made with, or independently of, Hamilton Lane, which may affect any estimated economic benefit shown. Its assumptions are derived from historical private equity investments and are designed to demonstrate potential behaviors of private equity investments. The opinions, estimates, projections and analyses reflect our current judgment, which may change in the future. Therefore, this presentation is not intended to predict future performance or economic savings and should not be used as the basis for an investment decision.

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As of March 31, 2021

CONNECTICUT RETIREMENT PLANS & TRUST FUNDS

REAL ESTATE MARKET REVIEW & 2021 INVESTMENT PLAN

June 2021

BOSTON | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | PORTLAND | SAN FRANCISCO

EXECUTIVE SUMMARY

- **The State of Connecticut Retirement Plans & Trust Funds ("State of CT") has a current target allocation to real estate of 10%**
  - This target was increased in 2019 from 7%
  - The State of CT has an actual allocation to real estate of 5.9%
  - When adding unfunded commitments to the current net asset value, the State of CT has a total potential exposure to real estate of 10.2%

- **This presentation will review the current portfolio and provide an investment pacing plan for the next several years, with the following primary objectives:**
  - Build towards the target 10% allocation to real estate (projected to be achieved in 2024)
  - Reduce the relative over-weight to core real estate
  - Allocate approximately $75 million per year to co-investments
  - Maintain regular annual commitments to value-add and opportunistic strategies

- **This presentation also discusses the current market environment and NEPC's real estate portfolio construction thoughts**

- **NEPC will continue to work with the State of CT investment team to source new investment ideas and implement the real estate Investment Plan**
  - This pacing plan will also be revisited and updated on an annual basis or as necessary

Total plan-level data as of March 31, 2021; Real Estate Fund-level data as of December 31, 2020, the most recent data available.

PORTFOLIO REVIEW

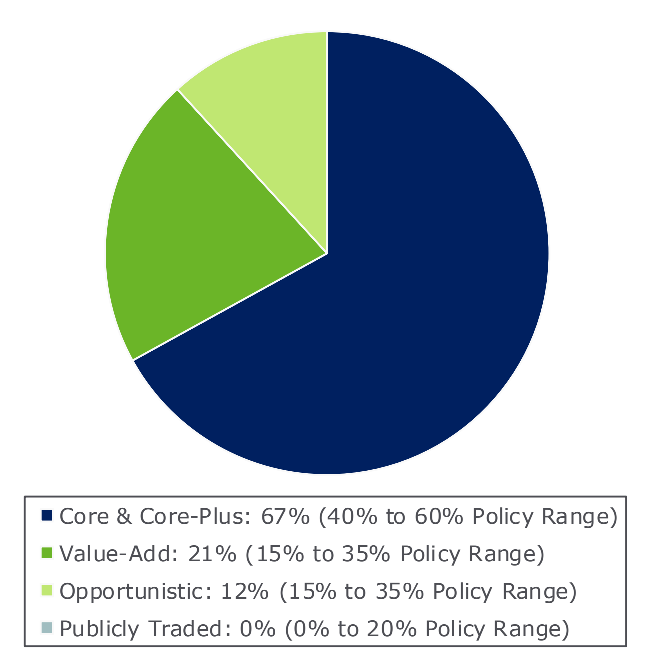
NEPC, LLC

CURRENT REAL ESTATE PORTFOLIO

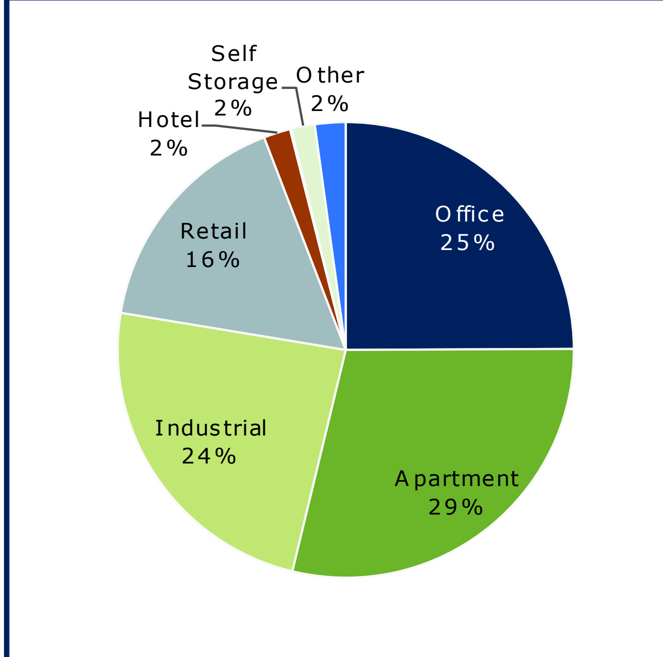
- **The State of CT Real Estate Portfolio is highly diversified by manager, property type, and geographic region within the US**
  - In addition, the portfolio is invested about 5% outside the US (primarily in Europe)

- **The charts below depict the portfolio allocations by strategy and property type:**

Strategy Diversification



Property Type Diversification



Total plan-level data as of March 31, 2021; Real Estate Fund-level data as of December 31, 2020; property type and geographic diversification as of September 30, 2020, the most recent available. Policy target ranges are as dictated by the Investment Policy Statement (IPS).

CURRENT REAL ESTATE PORTFOLIO

Existing Real Estate Investments

Core & Core-Plus (Open-End)

Fund Name	Vintage Year	Committed	Paid In Capital	Capital to be Funded	Cumulative Distributed	Current Valuation (NAV)	Total Value	% of Dividends Reinvested	Current Redemption Requests	Redemption Request Year
Prime Property Fund	2007	$225.0	$225.0	$0.0	$147.2	$278.6	$425.9	50%	$0.0	NA
Barings Core Property Fund	2008	$250.0	$250.0	$0.0	$132.5	$256.0	$388.5	50%	$0.0	NA
Hart Realty Advisors-Core Separate Account	2011	$180.0	$417.0	$34.5	$338.9	$196.5	$535.3	50%	$0.0	NA
American Core Realty Separate Account	2012	$150.0	$223.2	$0.0	$155.5	$158.2	$313.7	50%	$0.0	NA
USAA Eagle Real Estate Fund	2013	$150.0	$150.0	$0.0	$19.3	$194.9	$214.2	50%	$0.0	NA
UBS Trumbull Property Fund	2013	$75.0	$75.0	$0.0	$16.3	$73.6	$89.9	0%	$79.3	2023
UBS Trumbull Property Income Fund	2013	$50.0	$50.0	$0.0	$12.0	$60.7	$72.7	50%	$0.0	NA
PRISA	2014	$185.0	$185.0	$0.0	$37.8	$212.4	$250.2	50%	$0.0	NA
Oak Street Net Lease Property Fund	2019	$100.0	$68.6	$31.4	$2.3	$72.9	$75.2	50%	$0.0	NA
Ares Enhanced Income Fund	2019	$100.0	$31.4	$68.6	$0.0	$31.4	$31.4	50%	$0.0	NA
Blackstone BioMed Life Science Real Estate	2020	$29.2	$25.6	$3.6	$0.0	$25.6	$25.6	50%	$0.0	NA
Carlyle Property Investors	2020	$150.0	$52.1	$97.9	$0.0	$53.0	$53.0	50%	$0.0	NA
Total Core & Core-Plus (Open-End)		$1,644.2	$1,752.7	$236.1	$861.8	$1,613.7	$2,475.5	NA	$79.3	NA

Core & Core-Plus (Closed-End)

Fund Name	Vintage Year	Committed	Paid In Capital	Capital to be Funded	Cumulative Distributed	Current Valuation (NAV)	Total Value	Net benefit	DPI Ratio	TVPI Ratio
Artemis Income and Growth Fund	2019	$100.0	$27.1	$72.9	$0.0	$25.3	$25.3	($1.8)	0.00x	0.93x
Total Core & Core-Plus (Closed-End)		$100.0	$27.1	$72.9	$0.0	$25.3	$25.3	($1.8)	0.00x	0.93x

Value-Add (Open-End)

Fund Name	Vintage Year	Committed	Paid In Capital	Capital to be Funded	Cumulative Distributed	Current Valuation (NAV)	Total Value	% of Dividends Reinvested	Current Redemption Requests	Redemption Request Year
Lion Industrial Trust	2014	$102.3	$102.3	$0.0	$19.3	$169.5	$188.8	50%	$0.0	NA
Total Value-Add (Open-End)		$102.3	$102.3	$0.0	$19.3	$169.5	$188.8	NA	$0.0	NA

Real Estate Fund-level data as of December 31, 2020. All dollars in millions.

