SHAWN T. WOODEN
TREASURER

State of Connecticut
Office of the Treasurer

DARRELL V. HILL
DEPUTY TREASURER

MEMORANDUM

TO: **Members of Investment Advisory Council**

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

DATE: **October 7, 2021**

SUBJECT: **Investment Advisory Council Meeting – October 13, 2021**

Enclosed is the agenda package for the Investment Advisory Council meeting on Wednesday, October 13, 2021 starting at 9:00 A.M.

The following subjects will be covered at the meeting:

Item 1: Approval of the Minutes of the September 8, 2021 IAC Meeting

Item 2: Opening Comments by the Treasurer

Item 3: Update on the Market and the CRPTF Performance

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

- The CRPTF performance as of August 31, 2021

Item 4: The Watch List

Lyn Farris, Principal Investment Officer, will provide an update on the Watch List.

Item 5: Presentation by and Consideration of Cityview Real Estate Partners VII

Raynald Leveque, Deputy Chief Investment Officer, will provide opening remarks and introduce Cityview Real Estate Partners VII, a Real Assets Fund opportunity.

Item 6: Presentation by and Consideration of Crescent Private Credit Partnership

Mark Evans, Principal Investment Officer, will provide opening remarks and introduce Crescent Private Credit Partnership, a Private Credit Fund opportunity.

Item 7: Presentation by and Consideration of Ironwood Capital Partners V

Mark Evans, Principal Investment Officer, will provide opening remarks and introduce Ironwood Capital Partners V, a Private Investment Fund opportunity.

Item 8: **Corporate Governance Report**

Christine Shaw, Assistant Treasurer for Corporate Governance & Sustainable Investments will provide a report on Corporate Governance activities for the quarter ended June 30, 2021.

Item 9: **Other Business**

- Discussion of the preliminary agenda for the November 10, 2021 IAC meeting

Item 10: **Comments by the Chair**

Item 11: **Executive session**

- Consideration of personnel matters

We look forward to reviewing these agenda items with you at the October 13th meeting.

Please confirm your attendance with katrina.farquhar@ct.gov as soon as possible.

STW/kf

Enclosures

INVESTMENT ADVISORY COUNCIL
Wednesday, September 8, 2021

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

MEETING NO. 497

Members present:	D. Ellen Shuman, Chair
	Treasurer Wooden, Secretary
	Thomas Fiore, representing Secretary Melissa McCaw
**9:14am departure	Joshua Hall**
*9:06am arrival	Michael Knight*
	Steven Muench
	William Murray
	Patrick Sampson
Members absent:	Michael LeClair
Others present:	Ted Wright, Chief Investment Officer
	Kevin Cullinan, Chief Risk Officer
	Patricia DeMaras, Legal Counsel
	Mark Evans, Principal Investment Officer
	Lyndsey Farris, Principal Investment Officer
	John Flores, Legal Counsel
	Karen Grenon, Legal Counsel
	Darrell Hill, Deputy Treasurer
	Harvey Kelly, Pension Fund Analyst
	Peter Gajowiak, Senior Investment Officer
	Felicia Genca, Pension Fund Analyst
	Raynald Leveque, Deputy Chief Investment Officer
	Paul Osinloye, Principal Investment Officer
	Christine Shaw, Assistant Treasurer for Corporate Governance & Sustainable Investment
	Michael Terry, Principal Investment Officer
	Olivia Wall, Investment Officer
	Kan Zuo, Investment Officer
Guests:	Greg Balewicz, Lord Abbett
	LaRoy Brantley, Meketa Investment Group
	Judy Chambers, Meketa Investment Group
	Will Greene, Loop Capital
	Tony Lee, Bivium Capital
	Chris Morgan, Franklin Templeton
	Mary Mustard, Meketa Investment Group
	Liz Smith, AllianceBernstein
	Peter Woolley, Meketa Investment Group
	Public Line

With a quorum present, Chair D. Ellen Shuman called the Investment Advisory Council ("IAC") meeting to order at 9:04 a.m.

Approval of Minutes of the August 11, 2021 IAC Meeting and the August 11, 2021 IAC Audit Subcommittee Meeting

Chair Shuman called for a motion to accept the minutes of the August 11, 2021 IAC Meeting and the August 11, 2021 IAC Audit Subcommittee Meeting. **William Murray moved to approve the minutes. The motion was seconded by Joshua Hall. There was one abstention from Steven Muench. Chair Shuman noted that the members not present for the Audit Subcommittee meeting were not voting on that item. 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 officially welcoming Edward "Ted" Wright as the new Chief Investment Officer.

Next, he referred to last month's discussion regarding the use of benchmarks and, more specifically, peer comparisons. He stated that there are plans to explore reviewing a select list of public plan peers to the CRPTF on a regular basis in the future.

Finally, he gave a brief overview of the agenda and thanked the members for joining the meeting.

Presentation by and Consideration of the Finalists for the Domestic Equity Fund - Small Capitalization Search

Paul Osinloye, Principal Investment Officer ("PIO"), discussed the finalists for the Domestic Equity Fund ("DEF") Small Capitalization ("Small Cap") search. He reviewed the selection process and provided a brief overview of each of the selected finalists.

Roll Call of Reactions for the Finalists of the Domestic Equity Fund - Small Capitalization Search

Messrs. Muench, Murray, Thomas Fiore, Michael Knight, Patrick Sampson, and Chair Shuman provided feedback on the finalists for the DEF Small Cap search. There being no further discussion, Chair Shuman asked for a motion to waive the 45-day comment period for the Finalists for the DEF Small Cap search. **A motion was made by Mr. Murray, seconded by Mr. Muench to waive the 45-day comment period for the finalists for the DEF Small Cap search. The motion passed.**

Update on the Market and the Connecticut Retirement Plans and Trust Funds Performance

Mr. Wright, CIO, provided an update on the Connecticut Retirement Plans and Trust Fund's performance and commented on the capital market environment and the economic outlook.

HarbourVest CRPTF Co-Investment Partnership

Mark Evans, PIO, provided opening remarks and introduced representatives of HarbourVest CRPTF Co-Investment Partnership ("HarbourVest"), a Private Investment Fund opportunity.

HarbourVest, represented by Fran Peters, Principal – Investor Relations; Ian Lane, Managing Director - Co-investment team; Jackie Peradotto, Principal - Co-investment team; John Toomey, Managing Director & Co-CEO, made a presentation to the IAC.

Roll Call of Reactions for HarbourVest CRPTF Co-Investment Partnership

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

Morgan Stanley Investment Management Real Assets Co-Investment Strategic Partnership

Raynald Leveque, Deputy Chief Investment Officer, provided opening remarks and introduced representatives of Morgan Stanley Investment Management Real Assets Co-Investment Strategic Partnership ("MSIM"), a Real Assets Fund opportunity.

MSIM, represented by Rui de Figueiredo, Co-Head and Chief Investment Officer of the Solutions & Multi-Asset Group; Ted Eliopoulos, Vice Chairman & Head of Strategic Partnerships; Catherine Hong, Co-Head of Research for our Solutions Team and John Mecca, Executive Director, made a presentation to the IAC.

Roll Call of Reactions for Morgan Stanley Investment Management Real Assets Co-Investment Strategic Partnership

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

Other Business

Chair Shuman invited the council members to submit agenda items for the next meeting being held on October 13, 2021.

Comments by the Chair

There being no further business, Chair Shuman called for a motion to adjourn the meeting. **Mr. Fiore moved to adjourn the meeting and the motion was seconded by Mr. Murray. There being no discussion, the meeting was adjourned at 12:22 p.m.**

TEACHER'S RETIREMENT FUND

Net of All Fees and Expenses

Periods Ending August 31, 2021

Funds *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year (Compound, annualized returns)	Five Year	Seven Year	Ten Year
Teacher's Retirement Fund					**$22,403.9**	**1.75**	**3.34**	**2.02**	**10.31**	**18.90**	**10.27**	**10.05**	**7.92**	**8.80**
Policy Benchmark						*1.14*	*3.15*	*1.94*	*9.73*	*17.79*	*10.72*	*10.22*	*8.03*	*9.04*
Dynamic Benchmark						*1.31*	*2.97*	*1.82*	*9.68*	*17.92*	*10.61*	*10.19*	*7.97*	*N/A*
Domestic Equity	**22.9%**	**20.0**	15.0	25.0	**$5,130.2**	**2.87**	**6.86**	**4.54**	**20.34**	**32.38**	**17.60**	**17.86**	**14.26**	**16.11**
Russell 3000						*2.85*	*7.17*	*4.59*	*20.39*	*33.04*	*17.85*	*17.97*	*14.34*	*16.20*
Developed Markets ISF	**13.3%**	**11.0**	6.0	16.0	**$2,980.8**	**1.89**	**1.57**	**2.73**	**12.68**	**28.36**	**9.57**	**10.79**	**7.57**	**9.32**
MSCI EAFE IMI Net						*1.94*	*1.61*	*2.86*	*11.97*	*27.11*	*10.07*	*11.03*	*7.79*	*9.43*
Emerging Markets ISF	**12.0%**	**9.0**	4.0	14.0	**$2,687.4**	**1.83**	**-2.45**	**-2.75**	**4.41**	**24.05**	**13.88**	**11.96**	**6.58**	**5.79**
MSCI Emerging Markets IMI						*2.44*	*-3.39*	*-3.80*	*4.62*	*23.47*	*10.17*	*10.39*	*5.15*	*4.93*
Global Equities [4]	**48.2%**	**40.0**	25.0	55.0	**$10,798.5**	*2.34*	*2.98*	*2.14*	*13.98*	*28.96*	*14.26*	*14.36*	*10.55*	*N/A*
MSCI All Country World Net Index						*2.50*	*4.57*	*3.21*	*15.91*	*28.64*	*14.34*	*14.29*	*10.09*	*N/A*
Core Fixed Income	**12.3%**	**13.0**	8.0	18.0	**$2,758.4**	**-0.15**	**1.72**	**0.88**	**-0.40**	**0.48**	**5.35**	**3.30**	**3.12**	**3.16**
Barclays U.S. Aggregate Bond Index						*-0.19*	*1.63*	*0.93*	*-0.69*	*-0.08*	*5.43*	*3.11*	*3.29*	*3.18*
Emerging Market Debt	**5.1%**	**5.0**	0.0	10.0	**$1,149.4**	**1.19**	**0.88**	**0.98**	**-0.44**	**5.81**	**5.76**	**3.88**	**2.92**	**3.22**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*0.88*	*0.63*	*0.87*	*-1.16*	*4.39*	*6.40*	*3.85*	*2.66*	*3.74*
High Yield	**6.1%**	**3.0**	0.0	8.0	**$1,365.3**	**0.63**	**2.30**	**0.84**	**5.15**	**11.51**	**6.82**	**6.50**	**4.98**	**6.58**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*0.52*	*2.25*	*0.90*	*4.55*	*10.14*	*6.68*	*6.33*	*5.14*	*6.70*
Liquidity Fund	**1.5%**	**2.0**	0.0	3.0	**$334.8**	**0.00**	**0.01**	**0.01**	**0.04**	**0.09**	**1.28**	**1.32**	**0.91**	**0.71**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.00*	*0.00*	*0.09*	*0.05*	*0.10*	*1.53*	*1.42*	*1.09*	*0.82*
Real Assets[1]	**12.6%**	**19.0**	10.0	25.0	**$2,815.6**	**N/A**	**3.41**	**2.09**	**6.65**	**7.54**	**5.48**	**6.25**	**7.63**	**8.42**
*Blended Custom Benchmark 1Q in Arrears^* [2]						*N/A*	*2.50*	*0.98*	*3.78*	*3.79*	*5.54*	*6.20*	*7.90*	*9.03*
Private Investment[1]	**9.2%**	**10.0**	5.0	15.0	**$2,064.6**	**N/A**	**11.57**	**5.08**	**29.88**	**44.01**	**21.68**	**18.26**	**16.35**	**14.57**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*9.91*	*5.83*	*30.35*	*46.41*	*21.97*	*18.70*	*15.03*	*16.68*
Private Credit[1]	**1.1%**	**5.0**	0.0	10.0	**$237.9**	**N/A**	**6.46**	**5.44**	**13.61**	**17.07**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*1.42*	*1.42*	*7.74*	*14.01*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**3.9%**	**3.0**	0.0	10.0	**$879.5**	**0.00**	**0.09**	**0.07**	**3.02**	**6.85**	**2.78**	**4.31**	**2.57**	**3.33**
Absolute Return Strategy blended benchmark [3]						*0.14*	*0.16*	*0.18*	*1.23*	*2.03*	*4.20*	*3.03*	*2.19*	*1.55*

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

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

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

(4) Unofficial Benchmark, for comparison purposes only

STATE EMPLOYEES' RETIREMENT FUND

Net of All Fees and Expenses

Periods Ending August 31, 2021

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Compound, annualized returns: Three Year	Five Year	Seven Year	Ten Year
State Employees' Retirement Fund					**$16,537.1**	**1.76**	**3.35**	**2.03**	**10.33**	**18.94**	**10.31**	**10.12**	**7.97**	**8.86**
Policy Benchmark						*1.14*	*3.15*	*1.94*	*9.73*	*17.79*	*10.71*	*10.20*	*8.03*	*9.07*
Dynamic Benchmark						*1.32*	*2.98*	*1.83*	*9.70*	*17.97*	*10.68*	*10.29*	*8.06*	*N/A*
Domestic Equity	**22.7%**	**20.0**	15.0	25.0	**$3,761.6**	**2.87**	**6.86**	**4.54**	**20.34**	**32.38**	**17.60**	**17.86**	**14.26**	**16.10**
Russell 3000						*2.85*	*7.17*	*4.59*	*20.39*	*33.04*	*17.85*	*17.97*	*14.34*	*16.20*
Developed Markets ISF	**13.2%**	**11.0**	6.0	16.0	**$2,185.4**	**1.89**	**1.57**	**2.73**	**12.68**	**28.36**	**9.57**	**10.79**	**7.57**	**9.32**
MSCI EAFE IMI Net						*1.94*	*1.61*	*2.86*	*11.97*	*27.11*	*10.07*	*11.03*	*7.79*	*9.43*
Emerging Markets ISF	**11.9%**	**9.0**	4.0	14.0	**$1,971.4**	**1.83**	**-2.45**	**-2.75**	**4.41**	**24.05**	**13.88**	**11.96**	**6.58**	**5.79**
MSCI Emerging Markets IMI						*2.44*	*-3.39*	*-3.80*	*4.62*	*23.47*	*10.17*	*10.39*	*5.15*	*4.93*
Global Equities (4)	**47.9%**	**40.0**	25.0	55.0	**$7,918.5**	2.34	2.98	2.14	13.98	28.96	14.26	14.36	10.55	N/A
MSCI All Country World Net Index						*2.50*	*4.57*	*3.21*	*15.91*	*28.64*	*14.34*	*14.29*	*10.09*	*N/A*
Core Fixed Income	**12.2%**	**13.0**	8.0	18.0	**$2,018.6**	**-0.15**	**1.72**	**0.88**	**-0.40**	**0.48**	**5.35**	**3.30**	**3.12**	**3.16**
Barclays U.S. Aggregate Bond Index						*-0.19*	*1.63*	*0.93*	*-0.69*	*-0.08*	*5.43*	*3.11*	*3.29*	*3.18*
Emerging Market Debt	**5.1%**	**5.0**	0.0	10.0	**$843.4**	**1.19**	**0.88**	**0.98**	**-0.44**	**5.81**	**5.76**	**3.88**	**2.92**	**3.22**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*0.88*	*0.63*	*0.87*	*-1.16*	*4.39*	*6.40*	*3.85*	*2.66*	*3.74*
High Yield	**6.0%**	**3.0**	0.0	8.0	**$995.2**	**0.63**	**2.30**	**0.84**	**5.15**	**11.51**	**6.82**	**6.50**	**4.98**	**6.58**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*0.52*	*2.25*	*0.90*	*4.55*	*10.14*	*6.68*	*6.33*	*5.14*	*6.70*
Liquidity Fund	**2.3%**	**2.0**	0.0	3.0	**$376.4**	**0.00**	**0.01**	**0.01**	**0.04**	**0.09**	**1.28**	**1.33**	**0.92**	**0.72**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.00*	*0.00*	*0.09*	*0.05*	*0.10*	*1.53*	*1.42*	*1.09*	*0.82*
Real Assets(1)	**12.4%**	**19.0**	10.0	25.0	**$2,058.5**	**N/A**	**3.41**	**2.09**	**6.65**	**7.54**	**5.48**	**6.25**	**7.63**	**8.42**
*Blended Custom Benchmark 1Q in Arrears^* (2)						*N/A*	*2.50*	*0.98*	*3.78*	*3.79*	*5.54*	*6.20*	*7.90*	*9.03*
Private Investment(1)	**9.2%**	**10.0**	5.0	15.0	**$1,520.7**	**N/A**	**11.57**	**5.08**	**29.88**	**44.01**	**21.68**	**18.26**	**16.35**	**14.57**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*9.91*	*5.83*	*30.35*	*46.41*	*21.97*	*18.70*	*15.03*	*16.68*
Private Credit(1)	**1.0%**	**5.0**	0.0	10.0	**$163.2**	**N/A**	**6.46**	**5.44**	**13.61**	**17.07**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*1.42*	*1.42*	*7.74*	*14.01*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**3.9%**	**3.0**	0.0	8.0	**$642.7**	**0.00**	**0.09**	**0.07**	**3.02**	**6.85**	**2.78**	**4.31**	**2.57**	**3.34**
Absolute Return Strategy blended benchmark (3)						*0.14*	*0.16*	*0.18*	*1.23*	*2.03*	*4.20*	*3.03*	*2.19*	*1.55*

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

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

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

(4) Unofficial Benchmark, for comparison purposes only

MUNICIPAL EMPLOYEES RETIREMENT FUND

Net of All Fees and Expenses

Periods Ending August 31, 2021

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
											Compound, annualized returns			
Municipal Employees' Retirement Fund					**$3,349.7**	**1.75**	**3.35**	**2.03**	**10.35**	**18.99**	**10.60**	**9.79**	**7.80**	**8.32**
Policy Benchmark						*1.14*	*3.15*	*1.94*	*9.73*	*17.79*	*10.88*	*9.80*	*7.74*	*8.58*
Dynamic Benchmark						*1.31*	*2.98*	*1.83*	*9.72*	*18.02*	*10.95*	*9.88*	*7.82*	*N/A*
Domestic Equity	**22.9%**	**20.0**	15.0	25.0	**$765.5**	**2.87**	**6.86**	**4.54**	**20.34**	**32.38**	**17.60**	**17.86**	**14.26**	**16.10**
Russell 3000						*2.85*	*7.17*	*4.59*	*20.39*	*33.04*	*17.85*	*17.97*	*14.34*	*16.20*
Developed Markets ISF	**13.3%**	**11.0**	6.0	16.0	**$444.4**	**1.89**	**1.57**	**2.73**	**12.68**	**28.36**	**9.57**	**10.80**	**7.57**	**9.32**
MSCI EAFE IMI Net						*1.94*	*1.61*	*2.86*	*11.97*	*27.11*	*10.07*	*11.03*	*7.79*	*9.43*
Emerging Markets ISF	**11.9%**	**9.0**	4.0	14.0	**$399.3**	**1.83**	**-2.45**	**-2.75**	**4.41**	**24.05**	**13.88**	**11.96**	**6.58**	**5.80**
MSCI Emerging Markets IMI						*2.44*	*-3.39*	*-3.80*	*4.62*	*23.47*	*10.17*	*10.39*	*5.15*	*4.93*
Global Equities (4)	**48.0%**	**40.0**	25.0	55.0	**$1,609.2**	*2.34*	*2.98*	*2.14*	*13.98*	*28.96*	*14.26*	*14.36*	*10.55*	*N/A*
MSCI All Country World Net Index						*2.50*	*4.57*	*3.21*	*15.91*	*28.64*	*14.34*	*14.29*	*10.09*	*N/A*
Core Fixed Income	**12.3%**	**13.0**	8.0	18.0	**$410.5**	**-0.15**	**1.72**	**0.88**	**-0.40**	**0.48**	**5.35**	**3.30**	**3.12**	**3.16**
Barclays U.S. Aggregate Bond Index						*-0.19*	*1.63*	*0.93*	*-0.69*	*-0.08*	*5.43*	*3.11*	*3.29*	*3.18*
Emerging Market Debt	**5.1%**	**5.0**	0.0	10.0	**$170.2**	**1.19**	**0.88**	**0.98**	**-0.44**	**5.81**	**5.76**	**3.88**	**2.92**	**3.22**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*0.88*	*0.63*	*0.87*	*-1.16*	*4.39*	*6.40*	*3.85*	*2.66*	*3.74*
High Yield	**6.0%**	**3.0**	0.0	8.0	**$202.1**	**0.63**	**2.30**	**0.84**	**5.15**	**11.51**	**6.82**	**6.50**	**4.98**	**6.58**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*0.52*	*2.25*	*0.90*	*4.55*	*10.14*	*6.68*	*6.33*	*5.14*	*6.70*
Liquidity Fund	**2.1%**	**2.0**	0.0	3.0	**$68.8**	**0.00**	**0.01**	**0.01**	**0.04**	**0.09**	**1.28**	**1.33**	**0.91**	**0.71**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.00*	*0.00*	*0.09*	*0.05*	*0.10*	*1.53*	*1.42*	*1.09*	*0.82*
Real Assets(1)	**12.5%**	**19.0**	15.0	25.0	**$419.9**	**N/A**	**3.41**	**2.09**	**6.65**	**7.54**	**5.48**	**6.25**	**7.63**	**8.42**
*Blended Custom Benchmark 1Q in Arrears^* (2)						*N/A*	*2.50*	*0.98*	*3.78*	*3.79*	*5.54*	*6.20*	*7.90*	*9.03*
Private Investment(1)	**9.2%**	**10.0**	5.0	15.0	**$307.6**	**N/A**	**11.57**	**5.08**	**29.88**	**44.01**	**21.68**	**18.26**	**16.35**	**14.57**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*9.91*	*5.83*	*30.35*	*46.41*	*21.97*	*18.70*	*15.03*	*16.68*
Private Credit(1)	**1.0%**	**5.0**	0.0	10.0	**$32.4**	**N/A**	**6.46**	**5.44**	**13.61**	**17.07**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*1.42*	*1.42*	*7.74*	*14.01*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**3.8%**	**3.0**	0.0	10.0	**$128.9**	**0.00**	**0.09**	**0.07**	**3.02**	**6.85**	**2.78**	**4.31**	**2.57**	**3.34**
Absolute Return Strategy blended benchmark (3)						*0.14*	*0.16*	*0.18*	*1.23*	*2.03*	*4.20*	*3.03*	*2.19*	*1.55*

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

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

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

(4) Unofficial Benchmark, for comparison purposes only

OPEB FUND

Net of All Fees and Expenses

Periods Ending August 31, 2021

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year (Compound, annualized returns)	Five Year	Seven Year	Ten Year
OPEB					**$2,100.6**	**1.77**	**3.37**	**2.05**	**10.42**	**19.14**	**10.77**	**9.73**	**7.91**	**N/A**
Policy Benchmark						*1.14*	*3.15*	*1.94*	*9.73*	*17.79*	*10.88*	*9.63*	*7.90*	*N/A*
Dynamic Benchmark						*1.32*	*3.00*	*1.84*	*9.80*	*18.18*	*11.28*	*9.86*	*8.07*	*N/A*
Domestic Equity	**22.8%**	**20.0**	15.0	25.0	**$479.4**	**2.87**	**6.86**	**4.54**	**20.34**	**32.38**	**17.61**	**17.87**	**14.26**	**N/A**
Russell 3000						*2.85*	*7.17*	*4.59*	*20.39*	*33.04*	*17.85*	*17.97*	*14.34*	*N/A*
Developed Markets ISF	**13.2%**	**11.0**	6.0	15.0	**$276.8**	**1.89**	**1.57**	**2.73**	**12.68**	**28.36**	**9.58**	**10.80**	**7.57**	**N/A**
MSCI EAFE IMI Net						*1.94*	*1.61*	*2.86*	*11.97*	*27.11*	*10.07*	*11.03*	*7.79*	*N/A*
Emerging Markets ISF	**11.9%**	**9.0**	4.0	14.0	**$250.7**	**1.83**	**-2.45**	**-2.75**	**4.41**	**24.05**	**13.88**	**11.97**	**6.58**	**N/A**
MSCI Emerging Markets IMI						*2.44*	*-3.39*	*-3.80*	*4.62*	*23.47*	*10.17*	*10.39*	*5.15*	*N/A*
Global Equities [4]	**47.9%**	**40.0**	25.0	54.0	**$1,006.9**	*2.34*	*2.98*	*2.14*	*13.98*	*28.96*	*14.26*	*14.36*	*10.55*	*N/A*
MSCI All Country World Net Index						*2.50*	*4.57*	*3.21*	*15.91*	*28.64*	*14.34*	*14.29*	*10.09*	*N/A*
Core Fixed Income	**12.2%**	**13.0**	8.0	18.0	**$255.5**	**-0.15**	**1.72**	**0.88**	**-0.40**	**0.48**	**5.35**	**3.30**	**3.12**	**N/A**
Barclays U.S. Aggregate Bond Index						*-0.19*	*1.63*	*0.93*	*-0.69*	*-0.08*	*5.43*	*3.11*	*3.29*	*N/A*
Emerging Market Debt	**5.3%**	**5.0**	0.0	10.0	**$111.6**	**1.19**	**0.88**	**0.98**	**-0.44**	**5.81**	**5.77**	**3.89**	**2.92**	**N/A**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*0.88*	*0.63*	*0.87*	*-1.16*	*4.39*	*6.40*	*3.85*	*2.66*	*N/A*
High Yield	**6.3%**	**3.0**	0.0	8.0	**$131.4**	**0.63**	**2.30**	**0.84**	**5.15**	**11.51**	**6.82**	**6.50**	**4.98**	**N/A**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*0.52*	*2.25*	*0.90*	*4.55*	*10.14*	*6.68*	*6.33*	*5.14*	*N/A*
Liquidity Fund	**1.9%**	**2.0**	0.0	3.0	**$39.1**	**0.00**	**0.01**	**0.01**	**0.04**	**0.09**	**1.29**	**1.38**	**0.95**	**N/A**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.00*	*0.00*	*0.09*	*0.05*	*0.10*	*1.53*	*1.42*	*1.09*	*N/A*
Real Assets [1]	**12.4%**	**19.0**	15.0	25.0	**$260.7**	**N/A**	**3.41**	**2.09**	**6.65**	**7.54**	**5.48**	**6.25**	**7.63**	**N/A**
*Blended Custom Benchmark 1Q in Arrears^* [2]						*N/A*	*2.50*	*0.98*	*3.78*	*3.79*	*5.54*	*6.20*	*7.90*	*N/A*
Private Investment [1]	**9.1%**	**10.0**	5.0	15.0	**$191.9**	**N/A**	**11.57**	**5.08**	**29.88**	**44.01**	**21.68**	**18.26**	**16.35**	**N/A**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*9.91*	*5.83*	*30.35*	*46.41*	*21.97*	*18.70*	*15.03*	*N/A*
Private Credit [1]	**1.1%**	**5.0**	0.0	10.0	**$22.6**	**N/A**	**6.46**	**5.44**	**13.61**	**17.07**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*1.42*	*1.42*	*7.74*	*14.01*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**3.9%**	**3.0**	0.0	10.0	**$80.9**	**0.00**	**0.09**	**0.07**	**3.02**	**6.85**	**2.79**	**4.31**	**2.57**	**N/A**
Absolute Return Strategy blended benchmark [3]						*0.14*	*0.16*	*0.18*	*1.23*	*2.03*	*4.20*	*3.03*	*2.19*	*N/A*

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

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

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

(4) Unofficial Benchmark, for comparison purposes only

PROBATE JUDGES EMPLOYEES' RETIREMENT FUND

Net of All Fees and Expenses

Periods Ending August 31, 2021

Funds *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year (Compound, annualized returns)	Five Year	Seven Year	Ten Year
Probate Judges Employees' Retirement Fund					**$142.0**	**1.76**	**3.30**	**2.03**	**10.26**	**18.93**	**10.49**	**9.72**	**7.78**	**8.32**
Policy Benchmark						*1.14*	*3.15*	*1.94*	*9.73*	*17.79*	*10.87*	*9.85*	*7.80*	*8.65*
Dynamic Benchmark						*1.32*	*2.94*	*1.83*	*9.64*	*17.97*	*10.98*	*9.94*	*7.88*	*N/A*
Domestic Equity	**23.1%**	**20.0**	15.0	25.0	**$32.8**	**2.87**	**6.86**	**4.54**	**20.34**	**32.38**	**17.60**	**17.86**	**14.26**	**16.10**
Russell 3000						*2.85*	*7.17*	*4.59*	*20.39*	*33.04*	*17.85*	*17.97*	*14.34*	*16.20*
Developed Markets ISF	**13.3%**	**11.0**	6.0	16.0	**$18.9**	**1.89**	**1.57**	**2.73**	**12.68**	**28.36**	**9.57**	**10.80**	**7.57**	**9.32**
MSCI EAFE IMI						*1.94*	*1.61*	*2.86*	*11.97*	*27.11*	*10.07*	*11.03*	*7.79*	*9.43*
Emerging Markets ISF	**11.9%**	**9.0**	4.0	14.0	**$16.9**	**1.83**	**-2.45**	**-2.75**	**4.41**	**24.05**	**13.88**	**11.96**	**6.58**	**5.79**
MSCI Emerging Markets IMI						*2.44*	*-3.39*	*-3.80*	*4.62*	*23.47*	*10.17*	*10.39*	*5.15*	*4.93*
Global Equities (4)	**48.3%**	**40.0**	25.0	55.0	**$68.6**	*2.34*	*2.98*	*2.14*	*13.98*	*28.96*	*14.26*	*14.36*	*10.55*	*N/A*
MSCI All Country World Net Index						*2.50*	*4.57*	*3.21*	*15.91*	*28.64*	*14.34*	*14.29*	*10.09*	*N/A*
Core Fixed Income	**12.3%**	**13.0**	8.0	18.0	**$17.5**	**-0.15**	**1.72**	**0.88**	**-0.40**	**0.48**	**5.35**	**3.30**	**3.12**	**3.16**
Barclays U.S. Aggregate Bond Index						*-0.19*	*1.63*	*0.93*	*-0.69*	*-0.08*	*5.43*	*3.11*	*3.29*	*3.18*
Emerging Market Debt	**5.1%**	**5.0**	0.0	10.0	**$7.2**	**1.19**	**0.88**	**0.98**	**-0.44**	**5.81**	**5.76**	**3.88**	**2.92**	**3.22**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*0.88*	*0.63*	*0.87*	*-1.16*	*4.39*	*6.40*	*3.85*	*2.66*	*3.74*
High Yield	**6.0%**	**3.0**	0.0	8.0	**$8.6**	**0.63**	**2.30**	**0.84**	**5.15**	**11.51**	**6.82**	**6.50**	**4.98**	**6.58**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*0.52*	*2.25*	*0.90*	*4.55*	*10.14*	*6.68*	*6.33*	*5.14*	*6.70*
Liquidity Fund	**1.8%**	**2.0**	0.0	3.0	**$2.5**	**0.00**	**0.01**	**0.01**	**0.04**	**0.09**	**1.28**	**1.32**	**0.91**	**0.71**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.00*	*0.00*	*0.09*	*0.05*	*0.10*	*1.53*	*1.42*	*1.09*	*0.82*
Real Assets (1)	**12.5%**	**19.0**	15.0	25.0	**$17.8**	**N/A**	**3.41**	**2.09**	**6.65**	**7.54**	**5.48**	**6.25**	**7.63**	**8.42**
*Blended Custom Benchmark 1Q in Arrears^* (2)						*N/A*	2.50	*0.98*	3.78	3.79	5.54	6.20	7.90	9.03
Private Investment (1)	**9.2%**	**10.0**	5.0	15.0	**$13.1**	**N/A**	**11.57**	**5.08**	**29.88**	**44.01**	**21.68**	**18.26**	**16.35**	**14.57**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	9.91	*5.83*	*30.35*	*46.41*	*21.97*	*18.70*	*15.03*	*16.68*
Private Credit (1)	**0.9%**	**5.0**	0.0	10.0	**$1.3**	**N/A**	**6.46**	**5.44**	**13.61**	**17.07**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	1.42	*1.42*	*7.74*	*14.01*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**3.8%**	**3.0**	0.0	10.0	**$5.4**	**0.00**	**0.09**	**0.07**	**3.02**	**6.85**	**2.78**	**4.31**	**2.57**	**3.33**
Absolute Return Strategy blended benchmark (3)						*0.14*	*0.16*	*0.18*	*1.23*	*2.03*	*4.20*	*3.03*	*2.19*	*1.55*

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

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

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

(4) Unofficial Benchmark, for comparison purposes only

STATE JUDGES RETIREMENT FUND

Net of All Fees and Expenses

Periods Ending August 31, 2021

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year (Compound, annualized returns)	Five Year (Compound, annualized returns)	Seven Year (Compound, annualized returns)	Ten Year (Compound, annualized returns)
State Judges Retirement Fund					**$304.5**	**1.74**	**3.33**	**2.01**	**10.32**	**18.94**	**10.57**	**9.80**	**7.80**	**8.35**
Policy Benchmark						*1.14*	*3.15*	*1.94*	*9.73*	*17.79*	*10.88*	*9.80*	*7.74*	*8.58*
Dynamic Benchmark						*1.30*	*2.97*	*1.82*	*9.70*	*17.97*	*11.07*	*9.96*	*7.88*	*N/A*
Domestic Equity	**22.6%**	**20.0**	15.0	25.0	**$68.8**	**2.87**	**6.86**	**4.54**	**20.34**	**32.38**	**17.60**	**17.86**	**14.26**	**16.11**
Russell 3000						*2.85*	*7.17*	*4.59*	*20.39*	*33.04*	*17.85*	*17.97*	*14.34*	*16.20*
Developed Markets ISF	**13.0%**	**11.0**	6.0	16.0	**$39.7**	**1.89**	**1.57**	**2.73**	**12.68**	**28.36**	**9.57**	**10.80**	**7.57**	**9.33**
MSCI EAFE IMI Net						*1.94*	*1.61*	*2.86*	*11.97*	*27.11*	*10.07*	*11.03*	*7.79*	*9.43*
Emerging Markets ISF	**11.7%**	**9.0**	4.0	14.0	**$35.7**	**1.83**	**-2.45**	**-2.75**	**4.41**	**24.05**	**13.88**	**11.96**	**6.58**	**5.79**
MSCI Emerging Markets IMI						*2.44*	*-3.39*	*-3.80*	*4.62*	*23.47*	*10.17*	*10.39*	*5.15*	*4.93*
Global Equities [4]	**47.4%**	**40.0**	25.0	55.0	**$144.3**	*2.34*	*2.98*	*2.14*	*13.98*	*28.96*	*14.26*	*14.36*	*10.55*	*N/A*
MSCI All Country World Net Index						*2.50*	*4.57*	*3.21*	*15.91*	*28.64*	*14.34*	*14.29*	*10.09*	*N/A*
Core Fixed Income	**12.1%**	**13.0**	8.0	18.0	**$36.7**	**-0.15**	**1.72**	**0.88**	**-0.40**	**0.48**	**5.35**	**3.30**	**3.12**	**3.16**
Barclays U.S. Aggregate Bond Index						*-0.19*	*1.63*	*0.93*	*-0.69*	*-0.08*	*5.43*	*3.11*	*3.29*	*3.18*
Emerging Market Debt	**5.0%**	**5.0**	0.0	10.0	**$15.3**	**1.19**	**0.88**	**0.98**	**-0.44**	**5.81**	**5.76**	**3.88**	**2.92**	**3.22**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*0.88*	*0.63*	*0.87*	*-1.16*	*4.39*	*6.40*	*3.85*	*2.66*	*3.74*
High Yield	**6.0%**	**3.0**	0.0	8.0	**$18.1**	**0.63**	**2.30**	**0.84**	**5.15**	**11.51**	**6.82**	**6.50**	**4.98**	**6.58**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*0.52*	*2.25*	*0.90*	*4.55*	*10.14*	*6.68*	*6.33*	*5.14*	*6.70*
Liquidity Fund	**3.2%**	**2.0**	0.0	3.0	**$9.9**	**0.00**	**0.01**	**0.01**	**0.04**	**0.09**	**1.28**	**1.33**	**0.91**	**0.70**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.00*	*0.00*	*0.09*	*0.05*	*0.10*	*1.53*	*1.42*	*1.09*	*0.82*
Real Assets[1]	**12.3%**	**19.0**	15.0	25.0	**$37.6**	**N/A**	**3.41**	**2.09**	**6.65**	**7.54**	**5.48**	**6.25**	**7.63**	**8.42**
*Blended Custom Benchmark 1Q in Arrears^* [2]						*N/A*	*2.50*	*0.98*	*3.78*	*3.79*	*5.54*	*6.20*	*7.90*	*9.03*
Private Investment[1]	**9.1%**	**10.0**	5.0	15.0	**$27.8**	**N/A**	**11.57**	**5.08**	**29.88**	**44.01**	**21.68**	**18.26**	**16.35**	**14.57**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*9.91*	*5.83*	*30.35*	*46.41*	*21.97*	*18.70*	*15.03*	*16.68*
Private Credit[1]	**1.0%**	**5.0**	0.0	10.0	**$2.9**	**N/A**	**6.46**	**5.44**	**13.61**	**17.07**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*1.42*	*1.42*	*7.74*	*14.01*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**3.9%**	**3.0**	0.0	10.0	**$11.8**	**0.00**	**0.09**	**0.07**	**3.02**	**6.85**	**2.78**	**4.30**	**2.57**	**3.33**
Absolute Return Strategy blended benchmark [3]						*0.14*	*0.16*	*0.18*	*1.23*	*2.03*	*4.20*	*3.03*	*2.19*	*1.55*

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

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

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

(4) Unofficial Benchmark, for comparison purposes only

STATE'S ATTORNEYS' RETIREMENT FUND

Net of All Fees and Expenses

Periods Ending August 31, 2021

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Compound, annualized returns: Three Year	Five Year	Seven Year	Ten Year
State's Attorneys' Retirement Fund					**$2.7**	**1.75**	**3.34**	**2.02**	**10.31**	**18.90**	**9.93**	**9.74**	**7.52**	**7.73**
Policy Benchmark						*1.14*	*3.15*	*1.94*	*9.73*	*17.79*	*10.88*	*10.20*	*7.94*	*N/A*
Dynamic Benchmark						*1.31*	*2.98*	*1.82*	*9.69*	*17.94*	*10.75*	*10.16*	*7.90*	*N/A*
Domestic Equity	**22.9%**	**20.0**	15.0	25.0	**$0.6**	**2.87**	**6.86**	**4.54**	**20.34**	**32.38**	**17.61**	**17.86**	**14.26**	**16.10**
Russell 3000						*2.85*	*7.17*	*4.59*	*20.39*	*33.04*	*17.85*	*17.97*	*14.34*	*16.20*
Developed Markets ISF	**13.2%**	**11.0**	6.0	16.0	**$0.4**	**1.89**	**1.57**	**2.73**	**12.68**	**28.36**	**9.58**	**10.80**	**7.57**	**N/A**
MSCI EAFE IMI Net						*1.94*	*1.61*	*2.86*	*11.97*	*27.11*	*10.07*	*11.03*	*7.79*	*N/A*
Emerging Markets ISF	**11.9%**	**9.0**	4.0	14.0	**$0.3**	**1.83**	**-2.45**	**-2.75**	**4.41**	**24.05**	**13.88**	**11.96**	**6.58**	**N/A**
MSCI Emerging Markets IMI						*2.44*	*-3.39*	*-3.80*	*4.62*	*23.47*	*10.17*	*10.39*	*5.15*	*N/A*
Global Equities [4]	**48.0%**	**40.0**	25.0	55.0	**$1.3**	2.34	2.98	2.14	13.98	28.96	14.26	14.36	10.55	N/A
MSCI All Country World Net Index						*2.50*	*4.57*	*3.21*	*15.91*	*28.64*	*14.34*	*14.29*	*10.09*	*N/A*
Core Fixed Income	**12.1%**	**13.0**	8.0	18.0	**$0.3**	**-0.15**	**1.72**	**0.88**	**-0.40**	**0.48**	**5.35**	**3.30**	**3.12**	**3.20**
Barclays U.S. Aggregate Bond Index						*-0.19*	*1.63*	*0.93*	*-0.69*	*-0.08*	*5.43*	*3.11*	*3.29*	*3.18*
Emerging Market Debt	**5.1%**	**5.0**	0.0	10.0	**$0.1**	**1.19**	**0.88**	**0.98**	**-0.44**	**5.81**	**5.76**	**3.88**	**2.92**	**3.21**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*0.88*	*0.63*	*0.87*	*-1.16*	*4.39*	*6.40*	*3.85*	*2.66*	*3.74*
High Yield	**6.0%**	**3.0**	0.0	8.0	**$0.2**	**0.63**	**2.30**	**0.84**	**5.15**	**11.51**	**6.82**	**6.50**	**4.98**	**6.56**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*0.52*	*2.25*	*0.90*	*4.55*	*10.14*	*6.68*	*6.33*	*5.14*	*6.70*
Liquidity Fund	**2.2%**	**2.0**	0.0	3.0	**$0.1**	**0.00**	**0.01**	**0.01**	**0.04**	**0.09**	**1.28**	**1.33**	**0.92**	**0.72**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.00*	*0.00*	*0.09*	*0.05*	*0.10*	*1.53*	*1.42*	*1.09*	*0.82*
Real Assets [1]	**12.6%**	**19.0**	15.0	25.0	**$0.3**	**N/A**	**3.41**	**2.09**	**6.65**	**7.54**	**N/A**	**N/A**	**N/A**	**N/A**
*Blended Custom Benchmark 1Q in Arrears^* [2]						*N/A*	*2.50*	*0.98*	*3.78*	*3.79*	*N/A*	*N/A*	*N/A*	*N/A*
Private Investment [1]	**9.2%**	**10.0**	5.0	15.0	**$0.2**	**N/A**	**11.57**	**5.08**	**29.88**	**44.01**	**N/A**	**N/A**	**N/A**	**N/A**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*9.91*	*5.83*	*30.35*	*46.41*	*N/A*	*N/A*	*N/A*	*N/A*
Private Credit [1]	**0.9%**	**5.0**	0.0	10.0	**$0.0**	**N/A**	**6.46**	**5.44**	**13.61**	**17.07**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*1.42*	*1.42*	*7.74*	*14.01*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**3.9%**	**3.0**	0.0	10.0	**$0.1**	**0.00**	**0.09**	**0.07**	**3.02**	**6.85**	**N/A**	**N/A**	**N/A**	**N/A**
Absolute Return Strategy blended benchmark [3]						*0.14*	*0.16*	*0.18*	*1.23*	*2.03*	*N/A*	*N/A*	*N/A*	*N/A*

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

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

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

(4) Unofficial Benchmark, for comparison purposes only

AGRICULTURAL COLLEGE FUND

Net of All Fees and Expenses
Periods Ending August 31, 2021

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
											Compound, annualized returns			
Agricultural College Fund	**100.0%**				**$0.7**	**-0.16**	**1.75**	**0.90**	**-0.38**	**0.50**	**5.39**	**3.34**	**3.16**	**3.51**
Policy Benchmark						*-0.19*	*1.63*	*0.93*	*-0.69*	*-0.08*	*5.43*	*3.11*	*3.29*	*3.44*
Dynamic Benchmark						*-0.19*	*1.63*	*0.93*	*-0.69*	*-0.08*	*5.43*	*3.11*	*3.29*	*N/A*
Core Fixed Income	**102.5%**	**100.0**	100.0	100.0	**$0.7**	**-0.15**	**1.72**	**0.88**	**-0.40**	**0.48**	**5.35**	**3.30**	**3.12**	**3.16**
Barclays U.S. Aggregate Bond Index						*-0.19*	*1.63*	*0.93*	*-0.69*	*-0.08*	*5.43*	*3.11*	*3.29*	*3.18*
Liquidity Fund [(1)]	**-2.5%**				**($0.0)**	**0.00**	**0.00**	**0.00**	**0.00**	**0.06**	**1.29**	**1.07**	**0.68**	**0.56**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.00*	*0.00*	*0.09*	*0.05*	*0.10*	*1.53*	*1.42*	*1.09*	*0.82*

[(1)] Operational cash balance and expense accruals

ANDREW C. CLARK FUND

Net of All Fees and Expenses

Periods Ending August 31, 2021

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
											Compound, annualized returns			
Andrew C. Clark Fund					**$1.4**	**0.66**	**2.33**	**1.53**	**4.43**	**9.11**	**8.31**	**6.86**	**5.62**	**6.22**
Policy Benchmark						*0.61*	*2.21*	*1.48*	*3.89*	*8.30*	*8.21*	*6.60*	*5.64*	*6.13*
Dynamic Benchmark						*0.66*	*2.29*	*1.54*	*4.18*	*8.67*	*8.34*	*6.72*	*5.73*	*N/A*
Domestic Equity	**16.6%**	**15.0**	10.0	20.0	**$0.2**	**2.87**	**6.86**	**4.54**	**20.34**	**32.38**	**17.61**	**17.87**	**14.26**	**16.09**
Russell 3000						*2.85*	*7.17*	*4.59*	*20.39*	*33.04*	*17.85*	*17.97*	*14.34*	*16.20*
Developed Markets ISF	**11.7%**	**11.0**	6.0	16.0	**$0.2**	**1.89**	**1.57**	**2.73**	**12.68**	**28.36**	**9.58**	**10.80**	**7.57**	**N/A**
MSCI EAFE IMI Net						*1.94*	*1.61*	*2.86*	*11.97*	*27.11*	*10.07*	*11.03*	*7.79*	*N/A*
Emerging Markets ISF	**4.2%**	**4.0**	0.0	5.0	**$0.1**	**1.83**	**-2.45**	**-2.75**	**4.41**	**24.05**	**13.88**	**11.96**	**6.58**	**N/A**
MSCI Emerging Markets IMI						*2.44*	*-3.39*	*-3.80*	*4.62*	*23.47*	*10.17*	*10.39*	*5.15*	*N/A*
Global Equities (1)	**32.5%**	**30.0**	16.0	41.0	**$0.5**	*2.34*	*2.98*	*2.14*	*13.98*	*28.96*	*14.26*	*14.36*	*10.55*	*N/A*
MSCI All Country World Net Index						*2.50*	*4.57*	*3.21*	*15.91*	*28.64*	*14.34*	*14.29*	*10.09*	*N/A*
Core Fixed Income	**68.2%**	**67.0**	57.0	77.0	**$1.0**	**-0.15**	**1.72**	**0.88**	**-0.40**	**0.48**	**5.35**	**3.30**	**3.12**	**3.16**
Barclays U.S. Aggregate Bond Index						*-0.19*	*1.63*	*0.93*	*-0.69*	*-0.08*	*5.43*	*3.11*	*3.29*	*3.18*
Liquidity Fund	**-0.6%**	**3.0**	0.0	4.0	**($0.0)**	**-0.01**	**-0.01**	**-0.01**	**0.02**	**0.07**	**3.01**	**3.08**	**2.18**	**1.64**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.00*	*0.00*	*0.09*	*0.05*	*0.10*	*1.53*	*1.42*	*1.09*	*0.82*

(1) Unofficial Benchmark, for comparison purposes only

SOLDIERS' SAILORS' & MARINES' FUND

Net of All Fees and Expenses
Periods Ending August 31, 2021

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
											Compound, annualized returns			
Soldiers' Sailors' & Marines Fund					**$91.8**	**0.64**	**2.29**	**1.49**	**4.40**	**9.17**	**8.31**	**6.87**	**5.61**	**6.07**
Policy Benchmark						*0.61*	*2.21*	*1.48*	*3.89*	*8.30*	*8.21*	*6.60*	*5.64*	*5.95*
Dynamic Benchmark						*0.64*	*2.25*	*1.50*	*4.14*	*8.72*	*8.35*	*6.74*	*5.74*	*N/A*
Domestic Equity	**16.2%**	**15.0**	10.0	20.0	**$14.9**	**2.87**	**6.86**	**4.54**	**20.34**	**32.38**	**17.61**	**17.87**	**14.26**	**16.11**
Russell 3000						*2.85*	*7.17*	*4.59*	*20.39*	*33.04*	*17.85*	*17.97*	*14.34*	*16.20*
Developed Markets ISF	**11.4%**	**11.0**	6.0	16.0	**$10.5**	**1.89**	**1.57**	**2.73**	**12.68**	**28.36**	**9.58**	**10.80**	**7.57**	**N/A**
MSCI EAFE IMI Net						*1.94*	*1.61*	*2.86*	*11.97*	*27.11*	*10.07*	*11.03*	*7.79*	*N/A*
Emerging Markets ISF	**4.1%**	**4.0**	0.0	5.0	**$3.8**	**1.83**	**-2.45**	**-2.75**	**4.41**	**24.05**	**13.88**	**11.96**	**6.58**	**N/A**
MSCI Emerging Markets IMI						*2.44*	*-3.39*	*-3.80*	*4.62*	*23.47*	*10.17*	*10.39*	*5.15*	*N/A*
Global Equities [1]	**31.7%**	**30.0**	16.0	41.0	**$29.1**	2.34	2.98	2.14	13.98	28.96	14.26	14.36	10.55	N/A
MSCI All Country World Net Index						*2.50*	*4.57*	*3.21*	*15.91*	*28.64*	*14.34*	*14.29*	*10.09*	*N/A*
Core Fixed Income	**66.7%**	**67.0**	57.0	77.0	**$61.3**	**-0.15**	**1.72**	**0.88**	**-0.40**	**0.48**	**5.35**	**3.30**	**3.12**	**3.16**
Barclays U.S. Aggregate Bond Index						*-0.19*	*1.63*	*0.93*	*-0.69*	*-0.08*	*5.43*	*3.11*	*3.29*	*3.18*
Liquidity Fund	**1.6%**	**3.0**	0.0	4.0	**$1.5**	**0.00**	**0.01**	**0.01**	**0.04**	**0.09**	**1.28**	**1.33**	**0.92**	**0.73**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.00*	*0.00*	*0.09*	*0.05*	*0.10*	*1.53*	*1.42*	*1.09*	*0.82*

[1] Unofficial Benchmark, for comparison purposes only

SCHOOL FUND

Net of All Fees and Expenses
Periods Ending August 31, 2021

Funds *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
											Compound, annualized returns			
School Fund					**$13.9**	**0.66**	**2.34**	**1.53**	**4.40**	**9.21**	**8.34**	**6.89**	**5.64**	**6.20**
Policy Benchmark						*0.61*	*2.21*	*1.48*	*3.89*	*8.30*	*8.21*	*6.60*	*5.64*	*6.13*
Dynamic Benchmark						*0.66*	*2.30*	*1.54*	*4.14*	*8.76*	*8.37*	*6.75*	*5.75*	*N/A*
Domestic Equity	**16.8%**	**15.0**	10.0	20.0	**$2.3**	**2.87**	**6.86**	**4.54**	**20.34**	**32.38**	**17.61**	**17.87**	**14.26**	**16.10**
Russell 3000						*2.85*	*7.17*	*4.59*	*20.39*	*33.04*	*17.85*	*17.97*	*14.34*	*16.20*
Developed Markets ISF	**11.6%**	**11.0**	6.0	16.0	**$1.6**	**1.89**	**1.57**	**2.73**	**12.68**	**28.36**	**9.58**	**10.80**	**7.57**	**N/A**
MSCI EAFE IMI Net						*1.94*	*1.61*	*2.86*	*11.97*	*27.11*	*10.07*	*11.03*	*7.79*	*N/A*
Emerging Markets ISF	**4.0%**	**4.0**	0.0	5.0	**$0.6**	**1.83**	**-2.45**	**-2.75**	**4.41**	**24.05**	**13.88**	**11.96**	**6.58**	**N/A**
MSCI Emerging Markets IMI						*2.44*	*-3.39*	*-3.80*	*4.62*	*23.47*	*10.17*	*10.39*	*5.15*	*N/A*
Global Equities [1]	**32.4%**	**30.0**	16.0	41.0	**$4.5**	*2.34*	*2.98*	*2.14*	*13.98*	*28.96*	*14.26*	*14.36*	*10.55*	*N/A*
MSCI All Country World Net Index						*2.50*	*4.57*	*3.21*	*15.91*	*28.64*	*14.34*	*14.29*	*10.09*	*N/A*
Core Fixed Income	**66.5%**	**67.0**	57.0	77.0	**$9.3**	**-0.15**	**1.72**	**0.88**	**-0.40**	**0.48**	**5.35**	**3.30**	**3.12**	**3.16**
Barclays U.S. Aggregate Bond Index						*-0.19*	*1.63*	*0.93*	*-0.69*	*-0.08*	*5.43*	*3.11*	*3.29*	*3.18*
Liquidity Fund	**1.1%**	**3.0**	0.0	4.0	**$0.1**	**0.01**	**0.02**	**0.02**	**0.07**	**0.14**	**2.16**	**2.22**	**1.49**	**1.08**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.00*	*0.00*	*0.09*	*0.05*	*0.10*	*1.53*	*1.42*	*1.09*	*0.82*

[1] Unofficial Benchmark, for comparison purposes only

IDA EATON COTTON FUND

Net of All Fees and Expenses

Periods Ending August 31, 2021

											Compound, annualized returns			
Funds *Benchmark*	**Percent Holdings**	**Policy Weights**	**Lower Range**	**Upper Range**	**Market Value (mil.)**	**Month**	**Three Months**	**Fiscal YTD**	**Calendar YTD**	**One Year**	**Three Year**	**Five Year**	**Seven Year**	**Ten Year**
IDA Eaton Cotton Fund					**$3.1**	**0.65**	**2.33**	**1.53**	**4.38**	**9.06**	**8.30**	**6.86**	**5.61**	**6.21**
Policy Benchmark						*0.61*	*2.21*	*1.48*	*3.89*	*8.30*	*8.21*	*6.60*	*5.64*	*6.13*
Dynamic Benchmark						*0.65*	*2.29*	*1.54*	*4.13*	*8.62*	*8.33*	*6.72*	*5.72*	*N/A*
Domestic Equity	**16.6%**	**15.0**	10.0	20.0	**$0.5**	**2.87**	**6.86**	**4.54**	**20.34**	**32.38**	**17.61**	**17.87**	**14.26**	**16.10**
Russell 3000						*2.85*	*7.17*	*4.59*	*20.39*	*33.04*	*17.85*	*17.97*	*14.34*	*16.20*
Developed Markets ISF	**11.5%**	**11.0**	6.0	16.0	**$0.4**	**1.89**	**1.57**	**2.73**	**12.68**	**28.36**	**9.58**	**10.80**	**7.57**	**N/A**
MSCI EAFE IMI Net						*1.94*	*1.61*	*2.86*	*11.97*	*27.11*	*10.07*	*11.03*	*7.79*	*N/A*
Emerging Markets ISF	**4.1%**	**4.0**	0.0	5.0	**$0.1**	**1.83**	**-2.45**	**-2.75**	**4.41**	**24.05**	**13.88**	**11.96**	**6.58**	**N/A**
MSCI Emerging Markets IMI						*2.44*	*-3.39*	*-3.80*	*4.62*	*23.47*	*10.17*	*10.39*	*5.15*	*N/A*
Global Equities [(1)]	**32.2%**	**30.0**	16.0	41.0	**$1.0**	*2.34*	*2.98*	*2.14*	*13.98*	*28.96*	*14.26*	*14.36*	*10.55*	*N/A*
MSCI All Country World Net Index						*2.50*	*4.57*	*3.21*	*15.91*	*28.64*	*14.34*	*14.29*	*10.09*	*N/A*
Core Fixed Income	**68.2%**	**67.0**	57.0	77.0	**$2.1**	**-0.15**	**1.72**	**0.88**	**-0.40**	**0.48**	**5.35**	**3.30**	**3.12**	**3.16**
Barclays U.S. Aggregate Bond Index						*-0.19*	*1.63*	*0.93*	*-0.69*	*-0.08*	*5.43*	*3.11*	*3.29*	*3.18*
Liquidity Fund	**-0.4%**	**3.0**	0.0	4.0	**($0.0)**	**-0.01**	**-0.02**	**-0.02**	**0.01**	**0.06**	**2.96**	**3.26**	**2.29**	**1.70**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.00*	*0.00*	*0.09*	*0.05*	*0.10*	*1.53*	*1.42*	*1.09*	*0.82*

