



STATE OF CONNECTICUT
TREASURER SHAWN T. WOODEN

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CONNECTICUT PREPARES TO LAUNCH CO-INVESTMENT PROGRAM WITH MORGAN STANLEY AND HARBOURVEST

*CRPTF RESTRUCTURING DOMESTIC EQUITY FUND THROUGH ACTIVE
MANAGEMENT TO FOCUS ON SMALL CAP INVESTMENTS*

Hartford, CT – At today's Investment Advisory Council (IAC) meeting, Connecticut State Treasurer Shawn T. Wooden presented two recommended co-investment managers for the Connecticut Retirement Plans and Trust Funds (CRPTF) private market portfolio. Additionally, the Treasurer presented five finalists for the Domestic Equity Fund (DEF) Small Capitalization Manager search and the strategic plan to enhance performance for DEF.

Treasurer Wooden recommended \$150 million to each the Connecticut Co-Investment Fund and the Connecticut Private Debt Fund over an initial three-year commitment period with HarbourVest Partners. HarbourVest is a leading private markets investment management firm with more than \$80 billion of assets under management (AUM). The Connecticut Co-Investment Fund it would manage will allow the CRPTF to participate in co-investment opportunities generated from private equity managers within the CRPTF portfolio as well as those accessed through HarbourVest's extensive network of experienced general partners.

HarbourVest anticipates that the CT Private Debt Fund would make 16 to 18 co-investments per year. The Fund will be structured as an evergreen vehicle, which would allow the CRPTF to continue to allocate capital for private credit co-investments beyond the Fund's initial three-year commitment period.

“HarbourVest has established a leading position in the co-investment market, with an extensive and experienced team that has led more than \$13 billion of co-investments since 2004 while developing expertise in managing customized co-investment programs for several large public plans,” said Treasurer Wooden. “Through the Connecticut Private Debt Fund, the CRPTF will be able to capitalize on co-investment opportunities generated from its private credit fund managers as well as co-investments sourced through HarbourVest’s private credit platform.”

Also, during the IAC meeting, Treasurer Wooden presented an investment partnership with Morgan Stanley Investment Management (MSIM) of up to \$125 million over three years the real asset portfolio of the CRPTF. The CRPTF looks to initially invest \$75 million to \$100 million within real estate and \$50 million to \$75 million within infrastructure and natural resources annually. The Fund does not have any specific targets for sub-sector exposures but will maintain a focus on diversification. The MSIM partnership will allow the CRPTF to co-invest in private real assets transactions managed by the MSIM Solutions Team operating within a publicly traded global financial services and asset management firm with more than \$1.5 trillion of AUM.

“Morgan Stanley Investment Management is a tested and true firm that will take advantage of this co-investment opportunity,” said Treasurer Wooden.

Finally, the IAC received a presentation of the Domestic Equity Fund restructuring plan, the results of the small cap RFP, and plans for improving returns through active management in inefficient areas of the domestic equity market. Paul Osinloye, Principal Investment Officer for Public Equities, presented the finalists: Riverbridge Partners, LLC Lord Abbett & Co; Ariel Investments, LLC; Channing Capital Management, LLC; and Wellington Management Company. The DEF is focused on the U.S. domestic equity market that is benchmarked against the Russell 3000 Index, which encompasses the entire capitalization spectrum of the U.S. public market.

“Right now, the Domestic Equity Fund is mostly invested in large cap equities, which is a very efficient segment of the market. By putting active management in these less efficient areas of the domestic equity market, it gives us a greater potential rate of return relative to the market,” said Treasurer Wooden.

Treasurer Wooden will announce his investment decisions on these managers during the next regularly scheduled Investment Council Meeting.

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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](#)

About the Investment Advisory Council (IAC)

Treasurer Wooden is the principal fiduciary of the CRPTF and is an ex officio member of the State's independent IAC. The IAC is composed of five public members with investment experience that are appointed by the Governor and legislative leadership; three representatives of the teachers' unions; and two representatives of the state employees' unions. In addition, the Secretary of the Office of Policy and Management is an ex officio member. More information regarding the IAC and its responsibilities may be found [here](#).