



MEETING MATERIALS

IAC MEETING

SEPTEMBER 10, 2025



ERICK RUSSELL
TREASURER

State of Connecticut
Office of the Treasurer

M E M O R A N D U M

TO: Members of the Investment Advisory Council

FROM: Erick Russell, State Treasurer, and Council Secretary

DATE: September 4, 2025

SUBJECT: Investment Advisory Council Meeting – September 10, 2025

Enclosed is the agenda package for the Investment Advisory Council regular meeting on Wednesday, September 10, 2025, starting at 9:00 A.M. The meeting will be held in-person at 300 Capitol Avenue, Hartford, Connecticut, in Conference Room 1A.

The following subjects will be covered at the meeting:

- Item 1: Approval of the Minutes of July 9, 2025, IAC Council Meeting.**
- Item 2: Opening Comments by the Treasurer**
- Item 3: CRPTF Performance Presentation**
Ted Wright, Chief Investment Officer, Denise Stake, Deputy Chief Investment Officer, Mary Mustard, of Meketa, and Peter Wooley, of Meketa will provide a performance presentation.
- Item 4: Private Equity Strategic Review**
Mark Evans, Principal Investment Officer, will present the Private Equity Strategic Review.
- Item 5: Presentation and Consideration of Private Equity Fund Opportunity
Presentation and Consideration of Hg Mercury 5 A L.P., Hg Genesis 11 A L.P., and Hg CT1 Co-Investment L.P.**
Mark Evans, Principal Investment Officer, and Kan Zuo, Investment Officer, will present Hg Mercury 5 A L.P., Hg Genesis 11 A L.P., and Hg CT1 Co-Investment L.P., Private Equity Fund opportunity.

Item 6: Private Credit Strategic Review

Mark Evans, Principal Investment Officer, will present the Private Credit Strategic Review.

**Item 7: Presentation and Consideration of Private Credit Fund Opportunity
Presentation and Consideration of Sixth Street Specialty Lending Europe III (A), L.P.**

Mark Evans, Principal Investment Officer, and Kan Zuo, Investment Officer, will present Sixth Street Specialty Lending Europe III (A), L.P., a Private Credit Fund opportunity.

Item 8: Other Business - Pension Funds Management Hiring Plan

Ted Wright, Chief Investment Officer, and Denise Stake, Deputy Chief Investment Officer, will provide a Pension Fund Management Hiring Plan Update.

Item 9: Comments by the Chair

Item 10: Adjournment

We look forward to reviewing these agenda items with you at the September 10, 2025, meeting. Please confirm your attendance with Katherine Loomis (katherine.loomis@ct.gov) as soon as possible.

ER/kl

Enclosures

**DRAFT VERSION - MINUTES OF THE INVESTMENT ADVISORY COUNCIL
REGULAR MEETING
WEDNESDAY, JULY 9, 2025 – SUBJECT TO REVIEW AND APPROVAL OF THE
INVESTMENT ADVISORY COUNCIL AT THE NEXT MEETING, WHICH WILL BE
HELD ON SEPTEMBER 10, 2025**

MEETING NO. 542

Members present: Philip Zecher, Chair
Treasurer Russell, Secretary
Thomas Fiore, representing Secretary Jeffrey Beckham
Chris Murphy
William Murray
Mark Robbins

Members on the telephone line: Harry Arora
William Myers
D. Ellen Shuman

Members Absent: Jody Barr
Myra Drucker

Others present: Sarah Sanders, Deputy Treasurer
Ted Wright, Chief Investment Officer
Mark Evans, Principal Investment Officer
Denise Stake, Deputy Chief Investment Officer
Mark Evans, Principal Investment Officer
Nishant Upadhyay, Principal Investment Officer
Anastasia Rotheroe, Principal Investment Officer
Peter Gajowiak, Principal Investment Officer
Paul Coudert, Principal Investment Officer
Olivia Wall, Senior Investment Officer
Diego Mejia, Senior Investment Officer
Carmen Melaragno, Investment Officer
Kan Zuo, Investment Officer
Philip Conner, Investment Officer
Jorge Portugal, Investment Officer
Jessica Weaver, Deputy Director of Corporate Governance and Sustainable Investments
Ginny Kim, Deputy General Counsel
Karen Grenon, Principal Investment Counsel
Steffany Hamilton, Investment Counsel
Kimberly Mooers, Assistant Treasurer for Debt Management

INVESTMENT ADVISORY COUNCIL MEETING
WEDNESDAY, JULY 9, 2025

Others present: Katherine Loomis, Investment Associate-Legal
Yvonne Welsh, Executive Assistant
Christian Thorn, UBS Global Investments
Christopher Morgan, Franklin Templeton
Jeff Silverman, Franklin Templeton
Gordon Nicholson, Franklin Templeton
Deirdre Guice, T. Rowe Price
Ann Parker Weeden, Alliance Bernstein
Mary Mustard, Meketa
Erin McHugh, Intern at Office of the State Treasurer
Regina Miller, Intern at Office of the State Treasurer
Leo Fagan, Intern at Office of the State Treasurer
Nick D'Angelo, Intern at Office of the State Treasurer
Jane Wang, Intern at Office of the State Treasurer
Heather Stewart, Intern at Office of the State Treasurer
Kameron Collins, Intern at Office of the State Treasurer

Guests: Public Line

With a quorum present, Chair Philip Zecher called the Investment Advisory Council ("IAC") regular meeting to order at 9:02 a.m.

Approval of the Minutes of May 14, 2025, IAC Council Meeting

Chair Zecher called for a motion to accept the minutes of the May 14, 2025, IAC regular meeting.

Mr. Murray moved to approve the minutes. The motion was seconded by Mr. Fiore. There being no further discussion, the Chair called for a vote to accept the minutes of the meeting, and the motion passed.

Comments by the Treasurer

Treasurer Russell announced in the Private Credit Portfolio, the Treasurer's Office decided to commit up to \$175 million to Anchorage Credit Opportunities IX, L.P., and up to \$75 million to Anchorage Credit Opportunities IX Co-Investment, L.P. In the Private Real Estate portfolio, the Treasurer's office has decided to commit up to \$150 million to Sterling United Properties I CF,

**INVESTMENT ADVISORY COUNCIL MEETING
WEDNESDAY, JULY 9, 2025**

L.P., and up to \$200 million of the \$300 million recommendation for TA Realty Core Property Fund, L.P. Next, in the Private Investment Portfolio, the Treasurer's Office decided to commit up to \$175 million to Integrum Capital Partners II, LP. Lastly, Treasurer Russell provided a brief overview of the agenda.

Connecticut Retirement Plans and Trust Funds

2025 Investment Policy Statement Update Presentation

Ted Wright, Chief Investment Officer, Karen Grenon, Principal Investment Counsel, and Jessica Weaver, Deputy Director of Corporate Governance & Sustainable Investments, provided proposed revisions and updates to the Investment Policy Statement for the Connecticut Retirement Plans and Trust Funds.

Approval of the Connecticut Retirement Plans and Trust Funds

2025 Investment Policy Statement Update Presentation

Messrs. Harry Arora, Thomas Fiore, Chris Murphy, William Murray, William Myers, Mark Robbins, Ms. D. Ellen Shuman and Chair Zecher provided feedback on the proposed revisions and updates to the 2025 Investment Policy Statement. There being no further discussion, Chair Zecher called for a motion to approve the proposed revisions and updates to the 2025 Investment Policy Statement. A motion was made by Mr. Murphy and seconded by Ms. Shuman to approve the proposed revisions and updates to the 2025 Investment Policy Statement. The Chair called for a vote, and the motion passed unanimously.

Global Fixed Income Strategic Review

Nishant Upadhyay, Principal Investment Officer, provided a Global Fixed Income Strategic Review.

**INVESTMENT ADVISORY COUNCIL MEETING
WEDNESDAY, JULY 9, 2025**

Risk Mitigation Strategic Review

Nishant Upadhyay, Principal Investment Officer, provided a Risk Mitigation Strategic Review.

Presentation and Consideration of a Private Investment Fund Opportunity

Presentation and Consideration of Reverence Capital Partners PE Opportunities IV (Fund VIII), L.P.

Mark Evans, Principal Investment Officer, and Kan Zuo, Investment Officer, provided opening remarks and presented Reverence Capital Partners PE Opportunities IV (Fund VIII), L.P., a Private Investment Fund opportunity.

Roll Call of Reactions for a Private Investment Opportunity

Council members provided feedback on the investment opportunity. There being no further discussion, Chair Zecher called for a motion to waive the 45-day comment period. A motion was made by Mr. Fiore, and seconded by Mr. Murray, to waive the 45-day comment period for Reverence Capital Partners PE Opportunities IV (Fund VIII), L.P. The Chair called for a vote, and the motion passed unanimously.

Presentation and Consideration of Verdane Freya XII AB

Mark Evans, Principal Investment Officer, and Carmen Melaragno, Investment Officer, provided opening remarks and presented Verdane Freya XII AB, a Private Investment Fund opportunity.

Roll Call of Reactions for a Private Investment Opportunity

Council members provided feedback on the investment opportunity. There being no further discussion, Chair Zecher called for a motion to waive the 45-day comment period. A motion was made by Mr. Murphy, and seconded by Ms. Shuman, to waive the 45-day comment period for Verdane Freya XII AB. The Chair called for a vote, and the motion passed unanimously.

**INVESTMENT ADVISORY COUNCIL MEETING
WEDNESDAY, JULY 9, 2025**

Presentation and Consideration of Private Credit Fund Opportunity

Presentation and Consideration of Crescent CRPTF Private Credit, L.P.

Mark Evans, Principal Investment Officer, and Kan Zuo, Investment Officer, provided opening remarks and presented Crescent CRPTF Private Credit, L.P., Private Credit Fund opportunity.

Roll Call of Reactions for the Private Credit Fund Opportunity

Council members provided feedback on the investment opportunity. There being no further discussion, Chair Zecher called for a motion to waive the 45-day comment period. A motion was made by Mr. Murray, and seconded by Mr. Meyers, to waive the 45-day comment period for Crescent CRPTF Private Credit, L.P. The Chair called for a vote, and the motion passed unanimously.

Presentation and Consideration of Infrastructure Opportunities

Presentation and Consideration of HarbourVest Infrastructure Income Partnership, L.P.

Denise Stake, Deputy Chief Investment Officer, and Olivia Wall, Senior Investment Officer, provided opening remarks and presented HarbourVest Infrastructure Income Partnership, L.P., an Infrastructure opportunity.

Roll Call of Reactions for the Infrastructure Opportunity

Council members provided feedback on the investment opportunity. There being no further discussion, Chair Zecher called for a motion to waive the 45-day comment period. A motion was made by Mr. Murray, and seconded by Mr. Myers, to waive the 45-day comment period for HarbourVest Infrastructure Income Partnership, L.P. The Chair called for a vote, and the motion passed unanimously.

**INVESTMENT ADVISORY COUNCIL MEETING
WEDNESDAY, JULY 9, 2025**

Presentation and Consideration of Palistar Digital Infrastructure Fund III, L.P.

Denise Stake, Deputy Chief Investment Officer, and Olivia Wall, Senior Investment Officer, provided opening remarks and presented Palistar Digital Infrastructure Fund III, L.P., an Infrastructure opportunity.

Roll Call of Reactions for the Infrastructure Opportunity

Council members provided feedback on the investment opportunity. There being no further discussion, Chair Zecher called for a motion to waive the 45-day comment period. A motion was made by Mr. Murray, and seconded by Mr. Fiore, to waive the 45-day comment period for Palistar Digital Infrastructure Fund III, L.P. The Chair called for a vote, and the motion passed unanimously.

Other Business

Personnel Matters

Chair Zecher then asked for a motion to move into Executive Session to discuss Personnel Matters relating to the Treasurer's recommended candidate for the Principal Investment Officer, Real Assets position. A motion was made by Mr. Fiore and seconded by Mr. Murphy. There being no further discussion, the Chair Zecher called for a vote to accept the motion, and the motion passed unanimously. Chair Zecher invited Sarah Sanders, Deputy Treasurer, Ted Wright, Chief Investment Officer, Denise Stake, Deputy Chief Investment Officer, and Ginny Kim, Deputy General Counsel to attend the Executive Session. Chair Zecher reconvened the regular session at 11:34 a.m. Chair Zecher noted that no substantive votes or actions were taken during the Executive Session.

**INVESTMENT ADVISORY COUNCIL MEETING
WEDNESDAY, JULY 9, 2025**

Other Business

A motion was made to approve the appointment of the Treasurer's recommended candidate to the Principal Investment Officer, Real Assets, position, with terms and start date to be finalized by the Treasurer. A motion was made by Mr. Fiore and seconded by Mr. Arora. There being no further discussion, the Chair Zecher called for a vote to accept the motion, and the motion passed unanimously.

Comments by the Chair

Chair Zecher recognized the hard work being performed by the Office of the State Treasurer and the Pension Funds Management staff regarding the Investment Advisory Council Meetings. Chair Zecher stated that there will be changes to the Investment Advisory Council meeting material, with information provided in a summary format going forward.

Meeting Adjourned

There being no further business, Chair Zecher called for a motion to adjourn the meeting. Mr. Fiore moved to adjourn the meeting, and the motion was seconded by Mr. Murphy. There being no discussion, the motion passed, and the meeting was adjourned at 11:37 a.m.

Pension Fund Performance Analysis

Fiscal Year 2025



Office of the Treasurer
Pension Funds Management



Connecticut Retirement Plans & Trusts

Total Performance
Fiscal Year 2025:

10.1%

Assets added
Fiscal Year 2025:

\$5.9 Billion

AUM as of
June 30, 2025:

\$62.7 Billion

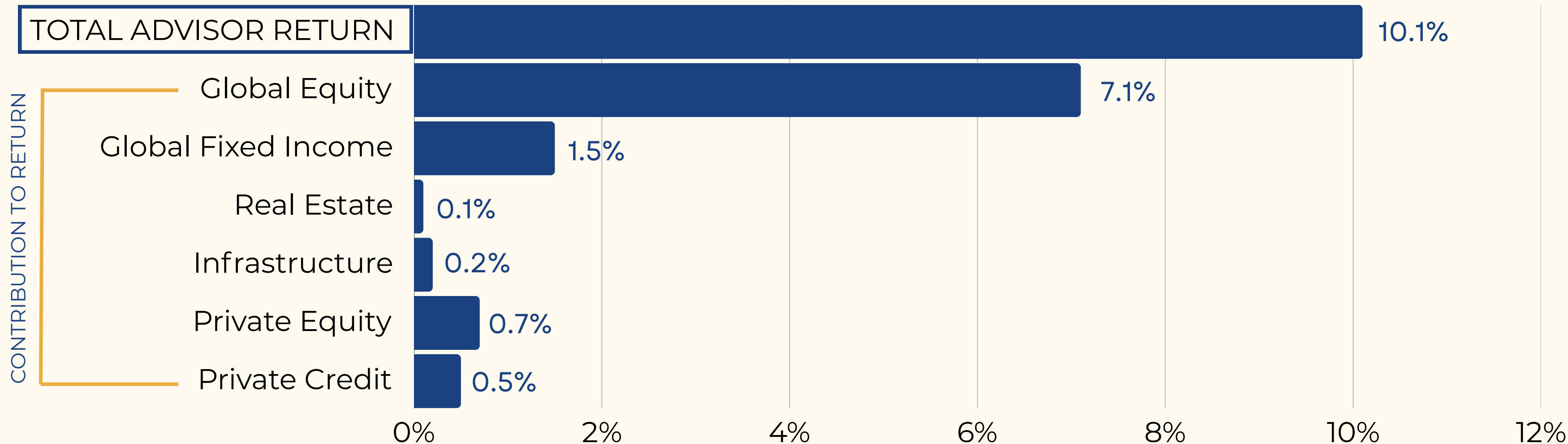
The Connecticut Retirement Plans and Trust Funds

As of June 30, 2025

	Net Position Value (\$ Billions)
Teachers' Retirement Fund	\$28.6
State Employees' Retirement Fund	25.8
Municipal Employees' Retirement Fund	3.8
OPEB Fund	3.4
Other Plans and Trusts	<u>1.1</u>
Total CRPTF	<u>\$62.7</u>