[(1)] Unofficial Benchmark, for comparison purposes only

HOPEMEAD FUND

Net of All Fees and Expenses
Periods Ending August 31, 2021

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year (Compound, annualized returns)	Five Year	Seven Year	Ten Year
Hopemead Fund					**$5.0**	**0.64**	**2.29**	**1.49**	**4.35**	**9.12**	**8.26**	**6.82**	**5.58**	**6.11**
Policy Benchmark						*0.61*	*2.21*	*1.48*	*3.89*	*8.30*	*8.21*	*6.60*	*5.64*	*6.13*
Dynamic Benchmark						*0.64*	*2.25*	*1.50*	*4.09*	*8.68*	*8.30*	*6.70*	*5.70*	*N/A*
Domestic Equity	**16.2%**	**15.0**	10.0	20.0	**$0.8**	**2.87**	**6.86**	**4.54**	**20.34**	**32.38**	**17.61**	**17.87**	**14.26**	**16.09**
Russell 3000						*2.85*	*7.17*	*4.59*	*20.39*	*33.04*	*17.85*	*17.97*	*14.34*	*16.20*
Developed Markets ISF	**11.3%**	**11.0**	6.0	16.0	**$0.6**	**1.89**	**1.57**	**2.73**	**12.68**	**28.36**	**9.58**	**10.80**	**7.57**	**N/A**
MSCI EAFE IMI Net						*1.94*	*1.61*	*2.86*	*11.97*	*27.11*	*10.07*	*11.03*	*7.79*	*N/A*
Emerging Markets ISF	**4.1%**	**4.0**	0.0	5.0	**$0.2**	**1.83**	**-2.45**	**-2.75**	**4.41**	**24.05**	**13.88**	**11.96**	**6.58**	**N/A**
MSCI Emerging Markets IMI						*2.44*	*-3.39*	*-3.80*	*4.62*	*23.47*	*10.17*	*10.39*	*5.15*	*N/A*
Global Equities [1]	**31.6%**	**30.0**	16.0	41.0	**$1.6**	*2.34*	*2.98*	*2.14*	*13.98*	*28.96*	*14.26*	*14.36*	*10.55*	*N/A*
MSCI All Country World Net Index						*2.50*	*4.57*	*3.21*	*15.91*	*28.64*	*14.34*	*14.29*	*10.09*	*N/A*
Core Fixed Income	**66.6%**	**67.0**	57.0	77.0	**$3.3**	**-0.15**	**1.72**	**0.88**	**-0.40**	**0.48**	**5.35**	**3.30**	**3.12**	**3.16**
Barclays U.S. Aggregate Bond Index						*-0.19*	*1.63*	*0.93*	*-0.69*	*-0.08*	*5.43*	*3.11*	*3.29*	*3.18*
Liquidity Fund	**1.7%**	**3.0**	0.0	4.0	**$0.1**	**0.00**	**0.01**	**0.01**	**0.04**	**0.09**	**1.28**	**1.33**	**0.92**	**0.73**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.00*	*0.00*	*0.09*	*0.05*	*0.10*	*1.53*	*1.42*	*1.09*	*0.82*

[1] Unofficial Benchmark, for comparison purposes only

ARTS ENDOWMENT FUND

Net of All Fees and Expenses

Periods Ending August 31, 2021

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year (Compound, annualized returns)	Five Year	Seven Year	Ten Year
Arts Endowment Fund					**$25.0**	**1.65**	**3.08**	**2.24**	**9.98**	**19.87**	**11.03**	**9.05**	**7.15**	**7.03**
Policy Benchmark						*1.57*	*2.51*	*1.75*	*9.02*	*18.85*	*10.55*	*8.54*	*7.01*	*7.04*
Dynamic Benchmark						*1.59*	*2.56*	*1.77*	*9.23*	*18.94*	*10.79*	*N/A*	*N/A*	*N/A*
Domestic Equity	**28.8%**	**28.0**	23.0	33.0	**$7.2**	**2.87**	**6.86**	**4.54**	**20.34**	**32.38**	**17.61**	**17.87**	**14.27**	**N/A**
Russell 3000						*2.85*	*7.17*	*4.59*	*20.39*	*33.04*	*17.85*	*17.97*	*14.34*	*N/A*
Developed Markets ISF	**17.3%**	**17.0**	12.0	22.0	**$4.3**	**1.89**	**1.57**	**2.73**	**12.68**	**28.36**	**9.58**	**10.81**	**7.58**	**N/A**
MSCI EAFE IMI Net						*1.94*	*1.61*	*2.86*	*11.97*	*27.11*	*10.07*	*11.03*	*7.79*	*N/A*
Emerging Markets ISF	**11.6%**	**12.0**	7.0	17.0	**$2.9**	**1.83**	**-2.45**	**-2.75**	**4.41**	**24.05**	**13.88**	**11.97**	**6.59**	**N/A**
MSCI Emerging Markets IMI						*2.44*	*-3.39*	*-3.80*	*4.62*	*23.47*	*10.17*	*10.39*	*5.15*	*N/A*
Global Equities [2]	**57.6%**	**57.0**	42.0	72.0	**$14.4**	*2.34*	*2.98*	*2.14*	*13.98*	*28.96*	*14.26*	*14.36*	*10.55*	*N/A*
MSCI All Country World Net Index						*2.50*	*4.57*	*3.21*	*15.91*	*28.64*	*14.34*	*14.29*	*10.09*	*N/A*
Core Fixed Income	**15.7%**	**16.0**	11.0	21.0	**$3.9**	**-0.15**	**1.72**	**0.88**	**-0.40**	**0.48**	**5.35**	**3.30**	**3.12**	**3.16**
Barclays U.S. Aggregate Bond Index						*-0.19*	*1.63*	*0.93*	*-0.69*	*-0.08*	*5.43*	*3.11*	*3.29*	*3.18*
Emerging Market Debt	**7.8%**	**8.0**	3.0	13.0	**$1.9**	**1.19**	**0.88**	**0.98**	**-0.44**	**5.81**	**N/A**	**N/A**	**N/A**	**N/A**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*0.88*	*0.63*	*0.87*	*-1.16*	*4.39*	*N/A*	*N/A*	*N/A*	*N/A*
High Yield	**8.7%**	**9.0**	4.0	14.0	**$2.2**	**0.63**	**2.30**	**0.84**	**5.15**	**11.51**	**N/A**	**N/A**	**N/A**	**N/A**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*0.52*	*2.25*	*0.90*	*4.55*	*10.14*	*N/A*	*N/A*	*N/A*	*N/A*
Private Credit [1]	**8.6%**	**9.0**	4.0	14.0	**$2.1**	**N/A**	**6.46**	**5.44**	**13.61**	**17.07**	**N/A**	**N/A**	**N/A**	**N/A**
S&P / LSTA Leveraged Loan Index + 150 basis points						*N/A*	*1.42*	*1.42*	*7.74*	*14.01*	*N/A*	*N/A*	*N/A*	*N/A*
*1Q in Arrears^*														
Liquidity Fund	**1.5%**	**1.0**	0.0	3.0	**$0.4**	**0.00**	**0.01**	**0.01**	**0.04**	**0.09**	**1.28**	**1.29**	**0.89**	**0.70**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.00*	*0.00*	*0.09*	*0.05*	*0.10*	*1.53*	*1.42*	*1.09*	*0.82*

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

(2) Unofficial Benchmark, for comparison purposes only

POLICEMEN AND FIREMEN SURVIVORS' BENEFIT FUND

Net of All Fees and Expenses

Periods Ending August 31, 2021

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year (Compound, annualized returns)	Five Year (Compound, annualized returns)	Seven Year (Compound, annualized returns)	Ten Year (Compound, annualized returns)
Policemen and Firemen Survivors' Benefit Fund					**$48.0**	**1.76**	**3.35**	**2.03**	**10.32**	**18.91**	**10.42**	**9.88**	**7.87**	**8.72**
Policy Benchmark						*1.14*	*3.15*	*1.94*	*9.73*	*17.79*	*10.83*	*9.95*	*7.84*	*N/A*
Dynamic Benchmark						*1.31*	*2.98*	*1.83*	*9.70*	*17.93*	*10.92*	*10.05*	*7.93*	*N/A*
Domestic Equity	**22.8%**	**20.0**	15.0	25.0	**$10.9**	**2.87**	**6.86**	**4.54**	**20.34**	**32.38**	**17.60**	**17.86**	**14.26**	**16.29**
Russell 3000						*2.85*	*7.17*	*4.59*	*20.39*	*33.04*	*17.85*	*17.97*	*14.34*	*16.20*
Developed Markets ISF	**13.3%**	**11.0**	6.0	16.0	**$6.4**	**1.89**	**1.57**	**2.73**	**12.68**	**28.36**	**9.57**	**10.80**	**7.57**	**N/A**
MSCI EAFE IMI Net						*1.94*	*1.61*	*2.86*	*11.97*	*27.11*	*10.07*	*11.03*	*7.79*	*N/A*
Emerging Markets ISF	**11.9%**	**9.0**	4.0	14.0	**$5.7**	**1.83**	**-2.45**	**-2.75**	**4.41**	**24.05**	**13.88**	**11.96**	**6.58**	**N/A**
MSCI Emerging Markets IMI						*2.44*	*-3.39*	*-3.80*	*4.62*	*23.47*	*10.17*	*10.39*	*5.15*	*N/A*
Global Equities [4]	**48.0%**	**40.0**	25.0	55.0	**$23.0**	*2.34*	*2.98*	*2.14*	*13.98*	*28.96*	*14.26*	*14.36*	*10.55*	*N/A*
MSCI All Country World Net Index						*2.50*	*4.57*	*3.21*	*15.91*	*28.64*	*14.34*	*14.29*	*10.09*	*N/A*
Core Fixed Income	**12.2%**	**13.0**	8.0	18.0	**$5.9**	**-0.15**	**1.72**	**0.88**	**-0.40**	**0.48**	**5.35**	**3.30**	**3.12**	**3.22**
Barclays U.S. Aggregate Bond Index						*-0.19*	*1.63*	*0.93*	*-0.69*	*-0.08*	*5.43*	*3.11*	*3.29*	*3.18*
Emerging Market Debt	**5.1%**	**5.0**	0.0	10.0	**$2.4**	**1.19**	**0.88**	**0.98**	**-0.44**	**5.81**	**5.76**	**3.88**	**2.92**	**3.22**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*0.88*	*0.63*	*0.87*	*-1.16*	*4.39*	*6.40*	*3.85*	*2.66*	*3.74*
High Yield	**6.0%**	**3.0**	0.0	8.0	**$2.9**	**0.63**	**2.30**	**0.84**	**5.15**	**11.51**	**6.82**	**6.50**	**4.98**	**6.56**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*0.52*	*2.25*	*0.90*	*4.55*	*10.14*	*6.68*	*6.33*	*5.14*	*6.70*
Liquidity Fund	**2.0%**	**2.0**	0.0	3.0	**$1.0**	**0.00**	**0.01**	**0.01**	**0.04**	**0.09**	**1.28**	**1.33**	**0.92**	**0.72**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.00*	*0.00*	*0.09*	*0.05*	*0.10*	*1.53*	*1.42*	*1.09*	*0.82*
Real Assets[1]	**12.5%**	**19.0**	15.0	25.0	**$6.0**	**N/A**	**3.41**	**2.09**	**6.65**	**7.54**	**5.48**	**6.25**	**7.63**	**8.38**
*Blended Custom Benchmark 1Q in Arrears^* [2]						*N/A*	*2.50*	*0.98*	*3.78*	*3.79*	*5.54*	*6.20*	*7.90*	*9.03*
Private Investment[1]	**9.3%**	**10.0**	5.0	15.0	**$4.4**	**N/A**	**11.57**	**5.08**	**29.88**	**44.01**	**21.68**	**18.26**	**16.35**	**N/A**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*9.91*	*5.83*	*30.35*	*46.41*	*21.97*	*18.70*	*15.03*	*N/A*
Private Credit[1]	**1.0%**	**5.0**	0.0	10.0	**$0.5**	**N/A**	**6.46**	**5.44**	**13.61**	**17.07**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*1.42*	*1.42*	*7.74*	*14.01*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**3.9%**	**3.0**	0.0	10.0	**$1.9**	**0.00**	**0.09**	**0.07**	**3.02**	**6.85**	**2.78**	**4.31**	**2.57**	**N/A**
Absolute Return Strategy blended benchmark [3]						*0.14*	*0.16*	*0.18*	*1.23*	*2.03*	*4.20*	*3.03*	*2.19*	*N/A*

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

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

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

(4) Unofficial Benchmark, for comparison purposes only

CRPTF Watch List Status Report to the IAC

Manager	Mandate	Date Placed on Watch	Reason
Place on watch:			
Eaton Vance	Emerging Market Debt Fund	September 2021	Organizational changes

Watch List Status

Date	September 17, 2021
Name of Manager	Eaton Vance Corp. (“EV”)
Mandate	Emerging Market Debt Fund
Size	$83.2 million as of August 31, 2021
Date Hired	November 1, 2020
Placed on Watch List	September 17, 2021
Key Events/Status	• EV has outperformed its benchmark since inception by 546 bps. • High turnover at the top level following the merger with Morgan Stanley elevated EV to Watch List, despite strong performance and modest portfolio sizing. • Actions taken by EV including promotion of talent within the company and increasing financial incentives should stabilize the team going forward, but PFM continues to monitor the situation.
Meketa Rating	• Highly Advantageous
Action	• Add to the Watch List

SHAWN T. WOODEN
TREASURER

State of Connecticut
Office of the Treasurer

DARRELL V. HILL
DEPUTY TREASURER

October 7, 2021

Members of the Investment Advisory Council ("IAC")

Re: **Cityview Real Estate Partners VII, L.P.**

Dear Fellow IAC Member:

At the October 13, 2021 meeting of the IAC, I will present for your consideration an investment opportunity for the Real Assets Fund ("RAF") in the Connecticut Retirement Plans and Trust Funds (the "CRPTF"): Cityview Real Estate Partners VII, L.P. ("Fund VII" or "the Fund"). This opportunity is being sponsored by Cityview Real Estate Partners, LLC ("Cityview"), a Los Angeles based real estate investment and property management firm focused on the multifamily sector.

I am considering a commitment of up to $100 million to the Fund, which provides an opportunity for CRPTF to generate value-add returns in the resilient multifamily sector. Cityview Fund VII will target multifamily assets in high growth markets and middle-income renters. Through its vertically integrated approach, Cityview has established itself as one of the leading investors and developers of the multifamily sector in the Western U.S., specializing in high barrier to entry urban infill and premier suburban markets. With strong capabilities for the entire real estate investment cycle and demonstrated history of value creation, Cityview is well positioned to deliver high risk-adjusted returns through Fund VII.

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

Sincerely,

Shawn T. Wooden
State Treasurer

OFFICE OF THE STATE TREASURER

MEMORANDUM

DECISION

TO:	**Shawn T. Wooden, Treasurer**
FROM:	**Ted Wright, Chief Investment Officer**
CC:	**Darrell V. Hill, Deputy Treasurer** **Raynald D. Leveque, Deputy Chief Investment Officer** **Kan Zuo, Investment Officer**
DATE:	**September 29, 2021**
SUBJECT:	**Cityview Real Estate Partners VII, L.P. – Final Due Diligence**

Summary

The purpose of this memorandum is to recommend that the Connecticut Retirement Plans and Trust Funds (the "CRPTF") consider a commitment of up to $100 million to Cityview Real Estate Partners VII, L.P. (the "Fund"). The general partner of the Fund is CVREP VII GP, LLC, a Delaware limited liability company (the "General Partner"). The managing member of the General Partner is Cityview Real Estate Partners, LLC ("Cityview"), which is owned/controlled by Sean Burton, Damian Gancman, Henry Cisneros and Victor Miramontes. The target size of the Fund is $400 million with a hard cap of $500 million. Cityview is an investment manager, developer and operator focused on multifamily and mixed-use projects in and around high growth and diverse employment centers, primarily with a focus on the Western U.S.

Strategic Allocation within the Real Assets Portfolio

The Fund's strategy falls under the real estate allocation of the Real Assets Fund ("RAF"). As of Mar 31, 2021, the CRPTF's total real estate allocation by net asset value was 6.8%, which is underweight the policy target allocation of 10%. Pension Funds Management ("PFM") Investment Staff and the CRPTF Real Estate Consultant, NEPC, believe that an investment in Cityview Fund VII is in line with the pacing and strategic plan to maintain steady commitments to the real estate sector and to bring the core strategy allocation within the policy range by making additional commitments to value-add and opportunistic strategies. As of Dec 31, 2020, the apartment sector holds 29% of the real estate portfolio allocation. The fund's strategy, detailed below, is an opportunity for the RAF to generate value-add returns in a defensive sector with the potential to further improve the portfolio construction in terms of geographic allocation.

Investment Strategy

A key to Cityview's investment strategy is specializing in high barrier to entry urban infill and premier suburban markets. The Fund's "Target Markets" (Bay Area, Los Angeles, Orange, and San Diego counties, greater Denver and Boulder, greater Portland and Seattle, greater Austin and Dallas, greater Phoenix, and greater Salt Lake City) typically exhibit strong demand characteristics, including dynamic employment and income growth coupled with significant undersupply due to housing affordability. Cityview expects that portfolios focused on high growth real estate investments within the Target Markets will outperform portfolios focused on investments in other locations due to the favorable long-term outlooks for the drivers of demand like population and employment projected for the targeted areas within those markets.

Cityview's team has experience investing in, among others, the following types of urban projects:

- Premier suburban for-rent multifamily and mixed-use developments with close proximity to large urban job cores
- Urban in-fill for-rent multifamily value-add rehabilitation and development
- Premier suburban multifamily value-add rehabilitation
- Mixed-use residential plus retail development (for rent) in premier suburban, urban and certain suburban locations
- University student housing development

In selecting the projects for acquisition, Cityview's strategy is to focus on "B/C" assets in "A" locations. More specifically, its value-add strategy entails assuming less market risk by buying in "A" locations, targeting acquisition at a significant discount to replacement cost (15-20%+), underwriting 15-20% ROI on value-add programs, and targeting 10-20% post renovation rent discount to new Class A product.

For development projects, Cityview will pursue select opportunities targeting middle-income renters. Cityview's key value proposition and risk mitigation includes focusing on mid-rise focus versus traditional Class A high-rise, for the lower cost, more affordable rents, deeper renter pool, shorter lease-up period, and more diverse pool of buyers. In addition, Cityview also focuses on efficient unit layouts in order to lower the nominal rent to the tenant, and high design amenity spaces that are an extension of the tenants' living area.

For Fund VII, Cityview's focus will be to principally develop and acquire opportunistic/value-add, urban and premier suburban residential and mixed-use assets primarily located in its target markets. Based on current conditions, approximately, Cityview expects to invest 20-30% of the equity in Southern California, 20-30% in the Bay Area, 10-20% in Denver/Boulder, 5-10% in Seattle, 5-10% in Phoenix, and 10-20% in other markets. In each of these markets, Cityview will weight investments between value add and development to provide what we believe is the best risk-adjusted return. The Fund will target 60% value-add acquisitions and 40% development (with a 50% cap on development).

Cityview has placed a limit on portfolio leverage at 65% (greater of cost or fair value), among other measures to create a diverse and risk-adjusted portfolio. The Fund's target gross returns are a 17%+ levered IRR. Target net returns are a 13%+ levered IRR net of management fees, fund-level operating expenses, and the carried interest.

Market Opportunity

The multifamily sector has provided investors attractive risk-adjusted returns in the past decades, and the sector is positioned to endure periods of volatility better than most other commercial real estate sectors. With solid demand, supply has been lagging and developing in an uneven manner. In recent years multifamily developers have focused on higher-end apartments, as increasing permitting costs and impact fees have made development in the middle market segment economically infeasible. Cityview notes that this has led to a supply deficit in the middle-income housing market, leaving the middle-income demographic underserved. The COVID-19 pandemic led to a material pipeline of mismanaged, mispriced and undercapitalized assets, and the economic disruption creates some opportunities for acquisitions at an attractive valuation.

Cityview will incorporate market conditions associated with COVID-19 into its investment and development activities for Fund VII and will continue to focus on supply-constrained target markets across the Western U.S. with employment, income and rent growth well in excess of U.S. average. The General Partner will pursue investments that are proximate to major employment centers, transportation nodes, healthcare facilities and education campuses among other high growth drivers. The Fund will focus on curating a balanced multifamily portfolio in primary and secondary core markets with strong market fundamentals to mitigate risk and maximize value.

<u>Firm & Management</u>

Since 2007, Cityview has invested in 45 residential projects, comprised of over 6,600 units across the United States with a primary focus on the Western U.S. Cityview has a demonstrated history of value creation across the risk spectrum and believes that its vertical integration allows it to drive value creation by controlling every step in the life cycle of an investment, whether it is a development or value-add project. Specifically, Cityview's vertical integration allows for the entire real estate investment cycle including acquisitions, entitlements, development, construction management, asset management, and property management. The Los Angeles office is the corporate office of Cityview, housing both functional and operations departments. Cityview currently has 99 employees, 62 employees are employed through Cityview's property management affiliate Westhome.

<u>Track Record</u>

Since 2007, Cityview has invested in 45 assets totaling $550 million of Equity through its six prior multifamily focused funds, returning a 16.6% gross IRR, four of which are "funds of one" and two of which are commingled funds, as below:

1) Cityview LA Urban Fund I, LP: Cityview LA Urban Fund I, LP, a Delaware limited partnership formed in February 2007 ("CVLA" or "Fund I"), was Cityview's first commingled fund with $150 million in committed equity from multiple institutional investors. CVLA's investment strategy focused on urban residential projects located exclusively within Los Angeles County, California. CVLA contained 21 projects (of which six were for-sale investments) and is fully realized.

2) Cityview Bay Area Fund I, LP: Cityview Bay Area Fund I, LP, a Delaware limited partnership formed in November 2011 ("CVBA I" or "Fund II"), was a fund of one that received a capital commitment of $100 million from an institutional investor and an additional $29 million co-investment. CVBA I's investment strategy focused on core urban residential development located exclusively in the nine counties that comprise the Bay Area in Northern California. CVBA I made four investments and is fully realized.

3) Southwest Multifamily Partners, LP: Southwest Multifamily Partners, LP, a Delaware limited partnership formed in June 2012 ("SWMP" or "Fund III") is a commingled fund with $50 million in committed equity from multiple institutional investors and has a sub-advisor, which is an affiliate of Lincoln Property Company. SWMP's strategy is focused on value-add investments located in Texas and Colorado. SWMP made six investments located in Texas and one investment located in Colorado and is fully realized.

4) Cityview Bay Area Fund II, LP: Cityview Bay Area Fund II, LP, a Delaware limited partnership formed in December 2012 ("CVBA II" or "Fund IV"), is a follow-on fund of one to CVBA I that received a capital commitment of $134.1 million from the same institutional investor as CVBA I, as well as a $20 million co-investment. CVBA II's investment strategy remains focused on core urban residential development located exclusively in the nine counties that comprise the Bay Area in Northern California. The fund is fully invested in five development investments, of which three are realized.

5) Cityview Southern California Fund II, LP: Cityview Southern California Fund II, LP, a Delaware limited partnership formed in November 2013 ("CVSC II" or "Fund V"), is a fund of one that received a capital commitment of $100 million from an institutional investor. The fund targeted "build-to-core" developments in Los Angeles, Orange County and San Diego. CVSC II made four development investments and is realized.

6) Cityview Western Fund I, LP: Cityview Western Fund I, LP, a Delaware limited partnership formed in July 2016 ("CVWF I" or "Fund VI"), is a fund of one that received a capital commitment of $150 million from an institutional investor. The fund has targeted "build-to-core" developments and value add acquisitions in select markets in the Western United States including urban areas in Northern and Southern California, Seattle, Portland, Denver/Boulder, and Austin. The Fund has invested in four development investments and realized one purchase interest sale (University Village in Seattle).

PMF staff conducted reference checks with the limited partner in 4 of the fund of one vehicles and the feedback was positive.

Cityview Discretionary Multifamily Opportunistic and Value Add Fund Track Record (Fair Market Value)

As of March 31, 2021 ($MM)

Fund	Fund Vintage	Status[5]	# of Assets	Peak Equity[1]	Net Profit[2]	Gross IRR[3]	Net IRR[3]	Gross Equity Multiple[4]	Net Equity Multiple[4]
Fully Realized Funds									
Cityview Los Angeles Fund I (CVLA)	2007	21 Realized	21	$107.1	$90.8	17.0%	12.1%	2.0x	1.6x
Cityview Bay Area Fund I (CVBA I)	2011	4 Realized	4	$93.9	$33.0	22.1%	15.6%	1.4x	1.3x
Cityview Southern California Fund II (CVSC II)	2013	4 Realized	4	$93.3	$78.8	19.5%	14.5%	1.9x	1.6x
Partially Realized Funds									
Southwest Multifamily Partners (SWMP)	2012	4 Realized 3 Stabilized	7	$49.7	$29.7	11.2%	8.6%	1.8x	1.6x
Cityview Bay Area Fund II (CVBA II)	2012	3 Realized 2 Stabilized	5	$125.9	$86.2	15.6%	11.5%	1.8x	1.5x
Unrealized Funds									
Cityview Western Fund I (CVWF I)[6]	2016	2 In Lease-up 2 Under Development	4[7]	$66.2	$31.6	16.9%	11.8%	1.5x	1.4x

Key Strengths

Vertical Integration: Cityview leverages the local presence of its on-site teams to understand sub-market dynamics and local counterparties. It manages its multifamily investments through its vertically integrated property management subsidiary, which allows the firm to execute a wide range of value-add enhancements in-house and to have a greater level of control over revenue and expense management and the construction timeframe to mitigate construction risks. In addition, the in-house property management platform allows the firm to implement its service standards across all properties in the portfolio.

Defensive Sector Exposure: The multifamily sector, a need-based asset class, is a defensive property type that has been able to withstand periods of slowdown better than most other commercial real estate sectors. The pandemic-driven recession is expected to result in a material pipeline of mismanaged, mispriced and/or undercapitalized assets in the largely fragmented multifamily segment. As recovery occurs and demand normalizes, the housing shortage will be exacerbated by limited new construction starts during the recession. In addition, the short-term nature of apartment leases – most leases turn over in a year or less – in conjunction with long-term financing at attractive rates, offers a hedge against inflation and provides an opportunity to enhance returns on equity.

Solid Target Markets: The Fund will focus primarily on the metropolitan markets of the Bay Area, Los Angeles, Orange, and San Diego counties, greater Denver and Boulder, greater Portland and Seattle, greater Austin and Dallas, greater Phoenix, and greater Salt Lake City (the "Target Markets"). Cityview believes the following factors from 2010 to 2020 support the pursuit of an investment strategy primarily focused on acquiring and developing premier suburban and urban residential and mixed-use assets within the Target Markets:

- Robust Population Growth: Target Markets outpaced the national average in population growth by 35%.
- Exceptional Employment Growth: Target Markets have had 37% higher employment growth than the national average.
- Leading Income Growth: Target Markets enjoyed income growth 36% higher than the national average.
- Strong Average Rent Growth: Target Markets have achieved 27% higher rent growth than the national average.

The Target Markets includes several metropolitan areas in the Sunbelt region, in which the multifamily sector shows resiliency and projects strong growth. Although there were anecdotes that suggest that COVID-19 is causing population exits from San Francisco, February 2021 data from the U.S. Postal Service shows that the majority of those leaving San Francisco during the pandemic relocated to other Bay Area counties (the top six destinations were all Bay Area counties: Alameda, San Mateo, Marin, Contra Costa, Santa Clara and Sonoma) or elsewhere in California (rounding out the top 10 were Los Angeles, San Diego, Napa and Riverside). Bay Area-headquartered businesses remained resilient in 2020, with the top 250 publicly traded companies in the region realizing a market cap increase of 79%, according to JLL Bay Area Q4 2020 Multifamily Insights. In addition, recent research found no evidence of "millionaire flight" from California, and California's economy remains a driver of new investment, drawing half of all venture capital investments in the United States.

Risks and Mitigants

Key Person Risk: CEO Sean Burton leads the management team and has been instrumental in developing Cityview's investment philosophy, investment strategy, and firm culture. In the event that Sean Burton was no longer active in the management of the Fund, his departure would be disruptive from both an operational and investment perspective.

Mitigant - Cityview has a stable senior management team and investment committee, which ensures consistency in the management of the Firm. Key Person Risk is covered by the strong Key Person provisions in the Cityview fund documents. Cityview is supported by a highly experienced leadership team comprised of 10 senior members. This senior leadership team averages approximately 20 years' experience in real estate and provides Cityview a deep bench of knowledge and skills in managing assets in the multifamily sector.

In addition, Cityview has been committed to retaining and developing talent at different levels, and believe it is well positioned given the depth and breadth of its senior leadership team as well as potential future Cityview leaders it has developed. While succession is not a near term concern, Cityview has a focus on increasing employee alignment with the long-term strategy of the firm, including enhancing its compensation and retention structure across all levels, as well as providing a transparent path to promotion and participation in the partnership.

Affiliate Transactions: The Firm utilizes management and construction affiliates to provide certain services to properties within the fund. While vertical integration is a strength in many scenarios, this structure poses a potential alignment of interests issue between the General Partner and Limited Partners.

Mitigant - The use of affiliates is common with vertically integrated firms such as Cityview. Vertical integration contributes to the Firm's ability to managing value-add projects and operational improvements. The firm seeks to mitigate affiliated transaction risk by providing full transparency on rates, and it determines its fee structure through a market research process to ensure that rates are within market ranges.

Economics/Fees

Management fees:

1.50% for a Commitment up to $50 million
1.35% for a Commitment of $50 million up to $100 million
1.25% for a Commitment of $100 million or greater

First close investors subject to a reduced management fee equal to:

1.00% for a Commitment up to $50 million
0.85% for a Commitment of $50 million up to $100 million
0.75% for a Commitment of $100 million or greater

Carried Interests: 9% Preferred Return; 50/50 Catchup until the GP receives 20%; 80 LP/20 GP thereafter.

PMF has obtained an additional fee break from Cityview at the $100 million commitment level, providing the CRPTF with enhanced net return and potential for a long-term partnership with the manager.

Legal and Regulatory Disclosure (provided by Legal)

In its disclosure to the Office of the Treasurer, Cityview Management Services, LLC ("Cityview" or the "Respondent") disclosed that, on December 8, 2016, a former employee of Cityview Management Services, LLC in its San Antonio office filed a Charge of Discrimination against Cityview and Henry Cisneros with the Equal Employment Opportunity Commission alleging age discrimination and retaliation. The matter was settled without an admission of wrongdoing in 2017.

No other material litigation, administrative proceedings or governmental investigations in the last 5 years were disclosed.

The Respondent states it has no insurance claims to report. Additionally, the Respondent states that neither it nor any of its principals or employees is the subject of any ongoing internal investigations or has been convicted of or pled guilty to or settled a case for any felony, misdemeanor, or civil enforcement proceedings.

Respondent's disclosure further notes that there have been no material changes within the past two years or pending changes in the Respondent's organization and corporate structure.

The Respondent affirms that it has in place adequate internal investigation procedures and states that it has adopted a written Ethics and Compliance Manual, and all employees undergo annual in person Ethics training and sensitivity training. All of Respondent's employees are instructed regarding its ethics and human resources policies.

The Respondent is a registered investment advisor and its current ADV is consistent with its disclosure to the Office of the Treasurer.

Compliance Review

The Workforce Diversity & Corporate Citizenship review is attached.

Environment, Social & Governance Analysis ("ESG")

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

9/28/21

COMPLIANCE REVIEW FOR CITYVIEW MANAGEMENT SERVICES, LLC

SUMMARY OF LEGAL AND POLICY[1] ATTACHMENTS

SUBMITTED BY

CITYVIEW MANAGEMENT SERVICES, LLC

I. Review of Required Legal and Policy Attachments

CITYVIEW MANAGEMENT SERVICES, LLC ("Cityview") completed all necessary 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 (See Also 3-year Workforce Diversity Snapshot Page Attached)

As of August 2021, Cityview, a Los Angeles California-based firm, employed 106 people, 40 more than the 66 employed as of December 31, 2019. The firm identified 15 women and/or minorities as Executive/Senior Level Officials and Managers over the period reported from 2021 to 2019. Over the 3-year reported (2021 – 2019), the firm promoted 5 women and 5 minorities within the ranks of professionals or managers.

Workforce Statistics[2]

For Executive/Senior Level Officials and Managers:

- Women held 15% (2 of 13) of these positions in September 2021, down from 19% (3 of 16) in December 2020, and 21% (3 of 14) in December 2019.
- Minorities held 23% (3 of 13) (15% Hispanic and 8% Asian) of these positions in September 2021, down from 31% (5 of 16) (6% Black, 19% Hispanic, and 6% Asian) in December 2020, and 29% (4 of 14) (7% Black and 21% Hispanic) in December 2019.

At the Management Level overall:

- Women held 33% (11 of 33) of these positions both in September 2021 and December 2020 (10 of 30), up from 28% (8 of 29) in December 2019.
- Minorities held 33% (11 of 33) (6% Black, 15% Hispanic, and 12% Asian) of these positions in September 2021, down from 37% (11 of 30) (10% Black, 17% Hispanic, 7% Asian, and 3% Two or More Races) in December 2020, and 34% (10 of 29) (7% Black, 17% Hispanic, 7% Asian, and 3% Two or More Races) in December 2019.

At the Professional Level:

- Women held 29% (20 of 69) of these positions in September 2021, down from 32% (15 of 47) in December 2020, and 30% (10 of 33) in December 2019.

[1] The Assistant Treasurer for Corporate Governance & Sustainable Investments will prepare a separate Summary with respect to Cityview's ESG submission.

[2] The workforce statistics includes data from Cityview's affiliated property management company, Westhome.

- Minorities held 64% (44 of 69) (4% Black, 43% Hispanic, 12% Asian, and 4% Two or More Races) of these positions in September 2021, up from 62% (29 of 47) (6% Black, 40% Hispanic, 9% Asian, and 6% Two or More Races) in December 2020, and 61% (20 of 33) (9% Black, 36% Hispanic, 12% Asian, and 3% Two or More Races) in December 2019.

Firm-wide:

- Women held 33% (35 of 106) of these positions in September 2021, down from 36% (29 of 81) in December 2020, and 33% (22 of 66) in December 2019.
- Minorities held 54% (57 of 106) (6% Black, 33% Hispanic, 12% Asian, and 3% Two or More Races) of these positions in September 2021, slightly up from 53% (43 of 81) (9% Black, 30% Hispanic, 9% Asian, and 6% Two or More Races) in December 2020, and 47% (31 of 66) (8% Black, 26% Hispanic, 9% Asian, and 5% Two or More Races) in December 2019.

III. Corporate Citizenship

Partnerships:

Cityview is committed to its employees, residents, investors and the community. To accomplish this, the firm has partnered with a number of organizations including FitWell, the world's leading certification system committed to building health for all; WiredScore, an organization dedicated to recognizing leaders in digital connectivity and smart technology; and LA Conservation Corps. In addition, Cityview participates in annual GRESB Assessments which evaluate and benchmark environmental, social and corporate governance (ESG) data which in turn allows the firm to undergo risk, opportunity and impact analysis to make investment and operations decisions accordingly. The firm also conducts annual ESG training among its employees and through its ESG committee, Cityview reviews and enhances its firm's policies across all areas of ESG. Through Westhome, Cityview's affiliated property management company, the firm conducts regular resident satisfaction surveys and has continued to exceed the national average in satisfaction. Cityview has also had one of its projects, Baker Block in Costa Mesa, awarded the 2019 Kingsley Excellence Award for Resident Satisfaction, which is awarded to communities that go above and beyond to ensure their residents are satisfied with their living experience. A large number of Cityview's development portfolio is attainable housing targeting renters making 120%-200% of area median income (AMI) with the goal of providing housing to this demographic. To date, Cityview has constructed a dozen projects below 200% AMI.

Charitable Giving:

Cityview has an ongoing partnership with LA Conservation Corps, an environmentally focused youth development organization, that offers career and education opportunities to young adults through green community projects. This program encourages team participation through outreach and community involvement.

Internships/Scholarships:
Cityview offers a summer internship program to college students focused on providing diverse training across its departments where students have the opportunity to shadow and have a mentor. To date the firm has had five (5) interns who have been invited to participate in this program, three (3) of whom are minority or female recipients. Although Cityview does not have a scholarship program, it has partnered with LA Conservation Corps which grants scholarships to young adults.

Procurement:
Cityview has written external and internal responsible contractor policies dedicated to service provider diversity. Through its previous two funds Cityview, including its affiliated property management company Westhome, has spent over $320 million with 142 minority service providers.

SUMMARY OF RESPONSES TO ATTACHMENT M (REAL ESTATE): EVALUATION AND IMPLEMENTATION OF SUSTAINABLE PRINCIPLES

SUBMITTED BY
CITYVIEW MANAGEMENT SERVICES LLC

Cityview Management Services LLC ("Cityview") gave a detailed description of its philosophy and processes for incorporating ESG factors into its investment decision-making processes. The firm described meaningful steps to incorporate ESG factors into the pre- and post- acquisition phases of its investments.

Cityview is not a member or signatory of any sustainability-oriented groups identified by the Treasury, however the firm noted its participation in meetings of the Real Estate Roundtable's Sustainability Policy Advisory Committee. The firm's disclosure provided some detail regarding the evaluation of energy and water usage/costs, including the firm's use of a utility management system that tracks the monthly energy and water usage of all assets under management. Cityview also described some of the criteria it evaluates as part of its acquisition process, including climate risks, walk scores, and access to transportation. The firm relies on Phase I environmental reports from Partner Engineering and Science, Inc. to identify environmental hazards in potential investment properties, and will request Phase II reports and/or remediation measures when necessary.

Cityview noted three significant steps it has taken in the past year with regard to reporting and goal-setting. The firm has adopted a goal of 10% reduction in energy consumption by 2024. Cityview also began participating in GRESB reporting and benchmarking for a portion of its portfolio, and plans to incorporate more of the portfolio in the near future. Finally, the firm stated its plans to release the firm's first sustainability report in late 2021.

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

Submitted by: Cityview Management Services, LLC

September 29, 2021

	Criteria	Responses
1	Firm has an ESG policy	Yes
1a	If yes, firm described its ESG policy	Yes
2	If yes, firm provided examples of ESG factors considered in the decision-making process, explained the financial impact of these ESG factors	Yes
3	Designated staff responsible for sustainability policies and research	Yes
4	Firm provides training/resources on sustainability issues, explained sources of ESG-related data	Yes
5	Signatory/member of sustainability-related initiatives or groups	No
6	Policy for evaluating current or prospective relationships with manufacturers or retailers of civilian firearms	No, given that the firm does not invest in civilian firearms manufacturers or distributors.
7	Policy that requires safe and responsible use, ownership or production of guns	No, given that the firm does not invest in civilian firearms manufacturers or distributors.
8	Enhanced screening of manufacturers or retailers of civilian firearms	No, given that the firm does not invest in civilian firearms manufacturers or distributors.
9	Enhanced screening of any industry/sector subject to increased regulatory oversight, potential adverse social and/or environmental impacts	No
10	Merchant credit relationships with retailers of civilian firearms and accessories	No
10a	If yes, firm confirms compliance with laws governing firearms sales	N/A
11	Overall assessment of responses (e.g., depth of approach to ESG and integration)	Cityview's disclosure described a thorough integration of ESG factors into its investment processes. The firm highlighted six ESG factors on which it focuses, including job creation and energy reduction. The firm is not a signatory of the UN Principles for Responsible Investment or any other sustainability-oriented groups. Cityview's internal ESG Committee manages all ESG initiatives and policies. In addition, the firm utilizes outside an external ESG consultant, Quinn & Partners, for trainings and research. Cityview's ESG policy emphasizes investing in assets that benefit society and the environment. The firm does not invest in civilian firearms manufacturers.
	SCORE: **Excellent - 1** Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented organizations; enhanced screening of firearms and/or higher-risk sectors **Very Good - 2** Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented+B3 organizations **Satisfactory - 3** General description of ESG philosophy and integration; some evidence of framework for ongoing ESG assessment; member of sustainability-oriented organizations **Needs Improvement - 4** Generic and/or vague description of ESG philosophy and integration; no ongoing ESG assessment; no dedicated ESG staff or resources **Poor - 5** Incomplete or non-responsive	**2**

OCTOBER
2021

NEPC PRIVATE MARKETS INVESTMENT DUE DILIGENCE REPORT

Cityview Investment Advisors

Cityview Real Estate Partners VII, LP

Cityview Real Estate Partners VII
Non-Core Real Estate

TABLE OF CONTENTS

Cityview Real Estate Partners VII

Non-Core Real Estate

EXECUTIVE SUMMARY

Cityview Investment Advisors, LP and its affiliates ("Cityview," the "Manager," the "General Partner," or the "Firm") is a vertically-integrated real estate investment management firm focused on multifamily real estate assets in the Western United States. Cityview was founded in 2003 by Henry Cisneros, Victor Miramontes, and Sean Burton and qualifies as a minority-owned business. Mr. Cisneros and Mr. Miramontes have since reduced their role in the Firm, while Mr. Burton today leads the Firm as the Chief Executive Officer.

The Manager is seeking to raise at least $400 million in total commitments for Cityview Real Estate Partners VII ("Fund VII" or the "Fund"). Consistent with Cityview's historical track record and prior vehicles, Fund VII will seek to invest in multifamily properties in the Western US. More specifically, Cityview will target assets in urban infill and suburban markets, including both ground-up development and value-add acquisitions. It is expected that approximately half of the Fund will be invested in California (including the San Francisco, Los Angeles, and San Diego metropolitan areas). Other target markets for the Fund include Portland, Seattle, Denver, Boulder, Salt Lake City, Austin, Dallas, and Phoenix.

The Manager is targeting $400 million in total commitments for the Fund, with a hard cap of $500 million. A first close is anticipated to occur by year-end 2021, with approximately $125 million of total commitments. The Fund's legal documents allow for the final close to occur up to 18 months after the first close; however, the Manager intends to complete fundraising during 2022. Cityview will seek to generate a net internal rate of return (IRR) to Fund investors of 13% or greater.

Cityview Real Estate Partners VII

Non-Core Real Estate

Positives:

- **Experienced senior team –** NEPC believes that Cityview has a deep and experienced investment team, including experienced senior leadership that is responsible for overseeing functions such as deal sourcing, development and construction management, asset management, and property management. Each of the Fund's five voting Investment Committee members has over 15 years of experience. Furthermore, in 2016 the Firm undertook an ownership restructuring and has broadened ownership in the Firm's economics, which should help to align interests and retention among senior leadership.
- **Vertical integration and development experience –** When Cityview was founded, the Firm effectively employed an "allocator" investment model, working alongside third-party operators when making investments. Over time, the Manager has shifted towards a vertically-integrated model, building and growing in-house expertise across functions such as construction management and property management. This integration also includes Westhome Property Management ("Westhome"), an affiliated property management business which has approximately 70 employees across the Los Angeles, San Francisco Bay Area, and Denver markets. Westhome works exclusively on Cityview-owned assets and does not provide third-party property management services. The Manager believes that this vertically-integrated model provides better transparency into property management for the asset management team as well as more direct control over the properties. Cityview believes that having greater visibility and more control allows for a better execution of the investment strategy.
- **Consistent track record in a defensive sector –** Cityview has been investing in multifamily assets in their target markets since 2007. Over this timeframe, the Manager has made 46 investments. The aggregate multiple across all of these investments (both realized and unrealized) was 1.56x as of March 31, 2021. Notably, Cityview has not lost capital on any realized investments, and is projecting positive returns for all unrealized investments. Furthermore, NEPC believes that multifamily assets tend to be less volatile than other property types, with demand-drivers that are less reliant on broad economic growth and therefore cash flow profiles that are less cyclical. This dynamic should allow Cityview to continue to generate consistent returns for investors.
- **Favorable economic terms –** The Fund's standard fee schedule is in-line with market; however, there are fee discounts available for strategic investors. More specifically, in exchange for a commitment of at least $75 million in the first close, the State of Connecticut is being offered a management fee rate of 0.75% per year, calculated as a percentage of committed capital during the investment period and of invested capital thereafter. This represents a 50% reduction from the standard management fee of 1.50%, and NEPC believes is also significantly lower than fees charged by comparable strategies.

Cityview Real Estate Partners VII

Non-Core Real Estate

Negatives:

- **Mixed relative track record –** While Cityview has generated consistently positive returns, the Manager's performance relative to vintage year peers is somewhat mixed. Cityview has raised and invested six prior vehicles (including commingled fund vehicles and funds-of-one). For benchmarking purposes, NEPC compared each of these prior funds to their respective vintage year benchmarks on an IRR, TVPI, and DPI basis.[1] On an IRR basis, five of the six funds have generated above-median returns since inception, with one fund falling in the third quartile. On a TVPI and DPI basis, there is a wider dispersion, with some funds ranking in the 1st or 2nd quartile while others have fallen into the 3rd or 4th quartile. The Manager has explained that some of these earlier funds had different fee structures than what is being proposed for Fund VII, which has led to a meaningfully wider gross-to-net spread of returns (relative to what should be expected for Fund VII). In addition, some of the funds had slightly different strategies which may impact performance (e.g., a fund that was 100% focused on development and consequently has a longer "J-curve").
- **Focused strategy –** Investors should be mindful of the fact that the Fund will not be broadly diversified by property type or geography. Cityview focuses on multifamily properties, with a concentration in Southern California and the San Francisco Bay Area (though the Manager has the ability to invest in other Western US markets and in mixed-use properties). In addition, NEPC notes that there remains some uncertainty in the target markets, particularly the San Francisco Bay Area which saw dramatic rent declines driven by the COVID-19 pandemic during 2020. While San Francisco has seen some recovery, the future remains somewhat uncertain as a result of continued work-from-home policies for many large employers. NEPC believes that Cityview's focus on middle-income housing and "urban-suburban" assets should be an advantage relative to luxury/urban assets.
- **Fundraising uncertainty –** Cityview began marketing for Fund VII during the first half of 2020 and had initially planned to hold a first close in the third quarter of 2020. Citing the impacts of COVID-19, the Manager largely suspended these fundraising efforts and has since re-commenced marketing of the Fund in 2021. NEPC acknowledges that the pandemic has slowed fundraising processes for many managers. In addition, Cityview has explained that a large institutional investor that has historically invested with the Firm has been undergoing internal changes that has delayed any potential investment decisions. Nonetheless, investors should be aware of potential concentration risks should the Manager not reach the target fund size. More specifically, the Fund may be limited in how many investments can be made, therefore limiting diversification within the Fund. Cityview presently expects to hold a first close around year-end 2021, and anticipates closing on $125 million at that time.

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[1] IRR, or internal rate of return, refers to the since-inception dollar-weighted return. DPI, or distributions-to-paid-in, refers to the ratio of capital distributed (back to investors) to capital paid-in to the fund (by investors). TVPI, or total-value-to-paid-in, refers to the ratio of total value (distributions plus current market value) to capital paid-in. These three metrics are the most common measures of performance for closed-end funds. In all cases, NEPC has compared the Firm's performance to the C|A United States Value-Add and Opportunistic Real Estate Fund benchmark by vintage year.

Cityview Real Estate Partners VII

Non-Core Real Estate

FUND CHARACTERISTICS

Investment Vehicle	Delaware Limited Partnership
Investment Manager	Cityview Investment Advisors, LP
Diverse-Owned/ Diverse Led Manager	Diverse-owned business
Target Size/Max Size	$400 million / $500 million
Amount Raised	$0 (the Fund has yet to hold a first close)
Minimum Investment	$10 million (subject to GP discretion)
Target Final Close Date	Q4 2022
Investment Period	Three years from the final close
Fund Term	Eight years from the final close, subject to two one-year extensions at the GP's discretion with Advisory Board approval
Sponsor's Investment	1% of total Fund commitments, up to $4 million
Assets Under Management	$1.9 billion (gross)
Investment Focus	Development and value-add residential and mixed-use investments
Geographic Focus	Western US (Approximately 50% California)
Projected # of Investments	12-18
Deal Size	Target $25 million to $40 million of equity
Target Fund Return	13%+ net IRR
Leverage	65% LTV cap on a portfolio-wide basis; no cap at the asset-level
Annual Management Fee	Calculated as 1.50% of committed capital during the Investment Period, and 1.50% of invested capital thereafter (discounts available for strategic or founder investors; please see the ***Management Fee*** section of this memo for more information)
Other Fees	Fees for property management, development, and construction management services may be paid by the Fund to affiliates of the Manager at pre-determined rates (please see the ***Other Fees and Expenses*** section of this memo for more information)
Organizational Costs	The Fund will bear organization costs up to $1.25 million
Carried Interest	20% with a 50% catch-up
Preferred Return	9%
Distribution Waterfall	• 100% to Limited Partners until they have received a return of their capital plus a 9% cumulative compound annual return; • 50% to Limited Partners and 50% to the General Partner until the General Partner has received 20% of total profits; • 80% to Limited Partners and 20% to the General Partner thereafter.
Fund Auditor	Deloitte
Fund Legal Counsel	Goodwin Procter, LLP
Placement Agents	None
Website	www.cityview.com

FIRM DESCRIPTION

Firm Overview

Cityview is a vertically-integrated real estate investment management firm headquartered in Los Angeles and focused on multifamily real estate assets in the Western United States. The Firm was founded in 2003 by Henry Cisneros, Victor Miramontes, and Sean Burton and qualifies as a minority-owned business. The Firm went through an ownership restructuring in 2016, as both Mr. Cisneros and Mr. Miramontes are in their 70s and had decreased roles in the Firm. Mr. Cisneros is no longer actively involved with the Firm, while Mr. Miramontes still serves on the Investment Committee but has no day-to-day operational responsibilities. Sean Burton remains actively involved and lead the Firm as its Chief Executive Officer.

The Firm has four active employee partners (in addition to Sean Burton) who share in the profitability of Cityview. These include Damian Gancman (Chief Financial Officer), Tony Cardoza (Managing Director, Acquisitions), Matthew Falley (General Counsel and Chief Compliance Officer), and Jen Halvas (Senior Vice President of Operations and Associate General Counsel).

The Firm has been exclusively focused on multifamily and mixed-use assets in Western US markets (primarily California) since its inception. The Manager has raised and invested six prior investment vehicles, including two commingled funds and four funds-of-one (i.e., a fund structure with a single limited partner). Across these six vehicles, Cityview has overseen the acquisition of 46 assets, representing over $2 billion of gross asset value.

Upon its founding, Cityview employed an “allocator” investment model, partnering with local operating partners on investments to assist with development and/or property management functions. Over time, the Firm has transitioned to become vertically-integrated, taking many of those functions in-house. The Firm has employees dedicated to planning, entitlement, and development functions, and also has an affiliated property management company, Westhome Property Management, which is active in San Francisco, Los Angeles, and Denver. Westhome’s 70+ professionals are dedicated solely to managing the day-to-day operations of assets owned by Cityview (i.e., Westhome does not do any third-party property management for other asset owners).

Team Overview

Cityview has approximately 100 total employees, including its affiliated property management group, Westhome Property Management. The Firm has 19 investment professionals organized by functional area: acquisitions, value-add, development, asset management, and planning and entitlement. In addition to these investment professionals, the Firm has 18 employees dedicated to supporting functions such as investor relations, finance, legal, and operations.

The Fund’s Investment Committee will include Sean Burton, Victor Miramontes, Tony Cardoza, Damian Gancman, and Jennifer Halvas. Majority approval is required by the Investment Committee in order to execute any acquisitions or dispositions.

Recent Turnover

The Manager reports that there have been six departures at the Vice President level or above in the past five years; overall, however, the Firm has experienced net growth with 11 individuals hired at the Vice President level or above during this time.

Succession Planning

The Firm is currently led by Sean Burton who is 50 years old and is also the largest active owner of the Firm. Mr. Burton has no plans to retire or leave the Firm in the near future. The Manager has explained that there is an "informal" succession plan in-place and that they are going through a process currently to formalize this plan. Cityview has also been focused on continuing education and leadership development for its employees.

FUND INVESTMENT STRATEGY

Investment Strategy

Cityview will pursue value-add acquisitions and ground-up development opportunities in multifamily and mixed-use properties in the Western United States. While the Manager does not target regulated affordable housing projects, Cityview does place an emphasis on affordability. They believe that this focus is important for the communities they are investing in (i.e., the housing is attainable) and provides a more defensively-positioned investment. A typical Cityview investment is estimated to be affordable to households earning up to 200% of area median income.

The Manager anticipates investing in both urban infill and suburban locations, with approximately 50% of the Fund expected to be invested in California. Target markets for the Fund will include the San Francisco, Los Angeles, San Diego, Portland, Seattle, Denver, Boulder, Salt Lake City, Austin, Dallas, and Phoenix metropolitan areas. More specifically, the Manager will seek high-growth markets and submarkets; this includes growth rates of population, employment, income, and rental rates.

The Manager anticipates that the Fund will be invested approximately 60% in value-add acquisitions and 40% in ground-up development projects; the Fund has a limit of no more than 50% to be invested in development projects.

The Manager does not anticipate using joint venture partners on the investments. Cityview will source, construction manage (if applicable), and asset manage the investments in-house. It is expected that Westhome would be utilized for property management services in the San Francisco, Los Angeles, and Denver markets (though the Manager may opt to use a third-party). In other markets, Cityview will seek to partner with a best-in-class third-party property management firm.

During the holding period of an investment, the asset management team is responsible for executing the business plan approved by the Fund's Investment Committee. For development projects, this will generally consist of a lease-up strategy after completion. The Manager is focused primarily on mid-rise properties, believing that these projects take less time and capital to build, resulting in a faster lease-up and more affordable rents.

The Fund's value-add investment strategy will be acquire class B or class C assets in "A" locations. Cityview believes that "A" locations provide reduced market risk. The business plans may call for heavy or light redevelopment, asset repositioning, implementing property management best practices, and/or lease-up of vacant space.

Without approval of the Limited Partner Advisory Committee (LPAC), the Fund will be prohibited from investing in for-sale residential real estate. The Fund will also be required (unless approved by the LPAC) to invest at least 90% of the commitments in multifamily residential or mixed-use properties with a residential component.

Target Return

The Manager will seek to generate a 13% or greater net IRR to investors.

Target Geographic Focus

Cityview will target high-growth infill urban and suburban markets in the Western United States, consistent with the Firm's track record. The Manager has provided the following target exposures by metropolitan area:

- 20-30% in Southern California (including Los Angeles, Orange County, and San Diego)
- 20-30% in the San Francisco Bay Area
- 10-20% in Denver/Boulder
- 5-10% each in Seattle and Phoenix
- 10-20% in other markets

The Fund's stated target markets include those listed above, as well as Portland, Salt Lake City, Austin, and Dallas. The Manager may not invest more than 20% of the Fund outside of the target markets without LPAC approval.

Target Deal Size

Cityview anticipates making approximately five investments per year, with an average deal size of $25 million to $40 million of equity per investment.

Use of Leverage

The Fund is expected to utilize leverage of 60% to 65%, and is prohibited from incurring leverage levels exceeding 65% (measured as a percentage of the greater of gross market value or cost, at the time of investment) across the portfolio. There is no limit on leverage levels for any individual investment.

The Manager has indicated that construction debt (for development projects) is typically floating rate and shorter-term in nature; upon completion these projects may be refinanced with long-term fixed-rate debt. In some instances, the Fund may be a guarantor for project guarantees as required by lenders. Value-add acquisitions may be financed with either fixed- or floating-rate debt.

In addition, the Fund may utilize a credit facility for the purposes of acquiring assets. The use of such a credit facility will not count towards the 65% maximum leverage ratio, and must be repaid through capital calls within 12 months.

Recycling of Capital

Proceeds from investments that represent a return of capital may be retained or distributed and recalled by the Manager at the discretion of the General Partner. Please see the Fund's legal documents for additional details.

Manager's View of Current Market Conditions

The Manager notes that its target markets have experienced outpaced growth (relative to the national average) in all of Cityview's target growth metrics – population growth, employment growth, income growth, and rental rate growth – over the past ten years. This implied demand growth, Cityview believes, has not been met by adequate new supply. In fact, the Manager observes that across its target markets, an average of one new apartment unit was constructed for every 8.9

new jobs between 2010 and 2020. This should allow for favorable supply-demand dynamics in the target markets, and therefore attractive risk-adjusted returns for Cityview.

Target Fund Size
The Fund has a target size of $400 million in total capital commitments, with a hard cap of $500 million.

Expected Fund Investor Base
The Manager expects to raise capital from a diversified institutional investor base.

Current Fund Investments
The Fund has not made any investments to date.

FUND ECONOMICS, STRUCTURE, AND GOVERNANCE

Management Fee

The standard management fee for Fund investors is 1.50% per year (paid quarterly). As a strategic investor, Cityview has offered the State of Connecticut a discounted management fee rate of 0.75% (again, charged on committed capital during the investment period and on net equity invested thereafter) should the State of Connecticut approve a commitment of at least $75 million for the Fund's first close.

Distribution Waterfall

The distribution waterfall for the Fund is as follows:

1. 100% to Limited Partners until the Limited Partners have received distributions in excess of their Capital Contributions sufficient to provide them with a 9% annual-compounded cumulative return (the preferred return);

2. 100% to Limited Partners until the Limited Partners have received distributions equal to such Limited Partners' aggregate Capital Contributions (the return of capital);

3. 50% to Limited Partners and 50% to the General Partner until the General Partner has received distributions equal to 20% of the cumulative distributions (the catch-up);

4. Thereafter, 80% to the Limited Partners and 20% to the General Partner as an incentive distribution (the carried interest).

Allocation of Carried Interest

Carried interest for the Fund is distributed broadly across the Firm. While final allocations have not yet been determined, it is expected that more than half of Cityview employees will receive some amount of carried interest. Furthermore, employees at the Vice President level and above are expected to make a financial commitment to the General Partnership.

Henry Cisneros and Victor Miramontes each have the ability to invest up to 5% of the General Partnership and will receive a pro-rata share of the carried interest should they elect to do so.

Other Fees and Expenses

The Fund will bear the cost of all fees and expenses associated with the formation of the Fund and affiliated entities up to $1.25 million. In the event that the Fund ultimately raises less than $400 million in total commitments, this cap shall be equal to 0.25% of the total capital commitments.

The Manager is not entitled to earn any transaction fees (e.g., acquisition, disposition, or financing fees); in the event that such a fee is earned by the Manager, it will offset the management fee otherwise payable to the Manager.

Cityview or its affiliates (including Westhome) may receive fees for services such as construction management, property management, or leasing services. These fees, unless otherwise approved by a majority-in-interest of Fund investors, are as follows:

- If an affiliate of the Manager is engaged as the developer for a development project, the development fee shall be equal to 3% of the total development costs (excluding financing).

