State of Connecticut
Office of the Treasurer

SHAWN T. WOODEN
TREASURER

MEMORANDUM

TO: Members of Investment Advisory Council

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

DATE: November 13, 2020

SUBJECT: Investment Advisory Council Meeting – November 18, 2020

Enclosed is the agenda package for the Investment Advisory Council meeting on Wednesday, November 18, 2020 starting at 9:00 A.M.

The following subjects will be covered at the meeting:

Item 1: Approval of the Minutes of the October 14, 2020 IAC Meeting

Item 2: Opening Comments by the Treasurer

Item 3: Update on the Market and the CRPTF Performance

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

- The CRPTF performance as of September 30, 2020

Item 4: Master Custodian Request for Proposal

Laurie Martin, Chief Investment Officer, will review the project plan and scope of services for the master custodian search.

Item 5: The Watch List

Kevin Cullinan, Chief Risk Officer, will provide an update on the Watch List.

Item 6: Presentation by and Consideration of the Finalists for the Private Capital Consultant Search

Mark Evans, Principal Investment Officer, will provide opening remarks and introduce the following firms as the finalists for the Private Capital Consultant search.

- Aksia, LLC
- Hamilton Lane Advisors, LLC
- StepStone Group, LP

Item 7: Presentation by and Consideration of Clearlake Flagship Plus Partners

Mark Evans, Principal Investment Officer, will provide opening remarks and introduce Clearlake Flagship Plus Partners, a Private Investment Fund opportunity.

Item 8: Presentation by and Consideration of Secondary Overflow Fund IV L.P.

Mark Evans, Principal Investment Officer, will provide opening remarks and discuss an additional allocation to Secondary Overflow Fund IV L.P., a current investment within the Private Investment Fund.

Item 9: Presentation by and Consideration of IPI Partners II, L.P.

Danita Johnson, Principal Investment Officer, will provide opening remarks and introduce IPI Partners II, a Real Assets Fund opportunity.

Item 10: Presentation by and Consideration of ISQ Global Infrastructure III

Danita Johnson, Principal Investment Officer, will provide opening remarks and introduce ISQ Global Infrastructure III, a Real Assets Fund opportunity.

Item 11: Presentation by and Consideration of TruAmerica Workforce Housing Fund

Danita Johnson, Principal Investment Officer, will provide opening remarks and introduce TruAmerica Workforce Housing Fund, a Real Assets Fund opportunity.

Item 12: Report on Corporate Governance

Christine Shaw, Assistant Treasurer for Corporate Governance & Sustainable Investment, will provide a report on Corporate Governance activities for the quarter ended September 30, 2020.

Item 13: Other Business

- Review and Approval of the IAC Meeting Schedule for the 2021 Calendar Year
- Discussion of the preliminary agenda for the December 9, 2020 IAC meeting

Item 14: Comments by the Chair

We look forward to reviewing these agenda items with you at the November 18th meeting.

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

STW/kf

Enclosures

INVESTMENT ADVISORY COUNCIL
Wednesday, October 14, 2020

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

MEETING NO. 480

Members present:	D. Ellen Shuman, Chair
	Treasurer Wooden, Secretary
	Thomas Fiore, representing Secretary Melissa McCaw
	Michael LeClair
**11:58am departure	Michael Knight**
	Steven Muench
*10:28am departure	William Murray*
	Patrick Sampson
	Carol Thomas
Members absent:	Joshua Hall
Others present:	Laurie Martin, Chief Investment Officer
	Kevin Cullinan, Chief Risk Officer
	Patricia DeMaras, Legal Counsel
	Mark Evans, Principal Investment Officer
	Katrina Farquhar, Executive Assistant
	Gabrielle Farrell, Director of Communications
	Lyndsey Farris, Principal Investment Officer
	John Flores, General Counsel
	Felicia Genca, Securities Analyst
	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
	Raynald Leveque, Deputy Chief Investment Officer
	Steven Meier, Senior Principal Investment Officer
	Paul Osinloye, Principal Investment Officer
	Michael Terry, Principal Investment Officer
	Olivia Wall, Investment Officer
Guests:	Kevin Alcala, Goldman Sachs
	Greg Balewicz, Lord Abbett
	Drianne Benner, Appomattox
	Mary Beth Boyle, Rock Creek
	LaRoy Brantley, Meketa Investment Group
	Gar Chung, Financial Investment News
	Maguette Diop, SEIU
	Dyice Ellis-Beckham, Invesco
	Marilyn Freeman, Capital Prospects

Will Greene, Loop Capital
Deirdre Guice-Minor, T. Rowe Price
Noel Henry, Man Investments
Ryan Lavin, The Carlyle Group
Angela Meyer, Rich Capital Markets
Christopher Morgan, Franklin Templeton
Aneta Ortiz, Invesco
Ann Parker Weeden, AllianceBernstein
Adam Rees, Pageant Media
William Rejeski, Goldman Sachs
Matthew Ritter, NEPC
Richard Ross, CT Resident
Lisa Rotenberg, Goldman Sachs
Rita Sallis - Blueprint Capital Advisors
Brian Shushkovsky, Aksia
Liz Smith, AllianceBernstein
Cynthia Steer, CT Resident
Ryan Wagner, T. Rowe Price
Arnold West, GIA Partners
Peter Woolley, Meketa Investment Group

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

Approval of Minutes of the September 9, 2020 IAC Meeting

Chair Shuman called for a motion to accept the minutes of the September 9, 2020 IAC meeting. **Carol Thomas moved to approve the minutes of the September 9, 2020 IAC meeting. The motion was seconded by William Murray. There were two abstentions by Michael Knight and Steven Muench. 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 briefly discussing the monthly Cash and Bonding Report, stating August 2020 highlighted Connecticut's continued strong cash position during the pandemic. He continued to say, as of September 26, 2020 the State's overall available cash was $6.9 billion with the common cash pool at $5.9 billion.

Next, he discussed his decision to contribute the excess amount in the Budget Reserve Fund ("BRF") to the State Employees' Retirement Fund, which he announced at the first of the month with Governor Ned Lamont. He stated the growth of the State's BRF is a direct result of smart policy and fiscal discipline that has been practiced over the last few years and said Connecticut must also be forward-thinking in its approach and look to new opportunities that can grow our economy, generate significant job creation, and offer a path to a strong and sustainable economic recovery, while continuing to responsibly pay down pension liabilities and work to put the State on a sustainable course.

Then, Treasurer Wooden provided an update on his recent call to corporate America to confront long standing racial economic disparities in the United States. He announced his office had launched a partnership with the Ford Foundation to convene a coalition of CEOs representing multi-billion dollar industries to advance racial and economic security and opportunity both within and outside of their companies. He said, the coalition of CEOs, as part of a corporate call to action working group, will establish long-term, measurable commitments that address the need for deep, structural changes in order to advance social change, racial justice and greater economic prosperity for all. Companies engaged in the corporate call to action working group represent more than 375,000 employees, $460 billion in market capitalization and approximately $21 trillion in assets under management.

Last, Treasurer Wooden announced recent investment decisions, including a commitment of $100 million to the Waterton Residential Property Venture XIV Fund, a real estate opportunity and awarding contracts to Advent Capital Management and Calamos Advisors for the convertible bond strategy. He then provided a summary of the meeting agenda and a brief overview of the scheduled presentations.

Update on the Market and the Connecticut Retirement Plans and Trust Funds Performance for Month Ending August 31, 2020

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

Presentation and Consideration of Emerging Manager Program Public Markets Structure

Raynald Leveque, Deputy Chief Investment Officer ("DCIO"), provided an overview of the results of the public markets emerging manager search and proposed structure.

Presentation by and Consideration of Attucks Asset Management, LLC

Lyndsey Farris, Principal Investment Officer ("PIO"), provided opening remarks and introduced Attucks Asset Management, LLC ("Attucks") for the global fixed income emerging manager mandate.

Attucks, represented by Les Bond, CEO; Marilyn Freeman, Chief Strategy Officer; Karen Mair, Managing Director and Head of Fixed Income; Patrick Silvestri, Chief Investment Officer; and Winston Blake, Managing Director, made a presentation to the IAC.

Roll Call of Reactions for the Attucks Asset Management emerging manager opportunity.

Messrs. Knight, Muench, Murray, Thomas Fiore, Michael LeClair, Patrick Sampson, Ms. Thomas and Chair Shuman provided feedback on Attucks. 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 Attucks. There being no discussion, the Chair called for a vote and the motion passed.**

Presentation by and Consideration of Xponance, Inc.

Paul Osinloye, PIO, provided opening remarks and introduced Xponance, Inc. ("Xponance") for the developed international equity emerging manager mandate.

Xponance, represented by Tina Byles Williams, Founder, CEO, CIO & Lead Portfolio Manager; Tom Quinn, CFA, Managing Director & Senior Portfolio Manager - Multi-Manager Strategies; and Kila Weaver, Vice President, Sales & Client Service, made a presentation to the IAC.

Roll Call of Reactions for the Xponance emerging manager opportunity.

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

Presentation by and Consideration of The RockCreek Group, LLC

Mr. Osinloye, PIO, provided opening remarks and introduced The RockCreek Group, LLC ("RockCreek") for the emerging markets equity emerging manager mandate.

RockCreek, represented by Afsaneh Beschloss, Founder & CEO; Tyson Pratcher, Managing Director; and Alberto Fassinotti, Managing Director, made a presentation to the IAC.

Roll Call of Reactions for the RockCreek Group emerging manager opportunity.

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

Consideration of the Public Market Emerging Manager Program Structure

Roll Call of Reactions for the public market emerging manager program structure.
Messrs. Fiore, Knight, LeClair, Muench, Sampson, Ms. Thomas and Chair Shuman provided feedback on the panel. Chair Shuman called for a motion to waive the 45-day comment period. **A motion was made by Ms. Thomas, seconded by Mr. Fiore, to waive the 45-day comment period for the panel. There being no discussion, the Chair called for a vote and the motion passed.**

Comments by the Treasurer

Treasurer Wooden thanked staff for their hard work on the Emerging Manager Request for Proposal and announced his decision to move forward with commitments to Attucks, Xponance, and RockCreek, and the creation of a manager panel which includes Bivium and Leading Edge.

Comments by the Chair

Chair Shuman noted the next meeting will be held on November 18, 2020. She invited the council members to submit agenda items.

Other Business

There being no further business, the Chair called for a motion to adjourn the meeting. **Mr. Fiore moved to adjourn the meeting and the motion was seconded by Mr. Muench. There being no discussion, the meeting was adjourned at 12:07 p.m.**

TEACHER'S RETIREMENT FUND

Net of All Fees and Expenses

Periods Ending September 30, 2020

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Compound, annualized returns: Three Year	Five Year	Seven Year	Ten Year
Teacher's Retirement Fund	**100.0%**				**$18,931.0**	**-1.24**	**5.31**	**5.31**	**1.68**	**6.92**	**5.47**	**7.92**	**6.75**	**7.39**
Policy Benchmark						*-1.15*	*6.38*	*6.38*	*2.56*	*7.22*	*6.39*	*8.43*	*6.97*	*7.67*
Dynamic Benchmark						*-1.32*	*5.64*	*5.64*	*2.50*	*7.63*	*6.19*	*8.34*	*7.00*	*N/A*
Domestic Equity	**21.1%**	**20.0**	15.0	25.0	**$4,003.6**	**-3.75**	**9.22**	**9.22**	**5.66**	**15.26**	**11.51**	**13.67**	**12.05**	**13.38**
Russell 3000						*-3.64*	*9.21*	*9.21*	*5.41*	*15.00*	*11.65*	*13.69*	*12.11*	*13.48*
Developed Markets ISF	**11.4%**	**11.0**	6.0	16.0	**$2,159.6**	**-2.23**	**5.66**	**5.66**	**-5.70**	**1.71**	**0.90**	**6.32**	**4.91**	**6.30**
MSCI EAFE IMI Net						*-2.33*	*5.56*	*5.56*	*-6.68*	*1.38*	*2.16*	*6.46*	*5.14*	*6.33*
Emerging Markets ISF	**10.3%**	**9.0**	4.0	14.0	**$1,941.6**	**-1.47**	**12.84**	**12.84**	**4.51**	**16.04**	**4.51**	**10.60**	**4.55**	**3.32**
MSCI Emerging Markets IMI						*-1.61*	*9.79*	*9.79*	*-1.29*	*10.14*	*2.03*	*8.43*	*3.56*	*2.34*
Core Fixed Income	**17.7%**	**13.0**	8.0	18.0	**$3,344.5**	**-0.04**	**0.89**	**0.89**	**7.07**	**7.33**	**4.88**	**4.01**	**3.71**	**3.57**
Barclays U.S. Aggregate Bond Index						*-0.05*	*0.62*	*0.62*	*6.79*	*6.98*	*5.24*	*4.18*	*3.97*	*3.64*
Emerging Market Debt	**5.1%**	**5.0**	0.0	10.0	**$972.7**	**-2.68**	**2.27**	**2.27**	**-5.41**	**-1.55**	**0.40**	**5.23**	**2.68**	**3.11**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*-1.93*	*1.46*	*1.46*	*-3.41*	*-0.02*	*1.89*	*5.53*	*2.83*	*3.67*
High Yield	**6.2%**	**3.0**	0.0	8.0	**$1,177.2**	**-0.66**	**5.31**	**5.31**	**1.10**	**3.70**	**3.65**	**6.02**	**4.72**	**5.91**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*-1.03*	*4.58*	*4.58*	*-0.16*	*2.69*	*3.85*	*6.42*	*4.85*	*6.12*
Liquidity Fund	**1.4%**	**2.0**	0.0	3.0	**$260.4**	**0.01**	**0.06**	**0.06**	**0.61**	**1.09**	**1.75**	**1.54**	**0.93**	**0.78**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*0.06*	*0.06*	*1.51*	*1.97*	*2.03*	*1.47*	*1.10*	*0.84*
Real Assets[1]	**11.7%**	**19.0**	10.0	25.0	**$2,207.4**	**N/A**	**0.79**	**0.79**	**0.48**	**1.79**	**5.28**	**6.58**	**8.16**	**9.11**
*Blended Custom Benchmark 1Q in Arrears^* [2]						*N/A*	*0.41*	*0.41*	*2.99*	*4.34*	*5.69*	*6.92*	*8.37*	*9.78*
Private Investment[1]	**8.0%**	**10.0**	5.0	15.0	**$1,506.2**	**N/A**	**9.21**	**9.21**	**6.78**	**11.00**	**13.16**	**11.91**	**13.04**	**12.72**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*22.19*	*22.19*	*7.16*	*9.03*	*11.59*	*13.73*	*12.38*	*13.53*
Private Credit[1]	**0.4%**	**5.0**	0.0	10.0	**$69.7**	**N/A**	**5.22**	**5.22**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*10.08*	*10.08*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**6.8%**	**3.0**	0.0	10.0	**$1,288.1**	**0.03**	**2.64**	**2.64**	**-3.94**	**-2.01**	**1.90**	**1.91**	**2.72**	**N/A**
Absolute Return Strategy blended benchmark [3]						*-0.16*	*0.60*	*0.60*	*3.39*	*4.62*	*4.10*	*2.63*	*1.88*	*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.

STATE EMPLOYEES' RETIREMENT FUND

Net of All Fees and Expenses

Periods Ending September 30, 2020

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Compound, annualized returns: Three Year	Five Year	Seven Year	Ten Year
State Employees' Retirement Fund	**100.0%**				**$13,869.8**	**-1.23**	**5.37**	**5.37**	**1.75**	**7.00**	**5.58**	**7.96**	**6.80**	**7.46**
Policy Benchmark						*-1.15*	*6.38*	*6.38*	*2.56*	*7.22*	*6.39*	*8.42*	*6.98*	*7.71*
Dynamic Benchmark						*-1.31*	*5.70*	*5.70*	*2.60*	*7.74*	*6.30*	*8.44*	*7.10*	*N/A*
Domestic Equity	**20.8%**	**20.0**	15.0	25.0	**$2,890.6**	**-3.75**	**9.22**	**9.22**	**5.66**	**15.26**	**11.51**	**13.67**	**12.05**	**13.38**
Russell 3000						*-3.64*	*9.21*	*9.21*	*5.41*	*15.00*	*11.65*	*13.69*	*12.11*	*13.48*
Developed Markets ISF	**11.3%**	**11.0**	6.0	16.0	**$1,561.8**	**-2.23**	**5.66**	**5.66**	**-5.70**	**1.71**	**0.90**	**6.32**	**4.91**	**6.30**
MSCI EAFE IMI Net						*-2.33*	*5.56*	*5.56*	*-6.68*	*1.38*	*2.16*	*6.46*	*5.14*	*6.33*
Emerging Markets ISF	**10.1%**	**9.0**	4.0	14.0	**$1,404.4**	**-1.47**	**12.84**	**12.84**	**4.51**	**16.04**	**4.52**	**10.60**	**4.55**	**3.32**
MSCI Emerging Markets IMI						*-1.61*	*9.79*	*9.79*	*-1.29*	*10.14*	*2.03*	*8.43*	*3.56*	*2.34*
Core Fixed Income	**17.4%**	**13.0**	8.0	18.0	**$2,409.9**	**-0.04**	**0.89**	**0.89**	**7.07**	**7.33**	**4.88**	**4.01**	**3.71**	**3.57**
Barclays U.S. Aggregate Bond Index						*-0.05*	*0.62*	*0.62*	*6.79*	*6.98*	*5.24*	*4.18*	*3.97*	*3.64*
Emerging Market Debt	**5.1%**	**5.0**	0.0	10.0	**$704.6**	**-2.68**	**2.27**	**2.27**	**-5.41**	**-1.55**	**0.40**	**5.23**	**2.68**	**3.11**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*-1.93*	*1.46*	*1.46*	*-3.41*	*-0.02*	*1.89*	*5.53*	*2.83*	*3.67*
High Yield	**6.1%**	**3.0**	0.0	8.0	**$845.1**	**-0.66**	**5.31**	**5.31**	**1.10**	**3.70**	**3.65**	**6.02**	**4.72**	**5.91**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*-1.03*	*4.58*	*4.58*	*-0.16*	*2.69*	*3.85*	*6.42*	*4.85*	*6.12*
Liquidity Fund	**2.8%**	**2.0**	0.0	3.0	**$395.1**	**0.01**	**0.06**	**0.06**	**0.61**	**1.09**	**1.75**	**1.54**	**0.94**	**0.79**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*0.06*	*0.06*	*1.51*	*1.97*	*2.03*	*1.47*	*1.10*	*0.84*
Real Assets(1)	**11.4%**	**19.0**	10.0	25.0	**$1,586.1**	**N/A**	**0.79**	**0.79**	**0.48**	**1.79**	**5.28**	**6.58**	**8.16**	**9.11**
*Blended Custom Benchmark 1Q in Arrears^* (2)						*N/A*	*0.41*	*0.41*	*2.99*	*4.34*	*5.69*	*6.92*	*8.37*	*9.78*
Private Investment(1)	**7.9%**	**10.0**	5.0	15.0	**$1,090.6**	**N/A**	**9.21**	**9.21**	**6.78**	**11.00**	**13.16**	**11.91**	**13.04**	**12.72**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*22.19*	*22.19*	*7.16*	*9.03*	*11.59*	*13.73*	*12.38*	*13.53*
Private Credit(1)	**0.4%**	**5.0**	0.0	10.0	**$51.0**	**N/A**	**5.22**	**5.22**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*10.08*	*10.08*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**6.7%**	**3.0**	0.0	8.0	**$930.6**	**0.03**	**2.64**	**2.64**	**-3.94**	**-2.01**	**1.90**	**1.91**	**2.72**	**N/A**
Absolute Return Strategy blended benchmark (3)						*-0.16*	*0.60*	*0.60*	*3.39*	*4.62*	*4.10*	*2.63*	*1.88*	*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.

MUNICIPAL EMPLOYEES RETIREMENT FUND

Net of All Fees and Expenses

Periods Ending September 30, 2020

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
											Compound, annualized returns			
Municipal Employees' Retirement Fund	**100.0%**				**$2,823.2**	**-1.24**	**5.34**	**5.34**	**1.75**	**7.10**	**5.48**	**7.59**	**6.53**	**6.91**
Policy Benchmark						*-1.15*	*6.38*	*6.38*	*2.56*	*7.22*	*6.16*	*8.08*	*6.59*	*7.28*
Dynamic Benchmark						*-1.32*	*5.67*	*5.67*	*2.61*	*7.84*	*6.14*	*8.06*	*6.66*	*N/A*
Domestic Equity	**21.0%**	**20.0**	15.0	25.0	**$592.5**	**-3.75**	**9.22**	**9.22**	**5.66**	**15.26**	**11.51**	**13.67**	**12.05**	**13.38**
Russell 3000						*-3.64*	*9.21*	*9.21*	*5.41*	*15.00*	*11.65*	*13.69*	*12.11*	*13.48*
Developed Markets ISF	**11.3%**	**11.0**	6.0	16.0	**$319.7**	**-2.23**	**5.66**	**5.66**	**-5.70**	**1.71**	**0.90**	**6.32**	**4.91**	**6.30**
MSCI EAFE IMI Net						*-2.33*	*5.56*	*5.56*	*-6.68*	*1.38*	*2.16*	*6.46*	*5.14*	*6.33*
Emerging Markets ISF	**10.2%**	**9.0**	4.0	14.0	**$287.5**	**-1.47**	**12.84**	**12.84**	**4.51**	**16.04**	**4.51**	**10.60**	**4.55**	**3.32**
MSCI Emerging Markets IMI						*-1.61*	*9.79*	*9.79*	*-1.29*	*10.14*	*2.03*	*8.43*	*3.56*	*2.34*
Core Fixed Income	**17.5%**	**13.0**	8.0	18.0	**$494.7**	**-0.04**	**0.89**	**0.89**	**7.07**	**7.33**	**4.88**	**4.01**	**3.71**	**3.58**
Barclays U.S. Aggregate Bond Index						*-0.05*	*0.62*	*0.62*	*6.79*	*6.98*	*5.24*	*4.18*	*3.97*	*3.64*
Emerging Market Debt	**5.1%**	**5.0**	0.0	10.0	**$143.7**	**-2.68**	**2.27**	**2.27**	**-5.41**	**-1.55**	**0.40**	**5.23**	**2.68**	**3.11**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*-1.93*	*1.46*	*1.46*	*-3.41*	*-0.02*	*1.89*	*5.53*	*2.83*	*3.67*
High Yield	**6.2%**	**3.0**	0.0	8.0	**$174.1**	**-0.66**	**5.31**	**5.31**	**1.10**	**3.70**	**3.64**	**6.01**	**4.72**	**5.91**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*-1.03*	*4.58*	*4.58*	*-0.16*	*2.69*	*3.85*	*6.42*	*4.85*	*6.12*
Liquidity Fund	**2.2%**	**2.0**	0.0	3.0	**$61.3**	**0.01**	**0.06**	**0.06**	**0.61**	**1.09**	**1.76**	**1.54**	**0.94**	**0.80**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*0.06*	*0.06*	*1.51*	*1.97*	*2.03*	*1.47*	*1.10*	*0.84*
Real Assets[1]	**11.5%**	**19.0**	15.0	25.0	**$325.3**	**N/A**	**0.79**	**0.79**	**0.48**	**1.79**	**5.28**	**6.58**	**8.15**	**9.11**
*Blended Custom Benchmark 1Q in Arrears^* [2]						*N/A*	*0.41*	*0.41*	*2.99*	*4.34*	*5.69*	*6.92*	*8.37*	*9.78*
Private Investment[1]	**7.9%**	**10.0**	5.0	15.0	**$222.9**	**N/A**	**9.21**	**9.21**	**6.78**	**11.00**	**13.16**	**11.91**	**13.04**	**12.72**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*22.19*	*22.19*	*7.16*	*9.03*	*11.59*	*13.73*	*12.38*	*13.53*
Private Credit[1]	**0.4%**	**5.0**	0.0	10.0	**$10.3**	**N/A**	**5.22**	**5.22**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*10.08*	*10.08*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**6.8%**	**3.0**	0.0	10.0	**$191.2**	**0.03**	**2.64**	**2.64**	**-3.94**	**-2.01**	**1.90**	**1.91**	**2.72**	**N/A**
Absolute Return Strategy blended benchmark [3]						*-0.16*	*0.60*	*0.60*	*3.39*	*4.62*	*4.10*	*2.63*	*1.88*	*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.

OPEB FUND

Net of All Fees and Expenses

Periods Ending September 30, 2020

											Compound, annualized returns			
Funds / *Benchmark*	**Percent Holdings**	**Policy Weights**	**Lower Range**	**Upper Range**	**Market Value (mil.)**	**Month**	**Three Months**	**Fiscal YTD**	**Calendar YTD**	**One Year**	**Three Year**	**Five Year**	**Seven Year**	**Ten Year**
OPEB	**100.0%**				**$1,558.4**	**-1.25**	**5.40**	**5.40**	**1.80**	**7.09**	**5.71**	**7.29**	**6.52**	**N/A**
Policy Benchmark						*-1.15*	*6.38*	*6.38*	*2.56*	*7.22*	*6.31*	*7.71*	*6.69*	*N/A*
Dynamic Benchmark						*-1.33*	*5.73*	*5.73*	*2.61*	*7.76*	*6.49*	*7.83*	*6.72*	*N/A*
Domestic Equity	**21.0%**	**20.0**	15.0	25.0	**$327.4**	**-3.75**	**9.22**	**9.22**	**5.66**	**15.26**	**11.52**	**13.66**	**12.05**	**N/A**
Russell 3000						*-3.64*	*9.21*	*9.21*	*5.41*	*15.00*	*11.65*	*13.69*	*12.11*	*N/A*
Developed Markets ISF	**11.4%**	**11.0**	6.0	15.0	**$177.1**	**-2.23**	**5.66**	**5.66**	**-5.70**	**1.71**	**0.91**	**6.31**	**4.91**	**N/A**
MSCI EAFE IMI Net						*-2.33*	*5.56*	*5.56*	*-6.68*	*1.38*	*2.16*	*6.46*	*5.14*	*N/A*
Emerging Markets ISF	**10.1%**	**9.0**	4.0	14.0	**$158.2**	**-1.47**	**12.84**	**12.84**	**4.51**	**16.04**	**4.51**	**10.60**	**4.55**	**N/A**
MSCI Emerging Markets IMI						*-1.61*	*9.79*	*9.79*	*-1.29*	*10.14*	*2.03*	*8.43*	*3.56*	*N/A*
Core Fixed Income	**17.3%**	**13.0**	8.0	18.0	**$269.4**	**-0.04**	**0.89**	**0.89**	**7.07**	**7.33**	**4.87**	**4.01**	**3.71**	**N/A**
Barclays U.S. Aggregate Bond Index						*-0.05*	*0.62*	*0.62*	*6.79*	*6.98*	*5.24*	*4.18*	*3.97*	*N/A*
Emerging Market Debt	**5.0%**	**5.0**	0.0	10.0	**$78.2**	**-2.68**	**2.26**	**2.26**	**-5.42**	**-1.55**	**0.40**	**5.24**	**2.68**	**N/A**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*-1.93*	*1.46*	*1.46*	*-3.41*	*-0.02*	*1.89*	*5.53*	*2.83*	*N/A*
High Yield	**6.0%**	**3.0**	0.0	8.0	**$94.1**	**-0.66**	**5.31**	**5.31**	**1.10**	**3.70**	**3.64**	**6.01**	**4.71**	**N/A**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*-1.03*	*4.58*	*4.58*	*-0.16*	*2.69*	*3.85*	*6.42*	*4.85*	*N/A*
Liquidity Fund	**2.8%**	**2.0**	0.0	3.0	**$43.0**	**0.02**	**0.06**	**0.06**	**0.62**	**1.10**	**1.78**	**1.59**	**0.97**	**N/A**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*0.06*	*0.06*	*1.51*	*1.97*	*2.03*	*1.47*	*1.10*	*N/A*
Real Assets(1)	**11.5%**	**19.0**	15.0	25.0	**$178.9**	**N/A**	**0.79**	**0.79**	**0.48**	**1.79**	**5.28**	**6.58**	**8.16**	**N/A**
*Blended Custom Benchmark 1Q in Arrears^* (2)						*N/A*	*0.41*	*0.41*	*2.99*	*4.34*	*5.69*	*6.92*	*8.37*	*N/A*
Private Investment(1)	**7.9%**	**10.0**	5.0	15.0	**$123.4**	**N/A**	**9.21**	**9.21**	**6.78**	**11.00**	**13.16**	**11.91**	**13.04**	**N/A**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*22.19*	*22.19*	*7.16*	*9.03*	*11.59*	*13.73*	*12.38*	*N/A*
Private Credit(1)	**0.4%**	**5.0**	0.0	10.0	**$5.7**	**N/A**	**5.22**	**5.22**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*10.08*	*10.08*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**6.6%**	**3.0**	0.0	10.0	**$103.0**	**0.03**	**2.64**	**2.64**	**-3.94**	**-2.01**	**1.91**	**1.91**	**2.72**	**N/A**
Absolute Return Strategy blended benchmark (3)						*-0.16*	*0.60*	*0.60*	*3.39*	*4.62*	*4.10*	*2.63*	*1.88*	*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.

PROBATE JUDGES EMPLOYEES' RETIREMENT FUND

Net of All Fees and Expenses

Periods Ending September 30, 2020

Funds *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Compound, annualized returns Three Year	Five Year	Seven Year	Ten Year
Probate Judges Employees' Retirement Fund	**100.0%**				**$115.3**	**-1.23**	**5.32**	**5.32**	**1.64**	**6.89**	**5.36**	**7.61**	**6.52**	**6.95**
Policy Benchmark						*-1.15*	*6.38*	*6.38*	*2.56*	*7.22*	*6.16*	*8.17*	*6.68*	*7.33*
Dynamic Benchmark						*-1.32*	*5.65*	*5.65*	*2.54*	*7.67*	*6.17*	*8.18*	*6.78*	*N/A*
Domestic Equity	**20.9%**	**20.0**	15.0	25.0	**$24.1**	**-3.75**	**9.22**	**9.22**	**5.66**	**15.26**	**11.51**	**13.67**	**12.05**	**13.38**
Russell 3000						*-3.64*	*9.21*	*9.21*	*5.41*	*15.00*	*11.65*	*13.69*	*12.11*	*13.48*
Developed Markets ISF	**11.4%**	**11.0**	6.0	16.0	**$13.1**	**-2.23**	**5.66**	**5.66**	**-5.70**	**1.71**	**0.90**	**6.32**	**4.91**	**6.30**
MSCI EAFE IMI						*-2.33*	*5.56*	*5.56*	*-6.68*	*1.38*	*2.16*	*6.46*	*5.14*	*6.33*
Emerging Markets ISF	**10.2%**	**9.0**	4.0	14.0	**$11.7**	**-1.47**	**12.84**	**12.84**	**4.51**	**16.04**	**4.51**	**10.60**	**4.55**	**3.32**
MSCI Emerging Markets IMI						*-1.61*	*9.79*	*9.79*	*-1.29*	*10.14*	*2.03*	*8.43*	*3.56*	*2.34*
Core Fixed Income	**17.5%**	**13.0**	8.0	18.0	**$20.2**	**-0.04**	**0.89**	**0.89**	**7.07**	**7.33**	**4.87**	**4.01**	**3.71**	**3.57**
Barclays U.S. Aggregate Bond Index						*-0.05*	*0.62*	*0.62*	*6.79*	*6.98*	*5.24*	*4.18*	*3.97*	*3.64*
Emerging Market Debt	**5.1%**	**5.0**	0.0	10.0	**$5.9**	**-2.68**	**2.27**	**2.27**	**-5.41**	**-1.55**	**0.39**	**5.23**	**2.67**	**3.11**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*-1.93*	*1.46*	*1.46*	*-3.41*	*-0.02*	*1.89*	*5.53*	*2.83*	*3.67*
High Yield	**6.2%**	**3.0**	0.0	8.0	**$7.1**	**-0.66**	**5.31**	**5.31**	**1.10**	**3.70**	**3.64**	**6.01**	**4.72**	**5.91**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*-1.03*	*4.58*	*4.58*	*-0.16*	*2.69*	*3.85*	*6.42*	*4.85*	*6.12*
Liquidity Fund	**2.0%**	**2.0**	0.0	3.0	**$2.3**	**0.01**	**0.06**	**0.06**	**0.61**	**1.09**	**1.75**	**1.54**	**0.93**	**0.79**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*0.06*	*0.06*	*1.51*	*1.97*	*2.03*	*1.47*	*1.10*	*0.84*
Real Assets(1)	**11.5%**	**19.0**	15.0	25.0	**$13.3**	**N/A**	**0.79**	**0.79**	**0.48**	**1.79**	**5.28**	**6.58**	**8.15**	**9.11**
*Blended Custom Benchmark 1Q in Arrears^* (2)						*N/A*	0.41	*0.41*	2.99	4.34	5.69	6.92	8.37	9.78
Private Investment(1)	**7.9%**	**10.0**	5.0	15.0	**$9.1**	**N/A**	**9.21**	**9.21**	**6.78**	**11.00**	**13.16**	**11.91**	**13.04**	**12.72**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	22.19	*22.19*	*7.16*	*9.03*	*11.59*	*13.73*	*12.38*	*13.53*
Private Credit(1)	**0.4%**	**5.0**	0.0	10.0	**$0.4**	**N/A**	**5.22**	**5.22**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	10.08	*10.08*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**6.9%**	**3.0**	0.0	10.0	**$8.0**	**0.03**	**2.64**	**2.64**	**-3.94**	**-2.01**	**1.90**	**1.91**	**2.72**	**N/A**
Absolute Return Strategy blended benchmark (3)						*-0.16*	*0.60*	*0.60*	*3.39*	*4.62*	*4.10*	*2.63*	*1.88*	*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.

STATE JUDGES RETIREMENT FUND

Net of All Fees and Expenses

Periods Ending September 30, 2020

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year (Compound, annualized returns)	Five Year	Seven Year	Ten Year
State Judges Retirement Fund	**100.0%**				**$250.5**	**-1.24**	**5.35**	**5.35**	**1.68**	**6.98**	**5.50**	**7.61**	**6.54**	**7.04**
Policy Benchmark						*-1.15*	*6.38*	*6.38*	*2.56*	*7.22*	*6.16*	*8.08*	*6.59*	*7.28*
Dynamic Benchmark						*-1.32*	*5.67*	*5.67*	*2.58*	*7.75*	*6.29*	*8.15*	*6.73*	*N/A*
Domestic Equity	**20.9%**	**20.0**	15.0	25.0	**$52.3**	**-3.75**	**9.22**	**9.22**	**5.66**	**15.26**	**11.51**	**13.67**	**12.05**	**13.38**
Russell 3000						*-3.64*	*9.21*	*9.21*	*5.41*	*15.00*	*11.65*	*13.69*	*12.11*	*13.48*
Developed Markets ISF	**11.3%**	**11.0**	6.0	16.0	**$28.4**	**-2.23**	**5.66**	**5.66**	**-5.70**	**1.71**	**0.91**	**6.32**	**4.91**	**6.31**
MSCI EAFE IMI Net						*-2.33*	*5.56*	*5.56*	*-6.68*	*1.38*	*2.16*	*6.46*	*5.14*	*6.33*
Emerging Markets ISF	**10.1%**	**9.0**	4.0	14.0	**$25.3**	**-1.47**	**12.84**	**12.84**	**4.51**	**16.04**	**4.51**	**10.60**	**4.55**	**3.32**
MSCI Emerging Markets IMI						*-1.61*	*9.79*	*9.79*	*-1.29*	*10.14*	*2.03*	*8.43*	*3.56*	*2.34*
Core Fixed Income	**17.5%**	**13.0**	8.0	18.0	**$43.8**	**-0.04**	**0.89**	**0.89**	**7.07**	**7.33**	**4.87**	**4.01**	**3.71**	**3.58**
Barclays U.S. Aggregate Bond Index						*-0.05*	*0.62*	*0.62*	*6.79*	*6.98*	*5.24*	*4.18*	*3.97*	*3.64*
Emerging Market Debt	**5.1%**	**5.0**	0.0	10.0	**$12.9**	**-2.68**	**2.27**	**2.27**	**-5.41**	**-1.55**	**0.40**	**5.23**	**2.68**	**3.11**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*-1.93*	*1.46*	*1.46*	*-3.41*	*-0.02*	*1.89*	*5.53*	*2.83*	*3.67*
High Yield	**6.2%**	**3.0**	0.0	8.0	**$15.5**	**-0.66**	**5.31**	**5.31**	**1.10**	**3.70**	**3.64**	**6.01**	**4.72**	**5.91**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*-1.03*	*4.58*	*4.58*	*-0.16*	*2.69*	*3.85*	*6.42*	*4.85*	*6.12*
Liquidity Fund	**2.3%**	**2.0**	0.0	3.0	**$5.8**	**0.01**	**0.06**	**0.06**	**0.61**	**1.09**	**1.75**	**1.54**	**0.94**	**0.76**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*0.06*	*0.06*	*1.51*	*1.97*	*2.03*	*1.47*	*1.10*	*0.84*
Real Assets[1]	**11.5%**	**19.0**	15.0	25.0	**$28.8**	**N/A**	**0.79**	**0.79**	**0.48**	**1.79**	**5.28**	**6.58**	**8.15**	**9.11**
*Blended Custom Benchmark 1Q in Arrears^* [2]						*N/A*	*0.41*	*0.41*	*2.99*	*4.34*	*5.69*	*6.92*	*8.37*	*9.78*
Private Investment[1]	**7.8%**	**10.0**	5.0	15.0	**$19.6**	**N/A**	**9.21**	**9.21**	**6.78**	**11.00**	**13.16**	**11.91**	**13.04**	**12.72**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*22.19*	*22.19*	*7.16*	*9.03*	*11.59*	*13.73*	*12.38*	*13.53*
Private Credit[1]	**0.4%**	**5.0**	0.0	10.0	**$0.9**	**N/A**	**5.22**	**5.22**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*10.08*	*10.08*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**6.8%**	**3.0**	0.0	10.0	**$17.1**	**0.03**	**2.64**	**2.64**	**-3.94**	**-2.01**	**1.90**	**1.91**	**2.72**	**N/A**
Absolute Return Strategy blended benchmark [3]						*-0.16*	*0.60*	*0.60*	*3.39*	*4.62*	*4.10*	*2.63*	*1.88*	*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.

STATE'S ATTORNEYS' RETIREMENT FUND

Net of All Fees and Expenses

Periods Ending September 30, 2020

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year (Compound, annualized returns)	Five Year	Seven Year	Ten Year
State's Attorneys' Retirement Fund	**100.0%**				**$2.2**	**-1.23**	**5.34**	**5.34**	**1.67**	**6.93**	**5.04**	**7.78**	**6.32**	**6.29**
Policy Benchmark						*-1.15*	*6.38*	*6.38*	*2.56*	*7.22*	*6.49*	*8.48*	*6.89*	*N/A*
Dynamic Benchmark						*-1.31*	*5.66*	*5.66*	*2.58*	*7.73*	*6.31*	*8.34*	*6.84*	*N/A*
Domestic Equity	**20.8%**	**20.0**	15.0	25.0	**$0.5**	**-3.75**	**9.22**	**9.22**	**5.66**	**15.26**	**11.52**	**13.67**	**12.05**	**13.38**
Russell 3000						*-3.64*	*9.21*	*9.21*	*5.41*	*15.00*	*11.65*	*13.69*	*12.11*	*13.48*
Developed Markets ISF	**11.3%**	**11.0**	6.0	16.0	**$0.3**	**-2.23**	**5.66**	**5.66**	**-5.70**	**1.71**	**0.91**	**6.32**	**4.91**	**N/A**
MSCI EAFE IMI Net						*-2.33*	*5.56*	*5.56*	*-6.68*	*1.38*	*2.16*	*6.46*	*5.14*	*N/A*
Emerging Markets ISF	**10.1%**	**9.0**	4.0	14.0	**$0.2**	**-1.47**	**12.84**	**12.84**	**4.51**	**16.04**	**4.51**	**10.60**	**4.55**	**N/A**
MSCI Emerging Markets IMI						*-1.61*	*9.79*	*9.79*	*-1.29*	*10.14*	*2.03*	*8.43*	*3.56*	*N/A*
Core Fixed Income	**17.4%**	**13.0**	8.0	18.0	**$0.4**	**-0.04**	**0.89**	**0.89**	**7.07**	**7.33**	**4.87**	**4.01**	**3.71**	**3.61**
Barclays U.S. Aggregate Bond Index						*-0.05*	*0.62*	*0.62*	*6.79*	*6.98*	*5.24*	*4.18*	*3.97*	*3.64*
Emerging Market Debt	**5.0%**	**5.0**	0.0	10.0	**$0.1**	**-2.68**	**2.27**	**2.27**	**-5.41**	**-1.55**	**0.39**	**5.23**	**2.67**	**3.10**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*-1.93*	*1.46*	*1.46*	*-3.41*	*-0.02*	*1.89*	*5.53*	*2.83*	*3.67*
High Yield	**6.1%**	**3.0**	0.0	8.0	**$0.1**	**-0.66**	**5.31**	**5.31**	**1.10**	**3.70**	**3.65**	**6.01**	**4.72**	**5.89**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*-1.03*	*4.58*	*4.58*	*-0.16*	*2.69*	*3.85*	*6.42*	*4.85*	*6.12*
Liquidity Fund	**2.7%**	**2.0**	0.0	3.0	**$0.1**	**0.01**	**0.06**	**0.06**	**0.61**	**1.09**	**1.76**	**1.55**	**0.94**	**0.80**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*0.06*	*0.06*	*1.51*	*1.97*	*2.03*	*1.47*	*1.10*	*0.84*
Real Assets[(1)]	**11.5%**	**19.0**	15.0	25.0	**$0.3**	**N/A**	**0.79**	**0.79**	**0.48**	**1.79**	**N/A**	**N/A**	**N/A**	**N/A**
*Blended Custom Benchmark 1Q in Arrears^* [(2)]						*N/A*	*0.41*	*0.41*	*2.99*	*4.34*	*N/A*	*N/A*	*N/A*	*N/A*
Private Investment[(1)]	**7.9%**	**10.0**	5.0	15.0	**$0.2**	**N/A**	**9.21**	**9.21**	**6.78**	**11.00**	**N/A**	**N/A**	**N/A**	**N/A**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*22.19*	*22.19*	*7.16*	*9.03*	*N/A*	*N/A*	*N/A*	*N/A*
Private Credit[(1)]	**0.4%**	**5.0**	0.0	10.0	**$0.0**	**N/A**	**5.22**	**5.22**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*10.08*	*10.08*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**6.8%**	**3.0**	0.0	10.0	**$0.2**	**0.03**	**2.64**	**2.64**	**-3.94**	**-2.01**	**N/A**	**N/A**	**N/A**	**N/A**
Absolute Return Strategy blended benchmark [(3)]						*-0.16*	*0.60*	*0.60*	*3.39*	*4.62*	*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.

AGRICULTURAL COLLEGE FUND

Net of All Fees and Expenses

Periods Ending September 30, 2020

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
											Compound, annualized returns			
Agricultural College Fund	**100.0%**				**$0.7**	**-0.04**	**0.91**	**0.91**	**7.09**	**7.35**	**4.92**	**4.05**	**3.74**	**4.04**
Policy Benchmark						*-0.05*	*0.62*	*0.62*	*6.79*	*6.98*	*5.24*	*4.18*	*3.97*	*4.00*
Dynamic Benchmark						*-0.05*	*0.62*	*0.62*	*6.79*	*6.98*	*5.24*	*4.18*	*3.97*	*N/A*
Core Fixed Income	**99.1%**	**100.0**	100.0	100.0	**$0.7**	**-0.04**	**0.89**	**0.89**	**7.07**	**7.33**	**4.88**	**4.01**	**3.71**	**3.57**
Barclays U.S. Aggregate Bond Index						*-0.05*	*0.62*	*0.62*	*6.79*	*6.98*	*5.24*	*4.18*	*3.97*	*3.64*
Liquidity Fund [(1)]	**0.9%**				**$0.0**	**0.02**	**0.02**	**0.02**	**0.59**	**1.07**	**1.62**	**1.17**	**0.70**	**0.65**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*0.06*	*0.06*	*1.51*	*1.97*	*2.03*	*1.47*	*1.10*	*0.84*

[(1)] Operational cash balance and expense accruals

ANDREW C. CLARK FUND

Net of All Fees and Expenses

Periods Ending September 30, 2020

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
											Compound, annualized returns			
Andrew C. Clark Fund	**100.0%**				**$1.3**	**-0.96**	**3.33**	**3.33**	**5.60**	**8.56**	**5.67**	**6.14**	**5.26**	**5.80**
Policy Benchmark						*-0.90*	*2.82*	*2.82*	*5.09*	*8.11*	*5.97*	*6.17*	*5.42*	*5.77*
Dynamic Benchmark						*-0.97*	*3.00*	*3.00*	*5.06*	*8.07*	*6.00*	*6.20*	*5.39*	*N/A*
Domestic Equity	**15.8%**	**15.0**	10.0	20.0	**$0.2**	**-3.75**	**9.22**	**9.22**	**5.66**	**15.26**	**11.52**	**13.67**	**12.05**	**13.37**
Russell 3000						*-3.64*	*9.21*	*9.21*	*5.41*	*15.00*	*11.65*	*13.69*	*12.11*	*13.48*
Developed Markets ISF	**11.5%**	**11.0**	6.0	16.0	**$0.2**	**-2.23**	**5.66**	**5.66**	**-5.70**	**1.71**	**0.91**	**6.32**	**4.91**	**N/A**
MSCI EAFE IMI Net						*-2.33*	*5.56*	*5.56*	*-6.68*	*1.38*	*2.16*	*6.46*	*5.14*	*N/A*
Emerging Markets ISF	**4.2%**	**4.0**	0.0	5.0	**$0.1**	**-1.47**	**12.84**	**12.84**	**4.51**	**16.04**	**4.51**	**10.60**	**4.55**	**N/A**
MSCI Emerging Markets IMI						*-1.61*	*9.79*	*9.79*	*-1.29*	*10.14*	*2.03*	*8.43*	*3.56*	*N/A*
Core Fixed Income	**66.6%**	**67.0**	57.0	77.0	**$0.9**	**-0.04**	**0.89**	**0.89**	**7.07**	**7.33**	**4.87**	**4.01**	**3.71**	**3.57**
Barclays U.S. Aggregate Bond Index						*-0.05*	*0.62*	*0.62*	*6.79*	*6.98*	*5.24*	*4.18*	*3.97*	*3.64*
Liquidity Fund	**2.0%**	**3.0**	0.0	4.0	**$0.0**	**0.02**	**0.76**	**0.76**	**1.31**	**1.79**	**4.29**	**3.54**	**2.24**	**1.74**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*0.06*	*0.06*	*1.51*	*1.97*	*2.03*	*1.47*	*1.10*	*0.84*

SOLDIERS' SAILORS' & MARINES' FUND

Net of All Fees and Expenses

Periods Ending September 30, 2020

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
											Compound, annualized returns			
Soldiers' Sailors' & Marines Fund	**100.0%**				**$84.9**	**-0.98**	**3.25**	**3.25**	**5.52**	**8.45**	**5.64**	**6.11**	**5.25**	**5.60**
Policy Benchmark						*-0.90*	*2.82*	*2.82*	*5.09*	*8.11*	*5.97*	*6.17*	*5.42*	*5.51*
Dynamic Benchmark						*-0.99*	*2.93*	*2.93*	*4.99*	*7.98*	*5.98*	*6.19*	*5.39*	*N/A*
Domestic Equity	**16.1%**	**15.0**	10.0	20.0	**$13.7**	**-3.75**	**9.22**	**9.22**	**5.66**	**15.26**	**11.52**	**13.67**	**12.05**	**13.38**
Russell 3000						*-3.64*	*9.21*	*9.21*	*5.41*	*15.00*	*11.65*	*13.69*	*12.11*	*13.48*
Developed Markets ISF	**11.6%**	**11.0**	6.0	16.0	**$9.8**	**-2.23**	**5.66**	**5.66**	**-5.70**	**1.71**	**0.91**	**6.32**	**4.91**	**N/A**
MSCI EAFE IMI Net						*-2.33*	*5.56*	*5.56*	*-6.68*	*1.38*	*2.16*	*6.46*	*5.14*	*N/A*
Emerging Markets ISF	**4.6%**	**4.0**	0.0	5.0	**$3.9**	**-1.47**	**12.84**	**12.84**	**4.51**	**16.04**	**4.51**	**10.60**	**4.55**	**N/A**
MSCI Emerging Markets IMI						*-1.61*	*9.79*	*9.79*	*-1.29*	*10.14*	*2.03*	*8.43*	*3.56*	*N/A*
Core Fixed Income	**64.9%**	**67.0**	57.0	77.0	**$55.1**	**-0.04**	**0.89**	**0.89**	**7.07**	**7.33**	**4.87**	**4.01**	**3.71**	**3.57**
Barclays U.S. Aggregate Bond Index						*-0.05*	*0.62*	*0.62*	*6.79*	*6.98*	*5.24*	*4.18*	*3.97*	*3.64*
Liquidity Fund	**2.8%**	**3.0**	0.0	4.0	**$2.3**	**0.01**	**0.06**	**0.06**	**0.61**	**1.09**	**1.75**	**1.55**	**0.94**	**0.80**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*0.06*	*0.06*	*1.51*	*1.97*	*2.03*	*1.47*	*1.10*	*0.84*

SCHOOL FUND

Net of All Fees and Expenses

Periods Ending September 30, 2020

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
											Compound, annualized returns			
School Fund	**100.0%**				**$13.0**	**-1.01**	**3.28**	**3.28**	**5.48**	**8.46**	**5.64**	**6.13**	**5.28**	**5.74**
Policy Benchmark						*-0.90*	*2.82*	*2.82*	*5.09*	*8.11*	*5.97*	*6.17*	*5.42*	*5.77*
Dynamic Benchmark						*-1.02*	*2.96*	*2.96*	*4.94*	*7.96*	*5.97*	*6.19*	*5.41*	*N/A*
Domestic Equity	**16.8%**	**15.0**	10.0	20.0	**$2.2**	**-3.75**	**9.22**	**9.22**	**5.66**	**15.26**	**11.52**	**13.67**	**12.05**	**13.38**
Russell 3000						*-3.64*	*9.21*	*9.21*	*5.41*	*15.00*	*11.65*	*13.69*	*12.11*	*13.48*
Developed Markets ISF	**11.8%**	**11.0**	6.0	16.0	**$1.5**	**-2.23**	**5.66**	**5.66**	**-5.70**	**1.71**	**0.91**	**6.32**	**4.91**	**N/A**
MSCI EAFE IMI Net						*-2.33*	*5.56*	*5.56*	*-6.68*	*1.38*	*2.16*	*6.46*	*5.14*	*N/A*
Emerging Markets ISF	**4.7%**	**4.0**	0.0	5.0	**$0.6**	**-1.47**	**12.84**	**12.84**	**4.51**	**16.04**	**4.51**	**10.60**	**4.55**	**N/A**
MSCI Emerging Markets IMI						*-1.61*	*9.79*	*9.79*	*-1.29*	*10.14*	*2.03*	*8.43*	*3.56*	*N/A*
Core Fixed Income	**64.9%**	**67.0**	57.0	77.0	**$8.4**	**-0.04**	**0.89**	**0.89**	**7.07**	**7.33**	**4.87**	**4.01**	**3.71**	**3.57**
Barclays U.S. Aggregate Bond Index						*-0.05*	*0.62*	*0.62*	*6.79*	*6.98*	*5.24*	*4.18*	*3.97*	*3.64*
Liquidity Fund	**1.8%**	**3.0**	0.0	4.0	**$0.2**	**0.02**	**0.10**	**0.10**	**1.19**	**1.94**	**3.02**	**2.47**	**1.46**	**1.16**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*0.06*	*0.06*	*1.51*	*1.97*	*2.03*	*1.47*	*1.10*	*0.84*

IDA EATON COTTON FUND

Net of All Fees and Expenses

Periods Ending September 30, 2020

											Compound, annualized returns			
Funds *Benchmark*	**Percent Holdings**	**Policy Weights**	**Lower Range**	**Upper Range**	**Market Value (mil.)**	**Month**	**Three Months**	**Fiscal YTD**	**Calendar YTD**	**One Year**	**Three Year**	**Five Year**	**Seven Year**	**Ten Year**
IDA Eaton Cotton Fund	**100.0%**				**$2.8**	**-0.96**	**3.37**	**3.37**	**5.59**	**8.55**	**5.67**	**6.14**	**5.26**	**5.80**
Policy Benchmark						*-0.90*	*2.82*	*2.82*	*5.09*	*8.11*	*5.97*	*6.17*	*5.42*	*5.77*
Dynamic Benchmark						*-0.97*	*3.04*	*3.04*	*5.06*	*8.07*	*6.01*	*6.20*	*5.45*	*N/A*
Domestic Equity	**15.8%**	**15.0**	10.0	20.0	**$0.4**	**-3.75**	**9.22**	**9.22**	**5.66**	**15.26**	**11.52**	**13.67**	**12.05**	**13.38**
Russell 3000						*-3.64*	*9.21*	*9.21*	*5.41*	*15.00*	*11.65*	*13.69*	*12.11*	*13.48*
Developed Markets ISF	**11.5%**	**11.0**	6.0	16.0	**$0.3**	**-2.23**	**5.66**	**5.66**	**-5.70**	**1.71**	**0.91**	**6.32**	**4.91**	**N/A**
MSCI EAFE IMI Net						*-2.33*	*5.56*	*5.56*	*-6.68*	*1.38*	*2.16*	*6.46*	*5.14*	*N/A*
Emerging Markets ISF	**4.3%**	**4.0**	0.0	5.0	**$0.1**	**-1.47**	**12.84**	**12.84**	**4.51**	**16.04**	**4.51**	**10.60**	**4.55**	**N/A**
MSCI Emerging Markets IMI						*-1.61*	*9.79*	*9.79*	*-1.29*	*10.14*	*2.03*	*8.43*	*3.56*	*N/A*
Core Fixed Income	**65.9%**	**67.0**	57.0	77.0	**$1.9**	**-0.04**	**0.89**	**0.89**	**7.07**	**7.33**	**4.87**	**4.01**	**3.71**	**3.57**
Barclays U.S. Aggregate Bond Index						*-0.05*	*0.62*	*0.62*	*6.79*	*6.98*	*5.24*	*4.18*	*3.97*	*3.64*
Liquidity Fund	**2.5%**	**3.0**	0.0	4.0	**$0.1**	**0.02**	**0.63**	**0.63**	**1.19**	**1.67**	**4.61**	**3.70**	**2.35**	**1.79**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*0.06*	*0.06*	*1.51*	*1.97*	*2.03*	*1.47*	*1.10*	*0.84*

HOPEMEAD FUND

Net of All Fees and Expenses

Periods Ending September 30, 2020

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Three Year (Compound, annualized returns)	Five Year	Seven Year	Ten Year
Hopemead Fund	**100.0%**				**$4.6**	**-0.99**	**3.23**	**3.23**	**5.41**	**8.38**	**5.59**	**6.07**	**5.21**	**5.59**
Policy Benchmark						*-0.90*	*2.82*	*2.82*	*5.09*	*8.11*	*5.97*	*6.17*	*5.42*	*5.77*
Dynamic Benchmark						*-1.01*	*2.91*	*2.91*	*4.88*	*7.91*	*5.94*	*6.14*	*5.35*	*N/A*
Domestic Equity	**16.5%**	**15.0**	10.0	20.0	**$0.8**	**-3.75**	**9.22**	**9.22**	**5.66**	**15.26**	**11.52**	**13.67**	**12.05**	**13.37**
Russell 3000						*-3.64*	*9.21*	*9.21*	*5.41*	*15.00*	*11.65*	*13.69*	*12.11*	*13.48*
Developed Markets ISF	**11.7%**	**11.0**	6.0	16.0	**$0.5**	**-2.23**	**5.66**	**5.66**	**-5.70**	**1.71**	**0.91**	**6.32**	**4.91**	**N/A**
MSCI EAFE IMI Net						*-2.33*	*5.56*	*5.56*	*-6.68*	*1.38*	*2.16*	*6.46*	*5.14*	*N/A*
Emerging Markets ISF	**4.7%**	**4.0**	0.0	5.0	**$0.2**	**-1.47**	**12.84**	**12.84**	**4.51**	**16.04**	**4.51**	**10.60**	**4.55**	**N/A**
MSCI Emerging Markets IMI						*-1.61*	*9.79*	*9.79*	*-1.29*	*10.14*	*2.03*	*8.43*	*3.56*	*N/A*
Core Fixed Income	**64.5%**	**67.0**	57.0	77.0	**$2.9**	**-0.04**	**0.89**	**0.89**	**7.07**	**7.33**	**4.87**	**4.01**	**3.71**	**3.57**
Barclays U.S. Aggregate Bond Index						*-0.05*	*0.62*	*0.62*	*6.79*	*6.98*	*5.24*	*4.18*	*3.97*	*3.64*
Liquidity Fund	**2.7%**	**3.0**	0.0	4.0	**$0.1**	**0.02**	**0.06**	**0.06**	**0.61**	**1.09**	**1.75**	**1.55**	**0.94**	**0.81**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*0.06*	*0.06*	*1.51*	*1.97*	*2.03*	*1.47*	*1.10*	*0.84*

ARTS ENDOWMENT FUND

Net of All Fees and Expenses

Periods Ending September 30, 2020

Funds / *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Compound, annualized returns: Three Year	Five Year	Seven Year	Ten Year
Arts Endowment Fund	**100.0%**				**$20.4**	**-2.04**	**6.46**	**6.46**	**2.78**	**8.79**	**5.44**	**6.04**	**5.20**	**5.40**
Policy Benchmark						*-1.75*	*6.26*	*6.26*	*0.91*	*6.91*	*5.56*	*5.93*	*5.25*	*5.52*
Dynamic Benchmark						*-2.02*	*5.86*	*5.86*	*1.97*	*7.99*	*5.73*	*N/A*	*N/A*	*N/A*
Domestic Equity	**30.0%**	**28.0**	23.0	33.0	**$6.1**	**-3.75**	**9.22**	**9.22**	**5.66**	**15.26**	**11.53**	**13.68**	**12.05**	**N/A**
Russell 3000						*-3.64*	*9.21*	*9.21*	*5.41*	*15.00*	*11.65*	*13.69*	*12.11*	*N/A*
Developed Markets ISF	**18.2%**	**17.0**	12.0	22.0	**$3.7**	**-2.23**	**5.66**	**5.66**	**-5.70**	**1.71**	**0.92**	**6.33**	**4.92**	**N/A**
MSCI EAFE IMI Net						*-2.33*	*5.56*	*5.56*	*-6.68*	*1.38*	*2.16*	*6.46*	*5.14*	*N/A*
Emerging Markets ISF	**13.0%**	**12.0**	7.0	17.0	**$2.7**	**-1.47**	**12.84**	**12.84**	**4.51**	**16.04**	**4.51**	**10.61**	**4.56**	**N/A**
MSCI Emerging Markets IMI						*-1.61*	*9.79*	*9.79*	*-1.29*	*10.14*	*2.03*	*8.43*	*3.56*	*N/A*
Core Fixed Income	**16.9%**	**16.0**	11.0	21.0	**$3.5**	**-0.04**	**0.89**	**0.89**	**7.07**	**7.33**	**4.87**	**4.01**	**3.71**	**3.57**
Barclays U.S. Aggregate Bond Index						*-0.05*	*0.62*	*0.62*	*6.79*	*6.98*	*5.24*	*4.18*	*3.97*	*3.64*
Emerging Market Debt	**8.6%**	**8.0**	3.0	13.0	**$1.8**	**-2.68**	**2.27**	**2.27**	**-5.41**	**-1.55**	**N/A**	**N/A**	**N/A**	**N/A**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*-1.93*	*1.46*	*1.46*	*-3.41*	*-0.02*	*N/A*	*N/A*	*N/A*	*N/A*
High Yield	**9.7%**	**9.0**	4.0	14.0	**$2.0**	**-0.66**	**5.31**	**5.31**	**1.10**	**3.70**	**N/A**	**N/A**	**N/A**	**N/A**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*-1.03*	*4.58*	*4.58*	*-0.16*	*2.69*	*N/A*	*N/A*	*N/A*	*N/A*
Private Credit[(1)]	**0.4%**	**9.0**	4.0	14.0	**$0.1**	**N/A**	**5.22**	**5.22**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*10.08*	*10.08*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Liquidity Fund	**3.1%**	**1.0**	0.0	3.0	**$0.6**	**0.02**	**0.06**	**0.06**	**0.60**	**1.08**	**1.76**	**1.51**	**0.91**	**0.79**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*0.06*	*0.06*	*1.51*	*1.97*	*2.03*	*1.47*	*1.10*	*0.84*

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

POLICEMEN AND FIREMEN SURVIVORS' BENEFIT FUND

Net of All Fees and Expenses

Periods Ending September 30, 2020

Funds *Benchmark*	Percent Holdings	Policy Weights	Lower Range	Upper Range	Market Value (mil.)	Month	Three Months	Fiscal YTD	Calendar YTD	One Year	Compound, annualized returns Three Year	Five Year	Seven Year	Ten Year
Policemen and Firemen Survivors' Benefit Fund	**100.0%**				**$39.7**	**-1.23**	**5.33**	**5.33**	**1.67**	**6.94**	**5.47**	**7.68**	**6.64**	**7.39**
Policy Benchmark						*-1.15*	*6.38*	*6.38*	*2.56*	*7.22*	*6.23*	*8.23*	*6.73*	*N/A*
Dynamic Benchmark						*-1.31*	*5.63*	*5.63*	*2.56*	*7.71*	*6.26*	*8.24*	*6.82*	*N/A*
Domestic Equity	**20.8%**	**20.0**	15.0	25.0	**$8.3**	**-3.75**	**9.22**	**9.22**	**5.66**	**15.26**	**11.51**	**13.67**	**12.05**	**13.56**
Russell 3000						*-3.64*	*9.21*	*9.21*	*5.41*	*15.00*	*11.65*	*13.69*	*12.11*	*13.48*
Developed Markets ISF	**11.3%**	**11.0**	6.0	16.0	**$4.5**	**-2.23**	**5.66**	**5.66**	**-5.70**	**1.71**	**0.91**	**6.32**	**4.91**	**N/A**
MSCI EAFE IMI Net						*-2.33*	*5.56*	*5.56*	*-6.68*	*1.38*	*2.16*	*6.46*	*5.14*	*N/A*
Emerging Markets ISF	**10.1%**	**9.0**	4.0	14.0	**$4.0**	**-1.47**	**12.84**	**12.84**	**4.51**	**16.04**	**4.51**	**10.60**	**4.55**	**N/A**
MSCI Emerging Markets IMI						*-1.61*	*9.79*	*9.79*	*-1.29*	*10.14*	*2.03*	*8.43*	*3.56*	*N/A*
Core Fixed Income	**17.5%**	**13.0**	8.0	18.0	**$7.0**	**-0.04**	**0.89**	**0.89**	**7.07**	**7.33**	**4.87**	**4.01**	**3.71**	**3.63**
Barclays U.S. Aggregate Bond Index						*-0.05*	*0.62*	*0.62*	*6.79*	*6.98*	*5.24*	*4.18*	*3.97*	*3.64*
Emerging Market Debt	**5.1%**	**5.0**	0.0	10.0	**$2.0**	**-2.68**	**2.27**	**2.27**	**-5.41**	**-1.55**	**0.39**	**5.23**	**2.68**	**3.11**
50% JPM EMBI Global Div / 50% JPM GBI EM Global Div						*-1.93*	*1.46*	*1.46*	*-3.41*	*-0.02*	*1.89*	*5.53*	*2.83*	*3.67*
High Yield	**6.1%**	**3.0**	0.0	8.0	**$2.4**	**-0.66**	**5.31**	**5.31**	**1.10**	**3.70**	**3.64**	**6.01**	**4.72**	**5.88**
Bloomberg Barclays U.S. High Yield 2% Issuer Cap Index						*-1.03*	*4.58*	*4.58*	*-0.16*	*2.69*	*3.85*	*6.42*	*4.85*	*6.12*
Liquidity Fund	**2.6%**	**2.0**	0.0	3.0	**$1.0**	**0.01**	**0.06**	**0.06**	**0.61**	**1.09**	**1.75**	**1.55**	**0.94**	**0.80**
50% U.S. 3-Month T-Bill / 50% Bloomberg Barclays US Government Treasury 1 to 3 Year Index						*0.02*	*0.06*	*0.06*	*1.51*	*1.97*	*2.03*	*1.47*	*1.10*	*0.84*
Real Assets[(1)]	**11.4%**	**19.0**	15.0	25.0	**$4.5**	**N/A**	**0.79**	**0.79**	**0.48**	**1.79**	**5.28**	**6.58**	**8.15**	**9.07**
*Blended Custom Benchmark 1Q in Arrears^* [(2)]						*N/A*	*0.41*	*0.41*	*2.99*	*4.34*	*5.69*	*6.92*	*8.37*	*9.78*
Private Investment[(1)]	**7.8%**	**10.0**	5.0	15.0	**$3.1**	**N/A**	**9.21**	**9.21**	**6.78**	**11.00**	**13.16**	**11.91**	**13.04**	**N/A**
*Russell 3000 + 250 basis points 1Q in Arrears^*						*N/A*	*22.19*	*22.19*	*7.16*	*9.03*	*11.59*	*13.73*	*12.38*	*N/A*
Private Credit[(1)]	**0.4%**	**5.0**	0.0	10.0	**$0.1**	**N/A**	**5.22**	**5.22**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
*S&P / LSTA Leveraged Loan Index + 150 basis points 1Q in Arrears^*						*N/A*	*10.08*	*10.08*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*	*N/A*
Alternative Investment Fund	**6.8%**	**3.0**	0.0	10.0	**$2.7**	**0.03**	**2.64**	**2.64**	**-3.94**	**-2.01**	**1.90**	**1.91**	**2.72**	**N/A**
Absolute Return Strategy blended benchmark [(3)]						*-0.16*	*0.60*	*0.60*	*3.39*	*4.62*	*4.10*	*2.63*	*1.88*	*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.

State of Connecticut
Office of the Treasurer

SHAWN T. WOODEN
TREASURER

November 13, 2020

Members of the Investment Advisory Council ("IAC")

Re: **Master Custodian Request for Proposal**

Dear Fellow IAC Member:

At the November 18, 2020 meeting of the IAC, I will present for your information the proposed project plan for the purposes of procuring a master custodian for the Connecticut Retirement Plans and Trust Funds ("CRPTF") and the Short Term Investment Fund ("STIF"). My office will conduct a competitive search through a Request for Proposal ("RFP"), which will include the required screening and selection criteria summarized in the attachment document.

The scope of the master custodian services would encompass, but not be limited to the following: (1) safekeeping and settlement services for investment assets; (2) unitized accounting, independent valuations and pricing, reporting, performance measurement and analytics; (3) private market accounting, cash flows and document storage, (4) access to research, information, and technology and (5) foreign tax advisory services. Currently, our master custodian services are provided by BNY Mellon.

The proposed RFP project plan is designed to complete the comprehensive search, selection, and contracting process in accordance with state procurement policies.

I look forward to discussing this search with you at the November 18th IAC meeting.

Sincerely,

Shawn T. Wooden
State Treasurer

165 CAPITOL AVE, HARTFORD, CT 06106-1773, TELEPHONE: (860) 702-3000
AN EQUAL OPPORTUNITY EMPLOYER

State of Connecticut Retirement Plans & Trust Funds
Master Custodian Search
Proposed Project Plan

General Process	Timing	PFM	Treasurer	IAC
Review and Approve Draft RFP and Proposed Project Plan and Search Criteria	Week of November 9, 2020	Incorporate Treasurer's comments; send to Treasurer for approval	Review and approve project action plan	
Present Proposed Project Plan/Selection Criteria	November 18, 2020		Present to IAC	Review
Issue RFP	November 27, 2020	Post RFP on Treasurer's website		
RFP Deadline	December 28, 2020	Verify submissions		
Conduct Due Diligence and Select Semi-Finalists	January 2021	Review RFP responses; Conduct due diligence, interview candidates and provide semi-finalist recommendations	Review recommendation and approve semi-finalist candidates	
Interview Semi-Finalists	January 2021	Participate in interviews	Interview firms/ Select finalist(s) for presentation to the Treasurer during 2nd half of June 2020	IAC invited to participate in interviews
Present Treasurer's Recommendation to IAC	February 10, 2021		Present finalist(s) at IAC meeting and request waiver of 45-day comment period[1]	Review Treasurer's recommendation and communicate feedback. Act on waiver request
Treasurer's Review	Week of February 22, 2021		Consider feedback of IAC	
Designate Preferred Vendor	Week of February 22, 2021		Finalize selection/designate Preferred Vendor. Announce decision to IAC at June 10th meeting	
Notify Preferred Vendor	Week of February 22, 2021	Draft Preferred Vendor notification letter	Issue notification letter	
Negotiate Fee and Contract Terms	Initiate March 2021 if IAC waives comment period.	Participate in negotiations; prepare and review contract and submit to Treasurer for approval	Approve contract terms and consultant fees; sign contract	
Obtain Final Contract Authorization	April 2021	Work with the Attorney General's Office to secure final execution of contract		
Award Contract	April 2021			

[1] 45 day comment period ends March 29, 2021

State of Connecticut Retirement Plans & Trust Funds
Master Custodian Search
Proposed Project Plan

1. Organization/Management

a. Firm size, management, and ownership
b. Stability (financial and organization)
c. Global capabilities (country openings, tax advisor, etc.)
d. Technology and reporting capabilities
e. Commitment to client service excellence with the resources available to support the CRPTF's on-going needs
f. Transparency and accuracy of communication
g. Duty of care/loyalty to client with no potential conflicts of interest with Firm's other business lines
h. Risk management – organization, process and security

2. Relevant Experience and Client Base

a. Expertise in providing master custodian services for large public pension plans
b. Depth of online technology for accounting data (including GASB Support), performance measurement & analytics (returns, portfolio and security characteristics and analytics, universe comparison, performance attribution, etc.), and investment guidelines compliance monitoring.
c. Minimum of 10 years' experience in providing complete unitized investment accounting services to tax-exempt clients.
d. At least $100 billion in investment manager assets for which your organization is providing custody, investment accounting, foreign exchange services, foreign tax advisory services and transparent reporting, risk and performance analytics, and back-office support services.
e. Minimum of 5 years' experience in providing transfer agency services for a total client asset base of at least $25 billion.
f. Specific to foreign exchange services, the additional requirements are:
    - Be registered with the SEC as an investment advisor and/or FINRA as a broker/dealer.
    - Have the ability to trade on an agency basis.
    - Be able to provide all post-trade settlement and trade processing services.
    - Have executed at least $20 billion (notional, USD equivalent) of FX for similar institutional investors, for each of the last three (3) years ending June 30, 2020.

3. Other Specific Criteria

a. Responsible corporate citizenship and commitment to CRPTF's Policies (e.g., Diversity Principles, Responsible Gun Policy)
b. Manager's identification of any terms of the CRPTF's Personal Services Agreement that are not negotiable

4. Cost of Proposal

[2]Such factors as conformance with RFP instructions/specifications and state-mandated contractual terms and disclosure requirements.

CRPTF Watch List Status Report to the IAC

Manager	Mandate	Date Placed on Watch	Reason
Remove from watch:			
Shenkman Capital Management	High Yield Bond Fund	April 2019	Organizational changes
DDJ Capital Management	High Yield Bond Fund	November 2019	Performance
Terminate:			
Appomattox Advisory, Inc.	Hedge Fund of Funds	June 2019	Performance

Watch List Status

Date	November 6, 2020
Name of Manager	Shenkman Capital Management ("Shenkman")
Mandate	High Yield Bond Fund
Size	$270.2 million as of September 30, 2020
Date Hired	December 1, 2007
Placed on Watch List	April 22, 2019
Key Events/Status	• Shenkman has underperformed its benchmark by 40 bps, 50 bps, and 20 bps for the 5-year, 10-year, and since-inception timeframe, respectively, ending September 30, 2020. This is largely due to the high-quality nature of the fund. • The firm experienced senior level staff turnover in 2019 and is transitioning to a new leadership in 2020. The situation seems to have stabilized • For 2017, 2018 and year to date 2019, the strategy saw client outflows of (15%), (9%) and (4%), respectively. • PFM recommends removing the manager from the watch list.
Meketa Rating	• Advantageous
Action	• Remove from Watch List

Watch List Status

Date	November 6, 2020
Name of Manager	DDJ Capital Management LLC ("DDJ")
Mandate	High Yield Bond Fund
Size	$276.8 million as of September 30, 2020
Date Hired	November 14, 2016
Placed on Watch List	November 25, 2019
Key Events/Status	• DDJ underperformed its benchmark over the two-year , three-year, and since inception periods by 300, 170, and 90 bps, respectively. • Understanding that this fund was added to the portfolio in 2016, PFM was concerned about underperformance • The risk profile of the investment was reviewed given that this strategy style has been out of favor for the past 12 months or so. Recent outperformance raised conviction in its role in the portfolio
Meketa Rating	• Highly Advantageous
Action	• Remove from the Watch List

Date	November 6, 2020
Name of Manager	Appomattox Advisory, Inc.
Mandate	Alternative Investment - Hedge Fund of Funds
Size	$174.6 million as of September 30, 2019
Date Hired	8/1/2014
Placed on Watch List	Recommend Watch List-October 10, 2019
Key Events/Status	• Appomattox has underperformed its benchmark by 570, 420 and 210 bps, respectively, for the one, three and five-year time periods ending September 30, 2019. • On 8/1/2018 MSAIP ("Morgan Stanley") was removed as the manager of Thomas Welles Fund II and a transition of proceeds (approx. $88.6 million) to Thomas Welles Fund I managed by Appomattox was authorized. • Underperformance in an underlying Direct Lending investments and investigation into potential fraud led to a significant write-down of in value of holdings. • Current AIF allocation to Appomattox (as well as other existing FoHF managers) subject to pending transition to direct investment implementation of risk mitigating hedge fund investments via new Managing Partner (TBD, RFP in process).
Action	• Terminate

State of Connecticut
Office of the Treasurer

SHAWN T. WOODEN
TREASURER

November 13, 2020

Members of the Investment Advisory Council ("IAC")

Re: **Consideration of Finalists in the Private Capital Investment Consulting Services Search**

Dear Fellow IAC Member:

At the November 18, 2020 meeting of the IAC, I will present for your consideration the final candidates to provide private credit and private equity ("Private Capital") investment consulting services to the Connecticut Retirement Plans and Trust Funds ("CRPTF"): Aksia LLC ("Aksia"), Hamilton Lane Advisors, LLC ("Hamilton Lane") and StepStone Group LP ("StepStone"). The finalists have been qualified through a competitive search conducted through the Request for Proposal ("RFP") process outlined and reviewed by the IAC during the June 10, 2020 meeting.

As a reminder, our private equity and private credit consulting services are provided currently through separate contracts with StepStone and Meketa, respectively. The RFP was initiated to address the scheduled expiration of StepStone's original contract term and to allow the CPRTF the opportunity to consolidate Private Capital consulting services with one firm, thus providing the benefits of increased staff and fee efficiencies along with enhanced services.

Attached for your review is a recommendation from Chief Investment Officer, Laurie Martin along with an overview of each firm. I look forward to discussing Aksia, Hamilton Lane, and StepStone with you at the November 18th IAC meeting.

Sincerely,

Shawn T. Wooden
State Treasurer

OFFICE OF THE STATE TREASURER
MEMORANDUM

DECISION

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

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

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

DATE: **November 11, 2020**

SUBJECT: **Private Capital Investment Consultant Search Finalists**

Summary

The purpose of this memorandum is to recommend for your consideration three finalist candidates to provide private credit and private equity ("Private Capital") investment consulting services to the Connecticut Retirement Plans and Trust Funds ("CRPTF"). The finalist candidates are Aksia LLC ("Aksia"), Hamilton Lane Advisors, LLC ("Hamilton Lane"), and StepStone Group LP ("StepStone"). The memorandum provides a review of the three finalists, including overviews of each organization and consulting services provided as well as an assessment of each firm from a legal, compliance, and sustainability perspective.

Background

Currently, the CRPTF's private equity and private credit consulting services are provided through separate contracts with StepStone and Meketa Investment Group, Inc. ("Meketa"), respectively. The Private Capital investment consulting services Request for Proposal ("RFP") was designed to provide the CRPTF with the opportunity to consolidate Private Capital consulting services with one high quality firm, thus providing the benefits of enhanced services as well as increased staff and fee efficiencies. StepStone's contract to provide investment consulting services for the Private Investment Fund ("PIF") of the CRPTF and Meketa's contract to provide investment consulting services for the Private Credit Fund ("PCF") are scheduled to expire on December 31, 2020.

The Private Capital investment consultant search has been conducted through a competitive RFP process. The search plan was presented at the June 10, 2020 Investment Advisory Council ("IAC") meeting. An RFP was issued on June 19, 2020 with a response deadline of July 17, 2020; six candidates responded to the RFP. The three finalist candidates outlined herein are deemed to be the best suited to serve the CRPTF in fulfilment of the Private Capital consulting services mandate.

Discussion

The scope of the Private Capital consultant mandate would encompass, but not be limited to the following: (1) advising on investment strategy, portfolio construction, and commitment pacing; (2) conducting due diligence on prospective investment managers, including an assessment of each manager's Environmental, Social, and Governance policies and practices; (3) monitoring and reporting at the portfolio and fund level; and, (4) providing access to research, information, and educational services to optimize the investment returns of the CRPTF's private equity and private credit portfolios.

Recommended Finalists

Due diligence has been completed by Pension Funds Management ("PFM") investment professionals with the assistance of the Treasurer's Legal, Compliance, and Corporate Governance and Sustainable Investing Policy professionals. A review committee comprised of Chief Investment Officer Laurie Martin, Chief Risk Officer Kevin Cullinan, and Principal Investment Officers Danita Johnson and Mark Evans reviewed the six detailed RFP responses received. The review evaluated each respondent's Private Capital consulting experience and resources, particularly with providing advisory services to public pension plans. The assessment also examined how each firm has integrated Environmental, Social and Governance ("ESG") principles into its due diligence practices of Private Capital investment opportunities and managers.

The review committee interviewed each of the six respondents and narrowed the list to the three finalist candidates. The firms were evaluated and compared in three major areas: Organization and Relevant Experience, Consulting Services, and Fee Proposal. Specific considerations in these areas are outlined below.

1. **Organization and Relevant Experience:** The due diligence involved the review of each firm's history and background, experience providing Private Capital consulting services to large institutional investors, particularly public pension plans, and the level of resources and expertise of the proposed CRPTF client team.
2. **Consulting Services:** Each firm's consulting services capabilities were assessed, including reviews of how each respondent's professional expertise, practices and procedures, and technology resources would be utilized to provide the Private Capital consulting services required by the CPRTF. Specific areas of focus included examining each firm's expertise and proposed work plan to provide the CRPTF with policy review and strategic planning, due diligence, and monitoring and reporting services. Reference calls where held with existing clients of the three finalists to assess levels of satisfaction and any potential shortcomings with each organization.
3. **Fee Proposal for a five-year contract:** The fee proposals for each of the three finalist candidates are summarized below.

	Contract Year					
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Aksia	$1,200,000	$1,260,000	$1,320,000	$1,380,000	$1,440,000	$6,600,000
Hamilton Lane	$900,000	$900,000	$900,000	$900,000	$900,000	$4,500,000
StepStone	$1,250,000	$1,300,000	$1,350,000	$1,400,000	$1,450,000	$6,750,000

AKSIA LLC

Organization and Relevant Experience

Aksia is a specialist research and portfolio advisory firm that provides alternative investment solutions to institutional investors. Aksia was founded in 2006 by six partners, all of whom were former members of the Hedge Fund Investment Group at Credit Suisse. Through 2020, Aksia primarily focused on providing investment research and advisory services related to hedge fund and private credit strategies. In March 2020, Aksia acquired TorreyCove Capital Partners LLC ("TorreyCove"), a specialist investment research and advisory with a focus on private equity, real assets, and alternative credit strategies. TorreyCove was founded in 2011, is now a wholly owned subsidiary of Aksia, and has been renamed Aksia TorreyCove Partners LLC ("Aksia TorreyCove").

Aksia, together with its affiliates including Aksia TorreyCove, advises on, or manages, over $170 billion in alternative assets[1] and employs more than 275 professionals globally. Aksia's clients are U.S. and international institutional investors that primarily include pension plans, government-affiliated funds, superannuation funds, endowments, foundations, financial institutions, charitable organizations, and customized trusts/funds. The firm has more than 70 clients globally, including 24 public pension plan clients. As of August 31, 2020, Aksia provided advisory services on approximately $47 billion of private credit exposure and $80 billion of private equity exposure.

The firm is headquartered in New York, NY with additional offices located in the U.S. (two), London, Hong Kong, Tokyo, and Athens. Aksia is 100% owned and controlled by sixteen equity partners who are all active members of the firm.

Askia currently has a team of more than 160 experienced professionals focused on providing investment research, portfolio advisory, operational due diligence, and risk management advisory services for clients investing in private equity, private credit, hedge funds and real assets strategies. Aksia's proposed Private Capital consulting team for the CRPTF would be led by Michelle Davidson (Co-Head of Advisory Americas) and also include Matt Coyne (Senior Portfolio Advisor), Sylvia Owens (Managing Director Global Private Credit and Real Assets Strategist), and Jennifer Wildeman (Senior Portfolio Advisor). Michelle Davidson was a co-founder of TorreyCove and has more than 25 years of private equity experience. Davidson is based in Aksia's office outside of Boston.

Aksia seeks to create and maintain an inclusive and diverse work environment for the benefit of its employees and its clients, which the firm believes benefit from well-rounded, thoughtful investment solutions developed from the inclusion of multiple perspectives. The firm formed a global Diversity Working Group in 2019, which focuses primarily on fostering a progressive and inclusive culture throughout the firm, recruiting and retaining a diverse and talented employee base, ensuring merit-based career progression, and providing staff with education on diversity and inclusion issues and impacts. Senior members of the firm serve on the boards or advisory boards of several organizations that are seeking to promote diversity and inclusion with the alternative asset and broader financial services industry, including Private Equity Women Investor Network, the Robert Toigo Foundation, and the Association of Asian American Investment Managers.

Consulting Services

Aksia TorreyCove provides its institutional investor clients with consulting services customized to meet each client's staffing, governance, and regulatory needs. The firm would seek to provide

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[1] Throughout this memo, assets under advisement or asset class exposure generally refers to market value plus unfunded capital commitments.

the comprehensive Private Capital services required by the CRPTF, including policy review/development and strategic planning, investment sourcing and due diligence, and monitoring and reporting. Aksia believes its clients benefit from the firm's large and deep research teams, broad geographic coverage, expertise across alternative asset classes, and its focus on technology solutions to efficiently deliver research, portfolio monitoring, and reporting. In addition, Aksia would provide access to research and educational materials, insights into industry best practices, and customized educational opportunities for PFM staff or the IAC where appropriate.

Aksia has developed an ESG policy, which details the integration of ESG principles into the firm's research and investment processes. Aksia's investment research and operational due diligence teams collaborate to evaluate a prospective manager's adoption and integration of ESG factors into investment strategies and business practices. As part of its evaluation of a manager's overall ESG practices, Aksia sends a Diversity & ESG questionnaire to each manager undergoing an Aksia due diligence review to endeavor to collect information on diversity among the firm's employees and ownership structure. Aksia takes a proactive role in supporting diversity and inclusion within the investment industry and sourcing opportunities with diverse and emerging managers through its events, such as the Aksia Private Credit Emerging / Diverse Manager Forums.

Policy Review/Development & Strategic Planning

Aksia would review the current CRPTF Investment Policy Statement ("IPS") and work with the CRPTF to develop an understanding and gain insights into the strategic goals for both the PIF and PCF allocations, including performance and risk objectives, guidelines, benchmarks, and any strategic or policy initiatives. Aksia would review the IPS periodically thereafter to advise the CRPTF on potential revisions that may be considered based on any longer-term market trends or changes in the CRPTF's risk and return objectives and preferences.

Based on the policy review and an understanding of the CRPTF's risk and return objectives, including liquidity requirements, Aksia would develop a long-term strategic plan for both the PIF and PCF allocations. Aksia's long-term plans are developed with each client's objectives and staffing model in mind, which results in the development of a customized plan that includes target ranges for investment sub-strategies strategies, geographies, vintage years, and manager relationships. On an annual basis, Aksia would also provide a tactical plan for the CRPTF that would identify nearer-term opportunities and possible areas to overweight or underweight relative to long-term targets, depending on near-term industry or macro conditions and the quality of managers expected to be fundraising in the short-term.

Aksia would develop a pacing plan for both the PIF and the PCF, which would incorporate the CRPTF's current portfolios and historical cash flows to help determine the level of annual fund commitments needed to achieve the CPRTF's targeted Private Capital allocations. The pacing plans developed by Aksia would be updated annually and include sensitivity and scenario analyses to provide clients with insights into expected exposures across a range of market and portfolio conditions.

Due Diligence

Aksia's leverages its global footprint to enable broad coverage of the Private Capital manager universe to identify and diligence those investment opportunities best fitting each client's objectives. The firm develops thematic market views or opportunities that are utilized to source and research investment opportunities from established and newer, niche managers. Aksia would work collaboratively with PFM investment professionals to develop and maintain an active pipeline and forward calendar of managers and funds in, or coming to, market.

The CRPTF would have access to Aksia's proprietary MAX platform, which provides access to Aksia's research, due diligence materials, and all meeting and call notes. PFM investment professionals would also be able to utilize MAX to search and screen for funds by sector, strategy, geographic focus, etc. Aksia's Investment Research Team is responsible for leading the firm's market research efforts and performing comprehensive evaluations of potential investment opportunities. Aksia's research team publishes initial screening notes and may complete a short report conveying initial opinions on a fund opportunity, which are made available to clients through MAX and can be used as the preliminary screen when reviewing opportunities with PFM staff. Once an investment opportunity is targeted for further due diligence, Aksia produces a comprehensive due diligence report that encompasses both investment due diligence and operational due diligence. The Aksia diligence reviews examine all aspects of a manager and its investment strategy, including the manager's approach and integration of ESG policies and practices at the firm, strategy, and portfolio level.

The due diligence reports are reviewed by an asset class specific investment committee, which votes to determine if each investment opportunity is approved or not, whether an investment is considered for multiple clients or a client specific mandate. The Aksia private credit and private equity investment committees are comprised of senior members of the firm's research and advisory professionals.

Monitoring and Reporting

Aksia's Risk Management and Client Operations team, comprised of approximately 60 professionals, is responsible for the active monitoring of each client's portfolio. Currently, Aksia uses both the MAX and eFront platforms to capture all portfolio data that is used for performance, risk monitoring, and reporting. Aksia would collect all relevant cash flow and valuation information directly from the CRPTF's investment managers that are then uploaded into the Aksia platforms that are utilized to calculate performance, provide shadow accounting capabilities, and allow tracking of portfolio and company level holdings. Aksia would work with PFM staff to develop standard quarterly reporting packages as well as customized reports as needed, including data feeds required by the CPRTF's Chief Risk Officer. In addition, PFM staff would be provided training for the MAX and eFront platforms available through client portals, which would provide PFM staff with the ability to generate ad hoc reports on the CPRTF's existing Private Capital portfolios.

Competitive Advantages

- ***Public Pension Consulting Experience*** - Aksia has extensive experience providing private capital consulting services to public plan clients and currently advises 24 public pension fund clients.
- ***Depth of Resources*** – Aksia has more than 270 professionals, including more than 135 focused on investment research, operational due diligence, and risk management. Aksia has approximately 40 investment research professionals focused on Private Capital.
- ***Education and Research*** – Aksia offers clients bespoke training and education opportunities as well as access to regular seminars and events that Aksia hosts to provide education and networking events for clients and other investors.
- ***Ownership*** – Aksia is 100% employee owned by its sixteen partners, all of whom are active in the management of the firm.
- ***Experienced Client Coverage Team*** - The CRPFT's proposed primary coverage team would consist of senior level Aksia professionals including Michelle Davidson (Co-Head of Advisory Americas), Sylvia Owens (Managing Director, Global Private Credit and Real Assets Strategist), Matt Coyne (Senior Portfolio Advisor), and Jennifer Wildeman (Senior Portfolio Advisor).

Limitations

- ***Organizational Integration*** – The recency of Aksia's acquisition of TorreyCove may raise concerns of team and organizational integration; currently, Aksia's private equity research and reporting platform has not been integrated with Aksia's proprietary MAX platform.
- ***Proposed Fee*** – Aksia's proposed fee is at the higher end of the range of all RFP respondents.

Legal and Regulatory Disclosure (provided by Legal)

Pursuant to its response, Aksia LLC states (i) it has no material business-related legal or non-routine regulatory matters, (ii) there have been no material claims under its fidelity, fiduciary or E&O insurance policies, and (iii) there are no ongoing internal investigations to report.

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

Comments to Contract Terms (provided by Legal)

Aksia's response includes several requested revisions to the Treasurer's form of contract, some of which will require negotiation. Not all of their comments can be accepted. Their comments included the following:

- Requesting a reduction in the aggregate limit of the requisite cyber-liability insurance limits.
- Seeking the right to disclose the name of the State of Connecticut and the Office of the Treasurer in its informational and marketing materials, which the Office generally does not permit.
- Requesting that the State's proprietary ownership rights to data and materials developed by Aksia be limited to encompass only data *exclusively prepared and specifically customized* by Aksia for the Treasurer or the State.
- Limiting the contract's indemnification language.
- Limiting requisite disclosure to the Treasurer of applicable regulatory examinations to only non-routine examinations.

Compliance Review (provided by Compliance)

SUMMARY OF LEGAL AND POLICY[2] ATTACHMENTS

SUBMITTED BY

AKSIA LLC

I. Review of Required Legal and Policy Attachments

AKSIA LLC ("Aksia") a New York City-based firm, completed all required legal and policy attachments. The firm disclosed no third-party fees, campaign contributions, known conflicts, or gifts. Its disclosure of legal/regulatory proceedings was reviewed by the Legal Unit.

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

[2] The Treasury Unit responsible for reviewing Aksia's ESG submission has prepared a separate report.

As of April 2020, Aksia employed 145[3], 75 more than the 70 employed in December 2018. The company identified 3 women and 1 minority male serving as Executive/Senior Level Officials and Managers, i.e., serving at the senior- most level of the firm. During the period 2018 - 2020, 15 women and 11 minorities were promoted within the ranks of professionals or managers.

Commitment and Plans to Further Enhance Diversity
In 2018, Aksia began working with a campus recruiting platform ModernGuild in an effort to access a greater number of applicants from diverse backgrounds for its rotational analyst program. Aksia has also supported many minority and women focused conferences including, NYSTRs Minority and Women-Owned Business Enterprises Investment Conference, Emerging Manager and MWBE Conference, and Women's Private Equity Summit.

Workforce Statistics

For Executive/Senior Level Officials and Managers:
- Women held 25% of these positions (3 of 12) in 2020, up from 14% (1 of 7) in 2019, and 17% (1 of 6) in 2018.
- Minorities held 9.1% of these positions (1 of 12) (9.1% Asian) in 2020, up from 0% (0 of 7) in 2019, and 0% (0 of 6) in 2018.

At the Management Level overall:
- Women held 46% of these positions (24 of 52) in 2020, up from 38% (12 of 32) in 2019, and 34% (11 of 32) in 2018.
- Minorities held 21.2% (11 of 52) of these positions in 2020 (17.3% Asian, 1.9% Hispanic, and 1.9% Two or More Races), up from 15.6% (5 of 32) (12.5% Asian, and 3.1% Two or More Races) held in both 2019 and 2018.

At the Professional Level:
- Women held 40% of these positions (33 of 83) in 2020, down from 42% (18 of 43) in 2019, but up from 38% (14 of 37) in 2018.
- Minorities held 25.3% (21 of 83) of these positions in 2020 (9.6% Asian, 8.4% Hispanic, 3.6% Black, 2.4% Two or More Races and 1.2% Not Disclosed), up from 23.3% (10 of 43) held in 2019 (11.6% Asian, 7% Hispanic, 2.3% Black and 2.3% Two or More Races), but down from 29.7% (11 of 37) held in 2018 (18.9% Asian, 8.1% Hispanic, and 2.7% Two or More Races).

Firm-wide:
- Women held 44% of these positions (64 of 145) in 2020, up from 42% (32 of 77) held in 2019, and 37% (26 of 70) in 2018.
- Minorities held 24.8% (36 of 145) (13.1% Asian, 5.5% Hispanic, 2.1% Black, 3.4% Two or More Races and 0.7% Not Disclosed) of these positions in 2020, up from 22.1% (17 of 77) (13% Asian, 3.9% Hispanic, 1.3% Black, 3.9% Two or More Races) in 2019, and 22.9% (16 of 70) (15.7% Asian, 4.3% Hispanic, and 2.9% Two or More Races) in 2018.

III. Corporate Citizenship

Charitable Giving:
In June 2020 Aksia donated to the following charities: New York Cares, Jacobs & Cushman San Diego Food Bank, and the Stephen Lawrence Charitable Trust (the donation

[3] US based employees only after acquisition of Aksia TorreyCove Partners LLC, Aksia's wholly owned subsidiary, which was acquired by Aksia on March 31, 2020.

to the Trust will support work in London tackling racism, discrimination and underrepresentation of disadvantaged communities). The firm encourages employees to "engage in socially responsible activities and charitable giving."

Internships/Scholarships:
While Aksia does not have an internship or scholarship program, the firm does have a 2.5 year long rotational analyst program for recent college graduates from top universities. In this program new hires spend time on each of the investment research sector teams.

Procurement:
Aksia does not have a formal procurement policy to foster business relationships with diverse businesses, however, the firm has "long advocated for clients to diversify their portfolios by using emerging managers to complement larger established managers."

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

	Criteria	Aksia
1	Firm has an ESG policy	Yes
1a	Firm described its ESG policy	Yes
2	Firm provided examples of ESG factors considered in the decision-making process, explained the financial impact of these ESG factors	Yes
3	Designated staff responsible for sustainability policies and research	Yes
4	Firm provides training/resources on sustainability issues, explained sources of ESG-related data	Yes
5	Signatory/member of sustainability-related initiatives or groups	Yes
6	Policy for evaluating current or prospective relationships with manufacturers or retailers of civilian firearms	No; however the firm's DD process for managers and funds includes consideration of exposure to munitions
7	Policy that requires safe and responsible use, ownership or production of guns	No
8	Enhanced screening of manufacturers or retailers of civilian firearms	No
9	Enhanced screening of any industry/sector subject to increased regulatory oversight, potential adverse social and/or environmental impacts	Yes
10	Merchant credit relationships with retailers of civilian firearms and accessories	No
10a	If yes, firm confirms compliance with laws governing firearms sales	N/A
11	Overall assessment of responses (e.g., depth of approach to ESG and integration)	Aksia's disclosure was thoughtful and comprehensive, evidencing a strong integration of ESG considerations into its due diligence processes. Firm has an ESG Committee, as well as an ESG & Sustainability Officer, and is a member of the UN PRI. With respect to firearms, the firm disclosed that "[e]valuating relationshps with manufacturers or retailers of civilian firearms is not relevant to the nature of" its business. That said, the DD process for managers and funds includes consideration of exposure to munitions.
	SCORE: **Excellent - 1** Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented organizations; enhanced screening of firearms and/or higher-risk sectors **Very Good - 2** Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented organizations **Satisfactory - 3** General description of ESG philosophy and integration; some evidence of framework for ongoing ESG assessment; member of sustainability-oriented organizations **Needs Improvement - 4** Generic and/or vague description of ESG philosophy and integration; no ongoing ESG assessment; no dedicated ESG staff or resources **Poor - 5** Incomplete or non-responsive	**1**

HAMILTON LANE ADVISORS, LLC

Organization and Relevant Experience

Hamilton Lane is an alternative asset management firm that provides advisory and discretionary investment management services to institutional clients on a global basis. The firm was founded in 1991 as a provider of private equity advisory services to large public pension plans. Hamilton Lane focused almost exclusively on advisory services until 1998, when it offered its first fund-of-fund vehicle and received its first separately managed account mandate. Since that time the firm has expanded the scope of services provided and alternative asset classes covered through internal development and acquisition, including the 2017 acquisition of Real Asset Portfolio Management Company to broaden Hamilton Lane's reach into the real assets market.

Hamilton Lane advises on and manages more than $430 billion and $68 billion, respectively, of private market assets. Hamilton Lane has approximately 100 advisory services clients, including more than 30 public pension funds. As of December 31, 2019, the firm provided advisory services on more than $26 billion of private credit exposure and more than $320 billion of private equity exposure.