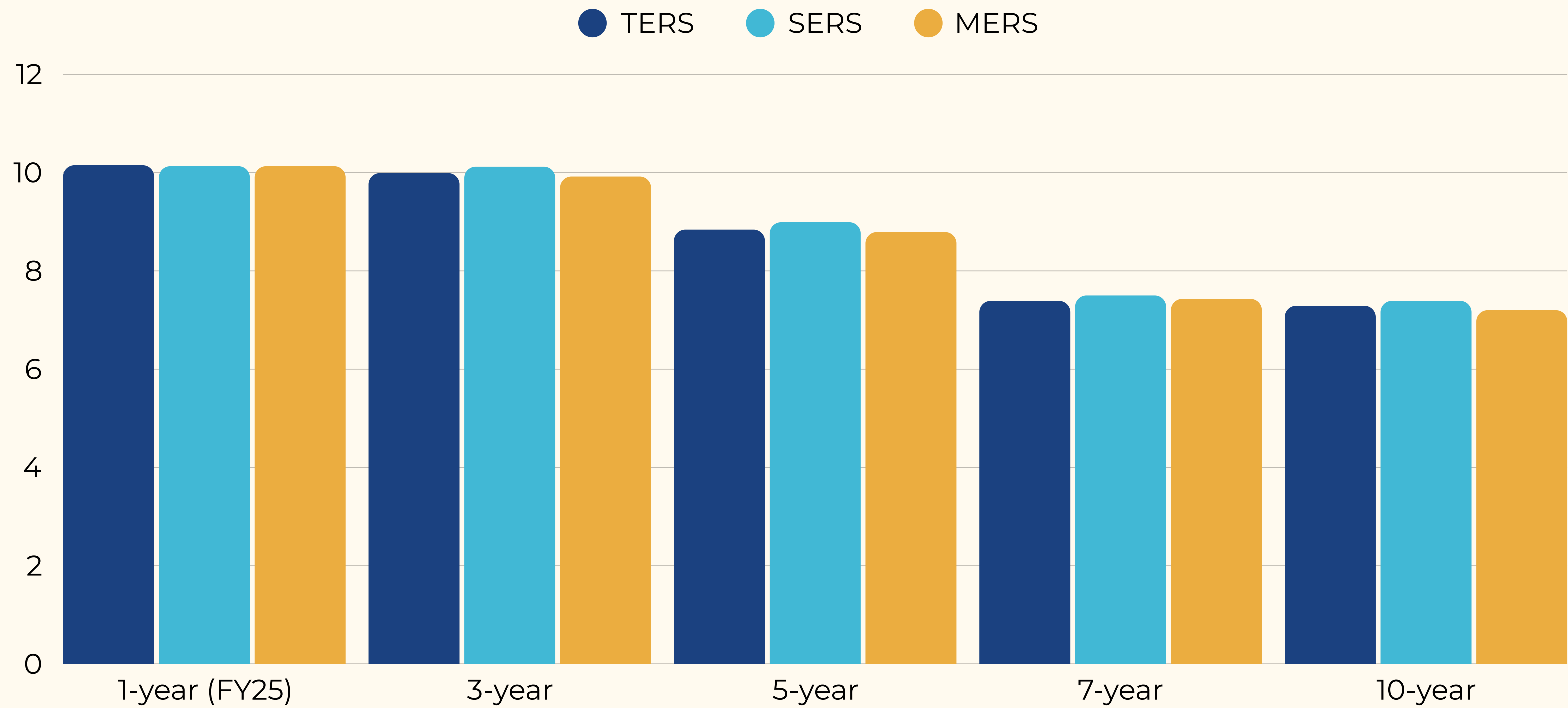
The Total Plan outperformed the actuarial target by 3.2%

Positive contributions across the board from all asset classes



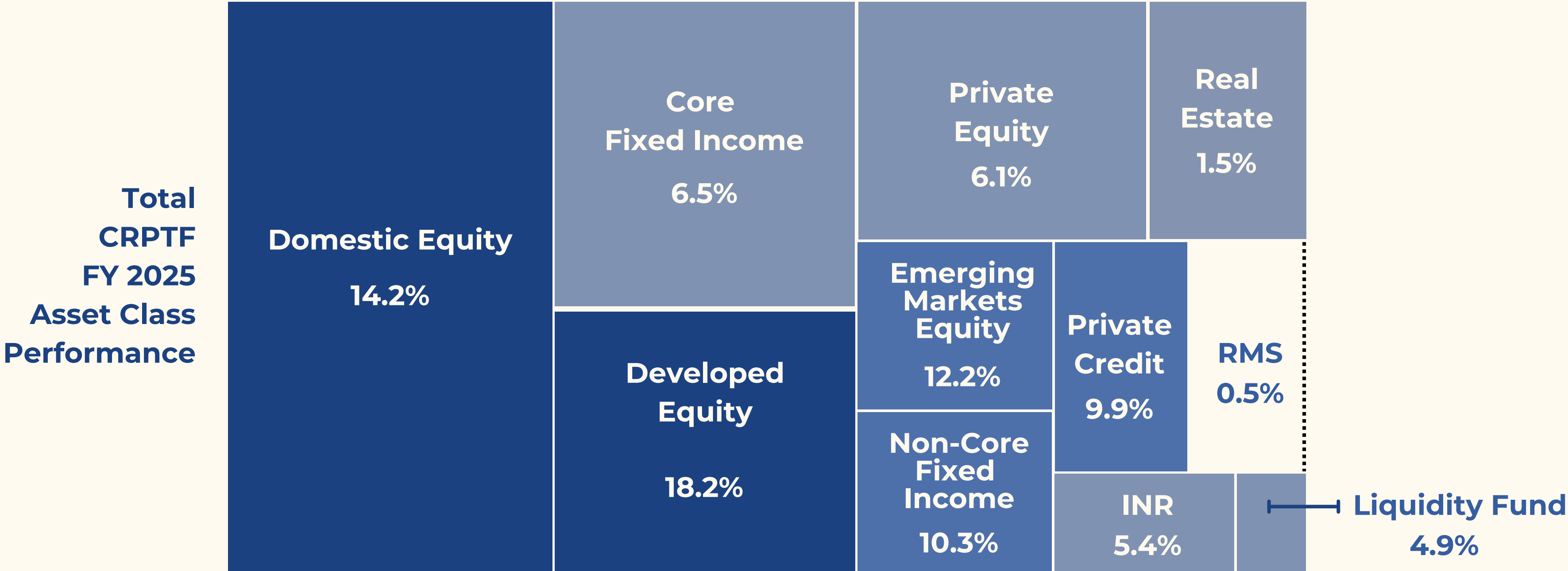
Returns for Three Largest Pension Funds

Current: As of June 30, 2025



Asset Allocation was strong

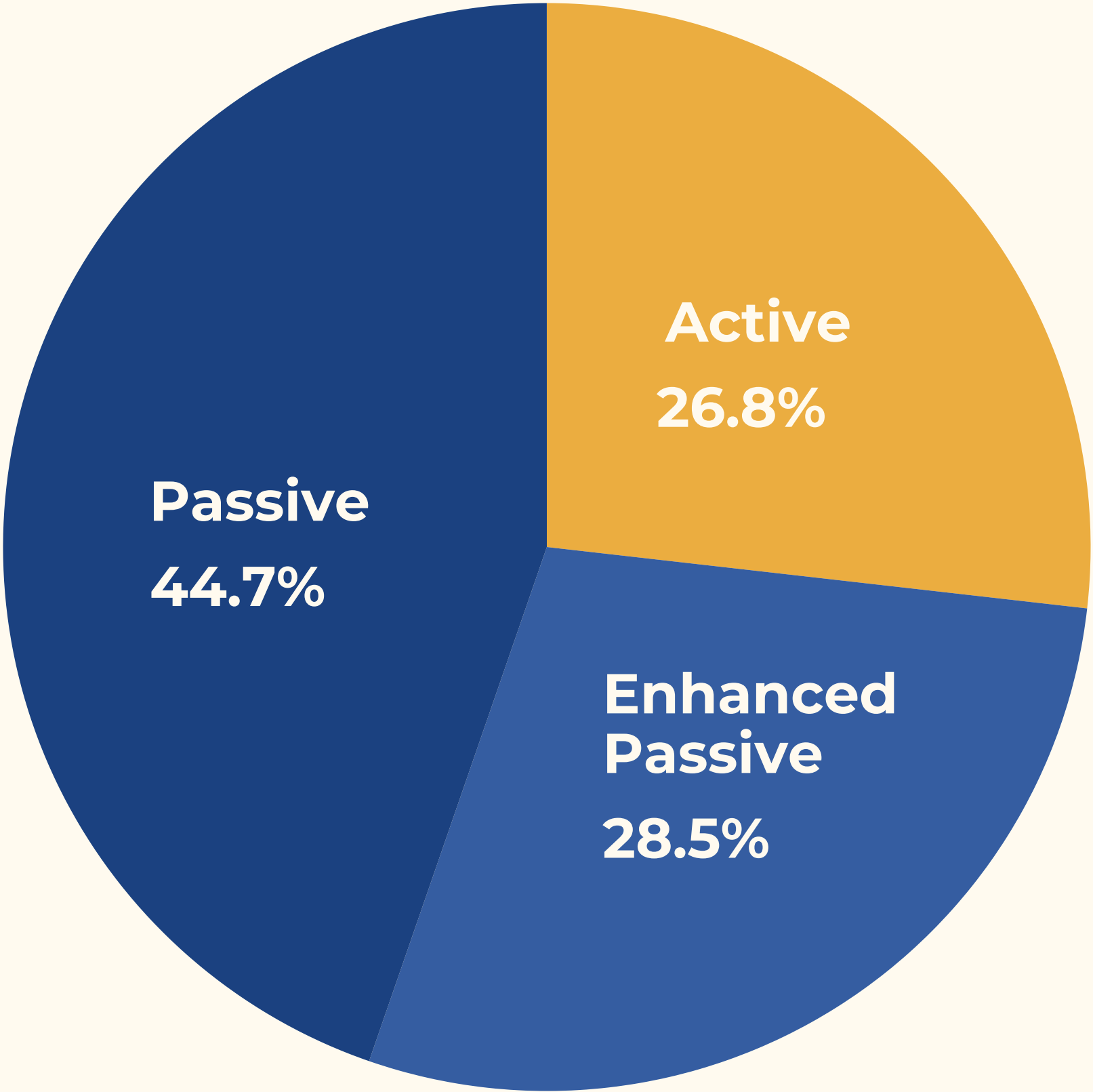
Plan was overweight the best performing asset classes - As of June 30, 2025



Global Equity Composite is largely in low fee products

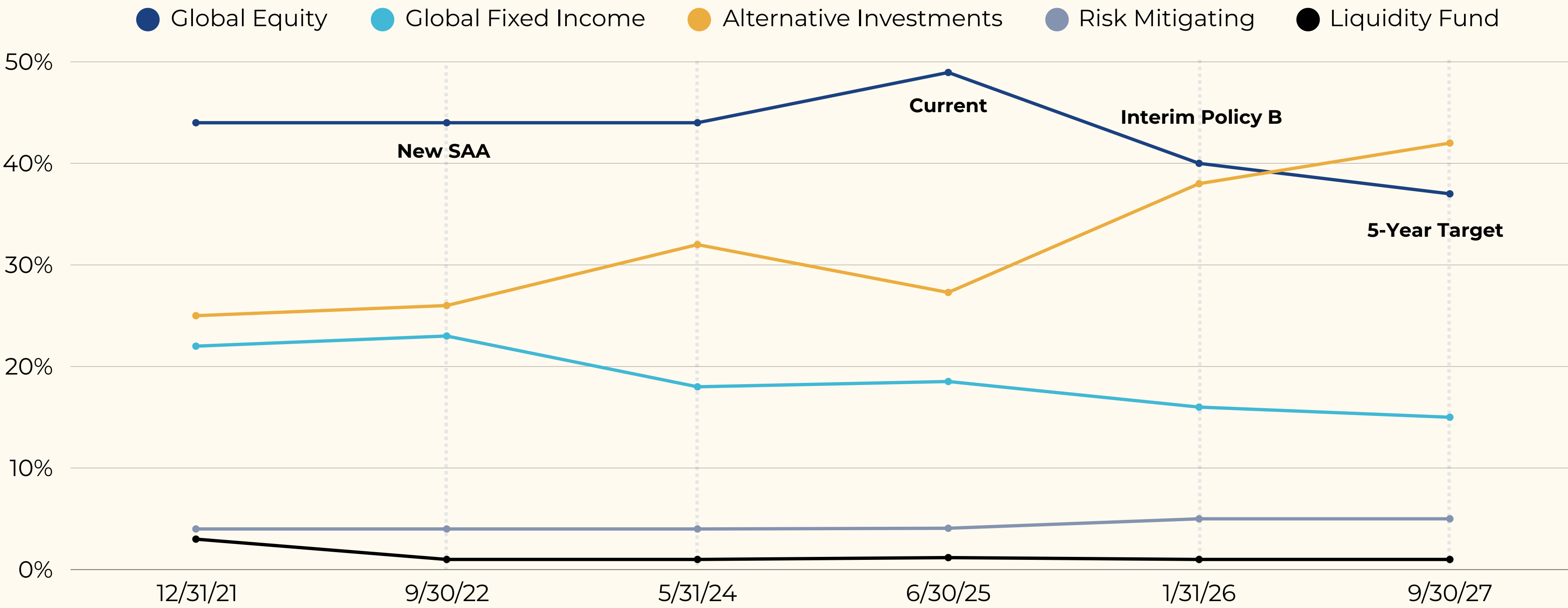
As of June 30, 2025

% of Global
Equity AUM



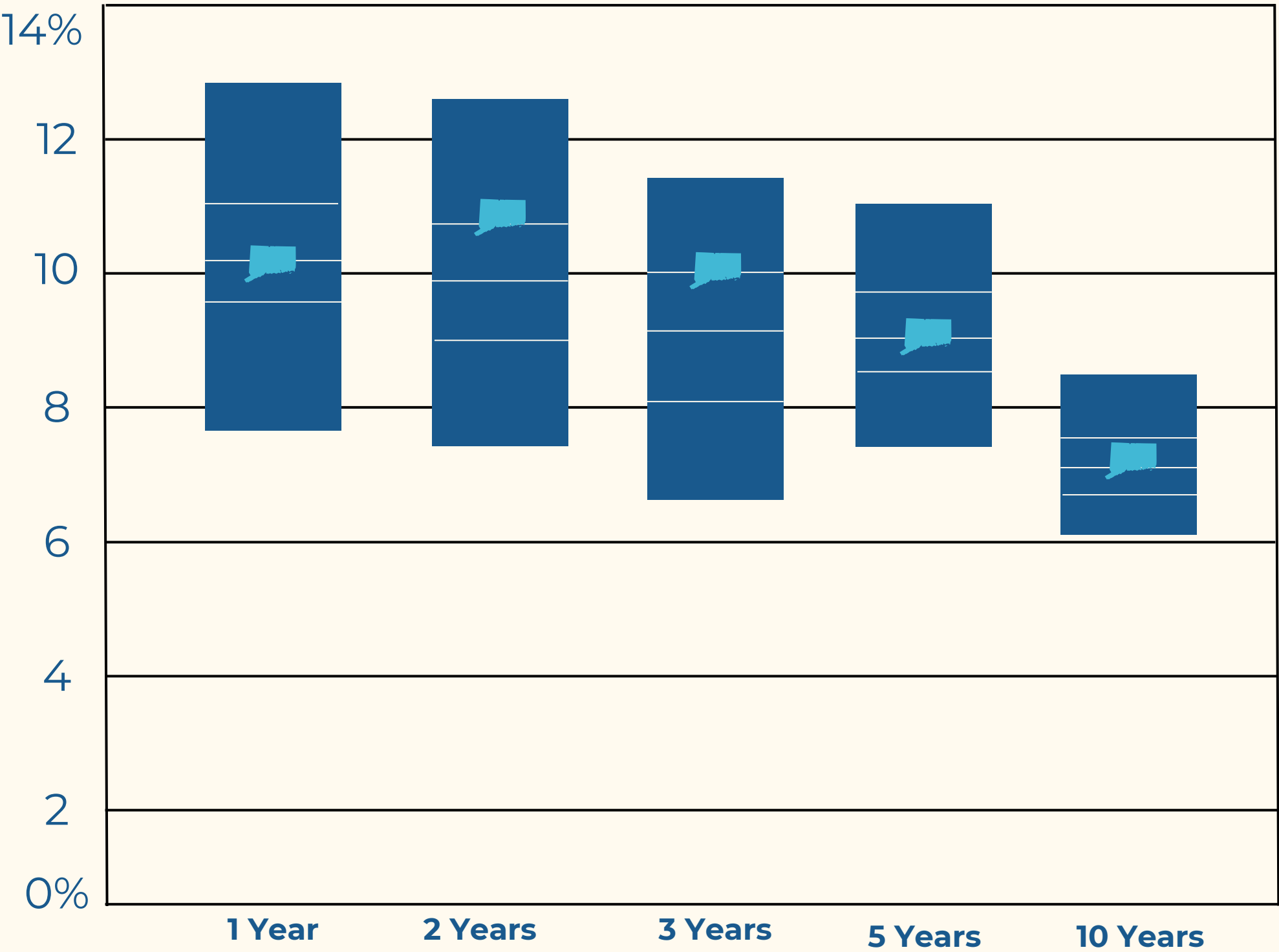
Asset Allocation Glide Path

Current: As of June 30, 2025



InvMetrics Peer Comparison

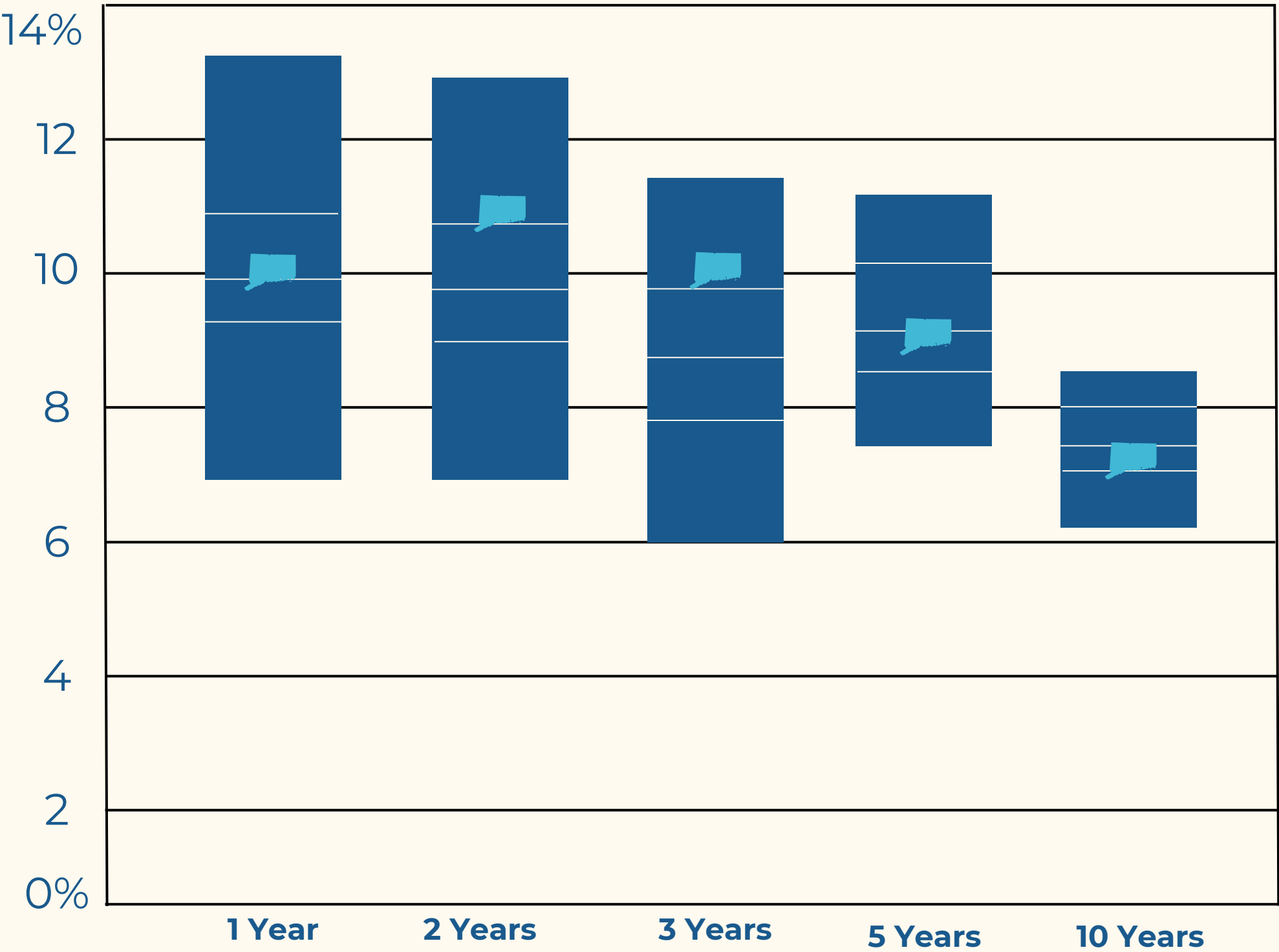
Public pension funds \$1 billion and over (Net Returns) - As of June 30, 2025