- If an affiliate of the Manager provides construction management services for a development project, the construction management fee shall be equal to 1% of total development costs (excluding financing).
- If an affiliate of the Manager provides construction management services for a value-add project, the construction management fee shall be less than or equal to 6% of total value-add project costs (excluding financing).
- If an affiliate of the Manager provides property management and/or leasing services, the Fund shall pay the market rate property management fee, not to exceed 3% of the revenue of the asset.

The Fund will also be responsible for costs associated with the ongoing operations of the Fund. This includes, but is not limited to, travel expenses as part of the underwriting/acquisitions process and accounting, auditing, consulting, and legal fees.

Please see the Fund's legal documents for additional details.

Fund Structure

The Fund will be structured as a Delaware Limited Partnership.

Key Person Provision

Sean Burton, Tony Cardoza, and Damian Gancman are named "Key Persons" of the Fund. If at any time during the investment period any two of the Key Persons no longer have senior management roles with Cityview, a Key Person Event is deemed to have occurred. In the event that a Key Person Event does occur, the investment period will be suspended until either the Limited Partner Advisory Committee (LPAC) approves a replacement individual or a majority-in-interest of the Limited Partners votes to resume the investment committee. Please see the Fund's legal documents for additional details.

GP Removal Provisions

The General Partner may be removed either with or without cause. "Cause" is defined in the Fund's legal documents, and is deemed to have occurred if the Manager or a Key Person has committed fraud, willful misconduct, gross negligence, bad faith, or otherwise has committed a "material breach of the Partnership Agreement" that has had a material adverse effect on the Fund. In order to remove the GP without cause, 66 and 2/3^{rds} percent of Limited Partners in-interest must vote to do so. Please see the Fund's legal documents for additional details.

LP Advisory Committee

The Fund will have a Limited Partner Advisory Committee (LPAC) which will be comprised of no more than three voting members (this number may increase at the discretion of the Manager subject to the approval of a majority of the existing LPAC members). The voting members will be appointed by Limited Partners selected by the General Partner. The Manager may also assign non-voting observer seats to additional Limited Partners. The LPAC will be responsible for certain Fund matters including but not limited to potential extensions of the Fund, investments that do not comply with the Fund's investment restrictions, issues involving conflicts of interest, payment of fees to affiliates of the Manager, approval of replacement Key Persons, and any proposed changes to the Fund's structure or terms as laid out in the Fund's Limited Partnership Agreement.

Cityview Real Estate Partners VII

Non-Core Real Estate

APPENDIX: ESG RATING

General Fund Information	
Firm	Cityview Investment Advisors
Fund	Real Estate Partners VII
Strategy Type	Non-Core Real Estate
Diverse-Owned Firm	Yes

ESG Rating
ESG 2
ESG Ratings are on a scale of 1 through 5, with 1 indicating a best in class approach and 5 indicating no integration.

Analyst Opinion
The Firm has established a comprehensive ESG policy with the objective of integrating ESG factors into its investment process and operations in order to mitigate investment risk, enhance investment returns and ensure that the assets in which its invests respect and, where possible, benefit society and the environment. The Manager has demonstrated its commitment to ESG through its GRESB membership, support of minority service providers, and measurement and reporting of sustainability related goals and metrics. The Firm is a MWBE and has a meaningful female (32%) and minority (62%) representation across its employee base.

Evaluation Criteria and Commentary	
Firm-Level	
Firm-Level Commitment	In 2020, Cityview formalized its ESG Policy, developed an ESG Task Force and submitted to GRESB for the first time. Additionally, Cityview will begin providing its investors with ESG reports starting by the end of 2021.
Resources	Melissa Delgado and Dana Gomez-Gayne head up the Firm's ESG Task Force, which includes representatives from across the Firm's departments. NEPC would like to see Cityview formalize a role for a dedicated Head of ESG.
Engagement Policies	Cityview has engaged a 3rd party consultant, Quinn and Partners, for support in developing its long-term ESG goals and objectives. In 2020, the Firm launched an all staff ESG Training. Through its previous two funds, Cityview has spent over $320 million with 142 minority service providers.
Strategy-Level	
Overview	Cityview considers numerous E, S and G factors as part of its investment process. While Cityview has shown strong commitment to ESG, the Manager is still working to formalize aspects of its policy.
Integration Process	Cityview is in the process of developing a sustainable operations checklist that will include best practice recommendations for ESG topics such as waste management, efficiency measures, tenant engagement, green cleaning, etc. to be used by property management and asset management.
Resources	The Manager has established an ESG Task Force that includes representation across departments to work on 2021 ESG related objectives for the Firm.

DISCLAIMERS AND DISCLOSURES

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

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

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

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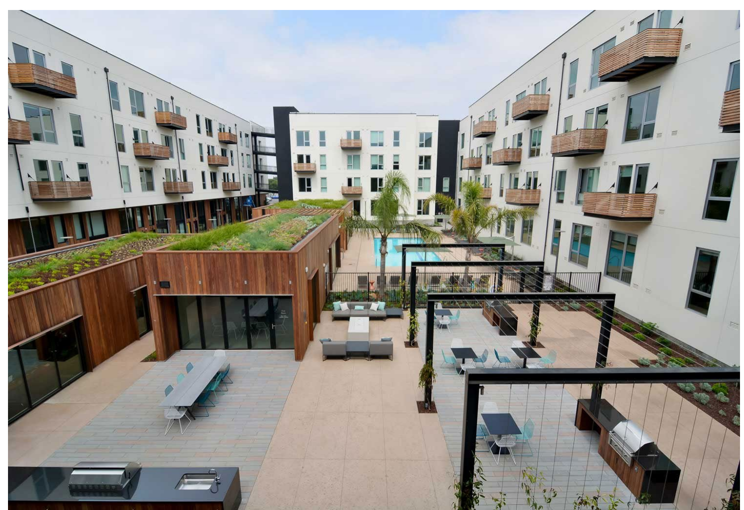
Cityview Real Estate Partners VII

Prepared for State of Connecticut

October 2021 | For Use With Institutional Investors Only



Sean Burton

Chief Executive Officer

Sean Burton, as Chief Executive Officer of Cityview, is responsible for overseeing the firm's overall operations and creating, planning and implementing the firm's strategic direction. Mr. Burton is the Chair of the Cityview board of directors and serves on (or served on) the investment committees for each of Cityview's Prior Funds.

Prior to joining Cityview in 2003, he was an executive in the corporate strategy group at Warner Bros. and an attorney with O'Melveny & Myers, LLP. He also served in the White House and on the Democratic National Committee during the Clinton Administration. Mr. Burton currently serves as the President of the Los Angeles Board of Airport Commissioners, which oversees LAX and Van Nuys airports. Mr. Burton previously served as a Commissioner on the Los Angeles City Planning Commission, on the Urban Land Institute's Board of Governors, and as a Trustee for the John Thomas Dye School in Los Angeles. He was also President of the West Los Angeles Area Planning Commission, a commissioner on the California Commission on Tax Policy and the New Economy and is a retired intelligence officer in the United States Navy Reserve. Mr. Burton is a graduate of University of California, Irvine and New York University School of Law.

Rob Lester

Managing Director,
Business Development
and Investor Relations

Chris Brown

Director,
Business Development
and Investor Relations

Table of Contents

Cityview Real Estate Partners VII ("CVREP VII")

Cityview

Sponsor	▶ Cityview is a vertically-integrated operating and investment firm focused on developing and improving multifamily properties across the Western U.S. ▶ Diverse and large team of seasoned real estate professionals with extensive experience across all aspects of real estate investment and management, including operations, acquisitions, development, and leasing and property management
Strategy	▶ CVREP VII will continue Cityview's successful strategy of acquiring and developing multifamily real estate in supply-constrained urban and prime suburban markets ▪ Target attainable and affordable residential living spaces for middle-income customers in locations where employment, income and rent growth exceed U.S. average ▪ Focus on metropolitan markets of the Bay Area, Los Angeles, Orange, and San Diego counties, greater Denver and Boulder, greater Portland and Seattle, greater Austin and Dallas, greater Phoenix, and greater Salt Lake City ▪ Proximate to major employment centers, transportation nodes, education clusters and healthcare facilities, among other high growth drivers ▪ Curate a portfolio of diversified multifamily assets where strong market fundamentals mitigate risk and maximize value ▪ Create value by implementing improvement and development strategies based on prevailing market conditions
Key Terms	▶ $400 million equity target ▶ Target Gross 17%+ IRR; Net 13%+ IRR to the Investor* ▶ The Fund will target value-add acquisitions and select development opportunities (50% hard cap on development)

* There can be no assurance that the Fund's target returns will be achieved.

Firm Overview

Cityview

Company Overview

Cityview

Cityview	▶ Founded in 2003, is a vertically integrated real estate investment management firm with over $2.0 billion in AUM focused on multifamily real estate in the Western U.S. ▶ Have managed six discretionary funds focused on multifamily that have collectively invested in 45 projects exceeding $2.2 billion in capital – 36 realized investments have returned a 19.7% Gross IRR* ▶ Currently own, operate and actively manage approximately 5,000 units with an additional 1,800+ units in active rehab and 1,000+ units under development[1] ▶ Specialize in attainable and affordable housing in high barrier, low affordability, infill and premier suburban markets with dynamic employment growth and significant undersupply ▶ Minority-owned business committed to sustainability and inclusion. We have focused on ESG and DEI since inception and have built a diverse team consisting of 62% minorities and 32% women
Key Differentiators	▶ Leading investor and developer of workforce housing in the Western U.S.[2] ▶ Fully integrated platform includes in-house expertise in entitlement, development, construction management, asset management and property management capabilities ▶ Extensive experience acquiring, developing, repositioning, operating and disposing of properties across the residential spectrum ▶ Ability to understand and resolve complex issues relating to ownership, entitlement, site challenges and approvals, creates unique opportunities that other buyers often overlook or do not have the resources to execute ▶ Proven track record over 18-year years, including successful performance during Global Financial Crisis – Cityview Los Angeles Urban Fund I (vintage 2007) ranked in top quartile[3]

* See Footnote 3 on Page 38 that describes the calculation of Gross IRR.
[1, 2, 3] Please refer to the endnotes on page 36.
Financial information as of June 30, 2021.

We Turn Apartments Into Homes, People Into Neighbors and Cities Into Communities

▶ Vertically integrated

- **Controlling every step in the value creation process** from acquisition through design & renovation or development through construction & lease-up. **We do not outsource critical components of the process**

▶ Development and Operational DNA

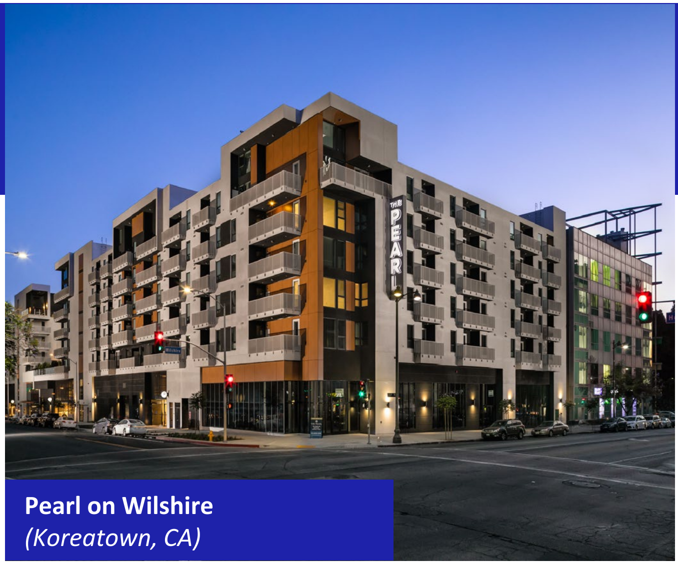
- Create value from the ground up, **approaching every investment with our 360° viewpoint**, considering the best design and use of space, local community enhancement, and the end-user tenant needs

▶ Deep urban planning expertise

- Cityview's team includes a former member of the **Los Angeles City Planning Commission** and the former **Director of Planning for the City of Los Angeles and City of New York**

▶ Emphasis on the resident and the community

- Service and design-oriented focus on enhancing the renter experience by **connecting our spaces to the community, and residents to each other**



Pearl on Wilshire
(Koreatown, CA)

The Venue
(Woodland Hills, CA)

Cityview's Commitment to Culture and Diversity

Cityview’s unique culture is driven by our five Core Values:

Purposeful

We seek to achieve our highest outcomes through meaningful, considered and reasoned thinking

Straight Forward

We believe open, honest and upfront conversations lead to the best results

Impactful

We turn cities into communities, people into neighbors and houses into homes

Bold

Be bold. Seek to deliver beyond expectations

Agile

We continually reevaluate and adapt to the changing environment while striving to maintain momentum and vision

Commitment to Diversity

- Since its founding, Cityview has been a minority owned business and has been certified minority owned for over a decade[1]
- Our employee base consists of 32% Women and 62% Minorities[2]
- Investment Committee is collectively over 50% Minority and Women controlled
- Board of directors is collectively 40% women and minorities

Commitment to Sustainability

- Cityview strives to integrate ESG factors into the investment process and ongoing operations of our assets
- Cityview is a proud member of GRESB

Service Provider Diversity

- Through our previous two funds, Cityview has spent over $320 million with 142 minority service providers[3]
- Committed to engaging contractors who pay fair wages and fair benefits to their employees

[1, 2, 3] Please refer to the endnotes on page 36.

Alignment of Interest Through Vertical Integration

Cityview

Cityview's vertically-integrated platform allows us to stay closely connected to the real estate and provide a full-service investment solution for our partners and investors

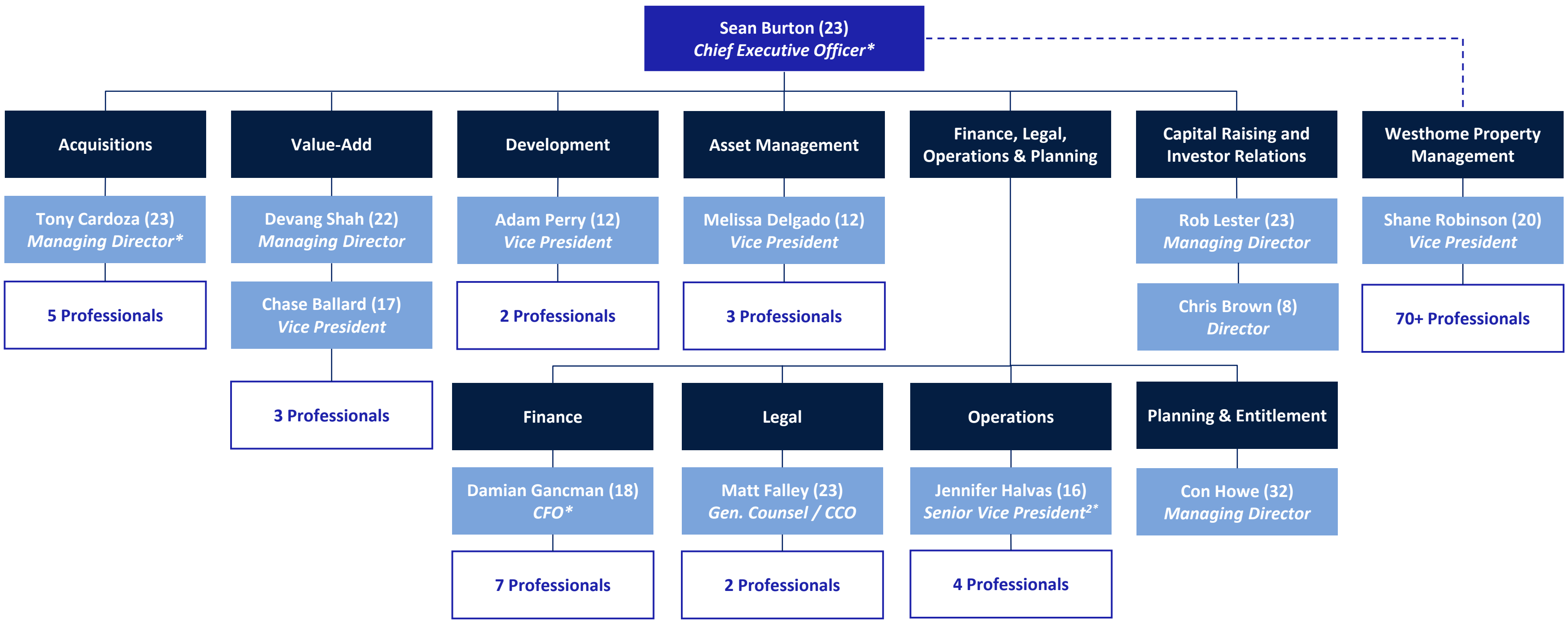
Acquisitions	Our acquisitions team leverages its deep industry relationships to source prospective value-add and development opportunities off-market or directly from non-institutional owners, seeking to create value on the buy through an attractive basis
Entitlements	Our entitlement expertise allows for quick and accurate assessments of approval process timing and potential density increases
Development	Our development team approaches each project from a multi-disciplined perspective, striving to deliver projects of consistently high quality on time and within budget
Construction Management	Our construction management team uses a hands-on approach from pre-design analysis through construction to drive down costs and shorten delivery times
Asset Management	Our asset management team closely monitors business plan execution through stabilization and strategically harvests assets to maximize value
Property Management[1]	Our property management group seeks to lease up properties quickly at targeted rents and leverages technology in an effort to enhance the resident experience and preserve cash flow

[1] Please refer to the endnotes on page 36.

Broad and Deep Experience

Cityview

- Multifamily and mixed-use specialists with 100+[1] employees, including employees of Westhome, our affiliated property management company
- Seasoned team of senior professionals with an average of more than 20 years of experience
- Deep in-house development, construction, asset management and entitlement expertise



Note: A * indicates an Investment Committee member. Years of experience are noted in parenthesis.

[1, 2] Please refer to endnotes on page 36.

- Strong track record executing value-add and opportunistic investments

Cityview Discretionary Multifamily Opportunistic and Value Add Fund Track Record (Fair Market Value)

As of June 30, 2021 ($MM)

Fund	Fund Vintage	Status[5]	# of Assets	Peak Equity[1]	Net Profit[2]	Gross IRR [3]	Net IRR [3]	Gross Equity Multiple [4]	Net Equity Multiple [4]
Opportunistic Funds									
Fully Realized Funds									
Cityview Los Angeles Fund I (CVLA)	2007	21 Realized	21	$107.1	$90.8	17.0%	12.1%	2.0x	1.6x
Cityview Bay Area Fund I (CVBA I)	2011	4 Realized	4	$93.9	$33.0	22.1%	15.6%	1.4x	1.3x
Cityview Southern California Fund II (CVSC II)	2013	4 Realized	4	$93.3	$78.8	19.5%	14.5%	1.9x	1.6x
Partially Realized Funds									
Cityview Bay Area Fund II (CVBA II)	2012	3 Realized 2 Stabilized	5	$125.9	$88.2	15.5%	11.5%	1.8x	1.6x
Unrealized Funds									
Cityview Western Fund I (CVWF I)[6]	2016	2 In Lease-up (FMV) 2 Under Development (Cost)	4[7]	$64.9	$51.9	24.3%	15.2%	2.0x	1.6x
Core-Plus and Value Add Funds									
Partially Realized Funds									
Southwest Multifamily Partners (SWMP)	2012	4 Realized 3 Stabilized	7	$49.7	$29.1	11.0%	8.3%	1.7x	1.6x

Past performance is no guarantee of future results. The performance above does not represent the returns of the Cityview Real Estate Partners VII. The strategy performance is included for reference only, and there is no guarantee that similar performance will be achieved.

Please refer to the Endnotes to Strategy Performance on pages 37-39 in the Appendix. See Track Record Supplement for detailed Track Record.

Investment Strategy

Experience Investing Across Risk Spectrums

Cityview

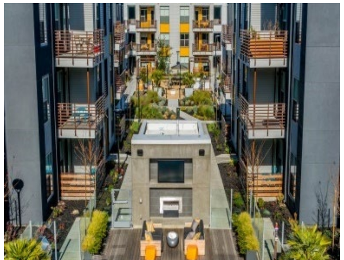
The Fund intends to employ a combination of the following three investment strategies:

12% IRR — **CVREP VII Return Target*** — **18% IRR**

Light Value-Add	Heavy Value-Add	Development
▸ Identify existing assets in need of repositioning and below replacement cost ▸ Implement strategic capital improvements plan to achieve desired returns on costs ▸ Improve management and address operational inefficiencies	▸ Identify existing assets in need of repositioning and below replacement cost ▸ Intensive unit and exterior renovations ▸ Upgrades to building systems and infrastructure ▸ Improve management and address operational inefficiencies	▸ Identify emerging submarkets with strong fundamentals ▸ Risk mitigation through acquisition of entitled land and securing options on unentitled land ▸ Develop high quality assets targeting a 125 – 150 bps spread to current cap rates
~15% of portfolio	**~45% of portfolio**	**~40% of portfolio**

* There is no guarantee that targets will be achieved.

Cityview Target Markets



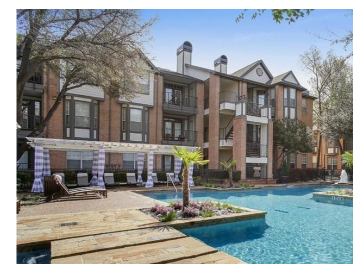
Elan Menlo Park
Menlo Park, CA
Development

Sycamore
Los Angeles, CA
Value-Add Workforce Housing

AV8
San Diego, CA
Development

Deco
Denver, CO
Development

Uptown Broadway
Boulder, CO
Value-Add Workforce Housing



Lincoln on University
Dallas, TX
Value-Add Workforce Housing

[1] Please refer to the endnotes on page 36.

Disciplined Data Driven Focus on Markets with Potential to Outperform

Cityview

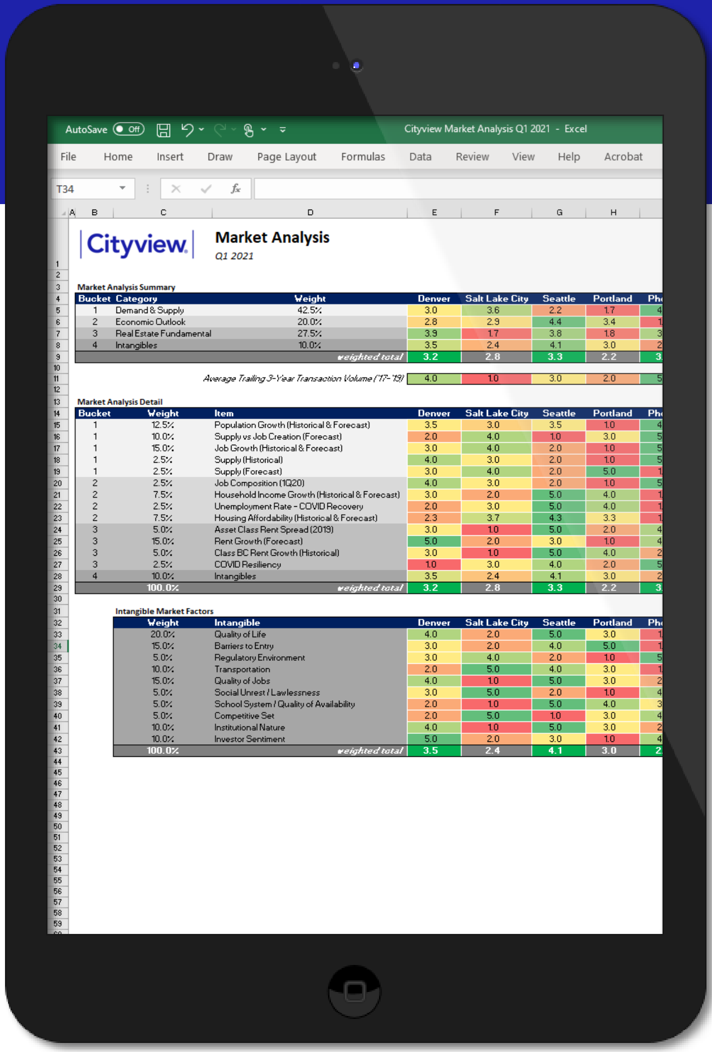
Cityview's proprietary Market Analysis tool allows us to make informed decisions on the markets where we invest, which we believe will result in better investments and more consistent returns for our investors

Market Analysis Process

- Analyze relevant data points across U.S. markets with a focus on Economic Outlook, Real Estate Fundamentals, Demand and Supply Indicators, and Intangibles
- Review and score markets based on an ordinal ranking in these categories to surface investment opportunities existing and emerging in the Western U.S.

Data Driven Investing

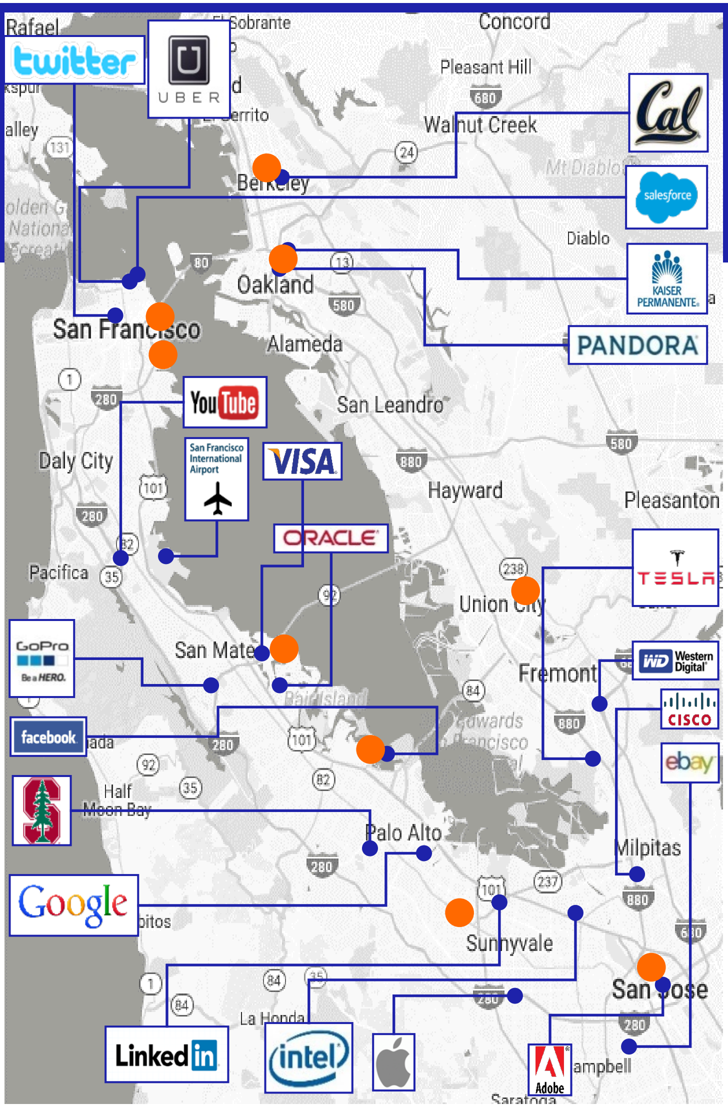
- Data points are assigned weightings based on the most relevant indicators of market opportunities
- Data is updated on a quarterly basis and compared across markets and timeframes to identify emerging factors and progression through real estate cycles
- As opportunities are identified, data factors are collected and analyzed on a submarket basis to assess key investment factors



Cityview Market Tactics

Within the targeted geographies, Cityview micro-targets the most attractive locations based on proximity to jobs, education and healthcare providers

- Infill or premier suburban locations that are close to major employment centers, transportation nodes, leisure activities, healthcare facilities, education campuses, and retail services
- Attractive MSA economic fundamentals relating to population, job, income growth, and projected rent growth
- High barrier to entry markets with low rates of homeownership affordability
- Supply vs. demand story that signals robust rent growth
- Infill and premier suburban neighborhoods that are in the process of transformation / including those attracting residents leaving the urban core
- Liquid market with recent history of institutional trades



Represents Cityview Investment

Differentiated Value-Add Workforce Housing Strategy

- **Strategy is to focus on "B/C" assets in "A" locations**
  - Assume less market risk by buying in "A" locations
  - Target acquisition at a significant discount to replacement cost (15-20%+)
  - Underwrite 15-20% ROI on value-add programs
  - Target 10-20% post renovation rent discount to new Class A product
  - Invested in 22 value-add projects exceeding $709 million in total capitalization, returning a combined estimated realized and unrealized gross IRR of 24.4% and equity multiple of 1.7x[1]
- **Application of deep development expertise to value-add deals**
  - Ability to incorporate best practices from new development and Class A property management
  - Expertise in project branding and target tenant profiles
  - Amenity space design and major re-positioning execution
- **Vertical integration**
  - Vertically integrated Construction Management team with in-house licensed general contractor and superintendents
  - Value-add team works closely with in-house development team for major renovation projects

Retreat on Sycamore - Before
(Los Angeles, CA)

Retreat on Sycamore - After
(Los Angeles, CA)

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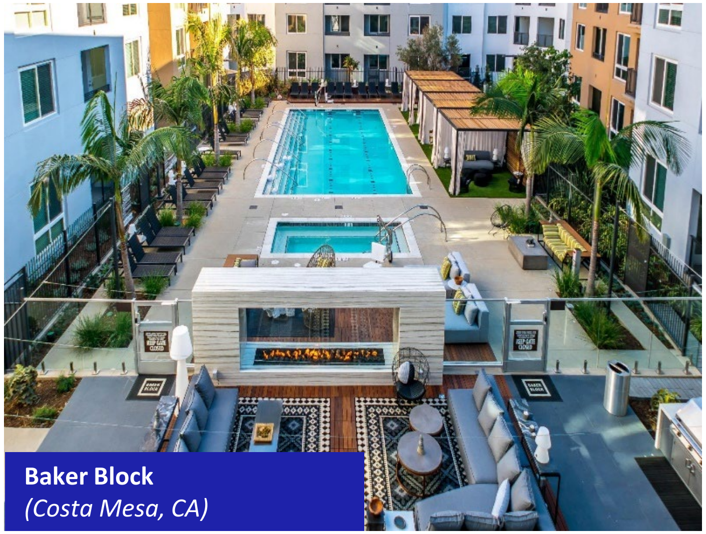
[1] Please refer to the endnotes on page 36.

Differentiated Development Approach

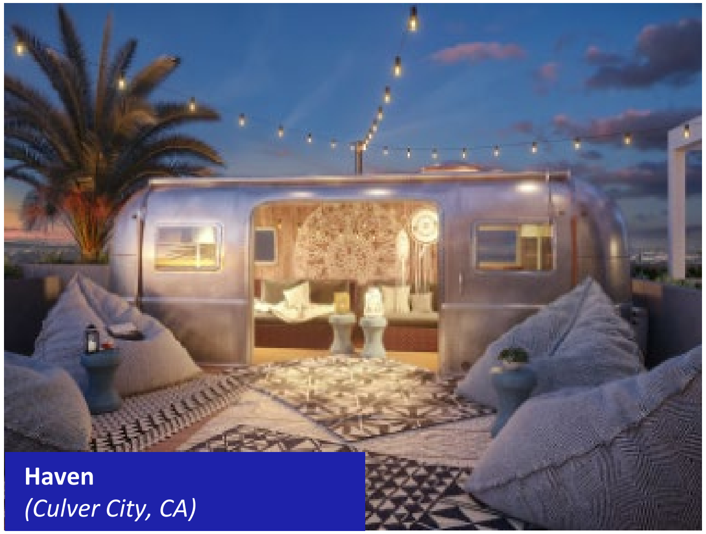
Cityview

The key value proposition and risk mitigation on development projects are as follows:

- **Mid-rise focus versus traditional Class A high-rise**
  - Lower cost due to construction type
  - More affordable rents leads to deeper renter pool
  - Shorter lease-up period
  - More diverse pool of buyers
- **Unit design and layout**
  - Efficient unit layouts in order to lower the nominal rent to the tenant
  - High design amenity spaces that are an extension of the tenants' living area
- **Vertical integration**
  - Better information leading to better underwriting decisions and management
  - Aligns incentives and removes potential third-party profit – no double promote or double fees



Baker Block
(Costa Mesa, CA)

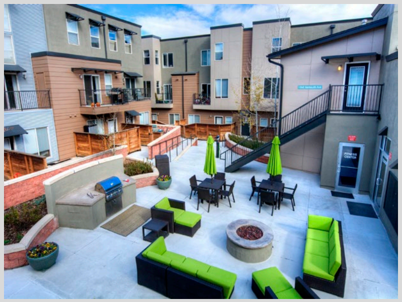


Haven
(Culver City, CA)

Case Studies

Cityview

Light Value-Add



Uptown Broadway
Boulder, CO

Units:	148
Sold:	Mar. 2018
Total Project Size:	$28M
Realized Gross IRR:	16.7%

Repositioned the asset through a value-add program including new appliances, hardwood floor and granite counters while also rebranding the common area amenities to better cater to the outdoor community

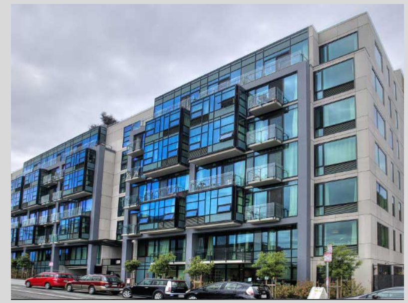
Heavy Value-Add

Riverstone Brookstone
Covina (San Gabriel Valley, CA)

Units:	250
Sold:	July 2015
Total Project Size:	$36M
Realized Gross IRR:	27.7%

Completed a comprehensive capital improvement program that focused on deferred maintenance items neglected by previous management and updated existing common areas to enhance tenant experience

Development

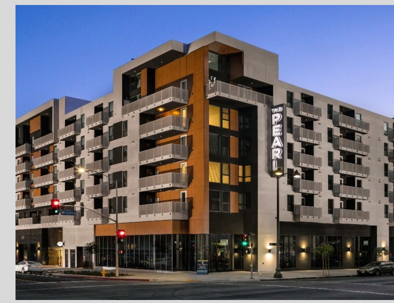


Potrero Launch
San Francisco, CA

Units:	196
Sold:	June 2014
Total Project Size:	$96M
Realized Gross IRR:	20.8%

Acquire a half-built building on a ground lease in an emerging San Francisco neighborhood with City requirements for affordable housing, historic rehabilitations and non-profit childcare

Redesign



Pearl on Wilshire
Korea Town (Los Angeles, CA)

Units:	346
Sold:	Dec. 2019
Total Project Size:	$132M
Realized Gross IRR:	18.0%

Awarded sought-after site by structuring creative offer to land seller. Reduced the approved unit count and re-designed the project. Upgraded amenity spaces to better cater to target renter

Financial information as of June 30, 2021. This information is intended to represent the investment strategy employed by the Fund. There is no guarantee that similar investments will be made. Please refer to Case Study Supplement for full case studies.

Key Terms

Cityview

Key Terms

Fund / Domicile	Cityview Real Estate Partners VII, L.P. ("CVREP VII"), Delaware Limited Partnership
Target Fund Size	$400 million
Target Returns	17%+ gross IRR, 13%+ net IRR*
Investment Period	3 years from Final Closing Date
Fund Term	8 years from end of the Final Closing Date with up to 2, one-year extensions with Advisory Board approval
Target Leverage	Portfolio maximum of 65% LTV
Management Fee	During the Investment Period: 1.50% on committed (uninvested) capital. Thereafter, 1.50% on contributed/invested capital (discounts to management fees may be offered at GP discretion)
Distributions	a) 9% preferred return b) Return of contributed capital c) 50%/50% LP/GP until GP receives 20% carried interest d) 80%/20% LP/GP
GP Co-Investment	1% of aggregate capital commitments, up to a max of $4 million
Minimum Commitment	$10 million (lower amount may be accepted at GP discretion)

* There can be no assurance that the Fund's target returns will be achieved.

Appendix

Appendix A: Market Opportunity

Target Sector and Region Continue to Outperform

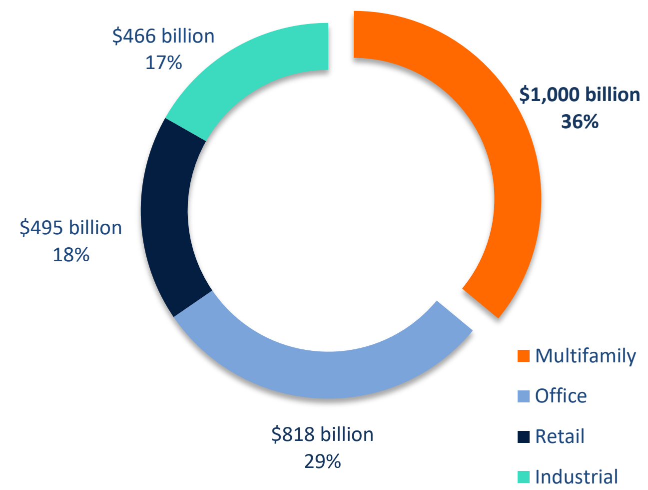
Cityview

- Multifamily has historically had the best risk adjusted returns of any property type and has historically been recession-resilient
  - Highest Sharpe ratio
  - Lowest volatility as measured by standard deviation
- The Western U.S. region has continued to outperform other regions in annualized returns for the last 30 years
- Multifamily has remained an attractive product type for institutional investors – making up 36% of total asset transactions since 2013

Real Estate Returns / Risks[1] - 7 Year Hold Periods
1989-Q4 2020

Property Type / Region	Return	Standard Deviation	Sharpe Ratio
Property Type			
NCREIF Property Index	8.6%	3.0%	1.52
Apartment	**9.3%**	**2.5%**	**2.43**
Industrial	9.6%	3.7%	1.53
Office	8.0%	3.8%	1.18
Retail	9.0%	3.3%	1.42
Hotel	8.8%	4.0%	1.88
Region			
West	**9.2%**	**3.5%**	**1.49**
East	8.5%	3.5%	1.43
South	8.4%	2.3%	1.64
Mid-West	7.4%	2.2%	1.43

Transaction Volume in U.S.[2]
2013 – Q4 2020



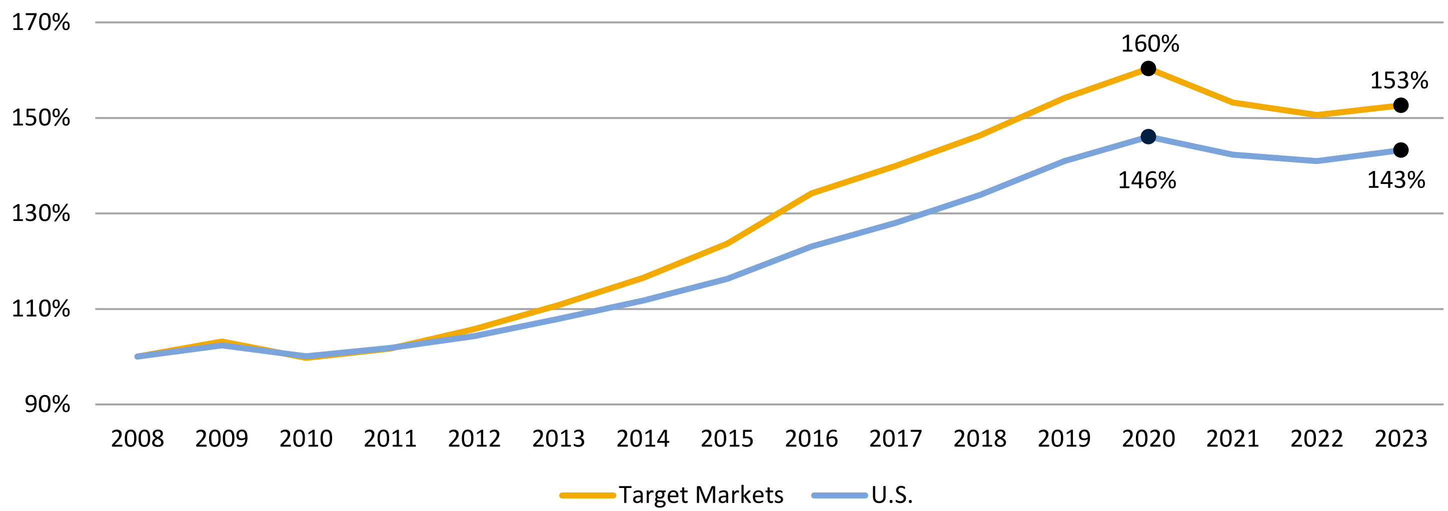
[1, 2] Please refer to the endnotes on page 36.

Why Western U.S. Urban Residential?

Cityview

- West Coast urban residential markets have proven to be the most resilient, recovering rapidly after economic downturns
- Compounded rent growth in our target markets has surpassed the national average since 2008 and is projected to be above national average through 2023
- Target markets have a significant housing shortage, which drives higher rent growth and occupancy
- Attractive development yields compared to buying stabilized core multifamily assets in West Coast urban markets

2008 – 2023 Compounded Rent Growth
Target Markets; 2008=100[1]



[1] Please refer to the endnotes on page 36.

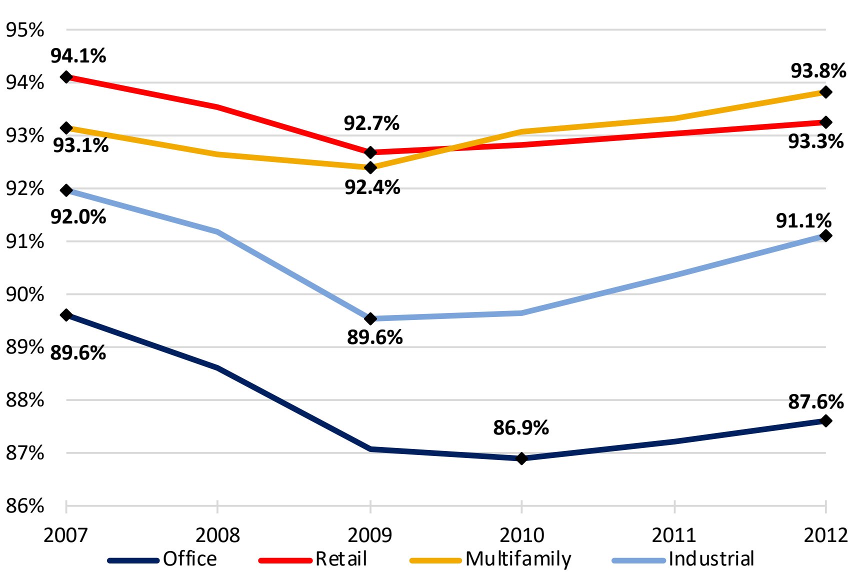
Recession Resiliency of Multifamily Sector

- During the GFC, multifamily occupancy rates had the least volatility and were minimally impacted compared to the other property types, as detailed in the table below:

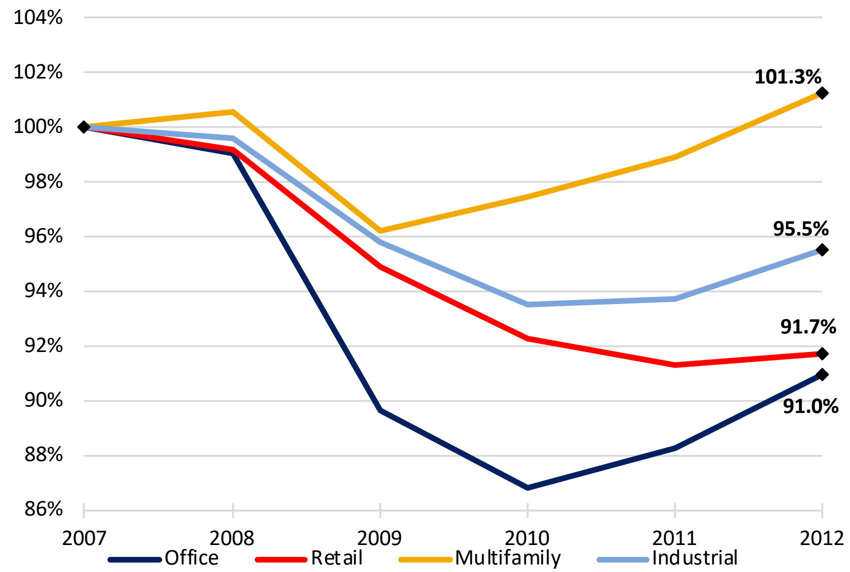
	Product Type			
	Multifamily	Retail	Industrial	Office
% Drop in Occupancy (2007 to Lowest Point)[1, 2]	(0.7%)	(1.4%)	(2.4%)	(2.7%)

- During the GFC, rent growth in the multifamily sector declined less and was able to recover faster than other property types

2007 – 2012 Occupancy Rate[2]
Property Types



2008 – 2012 Compounded Rent Growth[2]
Property Types; 2007=100



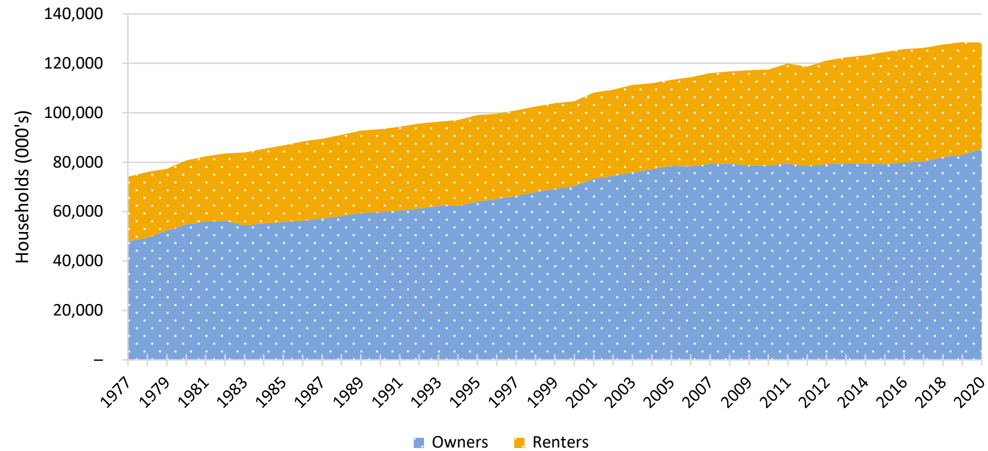
[1, 2] Please refer to the endnotes on page 36.

Favorable Supply / Demand Imbalance in Target Markets

Cityview

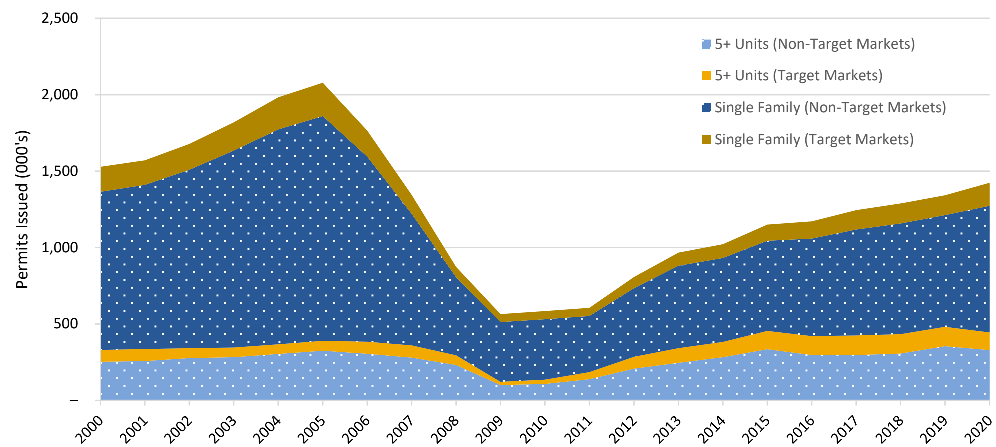
U.S. Household Formation[1]
Owners VS. Renters

- Since 2010, the number of renters has grown by 11.2% compared to only 8.4% for owners
- The Joint Center for Housing Studies of Harvard University projects about 400,000 net new renter households annually over the coming decade
- Household formation has continued to outpace new supply in Cityview target markets



U.S. Housing Permit Issuance[1]
Target Markets VS. Non Targets

- Cityview target markets have seen fewer new permits issued than non-target markets
- Fewer single family permits issued in Cityview target markets, resulting in a higher multifamily demand within those markets



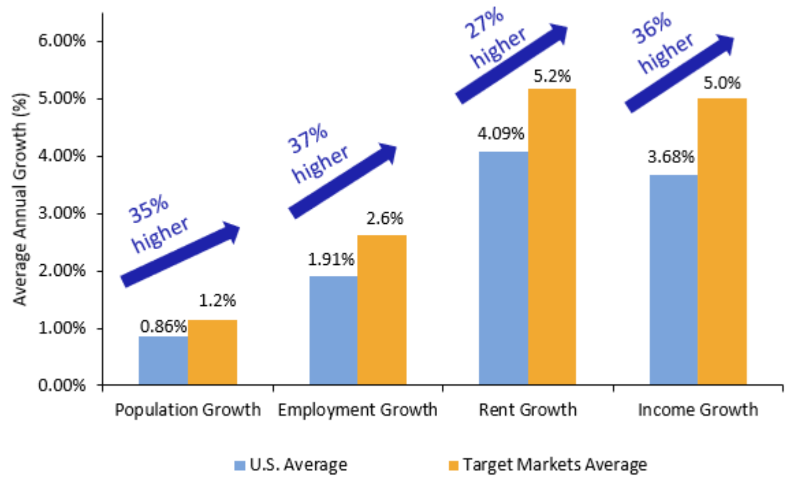
[1] Please refer to the endnotes on page 36.

Demand Drivers Continue to Reinforce Need for New Supply

Cityview

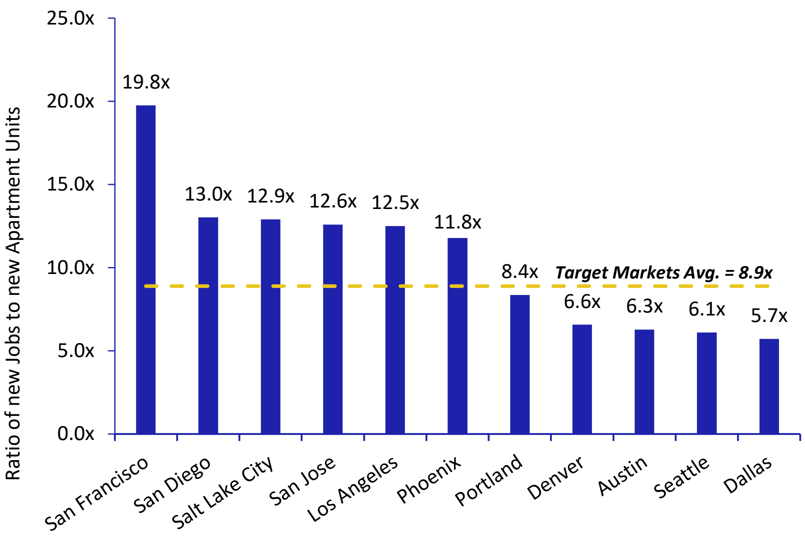
Market Statistics
Target Market VS. All U.S.
2010-2020[1]

- Cityview's target markets have outpaced the rest of the U.S. in population, employment, rent and income growth since 2010

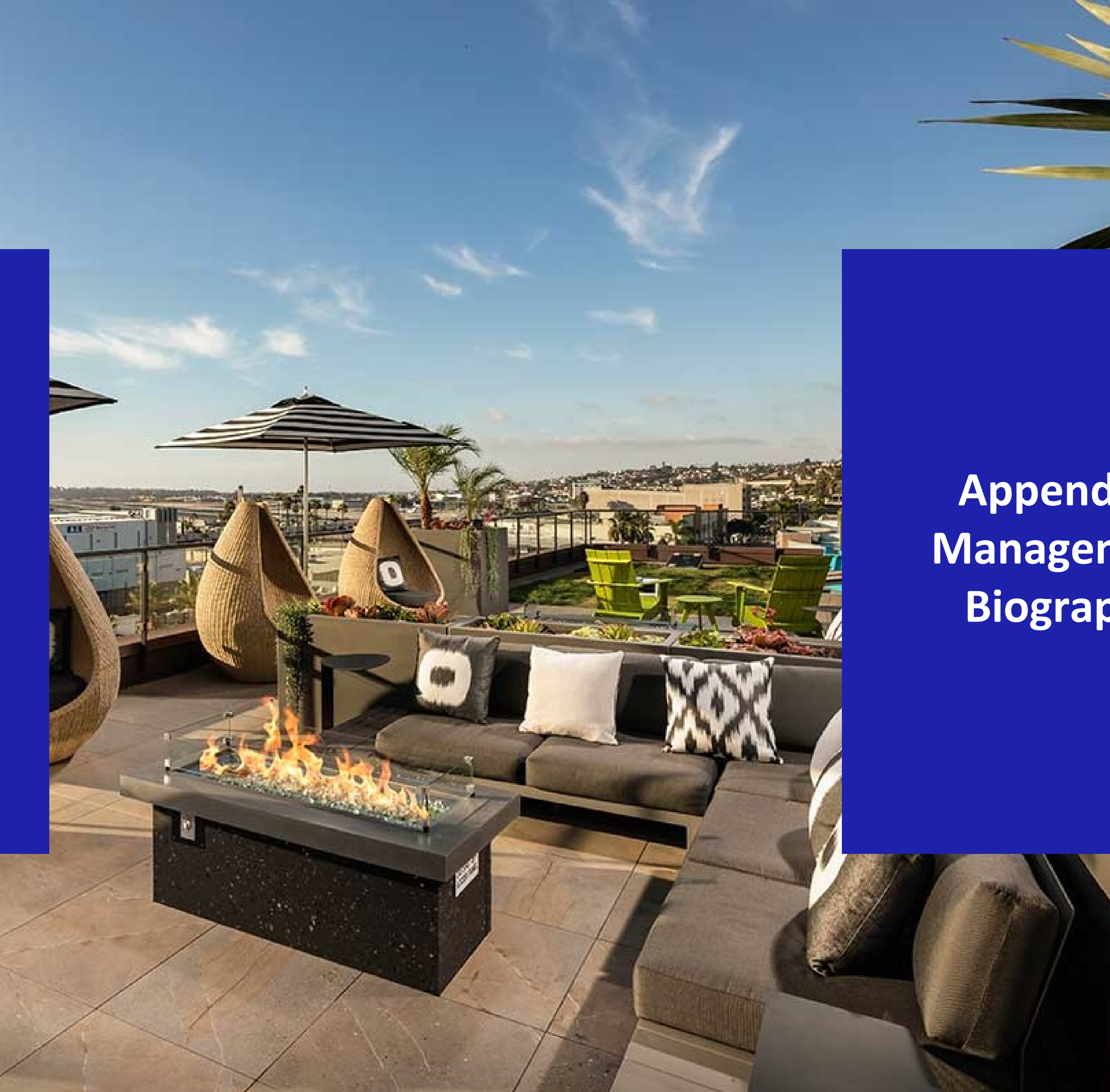


Jobs Created VS. Apartment Unit Deliveries
Target Markets
2010-2020[1]

- Target markets display strong demand relative to supply deliveries: 8.9 new jobs are created for each new unit of multifamily delivered



[1] Please refer to the endnotes on page 36.



Appendix B: Management Biographies

Cityview Team Bios

Cityview

Sean Burton
Chief Executive Officer

Sean Burton has been with Cityview since 2003. Prior to joining Cityview, Sean was vice president of corporate business development and strategy at Warner Bros. Before that, he was an attorney in the real estate and corporate groups at O'Melveny & Myers, LLP and also served in the White House during the Clinton Administration. Sean is currently the President of the Board of Airport Commissioners which oversees the LAX and Van Nuys airports. Sean holds a B.A. from the University of California, Irvine and a JD from New York University School of Law.

Damian Gancman
Chief Financial Officer

Damian Gancman oversees the finance, accounting and reporting processes for Cityview. Prior to joining Cityview in 2005, Damian was at PricewaterhouseCoopers in Los Angeles. He holds a Masters in Real Estate Development from the University of Southern California and a dual Bachelor's Degree in Business Administration and Psychology from UC Berkeley.

Tony Cardoza
Managing Director, Acquisitions

Tony Cardoza is responsible for Cityview's acquisition activities throughout the West Coast. He has 21 years of experience in real estate investment and management. Previously, Tony ran the investment group for Real Estate Capital Partners in the Western U.S., which developed and acquired over 5,000 multifamily units. Prior to that, he worked for Prometheus Real Estate Group in a land and multifamily acquisitions role on the West Coast. Tony holds a B.A. in Economics from Middlebury College and an MBA from the Haas School of Business at UC Berkeley.

Devang Shah
Managing Director, Value-Add

Devang Shah is responsible for Cityview's multifamily value-add acquisition and asset management platforms in Southern California. He has 22 years of experience in real estate investment, development, design, construction and asset management, totaling 60 projects and over 6,500 residential units. Previously, Devang was the principle of Marketcents Inc. an independent project management firm, serving as an owner's representative to institutional investment firms, builders and developers focused on urban residential throughout the U.S. Prior to that, he worked was Vice-President at RCLCo, LLC, a national independent real estate consulting firm. Devang holds a B.A in Finance from University of Southern California.

Jennifer Halvas
Senior Vice President of Operations & Associate General Counsel

Jennifer Halvas oversees firm operations and is responsible for identifying best practices and implementing policies and procedures across all departments. Jennifer also manages the legal aspects of project-related matters, including acquisition, development, management and disposition. She was previously at O'Melveny & Myers LLP, where she represented a variety of clients in real estate, project development and finance transactions. Jennifer holds a B.A. with honors from the University of Southern California and a JD from Vanderbilt Law School.

