State of Connecticut
Office of the Treasurer

SHAWN T. WOODEN
TREASURER

MEMORANDUM

TO: Members of Investment Advisory Council

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

DATE: July 3, 2020

SUBJECT: Investment Advisory Council Meeting – July 8, 2020

Enclosed is the agenda package for the Investment Advisory Council meeting on Wednesday, July 8, 2020 starting at 9:00 A.M.

The following subjects will be covered at the meeting:

Item 1: Approval of the Minutes of the June 10, 2020 IAC Meeting

Item 2: Opening Comments by the Treasurer

Item 3: Update on the Market and the CRPTF Performance

Laurie Martin, Chief Investment Officer, will provide an update on the capital market environment and will report on the following:

- The CRPTF performance as of May 31, 2020

Item 4: Presentation by and Consideration of Constitution Fund V, LLC – Series E

Mark Evans, Principal Investment Officer, will provide opening remarks and introduce Constitution Fund V, LLC – Series E, a Private Investment Fund opportunity.

Item 5: Presentation by and Consideration of Goldman Sachs Private Credit Partnership

Mark Evans, Principal Investment Officer and Steven Meier, Senior Principal Investment Officer, will provide opening remarks and introduce Goldman Sachs, a Private Credit Fund opportunity.

Item 6: Presentation by and Consideration of OSP Value Fund III, L.P. & OSP Value Fund III-B, L.P.

Mark Evans, Principal Investment Officer, will provide opening remarks and introduce OSP Value Fund III, L.P. & OSP Value Fund III-B, L.P., Private Credit Fund opportunity.

Item 7: **Other Business**

- Review of the IAC Budget for Fiscal Years 2021 & 2022
- Discussion of the preliminary agenda for the August 12, 2020 IAC meeting

Item 8: **Comments by the Chair**

We look forward to reviewing these agenda items with you at the July 8th meeting.

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

STW/kf

Enclosures

INVESTMENT ADVISORY COUNCIL
Wednesday, June 10, 2020

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

MEETING NO. 476

Members present:	D. Ellen Shuman, Chair
	Treasurer Wooden, Secretary
	Thomas Fiore, representing Secretary Melissa McCaw
	Joshua Hall
	Michael Knight
*9:18am Arrival	Michael LeClair*
	Steven Muench
	William Murray
	Patrick Sampson
	Carol Thomas
Others present:	Laurie Martin, Chief Investment Officer
	Kevin Cullinan, Chief Risk Officer
	Mark Evans, Principal Investment Officer
	Katrina Farquhar, Executive Assistant
	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, Analyst
	Casi Kroth, Investment Officer
	Raynald Lévèque, Deputy Chief Investment Officer
	Steve Meier, Senior Principal Investment Officer
	Paul Osinloye, Principal Investment Officer
	Olivia Wall, Investment Officer
Guests:	Kevin Alcala, Goldman Sachs
	Tim Atkinson, Meketa Investment Group
	Greg Balewicz, Lord Abbett
	Lawrence Bancroft – Bivium
	Drianne Benner, Appomattox
	Mary Beth Boyle – Rock Creek
	LaRoy Brantley, Meketa Investment Group
	Ronan Burke, Capital Group
	Judy Chambers, Meketa Investment Group
	Brandon Colon, Meketa Investment Group
	Clare Connolly, Cohen & Steers
	Maguette Diop, SEIU
	Mike Elio, StepStone

Dyice Ellis-Beckham – Invesco
Marilyn Freeman, Capital Prospects
Alex Gamza - DWS Distributors
Will Greene, Loop Capital
Deirdre Guice Minor, T. Rowe Price
Nelson McNeil, Man Investments Inc.
Chris Morgan, Franklin Templeton
Mary Mustard, Meketa Investment Group
David Peligal, Brookfield Asset Management
William Rejeski, Goldman Sachs
Matt Ritter, NEPC
Richard Ross, CT Resident
Lisa Rotenberg, Goldman Sachs
Liz Smith, AllianceBernstein
Ann Parker Weeden, AllianceBernstein
Ryan Wagner, T. Rowe Price
Peter Woolley, Meketa Investment Group

With a quorum present, Chair D. Ellen Shuman called the Investment Advisory Council ("IAC") meeting to order at 9:08 a.m.

Approval of Minutes of the May 13, 2020 IAC Meeting

Chair Shuman called for a motion to accept the minutes of the May 13, 2020 IAC meeting. **Steven Muench moved to approve the minutes of the May 13, 2020 IAC meeting. The motion was seconded by Joshua Hall. There was one correction from Thomas Fiore.** Chair Shuman called for a motion to accept the minutes as amended of the May 13, 2020 IAC meeting. **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 addressing the recent issues surrounding the senseless violence against black people, resulting in the tragic deaths of George Floyd, David McAtee, Breonna Taylor, Ahmaud Arbery, and so many others. Treasurer Wooden discussed an Op-Ed he recently wrote in the Hartford Courant about his own concerns as both a father and as State Treasurer, stating that the our work here at Treasury is critical, as we perform our core functions that help make state government run and simultaneously act as a catalyst to spur corporate America to use its position of power to play a constructive role in advancing social change. He said he has been inspired by the reaction to his Op-Ed from corporate leaders who want to get off the sidelines and who have communicated directly with him on why doing this is important to the future of their companies and the future of America.

Next, Treasurer Wooden spoke to the success the office has had in issuing bonds for the State of Connecticut. He stated that we have experienced strong demand for our bonds at competitive prices which, in the midst of a pandemic, speaks volumes about the strength of our State.

Finally, Treasurer Wooden provided a follow up on investment related decisions made following the last IAC meeting, announcing the decision to commit $100 million to the Stellex Capital

Partners Fund II and $75 million to the Leeds Capital Partners Fund VII. He gave a brief overview of the current agenda and noted that despite working remotely, the office remains focused on liquidity and re-balancing needs and look forward to the investment opportunities that will come from the current crisis.

Update on the Market and the Connecticut Retirement Plans and Trust Funds Performance for Month Ending April 30, 2020

Laurie Martin, Chief Investment Officer ("CIO"), provided an update on the CRPTF's performance and commented on the capital market environment and the economic outlook.

Quarterly Performance Reports

Ms. Martin announced that the quarterly performance reports for the Alternative Investment Fund as of March 31, 2020, the Private Investment Fund as of December 31, 2019, and the Real Estate Fund as of December 31, 2019, were included in the package for review.

Presentation by and Consideration of the Finalists for the Emerging Market Debt Fund Manager Search

Lyndsey Farris, Principal Investment Officer ("PIO"), provided opening remarks and introduced the four finalists for the Emerging Market Debt Fund ("EMDF") Manager Search.

Aberdeen Standard Investments, represented by Edwin Gutierrez, Head of Emerging Market Sovereign Debt, Karen Bater, Senior Fixed Income Specialist, and Kieran McGlynn, Deputy Head of US Institutional; Eaton Vance Management, represented by Joe Furey, VP & Director, Institutional Business Development, Michael Cirami, VP & Co-Director, Global Fixed Income, Brad Godfrey, VP & Director, Alternative and Asset Allocation Strategies, and John Streur, CEO of Calvert; Payden & Rygel, represented by Kristin Ceva, Managing Director, Arthur Hovsepian, Director, Elizabeth Westvold, Director, and Ehsan Iraniparast, Senior Vice President; and Pacific Investment Management Company ("PIMCO"), represented by Pramol Dhawan, Managing Director, Portfolio Manager, Head of Emerging Markets Portfolio Management, Michael Story, Senior Vice President, Emerging Markets Product Strategist, Sapna Shah, Executive Vice President, Head of Corporate Responsibility, and Priya Bishen, Vice President, Account Manager – Institutional, presented for the IAC.

Roll Call of Reactions for the Finalists for the Emerging Market Debt Fund Manager Search

Messrs. Fiore, Muench, Hall, Carol Thomas, William Murray, Michael LeClair, Michael Knight, Patrick Sampson, and Chair Shuman provided feedback on the finalists for the EMDF manager search.

Chair Shuman called for a motion to waive the 45-day comment period. **A motion was made by Ms. Thomas, seconded by Mr. Murray, to waive the 45-day comment period for the four EMDF finalists. There being no discussion, the Chair called for a vote and the motion passed.**

Report on the CRPTF's Statutory Investment Restrictions

Christine Shaw, Assistant Treasurer for Policy, provided a report on the CRPTF's Statutory Investment Restrictions.

Review of the Search Process for Private Capital Consulting Services

Mark Evans, PIO, provided an overview of the project plan and scope of services for the Private Capital Consulting Services search.

Review of the Search Process for Convertible Bond Investment Manager Services

Ms. Farris provided an overview of the project plan and scope of services for the Convertible Bond Investment Manager search.

Comments by the Chair

Chair Shuman noted the next meeting will be held on July 8, 2020. She invited the council members to submit agenda items.

Other Business

There being no further business, the Chair called for a motion to adjourn the meeting. **Mr. Hall moved to adjourn the meeting and the motion was seconded by Mr. Muench. There being no discussion, the meeting was adjourned at 12:00 p.m.**

TEACHER'S RETIREMENT FUND

Net of All Fees and Expenses

Periods Ending May 31, 2020

AGENDA ITEM #3

											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	**100.0%**				**$17,824.5**	**3.67**	**-2.41**	**-0.79**	**-5.95**	**3.29**	**4.10**	**4.91**	**5.94**	**7.26**
Policy Benchmark						*3.83*	*-1.60*	*0.59*	*-4.79*	*5.37*	*5.13*	*5.25*	*6.20*	*7.61*
Dynamic Benchmark						*3.40*	*-1.49*	*0.36*	*-5.15*	*5.30*	*4.83*	*5.02*	*5.80*	*N/A*
Domestic Equity	**20.2%**	**20.0**	15.0	25.0	**$3,592.4**	**5.23**	**2.73**	**4.41**	**-5.37**	**11.54**	**9.40**	**9.16**	**11.11**	**12.60**
Russell 3000						*5.35*	*2.89*	*4.15*	*-5.63*	*11.46*	*9.54*	*9.17*	*11.11*	*12.80*
Developed Markets ISF	**11.1%**	**11.0**	6.0	16.0	**$1,979.8**	**4.32**	**-3.31**	**-8.20**	**-13.95**	**-3.33**	**-0.68**	**2.00**	**4.42**	**6.46**
MSCI EAFE IMI Net						*4.75*	*-3.50*	*-6.76*	*-14.27*	*-2.10*	*0.77*	*1.95*	*4.73*	*6.49*
Emerging Markets ISF	**9.3%**	**9.0**	4.0	14.0	**$1,651.0**	**2.09**	**-5.31**	**-7.42**	**-14.32**	**-1.08**	**0.22**	**2.13**	**1.37**	**3.02**
MSCI Emerging Markets IMI						*0.92*	*-7.29*	*-10.68*	*-16.38*	*-5.34*	*-0.75*	*0.29*	*0.91*	*2.32*
Core Fixed Income	**16.2%**	**13.0**	8.0	18.0	**$2,885.0**	**0.79**	**1.48**	**7.67**	**5.14**	**9.03**	**4.43**	**3.57**	**3.28**	**3.81**
Barclays U.S. Aggregate Bond Index						*0.47*	*1.65*	*8.06*	*5.47*	*9.42*	*5.07*	*3.94*	*3.64*	*3.92*
Emerging Market Debt	**5.2%**	**5.0**	0.0	10.0	**$928.9**	**6.93**	**-7.28**	**-7.39**	**-9.72**	**-3.15**	**0.12**	**2.70**	**1.26**	**3.77**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*5.62*	*-4.69*	*-3.03*	*-6.66*	*1.29*	*1.82*	*3.19*	*1.69*	*4.35*
High Yield	**6.2%**	**3.0**	0.0	8.0	**$1,108.9**	**4.63**	**-3.82**	**-2.04**	**-5.09**	**0.00**	**2.13**	**3.32**	**3.66**	**5.98**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*4.37*	*-3.76*	*-1.84*	*-5.43*	*0.50*	*2.64*	*3.77*	*3.97*	*6.30*
Inflation Linked Bonds	**5.1%**	**0.0**	0.0	0.0	**$905.9**	**0.01**	**-1.75**	**1.90**	**-0.55**	**3.64**	**2.65**	**2.17**	**1.28**	**2.84**
Barclays World Gov't Inflation Linked Bond Index [5]						*0.30*	*-0.65*	*3.31*	*1.50*	*4.82*	*3.14*	*2.70*	*1.60*	*3.02*
Liquidity Fund	**5.3%**	**2.0**	0.0	3.0	**$937.0**	**0.05**	**0.21**	**1.60**	**0.51**	**1.81**	**1.92**	**1.43**	**0.91**	**0.84**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.04*	*0.76*	*2.44*	*1.42*	*2.65*	*2.13*	*1.47*	*1.09*	*0.84*
Real Estate[1]	**7.1%**	**19.0**	10.0	25.0	**$1,260.8**	**N/A**	**-1.45**	**1.95**	**-0.45**	**2.80**	**5.59**	**7.13**	**8.46**	**8.82**
*Blended Custom Benchmark 1Q in Arrears^* [2]						*N/A*	*-1.70*	*0.57*	*-1.70*	*2.00*	*5.20*	*7.34*	*8.48*	*9.71*
Private Investment[1] [4]	**7.0%**	**10.0**	5.0	15.0	**$1,245.7**	**N/A**	**-9.89**	**-3.79**	**-9.49**	**-1.83**	**8.96**	**9.17**	**10.88**	**11.08**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Private Credit[1]	**0.4%**	**5.0**	0.0	10.0	**$65.5**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**7.1%**	**3.0**	0.0	10.0	**$1,263.7**	**1.60**	**-7.65**	**-5.02**	**-7.60**	**-4.09**	**1.23**	**1.18**	**2.42**	**N/A**
Absolute Return Strategy blended benchmark [3]						*0.51*	*1.72*	*5.06*	*2.50*	*5.55*	*3.93*	*2.46*	*1.76*	*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) Adjusted for anticipated losses experienced due to market volatility during March through May 2020.

(5) Assets in transition from Global Inflation to U.S. TIPS mandate. May returns reflect Bloomberg Barclays U.S. Treasury Index: US TIPS. Portfolio assts will transfer out of ILBF and into RAF on June 1, 2020.

STATE EMPLOYEES' RETIREMENT FUND

Net of All Fees and Expenses
Periods Ending May 31, 2020

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
State Employees' Retirement Fund	**100.0%**				**$12,907.0**	**3.71**	**-2.37**	**-0.78**	**-5.94**	**3.23**	**4.19**	**4.95**	**5.98**	**7.33**
Policy Benchmark						*3.83*	*-1.60*	*0.59*	*-4.79*	*5.37*	*5.13*	*5.25*	*6.21*	*7.67*
Dynamic Benchmark						*3.44*	*-1.45*	*0.37*	*-5.15*	*5.24*	*4.93*	*5.12*	*5.89*	*N/A*
Domestic Equity	**20.2%**	**20.0**	15.0	25.0	**$2,606.2**	**5.23**	**2.73**	**4.41**	**-5.37**	**11.54**	**9.41**	**9.16**	**11.11**	**12.59**
Russell 3000						*5.35*	*2.89*	*4.15*	*-5.63*	*11.46*	*9.54*	*9.17*	*11.11*	*12.80*
Developed Markets ISF	**11.1%**	**11.0**	6.0	16.0	**$1,428.7**	**4.32**	**-3.31**	**-8.20**	**-13.95**	**-3.33**	**-0.68**	**2.00**	**4.41**	**6.46**
MSCI EAFE IMI Net						*4.75*	*-3.50*	*-6.76*	*-14.27*	*-2.10*	*0.77*	*1.95*	*4.73*	*6.49*
Emerging Markets ISF	**9.3%**	**9.0**	4.0	14.0	**$1,204.3**	**2.09**	**-5.31**	**-7.42**	**-14.32**	**-1.08**	**0.22**	**2.13**	**1.37**	**3.02**
MSCI Emerging Markets IMI						*0.92*	*-7.29*	*-10.68*	*-16.38*	*-5.34*	*-0.75*	*0.29*	*0.91*	*2.32*
Core Fixed Income	**16.1%**	**13.0**	8.0	18.0	**$2,078.9**	**0.79**	**1.48**	**7.67**	**5.14**	**9.03**	**4.43**	**3.57**	**3.28**	**3.81**
Barclays U.S. Aggregate Bond Index						*0.47*	*1.65*	*8.06*	*5.47*	*9.42*	*5.07*	*3.94*	*3.64*	*3.92*
Emerging Market Debt	**5.2%**	**5.0**	0.0	10.0	**$675.4**	**6.93**	**-7.28**	**-7.39**	**-9.72**	**-3.15**	**0.12**	**2.70**	**1.26**	**3.77**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*5.62*	*-4.69*	*-3.03*	*-6.66*	*1.29*	*1.82*	*3.19*	*1.69*	*4.35*
High Yield	**6.2%**	**3.0**	0.0	8.0	**$800.0**	**4.63**	**-3.82**	**-2.04**	**-5.09**	**0.01**	**2.13**	**3.32**	**3.66**	**5.98**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*4.37*	*-3.76*	*-1.84*	*-5.43*	*0.50*	*2.64*	*3.77*	*3.97*	*6.30*
Inflation Linked Bonds	**5.1%**	**0.0**	0.0	0.0	**$658.8**	**0.01**	**-1.75**	**1.90**	**-0.55**	**3.64**	**2.65**	**2.17**	**1.29**	**2.84**
Barclays World Gov't Inflation Linked Bond Index (5)						*0.30*	*-0.65*	*3.31*	*1.50*	*4.82*	*3.14*	*2.70*	*1.60*	*3.02*
Liquidity Fund	**5.1%**	**2.0**	0.0	3.0	**$655.1**	**0.05**	**0.21**	**1.60**	**0.51**	**1.81**	**1.93**	**1.43**	**0.92**	**0.85**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.04*	*0.76*	*2.44*	*1.42*	*2.65*	*2.13*	*1.47*	*1.09*	*0.84*
Real Estate(1)	**7.1%**	**19.0**	10.0	25.0	**$918.9**	**N/A**	**-1.45**	**1.95**	**-0.45**	**2.80**	**5.59**	**7.13**	**8.46**	**8.82**
*Blended Custom Benchmark 1Q in Arrears^* (2)						*N/A*	*-1.70*	*0.57*	*-1.70*	*2.00*	*5.20*	*7.34*	*8.48*	*9.71*
Private Investment(1) (4)	**7.1%**	**10.0**	5.0	15.0	**$915.9**	**N/A**	**-9.89**	**-3.79**	**-9.49**	**-1.83**	**8.96**	**9.17**	**10.88**	**11.08**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Private Credit(1)	**0.4%**	**5.0**	0.0	10.0	**$47.9**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**7.1%**	**3.0**	0.0	8.0	**$917.0**	**1.60**	**-7.65**	**-5.02**	**-7.60**	**-4.09**	**1.23**	**1.18**	**2.42**	**N/A**
Absolute Return Strategy blended benchmark (3)						*0.51*	*1.72*	*5.06*	*2.50*	*5.55*	*3.93*	*2.46*	*1.76*	*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) Adjusted for anticipated losses experienced due to market volatility during March through May 2020.

(5) Assets in transition from Global Inflation to U.S. TIPS mandate. May returns reflect Bloomberg Barclays U.S. Treasury Index: US TIPS. Portfolio assts will transfer out of ILBF and into RAF on June 1, 2020.

MUNICIPAL EMPLOYEES RETIREMENT FUND

Net of All Fees and Expenses

Periods Ending May 31, 2020

											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	**100.0%**				**$2,629.0**	**3.69**	**-2.36**	**-0.62**	**-5.91**	**2.98**	**3.98**	**4.83**	**5.56**	**6.72**
Policy Benchmark						*3.83*	*-1.60*	*0.59*	*-4.79*	*5.37*	*4.77*	*5.03*	*5.72*	*7.20*
Dynamic Benchmark						*3.42*	*-1.44*	*0.46*	*-5.12*	*4.93*	*4.62*	*4.96*	*5.36*	*N/A*
Domestic Equity	**20.1%**	**20.0**	15.0	25.0	**$528.2**	**5.23**	**2.73**	**4.41**	**-5.37**	**11.54**	**9.41**	**9.16**	**11.11**	**12.59**
Russell 3000						*5.35*	*2.89*	*4.15*	*-5.63*	*11.46*	*9.54*	*9.17*	*11.11*	*12.80*
Developed Markets ISF	**11.0%**	**11.0**	6.0	16.0	**$290.4**	**4.32**	**-3.31**	**-8.20**	**-13.95**	**-3.33**	**-0.67**	**2.00**	**4.42**	**6.47**
MSCI EAFE IMI Net						*4.75*	*-3.50*	*-6.76*	*-14.27*	*-2.10*	*0.77*	*1.95*	*4.73*	*6.49*
Emerging Markets ISF	**9.3%**	**9.0**	4.0	14.0	**$243.4**	**2.09**	**-5.31**	**-7.42**	**-14.32**	**-1.08**	**0.22**	**2.13**	**1.38**	**3.02**
MSCI Emerging Markets IMI						*0.92*	*-7.29*	*-10.68*	*-16.38*	*-5.34*	*-0.75*	*0.29*	*0.91*	*2.32*
Core Fixed Income	**16.2%**	**13.0**	8.0	18.0	**$425.3**	**0.79**	**1.48**	**7.67**	**5.14**	**9.03**	**4.43**	**3.57**	**3.28**	**3.82**
Barclays U.S. Aggregate Bond Index						*0.47*	*1.65*	*8.06*	*5.47*	*9.42*	*5.07*	*3.94*	*3.64*	*3.92*
Emerging Market Debt	**5.2%**	**5.0**	0.0	10.0	**$137.2**	**6.93**	**-7.28**	**-7.39**	**-9.72**	**-3.15**	**0.12**	**2.70**	**1.26**	**3.77**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*5.62*	*-4.69*	*-3.03*	*-6.66*	*1.29*	*1.82*	*3.19*	*1.69*	*4.35*
High Yield	**6.2%**	**3.0**	0.0	8.0	**$161.8**	**4.63**	**-3.82**	**-2.04**	**-5.09**	**0.00**	**2.13**	**3.32**	**3.65**	**5.98**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*4.37*	*-3.76*	*-1.84*	*-5.43*	*0.50*	*2.64*	*3.77*	*3.97*	*6.30*
Inflation Linked Bonds	**5.1%**	**0.0**	0.0	0.0	**$133.9**	**0.01**	**-1.75**	**1.90**	**-0.55**	**3.64**	**2.65**	**2.17**	**1.28**	**2.84**
Barclays World Gov't Inflation Linked Bond Index (5)						*0.30*	*-0.65*	*3.31*	*1.50*	*4.82*	*3.14*	*2.70*	*1.60*	*3.02*
Liquidity Fund	**5.4%**	**2.0**	0.0	3.0	**$142.7**	**0.05**	**0.21**	**1.60**	**0.51**	**1.81**	**1.93**	**1.43**	**0.91**	**0.86**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.04*	*0.76*	*2.44*	*1.42*	*2.65*	*2.13*	*1.47*	*1.09*	*0.84*
Real Estate(1)	**7.1%**	**19.0**	15.0	25.0	**$185.7**	**N/A**	**-1.45**	**1.95**	**-0.45**	**2.80**	**5.59**	**7.13**	**8.46**	**8.81**
*Blended Custom Benchmark 1Q in Arrears^* (2)						*N/A*	*-1.70*	*0.57*	*-1.70*	*2.00*	*5.20*	*7.34*	*8.48*	*9.71*
Private Investment(1) (4)	**7.1%**	**10.0**	5.0	15.0	**$186.1**	**N/A**	**-9.89**	**-3.79**	**-9.49**	**-1.83**	**8.96**	**9.17**	**10.88**	**11.08**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Private Credit(1)	**0.4%**	**5.0**	0.0	10.0	**$9.7**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**7.0%**	**3.0**	0.0	10.0	**$184.4**	**1.60**	**-7.65**	**-5.02**	**-7.60**	**-4.09**	**1.23**	**1.18**	**2.42**	**N/A**
Absolute Return Strategy blended benchmark (3)						*0.51*	*1.72*	*5.06*	*2.50*	*5.55*	*3.93*	*2.46*	*1.76*	*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) Adjusted for anticipated losses experienced due to market volatility during March through May 2020.

(5) Assets in transition from Global Inflation to U.S. TIPS mandate. May returns reflect Bloomberg Barclays U.S. Treasury Index: US TIPS. Portfolio assts will transfer out of ILBF and into RAF on June 1, 2020.

OPEB FUND

Net of All Fees and Expenses

Periods Ending May 31, 2020

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			
OPEB	**100.0%**				**$1,373.2**	**3.67**	**-2.39**	**-0.53**	**-5.93**	**2.92**	**4.03**	**4.79**	**5.52**	**N/A**
Policy Benchmark						*3.83*	*-1.60*	*0.59*	*-4.79*	*5.37*	*4.80*	*5.00*	*5.88*	*N/A*
Dynamic Benchmark						*3.41*	*-1.46*	*0.48*	*-5.13*	*5.23*	*4.84*	*5.11*	*N/A*	*N/A*
Domestic Equity	**19.8%**	**20.0**	15.0	25.0	**$272.3**	**5.23**	**2.72**	**4.41**	**-5.37**	**11.54**	**9.42**	**9.16**	**11.11**	**N/A**
Russell 3000						*5.35*	*2.89*	*4.15*	*-5.63*	*11.46*	*9.54*	*9.17*	*11.11*	*N/A*
Developed Markets ISF	**11.0%**	**11.0**	6.0	15.0	**$151.2**	**4.32**	**-3.31**	**-8.20**	**-13.95**	**-3.33**	**-0.66**	**2.00**	**4.41**	**N/A**
MSCI EAFE IMI Net						*4.75*	*-3.50*	*-6.76*	*-14.27*	*-2.10*	*0.77*	*1.95*	*4.73*	*N/A*
Emerging Markets ISF	**9.2%**	**9.0**	4.0	14.0	**$126.1**	**2.09**	**-5.31**	**-7.42**	**-14.32**	**-1.08**	**0.22**	**2.13**	**1.36**	**N/A**
MSCI Emerging Markets IMI						*0.92*	*-7.29*	*-10.68*	*-16.38*	*-5.34*	*-0.75*	*0.29*	*0.91*	*N/A*
Core Fixed Income	**15.8%**	**13.0**	8.0	18.0	**$216.6**	**0.79**	**1.48**	**7.67**	**5.14**	**9.03**	**4.43**	**3.57**	**3.26**	**N/A**
Barclays U.S. Aggregate Bond Index						*0.47*	*1.65*	*8.06*	*5.47*	*9.42*	*5.07*	*3.94*	*3.64*	*N/A*
Emerging Market Debt	**5.2%**	**5.0**	0.0	10.0	**$70.9**	**6.93**	**-7.28**	**-7.39**	**-9.72**	**-3.15**	**0.13**	**2.70**	**1.26**	**N/A**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*5.62*	*-4.69*	*-3.03*	*-6.66*	*1.29*	*1.82*	*3.19*	*1.69*	*N/A*
High Yield	**6.0%**	**3.0**	0.0	8.0	**$82.6**	**4.63**	**-3.82**	**-2.04**	**-5.09**	**0.01**	**2.12**	**3.31**	**3.63**	**N/A**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*4.37*	*-3.76*	*-1.84*	*-5.43*	*0.50*	*2.64*	*3.77*	*3.97*	*N/A*
Inflation Linked Bonds	**5.3%**	**0.0**	0.0	0.0	**$73.3**	**0.01**	**-1.75**	**1.90**	**-0.55**	**3.64**	**2.65**	**2.17**	**1.24**	**N/A**
Barclays World Gov't Inflation Linked Bond Index [5]						*0.30*	*-0.65*	*3.31*	*1.50*	*4.82*	*3.14*	*2.70*	*1.60*	*N/A*
Liquidity Fund	**6.7%**	**2.0**	0.0	3.0	**$92.5**	**0.05**	**0.22**	**1.61**	**0.52**	**1.81**	**1.99**	**1.48**	**0.95**	**N/A**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.04*	*0.76*	*2.44*	*1.42*	*2.65*	*2.13*	*1.47*	*1.09*	*N/A*
Real Estate[1]	**6.9%**	**19.0**	15.0	25.0	**$95.1**	**N/A**	**-1.45**	**1.95**	**-0.45**	**2.80**	**5.59**	**7.13**	**N/A**	**N/A**
*Blended Custom Benchmark 1Q in Arrears^* [2]						*N/A*	*-1.70*	*0.57*	*-1.70*	*2.00*	*5.20*	*7.34*	*N/A*	*N/A*
Private Investment[1] [4]	**6.8%**	**10.0**	5.0	15.0	**$93.6**	**N/A**	**-9.89**	**-3.79**	**-9.49**	**-1.83**	**8.96**	**9.17**	**N/A**	**N/A**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Private Credit[1]	**0.4%**	**5.0**	0.0	10.0	**$4.9**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**6.8%**	**3.0**	0.0	10.0	**$94.0**	**1.60**	**-7.65**	**-5.02**	**-7.60**	**-4.09**	**1.23**	**1.18**	**N/A**	**N/A**
Absolute Return Strategy blended benchmark [3]						*0.51*	*1.72*	*5.06*	*2.50*	*5.55*	*3.93*	*2.46*	*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) Adjusted for anticipated losses experienced due to market volatility during March through May 2020.

(5) Assets in transition from Global Inflation to U.S. TIPS mandate. May returns reflect Bloomberg Barclays U.S. Treasury Index: US TIPS. Portfolio assts will transfer out of ILBF and into RAF on June 1, 2020.

PROBATE JUDGES EMPLOYEES' RETIREMENT FUND

Net of All Fees and Expenses

Periods Ending May 31, 2020

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	100.0%				$107.6	3.67	-2.44	-0.59	-5.99	2.87	3.87	4.80	5.57	6.77
Policy Benchmark						3.83	-1.60	0.59	-4.79	5.37	4.79	5.08	5.81	7.23
Dynamic Benchmark						3.41	-1.50	0.46	-5.17	5.21	4.67	5.03	5.49	N/A
Domestic Equity	20.1%	20.0	15.0	25.0	$21.6	5.23	2.73	4.41	-5.37	11.54	9.41	9.16	11.11	12.59
Russell 3000						5.35	2.89	4.15	-5.63	11.46	9.54	9.17	11.11	12.80
Developed Markets ISF	11.0%	11.0	6.0	16.0	$11.9	4.32	-3.31	-8.20	-13.95	-3.33	-0.67	2.00	4.42	6.46
MSCI EAFE IMI						4.75	-3.50	-6.76	-14.27	-2.10	0.77	1.95	4.73	6.49
Emerging Markets ISF	9.3%	9.0	4.0	14.0	$10.0	2.09	-5.31	-7.42	-14.32	-1.09	0.22	2.13	1.38	3.02
MSCI Emerging Markets IMI						0.92	-7.29	-10.68	-16.38	-5.34	-0.75	0.29	0.91	2.32
Core Fixed Income	16.2%	13.0	8.0	18.0	$17.4	0.79	1.48	7.67	5.14	9.03	4.43	3.57	3.28	3.81
Barclays U.S. Aggregate Bond Index						0.47	1.65	8.06	5.47	9.42	5.07	3.94	3.64	3.92
Emerging Market Debt	5.2%	5.0	0.0	10.0	$5.6	6.93	-7.28	-7.39	-9.72	-3.15	0.12	2.69	1.26	3.78
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						5.62	-4.69	-3.03	-6.66	1.29	1.82	3.19	1.69	4.35
High Yield	6.1%	3.0	0.0	8.0	$6.6	4.63	-3.82	-2.04	-5.09	0.01	2.13	3.32	3.65	5.98
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						4.37	-3.76	-1.84	-5.43	0.50	2.64	3.77	3.97	6.30
Inflation Linked Bonds	5.1%	0.0	0.0	0.0	$5.5	0.01	-1.75	1.90	-0.55	3.64	2.65	2.17	1.28	2.84
Barclays World Gov't Inflation Linked Bond Index (5)						0.30	-0.65	3.31	1.50	4.82	3.14	2.70	1.60	3.02
Liquidity Fund	5.3%	2.0	0.0	3.0	$5.7	0.05	0.21	1.60	0.51	1.81	1.92	1.42	0.91	0.85
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						0.04	0.76	2.44	1.42	2.65	2.13	1.47	1.09	0.84
Real Estate (1)	7.1%	19.0	15.0	25.0	$7.6	N/A	-1.45	1.95	-0.45	2.80	5.59	7.13	8.46	8.81
*Blended Custom Benchmark 1Q in Arrears^* (2)						5.35	2.89	4.15	-5.63	11.46	9.54	9.17	11.11	12.80
Private Investment (1) (4)	7.0%	10.0	5.0	15.0	$7.6	N/A	-9.89	-3.79	-9.49	-1.83	8.96	9.17	10.88	11.08
*Russell 3000 + 250 basis points 1Q in Arrears^*						N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Private Credit (1)	0.4%	5.0	0.0	10.0	$0.4	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Alternative Investment Fund	7.2%	3.0	0.0	10.0	$7.7	1.60	-7.65	-5.02	-7.60	-4.09	1.23	1.18	2.42	N/A
Absolute Return Strategy blended benchmark (3)						0.51	1.72	5.06	2.50	5.55	3.93	2.46	1.76	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) Adjusted for anticipated losses experienced due to market volatility during March through May 2020.

(5) Assets in transition from Global Inflation to U.S. TIPS mandate. May returns reflect Bloomberg Barclays U.S. Treasury Index: US TIPS. Portfolio assts will transfer out of ILBF and into RAF on June 1, 2020.

STATE JUDGES RETIREMENT FUND

Net of All Fees and Expenses

Periods Ending May 31, 2020

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	**100.0%**				**$232.1**	**3.69**	**-2.40**	**-0.53**	**-5.97**	**2.96**	**4.00**	**4.84**	**5.59**	**6.89**
Policy Benchmark						*3.83*	*-1.60*	*0.59*	*-4.79*	*5.37*	*4.77*	*5.03*	*5.72*	*7.20*
Dynamic Benchmark						*3.42*	*-1.46*	*0.52*	*-5.16*	*5.31*	*4.77*	*5.04*	*5.45*	*N/A*
Domestic Equity	**20.0%**	**20.0**	15.0	25.0	**$46.5**	**5.23**	**2.73**	**4.41**	**-5.37**	**11.54**	**9.41**	**9.16**	**11.11**	**12.59**
Russell 3000						*5.35*	*2.89*	*4.15*	*-5.63*	*11.46*	*9.54*	*9.17*	*11.11*	*12.80*
Developed Markets ISF	**11.1%**	**11.0**	6.0	16.0	**$25.8**	**4.32**	**-3.31**	**-8.20**	**-13.95**	**-3.33**	**-0.67**	**2.00**	**4.42**	**6.47**
MSCI EAFE IMI Net						*4.75*	*-3.50*	*-6.76*	*-14.27*	*-2.10*	*0.77*	*1.95*	*4.73*	*6.49*
Emerging Markets ISF	**9.3%**	**9.0**	4.0	14.0	**$21.6**	**2.09**	**-5.31**	**-7.42**	**-14.32**	**-1.09**	**0.22**	**2.13**	**1.38**	**3.02**
MSCI Emerging Markets IMI						*0.92*	*-7.29*	*-10.68*	*-16.38*	*-5.34*	*-0.75*	*0.29*	*0.91*	*2.32*
Core Fixed Income	**16.2%**	**13.0**	8.0	18.0	**$37.5**	**0.79**	**1.48**	**7.67**	**5.14**	**9.03**	**4.43**	**3.57**	**3.28**	**3.81**
Barclays U.S. Aggregate Bond Index						*0.47*	*1.65*	*8.06*	*5.47*	*9.42*	*5.07*	*3.94*	*3.64*	*3.92*
Emerging Market Debt	**5.2%**	**5.0**	0.0	10.0	**$12.1**	**6.93**	**-7.28**	**-7.39**	**-9.72**	**-3.15**	**0.12**	**2.70**	**1.27**	**3.78**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*5.62*	*-4.69*	*-3.03*	*-6.66*	*1.29*	*1.82*	*3.19*	*1.69*	*4.35*
High Yield	**6.1%**	**3.0**	0.0	8.0	**$14.3**	**4.63**	**-3.82**	**-2.04**	**-5.09**	**0.01**	**2.13**	**3.32**	**3.65**	**5.98**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*4.37*	*-3.76*	*-1.84*	*-5.43*	*0.50*	*2.64*	*3.77*	*3.97*	*6.30*
Inflation Linked Bonds	**5.2%**	**0.0**	0.0	0.0	**$12.1**	**0.01**	**-1.75**	**1.90**	**-0.55**	**3.64**	**2.65**	**2.17**	**1.28**	**2.84**
Barclays World Gov't Inflation Linked Bond Index [5]						*0.30*	*-0.65*	*3.31*	*1.50*	*4.82*	*3.14*	*2.70*	*1.60*	*3.02*
Liquidity Fund	**5.2%**	**2.0**	0.0	3.0	**$12.1**	**0.05**	**0.21**	**1.60**	**0.52**	**1.81**	**1.93**	**1.43**	**0.92**	**0.81**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.04*	*0.76*	*2.44*	*1.42*	*2.65*	*2.13*	*1.47*	*1.09*	*0.84*
Real Estate[1]	**7.1%**	**19.0**	15.0	25.0	**$16.4**	**N/A**	**-1.45**	**1.95**	**-0.45**	**2.80**	**5.59**	**7.13**	**8.46**	**8.81**
*Blended Custom Benchmark 1Q in Arrears^* [2]						*N/A*	*-1.70*	*0.57*	*-1.70*	*2.00*	*5.20*	*7.34*	*8.48*	*9.71*
Private Investment[1] [4]	**7.0%**	**10.0**	5.0	15.0	**$16.3**	**N/A**	**-9.89**	**-3.79**	**-9.49**	**-1.83**	**8.96**	**9.17**	**10.88**	**11.08**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Private Credit[1]	**0.4%**	**5.0**	0.0	10.0	**$0.9**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**7.1%**	**3.0**	0.0	10.0	**$16.5**	**1.60**	**-7.65**	**-5.02**	**-7.60**	**-4.09**	**1.23**	**1.18**	**2.42**	**N/A**
Absolute Return Strategy blended benchmark [3]						*0.51*	*1.72*	*5.06*	*2.50*	*5.55*	*3.93*	*2.46*	*1.76*	*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) Adjusted for anticipated losses experienced due to market volatility during March through May 2020.

(5) Assets in transition from Global Inflation to U.S. TIPS mandate. May returns reflect Bloomberg Barclays U.S. Treasury Index: US TIPS. Portfolio assts will transfer out of ILBF and into RAF on June 1, 2020.

STATE'S ATTORNEYS' RETIREMENT FUND

Net of All Fees and Expenses

Periods Ending May 31, 2020

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's Attorneys' Retirement Fund	**100.0%**				**$2.1**	**3.67**	**-2.42**	**-0.57**	**-5.97**	**2.89**	**3.59**	**4.50**	**5.36**	**5.87**
Policy Benchmark						*3.83*	*-1.60*	*0.59*	*-4.79*	*5.37*	*5.17*	*5.13*	*6.07*	*N/A*
Dynamic Benchmark						*3.40*	*-1.47*	*0.49*	*-5.15*	*5.22*	*4.86*	*4.94*	*5.37*	*N/A*
Domestic Equity	**19.9%**	**20.0**	15.0	25.0	**$0.4**	**5.23**	**2.73**	**4.41**	**-5.37**	**11.54**	**9.41**	**9.17**	**11.11**	**12.59**
Russell 3000						*5.35*	*2.89*	*4.15*	*-5.63*	*11.46*	*9.54*	*9.17*	*11.11*	*12.80*
Developed Markets ISF	**11.0%**	**11.0**	6.0	16.0	**$0.2**	**4.32**	**-3.31**	**-8.20**	**-13.95**	**-3.33**	**-0.67**	**2.00**	**N/A**	**N/A**
MSCI EAFE IMI Net						*4.75*	*-3.50*	*-6.76*	*-14.27*	*-2.10*	*0.77*	*1.95*	*N/A*	*N/A*
Emerging Markets ISF	**9.2%**	**9.0**	4.0	14.0	**$0.2**	**2.09**	**-5.31**	**-7.42**	**-14.32**	**-1.09**	**0.22**	**2.13**	**N/A**	**N/A**
MSCI Emerging Markets IMI						*0.92*	*-7.29*	*-10.68*	*-16.38*	*-5.34*	*-0.75*	*0.29*	*N/A*	*N/A*
Core Fixed Income	**16.0%**	**13.0**	8.0	18.0	**$0.3**	**0.79**	**1.48**	**7.67**	**5.14**	**9.03**	**4.43**	**3.57**	**3.34**	**3.85**
Barclays U.S. Aggregate Bond Index						*0.47*	*1.65*	*8.06*	*5.47*	*9.42*	*5.07*	*3.94*	*3.64*	*3.92*
Emerging Market Debt	**5.3%**	**5.0**	0.0	10.0	**$0.1**	**6.93**	**-7.28**	**-7.39**	**-9.72**	**-3.15**	**0.12**	**2.69**	**1.26**	**3.77**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*5.62*	*-4.69*	*-3.03*	*-6.66*	*1.29*	*1.82*	*3.19*	*1.69*	*4.35*
High Yield	**6.1%**	**3.0**	0.0	8.0	**$0.1**	**4.63**	**-3.82**	**-2.04**	**-5.09**	**0.01**	**2.13**	**3.32**	**3.63**	**5.95**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*4.37*	*-3.76*	*-1.84*	*-5.43*	*0.50*	*2.64*	*3.77*	*3.97*	*6.30*
Inflation Linked Bonds	**5.2%**	**0.0**	0.0	0.0	**$0.1**	**0.01**	**-1.75**	**1.90**	**-0.55**	**3.64**	**2.65**	**2.17**	**1.28**	**2.84**
Barclays World Gov't Inflation Linked Bond Index [5]						*0.30*	*-0.65*	*3.31*	*1.50*	*4.82*	*3.14*	*2.70*	*1.60*	*3.02*
Liquidity Fund	**5.7%**	**2.0**	0.0	3.0	**$0.1**	**0.05**	**0.21**	**1.60**	**0.52**	**1.81**	**1.93**	**1.44**	**0.91**	**0.86**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.04*	*0.76*	*2.44*	*1.42*	*2.65*	*2.13*	*1.47*	*1.09*	*0.84*
Real Estate[1]	**7.1%**	**19.0**	15.0	25.0	**$0.1**	**N/A**	**-1.45**	**1.95**	**-0.45**	**2.80**	**N/A**	**N/A**	**N/A**	**N/A**
Blended Custom Benchmark 1Q in Arrears^ [2]						*N/A*	*-1.70*	*0.57*	*-1.70*	*2.00*	*N/A*	*N/A*	*N/A*	*N/A*
Private Investment[1] [4]	**7.0%**	**10.0**	5.0	15.0	**$0.1**	**N/A**	**-9.89**	**-3.79**	**-9.49**	**-1.83**	**N/A**	**N/A**	**N/A**	**N/A**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Private Credit[1]	**0.4%**	**5.0**	0.0	10.0	**$0.0**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**7.1%**	**3.0**	0.0	10.0	**$0.1**	**1.60**	**-7.65**	**-5.02**	**-7.60**	**-4.09**	**N/A**	**N/A**	**N/A**	**N/A**
Absolute Return Strategy blended benchmark [3]						*0.51*	*1.72*	*5.06*	*2.50*	*5.55*	*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) Adjusted for anticipated losses experienced due to market volatility during March through May 2020.

(5) Assets in transition from Global Inflation to U.S. TIPS mandate. May returns reflect Bloomberg Barclays U.S. Treasury Index: US TIPS. Portfolio assts will transfer out of ILBF and into RAF on June 1, 2020.