The firm is headquartered outside of Philadelphia in Bala Cynwyd, PA, and has 16 additional offices globally, including six in the U.S. as well as international offices in Toronto, London, Munich, Tel Aviv, Tokyo, Hong Kong, Seoul, Sydney, and Rio de Janeiro. In early 2017, Hamilton Lane completed an initial public offering, and the company is listed on the NASDAQ (ticker: HLNE). As of June 2020, Hamilton Lane's directors and executive officers held approximately 34% of the economic interest in the firm and just over 70% of total voting power.

Hamilton Lane has more than 400 professionals, including over 115 investment professionals exclusively focused on alternative assets. The firm has proposed that the CRPTF's relationship management team would include Katie Moore (Managing Director) and Sean Barber (Vice President) along with executive oversight from Hamilton Lane's Chief Client Officer, Michael Koenig, The proposed CRPTF team members are all based out of the firm's headquarters.

Hamilton Lane believes that a diversity of perspectives enhances the firm's ability to successfully deliver the best results for its clients and investment partners. The firm sponsors a Diversity and Inclusion Council, which is comprised of volunteers representing a cross section of the firm by both function and seniority level. The Council is responsible for promoting Hamilton Lane's diversity and inclusion efforts, including firmwide awareness initiatives and learning opportunities, gathering demographic data across the industry and within the firm, and driving engagement and participation at key conferences focused on diversity and inclusion. Hamilton Lane also actively sponsors and supports external organizations that are seeking to promote diversity and inclusion within the alternative assets and broader financial services industry, including the Toigo Foundation, Women in Investing Network, Ellevate, and Sponsors for Educational Opportunity.

Consulting Services

Hamilton Lane would provide the CRPTF with consulting services tailored to the meet the specific requirements of the CRPTF's internal resources, investment objectives, and governance model. Those services would encompass policy review and development, strategic planning, sourcing and due diligence, monitoring, and reporting. Hamilton Lane believes its clients benefit from the firm's long-standing presence in the alternative asset ecosystem as well as the size and scale of the Hamilton Lane investment team and capital under advisement and management. The CRPTF would have access to Hamilton Lane's business intelligence technology platform that is utilized to efficiently deliver research, planning, monitoring, and reporting resources that complement the direct access to, and work done with, Hamilton Lane's client services, research analysts, and back office teams. Hamilton Lane would also provide the CRPTF with access to the firm's market research as well as access to training and education opportunities for PFM staff and IAC members.

Hamilton Lane's ESG policy integrates ESG principles and considerations within the firm and into its investment practices. Hamilton Lane has established a Responsible Investment Committee, comprised of senior level employees, to provide direction and oversight of firm wide ESG efforts. The firm has developed an ESG Rating System that is used to evaluate each prospective manager's ESG practices and seeks to encourage and educate clients and managers on the value of adopting sound ESG practices. Through its standard diligence practices, Hamilton Lane utilizes a questionnaire to gain information on the diversity withing a prospective manager's employee and ownership base.

Policy Review/Development & Strategic Planning

Hamilton Lane would begin its consulting services engagement by performing a thorough review of the CRPTF's guidelines and objectives for the Private Capital portfolios to gain an understanding of the CRPTF's risk and return sensitivities, the role of private markets in the overall portfolio, and targeted benchmarks. From this basis, Hamilton Lane would then develop a draft strategic plan, which includes defining sub-strategy targets as well as modeling commitment pacings, cash flows and estimated exposures. The firm utilizes its proprietary Horizon Model to facilitate the forecasting of cash flows and portfolio values over time. Hamilton Lane would then collaborate with the CRPTF to complete Private Capital strategic plans, which would also incorporate the firm's views on private markets, the macroeconomic outlook, and the availability of investment opportunities.

Hamilton Lane would continue to work collaboratively with PFM staff and the CRPTF on the development of annual strategic plan updates for both the PIF and PCF portfolios as well as to review the IPS for potential revisions necessitated by changes in investment objectives, market outlook, or other policy matters.

Due Diligence

Hamilton Lane seeks to leverage the market intelligence, data, and resources of the firm's investment and research practices to drive the investment sourcing and diligence process. Due to the scale, scope and longevity of Hamilton Lane's global private markets presence, the firm believes it is well-positioned to provide its clients insights and access to best in class managers across size, strategy or sector focus, and geography. Hamilton Lane would work with PFM staff to actively develop a pipeline and forward calendar of managers and fund opportunities best suited to the PIF and PCF strategic plans.

Screening and meeting memos as well as full due diligence reports would be shared with PFM investment professionals to share Hamilton Lane's insights and research into existing and prospective CPRTF managers. PFM staff would have access to Cobalt, a data analytics platform that Hamilton Lane acquired in 2020 after making a strategic investment in the company in 2016. Cobalt is a repository of private markets capital information, including fund performance and cash flows, transaction level details, and benchmarking. Cobalt's tools can be used for opportunity screening and due diligence purposes, including conducting analysis on performance, value creation, and private market equivalents.

Hamilton Lane prepares an initial screening, or pre-due diligence, report on all opportunities sourced. These initial screenings are presented to the appropriate Hamilton Lane investment committee, which approves proceeding with preliminary diligence on the most compelling opportunities. The investment committee then reviews the preliminary due diligence findings and decides which opportunities are strong enough to undergo full due diligence. Hamilton Lane's full due diligence process encompasses both investment and operational due diligence, which are focused on developing a qualitative and quantitative assessment of each manager's ability to make attractive investments, drive value creation and/or preserve capital, and provide the infrastructure necessary to run an institutional quality investment management firm. As previously noted, Hamilton Lane's standard diligence practices includes a thorough review of each manager's ESG practices.

Hamilton Lane has dedicated investment committees for various private markets strategies, with each investment committee comprised of senior members of the firm as well as investment professionals with deep experience in the respective investment strategy under consideration. The Hamilton Lane investment review and approval process is iterative, with each opportunity reviewed with the appropriate investment committee at various stages of the investment and operational due diligence process. This allows issues to be discussed and updates to be provided in advance of a final investment committee decision. Once diligence is completed, a final report is presented to the investment committee and a final decision is made to approve the investment or not.

Monitoring and Reporting

Hamilton Lane's Client Operations group is responsible for delivering client reporting and monitoring capabilities, maintaining data integrity, and reconciling all investment related transactions with managers and custodians. The Clients Operations team of more than 60 professionals provides client support, middle office services, fund accounting, and controls to meet the reporting and monitoring needs of each client. The firm has partnered with iLevel, a leading software platform that allows for the automated collection, storage, analysis, and reporting of portfolio data to limited partners. The CRPTF would be able to access and monitor its portfolio holdings through iLevel, which would also allow PFM staff to run customized reports and portfolio analytics in addition to accessing information from managers.

Hamilton Lane's all-inclusive monitoring and reporting services include cash transaction and holdings management to produce transactional and performance data as well as analytics and reporting for valuation, performance, and exposure monitoring. The CRPTF would be able to utilize iLevel's integrated document management capabilities as well as its cloud-based database functionality to run portfolio monitoring and transaction management reports.

Hamilton Lane customizes client reporting and would work with PFM staff to deliver standard reporting packages, including qualitative and quantitative performance analysis, monitoring of portfolio diversification, and benchmarking. In addition, Hamilton Lane's Client Operations team will develop customized ad hoc reports and/or assist staff to develop new reports through iLevel, including creating data feeds needed by the CRPTF's Chief Risk Officer.

Competitive Advantages

- ***Private Markets Specialist*** – Hamilton Lane has been exclusively focused on private markets since 1991 and has significant experience providing investment advisory and management services for a global investor base. Clients benefit from the experience, insights and perspective that the Hamilton Lane professionals gain from managing and advising on more than $0.5 trillion of private market assets.

- ***Experienced Public Pension Plan Advisor*** – Hamilton Lane was formed nearly 30 years ago to provide private equity advisory services to public pension plans. The firm has continued to build on the expertise and resources needed to deliver advisory service to public plans and had 30 public pension plan clients as of December 31, 2019**.**
- ***Robust Technology Solutions*** **–** Hamilton Lane has made significant investments to acquire and access leading edge technologies to provide a fully integrated business intelligence platform to support the firm's investment decision making and management capabilities. These same technology solutions also provide clients a full suite of monitoring, reporting, diligence, and analytical tools.
- ***Competitive Fee Proposal*** – Hamilton Lane's proposed fee is substantially lower than the fees proposed by the other finalists and is fixed for the five-year term of the contract.
- ***Significant Relationship Management & Client Services Resources*** **–** The CRPFT's dedicated relationship management team will be led by Katie Moore, Managing Director, and Sean Barber, Vice President, with executive oversight from the firm's Chief Client Officer. Hamilton Lane's Client Services & Operations team of 65 professionals will also provide support to all of the CRPTF's reporting, monitoring, and data needs.

Limitations

- ***Potential Conflicts*** **–** Hamilton Lane is both an investment consultant and an investment manager, which could create potential conflicts of interest between advisory clients on the one hand and investment funds managed by Hamilton Lane on the other. Hamilton Lane has developed robust allocation policies to address these potential conflicts in a fair manner and in compliance with the firm's fiduciary duties.

Legal and Regulatory Disclosure (provided by Legal)

Pursuant to its response, Hamilton Lane LLC ("Hamilton Lane") states (i) it has no material business-related legal or non-routine regulatory matters, (ii) there have been no material claims under its fidelity, fiduciary or E&O insurance policies, and (iii) there are no ongoing internal investigations to report.

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

Comments to Contract Terms (provided by Legal)

Hamilton Lane's response includes a number of requested modifications to the Treasurer's standard form of contract, some changes of which should be negotiable to meet the needs of both parties, while others may likely will require extensive negotiation and could prove problematic. In addition to several comments related to the Services section of the RFP (that would be incorporated into the contract), the more material comments include:

- Limiting the Treasurer's ability to have any of Hamilton Lane's staff be reassigned or removed from the account.
- Requesting various changes to Section 8 (Insurance), some of which may be acceptable, but others will need to be negotiated.
- Seeking modifications to the contract's Quality Surveillance provisions.
- Seeking various modifications and exceptions to the PSA's confidentiality provisions.
- Hamilton Lane included a number of revisions to the standard non-discrimination obligations set forth in the PSA. As these are statutory in nature, these comments will not be acceptable and must be rejected.
- With respect to the indemnification provision, Hamilton Lane states that the provision is overly broad and requests that the standard be changed to gross negligence, and that language

be added to carve out from indemnification any actions approved to in writing in advance by the Treasurer, as well as any error in judgment, mistake of law, act or omission. Most of these revisions would not be acceptable in the ordinary course.

- Hamilton Lane requests a change to Campaign Contribution language, which is likely unacceptable.
- Hamilton Lane would like to limit the requisite disclosures of legal proceedings and internal investigations under the PSA to only material lawsuits, proceedings, investigations, examinations, complaints, disciplinary actions, or non-routine SEC inquiries that are actually known at the time and would affect its ability to perform its obligations. In addition, Hamilton Lane requests deletion of the requirement to report internal investigations. Each of these changes would require negotiation.
- Hamilton Lane would delete all references to “affirmative action” in Section 23, which we could not accept.
- Hamilton Lane asks to delete the Treasurer’s right to terminate for cause without 30-days’ notice and limit Hamilton Lane’s duty to fulfill its obligations and cooperate only until the effective date of the termination, as well as stating that Hamilton Lane shall be entitled to all fees and expenses relating to period through the date of termination. These revisions would have to be negotiated and may prove to be problematic.
- With respect to FOIA, Hamilton Lane requests language be inserted to be given an opportunity to oppose any requests for the disclosure under public records laws of confidential documents or information provided to the Treasurer by Hamilton Lane. This should be negotiable within the confines of the Treasurer’s policy and as permitted by law.

Compliance Review (provided by Compliance)

SUMMARY OF LEGAL AND POLICY[4] ATTACHMENTS
SUBMITTED BY
HAMILTON LANE ADVISORS, L.L.C.

I. Review of Required Legal and Policy Attachments

HAMILTON LANE ADVISORS L.L.C. (“Hamilton Lane”) a Pennsylvania-based company, completed all required legal and policy attachments. The firm disclosed no third-party fees, campaign contributions, known conflicts, or gifts. Its disclosure of legal/ regulatory proceedings was reviewed by the Legal Unit.

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

As of March 31, 2020, Hamilton Lane employed 336, 39 more than the 297 employed in December 2018. The company identified 23 women and 10 minorities serving as Executive/Senior Level Officials and Managers, i.e., serving at the senior-most level of the firm. During the period 2017-2020, 43 women and 22 minorities were promoted within the ranks of professionals or managers.

Commitment and Plans to Further Enhance Diversity

[4] The Treasury Unit responsible for reviewing Hamilton Lane’s ESG submission will prepare a separate report.

Hamilton Lane sponsors a Diversity & Inclusion (D&I) Council comprised of cross-functional, cross level volunteers. The Council's charge is multifaceted and includes, gathering and centralizing important industry D&I data, tracking and monitoring the firm's demographic statistics, and seeking to ensure the firm is present and engaged at important D&I related conferences. The firm actively supports organizations that promote D&I within private markets and the broader financial industry such as, Women and Minority focused organizations including, the Toigo Foundation, Women in Investing Network and Sponsors for Educational Opportunity.

Workforce Statistics

For Executive/Senior Level Officials and Managers:

- Women held 30% of these positions (23 of 76) in 2020, down from 32% (23 of 72) in 2019, but up from 27% (16 of 59) in 2018.
- Minorities held 13.2% (10 of 76) of these positions in 2020 (3.9% Asian, 3.9% Hispanic, 3.9% Black and 1.3% Two or More Races), up from 12.5% (9 of 72) of these positions in 2019 (2.8% Asian, 4.2% Hispanic, 4.2% Black and 1.4% Two or More Races), and 11.9% (7 of 59) of these positions in 2018 (1.7% Asian, 3.4% Hispanic, 5.1% Black and 1.7 % Two or More Races).

At the Management Level overall:

- Women held 33% of these positions (42 of 127) in 2020, and 33% (39 of 119) in 2019, slightly down from 34% (35 of 103) held in 2018.
- Minorities held 14.2% (18 of 127) of these positions in 2020 (4.7% Asian, 4.7% Hispanic, 2.4% Black and 2.4% Two or More Races), down from 16% (19 of 119) of these positions in 2019 (4.2% Asian, 5% Hispanic, 4.2% Black and 2.5% Two or More Races), and 17.5% (18 of 103) held in 2018 (5.8% Asian, 4.9% Hispanic, 4.9% Black and 1.9% Two or More Races).

At the Professional Level:

- Women held 36% of these positions (68 of 190) in 2020, slightly up from 35% (67 of 193) in 2019, and 35% (61 of 175) in 2018.
- Minorities held 18.4% (35 of 190) of these positions in 2020 (6.8% Asian, 2.6% Hispanic, 7.4% Black and 1.6% Two or More Races), up from 16.6% (32 of 193) of these positions in 2019 (5.7% Asian, 1.6% Hispanic, 7.8% Black and 1.6% Two or More Races), and 14.9% (26 of 175) of these positions in 2018 (6.9% Asian, 2.3% Hispanic, 4% Black and 1.7% Two or More Races).

Firm-wide:

- Women held 37% of these positions (125 of 336) in 2020, 37% (121 of 331) in 2019, slightly down from 38% (113 of 297) held in 2018.
- Minorities held 18.2% (61 of 336) of these positions in 2020 (5.7% Asian, 4.5% Hispanic, 6.3% Black and 1.8% Two or More Races), slightly up from 17.2% (57 of 331) of these positions in 2019 (4.8% Asian, 3.9% Hispanic, 6.6% Black and 1.8% Two or More Races), and 17.2% (51 of 297) of these positions in 2018 (6.1% Asian, 4.4% Hispanic, 5.1% Black and 1.7% Two or More Races).

III. Corporate Citizenship

Charitable Giving:

Hamilton Lane believes in making a positive impact "on our communities" by promoting employee involvement and supporting local initiatives. Employees receive 16 hours paid volunteer time off (24 hours in 2020) for community service annually. The firm also offers a matching gift program. A sample of organizations supported include, Big Brother Big Sisters, Manna on Main (hunger relief), Philabundance (hunger relief) and Mainline Animal Rescue. In light of Covid-19, Hamilton Lane created the Hamilton Lane Giving Fund.

Internships/Scholarships:

Hamilton Lane offers an annual work study program to two Cristo Rey high school students (Cristo Rey is a national network of college preparatory high schools serving underprivileged youth). The firm also offers summer internship and Analyst Development programs providing apprenticeship training for recent and current undergraduate students. Recruitment is focused on diverse candidates and universities and colleges where the firm gets "to know top diversity prospects." The firm also partners with Girls Who Invest, which provides an opportunity to sponsor two interns each year. Hamilton Lane does not offer any dedicated scholarships but through sponsorships of organizations it supports scholarships.

Procurement:

Hamilton Lane did not address whether it has a written procurement policy to foster business relationships with diverse businesses but stated that since the firm's founding it has "managed specialized programs with an emphasis on targeting emerging manages (including minority, female and persons with a disability-owned investment managers)." In 2019, the firm had over 30 contracts with vendors who are either MWDBE owned or serviced.

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

	Criteria	Hamilton Lane
1	**Firm has an ESG policy**	Yes
1a	**Firm described its ESG policy**	Yes
2	**Firm provided examples of ESG factors considered in the decision-making process, explained the financial impact of these ESG factors**	Yes
3	**Designated staff responsible for sustainability policies and research**	Yes
4	**Firm provides training/resources on sustainability issues, explained sources of ESG-related data**	Yes
5	**Signatory/member of sustainability-related initiatives or groups**	Yes
6	**Policy for evaluating current or prospective relationships with manufacturers or retailers of civilian firearms**	No
7	**Policy that requires safe and responsible use, ownership or production of guns**	No
8	**Enhanced screening of manufacturers or retailers of civilian firearms**	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)**	Hamilton Lane's disclosure was exemplary, reflecting a comprehensive integration of ESG factors in the assessment of managers. The firm described its data-centric approach to monitoring general partners' "depth and breadth of ESG implementation." Firm has a Responsible Investment Committee, is a member of the UN PRI, and was rated "A+" in Indirect Private Equity and "A" in Strategy & Governance. The firm does not have a formal cilivian firearms policy or a policy of enchanced screening of particular sectors.
	SCORE: **Excellent - 1** Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented organizations; enhanced screening of firearms and/or higher-risk sectors **Very Good - 2** Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented organizations **Satisfactory - 3** General description of ESG philosophy and integration; some evidence of framework for ongoing ESG assessment; member of sustainability-oriented organizations **Needs Improvement - 4** Generic and/or vague description of ESG philosophy and integration; no ongoing ESG assessment; no dedicated ESG staff or resources **Poor - 5** Incomplete or non-responsive	**2**

STEPSTONE GROUP LP

Organization and Relevant Experience

StepStone is a global private markets investment firm that provides investment advisory and management services to a range of global institutional clients. StepStone was started in 2007 by three partners that spun out of Pacific Corporate Group, an alternative asset investment advisory and management firm. Through acquisitions and organic expansion, StepStone has expanded its capabilities into additional alternative asset classes, including real estate, infrastructure, real assets, and private credit.

StepStone advises on more than $295 billion of private markets exposure, including more than $65 billion of assets under management. StepStone provides investment consulting services to an array of corporations, defined contribution plan, endowments/foundations, insurance companies, pension funds, private wealth/family offices, and sovereign wealth funds. The firm provides Private Capital advisory services more than 20 public pension plans. As of December 31, 2019, the firm provided advisory services on more than $12 billion of private credit exposure and more than $98 billion of private equity exposure

StepStone's headquarters are located in La Jolla, CA and the firm has 18 additional offices globally, including four in the U.S. along with international offices in Toronto, London, Zurich, Rome, Dublin, Luxembourg, Tokyo, Seoul, Beijing, Hong Kong, Perth, Sydney, Lima, and São Paulo. During September 2020, StepStone closed its initial public offering on the NASDAQ (ticker: STEP). As of the date the IPO closed, a broad base of StepStone's management and employees held approximately 57% and 74% of the company's equity interests and voting control, respectively.

StepStone has more than 500 professionals, including over 130 investment professionals focused on private credit and private equity. StepStone has proposed the following primary client relationship team for the CRPTF: Michael Elio (Partner, Private Equity), Marc-Andre Mittermayer (Partner, Private Debt), Dave Han (Vice President, Private Debt), and Aditya Raina (Vice President, Private Equity), and Alice Song (Associate, Private Equity). All members of the proposed CRPTF team, other than Mittermayer who is based in Zurich, are based in StepStone's New York office.

StepStone has been committed to promoting diversity since its formation, including hiring employees and investing in managers that are diverse. The firm believes that better investment returns are generated by organizations where a diversity of professional backgrounds, life experiences, and insights contribute to enhanced ideation, strategy development, and investment decision making. StepStone's Diversity and Inclusion Committee Council is led by senior members of the firm and focuses on StepStone's efforts to support and maintain a diverse and inclusive workplace. StepStone actively engages with and supports several organizations that are seeking to improve and increase diversity within private markets and the broader financial services industry, including the Toigo Foundation, the Women's Association of Venture & Equity, and the New America Alliance.

Consulting Services

StepStone would utilize the firm's extensive experience working with and advising large and sophisticated institutional investors to deliver advisory services customized to meet the CRPTF's specific needs, governance structure, and investment objectives. StepStone would advise on strategic planning and policy development, research and portfolio construction, portfolio analytics and monitoring, and reporting. The CRPTF would be assigned a dedicated group of portfolio managers, comprised of senior members of StepStone's research and investment team, that would be responsible for overseeing the advisory services provided to the CRPTF as well as all client communications. In addition to gaining access to StepStone's investment, research, and operations professionals, PFM staff would have access to StepStone's proprietary technology platform that provides clients with direct access to market intelligence, research, portfolio analytics and reporting, and forecasting capabilities. The CRPTF would also have access to educational and training opportunities that StepStone regularly offers for all clients as well as those customized for the CRPTF.

StepStone has developed a Responsible Investing process, which fully integrates ESG and impact considerations into its investment research and portfolio monitoring practices. The StepStone Responsible Investment Committee is composed of senior professionals representing a cross-section of asset classes, functional areas, and geographies. The Responsible Investment Committee's is charged with policy, establishing analytical frameworks, and firmwide advocacy and training efforts. StepStone's standard due diligence questionnaire and practices include a review of each prospective manager's employee demographics, hiring and retention practices, and additional information to allow StepStone to assess the manager's commitment to fostering a diverse and inclusive organization.

Policy Review/Development & Strategic Planning

StepStone would begin its CRPTF advisory engagement with a comprehensive review of the current IPS and procedures while conferring with staff to best understand current objectives, possible constraints or concerns, and relevant legislation and bylaws. Based on this assessment, StepStone would provide recommendations to policy or procedural updates that the firm believes may benefit the CPRTF's Private Capital investment programs. StepStone would continue to provide such reviews over the course of its engagement with the CRPTF on a regular basis.

StepStone would then collaborate with the CRPTF to develop a strategic plan based on it gaining a thorough understanding of the CRPTF's existing exposures, return targets, cash and liquidity needs, risk tolerances, and investment policies. Through this analysis, StepStone would develop recommended strategic plans for the CRPTF's Private Capital allocations to achieve near and long-term objectives as well as proper diversification across geographies, sub-sector strategies, industries, managers, and vintage years. The strategic plan development process also includes a pacing plan model based on StepStone's proprietary investment pacing analysis. StepStone refreshes its strategic pacing plan recommendations annually to reflect broader market developments as well as any specific changes to the overall CRPTF portfolio or IPS.

Due Diligence

StepStone's investment sourcing and due diligence practices are built on a highly disciplined, research-focused approach, with designated sector teams assigned to cover the entire spectrum of private markets. Through targeted coverage of more than 180 investment professionals, StepStone develops valuable domain expertise, which the firm believes enhances its abilities to identify and underwrite investment opportunities, including the proper identification of the risks associated with every strategy, manager, and market sector. StepStone would work collaboratively with PFM staff to develop and maintain a pipeline of investment opportunities, which would include consideration of existing CRPTF managers as well as those that StepStone believes would be highly additive to the CRPTF portfolio.

StepStone's diligence process begins with the preparation of an initial screening report that is reviewed internally and used to prioritize focus on the most attractive opportunities. Deal teams then complete preliminary due diligence, which is reviewed by the appropriate StepStone investment committee that validates the opportunity meets a client's objectives and portfolio needs. StepStone has separate Private Equity and Private Debt investment committees. The investment committee also provides the deal team with feedback on the investment manager and opportunity under consideration, including potential strengths and weaknesses that need to be addressed through the full due diligence process. Upon receiving investment committee approval to proceed with full due diligence, StepStone's investment professional conduct a thorough review of the manager, strategy and market opportunity, track record and risk assessment, governance, ESG factors, and legal terms and conditions. StepStone's dedicated operational due diligence team evaluates the potential risks involving the operational aspects associated with prospective manager and firm under. Once final investment and operational due diligence is completed, the findings are presented and discussed with the relevant asset class investment committee, which votes to approve or turn down the investment.

PFM staff would have on-line access to the proprietary StepStone Private Markets Intelligence ("SPI") platform, which is a repository for StepStone's research and diligence materials as well as market intelligence. Through SPI, PFM staff would be able to pre-screen prospective managers and have access to analytical tools to efficiently evaluate fund and investment level performance, benchmarks, and terms.

Monitoring and Reporting

The StepStone Portfolio Analytics and Reporting ("SPAR") team, consisting of over 70 professionals, is responsible for on-going manager and portfolio performance analysis, data collection and integrity, and client reporting. The SPAR team utilizes Omni, StepStone's proprietary web-based application, for all private market portfolio analytics and reporting. The CRPTF would have full access to its Private Capital portfolio information through Omni, which would allow PFM staff to monitor and review performance and exposures across portfolios, funds, and underlying investments.

The SPAR team has developed thorough and rigorous process for verifying cash flows and market values for each client, which includes reconciling the data to both the manager and the client's custodian bank. StepStone aims to provide each client with comprehensive and insightful reporting packages and would collaborate with PFM staff to develop regularly produced reports as well as customized reports as needed. StepStone's SPAR team would also provide any data feeds needed by the CRPTF's Chief Risk Officer.

Competitive Advantages

- ***Global Private Markets Expertise*** – With more than 500 professionals in 19 offices across 13 countries, the CRPTF would benefit from the StepStone's extensive experience investing in private equity and private credit managers globally.
- ***Public Pension Plan Experience*** - StepStone has the experienced personnel, practices and insights required to successfully deliver consulting services to public pension plans. The firm currently provides advisory services to more than 20 public pension plans, including the CRPTF.
- ***Proprietary Technology Resources*** - StepStone has committed significant investment and human capital to develop sophisticated proprietary technology solutions to support the firm's core research and analytical capabilities. StepStone continues to enhance its technology tools for both internal use as well as to provide its clients with seamless access to research, portfolio monitoring, and performance analytics. StepStone recently launched its proprietary Pacing application, a resource that assists clients with portfolio planning and cash flow forecasting as well as creating pacing plans and scenarios.
- ***Dedicated CRPTF Portfolio Management Team*** – StepStone's proposed CRPTF portfolio management team includes members of the firm's investment and research teams: Michael

Elio (Partner, Private Equity), Marc-Andre Mittermayer (Partner, Private Debt), Dave Han (Vice President, Private Debt), Aditya Raina (Vice President, Private Equity), and Alice Song (Associate, Private Equity). As the PIF's private equity consultant since 2015, StepStone has a strong understanding of the CRPTF's investment objectives and process and the PIF portfolio. Messrs. Elio and Raina and Ms. Song are all currently members of the StepStone portfolio management team dedicated to the CPRTF.

Limitations

- ***Potential Conflicts*** – Conflicts of interest could arise as a result of StepStone providing investment consulting services while also serving as an investment manager of commingled funds and separately managed accounts. StepStone's allocation policies have been developed to address these potential conflicts in a manner that is fair and in line with firm's fiduciary duties.
- ***Proposed Fee*** – StepStone's proposed fee is at the higher end of the range of all RFP respondents.

Legal and Regulatory Disclosure (provided by Legal)

Pursuant to its response, StepStone Group, LP states (i) it has no material business-related legal or non-routine regulatory matters, (ii) no material claims have been filed under its fidelity, fiduciary or E&O insurance policies, and (iii) it has no ongoing internal investigations to report. In the ordinary course of business, and from time to time, the Firm and its consolidated subsidiaries may be subject to various legal, regulatory and/or administrative proceedings. Note: In July 2020, StepStone disclosed a data breach. According to PFM, the breach should not have affected the state's information as it does not use the system that was breached.

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

Comments to Contract Terms (provided by Legal)

Stepstone is a current provider to the Treasurer and its RFP response requests comparable revisions to the standard form of PSA which we recently amended (September 2020). None of these changes appear to be problematic. Stepstone also requests the addition of language permitting electronic disclosures of notices, reports and other communications under the PSA (including email or posting on a secure website). This modification should not be problematic. In addition to these changes, Stepstone's RFP response requests certain changes that appear to be unacceptable as proposed and will need to be negotiated. These include the following:

- Requesting language permitting StepStone to disclose its relationship with Connecticut during one-on-one meetings.
- Seeking changes to the indemnification provisions that would modify both the applicable standard and potential damages.

Compliance Review (provided by Compliance)

SUMMARY OF LEGAL AND POLICY[5] ATTACHMENTS
SUBMITTED BY
STEPSTONE GROUP LP

I. Review of Required Legal and Policy Attachments

STEPSTONE GROUP LP ("StepStone") a New York City-based firm, completed all required legal and policy attachments. The firm disclosed no third-party fees, campaign contributions, known conflicts, or gifts. Its disclosure of legal/ regulatory proceedings was reviewed by the Legal Unit.

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

As of July 2020, StepStone employed 539, 132 more than the 407 employed in December 2018. The company identified 16 women and 13 minorities serving as Executive/Senior Level Officials and Managers, i.e., serving at the senior-most level of the firm. During the past 3 years, 37 women and 12 minorities were promoted within the ranks of professionals or managers.

Commitment and Plans to Further Enhance Diversity
StepStone values diversity among its staff and leadership. It recognizes that through diversity it will gain a variety of perspectives, views, and ideas which strengthen the firm's ability to strategize, communicate, and deliver on its mission. The firm implemented an applicant tracking technology platform in 2017 and began tracking StepStone's applicant diversity in 2018 through an optional EEOC questionnaire. The firm tracks diversity on a quarterly basis in such areas as applicant tracking, hiring, and executive promotion and retention. In Q1 2019 the firm launched a formal sponsorship program that bolsters and champions the firm's efforts to identify, engage and retain high-performing mid-level female and minority professionals across the firm who are believed to have the strong potential to become future leaders at the firm. The program aims to increase the focus on career pathing and growth opportunities for participants. Each year the program kicks off with training for the sponsors as well as the sponsored participants and professional career coaching for all sponsored participants.

Workforce Statistics
For Executive/Senior Level Officials and Managers:

- Women held 18% of these positions (16 of 91) in 2020, up from 9% (5 of 58) in 2019, and the same 18% (13 of 71) in 2018.
- Minorities held 19.8% of these positions (18 of 91) (12.1% Asian, 4.4% Hispanic and 3.3% Two or More Races) in 2020, up from 15.5% (9 of 58) (12.1% Asian, 1.7% Hispanic, and 1.7% Two or More Races) in 2019, and 19.7% (14 of 71) (14.1% Asian, 4.2% Hispanic and 1.4% Two or More Races) in 2018.

At the Management Level overall:

- Women held 32% of these positions (77 of 244) in 2020, up from 31% (71 of 230) in 2019, and 26% (50 of 191) in 2018.
- Minorities held 24.6% of these positions (60 of 244) (18.9% Asian, 2.5% Hispanic, 0.8% Black, and 2.5% Two or More Races) in 2020, up slightly from 24.3% (56 of 230) (19.1% Asian, 3% Hispanic, 0.4% Black, and 1.7%

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

Two or More Races) in 2019, and 20.9% (40 of 191) (15.7% Asian, 2.6% Hispanic, 1.0% Black and 1.6% Two or More Races) in 2018.

At the Professional Level:

- Women held 35% of these positions (96 of 278) in 2020, up from 34% (86 of 252) in 2019, and the same 35% (69 of 199) in 2018.
- Minorities held 38.8% of these positions (108 of 278) (21.9% Asian, 7.6% Hispanic, 4.3% Black, and 5% Two or More Races) in 2020, down from 40.9% (103 of 252) (24.2% Asian, 7.1% Hispanic, 3.6% Black, and 6% Two or More Races) in 2019, and 40.7% (81 of 199) (24.6% Asian, 6.5% Hispanic, 4% Black, and 5.5% Two or More Races) in 2018.

Firm-wide:

- Women held 35% of these positions (189 of 539) in 2020, up from 34% (170 of 496) in 2019, and 33% (135 of 407) in 2018.
- Minorities held 33.8% of these positions (182 of 539) (20.2% Asian, 5.9% Hispanic, 3.5% Black, and 4.1% Two or More Races) in 2020, down from 34.5% (171 of 496) (21.6% Asian, 5.6% Hispanic, 3.2% Black, and 4% Two or More Races) in 2019, but up from 33.2% (135 of 407) (19.9% Asian, 5.9% Hispanic, 3.7% Black, and 3.7% Two or More Races) in 2018.

III. Corporate Citizenship

Charitable Giving:

StepStone is committed to being a good corporate citizen. The firm acknowledges that it can positively impact society through charitable and volunteer activities and is supportive of employees' interest in serving the communities in which "we live and operate". The firm provides financial support and sponsorships to various charitable organizations and the firm's employees are actively involved in a number of volunteer activities. StepStone remains a strong supporter of many organizations including, the Robert Toigo Foundation whose mission is to increase participation of minorities in the financial industry.

Internships/Scholarships:

StepStone participates in the Toigo internship program sponsoring diverse summer interns. In addition, it participates in the NASP Fast Track Program providing programs for diverse high school and college students interested in careers in finance, and internship programs through the DOD, fostering learning opportunities for veterans transitioning to a civilian career path in finance. The firm also offers an internship program that provides exposure to the private market asset class, experience in working with various groups within StepStone and the development of skills in a corporate environment. Of the current participants in the internship program, 43% are women and 56% are minorities. The firm does not offer any scholarships at this time.

Procurement:

The firm does not have a written procurement policy or program to foster business relationships with diverse businesses at this time. However, StepStone is dedicated to promoting an atmosphere of diversity and equal opportunity and as such it considers diversity when evaluating the vendors with whom it engages.

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

	Criteria	StepStone
1	**Firm has an ESG policy**	Yes
1a	**Firm described its ESG policy**	Yes
2	**Firm provided examples of ESG factors considered in the decision-making process, explained the financial impact of these ESG factors**	Yes
3	**Designated staff responsible for sustainability policies and research**	Yes
4	**Firm provides training/resources on sustainability issues, explained sources of ESG-related data**	Yes
5	**Signatory/member of sustainability-related initiatives or groups**	Yes
6	**Policy for evaluating current or prospective relationships with manufacturers or retailers of civilian firearms**	No
7	**Policy that requires safe and responsible use, ownership or production of guns**	No
8	**Enhanced screening of manufacturers or retailers of civilian firearms**	Yes
9	**Enhanced screening of any industry/sector subject to increased regulatory oversight, potential adverse social and/or environmental impacts**	Yes
10	**Merchant credit relationships with retailers of civilian firearms and accessories**	No
10a	**If yes, firm confirms compliance with laws governing firearms sales**	N/A
11	**Overall assessment of responses (e.g., depth of approach to ESG and integration)**	StepStone offered a detailed explanation of its approach to ESG, including the role of its Responsible Investment Committee and its membership with leading sustainability organizations such as UN PRI, TCFD, SASB & GRES. Stepstone does not have a specific policy regarding civilian firearms; however "investments... have failed to progress as a result of elevated ESG risks."
	SCORE: **Excellent - 1** Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented organizations; enhanced screening of firearms and/or higher-risk sectors **Very Good - 2** Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented organizations **Satisfactory - 3** General description of ESG philosophy and integration; some evidence of framework for ongoing ESG assessment; member of sustainability-oriented organizations **Needs Improvement - 4** Generic and/or vague description of ESG philosophy and integration; no ongoing ESG assessment; no dedicated ESG staff or resources **Poor - 5** Incomplete or non-responsive	**1**

Aksia LLC
November 2020

Connecticut Retirement Plans and Trust Funds ("CRPTF")

Presentation to the Investment Advisory Council

Private Capital Consulting Services

Aksia

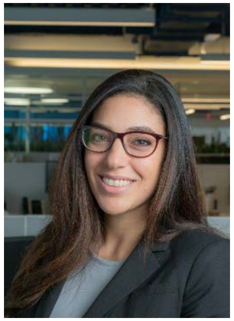
www.aksia.com

Contents

Aksia Presenting Team

Michelle Davidson, CAIA
Partner, Co-Head of Advisory, Americas
- > 33 years of financial services experience
- >28 years focused exclusively on private equity
- Prior co-founder and Managing Director of TorreyCove Capital Partners
- Prior Managing Director at Pacific Corporate Group

Sylvia Owens
Managing Director, Global Private Credit and Real Assets Strategist
- > 27 years of alternative investments experience
- Leads partnership with ILPA's Private Credit Specialist Series
- Co-lead the institutional synthetics convertibles business at Goldman Sachs
- Founding board member of the Private Equity Women Investor Network (PEWIN)



Jennifer Wildeman
Senior Portfolio Advisor
- > 16 years of industry experience
- Prior role with PNC Asset Management to build out single-strategy hedge fund, private asset and alternative mutual fund platform
- Gapstow Capital Partners, Optima Fund Management and Morgan Stanley

Matthew Coyne
Senior Portfolio Advisor
- > 15 years dedicated to private markets
- Prior Vice President at TorreyCove Capital Partners
- Prior roles at Pathway Capital Management and Fleet Fund Investors/Bank of America Capital

CRPTF Private Capital Portfolio: A Collaborative Approach

Aksia Services

- Michelle Davidson, Sylvia Owens, Jennifer Wildeman and Matthew Coyne to make up CRPTF coverage team in addition to direct access to global research team
- Portfolio construction and strategy allocation
- Fund sourcing and selection
- Due diligence and reporting
- Monthly pipeline calls, quarterly portfolio performance risk reviews and annual portfolio pacing plan
- Back office management
- Online access to portfolio and risk reporting

Advantages

- Customized to CRPTF objectives and preferences with as much involvement in the decision-making process as desired
- Full portfolio transparency, including holdings level data as well as loan level transparency, subject to the GPs' provision of such information
- Access to Aksia negotiated fee discounts
- Knowledge transfer and educational LP investor roundtables and networking

Firm Overview

Pan Alts Solutions for Clients

Specialized Investment verticals are supported by Operational Due Diligence, Portfolio Advisory, Client Operations and Risk Management teams

Hedge Funds

Private Credit

Private Equity

Real Assets

Real Estate[1]

AKSIA EXPERTISE

Portfolio Advisory

Operational Due Diligence

Client Operations

Risk Management

[1]The pending acquisition of Alignium is expected to close by year end and round out Aksia's pan alternatives capabilities (subject to customary closing conditions).

Aksia Brings Considerable Resources to Clients

3.0 Staff to Client Ratio[1]

Deep Resources

284 Professionals[1] | 141 Research, ODD & Risk

- Global offices
- Specialized teams

Breadth of Coverage

6,300+ Further Review[2] | 3,200+ Due Diligence

- Online research, portfolio and accounting platform
- Pan Alts Operational Due Diligence

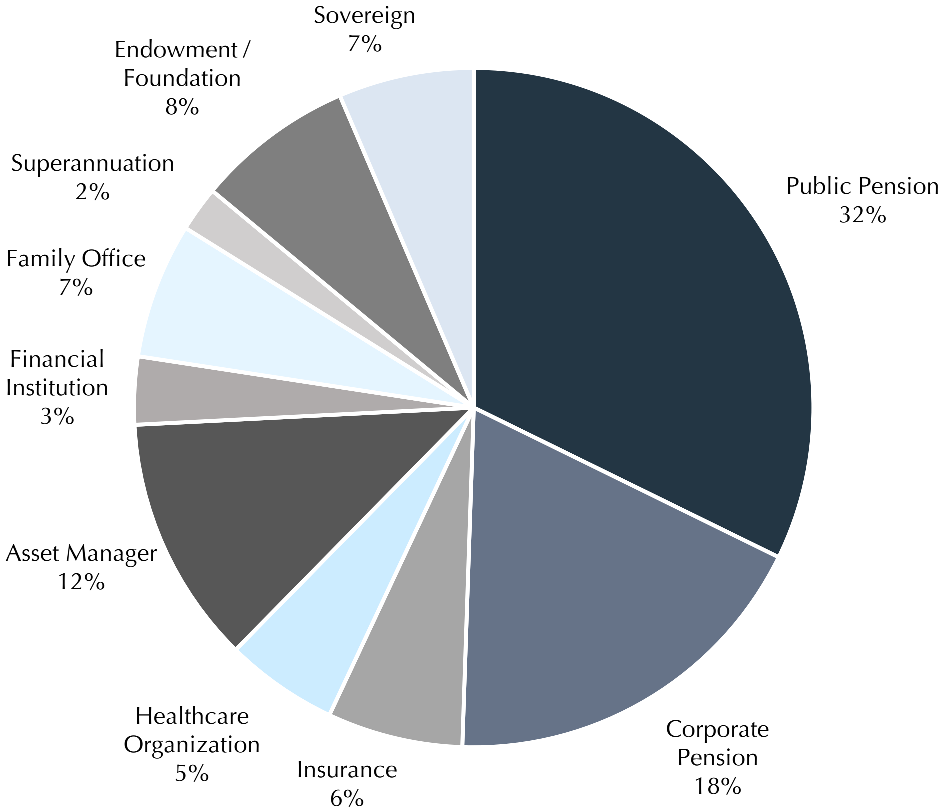
Customized Solutions

$160bn+ Total AUA[3] | $10bn+ Total AUM

- Bespoke mandates
- Full operations, accounting, and structuring capabilities

[1]As of September 30, 2020.
[2]Data is sourced from the internal databases of Aksia LLC and its wholly owned subsidiary, Aksia TorreyCove Partners LLC, as of September 30, 2020. "Further Review" = Conducted at minimum an initial call or meeting. "Due Diligence" = Hedge Funds & Private Credit: Due diligence has been performed (IDD, ODD, or Insights Report); Private Equity & Real Assets: Investment due diligence has been performed and taken to the Investment Committee.
[3]As of September 30, 2020. Total AUA (AUA plus AUM) includes NAV of client investments made prior to the Aksia-client relationship if Aksia provides advisory services and is responsible for monitoring such investments. For portfolios where Aksia serves as investment manager, whether in a fully discretionary manner or where the client retains veto/approval authority, AUM is defined as NAV plus unfunded commitments. Represents investments tracked by Aksia's Client Operations team, not all investments on which Aksia has advised and excludes Aksia-recommended investments that Aksia is no longer monitoring.

Aksia's 93 Clients are Large, Experienced Institutional Investors

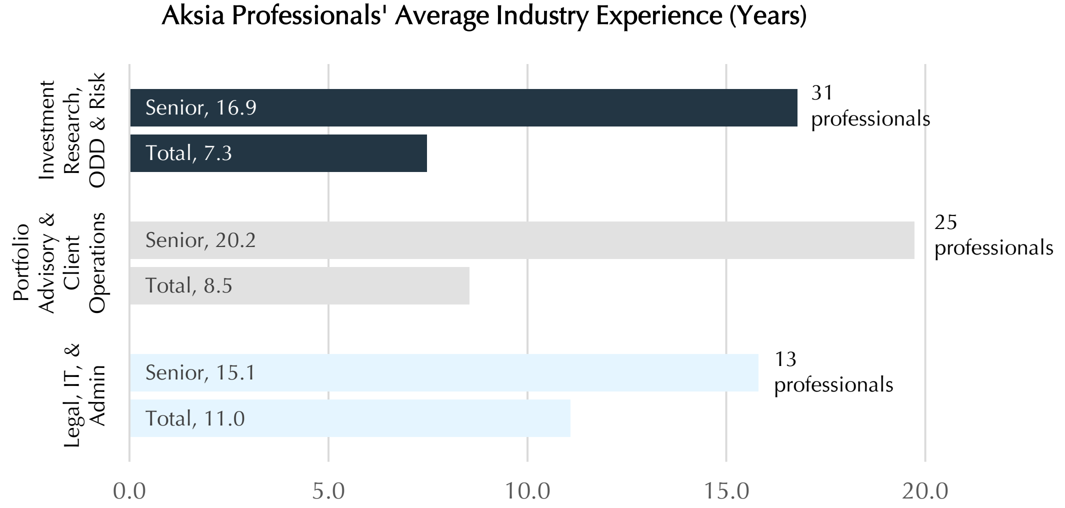


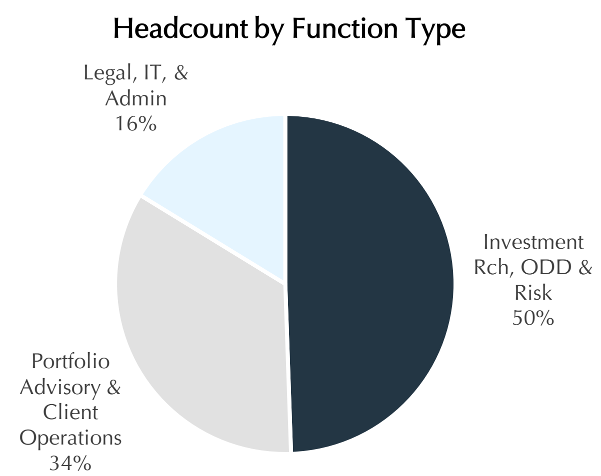
Global Client Base

Investor type and geographic breakdown are as of September 30, 2020. Public pension count includes supranational clients.

Our Professionals Across All Asset Classes

Team	Size
Investment Research[1]	68
Operational Due Diligence[1]	51
Risk Management	22
Portfolio Advisory	45
Client Operations	52
Legal & Compliance	9
Information Technology	16
Administration	21
	284





As of September 30, 2020.

[1]Of the 68 Investment Research professionals, 40 spend some or all of their time covering Private Equity and/or Private Credit Strategies and 2 are specialized in niche strategies that can be expressed through Private Credit vehicles. Operational Due Diligence professionals are generalists and cover all asset classes.

Aksia Private Credit & Private Equity Team Resources

Jim Vos,[1] *CEO*

Investment Research - 42 Professionals

Patrick Adelsbach[1]	Thomas Martin[1]	Mike Krems[1]	Nic DiLoretta	Brian Goldberg[2]	Jeff Goldberger	Kyson Hawkins
Joshua Hemley	Maiko Nanao	Tim Nest	Heidi Poon	Antonis Antypas	Ping Xu	Thomas Bernhardt
Leo Fletcher-Smith	Kevin Hitchen	Amit Patel[2]	Vice President	Vice President	Senior Associate	Senior Associate
Senior Associate	Senior Associate	Senior Associate	Senior Associate	Senior Associate	Senior Associate	Associate
Associate	Associate	Associate	Associate	Associate	Associate	Analyst
Analyst	Analyst	Analyst	Analyst	Analyst	Analyst	Analyst

Risk Management - 14 Professionals

Steve Beckett	Data Team Manager	Senior Risk Associate	Business Intelligence Engineer	Analyst	Analyst	Analyst
Analyst	Analyst	Analyst	Analyst	Analyst	Analyst	Junior Project Analyst

Operational Due Diligence - 51 Professionals

Simon Fludgate[1]	Amanda Archutowska	Daniel Burdett	Rebecca Heun	Siddhya Mukerjee	Michelle Perry	Aaron Schechter
Senior Analyst	Senior Analyst	Senior Analyst	Senior Analyst	Senior Analyst	Senior Analyst	Senior Analyst
Senior Analyst	Senior Analyst	Senior Analyst	Senior Analyst	Senior Analyst	Analyst	Analyst
Analyst	Analyst	Analyst	Analyst	Analyst	Analyst	Analyst
Analyst	Analyst	Analyst	Analyst	Analyst	Analyst	Analyst
Analyst	Analyst	Analyst	Analyst	Analyst	Analyst	Analyst
Analyst	Analyst	Analyst	Analyst	Analyst	Analyst	Analyst
Analyst	Analyst					

Portfolio Advisory - 41 Professionals

David Fann[1]	Valerie Benard[1]	Oliver Newton[1]	Michelle Davidson[1]	Manabu Washio[1]	Simon Garfield	Sylvia Owens
Yoshikoto Tamura	Matthew Coyne	Taishi Kawakami	Kathryn Klebacha	Rebecca Levy	Melissa Lumban	Tzveta Petrov
Harry Seplowitz	David Sheng	Jennifer Wildeman	Portfolio Advisor	Portfolio Advisor	Portfolio Advisor	Portfolio Advisor
Portfolio Advisor	Senior Advisory Associate	Senior Advisory Associate	Senior Advisory Associate	Advisory Associate	Advisory Associate	Advisory Associate
Advisory Associate	Advisory Associate	Advisory Associate	Advisory Associate	Advisory Associate	Advisory Specialist	Analyst
Analyst	Analyst	Analyst	Analyst	Analyst	Analyst	

[1]Partner

As of September 30, 2020. Includes Investment Research, Risk Management and Portfolio Advisory professionals that spend some or all of their time covering Private Equity and/or Private Credit strategies as well as members of the Investment Research team specialized in niche strategies that can be expressed through Private Credit vehicles (noted with "[2]"). Operational Due Diligence employees are generalists and cover all asset classes.

Aksia's Portfolio Advisory Capabilities

Aksia's focus is on providing customized portfolio solutions for institutional investors

- Aksia has advised clients on alternative investments since 2007
- Experience with diverse client mandates
- Global Investment Research and Operational Due Diligence team – 38% located outside of North America[1]
- 45 Portfolio Advisory professionals in the U.S., Europe and Asia[1]
- Client-centric sourcing approach across primary funds and co-investments and secondaries
- Each client's portfolio is customized to its needs

[1]As of September 30, 2020.

Private Equity and Private Credit Platform

Private Equity Universe

Buyouts

Sub-Strategies
- Buy and Build
- Carve-Outs
- Co-Investments
- Diversified
- Energy
- Growth Equity
- Special Situations
- Take-privates
- Turnaround

Sectors of Focus
- Communication Services
- Consumer Discretionary
- Consumer Services
- Diversified
- Energy
- Financials
- Government
- Health Care
- Industrials
- Information Technology
- Media & Entertainment
- Power & Natural Resources
- Real Estate
- Software
- TMT

Geographies
- Asia
- Australia
- Benelux
- Brazil
- Europe
- Greater China
- Latin America
- Middle East
- Nordics
- North America
- United Kingdom
- USA

Venture & Growth

Sub-Strategies
- Growth Equity
- Late Stage Venture
- Structured Products
- Venture

Sectors of Focus
- Aerospace & Defense
- CleanTech
- Communication Services
- Consumer Discretionary
- Diversified
- Financials
- FinTech
- Health Care
- Health Care Equipment & Services
- Health Care Infrastructure
- Information Technology
- IT Services
- Life Science Tools & Services
- Media & Entertainment
- Pharmaceuticals
- Software & Services
- TMT

Geographies
- Asia
- China
- Europe
- Global
- Middle East
- Midwestern US
- North America
- Northeastern US
- United Kingdom
- USA
- Western Europe
- Western US

Special Situations

Sub-Strategies
- Direct Lending
- Distressed Debt
- Energy
- Infrastructure
- Metals & Mining
- Mezzanine
- Non-Performing Loans
- Opportunistic
- Real Estate
- Specialty Finance
- Structured Equity
- Structured Products

Sectors of Focus
- Asset Management
- Banks
- CMBS
- Financials
- Health Care
- Information Technology
- Infrastructure
- Media & Entertainment
- Metals & Mining
- Power & Natural Resources
- Real Estate Debt
- Software & Services
- TMT

Geographies
- Asia
- Australia
- Brazil
- Europe
- Hong Kong
- India
- Middle East
- North America
- United Kingdom
- USA
- Western Europe

Co-Investments

Sub-Strategies
- Co-Investment Transactions
- Direct Investments
- Co-Investment Funds
- Separate Account Relationships

Sectors of Focus
- Agriculture
- Communication Services
- Consumer Discretionary
- Consumer Services
- Consumer Staples
- Education Services
- Energy
- Financials
- Health Care
- Industrials
- Information technology
- Insurance
- Internet Services & Infrastructure
- Power
- Real Estate
- Retailing
- Software & Services

Geographies
- Asia
- Global
- Latin America
- North America
- United Kingdom
- USA

Fund of Funds

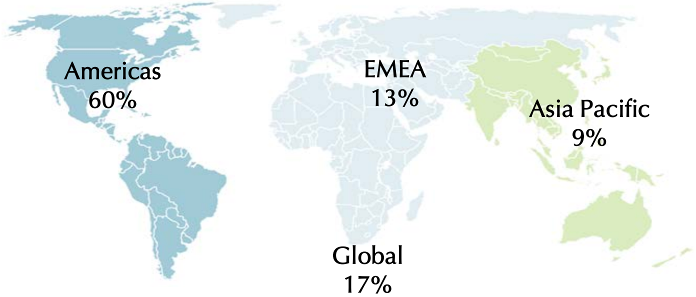
Fund of Funds
- Buyouts
- Diversified
- Separate Accounts
- Venture

Secondaries

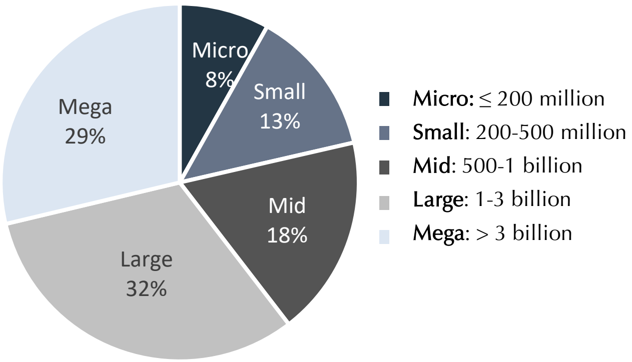
Secondaries
- Diversified
- Information Technology

Private Equity Coverage

Geographies*



Fund Sizes*



	Preliminary Review[1]	Further Review[2]	Due Diligence Report[3]
Buyouts	921	467	281
Venture & Growth Equity	809	261	133
Special Situations	412	194	40
Co-Investments	25	15	12
Fund of Funds	81	24	17
Secondaries	90	24	12
Total[4]	**2,338**	**985**	**495**

1. *Received fund materials*
2. *Conducted at minimum an initial call or meeting*
3. *Investment due diligence has been performed and taken to the Investment Committee*
4. *Access to a fund manager's confidential information may be subject to Aksia's receipt of such manager's consent to disclose confidential information to the client*

*Data is sourced from the internal database of Aksia LLC's wholly owned subsidiary, Aksia TorreyCove Partners LLC, as of September 30, 2020. Coverage by geography and fund size is representative of the universe of investment programs on which Aksia has conducted investment due diligence. Of the 495 programs, data was available for 486 programs (geography) and 368 programs (AUM size); as such actual percentages may vary slightly from the percentages included herein.

Private Credit Universe

Direct Lending

U.S. Direct Lending
- Senior
- Opportunistic
- LMM (sponsored)
- LMM (non-sponsored)
- Private BDCs
- Industry Focused
- SBIC
- Revolvers

European Direct Lending
- Senior
- Opportunistic
- Lower Middle Market
- Country-Specific Funds

Emerging Markets Lending
- Asian
- African
- CEE/Middle East
- Latin American
- Pan-EM

Global Direct Lending
- Global

Mezzanine

U.S. Mezzanine
- Upper Middle Market
- Middle Market
- Lower Middle Market

European Mezzanine
- European Mezzanine

Structured Equity
- Structured Equity

Distressed & Special Situations

Corporate Distressed
- U.S.
- European
- Emerging Markets
- Global
- Single Trade

Real Estate Distressed
- U.S.
- European
- Global

Special Situations
- U.S.
- European
- Emerging Markets
- Global

Specialty Finance

Consumer & SME Lending
- Marketplace Finance
- Lender/Platform Finance

Factoring & Receivables
- Factoring & Receivables

Regulatory Capital Relief
- Regulatory Capital Relief

Royalties
- Healthcare
- Music/Film/Media
- Energy & Minerals
- Royalties

Healthcare Lending
- Healthcare Lending

Venture Lending
- Venture Lending

Insurance Linked
- Diversified
- Life Insurance
- Non-Life Insurance

Litigation Finance
- Litigation Finance

Merger Appraisal Rights
- Merger Appraisal Rights

PE Portfolio Finance
- PE Portfolio Finance

Structured Credit

CLO
- CLO Debt
- CLO Multi
- Captive CLO Equity
- 3rd Party CLO Equity

CRE
- Non-Agency CRE B-Piece
- Agency CRE B-Piece
- CMBS/CRE

RMBS
- RMBS

Consumer ABS
- Consumer ABS

Esoteric ABS
- Esoteric ABS

Europe Structured Credit
- European Structured Credit

Structured Credit Multi-Sector
- Structured Credit Multi-Sector

Real Estate Credit

U.S. CRE Core Lending
- U.S. CRE Core Lending

U.S. CRE Transitional Lending
- Large Loan
- Middle Market
- Small Balance
- Opportunistic

U.S. CRE Bridge Lending
- Large Loan
- Middle Market
- Small Balance

European CRE Lending
- Bridge
- Transitional
- Core

EM CRE Lending
- EM CRE Lending

Residential Mortgages
- Residential NPLs
- Single Family Rental
- Mortgage Servicing Rights
- Residential Origination

Real Assets Credit

Infrastructure Lending
- Senior Focus
- Sub-IG Focus
- Mezz Focus

Energy Credit
- Energy Lending
- Energy Mezzanine Lending
- Opportunistic

Trade Finance
- Trade Finance

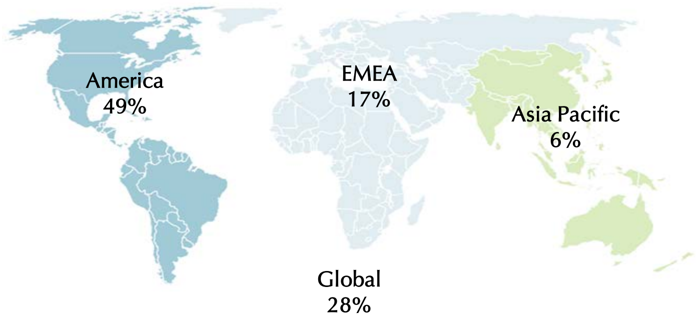
Metals & Mining Finance
- Metals & Mining Finance

Agricultural Credit
- Agricultural Credit

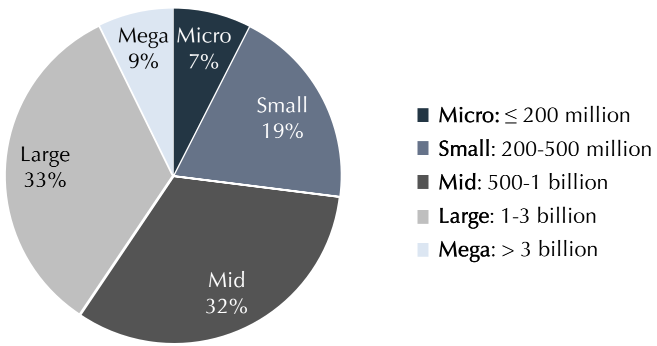
Transportation
- Aviation Lending
- Maritime Lending
- Road & Rail Lending
- Diversified Transportation Lending

Private Credit Coverage

Geographies*



Fund Sizes*



	Preliminary Review[1]	Further Review[2]	Due Diligence Report[3]
Direct Lending	687	400	171
Mezzanine	100	63	12
Distressed & Special Situations	787	426	198
Specialty Finance	333	161	74
Structured Credit	233	105	47
Real Assets Credit	176	95	45
Real Estate Credit	341	182	68
Total[4]	**2,657**	**1,432**	**615**

1. *Received fund materials*
2. *Conducted at minimum an initial call or meeting*
3. *Due diligence has been performed (IDD, ODD, or Insights Report)*
4. *Access to a fund manager's confidential information may be subject to Aksia's receipt of such manager's consent to disclose confidential information to the client*

*Data is sourced from Aksia's internal database, as of September 30, 2020, excluding legacy Aksia TorreyCove's private credit coverage. Coverage by geography and fund size is representative of the universe of investment programs (onshore & offshore count as one) on which Aksia has conducted due diligence (IDD, ODD, or Insights Report). Of the 615 programs, data was available for 614 programs (geography) and 459 programs (AUM size); as such actual percentages may vary slightly from the percentages included herein.

Aksia ODD Differentiators

Aksia has provided comprehensive operational due diligence services for over a decade

- Global, independent team of 51 located in the U.S., Europe, and Asia[1]
- Efficient approach with ability to respond quickly as needed
- Broad platform combined with ability to perform ODD on wide range of strategies
- Extensive process with multiple layers of review
- Not a 'check-the-box' approach
- Partner with clients to share industry knowledge on current ODD matters through educational initiatives and training

[1] As of September 30, 2020.

51 Pan-Alternatives Operational Due Diligence Professionals

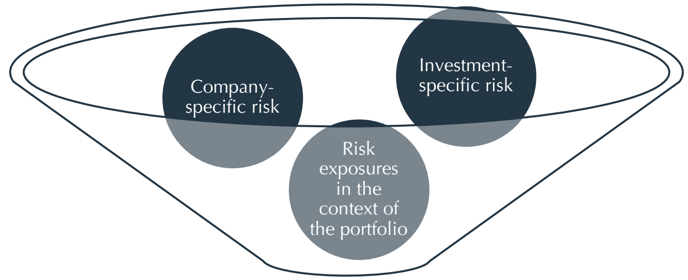
Professionals with varied backgrounds

- Audit
- Risk Management
- Private Markets Operations
- Legal
- Fraud Investigations

Number of ODD Professionals as of September 30, 2020.

Approach to Risk in Private Markets

Granular investment-level metrics[1] are aggregated and analyzed at the fund/vehicle-level to enable a quantitative view of risk and peer comparisons, and then at the portfolio-level to provide a holistic portfolio view of risk exposures and return drivers.



Risk Profile

Return Attribution, Outlier & Trend Analysis[2]

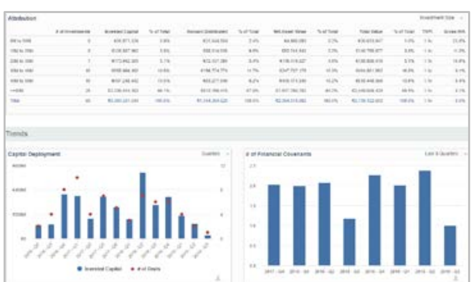
Qualitative

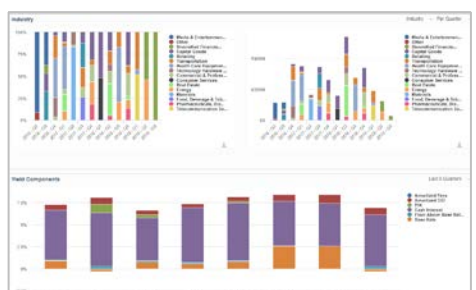
- Investment Size
- Vintage
- Holding Period
- Geography
- Industry
- Asset Class
- Deal-type / Use of Proceeds
- Lien Priority

Quantitative

- Revenue
- EBITDA
- Capital Structure
- Leverage
- Valuation Bridges
- Covenant Compliance

Aggregated Quarterly Portfolio Risk Reporting





[1]Available to advisory clients and subject to the GP's cooperation and provision of such data to Aksia.
[2]Analysis is tailored to the asset class. Metrics listed are a subset of the metrics we request and they are relevant in a variety of the asset classes covered under this process.

Client Operations

The Client Operations team serves as an extension of clients' staff, providing back office and operational support, allowing clients to focus on investments rather than administrative functions

Middle & Back Office Services

- Onboard historical portfolios
- Coordinate & Collect Data
  - Record daily investor specific cash flows based on manager issued notices
  - Record period end NAV from manager issued capital account statements
  - Reconcile data in our database with manager issued capital account statements
  - Electronically store manager provided documents
  - Track share class level liquidity (by tranche) under various scenarios where applicable
  - Support the audit process
- Independently Calculate Investor-Specific returns
  - Client IRR / TWR using investor-specific data
  - Reconcile investor-specific return against manager-reported figures (where provided)
  - Escalate discrepancies or outliers as necessary
- Performance Reporting
  - Detailed
  - Flexible
  - Investor portal

Aksia Emerging and Diverse Manager Overview

Actively Source Opportunities

- Collect key manager diversity statistics from GPs regarding:
  - ownership
  - senior management
  - investment professional representation
- Support other public pension WMBE efforts by attending sourcing conferences including:
  - NYS Emerging & WMBE Conference
  - Texas ERS Emerging Manager Conference
  - NYC Emerging & WMBE Manager Conference
  - Illinois TRS Emerging Manager Forum

Global Networks Including

- Sponsor of SEO Alternative Investments Conference
- Signatory to United Nations Supported Principles for Responsible Investment (UN PRI)
- Participate in the Alternative Investments Forum ("AIF") annual Women Investors' Forums

Leadership within Industry

- Hosted annual Aksia PC Emerging / Diverse Manager Forums (2018 & 2019)
- Led a LP virtual roundtable focused on managing diverse investment programs (August 2020
- Sylvia Owens – Founding Board Member of Private Equity Women Investor Network (PEWIN)
- Board representation on the Robert Toigo Foundation, Association of Asian American Investment Managers (AAAIM) and RFK Compass
- Supporters of National Association of Security Professionals (NASP) and NASP FAST Track Program

The list of public pension conferences is included to show Aksia's support of WMBE focused events. It is not known whether the listed clients approve or disapprove of the services provided by Aksia.

Why Aksia?

- Private Markets Specialist – *Private Credit and Private Equity are core competencies*

- Customized Approach – *Open sourcing, no buy list, not database driven*

- Well Resourced – *Dedicated Private Equity and Private Credit professionals*

- Responsive – *Flexible, open minded, intellectually honest and curious*

- Industry Expertise – *Investor education, reporting, LP roundtables, etc.*

- Enhanced Value Proposition – *Robust IT infrastructure for private markets, Operational Due Diligence platform, Private Markets portfolio risk reporting*

CRPTF PE and PC Portfolio

CRPTF PE and PC Portfolio Construction Philosophy

Thematic Approach

- Top down sector themes determined by research observations with portfolio advisory guidance
- Flexibility to be opportunistic

Risk Considerations

- Geography
- Collateral type
- Fund-level leverage
- Vintage year
- Portfolio-specific considerations
- Financing stage
- Domain expertise versus generalist
- Manager concentration
- Risk-return profile by strategy
- Operationally focused versus financial engineering

Co-Investments

- Aksia takes a fundamentally oriented approach to co-investments, emphasizing the following key factors:
  - Investments where Aksia believes the GP has demonstrated expertise and edge
  - GPs where Aksia has conviction in the relevant team and strategy
- Aksia also believes that co-investments can be effectively used to reduce the overall fees in a portfolio and to opportunistically weight primary fund portfolios

Additional Considerations

- Diversity and inclusion
- First time funds
- Additional economics associated with primary fund commitments
- Custom solutions including Fund of One/SMAs

Hypothetical Portfolio Pipeline – Phase Pacing

The following is an *example* of a PC portfolio and associated phase pacing[1]

Phase 1 Late 2020 / Early 2021		
Manager 1	Tactical Credit Partnership	$150
Manager 2	Spec Sits Global Lending	$ 75
Manager 3*	Tech Focused Credit	$ 50
Manager 4	European Corp Distressed	$ 30
Manager 5	Rescue/Complex Lending	$ 75
Manager 6*	Structured / Specialty Fin	$ 35
6 Managers	Total ($mm)	$415

Phase 2 Mid 2021 - Mid 2022		
Manager 7*	U.S. DL (Non-sponsor)	$ 40
Manager 8	U.S. LMM Lending	$ 30
Manager 9*	SBIC Lending	$ 25
Manager 10	Asian Special Sits	$ 30
Manager 11*	U.S. NPL Purchases	$ 30
Manager 12	European Mezz / UMM	$ 100
Manager 13	PE Finance	$ 40
Manager 14	Litigation Finance	$ 30
Manager 15*	U.S. Small Balance CRE	$ 30
Manager 16	Sub-IG Infrastructure	$ 30
10 Managers	Total ($mm)	$ 385

Phase 3 Late 2022 - 2023		
Phase 3 Commitments	Various strategies	$ 200
~ 5 Managers	Total ($mm)	$ 200

- Direct Lending
- Specialty Finance
- Multi-Sector Credit
- Distressed & Special Situations
- Structured Credit
- Mezzanine
- Real Assets Credit
- Real Estate Credit

Additional Key Considerations:

- Final commitments and NAV in total dollars may differ from starting unfunded commitments due to distributions, deployment, and plan growth. In addition, the overall allocation target to PC % of overall program may also increase.
- Co-investments have not been included in the hypothetical portfolio plan above, but we do feel they can be an important part of a portfolio in enhancing returns and lowering aggregated manager fees. We believe an allocation up to 20% over time would be appropriate.
- Fee deals: Whenever possible, we negotiate Aksia aggregate fee deals such that all clients benefit in discounted fees.

1. Pacing plan is subject to change depending on changes in plan growth, individual fund NAV growth, as well as slower or faster than expected capital deployment and fund distributions.
* WMBE manager

Hypothetical Portfolio Pacing

- Model projects forward commitments to arrive at an annual commitment target based on target exposure
- For all investments, we use GP provided target net returns taken from Aksia's database to arrive at NAV growth assumptions
- Investment period and harvest period for each investment are based on GP provided detail, while cash yield assumptions are based on Aksia's estimates[1]

($ millions)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Commitment Summary												
Starting Unfunded Commitments	0	398	586	549	366	176	53	0	0	0	0	0
New Commitments	500	380	220	100	0	0	0	0	0	0	0	0
Expired Commitments	0	0	0	(2)	(3)	(4)	(3)	0	0	0	0	0
Contributions	(103)	(191)	(258)	(281)	(186)	(120)	(50)	0	0	0	0	0
Ending Unfunded Commitments	398	586	549	366	176	53	(0)	0	0	0	0	0
NAV Summary												
Starting NAV	0	103	302	508	764	876	846	700	467	273	121	26
Contributions (a)	103	191	258	281	186	120	50	0	0	0	0	0
NAV Growth	0	11	33	56	84	97	91	73	48	29	14	3
Distributions (b)	0	(3)	(85)	(82)	(158)	(247)	(287)	(306)	(242)	(181)	(108)	(30)
Ending NAV	103	302	508	764	876	846	700	467	273	121	26	0

*Any hypothetical performance results have inherent limitations, since they do not represent actual trading. Hypothetical results should not be relied upon and do not represent, and are not necessarily indicative of, the results that may be achieved by actual trading. There are frequently sharp differences between the hypothetical performance results and the results subsequently achieved by any particular trading or investment program. The performance of the hypothetical portfolio included herein reflects the assumptions, views, and analytical methods of Aksia. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown herein.

[1] Hypothetical example: 3-year investment period from final close (Draws/Unfunded equal to 25% in year 1, 33% in year 2, 50% in year 3 and 95% in year 4), 4 year harvest period (Distributions/NAV equal to 30% in year 5, 44% in year 6, 67% in year 7 and 100% in year 8).

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Hamilton Lane

Connecticut Retirement Plans & Trust Funds

November 18, 2020

We Enrich Lives & Safeguard Futures

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

Agenda

Agenda

Presenters

Mario Giannini
Chief Executive Officer

Timothy D'Arcy
Managing Director

Katie Moore
Managing Director

Firm Overview

Hamilton Lane Overview

A global leader in the private markets for 29 years

Market Leaders

$515.8B
Assets under management & supervision[1]

$33.7B+
Capital deployed in 2019[2]

Global

17
Offices globally

26
Languages spoken

400+
Employees

Aligned

~$374.4M
Invested alongside our clients

HLNE
Nasdaq listed

Significant
Employee ownership

48%
Women/Minority employees[3]

As of June 30, 2020

[1] Inclusive of $68.5B in assets under management and $447.3B in assets under supervision as of June 30, 2020.

[2] The 2019 capital invested includes all primary commitments that closed during the year 2019 for which Hamilton Lane retains a level of discretion as well as advisory client commitments for which Hamilton Lane performed due diligence and made an investment recommendation. Direct Investments includes all discretionary direct equity and direct credit investments that closed during 2019. Secondaries includes all discretionary secondary investments with a signing date during 2019.

[3] Diversity statistics representing minority employees include only employees in US offices.

Leveraging Our Scale

Poised to capitalize on the large, growing market

$30.6B	$1.3B	$1.8B
Primaries	Secondaries	Direct Investments

2019 Capital Deployed[1,2]

450+
Advisory board seats

1,050+	525+	700+
Primaries	Secondaries	Direct Investments

2019 Opportunities Reviewed

Here's how scale benefits our clients

✓ Privileged investment opportunities

✓ Preferential fees and terms

✓ Industry-leading analysis and insight

✓ Access

As of June 30, 2020

*Representative clients and investors were included based on account size, geographic location, and account type. The identification of these clients and investors does not serve as an endorsement of Hamilton Lane or the services provided. These clients and investors utilize various services of Hamilton Lane and do not represent one specific account type.

Please refer to endnotes in Appendix

The Hamilton Lane Advantage

Successful Partnership & Client Centric Focus	A relationship that would be a great source of pride for our entire organization
Consulting Roots	With 29 years of serving public pension funds, our 46 public pension fund clients remain an integral and valued piece of our business Founded as an advisor to public pension funds in 1991, today we have 101 advisory accounts in total
Alignment	We are a publicly traded, independent firm with significant employee ownership, fully aligning our success with that of our clients
Commitment to Diversity	We strive to be an industry leader when it comes to diversity. 48% of our workforce are women or minorities; 41% of Hamilton Lane's senior leaders are women or minorities[1]
Experienced, Proven Investor	With 17 global offices, 115 investment and operational diligence professionals, and an experienced Investment Committee, we are uniquely positioned to provide best-in-class advice in Private Equity
Unparalleled, Flexible Resources	Specialized, flexible expertise across the Private Markets ready to support the CRPTF Private Equity program, with dedicated resources in Research (7), Operations/Client Service (65), Direct Equity/Credit Investments (20), and Secondaries (18)
The Technology Advantage	Hamilton Lane prides itself on its innovative tools, systems and technology. We have made five strategic investments, from our own corporate balance sheet, in best-of-breed technology solutions
Award Winning Culture	

As of June 30, 2020

[1] Diversity statistics representing minority employees include only employees in US offices.

CRPTF
Advisory Partnership

Client Centric Approach

Our clients benefit from our private markets expertise and resources

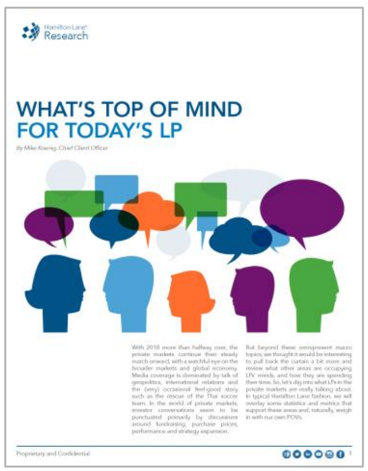
Relationship Management	Client Services & Operations	Product Management
50	65	20

32% of employee base

Annual Market Overview

Topical information on industry trends, themes and issues via market overview presentation and annual publication

Industry Papers & Quarterly Newsletters



Quarterly newsletter highlighting private markets insights, product updates and firm news

Hamilton Lane University

Hamilton Lane University helps clients develop a more comprehensive understanding of the inner-workings of the private markets asset class

Annual Investor Summit

Annual event for all product investors that includes a presentation of the annual Market Overview, an interactive panel of industry-leading GPs and detailed updates on Hamilton Lane's current and future products

As of June 30, 2020

Aligning CRPTF & Hamilton Lane

CRPTF/Hamilton Lane Advisory Partnership

- Cohesive portfolio construction strategy across primaries, secondaries, co-investments and legacy assets
- Full access to Hamilton Lane investment teams and completed diligence on all funds
- Back Office Monitoring & Reporting on New & Legacy Portfolio - via iLEVEL™

Relationship Management Team

Michael Koenig
Chief Client Officer
Bala Cynwyd

Katie Moore
Managing Director
Bala Cynwyd

Sean Barber
Vice President
Bala Cynwyd

Analyst

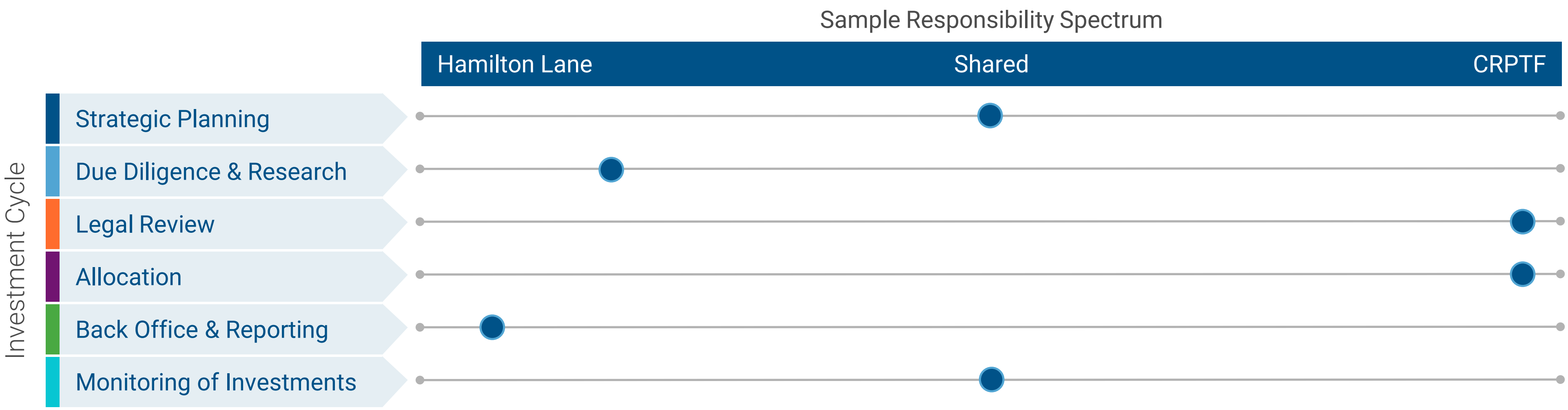
Analyst

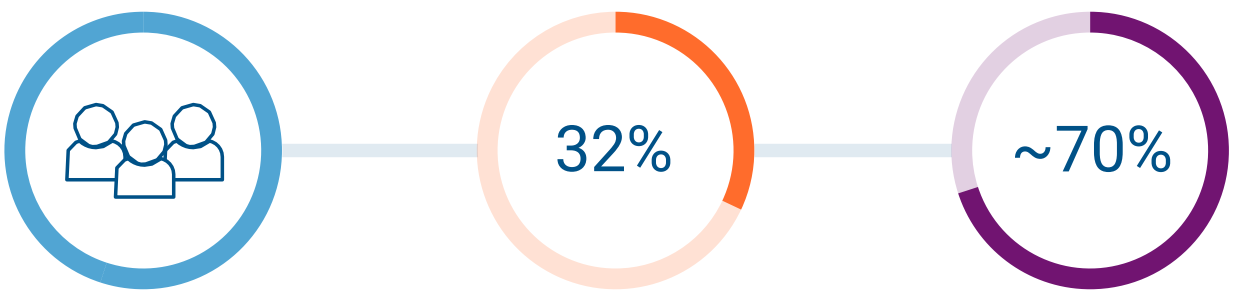
Due Diligence | Back Office | iLEVEL™ | Research

Customizing the Client Experience

One size does **not** fit all

CRPTF customizes responsibilities throughout investment cycle





Dedicated **client teams** in all **17 offices**[1]

of employee base is **client-focused**[1]

of our clients have allocated **additional capital**[2]

[1] As of June 30, 2020
[2] As of December 31, 2019

Full Service, Customized Approach

Hamilton Lane offers a comprehensive, full service model

Hamilton Lane	CRPTF

Strategic Planning & Research

- Annual strategic plan
- Assess portfolio progress
- Recommendation on portfolio construction
- Horizon Model/cash flow forecasting
- Market intel & forward calendar
- Special projects

Investment Sourcing, Due Diligence & Legal

- Tactical selection based on strategic plan
- Investment diligence across the private equity landscape
- Final investment recommendations
- Ensure compliance with rules and regulations
- Provide ongoing oversight of partnership documents
- Annual meetings/advisory board attendance

Cash Flow Administration/ Portfolio Monitoring

- Data transition and reconciliation
- Provide oversight on portfolio
- Monitor/advise on fund developments
- Cash flow administration and reconciliation
- Quarterly reporting - portfolio performance, analytics and diversification
- Portfolio transparency via online iLevel™

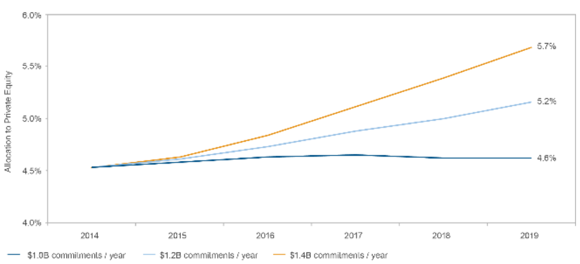
Strategic Planning

Defining portfolio targets and objectives and identifying the strategy for the year ahead is critical for success

Establish Targets and Objectives

- Strategic and geographic targets and objectives
- Annual commitment pace
- Number of fund commitments and range (min-max)

Assuming 7.0% Actuarial Plan Growth Rate



Subsector Targets			
Sector	Portfolio Target	Target Fund Commitments	Target Commitment Sizes ($M)
Buyout	60% - 85%	4-6	$100-$200
Growth	5% - 15%	1-2	$50-$200
Special Situations/ Turnaround	10% - 20%	0-2	$100-$200
Energy	5% - 10%	0-2	$100-$200
Secondary	10% - 15%	1-2	$50-$200
Co-Investment	5%-10%	1-2	$50-$200
Emerging Manager Program	5%-10%	5-7	$10-$25
Other*	0%	0	$0

Geographic Targets		
Sub Sector	Portfolio Target	Current Allocation
North America	65% - 85%	82%
Western Europe	10% - 15%	14%
Rest of World	5% - 10%	4%

Analyze Opportunities to Reach Targets

- Review of existing GPs
- Introductions to new GPs
- Hamilton Lane Funds Coming to Market list

Hamilton Lane — Evaluate New Opportunities

New opportunities must be additive and consistent with the clients targets and objectives

Review of New Opportunities for Sample Client				
General Partner	Performance v. VE Benchmark	Franchise/Team Expertise	Non-US Exposure	Strategic Diversifier (non-Buyout)
Advent	V VI	X	X	
BC Partners	VII VIII	X	X	
CVC European Equity Partners	III IV V	X	X	
EQT	V	X	X	
Gilde Buyout	I II III	X	X	
Green Equity Investors	III IV V	X		
Hellman & Friedman	IV V VI	X		
Kohlberg Investors	IV V VI	X		
KPS Special Situations	[illegible] II III	X		X
Lindsay Goldberg	I II III	X		
Oak Investment Partners	XI XII XIII	X		X
Platinum Equity Capital Partners	I II	X		X
Providence Equity Partners	IV V VI	X		
Roark Capital Partners	[illegible] I	X		
Summit	VII	X		X
TA Associates	IX X XI	X		X
TPG Partners	IV V VI	X		
Veritas Capital	I II	X		

Top Quartile Performance · Above Median Performance · Does Not Outperform Median Quartile

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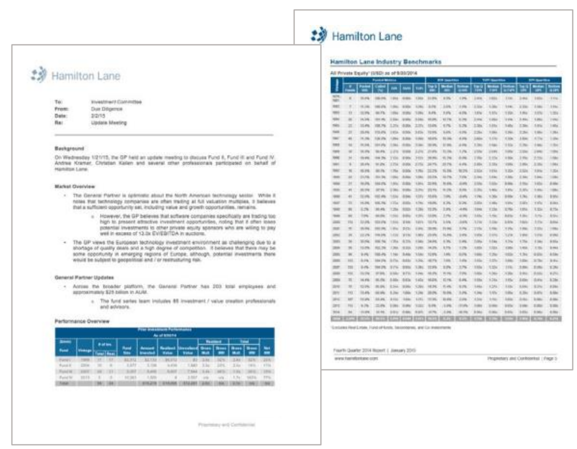
Potential Funds and Return to Market		
Fund[1]		
FY 2015	FY 2016	FY 2017+
American Securities Partners VII	Ardian Fund VII	Ares Corporate Opportunities Fund V
BC European Capital X	Blackstone Capital Partners VII	Advent International GPE VII
Blackstone Energy Partners II	Carlyle Partners VII	Crestview Partners IV
Bridgepoint Europe V	CVC Capital Partners VII	EnCap Energy Capital Fund X
Coller International Partners VII	EQT VII	KPS Special Situations Fund V
Equistone Capital Partners V	Green Equity Investors VII	Landmark Equity Partners XVI
Harvest Partners VII	J.H. Whitney VIII	Lexington Capital Partners IX
Kelso Investment Associates IX	Olympus Growth VII	Pegasus Partners VI
Lindsay Goldberg IV	Summit Partners Growth Fund IX	Providence Equity Partners VIII
Platinum Equity Capital Partners IV	TPG Growth III	
Siris Partners III	Warburg Pincus XII	
TA XII		
TPG Partners VII		

Maintain and Enhance Portfolio

- Ongoing due diligence by identifying changing macro market trends and developments with GPs
- Monitor and benchmark existing portfolio through Quarterly Reports and iLEVEL
- Revisit Horizon Model and Strategic Objectives as necessary



Monitoring & Reporting Analytics

Hamilton Lane and iLEVEL™ have partnered together to combine a state-of-the-art software along with industry-leading Reporting & Monitoring Analytics Solutions

Industry Leading Alternative Assets Solutions

- Transparency
- Accuracy
- Support

iLEVEL™

Groundbreaking Software

- Analytics
- Customization
- Results

Comprehensive Private Markets Reporting & Analytics Solutions

Better Data. Better Decisions.

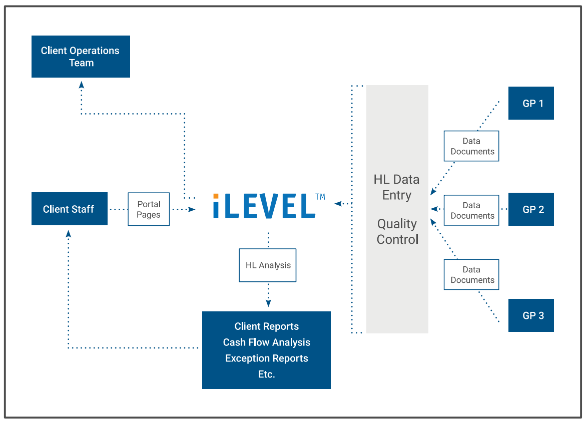
Customized Performance Reporting

We monitor more than $5.8 trillion in private markets fund level commitments[1]

Powered by iLEVEL™

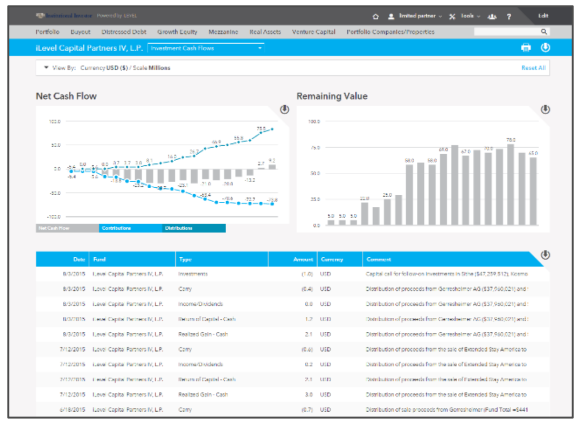
- End-to-end back office solution, allowing the client to focus on investment activities
- Unique system automating the collection, storage, analysis and reporting of data to LPs

Data Collection



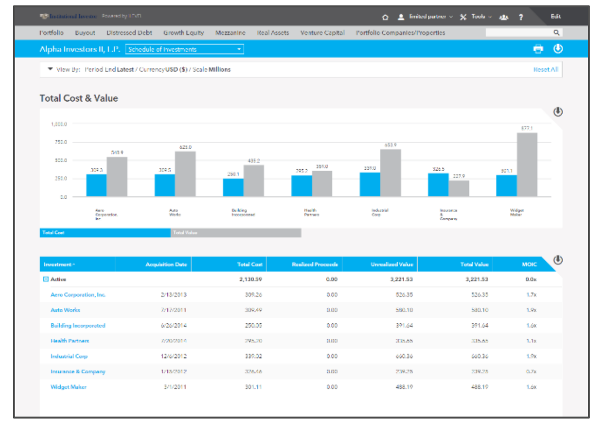
- Workflow-driven data collection for fund performance and individual portfolio companies
- Seamless data transitions

Cash Management



- Transactional data and IRR calculations
- Cash flow review, distribution and support

Customized Performance Reporting



- Quantitative and qualitative performance analysis
- Portfolio diversification
- Benchmarking

[1] As of June 30, 2020

Investment Philosophy & Platform

Experienced Senior Team

Dedicated solely to private markets investing

Members of Investment Committee


Hartley Rogers
Chairman


Mario Giannini
Chief Executive Officer


Erik Hirsch
Vice Chairman


Kevin Lucy
Chief Operating Officer


Juan Delgado-Moreira
Vice Chairman


Andrea Kramer
Head of Fund Investments


Paul Yett
Managing Director


Tara Blackburn
Managing Director


Tom Kerr
Head of Secondaries


David Helgerson
Managing Director


Brian Gildea
Head of Investments


Jeff Armbrister
Global Head of Direct Equity Investments


Steve Brennan
Managing Director


Jim Strang
Chairman of EMEA


Ricardo Fernandez Jr.
Managing Director


Drew Schardt
Head of Direct Credit


Steve Gruber
Managing Director


Brent Burnett
Managing Director


Jackie Rantanen
Managing Director


Richard Hope
Head of EMEA


Christian Kallen
Managing Director


Keith Brittain
Managing Director


Michael Koenig
Chief Client Officer


Dennis Scharf
Managing Director


Demetrius Sidberry
Managing Director


Collwyn Tan
Managing Director


Peter Larsen
Managing Director

Philadelphia | New York | Rio de Janeiro* | London | Hong Kong | San Diego | San Francisco | Portland

27 Investment Committee Members

20 Average years in the PE industry

13 Average years working together

115 Investment professionals dedicated to private markets

Relationship Management	Business Development	Product Management	Finance	IT	Legal & Risk Management	Human Resources
115	37	20	24	22	40	6

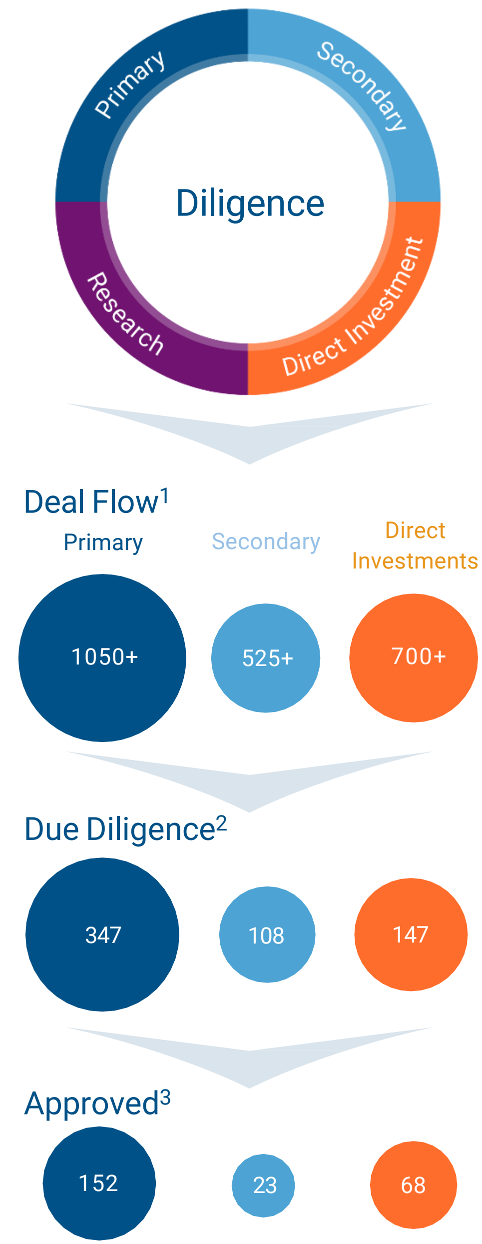
As of June 30, 2020

* On July 31, 2020, Hamilton Lane sold its ultimate stake in Hamilton Lane Investimentos, Ltda. and no longer has an office or employees in Brazil as of that date.

Consistent, Collaborative Investment Process

Shared intel, data and resources across Hamilton Lane's investment and research activities

Sourcing	Preliminary review of opportunity for investment		
Screening	Evaluation of the initial materials provided by the General Partner		
Initial Due Diligence	GP Meetings	Company meetings	Peer/competitor analysis
Full Investment Diligence	Site visits References	Detailed analytics GP questionnaire	Valuation Pricing
Legal Negotiations/ Operational Diligence	In-house legal team seeks to negotiate the best deal for our investors	Significant cost savings to our investors	Operational site visits/Background checks[4]
Monitoring & Reporting	Dedicated client service team provides superior service to investors throughout entire investment lifecycle		
	Advisory boards	Annual meetings	GP update meetings

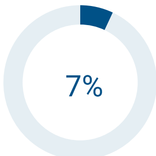


[1] Represents the total opportunities received by each investment team in 2019.
[2] For Primary, Due Diligence represents the number of GP Meetings Taken for new fund presentations in 2019. For Secondary and Direct Investments, Due Diligence represents the number of opportunities that had full Due Diligence conducted past the first screening phase.
[3] For Primary, Approved represents all investments approved by the investment committee during 2019. For Secondary and Direct Investments, Approved represents all deals approved by the investment committee and invested in during 2019.
[4] The operational due diligence process disclosed herein is conducted on every primary fund Hamilton Lane approves for investment. Due to the nature of Secondaries and Direct Investments, the operational due diligence process varies.

Influence Drives Access

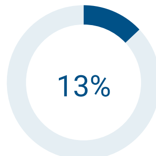
Meaningful relationships drive meaningful access

Anacap Credit Opportunities IV, L.P.
2018 | €988M



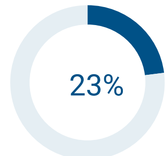
Hamilton Lane:
€72M

Castlelake V, L.P.
2017 | $2,400M



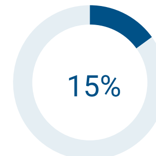
Hamilton Lane:
$321.5M

TZP Capital Partners III, L.P
2017 | $565MM



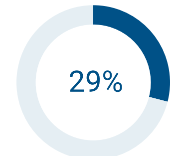
Hamilton Lane:
$128M

Colony Distressed Credit and Special Situations Fund IV, L.P.
2017 | $962M



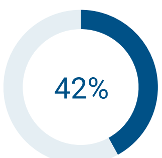
Hamilton Lane:
$140M

Gridiron Capital Fund IV, L.P.
2019 | $1,250M



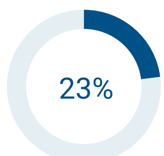
Hamilton Lane:
$357M

Hark Capital II, L.P.
2017 | $203M



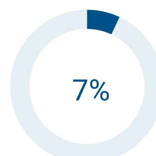
Hamilton Lane:
$85M

Kelso Investment Associates X, L.P.
2018 | $2,465M



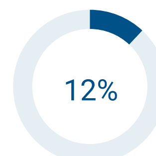
Hamilton Lane:
$558.5M

Roark Capital Partners V, L.P.
2018 | $5,041M



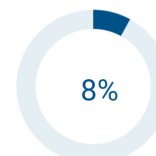
Hamilton Lane:
$329.5M

Oak HC/FT Partners III, L.P.
2019 | $800M



Hamilton Lane:
$97.5M

Greycroft Growth II, L.P.
2017 | $256M



Hamilton Lane:
$20M

2019 Direct Investments Deal Flow[1,2]

700+ Deals	147 Deals	68 Deals
$27.7B	$5.2B	$1.8B
Reviewed	Diligenced	Approved

6% Selection Rate[3]

2019 Secondaries Deal Flow[1,2]

525+ Deals	108 Deals	23 Deals
$141B	$41.8B	$1.3B
Reviewed	Diligenced	Approved

<1% Selection Rate[3]

[1] January 1, 2019 – December 31, 2019
[2] For Secondary and Direct Investments, Diligenced represents the number of opportunities that had full Due Diligence conducted past the first screening phase. Invested represents all deals approved by the investment committee and invested in during 2019.
[3] The selection rate is calculated by dividing the total approved dollar figure by the total reviewed dollar figure for each respective strategy.
*Funds shown are for illustrative purposes only and represent a limited sample of funds in which Hamilton Lane invests; Hamilton Lane source of capital is based on the time of fundraising.