Rob Lester
Managing Director, Business Development & Investor Relations

Rob Lester is responsible for business development and capital formation efforts for the Firm's investment platforms, developing strategic growth initiatives, and creating long-term relationships with investors and partners. He has nearly 25 years of investment banking and private capital formation experience. Prior to joining Cityview, he was Managing Director with Macquarie Capital, and a Managing Principal with Blackstone.

Cityview Team Bios (continued)

Cityview

Matthew Falley
General Counsel &
Chief Compliance Officer

Matt Falley oversees and directs the company's legal affairs and is the firm's Chief Compliance Officer. Matt was previously a partner at Greenberg Glusker Fields Claman & Machtinger LLP, where he represented numerous clients in the real estate industry, including Cityview. Matt holds a B.A. from the University of California, Santa Barbara and a JD from the University of California, Berkeley School of Law (Boalt Hall), where he was a member of "California Law Review" and Order of the Coif.

Melissa B. Delgado
Vice President of
Asset Management

Melissa Delgado is responsible for overseeing Cityview's asset management and portfolio operations. Prior to joining Cityview, Melissa was a Senior Director at TruAmerica Multifamily LLC where she was responsible for achieving the investment objectives of an $800 million portfolio. Earlier in her career, Melissa was an asset manager for Kennedy Wilson's Southern California portfolio. Prior to that, she was a Vice President and Head of Marketing at Kepler Capital Markets, an investment bank in New York. Melissa holds a B.S. in real estate development from the University of Southern California.

Adam Perry
Vice President of
Development

Adam Perry oversees all aspects of the commercial real estate development process from acquisition due diligence and entitlement processing through design budgeting, contracting, construction management, closeout and turnover. Prior to joining Cityview, Adam worked at CIM group as an Associate Vice President of Development overseeing ground up retail, office and mixed-use developments. Adam holds a B.S. Degree in Political Science and History from UCLA and a Masters of Business Administration from the Anderson School of Management at UCLA.

Chase Ballard
Vice President of
Construction Management

Chase Ballard is Vice President of Construction Management at Cityview. As Vice President, he is responsible for overseeing the Construction Management team and their daily operations. Chase and his team are involved in every stage of our value-add renovation opportunities, from pre-acquisition through project completion, executing projects that include interior renovations, common area improvements and deferred maintenance. Chase has been in project management since 2003, and specifically in the multifamily real estate business since 2012. Prior to joining Cityview, Chase was a Director of Capital Projects with Greystar Real Estate Partners where he oversaw a diverse portfolio of 8,800 units in 4 states, with nearly $200 million in capital budgets.

Shane Robinson
Vice President of
Property Management

Shane Robinson is Vice President of Property Management at Cityview, responsible for overseeing the Property Management team and their daily operations. Shane has over 20 years of experience overseeing multifamily properties. Previously, Shane was the Regional Vice President for Sunrise Management, where he was responsible for overseeing the expansion and management for the entire Los Angeles portfolio. Prior to that he was Regional Portfolio Manager for GHP Management, Robinson directed day-to-day operations while maximizing occupancy rates and profit for nine communities comprised of 3,930 units. Mr. Robinson holds his CA Real Estate Licenses.

Con Howe
Managing Director

Con Howe leads Cityview's partnerships to finance, assemble and entitle land for development in the greater Los Angeles area. With over 40 years of experience in planning, entitlements and development, he assists all Cityview funds with acquisitions and development strategies. Prior to coming to Cityview he was the Director of Planning for the City of Los Angeles for 13 years, responsible for the Adaptive Reuse Ordinance and zoning to encourage infill housing. Previously he was the Executive Director of the New York City Planning Department. Con holds degrees from MIT and Yale University and for 6 years has taught a graduate course in planning and development at USC. Active in the Urban Land Institute, he serves on the board of the ULI Rose Center for Public Leadership in Land Use.

Chris Brown
Director, Capital Raising and
Investor Relations

Chris Brown is responsible for Capital Raising and Investor Relations at Cityview. Chris has over eight years of real estate investment and capital raising experience. Prior to joining Cityview, he was a member of the Fund Advisory team at JLL working on equity capital raises for private real estate investment vehicles. Prior to JLL, Chris worked on the Portfolio Management team at Clarion Partners and the Asset Management team at LaSalle Investment Management. Chris graduated from Florida State University with a Bachelor's Degrees in Finance and Real Estate. He is a general securities representative.

Appendix C: Additional Information

Cityview's Existing ESG Initiatives

Cityview

E — Environmental

- Cityview is a proud member of GRESB
- All Cityview developed projects are either LEED certified or LEED equivalent
- Obtained LEED platinum on one of the largest completed modular housing developments
- Developed the first LEED certified student housing project at USC
- Dedicated to including renewable energy and reduced water consumption systems in all developed projects
- Used low VOC paints and finished materials in development and on-turn
- Installed EV charging stations throughout the portfolio
- Became a Fitwel Champion and committed to ensuring our buildings are healthy
- Adopted green cleaning and air quality policies

S — Social

- Beautified neighborhoods by incorporating open spaces and art in the design of our buildings
- Hosted community events centered on local charities and conservation efforts
- Equal opportunity employer
- Built out a corporate HQ that includes spaces to collaborate and de-stress, and ergonomic desks for health and well-being
- Organized employee charitable events such as holiday gift buying for a local charity and a fundraising stair climb
- Incorporated 360 Reviews and other independent reviews
- Rolled out Cityview Core Values to guide our work and create a shared language for the team
- Monitored resident satisfaction though third-party surveys
- Retained HBS professor to conduct manager level and firm-wide leadership training

G — Governance

- Formally developed an ESG Policy
- Established an ESG Task Force which includes representation across departments to work on ESG related objectives for the firm
- Implemented compliance manual consistent with best-in-class, SEC approved policies
- Hired a third-party consultant to oversee our compliance program
- Conducted new hire and annual employee compliance training
- Quarterly and annual reporting consistent with our valuation policy and annual audits performed by independent and reputable auditors
- Deployed a diversity questionnaire to property management companies

Cityview's 2021 ESG Initiatives

Cityview

- **Acquisitions climate risk assessments tool:** an internal tool for the investments team to assess climate risks, greenhouse gas (GHG) emissions and associated risks and opportunities relating to the transition to a low carbon economy when evaluating investments.

- **Sustainable operations checklist and tool:** an internal sustainable operations checklist that will include best practice recommendations for ESG topics such as utility and waste management, efficiency measures, tenant engagement, green cleaning, etc. to be used by property management and asset management which will be also helpful during benchmarking exercises and to share with investors and other stakeholders.

- **Sustainable development policy and policy implementation checklist:** to formalize our approach to sustainability within our development process by capturing best practices in the form of an internal checklist used for development projects, which will be also helpful during benchmarking exercises and to share with investors and other stakeholders.

- **Property sustainability scorecards:** will consist of two separate scorecards. 1) Internal scorecards which includes sustainability performance metrics in comparison to benchmarks; more technical; intended to be shared internally within asset management to communicate and improve performance. 2) External scorecards – Includes sustainability performance metrics that are commonly communicated to the public, investors and tenants; less technical; intended to be presented at the property or on the property website.

Cityview's Approach to COVID-19

Cityview

Getting Ahead of the Curve

- In March 2020, Cityview established an internal COVID-19 task force to ensure project stability and health and safety
- Cityview engaged an infectious disease expert to regularly advise on the latest best practices
- We appointed a senior staff member as a dedicated COVID-19 liaison to assist tenants experiencing financial hardship

Resident & Employee Safety

- Emphasis was placed on resident and employee safety
- Extra precautions were immediately put into place at each property to protect both our staff and residents

Tenant Outreach

- We reached out to each of the +5,000 residents with updated COVID-19 related protocols, offered additional payment options and encouraged open communications
- Maintained resident engagement through regular virtual events, and virtual fitness and wellness activities

Move to Virtual Leasing

- Cityview invested heavily in virtual leasing prior to the downturn, putting us at an advantage to our competitors in the market
- Haven, an asset located in Culver City which delivered in February 2020 was leased up 100% virtually, reaching stabilization in Q1 2021

Proven Results

- Cityview's class A portfolio has on average been over 95% collected since the start of the pandemic
- Gross leases achieved in Q4 2020 outpaced the Q4 2019 leasing activity by 108%[1]
- Cost savings of ~5% has been achieved on development projects

Looking forward

- In the longer term, we believe that demand for multifamily will remain robust given supply/demand imbalances in major metro areas
- Continued disruption should lead to attractive buying opportunities

[1] Please refer to the endnotes on page 36.

FOR QUALIFIED PURCHASERS ONLY

Each potential investor should carefully consider the risks of the product. Detailed information on risk can be found in the offering memorandum. A non-exclusive list of relevant risk factors includes:

An investment should only be made by those persons who could sustain a loss on their investment and is only suitable for professional investors. The investor is required to contribute capital to the product as and when requested and any default may trigger substantial penalties. Prior distributions to the investor can be recalled. Private Equity Funds are speculative, may involve additional risks including higher levels of borrowing, limited transferability of investments and not the same degree of investor protection or information to investors as would generally apply in major securities markets.

Alternative investments (e.g. private equity investments) are complex instruments and may carry a very high degree of risk. Such risks include, among other things: (i) loss of all or a substantial portion of the investment due to the extensive use of debt capital, (ii) incentives to make investments that are riskier or more speculative due to performance based compensation, (iii) lack of liquidity as there may be no secondary market for private equity interests and none is expected to develop, (iv) volatility of returns, (v) restrictions on transfer, (vi) potential lack of diversification and resulting higher risk due to concentration, (vii) higher fees and expenses associated that may offset profits, (viii) complex tax structures and delays in distributing important tax information and (ix) fewer regulatory requirements than registered funds. Private equity investments are intended only for investors who understand and accept the associated risks.

This product may further include investments resulting in the following risks: Lack of operating history: Although Sponsor Affiliates and their investment professionals have experience in sourcing, acquiring and managing real estate investments, each of the Fund, the Sponsor and the General Partner is a newly-formed entity with no operating history upon which a prospective investor can evaluate the likely performance of the Fund. Limited Net Worth of the General Partner: The General Partner is a newly-formed limited liability company and, except for its interest in the Fund, has, and is expected to continue to have, only a nominal net worth. Expedited Investment Decisions: Investment analyses and decisions by the General Partner and the Investment Manager may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. Multi-Location Investment Strategy: The Fund’s current strategy is to acquire assets in multiple geographic regions across the U.S., which will expose the Fund to the market conditions affecting each geographic market. Investing in Real Estate: Investments in real estate and real estate-related entities are subject to various risks, including, for example, adverse changes in national and international economic and geopolitical conditions, local market conditions and the financial conditions of tenants; changes in the number of buyers and sellers of properties; increases in the availability of supply of property relative to demand; changes in availability of financing; increases in interest rates, among other risks. Risks Associated with Multifamily Residential Real Estate: The performance of multifamily residential investments is subject to many of the risks associated with owning and operating other types of real estate. In addition, competition in the residential real estate marketplace is strong. There are numerous housing alternatives that compete with multifamily properties in attracting residents. Conflicting Tax Objectives of Investors; Complex Tax Considerations: The General Partner shall determine the structures through which the Fund shall make its investments and may take into account the tax considerations applicable to one or more groups of investors. This may result in the Fund structuring investments in a manner that is intended to be beneficial for one or more groups of investors, but that may result in additional costs to the Fund or that may not be the optimal structure from the perspective of other investors with divergent tax interests

Endnotes

Page 5
1. 4,156 of the total units are within the six discretionary funds included in the Track Record in this presentation. 1,812 of the units are from two non-discretionary joint ventures not included in the Track Record.
2. Based on recent AMI data. Workforce housing as defined as being affordable to households earning 50%-200% of median household income of the applicable markets.
3. Data provided by Cambridge Associates as of Q1 2020. Cityview Los Angeles Urban Fund I was benchmarked against all 2007 vintage value-add and opportunistic funds, ranking 18th out of 107 funds.

Page 7
1. Cityview Management Services is a certified minority owned business with the National Minority Supplier Development Council.
2. Includes employees of Cityview and our affiliated property management company, Westhome.
3. Number includes certified MWDB firms as well as firms that are not certified as an MWDB firm, but more than 50% of services are performed by minority workers.

Page 8
1. Property management is handled by Westhome, a Cityview affiliate. Westhome did not provide property management services on the projects included in the track record within this presentation.

Page 9
1. Number includes two full-time consultants
2. Jennifer Halvas (SVP of Operations) also serves as an Associate General Counsel

Page 13
1. The identified representative investments are from prior Cityview sponsored investment vehicles and will not be part of CVREP VII.

Page 16
1. Complete track record break out shown in the Track Record Supplement

Page 23
1. NCREIF (As of December 31, 2020)
2. CoStar (As of December 31, 2020)

Page 24
1. Reis, Inc. (Target Market data includes Los Angeles/Orange County, San Jose, San Francisco/Oakland, Portland, Seattle, San Diego, Denver/Boulder, Austin, Dallas, Phoenix and Salt Lake City)

Page 25
1. Lowest point is defined as each respective property type's lowest occupancy rate during the GFC
2. Data from CoStar

Page 26
1. U.S. Census Bureau (Household Formation - As of November 2019; Permit Issuance – As of December 31, 2020)

Page 27
1. Reis, Inc. (Target Market data includes Los Angeles/Orange County, San Jose, San Francisco/Oakland, Portland, Seattle, San Diego, Denver/Boulder, Austin, Dallas, Phoenix and Salt Lake City)

Page 34
1. Based on gross leases achieved at conventional assets in Cityview's core portfolio.

Endnotes to Strategy Performance

Cityview

The six prior funds (the “Prior Funds”) that are the subject of the Cityview track record set forth herein (the “Track Record”) were sponsored by one or more different entities. Three of the principals of the Sponsor of the proposed CVREP VII, who hold collectively a 95% voting interest, are (or were) also principals of the Sponsor of the six Prior Funds and collectively hold (or held) at least a 75% voting interest in each such sponsor. The Investment Committee of the proposed CVREP VII is expected to consist of at least five individuals. A combination of these five individuals served on and controlled the investment committees of each Prior Fund except Southwest Multifamily Partners, LP (“SWMP”): (i) Cityview LA Urban Fund I (“CVLA”), four of six; (ii) Cityview Bay Area Fund I (“CVBA I”), four of six; (iii) Cityview Bay Area Fund II (“CVBA II”), four of six; (iv) Southern California Fund II (“CVSC II”), four of six; and (v) CityView Western Fund I, LP (CVWF I”), four of five.

SWMP has a five-person investment committee (there was a sixth member until 2014). One of the principals of the Sponsor, who will also be an Investment Committee member of CVREP VII, sits on the SWMP investment committee, as well as two other Cityview affiliated individuals who are not involved with the Sponsor and are not on the Investment Committee of the Fund. The general partner of SWMP, that Cityview controls, is entitled to nominate a fourth member to the SWMP investment committee, but that seat is currently vacant. SWMP has a sub-advisor, which is an affiliate of Lincoln Property Company. Representatives of such sub-advisor occupy the remaining two investment committee seats. This presentation includes the returns for SWMP because Cityview believes that there is sufficient overlap in the personnel involved in SWMP and the Fund and because Cityview believes that SWMP’s investments are representative of the value-add investments and some of the geographic locations targeted by the Fund. Cityview does not believe that the inclusion of SWMP has a material effect on Cityview's track record. However, Cityview will provide track-record information that excludes SWMP upon request.

All of the Executive and Senior Operations teams were and are involved in one or more of the Prior Funds. Cityview expects to focus CVREP VII on multifamily rental real estate opportunities rather than investments in for-sale residential real estate opportunities. The performance information contained in this presentation is the track record for six recent Cityview discretionary funds, which, in the case of CVBA I, CVBA II, CVSC II, SWMP and CVWF I, are exclusively invested in multifamily rental projects, while CVLA was primarily invested in sixteen multifamily rental projects but included six for-sale investments. As noted previously, CVLA was, and SWMP is, a commingled multifamily discretionary fund, while CVBA I, CVBA II, CVSC II and CVWF I are funds of one.

Since its inception, Cityview has also managed certain discretionary for-sale separate accounts (i.e., Pacific CityHome LLC (“CVW”) Tranche I, launched in August 2003; CVW Tranche II, launched in February 2006), certain non-discretionary, for sale, separate accounts (i.e., CVW Tranche II, which became non-discretionary in February 2009; Cityview America Fund I, LLC (“CVA”), launched October 2005, which became non-discretionary in February 2009), and certain non-discretionary multifamily joint ventures (i.e., White Rock Lake, launched in July 2011; 3093 Broadway, launched in July 2014, and LARI Holdings LP, launched in August 2018), a non-discretionary office joint venture (Bay Street, launched in October 2015), and a non-discretionary entitlement joint venture (Adams/Beverly JV I, launched in 2016). Because these separate accounts and joint ventures involve a different product type than the intended focus of the Fund, or were not discretionary, Cityview has not included the track record for these separate accounts or joint ventures in this presentation. However, Cityview will provide such information upon request.

The Prior Funds each used a subscription secured credit facility and obtained short term loans in connection with their investments. Because borrowings are not repaid until investor capital is called, the use of the borrowings deferred the deployment investor capital and the accrual of any preferred return on such capital and may have increased IRRs. The Net Profit, IRR (Gross and Net), and Peak Equity Multiple (Gross and Net) numbers that are referenced below are presented on a leveraged basis. Although the use of leverage may increase returns to a fund, it also may increase risk.

All IRR figures were calculated utilizing the IRR calculation function contained in Microsoft Excel software.

All estimates through Business Plan were are based on the most current Business Plan for each unrealized asset in each Prior Fund, and are based on certain assumptions which may include, depending on the specific project: (1) project costs; (2) project sources and uses; (3) project schedule; (4) projected rents and rent growth; (5) projected Net Operating Income; and (6) projected exit capitalization rates and sales price.

There can be no assurance that actual performance of any particular investment or any Prior Fund will be consistent with the estimates shown. In addition, projected performance returns are not based on historical facts, and should not be read as guarantees of future performance or results and actual performance returns may differ materially. Estimated returns are subject to risks and uncertainties and it is likely that some of the assumptions made in connection with calculating the projected returns will not prove to be accurate.

Endnotes to Strategy Performance

Cityview

1. "Peak Equity" represents the maximum contributions through the track record date, plus with respect to any unrealized investments, pro forma estimates of peak cash contributions to be invested over the term of the investment in accordance with each such unrealized investment's business plan. This number is net of all investment-related expenses, investment vehicle level management fees, fund level costs, but before carried interest or similar fees, which, in the aggregate may be substantial and which, if applicable, reduced or will reduce returns realized by investors.

2. "Profit" represents the excess distributions to the applicable fund above all capital contributions for each asset, through the track record date, plus with respect to any unrealized investments, pro forma estimates of excess distributions to the applicable fund above all capital contributions for each asset to be generated over the term of the investment in accordance with each such unrealized investment's business plan. Project Gross, Fund Gross, Net, and Fund Net Profit, which respectively correspond to levels 1a, 2, 3, and 4 of the NCREIF PREA proposed reporting standards are described in items I, II, III, and IV below.

   I. "Project Gross Profit" is presented net of all investment-related expenses, but before deductions for fund level costs and expenses, fund level management fees, and carried interest or similar fees, which in the aggregate were or may be substantial and which reduced or will reduce returns realized by investors.

   II. "Fund Gross Profit" is presented net of all investment-related expenses and fund level costs and expenses, but before deductions for fund level management fees and carried interest or similar fees, which in the aggregate were or may be substantial and which reduced or will reduce returns realized by investors.

   III. "Net Profit" is presented net of all investment-related expenses, fund level costs and expenses, and fund level management fees, but before deductions for carried interest or similar fees, which in the aggregate were or may be substantial and which reduced or will reduce returns realized by investors.

   IV. "Fund Net Profit" is presented net of all investment-related expenses, fund level costs and expenses, fund level management fees, and carried interest or similar fees, which in the aggregate were or may be substantial and which reduced or will reduce returns realized by investors.

3. "IRR – Business Plan" represents the internal rate of return on actual and estimated monthly cash flows for each group of investments (i.e., realized acquisition, realized development, unrealized acquisition and unrealized development) through the latest actual or estimated disposition date for the investments within such group. The returns for realized investments are based on Realized Proceeds. The returns for unrealized investments are based on Realized Proceeds and Projected Unrealized Proceeds. Project Gross, Fund Gross, and Fund Net IRRs, which respectively correspond to levels 1a, 2, and 4 of the NCREIF PREA proposed reporting standards are described in items I, II, III and IV below.

   "IRR – Fair Market Value" represents the internal rate of return on actual monthly cash flows and a hypothetical liquidation of the entire fund as of the track record date. The returns for unrealized performance are based on the estimated disposition value of each asset as of the stated date, which are determined using Cityview's Valuation Policy. Under that policy all assets where construction is more than 50% complete are valued on a fair value basis using a third-party appraisal at least annually, while those that are below 50% complete are reviewed to ensure that the project cost basis approximates its fair value. The hypothetical liquidation values are based on Cityview's Valuation Policy, as detailed in footnotes #10 and #11. Project Gross, Fund Gross, Fund Net of Fees, and Fund Net IRRs, which respectively correspond to levels 1a, 2, 3, and 4 of the NCREIF PREA proposed reporting standards are described in items I, II, III and IV below.

   I. "Project Gross IRR" is presented net of all investment-related expenses, but before deductions for fund level costs and expenses, fund level management fees, and carried interest or similar fees, which in the aggregate were or may be substantial and which reduced or will reduce returns realized by investors.

   II. "Fund Gross IRR" is presented net of all investment-related expenses and fund level costs and expenses, but before deductions for fund level management fees and carried interest or similar fees, which in the aggregate were or may be substantial and which reduced or will reduce returns realized by investors.

   III. "Fund Net of Fees IRR" is presented net of all investment-related expenses, fund level costs and expenses, and fund level management fees, but before deductions for carried interest or similar fees, which in the aggregate were or may be substantial and which reduced or will reduce returns realized by investors.

   IV. "Fund Net IRR" is presented net of all investment-related expenses, fund level costs and expenses, fund level management fees, and carried interest or similar fees, which in the aggregate were or may be substantial and which reduced or will reduce returns realized by investors.

Endnotes to Strategy Performance

Cityview

4. “Equity Multiple – Business Plan” represents the excess distributions to the applicable fund above all capital contributions for each asset, through the track record date, plus with respect to any unrealized investments, pro forma estimates of excess distributions to such fund above all capital contributions for each asset to be generated over the term of the investment in accordance with each such unrealized investment’s business plan. Project Gross, Fund Gross, Fund Net of Fees, and Fund Net Equity Multiples, which respectively correspond to levels 1a, 2, 3, and 4 of the NCREIF PREA proposed reporting standards are described in items I, II, III, and IV below.

   “Equity Multiple – Fair Market Value” represents the excess distributions to the applicable fund above all capital contributions for each asset, through the track record date, plus with respect to any unrealized investments, a hypothetical liquidation of the entire fund as of the track record date. Project Gross, Fund Gross, and Fund Net Equity Multiples, which respectively correspond to levels 1a, 2, and 4 of the NCREIF PREA proposed reporting standards are described in items I, II, and III below.

   I. “Project Gross Equity Multiple” is presented net of all investment-related expenses, but before deductions for fund level costs and expenses, fund level management fees, and carried interest or similar fees, which in the aggregate were or may be substantial and which reduced or will reduce returns realized by investors.

   II. “Fund Gross Equity Multiple” is presented net of all investment-related expenses and fund level costs and expenses, but before deductions for fund level management fees and carried interest or similar fees, which in the aggregate were or may be substantial and which reduced or will reduce returns realized by investors.

   III. “Fund Net of Fees Equity Multiple” is presented net of all investment-related expenses, fund level costs and expenses, and fund level management fees, but before deductions for carried interest or similar fees, which in the aggregate were or may be substantial and which reduced or will reduce returns realized by investors.

   IV. “Fund Net Equity Multiple” is presented net of all investment-related expenses, fund level costs and expenses, fund level management fees, and carried interest or similar fees, which in the aggregate were or may be substantial and which reduced or will reduce returns realized by investors.

5. An asset is considered “Realized” when it has been sold, closed and the net proceeds are distributed to the Fund. An asset is considered “Stabilized” if the property has an occupancy rate of 90% or higher. An asset is considered in “Lease Up” if the Certificate of Occupancy has been received and the property is being actively marketed to prospective tenants. An asset is considered “Under Development” if the project is under construction, pre-leasing, and pre-revenue.

6. CVWF I fund level returns at all levels exclude 1800 Beverly and Pico, which are currently held at cost, but include the full burden of fund level costs and management fees. Complete track record break out shown in the Track Record Supplement.

7. CVWF I invested in a fifth project (UVillage) with an option on a ground lease and exercised a right to be redeemed out of that venture for its capital and a preferred return prior to that venture closing on the ground lease. Although UVillage cash flow is part of the overall CVWF I track record, UVillage is not included as an asset in CVWF I for purposes of counting realized and unrealized assets.

SHAWN T. WOODEN
TREASURER

State of Connecticut
Office of the Treasurer

DARRELL V. HILL
DEPUTY TREASURER

October 7, 2021

Members of the Investment Advisory Council

Re: Crescent CRPTF Credit Partnership

Dear Fellow IAC Member:

At the October 13, 2021 meeting of the Investment Advisory Council, I will present for your consideration an investment opportunity for the Private Credit Fund ("PCF") of the Connecticut Retirement Plans and Trust Funds: Crescent CRPTF Credit Partnership (the "Partnership"). The Partnership will provide the CRPTF with increased exposure to senior and junior direct lending strategies as well as transitional exposure to more liquid credit strategies while the PCF's core portfolio is established. The Partnership will be managed by Crescent Capital Group ("Crescent"), a leading investment management firm with a primary focus on below investment grade corporate credit.

The Partnership will be comprised of Crescent CRPTF Private Credit L.P. ("Crescent Private Credit") and Crescent CRPTF Multi-Strat L.P. ("Multi-Strat"). Crescent Private Credit will be a customized, separately managed account that will invest in directly originated, senior and junior private credit loans made to middle market companies. Multi-Strat will also be a customized, separately managed account that will invest in tradeable senior and junior credits, including narrowly syndicated credit, high yield, and bank loans. Multi-Strat will serve as a transitional portfolio to allow the PCF to become more fully invested in liquid credit opportunities while the Crescent Private Credit portfolio is constructed. I am considering commitments of $300 million to both Crescent Private Credit and Multi-Strat.

Attached for your review is the recommendation from Ted Wright, Chief Investment Officer, and the due diligence reviews prepared by Hamilton Lane and 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:	**Ted Wright, 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:	**September 29, 2021**
SUBJECT:	**Crescent CRPTF Credit Partnership – Final Due Diligence**

Summary

The purpose of this memorandum is to recommend that the Connecticut Retirement Plans and Trust Funds (the "CRPTF") consider commitments of up to (i) $300 million to Crescent CRPTF Private Credit L.P. ("Crescent Private Credit") and (ii) $300 million to Crescent CRPTF Multi-Strat L.P. ("Multi-Strat"). Crescent Private Credit will focus on the direct origination of senior and junior loans to middle market companies primarily based in North America. Multi-Strat will invest in more liquid credit markets, such as narrowly syndicated credits, high yield, and bank loans. Multi-Strat will serve as a transitional portfolio to provide the Private Credit Fund ("PCF") with near-term exposure to tradeable credits that approximate the private credit investments that will eventually populate the Crescent Private Credit portfolio. As Crescent Private Credit is invested over its initial three-year commitment period, the Multi-Strat portfolio can be liquidated to fund Crescent Private Credit's capital calls.

The funds will be structured as customized, separately managed accounts ("SMA") that will be managed by affiliates of Crescent Capital Group LP ("Crescent" or the "Firm"). Crescent is a credit investment management firm with a primary focus on below investment grade corporate credit. The Firm is headquartered in Los Angeles, CA and currently has more than $34 billion of assets under management.

Strategic Allocation within the Private Credit Fund

The funds in the Crescent CRPTF Credit Partnership (the "Partnership") would be categorized as senior and mezzanine credit strategies identified for the PCF. The Crescent Private Credit vehicle will have targeted exposures of two-thirds to senior credit and one-third to mezzanine, or junior, credit. The Multi-Strat portfolio will be able to invest more dynamically across senior and junior credits depending on market conditions and relative return opportunities. As of June 30, 2021, the PCF's estimated total exposure to senior and mezzanine credit strategies was 39% and 6%, respectively, while the PCF's strategic pacing plan currently targets long-term exposures of 40% to 50% in senior debt and 10% to 20% to junior debt.

The recommended Partnership is consistent with several PCF strategic pacing plan objectives, including commitments through strategic partnerships that provide access to multiple private credit strategies through customized investment vehicles managed by well-established platforms. The Crescent Private Credit SMA will be structured as an evergreen vehicle, which will provide the CRPTF with the option of maintaining direct senior and junior private credit exposure beyond the vehicle's initial three-year commitment period, thereby avoiding the re-up cycle of traditional commingled funds. The recommended Multi-Strat commitment is initially intended to serve as a transitional portfolio while the Crescent Private Credit allocation is invested; however, Multi-Strat will also be structured to provide the CRPTF with flexibility to extend the vehicle's investment horizon if wanted. The Partnership allows the CRPTF to scale commitments efficiently through one manager relationship with the added benefit of increased customization and transparency as well as a more attractive fee structure when compared to making several distinct commingled fund commitments.

Pension Funds Management ("PFM") investment professionals believe the CRPTF's private credit portfolio will benefit from the breadth and depth of Crescent's alternative credit management platform, which has been focused on below investment grade credit for nearly 30 years. The recommended Partnership would expand on the CRPTF's existing relationship with Crescent, which has generated attractive returns on the CRPTF's commitment to Crescent's 2017 vintage year, senior direct lending fund as summarized below.

(US$ in millions, as of June 30, 2021)

	Vintage		Connecticut	Unfunded		Net		
Fund	**Year**	**Status**	**Commitment**	**Commitment**	**NAV**	IRR	TVM	DPI
Crescent Direct Lending Levered Fund II	2017	Harvesting	$75	$28	$46	9.3%	1.17x	0.55x

Source: Connecticut returns from Burgiss Private i.

Firm and Management Team

Crescent has been focused on below investment grade credit investing since its predecessor, Crescent Capital Corporation, was founded in 1991 by Jean-Marc Chapus and Mark L. Attanasio (the "Founders"). In 1995, Crescent joined Trust Company of the West ("TCW") and was rebranded as the TCW Leveraged Finance Group. During 2010, the Founders elected to spin out of TCW and formed Crescent as an independent, employee-owned, registered investment advisory firm on January 1, 2011.

On January 5, 2021, Sun Life Financial acquired a 51% economic and voting interest in Crescent, which became part of the Sun Life Capital Management ("SLC Management") platform, a global investment management company with more than $200 billion of assets under management across real estate, infrastructure, and fixed income strategies. Sun Life is a publicly owned, financial services company headquartered in Toronto, Canada with operations in Canada, the United States, the United Kingdom, Ireland, Hong Kong, the Philippines, Japan, Indonesia, India, China, Australia, Singapore, Vietnam, Malaysia, and Bermuda.

While Crescent has joined the SLC Management platform, Crescent's senior leadership and investment teams have retained complete independence of its investment processes, day-to-day operations, locations, and brand. The Founders continue to serve as Crescent's Managing Partners and lead the Firm through a Management Committee comprised of senior members of Crescent's investment management, investor relations, legal, and operations professionals. Crescent has more than $34 billion of assets under management across various private and public credit strategies. The Firm's more than 180 employees are located across its headquarters in Los Angeles as well as additional offices in New York, Boston, and London.

Crescent CRPTF Private Credit L.P.

Management Team

Crescent CRPTF Private Credit will managed by the same Crescent Direct Lending and Crescent Credit Solutions teams that are responsible for managing the Firm's middle market, direct senior and junior lending strategies, respectively.

Crescent Direct Lending – The Crescent Direct Lending ("CDL") strategy and team focus on directly originated senior secured loans made to lower middle market, U.S.-based companies owned by private equity sponsors. CDL is led by John Bowman and Scott Carpenter, who co-founded CDL's predecessor, HighPoint Capital, in 2005. HighPoint focused on directly originated senior credit investments in lower middle market, private equity sponsored companies. Bowman, Carpenter, and other senior members of HighPoint joined Crescent in 2012 to establish its senior direct lending business. CDL's seven Managing Directors have an average of 25 years of investment experience and have worked together at Crescent or HighPoint for more than 13 years on average. The CDL senior investment team is supported by five Vice Presidents, three Associates, and four Analysts that are dedicated to the CDL strategy. The CDL team has invested more than $7 billion in over 180 portfolio companies across the Highpoint and Crescent platforms. The CDL professionals are based in the Firm's Boston office.

The CDL investment committee is comprised of Crescent's Founders as well as Bowman and Carpenter. All investment decisions require the unanimous approval of the investment committee members.

Crescent Credit Solutions - The Crescent Credit Solutions ("Solutions") strategy and team focus on the direct origination of privately negotiated, junior debt and unitranche credit investments in middle market companies. The Solutions group primarily invests in private equity sponsored companies based in the U.S. and Canada, with select investments made in international developed markets. Solutions' investments are typically structured as junior or unitranche debt and may include preferred stock and some form of equity participation.

The Solutions team is led by ten highly experienced Managing Directors, including Christopher Wright, who is Crescent's Head of Private Markets and a member of Crescent's Management Committee. The Managing Directors leading the Solutions platform have an average tenure of more than 18 years at Crescent. In addition, the dedicated Solutions investment team currently includes three Senior Vice Presidents, three Vice Presidents, two Senior Associates, and six Associates. The Crescent Solutions team has invested over $17 billion in more than 230 junior and unitranche debt transactions since 1992. The Solutions investment professionals are based in the Firm's offices in Los Angeles, New York, and London.

The Solutions investment committee is comprised of Crescent's Founders, Wright, and other Managing Directors on the Solutions team. All investment decisions require the unanimous approval of the investment committee members.

Investment Strategy and Market Opportunity

Crescent CRPTF Private Credit will generally invest alongside Crescent's commingled funds and other investment vehicles targeting directly originated, middle market senior and junior credit investments. Currently, Crescent is investing Crescent Direct Lending Fund III LP ("CDL III"), which focuses on senior credit, and Crescent Credit Solutions VIII, L.P. ("Solutions VIII"), which focuses on junior credit. As of the date herein, Crescent had raised more than $2.5 billion of equity commitments for CDL III and more than half of the $4 billion of the targeted equity commitments for Solutions VIII.

The $300 million Crescent Private Credit SMA will target exposures of two-thirds in senior credits originated by the CDL team and one-third in junior credit opportunities originated by the Solutions team. Each sleeve of the Crescent Private Credit vehicle will be primarily focused on directly originated investments but will have the flexibility to invest in secondary transactions to take advantage of attractive opportunities that may be created by market dislocations.

<u>CDL Strategy</u> – The CDL strategy is focused on senior loans made to private equity sponsored, lower middle market U.S.-based companies. Within the lower middle market, CDL generally targets companies generating between $5 million and $35 million of EBITDA, although it will selectively pursue transactions with upper mid-market companies. Crescent anticipates executing 20 to 30 transactions annually, with the Crescent Private Credit vehicle having exposure to 50 to 70 senior credits when fully committed.

The CDL strategy targets investments of between $25 million and $100 million per transaction, with the investments allocated across CDL III and other Crescent managed vehicles such as Crescent Private Credit. Investments will generally consist of senior secured loans, primarily first lien and unitranche loans. Unitranche debt is a hybrid loan structure, which combines senior and subordinated debt into one financing package. Unitranche loans are secured loans, with repayment priorities and seniority established for the lenders in the tranches comprising the unitranche facility. Unitranche loans may allow the borrower to access more leverage than a traditional first lien loan and, therefore, typically provide a higher yield than a first lien loan. Crescent expects the senior loans in the Crescent Private Credit vehicle to be weighted 65% or more to first lien loans with the balance in unitranche. Whether through a first lien or unitranche instrument, Crescent's senior loans are typically secured by all assets of the borrower with total loan to value ranging from 30% to 60%.

The CDL strategy is focused on generating returns through current income while preserving capital. The primary source of current income is the floating interest rates that CDL charges borrowers, which are generally set as a spread over a market benchmark such as LIBOR. Currently, Crescent anticipates interest rate spreads of 4% to 8% over LIBOR for senior loans and 5% to 10% over LIBOR for unitranche loans. Returns from interest rates are enhanced through origination, amendment, and prepayment fees. Crescent offers investors the option of investing in levered or unlevered CDL vehicles. Consistent with historical practices, the CDL III levered sleeve is expected to use 1:1 leverage. The Crescent Private Credit vehicle's senior credit investments will be levered consistent with the CDL III levered sleeve. As a result, the net return expectations for the senior credit investments in the Crescent Private Credit vehicle are expected to be in the 8% to 10% range, which is consistent with CDL's historical return profile for its levered senior loan vehicles.

Solutions Strategy - The Solutions strategy is focused on making privately negotiated junior debt and unitranche loans to middle market companies, which typically are generating between $35 million and $150 million of EBITDA. Solutions primarily targets middle market companies based in North America with companies in select developed international markets representing 10% to 15% of prior Solutions portfolios. Crescent expects to create a well-diversified portfolio of 40 to 50 investments in Solutions VIII, with the expectation that the Crescent Private Credit vehicle will have exposure to a similar number of junior credits when fully committed.

The Solutions strategy targets investments of between $75 million and $200 million per transaction, with the investments allocated across Solutions VIII and other Crescent managed vehicles such as Crescent Private Credit. Solutions investments opportunities generally include junior and unitranche debt, which may also include some form of equity participation. Solutions' junior debt investments may be structured as second or other junior lien debt, unsecured debt, or preferred stock. The Solutions team has been originating more unitranche financings over the last several years, which allows Crescent to offer private equity sponsors a comprehensive financing solution while improving the risk profile of the Solutions portfolios through enhanced security interests and control of a borrower's debt capital structure. As of March 31, 2021, the Crescent Credit Solutions VII portfolio was comprised of 29% unitranche debt, 58% second lien debt, 3% unsecured debt, and 10% equity participation with a median loan to value of less than 50%.

The Solutions strategy seeks to generate returns through a combination of current income and capital appreciation underpinned with a focus on capital preservation. Similar to the CDL strategy, Solutions' primary source of current income is the floating interest rate charged to borrowers along with origination and various other fees. Crescent use 1:1 leverage to enhance the return on any of Solutions' unitranche and other first lien debt investments but does not use leverage on junior debt investments. Crescent Private Credit's investments alongside the Solutions commingled fund will utilize leverage consistent with Solutions' practices. The Solutions investment strategy targets gross yields of 12% to 14% for unitranche investments utilizing leverage and 11% to 14% for unlevered junior debt investments. Combined with limited equity participations, the net return expectations for the junior credit investments in the Crescent Private Credit vehicle are expected to be in the 10% to 14% range.

The private credit market opportunity is expected to continue to expand due to increased private equity investment activities combined with the decreased role of banks in the leveraged lending market. CDL and Solutions investments are generally used to finance leveraged buyouts, refinancings, recapitalizations, and add-on acquisitions. The CDL and Solutions strategies remain focused on lower middle and middle market companies, which are generally not able to access other sources of financing, e.g., the broadly syndicated loan or high yield markets, due to size. In addition, the sponsors of certain middle market companies seek private credit solutions to avoid having to disclose competitive or sensitive financial information or for transactions such as corporate carve-outs where potential borrowers do not have the standalone, historical financial statements required for other credit issuers.

Both CDL and Solutions target private equity backed companies for several reasons. Crescent's well developed sponsor relationships provide a consistent source of new investment opportunities. Crescent also believes that its CDL and Solutions investments benefit from the involvement, support, and oversight of the private equity sponsor for each Crescent portfolio company, including enhancements to management, controls, and governance. The economic interests of Crescent and its sponsor partners are also aligned, with the sponsor's equity return potential dependent on its portfolio company fulfilling its credit obligations to Crescent.

CDL and Solutions target companies with leading market positions and competitive advantages in sectors that generally allow for dependable levels of profit margins and cash flows. The CDL and Solutions teams will invest across a range of sectors but has significant experience investing in industries that are not capital intensive or cyclical, such as business services, health care, information technology, and segments of the industrial and consumer sectors. Solutions VII, for example, had no exposure to the energy, broadcasting/media, banking and finance, or gaming, lodging and restaurants sector in its portfolio as of March 31, 2021.

The CDL and Solutions teams have developed relationships with hundreds of private equity sponsors active in its target market. Since 2005, the CDL investment professionals have reviewed more than 9,000 unique lower middle market investment opportunities and completed more than 180 platform company investments with more than 115 different private equity sponsors. The Solutions team has completed more than 230 transactions involving more than 100 sponsors since its inception. The teams' long-standing presence in the middle market often leads to repeat business with private equity sponsors and borrowers. The CDL and Solutions investment professional seek to leverage their deep relationships within the sponsor community to generate consistently strong deal flow, which the investment professionals combine with extensive manager insights and underwriting expertise to maintain high credit selection standards. CDL and Solutions closed on approximately 2% and 4%, respectively, of the investment opportunities reviewed during the twelve-month period ended March 31, 2021.

The Crescent senior and junior direct investment teams prefer to serve as the lead agent or one of the largest investors in each transaction due to the benefits derived from enhanced access to due diligence and monitoring information as well as the ability to negotiate improved terms, documentation, structure, and governance. The lead agent also controls the strategy for underperforming credits, which allows the Crescent teams the ability to proactively address potential risks of credit impairment. CDL has served as lead agent for approximately 75% of all its transactions to date, while smaller club deals have represented 21% of all CDL transactions. In addition, CDL generally provides its borrowers with revolving credit facilities in addition to first lien term loans or unitranche loans. Through the extension of revolving credit, CDL has greater insights into a company's performance, enhanced relationships with management and its sponsor, and the ability to control the borrower's liquidity. Similarly, Solutions has historically acted as the sole, lead, or largest junior credit or unitranche investor in the majority of its transactions.

The CDL and Solutions teams utilize proven underwriting, structuring, and portfolio monitoring practices. A comprehensive bottom up and top-down credit analysis of the prospective borrower is conducted, which includes detailed credit analysis encompassing an assessment of the portfolio company, its market, competition, products, management, and the equity sponsor or owner. Crescent also incorporates ESG-related factors in its underwriting practices to identify any potential risks associated with a prospective investment. Post-closing, the CDL and Solutions teams closely monitor the performance of all portfolio companies through regular internal reviews as well frequent interactions with the management teams and sponsors of each portfolio company. Solutions will often obtain board seat or observer rights for its portfolio companies, which allows the Solutions professionals additional and early insights into portfolio company performance.

Crescent CRPTF Multi-Strat L.P.

Management Team

Crescent CRPTF Multi-Strat L.P. will be managed by Crescent's team of experienced portfolio managers, research, portfolio analytics, and trading professionals that are responsible for approximately $10 billion of below investment grade public credit investments at Crescent. John Fekete leads a team of eight Managing Directors responsible for Crescent's public credit investment platform, each of whom has more 24 years of experience. Fekete is Crescent's Head of Capital Markets, serves on the Crescent Management Committee, and is the lead portfolio manager for Crescent's High Yield Bond, High Income, and Syndicated Credit Solutions strategies.

Investment Strategy and Market Opportunity

Multi-Strat is intended to serve as a transitional portfolio to provide the PCF with near-term exposure to tradeable credits that approximate the private credit investments that will eventually populate the Crescent Private Credit portfolio. Due to size and liquid nature of the public credit markets in which Multi-Strat will invest, the Crescent portfolio managers expect to be able to fully invest the Multi-Strat portfolio over several months. The Multi-Strat portfolio will be actively managed to provide liquidity as needed to fund capital calls into the Crescent Private Credit portfolio. Alternatively, the CRPTF may decide to delay liquidating the Multi-Strat portfolio and fund Crescent Private Credit capital calls through other sources of liquidity.

The customized nature of the Multi-Strat portfolio allows the CRPTF and Crescent to set and adjust Multi-Strat's investment objectives, including targeted asset classes and the levels of risk and liquidity. The current Multi-Strat recommendation would include a portfolio weighted toward exposure to Crescent's Defensive High Yield strategy with complementary exposure to market opportunities in which Crescent's High Income strategy invests. Both strategies are outlined below.

Defensive High Yield - Crescent's Defensive High Yield ("DHY") strategy seeks to generate excess return with less volatility than its benchmark, the ICE Bank of America Merrill Lynch BB-B US High Yield Index. DHY invests in below investment grade corporate bonds with a focus on value opportunities. Through rigorous credit research, active management, and strict underwriting and risk management disciplines, the DHY team seeks to generate alpha by leveraging credit inefficiencies. Crescent currently manages approximately $5 billion of DHY assets.

High Income - The Crescent High Income Strategy ("HIS") seeks to achieve attractive risk-adjusted returns by tactically allocating to below investment-grade credits, include high yield, narrowly syndicated credits, and bank loans. Crescent targets high single digit yields from the HIF strategy with current income generated through a mix of floating and fixed rate investments. Crescent currently manages approximately $1.8 billion of HIS assets.

Summary performance and portfolio characteristics of the DHY and HIS strategies that are recommended for the Multi-Strat portfolio are shown in the tables below. Summary performance information for representative bank loan exposure that may be included in Multi-Strat is also provided.

($US in billions, as of June 30, 2021)

Crescent Capital Group Investment Performance Summary					
	Annualized Performance				
Strategy	1-Yr	3-Yr	5-Yr	10-Yr	ITD[1]
High Income (inception May 2012)					May-12
Gross	16.1%	6.7%	6.6%	-	5.8%
Net	15.2%	5.9%	5.8%	-	5.0%
Benchmark	13.6%	5.8%	6.2%	-	5.5%
50% S&P LSTA Leveraged Loan Index / 50% BAML HighYield Master II Index					
Defensive High Yield (inception July 1998)					Jul-98
Gross	15.0%	8.9%	7.6%	6.7%	7.1%
Net	14.5%	8.4%	7.1%	6.2%	6.6%
Benchmark	13.5%	7.5%	7.1%	6.5%	6.3%
ICE Bank of America Merrill Lynch BB-B US High Yield Index					
Bank Loan[2] (inception July 2005)					
Gross	10.5%	4.5%	4.9%	4.7%	4.8%
Net	10.2%	4.2%	4.6%	4.4%	4.5%
Benchmark	11.7%	4.4%	5.0%	4.4%	4.7%
S&P LSTA Leverage Loan Index					

Source: Crescent Capital Group.
1. Inception to Date. 2. Unconstrained bank loan strategy may include CCC rated credits.

Portfolio Characteristics As of June 30, 2021				
	High Income	Benchmark	Defensive High Yield	Benchmark
Yield to Maturity	5.66%		4.99%	
Credit Ratings				
BBB	0.6%	4.0%	1.7%	0.0%
BB	34.0%	37.8%	79.0%	62.4%
B	46.2%	47.7%	19.0%	37.6%
CCC and Below	17.2%	9.5%	0.3%	0.0%
Not Rated	2.0%	1.0%	0.0%	0.0%
Inception to Date				
Annual Gross Return	5.75%	5.45%	7.11%	6.27%
Annual Std. Deviation	5.73%	5.83%	6.87%	8.20%
Sharpe Ratio	0.89	0.82	0.77	0.54
Tracking Error	0.92%		2.52%	

Source: Crescent Capital Group.

Track Record

Crescent Direct Lending

The CDL team had invested more than $7 billion in over 180 portfolio companies from the inception of HighPoint Capital in 2005 through March 31, 2021. The team's focus on capital preservation, disciplined underwriting standards, and active portfolio management practices are evidenced by the fact that CDL only has had one investment realized at a loss since inception, which was equivalent to an annual realized loss ratio of 0.05%.

CDL's summary investment performance across HighPoint Capital ("HPC") Fund, Crescent Direct Lending I ("CDL I"), and Crescent Direct Lending II ("CDL II") is outlined in the table below.

($US in millions, as of March 31, 2021)

Crescent Credit Solutions										
Investment Performance Summary										
Fund	Vintage Year	Fund Size[1]	# Deals[2]	Invested Capital	Realized Value	Unrealized Value	Total Value	IRR[3]	Quartile Rank	PME IRR[4]
HPC Fund - Unlevered	2005	$225	25	$206	$255	-	$255	9.8% / 8.5%	1st	0.0%
CDL I - Unlevered	2013	$386	61	$489	$556	$49	$605	7.5% / 6.5%	3rd	0.7%
CDL I - Levered	2014	$602	88	$724	$675	$213	$888	11.1% / 8.1%	3rd	0.4%
CDL II - Unlevered	2017	$1,023	100	$1,023	$420	$737	$1,157	8.5% / 7.1%	3rd	2.0%
CDL II - Levered	2017	$1,114	98	$1,113	$478	$792	$1,270	14.1% / 10.4%	2nd	1.2%
Total		**$3,350**	**372**	**$3,555**	**$2,384**	**$1,791**	**$4,175**			**0.9%**

Source: Crescent, CRPTF, Hamilton Credit Benchmark as of 3/31/21. Quartile Rank based on net returns.
1. Includes leverage. 2. Reflects number of investments in each vehicle not the number of unique portfolio companies.
3. Includes impact of fund level leverage where used. 4. PME IRR based on S&P Leveraged Loan Index.

The predecessor HPC Fund, CDL I, and CDL II vehicles have performed well and in line with the return expectations for each vehicle. PFM investment professionals note that the Hamilton Lane Credit Benchmark includes a wide variety of credit strategies from senior to distressed. Therefore, while the quartile rankings for HPC Fund, CDL I, and CDL II are provided in the table above, the insights gained from comparing a senior secured lending strategy to the broad Hamilton Lane Credit Benchmark are minimal. The CDL I and II funds compared favorably to the S&P Leveraged Loan Index on a public market equivalent internal rate of return ("IRR") basis through March 31, 2021.

The HPC Fund is fully realized and generated a gross IRR and total value multiple ("TVM") of 9.8% and 1.2x, respectively. CDL I – Unlevered had realized 52 of 61 investments as of March 31, 2021, which generated a gross IRR of 7.6% and a TVM of 1.2x on $417 million of capital. CDL I – Levered had fully realized 56 investments, which generated a gross IRR and TVM of 8.1% and 1.2x, respectively. CDL I – Levered had returned 87% of investor capital as of March 31, 2021, with more than 30 active investments remaining in the portfolio as of March 31, 2021. CDL II – Unlevered and CDL II – Levered had both realized investments in the same 30 portfolio companies, which generated a gross IRR of 9.7% and a TVM of 1.1x. All remaining CDL II – Unlevered and CDL II – Levered portfolio companies were marked at or above cost, with the unrealized portfolios showing a gross IRR of 8.1% as of March 31, 2021. Please note that the gross IRR and TVM numbers referenced here are at the portfolio company level and do not reflect the impact of fund level leverage used in the CDL I – Levered and CDL II – Levered vehicles.

The performance of CDL I – Unlevered was largely unchanged as of June 30, 2021, while the net IRRs for CDL I – Levered, CDL II – Unlevered, and CDL II – Levered increased by 0.1% to 0.3% from March 31, 2021 to June 30, 2021. Crescent expects the return profiles of its unrealized CDL investments to continue to improve with time.

Crescent Credit Solutions

The Crescent Credit Solutions team had invested $16.9 billion across the Solutions funds platform between 1996 and March 31, 2021. The first four Solutions vehicles were fully realized as of March 31, 2021 and generated a composite gross IRR of 21.4% and a gross TVM of 1.7x on $3.9 billion of capital. The active Credit Solutions V, VI, and VII funds had invested a total of $13.0 billion, which had generated a gross IRR of 14.4% and a gross TVM of 1.4x as of March 31, 2021.

The summary performance of the Solutions commingled funds is outlined in the table below.

($US in millions, as of March 31, 2021)

Crescent Credit Solutions – Investment Performance Summary											
Fund	**Vintage Year**	**Fund Size[1]**	**# Deals**	**Invested Capital**	**Realized Value**	**Unrealized Value**	**Total Value**	**IRR**	**Quartile Rank**	**PME IRR[3]**	**Pro Forma IRR[4]**
Liquidated Funds I-IV	1996-06	$4,168	96	$3,932	$6,762	-	$6,762	21.4% / 14.0%	n/a	n/a	n/a
Fund V	2008	$2,850	33	$2,992	$4,406	$289	$4,695	16.4% / 10.2%	3rd	9.2%	19.4%
Fund VI	2012	$3,438	34	$3,977	$4,521	$1,178	$5,699	12.9% / 8.5%	2nd	5.5%	12.0%
Fund VII[2]	2016	$4,628	55	$6,042	$2,129	$5,052	$7,181	12.4% / 11.2%	2nd	7.3%	13.5%
Total		**$15,084**	**218**	**$16,943**	**$17,818**	**$6,519**	**$24,337**	**19.8% / 12.2%**		**0.9%**	15.6%

Source: Crescent CRPTF, Hamilton Credit Benchmark as of 3/31/21. Quartile Rank based on net returns.
1. Reflects committed capital only. 2. Net IRR of 11.2% is inclusive of fund leverage; net unlevered IRR was 8.5% as of March 31, 2021.
3. PME IRR base on CS HY Index II Value Index. 4. Pro Forma net IRR of Funds V-VII using Solutions VIII terms and conditions.

The fully liquidated Solutions funds performed well in aggregate, but performance was uneven across vintage years with fund level gross IRRs ranging from 5.5% to 56.5%. Through strategy refinements, including avoiding investments in heavily cyclical industry sectors and taking more moderate levels of equity exposure, the performance across the recent Solutions funds has been more consistent. The same comment regarding the applicability of the Hamilton Lane Credit Benchmark rankings to the Solutions V through VII track record is noted. PFM investment professionals highlight that the Solutions track record through March 31, 2021 was achieved with a historical net loss ratio of only 20 basis points and that Solutions V through VII generated IRRs that outperformed the public market equivalent index.

As of March 31, 2021, Solutions V had realized 32 of 33 portfolio company investments, which generated a gross IRR and TVM of 16.4% and 1.6x. Only one investment was realized below cost at 0.9x. Solutions V exited its last portfolio company investment during the second quarter; the fund's fully realized gross IRR and TVM were unchanged from the reported results as of March 31, 2021. Solutions VI had realized 26 portfolio company investments as of March 31, 2021, which returned 1.4x invested capital of $2.9 billion and a gross IRR of 12.7%. The fund's remaining portfolio companies were marked between 1.4x and 2.1x capital as of March 31, 2021. During the second quarter of 2021, Solutions V fully exited three more investments, which resulted in the fund's gross IRR increasing to 13.7% as of June 30, 2021. Solutions VI had realized 11 investments as of March 31, 2021, including two investments that were realized below cost. Despite these setbacks, Solutions VI generated a total gross IRR of 12.4% as of March 31, 2021 with 44 unrealized investments all held above cost. As of June 30, 2021, Solutions VI's IRR had improved to 13.0% as a result of continued progress of its portfolio companies.

Effective with Solutions VIII, Crescent made changes to its terms and conditions, including management fee schedule, to be more in line with market. Specifically, the Solutions VIII management fee is based on invested capital whereas prior Solutions funds charged management fees on committed capital or some combination of committed and invested capital. The Pro Forma IRR column in the investment performance summary table above shows the estimated net IRR for Solutions V through VII if those funds had offered the same terms as Solutions VIII.

Key Strengths

1. **Experienced Investment Teams.** The Crescent Direct Lending, Solutions, and Multi-Strat investment strategies are all led by investment professionals with decades of relevant experience. Crescent's investment professionals have successfully executed the strategies contemplated in the Crescent CRPTF Credit Partnership through various economic and capital markets conditions, including the global financial crisis and the COVID-19 downturn. The sound credit underwriting practices are evidenced by Crescent's ability to generate strong, risk-adjusted returns with CDL and Solutions showing modest loss ratios over extensive track records.

2. **Crescent Capital Platform.** The Crescent Direct Lending and Solutions investment strategies and teams benefit from the credit market investment activities and insights of the broader Crescent Capital platform. The CDL and Solutions teams benefit from the Firm's substantial resources dedicated to credit research, investment, and execution, including teams of leveraged credit and distressed debt research analysts and dedicated bank debt and high yield debt traders. In addition to sharing market intelligence, the Crescent Capital platform has assisted in identifying potential target companies for CDL and Solutions, particularly those that may not be able to access public credit financing options. Similarly, CDL's focus and presence in the lower middle market can serve as a pipeline and source of insights for companies growing into segment of the middle market targeted by Solutions.

3. **Customized SMA Mandates.** The recommended Crescent CRPTF Credit Partnership will allow the CRPTF the opportunity to create bespoke SMAs with customized investment mandates, increased transparency, and favorable pricing. The CRPTF would work cooperatively with Crescent to revise the investment objectives of the SMAs should market conditions or strategic objectives change in the future. Coordinating the investment and liquidity objectives of the Multi-Strat SMA with the Crescent Private Credit SMA with one manager will also benefit the efficient buildout of the PCF portfolio in line with strategic planning objectives.

Major Risks/Concerns and Mitigants

1. **Potential Impacts of Market Volatility.** The recommended Multi-Strat SMA will invest in public credit instruments, which are intended to be periodically liquidated to fund capital calls into the Crescent Private Credit SMA. Public credit markets are subject to volatility, which can expose the Multi-Strat portfolio to mark to market fluctuations. This can lead to the risk that Multi-Strat holdings may have to be liquidated to fund Crescent Private Credit capital calls at inopportune times, such as during a public credit downturn. This risk is largely mitigated by the CRPTF's ability to fund Crescent Private Credit capital calls from alternative sources of

liquidity, which would avoid Multi-Strat liquidations during periods of significant credit market volatility.