	1 Year	2 Years	3 Years	5 Years	10 Years
CRPTF	10.1	10.8	10.0	8.9	7.3
Percentile Ranking	55	23	25	51	45
Population	110	108	106	101	96
5th Percentile	12.7	12.5	11.4	11.0	8.3
25th	11.1	10.7	10.0	9.6	7.6
50th	10.3	9.8	9.2	8.9	7.2
75th	9.5	9.1	8.1	8.4	6.7
95th	7.7	7.4	6.6	7.7	6.1

InvMetrics Peer Comparison

Public pension funds \$10 billion and over (Net Returns) - As of June 30, 2025



	1 Year	2 Years	3 Years	5 Years	10 Years
CRPTF	10.1	10.8	10.0	8.9	7.3
Percentile Ranking	44	19	16	65	63
Population	31	30	30	27	25
5th Percentile	13.3	12.9	11.5	11.3	8.5
25th	10.8	10.6	9.7	10.2	8.0
50th	9.9	9.7	8.7	9.2	7.5
75th	9.3	9.0	7.8	8.6	7.0
95th	7.0	7.0	6.0	7.5	6.3



State of Connecticut Retirement Plans and Trust Funds

September 10, 2025

Fiscal Year Review

Executive Summary

- As part of ongoing monitoring, Meketa was asked to review the fiscal year and evaluate short- and long-term performance versus various benchmarks.
- To do this, we compare the CRPTF's performance to the Policy Benchmark as well as public market proxies (60/40 and 70/30 blended benchmarks).
- For the long-term, the results showed:
 - Outperformance versus the policy level benchmarks and a 60/40 public market proxy because of active management and the exposure to private market asset classes.
- The table on the following page summarizes performance.

Executive Summary: Performance Comparison

	1-Year (%)	10-Year (%)
CRPTF	10.1	7.3
Policy Benchmark	10.0	7.3
60% MSCI ACWI IMI/40% BB Agg	12.0	6.7
70% MSCI ACWI IMI/30% BB Agg	13.0	7.5

Background

- The CRPTF's fiscal year ended June 30. It is the IAC's goal to do a deep dive into performance twice a year, following the end of the calendar and fiscal year.
- The following presentation reviews:
 - A high-level review of activity completed during the fiscal year,
 - The current asset allocation exposures versus the policy and capital market expectations,
 - Absolute and relative performance versus a number of benchmarks and peers for the fiscal year and longer-term periods,
 - Next steps.
- Returns throughout this document are annualized.

Fiscal Year Activity

- During the fiscal year, the CRPTF continued to make progress towards the long-term asset allocation policy adopted in September 2022.
 - The most significant changes in targets were increases to private market asset classes, which requires a disciplined and consistent deployment of capital.
- To achieve this, the CRPTF made 32 private market commitments, representing an aggregate of about \$7.3B in commitments. The breakout by asset class is as follows:
 - Private equity: 13 new vehicles, 3 upsize commitments to existing vehicles, \$3.5B commitments
 - Private debt: 3 new vehicles, 2 upsize commitments to existing vehicles, \$1.8B commitments
 - Real estate: 6 vehicles, \$1.1B commitments
 - Infrastructure and natural resources: 3 new vehicles, 2 upsize commitments to existing vehicles, \$850M commitments
- During the year, the IAC reviewed each asset class and received updates on the current exposure, performance, and expectations for each part of the portfolio.
- Within public equity, the roster was streamlined to reduce the number of managers and lower fees. This also better aligned the portfolios with the policy level benchmarks.

Asset Allocation Policy: Current vs. Targets

	CRPTF 6/30/25 (%)	Long-Term Policy (%)
Global Equity	48.9	37
Global Fixed Income	18.5	15
Private Equity	11.7	15
Private Credit	5.8	10
Real Estate	6.2	10
Infrastructure & Nat. Resources	3.5	7
RMS/AR	4.1	5
Liquidity Fund	1.2	1
Expected Return (20 year)	8.7	8.9
Standard Deviation	13.4	13.3

- Using the 2025 Capital Market Expectations, we saw a slight increase (+20 bps) in the expected return of the CRPTF as compared to prior years given a series of variations in the long-run market outlook for asset classes, but namely higher anticipated interest rates over the long-run.
- The 20-year expected return of the current allocation is 8.7%, which is slightly below the expected return of the policy as of fiscal year end.

CRPTF Asset Class Periodic Table of Returns¹

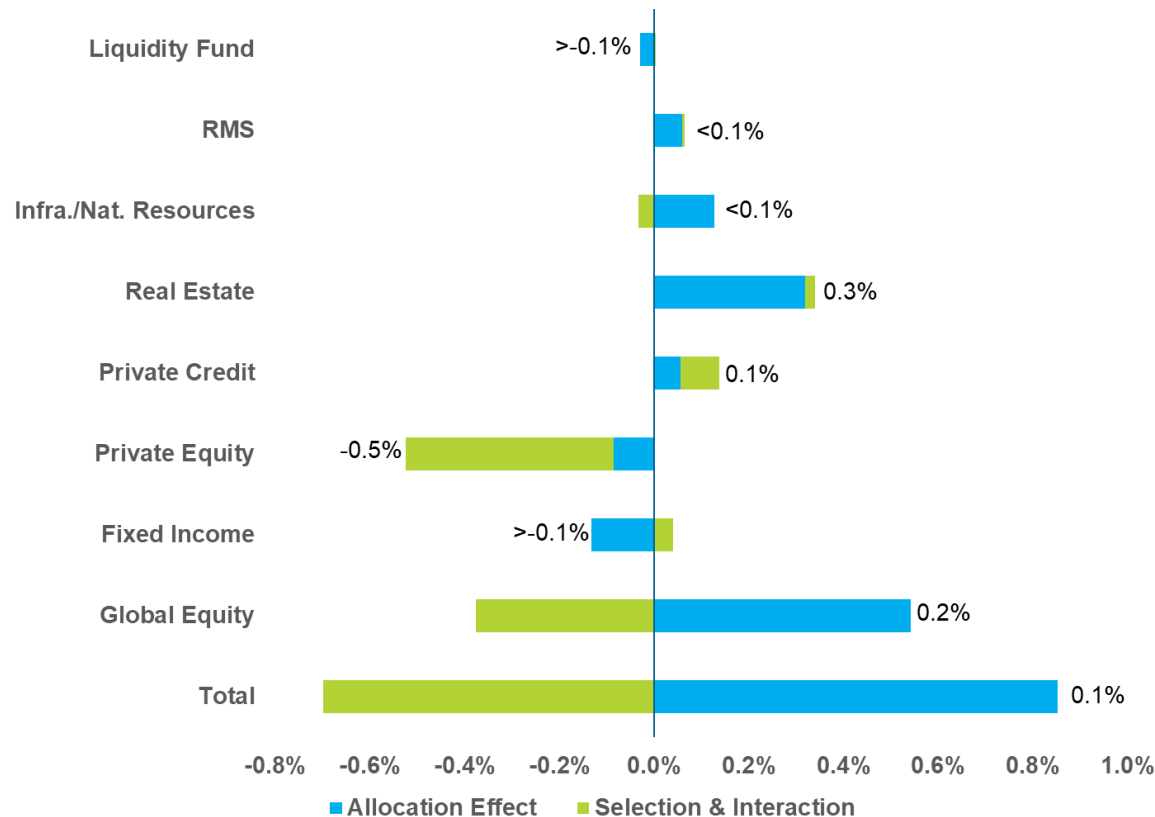
1-Year	3-Year	5-Year	10-Year
Intl Dev Equity 18.2	US Equity 19.3	US Equity 16.0	Private Equity 13.3
US Equity 14.2	Intl Dev Equity 17.0	Private Equity 15.7	US Equity 13.0
EM Equity 12.2	EM Equity 11.1	Intl Dev Equity 12.1	Intl Dev Equity 7.7
Non-Core FI 10.3	Non-Core FI 10.0	Private Credit 10.6	EM Equity 6.3
Private Credit 9.9	Private Credit 8.1	EM Equity 8.3	Real Estate 5.6
Core FI 6.5	Infra & Nat. Resources 6.9	Non-Core FI 6.7	Non-Core FI 5.3
Private Equity 6.1	Private Equity 3.8	Infra & Nat. Resources 6.2	Core FI 1.8
Infra & Nat. Resources 5.4	Core FI 3.2	Real Estate 3.9	AR/RMS 1.4
Real Estate 1.5	AR/RMS -0.2	AR/RMS 1.4	
AR/RMS 0.5	Real Estate -2.1	Core FI -0.3	

¹ Annualized returns as of June 30, 2025.

Asset Class Performance Comments

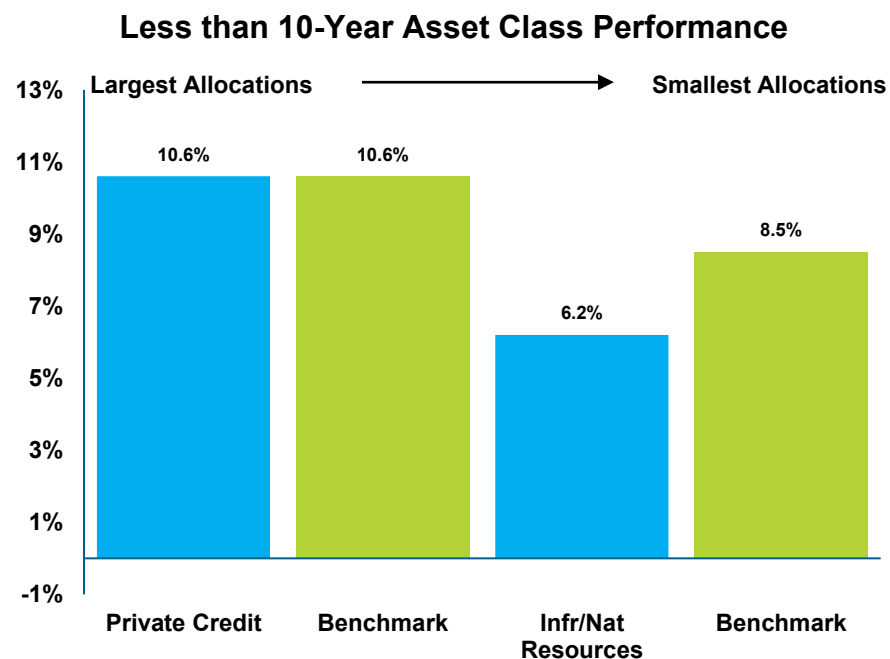
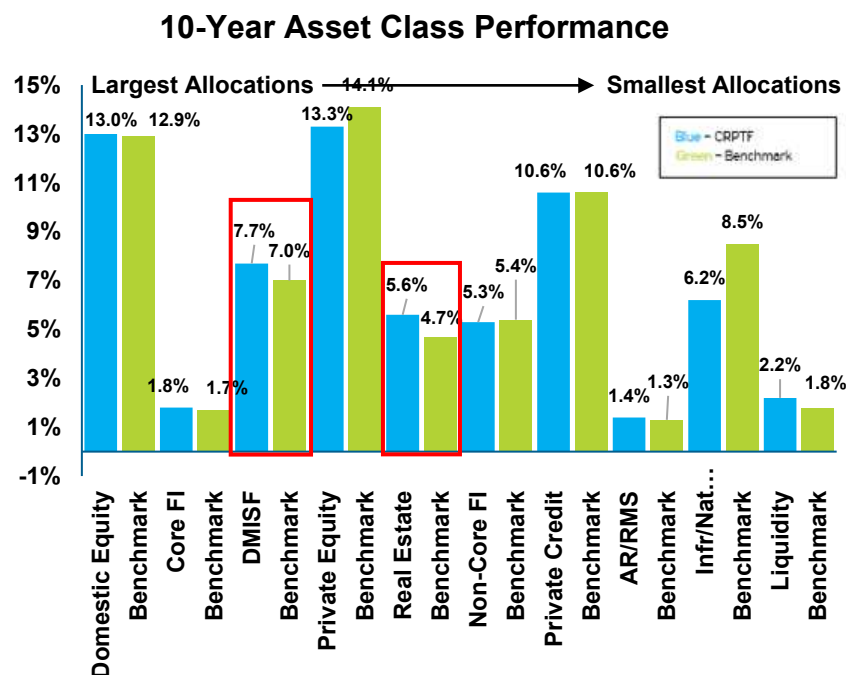
- **Global Equity:** US equity has been the strongest public market asset class over most trailing periods with the exception of the 1-year trailing period during which international equities performed best. International equities, both developed and emerging, have lagged the US over most trailing periods.
- **Private Equity** has been the best performing asset class over the long-run but has lagged public equity in recent years.
- **Real Estate** after a very strong fiscal year 2022, real estate has struggled adjusting to the higher interest rate environment which has dragged down trailing period returns.
- **Global Fixed Income:** Fixed income has been a weaker performing asset class over longer-run time periods, impacted by historically low interest rates coupled with rate rises in 2022. Non-Core fixed income performance improved over the 1- and 3-year trailing periods due to the rise in rates. Similarly, core fixed income had notably stronger performance over the trailing 1-year period. Non-Core fixed income has outperformed higher quality core fixed income over all periods.
- **Infrastructure & Natural Resources**, while a smaller allocation, has benefited from its inflation protection.
- **Private Credit**, while a newer asset class, has been one of the strongest performers since its inclusion.
- **AR/RMS** has generated modest returns over time. This asset class was restructured in 2023 from a diversified fund of funds program to a direct, defensive hedge fund allocation.

1-Year Attribution



- For fiscal year, the CRPTF was up 10.1% vs. 10.0% for the Policy Benchmark.
- Positive performance was driven by an overweight to public equity and underweight to real estate. This was partially offset by underperformance within private equity (recall the asset class has a public equity benchmark).

10-Year Asset Class Performance vs. Respective Benchmarks



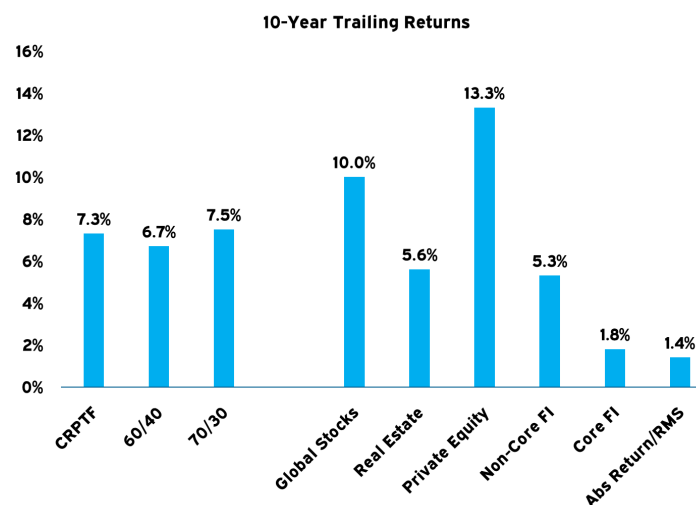
→ Based on the comparison of the total Plan level benchmarks, relative performance has been helped by active management/manager selection and asset allocation. The above table shows each asset class vs. its respective benchmark for the 10-year period.¹

- Developed market equity and real estate exhibited the strongest performance relative to their respective benchmarks.