It Doesn’t End with Due Diligence

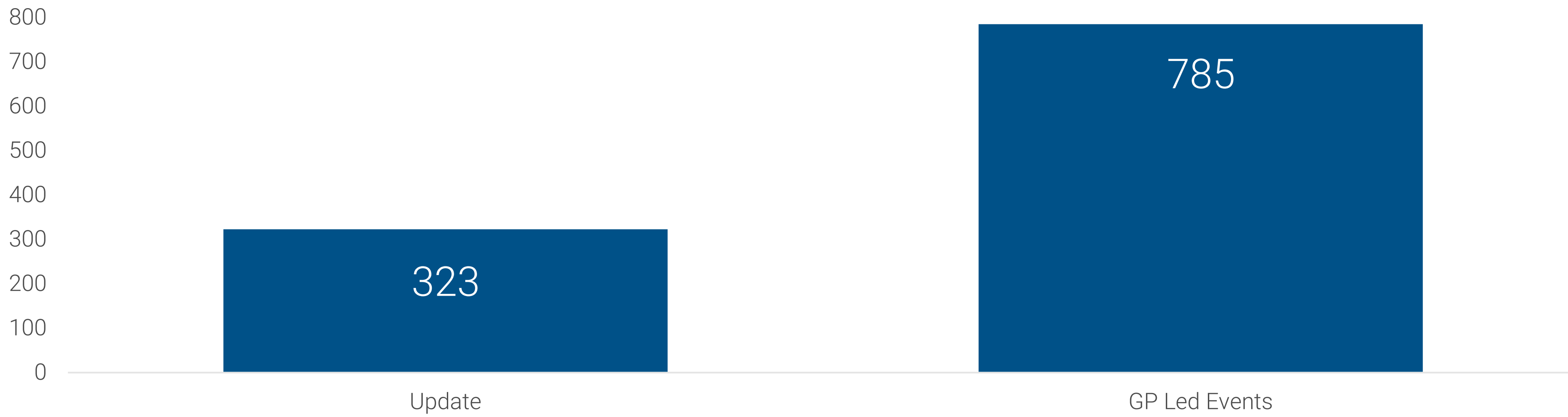
Market Experts

- HL Investment Team members are frequently sought private markets experts
  - 55 senior professionals featured as keynote speakers/panelists in conferences globally in 2019
  - Quoted well over 120 times throughout 2019 in various trade, business and top-tier media (Financial Times, Fortune, Reuters, Bloomberg, WSJ)

Keeping Tabs

- 1,108 additional interactions with GPs builds better relationships and yields more market insight

2019 GP Meetings



A Different Approach Yields Different Relationships

General Partner Interactions

HL Action	Result
GP-HL meetings always involve senior HL professionals with a team approach	GPs always send “top of house” for meetings
Every PPM received generates a rejection letter or a phone call inviting a meeting within 2-3 weeks of receipt	Process is professional and courteous (everyone knows where they stand and quickly)
HL IC members maintain extensive and active dialogues with top GPs across all markets. We match senior resource with senior resource.	HL and HL clients privy to market insight and intelligence

Screening

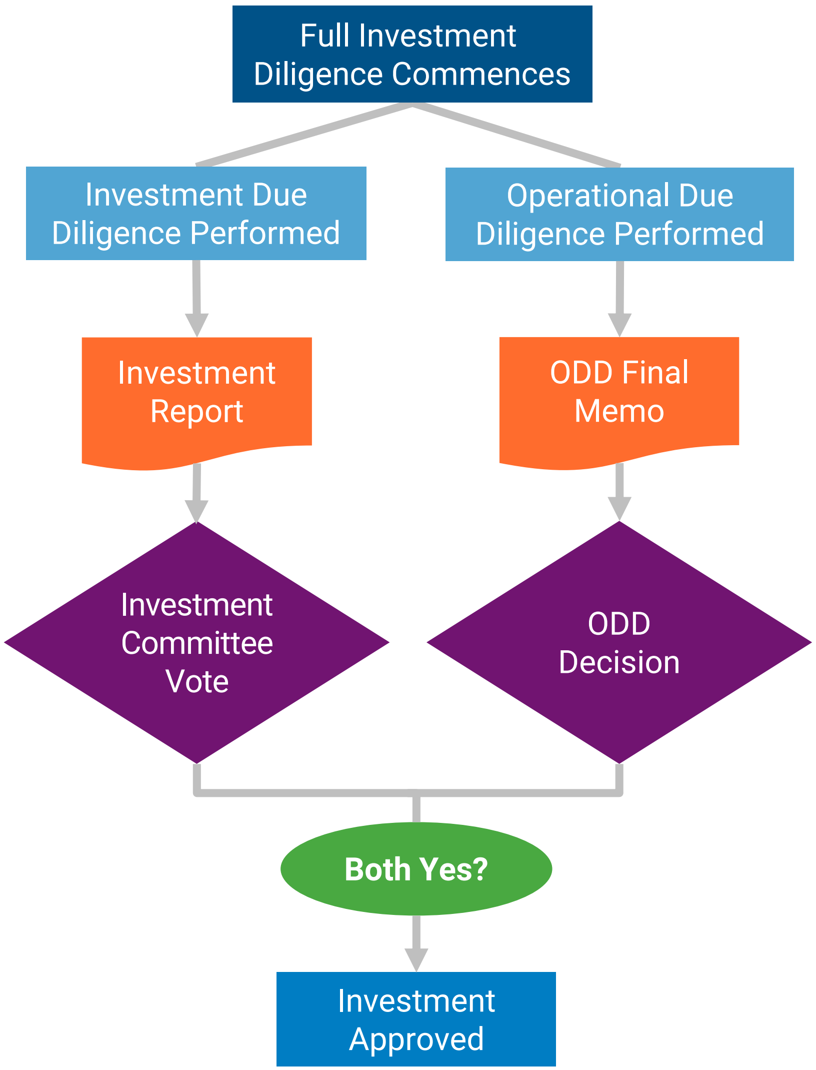
- Every fund rejected after a screening receives a letter from Head of Fund Investment Team
- Every fund rejected after a face-to-face meeting receives a personal phone call from the lead, senior investment professional (Deal Captains)

Why?

- Our behavior reflects on our firm and our clients
- A professional interaction can lead to an opportunity to see the fund again

Combining Investment & Operational Due Diligence

Dual track investment and operational due diligence review of investment opportunities



Operational Due Diligence Process Highlights

Evaluate and mitigate operational risks

Rigorous reviews covering key areas of each manager

Independent authority to veto investment opportunities

ESG Best Practices

Responsible Investment Committee

- Dedicated, senior resources reflect firm's commitment to ESG issues
- Provide direction and oversight of firm-wide ESG efforts
- Encourage and educate GPs and clients about the value of adopting ESG policies

Paul Yett
Director of ESG & Sustainability

Brian Gildea
Head of Investments

Ana Lei Ortiz
Managing Director

Katie Moore
Managing Director

Dave Helgerson
Managing Director

Miguel Luiña
Principal

Investing with ESG in Focus

Fund managers are scored on the ESG Rating System, developed by HL to evaluate each GP's ESG activities

Leadership/ Visibility	How actively the GP is implementing ESG initiatives, internally, as well as providing example for the industry.
Investment Process/ Portfolio	GP's thoroughness of written documentation and policies on ESG, as well as how well it tracks and reports ESG metrics to LPs.
Documentation/ Reporting/ Monitoring	How thoroughly GP considers ESG issues when making a new investment and how thoroughly these matters are executed and monitored after an investment.

PRI

Signatory to the United Nation's Principles for Responsible Investment since 2008

Diversity Imperative

Hamilton Lane

Diversity & Inclusion

Belief Statement

"Diverse perspectives lead to informed decisions – decisions that benefit our clients, our employees and our competitive edge"

41% of Hamilton Lane's senior leaders are women or minorities[1]

Recent Milestones

- **Winter 2016** Cristo Rey Partnership formed
- **Spring 2017** Hosted first annual Undergrad Women's Summit
- **Summer 2017** Inaugural Girls Who Invest partnership formed
- **Fall 2017** Launched D&I Speaker Series
- **Spring 2018** Launched Skimm'D&I newsletter
- **Summer 2018** UK office hosting Level20 Future Leaders Breakfast
- **Spring 2019** Inaugural Unconscious Bias Training
- **Winter 2019** Launched Hamilton Lane Women's Exchange Mentor Circle
- **Summer 2020** Launch of Campus Outreach Subcommittee
- **Fall 2020** Launch of #SJChat Series

Industry Involvement

Speaking & Sponsoring

World Economic Forum	Mario & Andrea's participation contributed to "Women in Private Equity: The Limited Partner Perspective"
Sponsors for Educational Opportunity (SEO)	Ongoing involvement with and sponsorship of SEO organization and events
Women's Private Equity Summit	Hamilton Lane consistently holds speaking slot at annual conference
The Robert Toigo Foundation	Paul Yett on Board of Directors; HL sponsors annual gala
Private Equity Women Investor Network (PEWIN)	Andrea Kramer is one of PEWIN's founders, a member of the Steering Committee and a board member
Girls Who Invest	Hamilton Lane sponsors the organization and hosts two interns on an annual basis working on our investment team

Organizations

[1] As of June 30, 2020

Proposal

Proposal

Functional expertise provides customized program structure and individual client portfolio benefits

Program Components

- Strategic planning
- Commitment pacing and modeling
- Sourcing and fund diligence
- Monitoring and reporting services
  - 24/7 access & transparency via iLEVEL
  - Services included on entire portfolio
- Market updates & information
- Invitation to Hamilton Lane Summit

Characteristics & Benefits

- All-inclusive service
- Flexibility in level of involvement
- Customization
- Access and allocation
- Direct interaction with general partners
- Full transparency and communication
- Cost savings
- Ongoing education and training

Relationship Management Team
Michael Koenig – Chief Client Officer
Katie Moore – Managing Director
Sean Barber – Vice President

Due Diligence	Back Office	iLEVEL	Research

Proposed Pricing

To Be Determined

Living Our Mission

Hamilton Lane is committed to helping our employees and constituents throughout this difficult time

Community & Industry Outreach	Employee Diversity & Development	Frequent Communication and Investment Insight	Embracing Data and Technology
HLinAction	Hamilton Lane Diversity & Inclusion	Hamilton Lane Market Overview	iLEVEL™
girls who invest	HLWE	In the Know	DealCloud Clear Perspective. Superior Execution.
Big Brothers Big Sisters	Hamilton Lane Undergraduate Women's Private Equity Summit	Hamilton Lane COVID-19 and Market Update	BLACK MOUNTAIN
TOIGO Bringing Diversity to Life	HLWell	Market Views in Volatile Times QUARTERLY NEWSLETTER JULY 2020	cobalt™
CRISTO REY PHILADELPHIA HIGH SCHOOL	Hamilton Lane Analyst Development Program		CANOE INTELLIGENT DATA SOLUTIONS
LEVEL 20			
HLGreen			

Appendix

Endnotes

Page 6

[1] The 2019 capital invested includes all primary commitments that closed during the year 2019 for which Hamilton Lane retains a level of discretion as well as advisory client commitments for which Hamilton Lane performed due diligence and made an investment recommendation. Direct Investments includes all discretionary direct equity and direct credit investments that closed during 2019. Secondaries includes all discretionary secondary investments with a signing date during 2019.

[2] Figures are an approximate amount of total capital invested.

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USA
+1 702 784 7690

London
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London SW1P 3AE
United Kingdom
+44 (0) 207 340 0100

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+1 954 745 2780

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As of November 11, 2020

StepStone Group Presentation to the State of Connecticut Treasurer's Office

November 2020 | CONFIDENTIAL

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An investment involves a number of risks and there are conflicts of interest. Please refer to the risks and conflicts disclosed herein.

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All data is as of September 2020 unless otherwise noted.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. ACTUAL PERFORMANCE MAY VARY.

Dedicated Team for CRPTF

CRPTF'S DEDICATED TEAM

PORTFOLIO MANAGERS

MICHAEL ELIO, PARTNER
Private Equity

MARC-ANDRE MITTERMAYER, PARTNER
Private Debt

ADITYA RAINA, VICE PRESIDENT
Private Equity

DAVE HAN, VICE PRESIDENT
Private Debt

ALICE SONG, ASSOCIATE
Private Equity

CO-HEAD, PE INVESTMENT CTTE
CHAIR, DIVERSITY & INCLUSION CTTE

LINDSAY CREEDON, PARTNER

- 190+ investment professionals cover 20 sectors in four asset classes across primaries, secondaries and co-investments
- Senior team averages 15 yrs. investment experience

PORTFOLIO ANALYTICS & REPORTING

WES OGBURN, MANAGING DIRECTOR

- 70+ professionals provide monitoring & reporting and investor relations services
- Senior team averages 12 yrs. experience

LEGAL/STRUCTURING

JENNIFER ISHIGURO, CHIEF LEGAL OFFICER

- 8 professionals negotiate transaction documents and execute fund structuring solutions
- Senior team averages 15 yrs. relevant experience
- 4 additional legal and compliance professionals focused on private debt and real estate activities

As of August 2020

StepStone Group Overview

StepStone is a global private markets investment firm offering customized solutions and advisory and data services to our clients

$296B in private capital allocations[1]

$67B assets under management[1]

$40B+ annual commitments[2]

500+ professionals

Private Markets Access

Comprehensive coverage across:

- Private Equity
- Real Estate
- Infrastructure & Real Assets
- Private Debt

Research Focused

StepStone annually conducts:[3]

- 3,800+ manager meetings
- 310+ investment committee approvals

Market intelligence on over:

- 13,500 GPs
- 35,000 funds
- 57,000 companies

Investment Strategies

Specialized teams covering:

- Fund Investments
- Secondaries
- Co-Investments

Sophisticated Client Base

Creating solutions for:

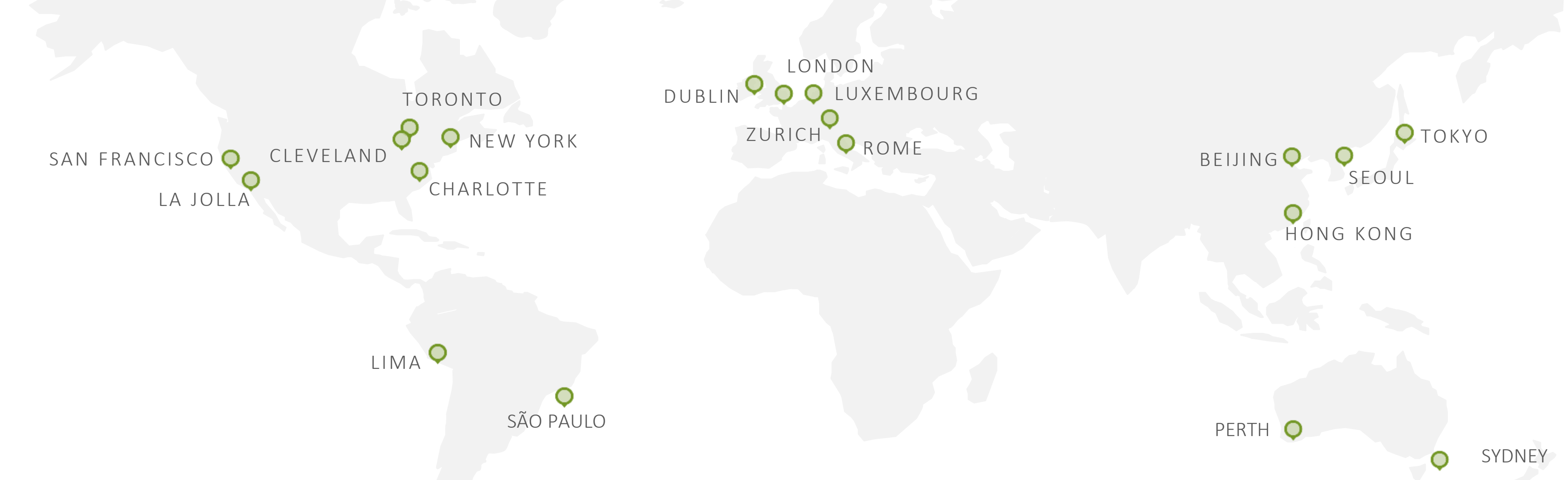
- Corporations
- Defined Contribution Plans
- Endowments/Foundations
- Insurance Companies
- Pension Funds
- Private Wealth/Family Offices
- Sovereign Wealth Funds

All dollars are USD.
1. $296B indicates total assets which includes over $67B in assets under management as of March 31, 2020. Reflects final data for the prior period (December 31, 2019), adjusted for net new client account activity through March 31, 2020. Does not include post-period investment valuation or cash activity.
2. StepStone approved over $40B+ in 2019. Represents StepStone-approved investment commitments on behalf of discretionary and non-discretionary advisory clients. Excludes clientele that receive research-only, non-advisory services. Ultimate client investment commitment figures may vary following completion of final GP acceptance/closing processes.
3. Last twelve months through March 31, 2020.

Global Presence with Deep Relationships

StepStone has strategically grown across 19 offices in 13 countries to build enduring relationships with our clients and GPs

AMERICAS		EMEA		ASIA-PACIFIC	
31	Partners	19	Partners	7	Partners
90+	Investment Professionals	60+	Investment Professionals	30+	Investment Professionals
$182B+	AUA/AUM	$67B+	AUA/AUM	$46B+	AUA/AUM



2007
- StepStone founded in La Jolla, CA
- SPI database launched

2010
- Private Equity team expanded with Citi Private Equity
- Beijing & London offices opened

2014
- StepStone Real Estate formed
- Offices opened in Hong Kong, Perth, Seoul, São Paulo & San Francisco

2016
- Expanded footprint of Private Debt team in Europe
- Grew Infrastructure presence in Australia

2018
- Opened Lima & Rome offices
- Expanded Real Estate Advisory practice

2019
- Deepened investor coverage to include ‘40 Act distribution
- Omni application introduced

As of June 2020. AUM/AUA as of March 31, 2020. Reflects final data for the prior period (December 31, 2019), adjusted for net new client account activity through March 31, 2020. Does not include post-period investment valuation or cash activity.

Powerful Integrated Platform

Our deep platform allows investors to design single or multi-asset class private market exposures to fit their portfolio needs

Customized Solutions & Strategies Across All Private Markets Asset Classes

PRIVATE EQUITY	REAL ESTATE EQUITY	INFRASTRUCTURE EQUITY	PRIVATE DEBT (ALL ASSET CLASSES)[1]
$140B+ AUA/AUM	$98B+ AUA/AUM	$31B+ AUA/AUM	$25B+ AUA/AUM
$21B+ Approved in 2019	$10B+ Approved in 2019	$7B+ Approved in 2019	$6B+ Approved in 2019
80+ Investment Professionals	35+ Investment Professionals	40+ Investment Professionals	50+ Investment Professionals

ASSET MANAGEMENT — ADVISORY — RESEARCH

As of June 2020. All dollars are USD (unless stated otherwise) and represent StepStone private market exposure by asset class.
AUM/AUA as of March 31, 2020. Reflects final data for the prior period (December 31, 2019), adjusted for net new client account activity through March 31, 2020. Does not include post-period investment valuation or cash activity. The Private Debt investment team consists of 27 team members, and leverages the debt expertise of the Firm's dedicated Real Estate, Distressed and Infrastructure professionals & partners, which are included in the headcount presented above. Approved figures represent StepStone-approved investment commitments on behalf of discretionary and non-discretionary advisory clients. Excludes clientele that receive research-only, non-advisory services. Ultimate client investment commitment figures may vary following completion of final GP acceptance/closing processes.
1. Private Debt includes all asset classes, including Real Estate and Infrastructure debt totaling approximately $5.5 billion.

Comprehensive Private Markets Solutions

StepStone's flexible business model helps clients access opportunities across all asset classes:

ASSET MANAGEMENT — ADVISORY — RESEARCH

SEPARATELY MANAGED ACCOUNTS	FOCUSED COMMINGLED FUNDS	ADVISORY & DATA SERVICES	PORTFOLIO ANALYTICS & REPORTING
• Owned by one client and managed according to their specific preferences • Address client's specific portfolio risk/ return, diversification, and liquidity objectives • Integrates a combination of investment strategies across one or more asset classes	• Owned by multiple clients • Deploy capital in specific asset classes with defined investment strategies • Leverage StepStone's multi-asset class expertise	• Recurring support of portfolio construction and design • Discrete or project-based due diligence • Detailed review of existing private markets investments • Consulting services • Licensed access to SPI	• Provide clients with tailored reporting packages • Mandates typically include access to Omni
$52B AUM	$12B AUM	$229B AUA / $3B AUM	$499B of client commitments

As of March 31, 2020.

Cohesive Team Delivering Full Service Platform

RESEARCH

- Team spread across various sectors to truly understand, map &, analyze private markets globally
- Teams located across all investable regions with skills sets in fund investment, secondary, & co-investment analysis

INVESTMENT INTELLIGENCE

- Team of data engineers & reporting professionals
- Systems & analytics supports educated investment decisions

IMPLEMENTATION & EXECUTION

- Full suite of legal, tax, ODD, & structural experts
- Implement solution most appropriate for clients

RESEARCH COVERAGE ACROSS ASSET CLASSES

SECTOR

PRIVATE EQUITY
- Distressed & Restructuring
- Energy
- Large/Mid-Cap Buyout
- Secondary Funds
- Small Buyout
- VC & Growth Equity

REAL ESTATE
- Core Real Estate
- Core Plus Real Estate
- Opportunistic Real Estate
- Value-Add Real Estate

INFRASTRUCTURE
- Clean Energy/Renewables
- Power & Utilities
- Telecommunications
- Transport
- Asset Leasing Strategies
- Agriculture & Timber

PRIVATE DEBT
- Corporate Private Debt
- Infrastructure Private Debt
- Real Estate Private Debt
- Specialty Finance

GEOGRAPHY

- ASIA & AUSTRALIA
- EUROPE & MIDDLE EAST
- LATIN AMERICA
- NORTH AMERICA

STRATEGY

- FUND INVESTMENTS
- SECONDARIES
- CO-INVESTMENTS

190 Investment Professionals

DATA SCIENCE & ENGINEERING

- OMNI
- PACING
- SPI

MONITORING & REPORTING

- INVESTOR RELATIONS
- PORTFOLIO ANALYTICS & REPORTING

EXECUTION

- FINANCE & ACCOUNTING
- LEGAL & COMPLIANCE
- OPERATIONAL DUE DILIGENCE
- RISK MANAGEMENT
- TAX

330+ Professionals

Number of professionals as of June 2020. Implementation team count also includes Business Development, Marketing, Administrative, Human Resources, and Information Technology professionals.

Investment Philosophy & Governance

StepStone customizes portfolios tailored to clients' strategic and tactical plans

CUSTOMIZED PORTFOLIO CONSTRUCTION

ACTIVE MANAGEMENT

Outperform the market by focusing on risk-adjusted returns

CONTRARIAN

Be selective and opportunistic; do not follow the crowd

RESPONSIBLE INVESTING

Consider the environmental, social and governance merits of our investments and culture

MANAGER SELECTION

SHARED VALUES

Seek out investments where GP and LP interests are aligned

TARGETED APPROACH

Capitalize on specialization by favoring focused strategies; do not over-diversify

RIGOROUS

Use a combination of macro-, manager- and asset-level analysis to analyze opportunities thoroughly

INVESTMENT PROCESS GOVERNANCE

GLOBAL ALLOCATION COMMITTEE

Monitor macro environment, develop intellectual framework, and create strategic tilts

PORTFOLIO & RISK MANAGEMENT COMMITTEES

Deploy tactical tilts based on client mandates and needs; monitor & manage liquidity, sector & market risk exposures

INVESTMENT COMMITTEES

Maintain GP relations, track market environment, and review due diligence & investment opportunities

Data-Driven Investment Decisions

StepStone leverages its proprietary suite of integrated data and technology solutions to enhance the investment process

DATA SCIENCE & ENGINEERING IN STEPSTONE'S INVESTMENT PROCESS

Pacing

Portfolio Forecasting & Optimization

Forecast portfolio cash flow and determine future investment allocations to:

- Create a plan for reaching target allocation
- Anticipate liquidity needs
- Assist client with cash management and planning

SPI

Private Markets Intelligence Database

Comprehensive access to research on all funds StepStone covers includes:

- Fund summaries
- Investment memos
- Track record analysis
- Benchmarks

Omni

Portfolio Analytics & Reporting

In-depth analysis on portfolio and underlying investments:

- J-curve and cash flow analysis
- Time period analysis (e.g., IRRs, time-weighted returns)
- PME analysis (e.g., KS PME, Direct Alpha, PME+, Long Nickels)

Integrated Approach to Responsible Investment

STEPSTONE inside private markets

Responsible Investment ('RI') is incorporated into the investment process and across the firm's operations

Responsible Investment

ESG
Environmental, Social, Governance ('ESG') risks and opportunities identified during due diligence and actively monitored throughout ownership

STANDARDS
Signatory and member of global ESG frameworks UNPRI ('A" Rating in 2019), TCFD, SASB, GRESB

MATERIALITY
Sector-specific sustainability issues assessed per SASB guidance; platform-wide focus on climate risk

MEASUREMENT
RI scorecard for all fund investments, tracked in SPI database

IMPACT
Coverage of impact investments made with the intention to generate measurable, positive social and environmental outcomes alongside financial returns

TAILORED SOLUTIONS
Capabilities to address clients' impact priorities across the UN Sustainable Development Goals

CLIMATE ACTION
Opportunities in energy efficiency, renewable energy, sustainable agriculture, green buildings

SOCIAL EQUITY
Themes include health, education, financial inclusion, and affordable housing

INTERNAL OPERATIONS

Commitment to carbon neutrality	Supply chain risk analysis; focus on modern slavery	Diversity & Inclusion initiatives	Governance best practices

StepStone believes diversity and inclusion among its professionals and leadership is imperative. We recognize that through diversity, we gain a variety of perspectives, views, and ideas which strengthen our ability to strategize, invest, communicate, and deliver on our mission.

THE D&I COMMITTEE FOCUSES ON EVALUATING OUR EFFORTS IN MAINTAINING A DIVERSE AND INCLUSIVE WORKPLACE

FEMALE PROFESSIONALS

39% Junior Level

37% Mid Level

19% Senior Level

OVERALL COMPANY PROFESSIONALS

34% Female

34% Minorities

45% of professionals promoted to partner in the last two years are female

DEEP RELATIONSHIPS WITH IMPACTFUL PROGRAMS TO FURTHER INDUSTRY EFFORTS

girls who code · girls who invest · LEVEL 20 · PEWIN · SEO Seizing Every Opportunity · TOIGO Bringing Diversity to Life · WAVE Women's Association of Venture & Equity · Making the Leap. · CEO ACTION FOR DIVERSITY & INCLUSION

ACTIVE INVOLVEMENT IN INDUSTRY OUTREACH AND EVENTS

- Girls Who Invest Forum
- Level 20 Events
- PEWIN Events
- StepStone Women in Finance Events
- Women in Private Equity Career Forum
- NASP Foundation Receptions
- PEI Women in Private Equity & Infrastructure Forum
- TOIGO Events
- SEO Alternative Investment Conference
- WAVE Women in Alternatives Career Forum

The StepStone Advantage

StepStone's integrated platform provides clients with flexibility and access to opportunities across the entire spectrum of private markets

Integrated Platform

FOCUSED ON CUSTOMIZATION

Expertise in building customized portfolios designed to meet clients' specific objectives

GLOBAL & LOCAL APPROACH

Global platform with local teams in 19 offices across 13 countries on 5 continents

PROPRIETARY DATA & TECHNOLOGY

Information advantage generates enhanced private markets insight and improves operational efficiency

MULTI-ASSET CLASS EXPERTISE

Scaled presence across private equity, infrastructure, private debt, and real estate asset classes drives ability to execute tailored and complex investment solutions

EXPERIENCED & DEEP TEAM

190 investment and 330+ implementation professionals dedicated to sourcing, executing, analyzing, and monitoring private markets opportunities

Number of professionals as of June 2020.

INVESTMENT PROCESS & APPROACH

Portfolio Construction Solutions

As a global private markets specialist, StepStone delivers comprehensive services for some of the world's most sophisticated investors

SOLUTIONS TAILORED TO THE SPECIFIC NEEDS OF EACH CLIENT

Strategic Asset Allocation

Encourage collaboration on designing & implementing strategic, forward-looking portfolio allocations

Portfolio Pacing

Develop the right strategy & commitment pace to achieve targeted allocation & maintain a self-funding portfolio

Sourcing

Proactive sourcing process & in-depth evaluation helps ensure successful deal execution & customized portfolio solutions

Pipeline

Conduct meetings & calls with GPs annually building a robust pipeline of investment opportunities

Manager Selection

Utilize a research-intensive investment approach identifying managers with differentiated approaches or who we believe to be best positioned to outperform the market

Due Diligence

Identifying, measuring & assessing all relevant operational risk exposure & ESG considerations for each investment opportunity

PORTFOLIO MANAGEMENT	INVESTMENT PROCESS & ANALYSIS	MONITORING & REPORTING

Proactive Sourcing & Nimble Execution

StepStone leverages 3,800+ annual GP meetings and calls to build a broad pipeline of investment opportunities across private markets

STEPSTONE ADVANTAGE

SOURCING

NUMEROUS TECHNIQUES FOR DEAL SOURCING

- GP & LP network
- Market presence
- Sector specialists

EVALUATION

COMPETITIVE ADVANTAGES IN ANALYZING & EVALUATING GPs

- Active investor in private marketplace
- Direct investment experience
- Co-investment presence
- Rigorous analytics

EXECUTION

HIGH QUALITY DEAL EXECUTION SKILLS

- Deal structuring and negotiation
- Continuous monitoring and reporting
- Institutional processes

STEPSTONE SOURCING BREAKDOWN[1]

	FUNDS	SECONDARIES	CO-INVESTMENTS
INITIAL REVIEW	1,015	1,717	478
FURTHER REVIEW & DILIGENCE	312	126	152
FINAL DUE DILIGENCE	270	68	102
INVESTMENT	212	26	81

Deep Market Coverage Helps Drive Investment Quality & Portfolio Fit

Source: StepStone, last 12 months through March 31, 2020. Funnels are for illustrative purposes, Secondaries demonstrates the same terminology but may have additional levels of diligence prior to closing.
1. Includes all of StepStone's private markets asset classes: Private Equity, Private Debt, Real Estate and Infrastructure.

Investment Process & Tools

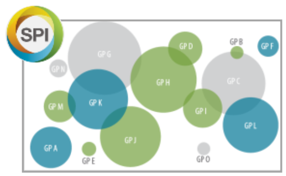
StepStone's global reach, extensive research, and analysis power our investment process

PHASE	INPUT	ACTION	OUTPUT

SOURCING
INITIAL REVIEW

INPUT:


SPI™


Market Maps

ACTION:
- RESEARCH VERTICAL ASSIGNED
- INITIAL REVIEW
- DEAL/STRATEGY TEAM DISCUSSION

OUTPUT:


Research Reports

EVALUATION
FURTHER REVIEW

ACTION:
- INVESTMENT SUMMARY
- GP MEETING
- INVESTMENT COMMITTEE DISCUSSION

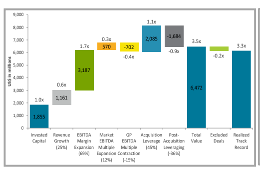
OUTPUT:

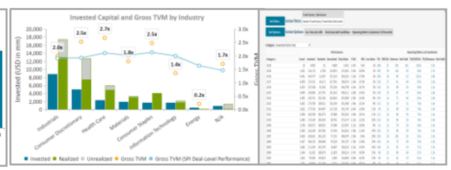

Fund Summary


IC Briefing

DUE DILIGENCE

INPUT:


DIR Analysis


Track Record Analysis

ACTION:
- FORMAL DUE DILIGENCE
- BUSINESS, OPERATIONAL & LEGAL DUE DILIGENCE
- ONSITE MEETING
- INVESTMENT COMMITTEE DISCUSSION

OUTPUT:


Due Diligence Questionnaire

EXECUTION
FINAL APPROVAL
LEGAL DOCUMENTS

ACTION:
- INVESTMENT MEMO/ ANALYSIS TO INVESTOR
- ONGOING LEGAL NEGOTIATIONS/ INVESTMENT CLOSE

OUTPUT:


Investment Memo


Investment Analysis

For illustrative purposes only and does not constitute investment recommendations; process may differ by strategy.

PRIVATE MARKETS PLATFORM

PRIVATE EQUITY

StepStone Private Equity Platform

StepStone Private Equity creates customized portfolios for investors using a disciplined, research-focused approach

$140B+ AUM/AUA

$21B+ Approved in 2019

80+ Investment professionals

25 partners

Sector Specialists

Specialized coverage teams across all geographies and strategies

Comprehensive investment sourcing, due diligence and analysis

Global Team

Comprehensive team

Active secondary and co-investment market participation

Differentiated perspective

Proven Strategy

Invest in all private equity investment strategies

Deliver solutions with enhanced risk-adjusted returns

Extensive Expertise

One of the most active private equity investors globally

Focused on making fund investments, secondaries and co-investments

SECTOR:
- Distressed & Restructuring
- Energy
- Global Buyout
- Large/Mid Buyout
- Secondary Funds
- Small Buyout
- Venture Capital & Growth Equity

GEOGRAPHY:
- Asia/Australia
- Europe & Middle East
- Latin America
- North America

STRATEGY:
- Fund Investments
- Secondaries
- Co-investments

All dollars are USD. AUA & AUM as of March 31, 2020. Reflects final data for the prior period (December 31, 2019), adjusted for net new client account activity through March 31, 2020. Does not include post-period investment valuation or cash activity. Approved figures as of December 2019 and represent StepStone-approved investment commitments on behalf of discretionary and non-discretionary advisory clients. Excludes clientele that receive research-only, non-advisory services. Ultimate client investment commitment figures may vary following completion of final GP acceptance/closing processes.

StepStone Private Equity's experience and high-quality investment process drives better informed decisions on behalf of our clients

INTEGRATED STRATEGIES

FUND INVESTMENTS

- Diversify by geography, sector and size
- Among the top global independent allocators of fund capital[1]

SECONDARIES

- Rebalancing portfolio allocations
- Diversify by vintage year
- Buyers of select assets in inefficient processes

CO-INVESTMENTS

- Cost effective, diversified exposure
- Diversified by geography, sector, GP, size and strategy

CUSTOMIZED SOLUTIONS

SEPARATELY MANAGED ACCOUNTS

- Early pioneer in structuring separate accounts since 2009
- Single or multi-strategy accounts
- AUM: $26B+

FOCUSED COMMINGLED FUNDS

- Raised $5B+ across venture growth, secondaries and co-investment funds
- Created when teams find compelling investment opportunities
- AUM: $8B+

ADVISORY

- Focus on fund investments
- AUA: $105B+

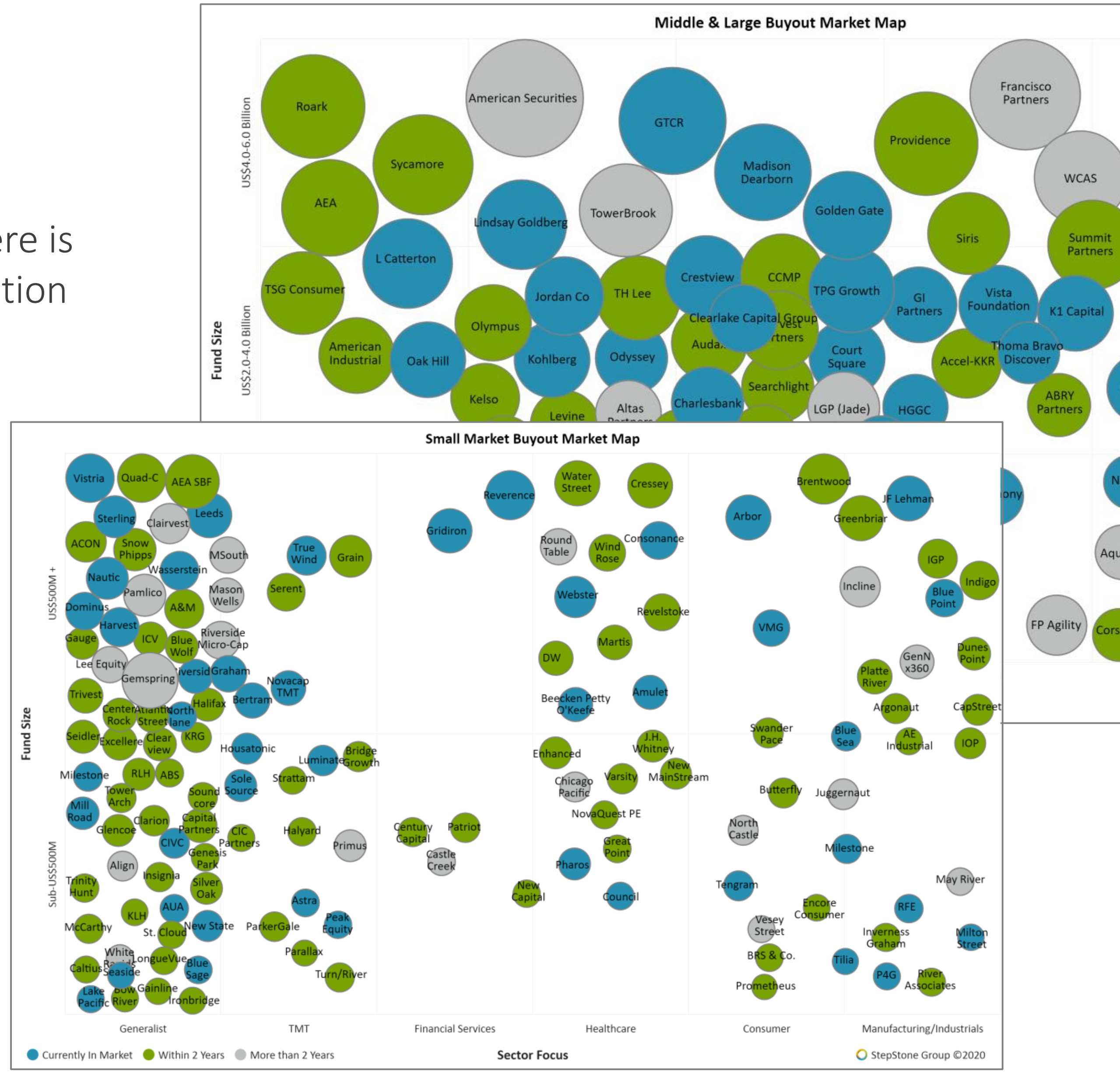
As of March 31, 2020. All dollars are USD. Amounts may not sum to total due to rounding.

1. Represents position among independent private LPs. Based on *Preqin*, as of March 2017, public disclosures and StepStone research. Note that there are no comprehensive ranking sources for these activities. Independent private LPs defined as investors that are not an affiliate of a government or financial institution. For illustrative purposes only.

Market Maps

For each sector StepStone tracks, there is a market map providing a clear depiction of key competitors broken out by:

- Recently closed
- Currently in the market
- Expected in market shortly

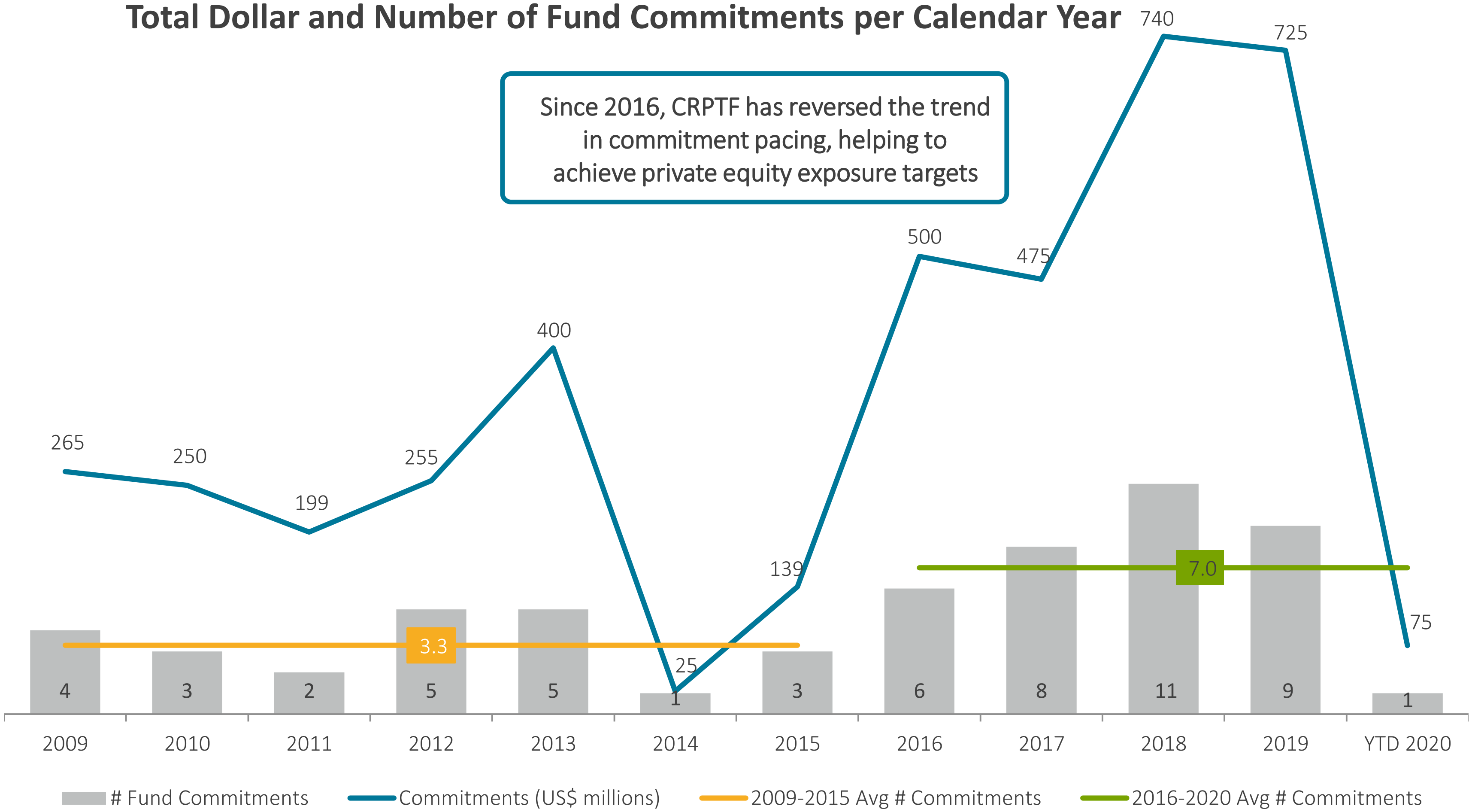


For illustrative purposes only.

Strong Partnership With Demonstrable Results

- Since the inception of the partnership in 2016, State of CT has significantly increased and smoothed its allocation to private equity with US$2.5 billion committed across ~35 funds since 2016
- Since 2016, PIF has made an average of ~7 commitments a year, which is more than double the average number of commitments for the preceding period between 2009 and 2015

Total Dollar and Number of Fund Commitments per Calendar Year



Calendar Year represents the year in which a commitment to a fund formally closed.
Closed commitments in a foreign currency are converted into US dollars using exchange rate as of commitment date, if applicable.
Commitments were compiled through the Report Date.

Private Equity Advantage & Performance

OUR ADVANTAGE

- Able to leverage our attractive client base, strong relationships and substantial fund investments business to source high quality investment opportunities
- Our specialized, global sector coverage and rigorous analytics lend to better analysis of investments and GPs
- Honed execution skills from extensive experience negotiating from both sides of the table, ongoing M&R due diligence and compliance infrastructure

STEPSTONE PRIVATE EQUITY PERFORMANCE

PRIVATE EQUITY INVESTMENT STRATEGY[1,3]	NET IRR[2]	NET TVM
FUND INVESTMENTS	15.5%	1.4x
SECONDARIES	17.4%	1.4x
CO-INVESTMENTS	20.0%	1.5x
PRIVATE EQUITY OVERALL	16.2%	1.4x

Gates Capital Partners
HSBC Private Banking
Julius Bär
NYCERS NYC Employees' Retirement System
Transglobe Life
TRS Illinois
University of Wisconsin Foundation
Valida Pensionskasse
Villanova University Endowment

As of December 31, 2019.

1. Private Equity includes 936 investments totaling US83.0 billion of capital commitments and excludes approximately two advisory investments and 79 client-directed investments, totaling US$100.0 million and US$7.3 billion, respectively, of capital commitments, and investments for which StepStone does not provide monitoring and reporting services to the client that made the investment. Returns are calculated using a constant currency-adjusted USD reporting basis, converting non-USD investment cash flows and NAVs to USD using the most recent quarter-end f/x rate for each currency pair (e.g., JPY-USD, EUR-USD).
2. Returns are net of fees and expenses charged by both the underlying investment and hypothetical StepStone fees. These returns are set forth solely for illustrative purposes and do not represent actual returns received by any investor in any of the funds represented above. Fees are available upon request. IRR and TVM for certain vehicles may have been impacted by StepStone's or the underlying GPs' use of subscription-backed credit facilities by such vehicles. Reinvested/recycled amounts increase contributed capital. StepStone fees and expenses are based on the following assumptions:
   i. Fund investments: 25bps of net invested capital for management fee, 5bps of capital commitments for partnership expenses, and 1 basis point of capital commitments drawn down in the first cash flow quarter for organizational costs.
   ii. Secondaries: 125bps on capital commitments in years 1 through 4. In year 5, management fees step down to 90% of the previous year's fee. Secondaries also include 5bps of capital commitments for partnership expenses, and 1 basis point of capital commitments drawn down in the first cash flow quarter for organizational costs, and 12.5% of paid and unrealized carry, with an 8% preferred return hurdle.
   iii. Co-investments: 100bps on net committed capital for management fee, 5bps of capital commitments for partnership expenses, and 1 basis point of capital commitments drawn down in the first cash flow quarter for organizational costs. Co-investments also include 10.0% of paid and unrealized carry with an 8% preferred return hurdle.
3. Investments of Former Client are included in track record past the Client termination date until such time as StepStone stops receiving current investment data for the investment (e.g., quarterly valuations and cash flows). At that point, StepStone will then 'liquidate' the fund by entering a distribution amount equal to the last reported NAV, thus ending its contribution to the track record as of that date. Historical performance contribution will be maintained up until the 'liquidation' date.

It is not known whether the listed clients approve or disapprove of StepStone or its services. Inclusion of a client on this list does not imply that the client endorses or recommends StepStone.

Past performance is not necessarily indicative of future results and there can be no assurance that the fund will achieve comparable results or avoid substantial losses.

REAL ESTATE

StepStone Real Estate Platform

StepStone Real Estate ("SRE") offers customized exposure to private real estate through broad market relationships, deep research capabilities, granular due diligence and differentiated structuring capabilities

$104B+	~$13B	35+	8
AUM/AUA	Approved in 2019[1]	Investment professionals	partners

Sector Specialists

Team members with significant direct real estate investing background

Focus on large or complex transactions

Global Team

Deep relationships built over multiple decades in the private real estate sector providing unique opportunities from different sources

Three Partners have worked together since 2005

Proven Strategy

Optimize risk adjusted returns and portfolio diversification

Focus on fund investments, co-investments, secondaries, and recapitalizations in partnership with top tier real estate managers

Extensive Expertise

Team has completed over $7B in real estate transactions throughout their careers

Advised on over $100B in client capital since 2000

SECTOR:
- Core
- Real Estate Debt
- Core Plus
- Value-Add
- Opportunistic

GEOGRAPHY:
- North America
- Europe
- Asia
- Latin America

STRATEGY:
- Fund Investments
- Secondaries
- Co-investments
- Recapitalizations & Special Situations

All dollars are USD. AUA & AUM as of March 31, 2020. Reflects final data for the prior period (December 31, 2019), adjusted for net new client account activity through March 31, 2020. Does not include post-period investment valuation or cash activity. Approved figures represent StepStone-approved investment commitments on behalf of discretionary and non-discretionary advisory clients. Excludes clientele that receive research-only, non-advisory services. Ultimate client investment commitment figures may vary following completion of final GP acceptance/closing processes. Real Estate AUM / AUA includes both Real Estate equity and debt.

1. Approved amount includes approximately $2B in Real Estate debt.

Real Estate Solutions

StepStone Real Estate has a diverse suite of multi-product offerings to help meet the specific needs of private markets investors

INTEGRATED STRATEGIES

FUND INVESTMENTS

- Top tier funds / joint ventures
- Relationships drive co-investment, secondaries & recap opportunities

SECONDARIES

- Partner buyouts / partial liquidity
- Succession / generational transfers
- Outside uses

CO-INVESTMENTS

- New investments
- Lower fee levels and limited J-curve

RECAPITALIZATIONS & SPECIAL SITUATIONS

- Debt restructuring
- Working capital infusions
- Capital expenditures
- Tenant improvements
- New investments

CUSTOMIZED SOLUTIONS

SEPARATELY MANAGED ACCOUNTS

- Turn-key solution with highly experienced professional management
- Customized to each client's specifications and investment objectives
- Tailored accounts to a variety of institutions ranging from Superannuation funds to single family offices
- AUM: $2B+

FOCUSED COMMINGLED FUNDS

- Focus on recapitalizations, special situations and secondaries
- Efficient way to deploy capital into high yield strategy for both institutional and high net worth investors
- AUM: $2B+

ADVISORY

- Program development, portfolio planning, investment recommendations and other customized services
- AUA: $97B+[1]
- AUM: $2B+[1]

As of March 31, 2020. Amounts may not sum to total due to rounding.
1. Real Estate AUM / AUA includes both real estate equity and debt.

Real Estate Advantage & Performance

OUR ADVANTAGE

- Senior, experienced professionals organized into specialized teams, ensuring comprehensive coverage of the market
- Through our global manager coverage, we optimize returns and diversification by focusing on partnerships with whom we believe to be best-in-class
- Tactical and flexible source of capital, making us well positioned to be the strategic capital partner of choice for management teams globally

STEPSTONE REAL ESTATE PERFORMANCE

INVESTMENT STRATEGY[1,3]	NET IRR[2]	NET TVM
CORE/CORE+ FUND INVESTMENTS	8.4%	1.4x
VALUE-ADD/OPPORTUNISTIC FUND INVESTMENTS	9.6%	1.3x
REAL ESTATE DEBT FUND INVESTMENTS	6.0%	1.2x
VALUE-ADD/OPPORTUNISTIC SECONDARIES & CO-INVESTMENTS	20.0%	1.3x

As of December 31, 2019

1. The four Real Estate strategies above include 362 investments totaling US$52.6 billion of capital commitments and excludes 1) 18 client-directed investments, totaling US$2.0 billion of capital commitments, 2) three secondary core/core+cand debt investments, totaling US$180.1 million, and 3) investments for which StepStone does not provide monitoring and reporting services to the client that made the investment. Real Estate Overall total includes 320 investments across Core/Core+, Value-Add/Opportunistic fund investments, and SRE secondaries/co-investments, and excludes real estate debt investments (45 investments totaling US$4.9 billion of capital commitments). Returns are calculated on a USD-equivalent basis at the time of cashflow dates, including related FX hedging activity for Opportunistic Secondaries and Co-Investments.
2. Returns are net of fees and expenses charged by both the underlying investment and StepStone. These returns are set forth solely for illustrative purposes and do not represent actual returns received by any investor in any of the funds represented above. Fees are available upon request. StepStone fees and expenses are based on the following assumptions:
   i. Fund investments: 25bps of net invested capital for management fee, 5bps of capital commitments for partnership expenses, and 1 basis point of capital commitments drawn down in the first cash flow quarter for organizational costs
   ii. Secondaries: 125bps on capital commitments in years 1 through 4. In year 5, management fees step down to 90% of the previous year's fee. Secondaries include 5bps of capital commitments for partnership expenses, and 1 basis point of capital commitments drawn down in the first cash flow quarter for organizational costs. Secondaries also include 15.0% of paid and unrealized carry with an 8% preferred return hurdle.
   iii. Co-investments: 100bps on net committed capital for management fee, 5bps of capital commitments for partnership expenses, and 1 basis point of capital commitments drawn down in the first cash flow quarter for organizational costs. Co-investments also include 15.0% of paid and unrealized carry for Real Estate with an 8% preferred return hurdle.
3. Investments of Former Client are included in track record past the Client termination date until such time as StepStone stops receiving current investment data for the investment (e.g., quarterly valuations and cash flows). At that point, StepStone will then 'liquidate' the fund by entering a distribution amount equal to the last reported NAV, thus ending its contribution to the track record as of that date. Historical performance contribution will be maintained up until the 'liquidation' date.

IRR and TVM for certain vehicles may have been impacted by StepStone's or the underlying GPs' use of subscription-backed credit facilities by such vehicles. Reinvested/recycled amounts increase contributed capital.

It is not known whether the listed clients approve or disapprove of StepStone or its services. Inclusion of a client on this list does not imply that the client endorses or recommends StepStone.

Past performance is not necessarily indicative of future results and there can be no assurance that the fund will achieve comparable results or avoid substantial losses.

INFRASTRUCTURE & REAL ASSETS

StepStone Infrastructure & Real Assets Platform

StepStone Infrastructure & Real Assets ("SIRA") provides tailored solutions to meet the needs of institutional investors at any stage of their investment programs

$32B+	$7B+	40+	6
AUM/AUA	Approved in 2019	Investment professionals	partners

Sector Specialists

Significant experience across all of the major infrastructure & real assets sub-sectors, strategies, and geographies

Global Team

Differentiated, global model for diversified deal sourcing provides a broad range of opportunities sourced and reviewed across multiple jurisdictions and investment strategies

Proven Strategy

Offering one of the broadest suite of services of any player in the global infrastructure & real assets market —a solutions business, not a product-based business

Extensive Expertise

One of the most active infrastructure and agriculture investors globally focusing on understanding the operational asset level risk and return to support their appraisal of investments and investment partners

SECTOR:
- Clean Energy/Renewables
- Power & Utilities
- Telecommunications
- Transport
- Asset Leasing Strategies
- Agriculture & Timber

GEOGRAPHY:
- Asia/Australia
- Europe
- Latin America
- North America

STRATEGY:
- Fund Investments
- Secondaries
- Co-investments
- Investment Partnering

All dollars are USD. AUA & AUM as of March 31, 2020. Reflects final data for the prior period (December 31, 2019), adjusted for net new client account activity through March 31, 2020. Does not include post-period investment valuation or cash activity. Approved figures represent StepStone-approved investment commitments on behalf of discretionary and non-discretionary advisory clients. Excludes clientele that receive research-only, non-advisory services. Ultimate client investment commitment figures may vary following completion of final GP acceptance/closing processes. Infrastructure & Real Assets AUM / AUA includes both Infrastructure & Real Assets Equity and Debt.

Infrastructure & Real Assets Solutions

SIRA supports institutional investors across all stages of their infrastructure and agriculture/timber investment programs

INTEGRATED STRATEGIES

FUND INVESTMENTS

- Diversified by geography, sector and size
- $3B+ of committed capital in 2019
- Covers infrastructure equity, infrastructure debt, agriculture and timber managers

SECONDARIES

- Extensive network of GP & LP relationships
- Includes traditional secondaries, GP-led fund recapitalizations (including single asset vehicles) and fund extensions

CO-INVESTMENTS

- Investing alongside leading infrastructure and agriculture & timber fund managers in select transactions
- Scale of deployment enhances sourcing opportunities

INVESTMENT PARTNERING

- Investing alongside leading direct clients
- Differentiated offering providing access to investments alongside direct investors, who represent a significant portion of the infrastructure market

CUSTOMIZED SOLUTIONS

SEPARATELY MANAGED ACCOUNTS

- Bespoke solutions for a diversified global client base – structured to include one, all, or a combination of the above strategies
- AUM: $14B+[1]

ADVISORY

- Approved **$7B+** in fund investments in 2019
- AUA: $17B+[1]

As of March 31, 2020. Amounts may not sum to total due to rounding.
Approved figures represent StepStone-approved investment commitments on behalf of discretionary and non-discretionary advisory clients. Excludes clientele that receive research-only, non-advisory services. Ultimate client investment commitment figures may vary following completion of final GP acceptance/closing processes.
1. Infrastructure AUM / AUA includes both infrastructure equity and debt.

Infrastructure & Real Assets Advantage & Performance

OUR ADVANTAGE

- Through our global sector coverage, we are able to better analyse investments and provide our clients with unparalleled access
- The team's cohesive multi-asset class approach allows for consistent capital deployment across both market and funding cycles
- Senior, experienced team with real operations and capital projects backgrounds that understand the investment lifecycle and how assets operate

STEPSTONE INFRASTRUCTURE & REAL ASSETS PERFORMANCE

INVESTMENT STRATEGY[1,4]	NET IRR[2]
FUND INVESTMENTS	8.7%
SECONDARIES	13.4%
CO-INVESTMENTS	12.0%
INFRASTRUCTURE & REAL ASSETS OVERALL[3]	**11.1%**

NYCERS NYC Employees' Retirement System

M&G INVESTMENTS

PGB pensioendiensten

RBC Royal Bank of Canada

SDCERS San Diego City Employees' Retirement System

TRANSGLOBE LIFE

As of December 31, 2019

1. Infrastructure/Real Assets includes 90 investments totaling US$15.8 billion of capital commitments and excludes approximately 12 infrastructure/real assets investments made prior to January 1, 2015 and eight client-directed investments, totaling US$806.9 million and US$543.5 million, respectively, of capital commitments, and investments for which StepStone does not provide monitoring and reporting services to the client that made the investment. Return are calculated using a constant currency-adjusted USD reporting basis, converting non-USD investment cash flows and NAVs to USD using the most recent quarter-end f/x rate for each currency pair (e.g., JPY-USD, EUR-USD).
2. Returns are net of fees and expenses charged by both the underlying investment and hypothetical StepStone fees. These returns are set forth solely for illustrative purposes and do not represent actual returns received by any investor in any of the funds represented above. Fees are available upon request. IRR and TVM for certain vehicles may have been impacted by StepStone's or the underlying GPs' use of subscription-backed credit facilities by such vehicles. Reinvested/recycled amounts increase contributed capital. StepStone fees and expenses are based on the following assumptions:
   i. Fund investments: 25bps of net invested capital for management fee, 5bps of capital commitments for partnership expenses, and 1 basis point of capital commitments drawn down in the first cash flow quarter for organizational costs.
   ii. Secondaries: 60bps on capital commitments in years 1 through 4. In year 5, management fees step down to 90% of the previous year's fee. Secondaries also include 5bps of capital commitments for partnership expenses, and 1 basis point of capital commitments drawn down in the first cash flow quarter for organizational costs, and 12.5% of paid and unrealized carry, with an 8% preferred return hurdle.
   iii. Co-investments: 100bps on net committed capital for management fee, 5bps of capital commitments for partnership expenses, and 1 basis point of capital commitments drawn down in the first cash flow quarter for organizational costs. Co-investments also include 10.0% of paid and unrealized carry with an 8% preferred return hurdle.
3. Includes asset management investments.
4. Investments of Former Client are included in track record past the Client termination date until such time as StepStone stops receiving current investment data for the investment (e.g., quarterly valuations and cash flows). At that point, StepStone will then 'liquidate' the fund by entering a distribution amount equal to the last reported NAV, thus ending its contribution to the track record as of that date. Historical performance contribution will be maintained up until the 'liquidation' date.

It is not known whether the listed clients approve or disapprove of StepStone or its services. Inclusion of a client on this list does not imply that the client endorses or recommends StepStone.

Past performance is not necessarily indicative of future results and there can be no assurance that the fund will achieve comparable results or avoid substantial losses.

PRIVATE DEBT

StepStone Private Debt Platform

StepStone's Private Debt program leverages the Firm's global platform to target privately negotiated debt transactions across corporate, real estate, and infrastructure debt

$25B+ AUM/AUA

$6B+ Approved in 2019

50+ Investment professionals

15 partners

Customized Solution

Flexible and adaptive solutions

Leverage the full breadth of illiquid debt markets through SMAs and focused commingled funds

Global Team

Dedicated team located across 5 continents

Active in the private debt market since the late 1990's with the ability to execute through multiple credit cycles

Proven Strategy

Income strategy with emphasis on capital preservation

Potential for capital appreciation through performing and non-performing investment strategies

Extensive Expertise

Direct investment background facilitates understanding of mezzanine underwriting and structuring capabilities

Experience allows the team to identify managers with differentiated investment approaches

SECTOR:
- Corporate
- Real Estate
- Infrastructure & Real Assets
- Specialty Finance

GEOGRAPHY:
- Asia/Australia
- Europe & Middle East
- Latin America
- North America

STRATEGY:
- Fund Investments
- Secondaries
- Co-investments
- Multi Credit SMA Platform
- Insurance Solutions

All dollars are USD. AUA & AUM as of March 31, 2020. Reflects final data for the prior period (December 31, 2019), adjusted for net new client account activity through March 31, 2020. Does not include post-period investment valuation or cash activity. Approved figures as of December 2019 and represent StepStone-approved investment commitments on behalf of discretionary and non-discretionary advisory clients. Excludes clientele that receive research-only, non-advisory services. Ultimate client investment commitment figures may vary following completion of final GP acceptance/closing processes. The Private Debt investment team consists of 27 team members, and leverages the debt expertise of the Firm's dedicated Real Estate, Distressed and Infrastructure professionals & partners, which are included in the headcount presented above. Private Debt AUM / AUA includes both Infrastructure & Real Assets debt and Real Estate debt.

StepStone Private Debt offers various options to support clients in building a private debt portfolio, depending on their needs and portfolio objectives

INTEGRATED STRATEGIES

FUND INVESTMENTS

- Top tier funds
- Covering all Private Debt / Credit and Opportunistic investments
- Relationships drive secondaries and co-investment opportunities

SECONDARIES

- Leading position in newly developing market
- Broad diversification by vintage year, geography and sector
- Shorter duration
- Blind pool risk mitigation

CO-INVESTMENTS

- Accelerated deployment
- Reduced costs
- Additional diversification by geography, sector and GP

MULTI CREDIT SMA PLATFORM

- Tailor-made GP SMA (Corp, RE, Infra & Specialty Finance)
- Efficient deployment and re-investment
- Tailored credit guidelines
- Transparency and control (loan level)

CUSTOMIZED SOLUTIONS

SEPARATELY MANAGED ACCOUNTS

- Full flexibility to address client needs
- Customized credit portfolios
- Versatile reporting
- AUM: $7B+

FOCUSED COMMINGLED FUNDS

- Senior Corporate Lending funds in US/ Europe
- Efficient and cost effective access for small to mid-sized institutional investors
- AUM: $1B+

ADVISORY

- Strategic advice
- Manager selection
- Market research
- Portfolio planning
- AUA: $9B+

As of March 31, 2020. Amounts may not sum to total due to rounding.

Private Debt Advantage & Performance

OUR ADVANTAGE

- Our top-down approach provides the consistent and opportunistic perspective we believe is necessary for debt investing
- We believe in portfolio management through a dynamic allocation of asset classes, capital structure and asset style
- Knowledgeable team and connections provide access to an asset class known for its lack of transparency

STEPSTONE CORPORATE PRIVATE DEBT PERFORMANCE

IRR PERFORMANCE[1,4]	SINCE INCEPTION
DIRECT LENDING	8.2%
DISTRESSED DEBT	8.9%
OTHER[2]	10.2%
PRIVATE DEBT GROSS TRACK RECORD	**8.9%**
PRIVATE DEBT NET TRACK RECORD[3]	**8.2%**

As of December 31, 2019

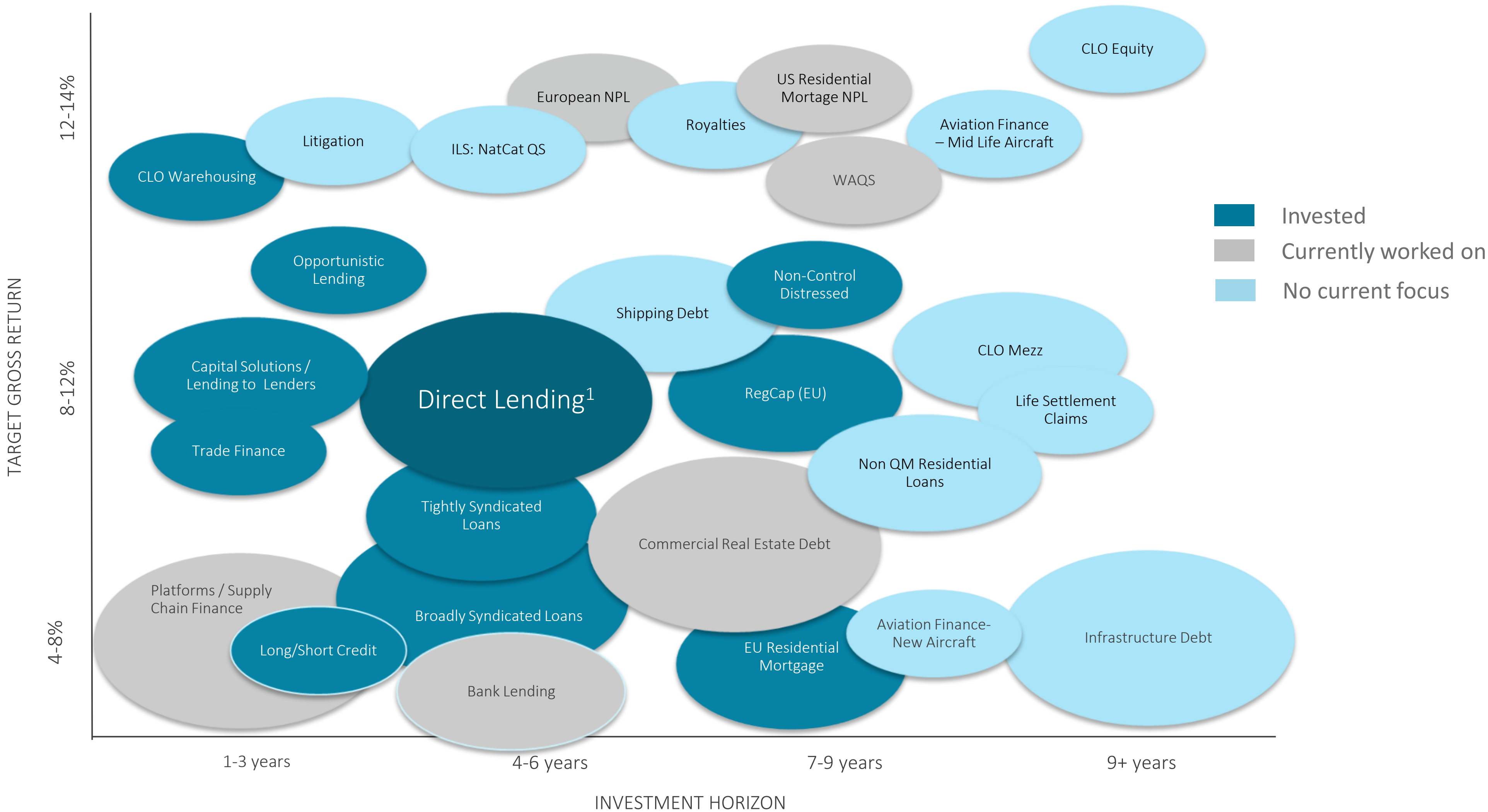
1. Private Debt includes 320 investments totaling US$13.1 billion of capital commitments and excludes 16 client-directed investments, totaling US$1.0 billion of capital commitments, and investments for which StepStone does not provide monitoring and reporting services to the client that made the investment. Subset performance is presented net of fees and expenses charged by the underlying investment only (performance results do not include StepStone fees and expenses). Returns are calculated using a constant currency-adjusted USD reporting basis, converting non-USD investment cash flows and NAVs to USD using the most recent quarter-end f/x rate for each currency pair (e.g., JPY-USD, EUR-USD).
2. Other includes RE and RA Debt, CLO, Leasing, Regulatory Capital, Trade Finance and IP/Royalty.
3. Returns are net of fees and expenses charged by both the underlying investment and hypothetical StepStone fees. These returns are set forth solely for illustrative purposes and do not represent actual returns received by any investor in any of the funds represented above. Fees are available upon request. StepStone fees and expenses are based on the following assumption:
   i. Management fees for Private Debt fund investments include 65bps on the quarterly net asset value.
4. Investments of Former Client are included in track record past the Client termination date until such time as StepStone stops receiving current investment data for the investment (e.g., quarterly valuations and cash flows). At that point, StepStone will then 'liquidate' the fund by entering a distribution amount equal to the last reported NAV, thus ending its contribution to the track record as of that date. Historical performance contribution will be maintained up until the 'liquidation' date.

IRR and TVM for certain vehicles may have been impacted by StepStone's or the underlying GPs' use of subscription-backed credit facilities by such vehicles. Reinvested/recycled amounts increase contributed capital.

It is not known whether the listed clients approve or disapprove of StepStone or its services. Inclusion of a client on this list does not imply that the client endorses or recommends StepStone.

Past performance is not necessarily indicative of future results and there can be no assurance that the fund will achieve comparable results or avoid substantial losses.

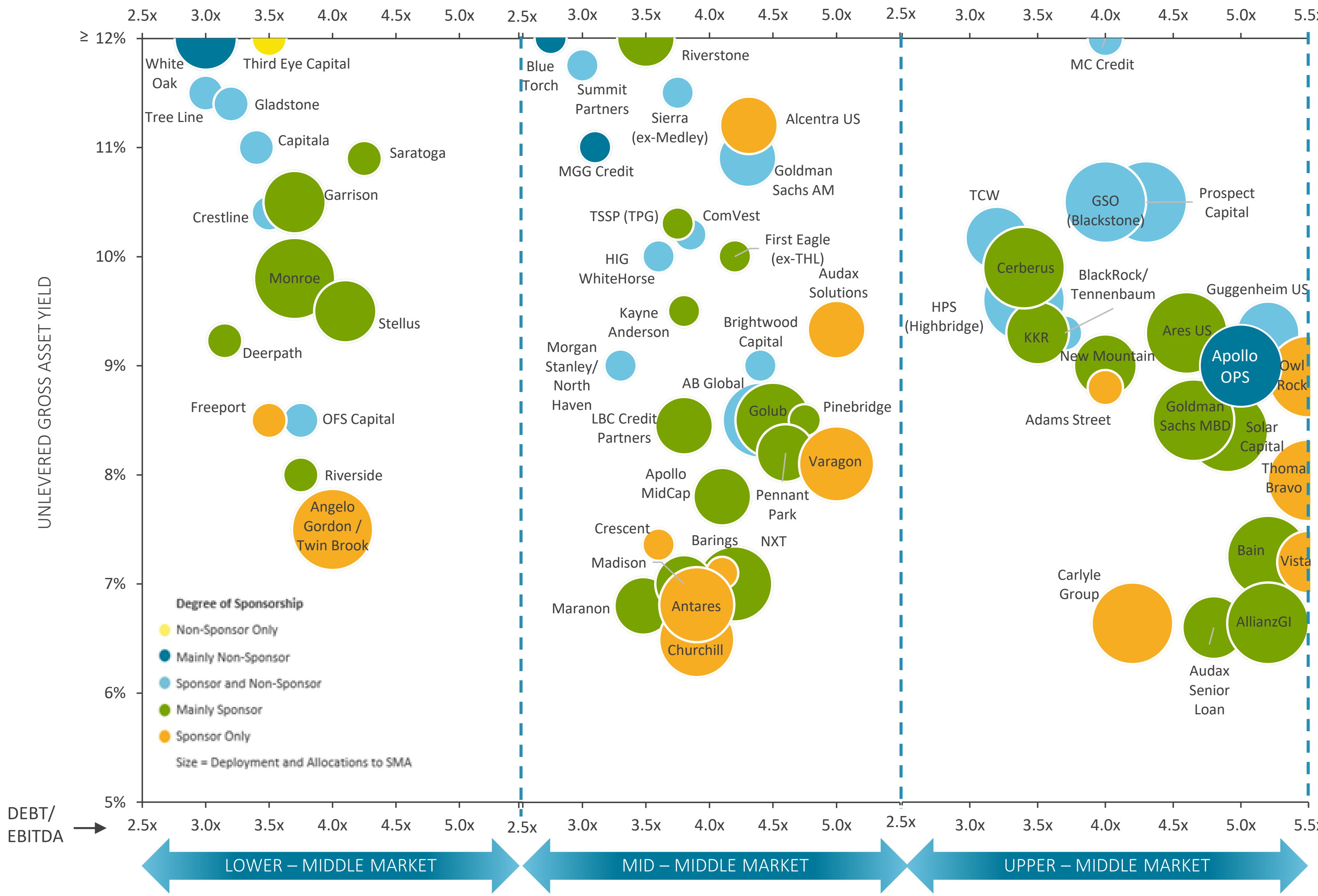
Private Debt Universe



[1] incl. Co-Investment

Note: Bubble size represents deployment capacity (small, mid, large). Target returns are hypothetical and are neither guarantees nor predictions or projections of future performance. Future performance indications and financial market scenarios are no guarantee of current or future performance. There can be no assurance that such target gross IRRs will be achieved or that the investment will be able to implement its investment strategy, achieve its investment objectives or avoid substantial losses. Further information regarding IRR calculation is available upon request. Gross IRR will ultimately be reduced by management fees, carried interest, taxes, and other fees and expenses. Data as of June 2018

US Corporate Direct Lending Market Map



Manager references are for illustrative purposes only and do not constitute investment recommendations. Bubble Size denotes deployment size.
Lower-Middle Market: EBITDA < $15 million. Mid-Middle Market: EBITDA $15-40 million. Upper-Middle Market: EBITDA > $40 million. **Past performance is not necessarily indicative of future results** and there can be no assurance that the investment will achieve comparable results or avoid substantial losses. Gross IRR will ultimately be reduced by management fees, carried interest, taxes, and other fees and expenses.

Source: StepStone Global,as of August 31, 2020.

StepStone Private Debt - Proactive Sourcing

STEPSTONE inside private markets

STEPSTONE ADVANTAGE

SOURCING

NUMEROUS TECHNIQUES FOR DEAL SOURCING

- GP & LP network
- Market presence
- Sector specialists

EVALUATION

COMPETITIVE ADVANTAGES IN ANALYZING & EVALUATING GPs

- Active investor in private marketplace
- Direct investment experience
- Co-investment presence
- Rigorous analytics

EXECUTION

HIGH QUALITY DEAL EXECUTION SKILLS

- Deal structuring and negotiation
- Continuous monitoring and reporting
- Institutional processes

STEPSTONE PRIVATE DEBT SOURCING BREAKDOWN (LAST 12 MONTHS)

	FUNDS	SECONDARIES / CO-INVESTMENTS
INITIAL REVIEW	220	140
FURTHER REVIEW & DILIGENCE	59	36
FINAL DUE DILIGENCE	57	29
INVESTMENT	40	20

Deep Market Coverage Helps Drive Investment Quality & Portfolio Fit

Source: StepStone, last 12 months through August 31, 2020. Funnels are for illustrative purposes; Secondaries demonstrates the same terminology but may have additional levels of diligence prior to closing.

Risks and Other Considerations

Risks Associated with Investments. Identifying attractive investment opportunities and the right underlying fund managers is difficult and involves a high degree of uncertainty. There is no assurance that the investments will be profitable and there is a substantial risk that losses and expenses will exceed income and gains.

Restrictions on Transfer and Withdrawal; Illiquidity of Interests; Interests Not Registered. The investment is highly illiquid and subject to transfer restrictions and should only be acquired by an investor able to commit its funds for a significant period of time and to bear the risk inherent in such investment, with no certainty of return. Interests in the investment have not been and will not be registered under the laws of any jurisdiction. Investment has not been recommended by any securities commission or regulatory authority. Furthermore, the aforementioned authorities have not confirmed the accuracy or determined the adequacy of this document.

Limited Diversification of Investments. The investment opportunity does not have fixed guidelines for diversification and may make a limited number of investments.

Reliance on Third Parties. StepStone will require, and rely upon, the services of a variety of third parties, including but not limited to attorneys, accountants, brokers, custodians, consultants and other agents and failure by any of these third parties to perform their duties could have a material adverse effect on the investment.

Reliance on Managers. The investment will be highly dependent on the capabilities of the managers.

Risk Associated with Portfolio Companies. The environment in which the investors directly or indirectly invests will sometimes involve a high degree of business and financial risk. StepStone generally will not seek control over the management of the portfolio companies in which investments are made, and the success of each investment generally will depend on the ability and success of the management of the portfolio company.

Uncertainty Due to Public Health Crisis. A public health crisis, such as the recent outbreak of the COVID-19 global pandemic, can have unpredictable and adverse impacts on global, national and local economies, which can, in turn, negatively impact StepStone and its investment performance. Disruptions to commercial activity (such as the imposition of quarantines or travel restrictions) or, more generally, a failure to contain or effectively manage a public health crisis, have the ability to adversely impact the businesses of StepStone's investments. In addition, such disruptions can negatively impact the ability of StepStone's personnel to effectively identify, monitor, operate and dispose of investments. Finally, the outbreak of COVID-19 has contributed to, and could continue to contribute to, extreme volatility in financial markets. Such volatility could adversely affect StepStone's ability to raise funds, find financing or identify potential purchasers of its investments, all of which could have material and adverse impact on StepStone's performance. The impact of a public health crisis such as COVID-19 (or any future pandemic, epidemic or outbreak of a contagious disease) is difficult to predict and presents material uncertainty and risk with respect to StepStone's performance.

Taxation. An investment involves numerous tax risks. Please consult with your independent tax advisor.

Conflicts of Interest. Conflicts of interest may arise between StepStone and investors. Certain potential conflicts of interest are described below; however, they are by no means exhaustive. There can be no assurance that any particular conflict of interest will be resolved in favor of an investor.

Allocation of Investment Opportunities. StepStone currently makes investments, and in the future will make investments, for separate accounts having overlapping investment objectives. In making investments for separate accounts, these accounts may be in competition for investment opportunities.

Existing Relationships. StepStone and its principals have long-term relationships with many private equity managers. StepStone clients may seek to invest in the pooled investment vehicles and/or the portfolio companies managed by those managers.

Carried Interest. In those instances where StepStone and/or the underlying portfolio fund managers receive carried interest over and above their basic management fees, receipt of carried interest could create an incentive for StepStone and the portfolio fund managers to make investments that are riskier or more speculative than would otherwise be the case. StepStone does not receive any carried interest with respect to advice provided to, or investments made on behalf, of its advisory clients.

Other Activities. Employees of StepStone are not required to devote all of their time to the investment and may spend a substantial portion of their time on matters other than the investment.

Material, Non-Public Information. From time to time, StepStone may come into possession of material, non-public information that would limit their ability to buy and sell investments.

State of Connecticut
Office of the Treasurer

SHAWN T. WOODEN
TREASURER

November 13, 2020

Members of the Investment Advisory Council ("IAC")

Re: **Consideration of Clearlake Flagship Plus Partners, L.P.**

Dear Fellow IAC Member:

At the November 18, 2020 meeting of the IAC, I will present for your consideration a private equity opportunity for the Private Investment Fund ("PIF") in the Connecticut Retirement Plans and Trust Funds (the "CRPTF"): Clearlake Flagship Plus Partners, L.P. ("Flagship Plus" or the "Fund"). Clearlake Capital Group, L.P. ("Clearlake"), based in Santa Monica, CA, is raising the Fund, which is expected to have limited partner capital commitments of $1.5 billion to $1.75 billion.

I am considering an investment of up to $100 million in Flagship Plus, a fund that will invest alongside Clearlake's two flagship strategies as well as in other opportunistic debt and equity transactions. The CRPTF currently has exposure to both Clearlake flagship fund strategies: Clearlake Capital Partners with a focus on control buyouts and Clearlake Opportunities Partners that focuses on non-control, special situations investments. Flagship Plus will position Clearlake with the increased flexibility to capture an expanded set of attractive credit, hybrid capital, and equity investment opportunities resulting from the economic and capital disruptions caused by COVID-19. The Fund will provide the CRPTF with increased exposure to Clearlake, which has successfully utilized the firm's expertise in special situations, distressed and private equity investing to deliver attractive returns for the CRPTF.

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

Sincerely,

Shawn T. Wooden
State Treasurer

OFFICE OF THE STATE TREASURER

MEMORANDUM

DECISION

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

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

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

DATE: **November 2, 2020**

SUBJECT: **Clearlake Flagship Plus Partners, 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 Clearlake Flagship Plus Partners, L.P. ("Flagship Plus" or the "Fund"). The Fund will invest alongside the Clearlake Capital Partners and Clearlake Opportunities Partners funds, which focus on control buyout and non-control oriented special situations investments in North American middle market companies, as well as other opportunistic debt and equity investments.

The Fund's general partner, Clearlake Flagship Plus Partners GP, L.P. (the "GP"), is likely to raise $1.5 billion to $1.75 billion of limited partner commitments for the Fund. As of the date herein, Flagship Plus had closed on approximately $1.2 billion of capital, and the GP expects to hold a final close during the first quarter of 2021. The GP is an affiliate of Clearlake Capital Group, L.P. ("Clearlake" or the "Firm"), a Santa Monica, CA based investment management firm formed in 2006 that currently has over $25 billion in assets under management.

Strategic Allocation within the Private Investment Fund

The Fund's buyout and special situations strategy falls under the Corporate Finance allocation of the Private Investment Fund ("PIF"). The IPS establishes target allocations ranges of 70% to 100% to Corporate Finance investments within the PIF portfolio as measured by a percentage of total exposure, defined as market value plus unfunded commitments. The PIF's total exposure to Corporate Finance strategies was approximately 85% as of June 30, 2020.

The Fund's sub-strategy encompasses elements of special situations credit, structured equity and buyout strategies. Based on the Fund's expected size and broad investment focus in the middle market, Flagship Plus would be categorized as a middle market buyout fund consistent with the classifications used in developing the PIF's strategic pacing plan. As of June 30, 2020, the PIF's exposure to middle market buyout funds was 8%. A Fund commitment would contribute toward achieving a long-term exposure to middle market buyouts of 10% to 14% as targeted in the PIF's strategic pacing plan. In addition, the recommended Flagship Plus commitment would align with the objectives of the transition plan component of the PIF's strategic plan, which was developed to tactically allocate capital to strategies likely to benefit significantly from current and expected market condition.

A Fund commitment would provide the CRPTF with additional exposure to Clearlake, which has delivered attractive returns for the CPRTF through its proven abilities to underwrite, structure, and manage special situations credit and private equity investments. The CRPTF has partnered with Clearlake since 2012 and has gained institutional knowledge of the Firm through commitments made to four Clearlake Capital Partners funds and one Clearlake Opportunities Partners fund. As of June 30, 2020, the CRPTF's investments with Clearlake have generated strong returns as shown in the table below. Note that the CRPTF's $75 commitment to Clearlake Capital Partners VI, L.P. closed in March 2020 and only recently began investing; therefore, the fund's investment returns are not yet meaningful and are not included in the table below.

(US$ in millions, as ofJune 30, 2020)

Fund	Vintage Year	Status	Connecticut Commitment	Net TVM	Net IRR
Clearlake Capital Partners III	2012	Harvesting	$40	2.7x	40.7%
Clearlake Capital Partners IV	2015	Harvesting	$50	1.5x	26.1%
Clearlake Capital Partners V	2018	Maturing	$60	1.5x	42.7%
Clearlake Opportunities Partners II	2019	Investing	$75	1.1x	14.3%

Source: CRPTF returns from Burgiss Private i.

As of June 30, 2020, Clearlake represented approximately 6% of the CRPTF's total exposure. Pro forma of the recommended $100 commitment to the Fund, the CRPTF's total exposure to Clearlake would represent approximately 8% of the PIF portfolio. The IPS limits the PIF's exposure to any one manager to 25% of total exposure.

Investment Strategy and Market Opportunities

The Flagship Plus strategy is to invest in larger transactions alongside the Clearlake Capital Partners and Clearlake Opportunities Partners funds (together, the "Flagship Funds") as well as in other tactical and special situations opportunities that may fall outside of the Flagship Funds' mandates. Clearlake is raising the Flagship Plus fund as in response to the ongoing market volatility and corporate stress brought on by the COVID-19 pandemic, which exacerbated the effects of high leverage levels that persisted before the market downturn.

A majority of the Flagship Plus investments are expected to be made alongside the Flagship Funds, with the balance coming from special situations credit and/or equity investments that are exclusive to the Fund. The Clearlake Capital Partners strategy is focused on control investments in special situations, distressed and private equity opportunities with medium-sized companies based in North America. The Clearlake Opportunities Partners strategy focuses on non-control oriented special situations credit and structured equity investment opportunities involving similarly situated companies. Clearlake specifically targets companies that are underperforming, operating in out of favor industries or markets, or undergoing complex financial, operational or structural change. The Firm has also developed a research-intensive approach, expertise and deep industry networks in the technology and industrials sectors as well as certain consumer sub-sectors.

The balance of the Flagship Plus investments may involve private and public credit and equity special situations opportunities caused by broader market dislocations, or specific companies or market sectors experiencing idiosyncratic pressures. Flagship Plus will utilize the same Clearlake team and its sourcing, underwriting and structuring expertise to invest in certain opportunities that fall outside of the Flagship Funds' mandates due to duration, return profile, or other factors. Clearlake expects that many of the investment opportunities exclusive to Flagship Plus may involve companies that the Firm has already been tracking or evaluated in the past as a result of Clearlake's sector-focused investment approach.

Clearlake believes the complexity and severity of COVID-19's economic impacts will persist and continue to create attractive investment opportunities in both the secondary market as well as through directly originated, customized capital solutions. The Firm will utilize its "all-weather" strategy and deep private equity, credit, and capital markets experience to source, underwrite, and structure Flagship Plus investments that are intended to have an asymmetric risk-return profile combining downside protection and the potential for upside returns. The specific market opportunities identified for Flagship Plus are summarized below.

- *Credit and Credit Oriented Investments* - Opportunities may include senior loans, high yield bonds, structured credit, specialty lending, and rescue lending involving stressed or distressed borrowers.
- *Hybrid Opportunities* – Such investments may include subordinated debt, preferred equity, junior capital with warrants, structured vehicles or assets, and other customized securities. Clearlake will seek to utilize its expertise with complex transactions to capture favorable risk-adjusted opportunities that may result from a borrower's or asset owner's liquidity, structural, or performance challenges.
- *Equity Oriented Investments* – Clearlake will leverage its value orientation to identify attractive private and public equity investments where broader market volatility, or a particular company's challenges, has created a favorable valuation entry point relative to the target's intrinsic value. These transactions may include the opportunity to provide customized structured private or public capital solutions, or the purchase of securities with the opportunity to gain influence on the business through governance rights, structural protections, and board representation.

Clearlake will look to construct the Flagship Plus portfolio with approximately 20 core investments, ranging from $50 million to $200 million each. Consistent with the practices of the Flagship Funds, Clearlake also expects that the Fund will make smaller toehold investments as part of its strategy to gain additional information or build a control or influential position through capital markets investments. These toehold positions are often unwound if market conditions or the target company's financial condition improves, or Clearlake is unable to establish its desired position for a platform investment.

The Fund is also expected to benefit from Clearlake's proprietary O.P.S. (Operations, People, and Strategy) practices as well as the sourcing and diligence insights of the Clearlake Executive Council and the recently acquired WhiteStar Asset Management ("WhiteStar"). While many of the Fund's investments made exclusive of the Flagship Funds will not involve full economic control, the Firm's O.P.S. resources will be made available to support operating, governance, and strategic improvement initiatives that may be result from Clearlake's investment in the company.

Firm and Management Team

Clearlake was founded in 2006 by José Feliciano, Behdad Eghbali and Steve Chang. Chang left Clearlake in early 2015 and the Firm has been led by Managing Partners Feliciano and Eghbali (the "Co-Founders") since that time. Prior to forming Clearlake, Feliciano and Eghbali gained significant buyout and special situations investment experience at Tennenbaum Capital Partners and TPG, respectively, and worked together on two companies in which both Tennenbaum and TPG had invested.

Clearlake received operational and financial support from Reservoir Capital Group ("Reservoir") when it was founded. Reservoir was the sole institutional investor in Clearlake Capital Partners I, L.P. ("Clearlake I") raised in 2006. Reservoir received preferred terms for Clearlake I, a share of the GP's carried interest in subsequent funds, and an ownership interest in the Clearlake management company in exchange for its early sponsorship of Clearlake. Landmark Equity Advisors ("Landmark") provided Clearlake with a preferred equity financing in April 2017 that allowed the Co-Founders to buyout Reservoir's interest in the Clearlake management company. During 2018, Dyal Capital Partners, a division of Neuberger Berman, Goldman Sachs Asset Management's Petershill group, and Landmark completed a minority investment in Clearlake, which refinanced Landmark's original investment and provided additional liquidity to Clearlake. These three firms hold passive, non-voting interests in Clearlake, which retains full control over the Firm's investment management and operations.

Clearlake currently has over 70 employees, including investment and operations professionals and those providing key administrative functions. The senior members of the Clearlake investment team include the Co-Founders as well as three Partners, who have all been with the Firm for a decade on average, and four Managing Directors, one Principal, and five Vice Presidents. The Co-Founders have continued to invest in the growth and development of the Firm's professionals resources, which has led to a doubling in the size of the Clearlake investment team and the total employee base over the last five years. Currently, the Co-Founders are the only two voting members of the Firm's investment committee, and the approval of any investment, realization or exit decision requires their unanimous approval.

In June 2020, Clearlake acquired a majority stake in WhiteStar Asset Management, a manager of collateralized loan obligations and other structured products with approximately $6 billion of assets under management. While WhiteStar will be operated as an independent platform from the Clearlake funds, the Firm is expected to benefit from the market insights, deal sourcing, and credit expertise of WhiteStar's 20 investment professionals.

Clearlake's Executive Council, which was established in 2017, is a network of more than 20 operating executives and consultants that Clearlake utilizes for transaction sourcing, diligence, and portfolio management. Executive Council members provide a complementary set of operating skills and perspectives to Clearlake's investment professionals and may fill senior operating roles with a portfolio company or serve as chair/board member of a Clearlake portfolio company.

Track Record

The assessment of the Clearlake's track record is limited to the performance of the Flagship Funds as Clearlake is raising its first Flagship Plus fund. Pension Funds Management ("PFM") investment professionals believe that the review of the Flagship Funds track record is relevant to consideration of the Fund opportunity due to the expected significant overlap in the Fund's investments with the Flagship Funds and the shared professional resources and practices that will be utilized to manage the Fund.

As of March 31, 2020, Clearlake had invested $7.7 billion across six Clearlake Capital Partners and two Clearlake Opportunities Partners funds. Across 98 Flagship Funds' investments, Clearlake had generated a gross internal rate of return ("IRR") and total value multiple ("TVM") of 30% and 1.8x, respectively, as of March 31, 2020. Clearlake realized 47 of these investments, which generated a gross IRR of 30% and a TVM of 2.4x on $2.3 billion of invested capital.

On a net basis, the Clearlake Flagship Funds had generated a net IRR of 24% and net TVM of 1.6x as of March 31, 2020. Historically, Clearlake has invested more than each fund's committed capital due to the use of recycling. Additional information on the Firm's investment track record is provided in the table below.

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

Clearlake Capital Group
Investment Performance Summary

Fund	Vintage Year	Fund Size	# Deals	Invested Capital	Realized Value	Unrealized Value	Total Value	Gross / Net TVM[1]	Gross / Net IRR	Gross / Net DPI	Quartile Rank TVM	Quartile Rank IRR	Quartile Rank DPI
Clearlake Capital Partners Strategy													
CCP I	2006	$180	7	$226	$324	$0	$324	1.4x / 1.3x	11% / 8%	1.4x / 1.3x	3rd	2nd	3rd
CCP II	2009	$415	15	$527	$889	$67	$957	1.8x / 1.6x	22% / 15%	1.7x / 1.5x	3rd	3rd	2nd
CCP III	2012	$789	20	$1,178	$2,919	$574	$3,494	3.0x / 2.6x	47% / 40%	2.5x / 2.2x	1st	1st	1st
CCP IV	2015	$1,380	22	$1,871	$1,444	$1,700	$3,145	1.7x / 1.5x	32% / 24%	0.8x / 0.7x	1st	1st	1st
CCP V	2018	$3,623	17	$3,063	$1,057	$3,639	$4,697	1.5x / 1.4x	50% / 37%	0.3x / 0.4x	1st	1st	1st
Clearlake Opportunity Partners Strategy													
COP I	2015	$543	15	$522	$283	$379	$662	1.3x / 1.1x	14% / 7%	0.5x / 0.5x	3rd	3rd	1st
COP II	2019	$1,400	2	$265	$1	$258	$259	1.0x / 0.9X	-7% / -22%	n/a	n/m	n/m	n/m
Total		**$8,330**	**98**	**$7,652**	**$6,918**	**$6,618**	**$13,536**	**1.8x / 1.6x**	**30% / 24%**	**0.9x / 0.8x**			

Source: Clearlake, StepStone, Burgiss Private iQ US All Private Equity (ex-Venture Capital) Benchmark. Quartile Rank based on net returns.
1. Excludes the impact of recycled capital.

Clearlake Capital Partners III, IV and V were all ranked as first quartile funds on a net TVM, IRR and distribution to paid in ("DPI") basis when compared to the relevant Burgiss Private iQ benchmarks as of March 31, 2020. PFM investment professionals note that the investment strategy of Clearlake Capital I was different from the other Clearlake Capital Partners funds due to the influence of Clearlake I's sole LP, including its participation in all investment decisions and an 18-month investment period. Clearlake Capital II generated solid absolute returns with a gross TVM of 2.3x when including the impact of recycled capital; the nearly fully realized fund was ranked in the second quartile based on a DPI basis and just outside of the second quartile on an IRR basis.

Clearlake Opportunities Partners I's relative and absolute performance on an IRR and TVM basis as of March 31, 2020 was below the benchmark median performance. This is partly due to the fund's above market management fee structure, which was changed with Clearlake Opportunities Partners II. However, Clearlake Opportunities Partners I had realized more than 50% of its total invested capital as of March 31, 2020, which put the fund into the first quartile on a DPI basis. The performance of Clearlake Opportunities Partners II as of March 31, 2020 was not meaningful as the fund early in its investment period and had only completed two investments as of that time.

PFM investment professionals note that the performance of the Flagship Funds with significant unrealized portfolio values was adversely impacted by mark-to-market valuations as of March 31, 2020 due to COVID-19's effect on broader capital market valuations. These Flagship Funds showed performance improvement as of June 30, 2020, and the Firm's portfolio companies have continued to perform well.

Key Strengths

1. **Strong Investment Performance.** Clearlake has generated attractive returns across its Clearlake Capital Partners funds, particularly the more recent Clearlake Capital Partners III through V funds that were all ranked as first quartile performers as of March 31, 2020. Clearlake's disciplined underwriting and structuring skills and focus on generating attractive risk-adjusted returns are evidenced by the Firm's total realized loss ratio of 10%, which was significantly below the 19% median realized loss ratios for all US Buyout managers tracked by StepStone.

2. **Opportunistic, All-Weather Strategy.** Clearlake's special situations private credit and equity investment expertise positions the Firm and Fund exceptionally well for its investment period, which is expected to include continued economic and capital market volatility as well as elevated levels of corporate financial stress. Clearlake has generated strong investment returns by providing flexible capital solutions through various market and credit cycles, often involving complex transactions with companies experiencing stress or distress. The Firm's valuation, underwriting, structuring and portfolio management practices should allow Clearlake to deliver attractive, downside protected returns through a challenging economic period.

3. **Investor Alignment.** The GP has agreed to commit up to 5% of the Fund's capital subject to a maximum commitment of $100 million. This is substantially above industry average general partner commitments of 2%. In addition, Clearlake has agreed to provide a management fee break to existing investors in Clearlake Capital Partners VI and Clearlake Opportunities II. Under the Fund's management fee structure, the CRPTF would pay no management fee on $45 million of its commitment to Flagship Plus. The outsized GP commitment and management fee concessions strengthen the alignment of GP-LP interests in the Fund's performance.

Major Risks/Concerns and Mitigants

1. **Growing Assets Under Management**. Clearlake's assets under management have grown by more than $20 billion over the last five years through successively larger Flagship Fund raises as well as the recent acquisition of WhiteStar. The growth in assets under management and expansion of strategies raise concerns that the Firm's leadership and investment professionals may not have the capacity to effectively deploy the Fund. These concerns are largely mitigated by Clearlake's organizational growth, which has seen a more than doubling in investment team members and total employees since 2015. In addition, most of the Fund's investments will be made alongside the Flagship Funds and, therefore, will not require additional investment or operations team capacity to effectively manage. Those Fund opportunities that fall outside of the Flagship Funds' mandates will also leverage the Clearlake platform's common sourcing, underwriting, and portfolio management resources.