2. **Potential Impacts of SunLife Transaction.** SunLife's recent acquisition of a majority interest in Crescent raises concerns of potential changes to the Crescent leadership and investment teams as well as organizational objectives. PFM investment professionals gained comfort that the SunLife transaction should be a net benefit to Crescent. Per the terms of its agreement, SunLife will provide $750 million of seed capital to support Crescent's growth objectives. Crescent existing leadership team has retained control of the Firm's investment strategies and operations as well as personnel decisions. Importantly, Crescent's executive and senior investment professionals have significant long-term incentives to ensure the continued long-term success of SunLife's investment in Crescent.

Legal and Regulatory Disclosure (provided by Legal)

In its disclosure to the Office of the Treasurer, Crescent Capital Group LP ("Crescent" or the "Respondent") states it has no material litigation, administrative proceedings or governmental investigation in the last 5 years to disclose. Additionally, the Respondent states that neither it nor any of its principals or employees have any ongoing internal investigations or have been convicted of or pled guilty to or settled a case for any felony, misdemeanor, or civil enforcement proceedings.

Respondent's disclosure notes that one claim against its fidelity bond policy was made int eh past five years related to an unauthorized person's attempt to gain access to an employee's email account to divert wired funds (an immaterial amount). Crescent notes that there was no financial impact on any accounts under management and the amount was not material.

With respect to changes in Respondent's organization, the Attachment G disclosure notes that Sun Life Financial ("Sun Life") completed its 51% acquisition of Crescent in January 2021. As part of the transaction, Sun Life contributed $750 million of seed capital for future investments. The transaction also provides a put/call option for the transfer of the remaining 49% interest approximately five years from closing. Both Crescent and Sun Life will continue to operate their respective businesses independently. Crescent employees including Managing Partners, Mark Attanasio and Jean-Marc Chapus, continue to own an aggregate 49% of the interests in Crescent after the closing date of this transaction. There are no additional planned changes to the organizational structure of the firm.

The Respondent affirms that it has in place adequate internal investigation. Consistent with its commitment to internal controls and compliance with legal requirements and industry practice, Crescent notes that it has adopted written formal compliance policies and procedures. A copy of the Firm's Regulatory Compliance Manual will be provided upon request.

The Respondent's ADV is consistent with its disclosure to the Office of the Treasurer.

Compliance Review

The Workforce Diversity & Corporate Citizenship review is attached.

Environment, Social & Governance Analysis ("ESG")

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

COMPLIANCE REVIEW FOR CRESCENT CAPITAL GROUP L. P.
SUMMARY OF LEGAL AND POLICY[1] ATTACHMENTS
SUBMITTED BY
CRESCENT CAPITAL GROUP L.P.

I. Review of Required Legal and Policy Attachments

CRESCENT CAPITAL GROUP L.P. ("Crescent") completed all necessary 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 (See Also 3-year Workforce Diversity Snapshot Page Attached)

As of June 2021, Crescent, a Los Angeles California-based firm, employed 165, 3 more than the 162 employed as of December 2019. The firm identified 13 women and/or minorities as Executive/Senior Level Officials and Managers. Over the 3-year period reported (2021 - 2019), the firm promoted 19 women and 14 minorities within the ranks of professionals or managers. Minorities, specifically Asians, are well represented at all levels of the firm.

Workforce Statistics

For Executive/Senior Level Officials and Managers:

- Women held 14% of these positions in June 2021 (5 of 37), in December 2020 (5 of 37), as well as in December 2019 (5 of 36).
- Minorities held 24% (9 of 37) of these positions both in June 2021 (22% Asian, and 3% Two or More Races) and in December 2020 (9 of 37) (22% Asian and 3% Two or More Races), up from 17% (6 of 36) (17% Asian) in December 2019.

At the Management Level overall:

- Women held 19% (14 of 75) of these positions in June 2021, slightly down from 20% in December 2020 (15 of 77), up from 18% in December 2019 (13 of 72).
- Minorities held 27% (20 of 75) of these positions in June 2021 (1.3% Black, 3% Hispanic, 20% Asian, and 3% Two or More Races), slightly up from 26% (20 of 77) (1.3% Black, 1.3% Hispanic, 21% Asian, and 2.6% Two or More Races) in December 2020, and 25% (18 of 72) (1.4% Black, 1.4% Hispanic, and 22% Asian) in December 2019.

At the Professional Level:

- Women held 32% (20 of 63) of these positions in June 2021, up from 27% both in December 2020 (17 of 62), and in December 2019 (17 of 63).
- Minorities held 41% (26 of 63) of these positions in June 2021 (5% Black, 5% Hispanic, and 32% Asian,) slightly up from 40% (25 of 62) (3% Black, 7% Hispanic,

[1] The Assistant Treasurer for Corporate Governance & Sustainable Investments will prepare a separate Summary with respect to Crescent's ESG submission.

and 31% Asian) in December 2020, up from 35% (22 of 63) (3% Black, 6% Hispanic, and 25% Asian) in December 2019.

Firm-wide:

- Women held 35% (57 of 165) of these positions in June 2021, slightly up from 34% (56 of 167) in December 2020, and 32% in December 2019 (52 of 162).
- Minorities held 32% (53 of 165) (4% Black, 6% Hispanic, 21% Asian, and 1.2% Two or More Races) of these positions both in June 2021, and in December 2020 (54 of 167) (4% Black, 6% Hispanic, 21% Asian, and 1.8% Two or More Races), up from 30% (48 of 162) (4% Black, 6% Hispanic, 20% Asian, and 0.62% Two or More Races) in December 2019.

III. Corporate Citizenship

Charitable Giving:
Crescent's commitment to corporate citizenship focuses on education, healthcare, and community development. In 2015, the firm formed Crescent Cares Foundation with a mission to donate time, expertise and resources to improve the quality of lives of children and families in the neighborhoods where they live and work. Crescent employees are encouraged to participate in the foundation's sponsored events as well as to make monetary contributions through the firm's formal matching gifts program. Through this program, Crescent matches the employees' contribution on a 1-to-1 basis per calendar year to qualified 501 (c)(3) nonprofit organizations. Although Connecticut has benefitted from Crescent's corporate citizen activities, currently there is no policy to evaluate opportunities to make an impact based on where Crescent is looking to expand business.

Internships/Scholarships:
Crescent has made significant efforts to expand its intern candidate pool through additional recruiting sources to develop a talent pipeline over time by establishing connections at six historically black colleges and universities where students are eligible to apply to Crescent's Fellowship Program which includes a paid summer intern position and scholarship award upon completion of the internship. In addition, the firm's London office participates in the 100 Black Interns program. Since 2013, Crescent has supported the Verbum Dei corporate work study program, which serves economically and financially underserved students in Los Angeles, where 100% of students gain college acceptance. The firm is also a corporate partner with The Toigo Foundation, whose work focuses on opening doors to minorities working in the investment and finance industry. One of Crescent's employees is on the board of Diversity in Investment Management Engagement which assists students in learning the fundamentals of the investment management business. Through the Best Buddies Jobs Program, which provides support and job opportunities for people with intellectual and developmental disabilities, Crescent employs two office assistants. In the fall of 2020, Crescent introduced the Black Alliance Course to open the discussion and understanding around issues of race and racism. Additionally, the firm introduced the Diversity, Equity and Inclusion (DEI) Foundation's training and series of dialogue sessions available to all its employees. Lastly, many of the firm's employees volunteer their time to serve on the boards of non-profits, including the Robert F. Kennedy Human Rights Foundation, which has focused initiatives on DEI matters.

Procurement:
Crescent does not have a written procurement policy or program regarding women-owned, minority-owned, and/or emerging businesses. However, the firm targets advertising and networking through various female-focused organizations to avail themselves to the best possible candidate pool. Crescent partners with minority-owned and female-owned/ operated recruiting firms.

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

	September 1, 2021	
	Criteria	Responses
1	Firm has an ESG policy	Yes
1a	If yes, firm described its ESG policy	Yes
2	If yes, firm provided examples of ESG factors considered in the decision-making process, explained the financial impact of these ESG factors	Yes
3	Designated staff responsible for sustainability policies and research	No
4	Firm provides training/resources on sustainability issues, explained sources of ESG-related data	Yes
5	Signatory/member of sustainability-related initiatives or groups	Yes
6	Policy for evaluating current or prospective relationships with manufacturers or retailers of civilian firearms	No
7	Policy that requires safe and responsible use, ownership or production of guns	No
8	Enhanced screening of manufacturers or retailers of civilian firearms	No
9	Enhanced screening of any industry/sector subject to increased regulatory oversight, potential adverse social and/or environmental impacts	No
10	Merchant credit relationships with retailers of civilian firearms and accessories	No
10a	If yes, firm confirms compliance with laws governing firearms sales	N/A
11	Overall assessment of responses (e.g., depth of approach to ESG and integration)	The firm described a clear commitment to integrating ESG factors into its investment process by means of its Responsible Investment (RI) Policy. Crescent is a signatory of the UN PRI and has ensured its RI Policy is in alignment with the Principles. Rather than designated staff overseeing ESG initiatives, all of the firm's investment professionals are responsible for ESG integration. The firm provides trainings for staff related to sustainability initiatives and relies on industry partners for relevant data and research. Crescent disclosed that it intends to comply with TCFD reporting standards in the near future. Crescent does not have a policy regarding relationships 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+B3 organizations Satisfactory - 3 General description of ESG philosophy and integration; some evidence of framework for ongoing ESG assessment; member of sustainability-oriented organizations Needs Improvement - 4 Generic and/or vague description of ESG philosophy and integration; no ongoing ESG assessment; no dedicated ESG staff or resources Poor - 5 Incomplete or non-responsive	**3**

MEKETA
INVESTMENT GROUP

80 University Ave
Westwood, MA 02090

781.471.3500
Meketa.com

MEMORANDUM

TO: Mark Evans, Principal Investment Officer - PIF and PCF, CRPTF
FROM: Peter Woolley, Mary Mustard, LaRoy Brantley, Meketa Investment Group
DATE: August 18, 2021
RE: Crescent Capital

Crescent Capital Proposal

Crescent Capital is proposing a separate account for the CRPTF that will invest in high yield (the Crescent Defensive High Yield strategy), bank loans, and potentially a small allocation to narrowly syndicated (Upper Middle Market) loans and bonds. They intend to keep the portfolio shorter duration in nature to balance yield capture and the expectation of capital calls for investment in the direct lending account, which will diminish the allocation to this portfolio over time. This proposed strategy is similar in investment style to Crescent's High Income strategy, which also dynamically invests across those three asset classes.

Further discussions are needed to determine the appropriate target allocations to the three asset classes and the portfolio guidelines. Still, we generally expect that the targets will be dynamic and that the exposure to bank loans, although higher in the capital structure, will decline over time as the portfolio shrinks because they take longer to settle. We would expect approximately 50-65% in lower duration (0-5 years) higher quality (BB-rated) high yield bonds, assuming the market opportunities remain similar to the current state. The remaining allocation could potentially be slightly lower quality (B-rated) bonds, bank loans, and narrowly syndicated credit. Crescent is currently starting a slow unwind of the bank loan allocation into fixed rate bonds in similar strategies like High Income. We would also expect exposure to the narrowly syndicated credit to be much lower than High Income because of the liquidity needs of the CRPTF.

Organization

Founded in 1991 by Mark Attanasio and Jean-Marc Chapus, Crescent Capital manages over $34 billion in capital, growing at a 14% CAGR over the last ten years. They manage $24.1 billion in private markets and over $10.0 billion in public markets capital. On the public markets side, they currently manage approximately $2.6 billion in High Yield strategies (inception in the early 1990s), $5.2 billion in the Bank Loan strategy (inception 2004), $1.8 billion in the High Income strategy (inception 2012), and $1.5 billion in the Syndicated Credit Solutions strategy since 2009.

They are credit managers focused primarily on mezzanine debt, middle market direct lending in the US and Europe, high-yield bonds, and broadly syndicated loans. The firm was owned by TCW from 1995 until it was spun out in 2011. In 2020, Crescent announced a transaction with publicly traded SunLife (NYSE: SLF), completed in January 2021, making SunLife the 51% majority owner of Crescent. As part of the transaction, Crescent's equity holders retained carried interests in existing funds along with certain assets and their respective economics. Also, as part of the deal, there is a put-call structure where SunLife can acquire the remaining 49% in five years.

Team

There are 90 investment team members at Crescent, with over 25 on the public credit team. On the public team, Crescent uses a team approach, which capitalizes on the expertise of the portfolio managers and research analysts. There are three lead portfolio managers for the proposed blended strategy. John Fekete is the lead Portfolio Manager of the High Yield and High Income strategies, the Syndicated Credit Solutions strategy, and a Portfolio Manager on the Bank Loan strategy. He joined the team in 2001. Wayne Hosang is a Co-Lead Portfolio Manager of the Bank Loan strategy and a Portfolio Manager on the High Yield strategies. He joined the team in 2005. Ross Slusser (joined in 2000) is also a Portfolio Manager on High Yield strategies and the Syndicated Credit Solutions strategy. Conrad Chen (joined in 2004), previously a High Yield Portfolio Manager, moved over to the loan Portfolio Management team in 2017 to replace Jonathan Insull. The latter had been the Co-Lead Portfolio Manager of the Bank Loan strategy. Mr. Insull stepped back into more of an oversight and management role in 2018. All five portfolio managers are equity owners of the firm.

Research analysts are charged with generating new investment ideas as well as analyzing and monitoring existing investments. The Head of Research, Ross Slusser, oversees all analysts and acts as a liaison between them and the portfolio managers by participating in all credit and portfolio strategy discussions. Research analysts are sector specialists and generally have covered sectors throughout an entire credit cycle, enabling them to assess a management team’s long-term track record. Additionally, many industries require in-depth technical knowledge that is acquired and exploited through analyst specialization. Analysts on this team are responsible for evaluating the entire capital structure of a company (loans and bonds, which allows for relative value decisions within capital structures.

Defensive High Yield Strategy

The Defensive High Yield strategy focuses on current income and principal preservation and is designed to have a higher credit quality bias than the broader high yield market. This has resulted in over 26 years of delivering meaningful excess returns with less volatility than the market and the benchmark ICE BofAML US High Yield BB-B Index. Minimum credit quality is single-B and the average credit quality as of June 30, 2021, matches the index at BB-. More specifically, the credit quality breakdown is closer to 80%/20% in BB/B. Crescent’s Defensive High Yield strategy has generated an annualized net return since inception of 6.6% as of June 30, 2021. The higher quality portion of high yield (B/BB rated) is a segment of the market that historically has experienced a low default rate. Crescent’s deep bench of experienced industry specialist credit analysts helps drive the strategy’s default exposure much lower. From 1991 through 2020, the Crescent team’s average annual high yield default rate is 0.6% versus the Moody's Global Speculative Grade Default Rate average annual default rate of 4.7%. As of June 30, 2021, the strategy has a yield to worst of 3.8%, 30 basis points better than the benchmark and a spread to worst of 301 vs. 282 for the benchmark. The modified duration of 4.5 is higher than the benchmark of 3.8 but is within the proposed portfolio's expected range of five years or less, allowing for less interest rate sensitivity and better liquidity than longer duration portfolios.

Bank Loans Strategy

Crescent is a seasoned bank loan manager that began in structured products in 1993. They generally invest in broadly syndicated loans and focus on the more liquid segment of the syndicated loan asset class. The team follows a bottom-up credit analysis approach to manage diversified loan portfolios. The primary goals are principal preservation and minimizing defaults. The strategy is typically benchmarked to the S&P/LSTA Leveraged Loan Index, which should be noted, is unmanaged and does not include transaction costs or investment management fees. The strategy typically has a single B average rating, similar to the benchmark. As of June 30, 2021, its average spread of Libor + 4.1% was approximately 40 basis points better than the benchmark, and the current yield of 4.4% was also approximately 40 basis points better than the benchmark. Crescent Bank Loan composite performance since inception exceeds the benchmark with materially lower volatility and downside capture. From 1998 to 2020, the Crescent team's average annual dollar-weighted default rate was 1.1%, compared to the benchmark at 2.9%.

High Income Strategy and Syndicated Credit

The High Income strategy invests in (1) high yield bonds (fixed rate), (2) senior bank loans (floating rate), and (3) syndicated credit solutions investments (floating & fixed rate). It is a good reference point for the proposed blended strategy for the CRPTF as it gives context to the use of the third asset class in the proposed strategy - narrowly syndicated securities. High Income is typically benchmarked to a 50/50 blend of the performance of the ICE BAML US HY Index and the S&P/LSTA Leveraged Loan Index, which is unmanaged and does not include transaction costs or investment management fees as noted above.

The syndicated credit solutions allocation is a concentrated portfolio of privately negotiated and narrowly syndicated upper middle-market debt investments that are primarily secured upper middle-market "144A for life" (no registration rights) bonds and bank loans. This is somewhat of a niche portion of the market often overlooked by large investors. A narrow syndicate would mean 5-10 debt holders of the deal as opposed to over 30 in a broad syndicate. It can be attractive due to historically low default rates. Crescent's sponsor and broker-dealer relationships provide "first-look" access to transactions. The opportunity exists due to the decline in bank lending to small to mid-sized corporate borrowers in need of financing. As a result, the lending rates are higher and attractive to investors willing to invest in these smaller transactions that are often small cap, private companies with collateral and covenant protection. Unsecured bonds and loans are allowed but are typically a much smaller percentage of the strategy. The High Income strategy would typically seek 35-40% of the strategy to be invested in these syndicated credit solutions because it drives the largest portion of excess returns;

however, as noted above, Crescent can construct a portfolio that adheres to a much lower limitation, acknowledging that this part of the portfolio is less liquid and would need to be much smaller to meet the CRPTF's liquidity needs. For context, the High Income portfolio's narrowly syndicated allocation typically consists of issue sizes in the range of $150-400 million and there is a combination of fixed and floating rate securities. These syndicated securities rank highly in their capital structure and are largely secured, first lien, and rated B-BB. We would expect a yield to maturity of over 6.0%, a duration of 1-2 years, and a targeted net unlevered return of 7-9% annually for this part of the portfolio.

Risk and Concerns

- The illiquidity of bank loans and narrowly syndicated securities should be kept at a reasonable level, given the liquidity needs of the portfolio.
- Higher quality high yield strategy may underperform the broader high yield markets in credit rallies.
- The SunLife acquisition of Crescent had no obvious benefits for Crescent's investors. While it is unlikely that Mr. Attanasio and Mr. Chapus leave the organization until they fully sell their equity, it seems likely their involvement continues to decrease. It is difficult to assess the risk that other partners will leave, but there could be less incentive to stay as they can no longer increase their ownership share.

Summary and Recommendation

Meketa finds the Crescent Capital proposal compelling, and we believe this temporary blended strategy in public markets seems reasonable. Within the context of credit exposure, the opportunity set across the three asset classes offers a reasonably conservative, yet dynamic approach to credit, allowing the manager the flexibility to toggle between fixed rate and floating rate securities as well as secured vs. unsecured securities, broadly vs. narrowly syndicated securities, and other opportunities in structured credit while remaining somewhat defensive and liquid.

The proposed approach is a style with which Crescent is comfortable because it has already been managing its High Income strategy in a similar way, mostly via separate accounts with customized guidelines. The guidelines can be modified to maintain a shorter duration and substantial liquidity. Crescent has substantial experience in managing this type of strategy as a preliminary placeholder for investment into their direct lending strategy on the private market side. This gives us more confidence that there will be active communication between the teams to optimize the use of capital as it prepares to be called into the private capital side of the business. As a result, we are supportive of the recommendation of the CRPTF to commit to the Crescent Capital proposal.

PSW/MM/LB/ndb

Hamilton Lane

Crescent Capital Group Separately Managed Account

Recommendation Report

September 2021

Important Disclosures

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

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

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

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

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

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

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

Table of Contents

CRPTF SMA Executive Summary

Proposed CRPTF Allocation

Target Separate Account Allocation		
($mm) Strategy Line	Strategy	Commitment
Crescent Direct Lending	Senior Debt	$200
Crescent Credit Solutions	Junior Debt	100
Total		**$300**

- CRPTF's SMA is expected to be invested largely alongside transactions in Crescent Direct Lending Fund III, L.P. and Crescent Credit Solutions Fund VIII, L.P.

Key Terms[1]

Term	Summary
Management Fee	0.8% of net invested capital (inclusive of leverage)
Mgmt. Fee Activation	Commensurate with the first investment
Carry/Preferred Return	10%/6%; Full return of contributions

Allocation Across Vehicles

- Crescent determines allocation between investment products through the oversight of the senior investment professionals who sit on the various investment committees across the platform
  - The General Partner's investment products have priority over investment opportunities that fit their core strategies, up to a majority percentage of the transaction size, after which the remainder is shared on a pro-rata basis across other vehicles, including separately managed accounts
  - Certain investment opportunities may fit the remit of separately managed accounts but not that of Crescent's investment products

[1] Refers to the Separately Managed Account terms; remain subject to change based upon further negotiation

Net Performance and Benchmarks (Crescent Direct Lending)

Crescent Capital Group Prior Investment Performance (Levered)[1] As of 3/31/21								HL Benchmark Credit As of 3/31/21			PME Benchmark S&P Leveraged Loan Index As of 3/31/21
								Spread vs. Top-Quartile			
($mm) Fund	Vintage	Fund Size[3]	% Drawn[4]	DPI	TVPI	Net IRR	Quarters to Break J-Curve	DPI	TVPI	Net IRR	Spread vs. PME
Fund I	2013	686	126%	0.9x	1.2x	7.5%	3	-0.3x	-0.2x	-257 bps	+703 bps
Fund II	2017	1,582	98%	0.5x	1.1x	8.9%	0	-0.1x	-0.1x	-357 bps	+774 bps
Total				**0.7x**	**1.2x**	**8.2%**					**+797 bps**

Crescent Capital Group Prior Investment Performance (Unlevered)[1] As of 3/31/21								HL Benchmark Credit As of 3/31/21			PME Benchmark S&P Leveraged Loan Index As of 3/31/21
								Spread vs. Top-Quartile			
($mm) Fund	Vintage	Fund Size[3]	% Drawn[4]	DPI	TVPI	Net IRR	Quarters to Break J-Curve	DPI	TVPI	Net IRR	Spread vs. PME
Pre-Fund[2]	2005	$225	92%	1.3x	1.3x	8.4%	n/a	-0.2x	-0.2x	-72 bps	+839 bps
Fund I	2013	686	126%	1.1x	1.2x	6.3%	3	-0.1x	-0.2x	-379 bps	+559 bps
Fund II	2017	1,582	98%	0.4x	1.1x	6.8%	0	-0.2x	-0.1x	-564 bps	+484 bps
Total				**0.7x**	**1.1x**	**7.0%**					**+607 bps**

[1] Capital Drawn, Capital Distributed and NAV are calculated from the daily net cash flows of fee-paying limited partners and excludes any cash flows from the General Partner's commitment and excludes fund level leverage; inclusive of fund level leverage, Crescent reported net IRRs of 8.1% and 10.4% in Funds I and II, respectively
[2] Pro forma for the Fund's management fees and expenses and presented on an unlevered gross basis as the Pre-Fund was operated as a finance company rather than a traditional LP Fund structure; as such, quarterly NAVs were not provided
[3] Represents equity commitments across the unlevered and levered vehicles, excluding leverage
[4] Percent drawn calculated from the calculated from the cash flows of fee-paying limited partners and excludes any cash flows from the General Partner's commitment

Net Performance and Benchmarks (Crescent Credit Solutions)

Crescent Capital Group Prior Investment Performance (Unlevered)[1] As of 3/31/21								HL Benchmark Mezzanine As of 3/31/21			PME Benchmark CS HY Index II Value Index As of 3/31/21	J-Curve Benchmark Mezzanine As of 3/31/21
($mm) Fund	Vintage	Fund Size	% Drawn[2]	DPI	TVPI	Net IRR	Quarters to Break J-Curve	Spread vs. Top-Quartile DPI	TVPI	Net IRR	Spread vs. PME	Comparison to Peers (quarters)
Fund IV[3]	2006	$1,704	102%	1.1x	1.1x	3.0%	3	-0.3x	-0.3x	-578 bps	-460 bps	3 earlier
Fund V[3]	2008	2,850	101%	1.3x	1.4x	10.2%	3	-0.1x	-0.1x	-241 bps	+100 bps	2 earlier
Fund VI	2012	3,438	108%	1.0x	1.3x	8.5%	5	-0.1x	-0.2x	-456 bps	+296 bps	2 later
Fund VII[4]	2016	4,628	95%	0.4x	1.1x	8.5%	2	-0.2x	-0.1x	-475 bps	+128 bps	1 later
Total				**0.9x**	**1.2x**	**7.5%**					**+2 bps**	

Crescent Capital Group Prior Investment Performance (Levered)[1] As of 3/31/21								HL Benchmark Mezzanine As of 3/31/21			PME Benchmark CS HY Index II Value Index As of 3/31/21	J-Curve Benchmark Mezzanine As of 3/31/21
($mm) Fund	Vintage	Fund Size	% Drawn[3]	DPI	TVPI	Net IRR	Quarters to Break J-Curve	Spread vs. Top-Quartile DPI	TVPI	Net IRR	Spread vs. PME	Comparison to Peers (quarters)
Fund VII[4]	2016	4,628	95%	0.4x	1.1x	11.1%	2	-0.2x	-0.1x	-217 bps	+386 bps	1 later

- Fund VII is comprised of both levered and unlevered sleeves with $4.04 billion and $588 million of commitments, respectively

[1] Capital Drawn, Capital Distributed and NAV are calculated from the daily net cash flows of fee-paying limited partners and excludes any cash flows from the General Partner's commitment
[2] Percent drawn provided by the General Partner
[3] Capital Drawn, Capital Distributed and NAV for Funds IV and V include approximately $100 million of affiliate limited partner commitments from the TCW balance sheet
[4] Represents equity commitments across the unlevered and levered vehicles, excluding leverage; Fund VII is comprised of $4.04 billion of unlevered commitments, which as of 3/31/21 were 98% drawn and $588 million of levered commitments which as of 3/31/21 were 78% drawn

Recommendation

Based on the analysis and information presented herein, Hamilton Lane believes that a commitment to a Separately Managed Account (SMA), whereby Crescent Capital Group is the General Partner, works towards achieving the goals set forth for the Connecticut Retirement Plans and Trust Funds. A commitment to the SMA will maintain a relationship with a high-quality General Partner. Taking into account the investment strategy and portfolio diversification objectives of the Private Credit Fund, Hamilton Lane recommends a commitment to the SMA.

Section 1 | Crescent Direct Lending

General Partner

Experienced and cohesive senior team	• The General Partner's senior investment team is comprised of five Managing Directors who lead Crescent's direct lending platform and average 30 years of relevant industry experience • The senior investment team is cohesive and stable, having worked together for an average of 15 years, initially at HighPoint Capital Management, LLC ("HighPoint") beginning in 2005 and since joining Crescent in 2012
Established private credit investor with a strong reputation and institutionalized platform	• The General Partner, formerly part of the TCW Group, Inc., is a well-known private credit investor with almost two decades of operating experience in the space • Crescent manages multiple credit products across various geographies, including direct lending, unitranche, mezzanine and distressed debt products, strengthening its brand name as a capital solutions provider among private equity sponsors • The General Partner is institutionalized in nature with dedicated investment teams by strategy, extensive back-office capabilities and clearly established processes
Broad distribution of economics and continued focus on internal development leads to retention	• Crescent broadly distributes carried interest down to the Vice President level in order to align incentives across the team • The General Partner emphasizes internal development, promoting nine professionals over the last two years • Crescent has historically grown its senior team from within, only pursuing external hires at the mid and junior levels

General Partner (cont.)

- The General Partner was founded in 1991 by Mark Attanasio and Jean-Marc Chapus after working together at various predecessor firms for 20 years
- Crescent established its direct lending platform in 2012
  - The direct lending platform is led by five Managing Directors, John Bowman, Scott Carpenter, Michael Rogers, Jake Garmey and Jonathan Cignetti
- In 2021, Sun Life Financial, a Toronto based financial services company, acquired a significant ownership stake in Crescent's management company

Snapshot: [1]

Inception / Founders:

1991 / Mark Attanasio and Jean-Marc Chapus

AUM: [2]

$32 billion

Management Company:

Private

Headcount:

96 investment professionals and 88 other employees
18 dedicated investment professionals

Locations:

Los Angeles (headquarters), New York, Boston (Direct Lending) and London

Strategies / Product Lines:

Mezzanine, direct lending, European direct lending, unitranche distressed debt, Crescent Capital BDC, Inc. and capital markets

Current Leadership:

Mark Attanasio, Jean-Marc Chapus, John Bowman, Scott Carpenter, Michael Rogers, Jake Garmey and Jonathan Cignetti

[1] As of 3/31/21
[2] As provided by the General Partner

General Partner (cont.)

- The broader Crescent platform is led by Messrs. Attanasio and Chapus, who have 34 years of relevant experience
- The direct lending platform is led by Messrs. Bowman and Carpenter, who also average 34 years in the senior lending space; Messrs. Bowman and Carpenter are supported by five Managing Directors, all of whom are experienced direct lending investors
- In addition to their extensive experience, the dedicated direct lending senior investment team is also cohesive, with an average of approximately 15 years working together, including tenures at predecessor firms
- Messrs. Attansio, Chapus, Bowman and Carpenter serve on the Fund's investment committee
  - Investment decisions require unanimous approval

Name	Title	Location	Investment Focus	Age	Tot. Exp. (yrs.)	Tenure (yrs.)	2010	2011	2012	2013	Fund I	2015	2016	Fund II	2018	2019	2020
Mark Attanasio [1,2]	Co-Founder & Managing Partner	Los Angeles	Firm Management	63	34	29											
Jean-Marc Chapus [1,2]	Co-Founder & Managing Partner	Los Angeles	Firm Management	61	34	29											
John Bowman [1,3]	Managing Director	Boston	Firm Management	60	34	15											
Scott Carpenter [1,3]	Managing Director	Boston	Origination	59	33	15											
James ("Jake") Garmey [3]	Managing Director	Boston	Origination / Underwriting / Portfolio Mgt.	49	26	15											
Jonathan Cignetti [3]	Managing Director	Boston	Origination / Underwriting / Portfolio Mgt.	45	20	15											
Michael Rogers [3]	Managing Director	Boston	Underwriting / Portfolio Mgt.	59	36	12											
Gia Heimlich [3]	Managing Director	Boston	Underwriting / Portfolio Mgt.	36	15	13											
Hayes Olofson	Managing Director	Boston	Underwriting / Portfolio Mgt.	34	13	7											

= Tenure with Crescent Capital Group LP
= Total Experience

[1] Denotes member of investment committee
[2] Tenure is inclusive of time with TCW and Crescent Capital Corporation
[3] Tenure is inclusive of time with HighPoint Capital Management, LLC

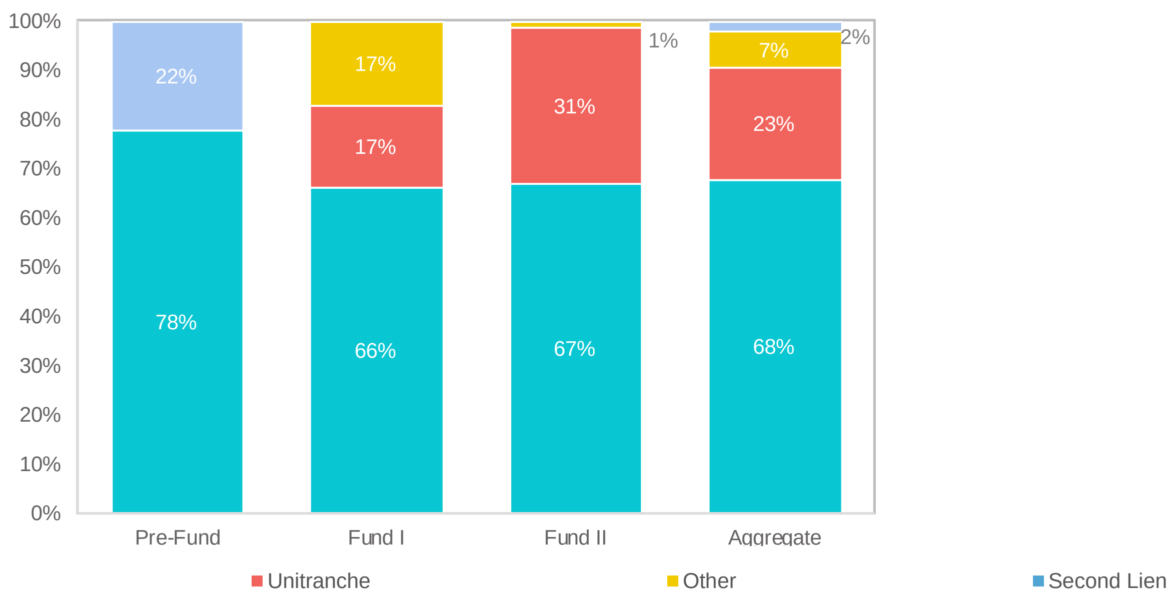
General Partner (cont.)

- Messrs. Attansio, Chapus and the seven Managing Directors are supported by five Vice Presidents and four Associates
  - Deal teams typically include one Managing Director, one Senior Vice President or Vice President and one Associate
- Excluding Messrs. Attansio, and Chapus, who are based in the General Partner's Los Angeles headquarters, all direct lending professionals are based out of Crescent's Boston office, ensuring a cohesive investment team and process
- Between October 2020 and July 2021, the General Partner added five direct lending investment professionals to its platform

- The General Partner focuses its investing activity within the U.S., but may pursue investments in other regions on an opportunistic basis
  - The General Partner may not invest more than 20% of the Fund outside of the United States
- As a senior debt investor, the General Partner seeks to invest in first lien and unitranche loans, with a primary emphasis on capital preservation
  - Crescent expects to allocate 65% to first lien investments and 35% to unitranche investments
  - In addition to investing at the top of the capital structure with significant cushion, the General Partner protects downside by negotiating financial covenants and board observation rights

Prior Investments - % by Primary Security Type

As of 3/31/21

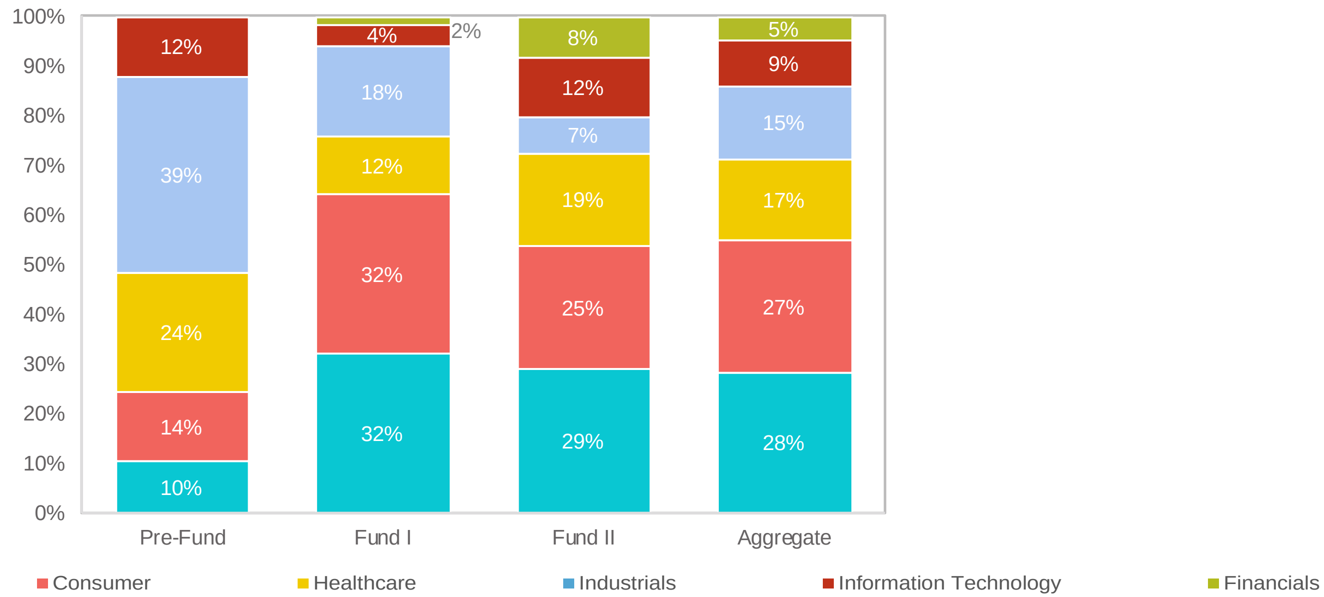


Investment Strategy (cont.)

- In order to further preserve capital and construct an attractive risk-return profile, the General Partner typically assumes an active role in its investments, active as the sole lender, agent or co-agent
- The General Partner generally structures its investments with floating rate structures involving cash interest payments; however, it has opportunistically constructed deals to include a PIK component
  - In order to further protect downside, Crescent typically structures its investments with a LIBOR floor
- The General Partner increases its total investment returns with amendment fees, prepayment fees and other yield enhancements
- The General Partner targets senior debt investments in sponsored, lower-middle-market businesses operating across a diversified set of sectors
  - The General Partner prefers to invest in cash flow generative companies with attractive EBITDA margins, low capital expenditures, strong recurring revenue and limited working capital volatility

Prior Investments - % by Sector

As of 3/31/21



Investment Strategy (cont.)

- Consistent with prior Funds, the General Partner continues to target companies in the lower-middle market, specifically those generating between $5 million and $35 million of EBITDA
- The General Partner focuses on investments in companies with conservative capital structures, targeting those with 3.0x to 6.0x leverage multiples at entry
- As a senior debt investor that exclusively pursues sponsor-backed businesses, the General Partner maintains over 250 relationships with private equity peers, 10 of which it has invested with on at least 5 occasions
- Crescent's focus on the lower-middle market enables it to form durable, long-lasting relationships with sponsors whose investment professionals manage transaction capitalizations, as opposed to larger managers with dedicated capital markets professionals
  - Additionally, the General Partner has successfully supported its sponsors, scaling its capital base in tandem with growth in sponsors' fund sizes
- Crescent’s senior origination professionals are responsible for underwriting and portfolio management, ensuring an efficient process with a single Crescent contact per investment

Track Record

- As of 3/31/21, the unlevered sleeves of Funds I and II had generated a 1.1x and 0.4x DPI and 1.2x and 1.1x TVPI, respectively
- As of 3/31/21, the levered sleeves of Funds I and II had generated a 0.9x and 0.5x DPI and 1.2x and 1.1x TVPI, respectively
- As of 6/30/21, the General Partner reported a 9.3% net IRR for the Fund II levered sleeve

Crescent Capital Group Prior Investment Performance (Levered)[1] As of 3/31/21									HL Benchmark Credit As of 3/31/21			PME Benchmark S&P Leveraged Loan Index As of 3/31/21
									Top-Quartile			
($mm) Fund	Vintage	Fund Size [3]	Capital Drawn	Capital Distributed	NAV	DPI	TVPI	Net IRR	DPI	TVPI	Net IRR	PME IRR
Fund I	2013	686	364.2	316.9	127.3	0.9x	1.2x	7.5%	1.2x	1.4x	10.1%	0.4%
Fund II	2017	1,582	542.8	255.8	366.6	0.5x	1.1x	8.9%	0.6x	1.2x	12.5%	1.2%
Total			**$1,054.9**	**$763.1**	**$493.8**	**0.7x**	**1.2x**	**8.2%**				**0.2%**

Crescent Capital Group Prior Investment Performance (Unlevered)[1] As of 3/31/21									HL Benchmark Credit As of 3/31/21			PME Benchmark S&P Leveraged Loan Index As of 3/31/21
									Top-Quartile			
($mm) Fund	Vintage	Fund Size[3]	Capital Drawn	Capital Distributed	NAV	DPI	TVPI	Net IRR	DPI	TVPI	Net IRR	PME IRR
Pre-Fund[2]	2005	$225	$147.9	$190.5	$0.0	1.3x	1.3x	8.4%	1.5x	1.5x	9.1%	0.0%
Fund I	2013	686	498.8	537.1	59.5	1.1x	1.2x	6.3%	1.2x	1.4x	10.1%	0.7%
Fund II	2017	1,582	1,005.4	362.9	743.4	0.4x	1.1x	6.8%	0.6x	1.2x	12.5%	2.0%
Total			**$1,652.1**	**$1,090.5**	**$802.9**	**0.7x**	**1.1x**	**7.0%**				**0.9%**

[1] Capital Drawn, Capital Distributed and NAV are calculated from the daily net cash flows of fee-paying limited partners and excludes any cash flows from the General Partner's commitment and excludes fund level leverage; inclusive of fund leverage, Crescent reported net IRRs of 8.1% and 10.4% in Funds I and II, respectively

[2] Pro forma for the fund's management fees and expenses and presented on an unlevered gross basis, as provided by the General Partner

[3] Represents equity commitments across unlevered and levered vehicles

Track Record (cont.)

- The numbers depicted below represent the activity and performance for the levered sleeves of Funds I and II
- As of 3/31/21, Funds I and II had generated a 1.2x and 1.1x gross multiple, respectively, in line with the 9/30/20 gross valuations
- From 9/30/20 to 3/31/21, the Fund I gross IRR remained constant at 7.9% whereas the Fund II gross IRR increased from 8.6% to 8.8%
- Across its levered sleeve, the following took place between 9/30/2020 to 3/31/21:
  - Crescent invested $4.2 million and $89.2 million through Funds I and II, respectively
  - The General Partner realized $89.7 million and $209.5 million through Funds I and II, respectively

Crescent Capital Group
Prior Investment Performance[1]
As of 3/31/21

($mm) Fund	Vintage	# of Inv. Total	# of Inv. Real.	Fund Size[2]	Amount Invested	Amount Realized	Unrealized Value	Gross Mult.	Gross IRR
Pre-Fund	2005	25	25	$225	$198.8	$247.5	$0.0	1.2x	9.7%
Fund I	2014	88	57	602	768.7	722.9	210.8	1.2x	7.9%
Fund II	2017	98	30	1,118	1,138.4	502.9	791.9	1.1x	8.8%
Total		**211**	**112**		**$2,105.9**	**$1,473.3**	**$1,002.6**	**1.2x**	**8.6%**

Crescent Capital Group
Realized Investment Performance[1]
As of 3/31/21

($mm) Fund	Amount Invested	Amount Realized	Unrealized Value	Gross Mult.	Gross IRR
Pre-Fund	$198.8	$247.5	$0.0	1.2x	9.7%
Fund I	520.6	620.7	0.0	1.2x	8.1%
Fund II	298.6	338.8	0.0	1.1x	9.7%
Total	**$1,018.1**	**$1,207.0**	**$0.0**	**1.2x**	**8.9%**

Crescent Capital Group
Unrealized Investment Performance[1]
As of 3/31/21

($mm) Fund	Amount Invested	Amount Realized	Unrealized Value	Gross Mult.	Gross IRR
Pre-Fund	$0.0	$0.0	$0.0	n/a	n/a
Fund I	248.1	102.3	210.8	1.3x	7.5%
Fund II	839.7	164.1	791.9	1.1x	8.5%
Total	**$1,087.9**	**$266.3**	**$1,002.6**	**1.2x**	**8.1%**

[1] Prior investment performance calculated from quarterly gross cash flows; these cash flows are investment-level cash flows and therefore do not represent the impact of fund-level leverage; inclusive of fund leverage, Crescent reported gross IRRs of 11.1% and 14.1% in Funds I and II, respectively
[2] Represents fund sizes of the levered Fund I and II vehicles, reflecting the sum of equity and leverage

Section 2 | Crescent Credit Solutions

General Partner

Established and institutionalized credit investor with reputable brand name	• The General Partner is an established and longstanding credit investor with two decades of operating experience • Crescent pursues several investment strategies across multiple product lines across diversified geographies; the General Partner has cemented its brand name as a capital solutions provider among private equity sponsors • Each strategy maintains a dedicated investment team and share pooled back-office resources
Experienced and cohesive senior investment team	• The investment team is led by a deep bench of well-tenured Managing Directors with meaningful experience and networks across the private lending industry • 16 junior- and mid-level investment professionals support the Managing Director group, which also benefits from the oversight of Jean-Marc Chapus and Mark Attanasio, Co-founders and Managing Partners, who sit on the investment committee
Broadly distributed economics across the investment team	• The General Partner distributes carried interest down to the Vice President, aligning incentives across the team • Crescent focuses on external recruitment at the junior-level through its two-year Associate program • The General Partner has historically experienced limited turnover at the senior level

General Partner (cont.)

- The General Partner was founded in 1991 by Mark Attanasio and Jean-Marc Chapus after working together at various predecessor firms for 20 years
- In 2021, Sun Life Financial ("Sun Life"), a Toronto-based financial services company, acquired a significant ownership stake in Crescent's management company

Snapshot:[1]

Inception/Founders:

1991/Jean-Marc Chapus and Marc Attanasio

AUM:[2]

$32 billion

Management Company:

Private

Headcount:

96 investment professionals and 88 other employees
26 dedicated investment professionals

Locations:

Los Angeles, New York and London

Strategies/Product Lines:

Direct lending, European direct lending, mezzanine, distressed debt, special situations, Crescent Capital BDC, Inc. and capital markets

Current Leadership:

Jean-Marc Chapus, Mark Attanasio, Tyrone Chang, Joseph Kaufman, Elizabeth Ko, Yev Kuznetsov, Louis Lavoie, Jonathan Marotta, Michael Sfez, Christopher Wang and Christopher Wright

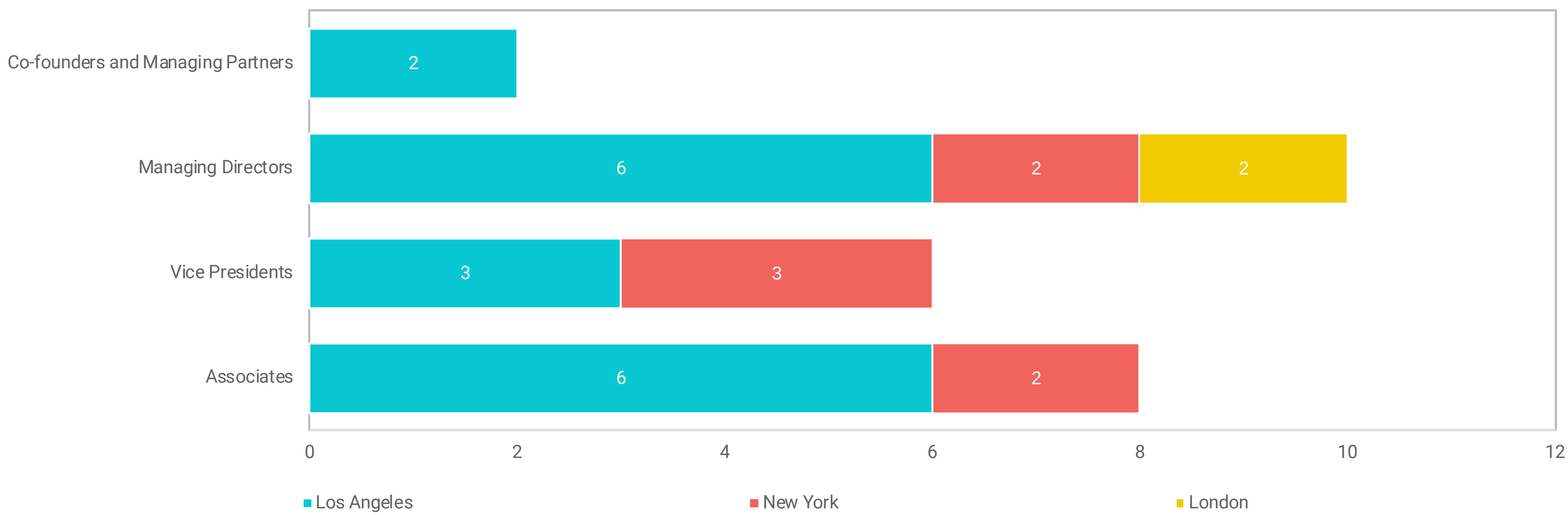
[1] As of 3/31/21
[2] As provided by the General Partner

General Partner (cont.)

- The General Partner is headquartered in Los Angeles and has additional locations in New York and London
- Crescent's regionally located investment professionals in North America and Western Europe focus on building and cultivating relationships with reputable equity sponsors
  - The General Partner leverages its reputation and relationships with equity sponsors to generate direct and off-market investment opportunities

Investment Team by Role/Region

As of 6/30/21



General Partner (cont.)

- The investment team dedicated to the mezzanine strategy is led by ten Managing Directors with an average tenure of 15 years who benefit from the oversight of Jean-Marc Chapus and Mark Attanasio, Co-founders and Managing Partners
  - The investment team also includes six Vice Presidents and eight Associates
- The investment committee is comprised of Messrs. Chapus and Attanasio along with four Managing Directors, Messrs. Marotta, Kaufman, Wright, Lavoie and one external member, Robert Beyer, who sits on the board of directors
  - Investment decisions require unanimous consensus across the decision-making group for approval
- From a diversity standpoint, the 26-person investment team includes six female professionals; two Managing Directors, two Vice Presidents and two Associates
  - Across the broader Crescent platform, approximately 45% of senior investment professionals originate from ethnic minority backgrounds

Name	Title	Location	Tot. Exp. (yrs.)	Tenure (yrs.)	Fund IV	2007	Fund V	2009	2010	2011	Fund VI	2013	2014	2015	Fund VII	2017	2018	2019	2020	2021
Jean-Marc Chapus[1]	Co-founder and Managing Partner	Los Angeles	36	30																
Mark Attanasio[1]	Co-founder and Managing Partner	Los Angeles	32	30																
Tyrone Chang	Managing Director	Los Angeles	22	20																
Christopher Wright[1]	Managing Director	Los Angeles	19	19																
Louis Lavoie[1]	Managing Director	London	30	16																
Joseph Kaufman[1]	Managing Director	New York	25	16																
Michael Sfez	Managing Director	London	24	16																
Kimberley Grant	Managing Director	Los Angeles	20	15																
Yev Kuznetsov	Managing Director	Los Angeles	17	14																
Elizabeth Ko	Managing Director	Los Angeles	17	13																
Jonathan Marotta[1]	Managing Director	New York	24	11																
Christopher Wang	Managing Director	Los Angeles	15	9																

= Tenure with Crescent Capital Group

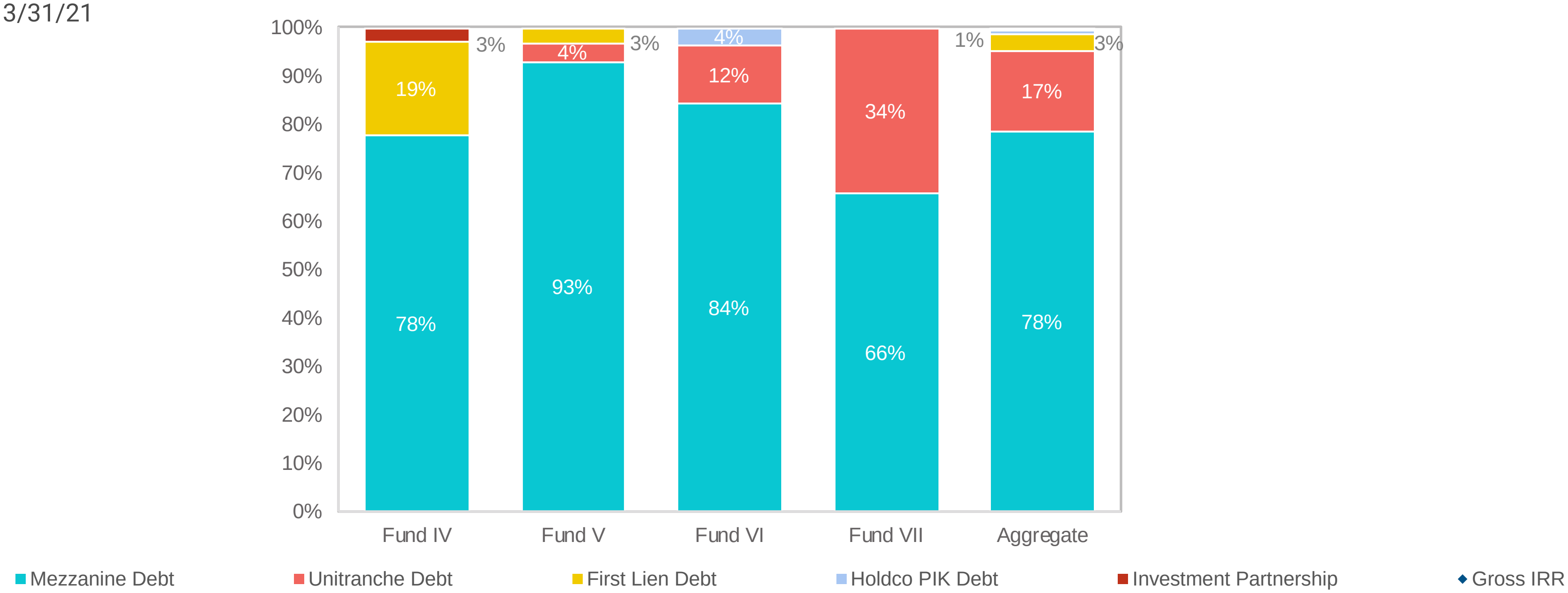
= Total Experience

[1] Denotes members of the investment committee

- Crescent expects to increasingly deploy capital in unitranche opportunities, targeting debt with higher seniority than mezzanine credit; to maintain its targeted return profile, the General Partner may lever its unitranche investments to up to 100% of their investment cost, compensating for the expected lower interest
- In doing so, the General Partner is trading operational risk for financial risk, where the levered unitranche investments are expected to be grouped together for broad collateralization in an investment vehicle controlled by the Fund
- The General Partner structures its investments with blended cash and PIK floating rates
  - Crescent employs covenants and call protection components as part of its focus on downside protection

Prior Investments - % by Primary Security Type

As of 3/31/21

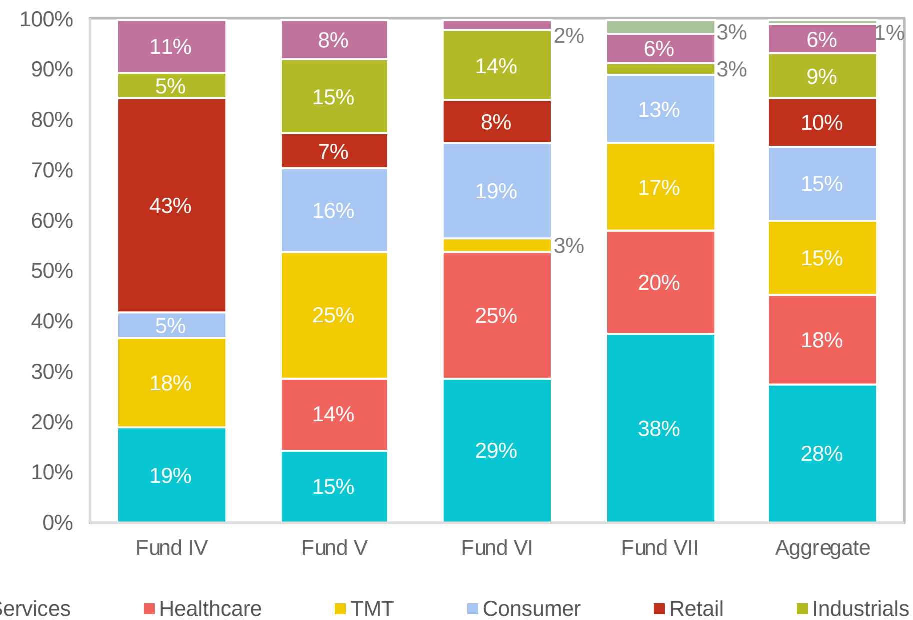


Investment Strategy (cont.)

- The General Partner acts primarily as the lead arranger, providing complete mezzanine and unitranche credit solutions to sponsors and target portfolio companies
  - Crescent may co-lead some of its larger investments with other reputable credit firms
- The General Partner primarily invests in North America but may also opportunistically invest on an international basis
  - Fund VIII is restricted from investing more than 35% of aggregate commitments in businesses located outside North America
- Crescent is a sector-agnostic investor that has historically invested in the services, industrials, healthcare, technology and consumer sectors
  - The General Partner focuses on stable free cashflow generative businesses with low capital expenditure requirements and recurring revenue streams

Prior Investments - % By Sector

As of 3/31/21



Investment Strategy (cont.)