CURRENT REAL ESTATE PORTFOLIO

Existing Real Estate Investments (Continued)

Value-Add (Closed-End)

Fund Name	Vintage Year	Committed	Paid In Capital	Capital to be Funded	Cumulative Distributed	Current Valuation (NAV)	Total Value	Net benefit	DPI Ratio	TVPI Ratio
Rockwood Capital VI	2005	$20.0	$20.5	$0.0	$22.0	$0.1	$22.1	($1.1)	1.08x	1.08x
Urban Strategy America Fund	2006	$50.0	$50.0	$0.0	$43.0	$0.4	$43.4	($6.6)	0.86x	0.87x
Rockwood Capital VII	2006	$50.0	$50.0	$0.0	$31.8	$0.6	$32.4	($25.4)	0.64x	0.65x
Blackstone Real Estate Special Situations Fu	2011	$74.1	$72.1	$2.0	$84.8	$1.4	$86.2	$14.1	1.18x	1.20x
UBS Trumbull Property Growth & Income Fur	2013	$50.0	$50.0	$0.0	$9.7	$78.1	$87.8	$37.8	0.19x	1.76x
Cypress Acquisition Partners Retail Fund	2014	$50.0	$58.5	$0.0	$14.1	$1.3	$15.4	($43.0)	0.24x	0.26x
Gerding Edlen Green Cities II	2014	$30.0	$29.5	$2.0	$29.8	$13.5	$43.3	$12.8	1.01x	1.47x
Covenant Apartment Fund VIII	2015	$30.0	$30.0	$0.0	$36.5	$10.3	$46.8	$16.8	1.22x	1.56x
Crow Holdings Realty Partners VII	2016	$75.0	$68.6	$6.4	$71.4	$26.5	$97.9	$24.0	1.04x	1.43x
Gerding Edlen Green Cities III	2017	$50.0	$48.9	$2.0	$6.2	$53.5	$59.7	$9.4	0.13x	1.22x
Crow Holdings Realty Partners VIII	2018	$75.0	$63.9	$11.1	$17.7	$58.2	$75.9	$12.0	0.28x	1.19x
Covenant Apartment Fund IX	2018	$50.0	$50.0	$0.0	$3.2	$52.5	$55.6	$4.9	0.06x	1.11x
Basis Investment Group (BIG) Real Estate F	2018	$65.0	$54.9	$22.6	$20.4	$41.9	$62.3	$6.9	0.37x	1.14x
Gerding Edlen Green Cities IV	2019	$75.0	$15.6	$59.4	$0.0	$13.3	$13.3	($1.7)	0.00x	0.85x
Waterton Residential Property Venture XIV	2020	$100.0	$0.6	$99.4	$0.0	($0.3)	($0.3)	($0.9)	0.00x	NA
TruAmerica Workforce Housing Fund	2020	$36.0	$0.0	$36.0	$0.0	$0.0	$0.0	$0.0	NA	NA
Total Value-Add (Closed-End)		$880.1	$662.9	$240.9	$390.7	$351.1	$741.8	$60.0	0.59x	1.12x

Opportunistic (Closed-End)

Fund Name	Vintage Year	Committed	Paid In Capital	Capital to be Funded	Cumulative Distributed	Current Valuation (NAV)	Total Value	Net benefit	DPI Ratio	TVPI Ratio
Blackstone Real Estate Partners VI	2007	$100.0	$99.6	$4.9	$218.7	$4.2	$222.9	$111.2	2.20x	2.24x
IL&FS India Realty Fund II	2008	$50.0	$50.0	$0.0	$24.5	$1.8	$26.3	($23.7)	0.49x	0.53x
Blackstone Real Estate Partners Europe III	2009	$50.0	$45.9	$6.6	$71.2	$6.0	$77.2	$24.9	1.55x	1.68x
WLR IV PPIP Co-Invest	2009	$100.0	$127.4	$0.0	$164.6	$1.8	$166.3	$38.9	1.29x	1.31x
Starwood Global Opportunity Fund VIII	2009	$50.0	$53.0	$4.6	$76.7	$5.3	$82.1	$29.1	1.45x	1.55x
Lone Star Real Estate Fund II	2011	$75.0	$75.1	$8.5	$109.5	$2.1	$111.6	$36.5	1.46x	1.49x
Starwood Distressed Opportunity Fund IX	2013	$50.0	$46.5	$3.5	$59.5	$14.2	$73.7	$27.2	1.28x	1.58x
Blackstone Real Estate Partners VIII	2015	$100.0	$102.7	$17.6	$73.8	$77.9	$151.7	$42.4	0.72x	1.48x
Landmark Real Estate Fund VII	2015	$40.0	$36.9	$3.1	$32.5	$11.2	$43.8	$6.9	0.88x	1.19x
Starwood Global Opportunity Fund X	2015	$100.0	$90.0	$10.0	$88.4	$32.3	$120.7	$30.7	0.98x	1.34x
Blackstone Real Estate Partners Europe V	2017	$50.0	$39.8	$10.7	$3.7	$51.9	$55.6	$13.1	0.09x	1.40x
Landmark Real Estate Fund VIII	2017	$65.0	$28.6	$40.1	$9.0	$23.3	$32.4	$3.9	0.32x	1.13x
Starwood Opportunity Fund XI	2017	$50.0	$21.7	$29.3	$2.3	$22.3	$24.6	$2.9	0.10x	1.13x
IPI Datacenters Fund II	2020	$100.0	$0.0	$100.0	$0.0	$0.0	$0.0	$0.0	NA	NA
Rockpoint Real Estate Fund VI, L.P.	2020	$150.0	$23.0	$127.1	$0.0	$23.5	$23.5	$0.2	0.00x	1.02x
Torchlight Debt Fund VII	2020	$100.0	$10.0	$90.0	$0.0	$10.0	$10.0	($0.0)	0.00x	1.00x
Total Opportunistic (Closed-End)		$1,230.0	$850.1	$456.1	$934.4	$287.8	$1,222.2	$344.3	1.10x	1.44x

Real Estate Fund-level data as of December 31, 2020. All dollars in millions.

2021 REAL ESTATE PACING PLAN

NEPC, LLC

2021 INVESTMENT PLAN

- **The State of Connecticut's exposure to real estate as of December 31, 2020 is as follows:**
  - $2,449 million net asset value (5.9% of total plan assets)
  - $1,006 million in uncalled capital commitments (2.4% of total plan assets)
  - Potential total real estate exposure of $3,455 million (8.3% of total plan assets)
  - The State of CT has a target real estate allocation of 10%

- **Subsequent to year-end 2020, Connecticut has made the following commitments, which are also included in this pacing analysis:**
  - Value-Add (Closed-End) – $300 million total:
    - Mesirow Real Estate Fund IV
    - Covenant Apartment Fund X
    - *Basis Investment Group (BIG) Real Estate Fund II**
  - Opportunistic (Closed-End) – $300 million total:
    - Rubicon Point First Ascent
    - Penzance Real Estate Fund II
    - Carlyle Realty Fund IX
  - REITs (Open-End) – $200 million

- **When including these recent commitments, the total uncalled capital commitment increases to $1,806 million (4.3% of total plan assets)**
  - **Together with the current net asset value, this brings the total potential exposure to real estate to approximately $4,255 million (or 10.2% of total plan assets)**

Total plan-level data as of March 31, 2021; Real Estate Fund-level data as of December 31, 2020, the most recent available.
** Basis is expected to present at the June IAC meeting and as such has not yet been approved.*

2021 PACING SUMMARY

- **The pacing plan assumes a total net plan-level growth rate of 5.4% per year**
  – The plan also incorporates all of the existing commitments and investments within the real estate portfolio

- **NEPC recommends the following investment pacing over the next few years to achieve the target allocations:**
  – 2021: Commit an additional $200 million to non-core real estate funds
    - Plan already includes commitments made during 2021 as well as one potential commitment expected to be presented to the IAC in June *(see page 8 for more information)*
    - A portion of this may be allocated to co-investments, depending on implementation timing
  – 2022-2024: Commit $450 million to non-core real estate funds and $75 million to co-investments each year
  – Beyond: Continue to make regular annual commitments to non-core real estate funds

- **In addition, this plan includes:**
  – Flexibility to increase the allocation to REITs
    - Depending the growth of the overall CRPTF portfolio and the pace of private fund drawdowns/distributions, more capital may be invested in REITs in 2022 (or later)
    - Allocations to REITs are invested immediately, providing the ability to increase the real estate NAV more quickly if necessary
  – Implementation of a co-investment program, with co-investments targeted to comprise about 10% of the total real estate portfolio
  – Scaling back of re-investing dividends for the core and core-plus funds as the plan approaches its 10% target to real estate
    - This will be continuously monitored, but is expected to occur in the 2023-2025 timeframe

Notes: "Non-core real estate" includes value-add and opportunistic real estate strategies; actual allocations per year may depend on market conditions, manager availability, and portfolio construction considerations.