AGRICULTURAL COLLEGE FUND

Net of All Fees and Expenses
Periods Ending May 31, 2020

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**	**0.79**	**1.48**	**7.73**	**5.13**	**9.12**	**4.47**	**3.61**	**3.31**	**4.36**
Policy Benchmark						*0.47*	*1.65*	*8.06*	*5.47*	*9.42*	*5.07*	*3.94*	*3.64*	*4.32*
Dynamic Benchmark						*0.47*	*1.65*	*8.06*	*5.47*	*9.42*	*5.07*	*3.94*	*N/A*	*N/A*
Core Fixed Income	**99.5%**	**100.0**	100.0	100.0	**$0.7**	**0.79**	**1.48**	**7.67**	**5.14**	**9.03**	**4.43**	**3.57**	**3.28**	**3.81**
Barclays U.S. Aggregate Bond Index						*0.47*	*1.65*	*8.06*	*5.47*	*9.42*	*5.07*	*3.94*	*3.64*	*3.92*
Liquidity Fund (1)	**0.5%**				**$0.0**	**0.04**	**0.20**	**1.85**	**0.50**	**1.86**	**1.59**	**1.15**	**0.69**	**0.71**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.04*	*0.76*	*2.44*	*1.42*	*2.65*	*2.13*	*1.47*	*1.09*	*0.84*

(1) Operational cash balance

ANDREW C. CLARK FUND
Net of All Fees and Expenses
Periods Ending May 31, 2020

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	**100.0%**				**$1.3**	**1.80**	**0.91**	**4.78**	**0.45**	**7.57**	**4.62**	**4.34**	**4.62**	**5.78**
Policy Benchmark						*1.67*	*1.19*	*5.32*	*0.79*	*8.15*	*5.25*	*4.54*	*4.89*	*5.77*
Dynamic Benchmark						*1.59*	*0.98*	*5.08*	*0.54*	*7.83*	*5.22*	*4.53*	*N/A*	*N/A*
Domestic Equity	**13.5%**	**15.0**	10.0	20.0	**$0.2**	**5.23**	**2.73**	**4.41**	**-5.37**	**11.54**	**9.42**	**9.17**	**11.11**	**12.58**
Russell 3000						*5.35*	*2.89*	*4.15*	*-5.63*	*11.46*	*9.54*	*9.17*	*11.11*	*12.80*
Developed Markets ISF	**9.2%**	**11.0**	6.0	16.0	**$0.1**	**4.32**	**-3.31**	**-8.20**	**-13.95**	**-3.33**	**-0.67**	**2.01**	**4.42**	**N/A**
MSCI EAFE IMI Net						*4.75*	*-3.50*	*-6.76*	*-14.27*	*-2.10*	*0.77*	*1.95*	*4.73*	*N/A*
Emerging Markets ISF	**3.4%**	**4.0**	0.0	5.0	**$0.0**	**2.09**	**-5.31**	**-7.42**	**-14.32**	**-1.09**	**0.22**	**2.13**	**1.37**	**N/A**
MSCI Emerging Markets IMI						*0.92*	*-7.29*	*-10.68*	*-16.38*	*-5.34*	*-0.75*	*0.29*	*0.91*	*N/A*
Core Fixed Income	**70.5%**	**67.0**	57.0	77.0	**$0.9**	**0.79**	**1.48**	**7.67**	**5.14**	**9.03**	**4.43**	**3.57**	**3.28**	**3.81**
Barclays U.S. Aggregate Bond Index						*0.47*	*1.65*	*8.06*	*5.47*	*9.42*	*5.07*	*3.94*	*3.64*	*3.92*
Liquidity Fund	**3.3%**	**3.0**	0.0	4.0	**$0.0**	**0.05**	**0.21**	**6.16**	**0.52**	**6.38**	**4.65**	**3.09**	**2.11**	**1.73**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.04*	*0.76*	*2.44*	*1.42*	*2.65*	*2.13*	*1.47*	*1.09*	*0.84*

SOLDIERS' SAILORS' & MARINES' FUND

Net of All Fees and Expenses

Periods Ending May 31, 2020

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)
Soldiers' Sailors' & Marines Fund	**100.0%**				**$81.3**	**1.80**	**0.93**	**4.74**	**0.46**	**7.54**	**4.62**	**4.34**	**4.62**	**5.61**
Policy Benchmark						*1.67*	*1.19*	*5.32*	*0.79*	*8.15*	*5.25*	*4.54*	*4.89*	*5.50*
Dynamic Benchmark						*1.58*	*1.01*	*5.05*	*0.56*	*7.81*	*5.23*	*4.55*	*N/A*	*N/A*
Domestic Equity	**13.4%**	**15.0**	10.0	20.0	**$10.9**	**5.23**	**2.73**	**4.41**	**-5.37**	**11.54**	**9.42**	**9.17**	**11.12**	**12.60**
Russell 3000						*5.35*	*2.89*	*4.15*	*-5.63*	*11.46*	*9.54*	*9.17*	*11.11*	*12.80*
Developed Markets ISF	**9.2%**	**11.0**	6.0	16.0	**$7.5**	**4.32**	**-3.31**	**-8.20**	**-13.95**	**-3.33**	**-0.67**	**2.01**	**4.42**	**N/A**
MSCI EAFE IMI Net						*4.75*	*-3.50*	*-6.76*	*-14.27*	*-2.10*	*0.77*	*1.95*	*4.73*	*N/A*
Emerging Markets ISF	**3.4%**	**4.0**	0.0	5.0	**$2.8**	**2.09**	**-5.31**	**-7.42**	**-14.32**	**-1.09**	**0.22**	**2.13**	**1.38**	**N/A**
MSCI Emerging Markets IMI						*0.92*	*-7.29*	*-10.68*	*-16.38*	*-5.34*	*-0.75*	*0.29*	*0.91*	*N/A*
Core Fixed Income	**70.1%**	**67.0**	57.0	77.0	**$57.0**	**0.79**	**1.48**	**7.67**	**5.14**	**9.03**	**4.43**	**3.57**	**3.28**	**3.81**
Barclays U.S. Aggregate Bond Index						*0.47*	*1.65*	*8.06*	*5.47*	*9.42*	*5.07*	*3.94*	*3.64*	*3.92*
Liquidity Fund	**3.8%**	**3.0**	0.0	4.0	**$3.1**	**0.05**	**0.21**	**1.60**	**0.51**	**1.81**	**1.93**	**1.43**	**0.92**	**0.86**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.04*	*0.76*	*2.44*	*1.42*	*2.65*	*2.13*	*1.47*	*1.09*	*0.84*

SCHOOL FUND

Net of All Fees and Expenses

Periods Ending May 31, 2020

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	**100.0%**				**$12.3**	**1.80**	**0.94**	**4.71**	**0.39**	**7.52**	**4.61**	**4.35**	**4.64**	**5.72**
Policy Benchmark						*1.67*	*1.19*	*5.32*	*0.79*	*8.15*	*5.25*	*4.54*	*4.89*	*5.77*
Dynamic Benchmark						*1.58*	*1.01*	*5.00*	*0.47*	*7.77*	*5.20*	*4.54*	*N/A*	*N/A*
Domestic Equity	**13.3%**	**15.0**	10.0	20.0	**$1.6**	**5.23**	**2.73**	**4.41**	**-5.37**	**11.53**	**9.42**	**9.17**	**11.12**	**12.60**
Russell 3000						*5.35*	*2.89*	*4.15*	*-5.63*	*11.46*	*9.54*	*9.17*	*11.11*	*12.80*
Developed Markets ISF	**9.3%**	**11.0**	6.0	16.0	**$1.1**	**4.32**	**-3.31**	**-8.20**	**-13.95**	**-3.33**	**-0.67**	**2.00**	**4.42**	**N/A**
MSCI EAFE IMI Net						*4.75*	*-3.50*	*-6.76*	*-14.27*	*-2.10*	*0.77*	*1.95*	*4.73*	*N/A*
Emerging Markets ISF	**3.5%**	**4.0**	0.0	5.0	**$0.4**	**2.09**	**-5.31**	**-7.42**	**-14.32**	**-1.09**	**0.22**	**2.13**	**1.38**	**N/A**
MSCI Emerging Markets IMI						*0.92*	*-7.29*	*-10.68*	*-16.38*	*-5.34*	*-0.75*	*0.29*	*0.91*	*N/A*
Core Fixed Income	**71.0%**	**67.0**	57.0	77.0	**$8.8**	**0.79**	**1.48**	**7.67**	**5.14**	**9.03**	**4.43**	**3.57**	**3.28**	**3.81**
Barclays U.S. Aggregate Bond Index						*0.47*	*1.65*	*8.06*	*5.47*	*9.42*	*5.07*	*3.94*	*3.64*	*3.92*
Liquidity Fund	**2.9%**	**3.0**	0.0	4.0	**$0.4**	**0.10**	**0.42**	**2.66**	**1.05**	**2.96**	**3.25**	**2.32**	**1.44**	**1.22**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.04*	*0.76*	*2.44*	*1.42*	*2.65*	*2.13*	*1.47*	*1.09*	*0.84*

IDA EATON COTTON FUND

Net of All Fees and Expenses
Periods Ending May 31, 2020

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	**100.0%**				**$2.8**	**1.80**	**0.90**	**4.76**	**0.42**	**7.55**	**4.62**	**4.33**	**4.62**	**5.78**
Policy Benchmark						*1.67*	*1.19*	*5.32*	*0.79*	*8.15*	*5.25*	*4.54*	*4.89*	*5.77*
Dynamic Benchmark						*1.59*	*0.98*	*5.06*	*0.52*	*7.82*	*5.22*	*4.53*	*N/A*	*N/A*
Domestic Equity	**13.5%**	**15.0**	10.0	20.0	**$0.4**	**5.23**	**2.73**	**4.41**	**-5.37**	**11.54**	**9.42**	**9.17**	**11.12**	**12.59**
Russell 3000						*5.35*	*2.89*	*4.15*	*-5.63*	*11.46*	*9.54*	*9.17*	*11.11*	*12.80*
Developed Markets ISF	**9.2%**	**11.0**	6.0	16.0	**$0.3**	**4.32**	**-3.31**	**-8.20**	**-13.95**	**-3.33**	**-0.67**	**2.01**	**4.42**	**N/A**
MSCI EAFE IMI Net						*4.75*	*-3.50*	*-6.76*	*-14.27*	*-2.10*	*0.77*	*1.95*	*4.73*	*N/A*
Emerging Markets ISF	**3.4%**	**4.0**	0.0	5.0	**$0.1**	**2.09**	**-5.31**	**-7.42**	**-14.32**	**-1.09**	**0.22**	**2.13**	**1.37**	**N/A**
MSCI Emerging Markets IMI						*0.92*	*-7.29*	*-10.68*	*-16.38*	*-5.34*	*-0.75*	*0.29*	*0.91*	*N/A*
Core Fixed Income	**70.0%**	**67.0**	57.0	77.0	**$1.9**	**0.79**	**1.48**	**7.67**	**5.14**	**9.03**	**4.43**	**3.57**	**3.28**	**3.81**
Barclays U.S. Aggregate Bond Index						*0.47*	*1.65*	*8.06*	*5.47*	*9.42*	*5.07*	*3.94*	*3.64*	*3.92*
Liquidity Fund	**3.8%**	**3.0**	0.0	4.0	**$0.1**	**0.05**	**0.21**	**6.14**	**0.52**	**6.37**	**5.01**	**3.28**	**2.25**	**1.79**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.04*	*0.76*	*2.44*	*1.42*	*2.65*	*2.13*	*1.47*	*1.09*	*0.84*

HOPEMEAD FUND

Net of All Fees and Expenses
Periods Ending May 31, 2020

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	**100.0%**				**$4.3**	**1.80**	**0.90**	**4.71**	**0.38**	**7.50**	**4.58**	**4.31**	**4.58**	**5.53**
Policy Benchmark						*1.67*	*1.19*	*5.32*	*0.79*	*8.15*	*5.25*	*4.54*	*4.89*	*5.77*
Dynamic Benchmark						*1.59*	*0.98*	*5.03*	*0.48*	*7.78*	*5.18*	*4.51*	*N/A*	*N/A*
Domestic Equity	**13.8%**	**15.0**	10.0	20.0	**$0.6**	**5.23**	**2.73**	**4.41**	**-5.37**	**11.54**	**9.42**	**9.17**	**11.12**	**12.58**
Russell 3000						*5.35*	*2.89*	*4.15*	*-5.63*	*11.46*	*9.54*	*9.17*	*11.11*	*12.80*
Developed Markets ISF	**9.1%**	**11.0**	6.0	16.0	**$0.4**	**4.32**	**-3.31**	**-8.20**	**-13.95**	**-3.33**	**-0.66**	**2.01**	**4.42**	**N/A**
MSCI EAFE IMI Net						*4.75*	*-3.50*	*-6.76*	*-14.27*	*-2.10*	*0.77*	*1.95*	*4.73*	*N/A*
Emerging Markets ISF	**3.5%**	**4.0**	0.0	5.0	**$0.1**	**2.09**	**-5.31**	**-7.42**	**-14.32**	**-1.09**	**0.22**	**2.13**	**1.38**	**N/A**
MSCI Emerging Markets IMI						*0.92*	*-7.29*	*-10.68*	*-16.38*	*-5.34*	*-0.75*	*0.29*	*0.91*	*N/A*
Core Fixed Income	**69.2%**	**67.0**	57.0	77.0	**$3.0**	**0.79**	**1.48**	**7.67**	**5.14**	**9.03**	**4.43**	**3.57**	**3.28**	**3.81**
Barclays U.S. Aggregate Bond Index						*0.47*	*1.65*	*8.06*	*5.47*	*9.42*	*5.07*	*3.94*	*3.64*	*3.92*
Liquidity Fund	**4.4%**	**3.0**	0.0	4.0	**$0.2**	**0.05**	**0.21**	**1.60**	**0.52**	**1.81**	**1.93**	**1.43**	**0.93**	**0.87**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.04*	*0.76*	*2.44*	*1.42*	*2.65*	*2.13*	*1.47*	*1.09*	*0.84*

ARTS ENDOWMENT FUND

Net of All Fees and Expenses

Periods Ending May 31, 2020

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**
Arts Endowment Fund	**100.0%**				**$19.4**	**3.44**	**-1.27**	**-0.45**	**-6.14**	**4.02**	**3.08**	**3.40**	**3.94**	**4.96**
Policy Benchmark						*3.21*	*-1.39*	*-0.23*	*-6.29*	*4.20*	*3.73*	*3.63*	*4.24*	*5.29*
Dynamic Benchmark						*3.25*	*-1.12*	*-0.05*	*-6.05*	*4.32*	*N/A*	*N/A*	*N/A*	*N/A*
Domestic Equity	**25.9%**	**28.0**	23.0	33.0	**$5.0**	**5.23**	**2.73**	**4.41**	**-5.37**	**11.54**	**9.43**	**9.17**	**11.12**	**N/A**
Russell 3000						*5.35*	*2.89*	*4.15*	*-5.63*	*11.46*	*9.54*	*9.17*	*11.11*	*N/A*
Developed Markets ISF	**14.5%**	**17.0**	12.0	22.0	**$2.8**	**4.32**	**-3.31**	**-8.20**	**-13.95**	**-3.33**	**-0.65**	**2.01**	**4.43**	**N/A**
MSCI EAFE IMI Net						*4.75*	*-3.50*	*-6.76*	*-14.27*	*-2.10*	*0.77*	*1.95*	*4.73*	*N/A*
Emerging Markets ISF	**11.1%**	**12.0**	7.0	17.0	**$2.1**	**2.09**	**-5.31**	**-7.42**	**-14.32**	**-1.09**	**0.24**	**2.14**	**1.38**	**N/A**
MSCI Emerging Markets IMI						*0.92*	*-7.29*	*-10.68*	*-16.38*	*-5.34*	*-0.75*	*0.29*	*0.91*	*N/A*
Core Fixed Income	**17.5%**	**16.0**	11.0	21.0	**$3.4**	**0.79**	**1.48**	**7.67**	**5.14**	**9.03**	**4.43**	**3.57**	**3.28**	**3.81**
Barclays U.S. Aggregate Bond Index						*0.47*	*1.65*	*8.06*	*5.47*	*9.42*	*5.07*	*3.94*	*3.64*	*3.92*
Emerging Market Debt	**7.0%**	**8.0**	3.0	13.0	**$1.3**	**6.93**	**-7.28**	**-7.39**	**-9.72**	**-3.15**	**N/A**	**N/A**	**N/A**	**N/A**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*5.62*	*-4.69*	*-3.03*	*-6.66*	*1.29*	*N/A*	*N/A*	*N/A*	*N/A*
High Yield	**9.0%**	**9.0**	4.0	14.0	**$1.7**	**4.63**	**-3.82**	**-2.04**	**-5.09**	**0.01**	**N/A**	**N/A**	**N/A**	**N/A**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*4.37*	*-3.76*	*-1.84*	*-5.43*	*0.50*	*N/A*	*N/A*	*N/A*	*N/A*
Inflation Linked Bonds	**9.5%**	**0.0**	0.0	0.0	**$1.8**	**0.01**	**-1.75**	**1.90**	**-0.55**	**3.64**	**N/A**	**N/A**	**N/A**	**N/A**
Barclays World Gov't Inflation Linked Bond Index [2]						*0.30*	*-0.65*	*3.31*	*1.50*	*4.82*	*N/A*	*N/A*	*N/A*	*N/A*
Private Credit[1]	**0.0%**	**9.0**	4.0	14.0	**$0.0**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
S&P / LSTA Leveraged Loan Index + 150 basis points						*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
*1Q in Arrears^*														
Liquidity Fund	**5.5%**	**1.0**	0.0	3.0	**$1.1**	**0.05**	**0.21**	**1.60**	**0.52**	**1.81**	**1.89**	**1.40**	**0.89**	**0.84**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.04*	*0.76*	*2.44*	*1.42*	*2.65*	*2.13*	*1.47*	*1.09*	*0.84*

[1] Actual performance, reported one quarter in arrears,

[2] Assets in transition from Global Inflation to U.S. TIPS mandate. May returns reflect Bloomberg Barclays U.S. Treasury Index: US TIPS. Portfolio assts will transfer out of ILBF and into RAF on June 1, 2020.

POLICEMEN AND FIREMEN SURVIVORS' BENEFIT FUND

Net of All Fees and Expenses

Periods Ending May 31, 2020

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			
Policemen and Firemen Survivors' Benefit Fund	**100.0%**	CHECK			**$36.6**	**3.67**	**-2.41**	**-0.54**	**-5.96**	**2.93**	**4.02**	**4.89**	**5.82**	**7.01**
Policy Benchmark						*3.83*	*-1.60*	*0.59*	*-4.79*	*5.37*	*4.89*	*5.11*	*N/A*	*N/A*
Dynamic Benchmark						*3.41*	*-1.46*	*0.52*	*-5.14*	*5.30*	*4.80*	*5.08*	*N/A*	*N/A*
Domestic Equity	**19.9%**	**20.0**	15.0	25.0	**$7.3**	**5.23**	**2.73**	**4.41**	**-5.37**	**11.54**	**9.41**	**9.16**	**11.36**	**12.78**
Russell 3000						*5.35*	*2.89*	*4.15*	*-5.63*	*11.46*	*9.54*	*9.17*	*11.11*	*12.80*
Developed Markets ISF	**11.1%**	**11.0**	6.0	16.0	**$4.1**	**4.32**	**-3.31**	**-8.20**	**-13.95**	**-3.33**	**-0.67**	**2.00**	**N/A**	**N/A**
MSCI EAFE IMI Net						*4.75*	*-3.50*	*-6.76*	*-14.27*	*-2.10*	*0.77*	*1.95*	*N/A*	*N/A*
Emerging Markets ISF	**9.3%**	**9.0**	4.0	14.0	**$3.4**	**2.09**	**-5.31**	**-7.42**	**-14.32**	**-1.09**	**0.22**	**2.13**	**N/A**	**N/A**
MSCI Emerging Markets IMI						*0.92*	*-7.29*	*-10.68*	*-16.38*	*-5.34*	*-0.75*	*0.29*	*N/A*	*N/A*
Core Fixed Income	**16.0%**	**13.0**	8.0	18.0	**$5.9**	**0.79**	**1.48**	**7.67**	**5.14**	**9.03**	**4.43**	**3.57**	**3.37**	**3.87**
Barclays U.S. Aggregate Bond Index						*0.47*	*1.65*	*8.06*	*5.47*	*9.42*	*5.07*	*3.94*	*3.64*	*3.92*
Emerging Market Debt	**5.2%**	**5.0**	0.0	10.0	**$1.9**	**6.93**	**-7.28**	**-7.39**	**-9.72**	**-3.15**	**0.12**	**2.69**	**1.26**	**3.77**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*5.62*	*-4.69*	*-3.03*	*-6.66*	*1.29*	*1.82*	*3.19*	*1.69*	*4.35*
High Yield	**6.1%**	**0.0**	0.0	8.0	**$2.2**	**4.63**	**-3.82**	**-2.04**	**-5.09**	**0.01**	**2.13**	**3.32**	**3.62**	**5.95**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*4.37*	*-3.76*	*-1.84*	*-5.43*	*0.50*	*2.64*	*3.77*	*3.97*	*6.30*
Inflation Linked Bonds	**5.4%**	**0.0**	0.0	0.0	**$2.0**	**0.01**	**-1.75**	**1.90**	**-0.55**	**3.64**	**2.65**	**2.17**	**1.25**	**2.82**
Barclays World Gov't Inflation Linked Bond Index (5)						*0.30*	*-0.65*	*3.31*	*1.50*	*4.82*	*3.14*	*2.70*	*1.60*	*3.02*
Liquidity Fund	**5.5%**	**2.0**	0.0	3.0	**$2.0**	**0.05**	**0.21**	**1.60**	**0.52**	**1.81**	**1.93**	**1.43**	**0.92**	**0.86**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.04*	*0.76*	*2.44*	*1.42*	*2.65*	*2.13*	*1.47*	*1.09*	*0.84*
Real Estate(1)	**7.0%**	**19.0**	15.0	25.0	**$2.6**	**N/A**	**-1.45**	**1.95**	**-0.45**	**2.80**	**5.59**	**7.13**	**8.40**	**8.76**
*Blended Custom Benchmark 1Q in Arrears^* (2)						*N/A*	*-1.70*	*0.57*	*-1.70*	*2.00*	*5.20*	*7.34*	*8.48*	*9.71*
Private Investment(1) (4)	**7.0%**	**10.0**	5.0	15.0	**$2.5**	**N/A**	**-9.89**	**-3.79**	**-9.49**	**-1.83**	**8.96**	**9.17**	**N/A**	**N/A**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Private Credit(1)	**0.4%**	**5.0**	0.0	10.0	**$0.1**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**7.1%**	**3.0**	0.0	10.0	**$2.6**	**1.60**	**-7.65**	**-5.02**	**-7.60**	**-4.09**	**1.23**	**1.18**	**N/A**	**N/A**
Absolute Return Strategy blended benchmark (3)						*0.51*	*1.72*	*5.06*	*2.50*	*5.55*	*3.93*	*2.46*	*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) Adjusted for anticipated losses experienced due to market volatility during March through May 2020.

(5) Assets in transition from Global Inflation to U.S. TIPS mandate. May returns reflect Bloomberg Barclays U.S. Treasury Index: US TIPS. Portfolio assts will transfer out of ILBF and into RAF on June 1, 2020.

AGENDA ITEM #4

State of Connecticut
Office of the Treasurer

SHAWN T. WOODEN
Treasurer

July 3, 2020

Members of the Investment Advisory Council ("IAC")

Re: **Consideration of Constitution Fund V, LLC – Series E**

Dear Fellow IAC Member:

At the July 8, 2020 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"): Constitution Fund V, LLC - Series E. This opportunity would be created through as new series established under the existing Constitution Fund V, LLC ("Constitution V"), an evergreen vehicle created by the CRPTF in December 2016. An affiliate of Fairview Capital Partners, Inc. ("Fairview") will continue to serve as the managing member of Constitution V. Fairview is based in West Hartford, Connecticut.

I am considering an investment of up to $75 million in Series E, which will make commitments to underlying venture capital and growth stage funds in a portfolio managed exclusively for the benefit of the CPRPTF. A Series E commitment would provide the CRPTF with exposure to high quality managers investing in venture capital growth stage companies through a consistent fund-of-fund strategy executed by Fairview with Constitution V Series A and C as well as prior Fairview Constitution funds.

Attached for your review is the recommendation from Laurie Martin, Chief Investment Officer, and the due diligence report prepared by StepStone. 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

DECISION

TO:	**Shawn T. Wooden, Treasurer**
FROM:	**Laurie Martin, 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** **Casi Kroth, Investment Officer**
DATE:	**June 26, 2020**
SUBJECT:	**Constitution Fund V, LLC - Series E– 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 $75 million to a new Series E that would be created under the existing Constitution V, LLC vehicle ("Constitution V" or the "Fund"). The Series E capital will be invested in a portfolio of underlying venture capital and growth funds. An affiliate of Fairview Capital Partners, Inc. ("Fairview" or the "Firm") will continue to serve as the Fund's managing member (the "Managing Member"). Fairview, headquartered in West Hartford, CT, has provided private equity investment management services since 1994.

Constitution V was created in December 2016 as an evergreen limited liability company, allowing the CRPTF to retain more control and flexibility over its venture capital investment program, including the creation of sub-portfolios or series. Upon formation, the Fund consisted of Series A and Series B with Series C and Series D created in December 2018 as outlined more fully below.

Strategic Allocation within the Private Investment Fund

The Fund's strategy falls under the Private Investment Fund's ("PIF") Venture Capital allocation. The IPS establishes target allocation ranges of 0% to 30% to Venture Capital 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 Venture Capital strategies was approximately 17%, as of March 31, 2020.

The PIF's Strategic Pacing Plan targets a 13% long-term allocation to venture capital investment strategies as measured by total exposure. The PIF's Strategic Pacing Plan targets annual commitments to venture capital strategies of approximately $78 million, a commitment level that is designed to gradually reduce the PIF's venture capital exposure to the long-term allocation target. The recommended Series E commitment is consistent with these Strategic Pacing Plan objectives.

The CRPTF has partnered with Fairview since 2004 when the Firm was chosen to be the general partner of the Constitution Liquidating Fund, L.P. ("Constitution Liquidating"), which was formed to manage the venture capital fund commitments made by the original general partner of the Crossroads Constitution Limited Partnership ("Crossroads"). Pension Funds Management ("PFM") investment professionals believe that a commitment to Series E would provide the CRPTF with continued exposure to high quality venture capital managers and the sub-strategy's attractive return profile accessible through Fairview's long-standing presence in the venture community. The CRPTF investments managed by Fairview are summarized in the following table.

(US$ in millions, as of September 30,2019)

Fund	Vintage Year	Commitment	Fund Status	Net TVPI	Net IRR
Constitution Liquidating[1]		-	Liquidating	2.6x	20.7%
Fairview Constitution II	2005	$200	Liquidating	1.5x	6.6%
Fairview Constitution III	2007	$300	Harvesting	2.3x	17.4%
Fairview Constitution IV	2012	$150	Harvesting	1.8x	16.5%
Constitution V - Series A&B	2015	$150	Active	1.3x	17.0%
Constitution V - Series C	2019	$75	Active	n/m	n/m
Constitution V - Series D[2]	2019	$25	-	-	-

1. Commitments totaling $640 million wer made to the predecessor Crossroads fund.

2. Constitution V - Series D did did not active until November 2019.

Constitution V

Constitution V was formed in 2016 with the CRPTF committing a total of $150 million to the Fund's initial two Series, A and B. The Fund is structured as an evergreen limited liability company with the CRPTF holding important governance rights and controls, including the ability to appoint the Fund's Managing Member.

Fund-of-Funds Strategy

The CRPTF committed $130 million to Series A, which follows a fund-of-funds strategy whereby Fairview selects and manages a portfolio of commitments made to underlying venture capital and growth stage funds managed by third parties. Fairview fully committed the Fund's Series A capital to 28 underlying venture capital and growth stage funds by June 30, 2018.

In December 2018, the CRPTF committed $75 million to Series C to continue investing in Fairview's fund-of-funds strategy. Series C was fully committed to 12 underlying funds, with the last commitment made the first quarter of 2020.

In-State Co-Investment Strategy

The CRPTF committed $20 million to Series B, with an investment strategy of making co-investments in late and growth stage companies located in Connecticut. As of September 30, 2019, Series B's capital had been fully committed to co-investments in four Connecticut-based companies, including capital invested and reserved for possible follow-on investment.

In December 2018, the CRPTF committed $25 million to Series D to continue the in-state co-investment strategy of Series B. As of March 31, 2020, approximately 55% of the Series D capital had been committed to co-investments in two Connecticut-based companies, including capital invested and reserved for possible follow-on investment.

Constitution V – Series E Investment Strategy and Market Opportunity

The investment strategy for Series E will be a continuation of the fund-of-funds strategy that Fairview has executed with Series A and C. Fairview will continue to seek to invest with top quality, established venture and growth firms as well as selectively with high conviction, newer firms. Consistent with the Series A and C portfolio construction practices, Fairview will seek diversification by manager as well as strategy/stage, sector focus, and vintage years with expectations that the Series E capital will be committed to 8 to 10 underlying partnerships. Fairview primarily invests with managers located in the United States, although the Firm may make selective commitments to managers investing internationally.

Fairview seeks to continually leverage its long-standing presence within the venture market to identify attractive investment opportunities with high quality managers. The Firm believes that managers concentrating on innovation within the higher growth technology and healthcare sectors will remain a key area of investment focus for the Series E commitments. Additionally, Fairview expects to invest in managers that have sector expertise in industries such as media and telecommunications, education, and consumer goods and services. Fairview will also seek to build diversification across investment stage, including managers focused on early to late stage venture as well as select growth equity strategies. In addition, Fairview expects to continue to commit a small amount of the Series E capital to seed stage funds. Fairview has been selectively investing in seed stage funds since 2012 and committed approximately 3% of Series A capital to seed stage funds.

The Firm expects to continue to invest the majority of the Series E capital with a core list of high-quality fund managers with which Fairview has invested successfully in the past. Fairview reviews each new fund offering from one of its existing managers to ensure that the team, strategy, and market opportunity are attractive. The Firm does decline a number of these "re-up" opportunities, resulting in natural turnover within Fairview's core manager list. Just over 90% of Series A capital was committed to managers that had received prior commitments from one of Constitution programs managed by Fairview. The Fairview investment team also spends considerable time maintaining and developing deep relationships throughout the venture community to identify the emergence of the next generation of talented investment professionals, new firm formations, and changing market dynamics.

Firm and Management Team

Fairview was founded by JoAnn Price and Laurence Morse in 1994 to provide private equity investment management services with a particular focus on providing customized and co-mingled investment programs for institutional clients. Currently, the Firm is led by three Managing Partners: Price, Morse, and Kola Olofinboba, who joined Fairview in 2007. The majority of Fairview's more than 25 employees are located in the Firm's West Hartford, Connecticut headquarters with a few employees based in San Francisco.

The senior members of Fairview's investment team consist of the three Managing Partners and three Partners, Alan Mattamana, Cynthia Tseng, and Aakar Vachhani, who joined Fairview between 2008 and 2009. Additional support is provided by one Senior Associate, two Analysts, one Senior Advisor, and a three-person business development team. Fairview's six senior investment professionals comprise the Firm's investment committee, which requires unanimous approval of all investment decisions.

In addition to managing the Constitution funds, Fairview manages co-mingled and customized separate accounts, which are primarily venture capital and emerging manager fund-of-funds mandates. The Firm is currently raising its most recent co-mingled vehicle and expects to complete the fundraising process during the second half of 2020.

Leveraging the Firm's monitoring, reporting and accounting capabilities, Fairview also provides legacy asset management services to a select number of institutional investors. While Fairview customizes these services to suit the specific client's needs, the Firm generally assumes day-to-day oversight for all, or a portion, of the client's private equity funds portfolio, including managing capital calls and distributions, fund accounting, audit, tax, etc.

Track Record

As of September 30, 2019, Fairview had invested a total of $730 million in 119 underlying funds and four co-investments across the Constitution II through V portfolios, which had generated a gross internal rate of return ("IRR") and total value multiple ("TVM") of 15% and 2.0x, respectively. Constitution II through V-Series C generated a net IRR of 12.7% and net TVM of 1.9x as of September 30, 2019.

Please note that the Fairview investment performance summary below excludes the Constitution Liquidating Fund as those underlying fund commitments were made by the original general partner of the Constitution Crossroads Fund and not Fairview. While information on Series B, focused on in-state co-investments, is included in the summary performance table below, the track record assessment that follows is focused Fairview's fund-of-funds performance.

(US$ in millions, as of September 30, 2019)

Fairview Capital Management
Investment Performance Summary

Fund	Vintage Year	Fund Size	# Funds	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
Constitution II	2005	$201	26	$196	$279	$43	$322	1.6x / 1.5x	8% / 7%	1.4x / 1.3x	2nd	2nd	2nd
Constitution III	2007	$302	35	$287	$482	$245	$727	2.5x / 2.3x	19% / 17%	1.7x / 1.5x	2nd	2nd	2nd
Constitution IV	2012	$151	24	$138	$80	$186	$265	1.9x / 1.8x	18% / 17%	0.6x / 0.5x	2nd	2nd	1st
Constitution V - A	2016	$130	28	$86	$4	$113	$116	1.3x / 1.3x	21% / 18%	n/m	2nd	2nd	n/m
Constitution V - B	2016	$20	4	$13	$0	$15	$15	1.2x / 1.1x	10% / 8%	n/m	1st	1st	n/m
Constitution V - C	2019	$75	6	$4	$0	$4	$4	0.9x/ 0.8x	n/m	n/m	n/m	n/m	n/m
Total		**$878**	**123**	**$724**	**$844**	**$605**	**$1,449**	**2.0x / 1.9x**	**15% / 13%**	**1.2x / 1.1x**			

Source: Fairview, StepStone, customized benchmark using Burgiss Private iQ US Venture Capital Benchmark. Quartile Rank based on net returns.

Due to the lack of a robust venture capital fund-of-funds peer group, the relative performance of the Constitution fund-of-funds series are compared herein to a customized benchmark from the Burgiss Private iQ U.S. venture capital benchmarks. Because each Constitution fund seeks to make underlying fund commitments over a multi-year period, there is a natural time lag in the development of a fund-of-fund's performance relative to standards venture capital benchmarks, which are comprised of primary funds activated within the referenced vintage year.

Constitution II invested across the 2005 through 2007 vintage years, not a particularly strong performance period for the venture capital industry in general. The Constitution II mandate was also broader than more recent Constitution funds and included several mezzanine and growth buyout commitments. Despite Constitution II's lackluster absolute performance, the vehicle achieved second quartile rankings as of September 30, 2019. Constitution II is in harvest mode, and Fairview continues to manage the vehicle towards an orderly liquidation.

As of September 30, 2019, Constitution III had generated strong absolute returns with a net TVM of 2.3x and a net IRR of 17%. This vehicle made commitments to underlying funds across the 2007 through 2012 vintage years, with more than 70% of Constitution III's commitments made to funds that ranked in the respective vintage year's first and second quartile. The fund had returned 1.5x invested capital as September 30, 2019 and ranked as a second quartile fund across all relevant benchmarks.

Constitution IV and Constitution V-Series A also ranked as second quartile funds on an IRR and TVM basis as of September 30, 2019. Committed to underlying funds across the 2012 through 2015 vintage years, Constitution IV had returned 0.5x invested capital as of September 30, 2019 with substantial unrealized value remaining. The Series A portfolio is developing to expectations with strong early performance across the vehicle's 2016 through 2018 vintage year commitments. The performance of Series C is not yet relevant given the recency of the underlying fund commitments.

Key Strengths

1. **Well-Established Presence in Venture Capital Market.** The venture capital market has been Fairview's primary area of focus since the Firm was founded in 1994. Fairview's investment professionals and senior advisor serve on more than 50 advisory boards, which enables the Firm to maintain and develop valuable relationships with high quality venture capital and growth stage managers. Fairview's deep network within the venture community allows enable the Firm to develop insights into industry trends, the next generation of investors, and potential new fund formations. This network and long-term perspective inform and improves Fairview's manager selection practices and has contributed to the relatively attractive returns generated across the Constitution fund series.

2. **Cohesive Core Team.** The senior members of Fairview's investment team have worked together for more than a decade on average. While Fairview experience some senior level turnover in 2015 and 2016, the co-founders successfully recruited four investment professionals between 2007 and 2009 who have all been promoted to Partner and are key members of the investment team. In addition to providing these individuals with an opportunity for advancement, the co-founders have developed a succession plan, including the promotion of Kola Olofinboba to Managing Partner in 2015.

Major Risks and Mitigants

1. **Manager & Structure Concentration.** Fairview managed assets that represented 23% of the PIF's total market value as of March 31, 2020. Moreover, Fairview is responsible for nearly all of the PIF's current venture capital exposure, which is structured in fund-of-funds vehicles that create an additional fee drag on overall return potential. The concentration of assets and oversight of the PIF's venture capital program with one manager increases performance and organization risk. The risk of underperformance is primarily mitigated by Fairview's long-term track record of executing the fund-of-funds strategy, which is focused on creating diversified portfolios of underlying fund commitments. Across the Constitution III, IV, and V-Series A portfolios, more than two-thirds of the investments selected by Fairview ranked as first or second quartile funds measured across both IRR and TVM benchmarks as of September 30, 2019. This relatively strong manager selection experience has allowed these Constitution funds to generate attractive returns despite the additional layer of fees and expenses attributed to a fund-of-funds structure.

   The CRPTF has been executing against the PIF Strategic Pacing Plan objectives, including lowering the PIF's long-term venture allocation to 13% of total exposure. As of March 31, 2020, the PIF's total exposure to venture capital was 16.5% and had decreased by 10% since March 31, 2018 consistent with long-term objectives. The PIF's venture exposure should continue to trend downward as Fairview continues to harvest and liquidate some of the older vehicles such as Constitution II and III over the next few years.

The structure and governance rights of Constitution V provide protection against manager organization risk by allowing the CRPTF to name a replacement Managing Member at its discretion. Should Fairview experience any significant turnover with its investment or operations team that might compromise the Firm's ability to appropriately manage Constitution V, the CRPTF would be able to find a qualified replacement manager.

2. **Maintaining Market Presence/Capital Availability.** Fairview's ability to maintain its solid relationships throughout the venture community will be largely dependent on the Firm's ability to continue to provide investment capital to managers. While Fairview has continued to raise small pools of capital from other clients, the Firm will need to continue to raise capital to maintain its relevance with existing and prospective managers. The CRPTF will continue to monitor the risk that Fairview becomes a less meaningful prospective investor for the highest quality venture managers, which generally are in the position of being able to choose the investors in their funds.

Legal and Regulatory Disclosure (provided by Legal)

Through its disclosure, Fairview Capital Partners, Inc., states that the SEC conducted a routine exam of Fairview in August 2019. There were three principal findings. First, the SEC found that the regulatory assets under management ("RAUM") were not reported in a manner consistent with the instructions in the Form ADV. Historically, Fairview had reported RAUM based on original size, i.e., total initial capital commitments, of their private fund clients. Fairview will now make corrections to its Form ADV and deliver an updated Form ADV to all investors.

Second, on the ADV, Fairview inaccurately indicated that some of its private funds relied on the exemption from registration of their securities provided by Regulation D of the Securities Act of 1933. In response, Fairview will correct its ADV to indicate that certain funds rely on Regulation D and some funds rely upon another exemption.

Finally, the SEC noted that Fairview's compliance manual did not contain written policies and procedures for investment due diligence reviews. In a response letter to the SEC, Fairview notes that it has always completed and documented full diligence reviews on all investments and provided samples to the SEC. Fairview also responded by stating that it will update its compliance manual.

Based on our review, the findings of the routine SEC audit do not preclude investment in this entity.

There are no material claims under its fidelity, fiduciary or E&O insurance policies, and no ongoing internal investigations to report.

Fairview states it has adequate procedures in place to undertake internal investigations of its employees, officers and directors.

Compliance Review (provided by Compliance)

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

Environment, Social & Governance Analysis ("ESG") (provided by Policy)

The Assistant Treasurer for Policy's Evaluation and Implementation of Sustainable Principles review is attached.

4/17/20

COMPLIANCE REVIEW FOR CONSTITUTION FUND V

SUMMARY OF LEGAL AND POLICY[1] ATTACHMENTS
SUBMITTED BY
FAIRVIEW CAPITAL PARTNERS, INC.

I. Review of Required Legal and Policy Attachments

FAIRVIEW CAPITAL PARTNERS, INC. ("Fairview Capital") a minority-owned[2] Connecticut-based company, completed all required legal and policy attachments. Fairview Capital disclosed no third party fees, campaign contributions, known conflicts, or gifts. Its disclosure of legal/regulatory proceedings is being reviewed by the Legal Unit.

COMPLIANCE NOTE: THE FOLLOWING SHOULD BE ADDRESSED IF THE FIRM IS SELECTED: i) the firm's advertisements do not contain a statement that it is an Affirmative Action/Equal Opportunity Employer, as required by Conn. Gen. Stat. § 4a-60 (a) (2), and ii) all firm contracts and purchase orders do not contain non-discrimination statements as required by Conn. Gen. Stat. §§ 4a-60 (h) and 4a-60a (d).

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

As of February 2020, Fairview Capital employed 27, 1 more than the 26 employed in December 2018. One woman and 3 minorities are Executive/Senior Level Officials and Managers. For the 3 year period 2017-2019, the company promoted 6 women and 5 minorities within the ranks of professionals or managers. Minorities are well represented at all levels of the firm. While women represent 33% of Executives and 44% of Management, they are represented in much greater numbers below Management.

Workforce Statistics

For Executive/Senior Level Officials and Managers:

- Women held 33% (1 of 3) of these positions in all 3 years reported: 2020-2018.
- Minorities held 100% (100% Black) (3 of 3) of these positions in all 3 years reported: 2020-2018.

At the Management Level overall:

- Women held 44% (4 of 9) of these positions in all 3 years reported: 2020-2018.
- Minorities held 78% (33.3% Asian and 44.4% Black) (7 of 9) of these positions in all 3 years reported: 2020-2018.

[1] The Treasury's Policy Unit will prepare a separate Summary with respect to Fairview Capital's ESG submission.
[2] Not certified as minority-owned by Connecticut.

At the Professional Level:

- Women held 64% (9 of 14) of these positions in all 3 years reported: 2020-2018.
- Minorities held 57.1% (14.3% Hispanic and 42.9% Black) (8 of 14) of these positions in both 2020 and 2019, up from 50% (7.1% Asian, 7.1% Hispanic and 35.7% Black) (7 of 14) of these positions held in 2018.

Company-wide:

- Women held 63% (17 of 27) of these positions in both 2020 and 2019, up slightly from 62% (16 of 26) held in 2018.
- Minorities held 55.6% of these positions (11.1% Asian, 7.4% Hispanic and 37% Black) (15 of 27) in 2020, down from 59.3% (14.8% Asian, 7.4% Hispanic and 37% Black) (16 of 27) in 2019, but up from 53.8 % (15.4% Asian, 3.8% Hispanic, 34.6% Black (14 of 26) held in 2018

III. Corporate Citizenship

Charitable Giving:

Fairview Capital recognizes its responsibility, and is committed to being active community participants through volunteerism and contributions. The firm established a community giving program whereby it makes charitable contributions to Greater Hartford and the state of Connecticut. It has a matching contribution policy to promote employee charitable contributions up to $500. Employees are also encouraged to be actively involved in community service.

Internships/Scholarships:

Fairview Capital has a summer internship program. For the past 3 years, 3 diverse interns were hosted. The firm provides, and also participates in a number of scholarship opportunities, including the Howard University Scholarship. During the last 10 years Fairview has contributed over $175,000 to this needs-based scholarship which assists students at Howard. Other scholarships supported are the YMCA Youth Achievers Scholarship (which includes actively working with minority 5th-12th graders), and the Dr. Laurence C. Morse ’80 African American Studies Graduate Fellowship Fund- Princeton University, for which Fairview pledged $250,000 over 5 years.

Procurement:

Fairview Capital does not have a formal policy at this time for fostering relationships with women/minority/and emerging businesses but the firm consistently utilizes and hires these businesses.

FAIRVIEW CAPITAL

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

4/21/20

Criteria	Responses
Firm has an ESG policy	**Yes**
If yes, firm described its ESG policy	**Yes**
If yes, firm provided examples of ESG factors considered in the decision-making process, explained the financial impact of these ESG factors	**Yes**
Designated staff responsible for sustainability policies and research	**Yes**
Firm provides training/resources on sustainability issues, explained sources of ESG-related data	**Yes**
Signatory/member of sustainability-related initiatives or groups	**No**
Policy for evaluating current or prospective relationships with manufacturers or retailers of civilian firearms	**Yes**
Policy that requires safe and responsible use, ownership or production of guns	**No**
Enhanced screening of manufacturers or retailers of civilian firearms	**Yes**
Enhanced screening of any industry/sector subject to increased regulatory oversight, potential adverse social and/or environmental impacts	**Yes**
Merchant credit relationships with retailers of civilian firearms and accessories	**No**
If yes, firm confirms compliance with laws governing firearms sales	**N/A**
Overall assessment of responses (e.g., depth of approach to ESG and integration)	Fairview disclosed that while its investment structure as a fund-of-funds limits opportunities to evaluate ESG factors, it does integrate analysis of "financially material ESG issues" of potential partnership portfolio company investments into its investment decisions. With respect to policies related to civilian firearms, Fairview disclosed that it has a general policy of not investing with managers with an investment strategy focused on alcohol, drugs, guns/weapons or pornography.
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 organizations **Satisfactory - 3** General description of ESG philosophy and integration; some evidence of framework for ongoing ESG assessment **Needs Improvement - 4** Generic and/or vague description of ESG philosophy and integration; no ongoing ESG assessment; no dedicated ESG staff or resources	**3**

State of Connecticut

Retirement Plans and Trust Funds

Recommendation Report

Fairview Constitution V – Series E

June 23rd, 2020

Table of Contents

Executive Summary

Fund	Constitution V – Series E ("Series E" or the "Fund")
General Partner	Fairview Capital (the "Firm", the "GP" or "Fairview")
Report Date	Data as of September 30, 2019
Fundraising	Series E is proposed as a new series to be added to the existing Constitution Fund V ("Constitution V"), a Separately Managed Account ("SMA"). Series E is targeting US$75 million of commitments.
Source	Connecticut Retirement Plans and Trust Funds ("CRPTF") sourced the investment opportunity directly for evaluation for the Private Investment Fund ("PIF").
Key Terms	<u>Management Fee</u>: 0.65% Management Fee per annum of aggregate Capital Commitments during the Investment Period. Thereafter until the twelfth anniversary of the Effective Date, the Management Fee shall equal 0.40% of the Investment Contributions of Unrealized Investments. <u>Carried Interest</u>: There will be no Carried Interest allocation for the Series E vehicle. <u>Key Person:</u> "Key Person Event" means any 3 of the Principals [JoAnn H. Price, Laurence C. Morse, Douglas Boains, Kolawole Olofinboda, Alan Mattamana], or any replacement Principals approved by the State Member (which number shall include at least one of Ms. JoAnn H. Price (or any replacement approved by the State Member) or Dr. Laurence C. Morse (or any replacement approved by the State Member)), cease to devote substantially all of her or his working time to the affairs of the Company, the Managing Member, the Other Fairview Funds and the Investment Manager.
Investment Strategy	Series E will seek to invest in venture capital and growth equity partnerships via the relationships established through predecessor funds in the Constitution Program, and through newly established relationships with promising "next generation" managers. These commitments will largely represent successor funds of firms with which Fairview has long-term relationships. Fairview will re-underwrite all re-up commitments to ensure that the manager continues to perform. During diligence Fairview will focus on evaluating the organization, strategy and performance of the manager.
Management Team	Fairview is led by Co-Founders Laurence Morse and JoAnn Price, who have managed the Firm since inception. Fairview's current investment team consists of nine professionals, which includes three Managing Partners, three Partners, one Senior Associate and two Analysts. They are complemented by three Business Development focused professionals. The investment team is supported by one Senior Advisor: Edwin Shirley.

Track Record

Since 2005, Fairview has invested seven Constitution Funds, Fairview Constitution Fund II (2005 vintage), Fairview Constitution Fund III (2007), Fairview Constitution Fund IV (2012), and Constitution Fund V – Series A (2015), Constitution Fund V – Series B (2016), Constitution Fund V – Series C (2019) and Constitution Fund V – Series D (2019) with total capital commitments of US$902 million. Constitution II – IV have been fully committed and are 96% invested across 85 partnerships. Constitution Fund V – Series A is fully committed and 69% invested while Constitution Fund V – Series C is fully committed and 6% invested. Fairview's inaugural direct investment vehicle, Constitution Fund V – Series B, is fully committed with the successor direct investment vehicle, Constitution Fund V – Series D, having been activated in December 2019 in parallel with the closing of its first investment. As of September 30, 2019, Fairview's cumulative Constitution track record has generated gross returns of 1.9x TVM.

Fairview Constitution Performance Summary

Fund	Vintage Year	Number of Investments	Fund Size	Investment Cost	Realized Amount	Unrealized Amount	Total Value	Gross TVM	Gross IRR	Net TVM	Net IRR
FC II	2005	26	200	196	279	43	322	1.6x	8%	1.5x	7%
FC III	2007	35	302	287	482	245	727	2.5x	19%	2.4x	17%
FC IV	2012	24	150	138	80	186	265	1.9x	18%	1.8x	17%
FC V - Series A	2015	28	130	86	4	113	116	1.3x	21%	1.3x	18%
FC V - Series B	2016	4	20	13	0	15	15	1.2x	10%	1.1x	8%
FC V - Series C	2019	6	75	3	0	3	3	0.9x	N/A	0.9x	-21%
FC V - Series D	2019	0	25	0	0	0	0	N/A	N/A	N/A	N/A
Total		**123**	**$902**	**$723**	**$845**	**$605**	**$1,448**	**1.9x**	**15%**		

Note: totals may not sum given rounding

Investment Evaluation

(+) Long Tenured Investment Team: Fairview was founded in 1994 by Laurence Morse and JoAnn Price. The Co-founders have led the team since inception, and have expanded the Partner group over time, including Kola Olofinboba, who was promoted to Managing Partner in 2015. The investment team Partners have worked together for an average of 17 years, proving they are a cohesive team that is capable of working together.