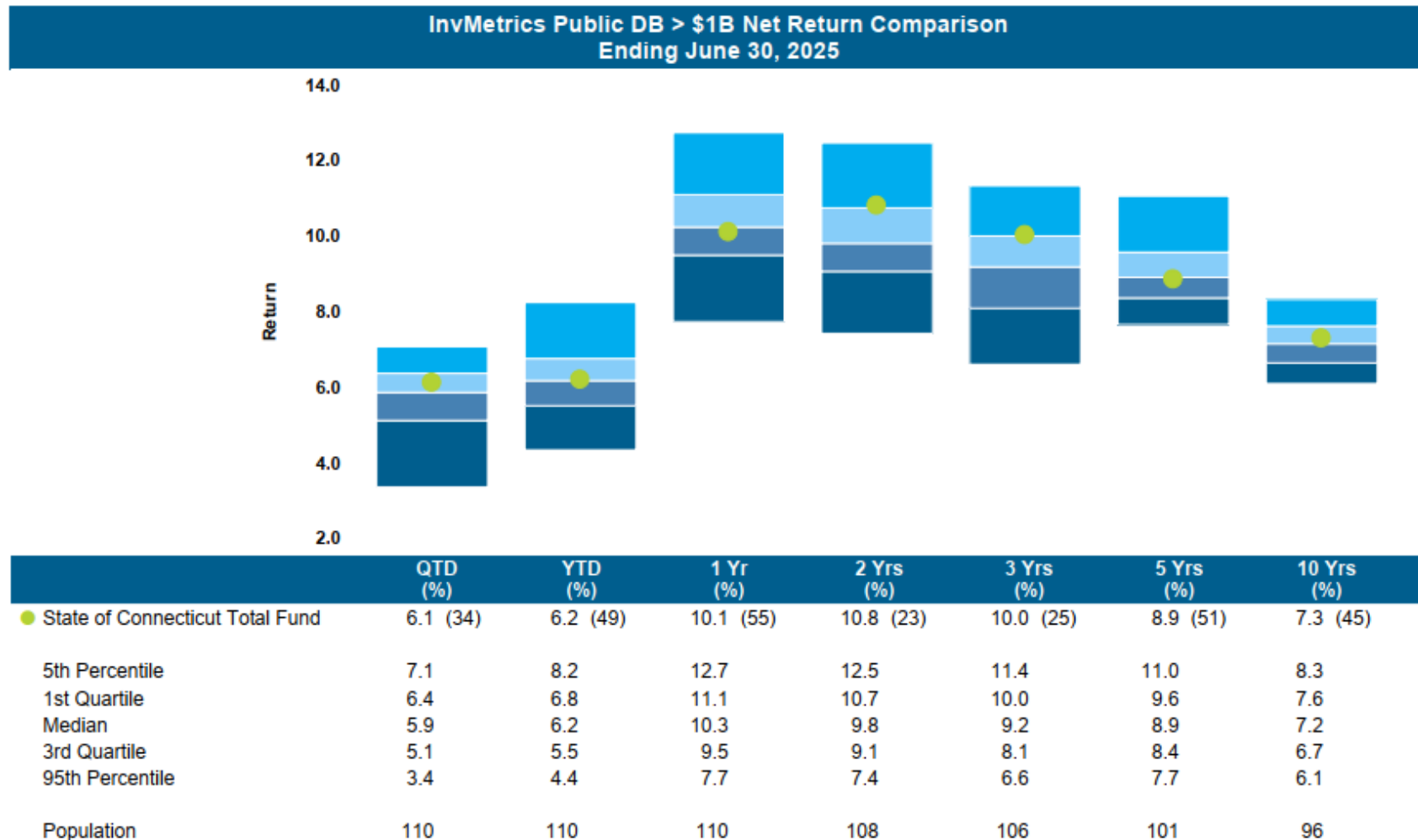
¹ As of 10 years ago, private credit and infrastructure/natural resources aggregates did not exist. Showing performance for the trailing 5-year period for these asset classes.

10-Year Performance Comparison vs. Public Market Proxy

- Another way to think about relative performance is versus a broad public market proxy. This can be useful depending on the question asked.
 - For example, was investing in private market assets worth it?
- The CRPTF outperformed a 60/40 portfolio consisting of global stocks and investment grade bonds (7.3% vs. 6.7%) over the trailing 10-year period. However, it underperformed a 70/30 portfolio (7.3% vs. 7.5%).
 - As compared to the 60/40 portfolio, diversification helped relative performance.
 - Private equity and other private market assets outperformed the MSCI ACWI IMI and non-core fixed income outperformed core fixed income.
 - Relative to the 70/30 portfolio, having less exposure to risk assets, and in particular public equity, detracted.



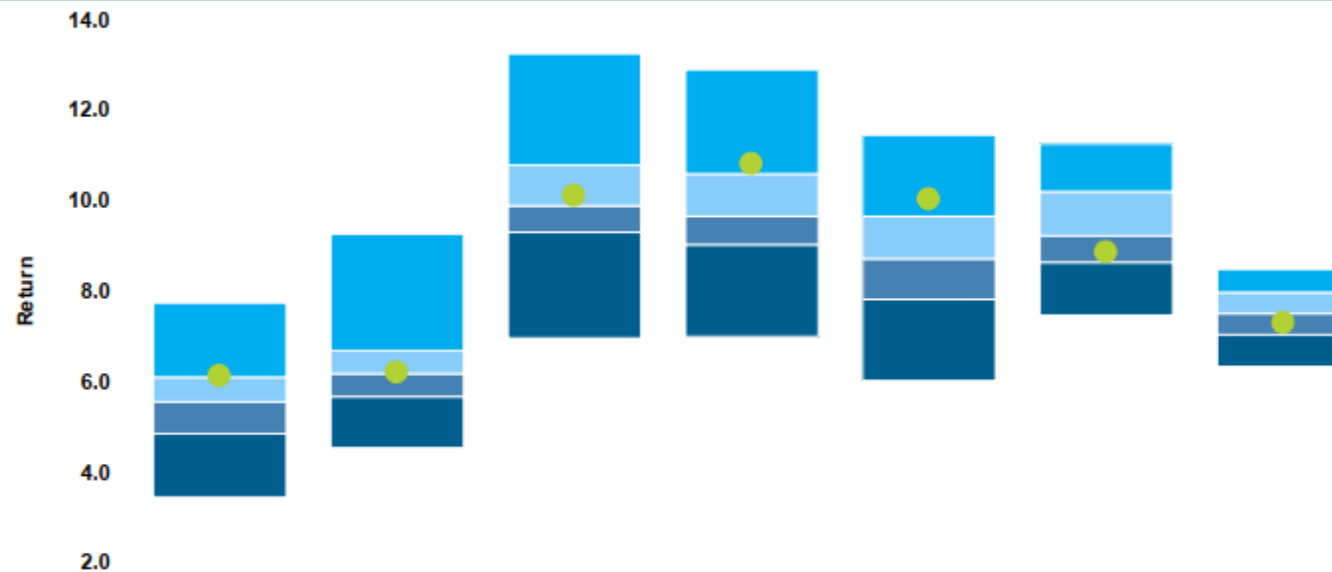
Peer Comparisons IM >\$1B public pension, net



Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Peer Comparison IM >\$10B public pension, net

InvMetrics Public DB > \$10B net of fees Return Comparison Ending June 30, 2025



	QTD (%)	YTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
● State of Connecticut Total Fund	6.1 (20)	6.2 (46)	10.1 (44)	10.8 (19)	10.0 (16)	8.9 (65)	7.3 (63)
5th Percentile	7.7	9.3	13.3	12.9	11.5	11.3	8.5
1st Quartile	6.1	6.7	10.8	10.6	9.7	10.2	8.0
Median	5.6	6.2	9.9	9.7	8.7	9.2	7.5
3rd Quartile	4.9	5.7	9.3	9.0	7.8	8.6	7.0
95th Percentile	3.5	4.5	7.0	7.0	6.0	7.5	6.3
Population	31	31	31	30	30	27	25

Parenttheses contain percentile rankings.
Calculation based on monthly periodicity.

Investment Manager Fee Savings

- Another important initiative with the Investment Staff has been negotiating more competitive fees with the asset managers.
- Over the last couple of years, the aggregate global equity fee declined from 35 bps to 30 bps.
 - This represents ~\$16M in savings, per year, based on the June 30th global equity portfolio market value.
 - Relative to the All Global Equity peer group, the fund is in the 15th percentile.
- The aggregate fixed income fee declined from 17 bps to 15 bps.
 - This represents ~\$1.3M in savings, per year, based on the June 30th fixed income portfolio market value.
 - Relative to the All Global Fixed Income peer group, the fund is in the 13th percentile.
- Within private markets, the Investment Staff has achieved fee savings through increasing co-investments and consolidating exposure with fewer, high conviction general partners.

Next Steps

- The CRPTF had a successful fiscal year, both on absolute and relative terms.
- Focusing on fiscal year 2025, PFM and the consultants are focused on continuing to execute on the new asset allocation.
 - The most significant piece being continuing to commit to private market managers to build up these exposures to reach the target allocations within the next few years.
- In fiscal year 2026, we anticipate completing an asset allocation review and reviewing the policy level benchmarks.
- We will explore the ability of moving the asset allocation policies of the smaller Trust funds to be in line with that of the Retirement Plans.

THIS REPORT (THE “REPORT”) HAS BEEN PREPARED FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE “RECIPIENT”).

SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT, AND IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. THE INFORMATION CONTAINED HEREIN, INCLUDING ANY OPINIONS OR RECOMMENDATIONS, REPRESENTS OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND IS SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK, AND THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.

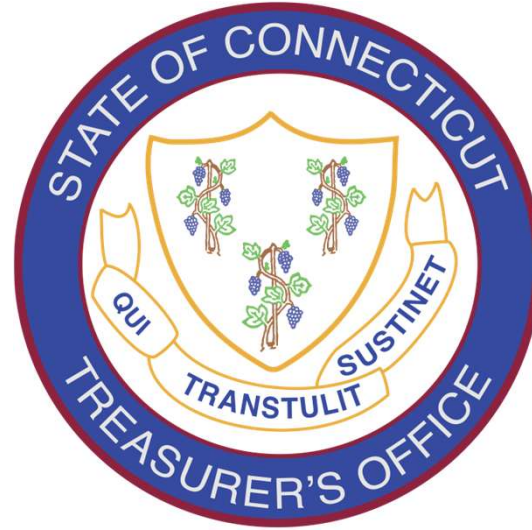
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Connecticut Retirement Plans and Trust Funds



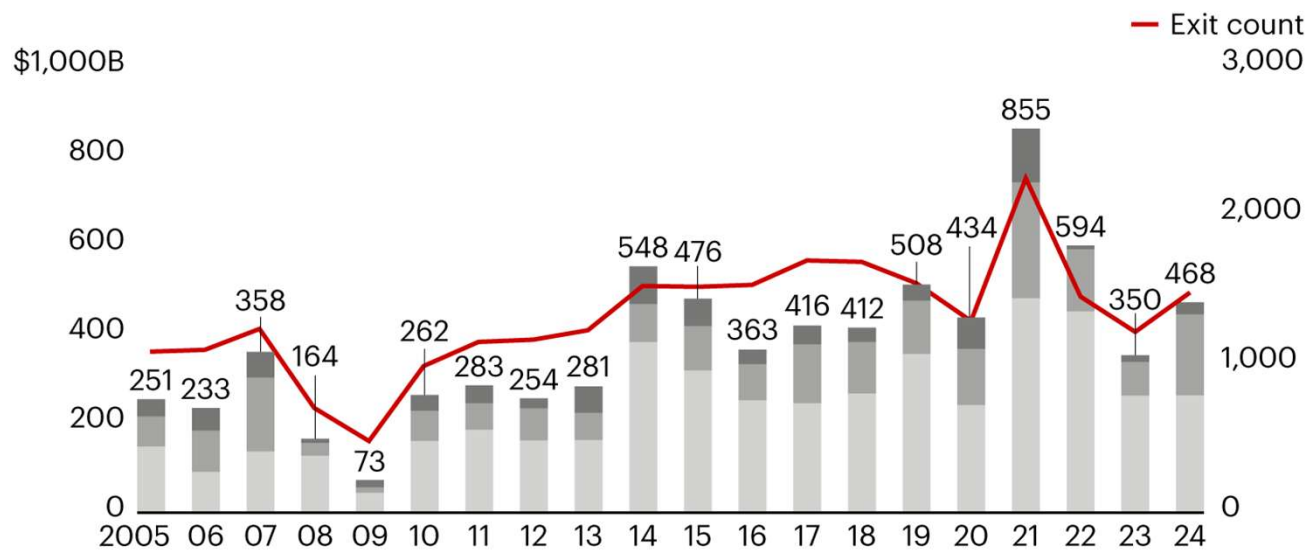
**Private Equity Strategic Review
Private Equity Fund ("PEF")
September 10, 2025**



Current Private Equity Market Environment

Exit value increased but long hold periods persist.

Global buyout-backed exit value, by channel



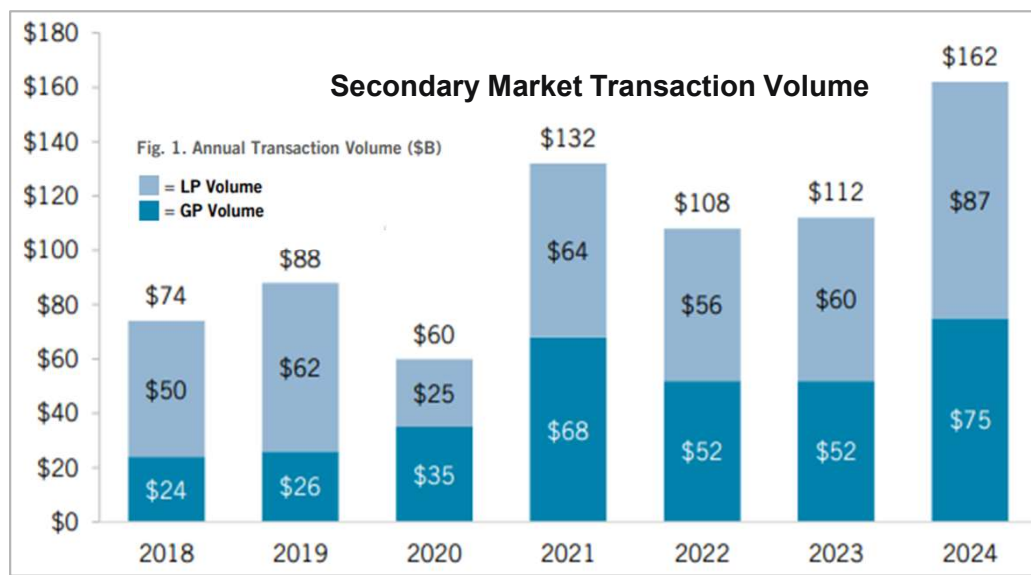
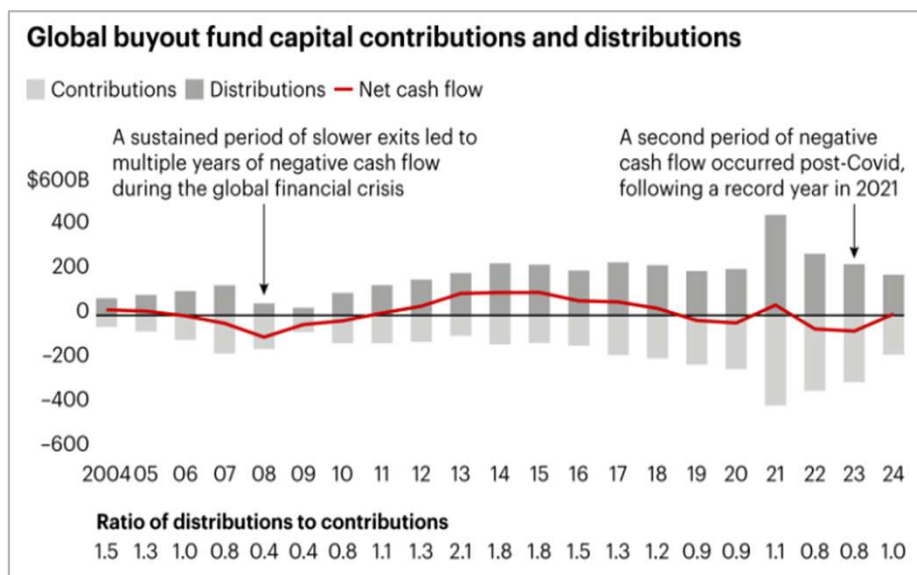
Change in exit value

	2024 vs. 2023	2024 vs. 5-yr. avg.
IPO	84%	-46%
Sponsor to sponsor	141%	26%
Sponsor to strategic	0%	-27%
Total	34%	-15%

- Along with an increase in global buyout-backed exit value in 2024, the median holding period saw a decline to 5.9yrs from a peak of 7yrs in 2023.
- The value of PE portfolio companies held remains at an all-time high as firms struggle to exit.
- The IPO channel remained sluggish in 2024, representing just 6% of exits by value and shut down early in Q2 2025 due to tariff turmoil.

Current Private Equity Market Environment

GPs and LPs continue to seek diverse avenues to generate liquidity.