GENERAL PLAN ASSUMPTIONS

General Plan Assumptions

Total Plan Assets	$41,644
Total Real Estate NAV	$2,449
Total Real Estate Capital to be Funded	$1,006
Total Real Estate Exposure	$3,455
Total Real Estate NAV / Total Plan Assets	5.9%
Total Real Estate Exposure / Total Plan Assets	8.3%
Target Real Estate Allocation % (Current Target)	10.0%

As of Dec. 31, 2020; does not include 2021 commitments

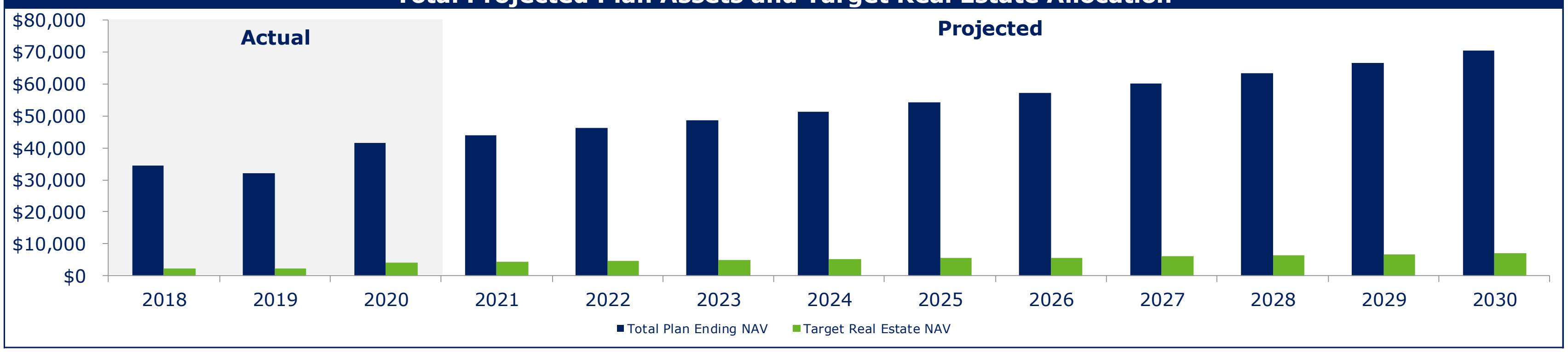
Plan Return Assumptions	2021	2022	2023
Target Investment Return	6.9%	6.9%	6.9%
Contributions	0.0%	0.0%	0.0%
Payouts	(1.5%)	(1.5%)	(1.5%)
Expenses	0.0%	0.0%	0.0%
Reserve for Expenses	0.0%	0.0%	0.0%
Net Growth Rate	5.4%	5.4%	5.4%

Plan-Level data as of	03/31/21
Fund-Level data as of	12/31/20

Total Projected Plan Assets

	Actual			Projected									
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Total Plan Net Growth Rate	0.4%	(6.8%)	29.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%
Total Plan Beginning NAV	$34,411	$34,546	$32,180	$41,644	$43,881	$46,237	$48,720	$51,336	$54,093	$56,998	$60,058	$63,284	$66,682
Yearly Net Growth	$135	($2,365)	$9,464	$2,236	$2,356	$2,483	$2,616	$2,757	$2,905	$3,061	$3,225	$3,398	$3,581
Total Plan Ending NAV	$34,546	$32,180	$41,644	$43,881	$46,237	$48,720	$51,336	$54,093	$56,998	$60,058	$63,284	$66,682	$70,263
Target Real Estate Allocation	7.0%	7.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Target Real Estate NAV	$2,418	$2,253	$4,164	$4,388	$4,624	$4,872	$5,134	$5,409	$5,700	$6,006	$6,328	$6,668	$7,026

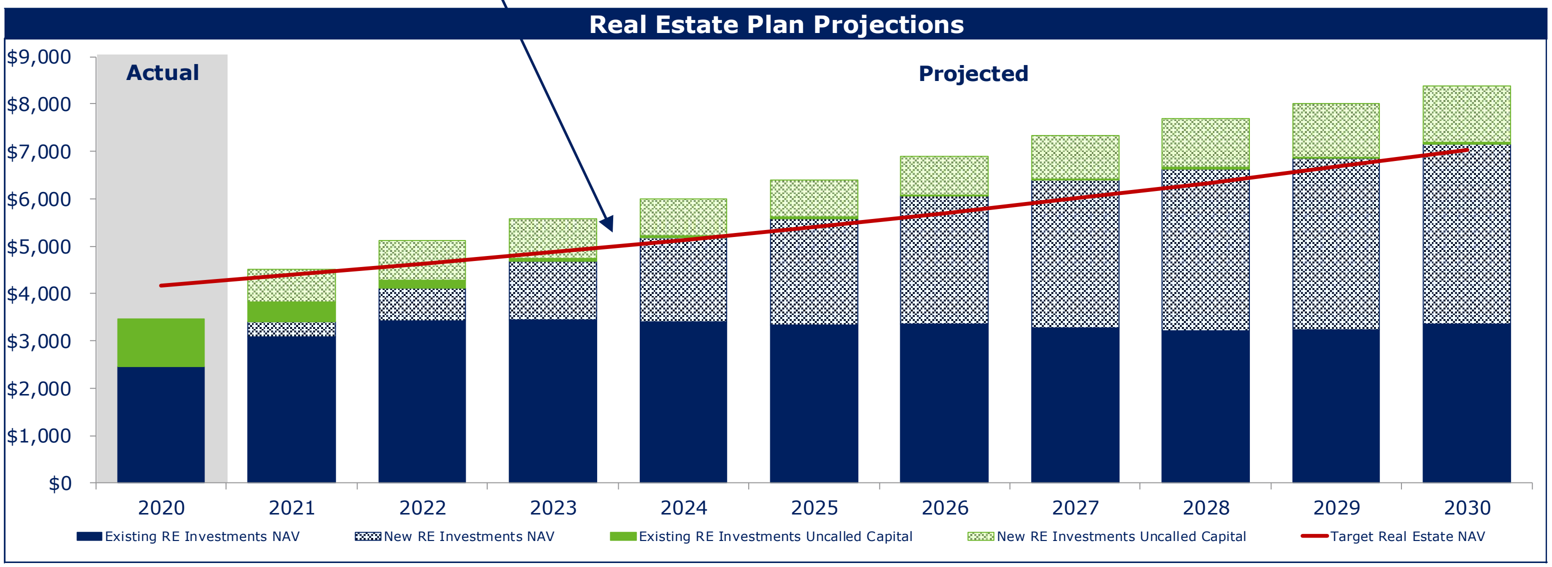
Total Projected Plan Assets and Target Real Estate Allocation



All dollars in millions. Total plan-level data as of March 31, 2021; 2018 plan-level NAVs as of year-end. Real Estate Fund-level data as of December 31, 2020, the most recent available.

REAL ESTATE PLAN PROJECTIONS

- **Red line** is the 10% target private real estate allocation based on projected plan total NAV.
- Goal is to keep private real estate NAV (**blue bars**) at the red line.