Legal and Regulatory Disclosure (provided by Legal)

In its disclosure to the Office of the Treasurer, Clearlake Capital Group, L.P. notes that it and its managed funds make investments in a number of different industries that are engaged in a variety of activities that have and may continue to subject Clearlake, its affiliates and their respective officers, directors and employees and their portfolio companies to lawsuits, legal and administrative proceedings or governmental investigations, criminal actions or law enforcement activities or non-routine SEC investigations or inquiries. Clearlake and its funds are also involved in various bankruptcy and restructuring judicial processes in the ordinary course of its distressed investing strategy, including Chapter 11 litigation disputes and enforcement of creditor rights. In its disclosure, Clearlake provided an abbreviated list of litigation and legal proceedings it has been involved in during the past five years that are pending, dismissed or settled, including matters where Clearlake and/or its founder, Jose Feliciano, were named defendants. There have been no claims against its general liability insurance in the last five years.

As a registered investment adviser, Clearlake states it is subject to examinations, investigations and/or other inquiries by the Securities and Exchange Commission and other regulatory bodies. There are no current examinations or investigations.

Clearlake's most current ADV is consistent with its disclosure to the Office of the Treasurer.

With respect to material changes in ownership, Clearlake disclosed that, following a number of minority interest transactions in the past few years, it is now ultimately beneficially owned and controlled by the José E. Feliciano and Behdad Eghbali (with certain affiliates of Dyal Capital Partners - a division of Neuberger Berman, Goldman Sachs Asset Management's Petershill program, and Landmark Equity Advisors, L.L.C. maintaining certain economic participation rights in the Firm and ultimate General Partner).

Clearlake states that it has established adequate procedures through its Compliance Manual, Code of Ethics and Employee Handbook, to undertake internal investigations of its employees, officers and directors.

Compliance Review

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

Environment, Social & Governance Analysis ("ESG")

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

COMPLIANCE REVIEW FOR CLEARLAKE FLAGSHIP PLUS PARTNERS, LP

SUMMARY OF LEGAL AND POLICY[1] ATTACHMENTS

SUBMITTED BY

CLEARLAKE CAPITAL GROUP, L.P.

I. Review of Required Legal and Policy Attachments

CLEARLAKE CAPITAL GROUP, L.P. ("Clearlake") a California-based minority (Hispanic-owned)[2] firm, completed all necessary attachments. It disclosed no impermissible third-party fees[3], campaign contributions, known conflicts or gifts. The firm's disclosure of legal/regulatory proceedings is being reviewed by the Legal Unit.

II. Workforce Diversity

As of September 2020, Clearlake employed 69, 16 more than the 53 employed in 2018. The firm identified 5 minority males as key managers and/or senior officers. No females were reported in this category. It reported that over the last 3 years (2018-2020), 14 women and 17 minorities were promoted within the ranks of professionals or managers.

Commitment and Plans to Further Enhance Diversity

Clearlake has adopted a Diversity Policy to guide its efforts in implementing policies and practices. The firm regularly updates its Employee Diversity Report, which tracks the number of diverse employees at the firm and includes ethnicities such as those of Middle Eastern descent for diversity tracking purposes. Clearlake works with several organizations that promote the hiring and promotion of women and minorities, including the Association of Asian American Investment Managers, Turnaround Management Association, and Sponsors for Educational Opportunity. Clearlake's partnership with diversity focused organizations provides the firm with a platform to recruit, employ, and sustain a diverse team.

Workforce Statistics

For Executive/Senior Level Officials and Managers:

- Women held 0% of these positions over the three-year period reported as follows: (0 of 7) in 2020, (0 of 7) in 2019, and (0 of 6) in 2018.
- Minority males held 71.4% (5 of 7) of these positions in both 2020 and 2019 (14.3% Asian, 28.6% Hispanic and 28.6% Two or More Races), down from 83% (5 of 6) (16.7% Asian, 33.3% Hispanic and 33.3% Two or More Races) held in 2018.

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

[2] Clearlake reported that it is certified by the National Minority Supplier Development Council.

[3] Clearlake disclosed a third-party placement agent fee arrangement with The Credit Suisse Private Fund Group ("the PFG"), acting through Credit Suisse Securities (USA) LLC ("CS"), whereby CS will be compensated. Such fees are not impermissible pursuant to C.G.S. § 3-13*l*(b)(3).

At the Management Level overall:

- Women held 20% (5 of 25) of these positions in 2020, up from 16% (3 of 19) held in 2019, and 6% (1 of 17) held in 2018.
- Minorities held 52% (13 of 25) (16% Asian, 20% Hispanic, 4% Black, and 12% Two or More Races) of these positions in 2020, 52.6% (10 of 19) (10.5% Asian, 26.3% Hispanic, and 15.8% Two or More Races) in 2019, and 52.9% (9 of 17) (5.9% Asian, 29.4% Hispanic, and 17.6% Two or More Races) in 2018.

At the Professional Level:

- Women held 57% (17 of 30) of these positions in 2020, up from 40% (12 of 30) held in 2019, and 39% (10 of 26) held in 2018.
- Minorities held 73.3% (22 of 30) (20% Asian, 33.3% Hispanic, 3.3% Black and 16.7% Two or More Races) of these positions in 2020, up from 60% (18 of 30) (20% Asian, 23.3% Hispanic, 10% Black and 6.7% Two or More Races) held in 2019, and 46.2% (12 of 26) (19.2% Asian, 15.4% Hispanic, 7.7% Black and 3.8% Two or More Races) held in 2018.

Firm-wide:

- Women held 51% (35 of 69) of these positions in 2020, up from 40% (23 of 58) held in 2019, and 25% (13 of 53) held in 2018.
- Minorities held 59.4% (41 of 69) (18.8% Asian, 21.7% Hispanic, 4.3% Black and 14.5% Two or More Races), of these positions in 2020, up from 55.2% (32 of 58) (15.5% Asian, 25.9% Hispanic, 5.2% Black and 8.6% Two or More Races), held in 2019, and 47.2% (25 of 53) (11.3% Asian, 20.8% Hispanic, 7.5% Black and 7.5% Two or More Races) held in 2018.

III. Corporate Citizenship

Charitable Giving:

Clearlake reported that the firm and its employees have made charitable contributions to numerous organizations, including 1199SEIU 2014 Care for Kids Gala, the United Way and Boys and Girls Club of Venice, among many others. Clearlake portfolio companies also support their respective communities. Clearlake provided examples where portfolio companies engaged with their communities. One such company, EagleView Technologies, Inc. promotes computer science education (Hour of Code events) for underrepresented groups. Such programs provide opportunities for women and racial/ethnic minorities to learn technical competencies, encouraging careers in computer science and technology industries.

Internships/Scholarships:

Clearlake has an internship program which, for the past 5 years, has hosted 1-2 summer interns each of whom have been a minority and/ or female. Clearlake has deepened its corporate engagement efforts and formed strategic relationships with organizations that facilitate equal employment opportunities and promote the ongoing development and advancement of diverse individuals in careers in asset management and finance, including the Robert Toigo Foundation (TOIGO) and Sponsors for Educational Opportunity. Clearlake also recruits summer

MBA interns from each TOIGO class with the intention of further preparing these individuals for full-time careers in private equity. The firm does not have a formal scholarship program but for the past 10 years one of the firm's co-founders has funded multiple scholarships annually for underprivileged youth who attend college (often as the first in their families). One hundred percent of scholarship recipients have been minority and/or female.

Procurement:
Clearlake did not address whether it has a formal procurement policy or program, but reported that it is an active member and supports the Southern California Minority Supplier Development Council (SCMSDC). The SCMSDC is a non-profit minority business advocacy organization with a mission to strengthen economic ties between large, public-, private- and foreign-owned corporations and minority men- and women-owned business enterprises. Clearlake also sponsors the event to broaden its diverse supplier network and to cultivate new relationships.

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

	Criteria	Responses
1	Firm has an ESG policy	Yes
1a	If yes, firm described its ESG policy	Yes
2	If yes, firm provided examples of ESG factors considered in the decision-making process, explained the financial impact of these ESG factors	Yes
3	Designated staff responsible for sustainability policies and research	Yes
4	Firm provides training/resources on sustainability issues, explained sources of ESG-related data	Yes
5	Signatory/member of sustainability-related initiatives or groups	No, however the firm "has committed" to the UN PRI's principles and encourages implementation by its portfolio companies
6	Policy for evaluating current or prospective relationships with manufacturers or retailers of civilian firearms	Yes
7	Policy that requires safe and responsible use, ownership or production of guns	No
8	Enhanced screening of manufacturers or retailers of civilian firearms	Yes
9	Enhanced screening of any industry/sector subject to increased regulatory oversight, potential adverse social and/or environmental impacts	Yes
10	Merchant credit relationships with retailers of civilian firearms and accessories	No
10a	If yes, firm confirms compliance with laws governing firearms sales	N/A
11	Overall assessment of responses (e.g., depth of approach to ESG and integration)	Clearlake Capital described a comprehensive approach to ESG integration, including the hire of an ESG consultant to support its investment team for due dilligence reviews and ongoing monitoring. The firm is not a member of UN PRI, however it stated that it "has committed to the United Nations' six Principles...and encourages the acceptance and implementation of the Principles by its portfolio companies." The firm does not have a policy specific to civilian firearms because they do not do business with manufacturers or retailers. However, they do conduct enhanced screening of industry/sectors subject to increased regulatory oversight.
	SCORE: **Excellent - 1** Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented organizations; enhanced screening of firearms and/or higher-risk sectors **Very Good - 2** Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented organizations **Satisfactory - 3** General description of ESG philosophy and integration; some evidence of framework for ongoing ESG assessment; member of sustainability-oriented organizations **Needs Improvement - 4** Generic and/or vague description of ESG philosophy and integration; no ongoing ESG assessment; no dedicated ESG staff or resources **Poor - 5** Incomplete or non-responsive	**2**

State of Connecticut

Retirement Plans and Trust Funds

Recommendation Report

Clearlake Flagship Plus

October 30th, 2020

Table of Contents

Executive Summary

Fund

Clearlake Flagship Plus ("CFP", "Flagship Plus", or the "Fund")

General Partner

Clearlake Capital Partners ("Clearlake", the "GP" or the "Firm")

Report Date

Data as of March 31, 2020

Fundraising

The GP is currently raising Clearlake Flagship Plus, which is targeting US$1.5 billion to US$1.75 billion of commitments. The Firm has closed on more than US$1.0 billion of commitments and is targeting a final close in Q1 2021.

Source

Connecticut Retirement Plans and Trust Funds ("CRPTF") sourced the investment opportunity directly for evaluation for the Private Investment Fund ("PIF").

Key Terms

Management Fee: From the Effective Date through the final liquidation of the Partnership, the Manager shall be paid a management fee (the "Management Fee") for each calendar quarter calculated with respect to each Investor Limited Partner at a rate equal to (i) the product of (x) 1.25% per annum and (y) the Actively Invested Capital of such Investor Limited Partner (excluding, with respect to any Investor Limited Partner that is a Prior Investor, the portion of such Prior Investor's Actively Invested Capital attributable to its Priority Allocation) as of the beginning of such calendar quarter.

Carried Interest: The Carried Interest allocation will be 20% after an 8% Preferred Return for Limited Partners (with 100% GP catch-up), subject to clawback.

Termination Provisions: For cause termination of the Fund with election by majority interest Limited Partners. No fault termination of the Fund at any time upon the vote of more than 80% in interest of the Fund Investor Limited Partners

Key Person: If, prior to the expiration of the Commitment Period, both of Behdad Eghbali and Joes E. Feliciano (each a "Co-Founder") cease to devote substantially all of their business time to the operation and affairs of Clearlake ("Key Person Event"), then the General Partner shall notify the Partners of such Key Person Event and the Commitment Period shall automatically be suspended for up to 180 days.

Investment Strategy

Clearlake Flagship Plus will invest alongside the Firm's private equity funds ("CCP") and opportunistic credit opportunities funds ("COP") in larger transactions (expected to be 50-70% of deals), as well as pursue opportunistic special situations adjacencies. Target investments may take the form of equity, senior loans, structured credit/CLOs, high yield/mezzanine, public equities, or distressed/NPLs and will target a net IRR of 12-15%. The Fund will invest up to US$100 million of equity in each portfolio company and will target businesses with total enterprise value ("TEV") up to US$2.0 billion.

Management Team

The Firm is led by Co-Founders Jose Feliciano and Behdad Eghbali who have worked together at Clearlake for over a decade. Prior to forming Clearlake, Mr. Feliciano was a Partner and Investment Committee member at Tennenbaum Capital, a distressed/special situations firm. Mr. Eghbali was previously an investment professional at TPG, where he focused on buyouts, turnarounds, and other complex restructurings. Messrs. Feliciano and Eghbali currently manage a team of 28 investment professionals based out of a single office, including three other Partners, Colin Leonard, Prashant Mehrotra, and James Pade, who have also worked alongside the Co-Founders on average for a decade.

Track Record

Since 2006, Clearlake has raised US$13.4 billion in committed capital across six control private equity vehicles, CCP I (2006), CCP II (2009), CCP III (2012), CCP IV (2015), CCP V (2018), and CCP VI (2020) as well as US$1.9 billion in committed capital across two non-control vehicles, COP I (2015) and COP II (2019). Collectively, Clearlake has invested US$7.7 billion across both platforms, including US$2.1 billion of recycled capital. These investments have generated US$6.9 billion in realizations and US$6.6 billion in unrealized value, as of March 31, 2020. Since 2016, Clearlake has realized 34 investments, generating US$4.9 billion of proceeds and a gross TVM of 2.6x. Overall, Clearlake has generated a net TVM, net IRR, and DPI of 1.6x, 24%, and 0.8x, respectively, with a loss ratio of 7%. Including the benefits of recycled capital, Clearlake has collectively produced a gross TVM of 2.1x. StepStone believes that Clearlake's ability to recycle capital is attractive.

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

Clearlake Capital Group Investment Performance

Fund	Vintage Year	Fund Size	# of Deals	Invested Capital	Realized Value	Unrealized Value	Total Value	Gross TVM	Gross TVM w/ Recycling	Gross IRR	Loss Ratio	Net TVM	Net IRR	DPI
CCP I	2006	$180	7	$226	$324	-	$324	1.4x	1.6x	11%	3%	1.3x	8%	1.3x
CCP II	2009	415	15	527	889	67	957	1.8x	2.3x	22%	6%	1.6x	15%	1.5x
Realized Funds		**$595**	**22**	**$753**	**$1,213**	**$67**	**$1,281**	**1.7x**	**2.1x**	**17%**	**5%**			
CCP III	2012	$789	20	$1,178	$2,919	$574	$3,494	3.0x	4.2x	47%	18%	2.6x	40%	2.2x
CCP IV	2015	1,380	22	1,871	1,444	1,700	3,145	1.7x	2.1x	32%	5%	1.5x	24%	0.7x
COP I	2015	543	15	522	283	379	662	1.3x	1.4x	14%	7%	1.1x	7%	0.5x
CCP V	2018	3,623	17	3,063	1,057	3,639	4,697	1.5x	1.6x	50%	5%	1.4x	37%	0.4x
COP II	2019	1,400	2	265	1	258	259	1.0x	1.0x	-7%	5%	0.9x	-22%	0.0x
CCP VI	2020	7,000	-	-	-	-	-	-		-	-	-	-	-
Unrealized Funds		**$14,735**	**76**	**$6,898**	**$5,704**	**$6,552**	**$12,256**	**1.8x**	**2.1x**	**42%**	**7%**			
Total Realized Investments			**47**	**2,333**	**5,434**	**57**	**5,491**	**2.4x**		**30%**	**10%**			
Total Unrealized Investments			**51**	**5,318**	**1,484**	**6,562**	**8,046**	**1.5x**		**30%**	**6%**			
Total		**$15,330**	**98**	**$7,651**	**$6,918**	**$6,619**	**$13,537**	**1.8x**	**2.1x**	**30%**	**7%**	**1.6x**	**24%**	**0.8x**

Investment Evaluation

(+) Strong Risk-Adjusted Performance of CCP Platform: CCP III-V have generated strong performance relative to benchmarks, with each fund ranking in the first quartile on a net TVM, IRR, and DPI basis. CCP III has significantly outperformed its relative vintage, generating top decile returns across all three metrics. While CCP II has mixed relative performance, the fund has generated attractive absolute performance with a net TVM/IRR of 1.6x/15%, as of March 31, 2020. Since StepStone's prior underwriting, net performance has decreased modestly as a result of COVID 19 which has been partially offset by realizations across the portfolio. CCP's overall loss ratio is 7% and realized loss ratio is 10%, demonstrating the GP's emphasis on downside protection.

(+) Flexible Approach to Complex Situations: Clearlake will invest through a variety of both equity and debt securities, targeting deep value opportunities in companies undergoing complex financial, operational, or structural changes. CFP will invest alongside CCP and COP in larger transactions as well as target opportunistic special situations adjacencies given the current market dislocation as a result of COVID-19. Target investments may take the form of equity, senior loans, structured credit/CLOs, high yield/mezzanine, public equities, or distressed/NPLs. StepStone believes the team brings a value-oriented private equity approach to all diligence, including distressed and credit investments, which differentiates it from other comparable firms. Furthermore, StepStone believes Clearlake's all-weather strategy and emphasis on capital preservation provide a compelling investment opportunity for limited partners during times of market dislocation. CFP plans to be sector focused but entry point agnostic. This flexibility results in a large opportunity set and allows the team to adjust its approach depending on market cycles. Given Clearlake's all-weather strategy and effective use of recycling, the Firm has been an active participant across all of its active funds since the onset of COVID-19. The Firm has acquired a US$2.5 billion portfolio of stressed and distressed credit investments for an average 80% of par, with a current yield of 10% and a loan-to-value of 50%.

(+) Cohesive and Young Senior Team: Co-Founders Jose Feliciano and Behdad Eghbali have worked together at Clearlake for nearly 15 years. Prior to forming Clearlake, Mr. Feliciano was a Partner and Investment Committee member at Tennenbaum Capital, a distressed/special situations firm. Mr. Eghbali was previously an investment professional at TPG, where he focused on buyouts, turnarounds, and other complex restructurings. Likewise, the three other Partners, Colin Leonard, Prashant Mehrotra, and James Pade, have worked alongside the Co-Founders on average for a decade. StepStone believes Clearlake's senior team members, who have an average age of 41 years, give Limited Partners access to an experienced manager with a strong leadership foundation. This compares favorably to many other firms where manager experience comes with the risk of a generational transition.

(+) LP Favorable Management Fee: Clearlake is offering existing LPs a management fee waiver for the entire investment term on an amount up to 30% of the LP's aggregate commitments in CCP VI and COP II (the "LP Priority Allocation"). Any amounts above the LP Priority Allocation will have a 1.25% management fee on invested capital, rather than on committed capital. StepStone notes that the management fee structure mitigates the potential risk of under deploying the Fund.

(+) Experience-Based Sector Approach: Clearlake's investment team focuses on sectors in which it has previously invested, including technology, industrials, energy and consumer. This approach benefits the Firm by: allowing professionals to specialize in those sectors in which he or she has prior experience and expertise; mitigating information risk that is inherent in distressed investing; allowing the Firm to target certain industry sub-sectors that are underserved and less understood by the broader distressed or credit markets; and allowing the Firm to improve operations and add value post-acquisition, much more like a traditional private equity firm. Clearlake has completed 51 and 20 investments across technology and industrials, which have generated strong performance with a gross TVM/IRR of 2.2x/45% and 1.9x/48%, respectively, with limited losses.

(-) AUM Growth: In June 2020, Clearlake announced the Firm's acquisition of WhiteStar/Trinitas ("WhiteStar") from Pine Brook. WhiteStar is a CLO manager that brings over 20 investment professionals and manages more than US$6 billion of AUM. Following the acquisition of WhiteStar, Clearlake will have four platforms that comprise US$24 billion of AUM, which is up from two platforms that comprise US$2.5 billion of AUM in 2015. Initially, WhiteStar will be operated as an independent platform requiring minimal time commitment from the team but will provide additional resources for credit underwriting in CFP. In addition, the Firm has significantly expanded the team over recent years. Since 2015, Clearlake has promoted Messrs. Leonard, Mehrotra, and Pade to Partner, hired 17 additional professionals to its investment team, and increased its overall team by over three times.

(-) Rapid Investment Pace: StepStone views the Firm's deployment pace as rapid. CCP IV made its first investment in August 2015 and was entirely deployed in just over three years. CCP V completed its first investment in January 2018 and is 85% deployed in just over two years, as of March 31, 2020. CCP VI was activated in March 2020 and has deployed approximately 15%, or US$1 billion, in approximately three months. While Clearlake has invested at a rapid investment pace in recent years, the Firm has generated significant liquidity. Since 2016, Clearlake has realized 34 investments, generating US$4.9 billion of proceeds and a gross TVM of 2.6x. Lastly, given Clearlake's all-weather strategy and effective use of recycling, the Firm has been an active participant across all of its active funds since the onset of COVID-19. The Firm has acquired a US$2.5 billion portfolio of stressed and distressed credit investments for an average 80% of par, with a current yield of 10% and a loan-to-value of 50%.

(-) Considerable Target Fund Size: The Fund is targeting US$1.5 billion to US$1.75 billion of commitments. At the targeted fund size range, the Fund would be up to ~25% larger than COP II (fund size of US$1.4 billion), which has a similar mandate. CFP would be large for a first-time fund utilizing this strategy, although Clearlake has previously invested in some of the targeted strategies. While CFP will have a considerable fund size, Clearlake is likely to face limited incremental sourcing and diligence requirements when investing alongside CCP VI and COP II. Aside from co-investments, CFP may invest in special situations adjacencies which typically have minority investment structures and/or are self-liquidating securities that require minimal oversight by the investment team. The WhiteStar acquisition will also provide additional resources as it adds more than 20 investment professionals who will help support the team in credit underwriting as the platform covers more than 4,000 debt securities.

Recommendation

In StepStone's view, a commitment to CFP represents an attractive investment opportunity for investors seeking increased exposure to an experienced private equity manager targeting special situations equity and credit investments in North American Middle/Large Market companies. StepStone believes Clearlake's all-weather strategy and emphasis on capital preservation provide a compelling investment opportunity for limited partners during times of market dislocation. CFP plans to be sector focused but entry point agnostic. This flexibility results in a large opportunity set and allows the team to adjust its approach depending on market cycles. CCP III-V have generated strong performance relative to benchmarks, with each fund ranking in the first quartile on a net TVM, IRR, and DPI basis. CCP's overall loss ratio is 7% and realized loss ratio is 10%, demonstrating the GP's emphasis on downside protection. Further, Clearlake is offering existing LPs a management fee waiver for the entire investment term on an amount up to 30% of the LP's aggregate commitments in CCP VI and COP II.

Investment Strategy

Clearlake pursues investment opportunities across its target industries including industrials, technology, and consumer. CFP has a flexible investment mandate and will be entry point agnostic. The Fund's primary objective is to co-invest in larger transactions alongside the flagship CCP and COP funds. These transactions will take the form of control buyouts, structured equity, and stressed and distressed credit investments. While StepStone recognizes that co-investments are a natural extension of the CCP and COP platforms, CFP will also target opportunistic special situations adjacencies given the current market dislocation as a result of COVID-19. These include senior loans, structured credit/CLOs, high yield/mezzanine, public equities, and NPLs. Clearlake will pursue investments that have significant asset coverage and/or can be structured at low creation values. Additionally, CFP will typically structure investments to provide downside protection, contractual returns, current yield and/or equity-like upside potential. The Fund will invest up to US$100 million of equity in each portfolio company and will target businesses with total enterprise value ("TEV") up to US$2.0 billion.

The Firm's target transaction types are further discussed below:

- **Control Buyouts:** As a value-oriented investor, Clearlake typically pursues control buyouts in situations where a company is undergoing corporate transformation entailing complex operational, financial, and structural change. These are usually situations in which access to capital is limited and/or a contrarian viewpoint is necessary. Although other buyers may be deterred by such deals, Clearlake believes these situations are more attractive because the transactions are typically less efficient, add-on acquisitions are more accretive, and the potential for value creation/multiple arbitrage is higher. Clearlake will invest for majority or 100% control to exercise significant influence within its portfolio companies, as the GP seeks to create value through active leadership and governance. Clearlake drives value through operational improvements and by providing resources and expertise that company management teams often do not possess.
- **Structured Equity:** Structured equity may be used to finance a company in transition or other special situations. Examples of such situations include a founder or private equity sponsor seeking partial liquidity or expansion capital while maintaining control of the company, a company constrained from raising debt or equity from traditional capital providers, or a company looking to de-lever without draining cash flow. Structured equity is an investment approach that largely uses a preferred equity instrument (i.e., convertible, participating or redeemable structures) with assorted corporate governance and economic rights, including board representation, cash and/or PIK dividends, distribution and liquidation preferences, and negative covenants. The investment may include a contractual return or current yield component and/or a significant equity ownership stake. The Clearlake team will structure the investments in a manner that provides significant downside protection and safety of principal while providing attractive equity-like returns. Clearlake has invested in structured equity investments across both flagship platforms and has negotiated a median contractual return of the greater of a 10% PIK yield or 1.5x gross TVM, a 28% creational value discount, and 30% of fully diluted equity. However, the Firm underwrites to 2.5-3.0x gross TVMs on converted equity. CFP will co-invest alongside COP in select structured equity investments.
- **Stressed and Distressed Credit:** In CFP, Clearlake will invest in stressed and distressed credits. The Fund will target non-control investments such as the debt of a stressed company in the secondary market that may have one or more tranches trading at a discount to par. These investments will take the form of credit instruments with current or PIK yield characteristics and have the opportunity for upside participation. Clearlake expects to generate equity-like returns if the debt is acquired between 80-90% of par and the notes convert. The Fund may also invest in distressed for control if a subset of CFP's credit investments go through further transition or need to reorganize. StepStone believes that Clearlake has the capability to lead investments through restructuring given their experience providing influence and being a value-added sponsor post restructuring. In these situations, the Fund would own reorganized equity securities post-restructuring. Given the market dislocation as a result of COVID-19, Clearlake has actively invested in stressed and distressed credit in the secondary market beginning in mid-March.
- **Special Credit Adjacencies:** Additionally, the Fund will invest in opportunistic special situations adjacencies that represent dislocated assets and may not fit CCP or COP's mandates. These include performing senior loans,

structured credit/CLOs, high yield/mezzanine, public equities, and NPLs. Target investments are often companies that Clearlake has tracked, followed, and/or completed diligence on prior. StepStone believes that the current market dislocation provides a better opportunity to invest in these types of transactions at a discount.

Portfolio Characteristics

Portfolio Construction: Ultimate portfolio construction will ultimately depend on the market opportunity. However, CFP is expected to invest 50-70% in co-investments and 30-50% in special situations adjacencies. Clearlake's initial focus during the COVID-19 dislocation has been on stressed and distressed credit in the secondary market. As asset pricing recovers, the Firm will likely shift its focus to structured equity/debt and reorganizations. Overall, StepStone views Clearlake's experience across both equity and credit securities as a merit of CFP's strategy. This dual approach allows the Firm to invest across market cycles, while pure equity and pure credit managers often face significant challenges in deploying fund capital depending on the market environment.

Competitive Landscape

Given Clearlake's sector focus and strategy, StepStone believes there are three broad groups with whom Clearlake will compete with for investment opportunities. These include sector specialist funds, credit funds of private equity firms, and flexible strategy funds. There are a large number of sector-focused private equity firms, particularly firms specialized within the technology sector, that CFP may compete with such as Insight Venture Partners ("Insight"), Accel-KKR, and Vista Foundation. Additionally, Clearlake may compete with private equity firms that have credit/structured equity arms like Thoma Bravo, Vista, Francisco Partners, and Harvest. However, StepStone believes that Clearlake will compete most closely with firms that have a similar flexible mandate and an ability to invest in all parts of the capital structure, including Silver Lake Alpine, Apollo Hybrid Value, and Blackstone Tactical Opportunities.

- **Silver Lake Alpine II ("Silver Lake"):** Silver Lake is currently raising its second Alpine strategy fund, targeting US$5 billion of commitments to make non-control credit and structured equity investments. The fund will focus on capital preservation and yield, with the potential for equity upside. Silver Lake typically targets technology and technology-enabled businesses and may compete with Clearlake on software deals, a theme which Clearlake has focused on across its funds and platforms (e.g. Perforce, Diligent, DigiCert). Clearlake may also compete with Silver Lake's flagship buyout fund, given the overlap in target markets. For example, Silver Lake and Clearlake both recently bid on Expedia.
- **Apollo Hybrid Value II ("Apollo"):** Apollo is currently raising Apollo Hybrid Value II, targeting US$5 billion of commitments for its capital solutions, structured equity, and non-control credit fund. The fund will be security agnostic and may compete with Clearlake for deals within the upper end of the GP's company size range. While Apollo is a generalist, both Apollo and Clearlake may invest in tech-enabled services, industrial, and consumer verticals.
- **Blackstone Tactical Opportunities III ("Tactical Opps."):** In 2019, Blackstone held a final close for its third Tactical Opps. fund, raising US$4 billion in committed capital. Tactical Opps. targets lower volatility/yield investments, hybrid structured transactions with downside protection but upside potential, as well as private equity, and opportunistic real estate investments. Given that CFP will invest in larger companies and capital investments alongside the flagship funds, Clearlake may face greater competition from Blackstone across larger transactions.

StepStone believes there are ample companies available at attractive entry points throughout the capital structure, from both a valuation and growth potential standpoint. Because North America has a high level of private equity activity, a robust fundraising environment, and a well-established manager universe, StepStone believes there will be a healthy level of deal flow given the Firm's flexible investment strategy.

Evaluation of the Strategy

Merits

- ▲ **Flexible Approach to Complex Situations:** Clearlake will invest through a variety of both equity and debt securities, targeting deep value opportunities in companies undergoing complex financial, operational, or structural changes. CFP plans to be sector focused but entry point agnostic. This flexibility results in a large opportunity set and allows the team to adjust its approach depending on market cycles. Given Clearlake's all-weather strategy and effective use of recycling, the Firm has been an active participant across all of its active funds since the onset of COVID-19. The Firm has acquired a US$2.5 billion portfolio of stressed and distressed credit investments for an average 80% of par, with a current yield of 10% and a loan-to-value of 50%.
- ▲ **Experience-Based Sector Approach:** Clearlake's investment team focuses on sectors in which it has previously invested, including technology, industrials, energy and consumer. This approach benefits the Firm by: allowing professionals to specialize in those sectors in which he or she has prior experience and expertise; mitigating information risk that is inherent in distressed investing; allowing the Firm to target certain industry sub-sectors that are underserved and less understood by the broader distressed or credit markets; and allowing the Firm to improve operations and add value post-acquisition, much more like a traditional private equity firm. Clearlake has completed 51 and 20 investments across technology and industrials, which have generated strong performance with a gross TVM/IRR of 2.2x/45% and 1.9x/48%, respectively, with limited losses.
- ▲ **Focus on Downside Protection:** Clearlake focuses on downside protection, seeking to make investments in securities in the senior part of the capital structure; in securities with significant asset coverage; at low attachment valuations; and/or using modest leverage. The Firm's structured equity investments are downside protected through liquidation preferences, contractual returns or current yield components, and/or governance controls. Clearlake has invested in structured equity investments across both flagship platforms and has negotiated a median contractual return of the greater of a 10% PIK yield or 1.5x gross TVM.

Risks

- ▼ **AUM Growth / Rapid Investment Pace:** Clearlake currently has four platforms that comprise US$24 billion of AUM. The Firm has substantially grown its AUM through the expansion of new strategies such as Clearlake Flagship Plus Partners as well as through the acquisition of WhiteStar. Additionally, StepStone views the Firm's deployment pace as rapid. CCP V completed its first investment in January 2018 and is 85% deployed in just over two years, as of March 31, 2020. CCP VI was activated in March 2020 and has deployed approximately 15%, or US$1 billion, in approximately three months. Since 2015, Clearlake has promoted Messrs. Leonard, Mehrotra, and Pade to Partner, hired 17 additional professionals to its investment team, and increased its overall team by over three times. WhiteStar brings over 20 investment professionals and manages more than US$6 billion of AUM. Clearlake owns a majority stake in WhiteStar while the management team has retained a significant minority stake. Initially, WhiteStar will be managed and operated independently and is currently not expected to require a significant additional time commitment from the broader Clearlake team. Since 2016, Clearlake has realized 34 investments, generating US$4.9 billion of proceeds and a gross TVM of 2.6x. Further, given Clearlake's all-weather strategy and effective use of recycling, the Firm has been an active participant across all of its active funds since the onset of COVID-19. The Firm has acquired a US$2.5 billion portfolio of stressed and distressed credit investments for an average 80% of par, with a current yield of 10% and a loan-to-value of 50%.
- ▼ **Considerable Target Fund Size:** The Fund is targeting US$1.5 billion to US$1.75 billion of commitments. At the targeted fund size range, the Fund would be up to ~25% larger than COP II (fund size of US$1.4 billion), which has a similar mandate. CFP would be large for a first-time fund utilizing this strategy, although Clearlake has previously invested in some of the targeted strategies. However, StepStone notes that since 2015, Clearlake has promoted Messrs. Leonard, Mehrotra, and Pade to Partner, hired 17 additional professionals to its investment team, and increased its overall team by over three times. The Fund's primary objective is to co-invest in larger transactions alongside the flagship CCP and COP funds, which is a natural extension of the existing platforms. Co-investments are

expected to require a minimal additional time commitment. Further, aside from co-investments, CFP may invest in special situations adjacencies including senior loans, structured credit/CLOs, high yield/mezzanine, and NPLs. StepStone notes that these investments typically have minority investment structures and/or are self-liquidating securities that require minimal oversight by the investment team.

Management Team

The Firm is led by Co-Founders Jose Feliciano and Behdad Eghbali who have worked together at Clearlake for over a decade. Prior to forming Clearlake, Mr. Feliciano was a Partner and Investment Committee member at Tennenbaum Capital, a distressed/special situations firm. Mr. Eghbali was previously an investment professional at TPG, where he focused on buyouts, turnarounds, and other complex restructurings. Messrs. Feliciano and Eghbali currently manage a team of 28 investment professionals based out of a single office, including three other Partners, Colin Leonard, Prashant Mehrotra, and James Pade, who have also worked alongside the Co-Founders on average for a decade.

Professionals

The Clearlake team consists of 28 investment professionals, plus administrative and operational employees. Clearlake has built up its ranks of junior investment professionals between CCP IV and CCP VI/CFP and has increased the size of its investment team from 11 professionals to 28, respectively. In addition to the five Partners, the core team includes four Managing Directors, a Principal, five Vice Presidents, two Senior Associates, nine Associates, and two operations professionals. StepStone believes the caliber of Clearlake Vice Presidents and Senior Associates to be similar to (or higher) that of investment professionals with the same title at competing firms. Post-MBA professionals join Clearlake as Senior Associates, which is a departure from other Private Equity firms where post-MBA professionals join as Vice Presidents. Senior Associates have significant responsibilities including performing diligence on platform investments, add-ons, as well as, debt and structured growth investments. Also, at times, Senior Associates will opportunistically serve on boards.

Clearlake expects to continue to grow its investment and operations teams in the near-term. The Firm will continue to add more Associates and Senior Associates as it prefers to promote from within. Clearlake has been focused on the hiring and development of its mid and junior level investment professionals as it expects it will need approximately 10-15 mid and senior investment professionals over the next three to five years. Lastly, the Firm is in the early stages of establishing an in-house operations team, which will both invest in and manage businesses. At full capacity, Clearlake believes the in-house operations team could consist of 10-12 professionals.

Clearlake Mid and Senior Level Investment Team Organizational Chart

Investment Professional	Role	Clearlake Experience (yrs.)	Age	Prior Experience
Jose Feliciano	Co-Founder, Managing Partner	15	47	Tennenbaum; Goldman Sachs
Behdad Eghbali	Co-Founder, Managing Partner	15	44	TPG; Venus Capital
Prashant Mehrotra	Partner	11	42	Silver Lake; Tennenbaum
Colin Leonard	Partner	14	38	HBK; Wells Fargo
James Pade	Partner	8	36	TowerBrook; Credit Suisse
Average Partners		**13**	**41**	
Arta Tabaee	Managing Director	11	39	HIG Capital; TPG
Shalini Subramaniam	Managing Director	3	43	Deutsche Bank; BofA
Martin Arzac	Managing Director	3	45	Deutsche Bank; UBS
Dan Groen	Managing Director	6	44	Armin Partners; HgCapital
Tony La Rusa	Managing Director (Ops)	4	51	Ivanti; Purple Communications
John Cannon	Managing Director (Ops)	2	56	Stradling Yocca
Paul Huber	Principal	6	32	Thoma Bravo; Blair & Co.
Nate Mejias	Vice President	7	31	Metalmark; Credit Suisse
Vikram Abraham	Vice President	4	29	Marlin Equity; Barclays
Sean Courtney	Vice President	6	31	Monitor Clipper; Barclays
Dilshat Erkin	Vice President	7	31	HIG Capital; Morgan Stanley
Ben Kruger	Vice President	5	30	
Average Mid-Level		**5**	**39**	

AUM Growth / Capacity

In addition to raising CFP and closing CCP VI with US$7 billion of commitments in March 2020, Clearlake announced the Firm's acquisition of WhiteStar/Trinitas ("WhiteStar") in June 2020. WhiteStar is a CLO manager that brings over 20 investment professionals and manages more than US$6 billion of AUM. Following the acquisition of WhiteStar, Clearlake will have four platforms that comprise US$24 billion of AUM, which is up from two platforms that comprise US$2.5 billion of AUM in 2015. StepStone views the Firm's AUM growth as aggressive. StepStone analyzed Clearlake's historic investment pace and how CFP is likely to be invested assuming an illustrative fund size of US$1.6 billion based on the Fund's target of US$1.5 billion to US$1.75 billion in commitments. The GP plans to execute 15-25 investments out of CFP, with approximately 50-70% of invested capital being co-investments alongside CCP VI and COP II.

Capacity Analysis

Amounts in USD millions

	Fund III	Fund IV	Fund V	Fund VI	CFP
Vintage Year	2012	2015	2018	2020	2020
Fund Size	$789	$1,380	$3,623	$7,000	$1,625
Investment Period (years) [2]	3	2	2	3	3
By Invested Capital					
Average Annual Capital Invested	$263	$613	$1,610	$2,333	$542
# of *Core* Investments (+ projected) [3]	17	18	20	20	20
Average Annual # of *Core* Deals [3]	6	8	9	7	7
Average *Core* Investment Size [3]	$46	$74	$206	$347	$83
By Senior Professionals					
Total # of Partners	3	3	4	5	5
Average Annual # of *Core* Deals per Partner [3]	2	3	2	1	1
Investment Professionals					
Total # of Professionals	10	11	16	28	28

[1] Average fund size based on target of US$1.5 billion to US$1.75 billion

[2] Period required for Clearlake to deploy 100% of fund commitments (excluding recycled capital)

[3] Includes core investments only

StepStone views the Firm's current deployment pace as rapid. However, the CCP IV and V portfolios have shown signs of early outperformance and have been thoughtfully constructed. StepStone views Clearlake's use of recycling to be a positive as it has enhanced overall returns, reduced LPs' effective fee burden during the commitment period, and provided additional vintage year diversification despite each of CCP III-V's rapid investment pace.

The team is likely to face limited incremental sourcing and diligence requirements when investing CFP alongside CCP VI and COP II. Since all three funds will target an overlapping opportunity set for distressed and structured equity investments, the CFP fund will be able to invest in transactions in which the equity check is larger than the max positions expected in CCP VI and COP II. While LP co-investment is expected to be reduced due to CFP, the GP indicated that they have had challenges raising large amounts of co-investment equity in the past, particularly for distressed or turnaround positions. CFP should serve as a backstop for Clearlake to pursue large opportunistic investments, debt securities, transactions that have expedited timelines to close, and more complex situations that are harder for LP co-investors to underwrite. Lastly, CFP will have the lowest allocation priority in transactions that are shared between CCP VI and/or COP II.

Approximately half of CFP's invested capital will be in self-liquidating securities. As a result, the CFP portfolio is likely to require a manageable level of attention from the investment team that should not significantly detract from the team's oversight of CCP VI and COP II. In addition, 50-70% of CFP's invested capital will be co-invested alongside the CCP and COP funds, requiring no additional time commitment. CFP will also be supported by WhiteStar, which will add more than 20 investment professionals who will support the team in credit underwriting as the platform covers more than 4,000 debt securities. While Flagship Plus will not have a dedicated team, Martin Arzac will have a larger role performing due diligence and monitoring CFP's credit activities.

Based on this analysis and the assumption that Clearlake hires the expected number of additional investment professionals, StepStone believes CFP will be sufficiently staffed to invest alongside CCP VI and COP II. However, StepStone believes it will be important for the GP to continue to add investment professionals to maintain quality sourcing, diligence, and management standards.

Turnover

The most significant departure to date has been Steve Chang, who was a Co-Founding Partner at Clearlake and one of the three Investment Committee members through the GP's first three funds. He departed in March 2015. During StepStone's Fund IV due diligence, StepStone spoke to the GP at length to better understand the background and reasons behind Mr. Chang's departure and ultimately gained comfort with the rationale behind the Clearlake's decision to part ways with Mr. Chang. This decision was primarily driven by Mr. Chang's views on Firm growth, level of conservativism in his investment approach and management style, which ultimately did not align with those of Messrs. Feliciano and Eghbali.

Clearlake has experienced two departures in addition to Mr. Chang since 2010, which are Dewey Turner and Xavier Gutierrez.

Following its discussion with the GP, StepStone believes that the departures above were justified and have not affected the Firm in a meaningful way. Clearlake has maintained a positive relationship with the departed individuals. The GP considers the turnover a lesson learned about the professional profile that best fits the culture of the Firm.

GP Commit

Clearlake will make a sizable GP commitment of US$100 million, or up to 5% of CFP's total commitments. StepStone believes the strong GP commitment properly aligns the GP with its LP investor base. Furthermore, a contribution of US$100 million despite a European waterfall in prior funds demonstrates the team's conviction in its own platform.

Investment Committee

The Investment Committee ("IC") is composed of Mr. Feliciano and Mr. Eghbali. Investment approvals and exits require a unanimous affirmative vote by the IC.

Evaluation of the Management Team

Merits

▲ **Cohesive and Young Senior Team:** Co-Founders Jose Feliciano and Behdad Eghbali have worked together at Clearlake for nearly 15 years. Prior to forming Clearlake, Mr. Feliciano was a Partner and Investment Committee member at Tennenbaum Capital, a distressed/special situations firm. Mr. Eghbali was previously an investment professional at TPG, where he focused on buyouts, turnarounds, and other complex restructurings. Likewise, the three other Partners, Colin Leonard, Prashant Mehrotra, and James Pade, have worked alongside the Co-Founders on average for a decade. StepStone believes Clearlake's senior team members, who have an average age of 41 years, give Limited Partners access to an experienced manager with a strong leadership foundation. This compares favorably to many other firms where manager experience comes with the risk of a generational transition.

▲ **Team Promotion and Expansion:** Since 2015, Clearlake has promoted CCP professionals Messrs. Leonard and Mehrotra to Partner and COP professionals Mr. Pade to Partner and Mr. Arzac, Ms. Bala Subramaniam, and Mr. Tabaee to Managing Director. Clearlake prefers to promote internally rather than build its team through external hires, which StepStone believes is important to the Firm’s culture and overall team stability as Clearlake continues to expand its offerings. In addition, the Firm added 17 professionals to its investment team and increased its overall team by over three times. Clearlake's five Partners are supported by 23 additional investment professionals and a network of operating advisors. The WhiteStar acquisition also added more than 20 investment professionals who will support the team in credit underwriting as the platform covers more than 4,000 debt securities.

▲ **LP Favorable Management Fee:** Clearlake is offering existing LPs a management fee waiver for the entire investment term on an amount up to 30% of the LP's aggregate commitments in CCP VI and COP II (the "LP Priority Allocation"). Any amounts above the LP Priority Allocation will have a 1.25% management fee on invested capital, rather than on committed capital. StepStone notes that the management fee structure mitigates the potential risk of under deploying the Fund.

Risks

▼ **Investment Team Capacity:** With the addition of CFP, the team’s capacity will be split between managing existing platforms and completing investments for the Fund. While the Fund's primary objective is to co-invest alongside CCP and COP, the Fund will also target opportunistic special situations adjacencies as a result of the current market dislocation. Clearlake may face capacity constraints due to the Firm's growth in AUM and rapid deployment pace of its funds. The Fund’s primary objective is to co-invest in larger transactions alongside the flagship CCP and COP funds, which is a natural extension of the existing platforms. Co-investments are expected to require a minimal additional time commitment. Aside from co-investments, CFP may invest in special situations adjacencies including senior loans, structured credit/CLOs, high yield/mezzanine, and NPLs. StepStone notes that these investments typically have minority investment structures and/or are self-liquidating securities that require minimal oversight by the investment team. Clearlake has historically operated with a sub-scale team and has generated strong performance. Since inception, when including the benefit of recycled capital, the Firm has generated an aggregate gross TVM/IRR of 2.1x/30%, with a low loss ratio of 7%. In June 2020, Clearlake announced the acquisition of WhiteStar, which adds over 20 investment professionals with significant CLO experience. CFP will be able to leverage WhiteStar’s credit underwriting experience as the platform covers more than 4,000 debt securities.

Neutral

► **Acquisition of WhiteStar:** In June 2020, Clearlake announced the Firm’s acquisition of WhiteStar from Pine Brook. WhiteStar is a leading CLO manager whose senior leadership has worked together since 2001. WhiteStar brings more than 20 investment professionals and manages more than US$6 billion of AUM. Clearlake owns a majority stake in WhiteStar while the management team has retained a significant minority stake. Initially, WhiteStar will be managed and operated independently and is currently not expected to require a significant additional time commitment from the broader Clearlake team.

Track Record

Since 2006, Clearlake has raised US$13.4 billion in committed capital across six control private equity vehicles, CCP I (2006), CCP II (2009), CCP III (2012), CCP IV (2015), CCP V (2018), and CCP VI (2020) as well as US$1.9 billion in committed capital across two non-control vehicles, COP I (2015) and COP II (2019). Collectively, Clearlake has invested US$7.7 billion across both platforms, including US$2.1 billion of recycled capital. These investments have generated US$6.9 billion in realizations and US$6.6 billion in unrealized value, as of March 31, 2020. Since 2016, Clearlake has realized 34 investments, generating US$4.9 billion of proceeds and a gross TVM of 2.6x. Overall, Clearlake has generated a net TVM, net IRR, and DPI of 1.6x, 24%, and 0.8x, respectively, with a loss ratio of 7%. Including the benefits of recycled capital, Clearlake has collectively produced a gross TVM of 2.1x. StepStone believes that Clearlake's ability to recycle capital is attractive.

CCP VI was activated in late March 2020 and has invested approximately 15%, or US$1 billion, post record date. CCP V has generated strong returns with a net TVM/IRR of 1.4x/37%, as of March 31, 2020. The weighted average hold period for CCP V is 1.3 years and the fund is off to a strong start with the early realization of Lytx. CCP IV has generated attractive returns with a net TVM/IRR of 1.5x/24%. Additionally, CCP IV has generated significant early liquidity with a DPI of 0.7x. CCP III has invested nearly 150% of capital commitments through recycling and has generated outsized returns with a net TVM/IRR of 2.6x/40%. CCP II has generated moderate absolute returns with a net TVM/IRR of 1.6x/15%, albeit with a minimal loss ratio of 6%. There is one partially realized investment remaining in CCP II, which comprises 6% of the fund's total value. CCP I is fully realized as of February 2017 and has generated modest returns with a net TVM/IRR of 1.3x/8%. However, CCP I is not fully representative of Clearlake's subsequent strategy given a number of unique factors to the fund such as an 18-month investment period, single LP fund structure, and LP participation (with veto rights) in all investment decisions. Overall, StepStone believes CCP II-V have generated strong performance on a risk-adjusted basis due to the following: flexibility of strategy; knowledge base in targeted sectors; focus on downside protection; and creative structuring.

COP II has invested 19% of commitments, or US$265 million, across two investments, as of March 31, 2020. COP II remains relatively immature with a weighted average hold period of 0.7 years. StepStone believes that COP II will benefit from opportunistic investments made post period as a result of COVID-19. COP I has generated modest returns with a net TVM/IRR of 1.1x/7%, which is below the fund's target net IRR of 15%. However, COP I's net performance has been impacted by the off-market management fees of 1.75% on committed capital throughout the five-year investment period. Beginning with COP II, Clearlake revised the management fee structure to 1.0% on committed capital for the first 18 months and 1.5% on invested capital thereafter. With the benefit of COP II's fee structure, COP I's net TVM/IRR increases to 1.2x/10%.

Clearlake Performance Summary

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

Clearlake Capital Group Investment Performance														
Fund	Vintage Year	Fund Size	# of Deals	Invested Capital	Realized Value	Unrealized Value	Total Value	Gross TVM	Gross TVM w/ Recycling	Gross IRR	Loss Ratio	Net TVM	Net IRR	DPI
CCP I	2006	$180	7	$226	$324	-	$324	1.4x	1.6x	11%	3%	1.3x	8%	1.3x
CCP II	2009	415	15	527	889	67	957	1.8x	2.3x	22%	6%	1.6x	15%	1.5x
Realized Funds		**$595**	**22**	**$753**	**$1,213**	**$67**	**$1,281**	**1.7x**	**2.1x**	**17%**	**5%**			
CCP III	2012	$789	20	$1,178	$2,919	$574	$3,494	3.0x	4.2x	47%	18%	2.6x	40%	2.2x
CCP IV	2015	1,380	22	1,871	1,444	1,700	3,145	1.7x	2.1x	32%	5%	1.5x	24%	0.7x
COP I	2015	543	15	522	283	379	662	1.3x	1.4x	14%	7%	1.1x	7%	0.5x
CCP V	2018	3,623	17	3,063	1,057	3,639	4,697	1.5x	1.6x	50%	5%	1.4x	37%	0.4x
COP II	2019	1,400	2	265	1	258	259	1.0x	1.0x	-7%	5%	0.9x	-22%	0.0x
CCP VI	2020	7,000	-	-	-	-	-	-		-	-	-	-	-
Unrealized Funds		**$14,735**	**76**	**$6,898**	**$5,704**	**$6,552**	**$12,256**	**1.8x**	**2.1x**	**42%**	**7%**			
Total Realized Investments			**47**	**2,333**	**5,434**	**57**	**5,491**	**2.4x**		**30%**	**10%**			
Total Unrealized Investments			**51**	**5,318**	**1,484**	**6,562**	**8,046**	**1.5x**		**30%**	**6%**			
Total		**$15,330**	**98**	**$7,651**	**$6,918**	**$6,619**	**$13,537**	**1.8x**	**2.1x**	**30%**	**7%**	**1.6x**	**24%**	**0.8x**

Relative Performance

Clearlake's net TVM, IRR, and DPI performance for each fund are detailed below, along with the performance quartiles for each respective vintage year according to the Burgiss Private iQ US All Private Equity (ex-Venture Capital) benchmark. CCP I performed modestly on a relative basis, placing in the second quartile on a net IRR basis and the third quartile on a net TVM and DPI basis. However, CCP I was invested in a concentrated portfolio of companies, with a single LP, and LP participation (with veto rights) in all investment decisions. CCP II has generated mixed performance on a relative basis, producing second quartile returns on a DPI basis and third quartile returns on a net TVM and IRR basis. However, CCP II only narrowly misses the second quartile on a net IRR basis. CCP III has significantly outperformed its relative vintage, generating top decile returns on a net TVM, IRR, and DPI basis. Similarly, CCP IV and CCP V have generated strong performance relative to benchmarks, ranking in the first quartile across all three metrics.

COP I has generated modest returns on a relative basis, placing in the third quartile on a net TVM and IRR basis. However, the underperformance is largely driven by the fund's above-market management fees. COP I ranks in the second quartile on a net TVM basis with the benefit of COP II's fee structure. On balance, COP I has returned 50% of invested capital and ranks in the first quartile on a DPI basis. COP II is early in its development and has deployed less than 20% of capital commitments across two investments. COP II has generated mixed performance on a relative basis, ranking in the first quartile on a DPI basis, the second quartile on a net TVM basis, and the third quartile on a net IRR basis. StepStone notes that the relative performance of COP II is less meaningful given that the fund is still in the j-curve, has a significant amount of unfunded remaining, and is compared to a wide dispersion of benchmark returns as a result of the COVID-19 dislocation.

Clearlake Relative Performance

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

Clearlake Capital Group Net Relative Performance						Private iQ					
						United States			Clearlake Capital Group		
			Clearlake Capital Group			First Quartile			Quartile Rank		
Fund	Vintage	Fund Size	Net TVM	Net IRR	DPI	Net TVM	Net IRR	DPI	Net TVM	Net IRR	DPI
CCP I	2006	$180	1.3x	8%	1.3x	1.9x	13%	1.7x	Third	Second	Third
CCP II	2009	415	1.6x	15%	1.5x	2.3x	23%	1.9x	Third	Third	Second
CCP III	2012	789	2.6x	40%	2.2x	1.8x	19%	1.3x	First	First	First
CCP IV	2015	1,380	1.5x	24%	0.7x	1.5x	19%	0.5x	First	First	First
COP I	2015	543	1.1x	7%	0.5x	1.5x	19%	0.5x	Third	Third	First
CCP V	2018	3,623	1.4x	37%	0.4x	1.2x	16%	0.1x	First	First	First
COP II	2019	1,400	0.9x	-22%	0.0x	1.0x	-	-	Second	Third	First
Total		**$8,330**	**1.6x**	**24%**	**0.8x**						

Source: Clearlake, Burgiss Private iQ US All Private Equity (ex-Venture Capital) Benchmark as of March 31, 2020

Performance vs. Public Market Indices

The Kaplan & Schoar ("K&S") PME Analysis compares private equity fund performance to a hypothetical portfolio of similar investments in a public index. The analysis discounts fund contributions and distributions based on realized public index returns during the same time period, with the ratio representing the sum of the discounted distributions and market value divided by the sum of the discounted contributions. A PME value greater than 1.0 indicates that the investor benefitted from investing in the private equity fund rather than the public index.

In analyzing Clearlake versus public markets, StepStone compared the performance of Firm's funds to the S&P 500 and the S&P 500 Information Technology ("S&P 500 IT") indices. StepStone compared Clearlake's portfolio to the S&P 500 IT index given the sector represents 57% of invested capital since inception, excluding toehold investments. The five control private equity funds, or CCP funds, have all outperformed the comparable indices with the exception of CCP II. The two non-control funds, or COP funds, have performed in line or better than the S&P 500 index. StepStone does not view the underperformance of the COP funds to the S&P 500 IT index as a significant risk given that the mix of credit securities and contractual yield characteristics of the funds makes them less comparable to the high growth equity index. Collectively, Clearlake has significantly outperformed the S&P 500 with an aggregate direct alpha of 15%, with each fund generating a direct alpha between 0-38%. In aggregate, Clearlake has also generated strong outperformance compared to the S&P 500 IT index with a direct alpha of 9%, primarily driven by CCP III and CCP V. The PME analysis implies that investors in Clearlake's funds have benefitted from the GP's performance more than if they had invested in public equities characterized by the two indices. Overall, Clearlake has generated substantial alpha well above the typical private equity liquidity premium of 300-500 basis points when compared to the S&P 500 and S&P 500 IT indices.

Clearlake PME Analysis

(As of March 31, 2020)

Clearlake Capital Group Performance vs. Public Market Indices					
		vs. S&P 500		vs. S&P 500 IT	
Fund	Vintage	PME	Direct Alpha	PME	Direct Alpha
CCP I	2006	1.3	8%	1.1	4%
CCP II	2009	1.0	1%	1.0	-1%
CCP III	2012	2.0	26%	1.6	19%
CCP IV	2015	1.3	15%	1.1	4%
COP I	2015	1.0	0%	0.8	-10%
CCP V	2018	1.4	38%	1.2	20%
COP II	2019	1.0	5%	0.9	-18%
Total		**1.4**	**15%**	**1.2**	**9%**

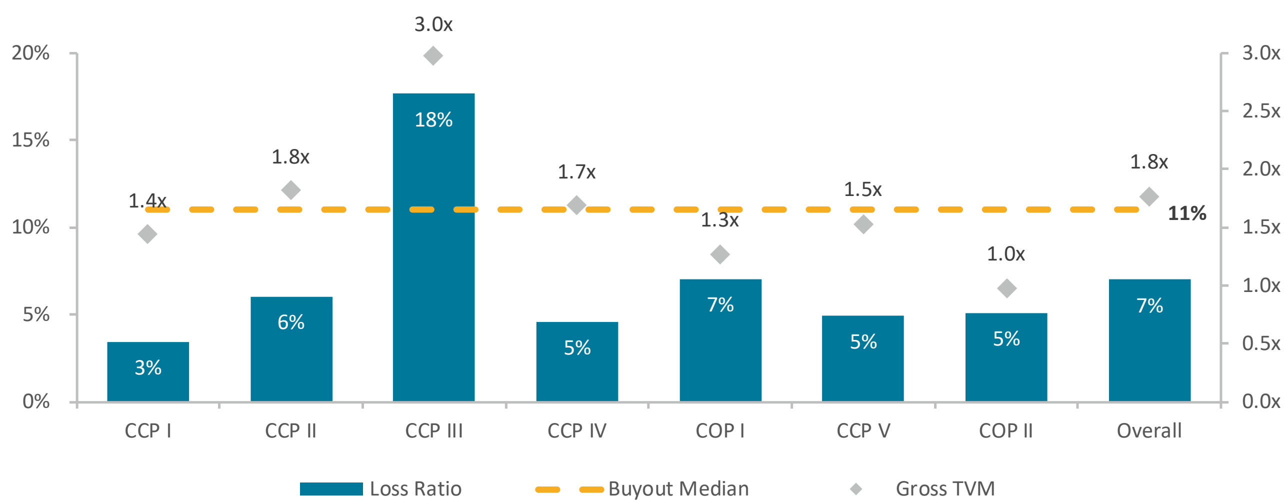
Based on Kaplan & Schoar PME Analysis

Loss Ratio Analysis

Since 2006, Clearlake has generated an overall loss ratio of 7% compared to the median US Buyout loss ratio of 11% over the same time period according to SPI, StepStone's proprietary database. The Firm has generated a realized loss ratio of 10%, which compares favorably to the median US Buyout realized loss ratio of 19%. As of March 31, 2020, CCP III has generated the highest losses across all funds, with a loss ratio of 18%. However, CCP III has generated outsized returns and ranks in the top decline on a net TVM, IRR, and DPI basis.

Despite holding senior securities and investing at low valuations, Clearlake has suffered losses due to cyclicality (IronGate/Platinum Energy), unsuccessful turnarounds (Bluefly), and lack of control (Triax). The discontinuation of non-control common equity investments implemented prior to CCP V should prove to be positive going forward, as Clearlake has generated losses due to a lack of control and decision-making authority. Overall, StepStone views Clearlake as a thoughtful investor who places significant focus on downside protection and capital preservation.

Clearlake Loss Ratio by Fund



Evaluation of the Track Record

Merits

▲ **Strong Risk-Adjusted Performance of CCP Platform:** CCP III-V have generated strong performance relative to benchmarks, with each fund ranking in the first quartile on a net TVM, IRR, and DPI basis. CCP III has significantly outperformed its relative vintage, generating top decile returns across all three metrics. While CCP II has mixed relative performance, the fund has generated attractive absolute performance with a net TVM/IRR of 1.6x/15%, as of March 31, 2020. Since StepStone's prior underwriting, net performance has decreased modestly as a result of COVID-19 which has been partially offset by realizations across the portfolio. CCP's overall loss ratio is 7% and realized loss ratio is 10%, demonstrating the GP's emphasis on downside protection.

Risks

▼ **Modest Performance of the COP Platform:** COP I has generated a net TVM/IRR of 1.1x/7%, as of March 31, 2020, and ranks in the third quartile across both metrics. While the fund is below its target net IRR of 15%, the underperformance is largely driven by the fund's above-market management fees. StepStone notes that COP I has returned 50% of invested capital and ranks in the second quartile on a DPI basis. COP II is early in its development and has deployed less than 20% of capital commitments, as of March 31, 2020. For COP I, Clearlake charged an above-market management fee of 1.75% on committed capital throughout the five-year investment period. Beginning with COP II, Clearlake revised the management fee structure to 1% on committed capital for the first 18 months and 1.5% on invested capital thereafter. With the benefit of COP II's fee structure, COP I's net TVM/IRR increases to 1.2x/10%. COP I has generated US$283 million of realizations, with five fully realized investments that have generated a gross TVM/IRR of 1.4x/18%. As of March 31, 2020, COP I was 96% invested with the use of recycled capital, compared to an average of approximately 130% for Clearlake's more mature funds. StepStone expects that COP I and COP II will benefit from opportunistic investments completed post period as a result of the COVID-19 dislocation.

Fundraising

The GP is currently raising Clearlake Flagship Plus, which is targeting US$1.5 billion to US$1.75 billion of commitments. The Firm has closed on more than $1.0 billion of commitments and is targeting a final close in Q1 2021.

Portfolio Fit

The Fund meets the investment criteria and guidelines set forth in CRPTF's Investment Policy Statement. Clearlake Flagship Plus would be considered a 2020 commitment to the Middle Market Buyout portfolio within the Private Investment Fund. As of March 31, 2020, Connecticut's investments in Middle Market Buyout funds represented 9% of aggregate PIF exposure and has generated a net IRR of 10%. Inclusive of PIF investments approved after March 31, 2020, a US$75 million commitment to the Fund would increase PIF's buyout exposure to 10%.

Exposure Analysis	CRPTF Current Exposure	IRR	CRPTF Pro Forma Exposure
Strategy			
Middle Market Buyout	9%	15%	10%

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

Environmental, Social & Governance

Clearlake has implemented a formal Environment, Social and Governance ("ESG") policy to guide investment professionals in the evaluation of prospective and active portfolio companies. While Clearlake's ESG policy is influenced by the United Nations Principles for Responsible Investment ("UN PRI"), the Firm is not a signatory to the UN PRI or formal supporter of the Task Force on Climate-Related Financial Disclosures ("TCFD").

While Fred Ebrahemi, Chief Operating Officer and General Counsel, leads the ESG efforts at the Firm, the Investment Committee is ultimately responsible for ensuring that investment teams are appropriately assessing ESG issues. For acquisitions of new portfolio companies, the investment team is primarily responsible for ensuring that any ESG issues are incorporated into their due diligence analysis and investment committee memorandum and discussions. The Investment Committee will take these factors into consideration when evaluating whether to approve an acquisition of a portfolio company. Additionally, Clearlake recently retained Malk Partners, an ESG consulting firm to private equity sponsors, to further advance the Firm's ESG program. Malk will provide comprehensive ESG due diligence reviews, identify ESG risks and opportunities, and recommend mitigation solutions for key ESG issue areas of portfolio company acquisition opportunities.

During diligence, the investment team documents ESG-related analysis in the investment committee memorandum as necessary. Post-acquisition, portfolio companies are expected to report on relevant ESG compliance programs. As part of the monitoring process, the investment team will report findings around ongoing ESG issues during Clearlake's annual monitoring meetings, with the help of retained consulting group Malk. Clearlake provides an update and summary of ESG highlights to LPs at its annual general meeting. StepStone is not aware of any material ESG issue at any Clearlake portfolio company to date.

Clearlake is a minority-owned firm that is more diverse than the majority of private equity firms. The Firm is led by two male Managing Partners, both of whom have a diverse background. Overall, the investment team of 25 professionals (excluding recent hires that have yet to be onboarded) is comprised of 20% females and 36% other minorities. Furthermore, Clearlake has signed a pledge to add at least five diverse individuals to its portfolio company boards. StepStone believes that Clearlake has been ahead of the curve in its efforts to support diversity within the Firm and has made a similar level of commitment at the portfolio company level.

StepStone has reviewed Clearlake's ESG policy and processes and has found them to be sufficiently robust. StepStone believes that the Firm's partnership with Malk will have a positive impact and further bolster the Firm's ESG program. Additionally, Clearlake is a minority-owned firm that is more diverse than the majority of private equity firms, with an investment team comprised of over 55% females and other minorities. Although Clearlake is not a signatory to the UN PRI or a formal supporter to the TCFD, the Firm's ESG policy is consistent with PRI and its actions reflect the underlying objectives of this effort. However, StepStone would prefer if the Firm were a signatory to the UN PRI and formal supporter to the TCFD.

Recommendation

In StepStone's view, a commitment to CFP represents an attractive investment opportunity for investors seeking increased exposure to an experienced private equity manager targeting special situations equity and credit investments in North American Middle/Large Market companies. StepStone believes Clearlake's all-weather strategy and emphasis on capital preservation provide a compelling investment opportunity for limited partners during times of market dislocation. CFP plans to be sector focused but entry point agnostic. This flexibility results in a large opportunity set and allows the team to adjust its approach depending on market cycles. CCP III-V have generated strong performance relative to benchmarks, with each fund ranking in the first quartile on a net TVM, IRR, and DPI basis. CCP's overall loss ratio is 7% and realized loss ratio is 10%, demonstrating the GP's emphasis on downside protection. Further, Clearlake is offering existing LPs a management fee waiver for the entire investment term on an amount up to 30% of the LP's aggregate commitments in CCP VI and COP II.

Appendix I
Summary of Due Diligence Performed

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

- April – June 2020
    - Held update calls with Clearlake
- August 2020
    - Prepared and completed an investment memorandum

Appendix II
Investment Team Member Biographies

<u>José E. Feliciano, Managing Partner and Co-Founder</u>

Mr. Feliciano co-founded Clearlake in 2006. In addition to his investing responsibilities, Mr. Feliciano is responsible for the day-to-day management of the Firm. Prior to co-founding Clearlake, he was a Partner and member of the investment committee at Tennenbaum Capital Partners, a private investment firm focused on special situations and credit investments. Before joining Tennenbaum, he served as Chief Financial Officer of govWorks, Inc., a payments and other services provider to the public sector, where he managed the finance, corporate development and human resource functions. Prior to govWorks, Inc., Mr. Feliciano worked in investment banking in the Mergers & Acquisitions and Corporate Finance Groups at Goldman, Sachs & Co, and he also was a private equity investor in the Latin America Enterprise Fund. Mr. Feliciano graduated with High Honors from Princeton University, where he received a B.S. in Mechanical & Aerospace Engineering. He received his M.B.A. from the Graduate School of Business at Stanford University.

<u>Behdad Eghbali, Managing Partner and Co-Founder</u>

Mr. Eghbali co-founded Clearlake in 2006. Prior to co-founding Clearlake, Mr. Eghbali was a private equity investor at TPG where he focused on buyouts, turnarounds and other transformational investments in the business services, communications/media and technology sectors. Mr. Eghbali started his career in investment banking in the Mergers & Acquisitions Group at Jefferies & Co. and in the Technology Group at Morgan Stanley & Co. Mr. Eghbali graduated with a B.S. in Business Administration with an emphasis on Finance from the Haas School of Business at the University of California, Berkeley.

<u>Colin Leonard, Partner and Managing Director</u>

Mr. Leonard joined Clearlake in 2007. Prior to Clearlake, he was an investment professional at HBK Investments L.P., where he focused on distressed investments in the industrials and transportation/logistics sectors. Mr. Leonard currently serves on the Board of Directors of several Clearlake portfolio companies, including Gravity, Janus International, Knight Energy Services, Smart Sand, Unifrax, and Wheel Pros. He also serves on the board of the Boys & Girls Club of Venice. Mr. Leonard graduated cum laude with a B.S. in Economics (Wharton School) and a minor in Mathematics at the University of Pennsylvania.

<u>Prashant Mehrotra, Partner and Managing Director</u>

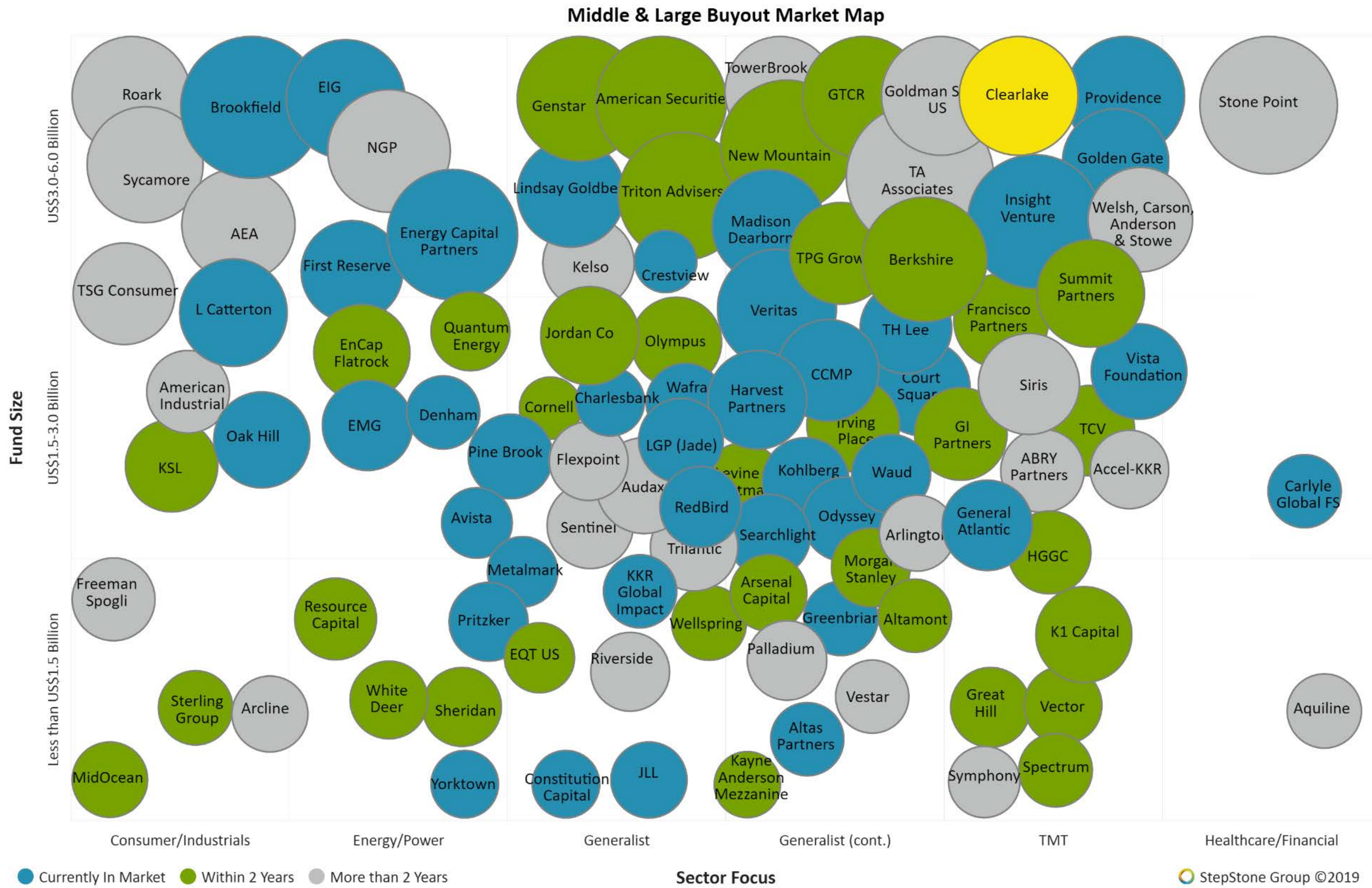
Mr. Mehrotra joined Clearlake in 2010. Prior to joining Clearlake, he was a Principal at Silver Lake Partners, where he focused on investments in technology and technology enabled industries. Before that, Mr. Mehrotra was a Principal at Tennenbaum Capital Partners where he focused on special situations investments. Prior to Tennenbaum, he worked in investment banking in the Technology, Media and Telecommunications Group at Goldman, Sachs & Co. Mr. Mehrotra graduated with a B.S. and M.S. in Industrial Engineering from Stanford University, where he was also a Mayfield Fellow, and he received his M.B.A. from the Kellogg School of Management at Northwestern University.

<u>James Pade, Partner and Managing Director</u>

Mr. Pade joined Clearlake in 2013. Prior to joining Clearlake, he was an investment professional at TowerBrook Capital Partners, where he focused on leveraged buyouts and distressed debt investments. Before that, Mr. Pade was an investment banker at Credit Suisse. He started his career at Google and played professional tennis on the ATP Tour. Mr. Pade graduated with a B.A. in Economics, with Honors in Science, Technology & Society from Stanford University.

Appendix III

Market Map



Glossary

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

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

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

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Clearlake Capital Group

Flagship *Plus* Overview Presentation

November 18, 2020

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All data/information throughout this presentation is as of November 2020, unless noted otherwise. Investment performance information herein is as of June 30, 2020.

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Clearlake Overview

Sector-Focused Investment Firm Founded in 2006

~$25B of assets under management
Across 7 flagship funds, 7 co-invest vehicles, and 16 structured funds[1]

Sector-focused expertise
Industrials | Technology | Consumer

Integrated multi-product strategy
Private Equity | Special Situations | Credit

90+ employees and 20+ operating executives
Experienced team of investment and operating professionals[1]

Operations, People, Strategy (*O.P.S.*®)
Operational improvement approach to transform and grow companies with a focus on implementing ESG best practices

1. *Includes AUM and employees at June 30, 2020 for Clearlake Capital, WhiteStar Asset Management, and Trinitas Capital Management and adjusted for recently closed capital commitments.*

Key Firm Updates

Significant Realizations[1]

- Realized approximately **$4.6B** since 2018
- Achieved full exit or partial liquidity from 22 companies since 2018

Invested over $8.2B Since 2018[2]

- Invested in 18 new primary transactions and 50 secondary accumulations since 2018[3]

Pivoted Investment Focus to Secondary Markets in March 2020

- $3.4B invested and committed (notional) across special situations and tactical opportunities[4]
- Actively tracking 1,000+ debt securities across 500+ companies in target sectors

O.P.S.® Value Creation

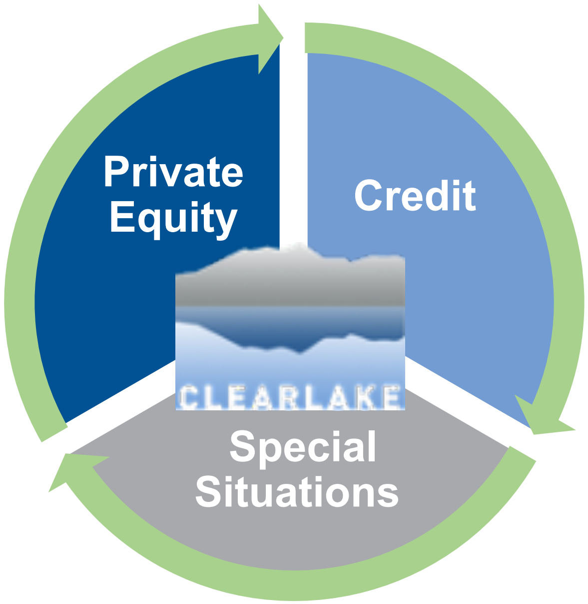
- Executed over 50 portfolio company add-ons[1] since 2018
- Fund V average increase since entry: 45%+ revenue, 65%+ EBITDA[5]

WhiteStar Asset Management and Trinitas Capital Management

- In June 2020, Clearlake acquired a majority stake in WhiteStar Asset Management and interests in Trinitas Capital Management (together, "WhiteStar"), a $6B structured product firm based in Dallas

1. *As of September 2020 and inclusive of ~$305mm realized by co-investments.*
2. *As of September 2020. Inclusive of ~$1.2bn of co-investments. Includes amounts that have been committed and are subject to customary closing conditions and regulatory approvals which are currently underway and expected to close in 4Q 2020.*
3. *As of June 30, 2020.*
4. *As of October 2020. Represents activity since the market dislocation that began in March 2020 and includes accumulations initiated before Q1 2020; however, the substantial majority of the aforementioned accumulation activity occurred after the market dislocation began in Q1 2020.*
5. *As of June 30, 2020. Includes investments where Clearlake has either control or shared control.*

Clearlake General Investing Environment Perspective



Market Observations

- Unprecedented market disruption driving acute liquidity and financing requirements
- Companies are struggling to access capital

Market Response… a Tale of Two Markets

- Unprecedented amounts have been drawn on revolvers, which by some estimates are over five times the amounts drawn during the Global Financial Crisis of 2008 / 2009[1]
- Fed intervention has provided relief to the investment grade market, but high yield and certain disrupted sectors struggle to access capital

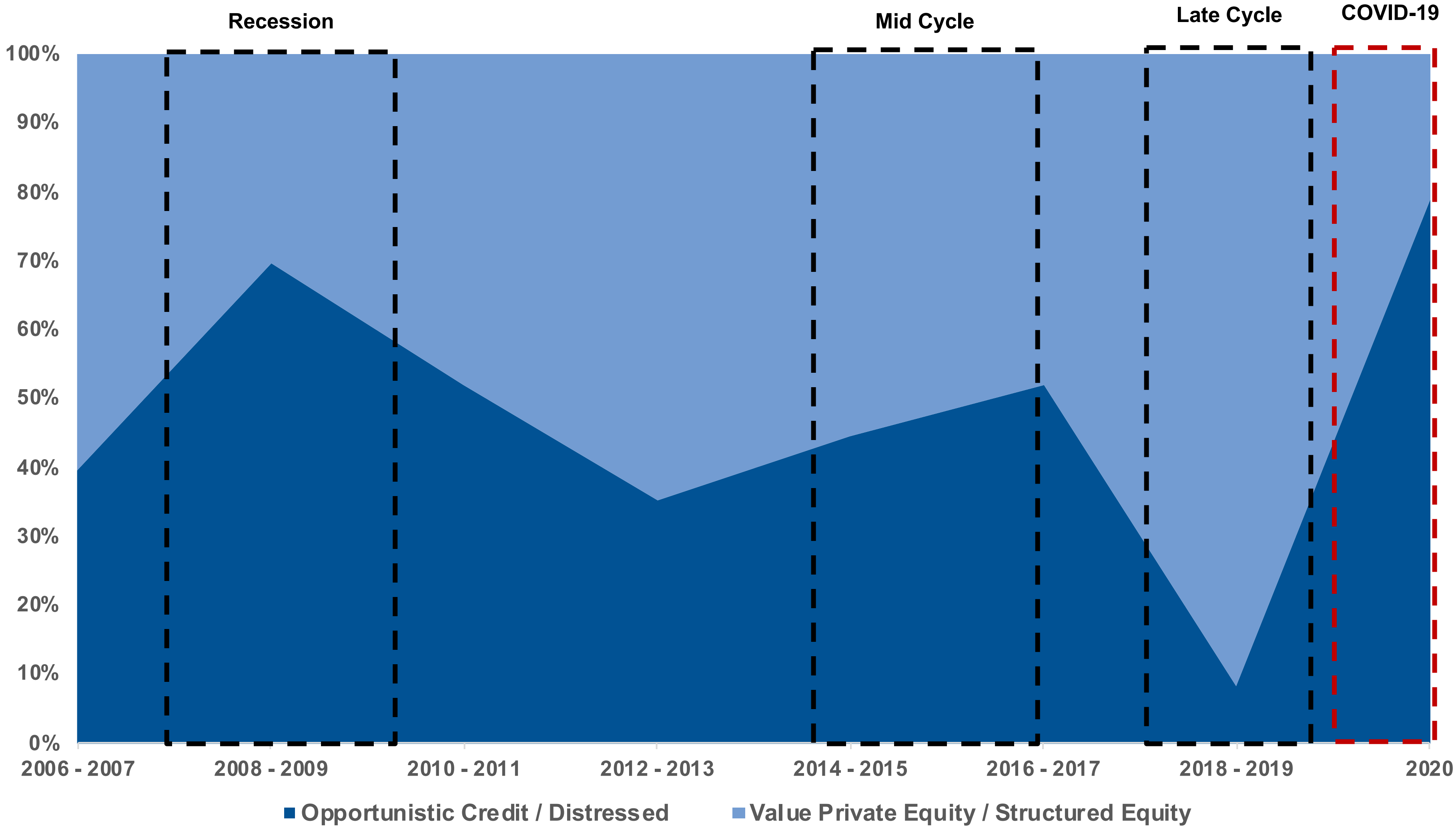
Clearlake Investing Opportunity Set

- Early innings of distressed & special situations – large opportunity and addressable market in secondary credit and equities
- Alternative capital solutions in high quality companies and in complex situations providing liquidity to companies in need (playing defense to fix balance sheets or playing offense to acquire and consolidate)
- Tactical opportunities include complex financings, asset dispositions & carve-outs, and other special situations with a high degree of cash yield, downside protection and upside potential

1. *Wells Fargo Distressed Investing Research, May 2020.*

Clearlake Capital Partners Portfolio Across Cycles[1]

Clearlake employs an "all weather" approach across different economic and credit cycles

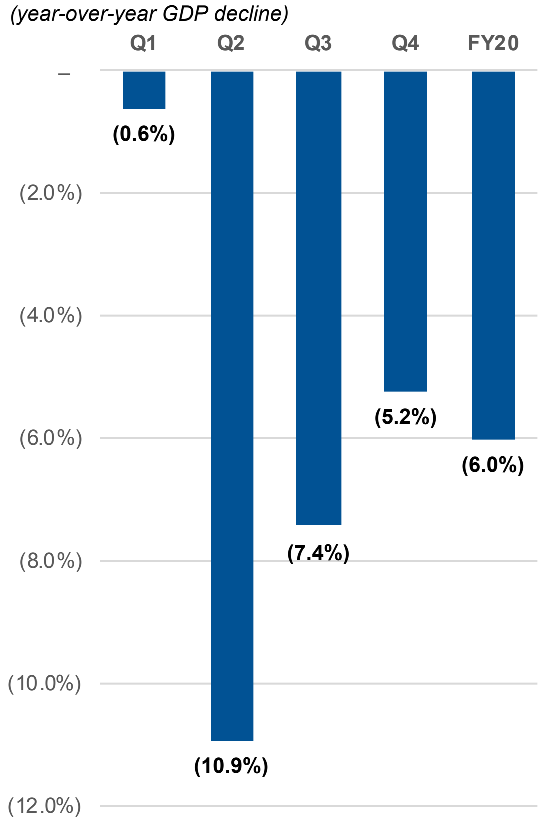


1. *Portfolio breakdown has been calculated using amount invested across Funds I-VI, COP I, and COP II from inception through September 2020. Excludes amounts from co-investment vehicles, third parties, and reserves for add-on capital. Past performance is not a guarantee or indicator of future results.*

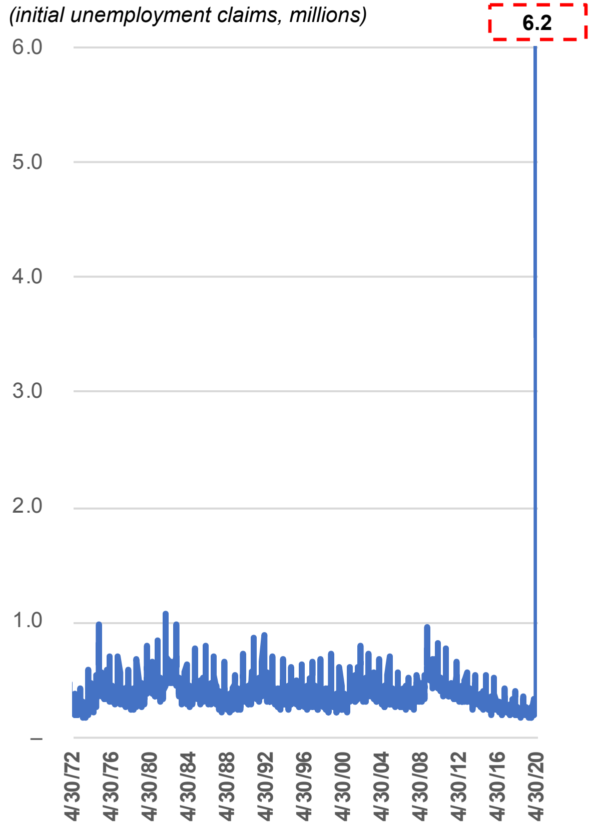
Significantly Increased Investment Set

While Q2 is expected to represent the market trough, the economic impact of COVID-19 will continue to be felt in 2H 2020 and 2021

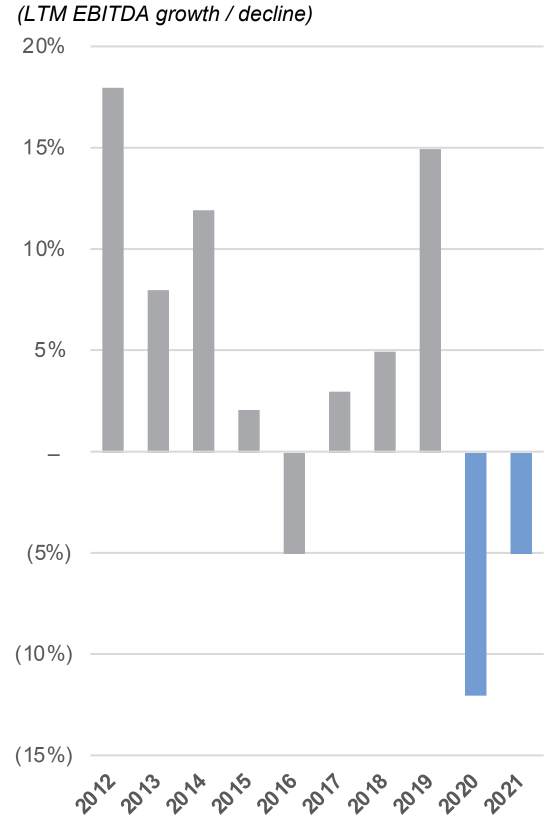
The Economy is Still in for a Bumpy Ride…



… with Severe Shocks to the System…



… and Liquidity Crunches are Yet to Come



"… a near term "reopening" of the US economy may not deliver much of an economic reprieve … [and] the current economic damage may be less a function of businesses being closed — i.e., a supply-side problem — and more of a function of the public's health fears — i.e., a demand-side problem…"
"Reopening the Economy," Goldman Sachs. April 28, 2020.

Barclays estimates \$125-175B of near-term new issue demand to fund revenue and liquidity shortfalls

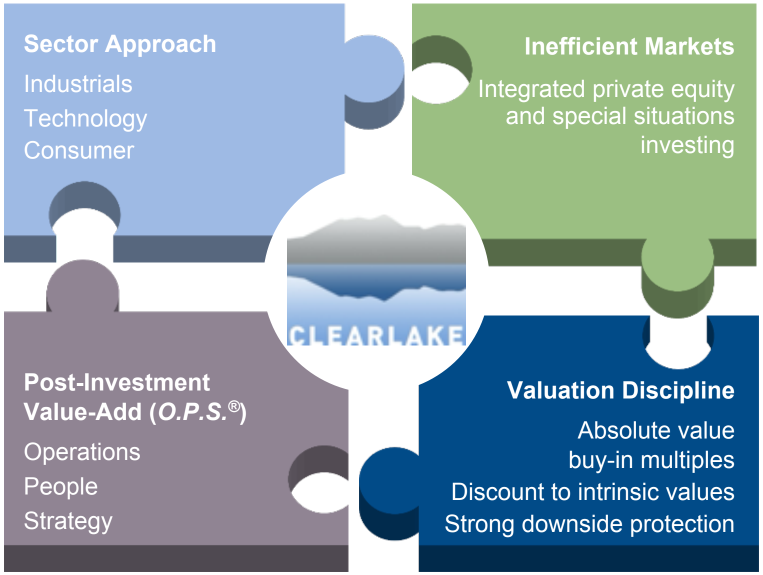
 Source: Goldman Sachs Research; Barclays Research.

Why Flagship *Plus*?

Market Opportunity	▪ "The perfect storm" – peak leverage on peak earnings and peak prices paid over the past decade entering into 2020 ▪ Current global economic dislocation provides an **opportunity to invest in special situations and adjacent opportunities** ▪ Dislocation of the "real economy" and **current financial market rebound is divorced from economic reality** ▪ Flagship CCP and COP total addressable market markedly increased, with other adjacencies in complementary investments and entry points created
Fund Strategy & Portfolio Construction	▪ Flagship ***Plus*** can invest alongside CCP and COP in larger situations plus other tactical opportunities ▪ Prospective tactical opportunities represent dislocated assets that do not fit "neatly" into an asset class
Leveraging the Clearlake Platform	▪ Integrated sourcing capabilities across equity, credit and other special situations ▪ Utilizes Clearlake's existing sector expertise across industrials, technology and consumer ▪ **Leverages *O.P.S.*® and Executive Council resources** in sourcing, diligence and complex situations

Credit	Hybrid Opportunities (Equities and Credit)	Equity / Unlimited Upside
Stressed & Distressed Loans High Yield Bonds Structured Credit Specialty Lending	Subordinated Instruments Preferred Equity Structured Assets Bespoke Securities Real Assets	Value Private Equity Public Equities Structured Equity

Leveraging Clearlake's Integrated Investment Platform



Clearlake Investment Platform

- ✓ **Same Differentiated Approach**
- ✓ **Same Sectors**
- ✓ **Same Underwriting**

… but different entry points at different parts of the economic cycle

Idea Generation

- Private equity investors with fluency in credit, special situations, and distressed
- "All weather" idea generation across different economic and credit cycles

Sourcing

- Integrated sourcing capabilities – direct origination and secondary markets
- Deep industry relationships and network
- Opportunities from restructuring community
- Research-driven capital markets origination

Due Diligence

- Rigorous approach using fundamental credit analysis and private equity skillset
- Intensive understanding of intrinsic value of the enterprise and underlying credit
- Qualitative and quantitative review of industry operations, management and outlook
- Leverage sector expertise and relationships

Ownership

- Private equity style sponsorship
- Shepherd investments through complex transition periods and/or re-organizations
- Creative and flexible structuring expertise
- Support from Clearlake's *O.P.S.*® resources
- Executive Council of operating executives with substantial experience in core sectors

The Clearlake platform brings key benefits to all funds in each stage of the investment process

Clearlake's *O.P.S.*® Framework

***O.P.S.*® is critical as an investment lens and valuation creation process**

100-Day Plan Development & Execution

Improve Budgeting/Liquidity Management

Focus on Operational Improvement

Value-Added Reporting & KPIs[1]

Invest in Critical Areas

Improve ESG Practices

Back the Right Management Team

Partner with Executive Council

Best-in-Class Governance

Align Incentives

Deploy Resources Quickly

Active and Ongoing Strategic Planning

Pursue Bolt-on Acquisitions

Plan and Execute Strategic Transformations

1. *Key Performance Indicators.*

The Clearlake Platform – Solid Infrastructure and Team

Experienced Investing Team

- Full team of Clearlake investment professionals with over 200 years of collective finance and investing experience
- History of active leadership and governance
- Collectively served on over 50 boards of directors and creditors' committees

José E. Feliciano
Managing Partner & Co-Founder

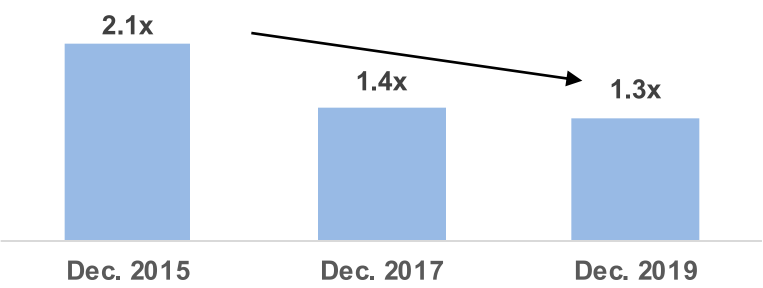
Behdad Eghbali
Managing Partner & Co-Founder

	Dec. 2015	Dec. 2017	Dec. 2019
Total Investment Professionals[1]	15	21	28
Total Professionals	29	44	60+
# of Portfolio Companies	32	30	36

Operations

- Clearlake operations team led by experienced CFO and COO/GC
- External audit and valuation review performed by Ernst & Young and Duff & Phelps

PortCo / Investment Professional[2]



Executive Council (3)

- Supported by a network of operating advisors with substantial experience in Clearlake's core target sectors
- Provide industry expertise and additional insights into operating dynamics of businesses

1. *Team page and charts herein exclude WhiteStar professionals.*
2. *Includes O.P.S.® professionals.*
3. *Executive Council members are not employees, members or partners of Clearlake and are typically compensated by the relevant portfolio company with which they work but may be compensated by the relevant fund depending on the specific situation. Such compensation will not result in offsets to or reductions of the management fee.*

Clearlake's Diverse Team

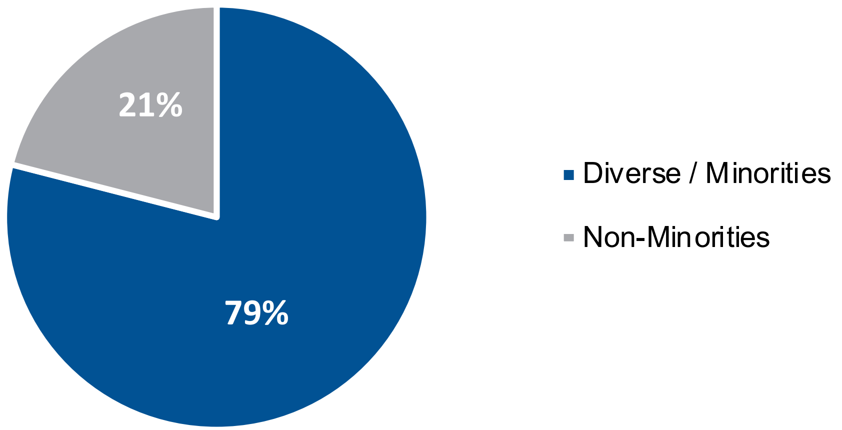
Clearlake's Management

- Clearlake is minority owned and managed – the Founders of the Firm, José Feliciano and Behdad Eghbali, have a strong belief in the power of diversity
- Clearlake has implemented a Diversity Policy and believes that it maintains robust practices of fostering and maintaining a culture of diversity and inclusion

Employee Development

- Clearlake believes that its human capital is its most valuable asset. The Firm strives to provide an environment that challenges and incentivizes all of its employees to progress professionally while providing value to the Firm
- Employees are provided training, mentoring, and an annual evaluation where they are informed of their progress, and mutually establish goals for the following year

Clearlake Employees



As of November 2020, approximately 79% of Clearlake's employees are categorized as diverse or minorities.

Post-Crisis Social Response

- In response to COVID-19, activated *O.P.S.*® across the portfolio, promoting financial health, employee safety and community engagement
- As part of Clearlake's commitment to the community, Clearlake is establishing the Clearlake Foundation to support solutions for challenges in education, equal opportunity and health
- In partnership with portfolio company Diligent, launched the *Modern Leadership* initiative – calling the private equity industry to commit to increasing board diversity; to date, Clearlake and several partnering GPs have identified and committed to place 50 diverse board seats
- Clearlake's portfolio further supported COVID-19 affected populations and institutions, providing their solutions free of charge and pivoting capital resources to promote health & safety, including the examples below

APPRISS	Better For You: From the Ground Up, OWYN, Oven-Baked Parm Crisps	Diligent	eagleview	OnShift
Launched Project AppríssStrong, helping state governments manage unemployment claims	Donated 70,000 OWYN protein drinks to hospitals and non-profits across the country	Provided free access to its software platform to K-12 and non-profit institutions	Provided free access to its high-res aerial imagery and analytics solutions to first responders	Provided free access to OnShift Wallet, enabling immediate access to upcoming paychecks for nurses and caregivers
PRETIUM	**provation**	**symplr**	**TEAM Technologies**	**UNIFRAX**
Pivoted production to support hand sanitizer, household and industrial cleaning products	Provided a free COVID-19 order set encompassing diagnosis, treatment and release protocols to hospitals and ASCs	Developed a time & attendance tool to monitor employee health	Repurposed production to deliver PPE products to affected institutions across the country	Accelerated production of specialty fiber used in the production of N95 and N99 masks, COVID-19 testing kits and respiratory systems

The Clearlake family responded immediately to the global pandemic, leveraging best-in-class solutions across the portfolio to support the health and safety of our communities

Project Ranger

Company Overview

- Provider of digital risk management software and services to enterprises globally
- Platform provides visibility into threats across internal / external ecosystems, enabling efficient and effective management of cybersecurity risk
- Offerings include solutions for integrated risk management, security information & event management for advanced threat detection, identity and access management, and fraud prevention
- Global brand with significant scale including a long-term, blue-chip global customer base; customers include ~90% of the Fortune 100 and ~70% of the Fortune 500

Key Metrics	
Close Date	September 2020
Status	Unrealized
Sector / Sub-sector	Technology / Software
Transaction Type	Structured Credit
Structure / Security	Second Lien Term Loan
Commitment[2]	$255.6MM

1. *FYE 4/30.*
2. *Represents Clearlake's commitment at the time of signing debt commitment letter (amounts do not reflect dollars syndicated by Clearlake post-signing).*
3. *GRC = Governance, Risk Management, and Compliance.*
4. *SIEM = Security Information & Event Management.*

Past performance is not a guarantee or indicator of future results.