(+) Strong Culture of Internal Promotion: Fairview has developed a strong culture, demonstrated by consistent internal development through promotions. Aakar Vachhani and Cynthia Tseng were promoted from Principal to Partner during Constitution V and have both been at the Firm for 12 years. This internal promotion reflects the Firm's ability to build talent internally and develop continuity.

(+) Access to Strong Managers: Fairview has historically gained access to many top tier venture capital funds. This is impressive, given venture capital's reputation for being difficult to access for non-existing investors. Fairview funds have previously invested in high quality General Partners' such as Battery Ventures, Lightspeed, NEA, and Ampersand, which are all capacity constrained GPs. Fairview has also demonstrated its ability to identify and establish relationships with strong "next generation" managers such as Third Rock and Greycroft.

(+) Solid Overall Performance: Fairview has generated solid relative and absolute performance across funds. Funds II-IV and Fund V – Series A and B each rank in the first or second quartile across all metrics, as of September 30, 2019, when compared to a blended benchmark[1]. On an absolute basis, the primary Constitution program has generated a 1.9x gross TVM since inception, which is decent over multiple cycles. However, no vehicle has managed to generate over a 20% net IRR, which is a common target threshold for the additional risk taken in Venture Capital investments.

(-) Significant Team Turnover: Over the last five years, three Partners and one Principal left to pursue other opportunities. The three Partners who left Fairview are Matthew Schaefer, Rebecca Connolly, and Douglas Boains, who had each worked at Fairview for over 11 years. Mr. Schaefer and Mrs. Connolly were both important members of the investment team with deep relationships in the venture capital community and were both members of the Investment Committee. Mr. Boains was the CFO and COO and had significant responsibilities across various functions including fund administration, cash controls and movements, valuations, and oversight of compliance and IT. StepStone believes that the amount of turnover and the roles of these individuals present a concern for the go forward Firm. While Fairview has experienced senior level turnover over the past few years, Managing Partner Kola Olofinboba and Partner Alan Mattamana have been elevated and help fill the void left by the prior departures. Additionally, Partner Aakar Vachani continues to rise within the ranks and has developed into a key member of the investment team.

(-) Additional Layer of Fees from Fund of Funds Structure: Fairview charges an extra layer of fees on top of the general partner's fees and carry, creating a disadvantage to the State of CT relative to other LPs invested directly in the underlying funds. Fairview focuses on venture capital managers which have longer hold periods as well. As such, the J-curve for Fairview's vehicles will likely be longer than a typical GP's. Despite charging an extra layer of fees, Fairview has been able to generate solid returns on a relative basis.

(-) Above Market Fees: Fairview charges 65bps on committed capital during the investment period and 40bps on contributed capital post the investment period. StepStone has seen many similar SMA vehicles charge much lower fees. Given the State of CT makes up a significant portion of the Firm’s active AUM, StepStone believes the State of CT could negotiate fees that are more in line with the operating costs of running the Constitution series. Despite charging above-market fees, Fairview has been able to generate satisfactory returns on both an absolute and relative basis.

Recommendation

StepStone believes that a commitment to Series E is a compelling opportunity to gain venture capital exposure through a manager that has generated adequate historical returns for the State of Connecticut. The Firm has a long-tenured investment team that has gained access to many top-tier

[1] Given a single Fairview Constitution fund will have underlying exposure to funds of different vintages, StepStone performed a relative performance analysis using a blended benchmark. This blended benchmark based on each fund’s investment period. For a given fund, the quartile thresholds used in the analysis are an average of the return thresholds per the Burgiss Private iQ Venture Capital (US) Benchmark for vintage years falling within that fund’s investment period.

managers who may be more difficult to access for non-existing relationships. The Constitution Program has also exhibited solid absolute and relative performance despite an additional layer of fees.

Investment Strategy

Constitution V – Series E will seek to invest in partnerships sponsored by venture capital and growth equity firms via the relationships established through predecessor funds in the Constitution Program, and through newly established relationships with promising "next generation" managers. These commitments will largely represent successor funds of firms with whom Fairview has long-term relationships. Fairview will re-underwrite all re-up commitments to ensure that the manager continues to perform. During diligence Fairview will focus on evaluating the organization, strategy and performance of the manager.

Fairview believes that a portfolio comprising 8-10 partnerships is adequately diversified. The Firm has learned lessons relating to overdiversification, with prior Constitution programs having in excess of 30 underlying managers in the portfolio, reducing the Firm's ability to generate alpha.

The Constitution program has historically had longstanding relationships with strong venture capital managers and committing to successor funds of these managers is core to the strategy. StepStone believes that the portfolio is comprised largely of high-quality venture and growth equity funds that present the program with attractive established relationships going forward.

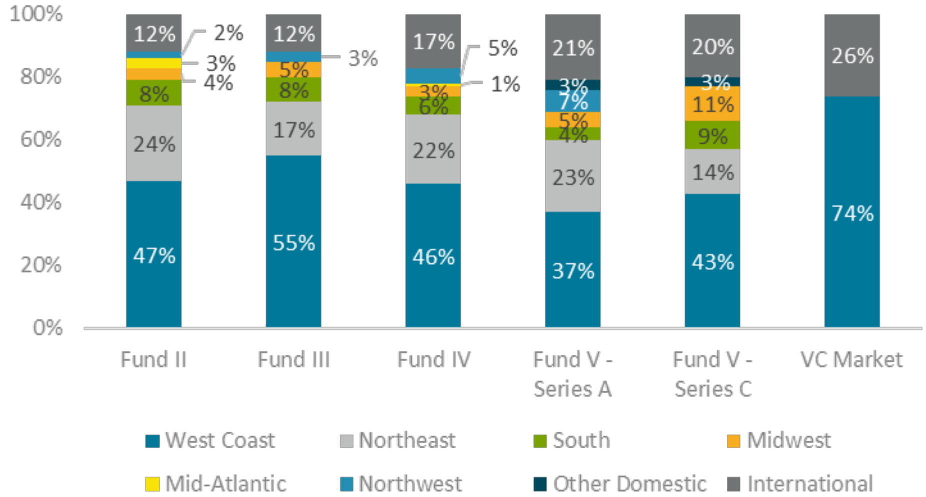
In addition to existing relationships, Fairview will also continue to seek and establish relationships with strong venture and growth equity firms that Fairview has not historically invested with. Developing new relationships with existing top quartile performers is important to maintaining a strong portfolio of best-in-class managers. Fairview refers to these as "next-generation" managers. These are managers that have had experience and success in the venture and growth equity spaces and are launching funds that will likely be capacity constrained after Fund I, if they perform. While Fairview continues to be active investors in many of the legacy, historically access-constrained venture capital and growth managers, nearly 65% of the managers contained within Constitution V - Series A and C were not a part of the legacy Constitution program that was inherited by Fairview. StepStone believes this is evidence of their thesis-based approach, emphasis on sector specialization and overall ability to build strong relationships with emerging managers early in their lifecycles.

Across all funds in the Constitution program, Fairview has built portfolios that include a range of strategies as well as companies in various industries at various stages of development. The portfolio will be constructed to mitigate risk through diversification, but also capture attractive investment opportunities present in the market over the duration of its investment period.

Portfolio Characteristics

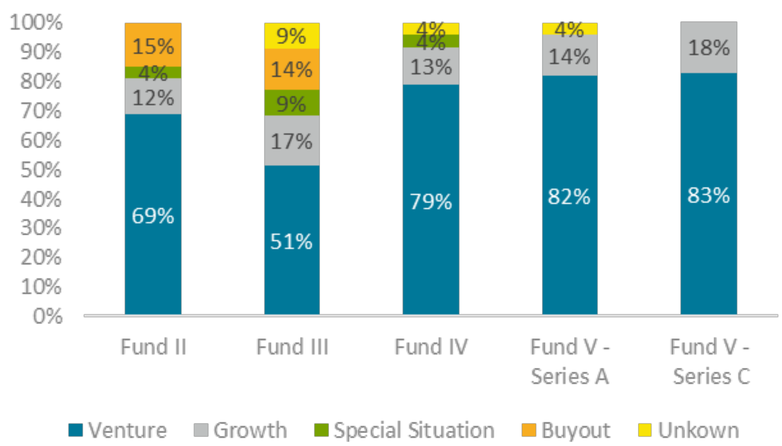
Geography: Fairview's underlying exposure to West Coast-based companies has consistently been between one-third and one-half of each fund's portfolio. Fund II had significant exposure to the Midwest, but no fund before or since has had similar exposure until Fund V – Series C. The Firm has consistently allocated meaningful capital to managers based in the Northeast of the United States. These managers will often have strong networks in their local geography and invest significant capital in the region as well. Fairview believes that there has been significant opportunity to invest in venture funds based in cities like New York and Boston, given the development of the venture community in these cities, without valuations typical of Silicon Valley. During diligence, the Fairview team noted that these Northeast markets have gotten frothier over the last few years. Fairview has established an initiative to broaden geographic exposure and focus on establishing relationships with strong managers in "third-tier" cities, such as Detroit and Cleveland.

Underlying Investments by Geography



Strategy: The Constitution Funds have always been weighted toward venture capital. However, the weighting to venture capital has significantly increased from Fund III to Fund V. Venture comprised 51% of Fund III, and has grown to 82% of Fund V – Series A and 83% of Fund V – Series C. Growth equity allocation remained relatively flat over time, spanning from 12% in Fund II to a high of 18% of Fund V – Series C. Constitution Funds II and III were ~15% invested in buyout funds, but Fairview has not invested in buyout managers in Fund IV or V. Similarly, the Firm formerly invested in special situations funds, which consisted of subordinated debt, but like buyouts, Fairview has refined its focus and no longer invests in that strategy. The "unknown" category reflects certain undisclosed investments made by Fairview.

Underlying Investment by Strategy



Fund Size: The Constitution Funds have shifted focus away from larger funds and refocused on deploying capital into smaller funds that are more nimble and provide a greater chance of realizations driving outperformance. 50% of Fund III's capital was deployed into funds that were US$500+ million, 25% of which was deployed into funds sized US$1 billion and above. This allocation has decreased over the last two funds, and only 31% of Fund IV is invested in funds larger than US$500 million. Importantly, Fund V – Series A is only invested in three funds that are larger than US$1 billion and all of these are heavily access constrained managers. Fairview has continued to move further down market, as Fund V – Series C is only invested in one fund larger than US$1 billion. StepStone believes that this is a positive shift, and that the portfolio has a better chance to outperform when it is invested in smaller managers who compete in less trafficked areas of the market. Over the last fund cycle, Fairview has demonstrated discipline in not re-upping with managers that have grown in size and no longer fit the Constitution program's mandate.

Evaluation of the Strategy

Merits

- ▲ **Access to Strong Managers:** Fairview has historically gained access to many top tier venture capital funds. This is impressive, given venture capital's reputation for being difficult to access for non-existing investors. Fairview funds have previously invested in high quality GPs such as Battery Ventures, Lightspeed, NEA, and Ampersand, which are all capacity constrained. Additionally, Fairview has demonstrated an ability to identify strong GPs early in their history. The Firm was an early investor in Spark Ventures and Third Rock, both high performing funds. This is important, given the difficulty to access after the GP has generated strong returns.

Risks

- ▼ **Negative Manager Selection Bias:** The best venture capital funds have historically been difficult to access, often having no space for new investors in each subsequent fundraise. Recently, top venture capital funds, such as Sequoia, have disallowed fund-of-fund investors from investing in their vehicles. As such, Fairview is disadvantaged with regard to accessing some of the best performing managers and will be forced to select from the next tier of managers, making manager selection and early identification even more important. Additionally, Fairview's dry powder has declined as the market has increased in size, which could lead to strong existing venture capital firms to look elsewhere for longer term partnership. Despite venture's reputation for being difficult to access, especially for fund of funds, Fairview has demonstrated an ability to gain allocation to some of these funds. The Firm is able to do so through its ability to leverage the State of Connecticut's longstanding legacy relationships with managers in the venture capital space.

Management Team

Founded in 1994, Fairview Capital is a fund-of-funds manager that creates tailored portfolios of venture capital and growth equity funds. Fairview manages 29 separate accounts and fund-of-funds on a discretionary basis with a limited partner base including municipal, state, and corporate pension plans, university endowments, foundations, and family offices. The Firm is headquartered in West Hartford, CT and has a satellite office in San Francisco, CA. The Firm has six Partners who are supported by six additional investment/business development professionals. The Firm also has one Senior Advisor, ten professionals with finance, accounting roles and four administrative support staff. Laurence Morse and JoAnn Price (together the "Co-Founders") have led the Firm since inception.

Fairview and the State of Connecticut have been engaged in a multi-year partnership, stretching back to 2004. Over the past 16 years, Fairview has managed multiple separately managed accounts (SMAs) with US$900+ million of commitments for the State of CT. These accounts have primarily invested in venture capital funds, and only since 2016 did Fairview begin to make direct investments in Connecticut based, venture-backed companies on behalf of the State of CT.

Professionals

Fairview's current investment team consists of nine professionals, which includes three Managing Partners, three Partners, one Senior Associate and two Analysts. They are complemented by three Business Development focused professionals. The investment team is supported by one Senior Advisor, Edwin Shirley.

Investment Team Overview

Fairview Investment Professionals				
Professional	Title	Years at Fairview	Education / Work Experience	Primary Responsibilities
Laurence Morse	Managing Partner & Co-Founder	26	PhD & MA, Princeton University BA, Howard University, TSG Ventures, Equico Capital Corporation, UNC Ventures	Firm Governance, Investment Oversight
JoAnn Price	Managing Partner & Co-Founder	26	BA, Howard University National Association of Investment Companies	Firm Governance, Fund Management
Kola Olofinboba	Managing Partner	13	MBA, M.I.T. Sloan PhD, University of Ibadan, Nigeria McKinsey & Co., Connecticut Health Center	Investment Activities, Business Development, Firm Governance
Alan Mattamana	Partner	11	MBA, University of Virginia BA, Vanderbilt Polaris Venture Partners, McKinsey & Co.	Investment Selection and Monitoring
Cynthia Tseng	Partner	12	MBA, University of Pennsylvania BA, Brown University JP Morgan, Johnson & Johnson	Research, Due Diligence, Investment Monitoring and Business Development
Aakar Vachhani	Partner	12	MBA, Northwestern University BS, Bentley University Cambridge Associates, MK Capital	Research, Due Diligence, Investment Monitoring and Business Development
Kwesi Quaye	Senior Associate	3	MBA, Northwestern University BS, DePaul University Cook County Pension Fund, PWC LLP, E&Y LLP	Research, Due Diligence, Deal Sourcing, Investment Monitoring, Business Development
Tre Dawson	Analyst	1	BA, Howard University	Research, Due Diligence, Deal Sourcing, Investment Monitoring, Business Development
Nicole Carey	Analyst	1	BS, Central Connecticut State University	Research, Due Diligence, Deal Sourcing, Investment Monitoring, Business Development
Average (Partners)		17		

Ms. Price has over 35 years of experience with private equity, including her long history with Fairview. Before she co-founded Fairview, she served as president of the National Association of Investment Companies, which was headquartered in Washington, D.C. She currently serves on several national advisory committees and private equity advisory boards. Ms. Price's role at the Firm is to oversee governance and management. She is involved with the strategic direction of the Firm and holds many of the relationships with clients. Ms. Price has decreased her amount of travel over the years and is now more focused on the overall Firm direction than individual investments.

Mr. Morse previously worked for TSG Ventures, Equico Capital Corporation, and UNC Ventures before he founded Fairview with Ms. Price. His involvement in the venture capital community continues today, as he serves on several advisory boards for venture capital partnerships. Mr. Morse sits on the boards of U.S. Venture Partners, Battery Ventures, Sierra Ventures and Trinity Ventures. He is also a member of the board of directors of Webster Financial Corporation and the Institute of International Education. Although Mr. Morse has passed on some of his Firm leadership responsibilities, he continues to play an active role on the Firm's Investment Committee.

In 2015, Mr. Morse and Ms. Price enacted the first step of their succession plan and promoted Dr. Olofinboba to Managing Partner. In that role his primary responsibilities include investment activities, business development and firm governance, as well as serving on the advisory boards of multiple private equity partnerships. Before he joined Fairview in 2007, Dr. Olofinboba was an engagement manager at McKinsey & Company, with U.S. and global healthcare and private equity clients. He also practiced medicine as a board-certified internist/hospitalist and assistant professor at the University of Connecticut health Center.

Outside the three Managing Partners there are three additional Partners, Alan Mattamana, Cynthia Tseng, and Aakar Vachhani. Mr. Mattamana joined Fairview in 2009 and his current responsibilities are investment selection and monitoring activities for Fairview's venture capital and private equity funds and direct co-investment portfolios. Additionally, he serves on a number of advisory boards of venture capital and private equity partnerships. Prior to working at Fairview, he worked for seven years at Polaris Venture Partners, where he was a Principal. At Polaris, Mr. Mattamana focused on software, digital media, consumer, medical technology, and healthcare service investments. His relevant industry experience stretches even further back to his time as a strategy consultant at McKinsey & Company's Silicon Valley office.

Promoted to Partner in 2017, Ms. Tseng has been with Fairview for 12 years and her responsibilities have grown to include research, due diligence, investment monitoring and business development. Before joining Fairview, she worked at JP Morgan as an investment banking associate.

Mr. Vachhani is the newest Partner and member of the Investment Committee, having been promoted in January 2018. During reference calls, many described Mr. Vachhani as a high achieving member of the investment team. He moved to San Francisco to establish Fairview's west coast office and to develop closer ties to the managers located in the Silicon Valley region. Mr. Vachhani's previous work experience includes time as an analyst at Cambridge Associates, where he analyzed private equity, venture capital, and real estate funds.

The other three members of Fairview's investment team are Kwesi Quaye, Tre Dawson and Nicole Carey. The three junior investment team members have a lot of responsibilities across research, due diligence, deal sourcing, investment monitoring and business development.

StepStone believes that the investment team's long shared history is beneficial to Fairview and indicative of the Firm's attempts to promote investment professionals internally. The Partners have worked together for 17 years on average, which speaks to their cohesion as an investment team.

Turnover

Fairview has experienced material turnover, which provides cause for concern. Over the last five years, three Partners and one Principal left to pursue other opportunities. The three Partners who left Fairview are Matthew Schaefer, Rebecca Connolly, and Douglas Boains. Each of the Partners had worked at Fairview for over 11 years.

Mr. Schaefer and Mrs. Connolly were both important members of the investment team with deep relationships in the venture capital community and were both members of the Investment Committee. They left to form Tiger Iron Capital, with the exact same VC strategy as Fairview. StepStone believes these are key departures for the go forward investment outlook of Fairview as certain relationships will have to be redeveloped to maintain the allocation from the general partners prior fund.

Mr. Boains left Fairview to join a wealth management firm in Florida. Mr. Boains had significant responsibilities across various functions including fund administration, cash controls and movements, valuations, and oversight of compliance and IT. Fairview re-distributed his responsibilities among internal team members. StepStone notes that his departure presents a major risk from a business operations perspective and that a CCO with a stronger compliance background would be more in line with industry best practice.

Investment Committee

Fairview's Investment Committee ("IC") consists of all six Partners. All Firm investment decisions must receive unanimous approval from the Investment Committee. The committee meets bi-weekly to discuss potential investments. StepStone notes that the composition of the IC has changed over the past few years with departures of the three Partners mentioned previously and the promotions of Mr. Vachhani and Mrs. Tseng. However, Mrs. Price and Mr. Morse provide some stability, since they have been on the IC since the inception of the Firm.

Evaluation of the Management Team

Merits

- ▲ **Long Tenured Investment Team:** Fairview was founded in 1994 by Laurence Morse and JoAnn Price. The co-founders have led the team since inception, and have expanded the partner class over time, including Kola Olofinboba, who was promoted to Managing Partner in 2015. The investment team Partners have worked together for an average of 17 years, proving they are a cohesive team that is capable of working together.

- ▲ **Strong Culture of Internal Promotion:** Fairview has developed a strong firm culture, demonstrated by consistent internal development through promotions. Aakar Vachhani and Cynthia Tseng have both been promoted to Partner over the past few years, both having been at the firm for 11+ years. This internal promotion reflects the Firm's ability to retain talent and develop continuity.

Risks

- ▼ **Small Investment Team with Multiple Responsibilities:** Fairview has nine dedicated investment team members. The team is top heavy, with six Partners supported by three junior professionals. Since the team is small, members of the investment team have multiple responsibilities, including business development and may be overextended. While the dedicated team is small, Fairview operates with a one firm approach whereby all investment professionals and resources of the Firm are shared as needed.

- ▼ **Team Transitions / Succession Planning:** In the past five years, three Partners, Rebecca Connolly, Matthew Schaefer, and Douglas Boains, have departed the Firm to pursue other opportunities. Mr. Schaefer and Mrs. Connolly were both important members of the investment team with deep relationships in the venture capital community and were both members of the Investment Committee. While Fairview has experienced senior level turnover over the past few years, Managing Partner Kola Olofinboba and Partner Alan Mattamana have been elevated and help fill the void left by the prior departures. Additionally, Partner Aakar Vachani continues to rise within the ranks and has developed into a key member of the investment team.

Track Record

Since 2005, Fairview has invested seven Constitution Funds, Fairview Constitution Fund II (2005 vintage), Fairview Constitution Fund III (2007), Fairview Constitution Fund IV (2012), and Constitution Fund V – Series A (2015), Constitution Fund V – Series B (2016), Constitution Fund V – Series C (2019) and Constitution Fund V – Series D (2019) with total capital commitments of US$902 million. Constitution II – IV have been fully committed and are 96% invested across 85 partnerships. Constitution Fund V – Series A is fully committed and 66% invested while Constitution Fund V – Series C is fully committed and 4% invested. Fairview's inaugural direct investment vehicle, Constitution Fund V – Series B, is fully committed with the successor direct investment vehicle, Constitution Fund V – Series D, having been activated in December 2019 in parallel with the closing of its first investment. As of September 30, 2019, Fairview's cumulative Constitution track record has generated gross returns of 1.9x TVM.

Constitution Fund II is a US$200 million, 2005 vintage fund that has committed 100% of its capital and is 98% invested across 26 partnerships. As of September 30, 2019, Fund II was marked at a net TVM/IRR of 1.5x/7%. Fund III is a US$302 million, 2007 vintage fund that has been fully committed and 95% invested across 35 partnerships. As of September 30, 2019, Fund III was marked at a net TVM/IRR of 2.4x/17%. Fund IV is a US$150 million, 2012 vintage fund that is fully committed and 92% invested across 24 partnerships. As of September 30, 2019, Fund IV was marked at a net TVM/IRR of 1.8x/17%. Constitution Fund V – Series A, a 2015 vintage vehicle, has generated a 1.3x/18% net TVM/IRR. Both Constitution V – Series B and Series D are small vehicles with the mandate of making direct co-investments within the state of Connecticut. Series B is a US$20 million vehicle and is fully invested across four companies; the Fund has generated a 1.1x/8% net TVM/IRR as of September 30th, 2019. Series D, a US$25M vehicle, was activated in December 2019 concurrent with the closing of its first direct investment. Fairview V – Series C, a US$75M vehicle, is fully committed as of March 2020 across fifteen managers.

Performance Summary

Fairview Constitution Performance Summary

Fund	Vintage Year	Number of Investments	Fund Size	Investment Cost	Realized Amount	Unrealized Amount	Total Value	Gross TVM	Gross IRR	Net TVM	Net IRR
FC II	2005	26	200	196	279	43	322	1.6x	8%	1.5x	7%
FC III	2007	35	302	287	482	245	727	2.5x	19%	2.4x	17%
FC IV	2012	24	150	138	80	186	265	1.9x	18%	1.8x	17%
FC V - Series A	2015	28	130	86	4	113	116	1.3x	21%	1.3x	18%
FC V - Series B	2016	4	20	13	0	15	15	1.2x	10%	1.1x	8%
FC V - Series C	2019	6	75	3	0	3	3	0.9x	N/A	0.9x	-21%
FC V - Series D	2019	0	25	0	0	0	0	N/A	N/A	N/A	N/A
Total		**123**	**$902**	**$723**	**$845**	**$605**	**$1,448**	**1.9x**	**15%**		

Note: totals may not sum given rounding

Relative Performance

Given a single Fairview Constitution fund will have underlying exposure to funds of different vintages, StepStone performed a relative performance analysis using a blended benchmark based on each fund's investment period. For a given fund, the quartile thresholds used in the analysis are an average of the return thresholds for vintage years falling within that fund's investment period.

Constitution V – Series C relative performance is excluded from the analysis, as the vehicle remain in the j-curve and StepStone believes the fund's immaturity make this analysis less relevant. At this early stage in the fund's lifecycles, benchmarking analysis is less relevant given the impact of the differing fee structures between Constitution V – Series C its respective peer sets in the benchmarking data (i.e., traditional venture capital fund vehicles). Overall, Fairview has delivered solid relative performance. Funds II-IV and Fund V – Series A and B each rank in the first or second quartile across all metrics, as of September 30, 2019.

Relative Performance

Fairview Constitution Funds Net Relative Performance						Private iQ (Blended by Vintage Years in Investment Period)					
						United States			Fairview Capital		
			Fairview Constitution			First Quartile			Quartile Rank		
Fund	Vintage	Fund Size	Net TVM	Net IRR	DPI	Net TVM	Net IRR	DPI	Net TVM	Net IRR	DPI
FC II	2005	$200	1.5x	7.0%	1.4x	2.0x	12%	1.6x	Second	Second	Second
FC III	2007	$302	2.4x	17.0%	1.5x	2.8x	23%	1.7x	Second	Second	Second
FC IV	2012	$150	1.8x	17.0%	0.5x	2.1x	23%	0.5x	Second	Second	First
FC V - Series A	2015	$130	1.3x	18.0%	0.1x	1.4x	19%	0.0x	Second	Second	First
FC V - Series B	2016	$20	1.1x	8.0%	0.0x	1.1x	8%	0.0x	First	First	First
FC V - Series C	2019	$75	0.9x	-21.0%	0.0x	1.0x	-4%	0.0x	N/A	N/A	N/A
FC V - Series D	2019	$25	N/A	N/A	N/A	1.0x	-4%	0.0x	N/A	N/A	N/A
Total		**$902**									

Note: StepStone created a blended benchmark based on each fund's investment period. For a given fund, the quartile thresholds used in the analysis are an average of the return thresholds per the Burgiss Private iQ Venture Capital (US) Benchmark for vintage years falling within that fund's investment period.

Given the above analysis is comparing a fund of funds to primary funds, StepStone also compared the results of the Constitution program on an annual basis. StepStone notes that the annual performance in this analysis is Fairview's performance on a gross basis, meaning Constitution fees are not included, compared to the benchmark data being on a net basis.

Gross Performance				Private iQ			
				United States		PE VC	
		Fairview		First Quartile		Quartile Rank	
Fund	Vintage	Gross TVM	Gross IRR	Net TVM	Net IRR	Net TVM	Net IRR
CON II	2005	1.7x	11%	1.8x	9%	Second	First
CON II	2006	1.4x	6%	1.7x	9%	Second	Second
CON II	2007	2.5x	16%	2.6x	16%	Second	First
CON III	2007	2.2x	14%	2.6x	16%	Second	Second
CON III	2008	2.5x	24%	2.4x	20%	First	First
CON III	2009	2.7x	19%	3.1x	29%	Second	Second
CON III	2010	2.1x	17%	3.1x	29%	Second	Second
CON III	2011	3.1x	24%	2.9x	22%	First	First
CON III	2012	2.2x	23%	2.5x	23%	Second	Second
CON IV	2012	2.8x	24%	2.5x	23%	First	First
CON IV	2013	1.8x	16%	2.3x	23%	Second	Third
CON IV	2014	2.0x	26%	2.0x	23%	First	First
CON IV	2015	1.4x	15%	1.7x	23%	Third	Second
CON V - A	2016	1.5x	24%	1.5x	27%	Second	Second
CON V - A	2017	1.2x	14%	1.2x	16%	Second	Second
CON V - A	2018	1.1x	11%	1.1x	12%	Second	Second

Source: Fairview; Burgiss Private iQ Venture Capital (US) Benchmarks

When evaluating the performance of the Constitution program on an annual basis, it is revealed that Constitution II through IV have consistently generated first and second quartile performance on both a TVM and IRR basis over the period ranging 2005 to 2014, with the program's sole third quartile ranking arriving through 2015's performance on a TVM basis. Constitution V – Series A is diversified across three vintage years with all generating second quartile performance on both a TVM and IRR basis. StepStone believes that the Fairview Constitution program has generated solid performance when broken out on an annual basis.

$ millions	Fund II Net TVM	Fund II Net IRR	Fund III Net TVM	Fund III Net IRR	Fund IV Net TVM	Fund IV Net IRR	Fund V-A* Net TVM	Fund V-A* Net IRR	Total Net TVM	Total Net IRR
Number of Funds	26	26	35	35	24	24	21	21	106	106
Capital Committed	$200	$200	$292	$292	$149	$149	$106	$106	$747	$747
Quartile Distribution by Number of Funds										
% Above Median	**65%**	**62%**	**74%**	**69%**	**54%**	**58%**	**71%**	**76%**	**67%**	**66%**
1st	31%	31%	34%	34%	17%	17%	38%	38%	30%	30%
2nd	35%	31%	40%	34%	38%	42%	33%	38%	37%	36%
3rd	19%	23%	20%	29%	42%	38%	14%	10%	24%	25%
4th	15%	15%	6%	3%	4%	4%	14%	14%	9%	8%
Quartile Distribution by Capital Commitment										
% Above Median	**57%**	**55%**	**74%**	**71%**	**49%**	**53%**	**64%**	**69%**	**63%**	**63%**
1st	28%	28%	41%	43%	13%	13%	36%	36%	31%	32%
2nd	30%	27%	33%	28%	35%	39%	28%	33%	32%	31%
3rd	26%	29%	21%	26%	46%	41%	13%	9%	26%	27%
4th	17%	17%	5%	3%	5%	7%	22%	22%	11%	10%
Net to FoF Manager	**8.2%**	**1.64x**	**20.5%**	**2.54x**	**19.4%**	**1.93x**	**n/a**	**n/a**		
Net to Connecticut	**6.6%**	**1.50x**	**17.4%**	**2.34x**	**16.5%**	**1.80x**	**n/a**	**n/a**		

Source: Fairview

**2016 and 2017 vintage years only*

StepStone additionally evaluated relative performance of each manager contained within the Constitution vehicles. As depicted in the table above, approximately two-thirds of each underlying partnership has outperformed the median TVM and IRR of the benchmark since Fund II. This analysis further highlights the underperformance of Fund IV, where only 54% of underlying partnerships have generated a net TVM above the median benchmark value and only 49% of the invested capital is marked above the median for its respective vintage years.

Evaluation of the Track Record

Merits

- **Strong Fund III Performance:** Constitution III, a 2007 vintage vehicle, has performed strongly, generating net returns of 2.4x and 17% on a TVPI/IRR basis.

- **Solid Overall Performance:** Fairview has generated solid relative and absolute performance across funds. Funds II-IV and Fund V – Series A and B each rank in the first or second quartile across all metrics, as of September 30, 2019, when compared to a blended benchmark. On an absolute basis, the primary Constitution program has generated a 1.9x gross TVM since inception, which is decent over multiple cycles. However, no vehicle has managed to generate over a 20% net IRR, which is a common target threshold for the additional risk taken in Venture Capital investments.

Fundraising

Series E is proposed as a new series to be added to the existing Constitution Fund V ("Constitution V"), a Separately Managed Account ("SMA"). Series E is targeting US$75 million of commitments.

Portfolio Fit

Series E meets the investment criteria and guidelines set forth in CRPTF's Investment Policy Statement. Constitution Fund V – Series E would be considered a 2020 commitment to the Venture Capital portfolio within the Private Investment Fund. As of December 31, 2019, Connecticut's investments in Venture Capital represented 17% of aggregate PIF exposure and has generated a net IRR of 19%. Inclusive of PIF investments approved after December 31, 2019, PIF's Venture Capital exposure remains at 17% following a US$75 million Series E commitment to the Fund. CRPTF is an existing investor in Fairview's prior Constitution funds, including Constitution V – Series A, B, C and D.

Constitution V Exposure Analysis	CRPTF Current Exposure	IRR	CRPTF Pro Forma Exposure
Strategy			
Venture Capital	17%	19%	17%

Note: Table reflects active investments only, liquidated funds excluded.

Environmental, Social & Governance

The Firm has implemented a formal ESG policy and recognizes the importance of incorporating ESG considerations into their investment process to better manage risk and generate sustainable, long-term returns. Fairview is not a signatory of the UN PRI and has not become a signatory to The Task Force on Climate-Related Financial Disclosures (TCFD).

It is the policy of Fairview to incorporate ESG considerations into the due diligence phase for all potential investments. Fairview's due diligence and manager selection process gives the Firm comfort that it will consider the ESG risk and opportunities in the Firm's investment making process. During the operational due diligence process, Fairview looks to ensure managers have given thought to ESG issues and whether they have established ESG policies. Information is documented for internal use within the operational due diligence questionnaires for each potential partnership investment. In addition, Fairview will not consider investing with managers who have an investment strategy focused on the following industry sectors: alcohol, drugs, guns/weapons and pornography. In order to ensure continued adherence to the Firm's policy, it is the responsibility of the Fairview investment team to monitor the ESG initiatives made by the fund managers in which it invests. Issues should be evaluated in light of their ability to be remedied or improved and the potential harm to the reputation of the Firm and its investors. If a Fairview professional considers any issues to be significant, they shall report them to Fairview's Investment Committee. The Firm sponsors and serves on the boards of numerous industry organizations related to women and minority-owned businesses.

Diversity at Fairview takes many forms, including ethnic and gender diversity, but also cognitive diversity. Cognitive diversity is rooted in the team's wide range of academic backgrounds, life experiences, and cultural understandings. Fairview's collective professional networks are not limited by homogeneity which provides the Firm a significant advantage. As embodied by its diverse investment profile, Fairview is always searching for strong partnerships to help build a pipeline of diverse candidates to hire.

Fairview currently lacks any formal ESG reporting at this time. Given its stated ESG policy and mandate of avoiding managers who have exposure to alcohol, drugs, guns/weapons, etc., Fairview believes that they properly avoid material

ESG risk through the manager selection process. Fairview has noted that they would potentially consider analyzing the quantitative impact of climate change on its asset returns and is actively monitoring how industry best-practices evolve.

StepStone believes that Fairview's dedicated policy properly addresses ESG risk. While Fairview operates as a fund of funds, and is generally unable to opine on company level ESG risks and concerns, the team implements manager level ESG into their diligence, and considers it in their decision-making process. StepStone notes that the manager excludes certain industries from their investment mandate.

Recommendation

StepStone believes that a commitment to Series E is a compelling opportunity to gain Venture Capital exposure through a manager that has a longstanding relationship with the State of Connecticut.

The Firm's Co-founders have led the team since inception and have since expanded the senior leadership along with implementing succession planning through the promotion of Kola Olofinboba. While there has been turnover at the senior level, the long tenure of the existing team and the GP's one-firm approach should mitigate potential disruptions. StepStone believes that through its operating history, the Firm has successfully identified and gained access to strong managers early in their lives, mitigating Venture Capital's tendency of limited access. Overall relative performance has been solid, with Fund II-IV and Fund V – Series A and Series B each ranking in the first or second quartile relative to a blended benchmark.

Appendix I
Summary of Due Diligence Performed

In our review of the offering, we conducted the following additional due diligence:

- April – May 2020
    - Virtual onsite with members of the Fund's investment team
    - Prepared and completed an investment memorandum

Appendix II
Investment Team Member Biographies

Laurence Morse, Co-Founder/Managing Partner

Dr. Morse is a Co-founder and a Managing Partner at Fairview. Prior to co-founding Fairview, Dr. Morse held positions with TSG Ventures, Equico Capital Corporation and UNC Ventures. Dr. Morse serves on a number of advisory boards of venture capital partnerships including U.S. Venture Partners (USVP), Battery Ventures, Sierra Ventures and Trinity Ventures. He is also a member of the board of directors of Webster Financial Corporation (NYSE: WBS) and the Institute of International Education. He is a member of the board of trustees of Howard University, served three terms as a member of the board of directors of the Princeton University Investment Company, and is a former member of the board of trustees of Princeton University. Dr. Morse graduated summa cum laude and Phi Beta Kappa from Howard University, having spent his junior year at The London School of Economics and Political Science as a Luard Scholar. He earned M.A. and Ph.D. degrees from Princeton University and has been a postdoctoral fellow at Harvard University.

JoAnn Price, Co-Founder/Managing Partner

Ms. Price is a member of Fairview's investment committee and a manager of all Fairview-sponsored funds. Prior to co-founding Fairview, Ms. Price served as president of the National Association of Investment Companies headquartered in Washington, D.C. Ms. Price serves on a number of national advisory committees and private equity advisory boards. She is currently on the Howard University Board of Visitors and the YMCA of Greater Hartford Board of Directors. Ms. Price is on the board of the Apollo Theater Foundation in New York City and is the former Chairperson of the Amistad Center for Art & Culture in Hartford, Connecticut. Ms. Price also serves as Chairperson of the Hartford Foundation for Public Giving and is on the Board of Regents for Higher Education, a position appointed by the Governor and legislative leaders. Ms. Price is a graduate of Howard University.

Kola Olofinboba, Managing Partner

Dr. Olofinboba is a managing partner at Fairview and is involved in a broad set of investment, business development and governance activities at the firm. Additionally, he serves on the advisory boards of several private equity partnerships in Fairview's fund portfolios.Prior to joining Fairview, Dr. Olofinboba was an Engagement Manager at McKinsey & Company, serving U.S. and global clients in healthcare and private equity. He has also practiced medicine as a board-certified internist/hospitalist and assistant professor at the University of Connecticut Health Center in Farmington, CT. Dr. Olofinboba received his medical degree from the University of Ibadan, Nigeria and an MBA in Financial Management from the MIT Sloan School of Management, where he was a Robert Toigo Fellow.He is a director on the boards of the Connecticut Children's Medical Center, the Connecticut Science Center, the National Association of Investment Companies (NAIC), and the Simsbury Bank & Trust Company, Inc.

Alan Mattaman, Partner

Mr. Mattamana is a Partner at Fairview Capital and a member of its Investment Committee. He is involved in investment selection and monitoring activities for Fairview's venture capital and private equity partnership and direct co-investment portfolios. Mr. Mattamana serves on a number of advisory boards of venture capital and private equity partnerships and represents Fairview on the board of R4 Technologies. Prior to joining Fairview in 2009, Mr. Mattamana was a Principal with Polaris Venture Partners, a diversified venture capital firm with over $3.5 billion under management. He joined Polaris in 2002 and focused on venture capital investments in the software, digital media, consumer, medical technology, and healthcare services sectors. He was involved in several successful investments including Q1 Labs, Archivas and Turbine Entertainment, and represented Polaris on the boards of portfolio companies including Advion BioSciences and GI Dynamics. Previously, Mr. Mattamana was a strategy consultant at McKinsey & Co, where he served clients in the software, telecommunications and aerospace sectors in the firm's Silicon Valley office. He also has prior experience at NASA, Goldman Sachs, and Neuberger Berman.Mr. Mattamana graduated from Princeton University with a B.S.E in

Chemical Engineering, and earned an MBA from Harvard Business School. He serves on the Greater Hartford YMCA Board of Directors and The Hartford Foundation for Public Giving Board of Ambassadors, and is a former member of the Board of Directors of the Hartford Stage Theatre.

Cynthia Tseng, Partner

Ms. Tseng is a Partner and member of Fairview's investment team. She is involved in research, due diligence, investment monitoring, and business development for Fairview's venture capital and private equity partnership and direct co-investment portfolios. Prior to joining Fairview, she was an investment banking associate at JPMorgan. Ms. Tseng joined JPMorgan in 2000 and focused on convertible bond and equity origination in the retail, media and chemical industries. There, she structured and executed capital raising transactions for Fortune 500 companies. For a portion of her career at JPMorgan, Ms. Tseng covered aerospace companies in equity research for a top ranked Institutional Investor Analyst. Ms. Tseng also has prior experience at Neutrogena Cosmetics – Johnson & Johnson as a brand management intern. Ms. Tseng received her MBA from The Wharton School at the University of Pennsylvania. She holds a B.A. in Applied Mathematics / Economics from Brown University and graduated Phi Beta Kappa. Ms. Tseng is a CFA charterholder and a member of the Hartford CFA Society. She is a member of the board of directors of The Association of Asian American Investment Managers (AAAIM).

Aakar Vachhani, Partner

Mr. Vachhani is a Partner and has been a member of the Investment Team since joining Fairview in 2008. He is involved in research, due diligence, investment monitoring, and business development for Fairview's venture capital and private equity partnership and direct co-investment portfolios. Prior to joining Fairview, Mr. Vachhani was at Cambridge Associates, a leading investment advisor to foundations, endowments and corporate and government entities. He was responsible for analyzing private equity, venture capital, and real estate funds in support of the firm's clients and consultants. In addition, he led quantitative research projects on private equity and venture capital returns. Mr. Vachhani also spent time with MK Capital, a multi-stage growth equity and venture capital firm. Mr. Vachhani holds a B.S. in Economics-Finance from Bentley University and an MBA in Finance and Entrepreneurship & Innovation from the Kellogg School of Management. He is a member of the Board of Directors of San Francisco Achievers. Mr. Vachhani established and leads Fairview's San Francisco office.

Glossary

Term	Definition
Balanced Stage Venture Capital	A Venture Capital fund focused on both Early Stage and Late Stage companies
Bridge Financing	Temporary funding that will eventually be replaced by permanent capital from equity investors or debt lenders
Buyout	Fund whose strategy is to acquire controlling interests in companies
Carried Interest	The general partner's share of the profits. The carried interest, rather than the management fee, is designed to be the general partner's chief incentive to strong performance.
Co/Direct Investment	Investment made directly into a company, rather than indirectly through a fund
Committed Capital	Total dollar amount of capital pledged to a fund
Contributed Capital	Total capital contributed to a fund for investments, fees and expenses, including late closing interest paid, less returns of excess capital called and bridge financing
Cost Basis	Remaining amount of invested capital
Debt	Security type that signifies a repayment obligation by a company (e.g. senior debt, subordinated debt, bridge loan etc.)
Distressed	A company's final Stage of development. Company is generally experiencing operational or financial distress
Distressed / Turnaround	Fund whose strategy it is to acquire the Equity or Debt of companies experiencing operational or financial distress
Distributed Capital	Capital distributed to the limited partners, including late closing interest earned
Dow Jones US Total Stock Market Total Return Index	The Dow Jones US Total Stock Market Total Return Index measures all U.S. equity securities with readily available prices. It is a free float-adjusted market capitalization weighted index and is calculated with dividend reinvestment
DPI (Distributions to Paid In / The Realization Multiple)	Total gross distributions divided by total gross contributions
Early Stage	A company's first Stage of development. Company is generally generating modest or no revenues
Equity	Security type that signifies ownership of a company (e.g. common stock, preferred stock, warrants, etc.)
Expansion Stage	A company's third Stage of development. Company is generally experiencing high growth and nearing profitability
Exposure	Sum of Remaining Value plus Unfunded Commitment
Fund-of-Funds	Fund whose strategy is to make investments in other funds
Fund Stage	A fund progresses through three stages over its life: investment (investment period), distribution (post-investment period), and liquidation
Geographic Region	Market location of a company: North America, Western Europe, Africa/Middle East, Latin America, Asia/Pacific Rim
Growth Equity	Fund whose strategy is to invest in companies to expand or restructure operations, enter new markets or finance an acquisition without a change of control of the business
Infrastructure	Fund whose strategy is to acquire interests in physical structures and networks that provide the essential services for society's economic and social needs, e.g. roads, tunnels, communication networks, etc.
Internal Rate of Return (IRR)	The discount rate that results in a net present value of zero of a series of cash flows. The IRR considers both cash flow timing and amount and is the preferred performance measure for private market funds
Invested Capital	Capital invested by a fund in portfolio holdings
Investment Type	Classification of an investment vehicle: Primary Fund, Secondary Fund, Fund-of-Funds
J-Curve	Refers to the shape of the curve illustrating a fund’s performance over time. During the initial years of a fund's life, as a result of illiquidity, stagnant valuations, fees and expenses, a fund’s performance tends to be negative (the bottom of the “J”). Eventually, as portfolio companies are realized or increase in value and fees become a smaller percentage of overall contributions, performance improves and investors’ returns move up the “J” shaped curve
Large	Company with a Size greater than $1 billion
Late Stage	A company's second Stage of development. Company is generally generating high revenue growth and high losses

Term	Definition
Loss Ratio	The percentage of capital in deals with a total value below cost, over total invested capital
Lower-Mid	Company with a Size greater than $100 million, but less than $250 million
Lower Quartile	The point at which 75% of all returns in a group are greater and 25% are lower.
Mature	A company's fourth Stage of development. Company is generally generating modest to no growth and operating profitably
Mega Buyout	Fund whose strategy is to acquire or recapitalize Large businesses, Fund size over $6 billion
Mezzanine	Fund whose strategy is to acquire subordinated debentures issued by companies
Middle-Market Buyout	Fund whose strategy is to acquire or recapitalize middle-market businesses, Fund size between $1-$3 billion
MSCI ACWI Index - Total Return	The MSCI ACWI Total Return is a reflection of the performance of the MSCI ACWI Index, including dividend reinvestment, as calculated by Bloomberg. The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 45 country indices comprising 24 developed and 21 emerging market country indices
Multi-Strategy	A Fund that invests across multiple strategies
Natural Resources	Fund whose strategy is to acquire interests in naturally occurring, economically valuable raw materials and all physical facilities and capabilities required for the extraction, refinement, and delivery to end users, e.g. oil and gas properties, timberland, etc.
Net Asset Value (“NAV”)	In the context of this report, represents the fair value of an investment, as defined within each limited partnership agreement, yet in compliance with the governmental regulation, generally prepared on a GAAP basis
Net IRR	Annualized effective compound rate of return using daily contributions, distributions and Remaining Value as of the Report Date, net of all fees and expenses, including late closing interest
Percent Interest	Represents an investor’s economic interest in a fund based upon the investor’s commitment divided by total fund commitments
Primary Investment	An interest in a private equity fund acquired directly from the fund manager during the fundraising period
Public Market Equivalent (PME)	A private equity benchmark that represents the performance of a public market index expressed in terms of an IRR, using the same cash flows and timing as the investor’s investment activity in private equity. The PME serves as a proxy for the return the investor could have achieved by investing in the public market. The PME benchmark return assumes cash flows are invested at the end of each day
Publication Date	Refers to the date this report was created as reflected in the Executive Summary
Quartile	Segment of a sample representing a sequential quarter (25%) of the group.
Real Assets	Fund whose strategy is to invest in assets that are tangible or physical in nature such as land, machinery, and livestock
Real Estate	Fund whose strategy is to acquire interests in real estate property
Realized Capital	Capital distributed to a fund from portfolio holdings
Recallable / Recyclable Capital	Capital that has been previously distributed by a fund to investors but may be called again for investment purposes. It is generally associated with realizations that have occurred in the early years of a fund or refers to uninvested capital that has been temporarily returned (i.e. returns of excess capital)
Recapitalization	The reorganization of a company’s capital structure
Remaining Value	Capital account balance as reported by the General Partner, generally on a fair value basis
Report Date	Refers to the end date of the reporting period as reflected on the cover page
Return on Investment (ROI)	Ratio of Realized Capital plus Unrealized Value to Invested Capital

Term	Definition
Russell 1000® Total Return Index	The Russell 1000® Total Return Index measures the performance, including dividend reinvestment, of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000® Index and includes approximately 1000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 92% of the U.S. market.
Russell 3000® Total Return Index	The Russell 3000® Total Return Index measures the performance, including dividend reinvestment, of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market.
RVPI (Residual Value to Paid In)	The current value of all remaining investments within a fund divided by total gross contributions
S&P 500 Price Index	The S&P 500 Price Index is a capitalization-weighted index of 500 stocks. The index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.
S&P 500 Total Return Index	The S&P 500 Total Return Index is a reflection of the performance of the S&P 500 Index, including dividend reinvestment. All regular cash dividends are assumed to be reinvested in the S&P 500 Index on the ex-date. Special cash dividends trigger a price adjustment in the price return index.
Secondary Investment	Investments that involve the purchase of private equity fund interests or portfolios of direct investments in privately held companies from existing institutional Investors
Sector	Industry in which the company operates: technology, telecommunications, healthcare, financial services, diversified, industrial, consumer, energy, etc.
Size	Capitalization size of a company: Large, Upper-Mid, Lower-Mid, Small
Small	Company with a Size of less than $100 million
Small Business Investment Company (SBIC)	Lending and investment firms that are licensed and regulated by the Small Business Administration (SBA). The licensing enables them to borrow from the federal government to supplement the private funds of their Investors
Small Buyout	Fund whose strategy is to acquire or recapitalize Small businesses
Stage	The course of development through which a company passes from its inception to its termination: Early, Late, Expansion, Mature, Distressed
Sub-Asset Class	Private equity investments are generally classified as Buyout, Venture Capital, Mezzanine, Distressed/Turnaround, and Fund-of-Funds
Subordinated Debt	Debt with inferior liquidation privileges to senior debt in case of a bankruptcy and consequently, will carry higher interest rates than senior debt to compensate for the subordination.
Term Sheet	A summary of key terms between two or more parties. A non-binding outline of the principal points which definitive agreements will supercede and cover in detail.
TVM (Total Value Multiple) / TVPI (Total Value to Paid In)	Net asset value plus gross distributions divided by total gross contributions
Unfunded Commitment	Amount of capital that remains to be contributed to a fund as defined in a fund's limited partnership agreement
Unrealized Value	Holding value of a portfolio company assigned by the General Partner, which generally represents fair value
Upper-Mid	Company with a Size greater than $250 million but less than $1 billion
Upper Quartile	The point at which 25% of all returns in a group are greater and 75% are lower.
Venture Capital	Fund whose strategy is to make investments in Early Stage and/or Late Stage companies
Vintage Year	The calendar year in which an investor first contributes capital to a fund
Vintage Year	The calendar year in which an investor first contributes capital to a fund
Write-Down	A reduction in the value of an investment.
Write-Off	The write-down of a portfolio company's holdings to a valuation of zero and the venture capital investors receive no proceeds from their investment.
Write-Up	An increase in the value of an investment.