- The General Partner invests in middle-market businesses generating at least $35 million of EBITDA
- Crescent focuses exclusively on sponsored transactions, providing equity investors with the leverage component to execute leveraged buyouts
- The General Partner sources investment opportunities through its relationships with a wide range of equity sponsors, target management teams and financial intermediaries

Track Record

- As of 3/31/21, Funds V and VI had generated 10.2% and 8.5% net IRRs, respectively, in line with second-quartile peers
- As of 3/31/21, the Fund VII unlevered and levered sleeves had generated an 8.8% blended net IRR, in line with third-quartile peers
  - Through its levered sleeve, Fund VII had generated an 11.1% net IRR, in line with second-quartile peers
- Crescent indicated that Fund VII would have generated a 13.5% net IRR, as of 3/31/21, with the proposed management fee and carried interest structure for Fund VIII
- As of 6/30/21, the General Partner noted that Funds VI and VII had generated unlevered net IRRs of 9.3% and 8.7%, respectively
- As of August 2021, the General Partner expected both Funds VI and VII (blended sleeves) to ultimately generate a 10.0% net IRR

Crescent Capital Group Prior Investment Performance (Unlevered)[1] As of 3/31/21									HL Benchmark Mezzanine As of 3/31/21			PME Benchmark CS HY Index II Value Index As of 3/31/21
									Top-Quartile			
($mm) Fund	Vintage	Fund Size	Capital Drawn	Capital Distributed	NAV	DPI	TVPI	Net IRR	DPI	TVPI	Net IRR	PME IRR
Fund IV[2]	2006	$1,704	$1,911.2	$2,146.1	$0.0	1.1x	1.1x	3.0%	1.4x	1.4x	8.8%	7.6%
Fund V[2]	2008	2,850	2,996.8	3,880.6	224.9	1.3x	1.4x	10.2%	1.4x	1.5x	12.6%	9.2%
Fund VI	2012	3,438	3,697.6	3,808.7	967.1	1.0x	1.3x	8.5%	1.2x	1.5x	13.0%	5.5%
Fund VII[3]	2016	4,628	3,976.7	1,504.4	2,999.9	0.4x	1.1x	8.5%	0.6x	1.3x	13.3%	7.3%
Total			**$12,582.4**	**$11,339.8**	**$4,191.9**	**0.9x**	**1.2x**	**7.5%**				**7.4%**

Crescent Capital Group Prior Investment Performance (Levered)[1] As of 3/31/21									HL Benchmark Mezzanine As of 3/31/21			PME Benchmark CS HY Index II Value Index As of 3/31/21
									Top-Quartile			
($mm) Fund	Vintage	Fund Size	Capital Drawn	Capital Distributed	NAV	DPI	TVPI	Net IRR	DPI	TVPI	Net IRR	PME IRR
Fund VII[3]	2016	4,628	454.9	171.4	349.8	0.4x	1.1x	11.1%	0.6x	1.3x	13.3%	7.3%

[1] Capital Drawn, Capital Distributed and NAV are calculated from the daily net cash flows of fee-paying limited partners and excludes any cash flows from the General Partner's commitment
[2] Capital Drawn, Capital Distributed and NAV for Funds IV and V include approximately $100 million of affiliate limited partner commitments from the TCW balance sheet
[3] Represents equity commitments across the unlevered and levered vehicles, excluding leverage; Fund VII is comprised of $4.04 billion of unlevered commitments, which as of 3/31/21 were 98% drawn and $588 million of levered commitments which as of 3/31/21 were 78% drawn

Track Record (cont.)

- As of 3/31/21, Fund VII was approximately 130% invested
- As of August 2021, the General Partner had committed approximately 25% of the target fund size

Crescent Capital Group
Prior Investment Performance
As of 3/31/21

($mm) Fund	Vintage	# of Inv. Total	# of Inv. Real.	Fund Size	Amount Invested	Amount Realized	Unrealized Value	Gross Mult.	Gross IRR
Fund IV	2006	24	24	$1,704	$1,779.7	$2,182.2	$0.0	1.2x	5.4%
Fund V	2008	33	31	2,850	2,902.6	4,311.3	293.1	1.6x	16.2%
Fund VI	2012	34	26	3,438	3,841.5	4,433.8	1,153.9	1.5x	12.8%
Fund VII[1]	2016	55	10	4,628	6,561.5	2,768.5	4,901.5	1.2x	10.7%
Total		**146**	**91**		**$15,085.2**	**$13,695.8**	**$6,348.5**	**1.3x**	**11.3%**

Crescent Capital Group
Realized Investment Performance
As of 3/31/21

($mm) Fund	Amount Invested	Amount Realized	Unrealized Value	Gross Mult.	Gross IRR
Fund IV	$1,779.7	$2,182.2	$0.0	1.2x	5.4%
Fund V	2,720.0	4,215.6	29.9	1.6x	16.3%
Fund VI	2,830.8	3,881.7	0.0	1.4x	12.7%
Fund VII[1]	1,276.8	1,428.7	71.8	1.2x	10.1%
Total	**$8,607.3**	**$11,708.2**	**$101.8**	**1.4x**	**11.1%**

Crescent Capital Group
Unrealized Investment Performance
As of 3/31/21

($mm) Fund	Amount Invested	Amount Realized	Unrealized Value	Gross Mult.	Gross IRR
Fund IV	$0.0	$0.0	$0.0	n/a	n/a
Fund V	182.6	95.7	263.2	2.0x	14.1%
Fund VI	1,010.7	552.1	1,153.9	1.7x	13.1%
Fund VII[1]	5,284.7	1,339.7	4,829.7	1.2x	10.9%
Total	**$6,477.9**	**$1,987.6**	**$6,246.8**	**1.3x**	**12.1%**

[1] The amount invested and realized of Fund VII includes the effects of leverage and co-investment capital to be syndicated to co-investors, in addition to the grouping of daily cash flows on a monthly basis (monthly gross cash flows employed for gross returns analysis)

- The General Partner is a signatory to PRI and institutes best practices internally around ESG integration into its investment process, decision-making and focuses on mitigating potential ESG risks through its due diligence of both portfolio companies and equity sponsors
- Crescent ESG Oversight Committee is composed of representatives from all product groups, compliance, risk and investor relations ; the committee monitors portfolio companies and reviews the General Partner's responsible investment policy on an annual basis
- In 2019, the General Partner formed its DE&I Committee and hired a consulting entity to review the workplace and culture with a focus on increasing diversity across the workforce, cultivate an inclusive environment to attract and retain diverse talent, create equal opportunities and encourage dialogue and education on the isues of equity and inclusion
- All employees are required to participate in formal ESG training as part of their onboarding process
- The General Partner remains a credit investor and does not acquire controlling stakes in its portfolio companies nor does it command or influence portfolio company operations through board representation

ESG Summary

ESG Policy	Yes
ESG-Dedicated Professionals	None; ESG Committee, DE&I Committee and Management Committee
Signatories	UN PRI signatory
Environmental Focus	Working towards TCFD compliance
Diversity	34% female / 66% male across all professionals 15% female representation across all investment professionals 28% minority representation across all investment professionals
ESG in Due Diligence Process	ESG factors incorporated in due diligence by deal teams

Integration in Decision Making	IC memos include ESG considerations
ESG Focus – Planning	ESG included in strategic planning
Monitoring	ESG committee monitors compliance with responsible investing policy
Reporting	ESG events disclosed in annual reports distributed to LPs
Requirements of Portfolio Companies	None

Appendices

Definitions

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

Definitions (cont.)

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

Contact Information

Philadelphia (Headquarters)
Seven Tower Bridge
110 Washington Street
Suite 1300
Conshohocken, PA 19428
USA
+1 610 934 2222

London
8-10 Great George Street
London SW1P 3AE
United Kingdom
+44 (0) 207 340 0100

San Francisco
201 California Street, Suite 550
San Francisco, CA 94111
USA
+1 415 365 1056

Tel Aviv
6 Hahoshlim Street
Building C 7th Floor
Hertzelia Pituach, 4672201
P.O. Box 12279
Israel
+972 73 2716610

Denver
4600 South Syracuse Street
Denver, CO 80327
USA
+1 866 361 1720

Miami
999 Brickell Avenue
Suite 720
Miami, FL 33131
USA
+1 954 745 2780

Scranton
32 Scranton Office Park
Suite 101
Moosic, PA 18507
USA
+1 570 247 3739

Tokyo
13F, Marunouchi Bldg.
2-4-1, Marunouchi
Chiyoda-ku
Tokyo 100-6313, Japan
+81 (0) 3 5860 3940

Frankfurt
Schillerstr. 12
60313 Frankfurt am Main
Germany
+49 69 153 259 290

New York
610 Fifth Avenue, Suite 401
New York, NY 10020
USA
+1 212 752 7667

Seoul
12F, Gangnam Finance Center
152 Teheran-ro, Gangnam-gu
Seoul 06236
Republic of Korea
+82 2 6191 3200

Toronto
150 King St. West
Suite 200
Toronto, Ontario
Canada M5H 1J9
+1 647 715 9457

Hong Kong
Room 1001-3, 10th Floor
St. George’s Building
2 Ice House Street
Central Hong Kong, China
+852 3987 7191

Portland
15350 SW Sequoia Pkwy
Suite 260
Portland, OR 97224
USA
+1 503 624 9910

Singapore
12 Marina View
Asia Square Tower 2
Suite 26-04
Singapore, 018961
+65 6856 0920

Las Vegas
3753 Howard Hughes Parkway
Suite 200
Las Vegas, NV 89169
USA
+1 702 784 7690

San Diego
7817 Ivanhoe Avenue
Suite 310
La Jolla, CA 92037
USA
+1 858 410 9967

Sydney
Level 33, Aurora Place
88 Phillip Street
Sydney NSW 2000
Australia
+61 2 9293 7950

CRESCENT

Presentation to State of Connecticut Retirement Plans and Trust Funds

October 13, 2021

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Crescent Funds are distributed by its wholly-owned limited-purpose broker, Sepulveda Distributors LLC.

All information is current as of December 31, 2020 unless otherwise noted. See Appendix for Certain Risk Factors.

Presenter Biographies

Mark Attanasio

Managing Partner
Crescent Capital Group LP

Mark Attanasio is the Co-founder and Managing Partner of Crescent Capital Group LP and Chairman and Principal Owner of the Milwaukee Brewers. Mr. Attanasio holds positions on several not-for-profit boards, including Heal the Bay, the Los Angeles County Museum of Art (LACMA), and Harvard-Westlake School. In addition, Attanasio served on the President's Leadership Council at Brown University for a decade and is currently a member of Major League Baseball's Executive Council, Labor Policy Committee and is Chairman of the Investment Committee. He received an A.B. from Brown University and a J.D. from Columbia University School of Law.

Mark DeVincentis

Managing Director
Crescent Capital Group LP

Mark DeVincentis is a Managing Director, Head of Strategic Partnerships and Product Solutions and a member of the Management Committee at Crescent Capital Group LP. Mark is responsible for business development focusing on strategic partnerships with institutional plan sponsors. Prior to joining the Crescent team he was a member of the Leverage Finance Group at the Trust Company of the West. Previously he was a founding partner of the growth equity firm, Sparta Asset Management and also associated with Lazard Freres. Mark is very active in the non-profit community. He is a member of the Board of Directors of Best Buddies and the Leadership Council for the Robert F. Kennedy Human Rights Group. He also serves on the advisory boards of the Loveall Foundation for Children and Team Irish Micky Ward Charities. Mark received a BA in Business Administration from Framingham University and an MBA from Seton Hall University.

Crescent Capital Group Overview

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Crescent Capital Group Platform

Facts

Founded: 1991

AUM: $34+ Billion

Employees: 180+

Offices: 4

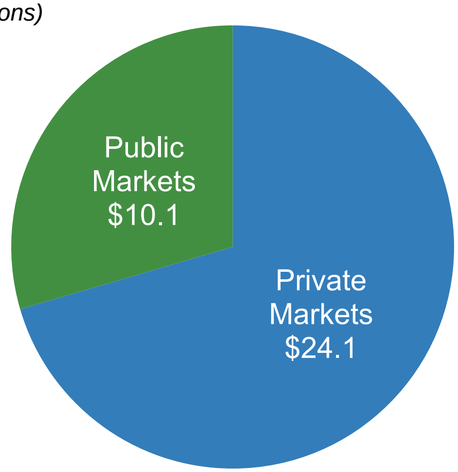
Client Base:
- ~95% Institutional Investor Base
- Over 550 Client Relationships(1)
- No investor >4%

Highlights

- Alternative credit firm with complementary strategies
- Primarily focused on below investment grade corporate credit
- Prioritizes capital preservation and high current income
- Depth and breadth of investment professionals
- Long track record of demonstrated performance through multiple cycles

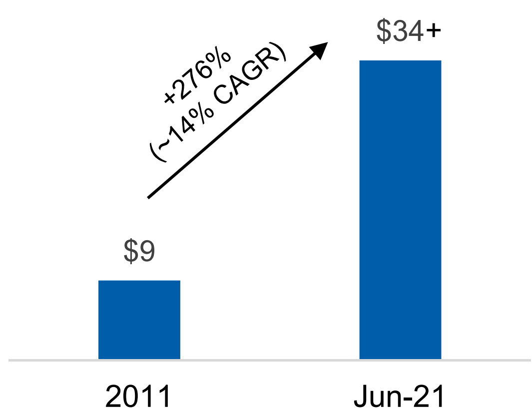
Below Investment Grade Corporate Credit Mix

($ in billions)



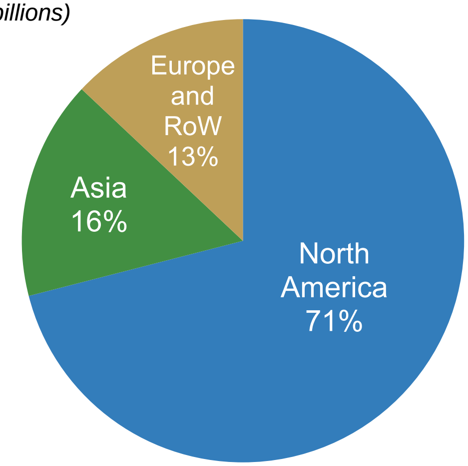
Strong AUM Growth(2)

($ in billions)



Global Investor Base

($ in billions)



Crescent seeks to deliver attractive returns with less volatility, lower default rates and higher recovery than the market average

Information is current as of June 30, 2021.

(1) Excludes GP/Affiliate relationships.

(2) AUM for 2011 is calculated as the average of the quarter-end AUMs for that year.

Past performance is not a guarantee or indicative of future performance

Dynamic Organization

Management Committee

- Includes Managing Partners and leaders within Investment Management, Investor Relations, Legal, and Operations

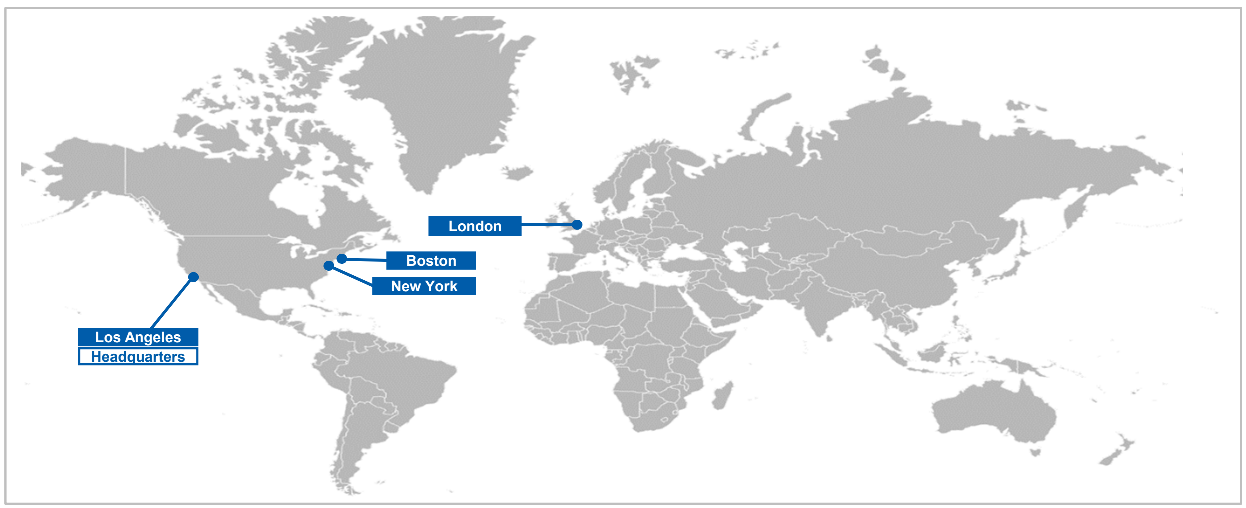
Dedicated Investment Professionals

- **90** investment team members
- **60+** Private Credit and **25+** Public Credit professionals
- Strong sourcing, structuring and portfolio management

Operations Team / Administration

- **90+** operations and administrative team members
- Pursues highest risk management / compliance standards
- Provides best-in-class support functions

Local Market Presence Across Four Offices



Information is current as of June 30, 2021

Power of the Crescent Platform

Investment Approach

- ✓ Differentiated, disciplined and consistent
- ✓ Nearly 30-year history focused on below-investment grade investing
- ✓ Culture of credit focused on current income and principal preservation

Market Intelligence

- ✓ Sharing of "best ideas" across Crescent's platform
- ✓ Proprietary research platform
- ✓ Investment teams analyze credit across both companies and industries

CRESCENT

Strong Deal Flow

- ✓ Proprietary transaction sourcing platform built on franchise relationships with leading private equity firms and intermediaries
- ✓ Cross-sourcing among investment strategies

Capital Markets

- ✓ Flexible offerings
- ✓ Creative solutions
- ✓ Active throughout market conditions

Note: Crescent maintains internal information barrier policies which may require analysts to avoid disclosing certain information broadly within the Firm.

Crescent Private & Public Credit Platforms

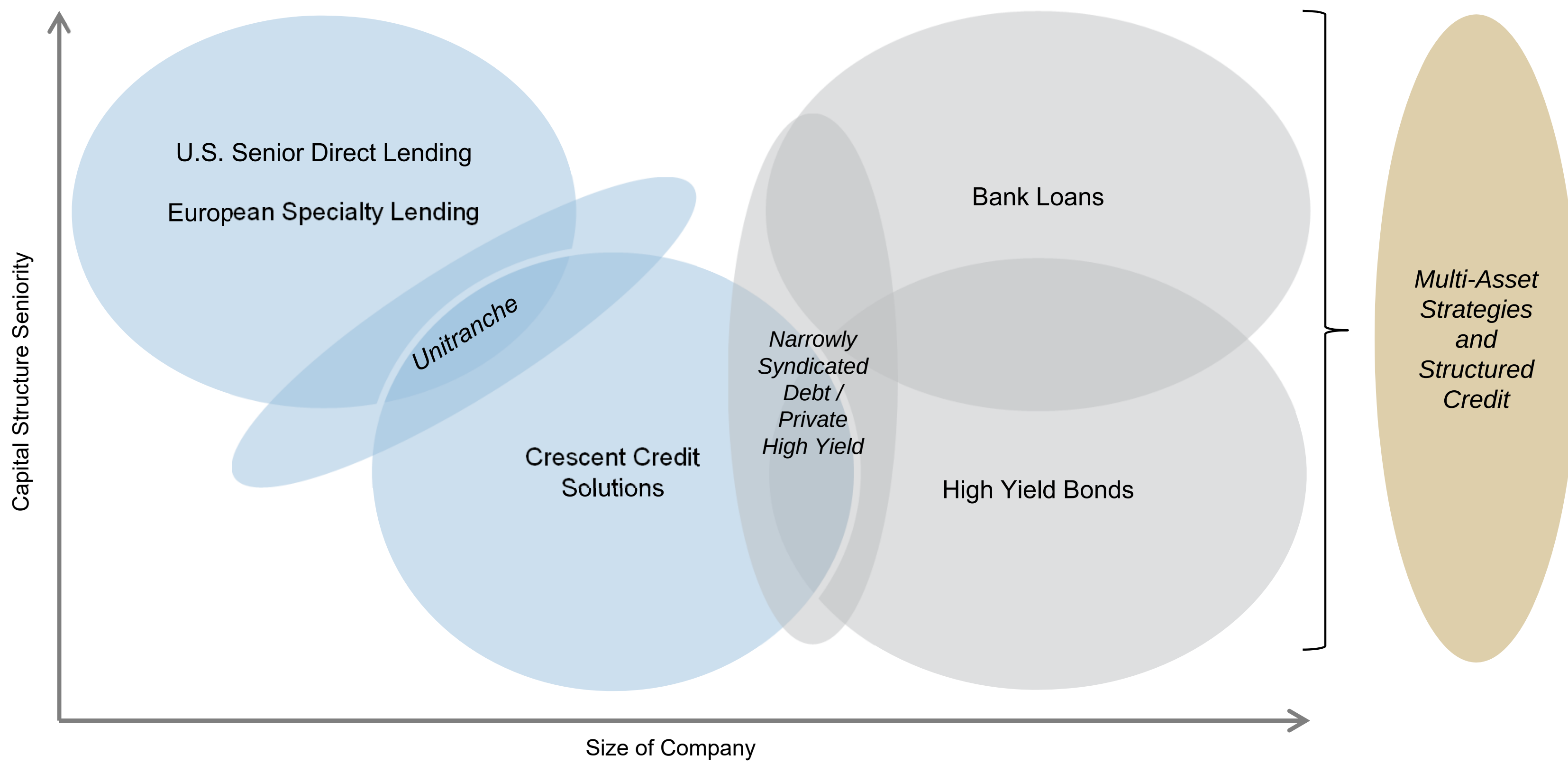
CRESCENT

Crescent's Key Benefits

Global Multi-Strategy Platform with Differentiated Investment Capabilities	• Leverage Crescent's 25+ year track record and dedicated platform for below-investment grade investing • Culture of credit focused on current income and principal preservation has resulted in strong investment performance through multiple cycles
Customization and Flexibility to Modify Strategy	• Custom solutions across private investment strategies tailored to specific investor needs • Ability to manage the portfolio and exposures dynamically based on preference • Sharing of "best ideas"
Dedicated Resources	• Dedicated resources and servicing to effectively administer the client relationship • Day-to-day contact person for client requests, customized reporting needs, etc. • Regular reporting including monthly updates, quarterly reports and annual audited financials
Access to Proprietary Deal Flow	• Proprietary transaction sourcing platform built on franchise relationships with leading private equity firms and intermediaries • Provide beneficial economics and investment opportunities through co-investments
Alignment of Interests	• Independence: no affiliation with private equity firms or investment banks

Complementary Credit Strategies

Crescent has focused on below investment grade corporate credit since inception. Complementary capabilities within this expertise uniquely position the firm as a flexible solutions partner to clients



Private Markets sponsor relationships aid Public Markets allocations, and Public Markets research analysts aid Private Markets credit underwriting

Past performance does not guarantee or indicate future results.
Performing corporate credit strategies illustrated above (Special Situations not depicted).

Crescent Public Credit Platform

- Crescent has nearly three decades of experience in the below-investment grade public credit markets
- More than $10 billion of Public Credit AUM as of June 30, 2021
- Diversified portfolios focused on principal preservation, risk mitigation and current income
- Led by a portfolio management team with over 75 years of investment experience
- Supported by a dedicated team of analysts who have performed fundamental bottom-up credit analysis for over 600 issuers

Public Credit Asset Class Comparison

	Broadly Syndicated Loans	Broadly Syndicated Bonds	Narrowly Syndicated Credit ("Crescent Syndicated Credit Solutions")
Typical Issue Size ($ in millions)	>$400	>$250	$150 - $400
Typical Number of Debt Holders	>30	>30	5-10
Coupon Type	Floating	Fixed	Fixed / Floating
Yield to Maturity as of 6/30/21	4.23%	4.6%	6.3%
Public Ratings	Yes	Yes	Yes
Valuation Frequency	Daily	Daily	Daily
Position in Capital Structure	Senior	Subordinated	Mostly Senior
Target Size of Companies	Upper Mid-Market	Large-Cap	Mid-Market
Liquidity	Generally Liquid	Generally Liquid	Moderately Limited

Capital Markets Proposal

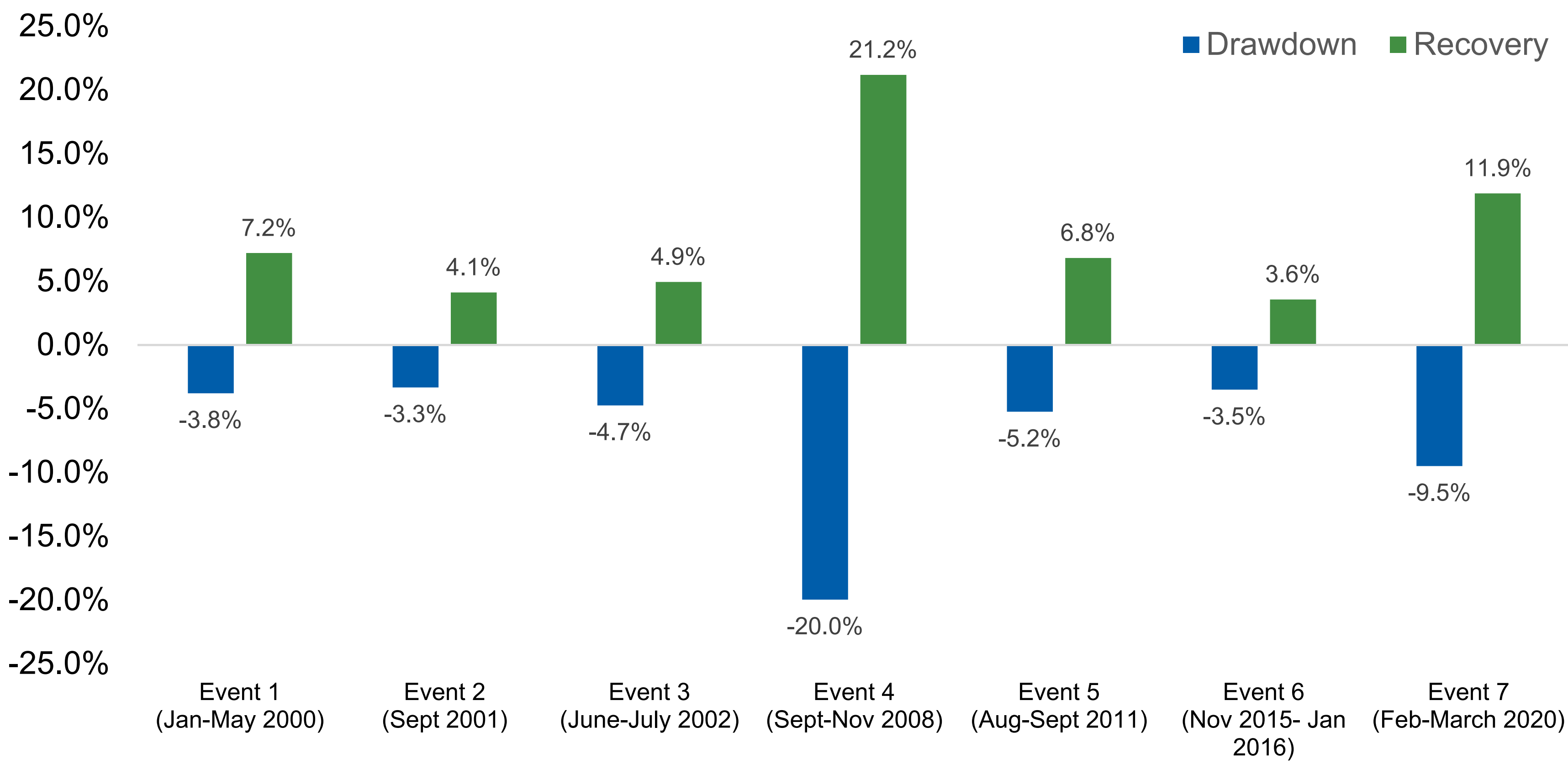
Objective(1)	• Mitigate the opportunity cost of committed capital by generating incremental portfolio returns by pairing private credit fund commitment with an investment in high yield bonds • Target high quality short duration bonds which have generated an average annual return of 6.6% over the past 25 years with minimal default losses
Benefits	• Simple and efficient cash management process • Expected to generate immediate income for investors • Mitigate the J-Curve Private Equity effect • Expected to enhance return on committed capital • Funds would be drawn down and transferred internally to meet capital calls over the life of the private fund

(1) There is no guarantee that these investment objectives can be attained. Source: BAML BB 1-5 Year US HY

Drawdown and Recovery Analysis

— ***Only 7 instances in the history of the BAML BB 1-5 Year US HY Index where the drawdown exceeded 2%***

— ***In the past 10 years, this event has only occurred twice with recoveries of 2-4 months***



Length of Recovery (in Months)	8	2	5	5	4	2	4

10 Year Average Default Rate

Baa	Ba	B	Caa-C
0.09%	0.14%	0.96%	13.97%

Source: BAML BB 1-5 Year US HY

Crescent Private Credit Platform

- **29-year investment track record in private credit**
- **One-stop shop solution**: providing bespoke capital structures to all segments of the middle market
- **Direct origination strategy**
- **Active and highly engaged Lead Manager:** lead transaction structuring and documentation
- **Demonstrated performance through multiple cycles**
- **Large, experienced team:** senior investment professionals average 20+ years of experience

Market Segment	Typical Investment Type	Geographic Coverage	Origination Model
Upper Middle Market	Unitranche, Junior	U.S., Europe, Asia-Pacific	Direct; private equity focused
Lower Middle Market	First Lien, Unitranche	U.S.	Direct; private equity focused
European Middle Market	First Lien, Unitranche, Junior	Europe	Direct private equity focused
Total Crescent Private Credit Platform	Across the Entire Debt Capital Structure	Across Global Developed Markets	Direct Origination Model

Note: "Upper Middle Market" reflects Crescent Mezzanine Funds III through VII, excluding Europe-based transactions. "Lower Middle Market" reflects Crescent Direct Lending plus Crescent Mezzanine's activity prior to Fund III. "European Middle Market" reflects Crescent European Specialty Lending plus Crescent Mezzanine's Europe-based transactions. Past performance does not guarantee or indicate future results. Data as of December 31, 2020.

Multi-Asset Class Portfolios

CRESCENT

Crescent's Multi-Asset Class Portfolios

- Crescent has extensive experience managing multi-asset class portfolios
- Portfolios provide increased diversification and tactical allocation across the debt capital structure
- Direct access to Crescent's proprietary transaction flow across U.S. and European origination teams

Select Multi-Asset Class Funds and SMAs

Portfolio Name	Investor Type	Asset-Based Leverage	Asset Classes	Geography
Crescent Capital BDC	Various	Yes	Senior / Unitranche / Junior / Capital Markets	U.S. & Europe
Capital Trust I	Multi-Employer & Public Pension Plans	No	Senior / Junior / Capital Markets	U.S.-Focused
Capital Trust II	Multi-Employer Pension Plans	Optional	Senior / Unitranche / Junior / Structured / Capital Markets	U.S.-Focused
Insurance Dedicated Fund	Insurance Companies	Yes	Senior / Unitranche / Junior / Structured / Capital Markets	U.S. & Europe
Redacted Investor Name	Public Pension	Yes	Senior / Unitranche	U.S.-focused
Redacted Investor Name	Foundation/ Endowment	No	Senior / Unitranche / CLO Equity	U.S. / Europe
Redacted Investor Name	Insurance Company	No	Senior / Unitranche / Capital Markets	U.S.-focused
Redacted Investor Name	Large Corporate's Insurance Arm	No	Senior / Unitranche / Capital Markets	U.S.-focused

Building a Partnership

Identify Investment Goals

- Determine investment needs and objectives
  - Target Risk Return
  - Asset Class
  - Liquidity
  - Geography
  - Leverage
  - Discretion

Select Optimized Strategy

- Collaborate to identify optimal strategy
- Blend multiple strategies including public and private strategies

Develop Customized Portfolio

- Determine and implement customized fund structure
- Potentially achieve greater tax efficiency for both offshore/onshore investors

Actively Monitor and Adjust Accordingly

- Dialogue to ensure account is meeting all needs
- Access to senior investment professionals
- Rebalance and reallocate as needed

Crescent's Onboarding Process

Crescent's onboarding process is highly coordinated and collaborative

Crescent's Onboarding team, led by Investor Relations ("IR"), has representation from the relevant Operational and Portfolio Management teams

Mandate Won

Mandate Discussions and Crescent Onboarding Team

- Crescent receives mandate specifications from the Client
- Crescent IR adds the mandate to the Onboarding team's recurring meeting agenda and onboarding tracker
- Crescent IR sets up calls with the Client to discuss the mandate and any questions on behalf of the Onboarding team
- If requested, Crescent's Onboarding team joins the Client's onboarding calls to collaborate with the Client's teams and/or vendors

Onboarding and Legal Documentation

- Crescent IR provides the Client with an onboarding package to review and complete
- A first draft of legal documentation (*e.g. IMA, LPA)* is circulated based on mandate specifications and discussions with the Client
- Crescent and the Client discuss legal documentation and turn drafts until finalized and approved

Reporting

- Crescent and the Client agree on standard or customized reporting
- Crescent's Onboarding team memorializes a reporting framework
- Crescent's Onboarding team collaborates with the Client and other parties/vendors *(e.g. administrators, custodians*) to set up reporting functionality

Documents Executed

Account Set-Up and Implementation

- The Client is set up in Crescent's system
- Trading accounts (as applicable) are opened
- Mandate specifications and investment guidelines are coded in Crescent's order management system
- Connectivity with various counterparties is re-confirmed
- Account implementation is complete and communicated to the Client

Note: The steps outlined above are intended to give a high level overview of Crescent's onboarding process. They are not intended to represent an exhaustive list of all action steps.

Appendix

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Crescent Defensive High Yield Strategy Overview

- Portfolio of below-investment grade corporate bonds with focus on value
- Emphasis on current income and principal preservation
- Seeks to generate alpha through active management with strict underwriting and risk management discipline
- Objective is to deliver excess return with less volatility and fewer defaults than the benchmark and has done so since inception
- Utilizes a rigorous, industry specific, credit research driven approach

Past performance is not a guarantee of future results.

(1) Performance as of 6/30/2021.

(2) Performance is based on a composite of the Crescent Capital Defensive High Yield Strategy as of 6/30/2021. The inception date is July 1998. Asset Allocation, Portfolio Statistics, and Performance by Sleeve information is based on the composite's representative account. Crescent Capital Markets claims compliance with the Global Investment Performance Standards (GIPS®). The Crescent Defensive High Yield Strategy Composite has been independently verified for the periods January 1, 2014 through December 31, 2020. The verification and performance examination reports are available upon request.

(3) Average credit rating methodology.

Crescent Credit Solutions Overview

Strategy	• Directly originate junior debt and unitranche debt of middle market companies • Primarily in conjunction with private equity sponsors • Focus on cash interest income
Competitive Advantages	• Proprietary, direct transaction sourcing through long-standing relationships
Market Opportunity	• Banks are currently more constrained increasing the importance of private lenders • Growing demand from sponsors for reliable middle market debt financing • Market volatility and uncertainty creates attractive opportunities

(1) As of June 30, 2021 unless otherwise indicated. See Endnotes for definitions, including for more information on Historical Net Loss Ratio.
(2) Inclusive of Predecessor Fund and Funds I – VII.
Past performance does not guarantee or indicate future results. The information with respect to the competitive advantages and market opportunity, summarized on this page, represents the views only of Crescent Credit Solutions. Since Inception performance is inclusive of Funds I-VII.

Crescent Credit Solutions - Established Investor

Unique Experience Across Multiple Economic Environments

- Patient, long-term investor with private committed capital

Vintage	Economic Cycles	Spread to Average 5-Year Treasury Yield	Fund Name
1992	Growth Period	N/A	Predecessor Portfolio
1996	Growth Period	900 bps	Fund I
1998	Dot-com Bubble	1002 bps	Fund II
2001	Growth Period	1135 bps	Fund III
2006	‘08 Great Recession	924 bps	Fund IV
2008	Post-Recession Recovery	1262 bps	Fund V
2012	Growth Period	1041 bps	Fund VI
2016	COVID Downturn	1088 bps	Fund VII

As of June 30, 2021.
Presented for illustrative purposes only to indicate the economic cycles during which the relevant Crescent fund held or is projected to hold investments. There can be no assurance that the current economic trends associated with COVID-19 will subside.

Crescent Direct Lending Overview

15-Year History as a Leading Manager of Lower-Middle Market Senior Secured Loans

Investment Strategy	• Direct Origination lending to private equity-backed U.S. lower middle-market companies • Preservation of capital focus-highly diversified portfolio primarily First Lien and Unitranche • Less efficient Lower-Middle market can provide significant yield premiums to broadly syndicated loans • Can offer reduced volatility and low correlation to public debt and equity market alternatives
Competitive Advantages	• 15 year history as one of the most active lead managers in U.S. Lower-Middle Market lending[(2)] • Longstanding private equity and other direct origination sourcing relationships • Strong 15 year track record (significant outperformance vs broadly syndicated loans) • Industry leading credit loss performance – one of lowest annual loan loss rates in U.S. Direct Lending
Investment Considerations	• Significant Market Opportunity – U.S. Direct Lending growth driven by continued low bank participation combined with record private equity dry powder • Top of the Capital Structure – provides strong preservation of capital across economic cycles • Low Volatility – less volatility and low correlation to public equity and fixed-income markets • Improved Structures – Lower-Middle Market often offers less levered/lower LTV loan structures with improved covenant protection

(1) All historical references to Crescent's direct lending team and track record prior to June 2012 are based on Crescent principals while at their previous investment firm, HighPoint Capital Management, LLC, from January 2005-May 2012.
(2) Middle market loans generally carry a risk adjusted yield premium to broadly syndicated loans due to the fact they are less liquid.
Note: Past performance does not guarantee future results. Performance results include values of unrealized investments and there can be no assurance that the unrealized investments will, in fact, be realized at the presently anticipated valuations. Returns vary as the fund realizes gains or losses on its presently unrealized investments if and when they are sold.
The information with respect to the competitive advantages and market opportunity, summarized on this page, represents the views only of Crescent Direct Lending.

Responsible Investing and ESG

CRESCENT

Responsible Investing

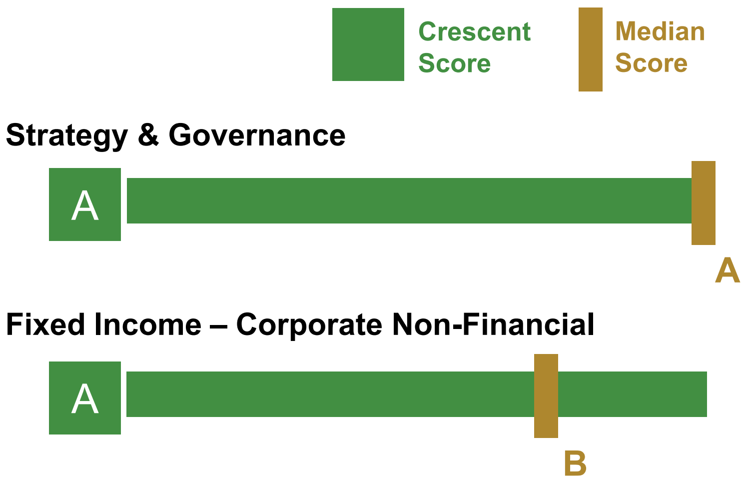
- Crescent's approach to Responsible Investing ("RI") is substantially consistent with the United Nations Principles for Responsible Investment ("UN PRI").
- By systemically incorporating Environmental, Social and Governance ("ESG") considerations into the investment decision process, Crescent believes that its investment professionals conduct more thorough credit analyses and make better-informed investment decisions, resulting in attractive risk-adjusted returns for investors.

Signatory to the UN PRI

Signatory of:

PRI Principles for Responsible Investment

2020 UN PRI Summary Scorecard(1)(2)



(1) Represents Crescent's aggregate score for each module and the median score. These bands range from A+ to E.
(2) Full UN PRI report including ratings is available upon request.

ESG Integration at Crescent

- **Research**: Crescent subscribes to MSCI ESG Research to provide primary support for ESG diligence.
- **Training**: All investment professionals are required to participate in formal ESG training.
- **ESG Working Group:** The Crescent ESG Working Group is composed of representatives from all product groups, Compliance, Risk and Investor Relations and is responsible for maintenance and oversight of Crescent's RI policy and procedures.
- **Reporting**: Crescent reports annually on its ESG activities to the UN PRI.

ESG Integration at the Investment Process

- **New Investments:** When evaluating potential investments, Crescent's deal teams incorporate ESG factors into the due diligence process and investment recommendations.
- **Ongoing Monitoring**: Investment teams continue to monitor portfolio investments for material ESG risks.
- **Engagement**: Where possible and appropriate, Crescent engages with portfolio companies on key issues.

Continuous Evolution of Our Commitment to ESG

2016

- Began researching how best to formally establish an RI Policy and ESG investment integration framework

2017

- Established a Crescent ESG Working Group
- Engaged ESG MSCI Research
- Finalized Crescent's formal RI Policy
- Rolled out mandatory ESG training to all investment professionals

2018

- Became a signatory to the UN PRI
- Began assigning Crescent ESG scores and/or risk ratings to portfolio credits
- Created an ESG issue monitoring dashboard for private portfolio companies

2019

- Began formally reporting to the UN PRI
- Crescent received its first Assessment Report from the UN PRI
- Completed assignment of Crescent ESG scores and/or risk ratings to existing portfolio credits
- Committed to attending ESG-focused events such as PEI's Responsible Investment Forum

2020

- Crescent received its second and improved Assessment Report from the UN PRI
- Reviewed and updated RI Policy to align with current, enhanced practices

2021

- Working to comply with the EU Sustainable Finance Disclosure Regulation (SFDR) and the Task Force on Climate-related Financial Disclosures (TCFD)

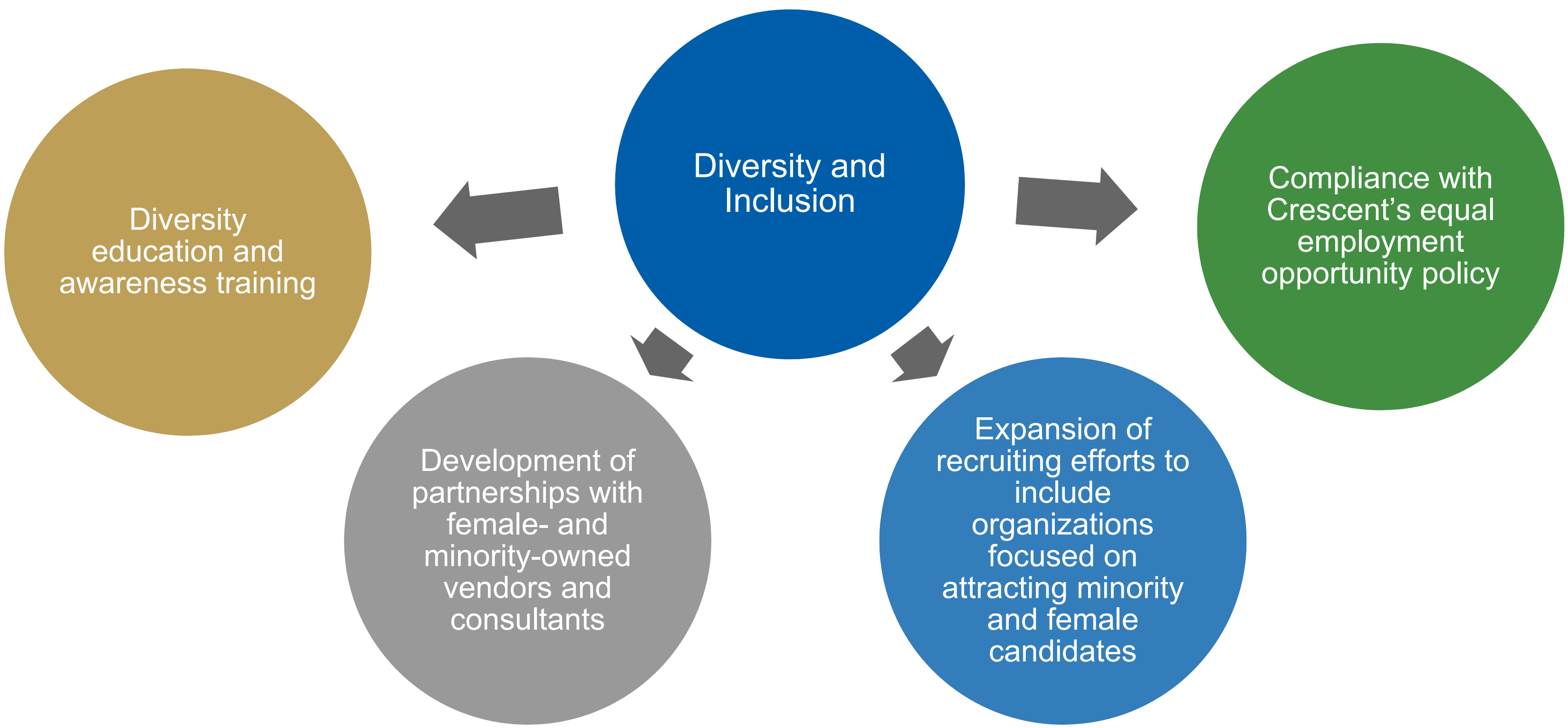
Common ESG Considerations

Environmental	Social	Governance
• Climate change • Carbon emissions • Biodiversity • Use of toxic chemicals • Water scarcity • Land usage • Packaging • Environmental opportunities and/or improvements	• Labor relations and standards • Health and safety • Privacy and data security • Community relations • Human capital development • Predatory lending • Social opportunities and/or improvements	• Board composition • Management compensation • Ownership structure • Accounting standards • Bribery and corruption • Takeover defenses • Regulations • Governance opportunities and/or improvements

Diversity & Inclusion at Crescent

Mission:
Crescent is committed to fostering and maintaining a culture where individuals are respected and supported in a highly collaborative environment. Our diversity and inclusion policy is designed to avail ourselves to the best possible candidates, employees, and business partners; enable our fellow colleagues to contribute to their full potential by encouraging different perspectives and ideas; and create opportunities and outcomes as an employer and members of our communities.

Select Areas of Focus:



Diversity & Inclusion Committee

Diversity & Inclusion Committee

- ✓ Crescent formally formed its Diversity & Inclusion ("D&I") Committee in 2019
- ✓ Engaged D&I consultant to assist with committee's initiatives

Purpose

- ✓ Develop comprehensive strategies for attracting and retaining a diverse group of employees
- ✓ Evaluate, develop, and implement D&I initiatives that will foster an inclusive environment and support all employees
- ✓ Create opportunities for workplace dialogue around issues of equity and inclusion
- ✓ Provide training to all leaders and employees to bring awareness to diversity and inclusion in the workplace

Current Initiatives

Recruiting

- ✓ Targeted advertising and networking through various female-focused organizations to avail ourselves to the best possible candidate pool
- ✓ Partner with female-owned and operated recruiting firms
- ✓ Expanded diversity hiring efforts across all roles, including establishing a Fellowship Program with Historically Black Colleges and Universities in the U.S. and participating in the 100 Black Interns program in London

Services and Firm Culture

- ✓ Added a fertility benefit to our benefits plan
- ✓ Upgraded our mothers' rooms in the U.S. offices
- ✓ Crescent's Black Alliance Course was introduced in the fall of 2020 to open up honest dialogue and deepen our understanding around issues of race and racism
- ✓ Introduced a DEI Foundations training and series of dialogue sessions for all employees globally

Crescent Employees – Women and Minorities

- Total Crescent employees – 184
- # of women and minorities – 99

  % of Total employees – 54%

- Total Investment Professionals (“IP”) – 90
- # of women and minorities – 39

  % of Total IPs – 43%

- Total VP level and higher – 90
- # of women and minorities (VP level and higher) – 34

  % of Total VP level and higher – 38%

Note: Employee count and demographics are as of June 30, 2021

Crescent Cares

CRESCENT

CRESCENT CARES FOUNDATION

Mission

- Crescent Cares Foundation is passionately committed to donating time, expertise and resources to improve the quality of lives of children and families and the neighborhoods where we live and do business
- We wish to create lasting and positive impact by supporting innovative, purpose-driven and value-added organizations with the goal of enriching the lives and communities of those less fortunate

Vision

- Be a socially responsible philanthropy and agent for change that inspires hope, increases well-being, and improves communities

Impact

- Three areas of focus: education, healthcare and community development
- Contributed to over 175 organizations
- Fosters employee engagement through an Employee Advisory Committee and coordinated service events in Los Angeles, Boston and New York
- Matching gifts program available to all employees
- Leverages the resources and intellectual capital of Crescent to support organizations dedicated to improving the conditions of communities in need

Crescent Cares

Best Buddies

Junior Achievement of Southern California

CASA Court Appointed Special Advocates FOR CHILDREN BOSTON

Hillsides CREATING LASTING CHANGE

Verbum Dei High School

Robert F. Kennedy Human Rights

St. Raphael School Where Leaders Emerge

Junior League of Los Angeles, Inc. Women building better communities

Cedars-Sinai

Al Wooten Jr. Heritage Center EST. 1990 CATCH THE VISION!

Loveall Foundation for Children LoveallFoundation.org

newheights Leaders. Champions. Student-Athletes.

Tom Coughlin Jay Fund

NYA

Covenant House Opening Doors For Homeless & Trafficked Youth

SPARK

ICL People Get Better With Us™

P.S. ARTS

MS National Multiple Sclerosis Society

Team Micky Ward Charities

Includes a representative list of organizations in which Crescent Capital employees maintain leadership positions and/or volunteer significant amounts of time. Organizations listed above are representative in nature and should not be considered an endorsement of the investment advisor or services rendered.

Spotlight on Select Crescent Cares Programs

Verbum Dei Corporate Work Study Program

Organization	• Verbum Dei is a Jesuit college and career preparatory high school • Serves economically and academically underserved students in Los Angeles
Program Specifics	• Each year Crescent Capital mentors and trains four students • Income the students earn goes directly towards defraying the cost of tuition • Every student works five full days a month on a rotational basis
Impact	• 100% of Verbum Dei students gain college acceptance • Direct and tangible positive influence on the lives of young people

Best Buddies Jobs Program

Organization	• Nonprofit 501(c)(3) organization dedicated to creating opportunities for one-to-one friendships, integrated employment and leadership development for people with Intellectual Developmental Disabilities (IDD) • Matches skilled, qualified individuals with IDD with businesses seeking enthusiastic and dedicated employees
Program Specifics	• Crescent Capital currently employs two Best Buddies team member in each of Los Angeles and New York • Best Buddies employees work in office services and are fully integrated employees of Crescent Capital
Impact	• Promotes integrated employment opportunities • Assists participants in earning an income, paying taxes and working in an environment alongside others in the community • Offers opportunity for people with IDD to become financially independent through their own efforts

Certain Risk Factors

Nature of Debt Securities. Debt and structured equity investments in highly leveraged companies involve a high degree of risk with no certainty of any return of capital. The debt securities in which Crescent Funds and strategies ("Crescent Funds") invest may be unsecured and subordinated to substantial amounts of senior debt, all or a portion which may be secured, may not be protected by financial covenants or limitations on additional debt, may have limited liquidity and may not be rated by a credit rating agency.

Competitive Debt Environment. Crescent Funds compete with the public debt and equity markets and with other investors for suitable investment opportunities. There can be no assurance that Crescent Funds will be able to locate and complete investments, fully invest its committed capital or satisfy its rate of return objectives.

Foreign Investments. Investments in non-U.S. companies involve risks not typically associated with the more developed U.S. capital markets, including risks relating to currency exchange, differences between the U.S. and foreign securities markets, differences in corporate and creditors' rights laws and economic, and political risks.

Financial Markets. Instability in the securities markets may increase the risk inherent in Crescent Funds' investments in that the ability of portfolio companies to refinance or redeem debt and structured equity securities held by Crescent Funds may depend on their ability to sell new securities in the market.

No Assurance of Investment Return. There can be no assurance that Crescent Funds will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the type of companies and transactions described herein. Accordingly, an investment in Crescent Funds should only be considered by persons who can afford a loss of their entire investment. Past activities or investment return results of investment entities associated with the Crescent management team or its principal members, including their prior funds, provide no assurance of future success or return results. The fees and expenses charged in connection with an investment in Crescent Funds may be higher than the fees and expenses of other investment alternatives and may offset profits.

Use of Leverage. Certain Crescent Funds may leverage the cost of its investments. To the extent Crescent Funds purchases securities with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if borrowed funds are not used. If the interest expense on borrowings were to exceed the net return on the portfolio of securities purchased with borrowed funds, Crescent Funds' use of leverage would result in a lower rate of return than if Crescent Funds were not leveraged. Overall, the use of leverage, while providing the opportunity for higher returns, also increases volatility and the risk of loss.

No Regulatory Approval. The Crescent Funds have not been approved or disapproved by any securities regulatory authority of any state, by the Securities and Exchange Commission, or any similar authority in another jurisdiction.

Interest Rate Fluctuations. Interest rate fluctuations may negatively impact Crescent Funds' investment opportunities and the rate of return on invested capital. An increase in interest rates would make it more expensive for portfolio companies to finance operations and indirectly affect the credit quality of Crescent Funds' investments.

Lack of Diversification and Reliance on Portfolio Company Management. Crescent Funds may invest in a limited number of investments and may be concentrated in only a few industries. Therefore, the aggregate return of Crescent Funds may be adversely affected by the negative performance of a relatively few investments. The manager monitors portfolio company performance; however, it is primarily the responsibility of portfolio company management to operate a portfolio company on a day to day basis and there is no assurance that such management will perform in accordance with Crescent Funds' expectations.

Dependence Upon Key Personnel. Decisions with respect to the investments and management of Crescent Funds will be made exclusively by the Crescent management team. Investors generally have no right to take part in the management of Crescent Funds and do not have an opportunity to evaluate the specific investments made by mezzanine funds or their terms. The success of Crescent Funds depends significantly upon the skill and expertise of the principal members of the Crescent management team. The departure of any of those principal members could have a material adverse effect on mezzanine funds.

Conflicts of Interest. Crescent and its affiliates manage multiple funds and accounts. Key personnel will devote some business time to managing those other funds and accounts. Obligations to certain funds and accounts could in certain circumstances adversely affect the price paid or received for investments by Crescent Funds or the size or the portion of investments purchased by other Crescent Funds.

No Market for Interests in Crescent Funds and Restrictions on Transfer. Crescent Funds' interests ("Interests") have not been registered under the United States Securities Act of 1933, as amended (the "1933 Act"), the securities laws of any state or the securities laws of any other jurisdiction, and, therefore, cannot be resold unless they are subsequently registered under the 1933 Act and other applicable securities laws or an exemption from registration is available. It is not contemplated that registration of Interests under the 1933 Act or other securities laws will ever be effected. There is no public market for the Interests, and none is expected to develop. An investor in a Crescent Fund is generally not permitted to assign its Interests without the prior written consent of Crescent, and any such assignment is subject to the terms and conditions of the operative documents of the relevant Crescent Funds . Investors must be prepared to bear the risks of owning their Interests for an extended period of time and the risk of loss of the entire investment.

SHAWN T. WOODEN
TREASURER

State of Connecticut
Office of the Treasurer

DARRELL V. HILL
DEPUTY TREASURER

October 7, 2021

Members of the Investment Advisory Council ("IAC")

Re: **Ironwood Capital Management V, LP**

Dear Fellow IAC Member:

At the October 13, 2021 meeting of the IAC, I will present for your consideration a private credit opportunity for the Private Credit Fund ("PCF") in the Connecticut Retirement Plans and Trust Funds (the "CRPTF"): Ironwood Capital Management V, LP ("Ironwood V" or the "Fund"). Ironwood V is being raised by an affiliate of Ironwood Capital ("Ironwood"), a mezzanine capital investment management firm based in Avon, CT.

I am considering a commitment of up to $75 million in Ironwood V, a fund that focuses on subordinated debt and minority equity investments in lower middle market, U.S. companies. Ironwood is led by a cohesive and experienced team that has been successfully executing the firm's investment strategy for two decades. A Fund commitment would provide the CRPTF with additional exposure to Ironwood's differentiated investment opportunities generated through a focus on less competitive and often underserved secondary and tertiary markets.

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

Sincerely,

Shawn T. Wooden
State Treasurer

OFFICE OF THE STATE TREASURER

MEMORANDUM

DECISION

TO:	**Shawn T Wooden, Treasurer**
FROM:	**Ted Wright, Chief Investment Officer**
CC:	**Darrell V. Hill, Deputy Treasurer** **Raynald Leveque, Deputy Chief Investment Officer** **Kevin J. Cullinan, Chief Risk Officer** **Mark Evans, Principal Investment Officer** **Kan Zuo, Investment Officer**
DATE:	**September 29, 2021**
SUBJECT:	**Ironwood Capital Management V, LP – Final Due Diligence**

Summary

The purpose of this memorandum is to recommend that the Connecticut Retirement Plans and Trust Funds (the "CRPTF") consider a commitment of up to $75 million to Ironwood Capital Partners V LP ("Ironwood V" or the "Fund"). The Fund will focus on subordinated debt and minority equity investments in lower middle market companies based in the U.S. Ironwood V, including parallel funds, is targeting $500 million of limited partner commitments with a hard cap of $550 million.

The Fund is being raised by its general partner, Ironwood Capital Management V LLC (the "GP"), which is an affiliate of Ironwood Capital ("Ironwood"). Based in Avon, CT, Ironwood has been managing and investing mezzanine capital since 2001.

Strategic Allocation within the Private Credit Fund

The Ironwood V strategy would be categorized as a mezzanine debt strategy identified for the Private Credit Fund ("PCF") in the Investment Policy Statement ("IPS"). The IPS establishes allocation ranges for mezzanine strategies from 0% to 30% of the PCF's total exposure, defined as market value plus unfunded commitments. As of June 30, 2021, the PCF's estimated total exposure to mezzanine strategies was approximately 6%.

The recommended Fund commitment would be consistent with the PCF's strategic pacing plan objectives of establishing long-term exposure to mezzanine strategies of 10% to 20% of PCF's total exposure. Note that the CRPTF's existing commitment to Ironwood Mezzanine Fund IV, L.P. ("IMF IV") was made in 2017 before the Private Credit Fund was established. The CRPTF's existing commitment to IMF will be transferred from the Private Investment Fund portfolio to the PCF portfolio. An Ironwood V commitment would provide the CRPTF the opportunity to increase its exposure to a manager that has delivered attractive returns to the CRPTF as outlined in the following table.