Investment Thesis and Recent Updates

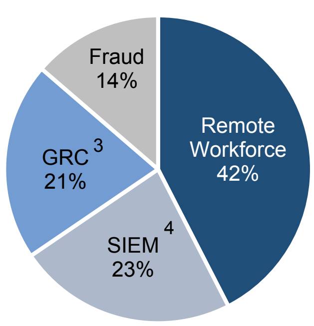
Investment Thesis

- **Attractive, resilient business model:** Significant recurring revenue, strong net revenue retention, no customer concentration, and revenue has grown through the COVID-19 outbreak
- **Scaled asset with cost transformation opportunity:** Close to $1B of revenue with the opportunity to take EBITDA margins from ~20% to 35%+
- **Ability to unlock value:** Sum-of-the-parts valuation offers considerable cushion on loan-to-value basis
- **Low leverage and attractive yield:** Creating the second lien term loan at a meaningful discount to the overall enterprise value with an attractive risk adjusted return profile

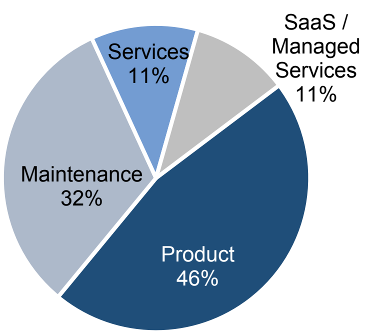
Recent Updates

- Clearlake was involved in Ranger's recent sale process and did in-depth business, legal, and market diligence on the company
- In June 2020, Clearlake led the privately placed Second Lien Term Loan given the firm's (i) knowledge of the asset, (ii) capacity to act quickly, and (iii) ability to offer a high level of certainty
- The business experienced strong performance through April 2020 amidst the broad market dislocation (LTM Revenue increased 10% year-over-year) primarily due to Ranger's focus on protecting remote workforces, eCommerce transactions, and electronic financial transactions as well as helping companies manage other forms of risk

Revenue Mix by Category



Revenue Mix by Type



Clearlake Capital Group

Q&A

OFFICE OF THE STATE TREASURER

MEMORANDUM

DECISION

TO:	**Shawn T. Wooden, Treasurer**
FROM:	**Laurie Martin, Chief Investment Officer**
CC:	**Darrell V. Hill, Deputy Treasurer** **Raynald D. Leveque, Deputy Chief Investment Officer** **Kevin Cullinan, Chief Risk Officer** **Mark E. Evans, Principal Investment Officer** **Olivia Wall, Investment Officer**
DATE:	**August 28, 2020**
SUBJECT:	**Secondary Overflow Fund IV L.P. – Additional Commitment**

Summary

The purpose of this memorandum is to recommend that the Connecticut Retirement Plans and Trust Funds ("Connecticut") consider an additional commitment of up to $50 million to Secondary Overflow Fund IV L.P. ("SOF IV"). You previously approved of Connecticut committing (i) $100 million to Dover Street X L.P. ("Dover X" or the "Fund"), and (ii) $50 million to SOF IV and both commitments closed in December 2019.

Dover X and SOF IV focus on making secondary investments in private equity funds and assets on a global basis. SOF IV is a vehicle that co-invests alongside Dover X in certain secondary transactions that, due to size or concentration levels, create an overflow investment opportunity for SOF IV.

Participation in the SOF IV vehicle is only offered to Dover X limited partners that make minimum commitments of $100 million to the Fund. Each qualified SOF IV investor may make a commitment to SOF IV in an amount up to 100% of its Dover X commitment. No fees or carried interest are charged on the SOF IV vehicle.

Both Dover X and SOF IV are being raised by HarbourVest Partners, LLC, which acts as general partner of HarbourVest Partners L.P. ("HarbourVest" or the "Firm"). In light of the increased market opportunity resulting partly from the impact of COVID-19, HarbourVest received approval from the Dover X limited partners to increase the hard cap of the Fund from $7 billion to $8 billion. During September 2020, HarbourVest held a final close for Dover X at its amended hard cap of $8.1 billion. As of the date herein, HarbourVest had closed on approximately $900 million of commitments to SOF IV and the vehicle's total committed capital is expected to approach $1.2 billion by the time of the SOF IV final close in December 2020.

Pensions Funds Management ("PFM") investment professionals believe the recommended incremental capital commitment to SOF IV presents a compelling opportunity for Connecticut to gain additional exposure to a high-quality manager pursuing differentiated secondary transactions in an environment made more favorable as a result of the global economic disruptions caused by

COVID-19. The opportunity to commit incremental capital to SOF IV on a no fee, no carry basis also enhances the potential attractive return opportunity for Connecticut.

Strategic Allocation within the Private Investment Fund

The Dover X/SOF IV strategy falls under the Corporate Finance allocation identified for the Private Investment Fund ("PIF") in the Investment Policy Statement ("IPS"). The IPS establishes a target allocation range of 70% to 100% to Corporate Finance investments within the PIF portfolio as measured by a percentage of total exposure, defined as market value plus unfunded commitments. The PIF's total exposure to Corporate Finance strategies was approximately 85% as of June 30, 2020.

SOF IV is categorized in the secondary sub-strategy, which represented approximately 8% of the PIF's total exposure as of June 30, 2020. The PIF's FY21 strategic pacing plan establishes a long-term target allocation to the secondary sub-strategy of 8% to 11% of total PIF exposure.

The recommended SOF IV commitment would be consistent with the PIF's FY21 strategic and transition plan objectives of deploying capital into strategies expected to benefit from favorable market conditions. In addition, additional secondary exposure would support Connecticut's goal of increasing the PIF's pace of capital deployment through a lower-risk, private equity strategy.

Update since Full Due Diligence Memo Dated October 18, 2019

The Investment Strategy and Market Opportunity, Firm and Management Team, Key Strengths, and Major Risks and Mitigants sections of the October 18, 2019 Dover X and SOF IV full due diligence memo are largely unchanged.

PFM investment professionals note that both Dover X and SOF IV have been activated with Dover X having closed several transactions as of June 30, 2020, including two in which SOF IV co-invested. HarbourVest reported that while activity slow temporarily in March and April, the Dover team closed two transactions in June, including one large investment involving the sale of a $2 billion private equity portfolio by an institutional investor that was immediately accretive to the performance of Dover X and SOF IV performance. As of June 30, 2020, Dover X had committed $1.8 billion of capital with underlying exposure to more than 270 companies providing diversification across fund managers, strategies and geographies.

The Dover team believes that COVID-19's impact on economic and capital markets will continue to expand and improve the market opportunity for Dover X and SOF IV, particularly due to HarbourVest's expertise with and focus on more complex, negotiated transactions versus widely marketed, traditional limited partner interest sales. These enhanced market opportunity dynamics were one of the reasons that HarbourVest sought and received LP consent to increase the Fund's hard cap by $1 billion. At the time of the LP consent, HarbourVest also communicated that several of the transactions that it had closed on in Dover X, as well as several in its pipeline, were of such size that HarbourVest had to bring in third-party investors to effectively compete for the transactions, even after utilizing the overflow capacity of SOF IV. With a larger Fund size, HarbourVest believes it will be better positioned to control a wider range of transactions, thus allowing the Firm to set more favorable terms and conditions for the benefit of Dover X and SOF IV investors.

Track Record Update

HarbourVest's secondary track record through June 30, 2020 is summarized on the next page.

(US$ in millions, as of June 30, 2020)

HarbourVest - Dover Street Platform Investment Performance Summary								
	Vintage	Fund	Net Returns			Quartile Rank		
Fund	Year	Size	TVM	IRR	DPI	TVM	IRR	DPI
Dover VI	2005	$621	1.3x	4.1%	1.2x	3rd	3rd	3rd
Dover VII	2008	$2,929	1.4x	9.2%	1.4x	3rd	2nd	2nd
SOF I	2010	$540	1.7x	13.6%	1.5x	2nd	2nd	1st
Dover VIII	2012	$3,592	1.6x	19.8%	1.2x	2nd	1st	1st
SOF II	2012	$254	1.7x	19.6%	1.1x	2nd	1st	2nd
Dover IX	2016	$4,777	1.4x	25.9%	0.4x	2nd	1st	1st
SOF III	2017	$640	1.7x	27.9%	0.4x	1st	1st	1st

Source: HarbourVest. Benchmark data from Burgiss PrivateiQ, Private Equity (All Geograhies).

StepStone's update memorandum for HarbourVest Dover X Memo Addendum notes that the performance of the unrealized Dover funds were negatively impacted by lower mark-to-mark values as of March 31, 2020; however, these marks are more reflective of the market dislocation at that time and not meaningful deterioration of the underlying value of the Dover fund holdings. Specific to Dover X, PFM investment professionals note that the Fund was marked at a gross total value multiple of 1.3x as of June 30, 2020.

Legal and Regulatory Disclosure (provided by Legal)

In its disclosure to the Office of the Treasurer, HarbourVest Partners, L.P. ("HarbourVest") stated that there are no material legal or non-routine regulatory matters. HarbourVest noted one lawsuit had been filed against a portfolio company in 2015, which was dismissed in 2015.

HarbourVest states that it has no material claims under its fidelity, fiduciary or E&O insurance policies, and no ongoing internal investigations to report.

HarbourVest's current ADV is consistent with its disclosure to the Office of the Treasurer. No material changes in ownership in the past two years were disclosed.

HarbourVest states that it has adequate procedures to undertake internal investigations of its employees, officers and directors escalated. The firm has a Code of Ethics Policy, which requires employees to report any violations of the Code to HarbourVest's Chief Compliance Officer. The firm's Compliance unit monitors any complaint, breach or other situations for appropriate resolution and mitigation of future issues. Breaches of internal controls or activities such as trade errors, cyber incidents, are reviewed and remedied pursuant to the applicable remediation procedure outlined in HarbourVest's policies.

Compliance Review

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

Environment, Social & Governance Analysis ("ESG")

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

COMPLIANCE REVIEW FOR SECONDARY OVERFLOW FUND IV, L.P.
SUMMARY OF LEGAL AND POLICY[1] ATTACHMENTS
SUBMITTED BY
HARBOURVEST PARTNERS L.P.

I. Review of Required Legal and Policy Attachments

HARBOURVEST PARTNERS L.P. ("HarbourVest") completed all necessary attachments. It disclosed no impermissible third party fees[2], 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 2020, HarbourVest, a Boston Massachusetts-based firm, employed 642, 145 more than the 497 employed as of December 2018. The firm identified 54 women and 43 minorities as Executive/Senior Level Officials and Managers. Over the 3 year period reported (2019-2017), the firm promoted 83 women and 61 minorities within the ranks of professionals or managers.

Commitment and Plans to Further Enhance Diversity

Creating a diverse and inclusive environment is core to HarbourVest's culture. Gender diversity is an area in which HarbourVest has a strong voice and passion, as well as a proud history. The firm's co-founders made it a priority from day one to consider women who were equally qualified to serve in senior roles. Across the private equity industry, however, there is much work that needs to be done to balance out gender representation. HarbourVest is very much involved with Level 20, a European group of women private equity professionals passionate about leveraging experiences and joining forces with other industry leaders to attract, nurture, and promote more women to private equity. The group was established in 2015. Since the gender diversity gap is particularly acute in Europe, the initial focus of Level 20 is working with European-based leaders. The goal, and hence the name of the organization, is to have women account for 20% of all senior roles in the European Private Equity industry by 2020.

Workforce Statistics

For Executive/Senior Level Officials and Managers:

- Women held 30% (54 of 180) of these position in 2020, slightly up from 29% held in both in 2019 (47 of 162) and 2018 (18 of 62).
- Minorities held 23.89% (43 of 180) of these positions in 2020 (15% Asian, 2.2% Black, 1.67% Hispanic, 0.56% Two or More Races and 3.89% Unknown), down from 25.3% (41 of 162) held in 2019 (14.8% Asian, 2.5% Black, 2% Hispanic and 6% Other), but up from 14.5% (9 of 62) in 2018 (11.3% Asian, 1.6% Black, and 1.6% Hispanic).

At the Management Level overall:

- Women held 35% (85 of 242) of these position in 2020, 35% (76 of 216) in 2019, up from 15% (18 of 124) held in 2018.
- Minorities held 25.21% (61 of 242) of these position in 2020, (15.29% Asian, 2.48% Black, 3.31% Hispanic, 1.24% Two or More races and 2.89% Unknown), down from 27% (58 of 216) held in 2019 (15.3% Asian, 2.8% Black, 3.2% Hispanic, 0.5% Two or More Races, and 5% Other) but up from 17% (21 of 124) (14% Asian, 1.6% Black and 1.6% Hispanic) held in 2018.

[1] The Treasury Unit responsible for reviewing HarbourVest's ESG submission will prepare a separate report.
[2] HarbourVest disclosed four third party fee arrangements, all with respect to placement agent fees, which are not impermissible pursuant to C.G.S. § 3-13*l*(b).

At the Professional Level:

- Women held 46% (135 of 293) of these position in 2020, down from 53% (110 of 248) in 2019, and 51% in December 2018 (143 of 283).
- Minorities held 34.8% (102 of 293) of these position in 2020 (23.2% Asian, 1.7% Black, 4.8% Hispanic, 1.0% Two or More Races, and 4.1% Other), slightly down from 35% (87 of 248) (23% Asian, 0.8% Black, 4.8% Hispanic, 1.2% Two or More Races, and 5.2% Other) of these positions in August 2019, but up from 30% (85 of 283) (22.6% Asian, 2.1% Black, 4.6% Hispanic, 0.7% Two or More Races) held in December 2018.

Firm-wide:

- Women held 66% (422 of 642) of these position in 2020, up from 45% (252 of 563) in 2019, and 46% (226 of 497) held in 2018.
- Minorities held 32.1% (206 of 642) of these position in 2020 (18.8% Asian, 3.0% Black, 5.1% Hispanic, 1.2% Two or More Races and 3.9% Unknown), down from 33.4% (188 of 563) (18.7% Asian, 2.8% Black, 4.8% Hispanic, 0.9% Two or More Races, and 6.2% Other) of these positions in 2019, but up from 28% (140 of 497) (20.1% Asian, 3% Black, 4.4% Hispanic, 0.6% Two or More Races) held in December 2018.

III. Corporate Citizenship

Charitable Giving:

HarbourVest and its staff members (from senior management down) support numerous community organizations where they live and work. Causes supported include: youth mentoring, child/adult special education, gender diversity, poverty and homelessness, health causes, women's leadership, and the arts. The firm holds two Global Volunteer Weeks each year, allowing staff to donate time to local causes during business hours. In 2019, more than 1,880 hours was donated to 28 non-profits globally. HarbourVest also has a dollar-for-dollar matching gift program for qualified organizations, whereby the firm matches employees' charitable donations up to $1,000 annually. In June 2020, HarbourVest announced that employees will be given two paid volunteer days a year to dedicate to causes that are significant to them and that address social inequality. In January 2020, the Firm established its Global Volunteering Council, comprised of representatives from all 10 office locations who work together to plan and execute the global volunteer weeks. In May 2020 HarbourVest's Managing Directors made a corporate donation to multiple organizations working to alleviate food insecurity in the face of COVID-19. Each global office chose between 1 and 10 local non-profits. In total, HarbourVest and its employees donated over $2.2 million to over 500 organizations worldwide from May 1 through July 31, 2020. Employee donations and matching gifts made in 2020 to Connecticut-based organizations such as, Connecticut College, and Foodshare Inc., among others.

Internships/Scholarships:

HarbourVest is participating in #100blackinterns, an initiative to offer 100 internships to Black students and recent graduates across the United Kingdom to help kick start careers in investment management. The firm does not offer scholarships at this time.

Procurement:

Currently, HarbourVest does not have a formal procurement policy or program regarding women-owned, minority-owned, and/or emerging businesses.

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

	Criteria	Responses
1	Firm has an ESG policy	Yes
1a	If yes, firm described its ESG policy	Yes
2	If yes, firm provided examples of ESG factors considered in the decision-making process, explained the financial impact of these ESG factors	Yes
3	Designated staff responsible for sustainability policies and research	Yes
4	Firm provides training/resources on sustainability issues, explained sources of ESG-related data	Yes
5	Signatory/member of sustainability-related initiatives or groups	Yes
6	Policy for evaluating current or prospective relationships with manufacturers or retailers of civilian firearms	No
7	Policy that requires safe and responsible use, ownership or production of guns	No
8	Enhanced screening of manufacturers or retailers of civilian firearms	Yes
9	Enhanced screening of any industry/sector subject to increased regulatory oversight, potential adverse social and/or environmental impacts	Yes
10	Merchant credit relationships with retailers of civilian firearms and accessories	No
10a	If yes, firm confirms compliance with laws governing firearms sales	N/A
11	Overall assessment of responses (e.g., depth of approach to ESG and integration)	HarbourVest described a solid framework for ESG integration, including a dedicated ESG Committee and the use of its proprietary ESG scorecard. The firm is a member of UN PRI, and PRI rated the firm's Strategy & Governance and Indirect Investments as "A+" (above the industrty median). The firm does not have a policy specific to civilian firearms because they do not do business with manufacturers or retailers. However, they do conduct enhanced screening of industry/sectors subject to increased regulatory oversight.
	SCORE: Excellent - 1 Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented organizations; enhanced screening of firearms and/or higher-risk sectors Very Good - 2 Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented+B3 organizations Satisfactory - 3 General description of ESG philosophy and integration; some evidence of framework for ongoing ESG assessment; member of sustainability-oriented organizations Needs Improvement - 4 Generic and/or vague description of ESG philosophy and integration; no ongoing ESG assessment; no dedicated ESG staff or resources Poor - 5 Incomplete or non-responsive	1

To: StepStone Clients

From: StepStone Group LP ("StepStone")

Date: August 2020

Re: Update Memorandum – Dover Street X

General Summary

StepStone has prepared an update memorandum on HarbourVest Dover Street ("Dover Street", the "Firm", or the "GP"), which is currently in market raising Dover Street X ("Fund X", or the "Fund"). As of July 31, 2020, the Fund has closed on approximately US$6.8 billion in commitments. The Firm expects to have a final close in September 2020 at the Fund's hard cap of US$8 billion. The GP is also raising a co-investment overflow vehicle to invest alongside in the Fund's largest deals.

This memorandum provides an update on changes in the performance of the Firm's predecessor vehicles subsequent to the completion of StepStone's investment memorandum dated March 2019. Dover Street's track record data as of March 31, 2020 has been used for this memorandum.

Performance Overview

Fund X

As of March 31, 2020, Fund X has committed US$1.1 billion, 16% of the current US$6.8 billion of committed capital and 14% of the Funds US$8 billion hard cap, across 16 transactions. The Fund is currently marked at 1.0x gross TVM and 0.96x TVPI but is still early in its lifecycle.

Net of funded capital, the Dover X portfolio incurred a first quarter loss of 11.3% of the current portfolio value at year-end 2019. Given the broad impact of COVID-19, many of the Fund's investments experienced downward valuation pressure in the first quarter of 2020. Larger losses in the portfolio included Project Antarctica, Project Triangle, and Project Spike. These and other losses during the quarter were partially offset by some gains within the portfolio.

StepStone notes that the COVID-19 pandemic is causing dislocation across all financial markets. Across the private equity secondary landscape, while the disruption is anticipated to create a period of initial inactivity as fund valuations are assessed in the new environment, the later phases of the cycle are anticipated to create attractive deal flow among motivated sellers willing to accept meaningful discounts, including LPs potentially facing liquidity needs or considering re-balancing in their portfolio construction, or GP-led transactions to address potential capital needs in order to support existing portfolios. It is expected that the Fund's LPs will benefit from investing into the COVID-19 induced opportunity set with the remaining unfunded capital the Fund has to deploy.

Relative Performance

StepStone analyzed the performance of Dover Street's past funds relative to the performance of all private equity funds of the same vintage years, according to Burgiss Private iQ's database, as of March 31, 2020. Compared to this benchmark, Dover Street has generated moderate and consistent results. Across each of the last three funds, Dover Street has generated second quartile performance or better across TVM, IRR and DPI. The two tables below show the relative performance of Dover Street funds for the latest data available (March 31, 2020) compared to StepStone's initial underwriting (September 30, 2018).

Figure 1: Dover Street Net Relative Performance – Latest 3/31/20 vs Original Memo 9/30/18

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

Harbourvest Partners, LLC Net Relative Performance						Private iQ					
						All Geographies			Harbourvest Partners, LLC		
			Harbourvest Partners, LLC			First Quartile			Quartile Rank		
Fund	Vintage	Fund Size	Net TVM	Net IRR	DPI	Net TVM	Net IRR	DPI	Net TVM	Net IRR	DPI
Dover Street V	2002	$515	1.5x	18%	1.5x	2.1x	24%	2.1x	Third	Second	Third
Dover Street VI	2005	620	1.3x	4%	1.2x	1.8x	12%	1.8x	Third	Third	Third
Dover Street VII	2008	2,900	1.4x	9%	1.4x	1.8x	15%	1.6x	Second	Second	Second
Dover Street VIII	2012	3,600	1.6x	19%	1.2x	2.0x	18%	1.2x	Second	First	First
Dover Street IX	2016	4,750	1.3x	24%	0.4x	1.5x	20%	0.3x	Second	First	First
Total		**$12,385**	**1.5x**	**14%**	**1.0x**						

(US$ in millions, as of September 30, 2018)

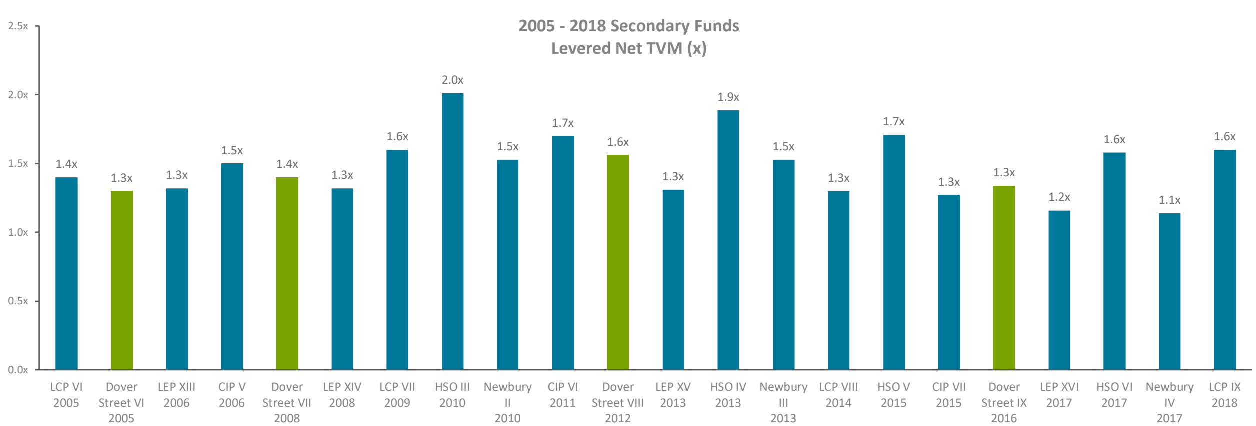
HarbourVest Net Relative Performance						Private iQ					
						All Geographies			HarbourVest		
			HarbourVest			First Quartile			Quartile Rank		
Fund	Vintage	Fund Size	Net TVM	Net IRR	DPI	Net TVM	Net IRR	DPI	Net TVM	Net IRR	DPI
Dover Street V	2002	$515	1.5x	18%	1.5x	2.1x	25%	2.1x	Third	Second	Third
Dover Street VI	2005	620	1.4x	5%	1.2x	1.9x	12%	1.7x	Third	Third	Third
Dover Street VII	2008	2,900	1.5x	10%	1.3x	1.8x	16%	1.5x	Second	Second	Second
Dover Street VIII	2012	3,600	1.6x	22%	1.1x	1.8x	19%	0.8x	Second	First	First
Dover Street IX	2016	4,750	1.4x	55%	0.3x	1.3x	23%	0.1x	First	First	First
Total		**$8,135**	**1.5x**	**13%**	**1.0x**						

Source: HarbourVest, StepStone analysis. Benchmark data from Burgiss PrivateiQ, Private Equity (All Geograhies).

StepStone notes that secondary funds should generally underperform the broader private equity universe on a net TVM basis by their nature – secondary funds generally benefit from less portfolio appreciation than pure buyout, venture capital or growth equity funds as they acquire interests in these underlying funds a few years into their terms (somewhat offset by purchasing these interests at a discount).

To benchmark the net TVM multiples for Dover Street funds to a more representative sample, StepStone compared the net TVM of other secondary funds, shown in *Figure 2*. StepStone notes that the amount and method of leverage used by each GP can significantly impact the amount of capital paid-in to a fund, and therefore have an impact on the net TVM multiple.

Figure 2: Dover Street Relative Performance to Secondary Funds



Note: Landmark, Dover Street, Coller, Newbury and Lexington performance as of 3/31/20. HSO III-IV performance as of 12/31/2019 and HSO V-VI performance as of 3/31/20

Performance vs. Public Markets Indices

The Kaplan & Scholar ("K&S") PME Analysis compares private equity fund performance to a hypothetical portfolio of similar investments in a public index. The analysis discounts fund contributions and distributions based on realized public index returns during the same time period, with the ratio representing the sum of the discounted distributions and market value divided by the sum of the discounted contributions. A PME value greater than 1.0 indicates that the investor benefitted from investing in the private equity fund rather than the public index.

In analyzing HarbourVest's secondary performance vs. public markets, StepStone compared the Firm's performance to the S&P 500 and the MSCI World. Overall, the Firm has generated performance slightly in excess of the public markets, with PME values ranging from 1.1-1.2 and direct alpha of 190-457 bps. Funds V, VIII, and IX individually outperformed the public markets versus both indices, while Funds VI and VII underperformed the public markets. Fund IX is off to a good start and has generated substantial outperformance; however, StepStone notes that the limited invested capital, effects of leverage, and discounts at close have likely factored into a substantial portion of early outperformance.

Figure 3: Dover Street PME Analysis

(As of March 31, 2020)

Harbourvest Partners, LLC Performance vs. Public Market Indices

		vs. S&P 500		vs. MSCI World	
Fund	**Vintage**	**PME**	**Direct Alpha**	**PME**	**Direct Alpha**
Dover Street V	2002	1.2	8%	1.2	6%
Dover Street VI	2005	0.9	-1%	1.0	1%
Dover Street VII	2008	0.9	-4%	1.0	-1%
Dover Street VIII	2012	1.2	7%	1.3	11%
Dover Street IX	2016	1.3	21%	1.4	25%
Total		**1.1**	**2%**	**1.2**	**5%**

Based on Kaplan & Schoar PME Analysis

State of Connecticut
Office of the Treasurer

SHAWN T. WOODEN
TREASURER

November 13, 2020

Members of the Investment Advisory Council ("IAC")

Re: **IPI Partners II, L.P**

Dear Fellow IAC Member:

At the November 18, 2020 meeting of the IAC, I will present for your consideration an investment opportunity for the Real Assets Fund in the Connecticut Retirement Plans and Trust Funds (the "CRPTF"): IPI Partners II, L.P ("IPI II" or the "Fund"). This opportunity is sponsored by IPI Partners, a Chicago-based investment firm focused on data centers and technology-related real assets.

I am considering a commitment of up to $100 million to the Fund which presents an opportunity for CRPTF to enhance portfolio diversification in a value-add strategy with the potential to generate stable cash yields. IPI II is a closed-end commingled fund that will invest primarily in data centers as well as other connectivity-related real assets in the United States. The Fund, led by a team with deep experience in the sector, will focus on the direct acquisition and operation of income-producing assets, build-to-suit new development and stabilized U.S. based data centers.

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

Sincerely,

Shawn T. Wooden
State Treasurer

OFFICE OF THE STATE TREASURER

MEMORANDUM

DECISION

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

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

CC: **Darrell V. Hill, Deputy Treasurer**
Raynald Leveque, Deputy Chief Investment Officer
Danita Johnson, Principal Investment Officer
Olivia Wall, Investment Officer

DATE: **October 26, 2020**

SUBJECT: **Final Due Diligence: IPI Partners II, L.P**

Summary

The purpose of this memorandum is to recommend that the Connecticut Retirement Plans and Trust Funds ("CRPTF") make a commitment of up to $100 million to IPI Partners II, L.P. ("IPI II" or "the Fund"). The general partner of the Fund is Iron Point-ICONIQ DC GP II, L.P. ("GP"), and the Fund will be managed by IPI Partners, LLC ("IPI" or "the Firm"). IPI is a U.S.-based, single-strategy, real estate private equity firm headquartered in Chicago with $2.2 billion of assets under management, as of June 30, 2020. The Firm is jointly owned by ICONIQ Capital, LLC ("ICONIQ") and Iron Point DC Management, LLC, an affiliate of Iron Point Partners, LLC ("Iron Point").

IPI II is targeting a $1.5 billion fund size, with a likely end size of just over $2.0 billion, and primarily seeks to invest in data centers, and to a lesser extent, fiber, towers and other connectivity-related real assets in the United States and in other global developed markets. The Fund closed on ~$775 million in capital commitments as of the end of 1Q20 and expects to have a final close in 4Q20.

Strategic Allocation within the Real Asset Fund ("RAF") Portfolio

The Fund's strategy, detailed below, falls under the value-add real estate allocation of the Real Assets Fund ("RAF"). As of June 30, 2020, the RAF had a non-core real estate allocation of 34.5% which is underweight compared to the target non-core allocation of 50%. More broadly, as of June 30, 2020, the CRPTF's total real estate allocation by market value was 6.7%, 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 IPI II is in line with the 2020 Pacing and Strategic Plan to maintain steady commitments to the real estate sector and to bring the core strategy allocation within the policy range.

A commitment to IPI II would represent CRPTF's first dedicated fund investment to the data center and other technology connectivity-related (collectively "digital real estate") asset class. IPI II represents an opportunity to generate value-add returns in a defensive strategy with the potential to provide stable cash yields and enhance portfolio diversification.

Overview

IPI, founded in July 2016 and headquartered in Chicago, is equally owned by ICONIQ and Iron Point, (jointly the "Sponsors"). The Firm was established to explicitly execute a control-oriented data-centered investment strategy, targeting data centers and other communications assets suited for large, high-quality enterprise data center end users. IPI's strategy is uniquely bolstered by the strengths of the Sponsors, namely ICONIQ's private network sourcing capacity coupled with Iron Point's experience investing and managing within the real estate sector.

ICONIQ, founded in 2011 and headquartered in San Francisco, is a private investment firm with an AUM of $100+ billion that serves as the family office for several prominent technology entrepreneurs and their families. Iron Point, founded in 2006 and co-headquartered in Washington DC and Dallas TX, is a real estate private equity manager with a broad investable sector base, including data centers. At the time of this writing, Iron Point has raised a total of $2.5 billion through four closed-end funds, of which approximately $560 million has been in the data-center sector.

Drawing on the strengths of ICONIQ and Iron Point, IPI established an interconnected investment and operations team under the leadership of Matthew A'Hearn. Matthew A'Hearn is the managing partner of IPI with over 20 years of experience in the telecom, media and technologies industries across various investment banks, of which eight years were specifically dedicated to communications infrastructure. He leads a team of 14 investment and operations professionals with broad expertise across real assets to directly manage the Fund's day-to-day activities, and execute the Fund's strategy through sourcing, underwriting, and managing assets. Additionally, IPI works with ICONIQ and Iron Point personnel as necessary for general guidance through the diligence process. The IPI team is further supported by both Iron Point and ICONIQ's sourcing networks and by Iron Point's back office with shared resources in the legal, compliance and finance sectors.

Matt A'Hearn is supported in acquisitions by IPI's three acquisitions managing directors, Chris Jensen, Sean Ivery and Josh Friedman, who each have specialized experience in the digital real estate sector. Chris Jensen with over a decade of experience, previously served as the Managing Partner of Anderson Pacific Corporation, a Chicago-based private investment firm focused on communications infrastructure. Sean Ivery with ten years of digital real estate experience, was most recently a Senior Vice President in the Data Center Solutions Group at CBRE. Josh Friedman has just under a decade of digital real estate experience and was most recently a Principal at Sterling Partners where he evaluated and managed investment opportunities in the business services sector, including the data center space.

IPI's five-person investment committee comprises representatives of IPI, ICONIQ and Iron Point, with the intention that diverse viewpoints are complementary. Divesh Makan and Jeffrey Felder stand on behalf of ICONIQ, Thomas Lynch and William Jane, on behalf of Iron Point, and Matthew A'Hearn as the representative of the IPI Team. Divesh Makan, an ICONIQ founder has over 15 years of investment management experience. Jeffrey Felder leads ICONIQ's direct real estate investment team, having held senior management roles at CBRE and AIG Global Real Estate. Tom Lynch, and William Jane are both founders of Iron Point and also held senior leadership roles at RMB Realty, Inc. and its successor Oak Hill Realty, LLC, the real estate investment vehicles for Robert M. Bass. William Jane is a new interim member of the Investment Committee following the passing of a prior member with no other significant turnover taking place to date. Investment committee decisions are made by majority vote.

IPI wholly-owns Stack Infrastructure USA, LLC ("Stack"), a U.S. provider of data-center security, connectivity, and other technology needs specific to digital real estate tenants. Stack also provides leasing and other customer functions to IPI's multi-tenant data centers. Stack's team of asset management and operations professionals have broad digital real estate experience. Phil Koen, Operating Partner Director, who serves as Chairman of the Board of Stack, most recently served as Chief Executive Officer and Chairman of the Board of Intermedia, a Unified Communications as a Service and business cloud provider. Prior to Intermedia, he was the Chief Executive Officer of Savvis Inc., a global managed hosting and colocation services provider, and President and Chief Operating Officer of Equinix Inc. In addition, Devin Donnelly, Asset Management Director has focused on the data center space for just under a decade via QTS, a publicly traded REIT and Brookfield Investment Management. Given IPI's strategic emphasis on asset-level property management, the firm's vertically integrated relationship with Stack provides the team with asset level execution and proprietary deal flow while helping to facilitate both organic and inorganic growth.

Investment Strategy

IPI II is a closed-end commingled fund that will continue the same value-add strategy as IPI Data Center Partners Fund I, L.P. ("IPI I") with the goal of meeting the needs of large, high-quality enterprise end users. The Fund primarily focuses on the direct acquisition and operation of (i) value-add income-producing U.S. based assets, (ii) build-to-suit (BTS) new development and (iii) stabilized U.S. based data centers. Within the value-add asset space, IPI targets assets with significant geographical, regulatory or infrastructure barriers to entry that require modest lease-up and/or facility expansion. Within the new development asset space, IPI targets BTS and other developments anchored by a single larger key tenant ("anchored developments") sourced through proprietary tenant relationships. Further, within the stabilized asset space, IPI targets high-quality assets with long-term leases with annual rent escalators to generate meaningful and more predicable cash-on-cash yields. Across all three targeted asset types, IPI focuses on top-tier markets where the majority of IPI's deal sourcing is proprietary, often coming from long-standing industry relationships from ICONIQ's, Iron Point's, and Stack's network of technology companies, coupled with the Firm's reputation for efficient execution.

Consistent with IPI's overall strategy, IPI II will retain a broad ability to invest across the capital stack of data center, other connectivity-assets, and portfolio companies that perform services relating to connectivity-related assets. Development, including BTS, is formally capped at 50% of commitments. While non-US investments are capped at 40%, the Fund may invest in all countries listed in the Morgan Stanley Capital International World Index ("MSCI")[1]. Despite the Firm's broad strategy, as of June 30, 2020, IPI I had invested exclusively in the equity of US based assets, of which almost all investments were specifically in data center assets. With respect to IPI I's portfolio composition, approximately half of the portfolio invested in value-add acquisitions, with the balance roughly evenly split between BTS and stabilized assets. Management expects the portfolio composition of IPI II to be similar to IPI I within the value-add category, but with a slightly heavier tilt to BTS projects and therefore, smaller tilt in the stabilized category. Management also expects a few more international positions and remains open to select preferred equity and other non-equity investments in IPI II than were present in IPI I's portfolio composition.

References

1. msci.com, MSCI World Index (USD) |. *MSCI World Index (USD)*. 31 8 2020. https://www.msci.com/documents/10199/149ed7bc-316e-4b4c-8ea4-43fcb5bd6523. 31 9 2020.

With fund-level leverage capped at 65%, and a focus on control, the Fund expects to build a moderately concentrated portfolio of approximately 10 investments with an average deal size of $200 million. The likely hold period for each investment is 6-8 years in order to realize IPI's value generation. The Fund targets a gross total value multiple ("TVM") of 1.8x-2.0x (1.5x-1.7x net) and gross IRR of 13%-17% (10%-14% net) with an income target of 5-7% per annum. While the Firm is still in the value-creation stage of IPI I, Management believes that potential future exit strategies for both IPI I and IPI II will likely include either individual or portfolio sales to core institutional buyers or REITs.

Risk Management
IPI seeks to generate attractive risk-adjusted returns by building a portfolio of geographically diversified assets, combined with high occupancy, strong tenant credit profiles, customer diversity, and favorable long-term lease structures. IPI I's June 30, 2020 portfolio composition included the following approximate attributes: the highest single geographic area concentration of 29%, tenant occupancy of 90%, 89% of tenants are credit rated BBB- or higher, the largest single customer concentration of 20% and 86% of properties are comprised of triple net leases. IPI seeks long-term contracts (avg. ~12.4 years), and has sticky customers, with ~100% renewal as of June 30, 2020. Furthermore, the Firm targets assets in top-tier markets that are difficult to replicate in order to better protect from over-supply risks.

<u>Market Opportunity</u>

The digital real estate asset class is projected to continue to experience strong global growth as it benefits from secular macro-economic tailwinds related to the increased generation, storage and consumption of data. Despite strong global internet demand, the data center industry is still relatively fragmented, with a host of public and private firms providing various services including data center space, power and cooling at the most basic level, to managed services and cloud computing on the higher end of the service offering. This market factor provides data center developers and managers with an opportunity to consolidate for better economies of scale and to better service larger, high quality and less price sensitive end users – customers IPI specifically targets.

The digital real estate asset class is also supported by high barriers to entry resulting from high upfront capital costs for developers, intellectual/technical expertise necessary for developing and managing data center assets and zoning constraints. In particular, zoning constraints result in rather long lead times to obtain approvals and permits to build and to secure the necessary generators and other equipment (averaging 24-30+ months). Such longer lead times makes competitive threats more visible and predictable for developers/asset managers.

According to Counselors of Real Estate (CRE), for large enterprise clients, it is also common for tenant sponsored improvements to cost the same or exceed the cost of base-building development. Such tenant sponsored buildouts help contribute to the sector's high switching costs for consumers, low tenant turnover/ high lease renewal rates, and long-term leases with triple-net lease structures that also include annual rent increases that mitigate a data center investor's inflation and operating cost risk. Significant financial incentives must exist for an installed customer to decide to either switch data center providers or in-source their data center infrastructure requirements. The physical move can cost anywhere from 1-2 years of rent, in addition to setup costs in the new space. Lastly, switching may also introduce significant operational risk, particularly if the applications and software running on the installed equipment are mission critical to the customer's business.

Overall, while larger, high-quality, end-users may be financially able to build their own data centers, many prefer not to deploy capital in this area despite the inherent rent increase protection this would provide them. For such a tenant, the data center operation business is a notably lower margin business than the business the tenant's underlying business. Additionally, hiring and securing talent to manage such assets is rather difficult and often outside of the core competency of most typical large enterprise tenants.

While digital real estate demand was growing rapidly prior to the COVID-19 pandemic, the health crisis has only reinforced the importance of data centers and cloud computing for society. For many organizations, a digital transformation that was expected to take years has been compressed into a matter of weeks. The strongest demand for the data center sector amid the COVID-19 lockdowns has been from services such as video conferencing apps, cloud collaboration platforms, social media, educational portals, and streaming media. Admittedly, COVID-19 brought a drastic drop in business for industries like transportation, retail, and energy, and their relevant data computing use has dropped. Still, industry analysts widely believe that the net result will be positive for the data center sector. Movements in the public markets of this sector also exhibit optimism. Data center REITs shares hit historical highs in 2020, a reflection that the industry has seen a potential upswing from COVID-19 related demand for services that data centers provide. PFM investment staff note that while exposure to digital real estate can also be achieved through passive REIT investing, such REITS do not offer the benefit of flexible investment structures, selective timing, non-core opportunities, nor access to off-market deals that are driven by proprietary tech relationships- such as those held by IPI. Therefore, PFM investment professionals believe that both passive and active investments are complementary to one another in order to grow exposure to the space for the CRPTF.

Track Record

As of June 30, 2020, IPI I, a 2016 vintage fund, has made nine investments in US based data-center assets in TX, OR, CA, VA, VA, GA, OH, and IL. Approximately half of the portfolio is invested in value-add acquisitions, with the balance roughly evenly split between BTS and stabilized assets. When compared to the March 31, 2020 (latest available) Cambridge Associates Thomson One North American Value-Add and Opportunistic Real Estate Closed-End fund benchmark, IPI I ranks as a first quartile fund on a net internal rate of return ("IRR") and total value multiple ("TVM") basis. On a net distribution to paid in capital ("DPI") basis, IPI I ranks as a second quartile fund. PFM investment professionals note that the performance presented herein represents only one unrealized fund, however, we note that the asset class is relatively new for institutional investors.

PFM investment professionals also reviewed the investment performance of the Sponsors including that of Iron Point's real estate funds, starting in 2006. This analysis included a review of the performance of data center investments in Iron Point funds (IPREP I, II and III). The carved out gross performance of Iron Point's data center investments when compared to the above benchmark shows estimated performance ranking as first and second quartile on a TVM basis and first and third on an IRR basis versus the same benchmark referenced above.

Key Strengths

- Positive and Resilient Macro Tailwinds: The digital real estate sector has continued to grow throughout the COVID-19 pandemic, illustrating the strong secular trends inherent to the industry. According to JLL Research, global internet traffic is expected to grow 27% annually from 2017 to 2021, underpinning the need for internet infrastructure and data center space. While much of the current digital real estate demand is generated from the continued proliferation of smart mobile devices, streaming video, and corporate data strategies to adopt cloud architectures, future demand growth is expected to be generated from artificial intelligence/machine learning, virtual reality, the internet of things and 5G technologies. For example, Intel estimates that the average autonomous car will create 4TB of data per day, approximately 1,000 times the amount of data the average human created in 2018.

- Experienced and Cohesive Team: Matthew A'Hearn leads a team of 14 investment and operations professionals with broad real asset expertise to directly manage the Fund's day-to-day activities, and execute its strategy thru sourcing, underwriting, and managing assets. IPI's deal flow and sector expertise is further supported through the sponsorship from ICONIQ and Iron Point, who both provide meaningful connections and insights into the broader technology landscape. Additionally, IPI serves as the only avenue for both Sponsors to deploy investment capital into the digital real estate space.

- In-House Asset Management and Servicing: IPI is the 100% owner of Stack, a branded platform that manages leasing and other asset-level property functions for many of IPI's multi-tenant data centers. While Stack is not operated as a profit-center, the platform allows IPI to better service the needs of its large enterprise-users on a consistent basis. IPI notes that such tenants are more service than price sensitive and value the consistency that such a vertically integrated relationship delivers. Stack's senior management team have extensive experience in the data center industry, particularly with enterprise and hyperscale users that are the target of the Fund's strategy.

- Active Portfolio with Reduced J-curve: The Investment Period for IPI II commenced following its first closing in December 2019. The Fund has closed or in the final stages on over $300 million across four equity investments as of August 31, 2020. The Fund's timely deployment of capital is attractive for CRPTF which would benefit from a reduction in the J-curve by investing in an active portfolio with a shorter ramp-up period.

- Portfolio Construction: IPI's systemic and diverse approach to portfolio construction allows investors to gain digital real estate exposure without an overconcentration to a single U.S. geographic area, nor tenant. Additionally, IPI's focus on long-term triple net leases with high quality tenants helps bolster a more predictable cashflow stream for investors. With respect to development, IPI's emphasis on BTS and anchored developments also helps to de-risk investments for their investors.

- Industry Relationships: IPI, Iron Point and ICONIQ have long-standing industry relationships with end-users and data center specialists, including a reputation for efficient execution. These relationships bolster IPI's ability to source and close proprietary and market deals vs. other new entrants in an increasingly competitive landscape.

Risks and Mitigants

- Limited Realized Track Record: IPI I, a 2016 vintage fund, has no realized investments, and the Firm is currently raising its second fund.

  Mitigant: As value-add investor, IPI's initiatives are still underway. Thus far, investments have been in line with the Fund's stated strategy and are performing above underwriting values. As of June 30, 2020, IPI on a TVM and IRR basis is ranked first quartile and second quartile on a DPI basis when compared to the Cambridge Associates North American Value Add + Opportunistic benchmark. PFM investment professionals also note that the limited realizations are also offset with annual cash-yields generated from long-term rents/leases.

- Potential Digital Real Estate Infrastructure and Technology Obsolescence: With advances in technology, the underlying infrastructure of assets in which the Fund invests may become obsolete or require upgrades to power and cooling systems that may not be able to be done cost-effectively or at all. Technology equipment including server, storage, networking or other gear may require more frequent and expensive upgrades as advances take place.

  Mitigant: IPI provides space, power, and cooling under long-term contracts. There are also few circumstances that enable a customer to break a lease before the end of the term. Contracts are structured as "take or pay" which essentially requires tenants to pay for the space and power they are leasing whether they use the space and power or not. Additionally, IPI limits tech risk resulting from equipment by not owning such gear. Therefore, customers generally assume tech risk with regard to this equipment and their networks.

Legal and Regulatory Disclosure (provided by Legal)

Pursuant to its response, IPI states (i) it has no material business-related legal or non-routine regulatory matters, (ii) there have been no material claims under its fidelity, fiduciary or E&O insurance policies, and (iii) there are no ongoing internal investigations to report.

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

IPI's most recent Form ADV does not disclose any disciplinary actions or matters.

Compliance Review (provided by Compliance)

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

Environmental Social and Governance ("ESG") Analysis (provided by Policy)

The Assistant Treasurer of Corporate Governance and Sustainable Investing review is attached.

10/30/20

UPDATED[1] COMPLIANCE REVIEW FOR IPI PARTNERS II

SUMMARY OF LEGAL AND POLICY[2] ATTACHMENTS
SUBMITTED BY
IPI PARTNERS, LLC

I. Review of Required Legal and Policy Attachments

IPI PARTNERS, LLC ("IPI") a Chicago-based company, completed all required legal and policy attachments. IPI disclosed no third party fees, campaign contributions, known conflicts, gifts or legal/regulatory proceedings.

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

As of October 2020, IPI[3] employed 373, 73 more than the 300 employed in December 2018. Two women and 3 minorities (Asian males) are Executive/Senior Level Officials and Managers. IPI was formed in 2016. There have been two promotions of minority professionals to date.

Commitment and Plans to Further Enhance Diversity

IPI works with employees involved in personnel decisions and development on strategies to mitigate unconscious bias and ensure the firm sees more diverse candidate pools and hires without discrimination. The firm also seeks to develop its networks to make connections to diverse professionals and organizations.

Workforce Statistics

For Executive/Senior Level Officials and Managers:

- Women held 7% (2 of 30) of these positions in 2020, up from 6% (2 of 31) in 2019 and 4% (1 of 26) in 2018.
- Minorities held 10% (10% Asian) or (3 of 30) of these positions in 2020, slightly up from 9.68% (9.68% Asian) or (3 of 31) held in 2019, and 11.54% (11.54% Asian) or (3 of 26) held in 2018.

At the Management Level overall:

- Women held 28% (39 of 140) of these positions in 2020, down slightly from 29% (28 of 98) held in 2019 and down from 32% (23 of 72) held in 2018.
- Minorities held 27.86% (20% Asian, 2.14% Hispanic, 0.71% Black and 5% Two or More Races) or (39 of 140) of these positions in 2020, up from 24.49% (19.39% Asian and 5.1% Two or More Races) or (24 of 98) held in 2019, but down from 29.17% (22.22% Asian, 1.39% Hispanic and 5.56% Two or More Races) or (21 of 72) held in 2018.

At the Professional Level:

- Women held 42% (83 of 198) of these positions in 2020, down from 44% (90 of 205) held in 2019 and 46% (87 of 190) held in 2018.
- Minorities held 44.95% (31.82% Asian, 6.06% Hispanic, 3.54% Black, 2.53% Two or More Races and 1.01% American Indian or Alaskan Native) or (89 of 198) of these positions in 2020, up from 31.71% (16.1% Asian, 7.32% Hispanic, 2.93% Black, 4.88% Two or More Races and 0.49% American Indian or Alaskan Native) or (65 of 205) held in 2019, and 31.58% (18.95% Asian, 6.84% Hispanic, 1.05% Black 4.21% Two or More Races and 0.53% American Indian or Alaskan Native) or (60 of 190) held in 2018.

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[1] This report contains 3 years of updated Workforce Diversity data submitted to the Compliance Unit on October 23, 2020. The data is for IPI Partners, LLC, its sponsors ICONIQ, and STACK Infrastructure, which is wholly owned by IPI funds.

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

[3] See Footnote 1.

Company-wide:

- Women held 41% (153 of 373) of these positions in 2020, down from 43% (148 of 347) held in 2019 and 47% (140 of 300) held in 2018.
- Minorities held 35.93% (25.2% Asian, 4.83% Hispanic, 2.14% Black, 3.22% Two or More Races and 0.54% American Indian or Alaskan Native) or (134 of 373) of these positions in 2020, up from 28.53% (15.85% Asian, 5.76% Hispanic, 2.02% Black, 4.61% Two or More Races and 0.29% American Indian or Alaskan Native) or (99 of 347) held in 2019, and 30.67% (18.67% Asian, 6.67% Hispanic, 0.67% Black, 4.33% Two or More Races and 0.33% American Indian or Alaskan Native) or (92 of 300) held in 2018.

III. Corporate Citizenship

Charitable Giving*:*

IPI does not have a formal Corporate Citizenship policy at this time but considers firm priorities to be the following:

i) <u>Environmental Responsibility</u>

The assets in which the firm primarily invests are significant consumers of power. As such, the firm is committed to promote understanding and awareness to minimize the negative impacts of its facilities, and to invest in resource-efficient technology and practices.

ii) <u>Human Rights</u>

The areas most relevant to IPI's business and operations, include:

- Ensuring diversity and equal opportunity
- Ensuring a respectful environment for its employees
- Workplace safety and business continuity
- Anticorruption

iii) <u>Community Impact</u>

The firm supports employees who donate their time and skills for the benefit of the communities where they live and where the firm does business. IPI is discussing firm-level community impact initiatives at present and intends to implement a program.

Internships/Scholarships:

IPI has an active internship program in which minorities have been participants (details were not provided). The firm does not currently provide scholarships.

Procurement:

IPI does not have a written procurement policy or program at this time to foster relationships with women/ minority/and/or emerging-owned businesses.

Summary of Responses in re:
Evaluation and Implementation of Sustainable Principles
(Attachment M)

September 1, 2020

	Criteria	IPI Partners
1	**Firm has an ESG policy**	Yes
1a	**Firm described its ESG policy**	Yes
2	**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
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 response
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)**	IPI Partners disclosed that it has engaged a consultant to refine its existing ESG policy and further institutionalize and integrate best practices across the firm. That said, the firm's responses suggested that they are just beginning to establish a systematic process for ESG integration, citing the work that the consultant has been engaged to conduct. The firm is not a member of any sustainability-oriented organizations, however the UN PRI are under review by its consultant. IPI responded that it does not have a policy related to firearms, given that its business is limited to investing in data centers.
	SCORE: **Excellent - 1** Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented organizations; enhanced screening of firearms and/or higher-risk sectors **Very Good - 2** Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented organizations **Satisfactory - 3** General description of ESG philosophy and integration; some evidence of framework for ongoing ESG assessment; member of sustainability-oriented organizations **Needs Improvement - 4** Generic and/or vague description of ESG philosophy and integration; no ongoing ESG assessment; no dedicated ESG staff or resources **Poor - 5** Incomplete or non-responsive	**3**

NEPC Private Markets
Investment Due Diligence Report

IPI Partners

IPI Partners II

November 2020

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Executive Summary

IPI Partners, LLC ("Firm" or "Manager" or "IPI") is raising its second data center real estate focused fund, IPI Partners II ("Fund II" or "Fund"). The Fund will continue the strategy employed by Fund I, focusing on providing data centers globally for large, high-quality enterprise end users. IPI will build a global portfolio consisting of a mix of income-producing properties and new development with a focus on build-to-suits. The Fund will target a net internal rate of return ("IRR") ranging from 10-14% and net equity multiples of 1.5x-1.7x. The Fund may employ leverage of up to 65% at the fund-level.

IPI was formed in July 2016 and is jointly owned and controlled by ICONIQ Capital, LLC ("ICONIQ") and Iron Point DC Management, LLC ("Iron Point"). IPI was formed to invest in digital real estate, in particular data centers that are suited for large, high-quality enterprise data center end users. The Firm brings to bear ICONIQ's access to some of the world's leading technology companies and innovators and Iron Point's history of investing in data centers. IPI has approximately $2.2 billion of assets under management, as of June 30, 2020, through its first investment vehicle, IPI Partners ("Fund I") and Fund II's commitments closed to date.

ICONIQ is a wealth management firm formed in 2011, which also manages direct investments across asset classes, with a specific focus on technology growth equity, private equity, venture capital, and real estate. ICONIQ has approximately $39 billion of assets under active management and more than $100.0 billion of assets under advisement, as of June 30, 2020. ICONIQ is headquartered in San Francisco with offices in Palo Alto, California; New York, New York; and Singapore.

Iron Point was formed in 2007 and has raised approximately $2.5 billion of equity capital through four Iron Point Partners funds. Iron Point targets opportunistic investments and has invested in more than $560 million of equity in the data center space since its founding. Prior to forming Iron Point Partners, the principals managed RMB Realty, Inc. and its successor Oak Hill Realty, LLC, the real estate investment vehicles for Robert M. Bass.

Positives:

- **Robust secular growth –** Digital real estate has strong secular tailwinds resulting from the increase in demand and consumption of data, driving the need for more space and power. Global internet traffic is expected to grow 27% year-over-year from 2017 to 2021, according to Cisco Global Cloud Index. IPI believes that new technologies (e.g., artificial intelligence, virtual reality, the internet of things) will continue to drive the next wave of data growth.

- **Strong, differentiated sponsorship –** The principals and ownership are highly committed to the success of the Firm. The sponsorship from ICONIQ and Iron Point are meaningful differentiators due to their data center investment experience coupled with connections and insights into the broader technology landscape.

- **Team experience investing in digital real estate –** IPI has assembled a team with broad expertise across multiple areas of the digital real estate ecosystem. The Firm presently has fifteen investment professionals led by Matt A'Hearn, Managing Partner. Prior to IPI, Matt was at Moelis & Company where he was primarily responsible for leading the firm's global investment banking practice in the communications infrastructure sector, which included coverage of data centers, fiber, and tower companies. Biographies for the key fund professionals can be found in **Appendix A**.

- **Vertically integrated organization –** In addition to fund and asset management, IPI affiliated entities own 100% of Stack Infrastructure, Inc. ("Stack"), a branded platform that manages leasing and other tenant-related functions at all of IPI's multi-tenant data centers. Stack consists of an eight-member team of seasoned professionals. Stack's senior management team have extensive experience in the data center industry generally, but also particularly with enterprise and hyperscale users that are the target of the Fund's strategy.

Negatives:

- **Limited realized track record –** The Firm has not yet sold any assets. The assets acquired in Fund I so far are consistent with the stated strategy and are performing at or above underwriting.

- **Rapidly expanding organization –** IPI has grown rapidly since inception in 2016, continuously adding headcount while leveraging the strategic relationships with ICONIQ and Iron Point. This collaborative culture appears to be working while the Firm is small and there is plenty of interaction across functions. As the Firm grows, a cultural shift may be required to add more specialists. Although there has been no material turnover yet, given the fast pace of the growth at the Firm, there is a risk there will be turnover as the transformation continues from an entrepreneurial to a more institutionalized firm.

- **Sector specific threats –** While NEPC believes that digital real estate is an attractive area for investment, the concentration of investments in a single sector means that any adverse conditions that may arise in this sector will not be offset by more favorable conditions that may be present in the broader real estate market.

Fund Characteristics

Investment Vehicle	Delaware Limited Partnership
Investment Manager	IPI Partners, LLC
Target Size/Max Size	$1.5B/No hard cap
Amount Raised	$775M – First close occurred on December 21, 2019
Minimum Investment Size	$5M, subject to lower amounts being accepted at the discretion of the GP
Target Final Close Date	Q4 2020
Investment Period	4 years from the date of the Initial Closing
Fund Term	12 years from the date of the Initial Closing, subject to extensions
Sponsor's Investment	The lesser of 2% of aggregate commitments and $20M
Assets Under Management	$1.5B
Investment Focus	Digital real estate
Geographic Focus	US with up to 40% outside of the US, but in no case in countries outside the Morgan Stanley Capital International Index
Projected Number of Investments	~10 fund investments
Deal Size	~$200 million of equity
Target Fund Return	Net IRR of 10-14% and net equity multiple of 1.5-1.7x
Leverage	65% at the fund level and 65% loan-to-value at the property level for stabilized assets and 80% loan-to-cost for development assets
Annual Management Fee	The Fund's standard asset management fee is 150 bps, calculated on Capital Commitments during the Commitment Period and on Invested Capital thereafter. Fee discounts may be available due to investment size or other considerations.
Other Fees	The Fund or its investors may be subject to other fees, including Fund organizational costs, as defined in the Fund's Limited Partnership Agreement.
Organizational Costs	Fund will bear all expenses up to $3M
Performance Fee	The Fund will be subject to carried interest with a preferred return, as defined in the Fund's Limited Partnership Agreement.
ERISA Fiduciary	The General Partner intends to conduct the operations of the Fund so that the assets of the Fund will not be considered "plan assets" of any plan investor.
Fund Auditor	KPMG LLP
Fund Legal Counsel	Gibson, Dunn & Crutcher LLP
Placement Agents	None
Website	http://www.ipipartners.com

Firm Description

Firm Overview
Formed in July 2016, IPI is jointly owned and controlled by ICONIQ and Iron Point. IPI was formed to bring to bear ICONIQ's access to some of the world's leading technology companies and innovators and Iron Point's history of investing in data centers. IPI invests in digital real estate, in particular data centers that are suited for large, high-quality enterprise data center end users. IPI believes its sponsorship and ability to provide strategic capital to the sector are meaningful differentiators. IPI is a vertically integrated firm that, through its branded platform, Stack, is able to manage leasing and other tenant-related functions instead of using third-party service provides. IPI has approximately $2.25 billion of assets under management, as of June 30, 2020, through its first investment vehicle, Fund I and Fund II's commitments closed to date.

The Fund will continue the strategy employed by Fund I, focusing on providing data centers globally for large, high-quality enterprise end users. IPI will build a global portfolio consisting of a mix of income-producing properties and new development with a focus on build-to-suits.

Team Overview
The Firm presently has ten investment professionals led by Matt A'Hearn, Managing Partner. IPI has assembled a team with broad expertise across multiple areas of the digital real estate ecosystem. The IPI team will perform the asset management responsibilities of the Fund. At present, IPI utilizes Iron Point to perform the back-office functions of accounting, financial reporting, certain tax, treasury, IT, and risk management services. The biographies of the key investment professionals are in **Appendix A**.

IPI's Investment Committee is responsible for approving all investments and major decisions made by the Firm and ensuring that investments are within the investment guidelines. All actions of the Investment Committee require an affirmative vote from one of each ICONIQ and Iron Point. Meetings are held on an as-needed basis. The members include:

Investment Committee	
Name	**Title**
Matt A'Hearn	Managing Partner, IPI
Divesh Makan	Partner, ICONIQ
Jeff Felder	Principal, ICONIQ
Tom Lynch	Managing Partner, Iron Point
Bill Janes[1]	Managing Partner, Iron Point

Recent Turnover / Key Departures
IPI has experienced no significant turnover since the Firm's inception.

Succession Planning
IPI has no formal succession planning currently in place. Divesh, Jeff, Tom, and Bill are named as the Fund's key persons. IPI believes that it has a growing base of senior leadership who could successfully implement the Firm's strategy.

[1] Following the untimely passing of John C. Berry in June 2020, who served as one of Iron Point Partners' representatives on the Investment Committee and was also a Key Person, the Key Person formulation was modified. While this unfortunate occurrence constitutes a Key Person Departure, a Key Person Event has not occurred under the terms of the Fund's Limited Partnership Agreement and the General Partner intends to continue its investment activities in ordinary course supported by the Manager's strong investment team. The General Partner intends to present Bill Janes, a Managing Partner of Iron Point, to the Limited Partner Advisory Committee as a Replacement Key Person, and to appoint Mr. Janes to the Investment Committee.

Fund Investment Strategy

Investment Strategy
Fund II seeks to execute its investment strategy across three risk-return segments centered around end-user needs and market opportunities and where the IPI Team believes its model provides certain strategic advantages. The Fund will target net total returns ranging from 10-14% and net equity multiples of 1.5x-1.7x. The Fund may employ leverage of up to 65% at the fund-level.

- **Stabilized Acquisitions:** The Fund will seek to acquire high-quality assets in top-tier data center markets. These will be stabilized properties with long-term leases and annual rent escalators that generate strong cash-on-cash yields.

- **Value-Add Acquisitions:** The Fund will source transactions with a "value-add" component that consists of modest lease-up and/or expansion capital expenditures. The focus is on quality assets in fortress markets.

- **Select New Development:** The Fund will pursue build-to-suit and other anchored developments. The focus will be on sourcing investments largely through proprietary tenant relationships.

Target Fund Return
Net IRR of 10-14% and net equity multiple of 1.5-1.7x. The wide range is largely dependent on the number of attractive built-to-suit opportunities the Fund is able to identify. At present, management believes it will see more built-to-suit opportunities in Fund II than Fund I, which would result in returns being on the upper end of the return target range.

Target Fund Size
The target size of the Fund is $1.5 billion with no hard cap. It is likely that IPI will attract commitments closer to $2.0 billion, which would be a relatively modest and manageable increase over Fund I with $1.5 billion of commitments.

Target Investment Types
The Fund will make investments predominately in data center assets, but it may also invest in other technology and connectivity-related assets, including fiber, towers, and other connectivity related infrastructure. Additionally, the Fund may invest in portfolio companies that perform services relating to, or otherwise engage in, businesses relating to data center assets or technology and connectivity-related assets. The Fund may not invest more than 20% of the commitments in a single asset.

Target Geographic Focus
The Fund may invest globally, but no more than 40% of the commitments may be outside the United States and no investments may be made in countries other than Morgan Stanley Capital International Index countries.

Target Deal Size
The Fund will target transactions of $200 million of equity. This size is generally consistent with that of Fund I where the equity commitments ranged from as little as $18.6 million to upwards of $358 million. The smaller transactions were more strategic to gain control of sites suitable for build-to-suit opportunities.

Use of Leverage
The fund-level leverage is limited to no more than 65%. Individual asset-level debt is limited to (i) 65% on stabilized assets, and (ii) 80% of development cost of a build-to-suit asset.

Recycling of Capital
The Manager may recycle proceeds from sales completed during the Commitment Period if the distribution is a return of capital and not a capital gain.

Environmental, Social, and Governance ("ESG") Considerations

IPI implemented its ESG policy in December 2019. IPI is committed to (i) integrating consideration of ESG issues into its due diligence and investment decision-making processes, (ii) seeking appropriate disclosure on ESG issues by the entities in which it invest, (iii) collaborating with its limited partners to ensure that it accommodates their ESG initiatives and policies, and (iv) distributing its policy and related ESG information to all of our employees. Having said that, IPI is in the early days of properly integrating ESG into all of its processes, which it has not yet fully integrated.

IPI has received a rating of 3 based on NEPC's proprietary ESG Ratings system, where 5 indicates no integration and 1 indicates a best in class approach. The full ESG review is available in **Appendix B**.

Manager's View of Current Market Conditions

IPI believes that the data center asset class, including other technology and connectivity-related assets, is poised for continued robust growth and benefits from unique characteristics that create a compelling investment opportunity with an attractive risk versus return dynamic. The data center industry sits at the intersection of technology, real estate, and infrastructure, benefitting from various transformational trends that are impacting technology, all of which increase data demand and consumption and drive the need for more space and power in data centers.

Powerful secular trends related to the explosive growth of data and storage underpin data center demand. The proliferation of smart mobile devices and streaming video continue to facilitate greater internet usage, driving internet infrastructure demand and the need for data center space. Global internet traffic is projected to grow at a 27% CAGR through 2021, with data center traffic expected to grow at a 25% CAGR through 2021.

IPI believes the technology industry is in the early stages of this evolution in the growth of data with new technologies driving another wave of data consumption. The markets for the internet of things ("IoT"), virtual reality, autonomous vehicles, and artificial intelligence are projected to grow significantly as end user adoption is achieved, supporting secular growth for increased data center demand through the Fund's investment and holding period. The IoT, in particular, is a major potential growth driver as it spans both enterprise and consumer applications, with the proliferation of sensors and other devices producing significant consumption.

In addition to new demand resulting from the proliferation of data, data center owners are also benefitting as enterprises evolve their corporate data strategies to adopt cloud architectures and increasingly outsource their requirements, leasing space from third party providers who specialize in the ownership and operation of data centers.

IPI believes that these trends will generate sustained demand growth and strong industry-wide leasing activity during the Fund's investment and holding period. In addition, in light of the costs and risks associated with relocating a mission-critical IT environment, tenant turnover is low and lease renewal rates for data centers generally exceed those for more traditional real estate. Also, landlords have historically had sufficient market power to negotiate favorable terms, including long-term leases with triple-net lease structures and annual rent increases that mitigate inflation and operating cost risk.

Current Fund Investments

IPI has closed on three investments as of June 30, 2020.

Example of Prior Investment

IPI entered into a joint venture to develop a pipeline of build-to-suit ("BTS") powered shell data centers for a large cloud company in Northern Virginia. The data centers are pre-leased for 15-year terms (triple net), with a corporate guarantee for the full lease term. The investment was attractive to IPI based on the following:

- Attractive levered return through long-terms leases with a highly attractive tenant (AA-credit rating) and predictable cash flows
- Offers a programmatic opportunity to deploy equity on BTS developments for a hyperscale user with mitigated development risk
- The acquisition market for these types of properties once built is becoming deeper and more aggressive on pricing, which presents a likely attractive exit strategy
- Enables IPI to increase its data center exposure in Northern Virginia—the largest data center market in the world
- Allows IPI to further build a trusted relationship with a top hyperscale tenant

The investment process included diligence on the JV Partner, Northstar Commercial Properties (“NCP”), a privately held commercial real estate investment company headquartered in Denver, Colorado. NCP invests in value-add real estate focused on job creation with a current portfolio of 44 properties across 7.5 million square feet of mainly industrial, warehouse, flex, and office spaces. Additional diligence included legal and business review of the leases with a top hyperscale tenant as well as diligence on the development parcels. IPI’s investment process included multiple reviews of the opportunity with its investment committee, which ultimately approved the transaction.

The programmatic joint venture to develop BTS data centers for a large cloud company in Northern Virginia has performed as expected and benefited from IPI’s ability to secure attractive financing. Six of the nine data centers planned are now complete and rent producing, with the most recent building coming online in June. One of the remaining three buildings is expected to be completed in October 2020 with the final two buildings planned for late 2021 or early 2022.

IPI still holds all of the assets in the portfolio. There is significant inbound interest in these assets and IPI believes an attractive exit is possible. In addition, IPI has built a very strong relationship with a top hyperscale tenant and recently agreed to develop another large-scale project in Northern California in partnership with different developer.

Fund Investment Process

Deal Sourcing

IPI believes that the sponsorship of ICONIQ and Iron Point and the ability to provide strategic capital to the sector are meaningful differentiators, and that its model provides certain advantages that are expected to enable the Fund to better invest in the sector than many of it peers. The collective IPI, ICONIQ, and Iron Point networks are expected to provide the Fund with access to differentiated information and relationships, enabling IPI to identify and evaluate opportunities leveraging unique insights and connections, and to execute quickly on attractive transactions.

Investment Process

Underwriting and Due Diligence

IPI's investment team meets weekly to discuss its pipeline of opportunities and determines which investment opportunities are the most compelling and worthwhile to pursue. Following the weekly meetings, prospective investments of interest will go before the Firm's Investment Committee for initial approval. This approval will generally involve an initial determination of the investment's viability and a description of the questions that must be answered during further diligence. Due diligence is performed with a combination of external third-party consultants and internal resources. We believe the Firm performs a solid amount of due diligence on each deal based on interviews with the IPI team as well as reviews of due diligence materials and investment committee memos.

All decisions to make an investment or dispose of an investment (and all major decisions) require the approval the investment committee, which meets as needed. The Investment Committee will be comprised of Divesh K. Makan and Jeffrey F. Felder on behalf of ICONIQ, Thomas C. Lynch, Jr. and William S. Janes on behalf of Iron Point, and Matthew A'Hearn as the representative of the IPI team.

Exit

To-date, IPI has not exited any transactions. The IPI team will regularly re-evaluate each investment throughout the holding period in an effort to implement market-specific exit strategies that will maximize the return on each investment. The Fund will seek to position its investments for multiple liquidity options while focusing on maximizing terminal value. The Firm's investment team has experience in monetizing investments through recapitalizations, initial public offerings, and individual asset sales.

All disposition decisions are made by the Investment Committee.

Value Creation

The Fund's active management process begins during due diligence and continues through disposition of the asset and includes the early development of business plans including budgets, ongoing plan revisions, and monitoring.

All major decisions will be discussed by the IPI team and property managers, with the IPI team ensuring the business plan for the investment is executed. In addition to controlling all major decisions, the Investment Committee will review and approve budgets on an annual basis and review the actual results as compared to budgets on a quarterly basis. Additionally, the IPI team will review underlying financial statements for the investments quarterly and will report major variances and discrepancies to the Investment Committee. Any questions arising out of the budget and financial statement reviews are to be discussed along with other agenda items during monthly and quarterly review meetings with each operating partner and property manager. During these meetings each investment and its business plan are to be discussed and any necessary actions taken.

In addition to partnering with third-party asset managers, developers and joint venture partners, IPI affiliates wholly-owns a nationally recognized data center platform, Stack.

Risk Mitigation

Investment risks and other considerations are identified and documented as a part of all investment decisions, including outside legal review and third-party reports when necessary. The Investment Committee initially determines if each investment's risks can be mitigated, and whether the risk-adjusted returns support the investment.

Consistent with Iron Point's current practices, the IPI team consults with a third-party service provider, GSI, for all insurance and risk management needs at IPI, the Fund, and at the investment level. GSI works with IPI's senior management, deal team members, and the Fund's operating partners/property managers to minimize the Fund's risk exposure.

There are certain formal investment restriction in the Fund's operating agreements (concentration limits, leverage limits, development exposure, etc.), as detailed above.

Fund Economics

Management Fee

The Fund's standard asset management fee is 150 bps, calculated on Capital Commitments during the Commitment Period and on Invested Capital thereafter. Fee discounts may be available due to investment size or other considerations.

Performance Fee

The Fund will be subject to carried interest with a preferred return, as defined in the Fund's Limited Partnership Agreement.

Other Fees and Expenses

The Fund or its investors may be subject to other fees, including Fund organizational costs, as defined in the Fund's Limited Partnership Agreement.

Sponsor's Investment

IPI will commit the lesser of 2% of aggregate commitments and $20 million.

Fund Administration, Structure and Policies

Fund Structure
The Fund will be structured as a Delaware Limited Partnership.

ERISA Provisions
The General Partner intends to conduct the operations of the Fund so that the assets of the Fund will not be considered "plan assets" of any plan investor.

UBTI Considerations
The Fund will offer US tax-exempt and non-US investors the opportunity to invest in the Fund through alternative structures to minimize UBTI.

Labor Policy
IPI does not have a specific labor policy regarding the Fund. The Fund may use union or non-union labor.

Key Person Provision
Following the untimely passing in June 2020 of John C. Berry, who served as one of Iron Point Partners' representatives on the Investment Committee and was also a Key Person, the Key Person formulation was modified. While this unfortunate occurrence constitutes a Key Person Departure, a Key Person Event has not occurred under the terms of the Fund's Limited Partnership Agreement and the General Partner intends to continue its investment activities in ordinary course supported by the Manager's strong investment team. The General Partner intends to present Bill Janes, a Managing Partner of Iron Point, to the Limited Partner Advisory Committee as a Replacement Key Person, and to appoint Mr. Janes to the Investment Committee. The Fund's current Key Person formulation is shown below.

In the event that either (a) both Makan and Felder or (b) Lynch (each of Makan, Felder, and Lynch, a "Key Person") cease for any reason to devote such time as is reasonably necessary to the Investment Committee (a "Key Person Event"), the Commitment Period will be suspended for 90 days, during which time a majority in interest of the Limited Partners may vote to reinstate the Commitment Period. For the avoidance of doubt, so long as (a) at least one of Makan or Felder and (b) Lynch continue to devote such time as is reasonably necessary to the Investment Committee, no Key Person Event will have occurred. To the extent that the Commitment Period is not reinstated within such 90-day period, the Commitment Period will terminate unless one or more replacement Key Persons are designated. Although Matt A'Hearn is not listed as a Key Person, he is subject to a time-and-attention requirement. In the event that he fails to devote substantially all of his business time and attention, then a member of the Investment Committee or a senior professional of ICONIQ or Iron Point will be required to devote substantially all of his or her business time and attention until a suitable replacement is identified by the General Partner. Identification of a replacement will be required within six months and is subject to LPAC approval. If the LPAC fails to approve a replacement, the Commitment Period will be terminated.

GP Removal Provisions
Removal for "cause" by Limited Partners representing a majority in interest, following a Buy/Sell Event by a 66 2/3% interest, and "without cause" by a 75% interest.

LP Advisory Committee
The General Partner will establish a committee comprised of at least two representatives of Limited Partners that are existing clients of ICONIQ and at least three representatives of selected other Limited Partners. The Limited Partner Advisory Committee will provide advice and counsel as requested by the General Partner in connection with potential conflicts of interest and other matters related to the Fund.

Reporting
On an annual basis, Limited Partners will receive audited financial statements for the Fund prepared in accordance with U.S. generally accepted accounting principles. In addition, on a quarterly basis, Limited Partners will receive unaudited financial information for the Fund. Reports will be generated within 60 days

of the end of the quarter for quarterly reviews and within 90 days of the end of the year for the annual audit.

Valuation Policy
IPI's valuation policy is to perform a valuation of the Fund investments internally on a quarterly basis. The valuations will be presented to and reviewed by the Investment Committee on a quarterly basis.

Firm Infrastructure

Office Locations
IPI Partners is headquartered in Chicago, IL. ICONIQ is headquartered in San Francisco, CA, which is the office location for certain Investment Committee Members and shared resources. Iron Point is headquartered in Washington, DC and Dallas, TX, which are the offices for certain Investment Committee Members and shared resources.

Technology Resources and Systems
Significant technology resources and software systems that are used to support investment, compliance, cash management and fund accounting/reporting include:

- Compliance: Schwab Compliance Technologies is used to electronically monitor employee personal trading and various compliance disclosures.
- Accounting Software: IPI's Fund Administrator, BEPCO, utilizes a highly customized accounting software that is based on an AS400 system.
- Deal Management and CRM: DealCloud is used as a deal management solution and CRM tool.
- Investor Reporting: Investment Café is used for the Firm's Investor Portal and also serves as the Firm's data site during fundraising.

Business Continuity Planning
IPI has a business continuity plan. The primary objective of this plan is, in the event of a business interruption, to: (a) minimize the impact of the interruption; (b) sustain an acceptable minimum level of service for an extended period of time; and (c) return to normal business activities as quickly as possible.

To support this plan, IPI maintains operational policies and procedures that define acceptable processes, such as alternative facilities, backup of data files, server configurations, and workstation configurations. The plan addresses IPI response in the event of any loss of the Firm's: physical facilities, operational capabilities, and/or key personnel.

Fund Administration / Back Office Resources
IPI utilizes Bass Enterprises Production Company ("BEPCO") and Group Services, Inc. ("GSI") to provide accounting, financial reporting, certain tax, treasury, IT, and risk management services. For human resource functions, IPI currently utilizes a third-party payroll consultant.

Appendix A: Key Fund Professionals

Detailed Biographies – Investment Committee

Matthew R. A'Hearn, Managing Partner
Mr. A'Hearn is the Managing Partner of the Manager. Prior to joining IPI in March 2017, Mr. A'Hearn was a Managing Director at Moelis & Company LLC ("Moelis"). While at Moelis, Mr. A'Hearn was primarily responsible for leading their global investment banking practice in the Communications Infrastructure sector, which included coverage of data center, fiber and tower companies as well as equity and debt capital providers active in the space. Mr. A'Hearn advised on a wide range of corporate finance transactions at Moelis, including over $7 billion of mergers and acquisitions and over $3 billion of debt and equity financings. Mr. A'Hearn rapidly grew Moelis' Communications Infrastructure practice into one of the leading global advisory businesses in the sector prior to his departure.

Prior to joining Moelis in 2009, Mr. A'Hearn was a Principal in the investment banking group at Bank of America Merrill Lynch where he advised corporate and private equity clients in the telecom, media and technology ("TMT") industries. Prior to joining Bank of America Merrill Lynch in 2005, Mr. A'Hearn worked in the TMT investment banking groups at UBS and, prior to that, Donaldson, Lufkin & Jenrette.

Mr. A'Hearn received a B.S. in Finance and International Business with Distinction from the Kelley School of Business at Indiana University.

Divesh K. Makan, Partner - ICONIQ
Mr. Makan is a founding partner of ICONIQ with over 15 years of experience in the investment management industry. Prior to founding ICONIQ, he was at Morgan Stanley for approximately four years where he co-led a group serving as a multifamily office, investing capital for a small number of families around the world. Prior to this, he spent approximately eight years at Goldman Sachs as a Vice President. Prior to Goldman Sachs, Mr. Makan was a senior manager at Accenture in the financial services area, specializing in private equity. Mr. Makan serves on the Board of San Francisco Exploratorium.

Mr. Makan received an M.B.A. from the Wharton School at the University of Pennsylvania and a B.S. in Electrical Engineering from the University of Natal, South Africa.

Jeffrey F. Felder, Principal - ICONIQ
Mr. Felder is a principal in the direct real estate investment group at ICONIQ Capital. In this role, Mr. Felder is responsible for leading ICONIQ's direct real estate strategies, including IPI Partners, and other fund and single-asset strategies. Prior to joining ICONIQ, Mr. Felder was a Senior Director at CBRE Global Investors where he completed acquisitions representing $3.4 billion of value and helped raise more than $900.0 million of capital for its value funds. Mr. Felder also reported to CBRE's Global CEO during his tenure with the company and performed a range of global management responsibilities, including due diligence, underwriting, and closing the acquisition of ING's Real Estate Investment Management and Clarion Securities businesses. Prior to joining CBRE Global Investors, Mr. Felder served as a Director and founding team member of the West Coast investment team for AIG Global Real Estate where he was responsible for $530.0 million in value-add and opportunistic real estate investments. Prior to AIG Global Real Estate, Mr. Felder served as an investment banking Associate and Analyst with RBC Capital Markets.

Mr. Felder earned a BS in Finance from the University of Wisconsin-La Crosse and an MBA in Finance and Real Estate from the UCLA Anderson School of Management.

Thomas C. Lynch, Jr., Managing Partner – Iron Point
Mr. Lynch is a founding partner of Iron Point Partners. He currently serves as a Managing Partner of Iron Point Partners and is a member of the firm's Management Committee as well as the Investment Committees of each of the Iron Point Funds. Mr. Lynch's responsibilities at Iron Point Partners include originating and structuring new investment opportunities, fund formation and capital raising, fund

management, and investor relations. Prior to the formation of Iron Point Partners in 2007, Mr. Lynch worked for RMB Realty, Inc. ("RMB Realty") and its successor Oak Hill Realty, LLC, entities that managed the real estate investment activities of the Robert M. Bass family office. Mr. Lynch leads Iron Point Partners' data center investment activities and, since joining RMB Realty in 2004, he has either led or been actively involved in investments in office, industrial, and multifamily properties as well as investments in military housing, student housing, senior housing, and life sciences properties. Prior to RMB Realty and Iron Point Partners, Mr. Lynch was a Vice President in the investment banking division at Deutsche Bank Securities (previously Alex. Brown & Sons Inc.) where he provided M&A advisory services and participated in numerous equity and debt private placements and public issuances of equity and equity-linked securities and high-yield bonds.

Prior to investment banking, Mr. Lynch was a Lieutenant in the U.S. Navy where he served as a criminal defense attorney in the Navy's JAG Corps. While serving active duty, Mr. Lynch utilized the G.I. Bill to earn an M.B.A. with a concentration in corporate finance from Old Dominion University.

Mr. Lynch is a graduate of the University of Virginia School of Law, where he attended under the Navy's student program, and received a B.A. degree from Dartmouth College.

William S. Janes, Managing Partner – Iron Point
Mr. Janes is a founding partner of Iron Point Partners. He currently serves as a Managing Partner of Iron Point Partners and is a member of the firm's Management Committee as well as the Investment Committees of each of the Iron Point Funds. Mr. Janes' responsibilities at Iron Point include fund management, originating investment opportunities, fund formation, capital raising, and investor relations. Prior to the formation of Iron Point in 2007, Mr. Janes worked for RMB Realty, Inc. ("RMB Realty") and Oak Hill Realty, entities that managed the real estate investment activities of the Robert M. Bass family office. Mr. Janes became involved with the Bass family office in 1990 and, since that time, he has served as a lead member of the deal teams responsible for all of the Bass-related entities' major real estate transactions. Prior to RMB Realty, Mr. Janes was with Lincoln Property Company, serving as Regional General Partner and overseeing development operations in the mid-Atlantic region, and with Coldwell Banker (now CBRE).

Mr. Janes maintains professional affiliations as a member of the Urban Land Institute and The Real Estate Roundtable. He earned a BA from Bowdoin College and is a former member of the Bowdoin College Board of Trustees.

Detailed Biographies – Investment Team

Philip J. Koen, Operating Partner - Stack
Mr. Koen joined the Manager as an Operating Partner in October 2018. In this role, Mr. Koen works closely with IPI's team to accelerate value creation across the portfolio. Mr. Koen is an accomplished executive with a long-standing track record of guiding prominent data center and internet infrastructure companies through periods of rapid growth. Over the course of his career, he has built highly successful teams, developed strategies for competitive differentiation and growth, and driven complex business transformations. Mr. Koen currently serves as Chairman of the Board of Stack Infrastructure, Inc.

Mr. Koen most recently served as Chief Executive Officer and Chairman of the Board of Intermedia, a Unified Communications as a Service (UCaaS) and business cloud provider. Prior to Intermedia, he was the Chief Executive Officer of Savvis Inc., a global managed hosting and colocation services provider, and President and Chief Operating Officer of Equinix Inc.

Mr. Koen received an M.B.A. from the University of Virginia Darden School of Business and a B.A. in Economics from Claremont McKenna College.

Joshua S. Friedman, Managing *Director*
Mr. Friedman joined the Manager in July 2017 and serves as a Managing Director. He was previously a Principal at Sterling Partners where he evaluated and managed investment opportunities in the business services sector, including the data center space. Mr. Friedman has extensive experience in the data center industry, having invested in, managed and led equity and debt capital markets transactions for private companies in the space.

Prior to Sterling, Mr. Friedman was an Associate at Versa Capital Management, where he evaluated and managed distressed and special situations investment opportunities across asset classes. He began his career in the Financial Restructuring Group at Houlihan Lokey.

Mr. Friedman earned a B.S. in Economics from the Wharton School at the University of Pennsylvania and an M.B.A. from the Kellogg School of Management.

Sean C. Ivery, Managing Director of Business Development
Mr. Ivery joined the Manager in February 2018. As Managing Director of Business Development, he is responsible for identifying and developing opportunities to strengthen and deepen IPI's global industry relationships. Mr. Ivery has focused on the data center industry throughout his career and brings expertise in negotiating acquisitions of data center facilities, technical infrastructure and operating rights, and complex site selection projects. Prior to joining IPI, Mr. Ivery was a Senior Vice President in the Data Center Solutions Group at CBRE. At CBRE, he completed colocation transactions for clients, including Symantec, Adobe, Visa, Digital Realty Trust, Charles Schwab, Nvidia, Internap, Comcast, Microsoft, and various data center developers and private equity firms. Prior to CBRE, Mr. Ivery held senior roles at Cushman & Wakefield and the real estate practices of Ernst & Young and Navigant Consulting.

Mr. Ivery earned a B.S. in Environmental Geoscience from Boston College.

Christopher J. Jensen, Managing DirectorSenior Advisor
Mr. Jensen joined IPI in May 2019 and serves as a Senior Advisor. He was previously the Managing Partner of Anderson Pacific Corporation, a Chicago-based private investment firm focused on communications infrastructure.

While at Anderson Pacific, Mr. Jensen was responsible for sourcing, funding, and advising portfolio companies focused on the data center, fiber, tower, and spectrum related verticals. He has invested in or co-founded numerous successful companies including FiberLink, a Midwest fiber optic network acquired by Zayo Group in 2013, i700 A Block, a 700MHz spectrum holding company acquired by T-Mobile in 2014, ColocationZone, a retail colocation company acquired by Lightower in 2015, Neutral

Path Communications, a regional fiber company acquired by Zayo Group in 2018 and Digital Capital Partners, a Chicago-based data center acquired by CIM / 1547 in 2018.

Mr. Jensen earned a B.S. in Public Financial Management from Indiana University.

Devin M. Donnelly, Director of Asset Management
Mr. Donnelly joined the Manager as Director of Asset Management in September 2018. He has focused on the data center industry for more than seven years with expertise in strategic finance and publicly traded REITs. Before joining IPI, Mr. Donnelly was a Vice President of Strategic Planning & Investments and Head of FP&A and Investments at QTS Data Centers. Prior to QTS, he was a Vice President of Global REITs at Brookfield Investment Management, specializing in data centers and other technology- and connectivity-related assets. He began his career on the Acquisitions Team at Walton Street Capital.

Mr. Donnelly earned a B.S. of Economics from the Wharton School of the University of Pennsylvania and an M.B.A. from the University of Chicago Booth School of Business.

Luke M. Gilpin, Vice President
Mr. Gilpin joined the Manager in June 2017 and serves as a Vice President. Mr. Gilpin was previously an Associate at Sterling, where he evaluated and managed investment opportunities in the business services sector. Prior to joining Sterling in 2012, Mr. Gilpin was an associate at KPMG in the Economic and Valuation Services practice, where he focused on business valuations. As a member of the Fund's management team, Mr. Gilpin is actively involved in all aspects of the Fund's activities, including financial analysis, due diligence, underwriting, and asset management related to new and existing investments.

Mr. Gilpin received a B.S. in Finance and Accounting from Indiana University with a minor in music, and an M.B.A. from the Kelley School of Business at Indiana University.

Lauren A. Sullivan, Vice President
Ms. Sullivan joined the Manager as a Vice President in April 2018. She was previously a Vice President at Chicago Pacific Founders where she evaluated and managed investment opportunities in the health care services sector. Prior to Chicago Pacific Founders, Ms. Sullivan was an Associate at Sterling Partners where she focused on investments in the health care and business services sectors, including the data center space. She began her career in the Consumer & Retail Investment Banking Group at Bank of America Merrill Lynch.

Ms. Sullivan earned a B.B.A. in Finance from the University of Notre Dame.

Christopher J. Jensen, Senior Advisor
Mr. Jensen joined IPI in May 2019 and serves as a Senior Advisor. He was previously the Managing Partner of Anderson Pacific Corporation, a Chicago-based private investment firm focused on communications infrastructure.

While at Anderson Pacific, Mr. Jensen was responsible for sourcing, funding, and advising portfolio companies focused on the data center, fiber, tower, and spectrum related verticals. He has invested in or co-founded numerous successful companies including FiberLink, a Midwest fiber optic network acquired by Zayo Group in 2013, i700 A Block, a 700MHz spectrum holding company acquired by T-Mobile in 2014, ColocationZone, a retail colocation company acquired by Lightower in 2015, Neutral Path Communications, a regional fiber company acquired by Zayo Group in 2018 and Digital Capital Partners, a Chicago-based data center acquired by CIM / 1547 in 2018.

Mr. Jensen earned a B.S. in Public Financial Management from Indiana University.

Appendix B: ESG Rating

Continued on next page.

IPI Partners II

Non-Core: Data Center Real Estate

General Fund Information	
Firm	IPI Partners, LLC ("IPI" or the "Manager")
Fund	IPI Partners II ("Fund II" or the "Fund")
Strategy-Type	Data Centers
Firm AUM	Approximately $2.25 billion as of June 30, 2020
Strategy AUM	Approximately $2.25 billion as of June 30, 2020
Portfolio Managers	Matt A'Hearn

ESG Rating

ESG 3

Analyst Opinion

IPI revised its Firm-wide environmental, social and governance ("ESG") policy in 2020. IPI has formulated a detailed plan to (i) integrate ESG consideration into the due diligence and investment decision-making processes; (ii) develop ESG metrics to formulize appropriate disclosure on ESG issues by the entities in which they invest; and (iii) conduct ESG training for all investment professionals. NEPC would like to see IPI achieve some of its recently implemented ESG integration roadmap milestones, but NEPC believes IPI is committed to improving its ESG implementation, including as it relates to diversity, equity, and inclusion.

From an environmental standpoint, it should be noted that data centers are inherently massive energy consumers, and therefore, energy efficiency should be, as they are at IPI, an integral component of any data center strategy.

Evaluation Criteria and Commentary	
Firm-Level	
Firm-Level Commitment	IPI has a comprehensive ESG policy and is committed to considering environmental, public health, safety, and social issues when evaluating whether to invest in a particular asset, project, company or entity, as well as during the period of ownership. IPI is not a UN PRI Signatory, but has stated an intent to become one.
Integration Process	IPI seeks to improve the portfolio investments in which it invests for long-term sustainability and to benefit multiple stakeholders. IPI is in the early stages of integrating ESG consideration into the entire lifecycle of its investments.
Engagement Policies	The Manager will work through its Investment Committee with respect to environmental, public health, safety, and social issues, with the goal of improving performance and minimizing adverse impacts in these areas. IPI is committed to engaging with limited partners on ESG matters and will work to foster transparency about related activities.
Strategy-Level	
Overview	IPI believes ESG issues affect the performance of investment portfolios and incorporating ESG assessment in the investment process can be both financially and socially profitable.
Integration Process	IPI's facilities have been, or are in the process of becoming, LEED certified.
Resources	IPI does not have dedicated ESG resources at the Firm. However, IPI has hired a third-party that has helped IPI develop an ESG integration roadmap.

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

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. 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

IPI PARTNERS II

FALL 2020

IPI

ICONIQ IRON POINT PARTNERS, LLC

Executive Summary

IPI Partners ("IPI ") is a joint venture between ICONIQ Capital ("ICONIQ") and Iron Point Partners ("Iron Point"), which seeks to execute on a successful strategy focused on investing in data center and other technology and connectivity-related assets globally.

Strategic Joint Venture

Established team with broad expertise across multiple areas of the technology real asset ecosystem

ICONIQ and Iron Point's ability to provide strategic capital to the sector is a meaningful differentiator

ICONIQ is a privately-held financial advisory and investment firm with $100+ billion of assets under advisement and $39+ billion of assets under supervision [2]

Iron Point has $2.5 billion of capital commitments [1] and a long-term track record of successful investments in the data center space

Ongoing Favorable Market Dynamics

Pace of digital data creation and need to store new and legacy data is accelerating

IPI believes new technologies (AI, VR, IoT, autonomous vehicles) are driving a next wave of data growth; ongoing growth in consumption of mobile data and streaming video

Continued shift to the cloud presents an opportunity for sustainable growth in both wholesale and hyperscale colocation

Strong growth in leasing in North America and globally

COVID-19 environment driving cloud growth requiring increased demand for data centers

Compelling Investment Thesis

Focus on global capacity needs of large, high-quality technology and other enterprise end users:

- Income-producing properties in the U.S. and globally
- Meaningful current yield supported by long-term leases and rent growth
- New development and expansion capex focused on build-to suits and anchored facilities

Focus on opportunities where growth in the cloud is a driver of demand

Focus on high credit quality tenants and long-term leases, providing resilience and insulation in volatile markets

Continued Opportunity

Current portfolio establishes IPI as one of the largest private data center owners in the U.S.

Team has developed a robust, high quality pipeline that provides visibility and is expected to immediately benefit IPI II

(1) As of September 30, 2020.
(2) Please see target and gross returns disclosures at the end of this presentation.

IPI Team and Strategic Resources

IPI's team is well positioned to take advantage of the current investment opportunity, combining resident sector expertise and strategic senior leadership from ICONIQ and Iron Point.

INVESTMENT COMMITTEE

ICONIQ

DIVESH MAKAN

JEFF FELDER

IPI

MATT A'HEARN
Partner

IRON POINT PARTNERS, LLC

BILL JANES

TOM LYNCH

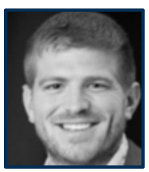
ACQUISITIONS / CAPITAL MARKETS

JOSH FRIEDMAN
Managing Director

CHRIS JENSEN
Managing Director

SEAN IVERY
Managing Director

MATT WEISBERG
Director



LUKE GILPIN
Vice President

LAUREN SULLIVAN
Vice President

JACK VIELLIEU
Vice President

ASSET MANAGEMENT

DEVIN DONNELLY
Director

OPERATING PARTNERS

PHIL KOEN

INVESTOR RELATIONS

LEE LESLEY

STRATEGIC RESOURCES

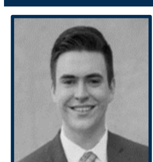
LEGAL & COMPLIANCE

NITIN SATHE
General Counsel and Chief Compliance Officer, IPI and Iron Point Partners

FINANCING & ACCOUNTING

TREY CLEMENS
Chief Financial Officer, Iron Point Partners

GENERALISTS



DANE CHODOS
Associate, Bus. Dev.

WILLIAM DOBIE
Associate

JACK MARKMAN
Associate

JACOB KESTENBAUM
Associate

KAI ITO
Associate

KIRTEN PATEL
Associate

Strategy Focused on Global Capacity Needs of Large, High-Quality End Users

IPI

IPI seeks to execute its investment strategy across three attractive risk-return segments centered around end user needs and market opportunities and where its model provides perceived strategic advantages.

Stabilized Acquisitions

Acquire high-quality assets in top-tier and high growth data center markets

Target properties with long term leases and annual rent escalators

Generate meaningful cash-on-cash yield

Value-Add Acquisitions

"Value-add" potential via modest lease-up and / or expansion capex

Focus on asset quality in fortress markets

Select New Developments

Build-to-suits and other anchored developments

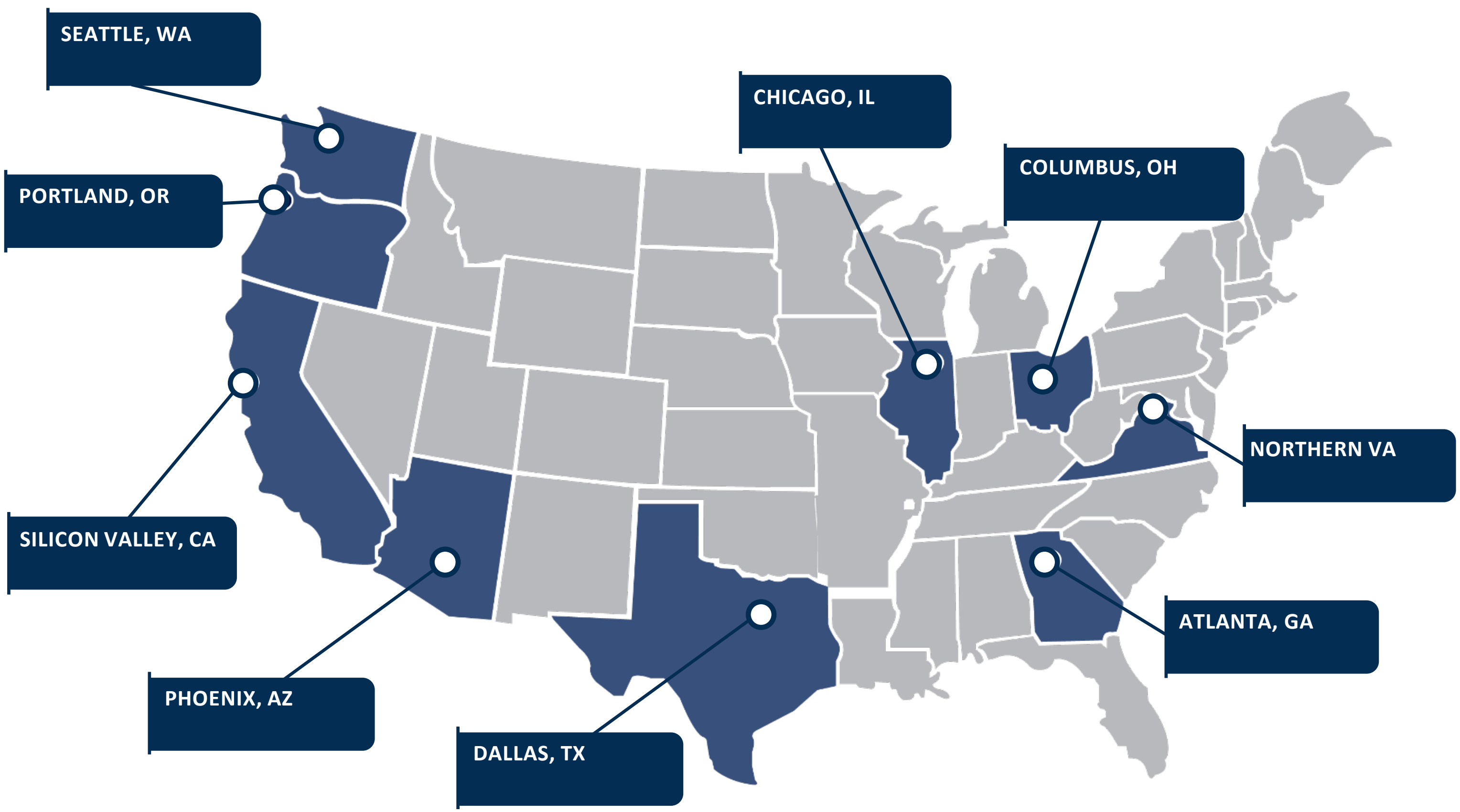
Largely sourced through proprietary tenant relationships

Other development focused on existing IPI markets and top-tier markets globally

- Customer-focused to meet the needs of users across asset types and geographies
- Major market focus in the U.S. and internationally
- Investments structured as property acquisitions, company acquisitions, and joint ventures
- Complementary opportunities in select subsectors
- Employ currency hedging strategies when appropriate

IPI Overview: Growing, Attractive & Diverse Footprint

The IPI portfolio has scale, geographic diversity, and growth potential in leading U.S. data center markets.