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FAIRVIEW CAPITAL

INNOVATIVE. INTELLIGENT. INVESTMENTS.

STATE OF CONNECTICUT TREASURER'S OFFICE

July 2020| Fairview Constitution Program

Agenda

- Fairview Capital Overview
- The Constitution Program
- Constitution Fund V - Series E
- Appendix

Fairview Provides Innovative Investment Solutions to Institutional Investors

Trusted Investment Advisor

- Independent, SEC registered, private equity investment management firm with aggregate fund capitalization of **$9.7 billion*** since inception
- Manage **29** customized separate accounts and funds of funds on a discretionary basis

Disciplined and Proven Investment Approach

- Extensive experience developing customized private equity solutions to help institutional investors successfully navigate complex market segments
- Proprietary time-tested programmatic approach to investing in the asset class

Experienced, Cohesive and Proven Team

- Seasoned multi-generational cohesive team well positioned for the future
- Fully embedded in the private equity community – serving on **53** advisory boards
- Fully committed to providing institutional investors with superior risk-adjusted returns and the highest quality client service in the asset class

*Data as of March 31, 2020 which does not include consulting contract

Fairview Has An Experienced, Diverse And Multi-Generational Team

The Fairview Capital Investment and Business Development Team

Laurence Morse
Co-Founder / Managing Partner
Venture/PE Experience: **36 Years**
Prior: **TSG Ventures, Equico Capital Corporation, UNC Ventures**

JoAnn Price
Co-Founder / Managing Partner
Venture/PE Experience: **39 Years**
Prior: **National Association of Investment Companies**

Kola Olofinboba
Managing Partner
Venture/PE Experience: **14 Years**
Prior: **McKinsey & Co., Physician - UConn Health Center**

Alan Mattamana
Partner
Venture/PE Experience: **18 Years**
Prior: **Polaris Venture Partners, McKinsey & Co.**

The Fairview Team
- 12 investment professionals
- 14 finance, accounting and administrative professionals

Cynthia Tseng
Partner
Venture/PE Experience: **11 Years**
Prior: **JP Morgan Securities, Neutrogena Cosmetics**

Aakar Vachhani
Partner
Venture/PE Experience: **13 Years**
Prior: **Cambridge Associates, MK Capital**

Kwesi Quaye
Senior Associate
Venture/PE Experience: **8 Years**
Prior: **Cook County Pension Fund, PWC, E&Y**

Tré Dawson
Analyst
Venture/PE Experience: **<1 Year**
Prior: **Chicago Fundamental Investment Partners, USDA**

Nicole Carey
Analyst
Venture/PE Experience: **1 Year**
Prior: **The Travelers Companies**

Michele Chow-Tai
Director and Head of Business Development
Venture/PE Experience: **10 Years**
Prior: **TIAA-CREF, HSBC**

Lesley Nettles
Principal
Venture/PE Experience: **13 Years**
Prior: **Bank of America, Chase Asset Management**

Damaris Rivera
Senior Research Analyst and Business Development Coordinator
Venture/PE Experience: **15 Years**
Prior: **Hartford Medical Group, CT Multispecialty Group**

Ed Shirley
Senior Advisor
Venture/PE Experience: **35 Years**
Prior: **Advisory, Equitable Capital Management Corporation**

Fairview Features An Experienced In-House Finance, Accounting And Compliance Team

The Fairview Capital Finance, Accounting and Compliance Team

Crystal Floyd
Chief Compliance Officer/ Corporate Controller
Venture/PE Experience: **15 Years**
Prior: **Pratt & Whitney**

Peter Ruchwa
Controller - Fund Operations
Venture/PE Experience: **13 Years**
Prior: **The Hartford, United Healthcare**

Ewa Koza
Corporate Accountant
Venture/PE Experience: **3 Years**
Prior: **Crowe Horwath LLP, Saslow Lufkin & Buggy LLP**

John Barry
Senior Accountant
Venture/PE Experience: **30 Years**
Prior: **Bigler Investment Management Company**

LaTesha Clark
Senior Accountant
Venture/PE Experience: **2 Years**
Prior: **Barings, LLC**

Kelly Zerfass
Assistant Controller - Fund Operations
Venture/PE Experience: **12 Years**
Prior: **Deloitte & Touche**

Michael Friedman
Accounting Manager
Venture/PE Experience: **11 Years**
Prior: **Rainbow USA, Goldburd & Loketch, LLP**

Maredith Wilson
Accountant
Venture/PE Experience: **2 Years**

Taury Del Valle
Accountant
Prior: **GitlinCampisePrendergast, LLC**
Venture/PE Experience: **1 Year**

Finance and Accounting Team and Infrastructure:

- Dedicated accounting professionals with CPAs and advanced degrees
- Comprehensive monitoring system
- Controlled financial reporting and valuation process
- Effective cash management system and forecasting
- Customized database maintained internally to analyze portfolio data
- In-house compliance program built internally
- Performance reporting

Diana Erha
HR Manager/Portfolio Accounting
Venture/PE Experience: **31 Years**
Prior: **Bigler Investment Management Company**

Arlene Radke
Executive Assistant/Portfolio Accounting
Venture/PE Experience: **13 Years**
Prior: **Select Energy, Bank of America**

Kelli Schaller
Executive Assistant/ Portfolio Accounting
Venture/PE Experience: **16 Years**
Prior: **First New England Capital, LP**

Christine Terwilliger
Administrative Assistant
Venture/PE Experience: 3 **Years**
Prior: **Marriott Hotels**

Nancy Burke
Receptionist/Administrative Assistant
Venture/PE Experience: **< 1 Year**
Prior: **OneBeacon Insurance Company**

Agenda

- Fairview Capital Overview
- The Constitution Program
- Constitution Fund V - Series E
- Appendix

FAIRVIEW CAPITAL

The Constitution Program Has Consistently Outperformed

The Constitution Program is one of the strongest venture capital programs in the country in terms of longevity and performance

Performance Summary:
(as of December 31, 2019)

Fund	Inception	Commitment ($mm)	Net IRR
Constitution Fund V, L.L.C. - Series D	December 2019	$25	NM
Constitution Fund V, L.L.C. - Series C	December 2018	$75	NM
Constitution Fund V, L.L.C. - Series B	December 2016	$20	8.9%
Constitution Fund V, L.L.C. - Series A	October 2015[1]	$130	19.6%
Fairview Constitution IV, L.P.	December 2011	$150	17.9%
Fairview Constitution III, L.P.	June 2007	$300	17.3%
Fairview Constitution II, L.P.	May 2005	$200	6.4%

- The Constitution Program has demonstrated a long history of consistent outperformance through multiple market cycles
- The liquidity profile has been strong, with the Constitution Program distributing **$579 million** back to CRPTF over the last 5 years[2]

[1] Fund closed in December-2016, investing began in October-2015 pursuant to an amendment to Fairview Constitution IV, L.P.
[2] Excludes $38 million in distributions from Constitution Liquidating Fund, L.P., which is not a Fairview invested fund
NM – performance is too young to be meaningful

The Constitution Program Has Outperformed Industry Benchmarks

The underlying partnerships in the Constitution program have, in aggregate, significantly outperformed the benchmarks for their respective vintage years

Performance Summary of Underlying Partnerships in Constitution Funds By Vintage Year
(as of December 31, 2019)

Constitution Program Fund	Underlying Partnership Vintage Year	Capital Commitments to Partnerships ($M)	Vintage Year Aggregate Net IRR*	Vintage Year Aggregate Net TVM*	Benchmark Quartile **
Fairview Constitution II	2005	14.5	11.6%	1.79x	1st
Fairview Constitution II	2006	152.0	5.9%	1.44x	3rd
Fairview Constitution II	2007	33.5	16.4%	2.52x	2nd
Fairview Constitution III	2007	25.0	14.3%	2.14x	2nd
Fairview Constitution III	2008	80.8	24.4%	2.56x	1st
Fairview Constitution III	2009	62.0	18.3%	2.67x	2nd
Fairview Constitution III	2010	60.7	17.0%	2.10x	2nd
Fairview Constitution III	2011	54.0	24.4%	3.24x	1st
Fairview Constitution III	2012	10.0	22.7%	2.24x	1st
Fairview Constitution IV	2012	17.0	23.9%	2.95x	1st
Fairview Constitution IV	2013	76.5	17.3%	1.94x	2nd
Fairview Constitution IV	2014	40.5	27.6%	2.17x	1st
Fairview Constitution IV	2015	15.0	19.5%	1.55x	2nd
Constitution Fund V - A	2016	61.8	23.6%	1.54x	2nd
Constitution Fund V - A	2017	43.7	18.1%	1.25x	2nd
Constitution Fund V - A	2018	24.5	21.4%	1.19x	1st
Constitution Fund V - C	2019	17.1	NM	NM	N/A

- The Constitution program's underlying partnerships generated above median performance in 13 of 14 vintage years
- 6 of the 14 vintage years demonstrated 1st quartile performance
- No vintage year exhibited 4th quartile performance

* Vintage Year Aggregate Net IRR and Net TVM is net of all fees and expenses at the partnership level, but gross of fund of funds fees and expenses
** As compared to Cambridge Associates Venture Capital Benchmark as of December 31, 2019

FAIRVIEW CAPITAL

The Constitution Program Has Invested In The Industry's Most Successful Firms and VC-backed Companies

Sample Partnership Investments

Ampersand
Longitude Capital
BV Battery Ventures
Mayfield
emergence capital
Menlo
Greycroft
SCALE Venture Partners
IVP
SPARK CAPITAL
KLEINER PERKINS
THIRD ROCK VENTURES
Lightspeed
USVP

New Fairview relationships introduced to the Constitution Program

Successful Portfolio Company Exits

TESLA
Pinterest
Snap, Inc.
box
twitter
facebook
UBER
jet
cruise
shopify
STITCH FIX
twilio
MuleSoft
GoPro
dropcam
DocuSign

Remaining Portfolio Company Value Drivers

airbnb
DOORDASH
coinbase
Fanatics
instacart
DiDi
stripe

Fairview Constitution II Performed Well Through The Financial Crisis

Fund Overview (as of 12/31/2019)

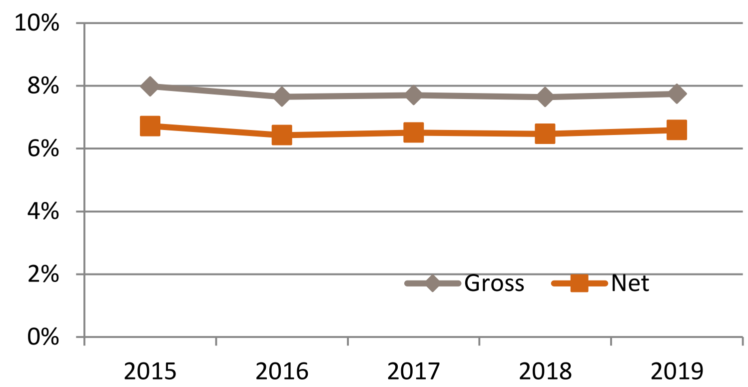
Fairview Constitution II	($ in MM)
Inception	May 2005
Fund Size	$201.0
Capital Commitments	$200.0
Capital Drawn	$197.9
Investment Period	2005-2007
Cumulative Distributions	$284.6
Remaining Fund Value	$34.2
TVPI	1.6x
DPI	1.4x
Net IRR	**6.4%**
# of Investments	26 / 24 active

Fund Results

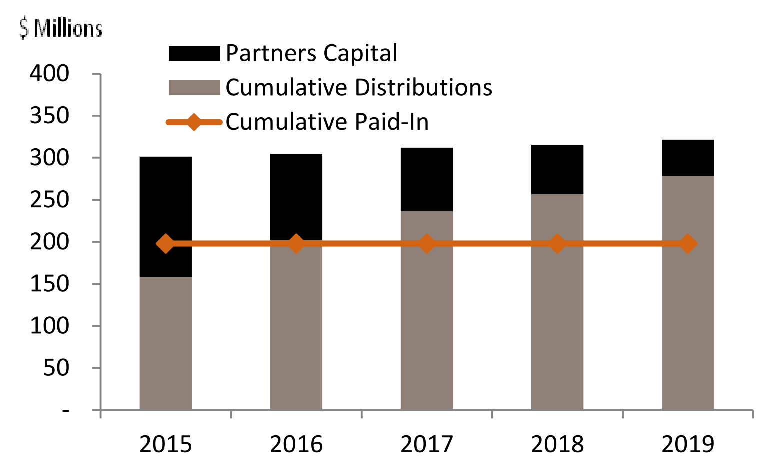
- Average age of underlying investments is 8.9 years[1]
- Portfolio of underlying companies is held at 148% of cost
- Distribution multiple of 3.2x

[1] Age of underlying portfolio company investments

IRR Progression



Cumulative Investor Cash Flows by Year



Fairview Constitution III Has Been An Outstanding Performer

Fund Overview (as of 12/31/2019)

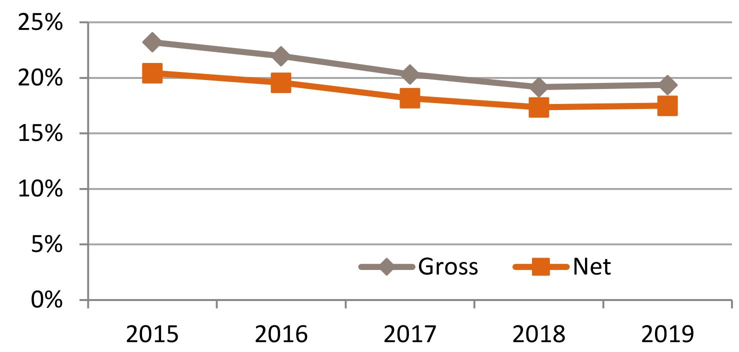
Fairview Constitution III	($ in MM)
Inception	June 2007
Fund Size	$301.5
Capital Commitments	$292.9
Capital Drawn	$282.1
Commitment Period	2007-2012
Cumulative Distributions	$489.5
Remaining Fund Value	$234.2
TVPI	2.6x
DPI	1.7x
Net IRR	**17.3%**
# of Investments	35

Fund Results

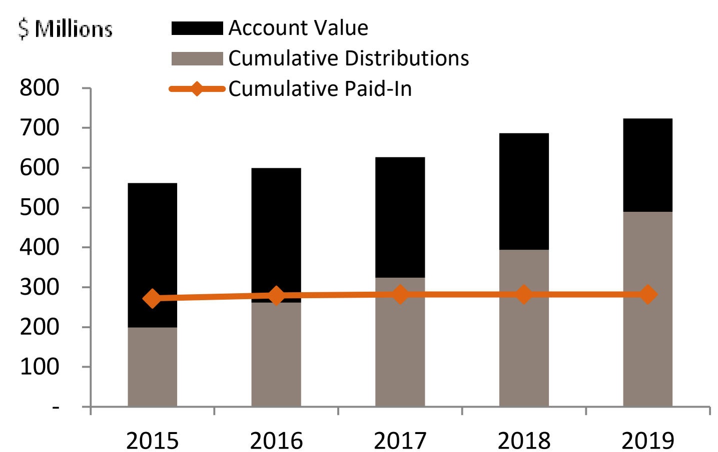
- Average age of underlying investments is 7.2 years[1]
- Portfolio of underlying companies is held at 283% of cost
- Distribution multiple of 3.9x
- 12 Partnerships returned greater than 2x

[1] Age of underlying portfolio company investments

IRR Progression



Cumulative Investor Cash Flows by Year



Fairview Constitution IV Has Begun To Generate Strong Liquidity

Fund Overview (as of 12/31/2019)

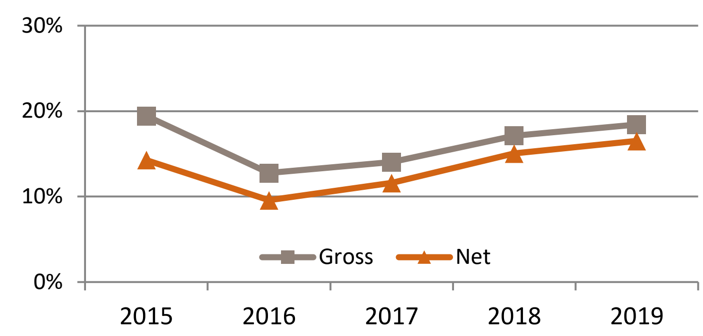
Fairview Constitution IV	($ in MM)
Inception	December 2011
Fund Size	$150.8
Capital Commitments	$149.0
Capital Drawn	$143.4
Investment Period	2011-2015
Cumulative Distributions	$80.8
Remaining Fund Value	$203.3
TVPI	1.98x
DPI	0.56x
Net IRR	17.9%
# of Investments	24

Fund Results

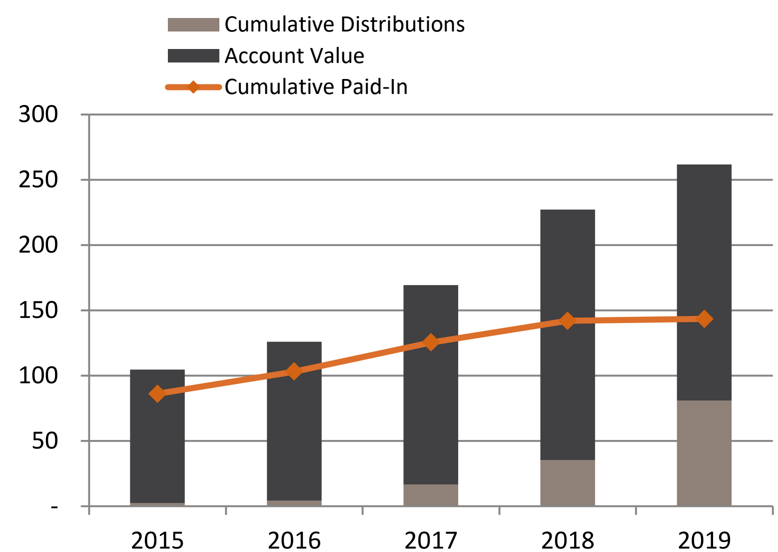
- Average age of underlying investments is 4.2 years[1]
- Portfolio of underlying companies is held at 236% of cost
- Distribution multiple of 4.3x
- Fund broke through J-curve within two years of inception

[1] Age of underlying portfolio company investments

IRR Progression



Cumulative Investor Cash Flows by Year



Constitution Fund V - Series A
Rapidly Emerged From The J-curve

Fund Overview (as of 12/31/2019)

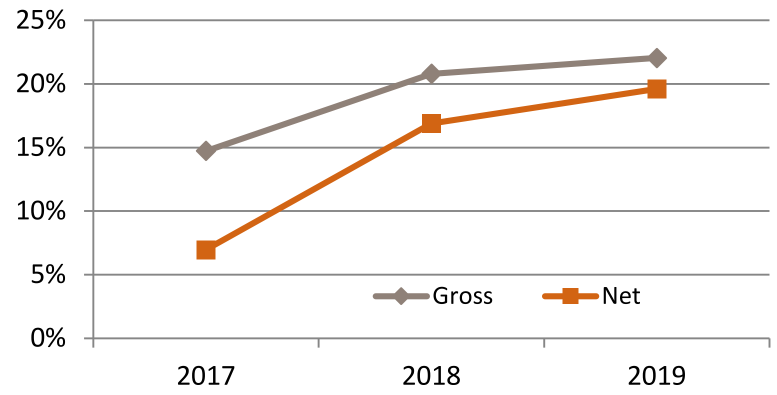
Constitution Fund V - Series A	($ in MM)
Inception	October 2015
Fund Size	$130.1
Capital Commitments	$130.0
Capital Drawn	$95.0
Commitment Period	2015-2018
Cumulative Distributions	$1.3
Remaining Fund Value	$127.8
TVPI	1.36x
DPI	0.01x
Net IRR	19.6%
# of Investments	28

Fund Results

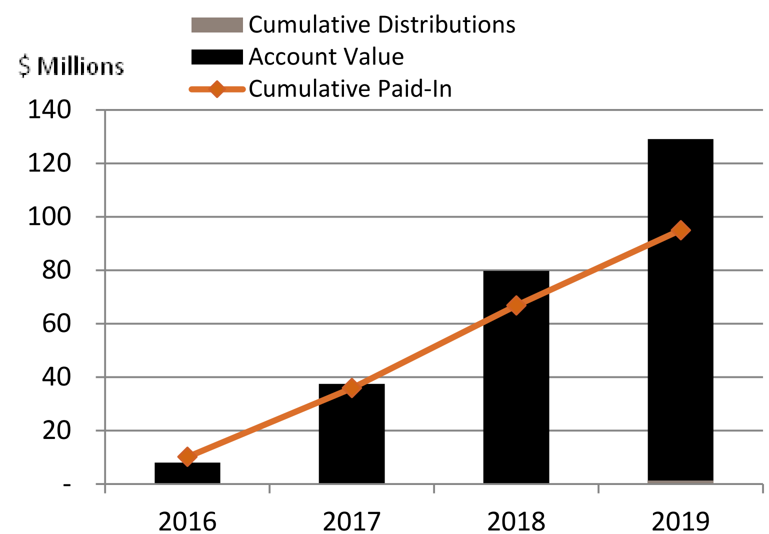
- Average age of underlying investments is 1.5 years[1]
- Over 690 underlying portfolio company investments
- 22% return for 2016 partnerships in aggregate
- 18% return for 2017 partnerships in aggregate
- 16% return for 2018 partnerships in aggregate
- 23 partnerships have double digit returns (8 in excess of 30%)

[1]Age of underlying portfolio company investments

IRR Progression



Cumulative Investor Cash Flows by Year



Constitution Fund V - Series B Has Invested in Attractive CT-based Companies and Generated Early Liquidity

Fund Overview (as of 12/31/2019)

Constitution Fund V - Series B	($ in MM)
Inception	December 2016
Fund Size	$20.1
Capital Drawn	$14.9
Cumulative Distributions	$-
Remaining Fund Value	$17.0
TVPI	1.1x
DPI	0.0x
Net IRR	8.9%
# of Investments	4

Key Highlights

- Launched on December 12, 2016 with $20 million in limited partner commitments to invest in Connecticut-headquartered venture-backed companies
- Four investments made, all of which are at or above cost
- First liquidity event occurred in December 2019, resulting in cash distributions of $3.5 million and stock distributions of $1.3 million to the Fund. In January 2020, the cash was distributed to investors.
- Constitution Fund V – Series B is 100% committed and reserved

Direct Co-Investments

r4

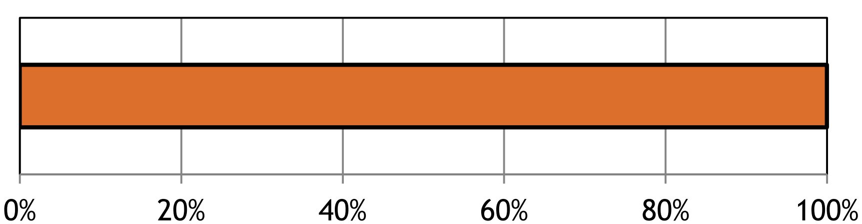
DEVICE42

365

evariant

MOVING HEALTHCARE AHEAD

Fund Commitment Progress (% of $20M)



Constitution Fund V - Series C Was Fully Committed In Q1 2020

Fund Overview (as of 12/31/2019)

Constitution Fund V - Series C	($ in MM)
Inception	December 2018
Fund Size	$75.4
Capital Commitments	$43.1
Capital Drawn	$6.5
Commitment Period	2018-2020
Cumulative Distributions	$-
Remaining Fund Value	$6.1
TVPI	NM
DPI	NM
Net IRR	NM
# of Investments	7

Fund Results

- Average age of underlying investments is 0.5 years[1]
- 57 underlying portfolio company investments
- Portfolio companies held at 114% of cost.
- The Fund has called 8.7% of investor capital commitments.
- Two partnerships have called capital to date.

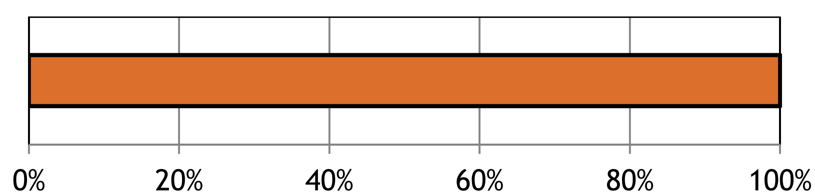
Partnership Investments to Date

Longitude Capital
Spark Capital
Eniac Ventures
Kleiner Perkins
Sierra Ventures
Third Rock Ventures

Additional Commitments since 12/31/19

Ampersand
Battery
CrossCut Ventures
Greycroft
Mayfield
Zetta Venture Partners

Fund Commitment Progress (% of $75.4M)



As of June 24, 2020

[1]Age of underlying portfolio company investments

Constitution Fund V - Series D Has Begun Investing

Fund Overview (as of 12/31/2019)

Constitution Fund V - Series D	($ in MM)
Inception	December 2019
Fund Size	$25.1
Capital Drawn	$1.5
Cumulative Distributions	$-
Remaining Fund Value	$1.5
TVPI	NM
DPI	NM
Net IRR	NM
# of Investments	1

Key Highlights

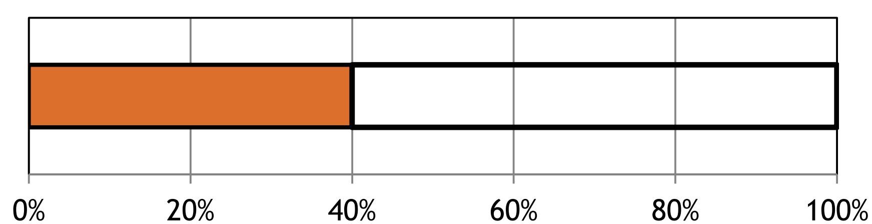
- Activated in December 2019
- The Fund made its first investment in December 2019 into **Covr Financial Technologies**, a Hartford-based insuretech company addressing the digital life insurance market
- A second investment was made into **RallyBio**, a New Haven headquartered biotech company focused on rare diseases in May 2020
- Pipeline of opportunities available to the in-state co-investment program continues to be robust

Direct Co-Investments

covr

Rallybio

Fund Commitment Progress (% of $25M)[1]



[1] As of June 24, 2020 and includes reserves allocated to existing investments
NM - performance is too young to be meaningful

Agenda

- Fairview Capital Overview
- The Constitution Program
- Constitution Fund V - Series E
- Appendix

The Fairview Constitution Program Features A Healthy Pipeline

Fairview maintains a dynamic pipeline that is refreshed continuously to ensure that managers with distinctive returns are identified early and included appropriately

Approximate Timeline of Select Fairview Relationships

2H 2020	2021	2022
Greycroft	Bessemer Venture Partners	Eniac ventures
innovation endeavors	Emergence	Longitude Capital
Menlo	Goodwater Capital	Sierra Ventures
SCALE Venture Partners	innovation endeavors	Spark Capital
	Lightspeed	Third Rock Ventures
	Partnership M*	USVP

* Due to confidentiality agreements Fairview cannot use this partnership's name on written marketing materials

Proposed Constitution Fund V - Series E Will Target High-Quality Venture Capital Partnership Investments

Expected Constitution Fund V – Series E Diversification Profile

Approach

01

- Focus: Continuation and expansion of existing relationships with best in class firms
- Opportunistic: New relationships and seed stage funds

Industry

02

- Core: Information technology and healthcare
- Other Industries: Media & telecommunication, energy technology, education, and consumer goods and services

Strategy/Stage

03

- Venture capital (early to late stage) and growth equity
- Specialized and diversified funds

Vintage Year/Pacing

04

- Deploy capital over approximately 18 to 24 months
- Invest in partnerships sponsored by 8 to 10 firms
- No more than 20% of aggregate commitments to any single portfolio partnership

Summary: Fairview Constitution Program

Fairview is proud of the Constitution Program and excited about the forward opportunity set

Long-lasting trusted relationship	Fairview Capital's relationship with CRPTF began in 2004, and spans seven funds under the Constitution Program
Strong and proven track record	The Constitution Program is one of the strongest performing venture capital investment programs in the country, driven by its access to best-in-class, hard to access venture capital partnerships
Strong realizations	Recent performance and liquidity has been particularly strong and in each of the last three years, the Constitution Program's distributions have significantly outweighed contributions
Appropriate Timing	Constitution Fund V-Series C's $75 million allocation is fully committed as of Q1 2020
Robust Pipeline	Forward pipeline of opportunities contains a robust and expanding set of high-quality managers

Agenda

- Fairview Capital Overview
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Constitution Liquidating Fund Is An Industry Leading Performer

Fairview managed two portfolios totaling commitments of $640 million from 1987 through 2001
- Legacy Portfolio includes $295 million committed to 78 partnerships between 1987 to 1998
- Reinvestment Portfolio includes $345 million committed to 20 partnerships from 1999 to 2001

Fund Overview (as of 12/31/2019)

Constitution Liquidating Fund	($ in MM)
Inception	1987/May 2004
Fund Size	$640.0
Capital Commitments	$640.0
Capital Drawn	$637.4
Investment Period	1987-2001
Cumulative Distributions	$1,358.6
Total Fund Value	$4.6
TVPI	2.6x
DPI	2.6x
Net Fund IRR	**20.0%**
# of Investments	98 / 6 active

Fund Results

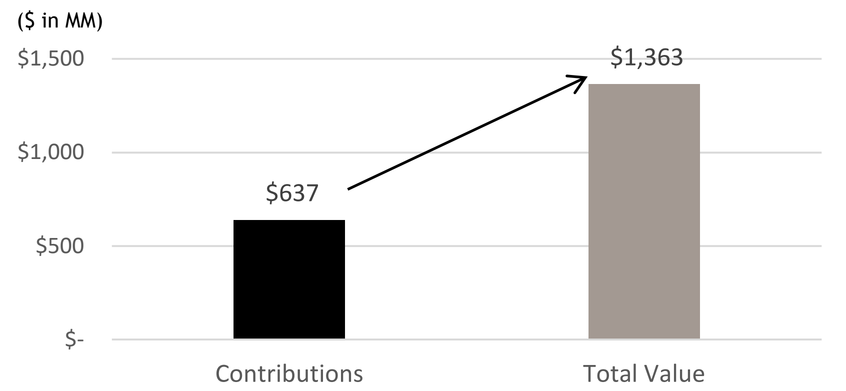
Distribution Activity

- $22.9MM in 2013
- $17.9MM in 2014
- $13.5MM in 2015
- $4.6MM in 2016
- $6.0MM in 2017
- $3.1MM in 2018
- $11MM in 2019

As of December 31, 2019

- Initiated a secondary transaction of the Fund as of Sept-2019
- Fund NAV reflects final pricing of assets
- Final wind-down of fund will occur as allowed by underlying GP LPA provisions

Contributions and Total Value



Venture Capital is an Attractive Asset Class In The Current Environment

Persistent Outperformance Across Market Cycles
Best in class venture capital firms have the ability to provide consistent outperformance relative to other venture capital firms as well as other asset classes over the long-term

Sustained Innovation Can Capitalize On Current Disruption
Sustained innovation will come from widespread applications of the current wave of technological disruption

Companies are Staying Private Longer
The best emerging companies are now staying private longer, shifting returns from the public markets to the private markets

Growth in Company Formation Provides High-Quality Deal Flow
Cost to launch companies is cheaper than ever and the rate of new company formation is increasing resulting in plentiful high-quality deal flow

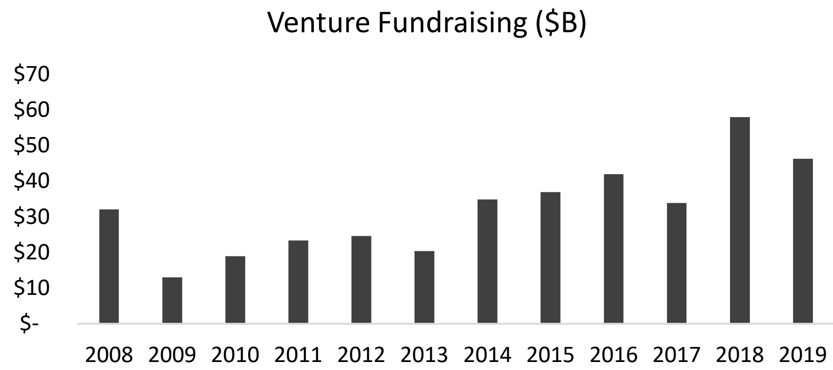
Vital to Company Growth and Disruption
Venture capital remains critical to companies seeking to scale quickly at later stages as they fortify or establish themselves as category leaders in new and large markets

The Venture Capital Market Has Evolved
Many tenured firms have remained disciplined in their fund sizes and the most successful remain difficult to access for new investors – at the same time, new firms are employing novel approaches, many of which have the potential to outperform significantly

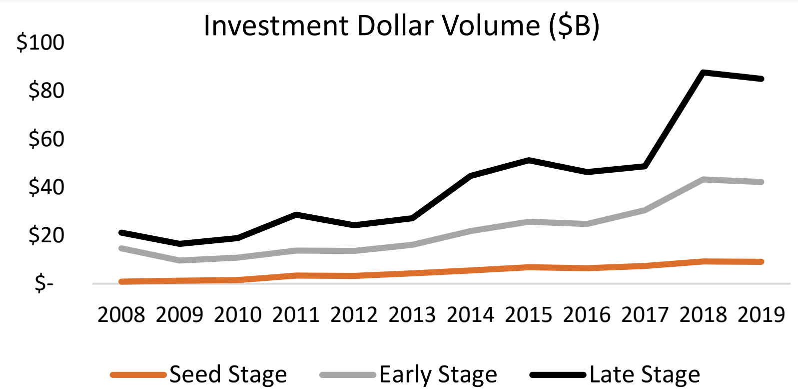
Fairview Has Proactively Responded To Changes In The Venture Capital Ecosystem

	Industry Trends	Fairview Response
Decreasing Valuations	• Repricing of private market assets • Most pronounced at the later stage	• Continued focus on early stage • Back managers that successfully deployed capital across market cycles • Selectively pursue co-investments
Concentration of LP capital	• Successful managers raising larger pools of capital from LPs • Remote relationship building presenting challenges	• Opportunity to deepen allocations to historically hard to access managers • Equal-weighted approach to portfolio construction
Rise Of Opportunity Funds	• Venture capital managers raising large, opportunity funds • Investing in follow-on rounds of successful companies	• Seek to limit exposure to opportunity funds • Avoid teams that lack relevant late stage expertise
Rise Of Seed Funds	• Increase in investment activity at the earliest, seed stage • Dedicated seed stage funds institutionalizing	• Very selectively access the most institutional-quality seed funds • Limit exposure but diversify across multiple managers
Generational Shifts	• Several venerable franchises undergoing generational shifts • Increased team-ups and spin-outs of premier talent	• Build exposure to best-in-class franchises that are likely to thrive (e.g. Mayfield, Sierra, USVP) • Graduate top “next generation manager” brands into best-in-class venture portfolios (e.g. Emergence, Greycroft, Spark, Third Rock)

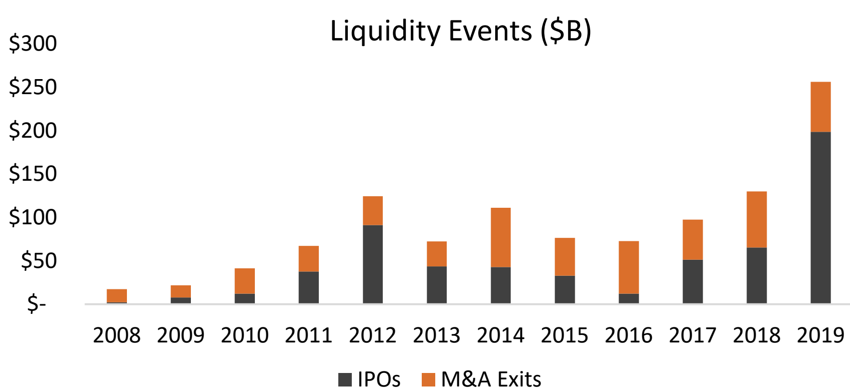
The Venture Capital Market Continues To Evolve



- Venture fundraising in 2019 exceeded $30 billion for the sixth consecutive year
- Broader VC fund sizes are continuing to scale, with 2019 mega-funds ($500+ million) representing 48% of total venture capital raised
- Limited Partners have crowded capital into VCs with successful track records
- First-time funds raised 9% of total venture capital raised, the second highest since 2008



- Deal value surpassed $100 billion for the second consecutive year
- Investment dollar volume continues to be dominated by late-stage deals, with early stage deals increasing modestly and seed stage deals holding steady
- Nontraditional investors have participated in more than 85% of mega-deals ($100+ million) across all stages in 2019
- Corporates accounted for 50% of capital investment and remain an important funding source for larger rounds and late-stage capital



- 2019 stands as the annual record for US VC exit value at $256 billion
- For the third consecutive year, IPOs represented the most exits (as measured by exit dollars)
- Software deals represented approximately half of all 2019 exits
- Mergers and acquisitions continue to be a core source of liquidity

Source: NVCA, Pitchbook, Fairview Analysis

Fairview's Mission and Values Serve as Guiding Principles For The Firm's Approach to Sustainability and ESG

Organization

- Environmental impact is intentionally reduced through water and energy conservation, recycling and eco-friendly buildings
- Fairview is a leader in organizational diversity and culture
- Community service is a core value at Fairview
- Fairview's governance platform is built to best-in-class standards

Investments

- ESG considerations are incorporated into the due diligence process for investments
- During operational due diligence, Fairview examines ESG issues and policies
- Fairview will not partner with managers investing in: alcohol, drugs, guns /weapons, pornography and fossil fuels

Fairview maintains formal policies related to Sustainability and ESG including a formal ESG Policy, Compliance Manual, Code of Ethics and Employee Handbook

High-Quality Pipeline of Opportunities for Fairview Constitution Program

Sample Fund Opportunities for Constitution Fund - Series E

5AM Ventures

Description:

5AM Ventures invests in advanced life science technologies across the healthcare industry's biopharmaceutical, medical technology and research instrument sectors. Within each sector, 5AM evaluates innovative platform technologies, corporate spin-offs and products with shorter development cycles and invests across multiple therapeutic areas.

Investment Examples: Novira Therapeutics, Envoy Therapeutics, DVS Sciences, Relypsa

Battery

Description:

Battery Ventures applies a research-centric methodology to identify investment opportunities within diverse market sectors that include internet commerce, communications, and industrial technologies. The firm is an active investor across North America, India, China, Israel and Western Europe, and invests across the venture capital continuum.

Investment Examples: WAG!, Wayfair, Nutanix, ExactTarget

Bessemer Venture Partners

Description:

Bessemer Venture Partners is perhaps the oldest venture capital firm in the United States, founded by the wealth of Henry Phipps Jr., a co-founder of Carnegie Steel. The firm today focuses primarily on early-stage venture financing of companies in the U.S. and Israel in areas such as information technology and healthcare.

Investment Examples: Pinterest, LinkedIn, Twilio, Shopify

Emergence

Description:

Emergence Capital Partners invests exclusively in early and growth stage technology-enabled services. Emergence has been at the forefront of this trend with early investments in SaaS, digital media, and enterprise mobile services companies and brings deep experience and network resources to its portfolio companies.

Investment Examples: Veeva, Box, Zoom, Yammer

High-Quality Pipeline of Opportunities for Fairview Constitution Program

Sample Fund Opportunities for Constitution Fund - Series E

Description:

Greycroft is a venture capital firm focused on investments in the internet and mobile markets. Greycroft leverages a network of media and technology industry connections to help entrepreneurs gain visibility, build strategic relationships, successfully bring their products to market, and build successful businesses.

Investment Examples:

Description:

Kleiner Perkins is a long-standing venture capital firm that primarily invests in enterprise software, consumer, hardware technology, and life sciences companies. Kleiner Perkins' guiding philosophy is a singular focus on supporting its founders in every step of their entrepreneurial journey.

Investment Examples:

Description:

Lightspeed Venture Partners is a global venture capital firm focused on a broad range of opportunities that represent emerging market leaders. Portfolio companies in specific areas of information technology leverage the firm's operating experience and deep network of global relationships to rapidly grow their businesses.

Investment Examples:

Description:

Mayfield represents a blue-chip venture firm that has successfully transitioned leadership to its next generation. Mayfield invests in early-stage information service companies making use of cloud infrastructure, "big data" analytics, software-as-a-service models, and mobile applications employing similar themes.

Investment Examples:

High-Quality Pipeline of Opportunities for Fairview Constitution Program

Sample Fund Opportunities for Constitution Fund - Series E

Menlo

Description:

Menlo invests in seed to growth stage companies in the consumer and enterprise markets. The firm has a particular focus on mobile, social, cloud, big data and advertising companies with a superior technological advantage.

Investment Examples:

Uber, Dropcam, Telenav, Betterment

Spark Capital

Description:

Spark is focused on investments at the convergence of the media, entertainment and technology industries including content, services, applications and web-based systems. The firm is venture stage-agnostic, preferring to back companies with significant growth prospects.

Investment Examples:

Twitter, Cruise, Oculus, Tumblr

Third Rock Ventures

Description:

Third Rock is a leading life sciences focused firm. The firm incubates, launches, and grows "product engine" companies that target areas of high unmet need in medicine especially in oncology, neurology, cardiovascular, rare genetic disease, and immunology.

Investment Examples:

Foundation Medicine, Editas Medicine, Global Blood Therapeutics, Sage Therapeutics

USVP

Description:

US Venture Partners is a venture capital firm focused on early-stage investing in the enterprise software, information technology, security, consumer internet, mobile, e-commerce, healthcare and information technology-enabled healthcare services sectors.

Investment Examples:

ThreatMetrix, InsideSales.com, Trunk Club, Trusteer (an IBM Company)

Fairview Team Biographies

Laurence C. Morse, PhD, Co-founder/Managing Partner

Dr. Morse is a Co-founder and a Managing Partner at Fairview. Prior to co-founding Fairview, Dr. Morse held positions with TSG Ventures, Equico Capital Corporation and UNC Ventures. Dr. Morse serves on a number of advisory boards of venture capital partnerships including U.S. Venture Partners (USVP), Battery Ventures, Sierra Ventures and Trinity Ventures. He is a member of the boards of directors of Webster Financial Corporation (NYSE: WBS) and the Institute of International Education. He is also a member of the boards of trustees of Howard University (Vice Chair and Chair-elect) and Harris Associates Investment Trust (The Oakmark Mutual Funds). He is a former member of the board of directors of the Princeton University Investment Company, and a former member of the board of trustees of Princeton University.

Dr. Morse graduated summa cum laude and Phi Beta Kappa from Howard University, having spent his junior year at The London School of Economics and Political Science as a Luard Scholar. He earned M.A. and Ph.D. degrees from Princeton University and has been a postdoctoral fellow at Harvard University.

Kolawole (Kola) Olofinboba, MD, Managing Partner

Dr. Olofinboba is a Managing Partner at Fairview and is involved in a broad set of investment, business development and governance activities at the firm. Additionally, he serves on the advisory boards of several private equity partnerships in Fairview's fund portfolios.

Prior to joining Fairview, Dr. Olofinboba was an Engagement Manager at McKinsey & Company, serving U.S. and global clients in healthcare and private equity. He has also practiced medicine as a board-certified internist/hospitalist and assistant professor at the University of Connecticut Health Center in Farmington, CT.

Dr. Olofinboba received his medical degree from the University of Ibadan, Nigeria and an MBA in Financial Management from the MIT Sloan School of Management, where he was a Robert Toigo Fellow.

He serves on the boards of directors for Liberty Bank, Hartford HealthCare, the Connecticut Science Center, and the National Association of Investment Companies (NAIC).

JoAnn H. Price, Co-founder/Managing Partner

Ms. Price is Co-Founder and Managing Partner, a member of Fairview's investment committee and manager of all Fairview-sponsored funds. Prior to co-founding Fairview, Ms. Price served as president of the National Association of Investment Companies headquartered in Washington, D.C. Ms. Price serves on a number of national advisory committees and private equity advisory boards.

Ms. Price is currently on the Howard University Board of Visitors and the YMCA of Greater Hartford Board of Trustees.

Ms. Price is on the board of the Apollo Theater Foundation in New York City and is the former Chairperson of the Amistad Center for Art & Culture in Hartford, Connecticut.