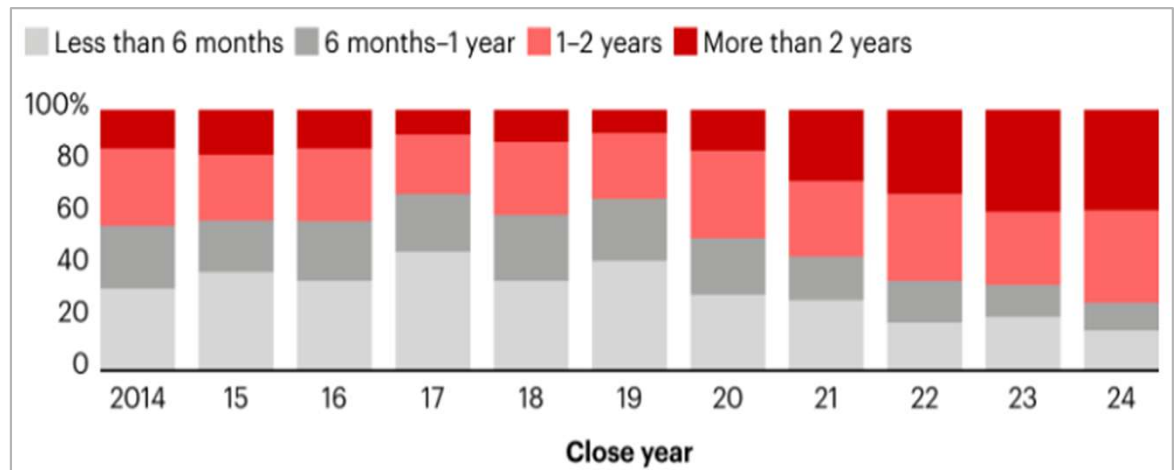
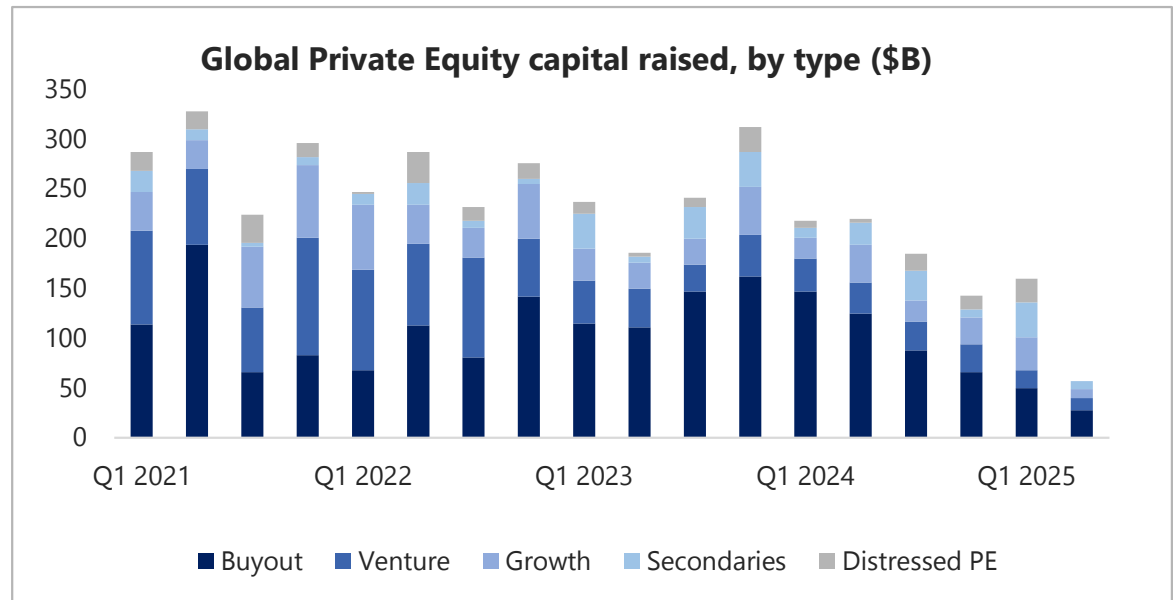


- The secondary market experienced a record-high transaction volume of \$162 billion in 2024, marking a 45% year-over-year surge.
- Additionally, there was a growing prevalence of alternative liquidity mechanisms, including minority stakes, NAV loans, and dividend recapitalizations during 2024.
- These mechanisms allow GPs to generate cash while continuing to hold an asset until its return potential can be more fully realized.
- The PE industry's net cash flows returned to breakeven in 2024 after two years of net negative cash flow.

Current Private Equity Market Environment

Global private fund-raising continued its multi-year decline into 2025.

- Global private fund-raising declined by more than 48% in fund count while total PE capital raised dropped by 27%.
- Fundraising timelines continue to increase with 38% of funds taking two or more years to close in 2024.



Current Private Equity Market Environment

The “democratization” of alternatives is happening.

- Retail investors are showing increasing interest in private markets as a source of potentially higher returns and portfolio diversification.
- The expanding retail access may also attract heightened regulatory scrutiny and could broaden the scope of private equity regulation.

The “Retail Revolution” Will Drive 50%+ of Private Market Flows by 2027

State Street Private Markets Survey

Private market retail to fuel opportunity but intensify liquidity, asset quality risks

Moody's

Institutional Investor Considerations & Concerns?

- Transparency on retail versus institutional fundraising capacity.
- Potential conflicts - liquidity horizons, terms, etc., - with GPs structuring investments and planning exit strategies.
- Diminished return potential if GPs under pressure to deploy larger pools of capital.
- Institutional LPs access to favorable co-investment terms may be diminished.

Figure 1

US retail investors' allocations to private capital is expected to grow exponentially in the United States by 2030

Projected AUM, US\$



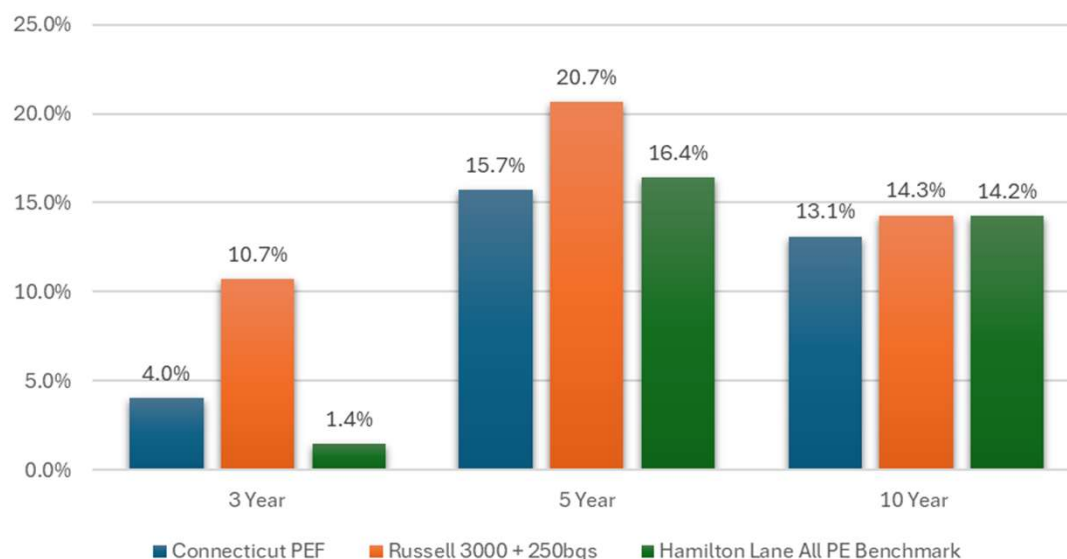
Source: Deloitte Center for Financial Services analysis.

Deloitte Insights | deloitte.com/insights.com

Portfolio Performance

PEF outperformed private benchmarks on a 3-year basis but lagged over longer time horizons.

IRR Performance vs. Benchmark



Breakdown by Strategy - CT PEF vs. Hamilton Lane All PE

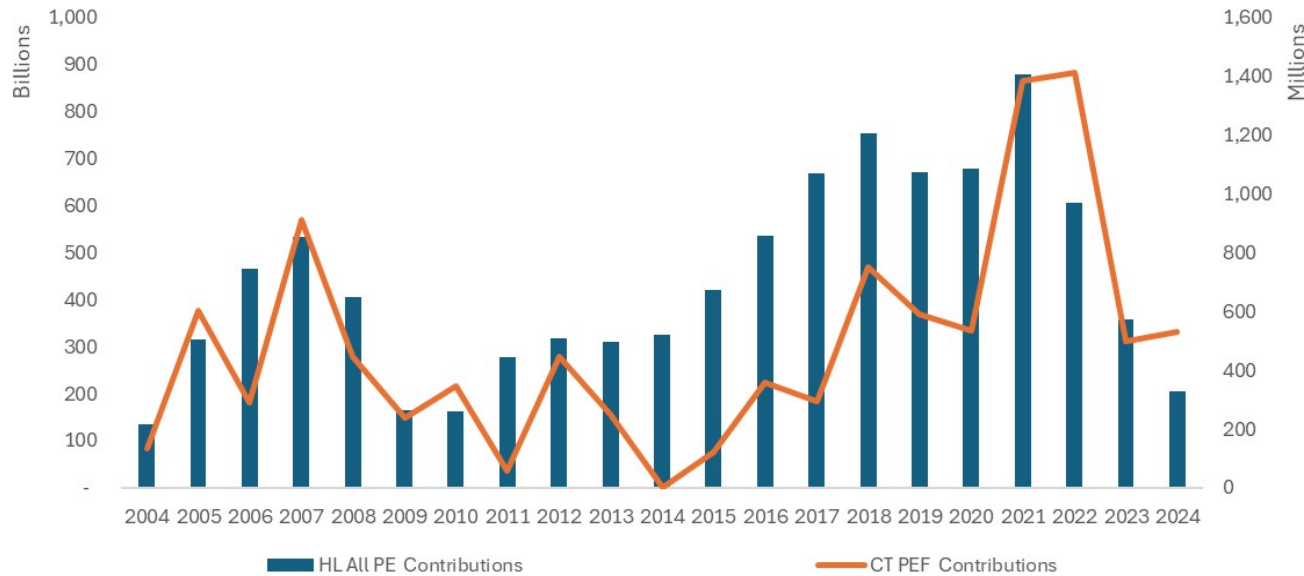
CT PEF	% NAV
Buyout	68.1%
Growth Equity	6.1%
Venture Capital	9.6%
Secondaries	11.7%
Mezzanine	2.1%
Distressed/Restructuring	2.4%
Total	100.0%

Hamilton Lane All PE	% NAV
Buyout	57.7%
Growth Equity	22.7%
Venture Capital	19.6%

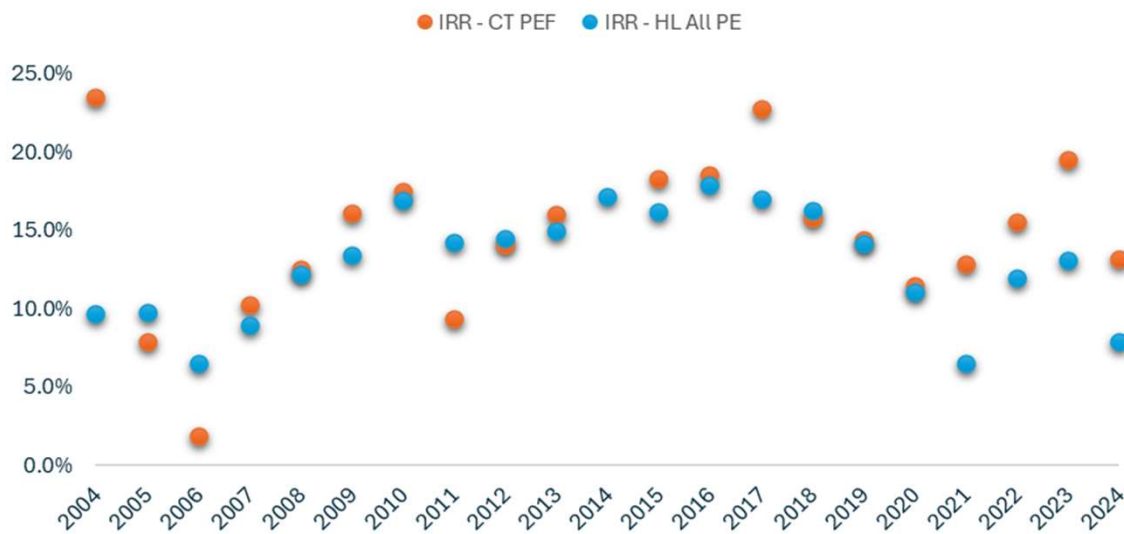
- More consistent commitment pacing and strategic discipline has contributed to PEF's improved performance relative to the Hamilton Lane All PE Benchmark.
 - The PEF portfolio includes sub-strategies that are not included in the Hamilton All PE benchmark; those sub-strategies represented 16.2% of PEF's NAV.
- PEF performance relative to the Russell 3000 + 250 basis points policy benchmark highlights the challenges of measuring the short-term performance of a longer-term asset class to a public market index.

Portfolio Performance

Contributions by Underlying Funds' Vintage Year



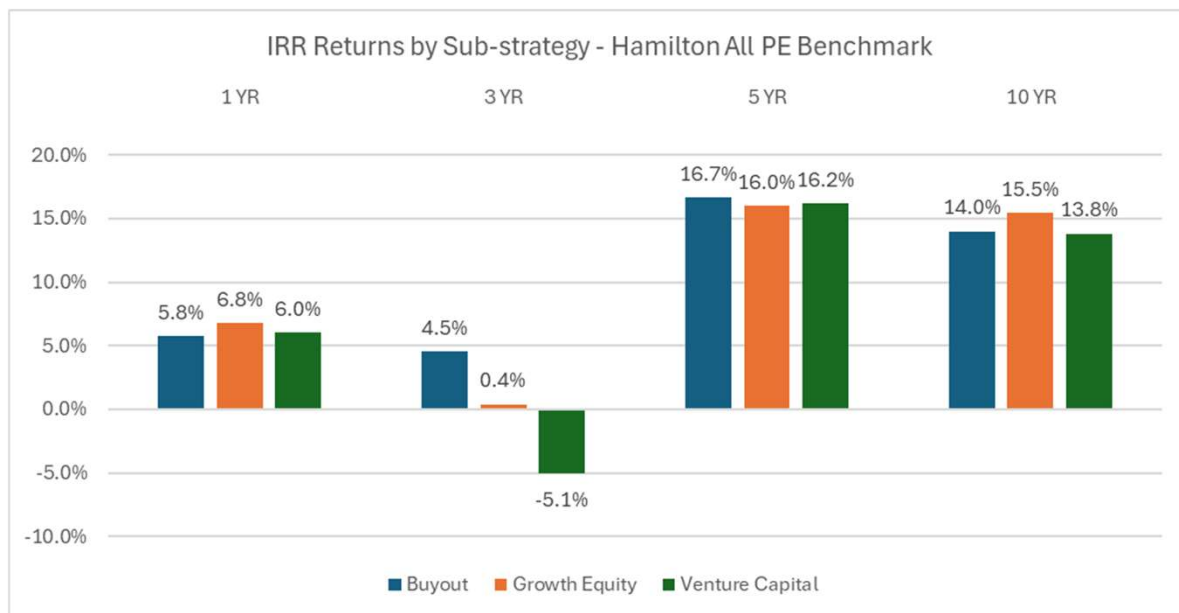
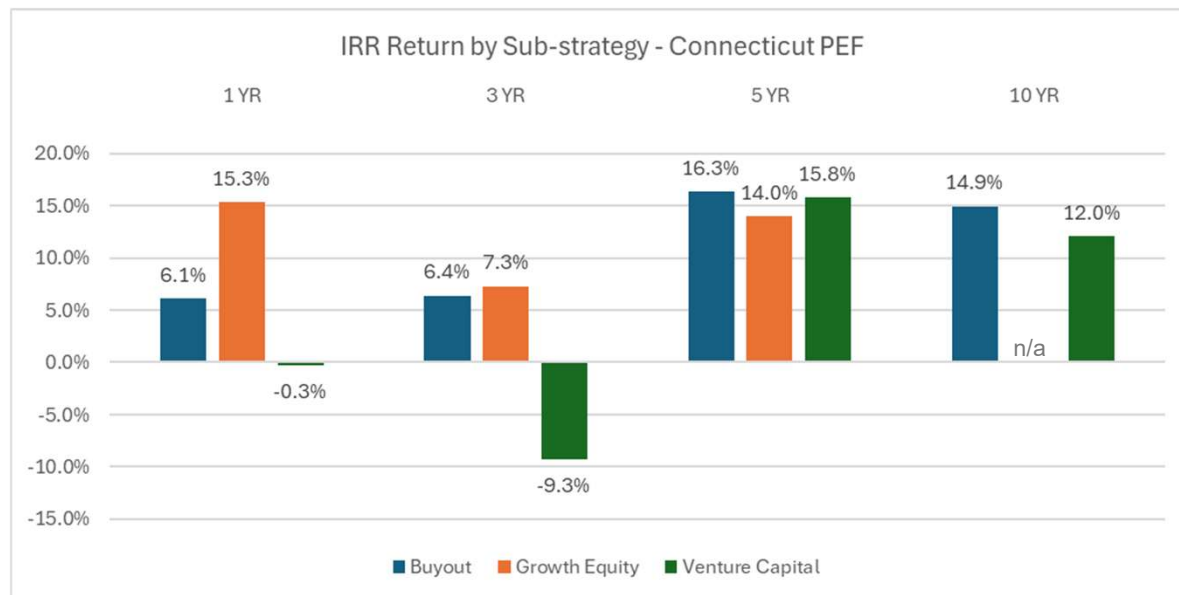
Performance Comparison by Underlying Funds' Vintage Year



- ❑ Inconsistent historical commitment pacing was a significant contributing factor to PEF's performance lagging the Hamilton Lane All PE Benchmark on a 5-year and 10-year basis.
- ❑ PEF's commitments to and investments in 2013 to 2017 vintage year funds did not keep pace with market activity observed in the Hamilton Lane All PE Benchmark.
 - Notably, the Hamilton Lane 2013 to 2017 vintage year benchmark funds produced strong investment returns.
- ❑ The impact on PEF's performance underscores the importance of consistent pacing and vintage year diversification.
- ❑ PEF's 2015 to 2021 vintage year commitments largely outperformed the Hamilton Lane All PE IRR Benchmark as of March 31, 2025.