Key Market Themes

Data centers benefit from the increase in the demand and consumption of data, driving the need for more space and power.

Explosive Growth of Data

- Cisco's Global Cloud Index forecasts data center internet traffic to increase at a 23% CAGR from 2017 to 2021
- There are expected to be 4.8 billion global internet users by 2022, a threefold increase from 2017
- IPI believes that new technologies (AI, VR, IoT, autonomous driving, high performance computing "HPC") will drive the next wave of data growth

Evolving Corporate Data Strategies

- Enterprises continue to shift to a hybrid approach with a split of workloads between the cloud and colocation in outsourced data centers
  - There continues to be increased shift from on-premise / owned data centers to outsourced data centers
- Overall workloads are growing as enterprises increase adoption of sophisticated, computationally intensive applications
- Large leases are increasingly being executed by enterprises causing absorption to come in waves (2018), with cloud operators adjusting to the growth trajectories of their largest enterprise customers

Cloud Growth

- Continued shift to the public and private cloud presents an opportunity for sustainable growth with 55% of all on-premise traffic expected to be in the cloud by 2021
- Top cloud providers are expected to experience 50%+ revenue growth from 2019-2023, driven by increased data usage stemming from new technologies, increased internet usage, and enterprise transformation of data storage to the cloud
- Cloud companies continue to drive significant portions of profitability and are expected to continue to invest in their cloud businesses
- Even against the backdrop of the COVID-19 environment, cloud momentum continues (growth in revenue remains high, amidst usage and customer adoption growth) and the long-term trend of workloads migrating to the cloud are intact

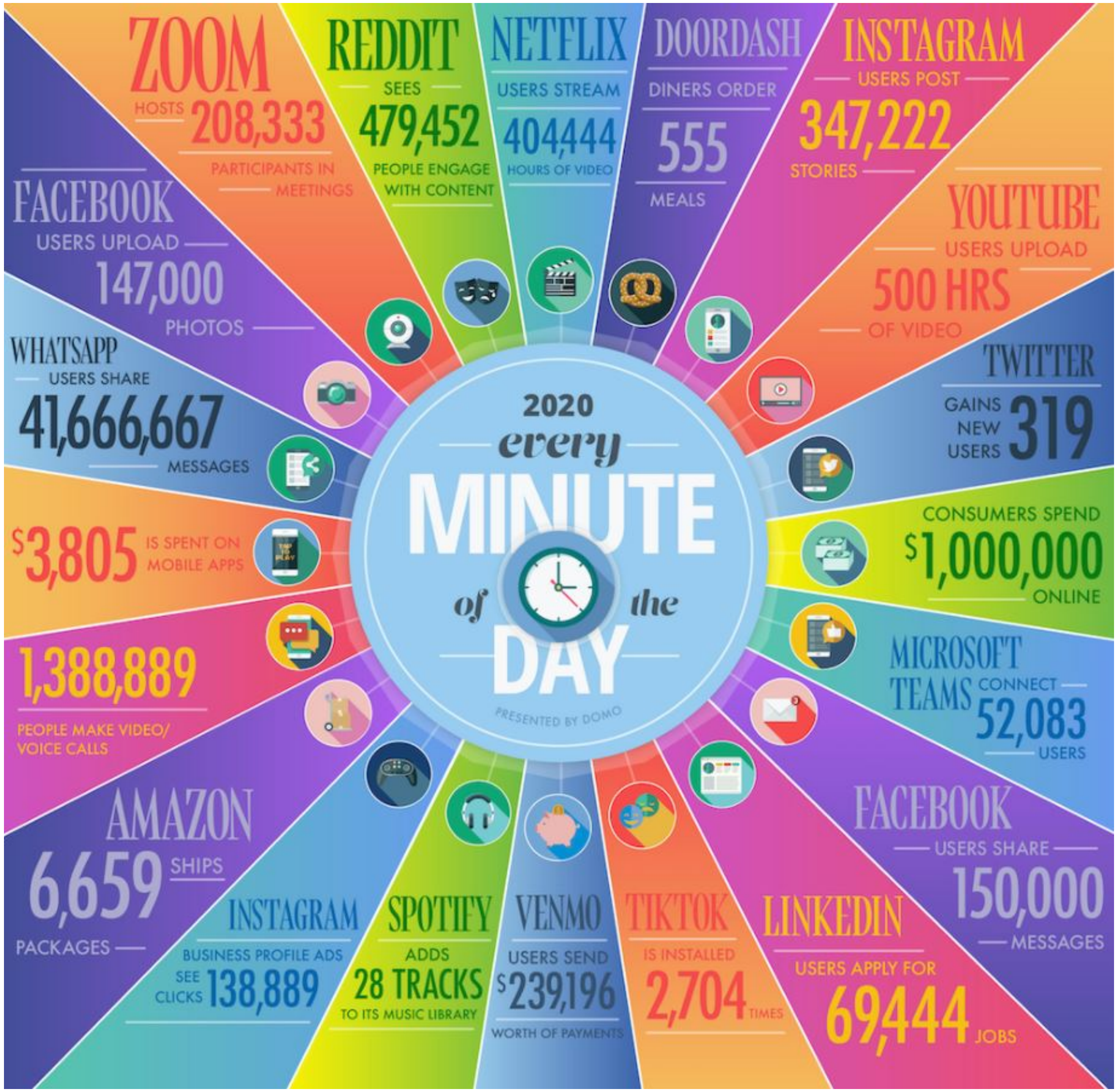
Solid Leasing Trends in Top Global Markets

- Absorption remains strong with top global data center markets achieving 340 MW of absorption in H1 2019 and the U.S. accounting for ~53%
- Net absorption across all primary markets in North America reached an all-time high of 377MW in 2019 –up 26% year-over-year.
- Cloud demand remained strong in 2019, driving increased activity in markets across the globe

Sources: Cisco Global Cloud Index: Forecast and Methodology, 2016–2021 White Paper, Cisco Visual Networking Index: Forecast and Trends: 2017-2022, Global Digital 2019 Report, JLL Data Center Outlook, Midyear 2019; CBRE, North America Data Center Trends Report, H2 2019.

Immense Growth in Data Creation & Storage Driving Data Center Demand

IPI

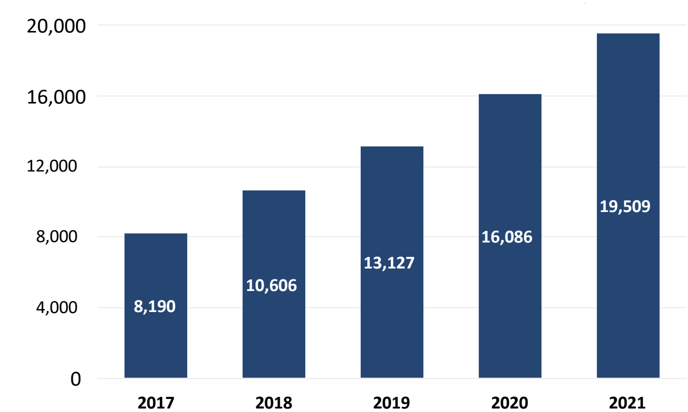


Source: Domo, “Data Never Sleeps 8.0,” September 2020.

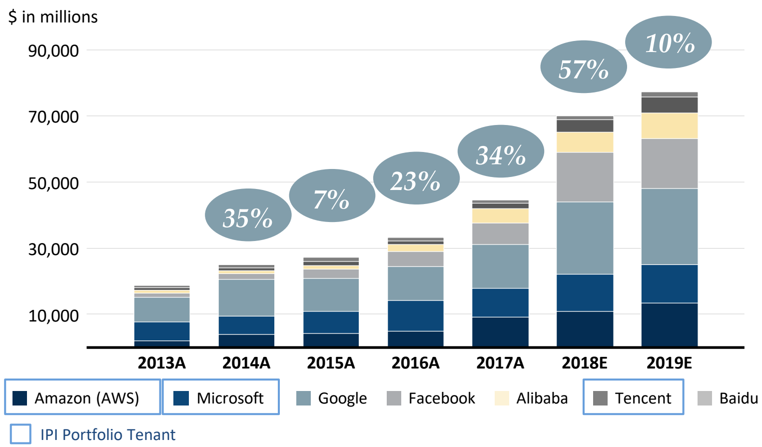
The Cloud is Driving Growth in Demand for Global Data Center Capacity

IPI

CLOUD DATA CENTER TRAFFIC GROWTH [1]



TOP 7 CLOUD PROVIDER CAPEX [2]



(1) Cisco Global Cloud Index: Forecast and Methodology, 2016–2021 White Paper.
(2) BMO Capital Markets, Data Center REITs Building Homes for the Cloud, July 2018.
(3) Company earnings call transcripts (IBM, Microsoft, and Google); CNBC (Amazon).

"Across our segments, our cloud revenue growth improved to 23% this quarter, and our cloud revenue for the year was $21 billion. By leveraging our technology, incumbency and expertise to help our clients with their journeys to cloud, it now represents 27% of our revenue."

- Q4 2019 earnings call [3]

IBM

"Strong execution from our sales teams and partners drove Commercial Cloud revenue to $12.5 billion, up 39% year over year."

- Q2 2020 earnings call [3]

Microsoft

"Amazon's cloud business picked up $9.95 billion in revenue in the fourth quarter, growing faster than analysts had expected."

- CNBC, January 30, 2020 [3]

amazon

"Google Cloud ended 2019 at a more than $10 billion run rate, up 53% year-on-year driven by significant growth in GCP. The growth rate of GCP was meaningfully higher than that of Cloud overall and GCP's growth rate accelerated from 2018 to 2019."

- Q4 2019 earnings call [3]

Google

COVID-19: Acceleration in the Growth of the Cloud

IPI

Against the backdrop of a challenging macro environment, we believe the long-term cloud growth trends and implications for data centers remain intact.

"We delivered double-digit top line and bottom line growth once again this quarter, driven by the strength of our commercial cloud. As COVID-19 impacts every aspect of our work and life, we have seen two years' worth of digital transformation in two months."

Satya Nadella (CEO, Microsoft)
Q3 2020 earnings call

Microsoft

New York Times - March 24, 2020

Big Tech Could Emerge From Coronavirus Crisis Stronger Than Ever

Barron's - April 1, 2020

Data Center Stocks Could be Winners as Usage Soars

"(We) continued to see a healthy adoption of our business and healthy usage not only in the United States, but globally…Our backlog of future contracts continues to build and I still think the basic value proposition of AWS that we've always pointed to…has not been impeded by this COVID crisis yet."

Brian Olsavsky (CFO, Amazon)
Q1 2020 earnings call

amazon

"As the coronavirus pandemic has forced millions of people to stay home over the past two months, Zoom has become the video meeting service of choice for many. Daily meeting participants on the platform surged from 10 million in December to 200 million in March, and now 300 million in April."

CNET - April 8, 2020

Business Insider - April 29, 2020

Microsoft Teams now has 75 million daily active users, adding 31 million in just over a month.

"With respect to the implications of the global crisis for Google Cloud, we're proud of the accelerated traction we achieved across sectors, including public sector and healthcare for disease monitoring and control, working with leading retailers on demand forecasting, working with companies across media and communications to enhance their customer service, and across industries on supply chain optimization."

Google

Ruth Porat (CFO, Alphabet)
Q3 2020 earnings call

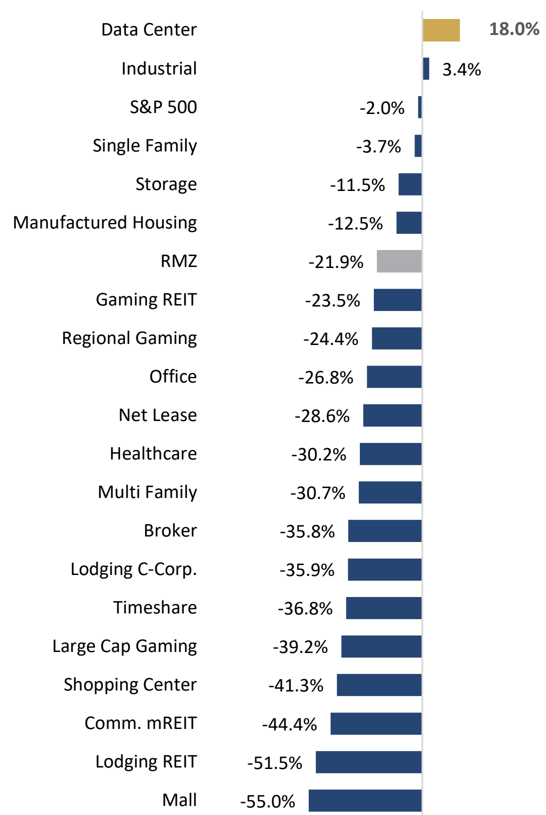
"Working from home has really shifted how the internet is working."

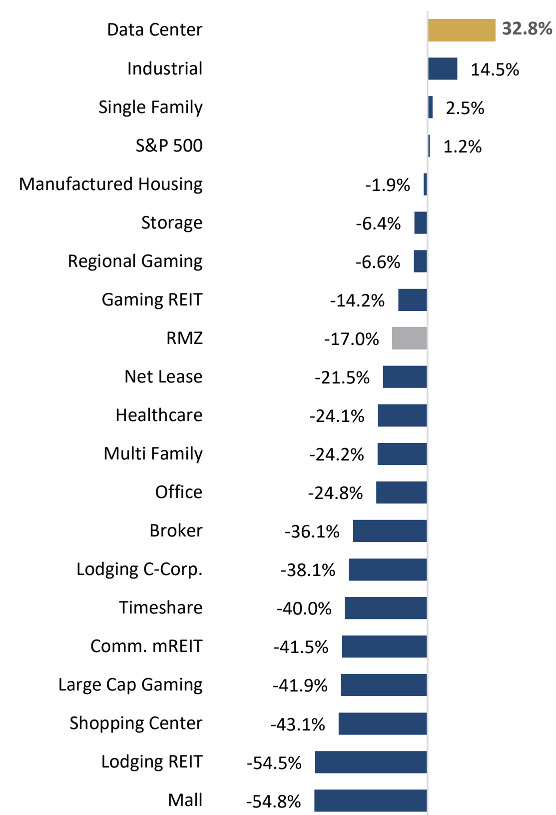
Green Street Advisors
May 5, 2020

How do Data Centers Compare to Other Real Estate Asset Classes?

Data centers have significantly outperformed peers year to date and since the start of COVID-19.

SINCE CLOSE ON FEB. 21, 2020	2020 YTD PERFORMANCE





Source: Bloomberg; market data as of July 31, 2020.

Targeted Sector Opportunities

IPI

IPI believes that its strategy positions it to take advantage of a variety of differentiated opportunities.

Rapid Growth in Global Data Demand

Major Markets on a Global Basis	Scaled Opportunities	Strategic Nature of Capital Driving Deals	Complementary Opportunities
U.S. • Primary and growing Secondary markets **EUROPE** • Major developed markets **ASIA PACIFIC** • Major developed markets	• Large Portfolio acquisitions • Hyperscale campus development • Programmatic investments • Co-investor relationships	• Joint ventures with industry leaders to create proprietary opportunities • C-suite relationships with end users provide unique perspective	**BENEFIT FROM SAME DEMAND GROWTH DRIVERS** • Network / Fiber • Towers / Wireless Infrastructure **CARBON NEUTRAL**

DEEP DEAL PIPELINE

IPI Investment Professionals

MATT A'HEARN, PARTNER

Matt A'Hearn joined IPI in March 2017 and heads all aspects of the Firm's activities. Mr. A'Hearn was previously a Managing Director at Moelis & Company. While at Moelis, he was primarily responsible for leading the firm's global investment banking practice in the communications infrastructure sector, which included coverage of data center, fiber, and tower companies, as well as equity and debt capital providers active in the space. Mr. A'Hearn advised on a wide range of corporate finance transactions at Moelis and grew the Communications Infrastructure practice to be a leading global advisory business in the sector prior to his departure.

Prior to joining Moelis in 2009, Mr. A'Hearn was a Principal in the investment banking group at Bank of America Merrill Lynch where he advised corporate and private equity clients in the telecom, media, and technology ("TMT") industries. Prior to joining Bank of America Merrill Lynch in 2005, Mr. A'Hearn worked in the TMT investment banking groups at UBS and Donaldson, Lufkin & Jenrette.

Mr. A'Hearn earned a BS in Finance and International Business with Distinction from the Kelley School of Business at Indiana University. He currently serves on the Board of Directors of Working in the Schools, a non-profit organization that promotes literacy in the Chicago Public Schools.

SEAN IVERY, MANAGING DIRECTOR

Sean Ivery joined IPI in February 2018 and is responsible for identifying and developing opportunities to strengthen and deepen IPI's global industry relationships. Mr. Ivery has focused on the data center industry throughout his career and has expertise in negotiating acquisitions of data center facilities, technical infrastructure and operating rights, and complex site selection projects.

Prior to IPI, Mr. Ivery was a Senior Vice President in the Data Center Solutions Group at CBRE, where he completed colocation transactions for clients including Symantec, Adobe, Visa, Digital Realty Trust, Charles Schwab, Nvidia, Internap, Comcast, Microsoft, and various data center developers and private equity firms. Prior to CBRE, he held senior roles at Cushman & Wakefield and the real estate practices of Ernst & Young and Navigant Consulting.

Mr. Ivery earned a BS in Environmental Geoscience from Boston College.

JOSH FRIEDMAN, MANAGING DIRECTOR

Josh Friedman joined IPI in July 2017. He was previously a Principal at Sterling Partners where he evaluated and managed investment opportunities in the business services sector, including the data center space. Mr. Friedman has extensive experience in the data center industry, having invested in, managed, and led equity and debt capital markets transactions for private companies in the space.

Prior to Sterling, Mr. Friedman was an Associate at Versa Capital Management, where he evaluated and managed distressed and special situation investment opportunities across asset classes. He began his career in the Financial Restructuring Group at Houlihan Lokey.

Mr. Friedman earned an MBA from the Kellogg School of Management at Northwestern University and a BS in Economics from the Wharton School of the University of Pennsylvania.

CHRISTOPHER JENSEN, MANAGING DIRECTOR

Christopher Jensen joined IPI in May 2019. He was previously the Managing Partner of Anderson Pacific Corporation, a Chicago-based private investment firm focused on communications infrastructure.

While at Anderson Pacific, Mr. Jensen was responsible for sourcing, funding, and advising portfolio companies focused on the data center, fiber, tower, and spectrum related verticals. He has invested in or co-founded numerous successful companies including most recently Neutral Path Communications (a regional fiber company acquired by Zayo Group in 2018) and Digital Capital Partners (a Chicago-based data center acquired by CIM / 1547 in 2018).

Mr. Jensen is active in the Midwest technology start-up community as an angel investor and sits on the board of Hyde Park Angels. He earned a BS from Indiana University.

IPI Investment Professionals (continued)

DEVIN DONNELLY, DIRECTOR OF ASSET MANAGEMENT

Devin Donnelly joined IPI in September 2018. He has focused on the data center industry for more than seven years with expertise in strategic finance and publicly traded REITs. Before joining IPI, Mr. Donnelly was a Vice President of Strategic Planning & Investments and Head of FP&A and Investments at QTS Data Centers. Prior to QTS, he was a Vice President of Global REITs at Brookfield Investment Management, specializing in data centers and other technology and connectivity-related assets. He began his career as a member of the acquisitions team at Walton Street Capital.

Mr. Donnelly earned an MBA from the University of Chicago Booth School of Business and a BS in Economics from the Wharton School of the University of Pennsylvania.

LUKE GILPIN, VICE PRESIDENT

Luke Gilpin joined IPI in June 2017. He was previously an Associate at Sterling Partners where he was responsible for evaluating investment opportunities in the business services sector. Prior to Sterling, Mr. Gilpin was an Associate at KPMG in the Economic and Valuation Services practice.

Mr. Gilpin earned an MBA from the Kelley School of Business at Indiana University and a BS in Finance and Accounting from Indiana University with a minor in music. He is a 7-year "Big Brother" in the Big Brothers Big Sisters organization and recently served three years as President of the Big Brothers Big Sisters Young Professional Board of Chicago.

LAUREN SULLIVAN, VICE PRESIDENT

Lauren Sullivan joined IPI in April 2018. She was previously a Vice President at Chicago Pacific Founders where she evaluated and managed investment opportunities in the healthcare services sector. Prior to Chicago Pacific Founders, Ms. Sullivan was an Associate at Sterling Partners where she focused on investments in the healthcare and business services sectors, including the data center space. She began her career in the Consumer & Retail Investment Banking Group at Bank of America Merrill Lynch.

Ms. Sullivan earned a BBA in Finance from the University of Notre Dame.

MATT WEISBERG, DIRECTOR

Matt Weisberg joined IPI in July 2020. He was previously a Senior Director at Tribune Real Estate Holdings (TREH) and a key member of the senior management team that developed and implemented the strategy to reposition and harvest a $1+ billion real estate portfolio comprised of 8 million square feet of office and industrial buildings and urban infill land. Mr. Weisberg oversaw joint venture structuring and underwriting activity for the national portfolio and redevelopment activity for the East Coast assets. Prior to TREH, he was at Navigant Consulting, Inc. where he advised institutional investors, owners, and lenders on matters related to transactions, asset management, and restructuring. He started his career at LECG.

Mr. Weisberg earned a BA in Economics from The University of Texas at Austin. He holds the Chartered Alternative Investment Analyst (CAIA) designation.

JACK VIELLIEU, VICE PRESIDENT

Jack Viellieu joined IPI in July 2019. He was previously a Private Equity Associate at Madison Dearborn Partners where he evaluated and managed investment opportunities across six industry verticals, including telecom and technology services. Mr. Viellieu started his career as an Analyst at Credit Suisse in the Retail & Consumer Products Investment Banking Group.

Mr. Viellieu earned an MBA from the University of Chicago Booth School of Business and a BA in Economics from Middlebury College.

PHIL KOEN, OPERATING PARTNER

As an Operating Partner, Phil Koen works closely with IPI's team to accelerate value creation across the portfolio. Mr. Koen is an accomplished executive with a longstanding track record of guiding prominent data center and internet infrastructure companies through periods of rapid growth. Over the course of his career, he has built highly successful teams, developed strategies for competitive differentiation and growth, and driven complex business transformation. Mr. Koen currently serves as Chairman of the Board of Stack Infrastructure.

Mr. Koen most recently served as Chief Executive Officer and Chairman of the Board of Intermedia, a Unified Communications as a Service (UCaaS) and business cloud provider. Prior to Intermedia, he was the Chief Executive Officer of Savvis Inc., a global managed hosting and colocation services provider, and President and Chief Operating Officer of Equinix Inc.

Mr. Koen earned an MBA from the University of Virginia Darden School of Business and a BA in Economics from Claremont McKenna College.

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AN INVESTMENT IN THE FUND WILL INVOLVE SIGNIFICANT RISKS, INCLUDING LOSS OF THE ENTIRE INVESTMENT. PRIVATE INVESTMENT FUNDS, SUCH AS THE FUND, ARE SPECULATIVE INVESTMENTS AND ARE NOT SUITABLE FOR ALL INVESTORS, NOR DO THEY REPRESENT A COMPLETE INVESTMENT PROGRAM. THE FUND IS AVAILABLE ONLY TO QUALIFIED INVESTORS WHO ARE COMFORTABLE WITH THE SUBSTANTIAL RISKS ASSOCIATED WITH INVESTING IN PRIVATE INVESTMENT FUNDS.

BEFORE DECIDING TO INVEST IN THE FUND, PROSPECTIVE INVESTORS SHOULD READ THE OFFERING DOCUMENTS AND PAY PARTICULAR ATTENTION TO THE RISK FACTORS CONTAINED IN THE OFFERING DOCUMENTS.

Important Information (continued)

THE FOLLOWING (WHICH DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN AN INVESTMENT IN THE FUND) ARE AMONG THE RISK FACTORS THAT INVESTORS SHOULD CONSIDER: (I), THE INTERESTS WILL BE ILLIQUID, AS THERE IS NO SECONDARY MARKET FOR THE INTERESTS AND NONE IS EXPECTED TO DEVELOP; (II) THERE WILL BE RESTRICTIONS ON TRANSFERRING THE INTERESTS; (III) INVESTMENTS MAY BE LEVERAGED AND THE INVESTMENT PERFORMANCE MAY BE VOLATILE; (IV) FEES AND EXPENSES CHARGED IN CONNECTION WITH AN INVESTMENT IN THE FUND MAY BE HIGHER THAN FEES AND EXPENSES OF OTHER INVESTMENT ALTERNATIVES AND MAY OFFSET PROFITS, IF ANY; (IV) PROSPECTIVE INVESTORS SHOULD HAVE THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THE RISK CHARACTERISTICS OF THE FUND'S INVESTMENTS; (V) THE FUND WILL HAVE TOTAL INVESTMENT AUTHORITY OVER THE FUND AND, THEREFORE, AN INVESTOR IN THE FUND WOULD NEED TO RELY ON IPI PARTNERS DECISION MAKING SKILLS; (VI) THE FUND COULD BE HIGHLY CONCENTRATED IN A GIVEN SECTOR OR INVESTMENT AND, THEREFORE, AN INVESTMENT IN THE FUND IS ONLY APPROPRIATE FOR A PORTION OF AN INVESTOR'S PORTFOLIO; (VII) THE INSTRUMENTS IN WHICH THE FUND INVESTS MAY INVOLVE COMPLEX TAX STRUCTURES WHICH COULD RESULT IN DELAYS IN DISTRIBUTING IMPORTANT TAX INFORMATION TO INVESTORS; AND (VIII) THE FUND AND IPI PARTNERS ARE SUBJECT TO CERTAIN POTENTIAL CONFLICTS OF INTEREST, AND THERE CAN BE NO ASSURANCE THAT ANY SUCH CONFLICT WILL BE RESOLVED IN FAVOR OF THE FUND OR ITS INVESTORS.

IN CONSIDERING ANY PERFORMANCE DATA CONTAINED HEREIN, PROSPECTIVE INVESTORS SHOULD BEAR IN MIND THAT NEITHER PAST NOR PROJECTED PERFORMANCE IS INDICATIVE OF FUTURE RESULTS AND THERE CAN BE NO ASSURANCE THAT THE FUND WILL ACHIEVE COMPARABLE RESULTS OR BE ABLE TO AVOID LOSSES. THE MOICS AND IRRS PRESENTED HEREIN ARE CALCULATED ON A "GROSS" BASIS AND DO NOT REFLECT ANY MANAGEMENT FEES, CARRIED INTEREST OR ALLOCABLE EXPENSES BORNE BY INVESTORS IN A PRIVATE INVESTMENT FUND SUCH AS THE FUND, WHICH, IN THE AGGREGATE, MAY BE SUBSTANTIAL. NOTHING CONTAINED HEREIN SHOULD BE DEEMED TO BE A PREDICTION OF FUTURE PERFORMANCE OF THE FUND.

PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INVESTIGATIONS AND EVALUATIONS OF THE INFORMATION CONTAINED HEREIN. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN ATTORNEY, BUSINESS ADVISER AND TAX ADVISER AS TO LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE INFORMATION CONTAINED HEREIN AND THE INTERESTS.

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CERTAIN INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM SOURCES OUTSIDE OF IPI PARTNERS. WHILE SUCH INFORMATION IS BELIEVED TO BE RELIABLE FOR THE PURPOSES USED HEREIN, NEITHER IPI PARTNERS NOR ANY OF ITS AFFILIATES OR PARTNERS, MEMBERS OR EMPLOYEES, ASSUME ANY RESPONSIBILITY FOR THE ACCURACY OF SUCH INFORMATION.

State of Connecticut
Office of the Treasurer

SHAWN T. WOODEN
TREASURER

November 13, 2020

Members of the Investment Advisory Council ("IAC")

Re: **ISQ Global Infrastructure Fund III, L.P.**

Dear Fellow IAC Member:

At the November 18, 2020 meeting of the IAC, I will present for your consideration an investment opportunity for the Real Assets Fund in the Connecticut Retirement Plans and Trust Funds (the "CRPTF"): ISQ Global Infrastructure Fund III, L.P. ("ISQ III" or the "Fund"). This opportunity is sponsored by I Squared Capital Advisors LLC ("I Squared Capital" or "ISQ"), a global infrastructure investment and asset management firm focused on middle -market opportunities across the energy, utilities, telecommunications, and transportation sectors.

I am considering a commitment of up to $150 million to the Fund which will continue the strategy of its predecessor funds, focusing on the development of investment platforms within the mid-market segment while opportunistically making larger investments in assets that benefit from the firm's global footprint and operational resources and expertise. The Fund intends to leverage its deep team and broad sourcing platform to identify infrastructure opportunities where it sees the potential for operational value add that will enhance the investments, reduce risk and generate superior risk-adjusted returns. A commitment to the Fund will provide the CRPTF exposure to a globally focused, currency hedged infrastructure strategy with an experienced and proven investment team.

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

Sincerely,

Shawn T. Wooden
State Treasurer

OFFICE OF THE STATE TREASURER

MEMORANDUM

DECISION

TO:	**Shawn T Wooden, Treasurer**
FROM:	**Laurie Martin, Chief Investment Officer**
CC:	**Darrell V. Hill, Deputy Treasurer** **Raynald D. Leveque, Deputy Chief Investment Officer** **Danita Johnson, Principal Investment Officer** **Kevin J. Cullinan, Chief Risk Officer**
DATE:	**October 26, 2020**
SUBJECT:	**ISQ Global Infrastructure Fund III, L.P.**

Summary

The purpose of this memorandum is to recommend that the Connecticut Retirement Plans and Trust Funds ("CRPTF") consider a commitment of up to $150 million to ISQ Global Infrastructure Fund III, L.P. (the "Fund" or "ISQ III") to be managed by the general partner, ISQ Global Fund III GP, LLC, (the " GP"), a Delaware limited liability company and an affiliate of I Squared Capital Advisors LLC ("I Squared Capital" or "ISQ"), a global infrastructure investment manager targeting high-quality infrastructure assets across energy, social infrastructure, utilities, transportation and telecommunications worldwide. Based in Miami, I Squared Capital has offices in Hong Kong, London, New Delhi, New York and Singapore.

The GP is targeting a $12 billion fund to invest in mid-market platforms and large opportunistic transactions in the target infrastructure sectors across North America, Europe, Asia and Latin America. Fund III will seek to deliver a gross internal rate of return ("IRR") of 15-20 % and will seek to generate an annual cash yield of 6%. The Fund held a 1A close on September 11, 2020 with $1.65 billion in commitments and has held rolling closes with $4.3 billion total capital closed to date. The Fund expects to complete the 1B Close at the end of November with a total expected first close size of $6-7 billion. ISQ is also raising a companion Fund III Co-Investment vehicle which is designed for smaller investors who commit at least $50 million to Fund III at the first close but are too small or unable to establish their own co-investment account with ISQ.

Strategic Allocation within the Real Assets Portfolio

The Fund's strategy falls under the Infrastructure and Natural Resources allocation of the Real Assets Fund ("RAF"). As of June 30, 2020, the CRPTF's total allocation to infrastructure and natural resources by market value was 0.4%, which is underweight the policy target allocation of 4%. Pension Funds Management ("PFM") Investment Staff and the CRPTF Real Assets Consultant, Meketa, believe that an investment in ISQ III is consistent with the asset class strategic plan to maintain steady commitments to the real assets sector and to diversify the portfolio. Along with meeting the plans' strategic goals, an investment in the Fund will provide the CRPTF exposure to a globally focused, currency hedged infrastructure strategy with an experienced investment team that has generated an attractive performance track record.

Firm Overview

I Squared Capital, established in 2012, is a privately-held global infrastructure investment and asset management firm focused on mid-market opportunities across the energy, utilities, telecommunications, and transportation sectors, The Firm is managed by Founders and Managing Partners, Sadek Wahba, Gautam Bhandari and Adil Rahmathulla in addition to three other partners, Mohamed El Gazzar, Harsh Agrawal and Thomas Lefebvre. Prior to launching ISQ, the three Founders worked together for over eight years leading Morgan Stanley Infrastructure Partners - Sadek Wahba as CEO, Adil Rahmathulla as Head of Americas and Gautam Bhandari as Head of Asia. ISQ's three additional partners, Thomas Lefebvre, Mohamed El Gazzar, and Harsh Agrawal have been at ISQ for eight to nine years and each lead a geographic region: Lefebvre in the Americas; El Gazzar in Europe; and Agrawal in Asia.

The six partners who comprise the voting members of I Squared Capital's Investment Committee, have worked together for over 16 years and as one team for 13 years. At ISQ, this team has overseen the deployment of over $10.5 billion in equity across 26 portfolio companies and 44 countries. Currently, the Firm has 149 professionals globally, across six offices in Miami, Hong Kong, London, New Delhi, New York and Singapore, including 90 dedicated to investing, operating, policy and regulatory functions. As of June 30, 2020, the Firm manages over $14.2 billion of assets on behalf of public pensions, corporate pensions, insurance companies, and sovereign wealth funds.

I Squared Capital is majority-owned by its employees. To facilitate the continued expansion of the Firm, in October 2019, I Squared Capital sold a passive minority interest (20%) of the General Partner to investment funds affiliated with Dyal Capital Partners, a division of Neuberger Berman. As a passive investor, Dyal Capital Partners is not involved in the management of I Squared Capital and has no role in its investments or decision-making process.

Investment Strategy

Fund III will continue the strategy of its predecessor funds, focusing on the development of investment platforms within the mid-market segment while opportunistically making larger investments in assets that benefit from the firm's global footprint and operational resources and expertise. The firm's definition of the "mid-market" generally represents an investment whereby entry equity value is less than $500 million or underlying portfolio company EBITDA is less than $150 million. The Firm generally seeks control investments and transactions sourced independently under bilateral or exclusive agreements with conservative entry pricing.

ISQ, as with the prior funds, intends to maintain a highly diversified portfolio across geography, subsector and deal type. Among the 26 portfolio companies operating across 44 countries in Funds I and II, median single company exposure is 5.9%, with only 3 companies representing above 10%, and the highest single company exposure at 14%. Geographically. the team expects to deploy approximately two-thirds of the Fund's capital to assets located in North America, Europe and OECD Asia, and no more than one-third in non-OECD countries, in Asia and Latin America in particular. Specifically, it estimates that the fund portfolio will be comprised of 6-8 deals in North America (~$5 billion), 4-6 deals in Europe (~$3 billion) and 5-7 deals in growth markets (~ $4 billion). The Fund aims to have limited greenfield exposure to protect against completion risk and will also aim to have low exposure to regulation to insulate from potential adverse government actions.

ISQ's investment strategy relies on identifying infrastructure opportunities where it sees the potential for clear, actionable operational value add that enhances the investments, reduces risk and generates superior risk-adjusted returns. The value creation process utilizes the firm's pool of operating and asset management resources to enhance value through the adoption of management best practices and the execution of customized asset management strategies at each lifecycle stage. ISQ creates a detailed asset management plan during the investment process which sets out anticipated initiatives to be taken on post-investment. The plan also indicates the priorities and timing of the various initiatives with a view to de-risk and optimize the asset in an orderly manner. Post-investment, ISQ executes the asset management plan and continually monitors its progress throughout the lifecycle of ISQ's investment.

<u>Market Opportunity</u>

The COVID-19 pandemic has impacted to varying levels the infrastructure sectors on which I Square Capital focuses. For infrastructure and logistics, e-commerce drives increasing complexity across supply chains, and supply chain solutions with strong technology applications are best positioned to navigate the new landscape. There is a continuing need worldwide to improve transportation infrastructure to meet the need for national and international logistics distribution networks. The pandemic also highlighted the counter-cyclical nature of the telecommunication sector. Market demands for telecommunication infrastructure remain strong, including upgrades to tower and fiber infrastructure to support existing and next generation of mobile networks, and requirements driven by 5G standards for dense fiber buildout and significant tower and fiber enhancements. With respect to the energy, power, and utilities sectors, the pandemic has curtailed energy consumption substantially on a global scale. Meanwhile, demand specifically for oil/gas/NGLs storage capacity has not been impaired while the industry is undergoing changes through which many smaller-scale shale productions are being integrated into high volume productions, and require infrastructure investment for transportation, processing and storage.

Considering the current environment, ISQ has identified broad investment themes that influence the investment focus of Fund III. In general, for Fund III, the team is targeting three broad categories of opportunities globally: high growth industries such as telecommunications, logistics and renewables; high growth industries that are defensive but specific to particular regions, such as specialized medical facilities in Europe; and on a selective basis, sectors where growth has been negative due to market dislocations, where the Fund can access opportunities at an attractive basis in order to generate stable cash on cash returns. In addition, the Fund expects to take advantage of tactical opportunities for Fund III such as, infrastructure investments that support the integration of large volumes of intermittent renewables, focusing on infrastructure investment required by battery storage, electric vehicle charging, advanced smart metering and distributed energy networks.

The Fund has one investment in process, a pan-European, transatlantic and US telecommunications platform which comprises 103,000 km of fiber across 29 countries. The investment is expected to close in H1 2021 and would require approximately $1.3 billion of equity.

<u>Track Record/Performance</u>

As of Q2 2020, I Squared Capital has invested in 26 portfolio companies across 44 countries with its Global Infrastructure Funds I and II. Both Funds I and II are first quartile performing funds when compared to the Cambridge Associates Global Infrastructure Benchmark as of Q4 2019.

Key Strengths

- Strong and Cohesive Investment Team: ISQ is led by a strong senior team that has invested for 13 years together in the infrastructure sector globally. The broader investment team collectively has over $60 billion of infrastructure investing experience across North America, Europe, Asia and Latin America, complemented by the asset management and operating team and senior policy advisors who have significant operating and policy experience globally. ISQ's investment team has experienced minimal turnover and has demonstrated the ability to deploy capital globally, to proactively manage portfolio companies while mitigating risks, and to realize investments at attractive returns.

- Mid-Market Focus: I Squared Capital focuses on a mid-market strategy which the firm believes provides significant advantages, including reaching scale at attractive entry valuations while avoiding competitive processes, and the ability to implement bottom-up operational changes and potentially extract greater value. Fund I and Fund II have invested 67 and 47 percent of their total invested or committed capital in mid-market investments, respectively.

- Disciplined Investment Process: The team has developed a systematic framework for measuring and evaluating risk-adjusted returns that is a key component of its investment strategy. ISQ's risk model analyzes key variables affecting the value of an infrastructure asset and provides a mapping of the team's assessment of these risk variables into a quantifiable risk score used to model risk-adjusted returns. The 10-factor risk model allows for the comparison of infrastructure assets across different sectors and geographic regions while also accounting for idiosyncrasies.

- Conservative use of leverage: Portfolio companies of Fund I and Fund II had average debt to aggregate value ratios of 59 percent and 57 percent, respectively. Additionally, the overall portfolio had less than 6 percent of outstanding debt maturing between 2020 and 2022, with the rest of the debt maturing on a longer horizon. This has mitigated potential liquidity shortfalls or covenant concerns resulting from the ongoing COVID-19 pandemic. For Fund III, aggregate indebtedness may not exceed the lesser of 30% of aggregate commitments and the sum of unfunded capital commitments and 30% of the net asset value of the fund.

- Robust Sourcing Capabilities: I Squared Capital currently has a pipeline of investments sourced mostly through its extensive internal network globally. 77% of its deals were sourced through its internal network. As of March 31, 2020, I Squared Capital had reviewed over $225 billion of potential investment opportunities for Fund I and Fund II, conducted diligence on over $141 billion, sought investment committee approval for $20.4 billion, and successfully invested or committed to invest $7.6 billion, or 3.4% of the total pipeline.

- Diversification: I Squared Capital utilizes diversification to protect against severe dislocations caused by events, such as the ongoing COVID-19 pandemic. Existing funds currently hold investments across 44 countries. With no single investment representing more than 13.8 percent of the respective aggregate commitments to either Fund I or Fund II and with no single sector representing more than 22 percent of the respective aggregate commitments to either Fund I or Fund II. Aside from concentration, ISQ also seeks to assemble portfolios that it believes have un-correlated cash flows by assessing the correlations of risks amongst the assets in the portfolio as well as the accretion/dilution of potential new investments.

Risks and Mitigants

- Larger Fund Size: The Fund target size of $12.0 billion is a significant increase over prior fund sizes. Given the mid-market focus of the Fund and increasingly competitive landscape for infrastructure, identifying sufficient relationship-driven opportunities with bilateral negotiations may be a challenge. As Meketa's report notes, this increase in size could create pressure to drift from their traditional middle market deal size target.

  Mitigant - ISQ has taken a thoughtful approach to Fund size, with consideration of the market opportunities in each sector and target deal sizes. In considering the size of Fund III, the team sought to have sufficient capital to take advantage of both mid-market opportunities as well as large platform investments while not being compelled to compete for mega deals where the team feels pricing is too expensive. PFM is comfortable that the team can deploy the capital it has allocated to each of the region, and that the firm's global focus across three major regions will enable the investment team to continue to be selective.

- Growth of the Platform: As Meketa noted, in addition to managing the ISQ Global Infrastructure fund series and related Growth Market Fund which invests alongside the flagship fund into growth markets transactions, ISQ recently launched an Infrastructure Credit Fund (seeking $1 billion). The new fund series will use shared Firm resources also available to the flagship and growth market funds.

  Mitigant – Since inception, the ISQ team has grown consistently to support a growing portfolio. Since the launch of Fund I, the team has grown from 30 to 148 professionals, in addition to over 100 professional operators and engineers at its portfolio companies. With this growth, the senior team has sought to ensure that the firm is adequately resourced to support the portfolio, maintaining the ratio of deals and assets under management per deal team member to ensure ample capacity to manage the portfolio. PFM believes that the Firm is equipped to source, diligence, execute, monitor and exit investments for the platform.

- Deal by Deal**:** As Meketa's Investment Memorandum notes, "Fund III has an American style waterfall structure, which is calculated deal-by-deal for determining the General Partner's carry payout. A whole-fund style waterfall, which ensures all capital contributions and the preferred return are distributed to Limited Partners prior to the Manager receiving carried interest, is industry standard and provides greater alignment with investors".

  Mitigant – In order to create greater alignment in the waterfall structure. the Manager has created a hybrid carry model in which at the disposition of each deal, the LP receives a return of all costs of the deal being sold plus a preferred return and a return of all partnership level expenses incurred to date. In addition, operating partners are paid carry on a deal-by-deal basis while the remaining team is paid carry on a fund-wide basis; 80% of the carry is vested over a 4-year basis with the remaining retained.

In addition, the Fund has a clawback feature where upon liquidation of the Fund, if the GP has received more than its permitted share of proceeds, the GP must return, any excess amounts received to the Fund. The GP is subject to two interim clawbacks- the first at the at the end of the Investment Period and the second after 7 years.

- Emerging Market Risk: ISQ Global Infrastructure Fund III has emerging market exposure, including investments in countries that carry additional sovereign risk, which exposes the Fund to changes in the political, taxation, and legal environment that could potentially impact the profitability and viability of investments.

  Mitigant – The Firm expects to no more than one-third of the Fund in non-OECD countries, in particular, in Asia and Latin America. In Asia, the Fund is seeking to pursue sectors driven by growth from consumer-led urbanization, increasing disposable incomes, governmental initiatives to improve the environment and promote clean energy, and exponential growth in data usage. In Latin America, I Squared Capital is actively pursuing telecommunications, social infrastructure, renewables and LNG infrastructure buildouts - areas consistent with sustainable development initiatives of the local governments.

- Currency Risk: Fund III is a global fund investing in infrastructure projects funded in local currencies, which exposes the Fund to risk associated with currency movements.

  Mitigant – ISQ takes a systematic approach to managing currency risk by actively hedging the value and cash flows of its non-USD investments to the extent commercially feasible. As of June 30, 2020, the Firm had hedges in place to protect 100 percent of the cost basis and 75 percent of the unrealized value of ISQ's foreign currency denominated assets.

- Regulation: Fund III will invest and hold assets in industries which are subject to a range of local, state, and federal regulations. Unanticipated changes in policies or regulations could potentially have an adverse impact on the performance of these investments by negatively impacting asset values and cash yield.

  Mitigant – ISQ has a rigorous focus on identifying, measuring and managing regulatory and policy risk. The Fund will seek investments in assets with limited policy and regulatory risks. The Senior Policy Advisors have a deep understanding of evolving regulatory environments around the world, including long-term relationships with governments and local stakeholders, which helps enable ISQ to identify and proactively manage policy risk.

Economics/Fees

- Management fee: At $150 million; 1.45%
  - First Close Discount: 5% mgmt. fee reduction
  - Loyalty Discount (commit a minimum of Fund II investment, by the First Close): 5%
  - All discounts are for the duration of 2 years.
- Carried interest: 20%, over an 8% preferred return, deal by deal
- Term:10-year term with up to 4 one-year extensions.
- GP Commitment: At least 2% of capital commitments.
- Co-investment rights at $150 million; 10% of any specific co-investment opportunity at no fee/no carry

- Right to invest in Co-investment Fund; Fees are 35bps management fee and 5% carry

Limited Partner Advisory Committee

The Limited Partner Advisory Committee for Fund III will be comprised of a minimum of three and a maximum of fifteen representatives of selected Limited Partners. The Committee will provide advice and counsel as requested by the General Partner in connection with potential conflicts of interest, including any conflicts for which approval under the Advisers Act may be required, and other matters related to the Fund.

Legal and Regulatory Disclosure (provided by Legal)

Pursuant to its response on Attachment G, Notice of Legal Proceedings, ISQ Capital states (i) it has no material business-related legal or non-routine regulatory matters during the last 5 years except for a routine SEC examination in 2019, (ii) there have been no material claims under its fidelity, fiduciary or E&O insurance policies during the last 5 years, and (iii) there are no ongoing internal investigations to report. With respect to its routine SEC exam, ISQ Capital reported that the SEC exit letter contained two findings regarding insufficient disclosure, which ISQ Capital later addressed through enhanced disclosure in its Form ADV (brochure) and in investor communications.

With respect to material organizational/ownership changes to ISQ Capital in the past 2 years, ISQ Capital notes that its ownership structure was modified in the last year with the addition of outside minority investors, which together now hold approximately 21% of the firm ownership. (ISQ announced the partnership of these minority holders Thomas Lefebvre, Mohamed El Gazzar and Harsh Agrawal earlier in 2020.)

ISQ Capital states it has adequate procedures in place to undertake internal investigations of its employees, officers and directors in connection with its trading practices.

Compliance Review (provided by Compliance)

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

Environmental Social and Governance ("ESG") Analysis (provided by Policy)

The Evaluation and Implementation of Sustainable Principles review is attached.

9/30/20

COMPLIANCE REVIEW FOR ISQ GLOBAL INFRASTRUCTURE FUND III, L.P.

SUMMARY OF LEGAL AND POLICY[1] ATTACHMENTS

SUBMITTED BY

<u>I SQUARED CAPITAL ADVISORS (US) LLC</u>

I. Review of Required Legal and Policy Attachments

I SQUARED CAPITAL ADVISORS (US) LLC ("ISQ"), a Miami Florida-based firm completed all necessary attachments. It disclosed no 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 September 2020, ISQ employed 149, 34 more than the 115 employed in December 2018. The firm identified 1 woman and 4 minorities as Executive/Senior Level Officials and Managers. Over the 3 year period reported (2020-2018), the firm promoted 11 women and 34 minorities within the ranks of professionals or managers.

Commitment and Plans to Further Enhance Diversity

ISQ values diversity and its global team is ethnically diverse and broadly representative of the countries in which it operates. The firm recognizes that women have been historically underrepresented in both infrastructure and investing. It actively supports recruiting efforts to encourage women to pursue careers in these industries and focuses on development and mentorship of underrepresented groups.

Workforce Statistics

For Executive/Senior Level Officials and Managers:

- Women held 10% (1 of 10) of these positions in both 2020 and 2019, slightly down from 11% (1 of 9) held in 2018.
- Minorities held 40% (4 of 10) of these positions in both 2020 and 2019 (30% Asian, and 10% Two or More Races), down from 44.4% (4 of 9) (33.3% Asian and 11.1% Two or More Races) of these positions in 2018.

At the Management Level overall:

- Women held 14% (7 of 49) of these positions in 2020, up from 10% (5 of 48) in 2019, and 11% (5 of 44) in December 2018.
- Minorities held 26.5% (13 of 49) of these positions in 2020 (16.3% Asian, 6.1% Hispanic and 4.1% Two or More Races), down from 33.3% (16 of 48) of these positions in 2019 (22.9% Asian, 6.3% Hispanic and 4.2% Two or More Races), and 34.1% (15 of 44) of these positions in 2018 (25% Asian, 6.8% Hispanic and 2.3% Two or More Races).

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[1] The Treasury Unit responsible for reviewing I Squared Capital Advisor's ESG submission will prepare a separate report.

At the Professional Level:

- Women held 27% (22 of 81) of these positions in 2020, slightly down from 28% (19 of 68) in 2019, and 28% (17 of 60) in December 2018.
- Minorities held 54.3% (46 of 81) of these positions in 2020 (35.8 % Asian, 1.2% Black, 16% Hispanic and 3.7% Two or More Races), down from 61.8% (42 of 68) of these positions in 2019 (41.2% Asian, 16.2% Hispanic and 4.4% Two or More Races), and 56.7% (34 of 60) of these positions in 2018 (38.3% Asian, 15% Hispanic and 3.3% Two or More Races).

Firm-wide:

- Women held 45% (67 of 149) of these positions in 2020, up from 43% (56 of 131) in 2019, and 42% (48 of 115) in December 2018.
- Minorities held 47% (70 of 149) of these positions in 2020 (28.2% Asian, 0.7% Black, 14.8% Hispanic and 3.4% Two or More Races), down from 49.6% (65 of 131) of these positions in 2019 (32.8% Asian, 13% Hispanic, 3.8% Two or More Races), and 48.7% (56 of 115) in 2018 (33% Asian, 13% Hispanic, 2.6% Two or More Races).

III. Corporate Citizenship

Charitable Giving:
ISQ is committed to being a good corporate citizen. The firm maintains a robust Responsible Investment Policy and Framework. As part of the Framework it and its companies work with community leaders to develop social engagement programs including, sponsoring public events on renewable energy, scholarships, site tours and donations of surplus equipment. The firm encourages employees to give of their time, talents and resources to non-profit organizations around the world. Employees also serve on the boards of numerous charities as well as educational and cultural institutions. Some of its "companies offer matching grants for charitable contributions, while others organize volunteer opportunities to provide a service or complete a project. Representative examples include participating in environmental cleanup or habitat restoration, cooking for the homeless, and repairs at rural schools."

Internships/Scholarships:
ISQ and its companies offer numerous internship opportunities around the world. Some employees also engage in personal mentorship programs for young professionals, often from minority backgrounds, in finance and infrastructure. Where appropriate, ISQ and its companies offer scholarships for basic education or to study engineering and infrastructure operations. For example, in India, ISQ provides English and computer literacy programs to underprivileged youth, and in New Mexico, the company partners with the local community college to provide scholarships and job placement programs for members of the Navajo Nation.

Procurement:
ISQ's response did not address whether it has a written procurement policy to foster business relationships with diverse-owned businesses, however it reported that it encourages its companies to consider women- and minority-owned business when soliciting vendor proposals.

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

Submitted by I Squared Capital

October 19, 2020

	Criteria	I Squared Capital
1	Firm has an ESG policy	Yes
1a	Firm described its ESG policy	Yes
2	Firm provided examples of ESG factors considered in the decision-making process, explained the financial impact of these ESG factors	Yes
3	Designated staff responsible for sustainability policies and research	Yes
4	Firm provides training/resources on sustainability issues, explained sources of ESG-related data	Yes
5	Signatory/member of sustainability-related initiatives or groups	Yes
6	Policy for evaluating current or prospective relationships with manufacturers or retailers of civilian firearms	No
7	Policy that requires safe and responsible use, ownership or production of guns	No
8	Enhanced screening of manufacturers or retailers of civilian firearms	No
9	Enhanced screening of any industry/sector subject to increased regulatory oversight, potential adverse social and/or environmental impacts	Yes
10	Merchant credit relationships with retailers of civilian firearms and accessories	No
10a	If yes, firm confirms compliance with laws governing firearms sales	N/A
11	Overall assessment of responses (e.g., depth of approach to ESG and integration)	I Squared's disclosure reflected a comprehensive integration of ESG into its due diligence process and throughout the cycle of its investments. The firm is a signatory of the UN Principles of Responsible Investment, and its ESG policy is based on PRI guidelines. The firm does not have a policy related to manufacturers or retailers of civilian firearms, given that they do not do business with this sector. With respect to other sectors subject to increased regulatory oversight, they conduct enhanced screening to identify potentially material ESG risks.
	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**

MEKETA

INVESTMENT GROUP

Private Markets Investment Memorandum

ISQ Global Infrastructure Fund III, L.P. and ISQ Co-Investment Fund, L.P.

9/18/2020

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Executive Summary

Meketa Investment Group ("Meketa") initiated its due diligence of ISQ Global Infrastructure Fund III, L.P. (the "Fund" or "Fund III"), a global diversified infrastructure fund, in 2020. For a number of Meketa clients, the Fund represents a re-up investment opportunity with I Squared Capital Advisors ("I Squared" or "ISQ"), a manager Meketa first established a relationship with in 2012 during our diligence of Fund I. We have conducted a thorough review of the Fund's private placement memorandum, ISQ's response to Meketa's due diligence questionnaire, and ISQ's virtual data room. Our diligence was supplemented with several conference calls leading up to a formal virtual on-site meeting with various members of the investment, asset management, and operations staff. A physical on-site was precluded due to Meketa's travel restrictions in place beginning March 2020 during the coronavirus pandemic.

ISQ is targeting $12 billion for Fund III and held a 1A close on September 11, 2020 with $1.65 billion in commitments. ISQ plans to hold a 1B close at the end of November 2020. A companion Fund III Co-Investment Fund (the "Co-Investment Fund") has a hard cap of $300 million and is designed for smaller investors who commit at least $50 million to Fund III (individually or in a consultant's aggregate) in the first close (1A or 1B), but are too small or unable to establish their own co-investment account(s) with ISQ.

BACKGROUND OF FIRM

Fund Name	Manager	Office Location(s)	Target Market	Target Geography
ISQ Global Infrastructure Fund III	I Squared Capital	Miami (HQ); Hong Kong, London, New Delhi, New York, and Singapore	Value-added Infrastructure	N. America, Europe, Asia, Latin America

I Squared Capital ("ISQ" or the "Firm") was founded in 2012 by Sadek Wahba, and is led by him, Gautam Bhandari, Adil Rahmathulla (together the "Founding Partners"), alongside Mohamed El Gazzar, Harsh Agrawal, and Thomas Lefebvre (together the "Partners"). Messrs. Wahba, Bhandari, and Rahmathulla previously worked together for over eight years in senior roles leading Morgan Stanley Infrastructure Partners ("MSIP"). The Founding Partners have known or worked with each other for over 17 years, and the majority of the senior investment professionals have worked as one team for over 13 years. The Firm is 80.1% owned by its senior leadership, and 19.9% owned by a passive financial investors, Dyal Capital Partners ("Dyal").

Since ISQ's formation in 2012, the Firm has continued to scale its organization, growing the team from 27 people at inception to 146 today. ISQ has raised a total of $10 billion across two flagship funds: Fund I closed in 2014 with $3 billion in commitments; followed by Fund II which closed in 2017 with $7 billion in commitments. Since inception, ISQ has offered over $6.5 billion of co-investment opportunities associated with the flagship funds with $2.7 billion accepted and closed. The Firm has approximately $14.2 billion of AUM as of June 30, 2020.

This year, ISQ is building on the flagship funds' success with two new offerings: the GM Fund which is a distinct vehicle, but effectively represents an extension of the flagship strategy; and the ISQ Global Infrastructure Credit Fund (the "Credit Fund") that will invest in debt transactions in investment and non-investment grade debt (averaging BB/B credit quality), for which ISQ is looking to raise $1 billion.

SUMMARY OF TERMS AND STRATEGY

Fund Size	Management Fee[1]	Carry And Carry Structure	Preferred Return	Fee Income	Inv. Period And Total Term
$12.0 billion	Blended Rate	Deal-by-Deal	8%	100% offset	5 years/ 10 years

Fund III will continue the Firm's flagship value-add strategy, targeting middle market infrastructure assets located in North America, Europe, and select growth economies (i.e., emerging markets) in Asia and Latin America. The Fund will invest across energy, utilities (including water and waste management), communications, and transportation infrastructure. ISQ envisions making 18 or more individual investments, with 60% of the capital deployed in build-to-platform assets, and 40% in global opportunistic large assets. Each platform is targeted at 7% to 9% of committed capital. ISQ intends to use moderate leverage levels, with targets of 50% to 60% across all Funds. Fund III is targeting a gross IRR of 15% to 20%, in addition to an average annual cash yield of 6%.

The commingled Co-Investment Fund will participate in co-investment opportunities offered by Fund III investments. The Fund is available for individual or aggregated Limited Partners ("LPs") committing at least $50 million and participating in the first close. Allocation within the Co-Investment Fund will be subject to the allocation policies defined by ISQ that is based on investor

[1] Co-Investment Fund will have no management fee or carry for first half of commitment and 50% of the Fund III rate for second half of commitment.

commitment size. Investors eligible for the Co-Investment Fund may invest up to 20% of their Fund III commitment into the co-investment vehicle.

ISQ also expects to establish a number of separate vehicles for larger investors seeking substantial co-investment capital deployment. ISQ's process of syndicating co-investment opportunities to its investors is a key tenet of ISQ's risk management approach. This mechanism allows ISQ to maintain a single platform concentration at the desired level of 10% or less, while investing in assets that can benefit from scale advantages.

TRACK RECORD AS OF JUNE 30, 2020 ($ IN MILLIONS)

Fund	Vintage Year	Invested ($)	Realized Value ($)	Total Value ($)	Net Multiple (X)	Net IRR (%)	CPI + 4[2] (%)	DJ Global Brookfield Infra Index[3] (%)
Fund I	2014	2,951.0	2,248.7	5,185.0	1.6	16.2	5.9	5.4
Fund II	2017	3,907.9	179.3	4,982.7	1.1	11.5	5.0	-0.6
Total		**6,858.9**	**2,428.0**	**10,167.7**	**1.4**	**15.6**		

SUMMARY

ISQ III will continue to focus on the same target markets that the team has focused on since the Firm's inception. It has continued to scale its organization and fund sizes to keep pace with growing market opportunities. ISQ's global organization consists of 146 professionals and the investment team has significant experience sourcing, investing in, and managing infrastructure assets across targeted regions and sectors. ISQ's strategy provides access to a diversified set of middle market value-added infrastructure opportunities across North America, Europe, and select developing countries. Funds I and II are diversified across sectors, regions, business models and, importantly, across uncorrelated government, policy, and regulatory regimes, and their investments are consistent with ISQ's stated strategy. ISQ has in-depth experience executing scale and synergies through its platform-building strategy: Fund I and Fund II invested 65% and 81% of their respective capital in platform assets. Additionally, ISQ has continued to maintain its strong track record, though Fund II remains relatively unrealized.

Key considerations around a commitment to ISQ III include but are not limited to: the increase in flagship fund size; a new minority owner, Dyal; and ISQ's platform expansion with two new commingled investment vehicles, with the potential for others in the future.

[2] PME performance calculated using the Long-Nickels method.
[3] PME performance calculated using the Long-Nickels method.

Partnership Terms and Manager Background

ISQ III/CO-INVESMENT FUND (IF DIFFERENT)

7PROVISION	TERMS
Type of Partnership	Cayman Islands Limited Partnership
Legal Counsel	Kirkland & Ellis LLP
Auditor	PriceWaterhouseCoopers
Placement Agent	Evercore Group, L.L.C.
Fund Size & Hard Cap	$12 billion target; $13 billion hard cap/ not to exceed $300 million
Investment Period	5 years
Total Term	10 years (w/ 4 possible one-year extensions)
GP Commitment	At least 2.0%/0.2% of aggregate capital commitments
Co-Investment Policies	Co-investment opportunities may be offered to LPs or third parties at the sole discretion of the GP. The Manager intents to offer a commingled co-investment vehicle for LPs that make a commitment to the Fund of at least $50 million as of the first closing. ISQ will aggregate Meketa's clients for this vehicle.
Diversification Limits	No more than 20% in any single portfolio company; No more than one-third in investments located outside of the OECD, Hong Kong, Singapore, or Taiwan; No more than 5% of aggregate commitments in investments located in Africa; No investments located in countries formerly part of the USSR; No more than 25% of aggregate commitments in Greenfield projects; No investments that generate more than 10% of revenues from coal-based activities.
Management Fee	Management fees are charged on committed capital during the Investment Period; actively invested capital thereafter. The rate applicable to each LP will be calculated as follows: • 1.60% on <$100M • 1.45% on >$100M to = $200M • 1.25% on >$200M to = $350M • 1.00% on >$350 million. Co-Investment Fund 0.35% per annum of aggregate invested capital
Preferred Return	8% compounded annually
Carried Interest	20%/5%
Carry Structure	Deal-by-Deal (aka "American Style")
Catch-Up Provision	80%/95% GP catch-up
Clawback	The GP must return, net of tax, any excess amounts received to the Fund upon (i) the end of the fiscal year following the end of the Investment Period, (ii) the end of the fiscal year following the 7th anniversary of the final closing date, and (iii) upon liquidation of the Fund.

7PROVISION	TERMS
Fund Level Leverage	Aggregate indebtedness may not exceed the lesser of 30% of aggregate commitments and the sum of unfunded capital commitments and 30% of the net asset value of the fund. Borrowings under subscription facilities must be repaid within 18 months.
Fee Income	Management fees will be reduced by 100% of any transaction-related fee income.
Organizational Expenses	The Fund will bear expenses incurred in connection with organizing the Fund up to 0.1% of aggregate commitments.
Recall/Recycle Provisions	May recall or retain: Distributions made in respect of an investment prior to the end of the Investment Period (not to exceed 125% of aggregate commitments), or an investment that has been disposed of within 24 months, up to the amount of capital contributions in respect of such investment; and distributions equal to the amount of capital contributions used to pay partnership expenses.
Key Person Provision	Investment Period will automatically be suspended if any two of Sadek Wahba, Gautam Bhandari, and Adil Rahmathulla cease to devote substantially all of their business time to the Fund, the GP, the Manager, and the other ISQ funds. Investment Period will be reinstated upon (i) a majority interest vote, or (ii) approval of replacement Key Person(s) by the Advisory Committee.
No-Fault Termination	Any time after the 2nd anniversary of the final closing date LPs representing: 80% of aggregate LP commitments may elect to terminate the Fund; 70% of aggregate LP commitments may elect to terminate the Investment Period; LPs representing at least 80% of aggregate LP commitments may elect to remove the GP.
Legal Structure	The GP will use its reasonable best efforts to ensure that the Fund is not deemed to hold "plan assets."

BACKGROUND OF THE FIRM

I Squared Capital ("ISQ" or the "Firm") is an independent fund manager that targets infrastructure assets globally, with a particular focus on North America, Europe, and selected growth economies. ISQ was founded in 2012 by Sadek Wahba, the Managing Partner, and is led by him, Gautam Bhandari, Adil Rahmathulla (together the "Founding Partners"), alongside Mohamed El Gazzar, Harsh Agrawal, and Thomas Lefebvre (together the "Partners"). Messrs. Wahba, Bhandari, and Rahmathulla previously worked together for over eight years in senior roles leading Morgan Stanley Infrastructure Partners ("MSIP"). Since ISQ's formation in 2012, the Firm has continued to scale its organization, and the team has grown from 27 people at inception to 146 as of August 2020. The Founding Partners have known or worked with each other for over 17 years, and the majority of the senior investment professionals have worked as one team for over 13 years across ISQ and MSIP. ISQ raised Fund I in 2014 and closed on $3 billion in commitments, followed by Fund II, which closed in 2017 with $7 billion in commitments.

The Firm is majority employee-owned and has been since its founding, which at the time included a 15% passive ownership share held by a financial investor, Egypt Kuwait Holdings (EKH), an Egypt-based investment company with a diversified portfolio of investments in sectors including fertilizers and petrochemicals, energy, insurance, and infrastructure. In 2019, ISQ bought back EKH's share by taking on Firm-level debt, and shortly thereafter sold 19.9% of the company to Dyal, a firm known for its passive investments in private equity firms, to continue ISQ's growth while reducing its debt. Dyal's stake is strictly an economic interest with no governance rights. Its ownership share is structured as a perpetual position with Dyal funding its share of the increasing General Partner commitment and carried interest as ISQ's fund size and product lines grow. ISQ's current economic ownership is approximately 68% with the three Founding Partners, approximately 11% with the three other Partners, just under 20% with Dyal, and 1% with two other senior staff members.

In addition to any separate accounts that may be established by larger investors to support individual or multiple co-investments alongside Fund III, ISQ plans to offer a commingled co-investment vehicle (the "Co-Investment Fund") for investors making Fund III commitments of $50 million or more that will invest alongside Fund III, subject to its co-investment allocation policies. Investors in the Co-Investment Fund may commit up to 20% of their Fund III commitment to the co-investment vehicle. The vehicle will have set co-investment parameters, including status in the co-investment priority scale/waterfall. ISQ has said it will aggregate Meketa's clients to qualify for the $50 million minimum commitment.

In addition to its flagship products, ISQ has introduced two additional offerings in 2020, which are not included in this underwriting, except as described below and variously otherwise mentioned in this memorandum.

- ISQ Growth Markets Fund (the "GM Fund") is seeking $2.0 billion to invest in two ways: on a pro rata basis alongside Fund III in Asia and Latin America deals over $100 million; and by itself without Fund III capital in these geographies when equity checks are under $100 million. ISQ expects 80% of the GM Fund to be invested in deals greater than $100 million and 20% of the Fund to be in deals less than $100 million. The Fund will allow ISQ to participate in smaller deals that come through its pipeline that are not sizeable or scalable enough for the flagship fund.
- ISQ Global Infrastructure Credit Fund (the "Credit Fund") is seeking $1.0 billion of capital commitments to take advantage of distressed opportunities in the current to near term market environment. The Fund is expected to form a portfolio of debt transactions in investment and non-investment grade debt, averaging BB/B credit quality. The Fund will target an overall levered gross IRR of 12% to 15% and annual levered cash yield of 6% to 8%.

Additionally, the Founding Partners have also established an unspecified number/type of vehicles to facilitate their personal investment in technology applications for the infrastructure sector, principally targeting minority positions in growth stage technology companies that are ready to scale their products. ISQ characterizes these investments as very small (e.g., up to $5 million in aggregate) compared to the three Founders' General Partner commitments to Fund III and the GM Fund, which are likely to be at least $140 million collectively (assuming a $14 billion fundraise across both funds). The Founders' stated motivation is to use these investments to help them develop a deep understanding of technology impacts on infrastructure by enhancing their knowledge base thereof. Two members of the investment team, Peter Corsell and Kevin Crull, appear to be 100% dedicated to this "Infra Tech" investment activity (see Appendix Exhibit 1 for their bios).

ISQ says it is not currently offering this "strategy" to other ISQ employees, and the Firm is not anticipating on launching it as a commingled fund for institutional investors in the near term. However, the Founders can envision having certain High Net Worth individuals or entities invest in ISQ-sourced Infra Tech alongside the Founders before ISQ would offer any more widely marketed vehicle for this strategy. Please see under Conflicts of Interest in the Other Issues section of this memo for more discussion on this activity and other potential ISQ strategies and vehicles.

Investment Resources and Experience

ISQ has grown to a team of 146 professionals based in six offices globally including its headquarters in Miami, Florida. There are also offices in New York, London, New Delhi, Hong Kong, and Singapore. The Firm has 51 investment professionals, of which 42 are dedicated to the flagship products. The other nine investment team members focus on the Credit Fund and Infra Tech activities.

The investment team is led by its three Founding Partners and three Partners that lead each geographic region: Thomas Lefebvre in the Americas; Mohamed El Gazzar in Europe; and Harsh Agrawal in Asia. Messrs. Lefebvre, El Gazzar, and Agrawal have been at ISQ for eight to nine years. Within the three geographic regions, sub-regional leaders have been promoted: Chucri Hjeily is responsible for Latin America; Chenhua Shen is responsible for Hong Kong, China, and Southeast Asia; and Enrico Del Prete is responsible for Southern Europe. The flagship fund investment staff also includes four Managing Directors, four Principals, five Vice Presidents, and 22 Associates and Analysts. The team is complemented with a 23 member Asset Management group and 12 senior Policy Advisors.

INVESTMENT PROFESSIONALS

Name Office	Title	Years At Manager	Total Years' Experience	Relevant Experience/Degree
Sadek Wahba *Miami*	Chairman & Managing Partner	8	16	- CEO at Morgan Stanley Infrastructure - PhD, Harvard; MS, London School of Economics; BA American University in Cairo
Adil Rahmathulla *Miami*	Managing Partner	8	15	- Head of Americas at Morgan Stanley Infrastructure - M&A and Financing at Credit Suisse - MBA, Yale University; Bachelor of Commerce, University of Bombay
Gautam Bhandari *Miami*	Managing Partner	8	14	- Managing Director at Morgan Stanley Infrastructure - MBA, New York University; PhD, University of Delaware; BS, St. Stephens College

Name Office	Title	Years At Manager	Total Years' Experience	Relevant Experience/Degree
Thomas Henri Lefebvre *Miami*	Partner	8	11	- Vice President and Portfolio Manager at Morgan Stanley Infrastructure - MBA, Harvard Business School; MSc, Ecole Nationale Superieure des Telecommunications; MSc, Ecole Polytechnique
Harsh Agrawal *Singapore*	Partner	7	14	- Executive Director at Morgan Stanley Infrastructure - BA and BS, Lafayette College
Mohamed El Gazzar *London*	Partner	7	12	- Executive Director at Morgan Stanley Infrastructure - LLB, Warwick University
Chenhua Shen *Hong Kong*	Managing Director	6	10	- Associate at Morgan Stanley Infrastructure - Master of Economics, New York University; BA, Peking University
Chucri Hjeily *Miami*	Managing Director	5	14	- Vice President at Global Infrastructure Partners - Senior Associate at Morgan Stanley Infrastructure - MBA, University of Pennsylvania; BS, University of Washington
Enrico Del Prete *London*	Managing Director	3	10	- Director at Terra Firma Capital Partners - Consultant, McKinsey - MBA, INSEAD; BA, University of Oxford
Larry Kellerman *Miami*	Managing Director	1	41	- Founder at Twenty First Century Utilities - Partner at Goldman Sachs - MBA, West Coast University; BA, University of California
Kunal Agarwal *New Delhi*	Principal	6	7	- Equity Research Associate at Barclays - MBA, Indian Institute of Management; BE, Nanyang Technological University

Name Office	Title	Years At Manager	Total Years' Experience	Relevant Experience/Degree
Mark Clark *Miami*	Principal	6	6	- Investment Banking, Citigroup Global Markets - BA and BS, Hamilton College
Sayantan Lahiri *Singapore*	Principal	2	12	- Investment Principal at UTI Capital - MBA, Indian Institute of Management; B.Tech, Indian Institute of Technology
Jesse Krynak *Miami*	Principal	<1	0	- Director at First Reserve - MA, University of Southern California; BS, Pepperdine University

GEOGRAPHIC AND VERTICAL TEAMS

Regions	Title	Primary Role/Vertical
Americas		
Thomas Lefebvre	Partner	Head of Americas
Chucri Hjeily	Managing Director	Lead of Latin America
Larry Kellerman	Managing Director	Clean Tech, Utilities
Mark Clark	Principal	Communications and Power
Jesse Krynak	Principal	Midstream
Americas team also includes two Vice Presidents and 11 Associates and Analysts.		
Europe		
Mohamed El Gazzar	Partner	Head of Europe
Enrico Del Prete	Managing Director	Lead of Southern Europe
Europe team also includes two Vice Presidents and five Associates and Analysts.		
Asia		
Harsh Agrawal	Partner	Head of Asia
Chenhua Shen	Managing Director	Lead of Hong Kong, China, and South Asia
Kunal Agarwa	Principal	Generalist India
Sayantan Lahiri	Principal	Generalist Asia
Asia team also includes one Vice President and six Associates and Analysts.		

FIRM DIVERSITY DATA[4]

	Male	Female	Minority	Non-Minority
Entire Staff	70%	30%	55%	45%
All Investment Professionals	92%	8%	57%	43%
Senior Investment Professionals	100%	0%	67%	33%

[4] Diversity statistics provided by ISQ. Senior Investment Professionals include Partners and above at the Firm.

PERSONNEL COMMENTS

The Firm has experienced significant growth since raising Fund II, increasing from 76 professionals to 146. The core senior professionals remain unchanged and the three former Managing Directors who were in charge of the three geographic regions were recently promoted to Partner. All three new Partners have been with ISQ since its inception and have been the heads of their regions since Fund I. The growth has mostly come from hiring at the mid- to lower levels and promoting professionals from within. This has led to the development of a strong culture and resulted in low turnover.

ISQ has also continued to build out its asset management team, which has grown to 23 professionals, and includes nine Operating Directors who bring deep industry experience to all phases of the investment process. The team has also purposely expanded and improved the environmental, social, and corporate governance ("ESG") resources and experience with recent hires, as described later in the ESG section.

For the Credit Fund, ISQ has hired Tom Murray to lead the credit team that currently has eight team members not listed in the above table. There are also 18 individuals across ISQ's sourcing, operations, asset management, and oversight teams that will have roles on the flagship, growth markets, and credit products. With 146 team members and a new dedicated credit team, ISQ appears sufficiently staffed.

Investment Strategy

ISQ FUND III

Fund III will continue to pursue ISQ's strategy for Funds I and II: making value-added middle market investments in energy, utilities (including water and waste management), communications, and transportation infrastructure assets in North America, Europe, and selected emerging markets in Asia and Latin America. The Fund's non-OECD exposure is capped at one-third of invested capital. Although focused on the middle market and developing portfolio company platforms, the Fund will also pursue larger individual assets. The Fund envisions making 18 or more portfolio investments, with 60% of the capital deployed in build-to-platform assets, and 40% in opportunistic, usually larger investments. To create a diverse portfolio similar to past funds, ISQ targets each investment in the range of 7% to 9% of the total portfolio. Fund III is targeting a gross IRR of 15% to 20%, and an average annual cash yield of 6%.

ISQ's approach to platform-building identifies an experienced management team focused on operations, with a strong business model, and growing the company through acquisitions and organic growth initiatives. ISQ's record reflects its capability to scale up and deploy synergies to build platforms: Fund I invested 65% and Fund II invested 81% in platform assets. Each platform company will vary in scale depending on the size of the underlying assets and the region in which it operates. In general, ISQ expects the size of equity investments to be larger in North America and Europe, than in growth markets. ISQ will also make large investments in single or networked assets, often sourced independently via exclusive agreements. These opportunities have offered attractive, risk-adjusted returns by identifying operational value creation that ISQ implements through its Operating Partners, Senior Policy Advisors, and global network.

ISQ has the requisite experience and expertise to effect asset optimization through value creation and downside mitigation with a focus on sourcing complex assets in markets and sectors the team knows well. With a global team strategically positioned in target areas, ISQ benefits from local specialization and hands-on operational involvement, with a structural focus on region/country-specific regulatory and policy risks.

Most, if not all, investments will be controlling or co-controlling equity stakes, allowing ISQ greater control over exit strategy and timing. ISQ will consider partial exits where attractive for meaningful return of capital and/or risk reduction, as well as full realizations when platforms achieve scale or market conditions are favorable. Prospective buyers vary by asset and geography: strategics, industrials, competitors, infrastructure funds, and the public markets.

ISQ CO-INVESTMENT FUND

ISQ's implements a strategy to lower single asset concentration risk by seeking to maintain 10% or less allocation to any one asset. To allow companies to still achieve scale advantages and control, ISQ has periodically sought co-investment capital for both Fund I and Fund II. For Fund III, ISQ has created a co-investment vehicle that will allow investors to participate alongside Fund III in deals requiring additional capital. ISQ has modified its allocation policy for Fund III to incorporate the Co-Investment Fund into the waterfall. First priority for co-investment is given to Super Priority Limited Partners ("LPs") who are given the option to participate as "co-bidders" alongside Fund III. Super Priority is defined as a Limited Partner whose combined commitment to Fund III and the Growth Fund is $500 million or greater at first close, or is $600 million or greater at subsequent closes. If the co-bidders do not take up the entirety of the offered co-investment, the remaining amount is offered with the following methodology:

- 70% to Super Priority LPs
- 20% to Priority LPs (combined commitments Fund III/Growth Fund equal to or exceeding $350 million at first close or $400 million at subsequent closes)
- 10% to Second Priority LPs (combined commitments Fund III/Growth Fund equal or exceeding $150 million at first close or $200 million at subsequent closes). The Co-Investment Fund will be treated as a $150 million first close investor for allocation purposes.

Investors in the Co-Investment Fund may commit up to 20% of their Fund III commitment. The vehicle will have set co-investment parameters, such as a co-investment priority scale/waterfall, and will be treated as a Second Priority LP as explained above. Investors have the ability to elect OECD and/or non-OECD exposures across the co-investment vehicle. Half of an LP commitment to the Co-Investment Fund will not be subject to management fees or carry and no administration fee. The balance of such LP's commitment will be subject to management fees and carry at 50% of the applicable rates to which such LP is subject in respect to its commitment to Fund III.

Investment Process

ISQ's investment process begins by leveraging its on-the-ground teams consisting of ISQ's Investment Professionals, Operating Partners, Senior Industry and Policy Advisors, as well as Joint Venture Partners. Opportunities are screened through ISQ's multi-stage Review Evaluation & Approval Process ("REAP"). Throughout the process, the investment team incorporates ISQ's Risk Model, which comprises a series of key variables that affect the value of an infrastructure asset. The team uses the model to quantify those risks and derive ISQ's target risk-adjusted returns. ISQ believes that its risk approach should deliver a globally diversified portfolio of infrastructure assets exhibiting low correlation to each other, a high margin of safety, and attractive risk-adjusted returns. ESG goals and initiatives are identified during initial investment due diligence. At the time of investment, ISQ will have determined trackable ESG goals aligned with specific United Nations Sustainable Development Goals (see also later under the ESG section).

In the first phase of REAP, the on-the-ground team prepares an initial Investment Committee ("IC") memo, which includes the following: an ISQ Risk Model; a detailed assessment of operational and policy issues; a preliminary bid; and a budget for the investment. The second phase comprises an independent assessment of the initial IC memorandum by Independent Reviewers ("IRs") not on the deal team. These IR individuals are sector experts, with in-depth knowledge and experience. The IRs' role is to challenge the ISQ Risk Model prepared by the deal team and compare it with observations from other regions and sectors. If the IR team does not approve the deal, the investment does not go forward to the IC. If supported by the IR team, a final investment memo is jointly prepared by the two teams and submitted to the Investment Committee for approval. IC approval requires a majority vote from the full membership, which comprises Messrs. Wahba, Bhandari, and Rahmathulla (the Founding Partners), together with Messrs. El Gazzar, Agrawal, and Lefebvre (the Partners), and unanimous approval from the Managing Partners.

Post investment, ISQ creates an asset management plan and follows a proactive approach to enhancing value in each portfolio company. Each investment is monitored by a Portfolio Company Board, consisting of an ISQ Senior Industry and Policy Advisor, an ISQ Operating Partner, the ISQ investment professional who led the deal, and at least one independent member from the industry. In addition to the Board, a separate Operating Committee ("OC") is formed and chaired by the ISQ Operating Partner on the Board.

The OC will meet with the portfolio company management to work on operational implementations. Additional support is provided by the ISQ Global Policy Committee, which meets quarterly to discuss regulatory and policy risks across the portfolio and the ISQ Global Portfolio Committee, which meets quarterly to review operating and financial performance of each portfolio company.

ISQ also continuously monitors exit opportunities and strategies throughout the investment process while updating the risk model as exit strategies is one of the ten parameters of their model. The deal team, through its active management will incorporate exit assumptions the asset valuation and monitor the asset's liquidity. Incorporating the assumptions will ensure the IC can evaluate relative value when evaluating exit strategies. Exit decisions are made in a substantially similar manner as acquisitions.

Historical Performance

As of June 30, 2020
($ in Millions)

Fund	Year of First Investment	Number of Investments	Invested Capital ($)	Realized Value ($)	Unrealized Value ($)	Total Value ($)
Fund I	2014	15	2,951.0	2,248.7	2,936.3	5,185.0
Fund II	2017	13	3,907.9	179.3	4,803.4	4,982.7
Total		**28**	**6,858.9**	**2,428.0**	**7,739.7**	**10,167.7**

Fund	Gross IRR (%)	Net IRR (%)	CPI +4[5] (%)	Dow Jones Brookfield Global Infra Index[6]	Gross TVM[7] (X)	Net TVM (X)	Loss Ratio[8] (%)
Fund I	22.4	16.2	5.9	5.4	1.8	1.6	0.0
Fund II	17.3	11.5	5.0	-0.6	1.3	1.1	0.0
Total	**18.4**	**15.6**			**1.5**	**1.4**	**0.0**

ISQ has exhibited a consistent and strong track record in its prior two flagship funds. Fund I has significant realizations with 76% of invested capital returned and overall returns exceeding its target return and applicable public benchmarks. Fund I also has experienced no realized losses to date. Fund II is still developing as it is a 2017 vintage year fund, but early returns are at the high end of target returns and well above public benchmarks.

[5] PME performance calculated using the Long-Nickels method.

[6] PME performance calculated using the Long-Nickels method.

[7] Total Value Multiple (TVM) equals Realized Value plus Unrealized Value, then divided by Invested Capital.

[8] Loss Ratios represent the proportion of invested capital that has resulted in realized and unrealized losses in a portfolio. The Ratio is calculated by taking the sum of lost capital (invested capital minus an investment's total value) for all investments that have generated a negative return, then dividing that amount by total invested capital across the entire portfolio.

PERFORMANCE BY CO-INVESTMENTS

Funds I and II had a total of 28 investments of which 10 had co-investment opportunity with strong results. Historically, the larger projects have outperformed smaller deals that did not require co-investment. The deals that have offered co-investment in the past have an average equity check significantly larger than the deals without co-investment when combined. ISQ maintains flexibility by having the ability to pursue larger deals by raising co-investment capital while keeping the flagship fund commitment to no more than 10% of the portfolio.

The $2.7 billion in co-investment capital is also diversified across sectors and regions. Investments in renewables have involved the most co-investment capital to date at 37% of total co-investment secured by ISQ which were three Fund I opportunities. Five of the 10 investments were US based projects, but accounted for 33% of the co- investment capital as larger non-US deals in Asia, Latin America, and Europe balanced the smaller US co-investments.

Other Issues

LEGAL ISSUES

There is no pending or threatening litigation against ISQ or any of its affiliates.

POTENTIAL CONFLICTS

The primary potential conflicts around Fund III involve the ISQ team's time and attention to the strategy, relative to other strategies and vehicles ISQ currently manages, has recently launched, or may establish in the future. It also is possible that allocation of deal issues could arise among multiple strategies and vehicles, but this appears to be a lesser concern at the moment. The Limited Partnership Agreement does give ISQ broad latitude to establish any number and variety of additional investment strategies and vehicles (see at 5.3(b)). The allocation policy covering Fund III and the GM Fund appears clear, transparent, and reasonable.

In addition Fund I and II, ISQ currently manages two SMAs; however, ISQ commits limited incremental time to them given that they both follow the flagship funds' investment strategy.

→ A $200 million commitment from a US pension fund to invest alongside Fund I in a US hydropower strategy; and

→ A $200 million commitment from the U.S. International Development Finance Corporation ("DFC")[9] to invest alongside Fund I in Southeast Asian countries.

ISQ has also, roughly concurrently with Fund III's launch, begun offering two new investment strategies, in addition to the also new GM Fund, as discussed earlier and re-summarized below.

→ ISQ is launching a new investment vehicle, the Growth Markets Fund. Investments will share firm resources, and will be allocated in a 2:1 ratio across Fund III and the Growth Markets Fund, for all emerging market investments greater than $100 million. Potential concerns include investment allocation, time and attention, and adverse strategy influences.

→ ISQ's new Infrastructure Credit Fund is seeking $1.0 billion and will target lower returns than the flagship fund at 12% to 15% in complex, innovative, or disruptive strategies in the same geographies and sectors as Fund III. ISQ hired Tom Murray, previously Global Head of Infrastructure Credit at Apollo Global Management, as Managing Director to run the new credit team that already has eight team members.

[9] Previously known as the Overseas Private Investment Corporation ("OPIC").

→ ISQ has developed a currently small platform for infrastructure technology related activities, as discussed earlier. According to one Managing Partner, the deals will only be funded by the Managing Partners for the near term and will not include outside or other employees' capital. The platform could be expanded in the future, on an invitation-only basis or into an institutional commingled fund vehicle, which could draw resources away from the flagship and GM funds, and potentially create deal allocation issues.

ENVIRONMENTAL, SOCIAL, AND CORPORATE GOVERNANCE (ESG)

ESG Policy and Program

ISQ established a Code of Responsible Investing (the "Code") at its founding that in several sentences outlines the Firm's philosophy about the interconnectedness of financial performance and sustainability and commits the Firm to managing the ESG aspects of its investments in an environmentally and socially responsible manner. In 2014, ISQ established an ESG Policy (the "Policy") that it describes as underpinning the Code with a set of eight distinct objectives that more specifically translate the Code into broad sets of actions. ISQ reports having used the United Nations Principles of Responsible Investment (UNPRI) as a guide for its Policy, though it did not become an approved signatory until May 2020.

Across prior funds, ISQ implemented its Code and Policy throughout the investment process, across sourcing, due diligence, approval, management, monitoring, and exit. ESG issues have long been integrated into the ISQ Risk Model, primarily in the Operational, Regulatory, and Governance risk categories. Portfolio companies have been required to track and report on applicable ESG performance indicators, which are documented for investors in fund quarterly reports, and in the Annual ESG Report with aggregated ESG metrics and case studies across the entire portfolio. Following the UN's adoption of 17 Sustainable Development Goals (SDGs) in 2015, ISQ spent several years mapping those relevant to its strategy and tracking specific key performance indicators for its portfolio companies. ISQ's 2018-2019 ESG Report was the first to delineate the impact of the Firm's investments towards the SDGs and related targets. Sadek Wahba, Managing Partner, William Campbell, General Counsel, and Lisa Fleischman, Chief Compliance Officer, are responsible for approving and ensuring adherence to general risk oversight and ESG policies.

On May 20, 2020, ISQ announced a new ESG initiative designed to further integrate and enhance its existing programs under a comprehensive Responsible Infrastructure Investment System ("RIIS"), complete with tools and new expertise that the Firm will implement across existing and new Fund III investments. In addition to ISQ's new status as UNPRI signatory, elements of this initiative include, but are not limited to the following:

- → New mission statement that ISQ seeks to be a pioneer and market leading infrastructure investor by developing and implementing a comprehensive RIIS aligned with the SDGs.
- → New Senior Policy Advisor Dr. Mahmoud Mohieldin, a former Senior Vice President at the World Bank responsible for the Bank's 2030 Development Agenda which included implementing SDGs, and a former Egyptian minister of investment.
- → New Operating Director dedicated full time to overseeing ISQ's RIIS implementation, Ulrica Svensson, formerly Global Head of Sustainable Investments at Access Equity EM, where she advised investors on sustainable equity investments and strategies.

A primary objective of the program enhancements is to support ISQ's being more "prescriptive and intentional" in the ESG arena at the portfolio company level, and thereby the fund level. This is in contrast to the Firm's historical approach that the General Counsel describes as a more "reactive", focusing more narrowly on risks, mitigants, and opportunities. The new approach involves identifying what metrics make sense for a private company to measure—the SDGs were designed for countries in ISQ's view, then developing KPIs that are "effective, useful, and purposeful."

To support the enhanced ESG program, and more broadly increase the Firm's portfolio company data collection, analysis, and reporting capabilities, ISQ recently began using Corporate Social Responsibility software for data collection and performance monitoring, and is also close to selecting an asset management and ESG software system that will access portfolio company-level data with aggregation capabilities so they can monitor companies in real time. The system will collect data across KPIs, not only ESG data, and both ISQ and the portfolio companies will have access to a data dashboard.

Responsible Contractor Policy (RCP)

ISQ has a RCP that has been in place since October 1, 2014 for Funds I and II that will cover Fund III. ISQ developed the RCP in consultation with Meketa during diligence activities associated with Fund I. ISQ's RCP is substantially identical to Meketa's model RCP in its organization and substance, with some minor differences compared to Meketa's editorial updates in 2019. The main material difference is ISQ's RCP setting a services contract threshold of $500,000 and allowing that time and other considerations' could reasonably permit (or not) the applicability of

Best Practices requirements (Meketa's model RCP does not establish a threshold or such considerations). More modest differences include: establishing the manager will use good faith efforts; broadening coverage or definitions by adding language such as "among others," "and others"; and clarifying certain limitations, such as records availability, and following the policy to the extent it is consistent with applicable laws and regulations.

Overall, the differences between ISQ's RCP and Meketa's model are relatively minor. With respect to the contract value threshold, many managers establish these: ISQ's appears practical and reasonable in scale relative to the size of the Fund's target investments and related capital and operational expenditures. ISQ represents the Firm has had no labor-related disputes.

ISQ reports that its RCP applies to three portfolio companies, all in Fund I:

- → Cube District Energy LLC and its subsidiaries—the company owns several co-generation and district utility assets, with corporate operations based in Georgia;
- → Flexi-Van Holdings, LLC—the company owns logistics and marine chassis assets with corporate operations based in Arizona; and
- → Shiprock Midstream LLC d/b/a Whiptail Midstream LLC and its subsidiaries—the company owns an oil, gas, and produced water gathering system located in New Mexico, with corporate operations based in Oklahoma.

INTERNAL CONTROLS

Meketa's due diligence for Fund III included an Operations Review of existing practices relating to: cash flow management; accounting policies, controls, and audit; valuation policy and procedures; legal and compliance; and technology. Overall, ISQ's procedures appear suitable for the investment vehicle and are well documented, including policies for valuation, risk methodology, and business continuity. The Firm has historically worked with SEI Global Fund Services and Citco Services, both widely used fund administrators within the industry, to perform all accounting and cash management functions. ISQ currently employs more than 75 employees within Operations, Accounting, Legal, Finance, Technology, and Human Resources.

Cash flow management controls & procedures

ISQ appears to have appropriate cash flow management controls in place for Fund III that prevent unauthorized movement of cash, including those described below.

- Distributions are paid to investors only by wire transfer to a bank account in their name or the name of a documented third party. Similarly, incoming capital call payments must be paid by wire from a bank account in the name of the investor. If an investor changes wire instructions, ISQ will call back the contact with the phone number on file and validate all information using prior distribution forms.
- As it relates to payments for expenses, invoices are routed to ISQ's Financial Analyst for initial review and organization. The invoices will be forwarded to the deal team lead for further information, as needed, as well as for review and approval, which is evidenced by the reviewer's signature or via email. Any expense larger than $100,000 requires two approvals, one of which must be a managing director. Upon receipt of required approval(s), the Financial Analyst will set up the wire and print out all approvals, along with the invoices, and send to the Controller for approval. Once the Controller approves, the expense will then be sent to the Chief Financial Officer for final approval. Each wire requires two signatures at minimum in order to be released. In addition, all cash activity is sent to the Administrator on a bi-weekly basis for accounting purposes.

Accounting-related controls & procedures

ISQ appears to have appropriate accounting related controls and procedures for Fund III, including those described below.

ISQ is subject to three levels of internal and external audits.

- The first level of audit for the management company is performed by PKF O'Connor Davies ("PKF"). As part of the review, PKF seeks to ensure that there is appropriate support for disbursements (invoices, agreement, contracts, T&E reports, etc.) and the proper controls and approvals are in place. To the extent that disbursements are made on behalf of the Fund or booked as a receivable from the Fund, PKF will review the documentation to confirm that the expense is properly designated as a fund expense. PKF also reviews the calculations of the management fees and carried interest and to help ensure that it properly reconciles to the Fund's books and records.
- The second level of audit for the management company is performed by Arthur Bell (a mid-tier, nationally recognized accounting and auditing firm). Consistent with PKF, to the extent there are intercompany transactions (transactions between the management company and fund—such as payment of expenses, management fees and carried interest), they are reviewed and reconciled with the appropriate fund.

- The final level of audit is performed annually by PriceWaterhouseCoopers for the Fund. In connection with the audit, PWC will issue a SAS 114 letter to Management which will address the audit findings report its assessment of the control environment. ISQ Investor Relations and Finance Teams work closely with the fund administrator and PriceWaterhouseCoopers in the preparation of quarterly and annual reports. The fund administrator will prepare and do a first and second review of all reports. Subsequently, the CFO and Head of Investor Relations will do a further detailed review, followed by a final review by one or more of the Managing Partners prior to being circulated to investors.

VALUATIONS

The Manager's valuation policy appears to have appropriate oversight and controls and are in line with industry standards.

- Fair valuation is determined via one or more of the following industry standard approaches: market; income; cost; or net asset value. An Analyst drafts the initial valuation memo which is then reviewed by the Managing Director and Partner responsible for the investment. Following this review, the valuation package is then sent to the Finance Team who is responsible for ensuring that the valuation memo is complete and factors in any changes from the prior quarter, preparing a variance report to ensure that quarterly changes are consistent with expectations, and independently recalculating the valuation using the data provided by the investment team.
- The Global Valuation Committee then votes to accept the valuation memo(s) or will ask the analyst to reassess the valuation. The Global Valuation Committee also ensures that the valuation methodology for each portfolio company is applied consistently
- Duff & Phelps independently reviews all assets that are not held at cost or acted upon, such as those that have received an additional round of financing or positions being exited.

REPORTING

For Fund III, ISQ will furnish a quarterly Capital Account Statement for Limited Partners, audited annual financial statements, unaudited quarterly financial statements, quarterly descriptive investment information for each portfolio investment, and annual tax information. The Manager will prepare its financial reports in accordance with U.S. GAAP, and in turn, adhere to ASC 820 valuation standards.

Meketa's Operations Review of Fund III included a review of reporting-related information in DDQs, examples of capital call and distribution documents, and materials provided by ISQ on Accounting, Financial Reporting, and Internal Controls. Overall, Meketa is comfortable with the Firm's reporting practices and accuracy.

DISTRIBUTION/MARKETING

The firms listed below serve as Placement Agents for the Fund. Meketa Investment Group has no compensatory relationship with any Placement Agent.

→ *Evercore Private Funds Group* has been engaged to act for the Funds.

→ Prior placement agents for ISQ flagship funds include: *Campbell Lutyens; Mitsubishi Corporation Asset Management; Nomura Asset Management; Magenta Capital Services; Kronstein; and Genii Capital.*

Additionally, ISQ anticipates using local placement agents in Israel, South Korea, Japan, Australia, and other regions in Asia to conduct certain marketing activities focused on investors in those regions.

