

INVESTMENT ADVISORY COUNCIL

Wednesday, May 12, 2021

MEETING NO. 491

Members present:

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

*11:31am Departure

**11:45am Departure

Members absent:

Joshua Hall

Others present:

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

Guests:

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

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

Approval of Minutes of the April 14, 2021 IAC Meeting

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

Comments by the Treasurer

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

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

Executive Session

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

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

Consideration of Personnel Matters

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

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

Adopted on May 10, 2021

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

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

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

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

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

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

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

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

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

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

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

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

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

Presentation by and Consideration of Avance Investment Fund

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

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

Roll Call of Reactions for Avance Investment Fund.

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

Presentation by and Consideration of Vistria Fund IV

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

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

Roll Call of Reactions for Vistria Fund IV.

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

Presentation by and Consideration of Carlyle Realty Partners IX

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

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

Roll Call of Reactions for Carlyle Realty Partners IX

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

Presentation by and Consideration of Covenant Apartment Fund X

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

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

Roll Call of Reactions for Covenant Apartment Fund X

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

Other Business

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

Comments by the Chair

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

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

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

Meeting Adjourned

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

Respectfully submitted,



**SHAWN T. WOODEN
SECRETARY**

Reviewed by,



**ELLEN SHUMAN
CHAIR**