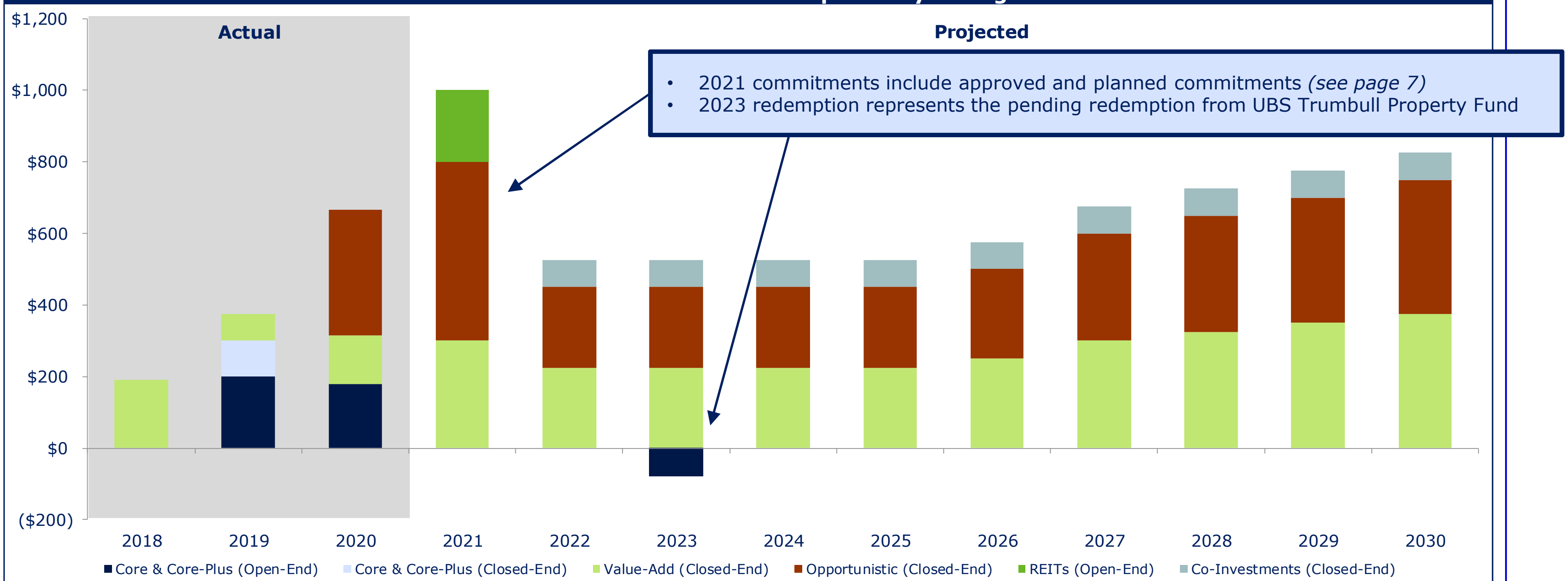


		Projected									
Year	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Real Estate NAV	$2,449	$3,392	$4,111	$4,682	$5,179	$5,587	$6,059	$6,388	$6,636	$6,850	$7,150
Uncalled Capital Commitments	$1,006	$1,114	$1,015	$889	$819	$800	$840	$952	$1,059	$1,152	$1,236
Real Estate NAV + Uncalled Capital Commitments	$3,455	$4,507	$5,126	$5,571	$5,998	$6,387	$6,898	$7,340	$7,694	$8,002	$8,387
Target Real Estate NAV	$4,164	$4,388	$4,624	$4,872	$5,134	$5,409	$5,700	$6,006	$6,328	$6,668	$7,026
Weighted Over-Commitment Pace	1.2x	1.2x	1.2x	1.2x	1.2x	1.2x	1.2x	1.2x	1.2x	1.2x	1.2x
Target Real Estate Over Allocation	$4,997	$5,266	$5,548	$5,846	$6,160	$6,491	$6,840	$7,207	$7,594	$8,002	$8,432
Percent of Total Plan Assets											
Real Estate NAV (%)	5.9%	7.7%	8.9%	9.6%	10.1%	10.3%	10.6%	10.6%	10.5%	10.3%	10.2%
Real Estate Uncalled Capital Commitments (%)	2.4%	2.5%	2.2%	1.8%	1.6%	1.5%	1.5%	1.6%	1.7%	1.7%	1.8%
NAV + Uncalled Capital Commitments (%)	8.3%	10.3%	11.1%	11.4%	11.7%	11.8%	12.1%	12.2%	12.2%	12.0%	11.9%
Target Real Estate Allocation (%)	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Target Real Estate Over Allocation (%)	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%

Total plan-level data as of March 31, 2021; Real Estate Fund-level data as of December 31, 2020, the most recent available. All dollars in millions.

REAL ESTATE COMMITMENTS & REDEMPTIONS

Real Estate Commitments & Redemptions by Vintage Year



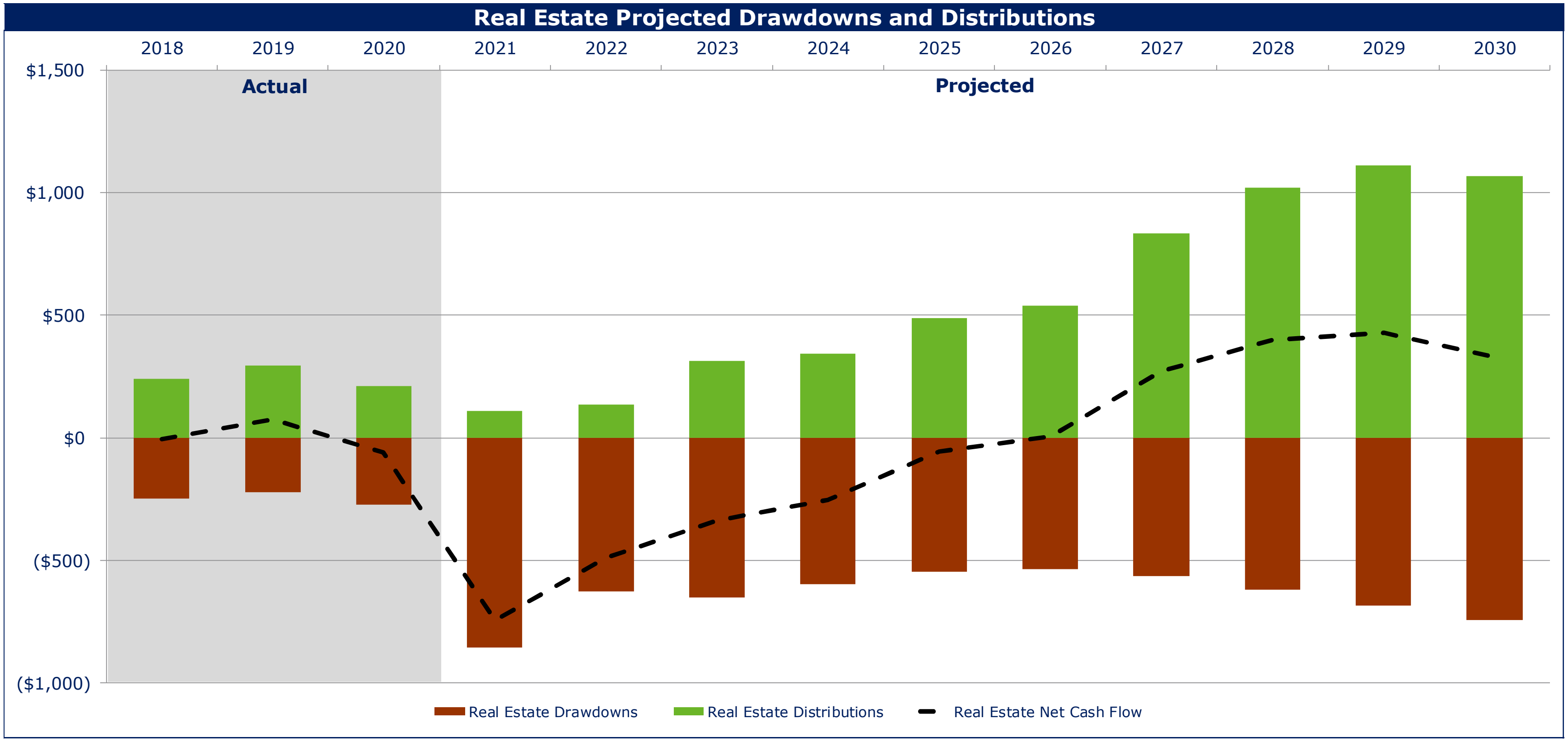
Real Estate Commitments & Redemptions by Vintage Year

Commitments	Actual			More Certain			Less Certain						
Year	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Core & Core-Plus (Open-End)	$0	$200	$179	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Core & Core-Plus (Closed-End)	0	100	0	0	0	0	0	0	0	0	0	0	0
Value-Add (Closed-End)	190	75	136	300	225	225	225	225	250	300	325	350	375
Opportunistic (Closed-End)	0	0	350	500	225	225	225	225	250	300	325	350	375
REITs (Open-End)	0	0	0	200	0	0	0	0	0	0	0	0	0
Co-Investments (Closed-End)	0	0	0	0	75	75	75	75	75	75	75	75	75
Total Commitments	$190	$375	$665	$1,000	$525	$525	$525	$525	$575	$675	$725	$775	$825

Redemptions	Actual			More Certain			Less Certain						
Year	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Core & Core-Plus (Open-End)	NA	NA	NA	$0	$0	($79)	$0	$0	$0	$0	$0	$0	$0
Total Redemptions	NA	NA	NA	$0	$0	($79)	$0	$0	$0	$0	$0	$0	$0

All dollars in millions.