LIMITED PARTNERS

ISQ held its first close for Fund III in September 2020 primarily from previous investors. A general description of the types of entities that comprised the 10 largest commitments to Fund II are listed in the table below. ISQ expects approximately 90% of their Limited Partners in Funds I and II to reup for Fund III, with some upsizing their commitment amounts. Some of those not reupping include: Fund I investors that already skipped Fund II for various reasons; an investor moving away from commingled funds; and an investor needing to fund retirees' accelerated payouts offered to mitigate the economic duress caused by the coronavirus pandemic.

Limited Partners	Total Commitment ($ in Millions)
1. Sovereign Wealth Fund A	375
2. Insurance Company A	350
3. Sovereign Wealth Fund B	300
4. Public Sector Pension A	300
5. Sovereign Wealth Fund C	275
6. Insurance Company B	275
7. Public Sector Pension B	250
8. Sovereign Wealth Fund D	200
9. Insurance Company C	200
10. Corporate Pension Plan A	150
Total	**2,675**

Investment Analysis

SWOT ANALYSIS

Strengths:

→ Strong track record. As of June 30, 2020, Fund I is generating a 22.4% gross IRR and Fund II is generating a 17.3% gross IRR. Fund I is exceeding its target return and Fund II is at the high end of its target range. Both have strong performance versus the public market equivalent benchmarks and minimal losses since inception.

→ Continuity of senior leadership. The three Founding Partners—Messrs. Wahba, Bhandari, and Rahmathulla, previously worked together for over eight years in senior roles leading Morgan Stanley Infrastructure Partners. The Partners have known or worked with each other for over 17 years, and the majority of the senior investment professionals have worked as one team for over 13 years: an impressive co-tenure.

→ Rigorous risk management and portfolio construction approach. ISQ seeks to build a portfolio with low concentration in any one sector or geography. The team has deployed capital across 28 portfolio companies in 44 countries. They also target contracted brownfield assets, utilize low leverage, implement comprehensive hedging and implement conservative entry pricing multiples. For example the average entry multiple across Funds I and II portfolio is 9.8x EBITDA, which ISQ calculates to be, on average, 15% lower than comparable transaction multiples.

→ Robust truly global team. ISQ has built their team of 146 professionals over the past eight years located in six global offices. The team has extensive experience and relationships that strongly support implementing a global portfolio accessing high quality assets at attractive entry prices.

→ Explicit ESG and RCP commitments. ISQ implements ESG principals across all areas of investing from due diligence, through asset management, to exit. ISQ has continued to build out their team of ESG focused experts, and releases an Annual ESG Report. The Firm recently became a signatory of UNPRI, and just launched a new ambitious Responsible Infrastructure Investment System with the goal of being more prescriptive with KPIs and having more robust data collection capabilities.

→ Significant economic alignment. ISQ is committing 2% of Fund III's commitments, which is an increase from Fund II, and at the top end of the range typically seen for infrastructure funds. At the $12 billion target, ISQ's General Partner commitment would be $240 million and establish very meaningful economic alignment between ISQ and its Fund III Limited Partners.

Weaknesses:

- Notable increase in target size relative to Fund II. The target fund size for Fund III is $12.0 billion, with a hard cap of $13 billion, which represents a meaningful increase over the $7.0 billion raised for Fund II and could create pressure to drift from their traditional middle market deal size target.
  - *Mitigating factor(s): The average equity ticket size for infrastructure deals has been consistently increasing. ISQ's view is that as a consequence, the fund size naturally must increase in order to successfully compete and continue to build platform investments. ISQ has also traditionally offered substantial co-investment on larger deals with $6.0 billion in opportunities offered in past investments. The increased size of Fund III will allow ISQ to pursue a greater number of platform acquisitions, with the ability to acquire control positions of large opportunistic investments and avoiding the need to identify third party JV partners for deals.*
- Expanding product lines. In addition to managing the ISQ Global Infrastructure fund series and related Growth Market fund, ISQ recently launched an Infrastructure Credit Fund (seeking $1 billion). The new fund series will use shared Firm resources also available to the flagship and growth market funds.
  - *Mitigating factor(s): ISQ is well resourced to support a growing portfolio. Since the launch of Fund I, the team has grown from 27 to 146 professionals. In addition to over 100 professional operators and engineers at its portfolio companies, ISQ has grown its team to ensure ample capacity to manage its growing platform. ISQ also hired dedicated teams for the new product lines.*
- Carry structure. Fund III has an American style waterfall structure, which is calculated deal-by-deal for determining the General Partner's carry payout. A whole-fund style waterfall, which ensures all capital contributions and the preferred return are distributed to Limited Partners prior to the Manager receiving carried interest, is industry standard and provides greater alignment with investors than a deal-by-deal style waterfall.

Opportunities:

→ Significant midstream investment requirements. Most of the unconventional energy exploration and production activity in the U.S. is occurring in areas where midstream infrastructure is lacking. In order to move these hydrocarbons from the field to the end market, a variety of systems will need to be developed, expanded, or repurposed. ISQ has a strong track record of identifying basins producing on the low end of the cost curve to mitigate the volatile oil price environment. Adding secure take-or-pay contracts with financially strong producers enhances the opportunity during uncertain times.

→ Increasing Liquefied Natural Gas ("LNG") demand. LNG is expected to comprise an increasing percentage of the global energy mix over the next decade. As countries shift to more efficient fuels, the need for LNG export and terminals will continue to grow. ISQ's research has recorded a stable demand for LNG in growth markets, complemented by rising energy demand in Asia.

→ Strong need for more transportation infrastructure. Opportunities in the transportation sector (such as the rise of e-commerce driving trade volumes, increasing supply chain complexities, and deteriorating public and private infrastructure assets) offer a combination of both efficiency and cyclical entry points as asset leasing, logistics, and intermodal infrastructure assets currently have significant capital requirements and room for increased optimization that has been unmet by banks, governmental entities, and strategic investors who focus on higher return targets and shorter hold periods.

→ Communications sector growth. The demand for mobile broadband and global data traffic continues to increase year over year. Global internet protocol ("IP") traffic is expected to increase by 24% annually through 2021 which will create opportunities in all communications sub-sectors ISQ targets. The transition from 4G to 5G networks will increase the need for further infrastructure densification as the frequency used in these networks travels shorter distance. ISQ has identified increased demand for data bandwidth via fiber (including growth in fiber-to-the-home opportunities), along with high demand from enterprises for quality data centers across various countries, notably in emerging markets.

→ Global opportunities. ISQ understands the unique opportunities within each of their geographic areas and is able to provide access to a diverse portfolio across North America, Europe, Latin America and Asia. In addition, ISQ's broad geographic range allows for a more sector-diverse portfolio. For example, an assisted living facility in France will have attractive regulated contracts while that may not be the case in other regions within Europe or America. ISQ's local expertise in their regions are able to identify the desirable subsectors in each target geography.

Threats:

→ Low hydrocarbon prices. Declining oil and gas prices have had a significant impact on upstream energy development activities and correspondingly, the volume of hydrocarbon energy sources processed and transmitted through midstream assets. Reduced supply volumes have generally resulted in lower expected returns across the midstream sector.

  → *Mitigating factor(s): ISQ's diversified focus across multiple sectors (energy, communications, utilities, and transportation assets) allows flexibility for ISQ to target the most attractive deals across multiple sectors over its five-year investment period. The lack of public market capital availability for midstream operators, further exacerbated by the coronavirus pandemic, has created favorable competitive dynamics for private investors. Public companies are largely sidelined from M&A and attractive growth projects. There is an increasing importance for integration and scale as producers transition from smaller-scale shale development to high-volume production, which will require increased infrastructure investment to transport, process, store and export.*

→ Emerging market regulatory and political risks. Changes to regulatory regimes and/or general volatility/instability in emerging markets can occur, often with little notice. Regulatory bodies have the ability to impose unexpected requirements and other restrictions related to construction, operations, and stakeholder rights that could adversely impact investments.

  → *Mitigating factor(s): ISQ's non-OECD exposure in the Fund is capped at one-third of invested capital, limiting the amount of emerging market regulatory risk. ISQ's ability to invest across regions should enable the Firm to avoid any large exposure to any regional-specific market volatility.*

→ Competition. Managers with core plus and value-add strategies hold approximately $120 billion in dry powder as of August 2020[10] that represents potential competition and upward pressure on entry valuations for Fund III. Competition may limit also the Fund's ability to source investments that are consistent with its investment strategy, while also remaining disciplined in terms of pricing.

  → *Mitigating factor(s): ISQ has a deep network of industry professionals through its senior investment team, operating professionals, and existing platform managers. The team can use these sources to continue to create proprietary opportunities and competitive advantages that have in the past led to relatively lower entry multiples. ISQ's team also has extensive global presence in both OECD and non-OECD regions that many other infrastructure managers cannot replicate.*

[10] Source: Preqin

SUMMARY

Fund III will continue the Firm's flagship value-add strategy, targeting global investments in middle market infrastructure assets. The ISQ platform has been built with the requisite experience and expertise to effect asset optimization through twin elements of value creation and downside mitigation with a focus on sourcing complex assets in markets and sectors the team knows well. ISQ's investments are positioned to benefit from local specialization and hands-on operational involvement, underpinned by a structural focus on regulatory and policy risk. ISQ appears to be well equipped to source, diligence, execute, monitor and exit investments for a larger fund. Meketa Investment Group believes an investment in ISQ Global Infrastructure Fund III is compelling for the following reasons:

→ Continuity of Senior Management – The three Founding Partners previously worked together for over eight years in senior roles leading Morgan Stanley Infrastructure Partners. The Partners have known or worked with each other for over 17 years, and the majority of the senior investment professionals have worked as one team for over 13 years.

→ Deep Investment Team – Since 2012, the Firm has grown from 27 people at inception to 146 as of September 2020. Currently, the team employs 51 investment professionals, of which 42 are dedicated to the flagship product, complimented with a 23 member asset management group and 12 Senior Policy Advisors.

→ Diversified Middle-Market Exposure and Experience – ISQ's strategy provides access to a diversified set of middle market value-added infrastructure opportunities across North America, Europe, and select developing countries. To date, the team has deployed capital across 28 portfolio companies in 44 countries.

→ Alignment with Investors – ISQ's GP commitment is substantially increasing in Fund III to an expected $240 million, compared to $20 million and $50 million in Funds I and II, respectively..

→ Strong Performance – As of June 30, 2020, Fund I is marked at a 22.4% gross IRR, and Fund II is marked at a 17.3% gross IRR. In line or exceeding their target return of 15% to 20% gross IRR.

→ ESG Commitment – ISQ has demonstrated a commitment to and continuous improvement around ESG issues: established Code of Responsible Investing at Firm founding; approved ESG Policy in 2014 using the UNPRI as a guide; began work with SDGs in 2015; integrates Code and Policy metrics into Risk Model; reflects SDGs in 2018-2019 ESG Report; and in 2020 announced new ambitious program to expand and enhance current programs with new tools and new hires.

Key considerations related to a potential commitment to Fund III include: a meaningful increase in target fund size and continued growth of the ISQ platform; and other potential conflicts associated with the launch of the credit vehicle and the emerging markets vehicle.

Appendices

Professional Biographies

INVESTMENT TEAM

Sadek Wahba, Founder, Chairman and Managing Partner (54)

Sadek Wahba is the Founder, Chairman and Managing Partner of I Squared Capital. He was previously at Morgan Stanley for 14 years where he was the CEO of Morgan Stanley Infrastructure, a global platform for infrastructure investments. Prior to joining Morgan Stanley, Sadek worked on structured financings at Lehman Brothers and as an economist for several years at the World Bank in Washington D.C.

Mr. Wahba holds a Ph.D. in economics from Harvard University, a M.Sc. in economics from the London School of Economics (LSE) and a B.A. in economics from the American University in Cairo. He is a published author on economic research, including articles in the Journal of the American Statistical Association, Review of Economics and Statistics as well as other publications and proceedings. One of his publications was recently selected by MIT as one of their 50 most influential papers in the last 50 years. He is a frequent commentator on the need for more investment in infrastructure to promote economic growth and was part of the expert committee on the World Economic Forum's first report on global infrastructure investments.

He is a Senior Member of St. Antony's College, Oxford University, member of the Brookings Foreign Policy Leadership Council and a trustee of the American University in Cairo. Mr. Wahba is the only person to be named Global Infrastructure Personality of the Year twice, as well as Global Infrastructure Personality of the Decade, by Private Equity International (PEI).

Gautam Bhandari, Co-founder, Managing Partner (49)

Gautam Bhandari is a Co-founder and Managing Partner of I Squared Capital. Since inception, Mr. Bhandari has been a member of the Investment Committee and Management Committee of I Squared Capital. In his role as an active investor and asset manager, he also chairs the boards of several portfolio companies globally.

Prior to I Squared Capital, Mr. Bhandari spent 11 years at Morgan Stanley in New York and Asia, where he was Managing Director and Head of Asia for Morgan Stanley Infrastructure Partners, a $4 billion global infrastructure fund. He was also a voting member of the global Investment Committee and served on several of the fund's global Review Committees. He started his career in finance at Morgan Stanley in New York, where he worked on debt restructurings, debt and equity financings and M&A for some of the firm's larger and more complex clients such as General Motors, Tyco and Accenture, and other multinational clients. Prior to joining Morgan Stanley, Mr. Bhandari worked at Advanced Technology Materials Inc., a semiconductor chip technology company.

Mr. Bhandari holds an MBA in Finance from the Stern School of Business at New York University, where he was an Amerada Hess Merit Scholar, a Ph.D. in Chemistry from the University of Delaware, where he was the University Merit Fellow and recipient of the Joel L. Silver Award for the best doctoral dissertation work, and a B.Sc. (Honors) from St. Stephens College, Delhi University. He also holds 20 patents in the semiconductor industry and is the author of several published academic papers.

Adil Rahmathulla, Co-founder, Managing Partner (40)

Adil Rahmathulla is a Co-founder and Managing Partner of I Squared Capital. Since inception, Mr. Rahmathulla has been a member of the Investment Committee and Management Committee of I Squared Capital. In his role as an active investor and asset manager he also chairs the boards of several portfolio companies globally.

Mr. Rahmathulla was previously at Morgan Stanley for seven years, where he was the head of Morgan Stanley Infrastructure Americas Executions, part of Morgan Stanley Infrastructure Partners, a $4 billion infrastructure investment fund. The portfolio included investments in several countries and diverse sectors including power generation, co-generation, gas distribution, transmission and distribution companies, airports, toll roads and container ports. Prior to joining Morgan Stanley, Mr. Rahmathulla worked on M&A and financings at Credit Suisse and as a consultant and auditor for several years with Arthur Andersen and PricewaterhouseCoopers.

Mr. Rahmathulla holds an MBA from the Yale School of Management at Yale University, and a Bachelor of Commerce from the University of Bombay. Mr. Rahmathulla is a member of the board of advisors of Yale International Center of Finance at Yale University

Harsh Agrawal, Partner (40)

Harsh Agrawal is a Partner at I Squared Capital, focusing on the Firm's infrastructure strategy in Asia. Mr. Agrawal brings more than 18 years of financial services and investing experience. At I Squared Capital, Mr. Agrawal led the formation of Cube Highways, a toll road operating platform set up in Singapore along with the International Finance Corporation, to acquire and operate toll roads in India.

He recently led the divestment of a minority stake by I Squared Capital in Cube Highways to ADIA and Japan Highways International.

Mr. Agrawal led the team on the 2015 investment in Amplus Energy Solutions, a leading Enterprise Energy Solutions company. In the ensuing four years, Amplus grew from less than two megawatts to a company with more than 100 international customers and over 350 megawatts when it was sold to Petronas in 2019. Mr. Agrawal has also been instrumental in the creation of THINK Gas, a pan-Asia focused natural gas investment platform, currently with concessions for distributing liquid and compressed natural gas in six geographical areas in India, covering a population of more than 20 million people.

Prior to joining I Squared Capital in 2013, Mr. Agrawal served for 12 years in various roles at Morgan Stanley in the United States and India. During his career at Morgan Stanley, he was involved in strategic transactions and financings for transportation and infrastructure companies in North America, investing in health care and industrial companies in the United States, evaluating growth capital opportunities for companies in India, and most recently financing infrastructure projects in India as part of Morgan Stanley Infrastructure (MSI). Before joining MSI, Mr. Agrawal worked with Morgan Stanley Principal Investments (MSPI) in Mumbai, evaluating investments for Morgan Stanley's proprietary investments group. Earlier in his career, Mr. Agrawal worked at Morgan Stanley Capital Partners (MSCP) in New York, where he focused on health care and industrial investments, and Morgan Stanley's Financial Institutions Group covering insurance companies.

Mr. Agrawal holds dual degrees in computer science and economics from Lafayette College in Easton, Pennsylvania. He lives in Singapore and is fluent in Hindi and English.

Mohamed El Gazzar, Partner (41)

Mohamed El Gazzar is a Partner of I Squared Capital, responsible for infrastructure strategy in Europe. Since joining I Squared Capital in 2013, Mr. El Gazzar has led the acquisition and development of portfolio companies encompassing thermal, renewables and utilities and has recently diversified to include transportation and social infrastructure.

In the energy sector these companies include Energia Group in Northern Ireland and the Republic of Ireland, Conrad Energy in the United Kingdom and Grupo T-Solar, serving Spain, Italy, Peru and India. In 2018, Mr. El Gazzar led the acquisition of TIP Trailer Services, specializing in trailer leasing, rental, maintenance and repair across 17 countries in Europe and Canada and in 2019 secured the purchase of Domidep, one of the largest elderly residential care providers in France.

Before joining I Squared Capital, Mr. El Gazzar spent 12 years at Morgan Stanley, most recently as an Executive Director of Morgan Stanley Infrastructure (MSI), a global platform for infrastructure investments in high-growth markets at Morgan Stanley Investment Management. Prior to joining MSI, Mr. El Gazzar was part of Morgan Stanley Principal Investments (MSPI), where he evaluated investments for Morgan Stanley's proprietary investments group and was involved in several acquisitions in the EMEA region. Mr. El Gazzar started his career in Morgan Stanley's M&A division, focusing on transactions in Europe.

Mr. El Gazzar holds an L.L.B. with Honors from Warwick University in the United Kingdom. He lives in London and is fluent in English and Arabic.

Thomas Lefebvre, Partner (43)

Thomas Lefebvre is a Partner of I Squared Capital, responsible for the Firm's infrastructure strategy in North America. Since joining I Squared Capital as a founding member in 2012, Mr. Lefebvre has overseen the acquisition, development and transformational strategies of eight platforms and companies spanning the power and utilities, oil and gas, and transportation and logistics sectors across the Americas. He has also led the successful divestment of various assets, notably Lincoln Clean Energy, Cube Hydro and Kendall Green Energy.

Formerly, Mr. Lefebvre was a portfolio manager for the Americas at Morgan Stanley Infrastructure, the global platform for infrastructure investments at Morgan Stanley Investment Management, which managed a $4 billion infrastructure investment fund. Based in New York, Mr. Lefebvre led the fund's investment activities in the power, utilities, and oil and gas sectors across the Americas, and was involved in five transactions, totaling more than $2 billion in enterprise value.

Before joining MSI, Mr. Lefebvre was a New York-based member of Morgan Stanley Principal Investments, the bank's proprietary tactical operations fund, where he focused on investing and asset management activities in the power, utilities, and commodities sectors. Earlier in his career, Mr. Lefebvre worked out of London and Paris at Morgan Stanley's Investment Banking Division covering industrials, telecoms, and aerospace and defense.

Prior to starting his financial career, Mr. Lefebvre was the CEO and co-founder of Natika SARL, a Paris-based software engineering company. Mr. Lefebvre also served as a sub-lieutenant in the French Navy Commandos, based in Toulon, France. Mr. Lefebvre holds an MBA from Harvard Business School, an M.Sc. in Engineering from École Nationale Supérieure des Télécommunications in Paris, and an M.Sc. in Engineering from École Polytechnique in Paris. Mr. Lefebvre lives in Miami and is fluent in English and French, and conversational in German and Spanish.

Peter L. Corsell, Managing Director (42)

Peter L. Corsell is a Managing Director at I Squared Capital, focusing on clean energy, electric utilities and infrastructure technology.

Prior to joining I Squared Capital, Mr. Corsell was co-founder and Managing Partner at Twenty First Century Utilities, a private investment firm dedicated to transforming regulated electric utilities into more sustainable, customer focused, and technology driven businesses. He is also Chairman of GridPoint, a leading clean technology company, which he founded in 2003 and led as CEO until 2010. GridPoint has deployed more than 500,000 connected devices and has saved its customers over $400 million and 5 billion kilowatt-hours of energy. In 2011, Mr. Corsell co-founded Hubub, a digital platform for individuals and publishers to discuss and debate topics of interest. In partnership with Bell Media, Hubub developed a large following in Canada, where it was featured in a 2015 Super Bowl commercial. In 2016, Hubub was acquired by The Stagwell Group.

Earlier in his career, Mr. Corsell served with the Central Intelligence Agency and with the U.S. Department of State in Havana, Cuba. He holds a BSFS degree from the Edmund A. Walsh School of Foreign Service at Georgetown University.

Kevin Crull, Managing Director (56)

Kevin Crull is a Managing Director of I Squared Capital in the Investment Team. Mr. Crull has delivered growth and transformation across several multibillion dollar businesses in a variety of industries. Leveraging his roots in sales, marketing, and operations, Kevin has driven superior execution, strategic M&A, and has built teams who consistently outperform expectations and their competition.

Before joining I Squared Capital, Mr. Crull served as Sprint's chief strategy officer, overseeing corporate strategy and business development. In this role he guided the company's 5G program cross-functionally, evaluated a range of strategic options for the company, helped consummate the TMobile merger agreement, and then led integration planning. Just prior to Sprint, he served for nearly five years as the president & ceo of Bell Media, Canada's largest media and broadcasting company, operating conventional TV, Cable TV, Radio, Outdoor, and digital assets in both English and French. Mr. Crull led the acquisition of CTV Globemedia in late 2010, which created the foundation for Bell Media Inc. Following that, he acquired and integrated Astral Media and made strategic investments in MLSE and the Montreal Canadiens.

Mr. Crull holds an MBA from the University of San Francisco, and a Bachelor of Science in Marketing from the Ohio State University.

Enrico Del Prete, Managing Director (42)

Enrico Del Prete is a Managing Director of I Squared Capital, focusing on the acquisition and development of portfolio companies in Europe. Mr. Del Prete joined I Squared Capital in 2016 and was instrumental in the acquisitions of Grupo T Solar in Spain and TIP Trailer Services in the Netherlands. He currently serves as a board director in both companies and has been responsible for the execution of their bolt-on strategies, including the acquisitions of Ibereolica in Spain, PEMA in Germany and Trailer Wizards in Canada.

Prior to joining I Squared Capital, Mr. Del Prete spent eight years at Terra Firma Capital Partners, most recently as a Director in its Energy and Infrastructure team, leading deals with an aggregate valued of over €2 billion. Mr. Del Prete started his career at McKinsey, where he worked as a management consultant for five years in Milan, Rome and London. While at McKinsey he advised several of Europe's leading utilities and financial institutions on strategic and operational issues, as well as working for private equity clients on due diligence and turnaround assignments.

Mr. Del Prete holds an MBA from INSEAD and a Bachelor of Arts in Classics from the University of Oxford. He has been a visiting lecturer on Private Equity at Imperial College, London and at the Said Business School, University of Oxford. He lives in London and is fluent in English and Italian.

Chucri Hjeily, Managing Director (36)

As a Managing Director of I Squared Capital, Mr. Hjeily is responsible for infrastructure investments in Latin America, representing more than $5 billion in enterprise value. These include the acquisitions of Orazul Energy from Duke Energy in 2016 and of Inkia Energy from IC Power the following year.

Prior to joining I Squared Capital in 2015, Mr. Hjeily was at Global Infrastructure Partners, a $30 billion infrastructure investment fund, where he was a Vice President of Investments in the Americas and participated in the due diligence and management of several portfolio companies. Prior to joining Global Infrastructure Partners, Mr. Hjeily was a Senior Associate of Morgan Stanley Infrastructure Americas Executions, part of Morgan Stanley Infrastructure Partners, a $4 billion infrastructure investment fund. The portfolio included investments in several countries and diverse sectors including power generation, co-generation, gas distribution, transmission and distribution companies, airports, toll roads and container ports. Before joining Morgan Stanley Infrastructure Partners, Mr. Hjeily worked on the Morgan Stanley Global Capital Market Convertibles and Equity Derivatives team in New York. He advised Fortune 500 and other corporations in special situations and complex financing and derivative structuring.

Mr. Hjeily holds an MBA from the Wharton School at the University of Pennsylvania as well as a Bachelor of Computer Science and a Bachelor of Commerce from the University of Washington in Seattle.

Larry M. Kellerman, Managing Director (65)

Larry Kellerman is a Managing Director of I Squared Capital focusing on clean energy, utilities and infrastructure technology. He has four decades of leadership experience in the power generation and electric utilities industry.

Prior to joining I Squared Capital, he co-founded Twenty First Century Utilities, an innovative private investment and operating platform in the North American power and utilities and power sector, which entered into a strategic partnership with I Squared Capital in July 2019. Prior to co-founding TFC, he was a Partner at Goldman Sachs. During his tenure there, he started one of Goldman's most profitable businesses, the firm’s on balance sheet electric power business, which he built from the ground up to include 5,265 megawatts at its peak. Mr. Kellerman joined Goldman from El Paso Corporation, where he had founded and led the North American power business, creating El Paso's highest returning business unit during his tenure.

During his career, Mr. Kellerman has also held leadership positions with Quantum Energy Partners, where he was CEO of Quantum Utility Generation; Citizens Power, the nation's first independent power marketing firm, where he served as President from formation through the firm’s sale; Portland General Electric, where he was General Manager responsible for Power Supply, Power Marketing and Fuels; and Southern California Edison, where he negotiated some of the nation’s first PURPA PPAs.
Mr. Kellerman's career has been highlighted by his market-leading execution of 27 power contract and asset restructurings, resulting in over $3 billion in savings to utilities nationwide. He holds a B.A. in

Management from the University of California, Davis, and an MBA from West Coast University, Los Angeles.

Tom Murray, Managing Director (53)

Tom Murray is a Managing Director responsible for infrastructure credit investments, including debt capital markets activities for I Squared Capital's portfolio companies. Mr. Murray joined I Squared Capital in 2019 to build the Firm's infrastructure credit platform after more than 20 years in leadership positions at major financial institutions, including Apollo Global Management, WestLB AG and Credit Suisse First Boston.

From 2014 to September 2018, Mr. Murray was a Managing Director and the Global Head of Infrastructure Credit at Apollo, where he developed the firm's infrastructure credit strategy, hired and led a dedicated team and invested in over 30 transactions ranging from high-yielding senior to mezzanine debt across many sub-sectors, including power, renewables, transportation, social and telecommunications infrastructure.

Prior to Apollo, Mr. Murray led the Global Energy and Project Finance business at WestLB for ten years, overseeing 100 bankers across several countries in Europe, the Middle East, Africa, Asia and the Americas. He and his team advised and arranged debt financing for over 150 clients while managing a $17 billion credit portfolio. As a senior member of WestLB's international executive committee, Tom was responsible for overseeing and managing the global infrastructure, commodities and trade finance businesses.

Mr. Murray received his B.A. from the University of Washington and his MBA from Columbia University.

Chenhua Shen, Managing Director (33)

Chenhua Shen is a Managing Director of I Squared Capital, where she leads the investment and asset management in Asia including deal origination, due diligence, valuation, negotiation and execution. She works closely with portfolio companies in platform rollout, operation, financing, financial reporting, human resource and communication with regulators. She set up Asia Cube Energy, one of the largest renewable energy developers in Asia, invested in Asia Cube Water, a dedicated China wastewater treatment platform, and HGC Global Communications, a leading Hong Kong and international fixed line operator.

Ms. Shen was previously an associate on the investment team at Morgan Stanley Infrastructure Partners, a $4 billion infrastructure investment fund. The portfolio included investments in several countries and diverse sectors including power generation, co-generation, gas distribution, transmission and distribution companies, airports, toll roads and container ports. Ms. Shen covered the renewables, gas transmission pipeline, waste to energy, water/wastewater treatment and storage facilities sectors in China, Japan, South Korea, Australia, Taiwan and Southeast Asia. She participated in the $150 million Zhaoheng Hydropower deal and closed another $150 million investment in the company with a consortium of investors.

Ms. Shen holds a Master of Economics from the New York University, a Bachelor of Finance from Peking University, and is a CFA charterholder.

Kunal Agarwal, Principal (33)

As a Principal, Kunal Agarwal is a key part of the I Squared Capital investment team in Asia and works extensively in deal origination, due diligence, valuation, negotiation and execution. He also works closely with portfolio companies on new acquisitions, business plan implementation, strategy and planning, operation, financing, financial reporting, legal, compliance and human resources. Mr. Agarwal played a critical role with the I Squared Capital team leading the formation of Cube Highways, a $500 million investment vehicle set up in Singapore, to acquire operational toll roads in India.

Previously, Mr. Agarwal was an Equity Research Associate at Barclays Capital in Mumbai, covering the Indian Telecom and Equity Strategy sectors. At Barclays, Mr. Agarwal conducted fundamental research and in-depth analysis on the Indian economy, markets and stocks in his coverage universe.

Mr. Agarwal holds a Post Graduate Diploma in Management (MBA) from Indian Institute of Management (IIM) Calcutta. During his MBA, he spent a summer at Morgan Stanley Infrastructure fund, where he focused primarily on analyzing the Indian Roads Sector. Prior to receiving his MBA, Mr. Agarwal worked at Deutsche Bank, Singapore, as an analyst, where he became one of the youngest recipient of the "CFO award" for outstanding performance.

At IIM Calcutta, Mr. Agarwal was an Institute Rank Holder and a recipient of various scholarships and awards. He is a CFA charterholder having completed all three levels of the CFA (U.S.) examination. Earlier, he completed his under-graduate work at Nanyang Technological University, Singapore, with a major in computer engineering and a minor in business studies. Mr. Agarwal is lives in New Delhi and is fluent in Hindi and English.

D. Mark Clark Jr., Principal (31)

Mark Clark is a Principal of I Squared Capital with a primary focus on Communications Infrastructure and Power in North America. Since joining I Squared Capital in 2014 as one of the firm's first hires, Mr. Clark has supported and led various execution, sourcing and divestiture activities and served as board member across telecom, conventional and renewable power generation, midstream and transportation sectors in the US, Europe and Latin America.

Prior to joining I Squared Capital, Mr. Clark was an investment banker at Citigroup Global Markets, Inc., where he executed M&A and Capital Markets engagements across the Latin America region. Mr. Clark executed cross-border buy-side M&A transactions in the LNG, power generation, industrial chemicals and wastewater treatment sectors in countries including Chile, Colombia and Mexico.

Throughout his 10-year financial career, Mr. Clark has invested in, advised on, or financed over 25 transactions, with a total enterprise value in excess of $16 billion across North America, Latin America and Europe. Mr. Clark holds a Bachelor of Arts and Sciences from Hamilton College, where he graduated Magna Cum Claude with Phi Beta Kappa honors. He is fluent in oral and written Spanish.

Jesse Krynak, Principal (37)

Jesse Krynak is a Principal of I Squared Capital. Prior to joining I Squared, Mr. Krynak was a Director at First Reserve where he joined in 2010. Jesse was a key member of the portfolio company teams responsible for several investments throughout the firm's core investment energy subsectors – Resources, Equipment & Services, and Midstream/Downstream. These portfolio investments included Deep Gulf Energy, RKI Exploration & Production, TNT Crane & Rigging and PBF Energy. Mr. Krynak also helped drive diversified investments throughout the global energy value chain. Prior to joining First Reserve, Mr. Krynak was a Financial Analyst in the Global Energy Investment Banking Division at Credit Suisse.

Mr. Krynak holds a B.S. in Finance from Pepperdine University and a M.A. in Economics from the University of Southern California.

Sayantan Lahiri, Principal (39)

Sayantan Lahiri joined I Squared Capital as an Operating Director in 2018 before becoming a Principal in the investment team in Singapore. Before joining I Squared Capital, Mr. Lahiri spent over eight years at UTI Asset Management Company, one of the leading asset managers in India. As a Principal, Mr. Lahini was instrumental in setting up the Infrastructure Private Equity business at UTI. He was actively involved in deal sourcing, portfolio management and investor relations.

Prior to joining UTI, Mr. Lahini had worked in the proprietary infrastructure desk at Wachovia focusing on infrastructure investments in India. Before that Mr. Lahini had worked in the Credit Structuring at Deutsche Bank Group.

Mr. Lahini is a graduate of the Indian Institute of Technology, Kharagpur where he received a B.Tech in Engineering. He received an MBA in finance from India Institute of Management, Lucknow, and is a chartered CFA.

ASSET MANAGEMENT AND OPERATING TEAM

Chuck Enze, Managing Director

Chuck Enze is a Managing Director of I Squared Capital in the Asset Management and Operating Team. Mr. Enze has 43 years of infrastructure development, project management and construction expertise with considerable international experience. Previously at Luminant Generation Co., a competitive power generation subsidiary of Energy Future Holdings Corp., formerly TXU, Mr. Enze served as CEO for generation construction and development. He was also responsible for new gas plant, coal mine development and nuclear development construction.

Prior to joining Luminant, Mr. Enze was V.P. Engineering & Projects for Shell International Exploration & Production. With 30 years of experience leading major developments from concept through execution to start-up and steadystate operations, he was influential in leading Shell's portfolio of global deepwater developments for almost 20 years in the U.S., West Africa, Brazil and the Far East.

Mr. Enze holds a Bachelor of Science in Civil Engineering from the South Dakota School of Mines & Technology and completed Shell's senior executive Advanced Management Program at INSEAD, Fontainebleau, France.

Mark Woodruff, Managing Director

Mark Woodruff is an I Squared Capital Managing Director for Global Power, where he is an integral part of acquisition teams for energy assets around the world. He is a senior executive in the electricity industry with 40 years of diverse experience. Prior to joining I Squared Capital in February 2013, he founded MLW Energy Ventures, a private firm focused on investing and consulting in the energy and related industries. He possesses firsthand knowledge in all facets of the power business including project development, finance as well as operations with P&L responsibility in North America, Asia and the Middle East with an emphasis on leading acquisitions and performance turnaround.

Mr. Woodruff spent over 20 years of his career at AES Corporation where until 2011 he served as Executive Vice President of the company and President of the Asia/Middle East Region based in Singapore. Prior to his time in Asia, Mr. Woodruff served as Vice President of AES and Head of Business Development for North America leading the successful acquisitions of a 460 MW petroleum coke facility in Mexico and of 4,600 MW of facilities in California. Prior to AES, Mr. Woodruff was a founding member of Delmarva Capital Investments, the unregulated investment arm of Delmarva Power and Light Company where he led the development and construction of two biomass projects in California. He began his career at Diamond Shamrock Corporation as an engineer in the chemical processing facilities in Delaware City.

Mr. Woodruff is currently a member of the Board of Directors of The Advect Group, a development and electrical contracting firm based in Dubai and is Chairman of the Roessler-Chadwick Foundation, a non-profit corporation which operates schools in California and Korea with over 2,000 students in grades K-12. Mr. Woodruff graduated from the University of Delaware with a Bachelor of Science degree in Mechanical and Aerospace Engineering and completed post graduate studies at the Von Karmann Institute, the research arm of NATO, and is an alumnus of Stanford Graduate School of Business. Mr. Woodruff is also a registered Professional Engineer (inactive).

Joe Payne, COO, Americas Portfolio

Joe Payne is the Chief Operating Officer of the Americas Portfolio at I Squared Capital. Mr. Payne brings more than 15 years of investing and advisory experience across the midstream, power, transportation and utilities sectors. Since joining I Squared Capital in 2014, Joe has held investing and operating roles in the firm's New York, Houston and Miami offices. In his role as COO, Mr. Payne is principally responsible for operating strategy and asset management for the Fund's portfolio companies in North and South America. Mr. Payne works with I Squared Capital's operating directors and company management teams to drive value creation initiatives and risk reduction activities throughout the Americas portfolio.

Prior to assuming the COO role, Mr. Payne focused on I Squared Capital's midstream investment strategy, acting as the lead investor on the fund's acquisitions of Whiptail Midstream, Pinnacle Midstream and EagleClaw Midstream. More recently, Mr. Payne was a member of the crossfunctional deal team that led the fund's credit investment in Venture Global, a large-scale natural gas liquification and export company focused on the U.S. Gulf Coast.

Prior to I Squared Capital, Mr. Payne was with KPMG LLP, one of the Big Four independent accounting firms. As a Managing Director in KPMG's Deal Advisory Practice, Mr. Payne originated and executed financial advisory engagements for energy-focused private equity clients. During his 10 years with the firm, Mr. Payne provided consulting services (structuring, analysis and negotiation) on more than 50 infrastructure transactions. In his role as the lead infrastructure Director, Mr. Payne was responsible for the firm's relationships with Morgan Stanley Infrastructure Partners, Energy Capital Partners and Highstar Capital.

Mr. Payne holds an MBA from Columbia Business School at Columbia University (high distinction), a Master of Science in Accounting from the University of Notre Dame (summa cum laude) and Bachelor of Science in Business Administration from the University of Colorado at Boulder (high distinction).

George Currie, Operating Director

As an I Squared Capital Operating Director, George Currie brings more than 38 years of infrastructure project development, construction and financing expertise, primarily in Asia. Over his career, Mr. Currie has specialized in developing private–public partnership (PPP) and private-financed solutions across a full range of infrastructure sectors including the transportation (ports, rail and toll roads), energy and water sectors. In developing delivery strategy solutions for major projects worldwide, he developed the strategy for the recently-completed expansion of the Panama Canal, as well as for the ongoing greenfield construction of Qatar's $35 billion national rail program. He has also led turnarounds of distressed LNG, water, power, and transportation infrastructure projects and companies in emerging markets.

Mr. Currie started his career in 1981 in the oil and gas sector in Saudi Arabia, initially as a site engineer on ARAMCO gas plants and then at Fluor's petrochemical project in Jubail, before moving to the water & wastewater engineering sector, initially in the UAE for three years and then in Malaysia where he spent five years leading the construction of rural water supply projects. That was followed by stints in the U.K. and then India, after which he transferred to the Philippines in 1996 for the bid and negotiation of the concession for the privatization of the Manila Water & Sewerage System. He remained based in the Philippines until 2006, advising developers and financiers on projects in the transportation and energy sectors. He then moved to Singapore to establish this practice as a management consulting division within major international engineering companies until joining I Squared Capital full-time in 2014.

Among other achievements before joining I Squared Capital, Mr. Currie in 2003 co-drafted the EPC and O&M contract for Second Vivekananda Toll Bridge project (SVBTC), a project which on completion was subsequently acquired by Morgan Stanley Infrastructure Partners (MSIP). Among many engagements involving Japanese clients and companies, he has advised JGC on a potential diversification into the rail sector in the Middle East, North Africa and Asia, JICA on the HCMC Metro Line 1 project, and BTMU/SMBC / JBIC on their financing of the Al Ghubrah desalination project in Muscat, Oman.

Zhenhua Fan, Operating Director

Zhenhua Fan is an Operating Director of I Squared Capital, based in Hong Kong and Shanghai. Mr. Fan has over nine years of experience in multi-national merger and acquisition deals in the traditional oil and gas sectors, and rich experience in the renewable energy sectors. Prior to joining I Squared Capital, Mr. Fan was Vice President Legal and Outbound Investment for Yingli Green Energy, a NYSE-listed solar panel manufacturer and solar farm developer based in China with more than 20,000 employees globally. Before Yingli, Mr. Fan was legal manager for the outbound investment arm of PetroChina, a Chinese SOE focusing on oil and gas sectors and listed in the NYSE, Hong Kong and Shanghai. He mainly covers legal related investment acquisitions in the African and Asia Pacific areas.

Mr. Fan holds an L.L.M. from Dedman Law School of Southern Methodist University and Master of Law from Peking University Law School. He was admitted to practice Chinese law in 2005. Mr. Fan is based in Hong Kong and Shanghai.

Carlos Holguin, Operating Director

Carlos Holguin is an Operating Director of I Squared Capital, serving on the Asset Management team with a focus on valuing the various platforms owned by I Squared Capital. In addition, asset management encompasses both a range of standardized, recurring activities and discrete value creation and risk reduction initiatives specific to each platform. Recurring activities include budgeting, monthly reporting, quarterly valuations, and board meetings and include consistent standards, best practices and processes that are implemented upon closing of each investment. Each of these activities is designed to drive performance, ensure good governance and put in place prudent risk management.

Mr. Holquin was previously at PricewaterhouseCoopers for most of his career, where he was a director in the Transaction Services Group, focusing on valuation services, including mergers and acquisitions, divestitures, purchase price allocations, tax valuations, and impairment analysis. During his time at PricewaterhouseCoopers, Mr. Holquin worked on over 1,000 valuations, including transactions ranging from $50 million to over $10 billion for some Fortune 500 companies. Prior to joining the Transaction

Services, Mr. Holquin worked in the Tax Group of PricewaterhouseCoopers. Mr. Holquin holds a B.A. from The University of Texas at Austin and is a CFA charterholder.

Maxime Jacqz, Operating Director

Maxime Jacqz is an Operating Director of I Squared Capital. Based in the London office, Mr. Jacqz focuses on portfolio company management and asset optimization, as well as due diligence and transaction execution. He has over 13 years of infrastructure experience, notably within EISER Infrastructure Partners (previously known as the ABN AMRO Global Infrastructure Fund) where he was a Director focusing on the infrastructure sub-sectors of transportation, energy (including renewable energy) and environmental services. Mr. Jacqz has worked on numerous infrastructure assets including a portfolio of PPP schools in Scotland (Axiom Education), a tunnel in Sydney (Cross City Tunnel), gas transmission assets in Italy (Societa Gasdotti Italia), gas distribution assets in the U.K. (East Surrey Pipelines), waste management facilities in the U.K. (Cory Environmental Ltd), toll roads in Spain (Autovías de Peaje en Sombra), and bus interchangers in Spain (Concesiones de Intercambiadores de Transporte).

Mr. Jacqz has extensive experience as a real asset manager, including setting up 100-day plans, appointing and incentivizing asset management teams, leading operational changes, chairing executive committees and remuneration committees, managing refinancing processes and executing exit strategies. He served on the boards of Belfast City Airport (airport in the U.K.), ASTE (150 megawatts concentrated solar power in Spain) and Herambiente (waste management in Italy), where he led several strategic and operational initiatives.

Mr. Jacqz started his career in the M&A team of ABN AMRO in 2004, where he advised numerous corporates in their acquisition strategies, including Priory Healthcare, Matrix Laboratories, Engelhard Chemical, and Sicomed Pharmaceutical. Mr. Jacqz holds a Master of Science from ESCP Europe in Paris and a German Diplom Kaufmann.

Tom Kundle, Operating Director

Tom Kundle is an Operating Director of I Squared Capital in the Asset Management and Operating Team. Mr. Kundle has over 30 years of experience in the power sector with 25 years working with The AES Corporation in various roles managing the construction and operations of utility scale power assets. These roles included integrating the operations of in the U.S. and international acquisitions. Recent experience includes managing the restructuring of a Chilean hydro business, independent consulting work developing wind projects in the western U.S. and managing SunEdison's business development activities in Southeast Asia. Mr. Kundle holds a Bachelor of Science in Chemical Engineering from Oregon State University.

Jim Lehmann, Operating Director

Jim Lehmann is an Operating Director of I Squared Capital, bringing deep legal experience encompassing project financing, operations, and compliance and business spanning multiple jurisdictions around the world. Mr. Lehmann joins I Squared Capital after long experience as chief counsel for multinational, publicly traded engineering and construction contractors with worldwide operations and locations. He has supervised legal functions including multiple non-U.S. locations with responsibilities for all relevant business lines operations. He has personal contracting experience for fertilizer, petrochemical, gas processing, LNG, GTL and related projects. His contract work scopes included preliminary engineering design (FEED), detail engineering, technology licenses, procurement, construction /construction management, and O&M for lump sum and reimbursable compensation agreements. He has worked on projects in North America, Middle East, North Africa, Europe, and Southeast Asia.

Mr. Lehmann is also experienced in project financing arrangements, including U.S. ExIm and other export credit agencies (ECGD, Coface, SACE, Hermes, JBIC, etc.) as well commercial bank non-recourse documentation, security packages such as letters of credit and parent guarantees. In addition to the financing documents, he has also concluded feed supply agreements, product offtake agreements and related product marketing agreements.

He has developed and implemented compliance programs, reporting and certification requirements and audit procedures in worldwide construction business units to enhance FCPA procedures, comply with UK Anti-Bribery Act and implement Sarbanes-Oxley legislation, amongst others. In addition to experience in the engineering and construction industry, was part of the original executive staff that established the Land Rover brand in the U.S. Serving as General Counsel while the company was owned in turn by Rover Group, British Aerospace and BMW, responsibilities included drafting and negotiating product distribution agreement, port servicing contracts, parts warehousing and distribution agreements with third party warehousing and freight companies. Mr. Lehmann established a new dealer body in compliance with U.S. FTC procedures and negotiated vehicle sales, parts and service representation agreements with local dealers. He served for three years as chair of government relations committee of an import auto group trade association. He is an experienced commercial litigator and arbitrator in state and federal courts, including appeals.

Ramy Nasr, Operating Director

As an Operating Director, Ramy Nasr is responsible for the insurance and risk management work within I Squared Capital and for all portfolio companies globally. Mr. Nasr also oversees the operations of T Solar, a major solar power company based in Spain with power plants in six different countries around the world. Mr. Nasr has 28 years of experience in operations, project management, contracts formulation, contracts administration and tendering gained from assignments for oil & gas companies and power plant projects in various locations worldwide. He also has an extensive experience in risk management and insurance. His expertise includes the insurance requirements of major projects, corporate policies, property and liabilities across all classes of insurance.

Mr. Nasr was previously at Magnolia Energy Holdings (Magnida) in Houston, a $2.5-billion nitrogen fertilizer plant under development in the state of Idaho. Mr. Nasr was involved in the tendering., evaluation, negotiation and award of the EPC Contract, offtake agreement, gas supply agreement, risk management analysis, insurance policy, and all other contracts related to the project. Prior to Magnida, Mr. Nasr was head of the Contracts Department for Abu Dhabi National Oil Company (ADNOC). He also served as head of the Group Risk Management and Insurance Department at ADNOC, the main oil company managing and owning with shareholders a group of companies responsible for all the oil and gas operations in Abu Dhabi. For seven years, Mr. Nasr also worked for Bechtel Power, a major multinational EPCM company in the U.S., reporting to the London office. He was involved in the project management of major power plants in different countries. His responsibilities included contracts formulation and administration, procurement, project claims handling, change orders and construction management.

Mr. Nasr holds a Bachelor of Science in Civil Engineering from Cairo University. Mr. Nasr is a member of the Chartered Insurance Institute (CII) in the UK. He is also a certified Internal Auditor and a member of the Lloyd's Register of Quality Assurance; and IRCA-certified in the UK.

Ulrica Svensson, Operating Director

Ulrica Svensson is an Operating Director, based in the London office. She leads the global ESG responsible investment initiatives, including development and implementation, across all of I Squared Capital and its fund strategies. Prior to joining I Squared, Ms. Svensson was the Global Head of Sustainable Investments for London based Access Equity EM. At Access, Ms. Svensson advised global investors on sustainable equity investments and strategies throughout Europe and Asia. She advised and structured transactions based on strong ESG screening and sustainable thematics including the SDGs.

Ms. Svensson has deep experience in the financial markets and prior to Access, held front line investment positions on both the buy and sell-side of the markets. More specifically, she was an investment professional at Credit Agricole CIB focusing on private equity finance, infrastructure and structured telecom. Her focus in sustainable investing and ESG developed at Credit Agricole as she observed them build out their global leading green bond product. Prior to CACIB, Ms. Svensson worked in the private equity space and strategy consulting. Ms. Svensson has advised international organizations, including the G20, in areas of sustainable investment and green technology and contributed to publications on topics including digital sustainable finance.

Ms. Svensson holds a LLM from Stockholm University School of Law, including a BA. She speaks five languages.

Manager Meetings

Meeting Location:	Zoom Videoconference
Date:	August 11, 2020
Manager Attendees:	William Campbell, Ed Saunders, Ulrica Svensson
Meketa Attendees:	Lisa Bacon, Danny Chan, Jed Constantino, Sarah Spotts, Adam Toczylowski
Purpose of Meeting:	Formal Virtual On-Site Due Diligence. Agenda topics included: Environmental, Social, and Corporate Governance program history, implementation, and recent enhancements.

Meeting Location:	Zoom Videoconference
Date:	August 7, 2020
Manager Attendees:	Harsh Agrawal, Maurizio Arbulu, George Currie, Sayantan Lahiri, Andreas Moon, Adil Rahmathulla, Chenhua Shen, Victor Sosa
Meketa Attendees:	Lisa Bacon, Danny Chan, Jed Constantino, Sarah Spotts, Adam Toczylowski
Purpose of Meeting:	Formal Virtual On-Site Due Diligence. Growth Market geographies teams, strategies, market environments, and pipelines.

Meeting Location:	Zoom Videoconference
Date:	August 6, 2020
Manager Attendees:	Enrico Del Prete, Maxime Jacqz, Thomas Lefebvre, Andreas Moon, Joe Payne, Adil Rahmathulla
Meketa Attendees:	Lisa Bacon, Danny Chan, Sarah Spotts, Adam Toczylowski
Purpose of Meeting:	Formal Virtual On-Site Due Diligence. Agenda topics included: Firm and organizational update; North American and European teams, strategies, market environments, and pipelines.

Meeting Location:	Zoom Videoconference
Date:	July 21, 2020
Manager Attendees:	Matthew Basile, William Campbell, Lisa Fleischman, Halim Gabra, Cara Killackey, Ronald Schweizer
Meketa Attendees:	Emily Agnew, Lisa Bacon, Sarah Spotts, Adam Toczylowski
Purpose of Meeting:	Formal Virtual On-Site Operational Due Diligence. Agenda topics included: organization structure and operations resources, cash flow management and accounting, valuation controls, legal and compliance controls, and technology infrastructure and controls.

Meeting Location:	Zoom Conference
Date:	May 29, 2020

Manager Attendees:	Harsh Agrawal, Gautam Bhandari, William Campbell, Mohamed El Gazzar, Chucri Hjeily, Maxime Jazqz, Cara Killackey, Thomas Lefebvre, Andreas Moon, Joe Payne, Ron Schweizer, Mark Woodruff
Meketa Attendees:	Lisa Bacon, Danny Chan, Sarah Spotts, Adam Toczylowski
Purpose of Meeting:	Formal Virtual On-Site Due Diligence. Agenda topics included: Personnel update, Dyal minority interest, Market opportunity, Fund Performance, other firm products, and ESG, operational processes
Meeting Location:	Zoom Conference
Date:	April 9, 2020
Manager Attendees:	Andreas Moon and Adil Rahmathulla
Meketa Attendees:	Lisa Bacon, Judy Chambers, Adam Toczylowski
Purpose of Meeting:	Update on current portfolio and plans for Fund III fundraising.
Meeting Location:	Conference Call
Date:	March 18, 2020
Manager Attendees:	Bhandari Gautam, Sahil Kadakia, Andreas Moon, Adil Rahmathulla
Meketa Attendees:	Adam Toczylowski
Purpose of Meeting:	COVID-19 update including remote working, status and liquidity health of current portfolio, potential opportunities emerging from crisis
Meeting Location:	Conference Call
Date:	February 4, 2020
Manager Attendees:	Andreas Moon and Miguel Zablah
Meketa Attendees:	Lisa Bacon and Judy Chambers
Purpose of Meeting:	Minority sale to Dyal, current team, Fund III target size and pipeline, Emerging Market side car, portfolio update
Meeting Location:	Meketa's Offices (Carlsbad)
Date:	April 8, 2019
Manager Attendees:	Andreas Moon and Adil Rahmathulla
Meketa Attendees:	Lisa Bacon, Blaze Cass (video), Luke Riela, Adam Toczylowski (video)
Purpose of Meeting:	Fund I and II performance update, Management Fee discount discussion, current pipeline

Reference Checks

Meketa Investment Group conducts a large amount of due diligence before we evaluate references for the partnership's General Partners. Prior to this stage, we have already met numerous times with the key professionals at the partnership, and have evaluated fully the partnership's investment strategy. The function of the reference check is twofold. First, reference checks provide insight into the personal integrity and character of the General Partners. A lack of integrity that is hidden during a series of formal meetings can sometimes be uncovered by discussions with references. Second, reference checks provide deeper insight into the partners' investment experience and reputation.

SCOPE OF REFERENCE CHECKS

As part of Meketa Investment Group's due diligence of ISQ Global Infrastructure Fund III, L.P., we requested that I Squared Capital Advisors, LLC provide us with personal references for each of the firm's managing partners. We discussed with each of the references the nature of their relationship with I Squared Capital Advisors, LLC, and the reference's perception of the company's integrity, work ethic, character, and professional acumen. We asked further for the reference to discuss the specific individuals within I Squared Capital Advisors, LLC, to gain a better assessment of the firm's depth.

OUTCOME OF REFERENCE CALLS

Meketa Investment Group has contacted various references, and reviewed a comprehensive references report prepared by 3rd party firm, Kern Ferry International, that was shared with prospective Limited Partners.

The report was not seen by I Squared Capital and was directly distributed to Meketa from Kern Ferry. The report includes write-ups from reference calls with: nine existing I Squared investors, ten CEOs from Funds I & II, and one third party consortium fund manager. The overarching themes and individual comments by these references are consistent with Meketa's own review of the team and its offering, with respect to strengths and weaknesses.

Meketa also contacted references directly which were consistent with the results of the independent reference report and Meketa's own views. Collectively, the outcome of the reference review was positive but share the same growth concerns that Meketa focused on with the larger fund size and additional product lines.

I SQUARED CAPITAL

Global Fund III Overview

Hong Kong | London | Miami | New Delhi | New York | Singapore

Disclaimer

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Statements contained in this Presentation are based on current expectations, estimates, projections, opinions and beliefs of I Squared Capital and/or the Firm's senior management on the date hereof. Such statements involve known and unknown risks and uncertainties, and undue reliance should not be placed thereon. Additionally, some of the matters discussed in this Presentation include forward looking statements. I Squared Capital has tried to identify forward looking statements by use of terminology such as "may," "will," "should," "could," "would," "predicts," "potential," "continue," "expects," "anticipates," "future," "intends," "plans," "believes," "estimates" and similar expressions. Forward-looking statements are subject to a number of risks and uncertainties, some of which are beyond the control of I Squared Capital, including among other things, the risks listed in both the respective Fund's PPM and Subscription Document. Actual results, performance, prospects or opportunities could differ materially from those expressed in or implied by the forward-looking statements. Additional risks of which I Squared Capital is not currently aware also could cause actual results to differ. In light of these risks, uncertainties and assumptions, prospective investors should not place undue reliance on any forward-looking statements. The forward-looking events discussed in this Presentation may not occur. I Squared Capital undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

All information contained herein speaks as of June 30, 2020 unless otherwise noted. The Funds, I Squared Capital and their respective affiliates, members, partners, stockholders, managers, directors, officers, employees and agents do not undertake any obligation to update or amend any of the information herein.

See "DISCLOSURE" at the end of this Presentation for additional information, including important information regarding performance, projections and deteriorating market conditions.

About I Squared Capital

Employee owned global infrastructure investor with investment professionals, operating partners and senior policy advisors in six offices on four continents.

145+ professionals — **Experienced** team, with senior management working together for **over 16 years** (including pre-ISQ)

6 global offices — **On-the-ground** local teams

$18.7bn assets under management[1,2] — Deployment of Global Funds and **$2.7bn of co-investments**

30 portfolio companies[3]
12,500 employees
50 countries
— **Global** and diverse platform

77% internally sourced[4] — Internal ability to source **bilateral deals** and execute our **platform building** strategy

10 factor Risk Model — ISQ's **proprietary Risk Model** to analyze and monitor assets across sectors and regions

20+ Asset Management and Operating Team — Delivering **operational value-add** across the portfolio

Focus on **returning capital[5]**
$2.4bn Fund I distributions
31.6% total realized gross IRR

Delivering **strong returns[6]**
17.0% Fund II gross IRR
11.5% Fund II net IRR
22.2% Fund I gross IRR
16.2% Fund I net IRR

I SQUARED CAPITAL

[1] Aggregate fair value of ISQ Global Infrastructure Fund (Fund I), ISQ Global Infrastructure Fund II (Fund II), related co-investment vehicles, net cash position, and an employee-only fund controlled by I Squared Capital, plus the remaining capital that I Squared Capital is entitled to call from investors in those funds and vehicles as of June 30, 2020. Co-investment total includes all amounts invested in I Squared Capital's co-investment vehicles by investors in Funds I and II, prospective investors in the Funds and third parties. Other than AUM, the performance data presented on this slide are not reflective of co-invested amounts.
[2] Assets under management figure also includes gross amounts committed to ISQ Global Infrastructure Fund III (Fund III) in November 2020. A portion of such gross commitments may be contingent upon additional amounts being subscribed to Fund III.
[3] Aggregate historical track record including realized assets acquired or constructed by I Squared Capital.
[4] Total investment pipeline since inception by value.[5] Reflects the gross IRR for investments that have been fully or partially realized by Fund I as of June 30, 2020, which includes four fully-realized investments and five partially-realized investments.
[6] Portfolio performance as of June 30, 2020.

A diverse global portfolio[1]

I Squared Capital has owned and operated a diverse portfolio of 30 companies since its inception in its targeted sectors and regions providing essential services to millions of people around the world.

Energy

Renewables
4,000+ megawatts

Thermal
5,700+ megawatts

Gathering systems
3,000+ kilometers

LNG processing[2]
1.5 billion MMBTU

Bulk liquid storage
4,500+ k m³

Utilities

Wastewater
237,500 metric tons per day

Electricity distribution
2.6 million customers

Waste processing capacity
238,000+ tons per annum[3]

Transmission lines
1,070 kilometers

Transport

Toll roads
8,400+ lane-kilometers

Service centers
102 workshops

Intermodal
239,900+ chassis or trailers

Digital infrastructure

Fiber network
4.4 million kilometers

Cellular sites
4,750

Wi-fi hot spots
29,488

Global connections
132 countries

Social infrastructure

Elderly care homes
104

[1] Aggregated historical metrics including all realized and unrealized assets acquired or constructed by I Squared Capital.
[2] Under construction.
[3] Including under development assets.

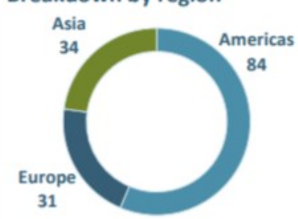
A specialized and dedicated team

I Squared Capital has a diverse global team of experienced investment and infrastructure professionals across its six global offices.

Investment Team	Asset Management and Operating Team	Investor Relations	Finance and Administration	Legal	Compliance
55	23	8	41	5	5

+19 administrative staff

Breakdown by region



Senior Policy Advisors[1]

A global team of Senior Policy Advisors providing insight and analysis of the regulatory risk and challenges facing infrastructure investments around the world.

Nicolas Baverez
European Transport and Energy

A partner at Gibson, Dunn & Crutcher in Paris specializing in privatizations, public-private partnerships, and regulatory law, Nicolas was previously a magistrate in the Cour des Comptes (France's Court of Audit), member of staff for the President of the French Parliament.

Norman Bay
Global Energy Policy

A partner and head of the energy regulatory and enforcement group at Willkie Farr & Gallagher LLP, Norman was also the former Chairman of the Federal Energy Regulatory Commission (FERC), the U.S. Attorney for the District of New Mexico and a Professor at the University of New Mexico School of Law.

Walid Chammah
International Finance

A former Co-President of Morgan Stanley and former Chairman of Morgan Stanley International, Walid also served as a member of the Morgan Stanley Management and Operating Committees.

Jonson Cox
European Infrastructure

The current Chairman of the Water Services Regulatory Authority (Ofwat) and Chairman of Harworth Group, Jonson is also the former Group Chief Executive of Anglian Water Group, former Chief Executive Officer of Valpak, and former Chief Operating Officer of Railtrack.

Iván Díaz-Molina
Latin American Energy

A former president of electricity distribution companies in Chile and El Salvador, and Chief Executive Officer of companies in Peru and Brazil, Iván currently serves as Chairman of SAESA Group and AESGener Director.

Thomas J. Donohue Sr.
U.S. and Global Strategy

President and Chief Executive Officer of the United States Chamber of Commerce located in Washington, D.C., Tom is the former President and Chief Executive Officer of the American Trucking Association.

Anders Eldrup
European Energy

Chief Executive Officer of DONG Energy from 2001 to 2012, as well as President and Member of the Executive Board, Anders served as Permanent Secretary of the Danish Ministry of Finance starting in 1991 when he served as Director in the Department of the Budget.

Kristina Johnson
U.S. Energy

Recently appointed Chancellor of the State University of New York and a former U.S. Under Secretary of Energy, Provost at Johns Hopkins University and Dean of Engineering at Duke University. Kristina received the John Fritz medal, the highest honor in the engineering profession in 2008.

Ginger Lew
U.S. Federal and State Regulation

A former Senior Advisor to White House Economic Council Director Larry Summers, Ginger was also the former Chief Operating Officers of SBA, General Counsel at U.S. Department of Commerce and Chief Counsel at the U.S. Department of Energy.

The Rt. Hon. Lord Mark Malloch-Brown
Global Environmental Policy

The Chairman of the Business Commission for Sustainable Development, Mark is a member of the House of Lords, former UN deputy Secretary General, a former Administrator of UN Development Programme, a Vice President at the World Bank and served in the British Cabinet and Foreign Office.

Dr. Mahmoud Mohieldin
Sustainability

A Special Envoy to the UN Secretary General on Financing the 2030 Agenda for Sustainable Development, Mahmoud served for ten years as the World Bank Group's Senior Vice President for the 2030 Development Agenda and was Minister of Investment in Egypt from 2004 until 2010.

Michael Morell
Global Risk

Served thirty-three years with the Central Intelligence Agency, the last three-and-a-half as Deputy Director, a position from which he ran the day-to-day operations of the Agency. Michael also served on President Obama's Review Group on Intelligence and Communications Technology.

[1] Senior Policy Advisors are not I Squared Capital employees. There can be no assurance that such professionals will continue to be associated with I Squared Capital throughout the life of the Funds. The level of involvement and role of the Senior Policy Advisors with each Fund portfolio company may vary, and in some cases they may have no involvement or role at all.

Fund performance

I Squared Capital has two global infrastructure funds under management that are currently being invested.

ISQ Global Infrastructure Fund I[1]

Vintage	**2014**
Size	**$3 billion** (hard cap)
Portfolio companies	**15**
Invested capital	**$3.0 billion**
Realized proceeds	**$2.2 billion**
Total value[2]	**$5.2 billion**
Leverage[3]	**60%**

Gross IRR[1]	Net IRR[1]
22.2%	**16.2%**

Gross MOIC[1]	Net MOIC[1]
1.8x	**1.6x**

Annual yield from operations[4]	Quartile[5]
9.7%	**First**

ISQ Global Infrastructure Fund II[1]

Vintage	**2017**
Size	**$7 billion** (hard cap)
Portfolio companies	**14[6]**
Invested capital	**$3.9 billion**
Realized proceeds	**$0.2 billion**
Total value[2]	**$5.0 billion**
Leverage[3]	**57%**

Gross IRR[1]	Net IRR[1]
17.0%	**11.5%**

Gross MOIC[1]	Net MOIC[1]
1.3x	**1.1x**

Quartile[5]

First

[1] Performance as of June 30, 2020. Past or projected performance is not necessarily indicative of future results, and there can be no assurance that any Fund or investment will achieve similar returns. See the Disclosure at the end of this Presentation for important information regarding the performance data presented herein, including the calculation of gross and net returns.
[2] "Total value" is the sum of realized proceeds and Unrealized Value, which is defined in the Disclosures at the end of this Presentation.
[3] Calculated based on gross debt of portfolio company divided by total enterprise value.
[4] Annual yield from operations represents (i) historical LTM EBITDA as of June 30, 2020 (or March 31, 2020 , in the case of Energia) at the asset level, less debt service and maintenance capex, divided by (ii) cash funded into the assets as of June 30, 2020, net of financings, bridged investments and cash extractions. See the Disclosure at the end of this Presentation for important information about yield from operations.
[5] Based on the Cambridge Associates Infrastructure benchmark (the "Benchmark") for Q1 2020. Managers of funds included in the Benchmark may have different definitions or methodologies for calculating or reporting and performance, including, without limitation, with respect to recycled capital or use of fund-level leverage, and I Squared Capital is unable to determine how such differences affect the Cambridge Associates data. Accordingly, the respective Fund's performance may not be directly comparable to such other managers' metrics. Undue reliance should not be placed on comparisons between the Benchmark's and I Squared Capital's' data sets. Please also refer to the Disclosures at the end of this Presentation for additional important information with respect to benchmarking information provided by Cambridge Associates.
[6] Three assets purchased after June 30, 2020.

I SQUARED CAPITAL

A commitment to sustainable investing

I Squared Capital measures the impact of its investments by mapping to specific targets of the Sustainable Development Goals set forth by the United Nations.

Signatory of:

PRI Principles for Responsible Investment

Affordable and clean energy

Target 7.2 Increase the share of renewable energy

Total renewable capacity

4,011 megawatts

total capacity of operating wind, hydro, solar and landfill-gas

Clean water and sanitation

Target 6.3 Halving the proportion of untreated wastewater

Wastewater treated

38 million metric tons

annually

Life on land

Target 15.2 Increase afforestation and reforestation globally

Trees and shrubs planted

314,206

since acquisition

Responsible consumption

Target 12.5 Reduce waste with prevention, recycling and reuse

Recycling

1,855 metric tons

estimated solid waste recycled

Good health and well-being

Target 3.6 Halve global deaths and injuries from road traffic accidents

Reduction in severity index

-40%

total fatalities divided by total accidents since acquisition

Industry, innovation and infrastructure

Target 9.4 Upgrade infrastructure and retrofit to make it sustainable

Cost savings in 2018

$942,744

estimated cost savings from energy conservation and upgrade initiatives

William Campbell
General Counsel and Head of ESG
General Counsel with responsibility for legal issues regarding investments and oversight of the global socially responsible investment program..

Ulrica Svensson
Operating Director
Formerly the Head of Sustainable Investments at a leading firm in London and dedicated to implementing, monitoring, and reporting on our responsible investment initiatives.

Dr. Mahmoud Mohieldin
Senior Policy Advisor
A Special Envoy to the UN Secretary General on Financing the 2030 Agenda for Sustainable Development and former Senior Vice President at the World Bank.

Lord Mark Malloch-Brown
Senior Policy Advisor
The former Deputy Secretary-General of the UN under Kofi Annan and former UK development minister in Gordon Brown's cabinet.

Ginger Lew
Senior Policy Advisor
A former senior advisor to President Obama's National Economic Council and worked with the White House Social Innovation Office on impact and sustainable investing policies.

ISQ Global Infrastructure Fund III

Summary of Certain Key Information and Terms

Target fund size	$12 billion
Hard cap	$13 billion
Target returns	15-20% gross IRR
Target cash yield	6%
Minimum commitment	$25 million. Commitments of lesser amounts may be accepted at the discretion of the General Partner.
Term	**Ten (10) years** from the final closing.

Commitment period	Will begin on the date on which the first management fees are paid and end **five (5) years** after the final closing.
GP commitment	At least 2% of total commitments
Carry	20%, over 8% hurdle
Management fee	1.60% for commitments up to and including $100 million

Appendix

ISQ key differentiators

Relative to the infrastructure landscape, ISQ's strategy provides a competitive edge spanning the investment process.

Cohesive team with on-the-ground presence

Highly complementary team of investing, operating and policy professionals on the ground in the Firm's target markets across six global offices

Globally diversified cross-sectoral strategy

Allows I Squared Capital to invest and exit assets optimally and deliver attractive risk-adjusted returns across geographies and sectors

Proprietary Risk Model with a focus on risk-adjusted returns

10-factor Risk Model enabling direct comparisons of infrastructure assets across sectors and regions considering idiosyncratic risks

Disciplined investment strategy

Target high quality, resilient infrastructure assets with disciplined pricing and prudent leverage

Off-market investment sourcing

Robust pipeline of bilateral investments sourced through the extensive networks

Platform development

Building and acquiring scaled infrastructure assets through both mid-market and larger, opportunistic investments generally sourced bi-laterally at attractive entry valuations

Intensive focus on operational value creation

Focus on lifecycle asset management and industrial management best practices delivers enhanced asset value

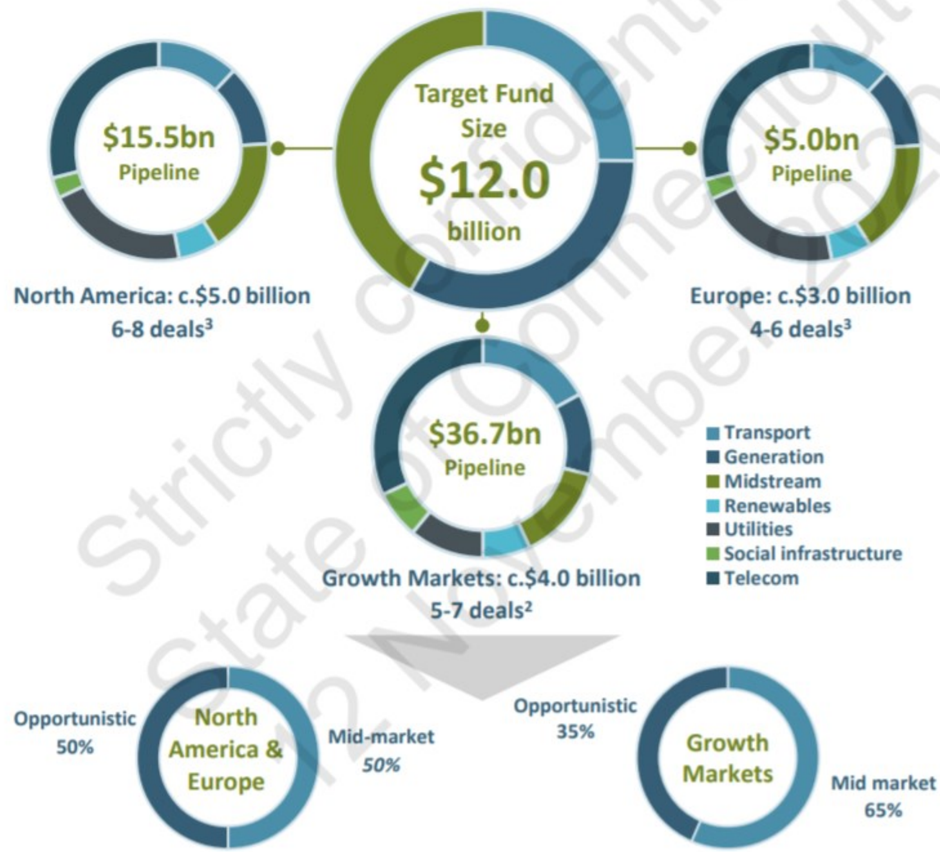
Regulatory and policy risk focus

Focus on identifying, measuring and managing regulatory and policy risk

Fund size overview

I Squared Capital believes that a $12.0 billion fund size will enable I Squared Capital to pursue a high quality, well diversified portfolio of assets while maintaining a high degree of selectivity across geography, sub-sector and deal type.

Regional sleeves are each underpinned by a large and growing pipeline diversified by subsector and transaction type[1]



[1] The pipeline information presented herein relates to certain potential investment opportunities that may be available for Fund III and/or that I Squared Capital is currently considering. With respect to any potential investment opportunities, neither I Squared Capital nor Fund III has consummated or entered into an exclusive agreement relating to such potential investments, The pipeline amounts represent I Squared Capital's estimates of the aggregate equity contributions by its Funds that would be needed to acquire all potential investments currently under review by I Squared Capital, but there can be no assurance that any such potential investments will ever be acquired by any Fund in the amounts set forth on this page or at all

[2] Represents the targeted investment concentrations (by aggregate amount and number of investments) for Fund III in each specified region, but Fund III's final portfolio construction may vary materially from these targets. There can be no assurance that Fund III will achieve its diversification objectives or that any particular amount or number of investments (if any) will be made in any particular region. It is expected that a portion of the pipeline investments will be taken up by Fund II and therefore will not be available to Fund III.

Consistent strategy and team resourcing

Fund III will aim to continue the successful mid-market and opportunistic strategy executed through Fund I and Fund II, while seeking to ensure adequate resourcing to support an operationally intensive and growing portfolio.

Proven ability to execute across deal type

	Fund I		Fund II	
Platform investments				
Organic growth: greenfield development and asset accumulation **Roll-up:** platform growth through add-ons	63%	M+ Solar, Cube Highways, Cube Hydro Partners	62%	Think Gas, Domidef, BDx
Company investments				
Focus on heavy operational value-add or complex situations	37%	Orazul Energy, energia group, Whiptail Midstream	38%	Eagleclaw Midstream, inkia energy, Ocensa

Flexibility

to execute across deal type enables I Squared Capital to be highly selective in portfolio construction

Pipeline by transaction size and stage³

Resourcing to support a growing portfolio[4]

The I Squared Capital team believes it is **well resourced** to support a growing portfolio, **maintaining the ratio** of deals and AUM per deal team member to ensure ample bandwidth to **continue to actively manage** the portfolio

	Fund I	Fund II	Fund III (current)	Fund III (expected)
Partners	3	3	6	6
Deal Team[1]	28	58	72	87
Firm Operations[2]	28	53	71	75
Total	59	114	149	168

[1] "Deal Team" refers to employees of I Squared Capital who are Investment, Operations and Asset Management professionals exl. Partners.

[2] "Firm Operations" refers to employees of I Squared Capital who are Finance, Legal & Compliance and Investor Relations professionals

[3] Represents I Squared Capital's estimate of the aggregate equity contributions by its Funds that would be needed to acquire all potential investments currently under review by I Squared Capital. There can be no assurance that such potential investments ultimately will be made available to any Fund in the amounts described herein (or at all) or that that any particular amount (if any) will be invested in any particular type of transaction.

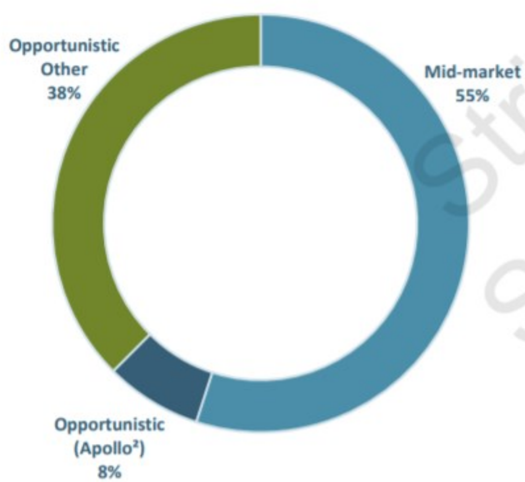
[4] There can be no assurance that such professionals will continue to be (or that new professionals will be) associated with I Squared Capital throughout the life of the Funds. The level of involvement and role of certain professionals with respect to each Fund portfolio company may vary, and in some cases they may have no involvement or role at all. "AUM per deal team member" for any year is based on aggregate fair value of, as determined by I Squared Capital as of 31 December of the such year, all assets held by Fund I, Fund II and related co-investment vehicles controlled by I Squared Capital, plus the remaining capital that I Squared Capital was entitled to call from investors in those funds and vehicles as of such date. "Deals per deal team member" for any year is based on the total number of unrealized portfolio investments held by the Funds during that year.

[5] With respect to any potential investment opportunities, neither I Squared Capital nor Fund III has consummated or entered into an exclusive agreement relating to such potential investments, and there can be no assurance that any of such potential future investments will ever be acquired by any Fund.

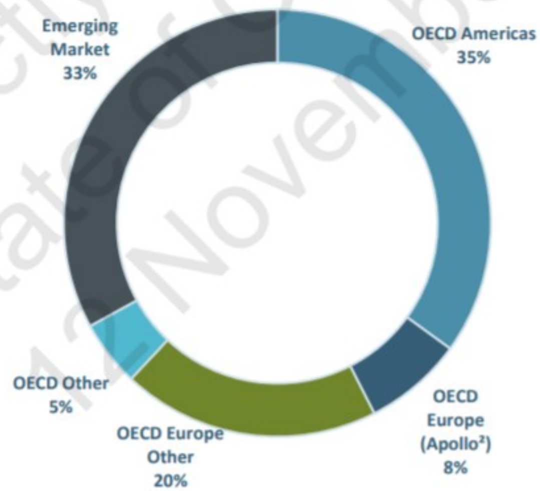
Fund III strategy and targeted deployment

Fund III will continue to focus on delivering attractive risk-adjusted returns to investors primarily through middle-market assets with core risk fundamentals, operational value-add and platform development[1], with first investment Project Apollo signed in October 2020.

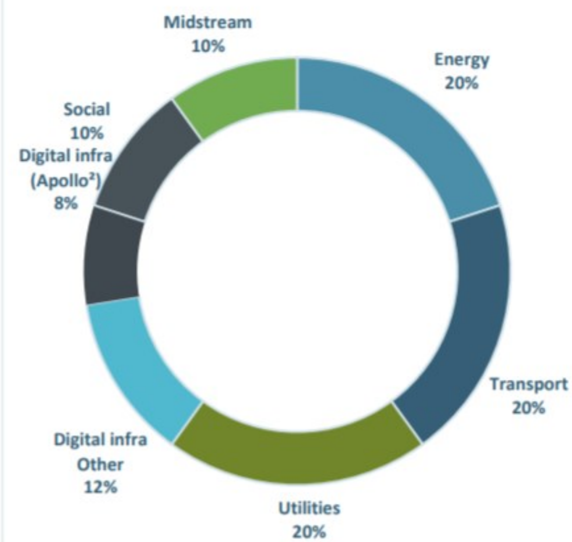
By transaction type



By geography



By sector



[1] Represents the targeted investment concentrations (as percentages of the aggregate potential equity amounts to be invested) for Fund III in each specified strategy, geography or sector, but Fund III's final portfolio construction may vary materially from these targets. There can be no assurance that Fund III will achieve its diversification objectives or that any particular amount or number of investments (if any) will be made in any particular strategy, geography or sector.
[2] Assuming the final equity check pro-forma for co-investment syndication, over the Target Fund Size of $12bn.

Cube Hydro overview

A platform of dispatchable and run-of-the-river hydro plants with 385 megawatts of generation capacity in five U.S. states.

CUBE HYDRO PARTNERS

Company Overview

- I Squared Capital established Cube Hydro in 2014 as a hydropower platform headquartered in Bethesda, MD
- The I Squared Capital and Cube Hydro teams successfully executed 6 transactions over five years, to develop a 385 megawatt, 19 asset portfolio
- Portfolio exposure to diverse hydrological resources in 3 power markets (SERC, PJM, NYISO) and a 17-mile transmission facility at Yadkin
- Visibility on 2+ GW of long-term growth through proprietary pipeline including development, acquisitions and Public-Private Partnerships
- 2018A revenue and EBITDA of $82mm and $46mm, respectively[1]

Company Attributes at Exit

Hydroelectric projects 19	**Total capacity** 385 megawatts	**Powered U.S. homes** 147,000
River systems 10	**Annual generation** 1.5 terawatt-hours	**Growth Pipeline** 2.0^{+} gigawatts
U.S. states 5		

[1] Please refer to the Disclosure at the beginning of the Case Studies section and the Disclosure the end of this Presentation, for important information regarding the description of I Squared Capital's investment rationale and criteria, deteriorating market conditions, as well as the use of performance data presented herein.

Investment Rationale[1]

Consistent with I Squared Capital's global strategy, Cube Hydro offered the opportunity to:

- Aggregate small assets into a large platform attractive to strategic and low-cost of capital buyers
- Focus on organic development (at build cost) and bilateral transactions in an effort to fuel platform growth
- Drive operational excellence via rigorous asset management and implementation of best practices across the portfolio
- Pursue value-added revenue optimization projects, via technological enhancements
- Utilize senior policy advisors and effective risk management practices in an effort to reduce or eliminate regulatory exposures

Exit

In the second quarter of 2019, the Fund announced the sale of 100 percent of its equity interest in Cube Hydro Partners and its affiliate, Helix Partners, to Ontario Power Generation. The transaction closed in the fourth quarter of 2019 upon receiving regulatory approval.

Disclosure

Certain of the information contained herein, particularly in respect of market data, economic and other forecasts and portfolio company related data, is from third-party sources. While I Squared Capital believes such sources to be reliable, neither the Funds nor I Squared Capital nor any of their respective affiliates nor employees have updated any such information through the date hereof or undertaken any independent review of such information. I Squared Capital does not make any representation or warranty, express or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of any of the information contained herein (including but not limited to economic, market or other information obtained from third parties), and it expressly disclaims any responsibility or liability therefor.

Any information about a ISQ Global Infrastructure Fund III ("Fund III") referenced herein is provided for informational and discussion purposes only, contains expected terms only, and is a summary of certain terms and target fund characteristics that are subject to change and is not intended to be complete and is qualified in its entirety by reference to Fund III's Governing Documents, which should be reviewed in their entirety prior to making an investment in Fund III.

Any comparable transactions discussed herein were selected by I Squared Capital for illustrative purposes because I Squared Capital believes that, for the investments to which they are compared, they represent relevant comparables in the relevant industries within the relevant time periods. Similarly, any investment funds that are compared to Fund III were selected by I Squared Capital for illustrative purposes because I Squared Capital believes that they represent the relevant private investment fund sponsors that are currently raising capital for a new infrastructure fund. Selection of such criteria is inherently subjective and others might select other comparables based on their assessment of the market. Actual results may differ, quite possibly materially, from the estimates and assumptions presented herein.

The pipeline information presented herein relates to certain potential investment opportunities that may be available for Fund III and/or that I Squared Capital is currently considering. With respect to any potential investment opportunities, neither I Squared Capital nor Fund III has consummated or entered into an exclusive agreement relating to such potential investments, and there can be no assurance that any of such potential future investments will ever be acquired by Fund III or any related entity.

Third-party logos and vendor information included herein are provided for illustrative purposes only. Inclusion of such logos does not imply affiliation with or endorsement by such firms or businesses. There is no guarantee that I Squared Capital, the Funds or the current or future portfolio companies of the Funds will work with any of the firms or businesses whose logos are included herein in the future.

Important Information Regarding Performance

Past or projected performance is not necessarily indicative of future results, and there can be no assurance that any Funds or any investment will achieve comparable results to those presented herein, that any Fund will be able to implement its investment strategy or achieve its investment objectives or that the returns generated by any investment will equal or exceed any past or projected returns presented herein. There can be no assurance that investors will not lose any or all of their invested capital.

As used throughout, and unless otherwise indicated, any stated or targeted IRR or valuation for an investment as of its acquisition or at "entry" represents I Squared Capital's estimate, at the time such investment was acquired, of the potential gross IRR that the Fund might realize from such investment if all of I Squared Capital's pre-acquisition assumptions regarding such investment proved to be true. Such information is presented herein only for reference and is not intended to be any indication of current expectations. Targeted gross returns are not indicative of actual results.

Certain current and historical unrealized returns presented in this Presentation represent hypothetical, unrealized IRRs and MOICs that are calculated utilizing mathematical models requiring inputs that, in some cases, are estimated, and certain assumptions that I Squared Capital believes are reasonable under the circumstances that ultimately may not hold true with respect to any investment. The models, including the underlying estimates and assumptions, are prepared as of June 30, 2020 and reflect conditions at such time. Actual realized returns may deviate materially from these models. Calculations of the IRRs and MOICs represent U.S. dollar values and are based on (i) actual historical cash flows for each investment and (ii) the hypothetical disposition of each investment and hedge on June 30, 2020 for its Unrealized Value. "Unrealized Value" represents I Squared Capital's estimate of unrealized fair value in U.S. dollars as of June 30, 2020, taking into account certain information I Squared Capital deems to be pertinent, including available market prices, valuations of comparable public companies, recent sales of private and public comparable companies or assets, types of securities, marketability, restrictions on dispositions, material third-party transactions, current financial position, operating results, forecasts, general business and economic risk factors, liquidation or collateral value of the portfolio company's capital, offers from third parties to buy the portfolio company, potential claim recoveries and the value to potential strategic buyers or the value of recent investments in the securities of the portfolio company. However, there can be no assurance that unrealized investments will be realized at the Unrealized Values assumed herein or at all, and transaction costs connected with such realizations remain unknown and, therefore, are not factored into such calculations. Actual realized returns will depend on, among other factors, future operating results of the applicable asset or portfolio company, changes in interest rates, changes in legislation or regulation, changes in market conditions (including as a result of the deteriorating market conditions described below and general and local economic, governmental, regulatory, political and technological factors, capital market conditions and industry trends), changing levels of competition within certain industries and markets, legal and contractual restrictions on transfer that may limit liquidity and other factors affecting the value of the assets between now and the time of disposition, as well as any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions on which the calculations herein are based and any or all of which could cause actual results to differ materially from the results shown. Accordingly, actual realized returns may be materially lower than the unrealized returns presented herein. Therefore, no investor has received (nor, due to the imposition of Fund-level fees, expenses and carried interest, among other factors, will any investor receive) the stated returns, and the actual realized return on unrealized investments or realized by any investor will differ materially from the performance information indicated herein. No assumption should be made that investments identified and discussed herein were or will be profitable, or that investments made in the future will be comparable in quality or performance to the investments described therein.

Disclosure

"Gross IRR" means an aggregate, annual, compound, gross internal rate of return on investments. "Gross MOIC" represents the multiple of invested capital (i.e., the total combined value divided by the invested amount). Gross IRR and MOIC reflect all funded capital, fair market values, and hedges and exclude carried interest, fees and other partnership expenses, as well as blocker taxes, which, when deducted, would materially lower the reported gross returns herein. Net IRR and MOIC are calculated based on the gross cash flows, as described above, and are presented net of any carried interest, management fees, and other partnership expenses, but exclude blocker taxes. The management fees and carried interest taken into account for calculating "net" returns are based on blended rates paid across all investors in the applicable Fund and do not necessarily represent the fees and carry paid by any particular investor. An individual investor's Net IRR may vary based on the timing of capital contributions and distributions. Net IRR and MOIC cannot be calculated with respect to individual investments, and recipients of this Presentation should refer to I Squared Capital's historical investment track record.

In certain circumstances, the Funds utilize subscription facilities or other lending facilities to provide funding in anticipation of capital calls for investments or for partnership expenses. Interest expense incurred due to the use of such facilities causes both Gross and Net IRR to be lower than it would have otherwise been, but use of such facilities also increases Net IRR (but not Gross IRR) due to the shorter period during which capital contributions are outstanding.

Important Information Regarding Projections

Past or projected performance is not necessarily indicative of future results, and there can be no assurance that any Funds or any investment will achieve comparable results to those presented herein, that any Fund will be able to implement its investment strategy or achieve its investment objectives or that the returns generated by any investment will equal or exceed any past or projected returns presented herein. There can be no assurance that investors will not lose any or all of their invested capital. Any projections, forecasts or other model or estimated future returns, including estimates of returns or performance, set forth herein ("Projections") are hypothetical, have been prepared and are set out for illustrative and discussion purposes only, and do not constitute a forecast. Projections should not be relied upon and do not represent, and are not necessarily indicative of, the results that may be achieved by any investment. Projected or targeted performance has many inherent limitations. As a sophisticated investor, you acknowledge that you understand and accept such inherent limitations and agree to use Projections for discussion purposes only.

Unless otherwise indicated, Projections are presented on a "gross" basis and do not reflect the deduction of any fees and expenses, including management fee or carried interest, taxes payable by an individual investor, transaction costs related to the disposition of unrealized investments or the fund-level taxes, or other fund-level expenses that are expected to be borne by Fund investors, which will reduce returns and are expected to be substantial in the aggregate. Net performance information for Projections cannot be calculated without making arbitrary assumptions about timing of fees and expenses, and for that reason is not included herein.

Projections are based largely on historical information. I Squared Capital has not independently verified the accuracy or completeness of the information nor have the simulated results been independently verified or audited. Should any of the information used in the simulation prove to be inaccurate, the simulated or hypothetical results themselves may be inaccurate. Furthermore, Projections are based upon certain assumptions that may change. There are numerous factors related to the markets in general or the implementation of any specific investment program that cannot be fully accounted for in the preparation of projected or targeted performance results, all of which can adversely affect actual investment results. Projections are therefore subject to a number of important risks, qualifications, limitations, and exceptions. The models, estimates and assumptions on which Projections are based are believed to be reasonable under the circumstances, but actual realized returns on a Fund's investments will depend on, among other factors, the ability to consummate attractive investments and to obtain the leverage reasonably assumed to be achievable based on current proposals from prospective financiers, 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 Projections are based.

Projections have been prepared based on I Squared Capital's view at the time such Projections were prepared in relation to future events and various estimations and assumptions made by I Squared Capital or the applicable investments, including I Squared Capital's belief about what results may be achievable in light of I Squared Capital's experience with similar transactions, and estimations and assumptions about events that have not yet occurred, any of which may prove to be incorrect. Such estimations and assumptions may require modification as additional information becomes available and as economic and market developments warrant. Any such modification could be either favorable or adverse. While Projections are based on assumptions that believed to have been reasonable in light of the information available at the time and under the circumstances in which Projections were prepared, they are subject to uncertainties, changes (including changes in economic, operational, political, legal, tax and other circumstances) and other risks, including, but not limited to, broad trends in business and finance, tax and other legislation affecting I Squared Capital, the Funds, its investors, investments, monetary and fiscal policies, interest rates, inflation, market conditions, the level and volatility of trading markets, the availability and cost of short-term or long-term funding and capital, all of which are beyond the control of I Squared Capital and any of which may cause the relevant actual, financial and other results to be materially different from the results expressed or implied by such Projections. Industry experts may disagree with the estimations and assumptions used in preparing the Projections.

No assurance, representation or warranty is made by any person that any of Projections will be achieved and no investor should rely on Projections. None of I Squared Capital, the Funds, any of their affiliates or any of their respective directors, officers, employees, partners, shareholders, advisors or agents makes any assurance, representation or warranty as to the accuracy of any Projections, estimates and assumptions.

Disclosure

Important Information Regarding Case Studies

The investment summaries and case studies presented herein are for illustrative purposes only and have been presented in order to provide an illustration of the types of investments made or considered by I Squared Capital. It should not be assumed that investments made in the future will be comparable in quality or performance to the investments described herein. The information presented in these investment summaries and case studies is based primarily on internal projections, market research and other analysis conducted by I Squared Capital, management and other representations of applicable portfolio companies, and third parties. Except where otherwise indicated, such information has not been updated subsequent to the making of such analysis or the relevant date specified, is not intended to provide an update of company performance, and at the time made was and remains today subject to a number of actual contingencies that generally are not discussed herein. The materials included in this Presentation are not, and are not intended to be, representative of I Squared Capital's historical investment track record, including the footnotes and definitions contained therein. A complete list of all investments made by the Funds from their inception, including investment performance, can be found within I Squared Capital's historical track record. There can be no assurances that any plans described in the investment summaries and case studies will be realized on the terms expressed herein or at all, and all such plans are subject to uncertainties and risks.

The investment rationale and criteria described herein reflect the beliefs of I Squared Capital that were considered to be true at the time I Squared Capital made an investment decision. Such rationale and criteria are based on a variety of assumptions and estimates employed by I Squared Capital and are subject to various risks. There can be no assurances that the investments made by Fund III or any other Fund will meet these criteria or that any such Fund will be able to implement its investment strategy with respect to those investments it pursues. Further, there can be no assurance that any projections or estimates will be attained within the proposed timing set forth herein or at all, and actual results may be significantly different from expectations described in this Presentation.

The metrics regarding select aspects of the company's operations were selected by I Squared Capital on a subjective basis. Such metrics are provided solely for illustrative purposes to demonstrate elements of the company's business, are incomplete, and are not necessarily indicative of the company's performance or overall operations. There can be no assurance that historical trends will continue throughout the life of the Fund.

Important Information Regarding Cash Yields

Annual yield from operations is unaudited and represents (i) historical LTM EBITDA as of June 30, 2020 (or March 31, 2020, in the case of Energia) at the asset level (unaudited), less debt service and maintenance capex, divided by (ii) cash funded into the assets as of June 30, 2020, net of financings, bridged investments and cash extractions. For any assets acquired during LTM December 2019, yield from operations has been weighted to account for the pro-rated holding period. Disposed assets have been excluded from the calculation. The calculation excludes greenfield assets, assets under development, assets acquired in the current quarter and yields generated from investments in pubic securities. Further, certain other items, including one-time major capex, have been excluded from the calculation. Yield from operations is a measure of portfolio company economic income and is not indicative of actual or potential distributions of current income or other returns to investors in the Fund. Yield from operations may be retained by a portfolio company in accordance with debt distribution covenants or to fund growth (by way of acquisitions or to fund the costs of running a growth platform) or other portfolio company needs rather than being distributed to the Fund. Any such amounts actually received by the Fund are not necessarily distributed to investors, and prior to any such distribution, such amounts will be reduced by management fees, carried interests and fund-level expenses, which in the aggregate are expected to be substantial. Therefore, the yields depicted herein do not reflect the reduction of such fees and expenses associated with an investment.

Important Information Regarding Risk Scores

In order to calculate the risk scores discussed in this Presentation, I Squared Capital considered ten categories of risks and assigned a score of 0-10 to each category for each investment (with higher numbers indicating higher levels of perceived risk). The scores assigned to all categories for each investment were then added together to reach I Squared Capital's overall risk score for such investment. As such, any risk scores discussed in this Presentation with respect to a specific investment or potential investment represent I Squared Capital's internal ratings of certain potential risks identified by I Squared Capital. Risk scores for an investment at the time such investment is made are reflective of the analysis of certain potential risks identified by I Squared Capital at the time and are not necessarily an indication of the actual risks associated with such investment. Any reference herein to risk reduction or "de-risking" is intended to denote an effort by I Squared Capital to reduce the risk scores associated with the relevant investment or project, but no program can be expected to fully identify or ameliorate such risks, and no representation is made that the risks identified by I Squared Capital are comprehensive. Any changes in an investment's risk score represent I Squared Capital's views on the effects of its post-acquisition efforts to reduce the risks relating to such investment. There can be no assurance that the relevant risks for such investment have actually been identified or mitigated or that they will not result in significant losses in the future.

Important Information Regarding Benchmarks

The Benchmark consists of funds that make investments in companies or projects that focus on providing the essential, long-lived facilities and services necessary for operation of the economy. Managers of funds included in the Benchmark may have different definitions or methodologies for calculating or reporting and performance, including, without limitation, with respect to recycled capital or use of fund-level leverage, and I Squared Capital is unable to determine how such differences affect the Cambridge Associates data. Accordingly, the respective Fund's performance may not be directly comparable to such other managers' metrics. Undue reliance should not be placed on comparisons between the Benchmark's and I Squared Capital's data sets.

Quartile and percentile rankings are based on the Benchmark as of March 31, 2020, based on net performance of the relevant Funds as of such date. The Benchmark is updated on a rolling basis, therefore benchmarks can change retroactively. The Benchmark is one of a number of private equity and infrastructure benchmarks; not all benchmarks are reviewed here.