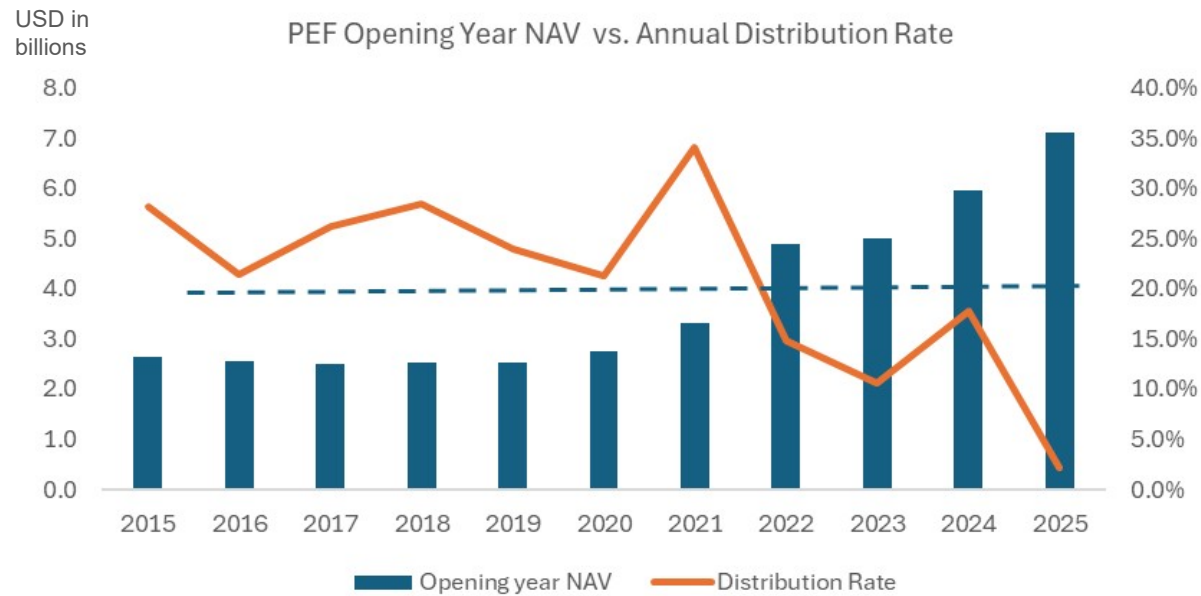
Portfolio Performance



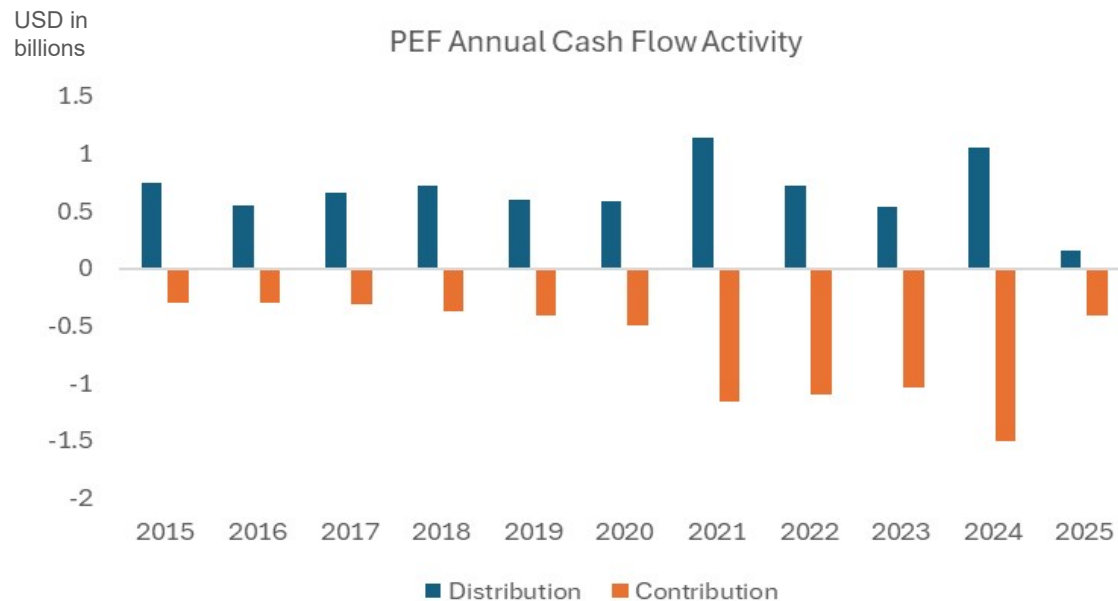
- ❑ Connecticut's buyout portfolio has consistently outperformed or been on par with that of the Hamilton All PE benchmark.
- ❑ The PEF's venture capital portfolio has underperformed, due to legacy structural and poor direct investment selection challenges.
 - The strategic decision to access venture only through customized fund of funds vehicles is expected to contribute to improved go-forward performance.
- ❑ Connecticut made its first growth equity commitment in 2018, and PEF's growth equity exposure is still developing toward targeted levels.



Private Equity Fund NAV and Annual Cash Flow Activity



The PEF portfolio had an average distribution rate of 20.8% between 2015 and 2025, compared to an industry average of 21% over the same time period.



Source: CRPTF, Hamilton Lane. Data as of March 31, 2025.
2025 cash flows for Q1 2025 only.



Private Equity Fund Positioning

Strategic Asset Allocation Positioning

- ✓ The PEF's market value was just over 12% of total CRPTF value.
 - The PEF target allocation was increased from 10% to 15% as part of the 2022 strategic asset allocation review.

IPS Ranges

- ✓ Corporate Finance (91%) and Venture Capital (9%) targeted exposure in line with IPS target ranges. Exposure is defined as market value plus unfunded commitments.

CRPTF's IPS Private Equity Range Targets

Private Equity Allocation	Current Exposure %, as of 3/31/2025	Lower Range %	Upper Range %
Corporate Finance	91%	70%	100%
Venture Capital	9%	0%	30%

Strategic Pacing Plan Target Exposures

- ✓ The portfolio was largely in line with long-term target exposures for each sub-strategy.

Sub-Strategy	Current Total Exposure %, as of 3/31/2025	Long-term Strategic Plan: Target Exposure Ranges
Large/Mega Buyout	18%	15% - 25%
SMID Buyout	50%	40% - 50%
Total Buyout	68%	55% - 75%
Growth Equity	6%	10% - 20%
Secondaries	11%	5% - 15%
Venture Capital	9%	5% - 10%
Mezzanine	3%	0% - 10%
Distressed/Restructuring	3%	0% - 10%

- ✓ Co-investments represented approximately 18% of PEF total exposure.
 - The strategic pacing plan targets 15% to 30% exposure through co-investments.

Private Equity Fund Positioning

Geography

- Approximately 77% exposure to North America and 14% to Western Europe.
- Strategic pacing plan long-term target ranges include:
 - North America: 65% to 75%
 - Western Europe: 15% to 25%
 - Rest of World: 5% to 10%

Geographic Exposure by Exposed Market Value*

Region	% NAV
North America	72.0%
Western Europe	14.1%
Rest of World	12.4%
Asia	1.5%

Sector

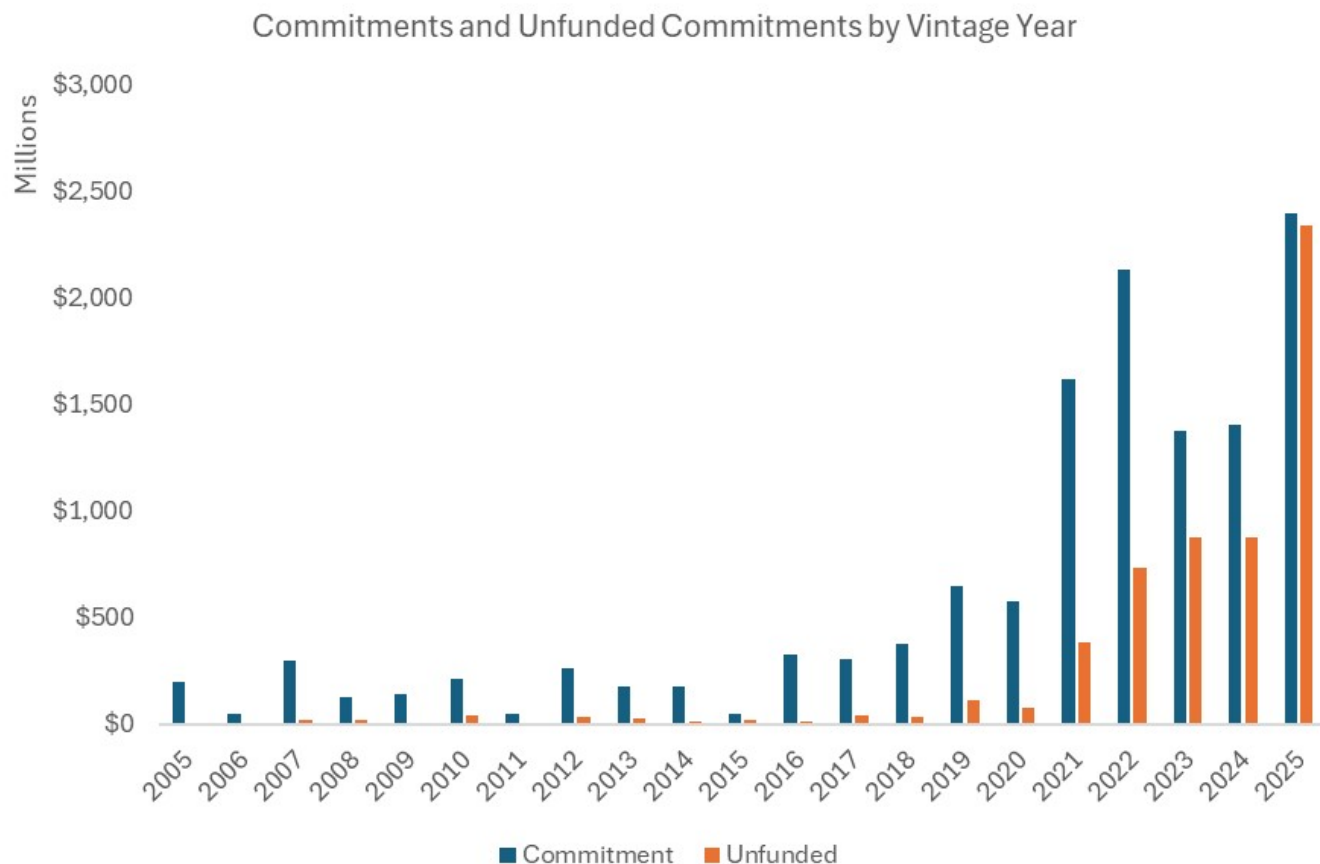
- The PEF portfolio is well-diversified by sector with technology, Industrials and healthcare comprising just under 50% of total NAV.
- The PEF's sector weightings are aligned with sectors exhibiting strong long-term, growth prospects and relative resiliency to economic downturns.

Industry Exposure by NAV

Sector	% NAV
Information Technology	28.1%
FoF Holding	25.7%
Health Care	11.7%
Industrials	10.9%
Financials	6.6%
Consumer Discretionary	6.6%
Communication Services	2.7%
Consumer Staples	2.7%
Materials	2.0%
Other Investments	1.4%
Real Estate	1.0%
Utilities	0.5%
Energy	0.1%

Private Investment Fund Positioning

PEF's significant unfunded commitments positioned for deployment in favorable market conditions.



- PEF unfunded commitments of approximately \$6 billion.
 - Over 40% of these unfunded commitments were to 2025 vintages.
 - Includes commitments made to custom programs with three-year pacing expectations, including \$900 million to the HarbourVest co-investment program and \$450 million to the Ardian GP-led program.

Private Equity Fund Managers

Progress made with refocusing PEF activities on core managers.

- There were 32 active managers in the PEF as of March 31, 2025, down from 50 a year earlier.

- Ardian is managing 13 legacy PEF manager relationships with a focus on return optimization. The Ardian program includes two components:

- Investments in new GP-Led opportunities
- Legacy portfolio management services of 16 funds representing \$480 million originally committed by Connecticut.

PEF Portfolio
Total Exposure by General Partner (USD in Millions)
as of March 31, 2025

General Partner	Number of Investments	Capital Committed	Market Value	% Market Value	Unfunded Commitment	Total Exposure	% Total Exposure
HarbourVest Partners	6	\$2,200	\$1,211	16.9%	\$1,175	\$2,386	18.6%
Ardian	2	\$930	\$444	6.2%	\$488	\$932	7.2%
Clearlake Capital Group	11	\$775	\$472	6.6%	\$341	\$813	6.3%
Fairview	10	\$1,715	\$681	9.5%	\$123	\$804	6.3%
Hg Capital	5	\$540	\$433	6.0%	\$208	\$641	5.0%
Hollyport Capital	4	\$450	\$243	3.4%	\$275	\$518	4.0%
Vista Equity Partners	5	\$525	\$366	5.1%	\$143	\$509	4.0%
Strategic Value Partners	2	\$400	\$181	2.5%	\$268	\$449	3.5%
Altaris	6	\$400	\$211	2.9%	\$224	\$435	3.4%
Leeds Equity Partners	5	\$415	\$241	3.4%	\$185	\$426	3.3%
All Others	52	\$5,121	\$2,687	37.5%	\$2,257	\$4,944	38.5%
Total	108	\$13,471	\$7,170	100.0%	\$5,687	\$12,857	100.0%

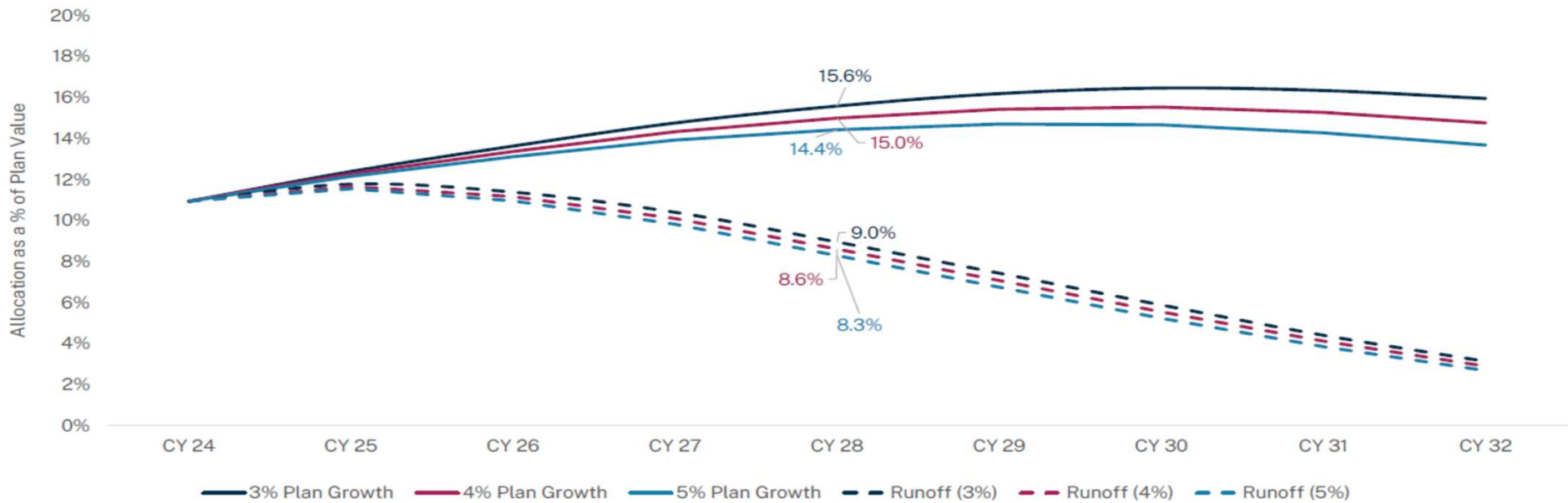
Source: CRPTF. Data as of March 31, 2025



Portfolio Recommendations & Near-Term Goals

- **Maintain commitment pacing aligned with strategic plan.**
 - Consistent capital deployment to maintain vintage year and strategy diversification to achieve targeted returns and allocation level.
 - 2026 pacing plan development will include scenarios reflecting more recent industry activity levels.
- **Optimize portfolio construction and performance.**
 - Prioritize re-ups with high-performing managers with demonstrated discipline in pricing, value creation, and distributions.
 - Deepen relationship with core GPs and capitalize co-investment flow with favorable fee terms.
 - Continuously assess underperforming relationships, portfolio fit, etc.
- **Remain positioned to exploit tactical and strategic opportunities.**
 - Existing co-investment and GP-led programs are primed to capture compelling opportunities resulting from the industry's need for liquidity and capital.
 - Utilize fundraising slowdown to position Connecticut as a favored new LP for top-performing GPs.