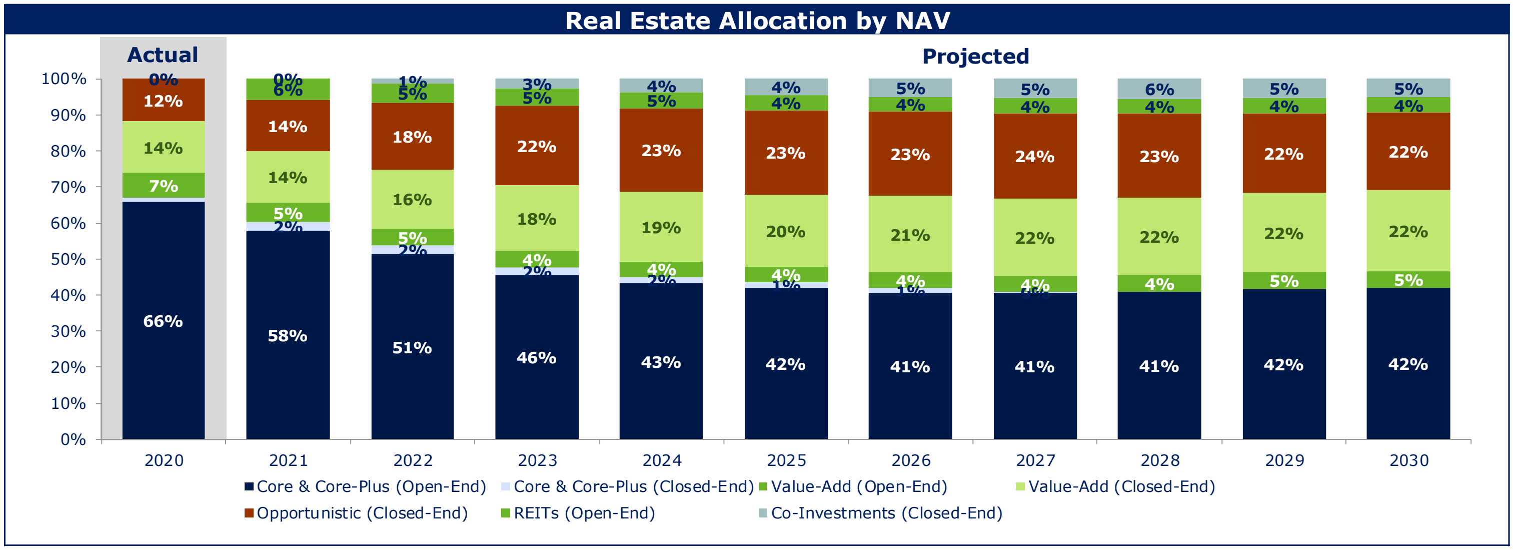
REAL ESTATE DRAWDOWNS AND DISTRIBUTIONS

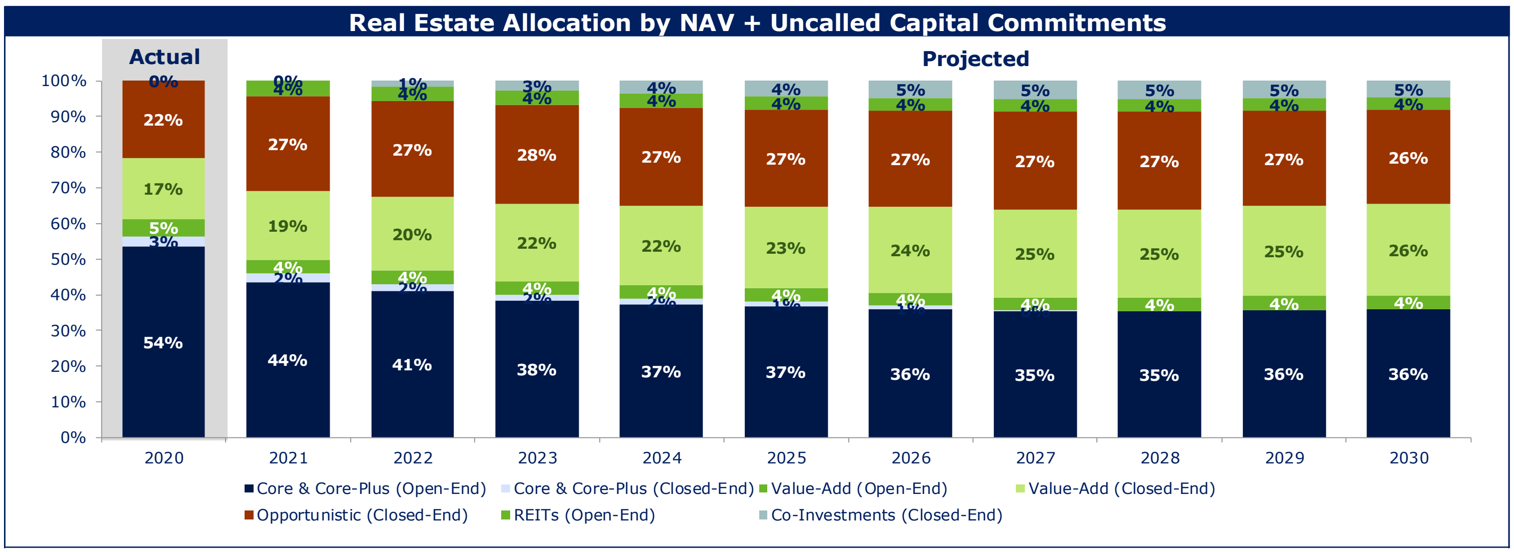


	Actual			Projected									
Year	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Real Estate Drawdowns	($246)	($220)	($272)	($856)	($626)	($651)	($595)	($545)	($535)	($563)	($619)	($682)	($740)
Real Estate Distributions	240	296	211	111	137	314	343	488	541	836	1,019	1,110	1,069
Real Estate Net Cash Flow	($6)	$77	($60)	($744)	($489)	($338)	($251)	($57)	$7	$273	$400	$428	$329

Real Estate Fund-level data as of December 31, 2020, the most recent available. All dollars in millions.

REAL ESTATE SUB-SECTOR ALLOCATIONS





Real Estate Fund-level data as of December 31, 2020, the most recent available.

CURRENT MARKET ENVIRONMENT

REAL ESTATE OUTLOOK

Real Estate Market Observations

- **Divergence among winners and losers will continue**
- **We do not believe that "office is dead," though there are likely to be some headwinds, and the recovery will be uneven**
- **Real estate capital markets are functioning properly**
- **Anticipate some distressed opportunities, though size of opportunity remains to be seen (substantial dry powder exists)**

Actions & Client Positioning

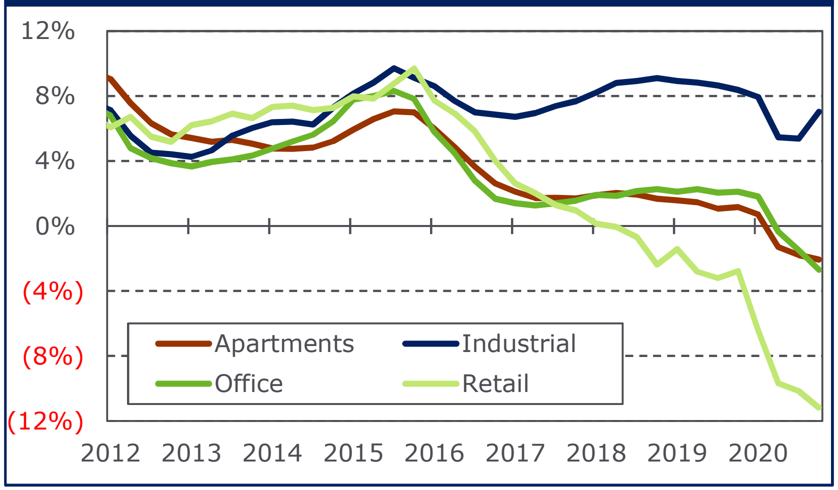
- **Focus on managers with a proven ability to adapt to changing market conditions**
- **Identify targeted strategies that emphasize property types with strong demand tailwinds**
- **Look to augment existing core real estate allocations with core-plus, debt strategies, and/or REITs**

OVERVIEW

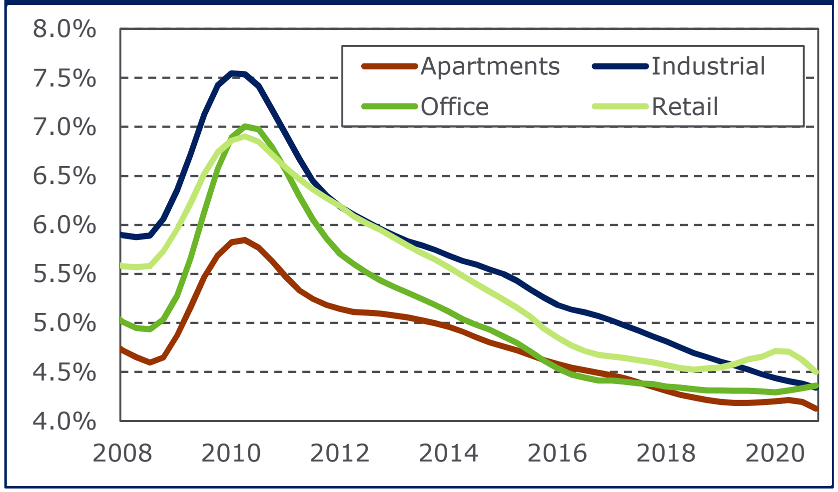
Return Trends Vary by Property Type

- **COVID had accelerated some trends, and reversed others**
  - Accelerated: eCommerce (good for industrial, bad for retail)
  - Reversed: Gateway market favorability
- **Uncertainty persists – what changes in preferences will be permanent?**
- **Expect transaction volumes to increase as lender patience wears thin**
  - May also generate attractive deal flow for distressed investors
- **Vintage years during and following periods of distress tend to perform well**
  - However, large amount of dry powder tempers expectations of broad distressed opportunities

Rolling 1-Year Appreciation Returns



Cap Rates



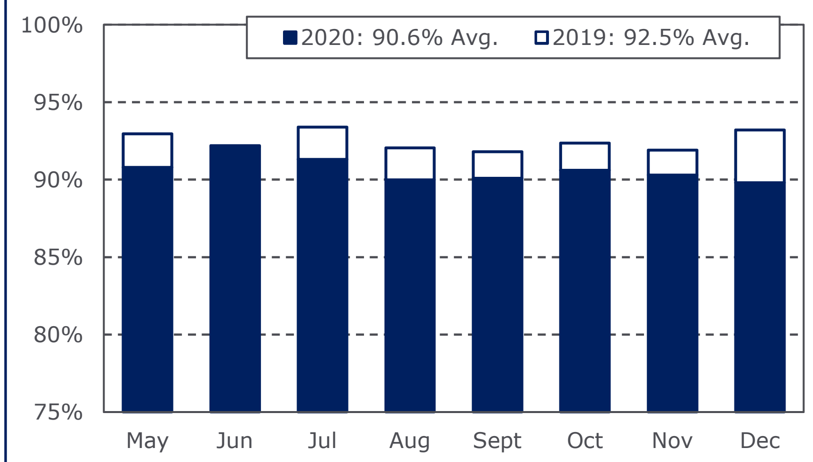
Sources: NCREIF; data as of December 31, 2020. Appreciation returns are unlevered.