Ms. Price also serves as Chairperson of the Hartford Foundation for Public Giving and is on the Executive Committee of Trinity Health of New England. Ms. Price is a graduate of Howard University.

Fairview Team Biographies

Alan Mattamana, Partner

Mr. Mattamana is a Partner at Fairview Capital and a member of its Investment Committee. He is involved in investment selection, deal execution and monitoring activities for Fairview's venture capital and private equity partnership and direct co-investment portfolios. Mr. Mattamana serves on a number of advisory boards of venture capital and private equity partnerships, and represents Fairview on direct investments including eVariant (acquired by Healthgrades), R4 Technologies, Device42, and Covr Financial.

Prior to joining Fairview in 2009, Mr. Mattamana was a Principal with Polaris Venture Partners, a diversified venture capital firm with over $3.5 billion under management. He joined Polaris in 2002 and focused on venture capital investments in the software, digital media, consumer, medical technology, and healthcare services sectors. He was involved in several successful investments including Q1 Labs, Archivas and Turbine Entertainment, and served as board observer to portfolio companies including Advion BioSciences and GI Dynamics. Previously, Mr. Mattamana was a strategy consultant at McKinsey & Co, where he served clients in the software, telecommunications and aerospace sectors in the firm's Silicon Valley office. He also has prior experience at NASA, Goldman Sachs, and Neuberger Berman. Mr. Mattamana graduated from Princeton University with a B.S.E in Chemical Engineering, and earned an MBA from Harvard Business School. He serves on the Greater Hartford YMCA Board of Directors and The Hartford Foundation for Public Giving Board of Ambassadors, and is a former member of the Board of Directors of the Hartford Stage Theatre.

Cynthia Tseng, Partner

Ms. Tseng is a Partner and a member of Fairview's investment committee. She is involved in research, due diligence, investment monitoring, and business development for Fairview's venture capital and private equity partnership and direct co-investment portfolios. Prior to joining Fairview, she was an investment banking associate at JPMorgan. Ms. Tseng joined JPMorgan in 2000 and focused on convertible bond and equity origination in the retail, media and chemical industries. There, she structured and executed capital raising transactions for Fortune 500 companies. For a portion of her career at JPMorgan, Ms. Tseng covered aerospace companies in equity research with a top ranked Institutional Investor Analyst. Ms. Tseng also has prior experience at Neutrogena Cosmetics – Johnson & Johnson as a brand management intern.

Ms. Tseng received her MBA from The Wharton School at the University of Pennsylvania. She holds a B.A. in Applied Mathematics/ Economics from Brown University and graduated Phi Beta Kappa. Ms. Tseng is a CFA charter holder and a member of the Hartford CFA Society. She is a member of the board of directors of The Association of Asian American Investment Managers (AAAIM), Hartford Performs and The Connecticut Health Foundation.

Aakar Vachhani, Partner

Mr. Vachhani, who joined the Firm in 2008, is a Partner and a member of Fairview's investment committee. He is involved in research, due diligence, investment monitoring, and business development for Fairview's venture capital and private equity partnership and direct co-investment portfolios. Prior to joining Fairview, Mr. Vachhani was with Cambridge Associates, a leading investment advisor to foundations, endowments and corporate and government entities. He was responsible for analyzing private equity, venture capital, and real estate funds in support of the firm's clients and consultants. In addition, he led quantitative research projects on private equity and venture capital returns. Mr. Vachhani also spent time with MK Capital, a multi-stage growth equity and venture capital firm.

Mr. Vachhani holds a B.S. in Economics-Finance from Bentley University and an MBA in Finance and Entrepreneurship & Innovation from the Kellogg School of Management. He is a member of the Board of Directors of San Francisco Achievers. Mr. Vachhani established and leads Fairview's San Francisco office.

Fairview Team Biographies

Michele A. Chow-Tai, Director and Head of Business Development

Ms. Chow-Tai is Director and Head of Business Development at Fairview. Prior to joining Fairview in 2015, Ms. Chow-Tai was Relationship Manager, Institutional Relationships, at TIAA, where she was responsible for leading client relationships with the company's largest and most complex clients across business disciplines. Prior to TIAA, Ms. Chow-Tai spent 22 years within HSBC's Global Banking and Markets business in various roles. Ms. Chow-Tai spent 22 years within HSBC's Global Banking and Markets in various roles working with institutional investors across asset classes and business lines. Ms. Chow-Tai also served as Assistant Director for the HSBC Financial Products Institute, a division focused primarily on derivatives and structured products client education. Prior to HSBC, Ms. Chow-Tai spent five years at Moody's Investor Services as bank and finance analyst.

Ms. Chow-Tai serves as Board Chair for the City University of New York (CUNY) York College Foundation and Board Member and Secretary of the National Association of Securities Professionals – New York Chapter (NASP-NY) and Board Member of the NASP-NY Foundation. Ms. Chow-Tai also serves on the Advisory Board of LeaderXXchange, a purpose driven organization that advises and promotes diversity and sustainability in governance, leadership and investments. Ms. Chow-Tai holds a B.S. degree from the City University of New York – York College and also holds credentials in business administration and finance. Ms. Chow-Tai has passed the FINRA 7 and 63 NASD exams.

Lesley D. Nettles, Principal

Ms. Nettles is a member of Fairview's investment team. Prior to joining Fairview in 2006, Ms. Nettles held business development positions within two of Bank of America's asset management subsidiaries. Most recently, Ms. Nettles was a Director for Columbia Management Group where she developed the firm's national Public Fund business strategy. As a VP at Progress Investment Management Company, Ms. Nettles primarily focused on the Western Region of the U.S. with a secondary focus on select plan sponsors across the nation. In both roles, she participated as a member of senior strategy and investment committee meetings.

Ms. Nettles also held VP roles at Lend Lease Real Estate Investment, Inc. and Chase Asset Management. In both roles, she worked directly with senior management to design and execute a global business development plan.

Ms. Nettles holds a B.A. from University of California at Berkeley. She holds a Real Estate Certification from Georgia State/Lend Lease University. Ms. Nettles is on the Board for the National Association of Securities Professionals, New York Chapter and Complexions Dance Company.

Kwesi Quaye, Senior Associate

Mr. Quaye joined Fairview in 2017 and is a member of the Investment Team. He focuses on research, due diligence, deal sourcing, investment monitoring, and business development for Fairview's venture capital and private equity partnership and direct co-investment portfolios. Prior to joining Fairview, Mr. Quaye was an Investment Officer at the Cook County Pension Fund, where he supported portfolio strategy across all asset classes. Additionally, in that role, Mr. Quaye led investment manager due diligence and performed various portfolio optimization analyses to maximize risk-adjusted returns. Mr. Quaye also spent time with PricewaterhouseCoopers LLP where he served as a Senior Transaction Advisory Associate performing buy-side mergers and acquisitions due diligence on companies in the healthcare, education, and consumer products spaces. Moreover, Mr. Quaye also spent time with Ernst & Young LLP as a Senior Associate in the Assurance practice where he led day to day audit engagements for diversified services clients. Mr. Quaye holds a B.S. with concentrations in Accounting and Finance from DePaul University and an MBA in Finance and Management & Strategy from the Kellogg School of Management at Northwestern University. He is the Chairman of the West Hartford & Tri-Town YMCA Board of Advisors.

FAIRVIEW CAPITAL

Fairview Team Biographies

Damaris Rivera, Senior Research Analyst and Business Development Coordinator

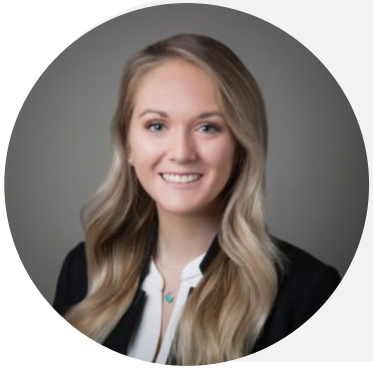
Ms. Rivera joined Fairview in 2004 and is a member of the Business Development team. She focuses on activities that support the firm's investor relations. In addition, she performs investor research, tracks business activities, generates and prepares marketing materials, coordinates schedules with external and internal participants and facilitates the planning for conferences, meetings and other related events. Prior to Ms. Rivera's current role, she served as Operations Analyst where she was responsible for analyzing and summarizing the financial information of the firm's private equity funds and conducting other administrative duties. Prior to joining Fairview, Ms. Rivera was a Medical Receptionist at the Hartford Medical Group and Emergency Room Admitting Clerk at New Britain General Hospital.

Ms. Rivera holds a B.S. in Business Management and graduated Magna Cum Laude from Albertus Magnus College. She is also a Notary Public.

Tré Dawson, Analyst

Mr. Dawson joined Fairview in 2019, after interning with the Firm, and is a member of the Investment Team. He focuses on research, due diligence, deal sourcing, investment monitoring, and business development for Fairview's venture capital and private equity partnership and direct co-investment portfolios. Prior to joining Fairview, Mr. Dawson also interned with the United States Department of Agriculture and Chicago Fundamental Investment Partners, both in financial services capacities.

Mr. Dawson is a recent honors graduate of Howard University, with a Bachelor of Business Administration degree .



Nicole Carey, Analyst

Ms. Carey joined Fairview in 2020 after interning with the Firm and is a member of the Investment Team. She focuses on research, due diligence, deal sourcing, investment monitoring, and business development for Fairview's venture capital and private equity partnership and direct co-investment portfolios. Prior to joining Fairview, Ms. Carey interned with Travelers as part of their Financial Management Leadership Development Program.

Ms. Carey is a recent honors graduate of Central Connecticut State University, with a B.S. in Finance.

Fairview Team Biographies

Edwin S. Shirley III, Senior Advisor

Mr. Shirley is a senior advisor to the firm. Prior to joining Fairview in 1998, Mr. Shirley was a principal in several investment advisory firms where he was responsible for the design and placement of private debt and equity securities for small and middle-market companies. Mr. Shirley began his investment career at Equitable Capital Management Corporation where he successfully invested in private debt and equity securities across a broad range of industries.

Mr. Shirley serves on the advisory boards of several Fairview partnership funds. Additionally, he is a member of the Board of Directors of Milestone Growth Fund, a Minneapolis based mezzanine and private equity fund, The Amistad Center for Art & Culture, the Hartford Symphony Orchestra and the Bushnell Center for the Performing Arts.

Mr. Shirley holds a Bachelor of Arts degree from Hampton University and a Master of Public Affairs degree from the Woodrow Wilson School of Public and International Affairs, Princeton University.

AGENDA ITEM #5

State of Connecticut
Office of the Treasurer

SHAWN T. WOODEN
TREASURER

July 3, 2020

Members of the Investment Advisory Council ("IAC")

Re: **Goldman Sachs Private Credit Partnership**

Dear Fellow IAC Member:

At the July 8, 2020 meeting of the IAC, I will present for your consideration an investment opportunity for the Private Credit Fund in the Connecticut Retirement Plans and Trust Funds (the "CRPTF"): the Goldman Sachs Private Credit Partnership. The Goldman Partnership would be structured to allow the CRPTF to invest in several private credit strategies across the Goldman Sachs Merchant Banking Division ("MBD") and Goldman Sachs Asset Management ("GSAM") platforms. MBD and GSAM are part of Goldman Sachs Group, Inc., a leading global financial services firm.

I am considering a commitment of up to $350 million to the Goldman Partnership, which would be invested initially in three strategies: mid-cap direct lending, large cap direct lending, and strategic solutions. The Partnership would provide the CRPTF with exposure to core yield-oriented, direct lending strategies as well as the MBD's more opportunistic credit and junior capital strategy that will provide both yield and total return through special situations investments that may involve corporate stress or distress, capital markets dislocations, or asset dispositions. Over time, the CRPTF's capital could be efficiently reallocated to the most attractive risk-reward strategies based on market conditions. The Partnership would also provide the CRPTF with access to the vast resources of the broader Goldman Sachs organization, including insights and education opportunities in areas such as enterprise risk, co-investments, economic and policy research.

Attached for your review is the recommendation from Laurie Martin, Chief Investment Officer, and the due diligence report prepared by Meketa. 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

DECISION

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

FROM: **Laurie Martin, Chief Investment Officer**

CC: **Darrell V. Hill, Deputy Treasurer**
Raynald D. Leveque, Deputy Chief Investment Officer
Steven Meier, Assistant Treasurer, Senior Principal Investment Officer
Kevin Cullinan, Chief Risk Officer
Mark E. Evans, Principal Investment Officer
Casi Kroth, Investment Officer

DATE: **June 29, 2020**

SUBJECT: **Goldman Sachs Private Credit Partnership – 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 $350 million to a private credit partnership (the "Partnership") with Goldman Sachs ("GS", or the "Firm"). The Partnership will allow the CRPTF the opportunity to invest in several private credit strategies across the Goldman Sachs Credit Alternatives ("GS Credit Alternatives") platform, including large and midcap senior direct lending, opportunistic special situations credit, and co-investments customized to the CRPTF's guidelines and investment objectives.

The GS Credit Alternatives platform has approximately $70 billion of assets under management and is one of the largest alternative credit managers globally. The platform strategies are managed by investment teams within the GS Merchant Banking Division ("MBD") and the Goldman Sachs Asset Management ("GSAM") divisions of the Firm. GS is one of the top five alternative asset management firms in the world with approximately $320 billion of alternative assets under management across credit, private equity, real estate, and other alternative strategies. GS has more than 1,300 investment professionals focused on alternative investments globally with locations in 31 offices worldwide.

Strategic Allocation within the Private Credit Fund

The recommended Partnership is consistent with the objectives of the Private Credit Fund's ("PCF) strategic pacing plan which includes the commitment of capital to larger, strategic vehicles during the first few years of the plan. Specifically, the Partnership would provide the CRPTF with the opportunity to access multiple private credit strategies through the proven GS Credit Alternatives platform, customize investment objectives and guidelines, and retain a level of flexibility to opportunistically redirect capital as credit markets evolve. The Partnership would also allow the CRPTF to scale commitments efficiently through one manager relationship with the added benefit of increased transparency and a more attractive fee structure as compared to making several distinct commingled fund commitments.

The Partnership would provide the CRPTF with access to an array of resources available through GS, a world-class financial services firm. As described more fully in the Firm and Management Team section, GS has proposed the creation of an Advisory Council comprised of senior level GS executives that would be dedicated to the CRPTF relationship and facilitate access to the GS global resources, which may include market insights, research, risk management perspectives, and educational opportunities relevant to public and private asset classes.

The recommended initial strategy allocations for the Partnership, outlined in the chart below, include the Senior and Special Situations strategies identified for the PCF in the Investment Policy Statement ("IPS"). The co-investment allocation is designed to flexibly allocate capital towards private credit opportunities that may provide particularly attractive risk-return profiles due to changing credit market conditions. Pension Funds Management ("PFM") investment professionals note that the recommended initial allocation to co-investment may ultimately be invested in any of the GS Credit Alternatives sub-strategies that are consistent with the requirements of the IPS.

For illustrative purposes, the recommended initial $50 million co-investment allocation is split evenly between the Senior and Special Situations strategies to calculate the pro forma PCF exposures shown in the table below. PFM staff would also highlight that during the initial stages of implementing the PCF strategic pacing plan, the strategy exposures may deviate from the ranges identified in the IPS. As the PCF portfolio is built out, any one commitment may have an outsized impact on exposure levels until the PCF portfolio is more fully established. The IPS target exposures by strategy as well as the PCF actual exposures as of March 31, 2020 and exposures pro forma of the recommended Partnership commitment are shown in the table below.

(US$ in millions) Strategy	IPS Target Exposure Lower	IPS Target Exposure Upper	Current PCF Exposure[1]	*Recommended Initial Allocation*	Pro Forma PCF Exposure
Senior	30%	70%	48%	*$150*	50%
Mezzanine	0%	30%	0%		0%
Distressed	0%	20%	52%		16%
Special Situations	0%	40%	0%	*$150*	35%
Co-Investment[2]				*$50*	
Total			100%	*$350*	100%

1. As of March 31, 2020.

2. Pro Forma exposure allocated evenly between Senior and Special Situations.

Partnership Structure: The proposed Partnership would be structured as one master agreement that would allow the CRPTF to maintain required governance, including guidelines and adherence to all Connecticut statutes and policies governing the CRPTF's investments. The CRPTF will control the investment allocation decisions among the GS Credit Alternatives strategies with input from the Advisory Council and broader GS Credit Alternatives teams when needed. The CRPTF's capital commitment to the Partnership may be invested in or alongside traditional commingled vehicles managed by MBD or GSAM. Subject to CRPTF established investment guidelines, including opt-out provisions for specific investments, the respective MDB and GSAM investment teams would have investment discretion, which is typical of a limited partner-general partner relationship. The Partnership is expected to be structured as an evergreen agreement to allow the CRPTF to reallocate capital among GC Credit Alternatives strategies over time. The CRPTF will retain discretion to decrease or increase Partnership commitments.

Investment Strategy and Market Opportunities

The investment objective of the Partnership is to seek attractive, risk-adjusted credit investment returns through exposure to various GS Credit Alternative strategies. The Partnership will invest in a variety of private credit strategies utilizing the Goldman Sachs one team approach to generate returns through current income, capital appreciation, and a focus on capital preservation. The targeted return objective for the Partnership is to generate a minimum long-term, net internal rate of return of 10% for the CRPTF.

The CRPTF's capital commitment to the Partnership will be invested in or alongside the well-established GS Credit Alternatives strategies shown in the table below. The Partnership will be structured to provide the CRPTF the flexibility to adjust allocations or add new strategies to the Partnership portfolio over time. GS and PFM investment professionals have collaborated to develop these initial strategy allocations, which align with the PCF's strategic pacing plan objectives and the IPS and are outlined below.

Strategy	GS Credit Alternatives Vehicle	Initial Allocation
Direct Lending (Mid-Cap)	Private Middle Market Credit II	$75 million
Direct Lending (Large Cap)	Broad Street Loan Partners IV	$75 million
Opportunistic / Strategic Solutions	West Street Strategic Solutions I	$150 million
Co-investments	Various, including all of the above	$50 million

Direct Lending

Large Cap: MBD's Broad Street Loan Partners IV ("BSLP IV") seeks to take advantage of the attractive credit fundamentals available through extending senior secured credit to large cap companies. The Broad Street Loan strategy is focused on investing in the most senior tranches of a company's capital structure, generally through privately negotiated first or second lien loans with companies based in North America and Europe. Consistent with the prior Broad Street Loan vehicles, BSLP IV will focus on lending to large cap companies, which the MBD team prefers due to the enhanced creditworthiness of companies of this scale and significance. By way of example, the weighted average EBITDA and enterprise value of the borrowers in the Broad Street Loan Partners III portfolio was more than $190 million and $2 billion, respectively.

BSLP IV will target loan sizes between $100 million to more than $1.0 billion. The scale of the MBD large cap private credit platform is a competitive advantage because Goldman is one of the few firms that can fully underwrite large transactions, particularly with borrowers in both North America and Europe. BSLP IV will target companies in less cyclical sectors, including those in the financial services, health care, software, media & communications, and distribution sectors that have entrenched market positions, strong track records of stable, cash generative operations, and prudent capital structures. Consistent with prior Broad Street Loan Partners vehicles, BSLP IV is expected to be invested equally across North America and Europe with most investments involving private equity sponsored companies. Additionally, BSLP IV will less frequently lend to non-sponsored private companies or public companies.

BSLP IV seeks to generate attractive contractual yields while taking lower credit risks relative to the broadly syndicated bank loan market. BSLP IV is a yield strategy generated primarily through interest and a focus on capital preservation. Coupons are primarily floating rate, cash pay, and MDB executes a buy and hold strategy with positions generally held for two to five years. Long-term targeted net returns for BSLP IV are expected to be in the 6 to 7% range unlevered and 8% to 10% levered.

Mid-Cap: GSAM's Private Middle Market Credit II ("PMMC II") strategy will focus primarily on private lending opportunities in the performing US core middle market including investments in senior secured first lien debt, unitranche loans, second lien debt, unsecured debt, and to a lesser extent, other junior securities. PMMC II targets companies with an annual EBITDA between $10 million and $75 million and seek to create a diversified portfolio of 50 to 80 investments in the range of $10 million to $200 million per company. GSAM generally looks to structure investments with floating rates, covenants and other structural safeguards including full financial maintenance covenants and contractual voting rights. PMMC II is a yield-oriented strategy and, as such, is expected to generate most of its returns through interest income and fee income with some capital appreciation potential from warrants and/or equity co-investments made occasionally. The net long-term return expectations for PMMC II strategy are 8% to 10%.

PMMC's primary sourcing opportunity is with private equity sponsored companies, which GSAM believes provide an added level of risk mitigation through enhanced oversight, increased transparency, and a significant equity investment that is junior to PMMC capital. In particular, the PMMC investment team focuses on investing with a select group of private equity sponsors that it considers to be best in class, including those that have expertise in less cyclical sector such as software, business services, and healthcare. Private equity sponsored middle market companies are a large and growing opportunity for private credit managers with the number of U.S. private equity backed companies at its highest level since 2000.

PMMC also has an advantaged sourcing opportunity through the clients of Goldman's Private Wealth Management ("PWM") platform. Many of these clients own large, private companies that may seek to raise private credit capital to finance an acquisition, expansion plan, or shareholder buyout. While these borrowers are not private equity sponsored, the owners of these private companies tend to use lower leverage than private equity firms and are seeking to borrow capital for a specific corporate objective versus wanting to maximize equity returns through leverage.

Opportunistic Credit / Strategic Solutions

West Street Strategic Solutions ("West Street") is MDB's opportunistic investment strategy through which MDB seeks to be a capital solutions provider to high-quality companies that may be experiencing stress or distress due to idiosyncratic complexities or as a result of broader economic or market conditions. The negative impacts of Covid-19 on the economic and capital markets are expected to provide a significant tailwind for the WSS strategy over the next several years. The MDB team is tracking an active pipeline of more than 200 mid- and large cap companies that are targets for West Street's opportunistic financing strategy.

While West Street Strategic Solutions I ("West Street I") is the first commingled fund raised to execute the West Street strategy, GS has invested approximately $16 billion of capital in opportunistic transactions since 2009 through MBD Private Credit Group ("PCG") and Strategic Solutions Group ("SSG") teams. In 2019, PCG and SSG were integrated to form a single alternative investing platform under the MBD umbrella as a multi strategy lending and investing platform targeting opportunities resulting from complexity, corporate stress, or market dislocation. GS is seeking to raise between $5 billion and $10 billion for West Street I.

West Street I will primarily target investments in directly originated credit and structured equity instruments with structural protections to the downside while maintaining upside return potential. The core focus of the West Street I strategy is to provide opportunistic capital solutions to address issues with liquidity, leverage, or capital needs driven by broader market conditions. West Street may provide rescue financings, debtor in possession loans, and exit financing, or opportunistically invest in hung syndications where the risk-return profile is deemed very favorable. West Street I will also opportunistically target asset dispositions such as non-performing, sub-performing and orphaned corporate assets and consumer loan portfolios. MDB does not seek affirmative control of companies through the West Street investment strategy but will instead seek protections through negative controls via covenants and capital structures. Furthermore, West Street is not a "loan to own" strategy to gain control of a company through credit instruments, rather they seek to use borrower specific or broader market stresses to identify investment opportunities that can deliver attractive returns without taking undue risk.

West Street I will seek situations that are complex and require deep sector, structuring, and documentation expertise. These opportunities may include companies in out of favor cyclical sectors or those undergoing secular change, late stage growth companies, or borrowers with other idiosyncratic characteristics that challenge standard underwriting processes. West Street has the flexibility to structure investments that address the borrower's needs while providing West Street with the requisite downside protection, contractual returns, and upside potential. enhanced structural protections. Additionally, West Street targets investments in performing, non-cyclical companies that may be seeking alternatives to traditional capital markets or private equity financing solutions.

West Street I will seek to build a diversified portfolio of 25 to 40 positions over a two to four-year investment period with 35% of investments targeted outside of the United States. Target investment sizes will range from $75 million to $500 million per company. Long term return expectations for the WSS strategy are in the 12% to 14% range.

Co-investments

The Partnerships' co-investment allocation will be used primarily to invest in co-investment opportunities generated from the Partnership's commitments to the PMMC, BSLP, and West Street strategies. In addition, select co-investment opportunities may be available through other GS Credit Alternatives strategies, including GS Mezzanine Partners.

Firm and Management Team

Goldman Sachs & Co. LLC was founded in 1869 and is the principal United States broker-dealer subsidiary of The Goldman Sachs Group, Inc. In May 1981, GS became a registered investment adviser under the Investment Advisers Act of 1940. In September 2008, GS elected to be regulated by the Board of Governors of the US Federal Reserve System (the "Federal Reserve") as a Bank Holding Company under the US Bank Holding Company Act of 1956, as amended (the "BHCA"). In August 2009, GS elected for and received Financial Holding Company status under the BHCA. By becoming a Bank Holding Company, GS is regulated by the Federal Reserve and experiences the benefits available to other Federal Reserve regulated banks, including permanent access to liquidity and funding. The Firm is generally organized into four business segments: the Investment Banking Division ("IBD"), the MBD, the Global Markets Division ("GMD"), and the Consumer & Investment Management Division ("CIMD"). The recommended Partnership will invest in strategies across CIMD and MBD.

CIMD business line includes GSAM and its PWM business lines. Established in 1988, GSAM is one of the world's leading asset managers with $1.6 trillion in assets under management. GSAM manages client assets across a broad range of investment strategies and asset classes, including equity, fixed income, and alternative investments. Strategies are offered in a variety of structures, including separately managed accounts, mutual funds, private partnerships, and other commingled vehicles. GSAM's has approximately 2,000 professionals across 37 offices and is recognized as a leader in risk management and optimization. The PWM business works closely with high-net-worth individuals, families, and select foundations and endowments to develop wealth and investment management strategies. PWM spans over 500 private wealth advisors across 13 offices and provides GS with a unique deal origination network for potential business from founder and family-owned businesses.

The MBD is the primary center for GS's long-term private markets investing activity, and GS has operated this business as an integral part of the Firm for over 30 years. The MBD invests in equity and credit across dedicated corporate, real estate, and infrastructure strategies. Since 1996, the MBD has invested approximately $80 billion in senior and mezzanine private corporate credit in Europe and North America across fund vehicles and the GS balance sheet. The MBD has approximately 900 professionals, 170 dedicated credit investment professionals, across 24 offices including New York, London, Hong Kong, Tokyo, Beijing, San Francisco, Mumbai, São Paulo, etc. The MBD Credit investment committee ("IC") is co-chaired by Rich Friedman, Chairman of MBD, and Julian Salisbury, Head of MBD, who are both Partners of the Firm and have 59 years of combined work experience at GS. The IC is further supported by seven Partner level managers including Michael Koester, Co-Head of Alternatives Capital Markets & Strategy Group, Tom Connolly, Co-Head of MBD Credit & Co-CIO of Strategic Solutions, Greg Olafson, Co-Head of MBD Credit & Co-CIO of Strategic Solutions, James Reynolds, Head of MBD Credit Europe, Jonathan Vanica, Head of MBD Credit Asia, David Miller, Head of MBD Specialty Lending Americas, Alex Chi, Head of MBD Private Credit Americas. The MBD Credit IC has an average of more than 20 years at GS and over 200 years of cumulative experience.

The MBD and the Strategic Solutions Group were integrated in 2019 to form a single alternative investing platform under MBD Credit. PCG was launched in 1996 along with GS's first mezzanine fund and later added senior credit in the wake of the 2008 Global Financial Crisis targeting primarily mid-to-large cap, private equity-backed companies. SSG began investing after the Asian financial crisis of 1998 and has been GS's primary vehicle for special situations and opportunistic investing across the credit cycle in both public and private companies.

MBD Credit is led by Tom Connolly and Greg Olafson, the Co-Heads of MBD Credit and Co-CIO of Strategic Solutions. James Reynolds is the Co-Head and Co-CIO of the MBD's Private Credit Group and oversees the MBD's senior and mezzanine corporate credit platforms, including the Broad Street Loan Partners strategy, with Tom Connolly. Connolly has more than 23 years of leveraged finance and credit investing experience at GS. Olafson has been with GS for 20 years most recently serving as Head of European Special Situations. James Reynolds has been with GS since 2000 and is the Head of MBD Credit Europe. In addition to the investment teams highlighted below, the PCG and Strategic Solutions teams are supported by investment professionals across the MBD and benefit from access to the broad Goldman Sachs platform. All PCG investment decisions are made by the Co-CIOs with input from the MBD Credit Group.

MBD Credit Co-Heads: Tom Connolly & Greg Olafson		
MBD Credit Strategy	Senior & Mezzanine Debt	Strategic Solutions
Co-CIOs	Tom Connolly & James Reynolds	Tom Connolly & Greg Olafson
Investment Team	33 dedicated Managing Directors, Vice Presidents, Junior Investment Professionals	4 Partners, 13 MDs and 31 VPs across the MBD Private Credit and Specialty Lending Group platforms

Goldman's Private Middle Market Credit strategy, including the PMMC II fund, is managed under GSAM. The PMMC funds are generally structured as a Business Development Company ("BDC") covered by the Investment Company Act of 1940, which prohibits registered investment companies, including BDCs, from participating in affiliated transactions. The GSAM Private Credit Group is headed by Brendan McGovern, Partner, who joined Goldman Sachs in 2006. The GSAM Private Credit Group is comprised of 37 individuals including 25 dedicated investment professionals with direct lending expertise. The GSAM Private Credit Group's five-member investment committee is chaired by Brendan McGovern and includes the five most senior members of the GSAM Private Credit Group with 90 years of combined investing experience and an average of 10 years working at GS.

GS will form an Advisory Council, comprised of seven Partners of the Firm that will be dedicated to the Partnership. The Advisory Council members will provide insights into developments with the Partnership's current portfolio and as well as considerations for portfolio adjustments based on evolving market conditions. In addition, the Advisory Council will be available for guidance and as a resource on broader topics such as risk management, ESG, climate change, etc. Lisa Rotenberg, Managing Director, will be the Goldman Sachs Senior Coverage professional dedicated to the CRPTF relationship. The Advisory Council members will be:

- Tom Connolly, Co-Head of the MBD Private Credit Group
- Greg Hopper, Global Head of Enterprise Risk Management
- Mike Koester, Global Co-Head of Alternatives Capital Markets & Strategy Group and chief commercial officer for the MBD
- Chris Kojima, Co-Head of Alternatives Capital Markets & Strategy Group
- Brendan McGovern, Head of the GSAM Private Credit Group
- Greg Olafson, Co-Head of the MBD Private Credit Group
- Sheila Patel, Chair of Goldman Sachs Asset Management

Track Record

The following track assessment reviews the three GS Alternative Credit strategies recommend as part of the initial allocations within the Partnership

Direct Lending – Large Cap

Since 2008, GS MBD PCG has invested in five large cap senior corporate credit funds: Broad Street Loan Partners I ("BSLP I"); Broad Street Loan Partners 2013 ("BSLP 2013"); Broad Street Senior Credit Partners I ("BSSCP I"); Broad Street Loan Partners III ("BSLP III"); and Broad Street Senior Credit Partners II ("BSSCP II"), with total capital commitments of $29.7 billion including leverage. The summary performance of the BSLP funds is provided in the table below.

($US in millions, as of December 31, 2019)

Goldman Sachs Merchant Banking Division Large Cap Senior Credit Vehicles											
Investment Performance Summary											
	Vintage	Fund	#	Invested	Realized	Unrealized	Total	Gross/Net[1]		Quartile Rank	
Fund	Year	Size[2]	Deals	Capital	Value	Value	Value	TVM	IRR	TVM	IRR
Broad Street Loan Partners I	2008	$10,530	54	$13,202	$16,761	-	$16,761	1.3x / 1.7x	23% / 17%	-	1st
Broad Street Loan Partners 2013	2013	$2,266	44	$2,454	$2,606	$244	$2,850	1.2x / 1.3x	15% / 10%	2nd	1st
Broad Street Senior Credit Partners I	2015	$3,161	59	$3,659	$2,146	$1,951	$4,097	1.1x / 1.1x	10% / 7%	3rd	2nd
Broad Street Loan Partners III	2017	$9,809	76	$8,593	$1,518	$7,799	$9,317	1.1x / 1.1x	12% / 9%	2nd	2nd
Broad Street Senior Credit Partners II	2019	$3,958	34	$2,325	$105	$2,328	$2,433	1.0x / 1.1x	n/m / n/m	-	-
Total		**$29,724**	**267**	**$30,233**	**$23,136**	**$12,322**	**$35,458**				

Source: Goldman Sachs, CRPTF, Cambridge Associates Private Debt Senior Lending Database. No TVPI benchmark available for 2008 vintage year.
1. Net returns shown are burdened with the highest investor fees paid for the respective vehicle.
2. Fund size includes leverage and GS co-investment, where applicable.

BSLP I, BSLP 2013, and BSCP I were fully committed as of December 31, 2019 with $19.3 billion invested across 157 deals that are currently realized or harvesting. As of December 31, 2019, BSLP I was fully realized and had generated a net internal rate of return ("IRR") of 17% and a net total value multiple of 1.7x. BSLP I delivered strong absolute and relative returns with a negligible loss ratio. BSLP 2013 is a $2.2 billion fund that had invested $2.5 billion across 44 positions as of December 31, 2019. BSLP 2013 had generated a net IRR of 10% and a net TVM of 1.3x as of December 31, 2019 with more than 91% of the fund's total value realized. BSSCP I had invested $3.7 billion in 59 portfolio positions, which had generated a net IRR of 7% and a net TVM of 1.1x as of December 31, 2019. The BSCP I portfolio was still maturing as of December 31, 2019 with 48% of the fund's total value unrealized as of year-end.

The BSLP III fund was fully committed to 76 investments as of December 31, 2019, which generated a net IRR of 9% and a net TVM of 1.1x. The BSLP III portfolio was largely unrealized at year-end, but the fund was performing well with a 0% loss ratio. The most recent BSLP fund, BSSCP II had its final close in May 2019 and was still in its investment period as of December 31, 2019. While performing to expectations, BSSCP II's performance is not yet meaningful given the recency of most investments in the portfolio.

Overall, the BSLP fund series has delivered returns consistent with the targeted net returns for BSLP IV. The BSLP funds all ranked as first and second quartile funds as of December 31, 2019, except for BSSCP I, which fell just below the net TVM for vintage year 2015 funds.

Through sound and consistent underwriting practices, the MBD Credit team was able to generate attractive returns for the BSLP fund series with exceptionally low loss ratios, which is an important attribute for a performing credit strategy. However, the returns of BSSCP I, BSLP III, and BSSCP II were negatively impacted during the first quarter of 2020, largely due to mark to market impairments and not credit quality issues. Unrealized loans are marked to market on a quarterly basis and the majority of the BSLP investments are valued based on observable pricing information, including quoted market prices or other observable inputs. The performance of the leveraged loan indices and the observable market quotes negatively impacted the valuations of the BSSCP I, BSLP III, and BSSCP II portfolios by approximately -10% as of March 31, 2020 due to investment valuations in the LSTA Leveraged Loan Index. Largely due to the decline in broader market valuations, the reported returns of the unrealized BSLP funds were negatively impacted as of March 31, 2020 as shown in the table below

($US in millions, as of March 31, 2020)

Goldman Sachs Merchant Banking Division Large Cap Senior Credit Vehicles

Investment Performance Summary

Fund	Gross/Net[1] TVM	Gross/Net[1] IRR
Broad Street Loan Partners I	1.3x / 1.7x	23% / 17%
Broad Street Loan Partners 2013	1.2x / 1.2x	14% / 9%
Broad Street Senior Credit Partners I	1.1x / 1.0x	3% / 1%
Broad Street Loan Partners III	1.0x / 0.9x	-0.4% / n/m
Broad Street Senior Credit Partners II	1.0x / 0.8x	n/m / n/m
Total	**1.1x / 1.4x**	**8% / 10%**

Source: Goldman Sachs, Meketa, and CRPTF.

1. Net returns shown are burdened with the highest investor fees paid for the respective vehicle.

The leveraged loan market has been recovering since reaching the trough in mid-March, and MBD Credit is expecting a low to mid 90s recovery in early June with further upside as the market continues to recover. The Broad Street Loan Partners fund series has generated $24.4 billion of realized value and had $10.3 billion of unrealized as of March 31, 2020 while generating a net IRR of 10.4%.

Direct Lending – Middle Market

GSAM Middle Market Credit had invested $7.9 billion across four performing middle market credit funds as of December 31, 2019: Goldman Sachs BDC, Inc. ("GSBD"); Private Middle Market Credit I ("PMMC I"); Middle Market Lending Corp ("MMCL"); and, Private Middle Market Credit II ("PMMC II"). The PMMC funds are organized as BDCs, including the publicly traded GSBD (NYSE: GSBD) and three private BDCs. The summary performance of the PMMC funds as of December 31, 2019 is shown in the table below.

($US in millions, as of Dececmber 31, 2019)

Goldman Sachs Asset Management Middle Market Credit Vehicles											
Investment Performance Summary											
	Vintage	Fund	#	Invested	Realized	Unrealized	Total	Net		Quartile Rank	
Fund	Year	Size[1]	Deals	Capital	Value	Value	Value	TVM	IRR	TVM	IRR
Goldman Sachs BDC, Inc. (NYSE: GSBD)	2012	NA	166	$3,328	$2,580	$1,328	$3,908	1.4x	10%	1st	1st
Private Middle Market Credit I	2016	N/A	95	$2,090	$979	$1,405	$2,384	1.2x	8%	2nd	3rd
Middle Market Lending Corp	2017	N/A	104	$2,075	$622	$1,677	$2,299	1.1x	8%	2nd	3rd
Private Middle Market Credit II	2019	N/A	28	$418	$26	$404	$429	1.0x	n/m	-	-
Total			**393**	**$7,910**	**$4,207**	**$4,814**	**$9,021**				

Source: Goldman Sachs, CRPTF, Cambridge Associates Private Debt United States Senior Lending Database. Quartile Rank based on net returns and gross DPI.
1. Business Development Corporations with no set fund sizes.
2. Invested capital is inclusive of leverage.

GSBD was ranked as a first quartile fund across all relevant benchmarks for vintage year 2012 funds in the Cambridge Associates Senior Lending Database ("Cambridge"). The GSBD portfolio is more mature than those of the other PMMC vehicles and has performed at the higher end of the targeted returns for this strategy.

As of December 31, 2020, PMMC I had generated at a net IRR of 8% and a net TVM of 1.2x while MMCL had a net IRR of 8% and a net TVM of 1.1x. This performance placed both funds in the second and third quartiles for IRR and TVM, respectively, when compared to each fund's vintage year Cambridge benchmarks as of December 31, 2019. PFM investment professionals note that GS uses more moderate fund level leverage than many other BDC managers, so the relative performance rankings of PMMC I and MMCL are impacted by that unfavorable dynamic. While the GSAM PMMC funds have had low realized loss ratios since inception, the PMMC I and MMCL portfolios have had some impairments, or unrealized losses, with certain second lien investments. The PMMC I and MMCL portfolios are still maturing, and GSAM expects the funds to perform in line with the long-term net return expectations for the PMMC strategy.

PMMC II began investing in 2019, but the fund is early in its investment period with no meaningful performance through December 31, 2019. GSAM has noted that the PMMC II investment focus is expected to be more oriented toward first lien credit opportunities based on tighter market conditions and more favorable competitive dynamics due to certain other lenders being less active in the current market.

The PMMC funds were also impacted negatively by the effects of COVID-19 during the first quarter of 2020. The PMMC funds took mark to market write downs in March 2020, with reported IRRs down by 2% to 4%. GSAM utilizes third-party valuations, which are produced quarterly and reflect GS's conservative valuation practices. With the overall recovery in market valuations during April and May 2020, the valuations of the PMMC portfolios were expected to revert to pre-COVID levels by the end of the second quarter of 2020.

Strategic Solutions
The Strategic Solutions track record assessment includes a review of special situations investments originated, managed, and executed MBD and the Global Special Situations Group that would fit the scope of the West Street I strategy. As of March 31, 2020, the MBD and SSG teams had invested $15.7 billion in 60 credit-related and structured/preferred equity transactions since 2009. These investments were not made through a traditional fund structure but were capitalized with Goldman Sachs proprietary capital as well as third-party capital.

The representative Strategic Solutions track record shown below demonstrates the higher return potential of a well-managed, opportunistic credit strategy. Through March 31, 2020, the Strategic Solutions investments had generated a gross IRR of 21% with a gross TVM of 1.5x and modest loss history. Of the 60 Strategic Solutions made, 29 had been realized as of March 31, 2020 and returned 1.8x invested capital of $8.3 billion with a gross IRR of 24%.

($US in millions, as of March 31, 2020)

Srategic Solutions Investment Performance Summary							
	#	Invested	Realized	Unrealized	Total	Gross/Net[1]	
Fund	Deals	Capital	Value	Value	Value	TVM	IRR
Strategic Solutions Track Record	60	$15,729	$17,466	$6,365	$23,831	1.5x / 1.4x	21% / 16%

<u>Key Strengths</u>

1. **<u>Financial Services Industry Leader.</u>** The Partnership with GS will provide the CRPTF with investment exposure to one of the top five alternative asset management firms globally as well as broader access to one of the premier financial services institutions worldwide. GS is a well-recognized global banking organization with integrated financial capabilities and a reputation for excellence, innovation, and industry leadership. As such, GS attracts the industry's best and brightest individuals and is a recognized source of top talent across private entities and public institutions. As a designated Systemically Important Financial Institution (SIFI) and a Global Systemically Important Bank (G-SIB), Goldman Sachs is subject to a higher level of regulatory scrutiny and review, and is required to maintain higher capital levels, rendering the organization as one of the strongest financial institutions in the world. The bank's internal control suite of compliance, legal, risk management and related functions oversee the global activities of Goldman's four primary operating divisions, providing additional elements of oversight and risk control designed to ensuring a strong and sound operating entity.

2. **<u>Flexible Strategy Mix Across Capital Structures.</u>** GS has collaborated with PFM investment professionals to develop a Partnership structure that will allow the CRPTF to access a portfolio of unique private credit and alternative credit capabilities and opportunities through a highly customizable and flexible account structure. The CRPTF will maintain control over its exposures across distinct sub-sets of the private/alternative credit sector and will have the ability to redirect core strategy allocations over time as markets evolve and shift. In addition, the Partnership's co-investment capabilities will provide the opportunity for the CRPTF to adjust specific exposures more dynamically toward the most attractive risk/reward opportunities across the GS Credit Alternatives platform.

   PFM investment professionals believe that the proposed strategies are attractive on an individual basis and represent a secular investment opportunity. In the present market environment in which interest rates have been pushed back to 0% due to COVID-19 stimulus and restrictive bank regulations have contributed to a sizeable lending void; senior secured, floating-rate debt provides a hedge against rising interest rates, historically lower loss rates than broadly-syndicated loans, covenants to protect the lender, and historically lower correlations to equity and bond markets. The opportunity set for Special Situations investing should grow significantly as the economy and business conditions move through the COVID-19 induced "shake-out" stage of the credit cycle characterized by higher levels of corporate distress (e.g. increased corporate defaults, higher market volatility). Investment opportunities involving stressed and distressed companies will be very fluid, with macroeconomic challenges, global deleveraging, and related political imbalances creating market-driven catalysts and generating the need for creative and flexible financing solutions. MBD Credit should be positioned to anticipate and act quickly upon opportunities and to invest at peak points of market dislocation and mispricing.

3. **Strong Conservative Performance.** The GS MBD Credit and GSAM PCG strategies are grounded in the Firm's deep credit culture that values the preservation of capital and downside management. The BSLP and PMMC credit strategies primarily invest in directly originated, senior secured credit of high quality mid- and large cap companies where the GS teams utilize disciplined underwriting, structuring, and governance practices resulting in attractive risk-reward profiles. Strong credit underwriting and portfolio management expertise is evidenced in the low loss experience across the more than $35 billion of senior credit invested by MBD Credit since 2008 and the more than $10 billion invested by GSAM PCG since 2012. PFM investment professionals believe the MBD Credit and GSAM PCG track records of delivering solid, risk-adjusted returns make will provide the CRPTF with a core, conservative strategy exposure, which will be complemented by the higher yielding, more opportunistic West Street exposure.

4. **Partnership Benefits & Alignment of Interest.** Goldman Sachs seeks to establish a long-term, strategic relationship with the CRPTF in order to deliver its broad set of transactional expertise, industry insight, global capabilities, independent research, thought leadership, and worldwide network of clients and counterparts in support of a private credit/alternative credit mandate. The expectation is for this strategic relationship to grow and deepen over time, supporting the achievement of diverse exposure and performance goals for the CRPTF. Goldman is offering this customized arrangement whereby the CRPTF can access and leverage the comprehensive capabilities of the entire Firm. The Partnership structure helps to create an added level of alignment of interest between GS and the CRPTF through favorable terms across the various investment vehicles. These more attractive fees will reduce the gross to net fee drag on the performance of the portfolio. Moreover, GS has been the largest investor across all of MBD's flagship corporate credit funds since inception, and GS expects to be the single largest investor in BSLP IV. In addition, employees of MBD and across GS also commit substantial capital to the MDB funds, including BSLP IV and WSS I. GS and its employees are the largest investors in GS BDC, Inc. (NYSE: GSBD), the publicly traded BDC. GSBD and the PMMC funds co-invest in the same loans, and, therefore, there is a significant alignment in interest between GS and investors in the PMMC funds.

Major Risks and Mitigants

1. **First West Street Institutional Fund Raise & Reconfigured Strategic Solutions Team.** While the GC Credit Alternatives platform has successfully invested approximately $16

billion of capital in opportunistic investments since 2009, WSSS I will represent the first institutional fund raised to execute this strategy. In addition, the MDB Private Credit Group and the Special Situations Group were integrated to form the Strategic Solutions group within MBD Credit in 2019. These organizational changes combined with the potential shift in strategy when transitioning to investing third-party capital may raise concerns associated with a first-time fund. PFM investment professionals gained comfort that West Street's go-forward opportunistic strategy is substantially similar to the special situations investments executed by GS since 2009. The Strategic Solutions team is led by two senior Partners who have been executing such transactions over their careers at GS. Moreover, the other senior members of the Strategic Solutions deal team have worked together in the MDB Credit group for many years. Therefore, PFM investment professionals believe the Strategic Solutions team is well-positioned to execute the West Street I strategy, which should be well-positioned during an expected period of corporate stress and distress when flexible capital solutions are valued most.

2. **Potential Conflicts of Interest.** The potential for conflicts of interest exist across the MBD, GSAM, and broader Goldman Sachs organization. Such conflicts could include the allocation of investment opportunities amongst a variety of commingled funds, managed accounts, and Goldman Sachs balance capital. Additional conflicts may occur when MBD managed vehicles are invested in different loans or securities of the same company, e.g., a senior secured loan and a subordinated loan. Lastly, potential conflicts could arise between an important client relationship in another GS division, e.g., investment banking, and the MBD or GSAM invest teams.