2025 Strategic Pacing Plan



CRPTF PIF Horizon Model - 2028 Target									
(\$ in millions)	CY 24 ¹	CY 25	CY 26	CY 27	CY 28	CY 29	CY 30	CY 31	CY 32
Commitments									
Fund Commitments	\$17,859.8	\$2,550.0	\$2,550.0	\$1,600.0	\$1,600.0	\$1,600.0	\$1,600.0	\$1,600.0	\$1,600.0
Co-Investments ²	-	\$300.0	\$300.0	\$300.0	\$200.0	\$200.0	\$200.0	\$200.0	\$200.0
Total Commitments	\$17,859.8	\$2,850.0	\$2,850.0	\$1,900.0	\$1,800.0	\$1,800.0	\$1,800.0	\$1,800.0	\$1,800.0
Period Cash Flow									
Paid-in Capital	\$1,051.8	\$1,953.3	\$2,096.0	\$2,221.1	\$2,172.3	\$2,072.1	\$1,984.8	\$1,901.3	\$1,848.7
Distributions	\$1,034.9	\$1,736.9	\$2,048.8	\$2,312.8	\$2,573.1	\$2,725.8	\$2,950.0	\$3,201.7	\$3,379.2
Net Cash Flow	(\$16.9)	(\$216.4)	(\$47.2)	\$91.6	\$400.8	\$653.7	\$965.2	\$1,300.3	\$1,530.5
Cumulative Cash Flow									
Paid-in Capital	\$12,630.8	\$14,584.1	\$16,680.1	\$18,901.3	\$21,073.6	\$23,145.7	\$25,130.4	\$27,031.7	\$28,880.4
Distributions	\$13,361.1	\$15,098.0	\$17,146.8	\$19,459.6	\$22,032.7	\$24,758.5	\$27,708.5	\$30,910.1	\$34,289.3
Net Cash Flow	\$730.3	\$513.9	\$466.7	\$558.3	\$959.1	\$1,612.8	\$2,578.1	\$3,878.4	\$5,408.9
PIF Portfolio									
PIF Market Value	\$6,584.7	\$7,680.3	\$8,700.7	\$9,702.5	\$10,552.0	\$11,291.0	\$11,824.8	\$12,089.7	\$12,158.1
Unfunded	\$4,499.4	\$5,396.0	\$6,138.2	\$5,814.4	\$5,373.7	\$5,088.9	\$4,896.9	\$4,795.6	\$4,734.2
3.00% Plan Growth	11.0%	12.4%	13.6%	14.8%	15.6%	16.2%	16.5%	16.4%	16.0%
4.00% Plan Growth	11.0%	12.3%	13.4%	14.3%	15.0%	15.4%	15.5%	15.3%	14.8%
5.00% Plan Growth	11.0%	12.2%	13.1%	13.9%	14.4%	14.7%	14.7%	14.3%	13.7%
HarbourVest CI as a % of NAV	7.1%	12.0%	16.2%	15.8%	15.3%	14.7%	14.0%	13.5%	13.1%
HarbourVest CI Exposure as a % of Total Exposure	5.6%	10.7%	10.4%	10.7%	10.9%	10.9%	10.6%	10.4%	10.1%

1) Commitment amount in CY 24 column represents total since inception through year-end 2024 (expected). CY 24 cash flows represent 1H 2024 real cash flows plus 2H 2024 projected cash flows.

2) Represents the commitment made to a dedicated co-investment program and not sidecar commitments alongside commingled funds.

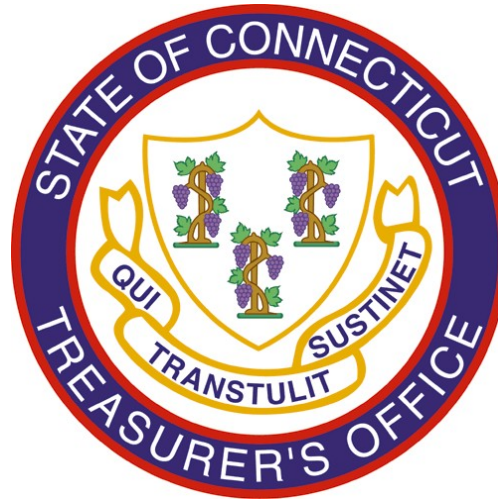


2025 YTD PEF Strategic Pacing Plan Deployment

2025 PEF Strategic Plan ¹															
Target Ranges by Strategy															
	Large / Mega Buyout		Small / Mid Buyout		Growth Equity		Venture Capital ²		Secondaries		Mezzanine		Distressed / Restructuring		Total
Total Commitments	\$350	\$400	\$1,425	\$1,525	\$350	\$450	\$0	\$200	\$150	\$200	\$0	\$150	\$0	\$150	\$2,850
Commitment Size	\$175	\$350	\$150	\$350	\$125	\$300	\$100	\$200	\$100	\$200	\$100	\$150	\$100	\$150	
Number of Commitments	1	2	5	8	2	3	0	1	1	2	0	1	0	1	9 to 18
Investment / Status															
HarbourVest CT Co-Investment Fund - Tranche 2 - Closed ³			\$300												\$300
Levine Leichtman Capital Partners VII - Closed			\$200												\$200
Strategic Value Special Situations VI - Closed													\$250		\$250
Avance Investment Partners II - Closed			\$175												\$175
Hg Saturn 4 - Closed ⁴	\$300														\$300
Integrum II - Closed ⁴			\$175												\$175
Reverence IV - Approved/Pending legal			\$200												\$200
Verdane Freya XII - Approved/Pending Legal ⁶			\$171												\$171
Hg Mercury 5 - Recommendation ⁵			\$86												\$86
Hg Genesis 11 - Recommendation ⁵	\$86														\$86
Hg CT1 Co-Invest - Recommendation	\$75														\$75
Upsized Commitments															
K6 Private Investors - Closed ⁸					\$100										\$100
Leeds Equity Partners VIII - Closed			\$25												\$25
Leeds Equity Partners VIII Co-Investment - Closed			\$25												\$25
Hollyport Secondaries Opportunities IX - Closed									\$100						\$100
Stellex Capital Partners III - Closed ⁷			\$38												\$38
Stellex Capital Partners III Co-Investment - Closed ⁷			\$13												\$13
Capital Commitments	\$461		\$1,407		\$100		\$0		\$100		\$0		\$250		\$2,318
Number of Commitments	3		7		0		0		0		0		1		11

1. Includes \$2,550 million targeted for primary fund commitments and \$300 million for co-investments through HarbourVest CT Co-Investment Fund - Tranche 2; Number of commitments excludes Upsized Commitments. 2. Includes existing \$300 million commitment to Top Tier - CT Venture Partners commitment, which has a \$100 million annual deployment pacing target. 3. Amount shown in table represents annual deployment pacing target of a three-year program starting in 2025, with a total commitment of \$900 million that legally closed in 2024. 4. Amounts shown represent total commitments approved; with Hg and Integrum accepting only \$250 million and \$150 million, respectively, to date. 5. Recommended commitment converted to USD. 6. Reclassified sub-strategy from Small/Mid Buyout to Growth Equity. 7. Reclassified sub-strategy from Distressed/Restructuring to Small/Mid Buyout. Commitment amounts rounded.





Private Equity Fund Investment Opportunities Overview

Investment Advisory Council
September 10, 2025

Executive Summary - Mercury 5 A

Manager Overview

- Hg Capital LLP
- New/Existing Private Equity Fund Manager: Existing
- Independent since spinning out of Merrill Lynch Investment Managers in December 2000
- Owned and managed by 30 current partners, with more than 400 employees
- Headquartered in London with offices in Munich, New York, San Francisco, Luxembourg, Paris and Singapore
- \$100 billion AUM as of March 2025

Fund Summary

- Hg Mercury 5 A (together with parallel funds, “Mercury 5”)
- Private Equity
- Control buyouts of lower mid market companies principally headquartered in Europe with select transatlantic opportunities
- Sector Focus: Software and Tech-enabled Services
- Target/Hard Cap: €2.5 billion / €3.5 billion
- GP Commitment: Minimum of 2% of capital commitments
- Management Fee: 1.75% on committed capital during investment period; then 1.5% on net invested capital through year ten and 1.0% thereafter
- Carried Interest/Waterfall: 20%/European
- Preferred Return: 8%

Strategic Fit

- Private Equity Fund (“PEF”)
- Recommended Commitment: €75 million
- IPS Category: Corporate Finance
 - IPS Range for Corporate Finance: 70% to 100% of total PEF exposure
 - Current Corporate Finance Exposure: 91% as of March 31, 2025
- PEF Strategic Pacing Plan
 - Sub-strategy: Small/Mid Buyout
 - Long-term Small/Mid Buyout targeted exposure: 40% to 50%
 - Current Small/ Mid Buyout Exposure: 47%

Executive Summary - Genesis 11 A

Manager Overview

- Hg Capital LLP
- New/Existing Private Equity Fund Manager: Existing
- Independent since spinning out of Merrill Lynch Investment Managers in December 2000
- Owned and managed by 30 current partners, with more than 400 employees
- Headquartered in London with offices in Munich, New York, San Francisco, Luxembourg, Paris and Singapore
- \$100 billion AUM as of March 2025

Fund Summary

- Hg Genesis 11 A (together with parallel funds, "Genesis 11")
- Private Equity
- Control buyouts of middle market companies principally headquartered in Europe with select transatlantic opportunities
- Sector Focus: Software and Tech-enabled Services
- Target/Hard Cap: €7.5 billion / €8.25 billion
- GP Commitment: Minimum of 2% of capital commitments
- Management Fee: 1.75% on committed capital during investment period; then 1.5% on net invested capital through year ten and 1.0% thereafter
- Carried Interest/Waterfall: 20%/European
- Preferred Return: 8%

Strategic Fit

- Private Equity Fund
- Recommended Commitment: €75 million
- IPS Category: Corporate Finance
 - IPS Range for Corporate Finance: 70% to 100% of total PEF exposure
 - Current Corporate Finance Exposure: 91% as of March 31, 2025
- PEF Strategic Pacing Plan
 - Sub-strategy: Large/Mega Buyout
 - Long-term Large/Mega Buyout targeted exposure: 15% to 25%
 - Current Large/Mega Buyout Exposure: 21%

Executive Summary - CT1 Co-Invest

Manager Overview

- Hg Capital LLP
- New/Existing Private Equity Fund Manager: Existing
- Independent since spinning out of Merrill Lynch Investment Managers in December 2000
- Owned and managed by 30 current partners, with more than 400 employees
- Headquartered in London with offices in Munich, New York, San Francisco, Luxembourg, Paris and Singapore
- \$100 billion AUM as of March 2025

Fund Summary

- Hg CT1 Co-Invest L.P. (“Hg CT1”)
- Private Equity
- Existing Fund of One vehicle established in 2021 to provide Connecticut access to co-investments in certain Hg portfolio companies
- Sector Focus: Software and Tech-enabled Services
- GP Commitment: 1%
- No fee, no carry

Strategic Fit

- Private Equity Fund
- Recommended Increase/Total Commitment:
 - \$75 million / \$225 million
- IPS Category: Corporate Finance
 - IPS Range for Corporate Finance: 70% to 100% of total PEF exposure
 - Current Corporate Finance Exposure: 91% as of March 31, 2025
- PEF Strategic Pacing Plan
 - Sub-strategy: Large/Mega Market Buyout¹
 - Long-term Large/Mega Buyout targeted exposure: 15% to 25%
 - Current Large/Mega Market Buyout Exposure: 21%

1. Hg CT1 is categorized as Large Buyout for tracking and pacing purposes; however, the vehicle has co-invested across mid and large cap transactions.

Recommendation

- Based on the strategic fit within the PEF portfolio, as well as due diligence done by Pension Funds Management (“PFM”) investment professionals and Hamilton Lane, the Chief Investment Officer of the Connecticut Retirement Plans and Trust Funds (“CRPTF”) recommends consideration of commitments of up to:
 - €75 million to Hg Mercury 5;
 - €75 million to Hg Genesis 11; and,
 - \$75 million additional to Hg CT1.

Investment Considerations

- The recommended commitment would expand Connecticut’s relationship with the premier private equity manager focused exclusively on European software and services investments.
- The Hg funds are well-aligned with structural drivers such as digital transformation and skilled labor scarcity, which continue to fuel demand for enterprise software solutions. Hg has a well-established track record of delivering attractive investment returns based on its thematic focus on these favorable, long-term demand drivers.
- Hg CT1’s fee efficient structure provides Connecticut with the opportunity to generate stronger net returns through one of the PEF’s high conviction managers.

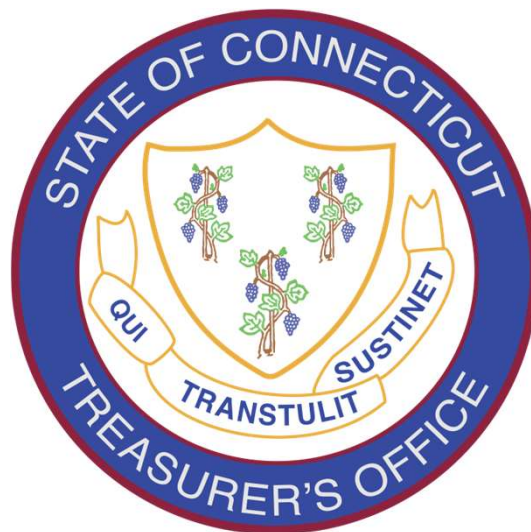
2025 Strategic Pacing Plan Overview

- Progress towards the 2025 PIF strategic pacing plan objectives is outlined below.

2025 PEF Strategic Plan ¹															
Target Ranges by Strategy															
\$Millions	Large / Mega Buyout		Small / Mid Buyout		Growth Equity		Venture Capital ²		Secondaries		Mezzanine		Distressed / Restructuring		Total
Total Commitments	\$350	\$400	\$1,425	\$1,525	\$350	\$450	\$0	\$200	\$150	\$200	\$0	\$150	\$0	\$150	\$2,850
Commitment Size	\$175	\$350	\$150	\$350	\$125	\$300	\$100	\$200	\$100	\$200	\$100	\$150	\$100	\$150	
Number of Commitments	1	2	5	8	2	3	0	1	1	2	0	1	0	1	9 to 18
Investment / Status															
HarbourVest CT Co-Investment Fund - Tranche 2 - Closed ³			\$300												\$300
Levine Leichtman Capital Partners VII - Closed			\$200												\$200
Strategic Value Special Situations VI - Closed													\$250		\$250
Avance Investment Partners II - Closed			\$175												\$175
Hg Saturn 4 - Closed ⁴	\$300														\$300
Integrum II - Closed ⁴			\$175												\$175
Reverence IV - Approved/Pending legal			\$200												\$200
Verdane Freya XII - Approved/Pending Legal ⁶			\$171												\$171
Hg Mercury 5 - Recommendation ⁵			\$86												\$86
Hg Genesis 11 - Recommendation ⁵	\$86														\$86
Hg CT1 Co-Invest - Recommendation	\$75														\$75
Upsized Commitments															
K6 Private Investors - Closed ⁶					\$100										\$100
Leeds Equity Partners VIII - Closed			\$25												\$25
Leeds Equity Partners VIII Co-Investment - Closed			\$25												\$25
Hollyport Secondaries Opportunities IX - Closed									\$100						\$100
Stelllex Capital Partners III - Closed ⁷			\$38												\$38
Stelllex Capital Partners III Co-Investment - Closed ⁷			\$13												\$13
Capital Commitments	\$461		\$1,407		\$100		\$0		\$100		\$0		\$250		\$2,318
Number of Commitments	3		7		0		0		0		0		1		11

1. Includes \$2,550 million targeted for primary fund commitments and \$300 million for co-investments through HarbourVest CT Co-Investment Fund - Tranche 2; Number of commitments excludes Upsized Commitments. 2. Includes existing \$300 million commitment to Top Tier - CT Venture Partners commitment, which has a \$100 million annual deployment pacing target. 3. Amount shown in table represents annual deployment pacing target of a three-year program starting in 2025, with a total commitment of \$900 million that legally closed in 2024. 4. Amounts shown represent total commitments approved; with Hg and Integrum accepting only \$250 million and \$150 million, respectively, to date. 5. Recommended commitment converted to USD. 6. Reclassified sub-strategy from Small/Mid Buyout to Growth Equity. 7. Reclassified sub-strategy from Distressed/Restructuring to Small/Mid Buyout. Commitment amounts rounded.

Connecticut Retirement Plans and Trust Funds



**Private Credit Strategic Review
Private Credit Fund ("PCF")
September 10, 2025**



Private Credit Asset Class

Investment Policy Statement (“IPS”) – Private Credit Fund (“PCF”)

- The PCF objective is to generate attractive, risk-adjusted returns in excess of public debt investments by capturing an illiquidity premium and certain market inefficiencies relative to public debt markets.
- PCF is expected to contribute to the diversification and decreased volatility of the CRPTF’s overall portfolio through investments having lower correlations to other asset classes.
- Benchmark: Morningstar/LSTA Leverage Loan Index (“LSTA”) plus 150-basis points
- Target allocation as a percent of CRPTF: 10%
- The PCF will invest in a diversified portfolio of yield-oriented credit strategies, where returns are expected to be generated through current income and capital preservation, as well as total return strategies, which may also generate capital appreciation opportunities.
- PCF investments will focus on credit-related strategies not available through other pooled investment funds, including senior, mezzanine, and special situations. These market opportunities may be accessed through primary, secondary, and co-investment transactions available through commingled funds or separate accounts.
 - **Senior Credit:** Providing senior debt capital directly to borrowers, most often through directly originated and negotiated transactions.
 - **Mezzanine or Subordinated Debt:** Focus on loans that are subordinated to a borrower’s senior debt but have priority interest over equity interests.
 - **Special Situations**¹: Providing debt capital for opportunistic, distressed, or specialty credit. Opportunistic credit strategies generally seek to capture attractive opportunities stemming from market dislocations or a borrower’s need to address near-term liquidity or capital structure challenges; distressed debt strategies target the purchase of significantly discounted debt securities, which may result from borrower specific challenges or broader market conditions; specialty credit generally focuses on specific market niches requiring industry expertise, including aviation finance, pharmaceutical and music royalties, and non-performing loans.
- Risk Management is required and managed through appropriate capital commitment pacing, liquidity objectives, and portfolio diversification by strategy, manager, vintage year, and geography.
 - To avoid undue market, currency, or political risk, PCF investments will be focused on developed markets with limited exposure to emerging markets.