RESIDENTIAL

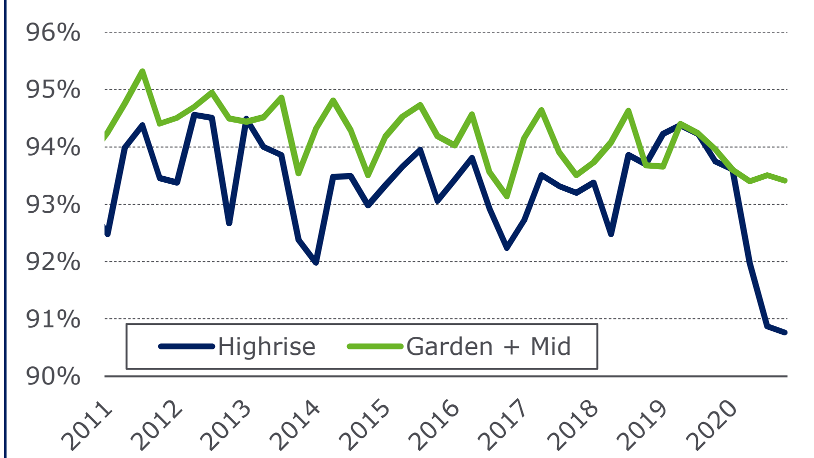
Tale of Two Markets

- **Rent collections remain generally strong nationwide**
- **Pandemic impact varies by property type, location, and tenant profile**
  - Suburban, less-dense product has performed well
  - Urban, more-dense assets have struggled
- **Class B multifamily and workforce housing remain attractive**
  - Stable demand; prices and rents less sensitive to economic growth
  - Limited new construction
- **Future trajectory of dense urban living remains challenged**
  - Most new development has been focused on urban luxury multifamily
  - Rent levels have deteriorated and vacancies ticked up in 2020
- **Single family housing is likely to benefit from current migration trends away from gateway cities**

Multifamily Rent Collections vs. 2019



Occupancy Rates Diverge



Source: NCREIF as of December 31, 2020; NMHC, rent collection data is from a nationwide survey of professionally-managed apartment units conducted by NMHC, percentages indicate percent of rents collected by the 20th of each month, average is for May-Dec of each year.

ACCELERATED SHIFT TO ECOMMERCE

Pandemic-Driven eCommerce Growth Benefits Industrial, Challenges Retail

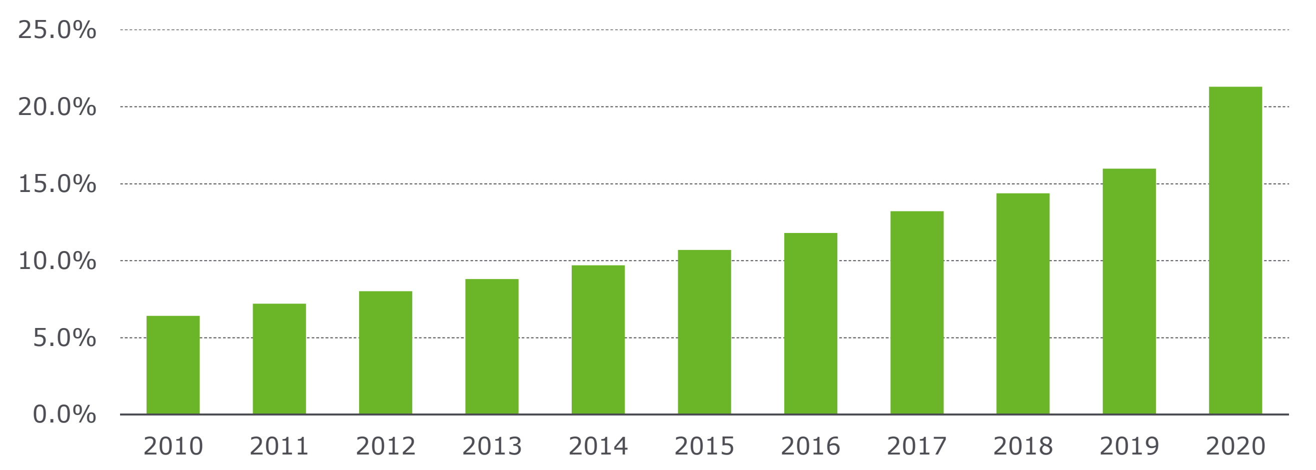
Industrial

- **Strong demand growth and historically low vacancies fuel continued rent growth**
- **Competitive market; asset quality and location still matter**

Retail

- **Existing challenges were exacerbated in pandemic**
- **Recovery is expected… but not for all retail, and it may take a while**
- **Limited transaction volumes for the retail sector**

eCommerce % of Total Retail Sales

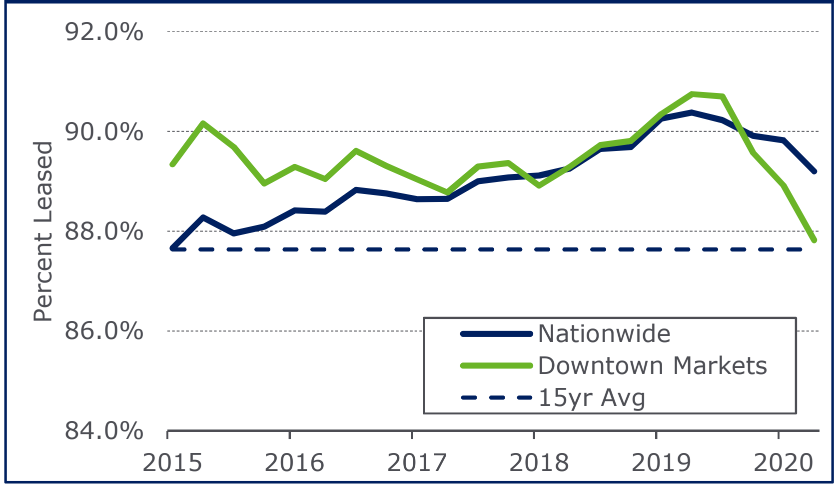


Source: Digital Commerce 360 analysis of US Department of Commerce; eCommerce data excludes sales of items "not normally purchased online such as spending at restaurants, bars, automobile dealers, gas stations, and fuel dealers." As of December 31, 2020.

THE FUTURE OF OFFICE

- **Worker preferences have continued to evolve during the pandemic**
  - Employers are now determining how to re-open office space and to what extent they will bring employees back in-person
  - Both employer and employee preferences vary by industry, job function, age, and commute
    - Medical office, engineering spaces, life science/lab space, media, are among sectors with more resilient demand drivers
- **Office demand is shifting in yet-to-be determined ways**
  - Office occupancy was healthy going into 2020, and long-term leases mean that a permanent change in tenant preferences will take years to play out
  - Most expiring leases in 2020 were extended with short-term leases
- **De-densification of office space may partially offset reduction in in-person workers**
- **Clear benefits to working in an office, for both employees and employers**
- **COVID-19 pandemic merely accelerated several existing trends:**
  - Growth of non-traditional office markets (e.g., Salt Lake City, Austin, Nashville)
  - Adoption of flexible work structures (such as part-time work from home)
  - Increased the favorability of new office buildings

Healthy Occupancy & Long-Term Leases



Source: NCREIF, as of December 31, 2020.

APPENDIX:

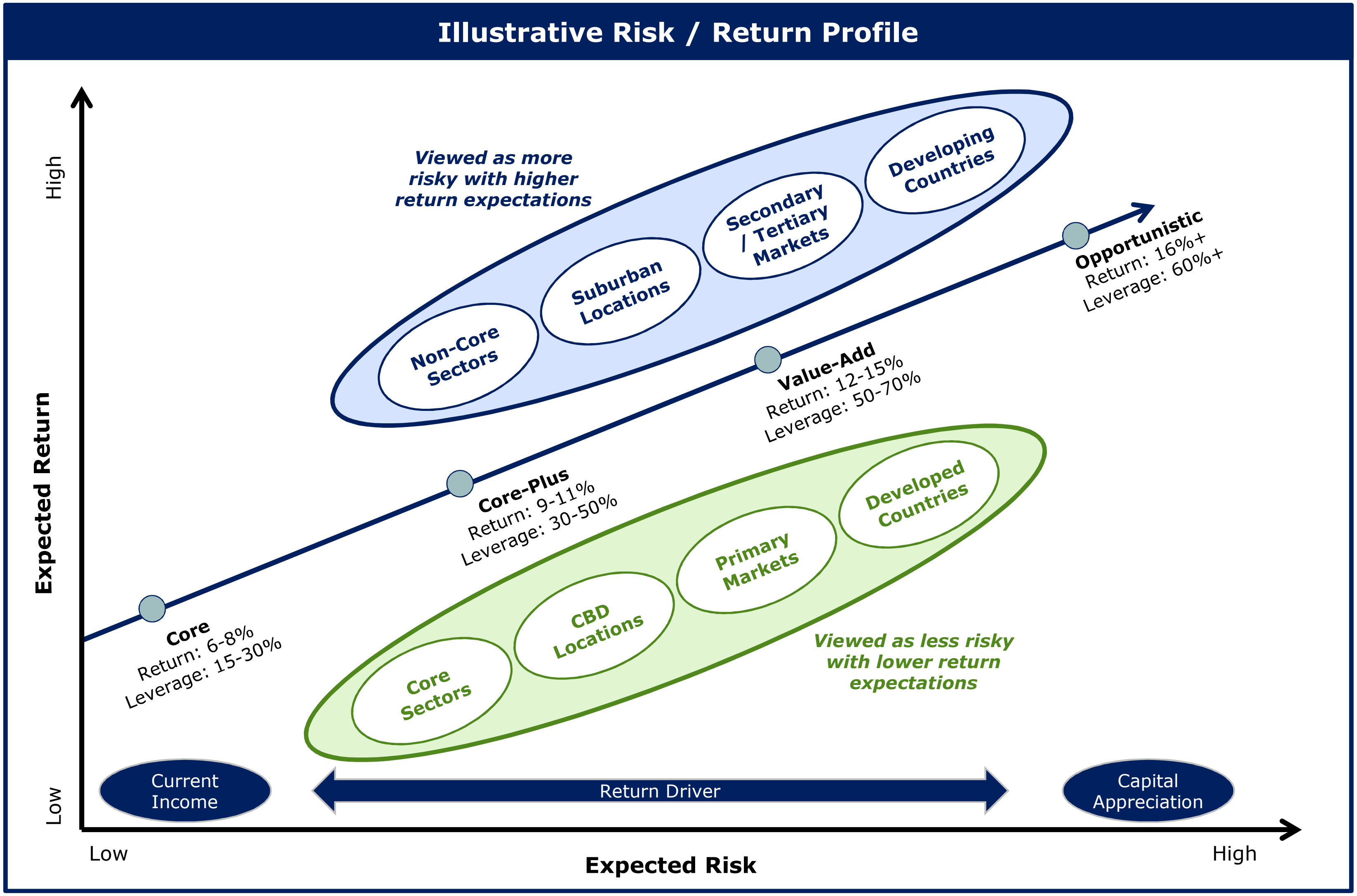
REAL ESTATE OVERVIEW

SPECTRUM OF REAL ESTATE STRATEGIES

	Real Estate Investment Style / Overview	Investment Strategy	Portfolio Role	Considerations
Core Strategies	**Core** • Return driver: income • Primary vehicle: open-end funds • Historical avg. returns: 7-8% • Leverage: 15-30% • Hold period: long-term	Stabilized income producing assets	• Current income • Broad exposure to commercial real estate (asset class beta) • Inflation protection	• Vehicles are semi-liquid (entrance/exit queues) • Limited alpha producing opportunities
	REITs • Return driver: income • Primary vehicle: REIT funds • Historical avg. returns: 7-9% • Leverage: 30-50% • Hold period: long-term	Stabilized income producing assets	• Current income (dividends) • Long-term exposure to commercial real estate (beta) • Long-term inflation protection	• Volatility • Equity correlation
Non-Core Strategies	**Value-Add** • Return driver: income/appreciation • Primary vehicle: varies • Historical avg returns: 8-10% • Leverage: 40-70% • Hold period: 3-5 years	Properties requiring lease-up, repositioning, renovation or rehabilitation	• Provides part current income and capital appreciation • Some inflation protection	• Vehicles are semi-liquid or illiquid • Vintage year is important • Higher leverage vs core • Poor benchmarks
	Opportunistic • Return driver: appreciation • Primary vehicle: closed-end funds • Historical avg. returns: 10-12% • Leverage: 60%+ • Hold period: varies	Distressed investments, recapitalizations, development, etc.	• Real estate alpha through capital appreciation with minimal current income	• Vehicles are illiquid • Vintage year is important • High leverage • Poor benchmarks

	Real Estate Debt
	• Return driver: varies
	• Primary vehicle: closed-end funds
	• Historical avg. returns: 8-10%
	• Leverage: varies
	• Hold period: varies
		Varying risk/return profiles (senior loans to higher risk structures)	• Mixed strategies:
			  • Current income w/downside protection
			  • Higher risk opportunistic/mezz. debt strategies
				• Limited return upside (asymmetric risk profile)
				• Minimal inflation protection
				• Vintage year is important
				• Poor benchmarks

RELATIVE EXPECTED RISK RETURN PROFILE



Notes:
- Debt-related strategies can span the illustrative risk / return spectrum depending on the specific strategy
- Manager-specific risk, operations and leverage can skew expected risk / return profile

LIQUID & SEMI-LIQUID VEHICLE STRUCTURES

- **Open-end investment structures**
  - Assets are valued on a quarterly basis (except REITs, which have daily market prices)
  - Open-end funds typically provide quarterly liquidity, subject to commitment or redemption queues

Investment Type	Description
Publicly Traded REIT Funds	Comprised of REITs and REOCs (Real Estate Operating Companies) that file with the SEC and whose shares trade on national stock exchanges such as the NYSE, AMEX or NASDAQ; publicly traded security provides significant liquidity to investors. May be structured as a commingled fund, separate account, or mutual fund.
Separate Accounts	An exclusive investment vehicle designed and managed by a third party fiduciary for an individual institution (generally created to allow the institution to pursue a specific investment strategy or individual property). Investors have significant control over investments.
Direct Investments	Non-intermediated (or direct) investment in an individual real estate asset. Owners have complete control over investment.
Open-End Funds	Typically an insurance company separate accounts, trust, or private REIT that allow ERISA plans to commingle their capital. Most vehicles are large ($2+ billion of net asset value) and focus on core and/or value added strategies. Lock-up periods of one-two years are common and redemptions are usually permitted with 90 days notice, but are subject to available cash.

ILLIQUID VEHICLE STRUCTURES

- **Closed-end investment structures**
  - Structured like private equity funds where investors make a commitment which is drawn down over time
  - Valuations and performance is reported on a quarterly basis
  - Liquidity is defined by the life of the fund
  - Investors have limited rights as defined by the limited partner agreement (LPA)
  - Funds are typically smaller in size ($100M to $1B) with ten-year terms on average
  - Funds typically focus on higher risk/return strategies or specific sectors where the manager has expertise
  - Funds typically include asset management fees and promote structures

Investment Type	Description
Sector Focused Equity Funds	An investment strategy targeting specific market segments, including individual property sectors (i.e. office, multifamily, retail, industrial, self storage, senior housing, land, etc.).
Diversified Equity Funds	Diversified investment strategy that targets multiple sectors. More typical in the value-add or opportunistic space.
Debt / Mezzanine Funds	An investment strategy focusing on income producing and/or structured products (i.e. not pure equity). Investment strategies can range from new origination of debt to the acquisition of existing debt.
Fund-of-Funds	An investment strategy of holding a portfolio of other investment funds.
Secondary Funds	An investment strategy targeting investor LP interests which are generally purchased at a discount from valuation from motivated sellers. Generally, the interests purchased have limited exposure to unfunded capital commitments.

REAL ESTATE PORTFOLIO CONSTRUCTION

Core Real Estate Allocation	• **Typically includes open-end core funds and REIT funds**
	  • Over the long-term (5+ years) open-end core funds and REIT funds are highly correlated; however, over the short-term REIT funds have a low correlation to core funds and are much more volatile
	
	• **Open-end core funds**
	  • Private semi-liquid commingled vehicles with entrance and exit queues
	  • We generally recommend investing in two-to-three funds to limit manager concentration risk and decrease volatility
	
	• **REIT Mutual Funds**
	  • REIT funds have historically slightly outperformed open-end core funds over the long-term, partially the result of higher leverage
	  • REIT mutual funds offer almost daily liquidity but are more volatile and more correlated with equities over the short-term

Non-Core Real Estate Allocation	• **Includes value-add, opportunistic and debt funds**
	
	• **Market timing risk is a significant factor**
	
	• **Our portfolio construction philosophy is two-fold:**
	  • Create a pacing model for consistent commitments at regular intervals
	  • Evaluate individual commitments based on market conditions and existing portfolio concentrations
	
	• **Two additional considerations are:**
	  • Target number of manager/fund relationships in ten years
	  • Concentration/risk tolerance for individual commitments

APPENDIX:
DISCLAIMERS

DISCLAIMER

- Past performance is no guarantee of future results.
- The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.
- Information used to prepare this report was obtained directly from the investment managers or custodians, and market index data was provided by other external sources. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.
- This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.

ALTERNATIVE INVESTMENT DISCLOSURES

In addition, it is important that investors understand the following characteristics of non-traditional investment strategies including hedge funds, real estate and private equity:

1. Performance can be volatile and investors could lose all or a substantial portion of their investment
2. Leverage and other speculative practices may increase the risk of loss
3. Past performance may be revised due to the revaluation of investments
4. These investments can be illiquid, and investors may be subject to lock-ups or lengthy redemption terms
5. A secondary market may not be available for all funds, and any sales that occur may take place at a discount to value
6. These funds are not subject to the same regulatory requirements as registered investment vehicles
7. Managers may not be required to provide periodic pricing or valuation information to investors
8. These funds may have complex tax structures and delays in distributing important tax information
9. These funds often charge high fees
10. Investment agreements often give the manager authority to trade in securities, markets or currencies that are not within the manager’s realm of expertise or contemplated investment strategy