   While these risks may not be fully avoidable, GS has robust practices and policies to mitigate the concerns presented by potential conflicts. Allocation policies are used to ensure fair and transparent allocation of investment opportunities. To prevent conflicts that may arise due to cross-strategy investments, policies are in place to ensure that one of the capital tranches would be led by an independent, third-party investor or investors. The economic interests of GS and its employees, which are significant investors in the MBD Credit Strategies and GS BDC, Inc., serves to mitigate investment related conflicts between GS and fund investors. GS is a highly regulated entity with a robust control suite of compliance, legal, and risk management practices and resources to closely monitor and protect against the many risks, including conflicts that may occur across the global GS organization.

3. **Performance Impact of COVID-19 and Leverage**. The COVID-19 pandemic is still causing knock-on disruption in economies and businesses causing many companies to renegotiate the credit terms or seek payment relief during the crisis. The uncertainties surrounding the COVID-19 pandemic and the unknown impact on the economy may introduce additional risks into the investments targeted by MBD Credit and GSAM PCG. The MBD Credit and GSAM PCG strategies also utilize leverage, ranging from debt to equity ratios of 25% to 200% at the fund level, which can magnify the performance risks due to portfolio company credit deterioration.

   These risks are largely mitigated by the skills and experience of the MBD and GSAM credit teams, which have successfully navigated numerous economic and capital markets crises. Equally as important, the MBD and GSAM teams have successfully managed levered vehicles through multiple cycles, with leverage levels matched to respective risk profile of each strategy and expert asset-liability management practices. The GS credit culture is grounded in strong, fundamental credit underwriting and structuring practices, which focuses the firm's investment activities on top of the capital structure exposure to high quality companies in more resilient and defensive sectors. Prior to the COVID-19 crisis, the MBD Credit and GSAM PCG leadership strategically adopted a more conservative, late cycle approach to credit investing and, therefore, had no, or very modest, exposure to sectors such as energy, leisure, and traditional retail. While the more recent BSLP and PMMC funds showed poor returns during the first quarter of 2020, those results were largely attributable to mark to market practices impacted by broader market valuations and not a significant deterioration of portfolio credit quality.

<u>Legal and Regulatory Disclosure (provided by Legal)</u>

In its disclosure to the Office of the Treasurer, Goldman Sachs Asset Management, L.P. ("GSAM L.P.) & Goldman Sachs & Co. LLC ("GS&Co.") (collectively,"Goldman"), discloses the following litigation:

- In May 2019, the special Claims Committee of the Financial Oversight and Management Board and the Official Committee of Unsecured Creditors of the Commonwealth of Puerto Rico filed actions against hundreds of current and prior holders of Puerto Rican bonds between May 2, 2013 and May 3, 2017. Defendants include certain funds managed by GSAM L.P, even though GSAM L.P. itself never owned any bonds. The Oversight Board reached an agreement in principal to settle the action with certain large bondholders whereby prior bondholders will be dismissed and bondholders at the time of approval of the settlement will receive cash and new bonds that will result in a lower recovery than they would have received under the original bonds. The settlement requires legislation to be passed by the Commonwealth of Puerto Rico, approval of 70% of current bondholders and court approval. The action is currently stayed.
- In October 2016, GSAM L.P. received a Notice of Disciplinary Action from NYMEX in connection with an alleged violation on April 24, 2016 of the NYMEX expiration month position limit for natural gas futures. GSAM L.P. agreed to pay a penalty of $40,000 in connection with this matter.
- Except for the matters noted above, GS&Co. has not been named as a defendant in its capacity as investment adviser to investment funds sponsored by its Merchant Banking Division.

Goldman states that with respect to its investment adviser services, it has no material claims under its fidelity, fiduciary or E&O insurance policies. Goldman has a policy that prevents them from reporting any ongoing internal investigations. Goldman states it has adequate procedures in place to undertake internal investigations of its employees, officers and directors.

<u>Compliance Review (provided by Compliance)</u>

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

<u>Environment, Social & Governance Analysis ("ESG") (provided by Policy)</u>

The Assistant Treasurer for Policy's Evaluation and Implementation of Sustainable Principles review is attached.

6/23/20

COMPLIANCE REVIEW FOR PRIVATE CREDIT FUND

SUMMARY OF LEGAL AND POLICY[1] ATTACHMENTS

SUBMITTED BY

GOLDMAN SACHS ASSET MANAGEMENT, L.P. & GOLDMAN SACHS & CO. LLC

I. Review of Required Legal and Policy Attachments

Goldman Sachs Asset Management, L.P. & Goldman Sachs & Co. LLC (Goldman Sachs), a New York-based company, completed all required legal and policy attachments. It disclosed no impermissible third party fees, campaign contributions, known conflicts, or gifts. The firm's disclosure of legal/regulatory proceedings is being reviewed by the Legal Unit.

II. Workforce Diversity[2] (See Also 3 year Workforce Diversity Snapshot Page Attached)

As of April 2020, Goldman Sachs employed 17,559, 2165 more than the 15,394 employed as of April 2018. The company identified 360 women and 353 minorities as Executive/Senior Level Officials and Managers, i.e., serving at the senior-most level of the firm. Goldman Sachs reported that for the 3 year period 2017-2019, 199 women and 185 minorities were promoted within the ranks of professionals or managers.[3] Women and minorities are represented in much greater numbers at levels below Management.

Commitment and Plans to Further Enhance Diversity

Goldman Sachs is built on longstanding principles of accountability, and believes that hiring, developing and promoting diverse people is central to serving clients and being an employer of choice. The company keeps itself accountable through commitment and participation in numerous initiatives such as, the Black/Hispanic Analyst Initiatives, Women's Career Strategies Initiative, Asian Talent Initiative, and Managing Director Initiative. It also participates in several programs including, the UK Women in Finance, UK Race at Work charters, the Africa Recruiting Initiative, Returnship Program, and Veterans Integration Program. Goldman Sachs also partners with external organizations such as SEO and Ron Brown Scholars. Under the leadership of the Global Diversity Committee, the company is focused more than ever on diversity and practices and processes that create even stronger inclusion.

Workforce Statistics

For Executive/Senior Level Officials and Managers:

- Women held 26% (360 of 1388) of these positions in April 2020, up from 24% (297 of 1238) in April 2019 and 23% (305 of 1309) in April 2018.
- Minorities held 25.4% (353 of 1388) (16.1% Asian, 4.3% Hispanic, 3.7% Black and 1.2% Two or More Races) of these positions in April 2020, up from 22.9% (284 of 1238) (14.6% Asian, 4.2% Hispanic, 3.2% Black, and 1.0% Two or More Races) in April 2019, and 22.9% (300 of 1309) (14.6% Asian, 4.4% Hispanic, 3%Black, and 0.9% Two or More Races) in April 2018.

At the Management Level overall:

- Women held 25% (603 of 2388) of these positions in April 2020, up from 24% (566 of 2325) in April 2019 and 24% (492 of 2063) in April 2018.
- Minorities held 34.8% (831 of 2388) (25.6% Asian, 4.1% Hispanic, 3.8% Black and 1.3% Two or More Races) of these positions in April 2020, down slightly from 35.4% (824 of 2325) (26.8% Asian,

[1] The Treasury's Policy Unit will prepare a separate Summary with respect to Goldman Sach's ESG submission.

[2] Data for Goldman Sachs company-wide.

[3] Data relates to all women, and employees who have self-identified as minorities in the United States within Goldman Sachs Asset Management, L.P. as well as the Merchant Banking Division.

3.5% Black, 4%Hispanic and 1.1% Two or More Races) in April 2019, but up from 30.3% (625 of 2063) (21.5% Asian, 3.5% Black, 4.2%Hispanic and 1.1% Two or More Races) in April 2018.

At the Professional Level:

- Women held 40% (5284 of 13,265) of these positions in April 2020, up from 39% (4750 of 12,249) in April 2019, and 38% (4506 of 11,970) in April 2018.
- Minorities held 46.2% (6129 of 13,265) (28.3% Asian, 9.9% Hispanic, 5.8% Black and 2.3% Two or More Races) of these positions in April 2020, up from 45.5% (5577 of 12,249) (28.1% Asian, 5.7% Black, 9.4%Hispanic and 2.3% Two or More Races) in April 2019, and 44.5% (5328 of 11,970) (27.8% Asian, 5.4% Black, 8.8% Hispanic and 2.4% Two or More Races) in April 2018.

Firm-wide:

- Women held 41% (7202 of 17,559) of these positions in April 2020, up from 40% (6381 of 16,097) in April 2019 and 39% (5970 of 15,394) in April 2018.
- Minorities held 44.9% (7884 of 17559) (25.8% Asian, 10.1% Hispanic, 6.8% Black and 2.2% Two or More Races) of these positions in April 2020, up slightly from 44.5% (7156 of 16,097) (26.3% Asian, 6.5% Black, 9.4%Hispanic and 2.2% Two or More Races) in April 2019, and 42.6% (6554 of 15,394) (25.3% Asian, 6% Black, 9% Hispanic and 2.2% Two or More Races) in April 2018.

III. Corporate Citizenship

Charitable Giving:

Philanthropy and community engagement are embedded in Goldman Sachs' culture. The company is committed to helping communities where "we work and live – and in places more distant - where our ideas, people and resources can make a difference." Since 2008, Goldman Sachs has committed in excess of $1.6 billion to philanthropic initiatives. It has supported numerous causes including, resolving social and environmental ones. Goldman Sachs works with over 100 academic and nonprofit partners. Community TeamWorks (CTW) is a global volunteer initiative that allows employees to "one day a year", work in partnership with local nonprofit organizations around the world. The firm's Matching Gift Program matches donations, up to a total of $20,000 (or equivalent) per eligible employee, on a one-to-one basis for eligible organizations. Goldman Sachs' 10,000 Women was founded on the understanding that investing in women entrepreneurs leads to economic growth and stronger communities. 10,000 Women has reached thousands of women from over 100 countries to date. Connecticut has benefitted from GS Gives, which has granted more than $55 million to 276 nonprofit organizations in the state since 2010. The company has also contributed to numerous Connecticut-based organizations including, Connecticut Humane Society, Habitat for Humanity of Greater Bridgeport, The Food Bank of Lower Fairfield County, Inc., among many others. Company employees are also engaged with charities and community-based organizations in the Connecticut towns where they live.

Internships:

Goldman Sachs hosts several programs for college through graduate school students. Programs range from 1-4 days and provide an introduction to the financial world through hands on experience, insights into the company's culture, and networking opportunities. Programs include Goldman Sachs Undergraduate Camp, a three-day program for Black, Latino/Hispanic, Native American and/or first generation college freshmen and sophomores of all majors; Goldman Sachs Pride Summit, a 3 day program for undergraduate freshman and sophomores who self-identify as lesbian, gay, bisexual or transgender; Women's Leadership Camp, a 3 day camp introducing undergraduate freshmen and sophomore women interested in financial services to the opportunities at the company. The HBCU Leadership Summit is a 3 day program designed to drive additional talented, diverse applicants from Historically Black Colleges & Universities into the company's pipeline and provides 100+ selected students exposure to the company. The Veterans Summit launched in 2011 is a 1 day career event that targets first year MBA veterans and transitioning military members who are seeking summer internships in the financial services industry. 2020 Summer Intern Demographics: 51% Women (Global), 54% Women (Americas), 12% Black (Americas) and 16% Hispanic/Latinx (Americas).

Scholarships

Goldman Sachs has deployed $300mm in need based financial aid to 400 colleges and universities around the world. The company does not currently track the portion of that support that goes to diverse communities, but all company grants for scholarships are awarded on the basis of need which does correlate to diverse communities. In addition, the company sponsors numerous other scholarships, including Scholarships for Excellence for undergrads. In 2019 and 2020, 36 students benefitted from approximately $500,000, with $10-15k per student. Also, the MBA Fellowship benefits MBA students and is awarded for outstanding student achievement. Eligible students are first-year MBAs pursuing a summer associate position at Goldman Sachs who self-identify as a woman, black, Hispanic/Latinx, or Native American.

Procurement:

From its response, Goldman Sachs does not appear to have a written procurement policy or program specifically designated to foster business relationships with women-owned, minority-owned, and/or emerging businesses. However, the Goldman Sachs Vendor Diversity Program started in 2000 seeks to drive opportunities with small and minority business owners. All strategic sourcing teams are briefed on the company's Vendor Diversity Program and goals and report on activity with diverse vendors to the Sustainable Supply Chain team. The company also works with certifying organizations, to match diverse vendors to upcoming sourcing opportunities. Goldman Sachs does not currently report its spend with diverse businesses, but has a target to report its 2020 spend next year, and to increase that business by 50% by 2025 from its 2020 baseline.

Summary of Responses to Attachment M: Evaluation and Implementation of Sustainable Principles Submitted by Goldman Sachs Asset Management June 23, 2020	
Firm has an ESG policy	Yes
If yes, firm described its ESG policy	Yes
Firm provided examples of ESG factors considered in the decision-making process, explained the financial impact of these ESG factors	Yes
Designated staff responsible for sustainability policies and research	Yes
Firm provides training/resources on sustainability issues, explained sources of ESG-related data	Yes
Signatory/member of sustainability-related initiatives or groups	Yes
Policy for evaluating current or prospective relationships with manufacturers or retailers of civilian firearms	Yes
Policy that requires safe and responsible use, ownership or production of guns	Non-responsive
Enhanced screening of manufacturers or retailers of civilian firearms	Yes
Enhanced screening of any industry/sector subject to increased regulatory oversight, potential adverse social and/or environmental impacts	Yes
Merchant credit relationships with retailers of civilian firearms and accessories	No
If yes, firm confirms compliance with laws governing firearms sales	N/A
Overall assessment of responses (e.g., depth of approach to ESG and integration)	GS disclosure included reference to its *Statement on ESG & Impact Investing* and *Statement on Environmental Social and Governance,* both comprehensive descriptions of the firm's integration of ESG factors across its investment processes. GS maintains a list of prohibited transactions, which includes principal equity positions in manufacturers of civilian firearms or assault weapons, bump stocks or high capacity magazines (exception: GS will only enage with manufacturers of firearms where the sole intended end user is a federal, state or government agency. Overall, the firm's disclosure was exemplary.
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 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**

MEKETA
INVESTMENT GROUP

Private Markets Investment Memorandum

Goldman Sachs CT Private Credit SMA

July 1, 2020

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Executive Summary

Meketa Investment Group ("Meketa") initiated its evaluation of the Goldman Sachs' ("GS" or the "Firm") Merchant Banking Division ("MBD") and Goldman Sachs Asset Management ("GSAM") Private Credit Groups in consideration for a separately managed account (the "SMA") on behalf of the Connecticut Retirement Plans and Trust Funds ("CRPTF"). The CRPTF are considering commitments to MBD's Senior Credit and Opportunistic Credit strategies, and GSAM's Private Middle Market Credit strategy, as well as co-investment opportunities across both platforms. Beginning in June 2020, Meketa reviewed the due diligence questionnaires, the Limited Partnership Agreements, and other related documents provided by GS in relation to the above mentioned strategies. Virtual on-site due diligence meetings were conducted on June 10 and June 11, 2020 to discuss strategy, performance, personnel, and resources. Several additional follow up calls were conducted to augment previous discussions and discuss account structuring. As the SMA structure and co-investment guidelines are still being negotiated, Meketa was unable to complete a thorough review of many terms relating to certain underlying strategies, a potential co-investment portfolio, and structure of the overall account. This memorandum discusses the Broad Street Loan Partners IV and Goldman Sachs Private Middle Market Credit II LLC funds, as well as the West Street Strategic Solutions strategy.

BACKGROUND OF FIRM

Fund Name	Manager	Office Location(s)	Target Market	Target Geography
Goldman Sachs CT Private Credit SMA	Goldman Sachs	New York (HQ)	Private Credit	Primarily North America and Europe

Goldman Sachs is one of the largest alternative asset managers with various teams and strategies across the MBD and GSAM division of the Firm. The combined assets under management within MBD Credit and GSAM Credit are more than $69 billion across a range of strategies.

Goldman Sachs' Merchant Banking Division's Private Credit Group oversees the Senior Credit, Mezzanine, and West Street Strategic Solutions strategies. MBD Credit employs more than 170 investment professionals located around the world. The group has invested approximately $231 billion since 1986. The MBD Credit Group raised its first fund vehicle in 1996, and it has invested approximately $76 billion since then. The MBD Credit strategies have the resources and scale to invest between $100 million and $1 billion per transaction across senior and junior debt, primarily in North America and Europe, but also in Asia and other regions.

Separate from the Merchant Bank Division, Goldman Sachs Asset Management ("GSAM") manages the Firm's Private Middle Market Lending strategy. The GSAM Private Credit Group has invested over $10 billion of capital in its middle market lending strategy since inception. The group currently has approximately $9.0 billion of capital under management across various strategies.

SUMMARY OF TERMS AND STRATEGY

Fund Size	Management Fee	Carry Structure	Preferred Return	Fee Income	Inv. Period And Total Term
BSLP IV: $7.0 billion PMMC II: $1.5 billion	BSLP IV: 1.00% on invested equity capital PMMC II: 1.50% on NAV	BSLP IV: Deal-by-Deal PMMC II: Whole Fund	BSLP IV: 7.0% levered sleeve PMMC II: 7.0%	100% offset.	BSLP IV: 3&8 years PMMC II: 3&5 years

Merchant Banking Division (MBD):

Broad Street Loan Partners targets first lien senior secured corporate debt across North America and Europe. The strategy will look to make loans to borrowers between the upper middle market and lower end of the broadly syndicated market. Generally, these issuers have EBTIDA between $50 and $200 million. The Fund focuses on companies in growing industries with stable businesses and outlooks. The Loan Partners funds have unlevered and levered (2x debt: equity) sleeves. Target returns for the Loan Partners IV levered sleeve are 13% gross, and 10% net.

West Street Strategic Solutions ("WSSS I") seeks to provide investors with a higher return than Loan Partners by taking a flexible and opportunistic approach. The investment team leading this strategy was recently integrated into MBD Credit (previously known as Special Situations Group). Prior to MBD integration, the Special Situations Group investment team was Goldman Sachs' primary vehicle for special situations and opportunistic investing across the credit cycle and in both public and private transactions (investing GS balance sheet capital), dating back to 2009 in its current form. The West Street strategy targets directly sourced and highly structured financings that can include rescue finance, asset dispositions and other special situations. Each investment will have unique pricing and structuring features that will seek to provide downside protection in addition to upside optionality. The portfolio is expected to be predominantly allocated to both senior and subordinated debt, but there can be a meaningful allocation to equity risk in the form of structured, preferred and common equity. WSSS I is targeting overall returns of 15% to 18% gross, and 12% to 14% net.

<u>Goldman Sachs Asset Management Division (GSAM):</u>

GSAM's **Private Middle Market Credit** ("PMMC") executes a direct origination strategy, investing primarily in U.S. middle market companies. PMMC is focused on investing in senior and unitranche debt, but will also opportunistically invest in second lien and subordinated debt tranches. In certain transactions, the team may receive or purchase warrants or equity to provide return upside. In the current market environment, the PMMC Team expects that the vast majority of PMMC fund loans will be first lien, senior secured obligations that are being used to refinance existing debt, finance M&A or fund leveraged buyouts. Private Middle Market Credit II targets returns of 12% gross and 9% net.

TRACK RECORD SUMMARY AS OF MARCH 31, 2020 ($ IN MILLIONS)

Fund	Vintage Year	Invested ($)	Realized Value ($)	Total Value ($)	Net Multiple (X)	Net IRR (%)
Senior Credit Performance						
GS Loan Partners	2008	13,202	16,810	16,810	1.7	17.0
Broad St Loan Partners 2013	2014	2,454	2,617	2,834	1.2	9.0
Broad St Sr. Credit Partners	2015	3,664	2,242	3,882	1.0	1.0
Broad St. Loan Partners III	2017	8,800	2,261	8,722	0.9	Negative
Broad St. Sr. Credit Partners II	2019	2,659	466	2,522	0.8	NM
Total Senior Credit		30,778	24,396	34,771		
Private Middle Market Credit Performance						
GS BDC, Inc. (NYSE: GSBD)	2012	3,435	2,657	3,991	1.1	6.9
GS Private Middle Market Corp.	2016	2,114	1,057	2,366	1.1	5.8
GS Middle Market Lending Corp.	2017	2,222	731	2,397	1.1	3.0
GS Private Middle Market Corp. II	2019	577	65	565	0.9	NM
Total Mid-Market Credit		8,348	4,510	9,319		
Opportunistic Credit Performance						
West Street Strategic Solutions	NA	15,729	17,466	23,831	1.4	16.0
Total Opportunistic Credit		**15,729**	**17,466**	**23,831**		

Both Senior Credit and Mid-Market strategies suffered mark-to-market losses in the first quarter of 2020 due to the COVID-19 pandemic. The Senior Credit, specifically, where most underlying loans are traded, likely suffered most. These strategies were tracking much closer to target expected returns as of December 31, 2019. The West Street Strategic Solutions strategy has performed well, though this track record does not represent an actual investor fund.

SUMMARY

The proposed SMA offers the opportunity for the CRPTF to access Goldman Sachs' broad private credit platform and gain exposure to three strategies that will provide various borrower type and sub-strategy exposures. Although there are several potential issues and conflicts with GS due to their various businesses and size, the MBD and GSAM strategies are also able to gain unique access to resources to enhance deal flow, underwriting and portfolio management capabilities. While there is still significant uncertainty in the economy due to the COVID-19 pandemic, the resulting disruption in credit markets presents opportunities for private lenders and opportunistic capital providers to potentially earn attractive risk-adjusted returns due to more attractive pricing and lender-friendly terms.

Manager Background

BACKGROUND OF THE FIRM

Goldman Sachs & Co ("GS" or "the Firm") was founded in 1869 and is one of the largest financial institutions that currently provides commercial and investment banking, securities, investment management, advisory, and many other services globally. The Firm's clients include a wide range of corporations, institutional investors, individuals, governments and other financial institutions. The Firm is generally organized into four business segments: i) the Investment Banking Division, ii) the Merchant Banking Division, iii) the Global Markets Division, and iv) the Consumer & Investment Management Division.

Goldman Sachs' Merchant Banking Division ("MBD") is the primary center for Goldman Sachs' long-term private markets investing activity. GS has operated this business for over 30 years and the group has invested approximately $231 billion since 1986. MBD's Credit Group manages the Senior Credit Platform, the Mezzanine Credit Platform and the West Street Strategic Solutions Platform. The first mezzanine fund and the first senior loan fund were raised in 1996 and 2008, respectively, and the Firm has invested over $40 billion in these strategies since their inceptions. In 2019, Goldman Sachs transitioned to a single alternative investing platform, which brought together MBD's Credit Group (managing client/LP capital) and Goldman's Special Situations Group (managing GS balance sheet capital), forming an integrated alternative credit platform. Prior to this combination, Strategic Solutions Group had $30 billion of assets under management across multiple strategies including, specialty lending, real estate, growth equity and strategic solutions. The Special Situations Group invested in select transactions alongside prior MBD Loan Partners and Mezzanine funds dating back several years. Of the $30 million of assets managed by the Special Situations Group, approximately $6.3 billion of assets are attributable to the Strategic Solutions Team, which will continue executing its investment strategy across the West Street Strategic Solutions strategy.

Goldman Sachs Asset Management division ("GSAM") is separate from the Merchant Bank Division, and is within Goldman's Consumer & Investment Management Division. This group oversees approximately $1.8 trillion in assets across a wide variety of investment strategies and investor types. GSAM's Private Credit Group manages the Private Middle Market Lending Strategy, which has invested more than $10 billion since its inception in 2012. This group has raised four distinct private credit funds, all of which are in business development company ("BDC") vehicles.

Investment Resources and Experience

MBD is led by Rich Friedman (Chairman of MBD), Julian Salisbury (Head of MBD), Mike Koester (Co-Head of Alternatives Capital Markets & Strategy), Tom Connolly (Co-Head of MBD Credit) and Greg Olafson (Co-Head of MBD Credit). MBD Credit employs 170+ investment professionals located around the world. The MBD Credit Investment Committee consists of each of the individuals above, as well as seven additional senior investment professionals with specific regional and/or strategy expertise. Overall, the individuals on this twelve-member investment committee average more than 20 years working at GS. The MBD Credit team consists of more than 30 investment professionals.

The Senior Credit strategy is co-led by Mr. Connolly and James Reynolds, who is the head of MBD Credit's European operations. Messrs Connolly and Reynolds have worked together since the strategy inception in 2008. They are supported by a large team of more than ten managing directors and additional resources at the Vice President and Associate levels who primary support the Senior Credit and Mezzanine strategies. WSSS I is co-led by Mr. Connolly and Mr. Olafson, and also supported by a team of nine dedicated investment professionals. This group will also be supported by other resources, including MBD Credit resources, across the global offices and asset strategy teams (e.g. private equity and real estate). Mr. Olafson and his Strategic Solutions team recently joined MBD Credit in 2019 as part of the Special Situations Group integrations. They were merged into MBD Credit to gain additional formal resources and to raise external investor capital.

Goldman Sachs Asset Management division ("GSAM") is separate from the MBD. The team that oversees PMMC is entirely dedicated to middle market credit as part of the credit alternatives team within GSAM. There are a total of 39 people within the group, 26 of whom are investment professionals primarily located across New York, Chicago, Los Angeles, and San Francisco. Brendan McGovern is the Head of the Private Credit Group and has worked on the middle market lending strategy since inception in 2012. He leads the investment committee that also includes John Yoder (COO of GSAM Private Credit), David Yu (Head of Private Credit Research) Michael Masteropaolo (Co-Head of Origination) and Jordan Walter (Co-Head of Origination). The investment team is separated into senior sponsored and non-sponsored deal teams, with a large support team that assists with credit underwriting and asset management. Deal teams have access to the resources of MBD and the broader firm when needed for a workout scenario or restructuring process.

GOLDMAN SACHS MERCHANT BANKING DIVISION (MBD) CREDIT INVESTMENT COMMITTEE

Name	Title	Years At Manager	Total Years' Experience	Relevant Experience/Degree
Tom Connolly	Co-Head of MBD Credit, Co-CIO of Strategic Solutions	21	24	→ Joined Goldman Sachs in 1996 → BA: Union College
Greg Olafson	Co-Head of MBD Credit, Co-CIO of Strategic Solutions	13	19	→ Joined Goldman Sachs in 2001 → BA: University of Windsor Canada MBA: University of Virginia
Rich Friedman	Chairman of MBD, Co-Chairman on Credit IC	30	39	→ Joined Goldman Sachs in 1981 → BA: Brown University MBA: University of Chicago
Julian Salisbury	Head of MBD, Co-Chairman of Credit IC	15	22	→ Joined Goldman Sachs in 1998 → BS: Loughborough University
Michael Koester	Co-Head of the Firmwide Alternatives Capital Markets & Strategy Group	21	21	→ Joined Goldman Sachs in 1996 → BA: Colby College MBA: Dartmouth

Name	Title	Years At Manager	Total Years' Experience	Relevant Experience/Degree
James Reynolds	Head of MBD Credit Europe	19	19	→ Joined Goldman Sachs in 2000 → BS: Ecole Nationale des Ponts et Chaussees
Jonathan Vanica	Head of MBD Credit Asia	18	18	→ Joined Goldman Sachs in 2001 → BS: Boston College MBA: UCLA
David Miller	Head of MBD Specialty Lending Americas	15	15	→ Joined Goldman Sachs in 2004 → BA: Auburn University
Alex Chi	Head of MBD Private Credit Americas	25	25	→ Joined Goldman Sachs in 1994 → BS: MIT
Gaurav Seth	Co-Head of MDB Real Estate Americas	21	21	→ Joined Goldman Sachs in 1998 → BA: Swarthmore College
Nicole Agnew	MBD Private Equity Americas	14	14	→ Joined Goldman Sachs in 2005 → BA: Harvard College
Matthias Hieber	MBD Private Equity Europe	16	16	→ Joined Goldman Sachs in 2000 → MS: Vienna University

GOLDMAN SACHS ASSET MANAGEMENT DIVISION (GSAM) INVESTMENT COMMITTEE

Name	Title	Years At Manager	Total Years' Experience	Relevant Experience/Degree
Brendan McGovern	Head of Private Credit Group	12	22	→ Managing Director at Amaranth Advisors
Jon Yoder	Chief Operating Officer	13	20	→ M&A group at Paul, Weiss, Rifkind, Wharton & Garrison

Name	Title	Years At Manager	Total Years' Experience		Relevant Experience/Degree
David Yu	Head of Private Credit Research	12	14	→	Global Investments Group at Amaranth Advisors; Leverage Finance and Sponsor Coverage Group at CIBC World Markets
Michael Mastropaolo	Co-Head of Origination	3	16	→	Director at Golub Capital
Jordan Walter	Co-Head of Origination	4	15	→	VP at MCG Capital

Investment Strategy

Merchant Banking Division (MBD):

Loan Partners IV ("LP IV") is currently targeting a total fund size is $7.0 billion to continue the prior funds' strategy of leading primarily senior debt loan financing transactions to borrowers that require capital between the upper end of the middle market and lower end of the broadly syndicated loan market. Since inception of the strategy in 2008, the strategy has invested more than $35 billion in approximately 160 unique credits. The strategy seeks to provide a unique financing solution to borrowers that require more speed, discretion or flexibility than a broadly syndicated loan solution can provide. LP IV will also leverage its size to anchor transactions in the broadly syndicated loan market, as this will give them influence in debt tranche and initial structuring. The typical borrower profile will be growing companies with established and recurring revenue generating stable, positive cash flows. Historically, the portfolio has had a large allocation to technology and services companies and a much lower allocation to companies that operated in cyclical industries. While most borrowers will be private equity-backed, the strategy will also invest in private non-sponsored and publicly owned companies. The geographic breakdown is expected to be 50% to 75% in North America with the balance in Western Europe. They will invest at least 80% of the portfolio in first lien debt with the balance in second lien and unsecured debt. LP IV will utilize a high degree of fund-level leverage to achieve the target returns. GS expects to use leverage with similar terms and structure as in LP III. The portfolio will effectively be managed at 2: 1, debt: equity, however, this is not an explicit limit. The fund is targeting gross returns of 13% gross and 10% net.

West Street Strategic Solutions I ("WSSS I") is targeting $5 billion to $10 billion in the Firm's first commingled fund in this strategy that is a continuation of the approach used by the Special Situations Group from 2009 to 2019. The strategy seeks to provide investors with a high return by taking a flexible and opportunistic approach. Potential investments will be directly sourced, bilateral transactions that require a high degree of customization, usually in the form of capital solutions, asset dispositions and other special situations transactions. This capital will be used for growth capital, balance sheet restructuring, and to provide alternatives to private equity. Each investment will have unique pricing and structuring features that will seek to protect capital in the event the borrower's business plan falters, but also provide equity-like returns should they be able to execute successfully. The fund has a global mandate and will leverage the broader MBD team. Most investments are expected to be domiciled in North America, however, there is also expected to be exposure to Europe, Asia, and additionally, some other developed regions.

The fund portfolio is expected to be allocated to 25 to 40 core positions over two to four years, depending on market conditions. Capital structure positioning is expected to be predominantly senior and subordinated debt, but there can be a meaningful allocation to equity risk in the form of structured, preferred and common equity. In addition to the industries targeted by other MBD Credit strategies such as services, technology and healthcare, the team will also evaluate stressed situations and asset or loan portfolios. This strategy is not designed to be focused on distressed-for-control investments though. WSSS I is targeting overall returns of 15% to 18% gross, and 12% to 14% net.

Goldman Sachs Asset Management Division (GSAM):

Private Middle Market Credit II ("PMMC II") is currently targeting $1.5 billion to continue the platform's strategy of providing debt financing to growing middle market borrowers. The investment team has been executing the strategy since 2012 when they formed their first vehicle, a business development company ("BDC") that subsequently went public in 2015. The Firm has subsequently raised three other direct lending funds, Private Middle Market Credit I in 2016, Middle Market Lending Corporation in 2017 and now PMMC II. The Firm raises capital in this strategy using the BDC structure, though the PMMC series is expected to be exclusively private BDCs and follow a similar investment period, term and wind down of a traditional closed-end fund.

The investment team will seek to build a large diversified portfolio of directly originated middle market loans where they are the lead agent and lender, as this will give them the ability to directly negotiate loan terms with the borrower. Strategy returns will be predominantly driven by the cash yield component of the debt, however, there will be additional return features such as deal fees and/or original issue discount, as well as equity upside. Target borrowers will have EBTIDA between $10 million and $75 million and operate in industries believed to be less cyclical with positive secular dynamics. Most of the transactions evaluated will be backed by private equity sponsors, but the team does have dedicated resources to sourcing and evaluating non-sponsored borrowers. Non-sponsored loans tend to be generated from GS's private wealth client network. The portfolio is expected to target between 50-80 investments. PMMC II is expected to utilize leverage of up to 1.5: 1, debt: equity. The fund is targeting a return of 9% net.

Investment Process

Merchant Banking Division (MBD): LP IV & WSSS I: Each member of the investment team is responsible for sourcing transactions across the platform. The team will leverage the broader firm when applicable and appropriate to develop themes and make borrower introductions. The team will also leverage their long-term relationships with private equity sponsors and corporate management teams to identify companies or transactions in need of debt or opportunistic financing.

After a potential transaction is sourced, a deal team of two to three individuals will be assembled to conduct an initial evaluation of the borrower and financing opportunity. The investment committee and senior team then discuss this to determine if a formal due diligence process is necessary. The formal investment due diligence is a rigorous process led by the deal team but further supported by other MBD Credit resources, as well as the broad resources of the Firm. The deal team seeks to develop a unique investment thesis that must be backed by their quantitative and qualitative credit analysis. Investment professionals will work directly with borrowers to structure investments in an effort to add structural and covenant protections when possible.

All investment decisions for the LP IV and WSSS I strategies are ultimately made by the investment committee. The LP IV portfolio is expected to have exposure to more than 50 underlying loan positions and be diversified by industry. The WSSS I portfolio is expected to have between 25 and 40 core investments and will also be diversified globally.

Goldman Sachs Asset Management Division (GSAM): Private Middle Market Credit II ("PMMC II"): Investment sourcing in the middle market strategy consists of direct outreach to private equity sponsors, borrowers, and non-sponsored company channels. The sourcing network of the team is further enhanced by more than six regional offices across the U.S. The middle market team has four senior sponsored transactions team leads and two non-sponsored team leads.

Once a potential investment is sourced, a deal team is formed with members of the execution team. This group will present an initial memo to the investment committee that gives an overview of the borrower and transaction. If approved for further consideration the deal team will engage formally with the borrower for credit underwriting as well as advisors and lawyers for deal structuring. The Head of Credit Research and other senior members of the team will work with deal teams throughout the investment process. The investment committee consists of Mr. McGovern and four other senior members of the investment team.

Historical Senior Credit Performance

As of March 31, 2020
($ in Millions)

Fund	Year of First Investment	Number of Investments	Committed Capital[1] ($)	Invested Capital ($)	Realized Value ($)	Unrealized Value ($)	Total Value ($)
GS Loan Partners	2008	54	10,500	13,202	16,810	0	16,810
Broad Street Loan Partners 2013	2013	44	2,300	2,454	2,617	217	2,834
Broad Street Sr. Credit Partners	2015	59	3,200	3,664	2,242	1,641	3,882
Broad Street Loan Partners III	2017	77	9,800	8,800	2,261	6,461	8,722
Broad Street Sr. Credit Partners II	2019	38	4,000	2,659	466	2,056	2,522
Total		**272**	**29,800**	**30,778**	**24,396**	**10,375**	**34,771**

Fund	Gross IRR (%)	Net IRR[2] (%)	Gross TVM (X)	Net TVM (X)
GSLP	23.0	17.0	1.3	1.7
BSLP 2013	14.0	9.0	1.2	1.2
BSSCP	3.0	1.0	1.1	1.0
BSLP III	-0.4	Negative	1.0	0.9
BSSCP II[3]	NM	NM	1.0	0.8

The Loan Partners strategy started as a strategy to take advantage of the loan market volatility during the Global Financial Crisis. This represented the strategy's largest fund and produced strong returns that were augmented by recycling and leverage. The Senior Credit Partners strategy is slightly altered from Loan Partners in that it will use less leverage but also have a higher junior debt allocation.

While returns for current funds are below target levels as of March 31, 2020, this is mostly driven by returns over the most recent quarter when the loan market suffered significant sell off due to the COVID-19 pandemic.

[1] Inclusive of leverage.
[2] Levered, fund-level.
[3] Performance data under two years is recorded as "Not Meaningful".

Historical Opportunistic Credit Performance

As of March 31, 2020
($ in Millions)

Fund	Year of First Investment	Number of Investments	Invested Capital ($)	Realized Value ($)	Unrealized Value ($)	Total Value ($)
Strategic Solutions	2009	60	15,729	17,466	6,364	23,831
Total		**60**	**15,729**	**17,466**	**6,364**	**23,831**

Fund	Gross IRR (%)	Net IRR (%)	Gross TVM (x)	Net TVM (x)
Strategic Solutions	20.9	16.0	1.5	1.4
Total	**20.9**	**16.0**	**1.5**	**1.4**

The track record above does not represent a typical investor fund and instead includes all Strategic Solutions investments the team made from 2009 to 2019 with balance sheet capital. Certain MBD funds, including the Senior Loan and Mezzanine funds invested alongside this group in select transactions. Most investments have been realized with a very strong overall track record.

Historical Performance

As of March 31, 2020
($ in Millions)

Fund	Year of First Investment	Number of Investments	Invested Capital ($)	Realized Value ($)	Unrealized Value ($)	Total Value ($)
GS BDC, Inc. (NYSE: GSBD)	2012	171	3,435	2,657	1,334	3,991
GS Private Middle Market Corp.	2016	95	2,114	1,057	1,309	2,366
GS Middle Market Lending Corp.	2017	109	2,222	731	1,667	2,397
GS Private Middle Market Corp. II	2019	33	577	65	501	565
Total		**408**	**8,348**	**4,510**	**4,810**	**9,319**

Fund	Gross IRR (%)	Net IRR (%)	Gross TVM (X)	Net TVM (X)
GS BDC, Inc.	8.3	6.9	1.2	1.1
PMMC	7.2	5.8	1.1	1.1
MMLC	8.2	3.0	1.1	1.1
PMMC II[4]	NM	NM	1.0	0.9

The middle market credit strategy launched its first strategy in 2012, and the BDC went public in 2015. Similar to the Senior Loan Partners strategies, GSAM's middle market credit portfolios suffered mark-to-market losses in March 2020 as a result of the COVID-19 pandemic. Many of these losses are unrealized and have the potential to revert in subsequent quarters based on a market recovery.

[4] Performance data under two years is recorded as "Not Meaningful".

Investment Analysis

SWOT ANALYSIS

Strengths:

- → MBD and GSAM are able to leverage the broader Goldman Sachs organization for market intelligence, data and research resources across their various business lines. The MBD and GSAM investment teams are able to use this access to inform market, industry and issuer views.
- → Both the Goldman Sachs employees and balance sheet will make significant investments in each of the three strategies considered in the SMA, which create alignment of interest with limited partners and the CRPTF.
- → Both the Senior Loan team within MBD and Private Credit team within GSAM have had consistent leadership in Tom Connolly and Brendan McGovern, respectively, since their inceptions.
- → The three strategies under consideration have investment sourcing models that leverage the broader firm and are unique to Goldman Sachs.
- → The West Street Strategic Solutions strategy, while a first time fund for the team, has historically achieved very strong returns.
- → The SMA considered by the CRPTF is expected to leverage most of the broader GS platform to create an account that, in aggregate, is diversified by borrower type and strategy. Although still under negotiation, the SMA fees are expected to provide meaningful discounts to the funds if accessed on a standalone basis, and the potential for co-investment will further reduce overall account fees.

Weaknesses:

- → Recent fund performance for the Senior Credit and Middle Market Credit strategies has been below long-term expectations due to markdowns as a result of COVID-19.
  - → Mitigating Factor(s): Prior to COVID-19, as of December 2019 performance across funds was broadly in line with return expectations.
- → The PMMC II fund is reliant on the use of leverage to generate its target returns. While leverage is capped at 2:1 debt:equity based on general BDC limitations, GS expects to manage it closer to 1:1. The LP IV fund will also utilize fund-level leverage to achieve its return target. This fund is expected to use 2:1 debt:equity, but in practice, it can be higher.
  - → Mitigating Factor(s): Both funds appear to have successfully deployed their levered strategies in prior funds. GSAM has historically utilized multiple diversified sources of financing. MBD typically utilizes a large diversified facility with terms favorable to the fund.

→ The Strategic Solutions Group was only recently incorporated into MBD Credit, and West Street Strategic Solutions I strategy is a first time fund.
    → Mitigating Factor(s): While the group was only formally merged with MBD Credit last year, they have invested together in certain transactions with MBD Senior Credit and Mezzanine funds dating back to inception in 2009.

→ As MBD and GSAM are part of a large diversified bank holding company, there are many conflicts of interest that exist both within and amongst these groups, as well as the other businesses at the bank. These include deal/investment allocation conflicts, informational conflicts, and finally, conflicts related to GS providing additional services to and receiving outside fees from the borrowers in their investment strategies. Conflict monitoring at a firm as large as GS is very difficult.
    → Mitigating factor(s): GS seeks to mitigate conflicts through transparency with clients and by incentivizing employees and the Firm as a whole to invest alongside their clients and investors.

Opportunities:

→ The COVID-19 pandemic has caused new debt issuance to slow materially. CLO formation, which drives the large cap loan market and to a lesser extent the middle market, has stalled creating a lack of loan supply. All three GS strategies should benefit from more cautious capital markets as both pricing and terms should improve for lenders with stable sources of long-term capital.

→ WSSS I should benefit from an increase in companies that require flexible capital due to unique balance sheet issues due to unforeseen business issues resulting from COVID-19. These borrowers will be willing to borrow at higher rates and cede certain upside potential and rights given the current market environment.

Threats:

→ There remains significant uncertainty with how COVID-19 will impact the global economy. Many businesses and industries are likely to suffer long-term or permanent changes that will likely impact their ability to service debt.

→ Since the initial dislocation in March, several billion dollars of capital have been raised in private strategies that focused on capital solutions, opportunistic and distressed debt investing. The larger funds in this universe will likely compete directly with WSSS I.

Appendices

Professional Biographies

Rich Freidman, Chairman of MBD:

Mr. Friedman is Chairman of MBD. He joined Goldman Sachs in 1981 and became a partner in 1990. He is a member of the Goldman Sachs Management Committee, Co-Chair of the Firmwide Investment Policy Committee and a member of the Firmwide Business Planning Committee. Mr. Friedman is Chairman of the MBD Corporate Investment Committee, Co-Chairman of the MBD Credit Investment Committee, Chairman of the MBD Cooperation Fund Investment Committee, Chairman of the MBD Infrastructure Investment Committee and Co-Chairman of the MBD Real Estate Investment Committee. Mr. Friedman received a B.A. from Brown University and an M.B.A. from the University Of Chicago Graduate School Of Business.

Julian Salisbury, Head of MBD, Co-Chairman of Credit IC:

Mr. Salisbury is Head of MBD. Prior to his current role, he was Head of the Global Special Situations Group. He joined Goldman Sachs in 1998, became a managing director in 2005 and became a partner in 2008. He is a member of the Goldman Sachs Management Committee, Co-Chairman of the Firmwide Investment Policy Committee and the Partnership Committee, and a member of the Business Planning Committee. He is Co-Chairman of the MBD Credit Investment Committee, the MBD Real Estate Investment Committee and the MBD Growth Investment Committee and a member of the MBD Corporate Investment Committee. Mr. Salisbury received a B.S. and a M.Sc. from Loughborough University

Tom Connolly, Co-Head of MBD Credit, Co-CIO of Strategic Solutions:

Mr. Connolly is Co-Head of MBD Credit and Co-Head of the Global Private Credit Group for MBD. He joined Goldman Sachs in 1996, became a managing director in 1999 and became a partner in 2004. Prior to joining MBD, Mr. Connolly was head of Leveraged Finance in the GS Investment Banking Division. He is a member of the Firmwide Risk Committee, Firm Enterprise Risk Committee, the MBD Corporate Investment Committee and the MBD Credit Investment Committee. Mr. Connolly received a B.A. from Union College.

Greg Olafson, Co-Head of MBD Credit, Co-CIO of Strategic Solutions:

Mr. Olafson is Co-Head of MBD Credit. He joined Goldman Sachs in 2001, became a Managing Director in 2007 and became a Partner in 2012. Prior to his current role, Mr. Olafson was the Head of the European Special Situations Group ("ESSG"). He is a member of the MBD Credit Investment Committee, the MBD Growth Investment Committee, and the Firmwide Risk Committee. Mr. Olafson received a Bachelor of Commerce (Hons) from University of Windsor Canada and an M.B.A. from the Darden School of Business at University of Virginia, where he was a Shermet Scholar.

David Miller, Head of the MBD Specialty Lending Group:

Mr. Miller is Head of the MBD Specialty Lending Group in the Americas. He joined Goldman Sachs in 2004, became a managing director in 2012, and became a partner in 2014. He is a member of the MBD Credit Investment Committee. Mr. Miller received a B.S. in Finance from Auburn University. Alex Chi is the Head of the MBD Private Credit Group in the Americas. He joined Goldman Sachs in 1994, became a managing director in 2006 and became a partner in 2012. Prior to joining MBD, Mr. Chi was a member of the Financial and Strategic Investors Group within the Investment Banking Division. Mr. Chi is a member of the MBD Credit Investment Committee. Mr. Chi received a B.S. from the Massachusetts Institute of Technology.

Gaurav Seth, Co-head of MBD Real Estate:

Mr. Seth is co-head of MBD Real Estate in the Americas. Previously, he was head of the Americas Special Situations Group. He joined Goldman Sachs in 1998, became a managing director in 2008 and became a partner in 2012. He is a member of the MBD Real Estate Investment Committee and the MBD Credit Investment Committee. Mr. Seth received a B.A. from Swarthmore College.

Nicole Agnew, MBD Private Equity Americas:

Ms. Agnew is focused on consumer equity investing in the Americas for MBD. She joined Goldman Sachs in 2005, became a managing director in 2010, and became a partner in 2016. She is a member of the MBD Corporate Investment Committee and the MBD Credit Investment Committee. She is also a lead investor for Launch With GS, Goldman Sachs' $500 million commitment to narrow the gender investing gap. Ms. Agnew received an A.B. from Harvard College.

Matthias Hieber, MBD Private Equity Europe:

Mr. Hieber is focused on equity investing in Europe for MBD. He joined Goldman Sachs in 2000, became a managing director in 2010, and became a partner in 2014. He is a member of the MBD Corporate

Investment and the MBD Credit Investment Committee. Mr. Hieber received an M.S. from Vienna University of Economics and Business.

