

**MINUTES OF THE INVESTMENT ADVISORY COUNCIL MEETING
WEDNESDAY, JULY 14, 2021**

MEETING NO. 494

Members present:

**10:30am departure

D. Ellen Shuman, Chair**
Treasurer Wooden, Secretary
Thomas Fiore, representing Secretary Melissa McCaw
Joshua Hall
Michael Knight

*9:06am arrival

Michael LeClair*
Steven Muench
William Murray

Members absent:

Patrick Sampson

Others present:

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

Guests:

LaRoy Brantley, Meketa Investment Group
Judy Chambers, Meketa Investment Group
Gary Hudepohl, Hudepohl Associates
Emily Kunkle, Meketa Investment Group
Peter Woolley, Meketa Investment Group
Public Line

With a quorum present, Chair D. Ellen Shuman called the Investment Advisory Council (“IAC”) meeting to order at 9:01 a.m.

Approval of Minutes of the June 9, 2021 IAC Meeting

Chair Shuman called for a motion to accept the minutes of the June 9, 2021 IAC Meeting. **William Murray moved to approve the minutes. The motion was seconded by Steven Muench. There was one abstention from Thomas Fiore. There being no further discussion, the Chair called for a vote and the motion passed unanimously.**

Comments by the Treasurer

Treasurer Wooden welcomed IAC members and began by providing a few updates. He stated that with respect to the State’s fiscal standing, Connecticut ended fiscal year 2021 with an estimated \$157.0 million surplus, as well as another historically high Budget Reserve Fund, commonly known as “The Rainy Day Fund,” which is projected to be nearly \$4.38 billion. He continued to say that this unprecedented amount exceeds the 15% volatility cap threshold by \$1.2 billion, which means that for the second year in a row and only the second time in Connecticut’s history, the excess will be transferred to either the State Employees’ Retirement Fund or the Teachers’ Retirement Fund later this year.

Next, Treasurer Wooden discussed that on July 1, CT Baby Bonds, a groundbreaking, anti-generational poverty, racial equity, and economic growth program that he proposed during this year’s legislative session, went into effect. So, as of the beginning of this month, children born into poverty whose births are covered by HUSKY, the State’s Medicaid program, are now eligible for CT’s Baby Bonds program.

Last, he announced his decision to commit \$125 million into the Basis Investment Group Real Estate Fund II, L.P, approximately \$178 million, equivalent to 150 million Euros, in the ICG

Europe Fund VIII and \$150 million in the Strategic Value Special Situations Fund V.

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

Steven Meier, Interim Chief Investment Officer (“CIO”), provided an update on the Connecticut Retirement Plans and Trust Fund’s performance and commented on the capital market environment and the economic outlook.

Vote to approve the Treasurer’s selection of a Chief Investment Officer

Chair Shuman called for a motion to approve the Treasurer’s selection of a Chief Investment Officer. **A motion was made by Mr. Murray, seconded by Mr. Fiore, to approve the Treasurer’s selection of a Chief Investment Officer.** There was one abstention by Mr. Muench. There being no further discussion, Chair Shuman called for a vote and the motion passed.

Presentation by and Consideration of Aldrich Capital Partners II

Mark Evans, Principal Investment Officer (“PIO”), provided opening remarks and introduced representatives of Aldrich Capital Partners II (“Aldrich”), a Real Assets Fund opportunity.

Aldrich, represented by Raz Zia, Managing Partner and Mirza Baig, Managing Partner, made a presentation to the IAC.

Roll Call of Reactions for Aldrich Capital Partners II.

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

Presentation by and Consideration of Centerbridge Real Estate Fund II

Raynald Leveque, Deputy Chief Investment Officer, and Olivia Wall, Investment Officer, provided opening remarks and introduced Centerbridge Real Estate Fund II (“Centerbridge”), a Real Assets Fund (“RAF”) opportunity.

Centerbridge, represented by William D. Rahm, Senior Managing Director and Jennifer L. Wilcox, Managing Director, made a presentation to the IAC.

Roll Call of Reactions for Centerbridge Real Estate Fund II.

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

Consideration of Leeds Equity Partners VII

Mark Evans, PIO, provided opening remarks and discussed an increase in commitment amount for consideration regarding Leeds Equity Partners VII (“Leeds”), a current PIF investment.

Roll Call of Reactions for Leeds Equity Partners VII.

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

Consideration of the Core Fixed Income Fund Investment Manager Search

Lyndsey Farris, PIO, reviewed the project plan and scope of services for the Core Fixed Income Fund investment manager search.

Report on the Connecticut Inclusive Investment Initiative

Raynald Leveque, Deputy Chief Investment Officer, provided a report on the Connecticut Inclusive Investment Initiative.

Other Business

Mr. Murray invited the council members to submit agenda items for the next meeting being held on August 11, 2021.

Comments by the Chair

There being no further business, Mr. Murray 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 1:05 p.m.**