



Erick Russell

CONNECTICUT STATE TREASURER

FOR IMMEDIATE RELEASE

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Contact: Cheryl Rice

cheryl.rice@ct.gov | (860) 993-4037

TREASURER ERICK RUSSELL ANNOUNCES STRONG YEAR-END INVESTMENT PERFORMANCE, \$200 MILLION IN NEW COMMITMENTS AT SEPTEMBER INVESTMENT ADVISORY COUNCIL MEETING

HARTFORD, Connecticut – On Wednesday, Connecticut State Treasurer Erick Russell announced that the state’s pension funds have outperformed investment benchmarks over the past fiscal year.

The update, given during the September meeting of the Investment Advisory Council (IAC), shows the Teachers' Retirement Fund ("TERF") and the State Employees' Retirement Fund ("SERF") generated net investment results of 8.35% and 9.02% respectively for Fiscal Year 2023. Across the full portfolio of Connecticut Retirement Plans and Trust Funds (CRPTF), the positive investment performance added an estimated \$1.1 billion in plan assets during Fiscal Year 2023.

“Reforms that have been put in place to strengthen our investment returns are starting to produce positive results,” said Treasurer Russell. “As long-term investors, single year returns are not how we measure success, but I’m confident that we will build on this work and continue towards our goal of being among the best performing public investors in the nation. Maximizing pension investments is important, not just for the retirement security of retired teachers, state and municipal workers, but for all state residents. Strong returns will free up resources for other budgetary priorities, including long-term investments in our communities, and complement the progress that’s been made to build reserves and stabilize state finances. I’m grateful to the IAC and the team in my office that have worked so hard to get to this position, and I look forward to continued success going forward.”

The investment performance comes after the Office of the Treasurer and IAC rewrote the Investment Policy Strategy in 2022 and made targeted changes to asset allocations and risk mitigation strategies. Legislation passed this past session will improve retention, recruitment and professional development opportunities within the agency, and expanded eligibility for members of the IAC.

"The volunteer members of the IAC are proud to serve and share responsibility for Connecticut's investment strategy and performance," said Ellen Shuman, Chair of the Investment Advisory Council. "Together, we have implemented several significant changes to rebalance assets, improve manager selection, mitigate risk, and position the CRPTF for sustained, long-term growth. While the results for FY23 are promising and evidence that we are heading in the right direction, our efforts are aimed at maximizing performance over multi-year intervals. It will be crucial to maintain our positive momentum and build on this encouraging progress."

For the longer-term period of 10-years, ending June 30, 2023, both the TERF and the SERF plans outperformed benchmarks, generating net investment results of 6.94% and 7.04%, respectively.

Also in Wednesday's meeting, Treasurer Russell announced two upcoming investment commitments totaling \$200 million, based on input he received at July's IAC meeting. Both investments are in the state's private credit portfolio: \$125 million to Bregal Sagemount Credit Opportunities Series 2023 and \$75 million to Bregal Sagemount Direct Lending Series 2023.

Potential investments in two categories were also reviewed at the meeting. Principal Investment Officer Denise Stake and Investment Officer Philip Conner presented Blue Owl Real Estate Fund VI, L.P., a Real Estate Fund opportunity. Principal Investment Officer Mark Evans and Investment Officer Carmen Melaragno presented Leeds Equity Partners VIII, LP, a Private Investment Fund opportunity.

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About the Office of the Treasurer

The Office of the Treasurer is charged with safeguarding Connecticut's financial resources through prudent cash management and debt management, with the State Treasurer serving as principal fiduciary for six state pension and nine state trust funds. Additionally, the Office enhances the state's fiscal stability through programs promoting financial literacy and college savings, and it leverages business partnerships to support the advancement of Connecticut's social and policy priorities, including combating gun violence and protecting our environment. The Office of the Treasurer is led by State Treasurer Erick Russell, the only Black elected state treasurer in the country. To learn more, visit portal.ct.gov/ott.