(US$ in millions, as of June 30, 2021)

Fund	Vintage Year	Status	Connecticut Commitment	Unfunded Commitment	NAV	Net IRR	Net TVM	Net DPI
Ironwood Mezzanine Fund IV	2017	Harvesting	$50	$23	$21	15.9%	1.23x	0.43x

Source: Connecticut returns from Burgiss Private i. TVM is total value multiple. DPI is distributions to paid in capital.

Firm and Management Team

The founding partners of Ironwood, Marc Reich and Carolyn Galiette, formed Ironwood in 1991 after purchasing the investment banking unit of Aetna Life & Casualty Company ("Aetna"). Reich started Aetna's investment banking unit in 1985 and Galiette joined in 1988. James Barra joined Ironwood in 1997 and Ironwood continued to focus on providing investment banking services until raising its first investment fund in 2001.

Reich, who remains a Partner and currently serves as Chair of the Firm, began reducing his activity levels with Ironwood in 2015 as part of a planned succession process. The Ironwood investment team is currently led by five Partners: Galiette, Roger Roche Jr., Barra, Dickson Suit, and Alexander Levental. Galiette serves as the Firm's President and Chief Investment Officer ("CIO"), while Barra also serves as Ironwood's Chief Operating Officer. Roche, Suit, and Levental joined Ironwood in 2000, 2001, and 2005, respectively. The senior members of Ironwood's investment team are supported by three Directors, one Associate, and two Analysts.

While a relatively small firm, Ironwood has invested in robust operational infrastructure mirrored after larger institutions and many of the Firm's investment operations professionals have been with Ironwood for more than a decade. Zach Luce is a Partner of the Firm and serves as Ironwood's Chief Financial Officer. Luce initially joined Ironwood as its Controller in 2010 after working as a public accountant. Ellen Stotler is Ironwood's Chief Compliance Officer and has been working with Ironwood and its predecessor since 1994. Ironwood's investment and operations professionals collaborate on all key aspects of the Firm's strategy and operations, including investment underwriting and execution, portfolio management, and investor reporting.

The Ironwood investment committee is run by its CIO, who has no direct role in investment origination or underwriting. The Firm created the CIO position to have independent oversight of the investment and portfolio management processes. The Firm's investment committee includes Ironwood's seven Partners, with Reich and Luce serving as non-voting members. All voting investment committee members must approve an investment for the Firm to proceed with an opportunity.

Ironwood currently has 20 employees, all of whom work out of the Firm's office in Avon, CT. In addition to its flagship mezzanine investment funds, three Ironwood employees are dedicated to managing approximately $140 million across a number of funds in the Connecticut Insurance Reinvestment Fund program and a $71 million equity fund.

Investment Strategy and Market Opportunity

The Ironwood V investment strategy will be a continuation of the strategy that the Firm has executed for two decades. The Fund will make subordinated debt and minority equity investments in lower middle market companies based in the U.S. The GP generally focuses on providing capital to support growth financings, acquisition financings, recapitalizations, generational transfers, and buyouts of companies with revenue between $20 million and $200 million and EBITDA in the range of $4 million to $20 million.

Ironwood will seek to build a portfolio of approximately 30 investments in the Fund's portfolio, with investments ranging from $10 million to $30 million per company. Ironwood often scales into its investments through smaller initial capital outlays that grow over time through follow-on investments to support M&A activities, for example. Consistent with existing portfolio construction and risk management practices, the GP will create a portfolio diversified by sector and geography.

While Ironwood does not execute a sector focused strategy, the Firm's investment professionals have developed significant experience and expertise investing in markets such as aerospace and defense, precision manufacturing, environmental services, business services, and transportation and logistics. With its long-term presence and extensive professional networks in Connecticut, Ironwood has invested successfully in several aerospace and defense related businesses in the state that are suppliers to firms such as Pratt & Whitney, Sikorsky, and General Dynamics Electric Boat.

The GP expects that 70% of the Fund's capital will be invested in the form of subordinated debt with the balance structured as equity that is typically co-invested alongside Ironwood's subordinated debt. Ironwood typically serves as the lead mezzanine investor in each of its transactions and generally receives a second lien interest in each borrower's assets. The GP seeks to structure its subordinated debt investments with a current coupon of 11% to 12%, and, where appropriate, payment in kind ("PIK") interest of up to 3%. Through cash and PIK interest as well as transaction fees, the GP's gross targeted returns for subordinated debt investments range from an internal rate of return ("IRR") of 12% to 16% and 1.5x to 1.8x invested capital.

Ironwood expects the Fund's equity interests in any one company to range between 0% and 30% with an average of 10% across the portfolio. Ironwood typically structures its equity investments in the form of preferred stock with upside participation through common stock interests. Ironwood conducts its own underwriting of any potential equity investment and generally targets an IRR in the mid to low 20%'s and a multiple of 2.5x to 3.0x invested capital. The GP structures its equity investments to include standard minority investor rights, including board representation or observation rights.

Ironwood will continue its historical practice of partnering with private equity backed companies as well as those that are management-led or family-owned. The GP anticipates that 60% of the Fund's investments will involve a private equity sponsor managing a committed pool of capital, 25% will be led by a family office or an independent sponsor, and 15% will not involve a private equity sponsor. Ironwood expects that the Fund will be diversified by transaction type, with approximately 65% in buyouts, 20% in growth/acquisition financings, and 15% in refinancings.

Ironwood continues to focus its investment activities in the lower middle market, which it has found to provide favorable risk-reward dynamics. The Firm seeks to identify companies of sufficient operating scale and cash flow stability to reduce many of the risks commonly associated with smaller companies. Purchase price and leverage multiples are generally more moderate in the lower middle market as compared to the larger cap market segments, which allows Ironwood to invest with decreased levels of financial risk. Notably, Ironwood has developed strong sourcing capabilities in certain secondary and tertiary markets and invested 50% of its prior funds in underserved markets, including those owned and/or managed by women and minorities, businesses located in or with a significant number of employees in low- and moderate-income communities, and companies with environmentally responsible business models. Ironwood's emphasis on these markets has allowed the Firm to maintain its underwriting, structuring, and pricing discipline by avoiding more competitive transaction dynamics often found in larger markets.

Through a rigorous, multi-step investment screening and underwriting process Ironwood attempts to identify those opportunities that best balance the stability of cash flows to delever and comfortably service all debt obligations with growth and equity appreciation potential. Post-closing, Ironwood's investment professionals support the efforts of its portfolio sponsor and management partners to achieve value creation objectives, which often include (i) increased scale and diversification via organic growth and acquisitions; (ii) enhanced operating margins and improved free cash flow stability through the implementation of lean manufacturing and pricing optimization initiatives; and,

(iii) the augmentation and professionalization of each company's management team, operating and reporting systems, and corporate governance practices.

Track Record

Ironwood raised its first fund, Ironwood Mezzanine Fund LP ("IMF I"), in 2001. IMF I was organized as a small business investment company ("SBIC") licensed by the U.S. Small Business Administration. IMF I was structured as a levered SBIC and generated a net IRR of 14% and a net total value multiple of 2.3x on $82 million of invested capital.

The following track record assessment focuses on Ironwood's vintage year 2007, 2012, and 2017 funds. Ironwood Mezzanine Fund II LP ("IMF II"), a 2007 vintage year fund, was also structured as a levered SBIC. Ironwood raised Ironwood Mezzanine Fund III LP ("IMF III") and Ironwood Mezzanine Fund III-A LP ("Ironwood III-A) as parallel vehicles to co-invest in the same transactions. IMF III-A also received a levered SBIC license. Ironwood's 2017 vintage year funds, which were also raised as parallel funds to co-invest in the same transactions, consisted of IMF IV, Ironwood Mezzanine Fund IV-A LP ("IMF IV-A"), and Ironwood Mezzanine Fund IV-B LP ("IMF IV-B"). IMF IV-A received a non-levered SBIC license, and IMF IV-B was raised as a feeder fund with a BBB rating. In total, the IMF III and IV fund platforms had committed capital of $307 million and $424 million, respectively, inclusive of IMF III-A's $109 million of SBA leverage.

Across IMF II and the IMF III and IV fund platforms, Ironwood had invested $831 million in more than 70 distinct companies, which generated a gross IRR and TVM of 14% and 1.4x as of June 30, 2021. As of the same date, Ironwood had realized 62 investments in 37 unique companies that generated a gross IRR of 16% and a gross multiple of 1.5x on $462 million of invested capital. Ironwood's gross and net investment performance is highlighted in the following table.

($ US in millions, as of June 30, 2021)

Ironwood Capital Partners
Investment Performance Summary

Fund	Vintage Year	Fund Size[1]	# Deals[2]	Invested Capital	Realized Value	Unrealized Value	Total Value	Gross / Net TVM	Gross / Net IRR	Net DPI	Quartile Rank TVM	Quartile Rank IRR	Quartile Rank DPI	PME IRR[3]
Liquidated Funds														
IMF I	2001	$83	25	$82	$139	$0	$139	1.7x / 2.3x	19% / 14%	2.0x	1st	2nd	1st	
Active Funds														
IMF II	2007	$172	20	$159	$262	$5	$267	1.7x / 2.2x	16% / 11%	2.1x	1st	1st	1st	7.9%
IMF III	2012	$143	24	$136	$154	$37	$191	1.4x / 1.2x	11% / 6%	1.0x	3rd	3rd	2nd	5.2%
IMF III-A	2012	$164	24	$155	$174	$40	$214	1.4x / 1.5x	10% / 6%	0.4x	2nd	3rd	4th	5.9%
IMF IV	2017	$164	27	$147	$75	$109	$185	1.3x / 1.2x	17% / 16%	0.4x	1st	1st	2nd	7.5%
IMF IV-A	2017	$124	27	$111	$58	$81	$139	1.3x / 1.2x	18% / 15%	0.4x	2nd	1st	2nd	7.3%
IMF IV-B	2017	$137	27	$122	$63	$91	$154	1.3x / 1.2x	17% / 15%	0.4x	1st	1st	2nd	7.5%
Total Active Funds		$904	71	$831	$786	$363	$1,149	1.4x / 1.3x	14% / 9%	0.8x				6.6%

Source: Ironwood, Hamilton Lane Benchmark (Credit - Mezzanine as of March 31, 2021). Quartile Rank based on net returns.
1. Fund sizes for IMF I, II and III-A include SBA leverage of $54 million, $114 million, and $109 million, respectively.
2. Total Active Funds deal count represents the number of unique investments across the IMF II-IV fund families.
3. Public market equivalent IRR based on Credit Suisse Index II Value Index.

All predecessor Ironwood funds, other than the IMF III fund platform, ranked as first or second quartile funds in the Hamilton Lane Mezzanine Benchmark. PFM investment professionals note, however, that the universe of funds in the Hamilton Lane Mezzanine Benchmark for the 2001, 2007, and 2012 vintage years was limited. All active Ironwood funds outperformed the indexed public market equivalent on an IRR basis as of June 30, 2021.

IMF II was nearly fully realized with over 98% of the fund's total value returned as of June 30, 2021. IMF III and IMF III-A underperformed as of June 30, 2021 with two investments fully realized below cost and three unrealized companies marked below cost. Ironwood does expect the performance of IMF III and IMF III-A to improve over time through the continued debt service payments and equity upside of the fund's remaining 11 investments.

The IMF IV fund complex has performed well through June 30, 2021, with five full exits generating a gross IRR of 41% and 1.6x invested capital. Despite the challenges of navigating disruptions caused by COVID-19, only two unrealized portfolio companies were held below cost as of June 30, 2021. Ironwood expects one of these companies, which has strategic value due to its asset base, to fully recover while it continues to support the turnaround and restructuring of the funds' other challenged investment. Based on the current outlook, Ironwood projects that the IFM IV, IV-A, and IV-B funds will generate returns in line with targeted expectations.

Key Strengths

1. **Cohesive, Experienced Team.** The Fund's investment activities will be led by five Partners who have worked together at Ironwood for more than 15 years. Ironwood's broader Partner group have an average tenure of more than two decades with the Firm and its predecessor organization. The Firm's Partners have continued to enhance its investment and portfolio management practices and have developed a durable culture based on teamwork, professionalism, and shared accountability. Ironwood's founders have planned and executed an effective succession plan, with a focus on the internal development of talent and a broad sharing of fund economics to attract and retain talent. The Ironwood team and strategy has proven resilient through various market and credit conditions.
2. **Innovative Sourcing Practices.** Ironwood focuses its business development efforts on secondary and tertiary markets, including underserved segments of these markets, to generate advantaged deal flow in less competitive environments. All Ironwood investment professionals, other than its CIO, are responsible for deal flow generation. In addition to leveraging a deep network of sponsors, advisors, and banks developed over more than two decades of activity in the lower middle market, Ironwood maintains proprietary detailed city studies used to rank referral sources in each targeted market to prioritize calling efforts. Ironwood's investment professionals regularly attend conferences, trade shows and networking events relevant to Firm's core sectors of investment and host capital strategies programs, where business leaders and advisors in its targeted secondary and tertiary markets are invited to Ironwood facilitated events. Ironwood's systematic marketing and deal sourcing practices should continue to benefit the Fund's investors through the generation of a large pipeline of attractive investment opportunities, particularly those sourced outside of more competitive broadly intermediated processes.
3. **Improved Fee Structure & Return Potential.** Ironwood instituted several improved fund management practices with IMF IV, including offering a more favorable fee structure and adding the ability to recycle capital aimed at improving net investor returns. Similar to IMF IV, Ironwood offered a tiered management fee during the commitment period for Ironwood V, with the largest fee break available to investors committing a minimum of $40 million to the Fund. Connecticut has negotiated an additional fee break during and after the Fund's commitment period for at the $75 million commitment level, which should provide the CRPTF with enhanced net return potential.

Investment Concerns

1. **Increased Fund & Investment Size.** If Ironwood V reaches its hard cap of $550 million, which is likely, the Fund would be approximately 30% larger than the IMF IV fund complex. A larger

fund size raises concerns that the GP may begin to pursue investments outside of the lower middle market where it has been investing effectively for more than two decades. While PFM investment professionals expect the Fund's average investment size to increase modestly, the GP's origination strategy remains anchored in the same segment of the middle market. The GP does not have to significantly increase the number or size of transactions in Ironwood V to deploy a larger capital base. Moreover, the GP's enhanced investment capacity may prove advantageous by providing Ironwood the opportunity to make larger investments in well-performing companies through follow-on financings.

2. **Number of Unrealized Companies.** As of June 30, 2021, there were 34 distinct unrealized portfolio companies across IMF II and the IMF III and IV fund platforms. This may cause concerns that the investment team's capacity to deploy the Fund may be limited by time dedicated to the Firm's existing portfolio investments. PFM investment professionals gained comfort that Ironwood will continue to realize and exit its more mature portfolio holdings in the normal course, which will lead to a natural decline in the number of unrealized IMF II-IMF IV portfolio companies as the Fund's investment activities scale up. It is also likely that expected sale processes that were postponed due to uncertainties or impacts of COVID-19 will be put back on track. Ironwood has announced the exit of two portfolio companies since June 30, 2021.

Legal and Regulatory Disclosure (provided by Legal)

In its disclosure to the Office of the Treasurer, Ironwood Capital Holdings, LLC ("Ironwood" or the "Respondent") states it has no material litigation, administrative proceedings or governmental investigation in the last 5 years to disclose. Additionally, the Respondent states that neither it nor any of its principals or employees have any ongoing internal investigations or have been convictedof or pled guilty to or settled a case for any felony, misdemeanor, or civil enforcement proceedings.

Respondent's disclosure affirms there has not made any insurance claims in the past five years.

With respect to changes in Respondent's organization, the Attachment G disclosure notes that any ownership changes to date have been minimal and are all related to the firm's longstanding succession approach, as well as the Respondent's philosophy of providing meaningful ownership opportunities to all members of each successive fund. Ironwood states that the firm's organizational changes over the past two years are reflective of this plan, wherein Marc Reich's ownership in Ironwood has decreased as he transitions toward retirement. As of 2021, Alex Levental and Zach Luce became members of the Ironwood and their ownership interest will gradually increase through 2024. Ironwood provided a schedule reflecting the changes it noted in its disclosure.

The Respondent affirms that it has in place adequate internal investigation. Consistent with its commitment to internal controls and compliance with legal requirements and industry practice, Ironwood states that its Compliance Manual outlines policies and procedures applicable to all members and employees to ensure compliance with regulatory requirements and sound operational practices. Any violation of the Compliance Manual constitutes grounds for disciplinary sanctions, including dismissal.

The Respondent's ADV is consistent with its disclosure to the Office of the Treasurer.

Compliance Review (provided by legal)

The Workforce Diversity and Corporate Citizenship review is attached.

<u>Environmental Social and Governance ("ESG") Analysis</u>

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

Summary of Compliance Documents
Ironwood Capital Holdings, LLC dba Ironwood Capital

I. Review of Required Legal Policy Attachments

Ironwood Capital Holdings LLC ("Ironwood") completed all required legal and policy attachments. The firm disclosed no impermissible third party fees[1], gifts, conflicts, campaign contributions or current litigation/regulatory proceedings.

II. Workforce Diversity

Ironwood is a Connecticut-based company that is certified as a small business enterprise by the Connecticut Department of Administrative Services. For the period ending 06/30/21, the firm employed 20, which reflects an increase of 1 employee since its last report ending on 06/30/19.

Asians are well-represented throughout the ranks of the firm, however, there are no Blacks or Hispanics employed at any level for the three years reported.

From 2019 through 2021, the firm identified 2 employees categorized as either women or minorities, as key managers/senior officers. During this same period, no women or minorities were promoted.

Workforce Statistics

For Executive/Senior Level Officials and Managers:

- Women held 22% (2 of 9) of these positions for the three years reported by the firm (2019, 2020 & 2021).
- Minorities held 11% (1 of 9) of these positions (all Asian) throughout the three years reported.

At the Management level overall:

- Women held 22% of these positions for the three years reported by the firm (2019, 2020 and 2021).
- Minorities held 11% of these positions (all Asian) throughout the three years reported.

At the Professional level:

- Women held 36% (4 of 11) of these positions in June 2021, up from 33% (3 of 9) in June 2020, and down from 40% (4 of 10) in June 2019.
- Minorities held 9% (1 of 11) of these positions (all Asian) in June 2021, up from 0% (0 of 9) in June 2020, and up from 10% (1 of 10) in June 2019.

Firm-wide:

- Women held 30% (6 of 20) of these positions in June 2021, up from 28% (5 of 18) in June 2020, and down from 32% (6 of 19) in June 2019.
- Minorities held 10% (2 of 20) of these positions (all Asian) in June 2021, up from 6% (1 of 18) in June 2020, and down from 10% (2 of 19) in June 2019.

[1] Ironwood disclosed one (1) third party fee arrangement for compensation of legal services provided by attorneys engaged in the ongoing practice of law. This legal services fee is an exception to the prohibition on finder's fees, and therefore, permissible.

III. Corporate Citizenship

Charitable Giving – Since the inception of Ironwood's first investment fund in 2001, the firm has invested 50% or more of total capital in impact investment businesses that are owned and/or managed by women and minorities that are either located in or employ people from low to moderate income communities. Ironwood is committed to addressing diversity and education in addition to personal philanthropic efforts of its employees. The firm supports organizations in the areas of education and healthcare, the majority of which are based in Connecticut such as Camp Courant, The Connecticut Forum, Covenant Preparatory School, Hartford Hospital, and Real Artways, among others. Other recipients of support from Ironwood include: AIDS Orphan Care, American Cancer Society, Hands Across the Sea and Chrysalis. In addition, the firm encourages employees' charitable work and provides paid time off to employees who engage in these activities. Since 2018, Ironwood has made charitable contributions of approximately $20,000 annually. In 2022, the firm intends to expand this program with an employee charitable contribution matching program in the amount of $500 per employee.

Internships/Scholarships – Ironwood's paid internship program offers college-level candidates with an opportunity to learn and experience the private equity industry, allowing them to gain first-hand knowledge of the investment process. The firm utilizes its intern program to build a recruiting pipeline for new employees to the investment team. Ironwood also participates in the Small Business Investing Scholars, a diversity internship program that introduces women and minority college students to the fundamentals of private equity. In addition, Ironwood provides tuition assistance for the cost of certain advanced degrees and pays up to 100% for certifications. Furthermore, the firm's annual financial support provided to Covenant Preparatory School benefits the education of minority middle school boys that reside in Hartford, Connecticut.

Procurement – Ironwood does not have a formal procurement policy. However, the firm considers the diversity, equity and inclusion policies of third-party professional service providers when seeking external professional support in the legal, regulatory compliance and information technology field. Since 2011, the firm has worked with two vendors: an African American woman owned/operated compliance consulting firm and an IT services provider owned/operated by a disabled proprietor.

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

September 9, 2021		
	Criteria	Responses
1	Firm has an ESG policy	Yes
1a	If yes, firm described its ESG policy	Yes
2	If yes, firm provided examples of ESG factors considered in the decision-making process, explained the financial impact of these ESG factors	Yes
3	Designated staff responsible for sustainability policies and research	Yes
4	Firm provides training/resources on sustainability issues, explained sources of ESG-related data	No
5	Signatory/member of sustainability-related initiatives or groups	No
6	Policy for evaluating current or prospective relationships with manufacturers or retailers of civilian firearms	Yes
7	Policy that requires safe and responsible use, ownership or production of guns	No (given that the firm "will not consider investments in civilian firearms manufacturers or retailers.")
8	Enhanced screening of manufacturers or retailers of civilian firearms	No (given that the firm "will not consider investments in civilian firearms manufacturers or retailers.")
9	Enhanced screening of any industry/sector subject to increased regulatory oversight, potential adverse social and/or environmental impacts	Yes
10	Merchant credit relationships with retailers of civilian firearms and accessories	No
10a	If yes, firm confirms compliance with laws governing firearms sales	N/A
11	Overall assessment of responses (e.g., depth of approach to ESG and integration)	Ironwood described a detailed philosophy of incorporating ESG factors into its investment process. Its disclosure emphasized the firm's commitment to impact investing since its inception in 2001, and described its proprietary ESG rating matrix that was formalized as a part of its due diligence process in 2021. Ironwood's Chief Compliance Officer oversees all ESG policies and procedures. The firm is neither a member/signatory of any sustainability-oriented groups, nor does the firm provide external resources to staff related to sustainability and research.
	SCORE: **Excellent - 1** Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented organizations; enhanced screening of firearms and/or higher-risk sectors **Very Good - 2** Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented+B3 organizations **Satisfactory - 3** General description of ESG philosophy and integration; some evidence of framework for ongoing ESG assessment; member of sustainability-oriented organizations **Needs Improvement - 4** Generic and/or vague description of ESG philosophy and integration; no ongoing ESG assessment; no dedicated ESG staff or resources **Poor - 5** Incomplete or non-responsive	**3**

Hamilton Lane

Ironwood Capital Partners V LP

Recommendation Report

September 2021

Important Disclosures

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

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

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

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

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

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

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

Table of Contents

Fund Information

Organization Overview

General Partner:

Ironwood Capital Management LLC ("General Partner"), ("Ironwood")

Firm Inception:

1991

Team:

12 investment professionals

Senior Investment Partners:

Carolyn Galiette, Roger Roche, James Barra, Dickson Suit and Alexander Levental

Location:

Avon, CT

Fund Overview

Fund:

Ironwood Capital Partners V LP ("Fund")

Target Size/Hard Cap:

$500 million/$550 million

Asset Class:

Private debt

Strategy:

Junior debt

Substrategy:

Mezzanine debt

Geography:

United States

Industries:

Diversified

Portfolio Construction

Enterprise Values:

Not provided

Equity Investments:

$10 million to $30 million

Target Number of Investments:

28 to 32

Max Single Investment Exposure:[1]

10%

Expected Hold Period Per Investment:

3 to 5 years

Target Returns:

Debt investments: 12% to 16% gross IRR

Equity investments: 22% to 25% gross IRR

[1] With Advisory Committee consent, the max increases to 15%

Net Performance and Benchmarks

($mm) Fund	Vintage	Fund Size[3]	% Drawn[2]	DPI	TVPI	Net IRR	Quarters to Break J-Curve	HL Benchmark Mezzanine As of 3/31/21 – Spread vs. Top-Quartile DPI	Spread vs. Top-Quartile TVPI	Spread vs. Top-Quartile Net IRR	PME Benchmark CS HY Index II Value Index As of 6/30/21 – Spread vs. PME	J-Curve Benchmark Mezzanine As of 3/31/21 – Comparison to Peers (quarters)
Ironwood Capital Prior Investment Performance[1] As of 6/30/21												
Fund II	2007	$57	79%	2.1x	2.2x	10.9%	7	0.8x	0.8x	+68 bps	+306 bps	1 later
Fund III	2012	143	97%	1.0x	1.2x	5.9%	7	-0.2x	-0.3x	-707 bps	+69 bps	3 later
Fund III-A	2012	55	69%	0.4x	1.5x	6.3%	8	-0.8x	0.0x	-671 bps	+38 bps	4 later
Fund IV	2017	164	54%	0.4x	1.2x	15.5%	3	-0.1x	0.0x	+103 bps	+803 bps	2 later
Fund IV-A	2017	124	53%	0.4x	1.2x	14.9%	n/a	-0.1x	0.0x	+39 bps	+761 bps	n/a
Fund IV-B	2017	137	54%	0.4x	1.2x	15.2%	n/a	-0.1x	0.0x	+73 bps	+773 bps	n/a
Total				**0.8x**	**1.3x**	**9.2%**					**+256 bps**	

Fundraise Update

- First close was held in August 2021 on $165.6 million of commitments
- Second close is expected on 9/30/21 on an additional $72.5 million of commitments
- Third close is targeted for the end of November 2021 on soft commitments of $305.5 million, for a potential total of $543.5 million aggregate commitments

[1] Capital Drawn, Capital Distributed and NAV are calculated from the cash flows of fee-paying limited partners and excludes any cash flows from the General Partner's commitment
[2] Percent drawn provided by the General Partner
[3] Fund size is not inclusive of SBIC leverage, including $114.4 million for Fund II and $109.4 million for Fund III-A

Key Terms[1]

Term	Summary
Investment Period	5 years
Fund Term	10 years; + 2 one-year extensions at the discretion of the General Partner; + 1 additional one-year extension with advisory board approval
GP Commitment	1.0% ($5 million)
Management Fee	See table below
Fee Discount	Fee discounts based on commitment sizing
Fee Offset	100%
Organization Expenses	$1.75 million
Carry/Preferred Return	20%/8%; full return of contributions
GP Catch-up	100%
Clawback	Yes

Management Fee

Commitment	Investment Period: Fee on funded commitment amount[2]	Investment Period: Fee on undrawn commitment	Post Investment Period: Fee on cost basis
$40 million or greater	1.625%	0.975%	1.625%
Between $20 million and $40 million	1.750%	1.050%	1.750%
Between $7.5 million and $20 million	1.875%	1.125%	1.875%
Less than $7.5 million	2.000%	1.200%	2.000%

[1] Refers to the terms proposed by the General Partner as of March 2021; terms are subject to change during fundraising
[2] Funded commitment amount includes outstanding capital on the funding facility

Executive Summary (cont.)

Investment Thesis

Cohesive senior investment team with significant credit investing expertise	• Ironwood is led by a well-seasoned team of credit investors who average 34 years of relevant investment experience and have developed significant expertise within the Fund's targeted strategy • The Partners, inclusive of Mr. Leventhal, have an average tenure of 24 years, with Ms. Galiette and Messrs. Reich, Roche, Suit and Barra leading investment efforts for all prior funds • The General Partner employs a partnership approach, which is reflected in the broadly distributed firm economics, with the team's cohesion and stability evidenced by strong retention and limited turnover since inception
Well-defined mezzanine lending strategy focused on performing, middle-market companies	• Ironwood targets subordinated debt positions in U.S.-based, middle-market companies with a focus on sponsored transactions across targeted industries, enabling it to develop strong sourcing channels to provide steady deal flow • The General Partner takes a conservative approach through pursuing investments in stable, cash flow-generative businesses with prudent capital structures • In line with prior funds, Ironwood also intends to make select equity investments alongside its debt positions to capture additional upside
Improved performance with refined fund management approach	• Ironwood has generated attractive risk-adjusted performance across prior funds, consistently outperforming the high yield public market index • While Funds II and IV performed in the top-quartile for net IRR and TVPI, Fund III's performance has lagged; Funds II and III-A's performance included SBIC leverage • Beginning with Fund IV, the General Partner enhanced fund management practices through the implementation of a more efficient credit facility and fee structure and by reinvesting proceeds during the investment period, which has helped bolster returns in Fund IV

Investment Considerations

Ironwood will effectively manage its organization during a leadership transition	• In 2015, Mr. Reich initially stepped down as President with Ms. Galiette being named as his successor, and is expected to reduce his role over the life of the Fund • Ironwood has proactively transitioned leadership responsibilities to Ms. Galiette and the broader team with decisions being shared amongst senior professionals • The General Partner has also thoughtfully expanded firm ownership and the distribution of carried interest with the intention of creating equal economics across the senior group
The General Partner will continue to source attractive opportunities to appropriately construct a risk-adjusted portfolio	• Ironwood will need to remain prudent in identifying attractive risk-adjusted opportunities to construct a balanced portfolio of debt and equity investments • Given the General Partner's consistent investment focus, the firm has developed deep sourcing channels that focus on under-shopped markets that have historically driven ample deal flow • Additionally, Ironwood has also been thoughtful in structuring loans with appropriate protections while taking strategic equity positions alongside its debt to capture additional upside
Ironwood will limit volatility and drive consistent, attractive returns	• Historical performance has been mixed, with Fund III underperforming and Funds II and IV generating top-quartile returns • While Ironwood experienced early volatility in Fund III, the General Partner anticipates additional upside through its equity positions across the remaining portfolio at exit • Fund IV is early in its fund life with an average hold period of 1.6 years as of 6/30/21; the portfolio is trending well with only one investment held below cost as of 6/30/21

Recommendation

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

Longstanding organization with a focus on institutionalization	• Ironwood benefits from its longstanding presence in the credit space and while it initially only structured funds as SBIC vehicles, the General Partner has diversified its offerings to include traditional and rated products as well • The General Partner has continued to institutionalize its organization through the sharing of responsibilities across the broader senior group • Additionally, Ironwood maintains a dedicated back-office team that focuses on credit oversight, reporting, investor relations and SBA compliance, allowing investment professionals to remain focused on the funds
Highly cohesive investment team comprised of experienced credit investors	• Investment efforts for the Fund are led by Ms. Galiette and Messrs. Roche, Suit, Barra and Levental with support from Mr. Reich, who together average 34 years of relevant experience • The senior investment team is highly cohesive, having worked together at the General Partner for an average of 24 years, with Ms. Galiette and Messrs. Reich, Roche, Suit and Barra having led investment efforts in each prior fund • Ironwood operates as a collaborative organization encouraging all investment professionals to participate in investment and portfolio management discussions
Well-aligned incentives due to broad distribution of economics and thoughtful expansion of ownership	• The General Partner operates a partnership model and distributes carried interest broadly amongst investment professionals, aligning incentives and driving retention, evidenced by limited turnover since inception • Additionally, in line with Mr. Reich's reduction in responsibility, Ironwood has thoughtfully expanded firm ownership and the distribution of economics to rising firm leaders

General Partner (cont.)

- Marc Reich established Aetna Financial Services, Inc. as the investment banking unit of Aetna Life & Casualty Company ("Aetna") in 1985, where Carolyn Galiette subsequently joined him in 1988
  - In 1991, Mr. Reich and Ms. Galiette acquired the investment banking business from Aetna and formed Ironwood, which operated as an investment bank until raising its first fund in 2001
  - In 2015, Ms. Galiette was named as the successor to Mr. Reich and assumed the title of President; Mr. Reich has committed to remain with the firm as a non-voting member of the investment committee through the investment period of the Fund
- Ironwood is managed today by Ms. Galiette, Mr. Reich, Roger Roche, James Barra, Dickson Suit, Alexander Levental and Zachary Luce
  - Since Fund IV, Messrs. Levental and Luce were named as Partners and Mr. Barra was appointed to the role of Chief Operating Officer to broaden leadership responsibilities across the senior group
- The Fund will be a continuation of the firm's current strategy of focusing on subordinated debt and minority equity investments

Snapshot:[1]

Inception/Founders:

1991/Marc Reich and Carolyn Galiette

AUM:[2]

$494 million

Management Company:

Private

Locations:

Avon, CT

Headcount:

7 senior professionals (6 investment, 1 operating), 6 junior investment professionals, 4 operating professionals and 2 senior advisors

Strategies/Product Lines:

Mezzanine debt and Connecticut Insurance Reinvestment Fund program (equity)

Current Leadership:

Carolyn Galiette, Roger Roche, James Barra, Dickson Suit, Alexander Levental, Zachary Luce and Marc Reich

[1] As of 6/30/21

[2] Calculated from NAV and unfunded commitments as of 6/30/21

General Partner (cont.)

- The General Partner has maintained a focus on investing as a small business investment company ("SBIC"), a privately managed investment fund licensed and regulated by the U.S. Small Business Administration ("SBA"), since Fund I
  - An SBIC makes equity and debt investments in qualifying small businesses and can borrow additional money with an SBA guarantee
- Funds I and II were structured as levered SBICs, providing the funds with SBA leverage
- Funds III and III-A were structured as parallel funds that invested in the same assets on the same terms and conditions with Fund III-A receiving a levered SBIC license
- Funds IV, IV-A and IV-B were also structured as parallel funds with Fund IV-A receiving a non-levered SBIC license and Fund IV-B being a feeder fund and receiving a BBB rating from Eagan-Jones Rating Company ("Egan-Jones"), a provider of credit ratings of financial institutions, brokers, dealers, insurance companies and corporate issuers
- The Fund will also comprise three vehicles, a traditional fund, a parallel unlevered SBIC fund and a rated feeder fund; the traditional and parallel funds invest side-by-side on a pro-rata basis with the rated feeder fund, the feeder fund obtained a BBB+ rating from Eagan-Jones
- Given Ironwood's consistency in obtaining SBIC licenses for its prior funds, it has the necessary back-office team in place for reporting and compliance requirements

Fund V Structure		
Fund V	**Fund V Feeder**	**Fund V SBIC**
• Traditional fund structure • Primary investment vehicle • Unrated	• Participates as LP in Fund V • Issues 90% debt/10% equity • Received BBB+ rating • Reduces NAIC capital charge for life insurance companies	• Unlevered SBIC structure • Meets regulatory requirements for banks • Provides CRA credit for banks

- The senior investment professionals are seasoned credit investors, averaging 34 years of relevant experience and 24 years of working together at the General Partner
  - Together, Ms. Galiette and Messrs. Reich, Roche, Suit and Barra led investment efforts for each predecessor fund
  - Mr. Levental will join Ms. Galiette and Messrs. Roche, Suit and Barra as principals for the Fund, having worked at the General Partner since 2005
- Ms. Galiette and Messrs. Roche, Suit, Barra and Levental will serve as voting members of the investment committee
  - As part of the firm's strategic succession plan, Mr. Reich will take a step back for the Fund and will serve as a non-voting investment committee member alongside Mr. Luce, who primarily focuses on investment operations, financial management, systems & controls, financial, limited partner & regulatory reporting, cash management and the portfolio management function
  - Unanimous investment committee approval is required of all voting members on every investment, including follow-on investments
- There is modest diversity amongst the investment committee with 40% of the group representing ethnic or gender diversity

Name	Title	Tot. Exp. (yrs.)	Tenure (yrs.)	Fund II	2008	2009	2010	2011	Fund III	2013	2014	2015	2016	Fund IV	2018	2019	2020	2021
Marc Reich[2]	Chairman	45	30															
Carolyn Galiette[1]	Partner, President and Chief Investment Officer	37	30															
James Barra[1]	Partner and Chief Operating Officer	27	25															
Roger Roche[1]	Partner	36	21															
Dickson Suit[1]	Partner	33	20															
Alexander Levental[1]	Partner	25	17															

= Tenure with Ironwood Capital Management LLC

= Total Experience

[1] Denotes voting-members of the investment committee

[2] Denotes non-voting members of the investment committee

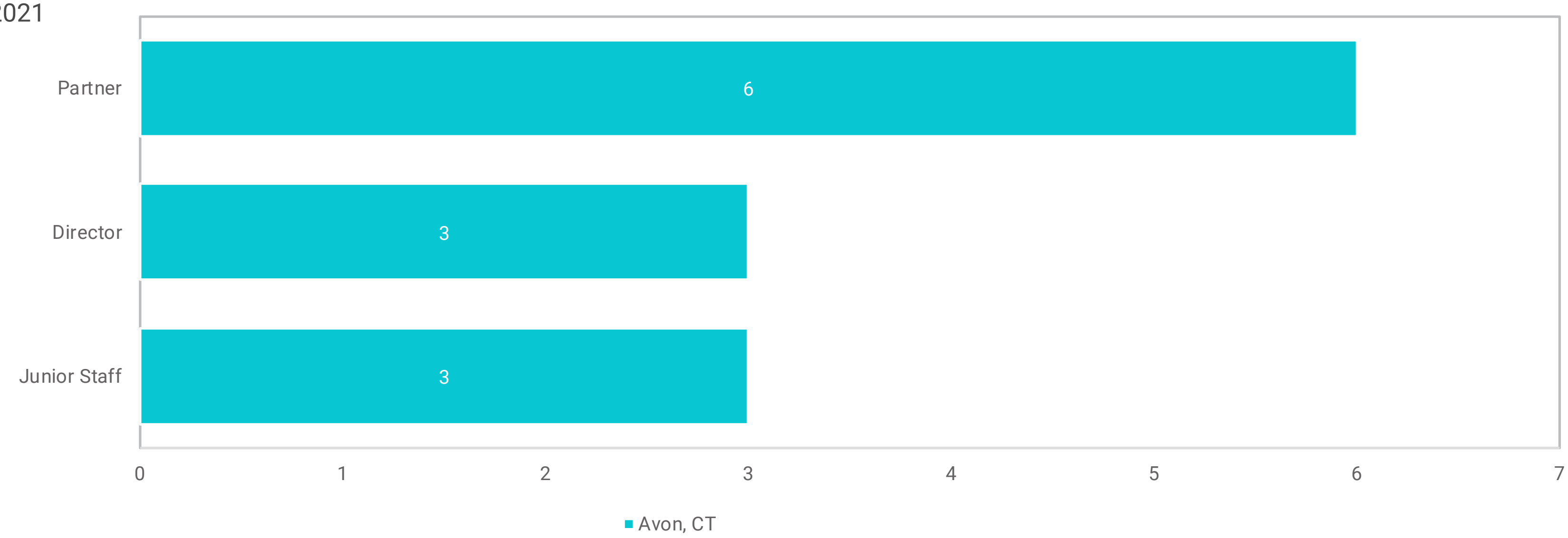
General Partner (cont.)

- Ironwood's deal lead attribution is diversified across the firm's senior professionals, demonstrating the broad investment capabilities at the senior level
- Messrs. Roche, Suit, Levental and Barra are expected to primarily lead investments in the transportation & logistics, environmental services, manufacturing and aerospace & defense sectors, respectively
  - While Messrs. Roche, Suit, Levental and Barra will be primarily responsible for leading investments, all investment professionals across the firm will be involved with deal generation
- Mr. Reich and Ms. Galiette are not expected to have material deal lead attribution for the Fund
- The General Partner's team has remained stable, with only one departure at the Director level over the last five years
- Ironwood emphasizes internal development and prefers to hire professionals at the junior level and promote from within
- The General Partner has recognized the importance of building diversity throughout the organization
  - In order to cultivate a diverse working environment, Ironwood seeks to identify individuals from under-represented backgrounds and professionals from outside of the traditional investment community to support its investment efforts
  - In addition, Ironwood manages an intern program with the intention of building a diverse pool of talent from which the firm can hire
- Ironwood broadly distributes carried interest across investment professionals in order to adequately align incentives and promote retention

- The senior investment professionals are supported by an appropriately sized investment team, comprising three Directors, one Associate and two Analysts
  - The dedicated investment team is based out of Ironwood's sole Connecticut office, creating cohesion and collaboration
- Deal teams are typically led by one Partner and one to two additional investment team members who are chosen based upon their industry experience and relationship with the sponsor, bank or referral source
- The investment team is supported by two Senior Advisors, Donald Bodell and John Cosentino, who provide strategic advice, services and other capabilities that benefit the firm's due diligence and portfolio management efforts

Investment Team by Role

As of August 2021



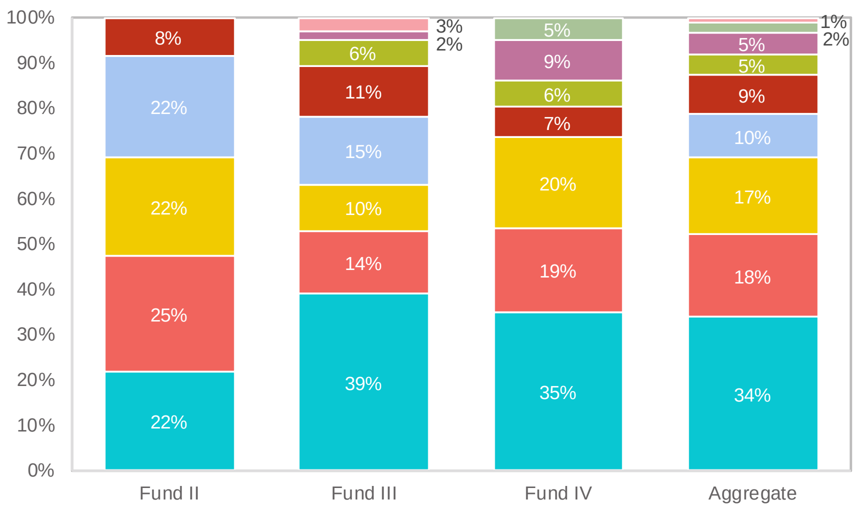
Well-diversified portfolio of mezzanine loans across target industries and regions	• Ironwood has consistently targeted companies operating in the aerospace & defense, manufacturing, environmental services, business services and transportation & logistics space, sectors in which investment professionals have developed significant expertise and relationships • The General Partner has developed differentiated sourcing networks through focusing on secondary and tertiary U.S. markets to identify opportunities with less competition among capital providers • Ironwood has also dedicated significant capital to underserved businesses and environmentally or socially impactful companies
Continued focus on stable, primarily sponsor-backed businesses operating in the middle market	• The General Partner has invested over 85% of capital across the portfolio in sponsored deals and takes a flexible approach by sponsor profile across committed fund sponsors and independent sponsors • Ironwood intends to provide the first round of institutional capital to founder-led, middle-market businesses, specifically those generating between \$20 million and \$200 million of revenue and between \$4 million and \$20 million of EBITDA
Thoughtful structuring and select equity positions enable downside protection with upside potential	• The General Partner structures each deal to include a combination of cash coupons, PIK interest and equity upside in order to generate attractive risk-adjusted returns • Ironwood seeks to build a portfolio of subordinated loans and make select minority equity investments alongside its debt positions to capture additional upside • Additionally, Ironwood creates downside protection through prudent capital structures, appropriate covenants, minority investor rights and by taking an active role as an observer or member of portfolio company boards

Investment Strategy (cont.)

- The General Partner anticipates investing across a variety of industries in which the investment professionals maintain significant knowledge, including the aerospace & defense, manufacturing, environmental services, business services and transportation & logistics sectors
  - Ironwood expects allocations of approximately 25% to business services, 20% to precession manufacturing, 20% to environmental services, 10% to aerospace & defense, 10% to distribution & logistics and 15% to opportunistic sectors
- Ironwood does not expect to invest in technology, life sciences, real estate development and other industries requiring a high degree of industry-specific knowledge or involving a significant amount of technology or regulatory risk
- Ironwood intends to construct a diversified debt portfolio of 28 to 32 investments, targeting investment sizes between $10 million and $30 million

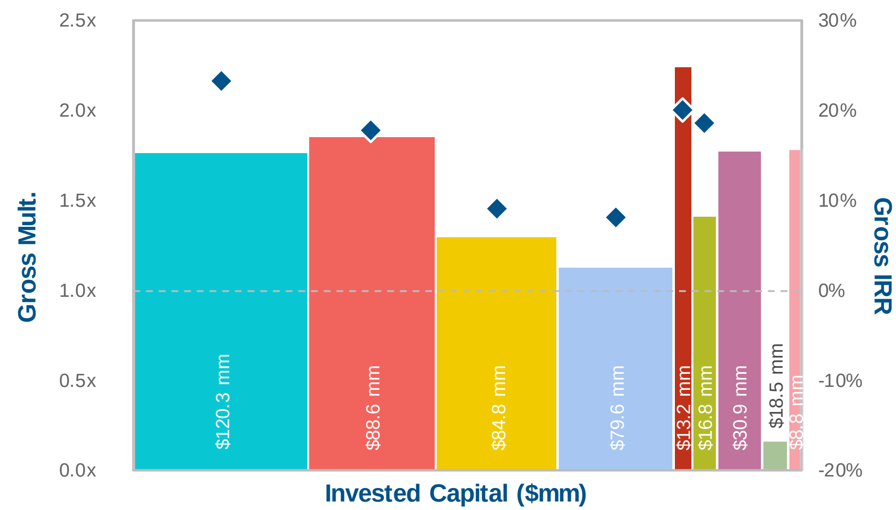
Prior Investments - % by Sector

As of 6/30/21



Realized Performance – by Sector[1, 2]

As of 6/30/21



Manufacturing | Environmental Services | Business Services | Recurring Revenue Services | Aerospace & Defense | Education | Transportation & Logistics | Apparel | Distribution | Gross IRR

[1] Gross performance was calculated using quarterly cash flows

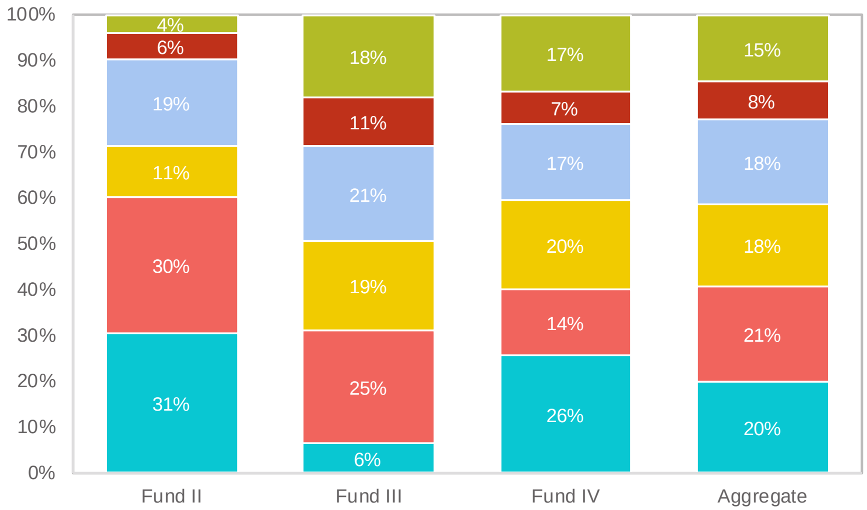
[2] Realized transportation & logistics and distribution companies generated a 31.3% and 35.5% gross IRR, respectively; realized apparel companies generated an incalculable gross IRR

Investment Strategy (cont.)

- Consistent with prior funds, Ironwood will invest exclusively in United States-based companies, targeting secondary and tertiary markets that pose less competition for capital providers
  - The General Partner anticipates 20% of the Fund to be invested in the Northeast, 20% in the Mid-Atlantic, 20% in the Midwest, 15% in the Southeast, 15% in the West and 10% in the Southwest regions
- Since Fund I, Ironwood has emphasized supporting environmentally or socially impactful businesses
  - The General Partner intends to invest 50% of capital into underserved businesses, including companies with significant women or minority ownership, businesses that are located in and/or employ staff in low- and moderate-income ("LMI") areas and companies that provide environmentally friendly products or services

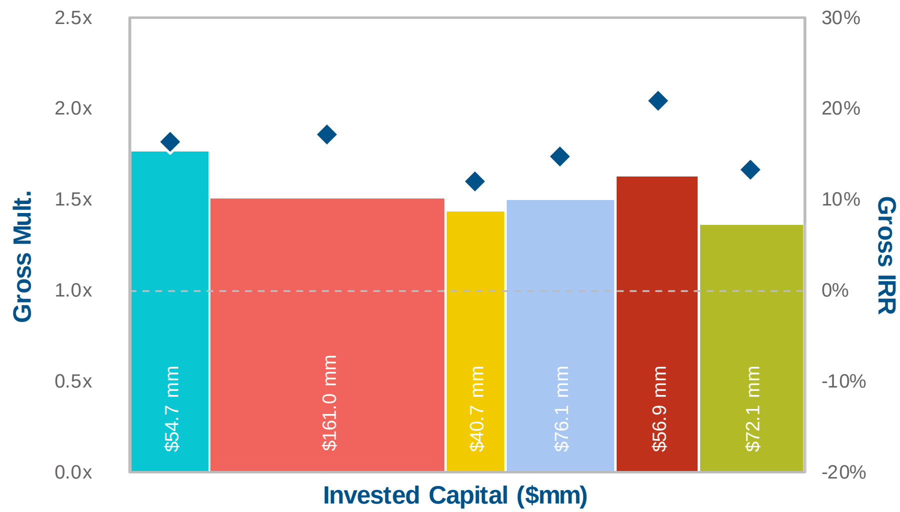
Prior Investments - % by Region

As of 6/30/21



Realized Performance – by Region[1]

As of 6/30/21



Northeast | Mid-Atlantic | Midwest | Southeast | Southwest | West | Gross IRR

[1]Gross performance was calculated using quarterly cash flows

Investment Strategy (cont.)

- Given its longstanding market presence and consistent strategy, the General Partner has developed networks that it can leverage for robust deal flow
  - Ironwood relies on a network of equity sponsors, family offices, commercial banks, investment banks, M&A firms and financial advisors to source opportunities
- Ironwood has also developed a reputation as a value-additive partner and participates in conferences, trade shows and networking events within its core industries, providing the General Partner additional deal flow directly from companies and their advisors
- Additionally, the General Partner has cultivated differentiated deal sourcing capabilities focused on secondary and tertiary geographic markets, including embedding detailed city studies in the firm's customer relationship management system that ranks referral sources in target markets and tracks activity to prioritize outbound sourcing efforts
- Ironwood takes a flexible approach to sponsor type with a primary focus on sponsored and independently sponsored deals
  - The Fund expects to be diversified by sponsor profile, with approximately 60% of transactions involving a fund sponsor, 25% an independent sponsor and 15% being unsponsored
- The General Partner targets founder-led, middle-market businesses that have achieved sufficient scale but remain too small to access the traditional capital markets or strategic acquirers
- Ironwood targets companies that are generating between $20 million and $200 million of revenue and between $4 million and $20 million of EBITDA
- Ironwood intends to provide the first round of institutional capital to support a variety of transactions types, including buyouts, growth and acquisition financings, recapitalizations and generational transfers

Investment Strategy (cont.)

- The General Partner takes a conservative approach to leverage and seeks to construct prudent capital structures across its portfolio to protect its debt investments
  - Ironwood targets entry levels of leverage between 3.50x and 4.25x EBITDA but may invest at a higher multiple if the company has a high level of free cash flow
- Ironwood seeks to build a portfolio of primarily subordinated debt with select minority equity investments and expects the Fund to comprise approximately 70% to 75% debt positions and 25% to 30% equity securities; the General Partner anticipates that its equity investments will be primarily made alongside debt investments in the same portfolio companies
- The General Partner seeks to generate at least 12% asset yield through cash and PIK interest and further enhance returns through its equity positions
  - Ironwood structures its debt investments to have a current low-teens coupon rate and a PIK interest rate less than 3%
- Ironwood structures its equity positions as preferred or common stock
  - Ironwood will be a minority investor in its equity positions
- Ironwood intends to structure its investments with strong covenants and creditor protections and pursue warrants in order to manage downside risk adequately
- In order to further mitigate risk and promote value creation, Ironwood seeks to take an active role as an observer or member of portfolio company boards

Key Section Takeaways

Ability to generate attractive risk-adjusted returns with an increased focus on fund management	• Funds II and IV generated top-quartile performance on a net IRR and TVPI basis; however, DPI has trailed peers in Fund IV given its equity exposure • Fund III underperformed other vintage funds and peers driven in part by fund management practices • The General Partner increased its emphasis on fund management beginning with Fund IV by implementing a more efficient credit facility and fee structure and having the ability to recycle proceeds through the investment period
Strong realized performance with near-term upside expected in the unrealized portfolio	• Ironwood has demonstrated its ability to achieve attractive exit multiples leading to strong realized performance • Across Funds III and IV, the portfolio remains relatively healthy with four investments held below cost as of 6/30/21 • Additionally, the General Partner expects to capture additional upside across the portfolio through its equity positions at exit
Steady growth in investment pacing with an improving write-off ratio	• Ironwood has steadily increased capital deployment annually, demonstrating the firm's ability to deploy a larger fund size • Aggregate write-off ratios have improved from Fund III to Fund IV • Ironwood has also proven its ability to generate attractive realizations through equity upside, having exited seven deals at or above a 2.5x gross multiple

Track Record (cont.)

- Ironwood has generated attractive performance to date, including consistently outperforming the high yield public market index
- Fund II, which was structured as a levered SBIC vehicle, generated top-quartile performance across all metrics and was principally realized as of 6/30/21
- While Funds III and III-A, which were structured as traditional and levered SBIC vehicles, respectively, has underperformed as compared to other vintages and peers
- Funds IV, IV-A and IV-B, which were structured as traditional, unlevered SBIC and Egan-Jones rated vehicles, respectively, generated top-quartile performance on a net IRR and TVPI basis as of 6/30/21
  - Beginning with Fund IV, Ironwood improved its fund management practices by implementing a more efficient credit facility and fee structure and having the ability to re-invest proceeds through the investment period
- The General Partner intends to begin investing the Fund in Q4 2021

Ironwood Capital Prior Investment Performance[1] As of 6/30/21									HL Benchmark Mezzanine As of 3/31/21			PME Benchmark CS HY Index II Value Index As of 6/30/21
									Top-Quartile			
($mm) Fund	Vintage	Fund Size[2]	Capital Drawn	Capital Distributed	NAV	DPI	TVPI	Net IRR	DPI	TVPI	Net IRR	PME IRR
Fund II	2007	$57	$44.7	$92.5	$4.0	2.1x	2.2x	10.9%	1.3x	1.4x	10.2%	7.9%
Fund III	2012	143	137.9	133.0	37.4	1.0x	1.2x	5.9%	1.2x	1.5x	13.0%	5.2%
Fund III-A	2012	55	37.3	15.1	42.1	0.4x	1.5x	6.3%	1.2x	1.5x	13.0%	5.9%
Fund IV	2017	164	87.4	38.1	68.5	0.4x	1.2x	15.5%	0.6x	1.2x	14.5%	7.5%
Fund IV-A	2017	124	64.7	28.1	50.4	0.4x	1.2x	14.9%	0.6x	1.2x	14.5%	7.3%
Fund IV-B	2017	137	72.8	30.9	57.7	0.4x	1.2x	15.2%	0.6x	1.2x	14.5%	7.5%
Total			**$444.8**	**$337.6**	**$260.0**	**0.8x**	**1.3x**	**9.2%**				**6.6%**

[1] Capital Drawn, Capital Distributed and NAV are calculated from the cash flows of fee-paying limited partners and exclude any cash flows from the General Partner's commitment
[2] Fund size is not inclusive of SBIC leverage, including $114.4 million for Fund II and $109.4 million for Fund III-A

Track Record (cont.)

