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STATE OF CONNECTICUT

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# TREASURER SHAWN T. WOODEN

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## **TREASURER WOODEN ANNOUNCES PRIVATE CAPITAL COMMITMENTS, LAUNCHES 'CT INCLUSIVE INVESTMENT INITIATIVE'**

### ***RESTRUCTURED EMERGING MANAGER PROGRAM BROADENS CRPTF OPPORTUNITY WITH DIVERSE MANAGERS***

Hartford, CT — At today's meeting of the Investment Advisory Council (IAC), State Treasurer Shawn T. Wooden announced his decision to commit \$75 million to the Constitution Fund V, LLC – Series E. Additionally, the Treasurer committed \$350 million to the Goldman Sachs Private Credit Partnership, \$75 million to the OSP Value Fund III, LP and \$37.5 million to the OSP Value Fund III-B, LP, consistent with the objectives of the new private credit fund asset allocation for the Connecticut Retirement Plans and Trust Funds (CRPTF).

"With contract negotiations for the Constitution Fund V-Series E now complete, this commitment will continue our investments in venture capital and growth stage funds with high quality managers in partnership with Fairview Capital Partners," said State Treasurer Shawn Wooden. "Additionally, the two new commitments for the private credit fund asset allocation will provide the CRPTF access to multiple underlying strategies with the flexibility to opportunistically invest capital as credit markets evolve."

Treasurer Wooden shared with the IAC investment opportunities currently under consideration with three managers

- **Fortress Lending Fund II and the Fortress Credit Opportunities Fund V Expansion**, at \$300 million, which will provide a total return strategy that invests in a range of distressed opportunities.
- **TSSP Adjacent Opportunities Partners (C), LP, or TAO 5.0**, at \$250 million, which will invest in a broad range of credit and related opportunities across direct lending, opportunistic and special situation investments, managed by Sixth Street Partners.
- **Torchlight Debt Opportunity Fund VII, LP**, at \$100 million, which will invest in both private and public debt across real estate property types and U.S. markets in a diversified portfolio that will offer current income and downside protection while opportunistically investing in commercial real estate debt markets

The IAC was also presented the proposed project plan and scope of services for restructuring CRPTF's hedge fund investment allocation to focus on risk mitigating strategies in line with the asset allocation plan approved earlier this year.

Treasurer Wooden also launched the Connecticut Inclusive Investment Initiative, a new emerging and diverse manager program also known as "C3." The program will increase allocations to diverse managers across all asset classes, provide a pathway for growth within the program and host an annual conference to identify the best emerging diverse talent in the industry.

"Public pension plan emerging manager programs have fallen short of providing access to capital in a consistent and meaningful way," said Treasurer Wooden. "We have taken what we have learned from the past 15 years and the best practices from throughout the country to improve upon the success of the current "Horizon Fund" program. Most notably, the target percentage of allocated capital to diverse managers will double and a range of investment strategies will be broadened in order for the CRPTF to take advantage of greater opportunities to improve risk adjusted returns with emerging and diverse managers."

Treasurer Wooden also briefed the IAC on the fiscal year 2020 investment performance results. "Despite the severe and sudden market downturn experienced in the March quarter followed by unprecedented gains for the June quarter, the three largest plans weathered the volatility well and all posted positive results of approximately 2.0%," noted Treasurer Wooden. "The short-term fiscal year returns fall short of the 6.9% actuarial rate of return assumption; but longer-term, ten-year annualized results for each plan exceeded the 6.9% rate."

Last week, Treasurer Wooden provided the Governor and General Assembly with the monthly Cash and Bonding Report, as of the end of June 2020, which highlighted Connecticut's currently strong cash position during the pandemic. As of August 1, 2020, the State's overall available cash is \$6.6 billion with the common cash pool at \$5.3 billion. See his statement, [here](#).

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