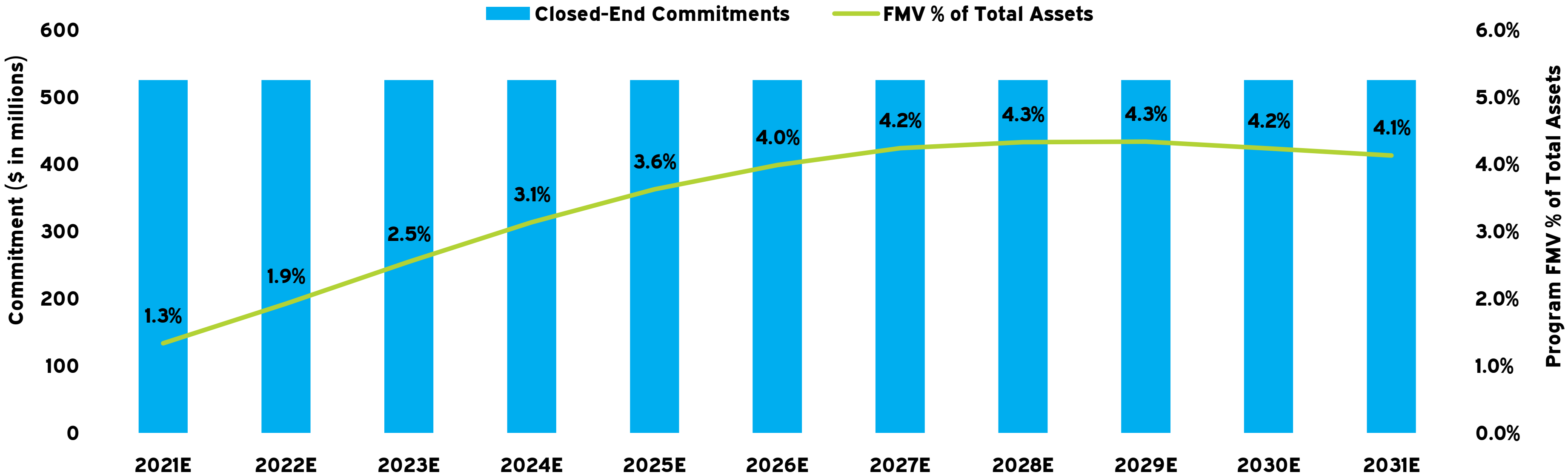
MEKETA
INVESTMENT GROUP

State of Connecticut Retirement Plans and Trust Funds

June 9, 2021

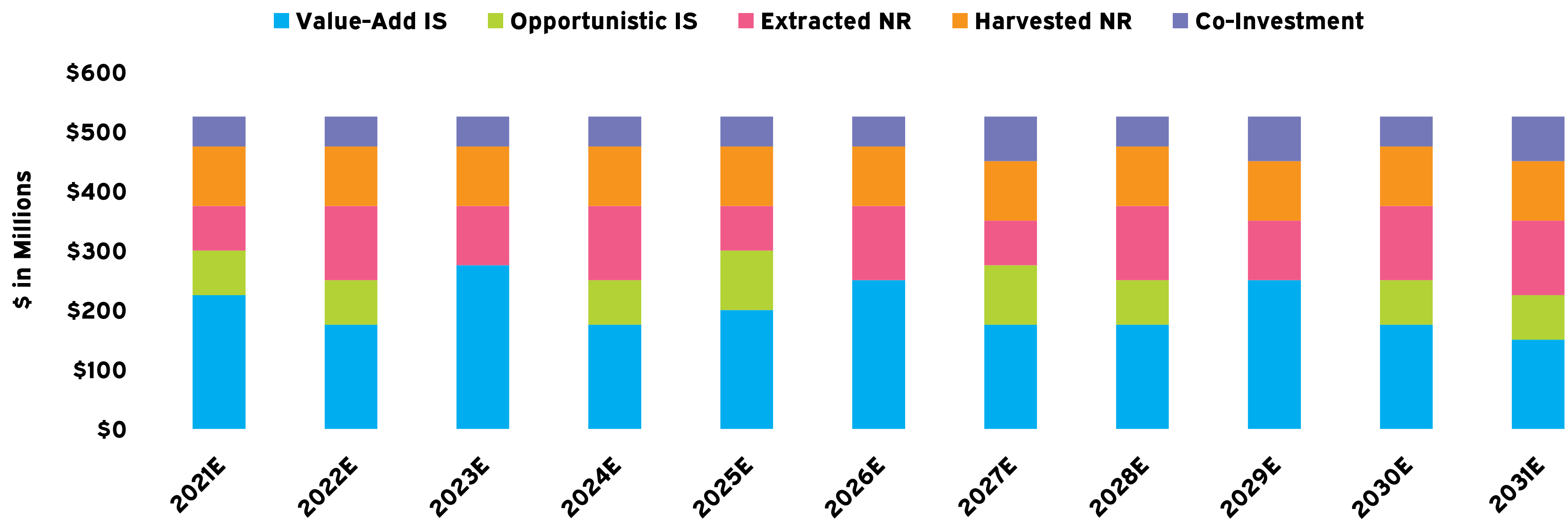
Real Assets Pacing Study

Pacing Study Summary



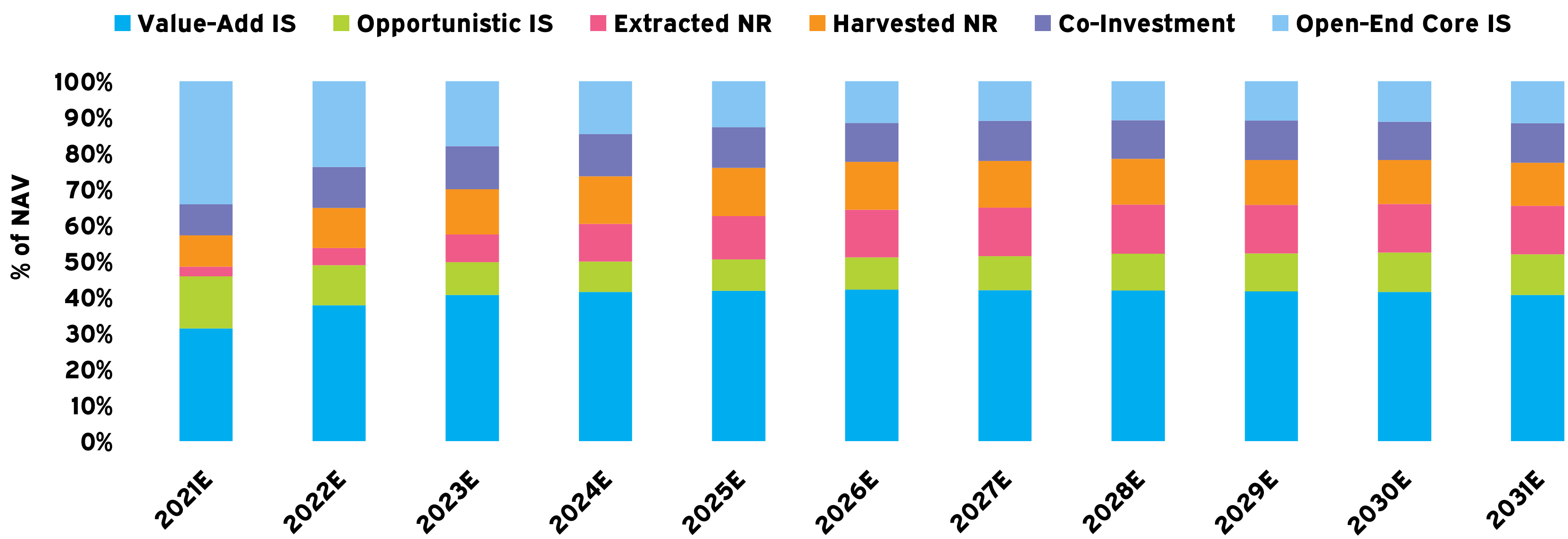
($ in millions)	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Private Market Investments											
Commitments by Vintage Year	525	525	525	525	525	525	525	525	525	525	525
Contributions	-439	-315	-387	-435	-467	-487	-520	-503	-529	-509	-533
Distributions	23	47	91	145	220	310	409	506	593	665	719
Net Cash Flow	-416	-268	-295	-291	-247	-176	-111	3	65	156	186
Fair Market Value	584	898	1,268	1,667	2,057	2,410	2,728	2,961	3,152	3,268	3,364
FMV % of Total Assets	**1.3%**	**1.9%**	**2.5%**	**3.1%**	**3.6%**	**4.0%**	**4.2%**	**4.3%**	**4.3%**	**4.2%**	**4.1%**

Commitment by Strategy



($ in millions)	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Value-Add IS	225	175	275	175	200	250	175	175	250	175	150
Opportunistic IS	75	75	0	75	100	0	100	75	0	75	75
Extracted NR	75	125	100	125	75	125	75	125	100	125	125
Harvested NR	100	100	100	100	100	100	100	100	100	100	100
Co-Investment	50	50	50	50	50	50	75	50	75	50	75
Total	**525**	**525**	**525**	**525**	**525**	**525**	**525**	**525**	**525**	**525**	**525**

NAV Exposure by Strategy



	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E
Value-Add IS	31%	38%	41%	41%	42%	42%	42%	42%	42%	41%	41%
Opportunistic IS	14%	11%	9%	8%	9%	9%	9%	10%	11%	11%	11%
Extracted NR	3%	5%	8%	10%	12%	13%	13%	14%	13%	13%	14%
Harvested NR	9%	11%	13%	13%	13%	13%	13%	13%	12%	12%	12%
Co-Investment	9%	11%	12%	12%	11%	11%	11%	11%	11%	11%	11%
Open-End Core	34%	24%	18%	15%	13%	12%	11%	11%	11%	11%	12%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**