- The General Partner has consistently generated attractive gross performance across prior funds
- Ironwood expects additional uplift across Funds II, III and III-A as the General Partner continue to exit positions
- While Fund IV is early in its fund life with an average hold period of 1.6 years as of 6/30/21, the portfolio remains healthy
  - The General Partner expects to make three additional investments in Fund IV and reserve the remaining capital for follow-on investments

Ironwood Capital Management LLC
Prior Investment Performance[1]
As of 6/30/21

($mm) Fund	Vintage	# of Inv. Total	# of Inv. Real.	Fund Size[2]	Amount Invested	Amount Realized	Unrealized Value	Gross Mult.	Gross IRR
Fund II	2007	20	19	$57	$159.4	$262.1	$4.7	1.7x	15.7%
Fund III	2012	24	16	143	136.2	153.7	36.9	1.4x	10.6%
Fund III-A	2012	24	16	55	155.3	173.6	40.2	1.4x	10.0%
Fund IV	2017	27	8	164	146.9	75.4	109.3	1.3x	17.1%
Fund IV-A	2017	27	8	124	110.7	58.2	81.0	1.3x	17.9%
Fund IV-B	2017	27	8	137	122.4	62.8	91.1	1.3x	17.1%
Total		**149**	**75**		**$830.8**	**$785.8**	**$363.2**	**1.4x**	**13.7%**

Ironwood Capital Management LLC
Realized Investment Performance[1]
As of 6/30/21

($mm) Fund	Amount Invested	Amount Realized	Unrealized Value	Gross Mult.	Gross IRR
Fund II	$153.4	$258.3	$0.0	1.7x	16.4%
Fund III	86.6	131.2	2.8	1.5x	15.8%
Fund III-A	100.7	148.6	3.0	1.5x	14.4%
Fund IV	46.5	59.9	1.9	1.3x	18.0%
Fund IV-A	35.5	47.0	1.5	1.4x	20.3%
Fund IV-B	38.8	49.9	1.6	1.3x	18.0%
Total	**$461.6**	**$694.9**	**$10.7**	**1.5x**	**16.1%**

Ironwood Capital Management LLC
Unrealized Investment Performance[1]
As of 6/30/21

($mm) Fund	Amount Invested	Amount Realized	Unrealized Value	Gross Mult.	Gross IRR
Fund II	$5.9	$3.8	$4.7	1.4x	4.9%
Fund III	49.5	22.5	34.1	1.1x	3.1%
Fund III-A	54.6	25.0	37.2	1.1x	3.0%
Fund IV	100.3	15.5	107.4	1.2x	16.5%
Fund IV-A	75.2	11.2	79.5	1.2x	16.2%
Fund IV-B	83.6	12.9	89.6	1.2x	16.5%
Total	**$369.2**	**$91.0**	**$352.5**	**1.2x**	**7.8%**

[1] Gross performance was calculated using quarterly cash flows
[2] Fund size is not inclusive of SBIC leverage, including $114.4 million for Fund II and $109.4 million for Fund III-A

- The General Partner is not a signatory to PRI; however, Ironwood has been focused on ESG initiatives since inception and maintains a formal ESG policy that institutes best practices internally around ESG integration into its investment process and decision-making and encourages portfolio companies to consider relevant ESG issues and adopt best practices, with the goal of improving performance, minimizing adverse impacts and providing long-term sustainability for its companies
- In early 2021, Ironwood formalized an ESG rating metric process that is incorporated in the due diligence checklist prior to closing and is reviewed annually thereafter to encourage portfolio companies to adopt and expand ESG best practices
- The General Partner maintains a Diversity, Equity and Inclusion ("DEI") policy that encompasses both internal firm practices and portfolio company guidelines, including recruitment, compensation & benefits, professional development & training, promotions, terminations and ongoing development of an equitable work environment
    - On an annual basis, Ironwood requires DEI statistics from each portfolio company related to employee compensation, health insurance and other benefits, employee safety and training, as well as diversity of its management, workforce and board of directors

ESG Summary

ESG Policy	Yes
ESG-Dedicated Professionals	None; CCO responsible for ESG oversight
Signatories	None
Environmental Focus	Not TCFD compliant; integrates environmental initiatives in ESG policy
Diversity	35% female and 65% male across all professionals 12% minority and 88% majority across all professionals 20% female and 80% male in decision making 20% minority and 80% majority in decision making
ESG in Due Diligence Process	ESG DD completed as part of the diligence process

Integration in Decision Making	IC memos include ESG analysis
ESG Focus – Planning	GP works with company boards to improve ESG health
Monitoring	Annual ESG Rating matrix
Reporting	Detailed summary of ESG-related portfolio company questionnaire provided throughout the year
Requirements of Portfolio Companies	The GP does not require portfolio companies to adopt ESG policies, but does actively engage with company management and sponsors to consider ESG best practices relevant to each company

Appendices

Experience of Investment Professionals					
Name	Title	Tot. Exp. (yrs.)	Tenure (yrs.)	Prior Experience	Educational Background
Marc Reich	Chairman	45	30	• Aetna Financial Services, Investment Banking • Aetna Life & Casualty, Private Placement Investor • Federal Deposit Insurance Corp., Bank Examiner	• University of Connecticut (MBA) • University of California Los Angeles (B.A.)
Carolyn Galiette	Partner, President and Chief Investment Officer	37	30	• Aetna Financial Services, Investment Banking • PaineWebber, Inc., Assistant Vice President/New Business Development Officer • A.G. Becker Paribas, Paralegal	• Dartmouth College (B.A.)
James Barra	Partner and Chief Operating Officer	27	25	• AMS Services, Inc., Financial Analyst	• University of Connecticut (MBA) • Bryant University (B.A.) • CFA Charterholder
Roger Roche	Partner	36	21	• SwingBridge Capital, Founder and Principal • BankBoston, Director and Corporate Lender	• Babson College (B.S.)
Dickson Suit	Partner	33	20	• Environmental Opportunities Fund (EOF) I&II, Senior Associate • Pitney Bowes Financial Services, Senior Business Analyst • Pricewaterhouse Coopers LLP, Senior Associate	• Columbia Business School (MBA) • Brown University (B.S.)
Alexander Levental	Partner	25	17	• CCA Global Partners, Vice President - Market Development & Strategic Planning • Anything for Home, Vice President/Co-founder • Advent International, Private Equity Associate	• Colby College, (B.A.) • London School of Economics and Political Science (GC)

Definitions

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

Definitions (cont.)

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

Contact Information

Philadelphia (Headquarters)
Seven Tower Bridge
110 Washington Street
Suite 1300
Conshohocken, PA 19428
USA
+1 610 934 2222

London
4th Floor
10 Bressenden Place
London SW1E 5DH
United Kingdom
+44 (0) 7917 220353

San Francisco
201 California Street, Suite 550
San Francisco, CA 94111
USA
+1 415 365 1056

Tel Aviv
6 Hahoshlim Street
Building C 7th Floor
Hertzelia Pituach, 4672201
P.O. Box 12279
Israel
+972 73 2716610

Denver
4600 South Syracuse Street
Denver, CO 80327
USA
+1 866 361 1720

Miami
999 Brickell Avenue
Suite 720
Miami, FL 33131
USA
+1 954 745 2780

Scranton
32 Scranton Office Park
Suite 101
Moosic, PA 18507
USA
+1 570 247 3739

Tokyo
13F, Marunouchi Bldg.
2-4-1, Marunouchi
Chiyoda-ku
Tokyo 100-6313, Japan
+81 (0) 3 5860 3940

Frankfurt
Schillerstr. 12
60313 Frankfurt am Main
Germany
+49 69 153 259 290

New York
610 Fifth Avenue, Suite 401
New York, NY 10020
USA
+1 212 752 7667

Seoul
12F, Gangnam Finance Center
152 Teheran-ro, Gangnam-gu
Seoul 06236
Republic of Korea
+82 2 6191 3200

Toronto
150 King St. West
Suite 200
Toronto, Ontario
Canada M5H 1J9
+1 647 715 9457

Hong Kong
Room 1001-3, 10th Floor
St. George's Building
2 Ice House Street
Central Hong Kong, China
+852 3987 7191

Portland
15350 SW Sequoia Pkwy
Suite 260
Portland, OR 97224
USA
+1 503 624 9910

Singapore
12 Marina View
Asia Square Tower 2
Suite 26-04
Singapore, 018961
+65 6856 0920

Las Vegas
3753 Howard Hughes Parkway
Suite 200
Las Vegas, NV 89169
USA
+1 702 784 7690

San Diego
7817 Ivanhoe Avenue
Suite 310
La Jolla, CA 92037
USA
+1 858 410 9967

Sydney
Level 33, Aurora Place
88 Phillip Street
Sydney NSW 2000
Australia
+61 2 9293 7950

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Ironwood Capital Partners V LP

Presentation to

Investment Advisory Council

for the

State of Connecticut

October 13, 2021

This presentation is confidential and has been provided for informational and discussion purposes only.

DISCLAIMER

This document does not constitute an offer to sell or a solicitation of an offer to make an investment in Ironwood Capital Partners V LP ("ICP V" or the "Fund"). No such offer or solicitation will be made prior to the delivery of a private placement memorandum and other materials relating to the matters herein.

Before making a decision with respect to an investment in the Fund, potential investors are advised to carefully read the Fund's private placement memorandum, the subscription agreement and the limited partnership agreement. Potential investors are also advised to visit the data room and review all of the information provided therein before making any investment decisions. Access to the secure data room is available upon request.

This document is being provided to you on a confidential basis solely to assist you in deciding whether or not to proceed with a further investigation of an investment in the Fund.

These materials are intended only for discussion purposes. Past or projected performance is not a guarantee of future results. There can be no assurance that the Fund will be able to implement its investment strategy, achieve its investment objectives or achieve comparable results. It is also possible that the Fund may generate a loss.

Information relating to past funds, statistics, certain calculations, and other footnoted items presented herein can be found in the Appendix: Footnotes.

TABLE OF CONTENTS

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OVERVIEW

5th Debt-Oriented Middle Market Fund Offering

Connecticut-based firm since inception

Team has invested >$900 million in >90 companies

Consistent institutional investor base

Long-standing commitment to impact investing and ESG objectives

Consistent Team, Strategy & Market Focus

35 years of middle market focus, with consistent team of professionals

Subordinated debt with minority equity investment in owner-led companies

Traditional "backbone" U.S. small businesses

Local market commitment: $240+ million invested in CT companies[1]

Innovative Marketing and Deal Origination

Focus on core relationships, target geographic markets, target industry verticals

60+ transaction partners including family offices and independent sponsors

Diverse group of bank limited partners yields differentiated sourcing

1985 Reich forms middle market investment banking subsidiary at Aetna

1988 Galiette joins firm

1991 Acquire firm from Aetna, rebrand as Ironwood

1996 Barra joins firm

2000 Roche, Suit join firm

2001 FUND I: $83MM

2001 RECESSION

2002 Exit investment banking after $6B in placements

2005 Levental joins firm

2007 FUND II: $172MM

2008 RECESSION

2012 FUND III: $307MM

2017 FUND IV: $424MM

2020 COVID-19

2021 FUND V: $500MM Target

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See Appendix A for footnotes.

OVERVIEW (continued)

Conservative Deal Structures

Low leverage transactions with opportunities for multiple expansion at exit

Structured and disciplined underwriting and due diligence

Subordinated debt investments with covenants and, in most cases, 2nd lien

Conservative Fund Structures

Traditional GP/LP structure, European waterfall, 100% fee income benefits fund

Innovative management fee structure enhances GP/LP alignment

Unlevered fund with funding facility

Robust Investment Operations Platform

Seasoned team of 5 professionals with 12 year average tenure

Investment in infrastructure and human capital results in scalable platform

Institutional-quality LP reporting

Firm-wide collaboration in investment underwriting, execution and portfolio management

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PEOPLE AND CULTURE

Long-Tenured Professionals

Principals of ICP V average 23 years together

Supported by 11 professionals with average tenure of 9 years inclusive of 2 new hires

>50% of Ironwood's professionals are women, minority or veteran

Shared Commitment to Key Cultural Tenets

Portfolio companies belong to everyone; no partner or deal team silos

All investment professionals have business development responsibility

Commitment to Impact and ESG considerations embedded in core values

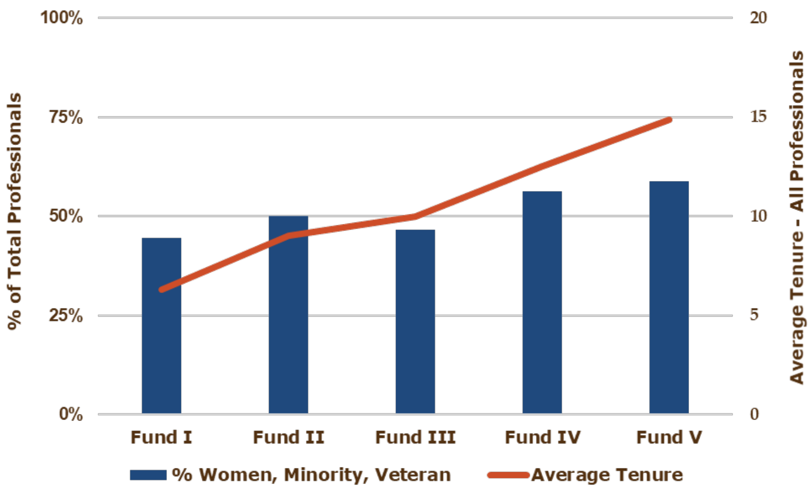
Shared Economics

Investment committee voting members all hold equal carry

Other Ironwood professionals hold 1/3 of the carry as a group, positioning firm for long-term success and continuity

Everyone with carry is also an investor

Ironwood Professionals[1]



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IRONWOOD CAPITAL PROFESSIONALS

INVESTMENT MANAGEMENT

Carolyn C. Galiette 33
Partner, President
Chief Investment Officer
Firm Management
Investment Committee Chair
Marketing and Investor Relations

James R. Barra, CFA 25
Partner
Chief Operating Officer
Firm Management, Deal Team Leader
Marketing & Investment Origination
Portfolio Management

Roger J. Roche, Jr. 21
Partner
Deal Team Leader
Marketing & Investment Origination
Portfolio Management

Marc A. Reich 36
Partner, Chairman
Founder
Strategic Advisory
Fundraising
Investor Relations

Dickson Suit 20
Partner
Deal Team Leader
Marketing & Investment Origination
Portfolio Management

Alexander Levental 17
Partner
Deal Team Leader
Marketing & Investment Origination
Portfolio Management

Zachary R. Luce, CFA, CPA 11
Partner
Chief Financial Officer
Investment Operations Management
Fund and Investor Reporting
Portfolio Management

INVESTMENT ORIGINATIONS

Paul F. Witinski 9
Director
Marketing
Underwriting and Due Diligence
Portfolio Management

Adam M. Dotson 9
Director
Marketing
Underwriting and Due Diligence
Portfolio Management

Trevor T. Russo, CFA 13
Director
Marketing
Underwriting and Due Diligence
Portfolio Management

Nihar Patel <1
Associate
Analysis, Research
Portfolio Management Support

Tyler D. Klenk 1
Analyst
Analysis, Research
Portfolio Management Support

Jacqueline Jutras <1
Analyst
Analysis, Research
Portfolio Management Support

Intern
Full-time Position
with Rotating Staffing

INVESTMENT OPERATIONS

Ellen D. Stotler 28
Chief Compliance Officer
SEC, SBA, and Legal Compliance
Impact Investment and ESG Oversight

Kimberly A. Craig 9
Assistant Vice President, Investment Operations
Investment Documentation, Compliance,
Investor Relations and Reporting

Sandra L. Samuels 10
Controller
Accounting and Recordkeeping
Regulatory Reporting

Kathy T. Butler 7
Director of Marketing & Communications
Marketing, Investor Communications,
Systems Management

SENIOR ADVISORS[1]

John Cosentino
Senior Advisor
Underwriting Advisory
Operational Improvement
Portfolio Company Advisory

Donald Bodell
Senior Advisor
Management Evaluation and Coaching
Executive Search
Portfolio Company Advisory

See Appendix A for footnotes.

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IMPACT AND ESG

Commitment to Impact Investment and ESG considerations since inception

Since 2001, invested over $525 million in impact investments, representing 56% of total capital invested[1]

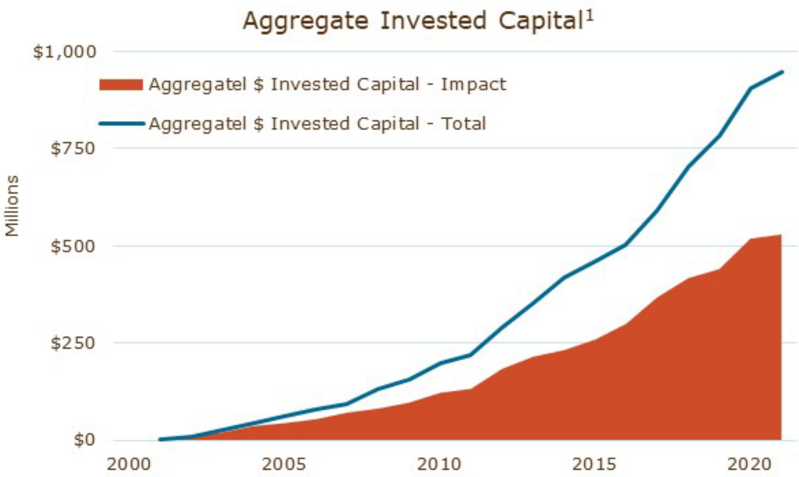
- One of the earliest private equity managers to integrate impact investing into its investment strategy
- Same approach to underwriting, due diligence, pricing and structure on all investments
- Substantially similar returns on impact investments and non-impact investments

Impact businesses

- Women and/or minorities hold meaningful ownership and operational leadership positions
- Located in low- and moderate-income communities
- Pursue environmentally responsible outcomes

ESG considerations in underwriting and portfolio management

- All portfolio companies scored using 16 point ESG Rating Matrix
- Annual data collection and reviews; results discussed with respective portfolio company boards
- Measurement criteria designed to be relevant to markets where we invest



Employee base of Ironwood portfolio companies increased by more than 8,000 jobs[2] in aggregate

- Over 50% of job increase[2] in impact markets

See Appendix A for footnotes.

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IRONWOOD DEAL CHARACTERISTICS

Typically first round institutional capital transactions

Generally sole or lead mezzanine investor

Fewer broadly-auctioned transactions
- Reasonable purchase and leverage multiples
- Attractive risk-adjusted terms and pricing

Diverse transaction types
- Focus on businesses in essential industries located in secondary and tertiary markets
- Strong deal flow in all economic environments

Diverse sponsor profile mix creates consistent flow
- Family offices, independent sponsors, private equity funds

Conservatively structured transactions
- Traditional senior / subordinated structures often include bank limited partner as senior lender
- Equity co-investment improves alignment of interest

Value-add to enhance returns
- Professionalizing companies
- Aiding in organic growth and follow-on acquisitions

Profitable Owner-Led Companies

>$20 million of revenue

>$4 million of EBITDA

Proven value proposition and growth opportunities

2.0 – 2.5x senior leverage

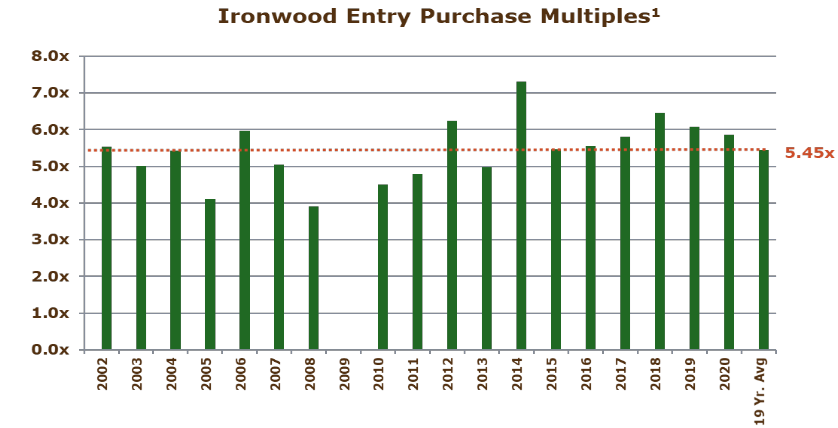
3.5 – 4.0x total leverage

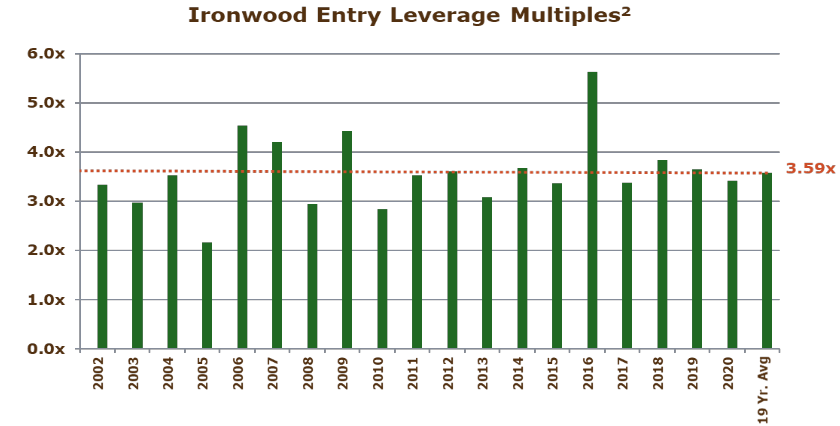
Active participation with company boards

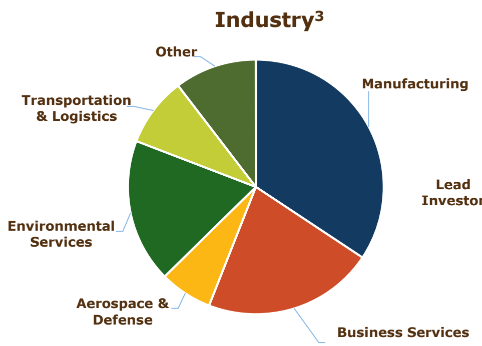
Average Portfolio Company Profile - Fund IV[1]	
Investment Size (millions $)	$ 14.7
Debt Investment (millions $)	$ 11.9
Equity Investment (millions $)	$ 2.8
Revenue at Entry (millions $)	$ 94.8
EBITDA at Entry (millions $)	$ 11.8
Entry Multiple	6.1x
Entry Leverage	3.6x
Interest Rate at Entry	12.9%
Ownership at Entry	9.8%

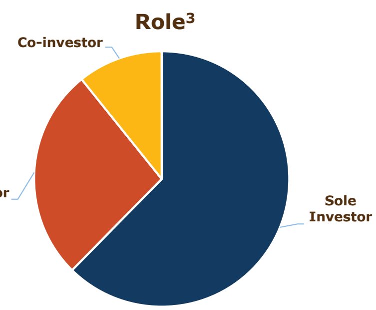
See Appendix A for footnotes.

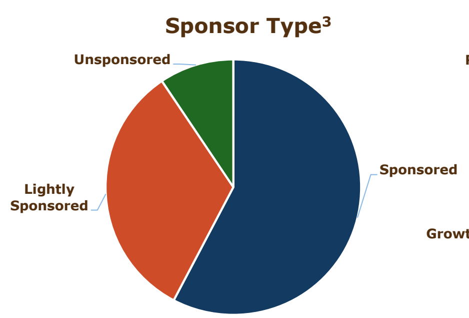
SUMMARY PORTFOLIO PROFILE

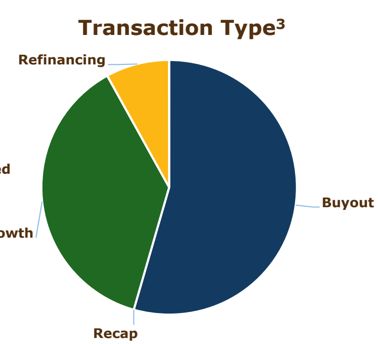












Broad-based, innovative marketing and deal origination efforts enable firm to be selective

Entry and leverage multiples consistent over 20 year history

- Adhere to underwriting and pricing parameters in changing market conditions

Composition of Fund IV reflects both consistency and market-based evolution

- Current market conditions and collective experience and capabilities drive decisions
- Industry, Sponsor Type, Role and Transaction Type diversity ensure consistent deal flow and reflect long-term trends in U.S. economy

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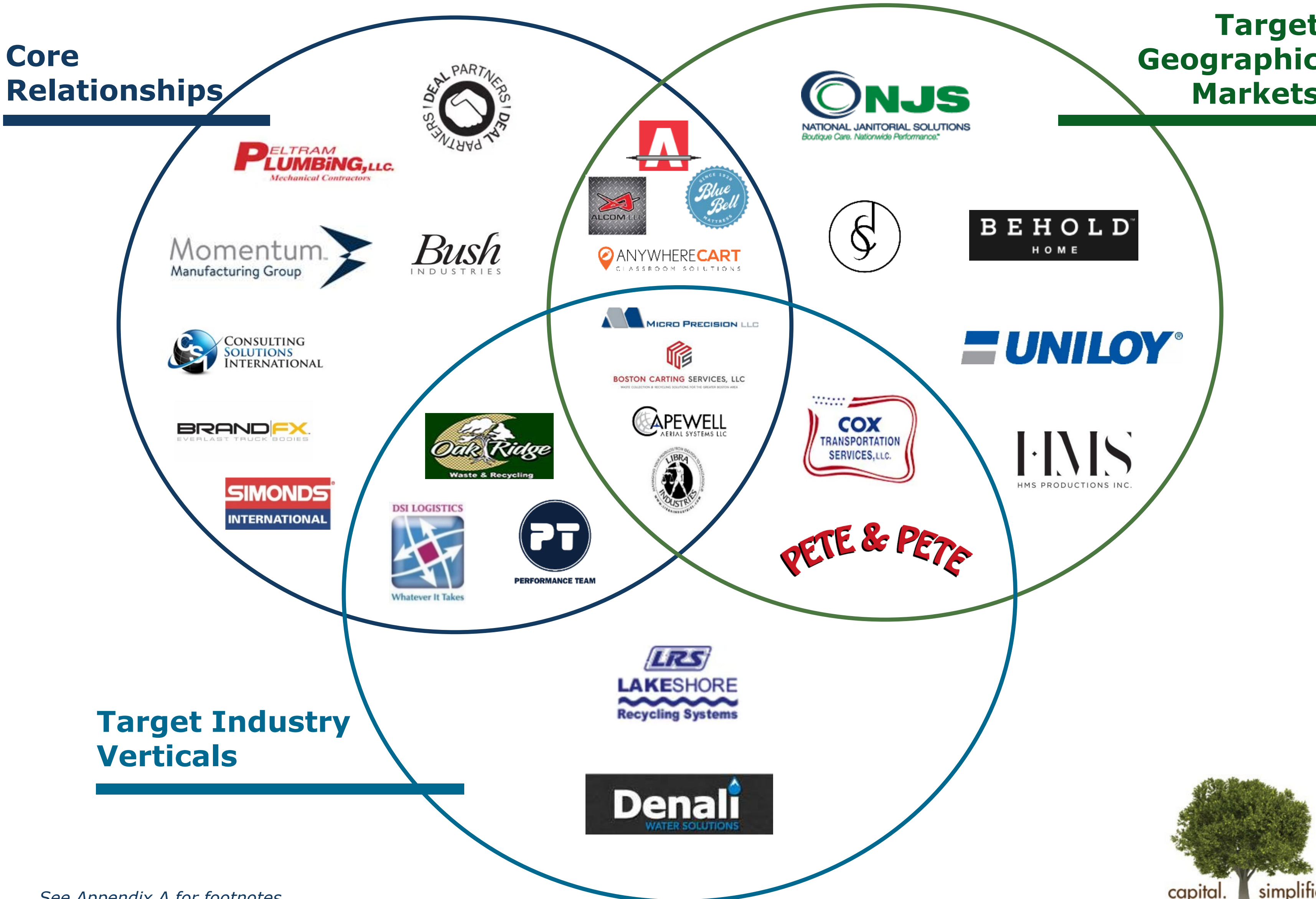
See Appendix A for footnotes.

FUND IV INVESTMENT SOURCES[1]



See Appendix A for footnotes.

INDUSTRY VERTICAL HIGHLIGHTS

AEROSPACE & DEFENSE

Ironwood has developed domain expertise and relationships in lean manufacturing principles

- Offers management teams combination of intelligent capital and strategic advisory expertise
- Assists companies in meeting stringent operational requirements of large OEM customers such as Pratt & Whitney, Sikorsky and Electric Boat

$110 million in capital provided to 9 companies[1]

- Employee base grew by 445 during Ironwood's holding period[2]
- Critical growth sector for the local economy
- 7 companies based in Connecticut

ENVIRONMENTAL SERVICES

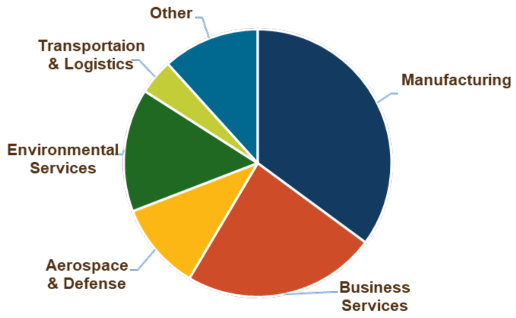
Ironwood recognized as a preeminent junior capital provider to waste and recycling industry

- Waste collection and diversion, recycling, wastewater repurposing, medical waste management, and railcar cleaning sectors
- Developed repeatable strategy to help companies improve route density, increase recycling capabilities, and vertically integrate

$164 million in capital provided to 14 companies[1]

- Employee base grew by 1,495 during Ironwood's holding period[2]
- 2 companies based in Connecticut

Industries[3]



CONNECTICUT COMPANIES

Whitcraft Group
Dynamic Gunver
Micro Precision
Habco Industries
Numet Machining
Capewell Aerial Components
Turbine Technologies
City Carting
Oak Ridge Waste & Recycling

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See Appendix A for footnotes.

ICP V FUND STRUCTURE AND TERMS

Two vehicles that invest side-by-side on a *pro rata* basis

- Structured to address regulatory considerations of different investors

ICP V

Traditional fund structure

Primary investment vehicle

Feeder fund vehicle for specific LPs

ICP V SBIC

Unlevered SBIC structure

Meets regulatory requirements for banks

Provides CRA credit for banks

Debt with up to 30% equity diversifies income sources, offers attractive mix of current yield and long-term appreciation

Limited partner-friendly features

- Volume-tiered management fee
- Reduced management fee for uninvested capital
- One-year funding facility
- All fee income benefits the fund
- European waterfall with 8% hurdle rate

Shallow J-curve with income distributions expected within 2 years of fund commencement

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CONTACT INFORMATION

Carolyn C. Galiette
Partner, President & CIO
O: 860.409.2105
C: 860.680.1035
galiette@ironwoodcap.com

Dickson Suit
Partner
O: 860.409.2128
C: 860.888.7309
suit@ironwoodcap.com

James R. Barra
Partner & COO
O: 860.409.2113
C: 860.888.7308
barra@ironwoodcap.com

Zachary R. Luce
Partner & CFO
O: 860.409.2114
C: 860.798.0220
luce@ironwoodcap.com

Our roots run deep in the middle market.

Appendix A: Footnotes

General Note: Unless otherwise noted,

- References to Ironwood pertain to the firm's mezzanine funds.
- References to Fund III represent both the main fund (Ironwood Mezzanine Fund III) and the SBIC fund (Ironwood Mezzanine Fund III-A); and
- References to Fund IV represent the main fund (Ironwood Mezzanine Fund IV), the rated fund (Ironwood Mezzanine Fund IV-B) and the SBIC fund (Ironwood Mezzanine Fund IV-A).

Slide 3

[1] 50% of investment made through Ironwood Capital Connecticut's Insurance Reinvestment Program

Slide 5

[1] Ironwood professionals based on mezzanine fund professionals as of commencement of respective fund.

Slide 6

General Note: Numbers next to individual names denote number of years with the Firm.

[1] Senior Advisors are independent contractors on retainer with the Management Company.

Slide 7

[1] Statistics based on investments made in Fund I, Fund II, Fund III and Fund IV from 2001 through August 31, 2021.

[2] Statistics based on comparison of jobs at entry versus jobs at exit or jobs as of December 31, 2019 for unrealized portfolio companies. Statistics include portfolio companies in Fund I, Fund II, Fund III and Fund IV.

Slide 8

[1] Statistics based on Fund IV investments as of August 31, 2021.

Slide 9

[1] Ironwood entry purchase multiple not applicable for 2009 as Ironwood did not participate in any buyouts in 2009.

[2] Ironwood entry leverage multiples for 2009 and 2016 skewed by businesses valued on contractual recurring revenue.

[3] Statistics based on Fund IV investments as of August 31, 2021.

Slide 10

[1] Includes all Fund IV investments as of August 31, 2021.

Slide 11

[1] Includes investments made through Ironwood Capital Connecticut's Insurance Reinvestment Program.

[2] Job increases from both organic and inorganic growth.

[3] Represents aggregated Fund I, Fund II, Fund III and Fund IV statistics as of August 31, 2021.

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OFFICE OF THE STATE TREASURER
MEMORANDUM

TO: Members of the Investment Advisory Council

FROM: Christine Shaw, Assistant Treasurer for
Corporate Governance & Sustainable Investment

CC: Ted Wright, Chief Investment Officer

DATE: October 1, 2021

SUBJECT: ***Report on Corporate Governance Activities for 2Q21,***
Summary of Engagements for the 2021 Proxy Season

INTRODUCTION

The Treasury's corporate governance activities are guided by the core principle that the exercise of shareholder rights — either through the voting of proxies or the filing of shareholder resolutions — is central to the fiduciary obligation to enhance shareholder value.

The Connecticut Retirement Plans and Trust Funds' ("CRPTF") proxy voting guidelines, as set forth in its Investment Policy Statement, detail the standards governing the manner in which proxies are to be voted on an array of issues — including election of directors, executive compensation, labor standards and other environmental, social and governance issues. These issues have financial implications for the long-term shareholder value of CRPTF's investments, which is why the voting of proxies is considered a plan asset.

In addition, the CRPTF also actively engages companies on issues of concern in an effort to increase shareholder value. When appropriate, the CRPTF will itself sponsor shareholder resolutions. These proxy voting policies provide guidance for these activities as well.

Set forth below are a report of the Treasury's proxy voting activities for the second quarter of 2021 (i.e., April 1, 2021 through June 30, 2021); overall trends seen during the 2021 proxy season; and highlights of Connecticut's engagement activities and summary of outcomes for each of the resolutions filed by the CRPTF during this period.

PROXY VOTING

The chart below summarizes the votes cast at domestic and international companies during the second quarter of 2021. The CRPTF's domestic and international proxy votes are posted on the Treasury's website and can be accessed at https://portal.ct.gov/OTT/Pension-Funds/Proxy-Voting/Voting-Summary

	Number of annual general meetings	**Number of votes cast**	**% of votes cast in support of management**
Domestic Companies	2,098	18,859	73.45%
International Companies	1,862	29,590	88.14%

TRENDS FOR THE 2021 PROXY SEASON

The 2021 proxy season was characterized by continued momentum on many of the themes that were front-of-mind for investors during the 2020 proxy season: the ongoing impact of the COVID-19 pandemic, intensifying focus on diversity and social justice issues, and climate change.

Shareholders filed more proposals in the first half of 2021 (733) than in any prior year since 2017.[1] Driving this growth was a 77% increase in the number of climate-related proposals, and a 93% increase in the number of proposals related to diversity, equity and inclusion ("DE&I), as compared with 2020.[2]

With respect to environmental proposals, average shareholder support increased to 41% as compared with 32% in FY2020.[3] Twelve climate-related resolutions went to a vote – up from 5 in 2020 – and 11 of these received shareholder support ranging from 57% to 98%.[4] Challenges to "Big Oil" captured the most attention. Most notably, activist hedge fund Engine No. 1 elected three directors to the board of ExxonMobil and sponsored two shareholder proposals that won majority support, all against the board's recommendation. Chevron, ConocoPhillips and Phillips 66 also faced environmental proposals with large support. Each saw resolutions

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[1] *2021 Proxy Season Review: Part 1, Rule 14a-8 Shareholder Proposals,* Sullivan & Cromwell LLP, July 27, 2021 at page 1.
[2] *Id.*
[3] *Id.* at page 22.
[4] *Id.*

regarding greenhouse gas (GHG) emissions reduction with 60.7%, 59.3%, and 80.3% of votes in support, respectively.[5]

On DE&I issues, there has been measurable progress in the number of companies voluntarily disclosing their EEO-1 workforce diversity data, with more than 62 of the S&P 100 firms committing to this disclosure. Where shareholders have sought to compel this disclosure with resolutions going to a vote, two of the three such resolutions received support from more than 80% of shareholders.[6]

In total, there were 169 ESG shareholder proposals filed during the 2021 annual general meeting season that received average shareholder support of nearly 34% of votes cast, up from 29% in 2020.[7] Other trends of note:

- Shareholder support for board diversity proposals dramatically increased from 15% in 2020 to 59% in 2021.[8]
- Continued focus on COVID-19 specific proposals – including resolutions related to the pricing of vaccines and therapeutics – received an average of 31.2% support of the shareholders of Johnson & Johnson, Merck and Pfizer.[9]

<u>HIGHLIGHTS OF CONNECTICUT'S 2021 PROXY SEASON</u>

The CRPTF filed four shareholder resolutions for the 2021 proxy season on issues related to clawback disclosure (Eli Lilly), oversight of workforce equity issues (Chipotle), and disclosure of climate-related lobbying activities and risks (Valero Energy and Wells Fargo). Agreements were reached with three companies (leading to withdrawal of the resolutions). One resolution seeking disclosure of clawbacks at Eli Lilly went to a shareholder vote on May 3, 2021, and received strong support among independent shareholders. Summaries of each resolution are set forth below.

- **<u>Chipotle</u>**: The CRPTF co-filed a resolution in December, 2020 (along with primary filer Domini Investment) requesting Chipotle's board of directors to strengthen board oversight of workforce equity issues (e.g., employment discrimination, racial and gender pay equity). The resolution was filed after engagement with the company by the Human Capital Management Coalition (of which Connecticut is a member), as part of a broader COVID-related outreach on issues impacting front-line workers. After discussions with the

[5] *Id.*

[6] See 2021 *Proxy Season Review*, Harvard Law School Forum on Corporate Governance, Shirley Westcott, August 5, 2021, noting that votes at DePont de Nemours and Union Pacific on EEO-1 disclosure resolutions received support of 83.8% and 86.4%, respectively.

[7] *ESG in 2021 So Far: An Update*, Harvard Law School Forum on Corporate Governance, Gerber, Norman and Toms, September 18, 2021.

[8] See *2021 Proxy Season Review: Part 1, Rule 14a-8 Shareholder Proposals*, Sullivan & Cromwell, July 27, 2021 at page 18.

[9] *2021 Proxy Season Review,* Harvard Law School Forum on Corporate Governance, Westcott, August 5, 2021.

company, it agreed to modify the charters of its Compensation and Audit & Risk committees to make clear the oversight role related to these issues. Thereafter, the resolution was withdrawn.

- **Valero Energy**: The CRPTF co-filed a resolution in November, 2020 (led by primary filer Mercy Investment Services) requesting Valero's board to issue a report describing how the company's lobbying activities align with the Paris Agreement. The resolution also asked that this report address the risks of misalignment between the lobbying activities that the company funds -- either directly or via trade associations -- and its strategic plans. Given the company's agreement to prepare and issue the requested report by December 31, 2021, filers agreed to withdraw the resolution. (For context: More than 14 oil and gas companies, including BP, Shell and Total, have agreed to publish reviews of their memberships with trade associations, and their alignment with their climate risk-related plans, using the Paris Agreement benchmark.)

- **Wells Fargo**: The CRPTF co-filed a resolution in December of 2020 (led by primary filer As You Sow) seeking disclosure of the extent to which Wells Fargo is planning for the climate-related risks to the projects they finance. (For context: According to *Banking on Climate Change 2000: Fossil Fuel Finance Report 2020*, Wells Fargo is the second largest global banker of fossil fuels, with roughly $198 billion provided to the fossil fuel sector since 2016, which is part of roughly $2.7 trillion in financing provided to this sector since the Paris Climate Agreement was reached in 2015.)

  After several discussions, Wells Fargo announced on March 9th, 2021 a number of important commitments towards a goal of net zero greenhouse gas emissions by 2050, including disclosure of its financed emissions for carbon-intensive projects, as well as a $500 billion commitment to financing sustainable investments. Given these commitments the resolution was withdrawn.

- **Eli Lilly**: The CRPTF co-filed a resolution in November, 2020 (led by primary filer Trinity Health) seeking disclosure of the application of its clawback policy. This resolution was part of the broader work with the Investors for Opioid and Pharmaceutical Accountability (IOPA) to engage with pharmaceutical companies around their pricing practices and, in particular Eli Lilly's litigation exposures related to the pricing of insulin. (The company is one of the world's largest insulin producers.)

  Consistent with the CRPTF's resolutions filed in 2020 with Amgen and Bristol Myers-Squibb (both of which were withdrawn after successful negotiations with the companies), this year's resolution requested that Eli Lilly's board adopt a policy of annual disclosure of any recoupment of incentive compensation from any senior executive as a result of applying its clawback provisions. At the company's May 3rd annual general meeting, the resolution received support of 40.8% of all shareholders – a strong showing. When one considers the votes of independent shareholders (excluding the shares of the Lilly Endowment), 47.6% of votes were cast in support of the resolution.

Other Engagements

As part of the 2021 engagement work with the IOPA coalition, the CRPTF joined Rhode Island in filing two exempt solicitation letters with the Securities and Exchange Commission urging shareholders to vote against the executive compensation proposals on the ballots of Cardinal Health and AmerisourceBergen ("ABC") – two of the "big three" distributors of opioids. Each compensation proposal reflected payouts for certain executives that were significantly above target, despite each company booking opioid-related settlement claims of $5.6 billion and $6.6 billion, respectively. These settlements were the largest litigation charges ever booked at either company.

There was strong investor sentiment against each of these pay proposals. At the November, 2020 meeting of Cardinal Health, 38% of shareholders voted against the compensation proposal, representing nearly 90 million shares. By comparison, in 2019 just 6% of votes were cast against the pay proposal. At the March, 2021 meeting of ABC, 48% of shareholders voted to reject the compensation package. When one considers the vote of independent shareholders (excluding the 27.7% stake in ABC held by Walgreens Boots Alliance), roughly 72% of shareholders rejected the pay package.

Typically, say on pay proposals tend to receive support of 90% or more of shareholders.

ENGAGEMENTS VIA COALITIONS

Northeast Investors' Diversity Initiative

In October of 2019, Treasurer Wooden launched the Northeast Investors' Diversity Initiative ("NIDI"), a regional partnership dedicated to increasing corporate board diversity inclusive of gender, race and ethnicity at companies headquartered in the Northeast. Coalition members include: the treasurers of Rhode Island, Maine, Massachusetts and Vermont; New York City Comptroller; Boston Common Asset Management; Boston Trust Walden; Howard Miller Investments; Pax World Funds; SEIU; Trillium; and Zevin Asset Management. With a total of more than $283 billion in assets under management, the investor coalition mission is to encourage boardroom diversity and add inclusion with companies in our own backyard.

NIDI had a successful first year: three companies added their first woman to the board; five companies added a second woman to the board, and one company added its first diverse male employee. In addition, many of these companies also amended their corporate governance guidelines and/or nominating guidelines to commit to seeking women and minority candidates.

For the 2021 proxy season, NIDI targeted 9 small- to mid-cap companies. Likely attributable to the disruptions caused by the pandemic, NIDI found it more difficult to engage with companies. Three out of the nine companies engaged with the coalition as follows:

1. Ameresco, Inc. strengthened its Nominating Charter to include language similar to the Rooney Rule, a commitment to identify diverse candidates for board openings.
2. Life Storage appointed a second woman to its board of directors in February 2021, and also agreed to strengthen the language of its Nominating and Corporate Governance charters to reflect the Rooney Rule.
3. Graham Corporation indicated a willingness to consider formal language reflecting a commitment to identify diverse candidates for board service.

Investors for Opioids and Pharmaceutical Accountability ("IOPA")

Abuse of opioids has evolved over the past decade into a full-blown public health crisis, and a number of the CRPTF's portfolio companies have faced serious legal, regulatory and reputational risk that have jeopardized shareholder value. Most recently in July, 2021, AmerisourceBergen, Cardinal Health, McKesson, and Johnson & Johnson agreed to settle opioid claims totaling $26 billion. All told, the CRPTF's equity and fixed income exposure to pharmaceutical companies (domestic and global) exceeds $1.2 billion.

In an effort to engage with this sector around these significant risks, the CRPTF has, since July of 2017, been part of IOPA. This coalition of institutional investors includes public pension plans, union funds and faith-based funds, and together they have engaged companies on corporate governance best practices including independent chair, clawback disclosure, and risk management of the legal, financial and reputational risks associated with opioids.

For the 2021 proxy season, IOPA targeted seven companies,[10] requesting that the boards of these companies bolster their oversight of workplace health and safety risks in light of COVID-19. The majority of companies were responsive to our letters, and we continue to be part of ongoing discussions with companies on ways to improve oversight and disclosure around these issues.

[10] Companies targeted were AmerisourceBergen, Cardinal Health, CVS, McKesson, RiteAid, Walgreens and Walmart.

Human Capital Management Coalition (HCMC)

The CRPTF has been an active participant with the HCMC, a group of 35 investors with more than $6.6 trillion in combined assets under management, in advocating for greater disclosure of metrics related to how companies manage their workforces.

For the 2021 proxy season, the HCMC targeted seven companies for engagement around workforce equity issues and COVID-related impacts. The CRPTF led the engagement with Gap, Inc. on the board's oversight of human capital management issues. The company's response conveyed the board's efforts to ensure pay equity, as well as its efforts to promote diversity, equity and inclusion across the company.

Climate Action 100+

CRPTF is a member of Climate Action 100+ ("CA 100+), a global, investor-led initiative engaging the world's largest corporate greenhouse gas emitters to take necessary action on climate change. With over 615 investors responsible for over $55 trillion in assets under management, CA 100+ supports investors as they address the impacts of climate risk with the portfolio holdings.

As part of this work, the CRPTF and New York State Common are co-leaders of a multi-year engagement effort with American Electric Power Company to drive its commitments to reduce greenhouse gas emissions and improve their disclosures to shareholders on progress toward these goals. On February 25, 2021, the company announced new goals to achieve an 80% reduction in emissions by 2030 and reach net zero emission by 2050.

Majority Action's Director Voting Campaign

Majority Action ("MA") is a non-profit organization that works with shareholders to advance corporate governance best practices that lead to measurable progress around climate risks. For the 2021 proxy season, MA targeted 19 companies for engagement around their pledges to achieve net zero emissions by 2050. In several instances, MA filed exempt solicitations with the Securities and Exchange Commission urging shareholders to vote against key directors (i.e., CEO, board chair, or lead independent director) at companies that failed to make adequate progress in aligning their capital expenditures with their stated goals.

The CRPTF's Domestic Proxy Voting Guidelines were revised in March of 2021 to allow for a vote against directors where the company has failed to align their business plans with the goal of achieving net zero emissions by 2050. Accordingly, the CRPTF voted against directors at 19 companies[11] on the MA's target list.

Russell 3000 Board Diversity Disclosure Initiative

The Russell 3000 Board Diversity Disclosure Initiative was launched in October of 2020, and is co-led by the treasurers of Illinois and Connecticut. The initiative is supported by a coalition of 22 investors with more than $3 trillion in assets under management, united in advocating for voluntary disclosure by Russell 3000 companies of the composition of their boards of directors -- inclusive of gender, race, and ethnicity.

The CRPTF's Domestic Proxy Voting Guidelines were revised in March of 2021 to complement the work of the Russel 3000 initiative and allow for a vote against nominating committee members where a company fails to disclose the composition of its board.

As of June 30, 2021, 50 companies provided robust disclosure related to their board composition. Another 950 companies provided some information in about their boards, leaving roughly 2,000 companies that failed to disclose any information at all. Engagement with these companies will continue into 2022, with the possibility of shareholders filing resolutions to compel disclosure of this information.

[11] CRPTF votes were cast against directors at the following companies: Berkshire Hathaway, Chevron, ConocoPhillips, Devon Energy, Duke Energy, Entergy, Evergy, First Energy, Goldman Sachs, JP Morgan, Kinder Morgan, Marathon Petroleum, Nextera Energy, Occidental Petroleum Corp., Phillips66, PPL Energy, Southern Company, Valero Energy Corp. and Wells Fargo.

Bloomberg: Wave of Public Finance Retirements to Worsen Worker Shortage

September 21, 2021

Record amounts of federal aid set to flow through state and local coffers will add to the workload of public accountants and investment officers, pressure that could build further as a potential surge of retirements exacerbates a worker shortage.

The demand for public finance employees based on online job postings surged 84% between 2016 and 2020, even after a slight year-over-year dip last year due to the pandemic, according to a study released Tuesday by the National Association of State Treasurers Foundation.

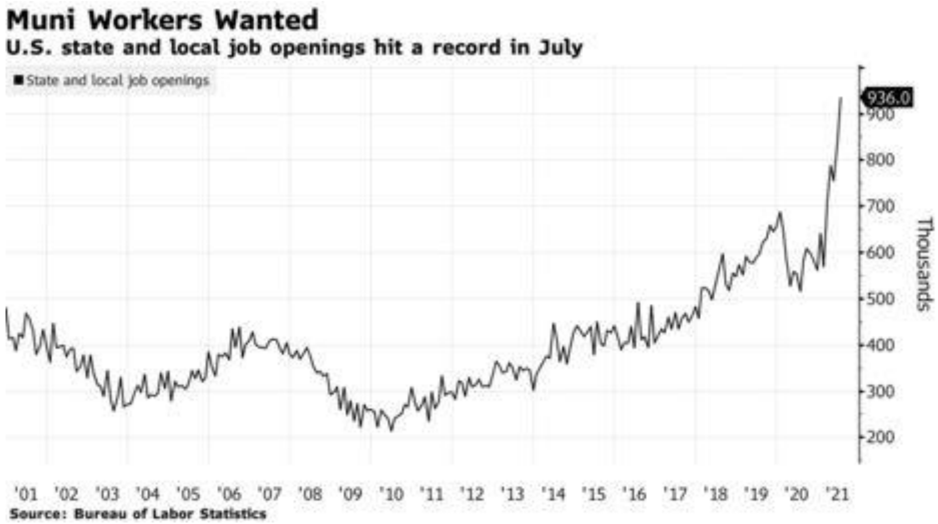
Over 2019 and 2020, public sector employers across all levels of government posted more than 112,000 jobs online including chief financial officer, accountant, financial analyst, auditor, debt manager and budget specialist, according to the report.

Additionally, the sector that employs more than 850,000 state, county and city government workers may be on the verge of a so-called "silver tsunami," according to the association. The public finance workforce, 31% of which is over the age of 55, and 60% is over the age of 45, "is on the brink of a wave of retirements," the report said.

"We are entering a potentially tumultuous era of employment and staffing in the public finance sector," Indiana Treasurer Kelly Mitchell and Connecticut Treasurer Shawn Wooden said in the opening remarks in the report.

The industry is facing "unpredicted rates of retirement," fewer applicants and competition from the private sector, according to the report. Those challenges come at a time when federal investments in local economic recoveries and infrastructure are increasing public spending as well as the need for employees with skills to manage those resources. The latest stimulus package, the American Rescue Plan Act, is sending $350 billion to state and local governments over the next few years.

The finance segment of the state and local workforce is one of several in the government sector facing pressures around the country. U.S. state and local government job openings jumped to 936,000 in July, the highest since at least 2000, according to the U.S. Labor Department this month.



The foundation undertook the study in collaboration with Emsi Burning Glass to understand the skills needed along with short- and long-term staffing and skills challenges. Demand numbers are reported as a two-year snapshot between Jan. 1, 2019 and Dec. 31, 2020 “to smooth out” some effects of the pandemic. Emsi Burning Glass also analyzed growth rates between 2016 and 2020.

Public sector agencies may need to expand capacity, staffing, and hiring given the level of anticipated retirements “may further exacerbate skills and worker shortages,” according to the report. The sector, however, has several points working its favor for recruiting and retaining employees.

Important Work

Low barriers to entry, an already diverse workforce and entry-level pay that on average is higher than the private sector can help, according to Joel Simon, vice president for workforce strategies at Emsi Burning Glass. Women making up about 52% of the public finance workforce and the sector mostly mirrors the racial and ethnic profile of the broader U.S. workforce.

“It’s a bigger, wider door,” Simon said.

The importance of the work is also key, said Mitchell, Indiana’s Treasurer. The office serves as the chief investment officer for the state and manages nearly $10 billion. Done properly, public finance posts such as treasurer offices can save money for taxpayers by lowering borrowing costs with higher credit ratings and increasing funds with higher returns on investments, she said.

“I try to draw that line financially between what we do and the impact on individuals own wallet,” Mitchell said in an interview.

The Bond Buyer: Advocates push for national baby bonds bill

10.6.21

Connecticut this summer became the first state to launch a baby bonds program.

Its officials want it to go national.

"Programs like baby bonds just don't happen by accident," state Treasurer Shawn Wooden said outside the U.S. Capitol last week. "This achievement followed decades of research by leaders in academia and the willingness to act by both advocates and elected officials."

Wooden and members of the state's congressional delegation are pushing for enactment of the American Opportunity Accounts Act, a reintroduction of a 2017 bill whose sponsors are Sen. Cory Booker, D-NJ, and Rep. Ayanna Pressley, D-Mass.

Baby bonds "would also be an investment in our nation's future," Connecticut Treasurer Shawn Wooden said.
Bill Morgan

The federal bill would seed a national savings account of $1,000 at birth for children born into poverty, with additional deposits of up to $2,000 each year, depending on household income.

The funds would sit in an interest-bearing account, accessible by account holders at age 18 for allowable uses such as buying a home, paying for educational expenses or starting a business.

Connecticut modeled its CT Baby Bonds program, enacted on July 1, after the federal bill.

New York last month became the first major city to launch baby bonds. Its initiative is a citywide expansion of the NYC Kids RISE Save for College Program.

Starting this school year, every kindergartener enrolled in a public school will have access to a scholarship account, with $100 invested toward their future education and up to $200 in rewards.

Wooden called his state "ground zero for wealth and income inequality."

The state's program authorizes $50 million per year for 12 years, or $600 million.

"States like Connecticut have led the way in implementing their version," Booker said.

Enacted July 1, it will create a trust for children born into poverty whose births the state's Medicaid program covers.

In the year of their birth, funds will be set aside in a trust.

When a beneficiary is between ages 18 and 30 and completes a financial education requirement, the funds are available for targeted eligible purposes that include educational expenses, the purchase of a home in Connecticut, investing in an in-state business and contributing towards retirement savings.

"As a long-term investor, I naturally think in 10 to 20-year increments and, without question, baby bonds is an investment in Connecticut's future and would also be an investment in our nation's future," Wooden said.

COVID-19, he added, has further exposed wealth and income gaps nationally, particularly among minority communities.

Advocates cited 2019 reports by Columbia University and McKinsey & Co. that cited the importance of such a program. McKinsey said failing to close the racial wealth gap would cost the U.S. economy between $1 and $1.5 trillion, or 4% to 6% of the gross domestic product over the next decade.

New Jersey lawmakers eliminated Gov. Phil Murphy's baby bond proposal from the budget. It would have provided $1,000 to each child born into a family whose earnings were below the poverty line.

Podcast: Connecticut Treasurer Shawn Wooden discusses baby bonds, bond rating upgrades and other matters with Bond Buyer Northeast Regional Editor Paul Burton.

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Connecticut Makes Its Case For National 'Baby Bond' Investments In Children

Connecticut Public Radio | By Patrick Skahill

Published September 30, 2021 at 3:36 PM EDT

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Adam Rosen / Congregation B'Nai Israel

State Treasurer Shawn Wooden

Connecticut's treasurer made the pitch with federal officials Thursday for a nationwide "baby bonds" program. The state passed its own version of this investment idea earlier this year, but the proposal has yet to get widespread federal legislative traction.

Here's how baby bonds work in Connecticut.

Connecticut Public Radio / WNPR
The Colin McEnroe Show

When the child is between the ages of 18 and 30, they must complete a financial education program. After that, they can access the money. Funds can be put toward qualified expenses like education, a home, or investments in retirement or a business in Connecticut.

State officials estimate the initial $3,200 investment could grow to about $11,000 between a child's birth and adulthood.

State Treasurer Shawn Wooden touted the benefits of the program in Washington, D.C., on Thursday. He said that while Connecticut has pockets of extreme wealth, it also has pockets of extreme poverty — and baby bonds will help to close that wealth gap.

"Thousands of children in Connecticut who are born into poverty will now grow up knowing that they have access to Connecticut baby bonds, which can change the trajectory of their lives," Wooden said.

Connecticut's baby bonds program took effect in July. While statistics aren't available for how many children have been enrolled in baby bonds so far, officials with Wooden's office said by email Thursday that data from the Department of Social Services from 2012 to 2019 show an average of about 16,000 births paid for annually by HUSKY.

So that means Connecticut's program could impact about 16,000 babies each year.

As Connecticut's program begins to enroll thousands of children, federal legislators are optimistic the idea can scale up nationwide.

Sen. Cory Booker (D-N.J.) said Thursday the United States already uses hundreds of billions of dollars through the nation's tax code "to give people with wealth tax breaks so they can create more wealth. We should use a small amount of our tax code and our treasury to help people without wealth create that generational wealth."

Earlier this year, Booker and Rep. Ayanna Pressley (D-Mass.) introduced a version of the baby bonds idea in a legislative proposal called the American Opportunity Accounts Act.

That act would create and seed an interest-bearing savings account for every American child at birth. Similar to Connecticut's program, children would then be able to access those funds as adults and put them toward qualified expenses. But Booker's initial proposal envisions kids getting more money.

"You put $1,000 into [an] interest-bearing account for every single child born in America. And then every year after that, based upon a family's income, you put upwards of $2,000 into that account," Booker said. "The lowest-income kids in our country — regardless of race — by the time that they're 18, they will have almost $50,000."

Donate

While Booker's idea garnered support from some Democrats, the measure has not been taken up in a wider way by Congress. It also failed to gain a foothold in the federal government's budget reconciliation process.

A spokesperson for Wooden's office said the treasurer made the case for a federal baby bonds bill during a meeting with White House staffers last week.

Since Connecticut began offering baby bonds in July, New York City and Washington, D.C., have passed similar

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The Colin McEnroe Show

Connecticut’s program is funded through state-issued general obligation bonds and is authorized for $50 million per year for 12 years beginning in 2021, totaling $600 million.

Wooden said Connecticut’s baby bonds program was inspired by a similar measure Booker and Pressley first proposed in 2017 before re-introducing the concept this year.

“If we do not address wealth inequality, we hurt our economy. It’s as simple as that,” Wooden said. “It’s time to level the playing field and make sure that every child born into poverty in our nation experience[s] the American dream.”

News

Patrick Skahill

Patrick Skahill is a reporter at Connecticut Public Radio. He covers science and the environment. Prior to becoming a reporter, he was the founding producer of The Colin McEnroe Show, which began in 2009. Patrick's reporting has appeared on NPR's Morning Edition, Here & Now, and All Things Considered. He has also reported for the Marketplace Morning Report. He can be reached at pskahill@ctpublic.org or on Twitter @ptskahill.

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