Disclosure

<u>Important Information Regarding Deteriorating Market Conditions</u>

Any performance information, including any forward-looking statements, hypothetical performance, projections, targets, assumptions and expectations with respect to any investment described herein, as well as discussions or analysis of the business environment and investment strategy of any Fund included herein (e.g., with respect to financial markets, business opportunities, demand, investment pipeline and other conditions) were generally prepared prior to the advent of the novel coronavirus outbreak ("COVID-19") and do not reflect its ongoing and ultimate potential effects, all of which can substantially and adversely impact certain information included herein regarding any Fund's execution of its investment strategy and past and future expectations regarding any Fund investment. To the extent that current conditions continue (or worsen as some expect), I Squared Capital expects that there will be adverse impacts on the availability of credit to businesses as well as on asset prices and more generally the public and private markets, which, in each case, could impact certain information included herein regarding any Fund and its investments, as well as the ability of any Fund to implement its investment objective, consummate transactions and/or adequately assess and react to actual and potential downside risks to such Fund's investments. In addition, the full impacts of the pandemic and the oil price shocks resulting from disputes among members of the Organization of Petroleum Exporting Countries ("OPEC") on markets, business activity and the U.S. and global economy, as well as potential changes in U.S. economic and fiscal policies that may be adopted to address the pandemic, price shocks and related externalities, are not yet fully identified or understood. Given the fluidity of the global macro situation, it is difficult to predict the ultimate impact on any Fund, or any of its investments or on the global economy. Recipients should note that the ongoing pandemic and oil price shocks, together with, among other events, the ensuing global market turmoil, unprecedented global travel restrictions and regional and nationwide quarantines that have been implemented by several governments and the slowing and/or complete idling of certain significant U.S. and global businesses and sectors, have led to a market correction in the United States and elsewhere, and have led most market participants and commentators to expect an economic downturn in North America, Europe and/or globally. Political and economic leaders in the United States and abroad have begun implementing measures to attempt to address the increasing uncertainty in global markets and the global economy. Such measures have included and may include in the future additional travel bans impacting the movement of people and goods between the United States and other major economic centers and material monetary and/or fiscal policy changes. In addition, key public health officials in the United States have indicated that they believe the COVID-19 pandemic will worsen in the near term, which would be expected to lead to increased social and economic uncertainty. Moreover, no actual or potential resolution of the OPEC disputes regarding production and output levels has been publicly disclosed. **Any information herein that is based on or could be affected by oil or gas prices should be reviewed carefully in the context of the rapid and severe decline of those prices, the full effects of which are unknown and therefore not reflected herein.**

<u>Portfolio Company Sales and EBITDA Figures</u>

Portfolio company sales and EBITDA figures, including historical figures presented in these materials may be reflected on a pro forma basis for material add-on acquisitions and divestitures, and other significant transactions (e.g., material sale-leaseback transactions, etc.), if applicable. Additionally, amounts contained in these materials are generally unaudited and may be flash or preliminary amounts reported by portfolio company management. Portfolio company EBITDA reported to I Squared Capital may be adjusted for purposes of determining the estimated fair value of such portfolio company in accordance with I Squared Capital's valuation policy, or for other purposes. Sales and EBITDA figures discussed in these materials with respect to companies, whether pre- or post-acquisition, are believed to be from reliable sources, but I Squared Capital does not attest to their accuracy.

EACH RECIPIENT ACKNOWLEDGES AND AGREES THAT IT IS RECEIVING THIS INFORMATION ONLY FOR THE PURPOSES STATED ABOVE AND SUBJECT TO ALL APPLICABLE CONFIDENTIALITY OBLIGATIONS AS WELL AS THE UNITED STATES SECURITIES LAWS PROHIBITING ANY PERSON WHO HAS RECEIVED MATERIAL, NON-PUBLIC INFORMATION FROM PURCHASING OR SELLING SECURITIES OF THE APPLICABLE ISSUER OR FROM COMMUNICATING SUCH INFORMATION TO ANY OTHER PERSON UNDER CIRCUMSTANCES IN WHICH IT IS REASONABLY FORESEEABLE THAT SUCH PERSON IS LIKELY TO PURCHASE OR SELL SUCH SECURITIES.

State of Connecticut
Office of the Treasurer

SHAWN T. WOODEN
TREASURER

November 13, 2020

Members of the Investment Advisory Council ("IAC")

Re: **TruAmerica Workforce Housing Fund, L.P.**

Dear Fellow IAC Member:

At the November 18, 2020 meeting of the IAC, I will present for your consideration an investment opportunity for the Real Assets Fund in the Connecticut Retirement Plans and Trust Funds (the "CRPTF"): TruAmerica Workforce Housing Fund, L.P. ("TruAmerica" or the "Fund"). This opportunity is sponsored by TruAmerica Multifamily Investments, LLC, a multifamily-focused real estate firm headquartered in Los Angeles, California.

I am considering a commitment of up to $50 million to the Fund which will continue TruAmerica's value-add strategy of repositioning Class B multifamily investments located principally in the Western United States but also in select markets in the Eastern United States. The TruAmerica senior investment team has considerable expertise in acquisitions, development, operations, asset management, and capital markets, with an average tenure of 20 years focused on the multifamily industry. The fund's strategy is an opportunity for the CRPTF to increase portfolio exposure to the multifamily sector with the potential to generate value-add returns and stable cash yield in a defensive strategy.

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

Sincerely,

Shawn T. Wooden
State Treasurer

OFFICE OF THE STATE TREASURER

MEMORANDUM

DECISION

TO: **Shawn T Wooden, Treasurer**

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

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

DATE: **October 23, 2020**

SUBJECT: **TruAmerica Workforce Housing Fund, L.P.**

Summary

The purpose of this memorandum is to recommend that the Connecticut Retirement Plans and Trust Funds ("CRPTF") consider a commitment of up to $50 million to TruAmerica Workforce Housing Fund, L.P. ("the Fund"). The general partner of the Fund is TruAmerica Workforce Housing Fund GP, LLC (the "General Partner" or "TruAmerica"), an affiliate of TruAmerica Multifamily Investments, LLC a multifamily-focused real estate firm headquartered in Los Angeles, California. TruAmerica is targeting a $400 million fund size and seeks to continue its strategy of repositioning Class B multifamily investments in select markets. The Firm is targeting a first close of $200 million on November 5, 2020.

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 June 30, 2020, the RAF had a non-core real estate allocation of 34.5% which is underweight compared to the target non-core allocation of 50%. More broadly, as of June 30, 2020, the CRPTF's total real estate allocation by market value was 6.7%, which is underweight the policy target allocation of 10%. Pension Funds Management ("PFM") investment staff believe that an investment in the Fund is consistent with the asset class strategic plan to maintain steady commitments to the real estate sector and to bring the core strategy allocation within the policy range. The fund's strategy, detailed below, is an opportunity for the RAF to increase portfolio exposure to the multifamily sector with the potential to generate value-add returns and stable cash yield in a defensive strategy.

Firm Overview

TruAmerica is a vertically integrated real estate and investment management firm specializing in transforming B-quality properties into institutional-quality assets through renovation and repositioning. The Firm was founded in June 2013 by President and CEO Robert Hart, in partnership with Guardian Life Insurance. Prior to founding TruAmerica, Mr. Hart served, from 2000 to 2013, as Chief Executive Officer and President of Kennedy Wilson Multifamily Management Group, a firm focused on multifamily properties located in the Western U.S. During his tenure at Kennedy Wilson, Bob Hart built a relationship with Guardian Life which led to the company's strategic investment in the TruAmerica platform. Since inception, TruAmerica has committed $2.6 billion of equity through a combination of programmatic and single asset joint ventures, and has acquired and operated multifamily properties on behalf of insurance companies, pension plans, investment managers, and family offices, including Allstate Insurance, Hartford Insurance, Blackstone, PIMCO, and ARES. The Firm currently has 55 employees in total, with regional offices in Seattle, Denver, San Francisco and Arlington, Virginia and manages a $10.3 billion portfolio comprised of 43,528 units under management.

The TruAmerica senior team has considerable expertise in the multifamily sector (20 years on average) and is comprised of six investment professionals, many of whom worked together prior to TruAmerica. In addition to Bob Hart, the senior team includes Chief Administrative Officer Mark Enfield, Chief Financial Officer Karen Milan, Co-Chief Investment Officers Noah E. Hochman and Matthew Ferrari, and Executive Managing Director Amir Eshkol. All major investment decisions made on behalf of the Fund require the majority approval of an investment committee which is comprised of Robert Hart, Noah Hochman, Matthew Ferrari, and Mark Enfield.

Investment Strategy

TruAmerica Workforce Housing Fund will continue TruAmerica's value-add strategy of repositioning Class B multifamily investments located principally in the Western United States but also in select markets in the Eastern United States. The Fund's primary target markets are Arizona, California, Colorado, Nevada, Oregon, Utah and Washington. Target properties are located within 20 miles of the central business districts of these markets and will require $20=40 million of equity on average to implement a value-add rehabilitation and/or repositioning plan. The Fund is targeting a net IRR of 12% to 15%, with a stabilized current income component of approximately 8% to 10% and a maximum fund-level leverage of 65%.

TruAmerica seeks to add value through tailored repositioning specific to the needs of each property and investment submarket. The Fund seeks assets with specific investment themes within submarkets of each of its target markets. These investment themes that drive the Firm's acquisition strategy focus on assets that are: under-managed or under-capitalized, situated in prime, hub locations, priced below replacement cost, and/or located in submarkets with strong supply/demand fundamentals. The Firm will leverage its vertically integrated platform, which includes asset and construction management teams, to add value at each stage of ownership from acquisition through disposition.

Asset and construction management teams are actively involved in each investment at underwriting to ensure budgets and expenses are thoroughly understood and managed at the outset and that renovations are consistent with market demand. A property renovation may consist of both an interior and exterior renovation program. An interior renovation program often includes installing improved flooring and remodeling kitchens to feature upgraded countertops and modern appliances. While exterior renovations could include curing any deferred maintenance as well as repurposing and transforming the property's common areas. TruAmerica also evaluates the property's existing management and often brings in new third-party property managers who can cost effectively manage the property's daily operations. Asset management team members maintain hands-on involvement of the asset and is in frequent communication with the investment team through disposition. Through this ongoing oversight of each asset's day-to-day operations, the team can implement its value-add programs for each asset and monitor developments, allowing the Firm to identify and manage risks at the property level early on.

The Fund has acquired two assets representing approximately $40 million of equity; a 340-unit townhome community in Altamonte Springs, FL acquired in December 2019 and a 240-unit garden-style community in Las Vegas, NV acquired in March 2020. Collections have been strong at both properties with each collecting an average of 97.1% of rents with an additional 2% accounted for via rent deferment/repayment plans. Thus, roughly 99% of the rent is "accounted for" for each property. Both assets were acquired at an attractive basis consistent with the value-add investment strategy of the firm, and PFM has conducted stress testing on the assets using various downside scenarios.

Market Opportunity

The multifamily sector provides investors with stable, income-oriented returns with minimal capital requirements compared to other sectors. As a need-based asset class, apartments in healthy markets are typically positioned to withstand periods of slowdown better than most other commercial real estate sectors. According to NCREIF (National Council of Real Estate Investment Fiduciaries), multifamily has consistently been one of the top-performing real estate sectors on a risk-adjusted basis over the last forty years.

At year-end 2019, Western U.S. multifamily markets had shown strong growth since 2010, with markets like Seattle and the San Francisco Bay Area ranked among national rent growth leaders. Prior to the COVID-19 pandemic, robust employment growth in the Fund's target markets outpaced the national average and supported demand for multifamily apartment rentals. In addition, many Western U.S. housing markets were and continue to be the least affordable for homeownership in the United States when comparing mortgage payments to average rents. As multifamily developers have focused on delivering higher-end apartments, a supply/demand imbalance in the middle market segment has left the middle-income demographic underserved. This inefficiency in the market has created an opportunity for TruAmerica to provide quality housing to this large renter cohort. Further, the Class B apartment sector continues to lead in rent growth. Rents in the Class B space increased 3.8% year over year, and it is expected that the supply-constrained Class B segment will likely continue to lead growth.

While COVID-19 has created dislocation across the U.S. economy, as an essential sector, apartments have maintained high occupancy levels and have had the highest average rent collections of any major property type - 94.6 percent collections versus 97.7 percent in the prior year according to the National Multi-Family Housing Council's Rent Payment Tracker- indicating strong performance versus other sectors of the real estate market. The Fund's target renters, in the middle-income sector, have been less vulnerable to layoffs, furloughs, and reduced hours, and according to date released in October 2020 by the Bureau of Labor Statistics, employment in many of the Fund's target markets – Utah, Washington, Arizona, Colorado and select California submarkets- have been less impacted than other markets and have benefitted from resiliency in the technology, digital and life sciences sectors.

Track Record

From inception through Q1 2020, TruAmerica has invested $6.9 billion of capital in multifamily value-add investments across 124 distinct properties through a combination of programmatic and single asset joint ventures. TruAmerica has fully realized 42 of the 124 investments, representing $2.6 billion of real estate, generating a gross 29.2% IRR and 2.1x equity multiple, and net IRR of 26.1% and a 1.96x net equity multiple.

Key Strengths

- Senior Team Experience**:** The TruAmerica senior investment team has considerable expertise in acquisitions, development, operations, asset management, and capital markets, with an average tenure of 20 years focused on the multifamily industry. The team leverages an extensive network of relationships with owners, brokers and lenders to source deals of-market and to close on new acquisition loans or assume existing debt in a relatively timely manner.

- Multifamily Redevelopment Expertise: Bob Hart and his team have substantial experience acquiring and repositioning apartment communities. While at Kennedy Wilson, Mr. Hart and his team acquired and sold more than 20,000 apartment units with a total transaction value of more than $6.2 billion. In addition, since inception, the TruAmerica team has invested over $2 billion of equity in multifamily value-add investments across 124 properties with dispositions generating strong returns.
- Vertically Integrated Platform**:** TruAmerica's strategy execution is enhanced by its vertically- integrated platform including in-house acquisitions, dispositions, asset management, construction management, financial reporting, and accounting capabilities. The depth of the platform provides the firm with direct oversight and execution of business plans as well as the ability to manage revenues and expenses for each investment from underwriting to disposition.
- Defensive Strategy: 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. Further, investments in the multifamily sector have historically generated a greater portion of total return from cash flow versus appreciation relative to other real estate asset classes. With less capital required for upkeep, compared to other property types, apartments provide stable consistent returns during periods of unpredictability.
- Fee Structure: TruAmerica has expressed a willingness to develop a long-term relationship with the State of Connecticut. As a result. as an early strategic investor, CRPTF will benefit from an attractive fee structure.

Risks and Mitigants

- First Time Fund Sponsor - TruAmerica has a relatively short operating history as a firm and is launching a first-time Fund which brings up concerns around firm viability and execution.

  Mitigant – Founder, Bob Hart has extensive experience both leading investment teams and investing in the multifamily sector through market cycles. The Firm has worked with its strategic partners to build institutional standards across its platform in finance, accounting, tax, legal, and compliance. In addition, given the revenue generated from existing assets under management, the GP is well-capitalized which creates economic stability within the Firm. Also, TruAmerica intends to invest 2% of the capital commitments of the Fund which PFM believes creates appropriate alignment. The Firm's institutional platform, track record and experienced management team mitigates the risk of investing with a first-time fund sponsor.

- Firm Turnover**:** As NEPC notes, since inception, the Firm has reported the departure of a relatively large number of total employees, including 28 employees with the title of Director or above.

  Mitigant – Despite the turnover at other levels, there has been stability in the senior members of the TruAmerica team. The firm has noted that most of the turnover occurred in the early days of the firm and acknowledged that its prior compensation structure contributed to high turnover within the next level of firm leadership. TruAmerica has taken steps to address and remedy the issue, and to that end, has hired a Director of Human Resources with significant experience in employee engagement at institutional firms. Further to promote cohesiveness and stability, the Firm has changed the employee compensation to include incentive compensation and revised the structure of bonus and incentive pay vesting in a manner that promotes stability within the team.

- Pace of Fundraising: As mentioned in NEPC's memorandum, capital fundraising has been on a slow pace for the Fund.

  Mitigant - It is not unusual for a first-time fund to experience an extended capital raising period, particularly in a sector that has seen many new entrants to the space. PFM has monitored the capital raising progress of the Fund and believes that the Firm reached a significant milestone in November 2020 when the Fund closed $200 million from three institutional investors. Moreover, the first close has the potential to create momentum in the fundraise as there are several other institutions including CRPTF that are in due diligence.

Limited Partner Advisory Committee

TruAmerica Workforce Housing Fund has a Limited Partner Advisory Committee ("LPAC") appointed by the GP based on capital commitment size or other agreed upon terms. The LPAC will be comprised on no more than 7 members including the three 1st close investors- Guardian Life, Harel and The State of Montana. CRPTF would have a seat on the Advisory Committee should the investment be approved and close prior to year-end 2020.

Economics/Fees

- Management Fees: 0.50% on committed capital and 1.50% on invested capital.
- Carried Interest: 20% performance fee over 8.5% return hurdle per annum.
- Term: 8-year term from Final closing with 2 one-year extensions.
- Waterfall: Fund Level, 50% GP catchup.

Legal and Regulatory Disclosure (provided by Legal)

In its disclosure to the Office of the Treasurer, TruAmerica Multifamily LLC ("TruAmerica") stated that there are no material legal or non-routine regulatory matters to disclose.

TruAmerica states that it has no material claims under its fidelity, fiduciary or E&O insurance policies, and no ongoing internal investigations to report.

TruAmerica states that no material changes in ownership occurred in the past two years.

TruAmerica states that it has adequate procedures to undertake internal investigations of its employees, officers and directors pursuant to its Code of Ethics.

Compliance Review (provided by Compliance)

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

Environmental Social and Governance ("ESG") Analysis (provided by Policy)

The Evaluation and Implementation of Sustainable Principles review is attached.

11/5/20

COMPLIANCE REVIEW FOR TRUAMERICA MULTIFAMILY

SUMMARY OF LEGAL AND POLICY[1] ATTACHMENTS

SUBMITTED BY

TRUAMERICA MULTIFAMILY LLC

I. Review of Required Legal and Policy Attachments

TRUAMERICA MULTIFAMILY LLC ("TruAmerica") a California-based firm, completed all required legal and policy attachments. The firm disclosed no impermissible third party fees, campaign contributions, known conflicts, gifts or legal/ regulatory proceedings.

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

As of September 2020, TruAmerica employed 45, 3 less than the 48 employed as of December 2018. The firm identified 3 women and 2 minorities as Executive/Senior Level Officials and Managers, i.e., serving at the senior-most level. For the 3 year period 2018-2020, 4 women and 7 minorities were promoted within the ranks of professionals and managers.

Commitment and Plans to Further Enhance Diversity

TruAmerica is an Equal Opportunity employer and opposed to discrimination in all forms. It is committed to "continuous awareness" and recognizes that it is necessary to set concrete criteria for certain jobs and team goals if they are to be achieved. The firm has implemented an enhanced Performance Review process to address issues such as unconscious bias which can result in poor decision-making.

Workforce Statistics

For Executive/Senior Level Officials and Managers:

- Women held 33% (3 of 9) of these positions in both 2020 and 2019, up from 30% (3 of 10) in 2018.
- Minorities held 22.2% (2 of 9) (11.1% Asian and 11.1% Black) of these positions in both 2020 and 2019, up from 20% (2 of 10) (10% Asian and 10% Black) held in 2018.

At the Management Level overall:

- Women held 22% (4 of 18) of these positions in 2020, up slightly from 21% (4 of 19) in 2019 but down from 25% (5 of 20) held in December 2018.
- Minorities held 33.3% (6 of 18) (5.6% Asian, 11.1% Hispanic, and 16.7% Black) of these positions in 2020, up from 26.3% (5 of 19) (5.3% Asian, 10.5% Hispanic, and 10.5% Black) held in 2019, and 20% (4 of 20) (5% Asian, 5% Hispanic, and 10% Black) held in 2018.

At the Professional Level:

- Women held 22% (4 of 18) of these positions in 2020, slightly up from 21% (4 of 19) in 2019, but down from 25% (5 of 20) held in December 2018.
- Minorities held 38.5% (10 of 26) (19.2% Asian, 7.7% Hispanic, 7.7% Black and 3.8% Two or More Races) of these positions in 2020, down from 50% (14 of 28) (25% Asian, 14.3% Hispanic, 7.1% Black and 3.6% Two or More Races) held in 2019, and 45.5% (10 of 22) (31.8% Asian, 9.1% Hispanic and 4.5% Black) held in 2018.

Firm-wide:

- Women held 43.8% (21 of 48) of these positions in 2020, up from 41.2% (21 of 51) held in 2019 and 40% (18 of 45) held in 2018.

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

- Minorities held 39.6% (19 of 48) (12% Asian, 14.6% Hispanic, 10.4% Black and 2.1% Two or More Races) of these positions in 2020, down from 43.1% (22 of 51) (15.7% Asian, 17.6% Hispanic, 7.8% Black and 2% Two or More Races) held in 2019, but up from 33.3% (15 of 45) (17.8% Asian, 8.9% Hispanic, and 6.7% Black) in 2018.

III. Corporate Citizenship

Charitable Giving:
TruAmerica has always stressed corporate citizenship and philanthropy as part of the organizational culture. Team members have given time and money, both personally and as part of TruAmerica, to a number of non-profits as well as educational programs. Some of the more prominent organizations that have benefited from the efforts of TruAmerica's team are Chrysalis, Jewish Federation, UCLA, St. Jude's, Cedar's-Sinai, and Juvenile Diabetes Research Foundation, among many others. In the fall of 2017, TruAmerica went above and beyond when its CEO and founder, Robert Hart, was honored by the City of Hope for a lifetime of philanthropy. The TruAmerica team raised over $2.6 million for cancer and diabetes research which set a record for the City of Hope's Real Estate Council. Connecticut has not yet been a direct beneficiary from the firm's corporate citizenship however, TruAmerica will be re-evaluating its efforts in that regard once the makeup of its fund investor base is complete.

Internships/Scholarships:
TtruAmerica has had an internship program since its inception when it had less than 20 employees. For the first few years the firm hosted a year-round internship program for 1 or 2 undergrad or graduate students on both a part- and full-time basis in its Los Angeles office. The firm now has 49 employees, and has expanded the program to 4-6 interns in its Arlington, VA, Los Angeles and Newport Beach offices. These interns have been active in acquisitions underwriting, asset management support and transactions coordination. Of the 28 interns that TruAmerica has employed, roughly 50% have been minorities or women. TruAmerica has strong relationships with USC, UCLA and Georgetown University and is expanding its efforts in and around Southern California, Seattle and Arlington where it has its biggest footprint of employees. In addition to its internship program, TruAmerica is currently evaluating funding a program at UCLA for Urban Policy Research which would entail a very significant corporate investment.

Procurement:
TruAmerica does not have a written procurement policy to engage diverse businesses. It currently outsources its third party property management so the majority of procurement and business relationships with small businesses reside at the property level.

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

Submitted by: TruAmerica Multifamily

November 5, 2020

	Criteria	Responses
1	Firm has an ESG policy	No, however the firm's construction management team and 3rd party service providers identify areas for improved energy efficiency
1a	If yes, firm described its ESG policy	No
2	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, however its construction mangement team contributes to the firm's sustainability policies and research
4	Firm provides training/resources on sustainability issues, explained sources of ESG-related data	No, but their construction management teams participate in traning provided by 3rd party property mangement consultants
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
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, however the firm conducts background checks on all entities involved in real estate transactions
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)	TruAmerica is not a signatory to any of the organizations listed as examples of organizations focused on ESG issues (including the UN Principles of Responsible Investment, Investor Network on Climate Risk or Carbon Disclosure Project). The firm uses an in-house construction management team and/or a third-party service to identify areas for improved energy efficiency in its portfolio investments, and have participated in "green awards" pricing on their loans from Freddie Mac and Fannie Mae. Its due diligence process includes environmental studies by third party consultants. The firm disclosed that the assessment of energy usage "is a very significant component of [its] investment decision…" It has not identified the future cost of water or water scarcity as a material issue for its properties. The firm disclosed that it does not "benchmark [its] buildings with a sustainable principles scorecard," nor does it annually report on sustainability issues. The firm does not have a policy specific to civilian firearms because they do not do business with manufacturers or retailers. Overall, the firm's disclosure suggests that its approach to ESG integration is less developed than other CRPTF real estate managers, particularly (e.g., Gerding Edlen stands out in terms of how it monitors energy and water usage at its properties, as well as how it reports to investors).
	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**

NEPC Private Markets Investment Due Diligence Report

TruAmerica Multifamily

Workforce Housing Fund, L.P.

November 2020

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Executive Summary

TruAmerica Multifamily ("TruAmerica," "Manager," "General Partner," or "Firm") is targeting $500 million for TruAmerica Workforce Housing, L.P. ("Fund"). The Fund will focus on workforce housing in the Western and Eastern regions of the United States. The Fund held a first close on November 5, 2020 and plans to hold a final close in the third quarter of 2021.

TruAmerica seeks to acquire high-quality assets at discounts to replacement cost and create value through operations, renovation and capital investment improvements. The Firm will invest in markets across the United States with an emphasis on coastal markets, and will target class-B multifamily properties that TruAmerica can add value to through rehabilitation or repositioning. The Fund is targeting to achieve a 14% to 16% net internal rate of return ("IRR") with a current income yield of approximately 8-10%.

The Manager has closed on two seed assets for the Fund which will be contributed to the Fund upon the first close. The first investment is located in a suburb of Orlando, while the second is in Las Vegas. The Manager reports that the two assets, totaling $36 million in total equity to acquire, have been performing well with strong occupancy and rent collections through the COVID-19 pandemic. The Manager has also stress-tested both investments and updated their underwriting to reflect the current market environment, including lowering rent growth assumptions and delaying capital improvement projects.

TruAmerica was founded in June 2013 by Robert Hart in partnership with Guardian Life Insurance. TruAmerica is vertically integrated with 49 investment professionals across dedicated acquisition, investment management, property operations, capital markets and financial reporting teams. The Firm is headquartered in Los Angeles and Arlington, VA, with additional offices in Seattle, Orlando, and Dallas.

Positives:

- ***Experienced Team:*** The TruAmerica Senior Investment Team has extensive experience in multifamily investment, development, operations, asset management, and capital markets. The Senior Investment Team comprises Bob Hart, Mark Enfield, Karen Millan, Noah E. Hochman, Amir Eshkol, and Matthew Ferrari who have an average tenure of over 20 years focused on the multifamily industry. Prior to forming TruAmerica Mr. Hart was a chief executive at Kennedy Wilson where he launched Kennedy Wilson's value-add apartment portfolio strategy which acquired more than 20,000 multifamily units in 13 years, with a total transaction value of more than $4.5 billion.

- ***Vertically Integrated:*** TruAmerica has established a vertically integrated platform that includes employees in investment, asset management, and construction management. The Firm has dedicated acquisition, investment management, property operations, capital markets and financial reporting teams. This vertically integrated approach allows the Manager to manage expenses throughout the investment life and mitigate potential risks inherent to the construction process.

- ***Strong Track Record:*** While this is the Manager's first commingled fund vehicle, TruAmerica has been investing a similar strategy since the Firm's inception and has established a strong track record as an operating partner alongside other investors. As of December 31, 2019, TruAmerica has invested a total of approximately $2.0 billion in equity across 99 value-add workforce housing investments. For the 21 fully realized investments, the Manager reports a total gross equity multiple of 2.1x and a gross IRR of 29.2%. Across the remaining 78 unrealized investments, TruAmerica is reporting a 1.9x gross equity multiple and a gross IRR of 26.3% (based on fair market value). During 2020 (through September 30), the Manager reports three asset sales and six acquisitions. The three sales, TruAmerica reports, each generated equity multiples in excess of 2.0x and IRRs exceeding 20%. During the course of 2020, the Manager reports continued strong occupancy across its portfolio and a healthy level of rent collections despite the negative economic impact of the COVID-19 pandemic.

- ***Attractive Terms as Strategic Partner:*** TruAmerica has identified the State of Connecticut as a strategic investment partner, and has agreed to a negotiated fee structure. This includes a discount on the management fee structure for the Fund as well as a potential Fund II commitment, should the State of Connecticut continue to invest with the Firm.

Negatives:

- ***Sector Focus:*** As with any strategy focused on a single property type or geographic region, potential investors should consider their current real estate portfolio allocation and diversification relative to targets. More specifically, the Fund will be investing exclusively in class-B multifamily real estate properties in the US. While this is aligned with the Manager's area of expertise, it may also lead to more volatile returns relative to diversified funds.

- ***Firm Turnover:*** TruAmerica was founded in 2013 and since inception has had 46 employees depart from the Firm. Almost all of these departures were to pursue other opportunities. Although there has been a high level of turnover at the Firm, the senior team has remained steady with only three departures at the Managing Director level or above. TruAmerica has recently modified its compensation structure to promote employee retention with the hope of limiting future turnover. In addition, the Manager notes that 12 of the 15 most senior employees have been with the Firm for five or more years, signaling some stability of leadership within the organization.

- ***Slow Fundraising:*** TruAmerica began marketing the Fund in 2018 and had limited initial traction among the investment community. The Manager indicates that momentum has picked up recently and anticipates a first closing to occur in November 2020 on approximately $200 million. It remains to be seen how much capital will ultimately be committed to the Fund, however. If the Manager falls meaningfully short of the target $500 million, the Fund may be more heavily concentrated in a smaller number of investments.

Firm Description

Firm Overview
TruAmerica is a real estate private equity firm headquartered in Los Angeles, CA and Arlington, VA, with additional offices in Seattle, Orlando, and Dallas. TruAmerica was founded in June 2013 by Robert E. Hart in partnership with Guardian Life Insurance.

Team Overview
TruAmerica is led by Mr. Hart and a five-person senior team of experienced investment professionals and supported by the rest of the platform (approximately 49 total professionals). This includes dedicated in-house acquisition, investment management, property operations, capital markets and financial reporting individuals. The senior team comprises Mark Enfield, Karen Millan, Noah Hochman, Amir Eshkol, and Matthew Ferrari along with Mr. Hart.

Key Fund Professionals		
Name	**Position**	**Years of Experience**
Robert Hart	President & Chief Executive Officer	32
Mark Enfield	Chief Administrative Officer	20
Karen Millan	Chief Financial Officer	19
Noah Hochman	Co-Chief Investment Officer, Head of Capital Markets	21
Matt Ferrari	Co-Chief Investment Officer, Head of Acquisitions	10
Amir Eshkol	Executive Managing Director, Capital Improvements	30
Tammi Warner	Managing Director, Transactions and Underwriting	21
Christopher Wei	Director, Portfolio Management	8
Eryn Mack	Director, Human Resources	14

Recent Turnover/ Key Departures
Since inception, the Firm has reported the departure of 46 total employees, including 28 employees with the title of Director or above.

NEPC spoke with TruAmerica about the level of turnover and the Manager characterized much of the turnover as “growing pains” of the Firm. In 2019, the Manager made several changes to the compensation structure which have been put into effect. TruAmerica believes that these changes should help to retain strong employees and limit the turnover going forward. In addition, the Manager notes that 12 of the 15 most senior employees have been with the Firm for five or more years, signaling some stability of leadership within the organization.

Fund Investment Strategy

Investment Strategy
TruAmerica will invest in US workforce housing assets diversified by location that are expected to benefit from a combination of management/operational enhancements, correction of deferred maintenance, physical property improvements, and capital investment. Workforce housing is often Class B, suburban, garden-style communities developed prior to the 2000s. The typical tenant is a renter by necessity rather than choice, who earn 60% - 100% of the area median income. The Fund will invest in approximately 20-25 assets, targeting an average transaction of $20 million to $25 million of equity. TruAmerica will target investments across five different market types outlined in more detail below:

- Momentum Markets – These are markets where TruAmerica is actively looking to buy assets. These are markets with high projected market rent growth, undersized development pipeline, robust job creation and strong net in-migration. It can also include markets where the percentage of monthly income spent on rent is low in comparison to other markets, meaning that the average resident has the ability to easily absorb higher rent. At this point in a mature cycle, there are fewer momentum markets compared with previous years.

- Opportunistic Markets – Markets where the Manager looks opportunistically for value-add/core-plus investment opportunities. These are markets that TruAmerica finds attractive but probably do not have the same strong current dynamics of Momentum Markets. These are also markets where certain submarkets may be under-served or have dynamics that are different than the overall market.

- Cautionary Markets – These are markets that should be approached with caution, but also where there could be a specific property-specific opportunity. These could also be markets where TruAmerica has invested in previous years, but the current dynamics are not as favorable.

- Emerging Markets – These are new markets that are actively being pursuing for future investment.

- Exploratory Markets – These are markets that are actively being investigating and researched for future investment.

Target Return
The Fund is targeting a range of 14% to 16% net internal rate of return ("IRR") with a current income yield of approximately 8-10%.

Target Fund Size
TruAmerica is targeting $500 million in capital commitments for the Fund, which also has a hard cap of $500 million.

Target Geographic Focus
The Fund will primarily focus on investment opportunities in coastal markets within the United States. Across Western markets, TruAmerica will target investments in Arizona, California, Colorado, Nevada, Oregon, Utah and Washington. Within the Eastern U.S. the Fund will target Florida, Georgia, Tennessee, Maryland, Massachusetts, New Jersey, New York, North Carolina, Virginia and Washington D.C.

Target Deal Size
The Manager will target an average equity investment of $20 million but it has the ability to do larger deals.

Use of Leverage
The Fund will target leverage of 65% loan-to-cost at the Fund-level.

Manager's View of Current Market Conditions
In early 2020, TruAmerica observed that multifamily fundamentals were strong in most of the Fund's target markets. While rent growth had subsided relative to previous years, they were still experiencing positive momentum in many markets. While COVID-19 has had a broad impact on the economy and on all markets, the Manager continues to believe that the Fund's target markets will remain attractive in the long-term. These markets are characterized by

robust and diversified economies and large, educated populations. The Manager has continued to find attractive value-add investment opportunities throughout their target markets.
Prior to the onset of COVID-19, the Manager had observed growing demand for more affordable product near major markets as the number of younger Americans who are relocating to Class B markets in search of quality, affordable housing continued to grow.

While COVID-19 has had a negative impact on urban multifamily assets, the types of assets that TruAmerica targets have generally fared better. Lower-density (i.e., garden style rather than high rise) assets and properties located in more suburban settings have been relatively more attractive during the pandemic, with many renters preferring to not live in dense urban settings. In addition, TruAmerica's focus on workforce housing (rather than higher-end or luxury housing) should provide better insulation against changing consumer preferences and/or economic growth.

TruAmerica reports that debt markets remain fairly healthy for multifamily assets and that debt financing remains widely available. In fact, as interest rates were lowered in response to the economic impacts of COVID-19, the Manager has seen their cost of debt decrease meaningfully. Debt pricing has come down more than asset yields to date, resulting in levered yields that in many cases are more attractive today than prior to the onsite of COVID-19.

Expected Fund Investor Base

The Manager expects the Fund's investors to be diversified across institutional investor types, including public and corporate pension plans, sovereign wealth funds, insurance companies, and endowments and foundations.

Investment Limitations

Without approval of the Fund's Advisory committee, the Fund may not:

- Invest more than 20% of total capital commitments in a single investment
- Invest in any "blind pool" investment funds as to which a management fee or carried interest is payable to any third party
- Invest more than 20% of total capital commitments in deals that are smaller than $45 million (gross asset value)

Fund Economics

Management Fee

The Fund’s marketed terms include a management fee of 0.50% on committed capital and 1.50% on invested capital. TruAmerica has offered the State of Connecticut a negotiated fee structure as a strategic investment partner.

Distribution Waterfall

The Fund’s distribution waterfall is as follows:

1. 100% to Limited Partners until they have received a return of their capital plus a 8.5% cumulative compound annual return on their capital

2. 50% to Limited Partners and 50% to the General Partner, as carried interest, until the distributions to the General Partner equal 20% of the cumulative distributions

3. 80% to Limited Partners and 20% to the General Partner

Other Fees and Expenses

The Fund will charge investors an asset management fee and a construction management fee of 5%.

Sponsor’s Investment

TruAmerica will commit the lesser of 2% of committed capital, or $10 million.

Summary of Fund Terms

Investment Manager	TruAmerica MultiFamily
Investment Vehicle	TruAmerica Workforce Housing Fund, L.P.
Fund Structure	Delaware Limited Partnership
Target Size/Max Size	$500 million / $500 million
Amount Raised	$200 million
Minimum Investment Size	$10 million, subject to General Partner discretion
Target Final Close Date	Q3 2021
Investment Period	Three years from the date of the final closing
Fund Term	Eight years from the date of the final closing, subject to two one-year extensions
Deal Size	$20-25 million of equity, with possibility for larger deals
Target Fund Return	14%-16% net IRR
Leverage Limitation	65% LTC target at the Fund-level
Investment Restrictions	No more than 20% of total capital commitments in a single investment No "blind pool" investment funds as to which a management fee or carried interest is payable to any third party No more than 20% of total capital commitments in deals that are smaller than $45 million (including debt)
SEC Registration	The Firm is not registered with the SEC
ERISA Fiduciary	The Firm is not an ERISA fiduciary
Fund Auditor	KPMG
Fund Legal Counsel	Gibson Dunn & Crutcher, LLP
Placement Agents	Lightpath Capital
Website	https://www.truamerica.com/

Disclaimers and Disclosures

- Past performance is no guarantee of future results.
- The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.
- Information on market indices was provided by sources external to NEPC, and other data used to prepare this report was obtained directly from the investment manager(s). While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.
- 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

TruAmerica
Multifamily

WORKFORCE HOUSING FUND

CONFIDENTIAL

November 12, 2020

SPONSOR OVERVIEW

Breadth of Workforce Housing Experience: TruAmerica is counted by NMHC as the 37th largest owner of multifamily real estate in the United States. 91% of TruAmerica's portfolio is market-rate, necessity-based Workforce Housing

Assets Under Management*: $10.5 billion

Total Activities*:

- Dispositions: $2.6 billion / 12,457 units
- Acquisitions: $6.9 billion / 40,538 units
- Equity Raised: $2.8 billion

Realized Track Record*:

- IRR**: 29.5%
- EM**: 2.14x
- Avg Hold Period: 3.2 Years

Value Creation*:

- Growth in NOI: $33 million (+33%) over 3.2 years
- Profit from NOI Growth: $579 million
- % of Profit: 77% (at going-in cap rate)

Skill Sets: Vertically integrated with Acquisitions, Underwriting, Dispositions, Asset Management, Construction Services, Financial Reporting, and Accounting capabilities

*Calculated taking into account equity and debt amounts invested by TruAmerica since inception (as of 9/30/20) and includes equity from capital partners who invested in investments through which TruAmerica was responsible for the origination, structuring, financing and asset management through joint ventures in respect of which TruAmerica has operational control

***Please refer to the Endnotes and important information beginning on page 16*

FUND OVERVIEW

Target Fund Size:	$500 million
Target Returns:	15-18% Gross IRR (12-15% Net IRR)[(1)]
Investment Objective:	Acquire attractive workforce housing assets at meaningful discounts to replacement cost and create substantive upside value via renovations, operational improvements, and capital investment
Geography Targets:	Western & Eastern US metropolitan areas with limited supply, solid wage and employment growth, and attractive supply / demand imbalances
Sponsor Advantage:	Highly attractive IRR and Equity Multiple performance, proven track record in rapidly creating value (avg. hold ~3.2 yrs.), existing well-regarded and long-seasoned team, dedicated focus on workforce housing, and consistent ability to uncover attractive investments

Please refer to the Endnotes and Important Information beginning on page 16

WHY TRUAMERICA?

Experience:	TruAmerica's executive team is comprised of experienced veterans who have successfully navigated multiple economic cycles and exercised discipline and sound judgment to protect invested principal while continuing to deliver solid returns
Relationships:	TruAmerica's executives have strong track records of success at prior companies; their abilities and industry relationships have carried over to TruAmerica where the Company has executed and delivered strong results in a short timeframe
Performance & Reputation:	Acquire attractive workforce housing assets at meaningful discounts to replacement cost and create substantive upside value via operational, renovation and capital investment improvements
Significant "Boots on the Ground":	Regionally staffed in SoCal, Washington DC, Seattle, Dallas, and Orlando which provides the ability to act nimbly on new opportunities across the US and to also actively manage asset performance

WHY MULTIFAMILY?

Limited Supply: 4.6 million new apartments will be needed by 2030 due to delayed marriages, an aging population, and international immigration*

Affordability: Since the last recession, multifamily rents have increased by 3.6% per year on average, while single-family median home prices have increased 6.5% per year, making it increasingly more difficult for Americans to buy homes**. COVID-19 has had little impact on for-sale home prices and we expect that the affordability gap between renting and owning will endure***

Hedging: Multifamily leases are hedged against inflation due to relatively short terms

High Demand: Demand continues to outpace supply despite elevated construction in recent years

Market Trends: The sizeable Millennial cohort's inclination to rent, as well as the large number of retiring Baby Boomers, points to multifamily as a safe haven for capital. We believe COVID-19 will create additional opportunities for vertically integrated operators like TruAmerica to take advantage of pricing dislocations and rental rate growth in the post-COVID recovery

*National Multifamily Housing Council, National Apartment Association "Estimating Total U.S. Demand for Rental Housing", May 2017
**CBRE Research "Does Investment in Workforce Housing Still Make Sense?" September 2018
***CoreLogic, HPI National Change, as of September 2020

Please refer to the Endnotes and Important Information beginning on page 16

WHY WORKFORCE HOUSING?

Necessity-Based:	Workforce housing often consists of Class B, suburban, garden-style communities developed prior to the 2000s and is comprised of renters by necessity rather than choice, who earn 60% - 100%+ of the area median income
Attractive Cap Rates:	Cap rates for value-add properties and their respective cost basis are much more attractive than those of Core assets
Discount to Replacement Cost:	Class B assets can be acquired at a significant discount to replacement cost
Higher Yields:	Better yields can be obtained from Class B – on average, urban and suburban Class B cap rates are 81 and 85 basis points wider than Class A, respectively*
Cash Flow / NOI Growth:	Large percentage of profits are derived from cash flow and NOI growth – less dependency on cap rate compression as there is more inherent room to raise rents and reduce operating expenses
Limited New Construction Impact:	Class B assets are less vulnerable to new construction as they do not directly compete with those units and instead provide a more affordable alternative to renters being priced out
Rent Differential vs. Class A:	As of 2Q20, Class B rents were approximately $480/month lower than Class A rents**

*Integra Realty Resources, Viewpoint: 2019 Commercial Real Estate Trends Report
**Axiometrics, as of May 2020

Please refer to the Endnotes and Important Information beginning on page 16

RESPONSE TO THE COVID-19 PANDEMIC

Safety First: TruAmerica adopted stringent cleaning, resident and onsite team member protocols including closing property amenities and leasing offices and temporarily suspending non-emergency maintenance requests

Playing Defense: In early March, TruAmerica's inhouse asset and construction management teams developed customized alterations to each property's business plan including setting rent levels to maximize occupancy, identifying reductions to controllable expenses, reducing the interior unit renovation velocity and reassessing the go forward plan for each major capital improvement project

Resident Engagement: Each onsite team was directed to heighten resident contact to ensure their health and well-being, provide financial aid resources and create a greater sense of community through creative resident events

Durable Results: TruAmerica's portfolio has collected over 95% of billed rents since April which doesn't account for roughly 2-3% of delinquent rents on repayment plans. Occupancy has exceeded normal levels by 200 bps and modest rent increases have been realized in most markets starting in the 3rd quarter. The strong collections and high occupancy, combined with expense reductions, have resulted in stable operations and durable cash flow throughout the pandemic demonstrating the defensive nature of the workforce housing asset class

TARGET INVESTMENT THEMES

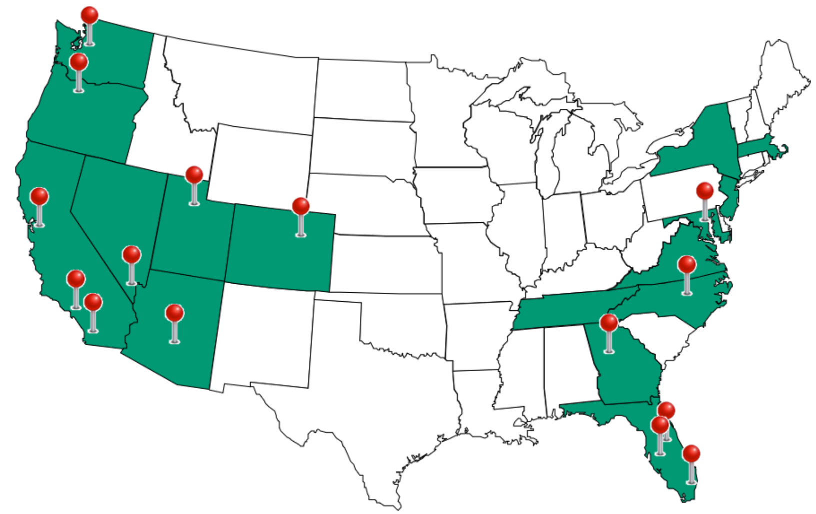
- Opportunistic, off-market transactions
- Assets that have been under-managed or are in need of capital investment and renovations
- Assets located near public transportation nodes, quality employment hubs, preferred school systems, and attractive retail options
- Assets that can be acquired at a discount to replacement cost
- Metros in the Western & Eastern US with strong tailwinds such as limited supply, and drivers of solid wage and employment growth
- Class B value-add assets with operational or renovation upside without functional obsolescence

Anzio – Atlanta, GA

Vue at 3600 – Richmond, CA

TARGET MARKETS & CRITERIA

- Barriers to homeownership due to high costs of buying a home and making a down payment
- Rental supply & demand imbalances due to lack of affordable inventory and a growing population
- Insulation from new Class-A construction pipeline
- Diverse range of industries and employers to reduce headline risk
- Wage and employment growth better than the national average to drive high occupancy, stable rent growth, and ability to absorb renovated product
- Attractive lifestyles to renter-centric demographics especially the Millennial cohort
- Hotbeds for public and private investment



Metros where TruAmerica has invested

States with primary and secondary MSA's for TruAmerica's Workforce Housing Fund

TruAmerica Offices

Los Angeles, CA (Corporate Office)
Arlington, VA (East Coast Headquarters)
Orange County, CA
Woodland Hills, CA
Seattle, WA
Orlando, FL
Dallas, TX

TRUAMERICA STRATEGIC ADVANTAGES

In-House Capabilities:	TruAmerica's in-house asset and construction management capabilities provide investors with better oversight and execution of value creation strategies, supported by institutional-quality reporting
Local Expertise:	Asset and construction managers are local experts with deep experience in managing institutional properties and implementing value-add programs
Active Portfolio Management:	Portfolio management oversees the company's disposition and refinance platforms while also assisting asset management with data analytics and reporting
Comprehensive Financial Reporting:	The accounting and finance teams handle distributions, cash management, monthly financial reporting, capital calls, lender draws, and annual tax & audit obligations
Real Time Revenue Management:	The utilization of revenue management software allows for adjustments to asking rates in real time depending on the performance of the property and its competitive set, allowing TruAmerica's on-site team to continuously push the boundary on rates while staying competitive within the market
Streamlined Collections:	TruAmerica leverages a utility management system to track and identify unusual trends and automate utility billbacks, and a streamlined collections process that minimizes TruAmerica's AR
Consistent Branding:	Marketing and SEO vendors ensure all property-level branding and messaging is delivered consistently throughout TruAmerica's portfolio and across marketing platforms
Significant Cost Savings:	The largest cost savings in TruAmerica's business plans have been for interior renovations—in one year TruAmerica realized a total savings of $1.2M in materials alone because of TruAmerica's scale and vendor relationships

ORGANIZATIONAL CHART

- **Robert E. Hart** – CEO and President
  - **Julia Renedo** – Executive Assistant
  - **Eryn Mack** – *Managing Director People & Culture*

Finance
- **Karen Millan** – Chief Financial Officer
  - **Dessire Armas** – *Controller*
  - **Wesley Wong** – *Assistant Controller*
  - **Meng Honsberger** – *Accounting Manager*
  - **Sylvie Chan** – *Senior Accountant*
  - **Phoebe Luong** – *Senior Accountant*
  - **Sandra Omania** – *Senior Accountant*
  - **Lucy Ataryan** – *Senior Accountant*
  - **Tamasa Johnson** – *Senior Accountant*
  - **Joie Nguyen** – *Senior Accountant*
  - **Laura Cheng** – *Accounts Payable Manager*
  - **Michelle Santor** – *Admin/Accounting Services Manager*

Capital Markets
- **Noah Hochman** – Co-CIO / Head of Capital Markets
  - **Tammi Warner** – *Man. Dir. Transactions & Underwriting*

Acquisitions and East Coast Operations
- **Matt Ferrari** – Co-CIO / Head of Acquisitions and East Coast Operations

Acquisitions
- **Zach Rivas** – *Senior Director Acquisitions*
- **Ammanuel Metta** – *Senior Director Acquisitions*
- **Greg Zartarian** – *Senior Acquisitions Manager*
- **Alex King** – *Acquisitions Manager*
- **Wes LaBar** – *Acquisitions Manager*
- **Willy McClintic** – *Acquisitions Analyst*

East Coast Operations
- **Alex Rouse** – *Senior Director Asset Management*
- **Ethan Pompey** – *Senior Director Capital Improvements*
- **Sunita Jofferion** – *Director Asset Management*
- **Alec Richards** – *Asset Manager*
- **Joe Russano** – *Associate Capital Improvements*
- **Alex Rodriguez** – *Administrative Assistant*

Investment Management and West Coast Asset Management
- **Mark Enfield** – Chief Administrative Officer

Desert Region Asset Management
- **Michael Gold** – *Managing Director Asset Management*
- **Stacy Gianassi** – *Asset Manager*

PNW & Mountain Asset Management
- **Scott Sisson** – *Managing Director Asset Management*
- **Brandy Hildebrand** – *Director Asset Management*

California Asset Management
- **Scott Collier** – *Managing Director Asset Management*
- **David Kornbluth** – *Director Asset Management*
- **Chris Macleod** – *Director Acquisitions & Asset Management*
- **Jessica Somes** – *Asset Manager*

Portfolio Management
- **Christopher Wei** – *Director Portfolio Management*
- **Austen Mount** – *Portfolio Manager*
- **Jack Raeder** – *Portfolio Analyst*
- ***Zan Lee*** – *CapEx Portfolio Analyst*

Construction Services
- **Amir Eshkol** – Executive Man. Dir. Capital Improvements
  - **Steve Pacquer** – *Director Capital Improvements*
  - **Art Rodriguez** – *Construction Manager*
  - ***Keith Toney*** – *Construction Manager*
  - **Sierra Andrus** – *CapEx Project Coordinator*

As of November 12th, 2020 Total Employees = 48

Executives highlighted in red denote Members of the Investment Committee

PEOPLE, CULTURE & DIVERSITY

People and Culture:

"At TruAmerica, we are focused on fostering a team-oriented culture where sustained excellence is a byproduct of investment in and cultivation of human capital. We steadfastly believe in a collaborative environment that engenders a sense of inclusion and idea-sharing. This philosophy serves as the foundation for our talent recruitment and strategies".

--Eryn Mack, Ed.D

Reflection of our Communities:

At TruAmerica, we are serious about access to equitable opportunity, diversity and inclusion. Our colleagues are a reflection of the collective and diverse communities in which we serve with honor, integrity and mutual respect. The TruAmerica business model requires diverse contributions with respects to all walks of life. Our ongoing commitment to our colleagues is fulfilled through encouraging an inclusive workplace where differences are embraced, recognized and understood.

We pride ourselves on a universal approach to both hiring colleagues and conducting business with our clients.

Colleague Empowerment:

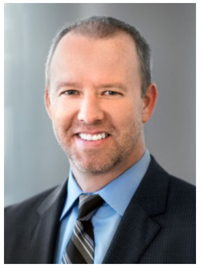
Our team members are encouraged to take ownership over their day-to-day and long-term goals and they are empowered with autonomy, resources and support to achieve them. This investment and faith in our team members leads to passionate and fulfilling careers, which in turn adds to the overall success of the firm.

EXPERIENCED LEADERSHIP TEAM

Robert Hart – President & Chief Executive Officer

- Over 32 years of multifamily experience
- Oversees all management functions of the firm and acts as its Chief Investments Officer
- Acquisition & disposition volume of more than $13 billion globally
- Former CEO & President of Kennedy Wilson Multifamily Management Group
- Former SVP of Portfolio Management for Heitman Capital Management
- B.S. in Civil Engineering from Worcester Polytechnic Institute; M.B.A. from UCLA Anderson

Mark Enfield – Chief Administrative Officer

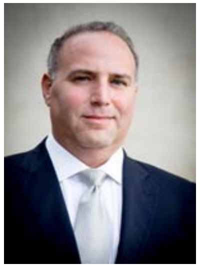


- Over 20 years of real estate experience
- Oversees company's Western U.S. asset management operations, strategic initiatives, corporate governance, portfolio management, public relations, and risk management
- Former President of Keystone Real Estate Project Management
- Former SVP of Finance & operations at CityView
- B.S. in Accounting from Franklin & Marshall College; CPA in MD

Karen Millan – Chief Financial Officer

- Over 19 years of real estate experience
- Oversees accounting, tax & treasury, mortgage servicing, financial reporting
- Former CFO/CAO of JB Partners Group
- Former Controller for Stratus Real Estate
- B.S. in Accounting from Cal Lutheran University

EXPERIENCED LEADERSHIP TEAM



Noah Hochman – Co-Chief Investment Officer, Head of Capital Markets

- Over 21 years of real estate experience
- Oversees investor relations, equity sourcing, debt strategy, and joint venture structuring
- Former VP of Acquisitions & Dispositions for Triumph Management Company
- Former VP of Acquisitions for Granite Peak Partners
- B.A. in Economics from UCLA; UCLA Anderson Graduate School of Mgmt. M&A Program

Matt Ferrari – Co-Chief Investment Officer, Head of Acquisitions

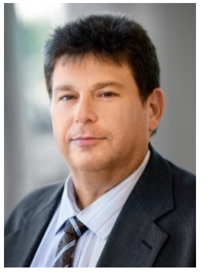
- Over 10 years of multifamily experience
- Oversees acquisition activity and leads East Coast business operations
- Former Director of Investments for AvalonBay Communities
- Former Director of Operations for Archstone Communities Inc.
- B.S. in Business Administration from Skidmore College; M.B.A. from Georgetown's McDonough School of Business

Eryn Mack – Managing Director, People and Culture

- Over 14 years of human resources experience
- Oversees all infrastructure, solutions & people strategy of human resources
- Former HR Business Partner at Automated Data Processing (ADP)
- Former Equal Opportunity Advisor in the U.S Army
- Ed.D in Organizational Leadership & Education from University of Southern California

EXPERIENCED LEADERSHIP TEAM

Amir Eshkol – Executive Managing Director, Capital Improvements



- Over 30 years of development & construction experience
- Oversees planning, management, and execution of national capital improvements projects
- Formerly managed capital improvement projects for Kennedy Wilson Multifamily Management group
- Former VP of Construction for Casden Properties
- Former VP of Purchasing & Special Projects for Goldrich and Kest Industries LLC
- B.S. in Structural Engineering and Construction Management from Technion – Israel Institute of Technology

Tammi Warner – Managing Director, Transactions and Underwriting

- Over 22 years of multifamily experience
- Oversees company's acquisition, disposition and refinancing transaction process including legal review
- Former Vice President, Senior Underwriter for Walker & Dunlop/CW Capital
- Former Vice President, Senior Underwriter for Capmark/GMAC
- Certified General Real Estate Appraiser in CA
- B.S. in Economics and Business from UCLA

Christopher Wei – Director, Portfolio Management

- Over 9 years of real estate experience
- Oversees disposition, refinance, and recapitalization activity as well as portfolio management
- Former experience with Freddie Mac Multifamily and J.P. Morgan Securities
- B.S. in Business Administration from the University of Southern California

ENDNOTES

1. **“Fair Market Value Asset Leveraged IRR” or “Gross IRR”** represents a compounded annual rate of return and is calculated based on Fair Market Value as of September 30, 2020, as well as actual Invested Equity and Realized Proceeds through September 30, 2020.
2. “**Fair Market Value Asset Leveraged Equity Multiple”** or “Gross Equity Multiple” represents the sum of Realized Proceeds and the estimated value of each investment as of September 30, 2020, divided by Invested Equity.
3. **“Realized Proceeds”** represents actual cash distributions through September 30, 2020.
4. **“Equity Committed”** represents the sum of all equity invested upon acquisition of an investment, any equity invested over the life of such investment through September 30, 2020, and TruAmerica’s estimate of equity to be invested in such investment from September 30, 2020 through TruAmerica’s targeted disposition date for such investment. Equity Committed includes equity from capital partners who invested in investments through which TruAmerica was responsible for the origination, structuring, financing and asset management through joint ventures in respect of which TruAmerica has operational control.
5. **“Value Creation”** or **“Value Created”** represents the estimated increase in value of a property as a result of the increase in such property’s net operating income during the hold period. “Value creation” numbers are hypothetical and there can be no guarantee that any implied increase in the property’s value is correct, corresponds to fair market value, or will be realized upon sale or at all if not currently realized.
6. **“Total Project Profits”** represents the aggregate distributable proceeds generated during the hold period less the return of all capital contributed.
7. Neither the General Partner nor any of its representatives has made or makes any representation to any Limited Partner regarding the target return range reflected herein (the “Target IRR Return Range”) and none of them intends to update or otherwise revise the Target IRR Return Range to reflect circumstances existing after the date when determined, even in the event that any or all of the assumptions underlying the Target IRR Return Range are later shown to be incorrect. In addition, the Fund may make an Investment with an expected return outside of the Target IRR Return Range where the General Partner, in its sole and absolute discretion, deems it appropriate. Accordingly, the Target IRR Return Range does not in any way obligate the General Partner to, and is not a representation that, the General Partner will only make Investments with expected individual returns within the Target IRR Return Range. Moreover, there can be no assurance that the Fund will be able to achieve returns within the Target IRR Return Range or that a Limited Partner will receive a return of its capital. Please refer to the Endnotes in Section III of the Fund’s Private Placement Memorandum – “Investment Performance” for a detailed discussion of the investment performance, including tables showing Marked-to-Market Gross Asset Leveraged IRRs and Net Asset Leveraged IRRs.
8. **“Invested Equity”** represents the total equity invested upon acquisition of an investment, any equity invested over the life of such investment through September 30, 2020, and TruAmerica’s estimate of equity to be invested in such investment from September 30, 2020 through TruAmerica’s targeted disposition date for such investment. Invested Equity includes equity from capital partners who invested in investments through which TruAmerica was responsible for the origination, structuring, financing and asset management through joint ventures in respect of which TruAmerica has operational control.
9. **“Total Equity”** represents the total equity expected to be invested upon acquisition of an investment, any equity expected to be invested over the life of such investment through TruAmerica’s targeted disposition date for such investment.

IMPORTANT INFORMATION

THE INFORMATION CONTAINED IN THIS PRESENTATION (THIS "PRESENTATION") IS PROVIDED FOR INFORMATIONAL AND DISCUSSION PURPOSES ONLY AND IS NOT, AND MAY NOT BE RELIED ON IN ANY MANNER AS LEGAL, TAX OR INVESTMENT ADVICE OR AS AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY AN INTEREST IN TRUAMERICA WORKFORCE HOUSING FUND I-A, L.P. ("FUND I-A") OR TRUAMERICA WORKFORCE HOUSING FUND I-B, L.P. ("FUND I-B" AND TOGETHER WITH FUND I-A AND ANY OTHER PARALLEL INVESTMENT VEHICLES, THE "FUND"), . A PRIVATE OFFERING OF INTERESTS IN THE FUND (THE "INTERESTS") WILL ONLY BE MADE PURSUANT TO THE FUND'S PRIVATE PLACEMENT MEMORANDUM, LIMITED PARTNERSHIP AGREEMENT AND SUBSCRIPTION DOCUMENTS (TOGETHER, THE "OFFERING DOCUMENTS"), WHICH WILL BE FURNISHED TO QUALIFIED INVESTORS ON A CONFIDENTIAL BASIS AT THEIR REQUEST FOR THEIR CONSIDERATION IN CONNECTION WITH SUCH OFFERING. THE INFORMATION CONTAINED IN THIS PRESENTATION WILL BE QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE OFFERING DOCUMENTS, WHICH CONTAIN ADDITIONAL INFORMATION ABOUT THE INVESTMENT OBJECTIVE, TERMS AND CONDITIONS OF AN INVESTMENT IN THE FUND AND ALSO CONTAIN TAX INFORMATION AND RISK DISCLOSURES THAT ARE IMPORTANT TO ANY INVESTMENT DECISION REGARDING THE FUND. NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY STATEMENT CONCERNING THE FUND OTHER THAN AS SET FORTH IN THE OFFERING DOCUMENTS AND ANY SUCH STATEMENTS, IF MADE, MAY NOT BE RELIED UPON.

THE INTERESTS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC") OR BY THE SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OF ANY OTHER JURISDICTION. THE INTERESTS HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, THE SECURITIES LAWS OF ANY OTHER STATE OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION, NOR IS SUCH REGISTRATION CONTEMPLATED. THE FUND WILL NOT BE REGISTERED AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). CONSEQUENTLY, LIMITED PARTNERS OF THE FUND ARE NOT AFFORDED THE PROTECTIONS OF THE INVESTMENT COMPANY ACT.

THE INFORMATION CONTAINED HEREIN MUST BE KEPT STRICTLY CONFIDENTIAL AND MAY NOT BE REPRODUCED OR REDISTRIBUTED TO ANY PERSON IN ANY FORMAT WITHOUT THE APPROVAL OF TRUAMERICA MULTIFAMILY, LLC (THE "MANAGER"). AS A CONDITION TO RECEIVING THIS PRESENTATION, EACH RECIPIENT HEREOF IS DEEMED TO HAVE AGREED: (A) NOT TO REPRODUCE OR DISTRIBUTE THE INFORMATION CONTAINED HEREIN, IN WHOLE OR IN PART, EXCEPT TO ANY EMPLOYEE, AGENT OR REPRESENTATIVE DIRECTLY CONCERNED WITH THE RECIPIENT'S RELATIONSHIP WITH TRUAMERICA, WHO AGREES TO BE BOUND BY THIS PARAGRAPH; (B) TO RETURN THIS PRESENTATION TO TRUAMERICA OR DESTROY IT PROMPTLY UPON REQUEST; AND (C) TO BE RESPONSIBLE FOR ANY DISCLOSURE OF THIS PRESENTATION, BY SUCH PERSON OR ANY OF ITS EMPLOYEES, AGENTS OR REPRESENTATIVES.

AN INVESTMENT IN THE FUND WILL INVOLVE SIGNIFICANT RISKS, INCLUDING LOSS OF THE ENTIRE INVESTMENT. PRIVATE INVESTMENT FUNDS, SUCH AS THE FUND, ARE SPECULATIVE INVESTMENTS AND ARE NOT SUITABLE FOR ALL INVESTORS, NOR DO THEY REPRESENT A COMPLETE INVESTMENT PROGRAM. THE FUND IS AVAILABLE ONLY TO QUALIFIED INVESTORS WHO ARE COMFORTABLE WITH THE SUBSTANTIAL RISKS ASSOCIATED WITH INVESTING IN PRIVATE INVESTMENT FUNDS. BEFORE DECIDING TO INVEST IN THE FUND, PROSPECTIVE INVESTORS SHOULD READ THE OFFERING DOCUMENTS AND PAY PARTICULAR ATTENTION TO THE RISK FACTORS CONTAINED IN THE OFFERING DOCUMENTS.

IMPORTANT INFORMATION

THE FOLLOWING ARE AMONG THE RISK FACTORS THAT INVESTORS SHOULD CONSIDER: (A) THE INTERESTS WILL BE ILLIQUID, AS THERE IS NO SECONDARY MARKET FOR THE INTERESTS AND NONE IS EXPECTED TO DEVELOP; (B) THERE WILL BE RESTRICTIONS ON TRANSFERRING THE INTERESTS; (C) INVESTMENTS MAY BE LEVERAGED AND THE INVESTMENT PERFORMANCE MAY BE VOLATILE; (D) FEES AND EXPENSES CHARGED IN CONNECTION WITH AN INVESTMENT IN THE FUND MAY BE HIGHER THAN FEES AND EXPENSES OF OTHER INVESTMENT ALTERNATIVES AND MAY OFFSET PROFITS, IF ANY; (E) PROSPECTIVE INVESTORS SHOULD HAVE THE FINANCIAL ABILITY AND WILLINGNESS TO ACCEPT THE RISK CHARACTERISTICS OF THE FUND'S INVESTMENTS; (F) TRUAMERICA WILL HAVE TOTAL INVESTMENT AUTHORITY OVER THE FUND AND, THEREFORE, AN INVESTOR IN THE FUND WOULD NEED TO RELY ON TRUAMERICA'S DECISION-MAKING SKILLS; (G) THE FUND COULD BE HIGHLY CONCENTRATED IN A GIVEN SECTOR OR INVESTMENT, AND, THEREFORE, AN INVESTMENT IN THE FUND IS ONLY APPROPRIATE FOR A PORTION OF AN INVESTOR'S PORTFOLIO; (H) THE INSTRUMENTS IN WHICH THE FUND INVESTS MAY INVOLVE COMPLEX TAX STRUCTURES WHICH COULD RESULT IN DELAYS IN DISTRIBUTING IMPORTANT TAX INFORMATION TO INVESTORS; AND (I) THE FUND AND TRUAMERICA ARE SUBJECT TO CERTAIN POTENTIAL CONFLICTS OF INTEREST, AND THERE CAN BE NO ASSURANCE THAT ANY SUCH CONFLICT WILL BE RESOLVED IN FAVOR OF THE FUND OR ITS INVESTORS. THE FOREGOING LIST OF FACTORS DOES NOT PURPORT TO BE A COMPLETE ENUMERATION OR EXPLANATION OF THE RISKS INVOLVED IN AN INVESTMENT IN THE FUND.

IN CONSIDERING ANY PERFORMANCE DATA CONTAINED HEREIN, PROSPECTIVE INVESTORS SHOULD BEAR IN MIND THAT NEITHER PAST NOR TARGETED PERFORMANCE IS INDICATIVE OF FUTURE RESULTS AND THERE CAN BE NO ASSURANCE THAT THE FUND WILL ACHIEVE COMPARABLE RESULTS OR BE ABLE TO AVOID LOSSES. CERTAIN OF THE INVESTMENTS INCLUDED IN THE PERFORMANCE DATA CONTAINED HEREIN WERE MADE BY TRUAMERICA THROUGH JOINT VENTURES OR SEPARATELY MANAGED ACCOUNTS, THE INVESTMENT OBJECTIVES, RISK/RETURN PROFILES, ECONOMIC TERMS AND ANTICIPATED INVESTMENT HOLDING PERIODS OF WHICH MAY BE MATERIALLY DIFFERENT THAN THOSE OF THE FUND. THUS, THE PERFORMANCE OF THE FUND MAY BE MATERIALLY DIFFERENT. NOTHING CONTAINED HEREIN SHOULD BE DEEMED TO BE A PREDICTION OF FUTURE PERFORMANCE OF THE FUND.

PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INVESTIGATIONS AND EVALUATIONS OF THE INFORMATION CONTAINED HEREIN. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN ATTORNEY, BUSINESS ADVISER AND TAX ADVISER AS TO LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE INFORMATION CONTAINED HEREIN AND THE INTERESTS.

EXCEPT WHERE OTHERWISE INDICATED HEREIN, THE INFORMATION CONTAINED HEREIN, INCLUDING STATEMENTS CONCERNING FINANCIAL MARKET TRENDS, IS BASED ON MATTERS AS THEY EXIST AS OF THE DATE OF PREPARATION AND NOT AS OF ANY FUTURE DATE, AND WILL NOT BE UPDATED OR OTHERWISE REVISED TO REFLECT INFORMATION THAT SUBSEQUENTLY BECOMES AVAILABLE, OR CIRCUMSTANCES EXISTING OR CHANGES OCCURRING AFTER THE DATE HEREOF.

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CERTAIN INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM SOURCES OUTSIDE OF TRUAMERICA. WHILE SUCH INFORMATION IS BELIEVED TO BE RELIABLE FOR THE PURPOSES USED HEREIN, NEITHER TRUAMERICA NOR ANY OF ITS AFFILIATES OR PARTNERS, MEMBERS, OR EMPLOYEES ASSUME ANY RESPONSIBILITY FOR THE ACCURACY OF SUCH INFORMATION.

SUPPLEMENTAL MARKET INFORMATION IS AVAILABLE UPON REQUEST.

OFFICE OF THE STATE TREASURER
MEMORANDUM

TO: Members of the Investment Advisory Council

FROM: Christine Shaw, Assistant Treasurer for
Corporate Governance & Sustainable Investment

DATE: November 9, 2020

SUBJECT: ***Report on Corporate Governance Activities for 2Q20 and 3Q20, Highlights from the 2020 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 is a report of the Treasury's corporate governance activities for the second and third quarters of 2020 (April 1, 2020 through September 30, 2020) with respect to the voting of proxies, a summary of outcomes for each of the resolutions filed by the CRPTF during the 2020 proxy season, and an overview of the Treasury's collaborations with other institutional investors.

Proxy Voting

The following chart summarizes the votes cast at domestic and international companies during the second and third quarters of 2020:

	Number of annual general meetings		Number of votes cast		% of votes cast in support of management	
	2Q2020	3Q2020	2Q2020	3Q2020	2Q2020	3Q2020
Domestic Companies	1,110	84	11,862	706	77.52	69.83
International Companies	308	59	4,590	827	87.56	88.88

The CRPTF's domestic and international proxy votes are posted on the Treasury's web- site and can be accessed at
http://www.ott.ct.gov/pension_votingsummary.html

HIGHLIGHTS FROM THE 2020 PROXY SEASON

The COVID-19 pandemic and its economic impact underscored investors' growing interest in environmental, social and governance ("ESG") -related issues, and early analysis suggests that ESG-focused investment strategies outperformed the market.[1] For the better part of 2020, investors focused on "immediate ESG issues" such as the pandemic's effect on the health and safety of workers (a.k.a. human capital management),[2] management of supply chains and pay practices.

Overall, trends of note:

- There was a continued downward trend in the number of shareholder resolutions filed with U.S.-based companies – 657 filed in 2020; down from 678 in 2019, 788 in 2018; and 836 in 2017.[3]

- A greater proportion of these (58%) went to a vote than in past years (up from 55% in 2019 and 2018).[4]

- Governance-related proposals increased in 2020, however the number receiving majority support declined by 36% (from 42 in 2019 to 27 in 2020).

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[1] *2020 Proxy Season: A Look Back, and A Look Forward,* Harvard Law School Forum on Corporate Governance, Strine, Main and Lindsay, August 23, 2020.
[2] *2020 Proxy Season Review,* Harvard Law School Forum on Corporate Governance, Colton and Walker, October 9, 2020.
[3] See *2020 Proxy Season Review: Part 1, Rule 14a-8 Shareholder Proposals*, Sullivan & Cromwell, July 15, 2020. See also *2019 Proxy Season Review: Part 1 – Rule 14a-8 Shareholder Proposals*, Harvard Law School Forum on Corporate Governance and Financial Regulation, Marc Trevino, Sullivan & Cromwell LLP, July 26, 2019.
[4] *2020 Annual Corporate Governance Review,* Harvard Law School Forum on Corporate Governance, Cassidy, Orowitz & Rosati, October 1, 2020.

- A record number of environmental and social-related resolutions received majority support from shareholders, with 17 resolutions receiving at least 50% support.[5]

- While environmental and social-related proposals continued to dominate the 2020 proxy season, these types of resolutions were more likely to be withdrawn following engagement. This reflects a greater willingness on the part of companies and their boards to improve their disclosure on these risks. The number of Fortune 100 companies voluntarily disclosing their efforts to mitigate climate risks and implement sustainability initiatives has doubled over the past three years, from 37% in 2017 to 77% in 2020.[6]

<u>HIGHLIGHTS OF CONNECTICUT'S 2020 PROXY SEASON</u>

The CRPTF filed eight shareholder resolutions for the 2020 proxy season on issues ranging from clawback disclosure to pay equity and separation of board chair and CEO. Agreements were reached with six companies (leading to withdrawal of the resolutions) and two resolutions went to a vote at the companies' annual general meeting of shareholders.

Details of the withdrawn resolutions are as follows:

- **<u>Amgen, Inc. and Bristol Myers-Squibb</u>**: The CRPTF was primary filer of resolutions calling for annual disclosure of the application of their respective clawback policies. (Clawback policies allow for the recoupment of monies paid to executives who have engaged in conduct that results in significant financial harm to a company, such as liability for anti-competitive practices or other legal liability.) These resolutions were filed because both Amgen and Bristol Myers-Squibb are facing a number of class action lawsuits alleging anticompetitive conduct associated with their manufacture and pricing of their prescription medications.

  After engagement with the companies, each agreed to the action sought in the resolution and, consequently, the resolutions were withdrawn. (See attached press releases for additional information.)

- **<u>Assurant, Inc. & HCA Healthcare</u>**: Led by primary filer New York City Comptroller's Office, Connecticut co-filed resolutions calling for a board report on gender pay equity. Given that the healthcare industry and insurance sectors have some of the largest pay gaps of all U.S. industries, these resolutions called for the companies to report annually on gender-based

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[5] *Key ESG Issues Up for Shareholder Vote*, Morningstar, June 4, 2020.
[6] *Four ESG Highlights from the 2020 Proxy Season,* Harvard Law School Forum on Corporate Governance, Klemash, Doyle and Smith, August 23, 2020.

pay gaps among their employees, and the specific steps (e.g. policies goals, practices, etc.) that the board intends to take to eliminate such disparities. The resolution also called on the boards of each company to proactively facilitate an environment that promotes opportunities for equal advancement for women.

In a dialogue with Assurant, the company agreed to hire an independent third party compensation consultant to ensure that they are compensating their employees fairly and equitably, and to assist in expanding their gender pay disclosure. In separate conversations, HCA's management agreed to publish information regarding gender pay on its website. In light of these agreements, New York City withdrew the resolutions on all filers' behalf.

- **Charter Communications**: Led by primary filer, Illinois State Treasurer's Office, and joined by co-filers New York State Common and Boston Trust Walden, the CRPTF filed a resolution urging the company to prepare an annual sustainability report. The report would include disclosure of the company's strategies for managing greenhouse gas emissions as well as quantitative metrics. (According to a 2018 report by the Governance & Accountability Institute, 86% of S&P 500 companies published sustainability reports.)

  In response to our filing, Charter informed filers that they were in the process of preparing a sustainability report and outlined topics for the report, which include human capital management; diversity initiatives; and climate-related sustainability. The company has since become a member of the Carbon Disclosure Project, and is working toward identifying climate strategies and additional disclosure for its shareholders. While the company was unable to commit to a timeframe for additional reporting, it agreed to continued engagement with filers on enhanced disclosure. Based on this commitment, the resolution was withdrawn.

- **Pfizer, Inc.**: Led by primary filer International Brotherhood of Teamsters and co-filed by the CRPTF, and in partnership with the Investors for Opioid and Pharmaceutical Accountability ("IOPA"), a resolution was filed seeking deferral of payments of certain bonus incentives that apply to performance measurement periods of less than one year. The rationale for this resolution was essentially the inverse of a clawback disclosure — rather than seek disclosure of the circumstances under which misconduct clawbacks are applied, investors are seeking a delay of the payout of bonuses in order to allow for better assessment of risk and performance over a longer time horizon.

  As part of a coordinated strategy with filers of similar resolutions at other pharma companies (including Abbvie, Cardinal Health and Gilead, among others), a working group was established in order to engage on a set of best practices for bonus deferral. Consequently, the resolution with Pfizer was withdrawn in light of their participation with the working group.

The following two (2) resolutions went to a shareholder vote:

- **Johnson & Johnson ("JNJ")**: Led by the Illinois State Treasurer's Office and joined by members of the IOPA (including New York City Comptroller's Office, Trillium Asset Management, JLens and Interfaith Responsibility Resource Center), Connecticut filed a resolution calling for a board report on the company's exposures related to opioids, as well as the governance measures the company has implemented to monitor and manage the associated financial risks. A majority of shareholders voted in support of the resolution at the company's annual general meeting in April, and its Board has since produced the report.

- **Facebook, Inc.**: For the second consecutive year, the CRPTF co-filed an independent board chair resolution, calling on the company to separate the positions of Chairman and CEO. Primary filer was Trillium Asset Management, and additional co-filers included the New York City Comptroller and Illinois State Treasurer. (By way of comparison, Google, Microsoft, Apple, Oracle and Twitter have all separated these roles, as well as 86% of the companies in the S&P 500.) The resolution did not receive a majority vote at the annual general meeting in May by virtue of the company's dual class structure, and Mark Zuckerberg's control of the majority of outstanding shares.

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.

Studies have shown that companies with more diverse executive teams are more likely to realize above-average profitability and outperform their peers with less diverse leadership. Modeled after the successful Midwest Investors' Diversity

Initiative, NIDI engaged mid-size regional–based companies on improving board diversity as ways to protect shareholder value.

After engagement with 20 small to mid-cap companies, the following nine (9) companies added diverse directors to their boards:

1. Virtu Financial (NY) appointed Virginia Gambale, its first woman director, in January 2020;
2. Columbus McKinnon (NY) appointed Jeanne Belieau-Dunn, its second woman director, in March 2020;
3. Repligen (MA) appointed Rohin Mhatre, Ph.D., its first male Indian director, in March 2020;
4. LeMaitre Vascular (MA) appointed Bridget Ross, its second woman director, in April 2020;
5. CRA International (MA) appointed Christine Detrick, its second woman director, in May 2020;
6. Novanta (MA) appointed Maxine Mauricio, its second woman director (a woman of color), in May 2020;
7. Cassella Waste (VT) appointed Rose Stuckey Kirk, its second woman director (a woman of color), in July 2020;
8. KVH Industries (RI) nominated Danelle Barrett, its first woman director, in July 2020; and
9. RBC Bearings (CT) appointed Dolores Ennico, its first woman director, in July 2020.

Three (3) companies amended their corporate governance guidelines and/or nominating guidelines to commit to seeking women and minority candidates: <u>Novanta (MA); Vericel (MA); and Verint Systems (NY).</u>

<u>Investors for Opioids and Pharmaceutical Accountability ("IOPA")</u>

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 face serious legal, regulatory and reputational risk that could jeopardize shareholder value. All told, the CRPTF's equity and fixed income exposure to pharmaceutical companies (domestic and global) exceeds $900 million. Since July of 2017, the CRPTF has been part of a coalition of institutional investors (including public, union, SRI and faith-based funds), consisting of 61 investors with $4.2 trillion in combined asset under management. Connecticut has joined the coalition in writing letters to companies on several corporate governance reforms, including independent chair, clawback disclosure, and management of the legal, financial and reputational risks associated with opioids.

For the 2020 proxy season, the IOPA expanded its work to include initiatives related to pharmaceutical business practices that have an impact on the healthcare sector as a whole. Accordingly, the IOPA engaged with companies that manufacture insulin, generics and opioids, and raised issues that took on even greater importance during the COVID-19 pandemic. The Treasury led an engagement with Teva Pharmaceuticals on the operational, financial and human capital management issues raised by the COVID-19 pandemic.

Human Capital Management Coalition (HCMC)

The CRPTF has been an active participant with the HCMC, a group of 26 investors with more than $3 trillion in combined assets under management advocating for greater disclosure of workforce metrics. In 2020, CRPTF led an engagement with Lululemon on behalf of the HCMC requesting disclosure of how the company would respond to COVID-19 disruptions. Since then, the company proactively changed its paid leave polices, initiated a program to avoid layoffs, and implemented health and safety measures in its stores and distribution centers. They company mention these measures exceed local authority guidelines and they plan to follow any SEC guidelines.

INVESTMENT ADVISORY COUNCIL
MEETING SCHEDULE
CALENDAR YEAR 2021

MEETING DATE

January 13, 2021

February 10, 2021

March 10, 2021

April 14, 2021

May 12, 2021

June 9, 2021

July 14, 2021

August 11, 2021

September 8, 2021

October 13, 2021

November 10, 2021

December 8, 2021

STATE OF CONNECTICUT

TREASURER SHAWN T. WOODEN

FOR IMMEDIATE RELEASE: Thursday, October 15, 2020
CONTACT: Office of the Treasurer, Michelle.Woods-Matthews@ct.gov

STATE TREASURER SHAWN WOODEN LAUNCHES ABLE CT TO BENEFIT CONNECTICUT'S DISABILITY COMMUNITY

Federally Qualified Program Allows Individuals Living with a Disability to Save Without Jeopardizing Their Federal Benefits

Hartford, CT - On Thursday, October 15, 2020, Connecticut State Treasurer, Shawn T. Wooden, announced the launch of the Connecticut Achieving a Better Life Experience Savings Program (ABLE CT) to allow individuals living with a disability or their legal guardian, the opportunity to open an account and save money using a federally tax advantaged ABLE CT savings plan.

"At a time when we are seeing the pandemic deepen already existing economic disparities, thousands of individuals living with a disability in Connecticut continue to be financially burdened by countless expensive disability-related costs," said Connecticut State Treasurer Shawn T. Wooden. "It is well overdue for Connecticut to help individuals living with a disability to achieve greater financial independence, expand self-reliance, and increase access to opportunities, and that is exactly what the ABLE CT program will provide."

The ABLE Act signed into law by the federal government in 2014, enabled states to pass their own ABLE legislation authorizing the creation of a federally tax-advantaged savings program for individuals living with a disability. Connecticut passed such legislation in 2015. Implemented and administered by Treasurer Wooden, ABLE CT is designed to help individuals living with a disability save for a better future by covering disability-related expenses, without jeopardizing their eligibility to receive federal benefits, such as Medicaid, Supplemental Security Income (SSI), and other important federal benefits. The account offers a high-quality, low-cost ABLE CT savings and investment plan and a full featured checking account.

“I am happy to be part of this launch, celebrating Connecticut’s partnership with the National ABLE alliance,” Commissioner Amy Porter, Department on Aging and Disability Services. “An ABLE account can be an incredibly valuable tool for individuals with disabilities and their families, allowing an individual to save for disability related expenses and invest for their future.”

ABLE CT accounts will have investment earnings and withdrawals that are tax free when spent on qualified disability expenses. Qualified disability expenses for ABLE CT include: education; housing; transportation; employment training and support; assistive technology; personal support services; general health services; prevention and wellness services; financial management and administrative services; legal fees; expenses for oversight and monitoring; and funeral and burial expenses. Annual contribution limits for each individual are tied to the Connecticut cap of the gift-tax exclusion limit, which is currently $15,000 annually.

“Our dream for Alijah since we received his diagnosis at birth is that he would lead a fulfilling and independent life,” said Beth Gard of South Windsor, the first ABLE CT account holder on behalf of her child with Down Syndrome. “The inception of the ABLE CT program is a crucial step in fulfilling that dream. It allows us to plan for his financial future and enables Alijah to seek meaningful employment as he grows up without the concern, he may lose essential services and benefits. We will also be able to similarly support him in pursuing his dreams as we support his typical brother and sister in pursuing theirs. My family and I are very excited about ABLE CT, what it means for Alijah’s future, as well as the future of others like him.”

“A full and independent life in the community is far more attainable with a degree of financial independence,” said Tom Fiorentino, member of The Arc Connecticut’s Board of Directors and parent of an adult with an intellectual disability. “The ABLE CT program is an important step on the path to that independence. I am very happy that the sustained efforts of the Arc, at both the national and state level, have resulted in Connecticut’s offering this important program to thousands of its residents."

Those who qualify and are eligible to open an ABLE CT account include the following: (1) anyone living with disabilities that were present before the age of 26; (2) those who are eligible for SSI or SSDI because of a disability; (3) experience blindness as defined by the Social Security Act; or (4) have a disability with a written diagnosis from a licensed physician that can be produced if requested, can qualify and are eligible to open an ABLE CT account.

Account holders like Jessica Sahlman plan to use their savings to support their housing and transportation needs. Jessica, an ABLE account holder and Ambassador for the ABLE National Resource Center, noted, "I can be more independent with transportation."

“As a Certified Financial Planner, my one piece of advice when someone is eligible for an ABLE account is to ‘Just Do It,’ and to get started,” said Andrew Komarow; an ABLE account holder, Ambassador for the ABLE National Resource Center, and founder of Planning Across the Spectrum. “If you are eligible to open an ABLE CT account, I encourage you to, as you will benefit from the program.”

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About Connecticut’s Achieving a Better Life Experience Savings Program

The **ABLE CT** program is sponsored by the State of Connecticut and administered by the Office of the Treasurer. ABLE CT is designed to be a federally qualified ABLE plan for the benefit of the residents of the State of Connecticut offered through the National ABLE Alliance. Ascensus College Savings Recordkeeping Services, LLC, the Program Manager, and its affiliates, are responsible for the day-to-day operations including: investment advisory, record-keeping, and administrative services for ABLE CT.

About the Office of the State Treasurer

Under the leadership of Connecticut’s State Treasurer Shawn T. Wooden, the Office of the Treasurer is dedicated to safeguarding the state’s financial resources and taxpayers’ dollars, while maximizing returns and minimizing risks for pension beneficiaries and operating at the highest professional and ethical standards. Through investments and cash management, the office continues to enhance the state’s fiscal stability, financial literacy, college savings, and its approach to leveraging business partnerships to combat social issues such as gun violence, climate change, and equal opportunity for economic growth. Learn more about the Office of the Treasurer here and follow along on **Facebook**, **Instagram** and **Twitter**.

STATE OF CONNECTICUT
TREASURER SHAWN T. WOODEN

FOR IMMEDIATE RELEASE: Tuesday, October 27, 2020
CONTACT: Office of the Treasurer, gabrielle.farrell@ct.gov

STATE TREASURER SHAWN WOODEN AND CONNECTICUT CONFERENCE OF MUNICIPALITIES HOST CONVERSATION ON PUBLIC FINANCE DURING COVID-19 WITH MUNICIPAL OFFICIALS

Hartford, CT – Tuesday, October 27, 2020 – Today, Connecticut State Treasurer, Shawn T. Wooden, joined the Connecticut Conference of Municipalities (CCM) in hosting a conversation to update municipal officials on the state of Connecticut finance and investments, status of the Short-Term Investment Fund (STIF), Municipal Employees Retirement System (MERS), and the state and national economic outlook. The conversation was moderated by the First Selectman of East Lyme, Mark C. Nickerson.

(Left) State Treasurer Shawn T. Wooden, (Right) First Selectman of East Lyme, Mark C. Nickerson

"Thank you to the Connecticut Conference of Municipalities for engaging with us to have this critical conversation with municipal officials on the state of our finances during this pandemic and our outlook for the future," said State Treasurer Shawn Wooden. "While Connecticut is on a better path to recovery compared to other states, I am deeply disappointed in Congress' inability to come together and provide towns and cities, small businesses and families, the relief they need. I continue to monitor and assess Connecticut's cash projections for Fiscal Year 2021, but we do not yet know what the future holds. Since taking office, I have made mitigating risk, maximizing returns and protecting liquidity a priority. During these uncertain times, we will continue taking steps to support our State's path to fiscal stability."

Over 100 local elected officials, finance and economic development officers, board and commission members, and other CCM members participated in the webinar. Presentations were made by Laurie Martin, Chief Investment Officer, Steve Meier; Assistant Treasurer and Senior Principal Investment Officer with Tom Fiore, Sections Director of Economic Capital, and Revenue Forecasting at the Office of Policy and Management; and Mike Terry, Principal Investment Officer, of the Office of the Treasurer.

"We are pleased to have Treasurer Wooden join us for this very important conversation regarding public finance in the state of Connecticut," said Joe DeLong, CEO and Executive Director of CCM. "Like the state, municipalities rely on the most up-to-date information in order to make informed investment decisions and are appreciative of Treasurer Wooden shedding some light on the current financial markets and economic environment in his conversation with First Selectmen Mark Nickerson of East Lyme and our membership this morning."

Among the many topics discussed was the Federal Reserve's Municipal Liquidity Facility (MLF) program, which was created to help the flow of credit to states and local governments impacted by the pandemic as part of the CARES Act. The $500 billion program only allows, however, for the State and two municipalities designated by the Governor to borrow directly from the MLF and was not a feasible source of support. In order for Connecticut to participate in the MLF, it must certify that it is unable to access the markets at more affordable interest rates. As a result, Treasurer Wooden has proposed legislation to provide assistance to municipalities should the need arise.

"During this health, economic, and financial markets, crisis, all four of the major rating agencies reviewed and affirmed their credit ratings and stable outlooks for Connecticut's General Obligation bonds, citing the State's sizable Budget Reserve Fund as a contributing factor to help position the State to weather the economic downturn resulting from the ongoing pandemic," continued Treasurer Wooden. "Given that the interest rates of our three recent 20-year bond transactions are comparable to the 3-year rate offered through the MLF, we would not be able to make this certification. My office has drafted a Municipal Revenue Assistance (MRA) proposal to amend current state statutes to provide a framework that would allow municipalities to borrow for pandemic related revenue impacts through a state facilitated process. We're hopeful there will not be a need, but have drafted the necessary MRA legislation that would allow the state to provide assistance to municipalities."

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Business

Investors Overseeing $3 Trillion Push for Board Racial Diversity

By Kelsey Butler
October 28, 2020, 8:00 AM EDT

- Group is asking U.S. companies to disclose data voluntarily
- Few corporations now make that information available

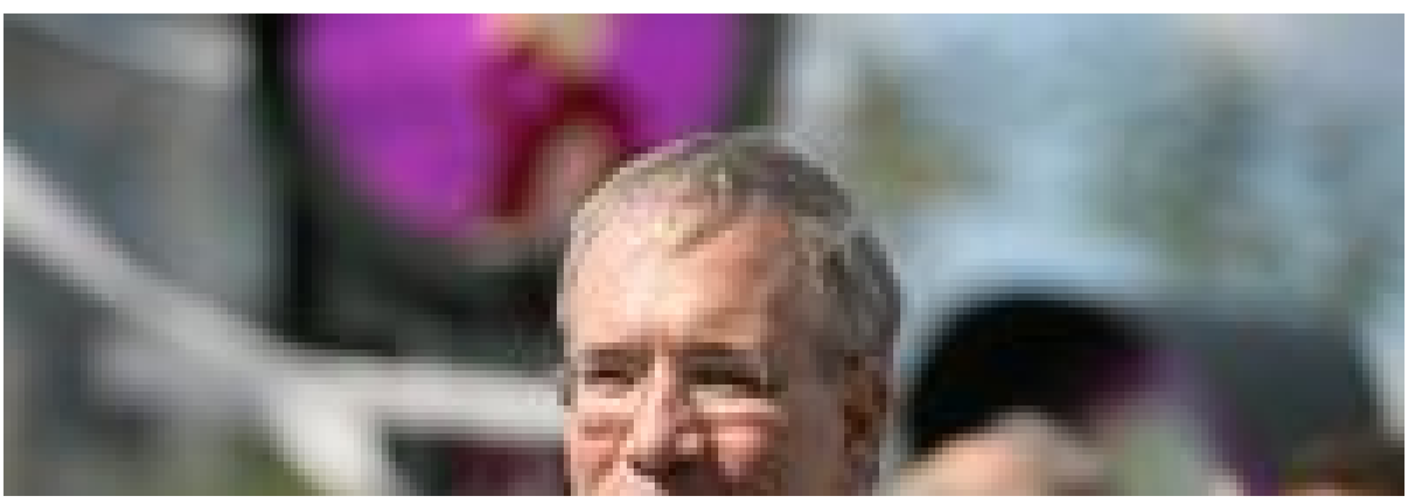
A new coalition of institutional investors and advisers overseeing more than $3 trillion in assets is pushing U.S. public companies to disclose the racial makeup of their boards in a bid to increase the diversity of corporate directors.

The Diversity Disclosure Initiative, headed by Illinois State Treasurer Michael Frerichs and Connecticut State Treasurer Shawn Wooden, is pressing companies in the Russell 3000 Index to voluntarily reveal the racial and ethnic composition of their boards. Many of the members of the new group already have or are considering policies to vote against the members of nominating committees that don't report board racial or ethnic makeup in their annual proxy statements.

Shawn Wooden and Michael Frerichs *Source: Connecticut Office of the State Treasurer and Illinois State Treasurer*

In a letter sent today to all the members of the index -- which includes most of the publicly traded companies in the U.S. -- the group said it is calling for more disclosure in the wake of the Black Lives Matter protests that followed the police killing of George Floyd earlier this year. The consortium is asking the public companies that don't divulge board racial, ethnic and gender data in proxy statements to do so in future filings, starting in 2021. Few companies now make that information public.

The group's letter said its members previously helped lobby for more gender diversity on corporate boards. Women now hold 22.6% of board seats of the biggest companies in the Russell 3000, up 6.5 percentage points in the past four years.



Scott Stringer *Photographer: Jason Carter Rinaldi/Getty Images*

Many U.S. companies are for the first time disclosing the racial breakdown of their employees. As part of a push by New York City Comptroller Scott Stringer, who also signed the letter, Amazon.com Inc., General Motors Co. and Goldman Sachs Group Inc. are among the companies that this year agreed to report workforce racial, gender and ethnicity data.

Read more: Once-Elusive Corporate Racial Data Are Finally Trickling Out

"This comes from a desire to do more when our country's at this racial crossroads," Connecticut's Wooden said in an interview.

The percentage of Black directors remains low among the boards of the largest U.S. companies, according to an Oct. 25 analysis from executive recruiter Russell Reynolds Associates. The percentage of directors who are Black, Asian, Hispanic or other members of other racial or ethnic minorities passed 10% for the first time last year in the Russell 3000, according to the study. Black directors were the largest group, at 4.1%. In the S&P 500, the number of Black directors rose in 2019, even as the number of companies with Black directors fell; 37% of boards lacked a Black director last year, Russell Reynolds found.

Institutional investors in the roughly $89 trillion asset-management industry can use their leverage to get corporations to recognize that diversity benefits the bottom line, too, Frerichs and Wooden said. A 2020 McKinsey & Co. report showed that companies in the top quartile for executive ethnic or cultural diversity were 36% more likely to outperform on profitability than those in the bottom quartile.

"The research is fairly clear," Frerichs said in an interview. "Those who refuse this want to perpetuate the way things have been done in the past -- they are the ones who are not doing their jobs as fiduciaries."

– With assistance by Jeff Green

In this article

RAY
RUSSELL 3000 INDEX
2,112.38 USD ▲ +28.36 +1.36%

GM
GENERAL MOTORS C
41.19 USD ▲ +1.87 +4.76%

AMZN
AMAZON.COM INC
3,128.81 USD ▲ +18.53 +0.60%

GS
GOLDMAN SACHS GP
219.08 USD ▲ +4.57 +2.13%

2571946Z
RUSSELL REYNOLDS ASSOCIATES
Private Company

10/30/2020

Monthly Snapshot - CIO Edition

Index Returns

Index	MTD	QTD	YTD	FYTD	2019	2018	2017	2016	2015
Bloomberg Barclays US Agg Total Return Value Unhedged USD	-0.38%	-0.38%	6.39%	0.54%	8.72%	0.01%	3.54%	2.65%	0.55%
Bloomberg Barclays US Corporate Total Return Value Unhedged USD	-0.04%	-0.04%	7.20%	0.91%	14.54%	-2.51%	6.42%	6.11%	-0.68%
Bloomberg Barclays US Corporate High Yield Total Return Index Value Unhedged USD	0.56%	0.56%	1.19%	3.08%	14.32%	-2.08%	7.50%	17.13%	-4.47%
J.P. Morgan EMBI Global Total Return Index	0.10%	0.10%	0.47%	1.16%	14.42%	-4.61%	9.32%	10.19%	1.23%
Bloomberg Barclays Global-Aggregate Total Return Index Value Unhedged USD	0.15%	0.15%	5.89%	2.19%	6.84%	-1.20%	7.39%	2.09%	-3.15%
S&P/LSTA Leveraged Loan Price Index	0.06%	0.06%	-3.61%	3.45%	3.07%	-4.29%	-0.03%	7.47%	-4.86%
Bloomberg Barclays Global Convertibles Composite Total Return Unhedged USD	1.28%	1.28%	18.44%	23.72%	17.28%	-3.95%	16.54%	6.19%	-1.68%
S&P 500 Index	-2.66%	-2.66%	2.76%	5.78%	31.48%	-4.39%	21.82%	11.95%	1.37%
Russell 1000 Index	-2.41%	-2.41%	3.83%	6.22%	31.42%	-4.79%	21.68%	12.04%	0.91%
Russell 1000 Growth Index	-3.40%	-3.40%	20.10%	8.74%	36.39%	-1.51%	30.21%	7.07%	5.67%
Russell 1000 Value Index	-1.31%	-1.31%	-12.74%	3.57%	26.52%	-8.28%	13.64%	17.33%	-3.84%
Russell 2000 Index	2.09%	2.09%	-6.78%	3.28%	25.49%	-11.03%	14.63%	21.28%	-4.41%
Russell 2000 Growth Index	0.76%	0.76%	4.66%	4.42%	28.43%	-9.34%	22.14%	11.28%	-1.38%
Russell 2000 Value Index	3.58%	3.58%	-18.75%	2.00%	22.36%	-12.85%	7.82%	31.72%	-7.47%
Russell 3000 Index	-2.16%	-2.16%	3.13%	6.05%	31.01%	-5.25%	21.12%	12.72%	0.47%
Russell 3000 Growth Index	-3.16%	-3.16%	19.11%	8.49%	35.84%	-2.12%	29.58%	7.38%	5.09%
Russell 3000 Value Index	-1.04%	-1.04%	-13.15%	3.48%	26.24%	-8.59%	13.17%	18.38%	-4.14%
MSCI All Country World Excluding US Index in USD	-1.42%	-1.42%	-8.57%	2.11%	18.12%	-16.45%	24.06%	1.67%	-7.99%
MSCI EMerging Markets IMI	3.34%	3.34%	2.23%	4.38%	18.00%	-14.81%	37.24%	10.18%	-13.58%
MSCI EAFE Index	-3.47%	-3.47%	-9.91%	1.74%	22.77%	-13.31%	25.70%	1.59%	-0.28%
MSCI US REIT Index	-2.59%	-2.59%	-19.23%	-2.02%	25.89%	-4.51%	5.13%	8.62%	2.52%
Portfolio Proxy	-0.24%	-0.27%