James H. Reynolds, Head of MBD Credit Europe; Co-Head of the Global Private Credit Group:
Mr. Reynolds is Head of MBD Credit Europe and Co-Head of the Global Private Credit Group for MBD. Mr. Reynolds joined Goldman Sachs in 2000, became a managing director in 2007 and became a partner in 2010. He is a member of the MBD Corporate Investment Committee and the MBD Credit Investment Committee. Mr. Reynolds received a B.S. from the École Nationale des Ponts et Chaussées and an MSc. from the Massachusetts Institute of Technology

Michael E. Koester, Co-Head of the Firmwide Alternatives Capital Markets & Strategy Group:
Mr. Koester is Co-Head of the Firmwide Alternatives Capital Markets & Strategy Group. He joined Goldman Sachs in 1996, became a managing director in 2005 and became a partner in 2008. He is a member of the Firmwide Client and Business Standards Committee, the MBD Corporate Investment Committee, the MBD Credit Investment Committee and the MBD Infrastructure Investment Committee. Mr. Koester received a B.A. from Colby College and an M.B.A. from the Tuck School of Business at Dartmouth

***Jonathan Vanica,* Head of MBD Credit Asia:**
Mr. Vania is Head of MBD Credit Asia. He joined Goldman Sachs in 2001 as an associate, became a managing director in 2008, and became a partner in 2010. Prior to his current role, Mr. Vanica was the Co-Head of the Asian Special Situations Group (ASSG). He is a member of the MBD Credit Investment Committee and the MBD Real Estate Investment Committee. Mr. Vanica earned a B.S. in Finance from Boston College and an M.B.A. in International Business and Entrepreneurship from UCLA.

Alex Chi, Head of the MBD Private Credit Group in the Americas:
Mr. Chi is the Head of the MBD Private Credit Group in the Americas. He joined Goldman Sachs in 1994, became a managing director in 2006 and became a partner in 2012. Prior to joining MBD, Mr. Chi was a member of the Financial and Strategic Investors Group within the Investment Banking Division. Mr. Chi is a member of the MBD Credit Investment Committee. Mr. Chi received a B.S. from the Massachusetts Institute of Technology.

Brendan McGovern, Head of GSAM Credit Alternatives, Partner:
Mr. McGovern is the head of the GSAM Private Credit Group and also serves as head and senior portfolio manager of the GSAM Credit Alternatives portfolio management team. He is also the Chair

and a voting member of the Private Credit Group's Investment Committee, which is responsible for evaluating and approving all of the team's private credit investments. Mr. McGovern is also a voting member of the GSAM Renewable Power Group's Investment Committee. Mr. McGovern joined the firm in 2006. Prior to joining the firm, Mr. McGovern served as a managing director in the Global Investment Group at Amaranth Advisors, where he co-headed the strategy's private placement efforts for both debt and equity linked products in the United States. He is also on the Board of Directors for the Oxalosis and Hyperoxaluria Foundation.

Michael Mastropaolo, Partner:

Mr. Mastropaolo is a member of the GSAM Private Credit Group with a focus on sourcing, structuring and executing privately negotiated debt financings. He is also a voting member of the Private Credit Group's Investment Committee, which is responsible for evaluating and approving all of the Company's investments. Mr. Mastropaolo joined the firm in 2016. Prior to joining the firm, Mr. Mastropaolo was a Director at Golub Capital where he originated and managed middle market debt and equity investments. Mr. Mastropaolo has been investing in middle market credit for his entire career which started at General Electric in the Investment Analyst training Program at GE Capital.

Jordan Walter, Vice President:

Mr. Walter is a member of the GSAM Private Credit Group with a focus on sourcing, structuring and executing privately negotiated debt financings. He is also a voting member of the Private Credit Group's Investment Committee, which is responsible for evaluating and approving all of the Company's investments. Mr. Walter joined the firm in 2014. Prior to joining the firm, Mr. Walter was a vice president at MCG Capital where he was co-originated and managed the security and underwriting strategy for debt and equity financings. Mr. Walter earned a BS in Finance from the Virginia Polytechnic Institution and State University.

Jon Yoder, Managing Director:

Mr. Yoder is a member of the GSAM Private Credit Group with a focus on sourcing, structuring and executing privately negotiated debt financings. He is also a voting member of the Private Credit Group's Investment Committee, which is responsible for evaluating and approving all of the Company's investments. He is also the Chair and a voting member of the GSAM Renewable Power Group's Investment Committee, which is responsible for evaluating and approving all of the team's renewable investments. Mr. Yoder joined the firm in 2005. Prior to joining the firm, he was a member of the mergers and acquisitions and private equity groups at Paul, Weiss, Rifkind, Wharton & Garrison, LLP.

David Yu, Head of Private Research, Managing Director:

Mr. Yu is a member of the GSAM Private Credit Group with a focus on sourcing, structuring and executing privately negotiated debt financings and serves as its Head of Research. Mr. Yu is a voting member of the Private Credit Group's Investment Committee, which is responsible for evaluating and approving all of the Company's investments. Mr. Yu joined the firm in 2006. Prior to joining the firm, Mr. Yu was an associate in the Global Investments Group at Amaranth Advisors, where he similarly worked with public and private issuers to structure and execute debt and equity financings. Prior to joining Amaranth, he worked in the Leveraged Finance and Sponsor Coverage Group at CIBC World Markets.

Goldman Sachs

Discussion Materials For:

Connecticut Retirement Plans and Trust Funds

Regarding:

Private Credit Strategic Relationship

July 2020

Table of Contents

I. Strategic Relationship with CRPTF

Our Commitment to CRPTF

A strategic relationship with Goldman Sachs can deliver to CRPTF an entire platform of Credit deal flow, global relationships, market insight, and human capital resources

We have the breadth to cover the entire scope of the strategic relationship engagement.
Our platform, scale and flexibility enables us to make credit investments across capital structures, markets and regions and includes our expertise in special situations and large opportunistic credit.

We are experienced investors, with extensive global resources. With $320 billion in alternatives assets, we are one of the largest alternatives investors in the world.

We have the partnership mindset to deliver a customized solution to you for the long term. We have extensive experience in customized engagements, and have had the privilege of serving many of the world's leading institutional investors. We fully understand the importance of transparency and knowledge sharing.

We are portfolio architects, risk managers, and innovators. We are exceptionally focused on risk management, whether at the manager level or portfolio-level.

We will extend our entire team to you, led by our senior leaders. We will provide you with a dedicated group of investment leaders, supported by our entire global investment team.

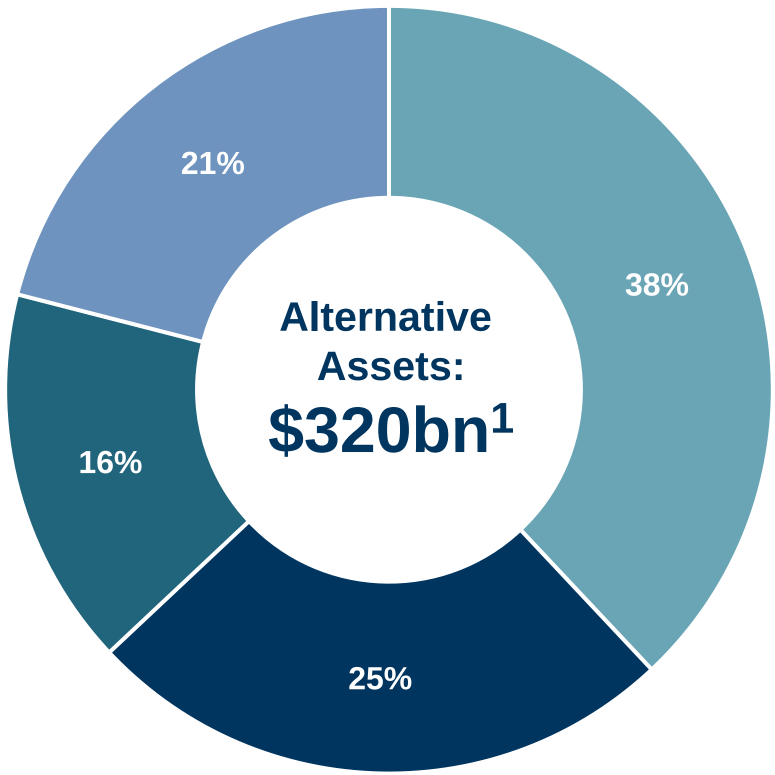
II. Goldman Sachs Alternatives Overview

Alternative Investments at Goldman Sachs

We are one of the top 5 Alternative Asset Managers with Full Asset Class Capabilities and $320bn of AUM

Credit

- Senior Secured Lending
- Mezzanine Financing
- Special Situations



Private Equity

- Mid-to-Large Cap Buyouts
- Growth Equity
- Infrastructure
- Secondaries

Real Estate

- Real Estate Equity (Core to Opportunistic)
- Real Estate Credit

Hedge Funds / Multi-Asset

- Firm-Managed Strategies
- Manager Selection
- Outsourced CIO

[1]*Includes non-fee-earning assets in Alternatives*

III. Goldman Sachs Credit Alternatives

Goldman Sachs Credit Alternatives

Key Differentiators

Global Platform and Reach

Unique combination of global reach and regional depth is conducive to direct origination and enhanced outcomes

Linkages to Goldman Sachs

GS platform is a key sourcing / diligence channel and value-add to portfolio companies and assets

Alignment with Investors

We are aligned with our investors through both firm and employee participation

Relationships with Issuers

We take a partnership approach, engaging proactively with sponsors and management teams

Track Record and Team

We are seasoned credit investors with differentiated platform longevity

Scale and Access to GS Balance Sheet

Scale brings value to issuers and expands our opportunity set; GS balance sheet facilitates tactical investing

Goldman Sachs Credit Alternatives

Description of Strategies

Senior Credit	• One of the world's largest **large-cap direct lenders** • **10+** years of experience • **$30bn+** invested to date[1]	• Leading provider of capital to **middle market** companies • **10+** years of experience • **$8bn+** invested to date[2]
Opportunistic Credit	• Flexible, all-season strategy focused on directly originated debt investments with structural protections and equity participations, as appropriate • **20+** years of experience • **$16bn** invested to date[1]	
Mezzanine Credit	• Directly originated mezzanine / private high yield corporate 2nd lien loans / unsecured securities • **20+** years of experience • **$40bn+** invested to date[1]	

[1]As of 12/31/19. [2]Cumulative investments since inception includes all vehicles managed within GSAM's middle-market lending strategy, including its middle-market senior loan strategy pursued through a joint venture from November 15, 2012 through September 30, 2019.

Goldman Sachs Credit Alternatives

Our Credentials and Capabilities

- ✓ Leading investment bank with global reach provides unparalleled access to deal opportunities
- ✓ Trusted advisor and financier to leading companies drives direct opportunities that others do not see
- ✓ Approximately $70 billion of AUM in Credit Alternatives: one of the world's largest alternative credit managers
- ✓ Over 20 years as the primary vehicle for special situations and opportunistic investing at Goldman Sachs
- ✓ Over 25 years as one of the largest direct originators of private credit globally
- ✓ 30 year heritage in principal investing innovations, particularly during periods of macroeconomic volatility
- ✓ Extensive reach into the middle-market benefiting from the breadth of Goldman Sachs' network of relationships

Note: As of April 2020. Excludes managed accounts / co-investment vehicles which invest alongside the funds.

IV. How We Could Partner with CRPTF Across Our Platform

Private Credit Strategic Relationship with CRPTF

Strategic Relationship Structure

Master Agreement
Governs the strategic relationship between CRPTF and Goldman Sachs

Large Cap Senior Loans	Mid Cap Senior Loans
Commingled Fund LP Investment *$75mm*	Commingled Fund LP Investment *$75mm*
Opportunistic Credit	**Co-Investments**
Fund of One *$150mm*	Co-Investments *$50mm*

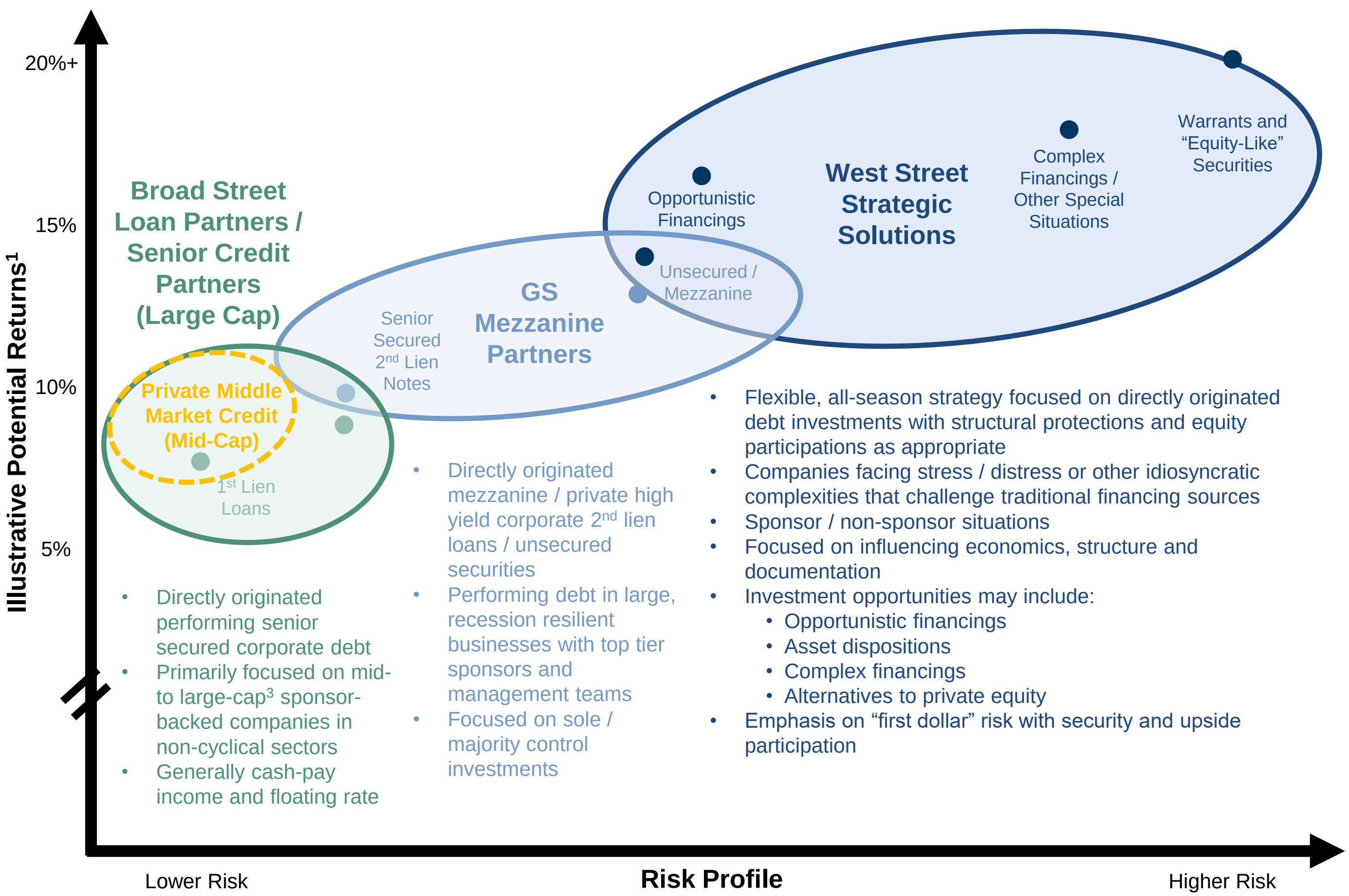
Key Benefits

- **Long-term general partner relationship** and an ability to re-commit to follow-on funds and strategies
- **Discounted economics**, reflecting the size of the investment across the strategic relationship
- **Access** to multiple strategies across the GS Credit Alternatives Platform
- **Efficient delivery of leverage** via commingled funds (large cap senior loans, mid cap senior loans)
- **Flexibility** on pacing and mid-course adjustments (fund-of-one and co-investments) as the market evolves
- **Expected returns of 10%, net of fees,** to meet CPRTF's long-term return objective

Private Credit Strategic Relationship with CRPTF

Illustrative Returns

Expected returns to meet CRPTF's long term return objective of 10%, net of fees; overall blended target return approximately 10 – 11% Net



Broad Street Loan Partners IV (Large Cap)
OR *Senior Credit Partners III (Large Cap)*

Target: 10.0 – 13.0% net returns
Target: 8.0 – 10.0% net returns

Private Middle Market Credit II (Mid Cap)[2]

Target: 9.0 – 11.0% net returns

West Street Strategic Solutions I (Fund-of-One)

Target: 10.0 – 12.0% net returns

Co-Investments

Target: 10.0 – 14.0% net returns

Overall Blended Return:

Approximately 10 – 11% Net

Note: Strategic Solutions' ability to invest in partnership with other MBD Credit mandates is subject to regulatory limitations. [1]The above graph is illustrative only. Actual returns may differ materially from the potential targeted returns represented above. [2]Private Middle Market Credit is solely focused on mid-cap. PMMC II is a modestly levered vehicle with net debt-to-equity ratio of 0.37x as of 3/31/20.

Appendix A: Presenters' Biographies

Presenters’ Biographies

Greg Olafson is co-head of the global Credit business within the Merchant Banking Division (MBD). He is a member of the MBD Credit and MBD Growth Equity Investment Committees and serves as co-chair of the Specialty Lending Group Investment Committee. He is also a member of the Sustainable Finance Group Steering Group. Prior to assuming his current role, Greg was head of the European Special Situations Group (ESSG) from 2013 to 2019. Greg joined Goldman Sachs in 2001 as an associate in the Investment Banking Division in London and moved to the Distressed Debt Trading desk in 2003. He was a founding member of the European Special Situations Group. Greg was named managing director in 2007 and partner in 2012. Prior to joining the firm, he worked for a Canadian bank in its foreign exchange sales and trading business in London. Greg earned a Bachelor of Commerce (Hons) from the University of Windsor, Canada, in 1995 and an MBA from the Darden School of Business at the University of Virginia, where he was a Shermet Scholar, in 2001.

Mike Koester is global co-head of the firmwide Alternatives Capital Markets & Strategy Group (ACMS) and is chief commercial officer for the Merchant Banking Division (MBD). ACMS leads institutional capital markets, capital raising and client strategy across direct investing and open architecture alternatives strategies. Mike serves on the Firmwide Client and Business Standards Committee and the MBD Corporate, Credit and Infrastructure Investment Committees. He joined Goldman Sachs in 1996 and rejoined the firm in the Investment Banking Division in 1999 before transferring to MBD in 2000. Mike was named managing director in 2005 and partner in 2008. Mike is chair of the MBA Council at the Tuck School of Business at Dartmouth College, a trustee of Colby College, a member of the Board of the American Investment Council, a member of the Advisory Board of the Center for Private Equity and Entrepreneurship at the Tuck School, a member of the Board of Advisors of Comprehensive Development, Inc., a New York City-based nonprofit, and a member of the Mindich Child Health and Development Institute’s Leadership Council at Mount Sinai in New York. Mike earned a BA from Colby College and an MBA from the Tuck School of Business at Dartmouth College.

Presenters' Biographies

Brendan McGovern is co-head of the Goldman Sachs Asset Management (GSAM) Credit Alternatives investment team. He was named chief executive officer and president of Goldman Sachs BDC, Inc. in 2013. He is chair of the GSAM Private Credit Group Private Transactions Investment Committee, which oversees all private investments made by the GSAM Credit Alternatives team. He is also a member of the GSAM Renewable Power Group Committee. He joined Goldman Sachs as a managing director in 2006 and was named partner in 2016. Prior to joining the firm, Brendan was a managing director in the Global Investment Group at Amaranth Advisors, where he worked on various investment strategies, including Merger Arbitrage, US Convertibles and US Credit. In addition, he co-headed the fund's private placement efforts for both debt and equity-linked products in the United States. Brendan is the president and board member of the Oxalosis and Hyperoxaluria Foundation. Brendan earned a BS from Villanova University and an MBA from the Stern School of Business at New York University.

Lisa Rotenberg has senior coverage responsibility for many of Goldman Sachs' largest institutional investors globally, and leverages her experience with portfolio solutions to advise clients. She has held many roles at Goldman Sachs Asset Management (GSAM) including serving as co-head of the US Public Fund business, co-head of the Corporate Pension business, and as global head of the Consultant Relations business. Lisa was named a Goldman Sachs' managing director in 2003. She joined as a vice president in 1994. Prior to joining the firm, Lisa served as Minnesota's deputy state auditor representing the state auditor in all plan sponsor decisions related to the Minnesota State Board of Investment. She also served as Minnesota's chief deputy commerce commissioner with oversight responsibility for the securities, insurance, banking and real estate industries. Prior to joining the Minnesota Department of Commerce, Lisa served as a special assistant attorney general for the State of Minnesota. She previously served on the Minnesota Governor's Task Force on Small Business Capital Formation. Lisa earned an AB in Government from Harvard University and a JD from the University of Minnesota Law School, where she also served on the Board of Advisors.

Appendix B: Disclosures / Legal Disclaimers

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Compliance Code : 203758-OTU-1193166

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Alternative Investments may purchase instruments that are traded on exchanges located outside the United States that are "principal markets" and are subject to the risk that the counterparty will not perform with respect to contracts. Furthermore, since there is generally less government supervision and regulation of foreign exchanges, Alternative Investments are also subject to the risk of the failure of the exchanges and there may be a higher risk of financial irregularities and/or lack of appropriate risk monitoring and controls.

Past performance is not a guide to future performance and the value of Alternative Investments and the income derived from those investments can go down as well as up. Future returns are not guaranteed and a loss of principal may occur.

Alternative Investments may impose significant fees, including incentive fees that are based upon a percentage of the realized and unrealized gains, and such fees may offset all or a significant portion of such Alternative Investment's trading profits.

Alternative Investments are offered in reliance upon an exemption from registration under the Securities Act of 1933, as amended, for offers and sales of securities that do not involve a public offering. No public or other market is available or will develop. Similarly, interests in an Alternative Investment are highly illiquid and generally are not transferable without the consent of the sponsor, and applicable securities and tax laws will limit transfers.

Alternative Investments may themselves invest in instruments that may be highly illiquid and extremely difficult to value. This also may limit your ability to redeem or transfer your investment or delay receipt of redemption proceeds.

Alternative Investments are not required to provide their investors with periodic pricing or valuation information other than on agreed upon dates as per the Partnership Agreement.

There may be conflicts of interest between the Alternative Investment and other service providers, including the investment manager and sponsor of the Alternative Investment.

Investors in Alternative Investments may have limited rights with respect to their investment interest, including limited voting rights and participation in the management of the Alternative Investment.

Alternative Investments may involve complex tax and legal structures. Investments in any particular Alternative Investment, or Alternative Investments generally, is only suitable for sophisticated investors for whom such an investment does not constitute a complete investment program and whom fully understand and are willing to assume the risks involved in such Alternative Investment. You are urged to consult with your own tax, accounting and legal advisors regarding any investment in any Alternative Investment.

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Investments in debt securities or loans are initially carried at cost plus accrued interest or accreted original issue discount. Subsequent changes to fair value are based on various factors, including, but not limited to, quoted market prices (if available), changes in interest rates and credit spreads observed in the market, operating cash flows and financial performance of the borrower, and specific rights or terms of the instrument.

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Default rates included herein relating to any credit investment vehicles are as of the date specified herein and may not be representative of future default rates or default rates for SCP or any other vehicle or any investment. Default rates may vary over time and from time to time as a result of economic conditions, factors relating to a particular portfolio company or fund (including those discussed herein) or other events. There can be no assurance that the LP IV will experience default rates consistent with any historic level.

The information contained herein includes observations and/or assumptions and involves significant elements of subjective judgment and analysis. No representations are made as to the accuracy of such observations and assumptions and there can be no assurances that actual events will not differ materially from those assumed. In the event any of the assumptions used in this presentation do not prove to be true, results are likely to vary substantially from those discussed herein.

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AGENDA ITEM #7

State of Connecticut
Office of the Treasurer

SHAWN T. WOODEN
TREASURER

July 3, 2020

Members of the Investment Advisory Council ("IAC")

Re: Consideration of OSP Value Fund III, LP and OSP Value Fund III-B, LP

Dear Fellow IAC Member:

At the July 8, 2020 meeting of the IAC, I will present for your consideration two, related investment opportunities for the Private Credit Fund ("PCF") of the Connecticut Retirement Plans and Trust Funds ("CRPTF"): OSP Value Fund III, LP ("OSP III") and OSP Value Fund III-B, LP ("OSP III-B"). Both OSP III and OSP III-B (the "OSP III Funds") are being raised by O'Brien-Staley Partners ("OSP"), an alternative investment management firm based in Edina, Minnesota.

I am considering an investment of up to $75 million in OSP III and up to $37.5 million in OSP III-B, both of which will focus on the acquisition of performing, senior loans that are available due to bank failures, regulatory requirements, or other seller motivations. OSP III-B is being formed as an overage vehicle to OSP III and could only be activated once OSP III was significantly invested. OSP's senior investment team has been successfully executing the OSP strategy for decades. The firm has developed sourcing, credit underwriting, and asset management expertise that have allowed OSP to generate attractive returns with an exceptionally low loss experience. Investments in OSP III and OSP III-B would add complementary credit exposure to the PCF portfolio through a top performing manager that is well-situated to invest through all market conditions.

Attached for your review is the recommendation from Laurie Martin, Chief Investment Officer, and the due diligence report prepared by Meketa. 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

DECISION

TO:	**Shawn T. Wooden, Treasurer**
FROM:	**Laurie Martin, 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**
DATE:	**June 30, 2020**
SUBJECT:	**OSP Value Fund III, LP &** **OSP Value Fund III-B, LP – Final Due Diligence**

Summary

The purpose of this memorandum is to recommend that the Connecticut Retirement Plans and Trust Funds ("Connecticut") consider commitments of up to (i) $75 million to OSP Value Fund III, LP ("OSP III"), and (ii) $37.5 million to OSP Value Fund III-B, LP ("OSP III-B"). Both OSP III and OSP III-B (together the "OSP III Funds") invest in complex, orphaned, or distressed corporate and industrial credits. OSP III-B is an overage vehicle that would only be activated once OSP III is 85% invested. OSP III has a target size of $500 million and a hard cap of $600 million, while OSP III-B has a target size of $250 million with a hard cap of $300 million.

The respective general partners of the OSP III Funds are affiliates of O'Brien-Staley Partners ("OSP" or the "Firm"), an investment management firm based in Edina, Minnesota. OSP was formed in 2010 and currently has more than $1.3 billion of assets under management.

Strategic Allocation within the Private Credit Fund

The OSP III Funds would be categorized as a Senior credit strategy identified for the Private Credit Fund ("PCF"). The Investment Policy Statement establishes a target exposure, as measured by market value and unfunded commitments, of 30% to 70% for Senior credit within the PCF portfolio. As of March 31, 2020, the PCF portfolio consisted of two active investments with actual Senior credit exposure of approximately 48% as of the same date.

Pension Funds Management ("PFM") investment professionals have identified O'Brien-Staley Partners as a highly experienced credit manager executing a differentiated, proven strategy to generate attractive, risk-adjusted returns. The recommended OSP III Fund commitments would provide Connecticut the opportunity to add a top performing manager and complementary, senior credit exposure to the PCF portfolio.

Investment Strategy and Market Opportunity

The OSP III Funds will continue to execute the same strategy that OSP has successfully followed with predecessor funds OSP Value Fund, LP and OSP Value Fund II, LP. Specifically, OSP targets senior secured loans that it is able to purchase at attractive terms and conditions from regulators, banks, municipal governments, and other owners that are seeking to divest loans as a result of market dislocations, regulatory requirements, or other non-economic motives. The Firm's expertise in sourcing, credit underwriting, and asset management are core competencies that have allowed OSP to generate attractive returns through OSP Value Fund strategy.

OSP primarily invests in senior secured, U.S. commercial and industrial ("C&I") credits that it identifies as "unloved" by the current owner for any number of reasons. While OSP may acquire distressed credits, the Firm focuses more on identifying distressed or otherwise motivated sellers rather than distressed assets. This dynamic has allowed OSP the opportunity to acquire these investments at attractive valuations, most often at discounts to intrinsic value. The senior members of OSP's investment team have more than two decades of experience sourcing and investing in loans and other assets from the three primary market segments outlined below.

Regulatory Sales – The $18 trillion U.S. banking industry[1] provides a substantial, on-going market opportunity for OSP as a result of loan and portfolio sales due to regulatory requirements and bank failures. Despite the continued economic expansion that lasted into 2020, U.S. banks had charged off $25 billion of C&I credits between January 2016 and June 2019. FDIC data identified more than 1,200 U.S. banks each with less than $100 million of assets, many of which may be too small to survive independently due to lack of scale, increased regulatory burdens, and relatively thin capitalizations. While some of these banks will fail and others will merge with or be acquired by competitors, both outcomes create attractive investment opportunities for OSP. Proposed bank mergers often result in regulator required divestments of operations and assets as a condition to the merger. When the FDIC sells the assets of failed banks, performing loans generally represent 70% to 75% of the failed bank's portfolio yet both performing and non-performing loans are often sold at a discount to book value.

The negative economic effects of COVID-19 are expected to exacerbate the challenges faced by all banks, with a particularly acute impact on the smaller banks, including those with less than $100 million of assets. OSP estimates that close to $100 billion of bank assets will be available for purchase through the next phase of the credit cycle and the market opportunity to purchase smaller, attractively priced C&I loans and portfolios will persist for the next five to ten years.

Municipal Sales – Faced with budget and capital spending deficits, state and local municipalities may turn to the disposition of non-core assets to generate cash as an alternative or supplement to spending cuts and/or increased taxes. While these non-core asset sales may include toll roads, parking concessions, ground leases, etc., OSP has developed an expertise in the acquisition of economic development loans from governmental, quasi-governmental, and non-profit entities. Through proprietary research, OSP has identified more 1,300 entities holding approximately $40 billion in economic development related bonds. While OSP has successfully invested in municipal transactions during periods of economic expansion, the Firm believes there may be a significant increase in municipalities looking to sell assets, including economic development loans, as a result of the fiscal pressures caused by the impact of COVID-19.

To protect the relevant constituents, these municipal dispositions are generally conducted through request for quotations/proposal processes, with a prospective purchaser's favorable references from prior transactions, including trusted loan servicing, often a key consideration for selection. The OSP team has acquired economic development loan portfolios in more than 12

[1] FDIC data as of June 2019.

states, the District of Columbia, Puerto Rico, and several major cities, including New York City. AmeriNat LLC (“AmeriNat”), OSP’s independent servicing subsidiary, manages more than $12 billion of loans and related deposits for over approximately 300 state, city, county, and non-profit clients.

Non-Core C&I – OSP targets the purchase of C&I loans that are deemed non-core or legacy assets by banks, financial institutions, or other investors. Whether due to a corporate decision to withdraw from a geographic market or discontinue an out-of-favor service line, these sellers are often motivated more by expediency and certainty of closing rather than value maximization. OSP affectionately refers to this market opportunity as “Garage Sale” transactions due to the seller’s motivation to clean up its balance sheet and the attractive pricing that can result. The OSP team has transacted with more than 100 U.S. bank and maintains a deep and active network with bank executives, including bank chief financial officers that are often the architects of such Garage Sale transactions.

OSP purposefully focuses on smaller C&I transactions, generally in the $5 million to $25 million range, due to the lack of competition from larger, sophisticated firms or those smaller firms without the required sourcing, underwriting, structuring, and servicing skills to successfully execute such a strategy. OSP’s tested investment process is centered on both top-down and bottom-up analysis of a potential loan or portfolio’s credit type, performance, and geography. Given the idiosyncratic nature of smaller C&I credits, the Firm conducts fundamental credit analysis on each individual loan with a focused evaluation on the capital structure, asset quality, management team, earnings and cash flow, and liquidity of the borrower.

OSP’s deep understanding of collateral value, loan documentation, and structure are key competitive advantages in the execution of the OSP Value Funds’ strategy. While the Firm generally focuses on well-secured, cash flow positive credits or assets, OSP seeks downside protection through proper structuring and significantly discounted purchase price valuations when considering loans or assets that may not be performing or undercollateralized. If the performance of a loan or asset deteriorates, the OSP team has the requisite skills and experience to effectively manage credit workouts as needed.

OSP will seek to build a diversified portfolio of 50 to 100 positions in the OSP III Funds, with targeted gross returns of 12% to 20% without the use of fund level leverage. Due to the nature of the loans targeted by OSP, the weighted average hold period of OSP’s investments is generally in the 18 to 24 months range, which allows OSP the opportunity to recycle capital and drive a higher multiple of capital for investors than many credit-focused strategies. Given the number of positions and the importance of sound loan servicing to OSP and its counterparties, OSP leverages its long-term relationships with unaffiliated specialized loan servicers as well as AmeriNat throughout the investment life cycle. These servicers assist OSP with due diligence and structuring considerations prior to investment and then play a vital role in the on-going monitoring and administration of the loans and assets from acquisition to repayment or any other form of disposition

The OSP III and III-B Structure: OSP is raising OSP III-B as an overage vehicle for OSP III. OSP III-B can only be activated once OSP III is 85% committed. OSP III-B is meant to provide OSP with the capacity to continue to invest should, for example, there be a significant credit market dislocation and a successor fund has not yet been raised. No management fees are charged on OSP III-B until the fund is activated. OSP raised OSP Value Fund II-B, LP in conjunction with OSP Value Fund II, LP, but OSP II-B was not activated

Firm and Management Team

O'Brien-Staley Partners was founded in 2010 by Jerry O'Brien and Warren Staley (the "Co-Founders"), who previously worked together at Cargill and its then investment subsidiary, CarVal. Prior to co-founding OSP, O'Brien was responsible for directing more than $3 billion of C&I loans and other investments on behalf of Cargill and CarVal between 1994 and 2010. Warren Staley was the Chairman and CEO of Cargill from 1999 to 2007. O'Brien is OSP's Chief Executive Officer and Chief Investment Officer while Staley serves as OSP's non-executive chair and is responsible for corporate governance, including leadership roles on OSP's risk, audit, compensation, and credit committees.

The Firm is led by the Co-Founders and a team of nine experienced Managing Directors, including five that previously worked with the co-founders at CarVal and Cargill. OSP's senior team is responsible for leading the Firm's deal origination, underwriting, portfolio management, risk, analytics, and operations. The OSP Investment Committee is comprised of the Co-Founders as well as OSP's Managing Director & Chief Operating Officer, a Managing Director – Investments, and Director of Risk. The OSP Investment Committee is responsible for reviewing and approving the investment themes that guide the Firm's tactical deal sourcing and portfolio construction targets. All proposed investments are reviewed by the Investment Committee, with designated individual's responsible for approving risk, governance, and operational compliance while final investment approval is designated to Jerry O'Brien subject to oversight by Warren Staley. OSP currently has a total of 23 employees that are focused exclusively on the OSP funds, the majority of which are located at the Firm's headquarters in Edina, MN.

OSP's AmeriNat loan servicing subsidiary has more than 100 employees located in Minnesota, California, Maryland, Florida, Nevada, and Puerto Rico. In February 2020, OSP acquired The American Deposit Management Company ("ADM"), which manages more than $1.4 billion of FDIC-insured deposits on behalf of more than 300 clients. ADM is headquartered in Milwaukee, WI and has more than 20 employees.

Track Record

As of December 31, 2020, OSP had invested $1.2 billion in 125 transactions across OSP Value Fund I and OSP Value Fund II, which had generated gross internal rates of return ("IRR") of 15.1% and 24.0%, respectively. OSP's 43 realized investments generated a gross IRR of 21.4% and a total value multiple of 1.3x on $263 million of invested capital as of December 31, 2019. OSP generated these strong returns with realized and total loss ratios of 0% and 1.1%, respectively, as of December 31, 2019.

While not include in the OSP track record assessment herein, PFM investment professionals note that Jerry O'Brien's successfully invested more than $3.0 billion across approximately 400 investments while at CarVal/Cargill. Approximately 80% of O'Brien's prior track record involved C&I investments, which generated return and loss profiles consistent with OSP's performance. The net performance of OSP Value Fun I and OSP Value Fund II are summarized in the table on the following page.

(US$ in millions, as of December 30, 2019)

O'Brien Staley Partners Investment Performance Summary											
				Fund				Investor Returns		Quartile Rank	
Fund	Vintage Year	Fund Size	# Deals	Invested Capital	Realized Value	Gross IRR	Loss Ratio[1]	Net TVM	Net IRR	Net TVM	Net IRR
OSP I	2012	$490	94	$701	$686	15.1%	1.8%	1.5x	11.3%	1st	2nd
OSP II	2017	$600	31	$516	$258	24.0%	0.2%	1.2x	14.7%	1st	1st
Total[1]			**125**	**$1,217**	**$944**		**1.10%**	**1.4x**	**12.0%**		

Source: OSP, Meketa, Cambridge Associates US Senior Debt, Credit Opportunities, Subordinated Capital as of December 31, 2019.
1. Loss Ratio shown represents all realized and unrealized losses.

OSP I and II delivered strong absolute and relative performance through December 31, 2019 with both funds ranked in the first or second quartile compared to the relevant Cambridge Associates U.S. credit benchmark. OSP's use of recycled capital is evidenced in the total amount of capital invested in the OSP I portfolio compared to the fund's committed capital base. This feature of OSP's strategy provides the potential for the Firm to deliver attractive net multiples of investor capital in addition to the high IRRs that can result from relatively short hold periods. As previously noted, OSP has not used fund level leverage, other than a subscription line, to enhance its historical returns.

Key Strengths

1. **Specialized, Focused Investment Strategy.** OSP has developed a strategy that requires expertise in investment sourcing, credit underwriting, and management to execute successfully. Due to the idiosyncratic nature of smaller C&I loans and the labor intensive nature of these transactions, OSP is generally avoids competition from larger firms that need to target bigger transactions or less sophisticated firms that do not have the expertise to pursue such opportunities. The OSP team has long-standing and deep relationships with counterparties and servicers that are key to the successful executive of the OSP Value Fund strategy. OSP's expertise, experience and focus on "unloved" credits should continue to provide the Firm the opportunity to generate attractive, risk adjusted returns through the value-based acquisition of largely senior, performing credits.

2. **Experienced and Proven Team.** OSP is led by a senior team of credit investment and operations professionals with an average of more than 20 years of industry experience. Moreover, most members of OSP's leadership team have worked together for many years at both OSP and CarVal/Cargill. OSP has had modest turnover historically, and the current investment team has worked together cohesively to execute the OSP Value Fund strategy.

3. **Fund Size Discipline & Alignment of Interests.** The targeted size and hard cap for OSP III demonstrates that OSP values maintaining its investment focus and discipline over asset gathering and fee maximization. In addition, the OSP III general partner and affiliates are expected to commit approximately twice the industry standard general partner commitment to the fund. This level of capital commitment demonstrates OSP's conviction in the OSP III Funds and creates a strong alignment of interest between the fund manager and its limited partner investors.

Major Risks and Mitigants

1. **Key Person Risk.** OSP's Co-Founder and CIO, Jerry O'Brien, holds significant responsibility in overseeing the Firm and execution of OSP III Funds. Should O'Brien decide to leave the Firm or otherwise not be able to fulfill his responsibilities at OSP, there may be concerns regarding the Firm's ability to continue effective execution of the OSP III Funds' strategy. This risk is mitigated by several factors. As Co-Founder of the Firm and a significant investor in the OSP III Funds, O'Brien is unlikely to voluntarily leave OSP. However, should O'Brien's involvement with OSP diminish for any reason, the OSP III Funds' activities would be suspended per the key person clause. Lastly, the broader OSP team of seasoned credit and operations professionals would be more than capable of managing the OSP III Funds portfolio should O'Brien no longer be with the Firm.

2. **Potential for Conflicts of Interest.** Consistent with OSP Value Fund I & II, OSP expects to continue to use its independent AmeriNat subsidiary to service a portion of the OSP III Funds' portfolio. Such related party transactions present potential conflicts of interest between the OSP III and OSP, which has an economic interest in AmeriNat. The concerns regarding this potential conflict are mitigated by OSP's disclosure to the fund advisory committees all fees paid by the OSP funds to AmeriNat. In addition, OSP discloses the rate and total amount of fees paid to AmeriNat as well as all unaffiliated servicers. This level of disclosure provides a check on whether OSP is paying AmeriNat at market rates. Based on information provided on OSP Value Fund I & II, these funds have historically paid AmeriNat substantially lower rates than those paid to third-party servicers.

Legal and Regulatory Disclosure (provided by Legal)

In its disclosure to the Office of the Treasurer, OSP, LLC ("OSP"), 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. OSP states it has adequate procedures in place to undertake internal investigations of its employees, officers, and directors. If there is a suspected violation of the firm's Code of Ethics, such violation is expected to be reported promptly to the CCO, and if the CCO is unavailable, to the CEO. The CCO or CEO considers all reports to determine whether there is a violation of the Code of Ethics. There are sanctions at the firm for violation of the Code of Ethics, which could include termination, return of monies or demotion. OSP has a strict anti-retaliation policy to protect individuals who report possible violations of the Code of Ethics.

Compliance Review (provided by Compliance)

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

Environment, Social & Governance Analysis ("ESG") (provided by Policy)

The Assistant Treasurer for Policy's Evaluation and Implementation of Sustainable Principles review is attached.

6/12/20

COMPLIANCE REVIEW FOR PRIVATE INVESTMENT FUND

SUMMARY OF LEGAL AND POLICY[1] ATTACHMENTS

SUBMITTED BY

OSP, LLC DBA O'BRIEN STALEY PARTNERS

I. Review of Required Legal and Policy Attachments

OSP, LLC DBA O'BRIEN STALEY PARTNERS ("OSP LLC") a Minnesota-based firm, 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[2] (See Also 3 year Workforce Diversity Snapshot Page Attached)

As of March 2020, OSP LLC employed 166, 36 more than the 130 employed as of March 2018. The firm identified 7 women and 3 minorities as Executive/Senior Level Officials and Managers, i.e., serving at the senior most level of the firm. It reported that for the 3 year period 2018-2020, 2 women were promoted within the ranks of professionals or managers, and no minorities were promoted within this category. Overall, women and minorities are relatively well represented at all levels of the firm

Workforce Statistics

For Executive/Senior Level Officials and Managers:

- Women held 47% (7 of 15) of these positions in March 2020, up from 33% (4 of 12) in March 2019 and 20% (2 of 10) in March 2018.
- Minorities held 20% (3 of 15) (13.3% Black and 6.7% Hispanic) of these positions in March 2020, down from 33% (4 of 12) (25% Black and 8.3% Hispanic) in March 2019, and 30% (3 of 10) (20% Black and 10% Hispanic) of these positions in March 2018.

At the Management Level overall:

- Women held 46% (25 of 55) of these positions in March 2020, the same 46% (19 of 41) in March 2019, up from 43% (15 of 35) in March 2018.
- Minorities held 20% (11 of 55) (3.6% Black, 12.7% Hispanic and 3.6% Two or More Races) of these positions in March 2020, down from 29.3% (12 of 41) (7.3% Black, 17.1 %Hispanic and 4.9% Two or More Races) in March 2019, and 28.6% (10 of 35) (11.4% Black 14.3% Hispanic and 2.9% Two or More Races) of these positions in March 2018.

At the Professional Level:

- Women held 61% (20 of 33) of these positions in March 2020, up from 43% (9 of 21) in March 2019, and 44% (8 of 18) in March 2018.
- Minorities held 18.2% (6 of 33) (9.17% Asian, 3% Hispanic, 3% Black and 3% Two or More Races) of these positions in March 2020, down from 23.8% (5 of 21) (14.3% Asian, 4.8% Hispanic and 4.8% Black) in March 2019, and 22.2% (4 of 18) (16.7% Asian and 5.6% Hispanic) in March 2018.

[1] The Treasury's Policy Unit will prepare a separate Summary with respect to OSP LLC's ESG submission.

[2] Includes data for AmeriNat and ADM, wholly owned subsidiaries of OSP, LP (OSP LLC's parent company). Less than 10 employees chose not to disclose race and are not counted.

Firm-wide:

- Women held 65% (108 of 166) of these positions in March 2020, and also 65% (91 of 140) in March 2019, down slightly from 66% (86 of 130) held in March 2018.
- Minorities held 31.1% (60 of 166) (3% Asian, 24.7% Hispanic, 6.6% Black, and 1.8% Two or More Races) of these positions in March 2020, down from 42.9% (3.6% Asian, 29.3% Hispanic, 8.6% Black, and 1.4% Two or More Races) (60 of 140) in March 2019, and 43.8% (4.6% Asian, 28.5% Hispanic, 10% Black, and 0.8% Two or More Races) (57 of 130) in March 2018.

III. Corporate Citizenship

Charitable Giving:
OSP's Chief Executive Officer & Chief Investment Officer is a former board member of Greater Twin Cities United Way where he served two terms as chair of Tocqueville Steering Committee. He is an advisory board member for University of Minnesota Weisman Museum of Art and a former trustee of College of Visual Arts. He is also active with University of Chicago Booth School of Business (sponsor MBA fellowships annually), Greater Minneapolis Crisis Nursery, as well as various Catholic charities. The firm's non-executive chairman has served on the board of directors for the Minnesota Private College Council for six years, and for Opportunity International. He currently serves on the board of directors for Music Academy of the West. Previously, he was active with Twin Cities United Way as campaign co-chair in 2002 and Chair of Board 2004. He has accepted awards for leadership, philanthropy and ethics from Twin Cities United Way, Hendrickson Institute for Ethical Leadership, Twin Cities Boy Scouts, Junior Achievement, National Catholic Education Association (NCEA Seton Award) and Woodrow Wilson Foundation. He and his wife have also been actively involved in Habitat for Humanity International.

Internships/Scholarships:
OSP LLC offers a Summer Internship Associate program for first year MBAs. The internship is a 10-week commitment and is designed for individuals desiring to launch a career in private credit. The firm views the Summer Associate position as a source of talent recruitment for full-time Associates. The primary role of the Summer Associate is to assist the investment team in analyzing and valuing new investment opportunities. In addition, the Summer Associate position enables the candidate to gain exposure to other core functions at the firm including harvesting of existing credit investments, deal sourcing, and investor relations. Since OSP's business school recruiting program has been in place, the firm has hosted 2 Summer Associates, one female and one male.

Procurement:
No response was provided as to whether the firm has a written procurement policy or program specifically designated to foster business relationships with women-owned, minority-owned, and/or emerging businesses.

Summary of Responses to Attachment M: Evaluation and Implementation of Sustainable Principles Submitted by O'Brien-Staley Partners June 23, 2020	
Firm has an ESG policy	No
If yes, firm described its ESG policy	N/A
Firm provided examples of ESG factors considered in the decision-making process, explained the financial impact of these ESG factors	No
Designated staff responsible for sustainability policies and research	No
Firm provides training/resources on sustainability issues, explained sources of ESG-related data	No
Signatory/member of sustainability-related initiatives or groups	No
Policy for evaluating current or prospective relationships with manufacturers or retailers of civilian firearms	No
Policy that requires safe and responsible use, ownership or production of guns	No
Enhanced screening of manufacturers or retailers of civilian firearms	No
Enhanced screening of any industry/sector subject to increased regulatory oversight, potential adverse social and/or environmental impacts	No
Merchant credit relationships with retailers of civilian firearms and accessories	No
If yes, firm confirms compliance with laws governing firearms sales	N/A
Overall assessment of responses (e.g., depth of approach to ESG and integration)	With the exception of carve-outs for "ESG-sensitive LPs", the firm's disclosure did not reflect any integration or consideration of ESG factors into its investment process. The firm responded "Not applicable" for most questions, citing "commerical lender liability laws [that] prohibit lenders from exerting control or undue influence over the operations of a borrower." The firm disclosed that it would be willing, via a side letter, to agree to ensuring enhanced due diligence of any investment opportunity with manufacturers or retailers of 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 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	**4**

MEKETA
INVESTMENT GROUP

Private Markets Investment Memorandum

OSP Value Fund III, L.P.
OSP Value Fund III-B, L.P.

June 12, 2020

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Executive Summary

Meketa Investment Group ("Meketa") began its initial review of OSP Value Fund III (the "Fund," "Fund III" or "OSP III") and OSP Value Fund III-B ("Fund III-B" or "OSP III-B") in the May 2020. Fund III and Fund III-B will be collectively the referred as the "Funds". Due to global stay-at-home orders in place due to the COVID-19 pandemic, Meketa research staff have engaged with O'Brien-Staley Partners' senior professionals to conduct diligence on the Funds via telephone and video conference. Meketa research staff have previously met with O'Brien-Staley Partners' professionals in person at their offices in 2014 and 2015.

Fund III and Fund III-B each held a first close on May 1, 2020 with $273 million and $48 million in Limited Partner commitments, respectively. Fund III and Fund III-B are targeting $500 million and $250 million of commitments, respectively. Fund III is expected to reach its hard cap of $600 million. The Funds expect to hold a final close at the beginning of July, 2020.

BACKGROUND OF FIRM

Fund Name	Manager	Office Location(s)	Target Market	Target Geography
OSP Value Fund III OSP Value Fund III-B	O'Brien-Staley Partners ("OSP")	Edina, MN, Waco, TX	Opportunistic Credit	North America

O'Brien-Staley Partners ("OSP" or the "Firm") was founded by Jerry O'Brien and Warren Staley in 2010. OSP is focused on alternative asset management for primarily the OSP Value funds, and additionally owns two business focused on loan servicing and deposit management. The Firm is 100% employee owned with Jerry O'Brien and Warren Staley controlling 80% of the Firm and the balance owned by senior employees.

Fund III and Fund III-B will be led by Chief Executive Officer and Chief Investment Officer Jerry O'Brien. Mr. O'Brien is supported by an investment team of seven Managing Directors who bring over an average of 20 years of experience in the industry.

SUMMARY OF TERMS AND STRATEGY

Fund Size	Management Fee[1]	Carry And Carry Structure	Preferred Return	Fee Income	Inv. Period And Total Term
Fund III: $500 million Fund III-B: $250 million	1.8%	20%, Whole fund basis	8%	100% offset	Fund III: 3 years with 1 year re-cycling and 7 year Fund III-B: 4 years and 7 years

Fund III is targeting $500 million ($600 million hard cap) to invest in commercial and industrial ("C&I") private credits. Fund III is expected to focus on performing loans. C&I private credits targeted by the Funds encompasses a wide range of potential credit including but not limited to out-of-favor, orphaned or distressed commercial and industrial credits, small- and medium-size enterprises ("SME") and commercial real estate ("CRE"). Fund III will look to invest in individual credits or portfolio of credits that are being sold at discount to fundamental value due to sellers' unique situation. Fund III will target $5 million to $25 million per investment to form a portfolio of approximately 50 investments. Fund III will invest primarily in the US and its territories, and opportunistically in Canada.

Fund III-B is a companion vehicle being raised to Fund III. Fund III-B will be activated if Fund III nears the end of its investment period and either does not have capital to fully commit to existing opportunities or if the fundraising environment is not attractive to raise Fund IV. Fund III-B will pursue the same investment strategy of Fund III and will not be activate if the firm chooses to raise Fund IV instead.

[1] III: 1.8% of aggregate commitments during the investment period and reinvestment period. After investment period: Lessor 1.8% of NAV or capital commitments.
III-B: 1.8% of NAV with any portion of capital up to 50% of commitment value in Fund III and 1.95% of NAV for any additional commitments.

TRACK RECORD SUMMARY AS OF DECEMBER 31, 2020 ($ IN MILLIONS)

Fund	Vintage Year	Invested ($)	Realized Value ($)	Net Multiple (X)	Net IRR (%)
Fund I	2012	700.8	685.6	1.5	11.3
Fund II	2017	515.8	258.3	1.2	14.7
Total					

SUMMARY

OSP was founded in 2010 and is raising its third Value Fund. The Firm is led by CEO and CIO Jerry O'Brien who bring over 25 years of industry experience and is supported by an experienced and senior investment team bringing an average of 20 years of industry experience to the Funds. The Funds pursue a unique private credit strategy, which is a continuation of the successful prior two funds, that targets the purchase of small balance loans from banks and other lenders. OSP has developed a large sourcing network that they will use to new source investments. They also have significant experience underwriting and managing loan positions to maximize return. The execution of the strategy to date in prior funds has resulted in strong returns with low loss ratios.

BACKGROUND OF THE FIRM

O'Brien-Staley Partners ("OSP" or the "Firm") was founded by Jerry O'Brien and Warren Staley in 2010. The Firm is headquartered in Edina, MN with an office in Waco, TX and has one professional working remotely in Michigan. OSP is focused on alternative asset management for primarily the OSP Value funds, and additionally owns two business focused on loan servicing and deposit management. Prior to founding OSP, Mr. O'Brien (Chief Executive Officer & Chief Investment Officer) was a founding partner at CarVal Investors, where he managed global loan portfolios. Prior to founding OSP, Mr. Staley (Non-Executive Chairman) was Chairman and CEO of Cargill Inc. from 1999 to 2007, which was the parent company of CarVal Investors. OSP is wholly owned by employees and entities associated with its employees.

OSP's Value Investing business led by Mr. O'Brien (CIO) and employs nine investment professionals. The firm manages over a $1 billion in asset management through the prior funds. OSP Value Fund I was closed in June 2015 and OSP Value Fund II was closed in July 2017. The Firm also raised a companion fund to Value Fund II called OSP Value Fund II-B however the fund has expired over no capital called. The Firm is raising the third fund, OSP Value Fund III, in the strategy targeting $500 million in capital commitments with a companion fund, OSP Value Fund III-B targeting $250 million in capital commitments.

The Firm's only other investment strategy is their Impact Strategy which began in 2015 to make impact investments. This strategy is currently being managed by the firm and no successor vehicle is planned at this time. The firm also owns a loan servicing company purchased in 2015 and deposit management company purchased in 2020.

Investment Resources and Experience

The investment team is led by CEO and CIO Mr. O'Brien who has primary responsibility for investment decisions and portfolio management for the Fund. He is supported by a large team of Managing Directors who each bring extensive industry experience to team. Many investment team members worked directly with Mr. O'Brien at CarVal. Adam Bernier, the firm's COO, is also very involved in the investment process and oversees many of the loan servicing relationships. The investment team has remained fairly stable since the Firm's inception with only two departures in the past two years.

INVESTMENT PROFESSIONALS

Name	Title	Years At Manager	Total Years' Experience	Relevant Experience/Degree
Jerry O'Brien	CEO & CIO	10	>25	→ Founding Partner at CarVal → Chairman of Cargill PAC → MBA: University of Chicago AB: University of Michigan
Adam Bernier	COO	9	>25	→ Founding Equity Partner at CarVal → BA: Minnesota State University Moorehead
Bill Muenzberg	Managing Director	10	>25	→ Founding Equity Partner at CarVal → MBA: University of Minnesota BBA: University of Wisconsin
Kari Johnson	Managing Director	5	>25	→ Founding Equity Partner at CarVal → Master of International Management: University of St. Thomas BA: Concordia College
Terry DeWitt	Managing Director	5	>25	→ FirstCity Financial Corporation → BBA: Baylor University
Hugh Cameron	Managing Director	7	8	→ Analyst at Travelers → MBA: University of Chicago BA: Carleton College
Derek Pitt	Managing Director	1	>25	→ Wayzata Investment Partners, Cargill CGM/Black River → MBA: Michigan State University BBA: Pittsburg State University
Chuck Anderson	Managing Director	4	>20	→ Cargill and CarVal → JD: University of Minnesota BS: University of Minnesota
Bruce Weintraub	Managing Director	7	>25	→ CarVal, Visteon, W Communications, CSI Financial Services → AB: University of Michigan
Jennifer Wietecki	Director	8	>10	→ CarVal → JD: University of Minnesota → BA: University of St. Thomas

Investment Strategy & Process

The Fund invests in what OSP classifies as "unloved" commercial and industrial ("C&I") private credits. The Fund is expected to continue the prior funds' strategy of focusing on performing loans, which comprise about 80% of the firm's prior transactions, versus non-performing loans, which represent the balance. C&I private credits targeted by the Fund encompasses a wide range of potential credit including but not limited to out-of-favor, orphaned or distressed commercial and industrial credits, small- and medium-size enterprises ("SME") and commercial real estate ("CRE"). The Fund will look to invest in individual credits or portfolio of credits that are being sold at discount to face value or par amount due to sellers' unique situation which may be as the result of regulatory requirements or M&A. The Fund will target investments ranging from $5 million to $25 million to form a portfolio of 30 to 50 investments. OSP strongly believes that their commitment to not moving into larger transactions reduces competition from other institutional investors, leaving only smaller and more fragmented competitors. The Fund will invest in primarily in US and its territories and opportunistically in Canada.

The investment process starts with a top-down analysis of the market to identify attractive areas to target in terms of type of credit, performance and geographic area. These targets are set by CIO Mr. O'Brien and re-evaluated each quarter with input from the investment team. Portential investments are sourced directly by the investment team through their regular interaction with brokers, advisors, bank CEOs, CFOs and Chief Credit Officers, and finally municipalities.

Once a potential investment is sourced the investment team works to perform exhaustive credit underwriting on each underlying loan. They seek to develop a thorough understanding of the borrower's cash flow characteristics, management team, and liquidity needs. They will also assess a loan servicing plan. OSP seeks to estimate the loan recovery amount and timing to determine the investment's expected return. The investment committee, which is led by Mr. O'Brien, will approve all Fund investments.

Historical Performance

As of December 31, 2020
($ in Millions)

Fund	Year of First Investment	Number of Investments	Invested Capital ($)	Realized Value ($)	Gross IRR (%)	Realized to Invested (x)
Fund I	2012	94	700.8	685.6	15.1	1.0
Fund II	2017	31	515.8	258.3	24.0	0.5
Total						

Fund	Capital Called ($)	Distributed ($)	NAV ($)	Total Value ($)	Net TVM (X)	Top Quartile (X)[2]	Median (X)[3]	Net IRR (%)	Top Quartile (%)[3]	Median (%)[3]	Loss Ratio (%)
Fund I	438.6	374.9	637.6	1012.5	1.5	1.5	1.3	11.3	12.2	8.4	1.8
Fund II	327.0	50.0	403.9	453.9	1.2	1.2	1.1	14.7	12.0	8.7	0.2
Total	**765.6**	**424.9**	**1041.5**		**1.4**			**12.0**			**1.1**

Fully Realized Performance

Fund	Number of Investments	Invested ($)	Realized ($)	Gross TVM (X)	Gross IRR (%)	Loss Ratio (%)
Fund I	41	245.9	322.2	1.3	21.3	0.0
Fund II	2	17.5	20.2	1.2	35.0	0.0
Total		**263.4**	**342.4**	**1.3**	**21.4**	**0.0**

While OSP raised Fund I during 2014 and 2015, they started investing in 2012 using internal capital. This protracted investment period has resulted in the high number of investments (94), while Fund II and Fund III are expected to have between 30 and 50 investments. Fund I has performed well to date by generating cash through full and partial realizations. The Fund I multiple of 1.5x also compares favorably to peer funds focused on senior debt.

Fund II will continue to invest through its investment period that expires at the end of June 2020. The investment strategy remained consistent in Fund II with returns tracking to targets. While there have only been two full investment realizations in Fund II, the portfolio has generated significant cash through partial realizations of loans and loan portfolios.

OSP's prior fund returns have remained very stable and compare favorably to peer funds. As previously discussed, OSP's strategy seeks to control risk through its, 1) focus on performing loans, 2) purchasing loans at a large discount to face value, and 3) other than a Fund commitment facility, not utilizing fund level leverage.

[2] Cambridge Associates US Senior Debt, Credit Opportunities, Subordinated Capital as of December 31, 2019

ENVIRONMENTAL, SOCIAL, AND CORPORATE GOVERNANCE

OSP has historically addressed ESG concerns for its LPs through side letter agreements for any unique exclusions that may be required. Historically, OSP has accommodated exclusions for investments related weapons, tobacco, and gambling, among others. Historically OSP has not explicitly incorporated ESG factors into their investment process for the Value Funds, however outside of these Funds, the OSP Impact Strategy was designed specifically for investors conscious of ESG factors who wish to make a measurable impact on society. This strategy seeks to 1) promote businesses in low and moderate income areas, 2) revive properties with energy efficiency, and 3) assist families with first time home purchases.

Investment Analysis

SWOT ANALYSIS

Strengths:

→ The CEO and CIO Jerry O'Brien has deep experience in the credit market with over 25 years of experience. Mr. O'Brien has lead the strategy since inception (two prior funds) and brings 17 years' experience from CarVal and Cargill.

→ The investment team consists of senior professionals that bring an average of 20 years of industry experience. The core of the professionals have worked together in various roles with Mr. O'Brien during his tenure at CarVal and have been working together to deploy the prior two funds at OSP.

→ OSP III and OSP III-B are targeting an attractive strategy of buying single name or portfolios of C&I credits at discounts due to unrelated pressures to transact by the seller. This results in the ability to potentially buy attractive senior secured performing credits at discounts. The strategy targets niche areas of the market which have generally less competition due to the specialized nature or smaller size of transactions.

→ Fund III will be similarly sized to Funds I and II, which may reduce the possibility of strategy drift.

→ The Firm has produced attractive returns in the previous two funds which compare favorably to peer private credit strategies.

Weaknesses:

→ The investment strategy focuses on small and "unloved" loans without many natural buyers in the institutional market. As a result, the Fund must resolve all loans and cannot be reliant on secondary market sales.

  → Mitigating factor(s): OSP seeks to reduce the risk of loss by purchasing loans at a discount to face value. This discount gives OSP the ability to earn a positive return while still working with borrowers to resolve debt. The discount can also provide a margin of safety and downside protection should they need to take possession of collateral and pursue an asset sale.

→ Some investments in economic development loans and municipal debt introduce headline risk.

  → Mitigating factor(s): OSP's focus on performing debt should partially reduce the risk of one of the above types of loans moving to a default or workout. OSP claims to be very sensitive to this risk, and believes they are incentivized to be viewed as amenable lenders as this will lead to continued new deal flow from these areas.

→ The Fund's ability to meet its return target will be reliant on OSP's ability to collect and resolve loans when selling banks or other lenders were either unable or unwilling to do so. Extension risk exists and will lead to IRR deterioration if resolutions slow due to macroeconomic or credit-specific factors.

  - → Mitigating factor(s): OSP's successful track record in prior funds helps validate their approach to 1) correctly identifying assets that can be resolved and 2) working closely with servicers and borrowers to execute on their investment thesis.
- → Conflicts of interest exist between the Fund and the OSP wholly-owned servicer, AmeriNat. The Fund will use AmeriNat to service a portion of investments. While OSP discloses the fees paid by AmeriNat, these fees are determined in a negotiation between the two parties.
  - → Mitigating factor(s): All fees are disclosed to the LPs and the comparison between rate being charged and overall fees paid are shown for AmeriNat compared to other servicers used by the Funds.

Opportunities:

- → Over 1,000 banks in the US have less than $100 million of assets totaling more than $70 billion. These banks are typically too small to survive due to regulatory burden and also face increasing competition from non-bank lenders. There were approximately 250 bank mergers in the US last year, and these mergers will lead to asset sales as the bank looking to be acquired may look to sell assets in advance, and the acquirer may unload assets after the transaction. Also when banks fail the FDIC will take assets and sell them, with usually only a small portion of the loans classified as non-performing.
- → States and cities with operating budget deficits may look to sell of non-core municipal assets and economic development loans to raise liquidity. The COVID-19 pandemic is expected to result in lower tax revenues and increase strain on budgets, which could lead to an increase in the volume of these loan asset sales.

Threats:

- → Due to the crisis caused by COVID-19, the amount of performing credit in the secondary market should decrease and could hinder the Firm's strategy (which is primarily in investing in performing credit) due to lack of availability.
- → Fast resolution of portfolio investments will be reliant on refinancing which will be subject to market conditions.
- → To take advantage of the credit cycle turning due to COVID-19 virus, the amount of capital being raised by private credit funds has substantially increased.
    - → Mitigating factor(s): The Firm targets smaller opportunities and niche opportunities and hence should be shielded by at least some of the competition from the new capital raised targeting private credit.

SUMMARY

Overall, OSP III and OSP III-B appears to be a pursuing an attractive credit strategy which is being overseen and implemented by an experienced investment team. The investment team has been stable and has successfully deployed capital into this strategy over the prior two funds which have achieved attractive results on both an absolute and peer relative basis. OSP continues to show discipline when sizing their funds with Fund III's hard cap being unchanged from Fund II.

Meketa believes a commitment to OSP Value Fund III and Value Fund III-B may be an attractive investment for the following reasons:

→ Experienced investment team: The CEO and CIO Jerry O'Brien has deep experience in the credit market with over 25 years of experience. Mr. O'Brien has been leading the strategy since inception (two prior funds) and brings 17 years experience from CarVal and Cargill. At CarVal, Mr. O'Brien was a founding partner where he managed global loan portfolios. The investment team consists of senior professionals bring an average of 20 years of industry experience.

→ Unique Investment Strategy: OSP III and OSP III-B are targeting a unique strategy of buying single name or portfolios of C&I credits at discounts due to seller considerations versus borrower weakness. As a result of small transaction amounts and niche types of credit pursued, the strategy faces less competition from other credit funds. Due to the market environment and operational pressures, smaller banks may be forced to sell at large discounts which will result in a strong flow of performing loan sales for the Fund to pursue. The Fund's focus on performing loans and lack of Fund-level leverage are attractive relative to competing strategies.

→ Attractive prior track record: The Firm has produced attractive returns in previous two fund's resulting in net IRR of 11.3% and 14.7% for OSP I and OSP II, respectively, unlevered (other than commitment facility). OSP I and OSP II rank attractively relative to peer funds in the private credit universe.

→ Portfolio Fit: While we classify the Fund as Opportunistic Credit, it is important to note that it is much less reliant on capital appreciation, leverage and investment duration compared to similar strategies. Also, given the nature of the Fund's strategy, we expect it to result in frequent cash generation through regular interest payments and loan realization, which will also further reduce cost basis and risk. These attributes are attractive as a component in a private credit portfolio, and complementary to the existing CRPTF investments.

Appendices

Professional Biographies

E. Gerald O'Brien, Chief Executive Officer & Chief Investment Officer:

With over 25 years of experience in the industry, Mr. O'Brien serves as CEO and CIO of O'Brien-Staley Partners (OSP) and oversees the firm and its managed investments. Prior to co-founding OSP in 2010, Mr. O'Brien was a founding partner at CarVal Investors where he managed global loan portfolios and had 17 years of experience across Cargill and CarVal. He served as chairman of Cargill PAC from 2008 to 2010. Prior to joining Cargill in 1994, Mr. O'Brien was a credit analyst at Chemical Bank and for subsidiaries of DG Bank in New York and Comerica Bank in Michigan. He earned an MBA in analytical finance and marketing from University of Chicago and an AB in economics from University of Michigan.

Warren Staley, Non-Executive Chairman:

As non-executive chairman of O'Brien-Staley Partners, Mr. Staley is responsible for corporate governance with leadership roles on the firm's risk, audit, compensation and credit committees. Prior to co-founding OSP in 2010, Mr. Staley was Chairman and CEO of Cargill Inc. from 1999 to 2007. He participated as a board member for U.S. Bancorp, Target Corp, PACCAR, Excel Trust Inc., and as a member of the President's Export Council and Strategic Board of Governors at the University of St. Thomas College of Business. Mr. Staley has an MBA from Cornell University and a BS in electrical engineering from Kansas State University.

Adam Bernier, Managing Director & COO:

Mr. Bernier is responsible for operational management and control at OSP and has over 25 years of relevant experience. Mr. Bernier is a founding equity partner of CarVal Investors with over 21 years of controllership and investing experience at CarVal and Cargill. Mr. Bernier has a BA in Accounting & Finance from Minnesota State University Moorhead.

William Muenzberg, Managing Director:

Mr. Muenzberg is responsible for deal origination and underwriting at OSP and has over 25 years of relevant experience. Mr. Muenzberg was a founding equity partner of CarVal Investors with 20 years of asset-backed and CRE investing experience at CarVal and Cargill. Mr. Muenzberg has a BBA in Accounting and Information Systems from the University of Wisconsin and an MBA from the University of Minnesota.

Terrence DeWitt, Managing Director:

Mr. DeWitt is responsible for deal origination and underwriting at OSP and has over 25 years of relevant experience. He was formerly with FirstCity Financial Corporation for 22 years, which included 14 years in JV partnership with CarVal and Cargill. Mr. DeWitt had early career experience as a bank examiner for the Office of the Comptroller of the Currency (OCC), and with United Bankers Inc., and First National Bank Central Texas. Mr. DeWitt has a BBA in economics and finance from Baylor University.

Kari Johnson, Managing Director:

Ms. Johnson is responsible for portfolio management at OSP, spanning investments, risk management and investor relations functions. She has over 25 years of relevant experience. Ms. Johnson was previously a founding equity partner of CarVal Investors with 21 years of loan portfolio and special asset experience at CarVal and Cargill. Ms. Johnson has a BA in Accounting and English, summa cum laude, from Concordia College and a Masters of International Management from University of St. Thomas School of Business

Derek Pitt, Managing Director:

Mr. Pitt serves as Managing Director of Investments for O'Brien-Staley Partners and has over 25 years of experience. Mr. Pitt formerly held senior investment roles at Wayzata Investment Partners and Cargill CGM/Black River Asset Management with a focus on sourcing, investing and managing credit strategies. Mr. Pitt has a MBA from Michigan State University and BBA in Finance from Pittsburg State University.

Hugh Cameron, Managing Director:

Mr. Pitt serves as Managing Director of Investments for O'Brien-Staley Partners and has over 25 years of experience. Mr. Pitt formerly held senior investment roles at Wayzata Investment Partners and Cargill CGM/Black River Asset Management with a focus on sourcing, investing and managing credit strategies. Mr. Pitt has a MBA from Michigan State University and BBA in Finance from Pittsburg State University.

Jennifer Wietecki, Risk & Investor Relations:

Ms. Wietecki is responsible for risk management and investor relations at OSP. She has over 10 years of relevant experience including at CarVal Investors specializing in risk for the C&I loan portfolio and Real Estate Recycling, a firm specializing in commercial real estate development. She has a BA in Biology, summa cum laude, from the University of St. Thomas and a JD cum laude from the University of Minnesota Law School.

Chuck Anderson, Managing Director of Analytics:

Mr. Anderson is responsible for building and managing the analytics practice for O'Brien-Staley Partners and has over 20 years of relevant experience. Mr. Anderson has previous experience at Cargill and CarVal spanning global loan portfolio management, valuation, trade structuring, deal execution and risk analytics. He received a JD cum laude from the University of Minnesota and a BS in Business with distinction from Carlson School of Management at University of Minnesota

Mark Mooers, Managing Director:

Mr. Mooers is responsible for Investor Relations at OSP. He has 25 years of relevant experience including positions at Black River Asset Management, American Express Asset Management and US Bancorp. Mr. Mooers has a BS from the University of Wisconsin-Madison and an MBA from the University of Minnesota.

What time is it?

Conversation
with
State of Connecticut

July 8, 2020

O'BRIEN-STALEY PARTNERS

Unloved, US, C&I Loans, $5 - 25MM

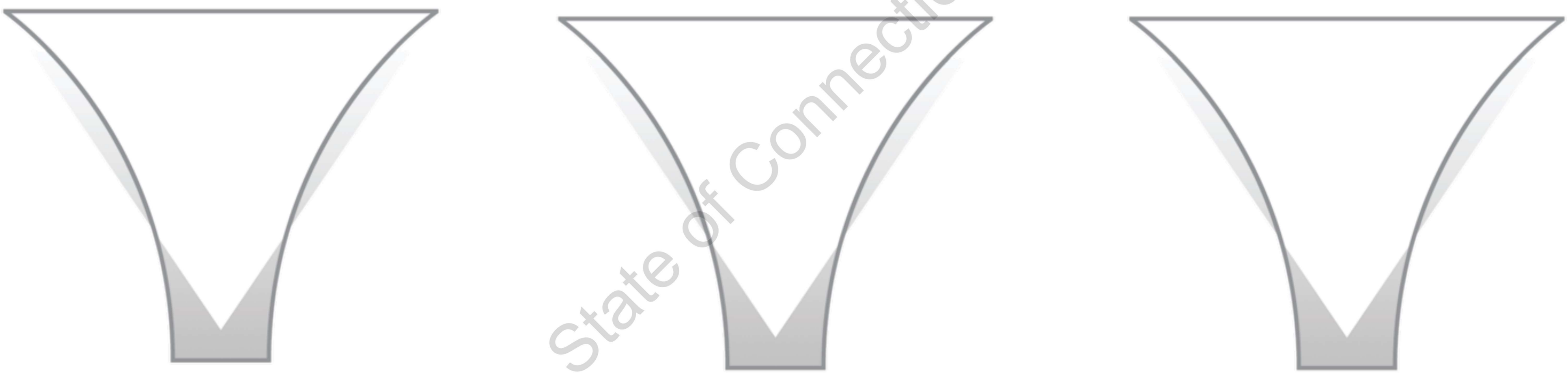
Paying under forbearance, modification, approved BK plan, or spontaneously past maturity

Not emerging markets

Business loans with or without real estate collateral

Scale that leaves us pretty much alone

Regulatory Municipal Garage Sales

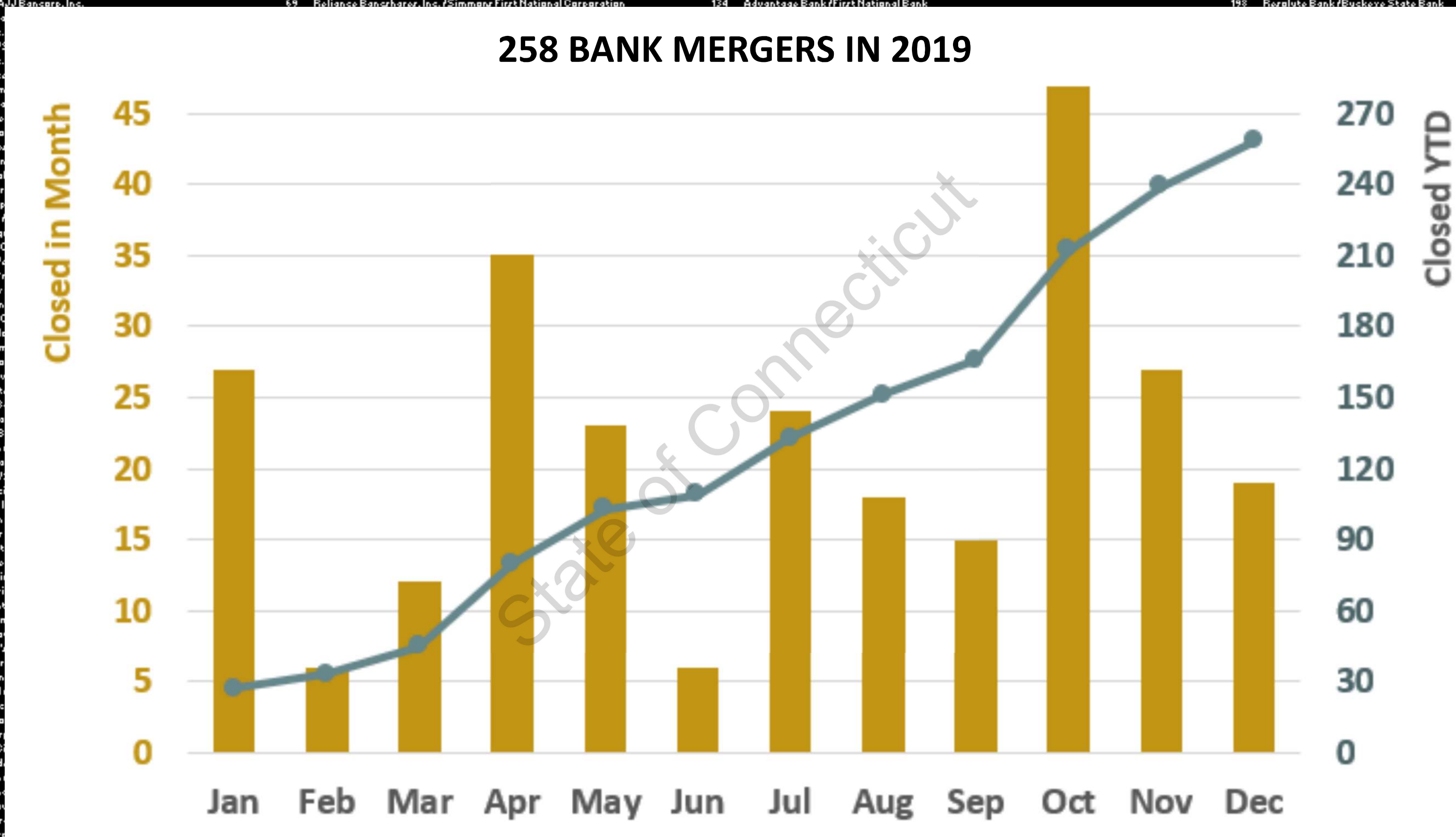


1 Peoples State Bank / Foote Financial Services, LLC
2 Augusta Financial Corporation/Caprice Corp. / Kimberly Leasing Corporation
3 First Team Resources Corporation / King Bancshares, Inc.
4 Swisher Bankshares, Inc. / AJJ Bancorp, Inc.

66 Community 1st Bank / First Interstate Bank
67 Idaho Independent Bank / First Interstate Bank
68 Rolfe State Bank / United Bank of Iowa
69 Reliance Bancshares, Inc. / Simmons First National Corporation

131 Farmers and Traders Bancorporation, Inc. / Village Investment Company
132 HopFed Bancorp, Inc. / First Financial Corporation
133 Heritage Bancorp / Glacier Bancorp, Inc.
134 Advantage Bank / First National Bank

195 Millbury Savings Bank / Hometown Bank
196 Continental National Bank / First American Bank
197 Flagship Community Bank / West Florida Banking Corp.
198 Resolute Bank / Buckeye State Bank



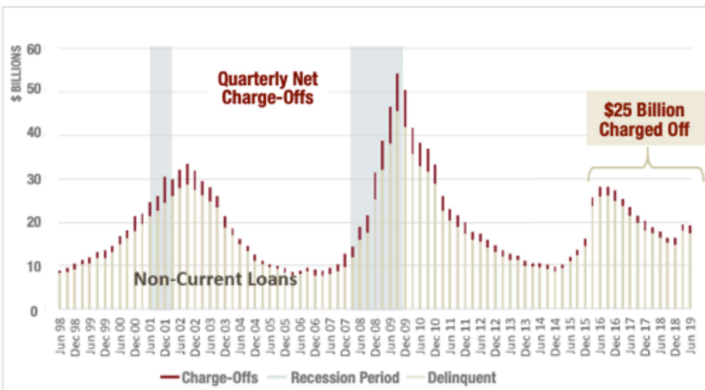
63 Biscayne Bancshares, Inc. / First-Citizens Bank & Trust Company
64 Oculina Bank / IBM Southeast Employees' Credit Union
65 Salem Trust Company / TMI Trust Company

128 HomeStar Financial Group, Inc. / Midland States Bancorp, Inc.
129 First National Bank of Ozarks / Financial Services of Lowry, Inc.
130 Farmers & Traders Bancorporation, Inc. / Village Investment Company

193 Lighthouse Bank / Santa Cruz County Bank
194 TIG Bancorp / BayCom Corp

257 Entegra Financial Corp. / First-Citizens Bank & Trust Company
258 TransCapital Bank / Power Financial Credit Union

C&I Loan Credit Cycle



Source: FDIC, NBER

Quarterly Change in C&I Loans

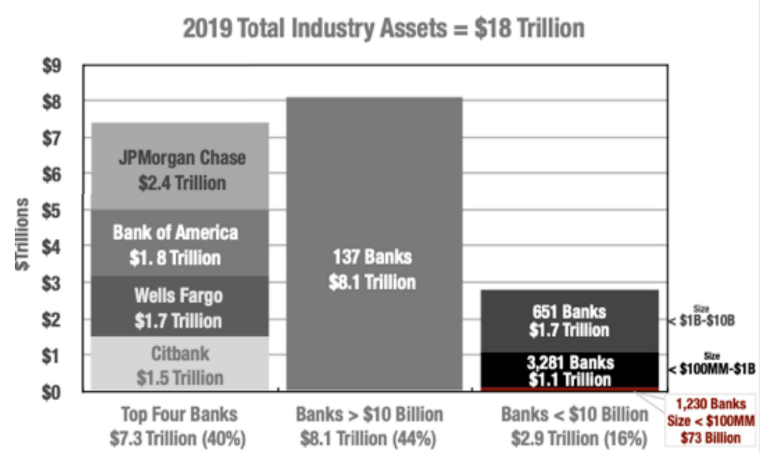
Source: FDIC

FDIC Loan Sales

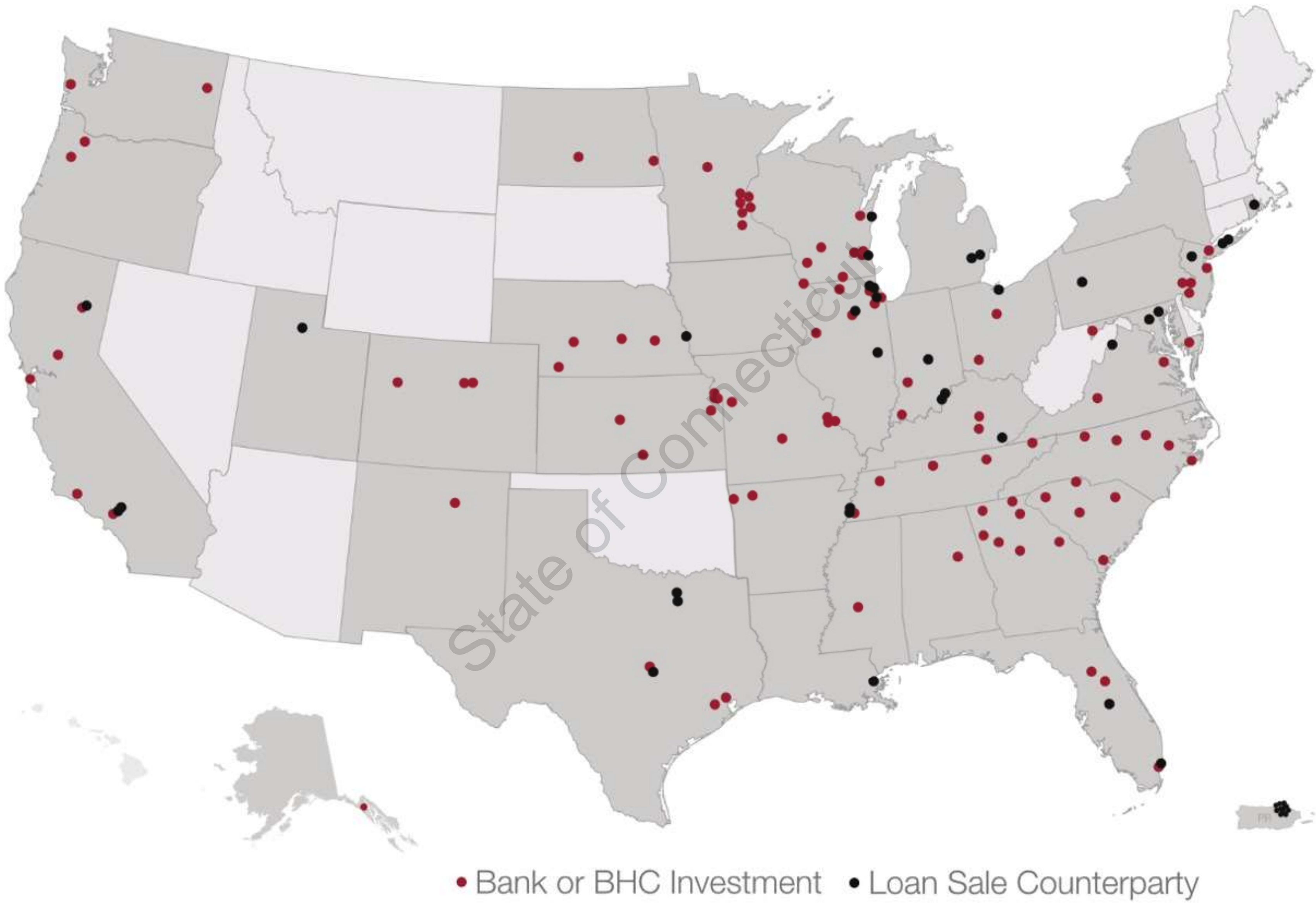
Loan Type	Book Value	Appraised Value	Sales Price	# Sold	% of SP/BV	% of SP/AV
Performing	$18,132	$15,245	$15,134	394,845	83%	99%
Performing/Non-Performing	$4,278	$1,966	$2,192	131,369	51%	112%
Non-Performing	$19,769	$5,528	$5,658	393,966	29%	102%
Total 1990-2018	**$42,179**	**$22,739**	**$22,984**	**920,180**	**54%**	**101%**

Source: FDIC, data thru Dec 31, 2018

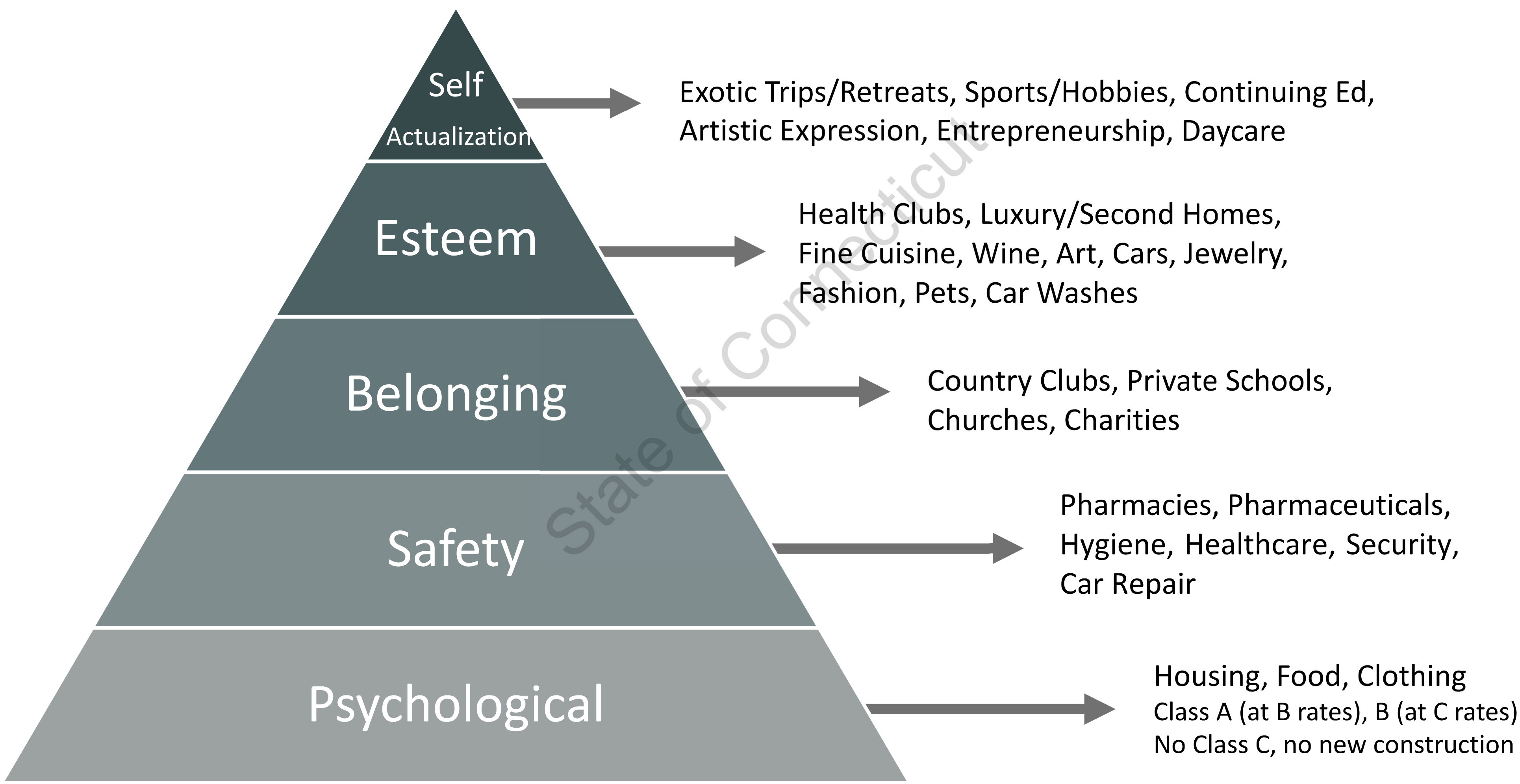
Banking Industry Scale



ource: FDIC as of June 30, 2019 data


• Bank or BHC Investment
• Loan Sale Counterparty

Economic Contraction = Maslow's Hierarchy in Reverse



Founders Biographies

Jerry O'Brien
Chief Executive Officer & Chief Investment Officer

With over 25 years of experience in the industry, Jerry serves as CEO and CIO of O'Brien-Staley Partners (OSP) and oversees the firm and its managed investments. Prior to co-founding OSP in 2010, Jerry was a founding partner at CarVal Investors where he managed global loan portfolios and had 17 years of experience across Cargill and CarVal. He served as chairman of Cargill PAC from 2008 to 2010. Prior to joining Cargill in 1994, Jerry was a credit analyst at Chemical Bank and for subsidiaries of DG Bank in New York and Comerica Bank in Michigan. He earned an MBA in analytical finance and marketing from University of Chicago and an AB in economics from University of Michigan.

Warren Staley
Non-Executive Chairman

As non-executive chairman of O'Brien-Staley Partners, Warren is responsible for corporate governance with leadership roles on the firm's risk, audit, compensation and credit committees. Prior to co-founding OSP in 2010, Warren was Chairman and CEO of Cargill Inc. from 1999 to 2007. He participated as a board member for U.S. Bancorp, Target Corp, PACCAR, Excel Trust Inc., and as a member of the President's Export Council and Strategic Board of Governors at the University of St. Thomas College of Business. Warren has an MBA from Cornell University and a BS in electrical engineering from Kansas State University.

O'BRIEN-STALEY PARTNERS

Jerry O’Brien
jerry.Obrien@osp-group.com

OSP, LLC (the "Manager") Disclosure: The Manager of OSP Value Fund III, LP and OSP Value Fund III-B, LP (the "Funds") is registered as an investment advisor with the Securities and Exchange Commission ("SEC"). The Manager is not registered with the Commodities Futures Trading Commission ("CFTC") as a commodity pool operator or a commodity trading advisor as it does not engage in futures transactions on behalf of the Funds or otherwise. In addition, interest in the Funds are offered pursuant to an exemption from registration with the SEC. Consequently, the Funds are not subject to the regulatory reporting and disclosure requirements imposed on registered entities such as Registered Investment Companies (such as a mutual fund), as defined in the Investment Company Act, as amended.

The information contained in this document (the "Presentation") is qualified in its entirety by the following important Legal Notices, all of which must be read in connection with this Presentation. This Presentation is intended for sophisticated investors for informational purposes only and is not intended to constitute investment advice or recommendations or financial, legal or tax advice by the Manager, any of its affiliates or any other party. Unless otherwise indicated, information, data, strategies and opinions included in this Presentation are subject to change without notice based on market and other developments.

The Funds may employ one or more "alternative" investment techniques, which can include arbitrage techniques, long and short positions, leverage, derivatives and investments in many different types of securities and markets, including foreign markets. The Funds intend to invest in management-intensive assets and, because of their structure, may involve multiple layers of fees, which can negatively affect performance results. As with many investments, the Funds are speculative, involve a high degree of risk and can be volatile. An investment in the Funds will be illiquid, subject to significant transfer restrictions, and have no secondary trading market. Investors could lose all or a substantial portion of their investment.

Information contained in this document is obtained from sources the Manager deems to be reliable; however, the Manager cannot and does not guarantee its accuracy and it is subject to change without notice. Past performance is no guarantee of future results. No representation is made that the Funds are or will be comparable or similar to the investments comprising the selected examples shown, either in composition or element of risk involved. Such comparisons are solely to illustrate the Funds' potential performance. The performance results of individual investors in the Funds may vary depending upon the timing, size and fee structure of their investment. Moreover, there can be no assurance that comparable historical investment returns can be achieved by the Funds. No tables, charts or graphs should be relied upon in determining whether or not to invest in the Funds.

All performance figures in this communication are gross (i.e., do not reflect the deduction of advisory fees), estimated and unaudited, based on estimated and unaudited net asset valuations of the underlying portfolio investments, unless otherwise stated, and are subject to final year-end audit and adjustments. Actual net returns achieved by investors would be considerably lower after taking into account advisory fees, commissions and other expenses borne by the Funds. The advisory fees charged to the Funds by the Manager are fully described in the Funds' offering documents. The performance numbers have not been independently audited by the Manager's accountants.

This Presentation is not a complete summary of all of the terms and risks associated with the investment. You may contact the Manager to ask any questions you may have with regard to this Presentation, including questions about the procedures and methodologies used to calculate the investment returns.

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Certain information contained herein constitutes "Forward-Looking Statements," which can be identified by the use of forward-looking terminology such as "expect," "anticipate," "estimate," "forecast," "initiative," "objective," "plan," "goal," "project," "outlook," "priorities," "target," "intend," "evaluate," "pursue," "seek," "may," "would," "could," "should," "believe," "potential," "continue," or the negative of any of those words or similar expressions is intended to identify forward-looking statements. Due to various risks and uncertainties, actual events or results or the actual performance of a Fund may differ materially from those reflected or contemplated in such forward-looking statements. Investors are cautioned not to place undue reliance on forward-looking statements.

Investment Advisory Council

Proposed Budget

For the fiscal years ending June 30, 2021 and 2022

			EXPENDITURES			
	proposed	proposed	Prior Year			
DESCRIPTION	**FY'22 BUDGET**	**FY'21 BUDGET**	FY'20 ACTUAL	FY'20 BUDGET	FY'20 (Over)/Under	FY'19 ACTUAL
Commuter Costs	***2,200***	***2,100***	1,381	4,000	2,619	2,233
Correspondence	***900***	***900***	515	1,400	885	570
Education/Travel	***6,600***	***6,300***	3,393	8,800	5,407	2,186
Meeting Costs	***2,700***	***2,700***	2,581	3,200	619	3,058
Other	***1,000***	***1,000***	-	1,000	1,000	300
Recording Costs	***-***	***-***	-	-	-	-
Subscriptions	***800***	***800***	387	1,100	713	740
Supplies	***100***	***99***	-	120	120	-
Total	***14,300***	***13,899***	***8,258***	***19,620***	***11,362***	***9,088***