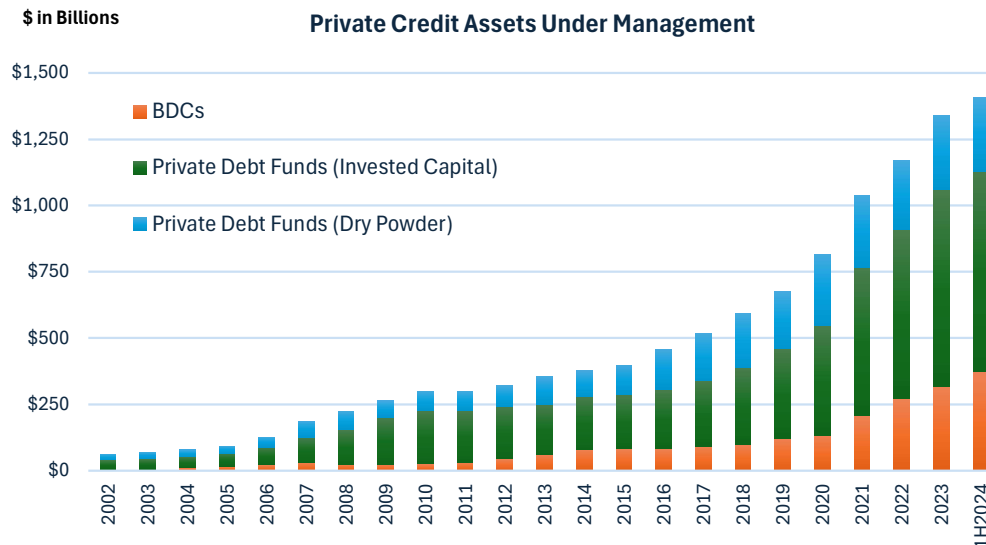
1. Special Situations and Distressed Debt strategies combined with IPS amendments adopted in July 2025.



Private Credit Market Environment

Private credit continues its growth, driven by ongoing structural changes in the bank market and other market dynamics.

- U.S. private direct lending AUM was estimated at \$1.4 trillion, as of 1H 2024, and is currently estimated at over \$1.6 trillion.
 - Private Credit has had an average annual growth rate of approximately 16% over the last 20 years, which has historically been driven by growth in the corporate direct lending market.
 - The global private credit market is estimated to reach approximately \$3.5 trillion by 2028 fueled by private credit's continued expansion into opportunities beyond direct lending, including equipment, lender, and asset-backed finance.



Source: The Federal Reserve, data for 2024 are as of Q2.

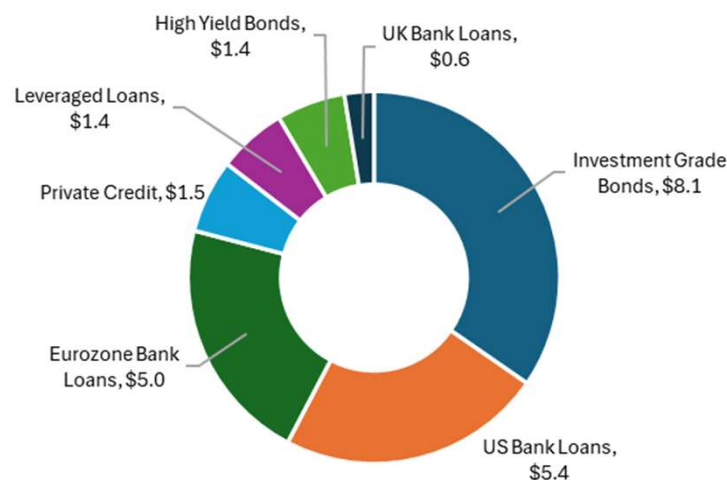


Private Credit Market Environment

Private credit supported by a growing market opportunity set and evolving role of banks and capital markets.

- Private credit is expected to continue to capture share of credit traditionally provided by banks and public markets, including investment grade bonds and asset-backed financing.
- Banks are evolving to partner with private credit firms to balance regulatory capital requirements with client demand for broader credit solutions.
 - Announced bank-credit manager partnerships include Wells Fargo and Centerbridge, PNC and TCW, and Societe Generale and Brookfield.

Private Credit total addressable market (USD trillion)¹

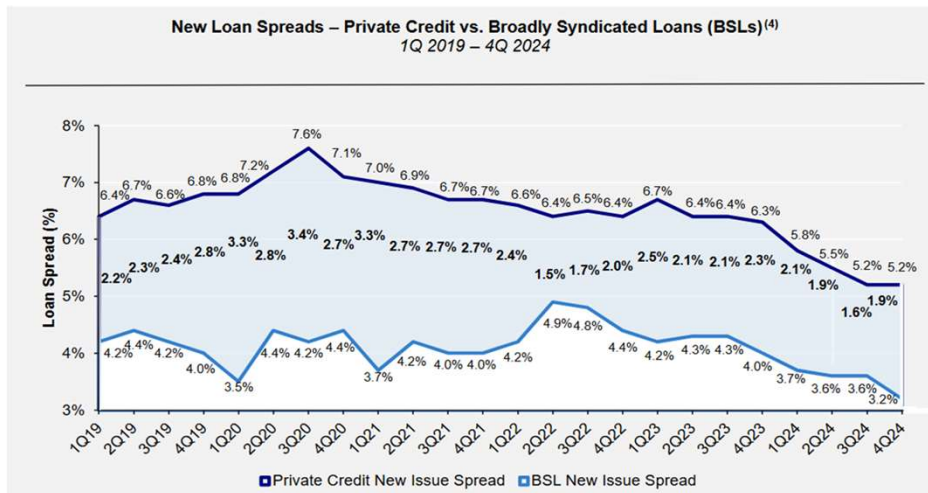


- Private credit secondaries are beginning to garner significant interest mirroring the development of the private equity secondaries market.
 - Private credit secondaries are estimated to grow to \$40+ billion by 2027 (estimated annual growth rate of 70% since 2023).²

Private Credit Market Environment

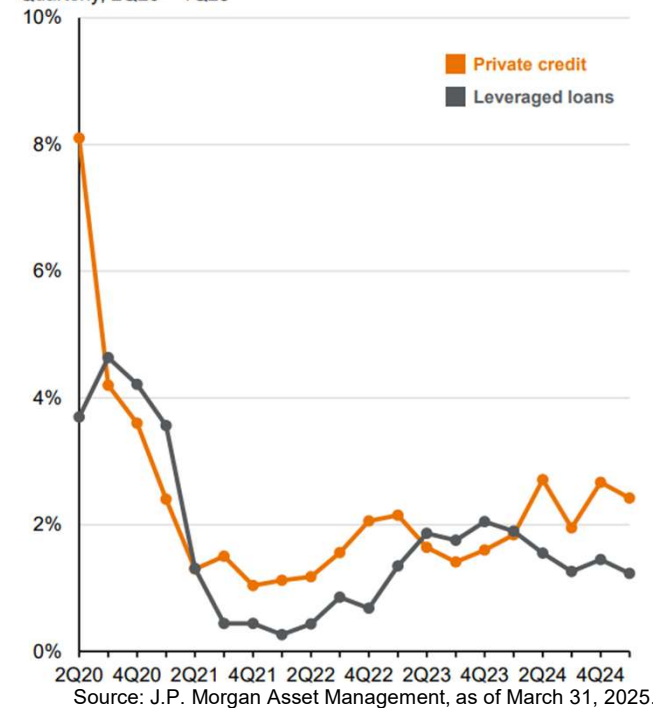
Private credit risk and return profile continue to exhibit a consistent, favorable relative pattern compared to public credit.

- Private credit continues to maintain attractive return premium relative to the public credit markets.
 - The private credit premium is driven by the illiquidity and complexity characteristics of the loans; lenders benefit from the additional premium while offering borrowers flexibility, financing options, and certainty.
 - From 2019 to 2024, the average private credit new issue spread was approximately 240 basis points (bps) and ranged between 150 bps and 340 bps.
- Direct Lending defaults have ticked up over the last two quarters, as of Q1 2025, but remain below historical averages of just over 3%.
- Private credit lender-borrower dynamics tend to be more collaborative, providing the opportunity to develop a constructive solution to prevent or address a default.



Source: T. Rowe Price, as of 4Q 2024.

Private credit and leveraged loans default rate
Quarterly, 2Q20 – 1Q25



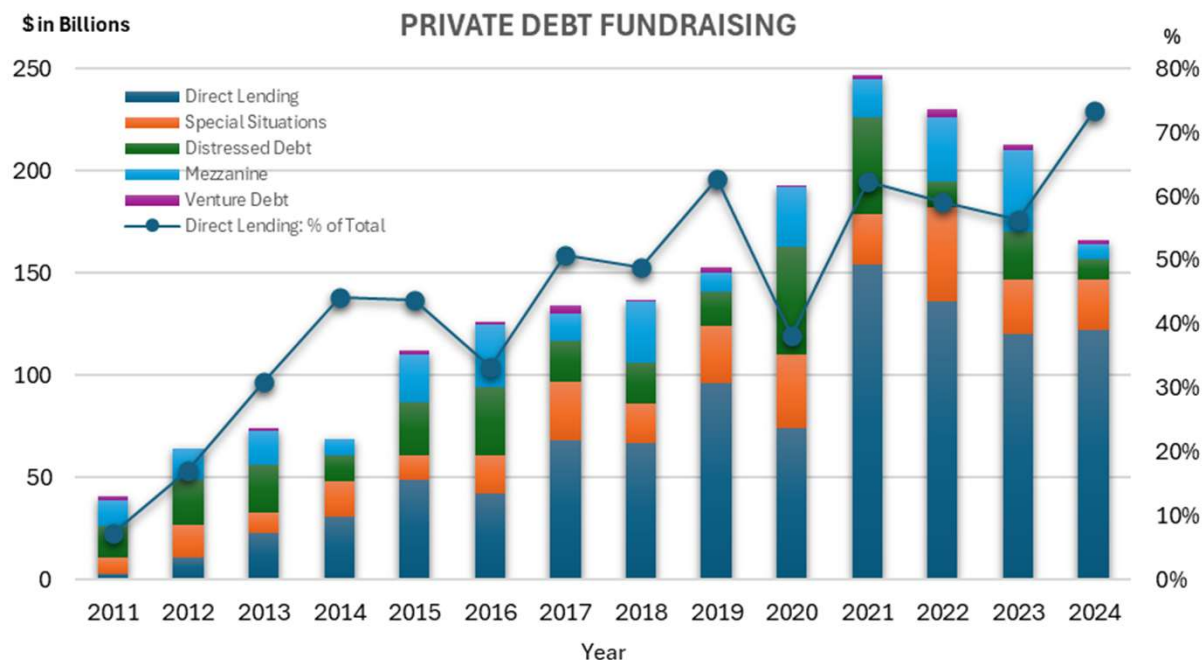
Source: J.P. Morgan Asset Management, as of March 31, 2025.



Private Credit Market Environment

Private corporate credit fundraising has slowed and gravitated towards larger firms.

- Total private corporate credit fundraising has slowed relative to the peaks of 2021 and 2022; however, the market's expansion is reflected in fundraising activity through 2024.
- Direct lending continues to take the lion's share of private credit fundraising, while distressed debt fundraising volumes tend to track with market volatility.
- The private credit fundraising market has become more concentrated; McKinsey reports that the five largest credit managers raised 38% of all private credit in 2024 compared to a ten-year average of 29%.
- Private credit fundraising pace in 1Q 2025 slowed relative to the last three years according to Hamilton Lane's June 2025 Quarterly Market Brief.



Source: McKinsey & Company



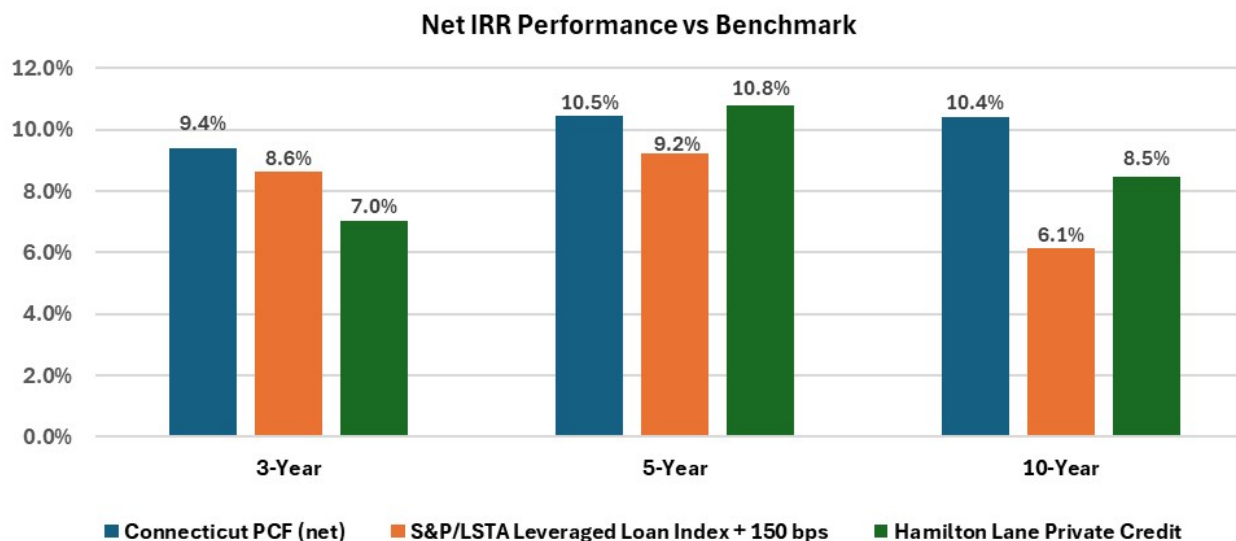
Private Credit Market Environment

Private credit funds may utilize various types of leverage to improve capital efficiency, enhance investment capacity and optimize returns.

- Subscription credit facilities (“Sub Lines”) are common across all private asset classes.
 - Sub Lines are secured by the investors’ capital commitments to a fund.
 - Managers borrow against a Sub Line to fund investments, expenses, etc., with loans typically repaid with proceeds from a future capital call.
 - Sub Lines are primarily used early in a fund’s investment period for capital efficiency and typically exhibit shorter duration.
 - From an LP perspective, Sub Lines can alleviate operational burdens and may enhance returns.
- Asset-based credit is used by GPs that manage levered fund structures.
 - The creditor’s collateral is generally the assets or subset of assets held in a private credit fund.
 - Asset-based credit is utilized to expand the manager’s investable capital base while also providing the potential for return enhancement.
 - The GP’s ability to structure and manage leverage facilities is a critical skillset to avoid collateral calls and other potential liquidity challenges.
- Understanding the impact of leverage on returns and potential risks is important.
 - The usage of Sub Lines and/or asset-based credit is not universal.

Portfolio Performance

PCF generally outperformed its policy benchmark and the Hamilton Lane Private Credit Benchmark over the 3-, 5-, and 10-Year time horizons.

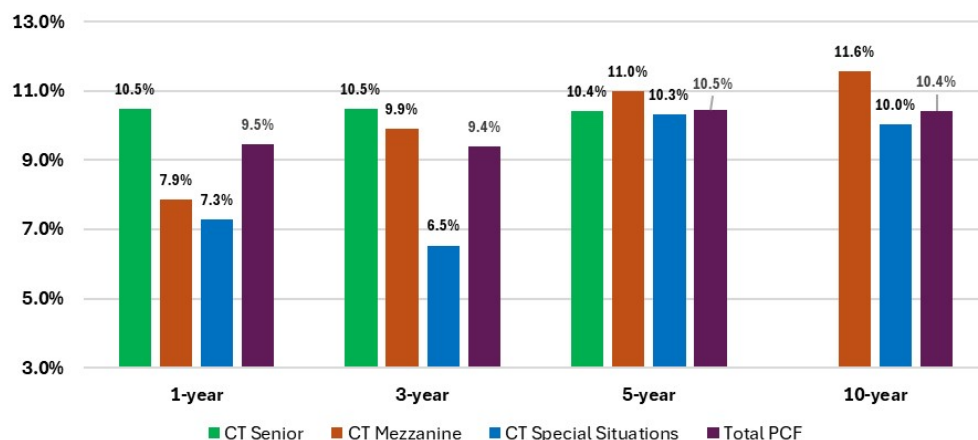


- Private Credit was added as a standalone asset class through IPS amendments adopted in January 2020.
 - Therefore, Connecticut's 5-year and 10-year performance reflects the returns generated by a small number of funds.
 - These investments were originally made through other Combined Investment Funds and later transferred to PCF.

Portfolio Performance

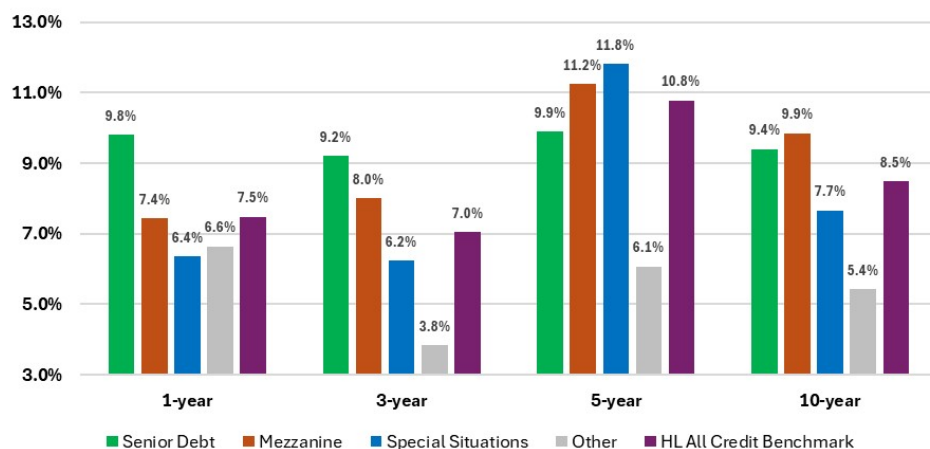
Diversification and investment pacing remains critical as sub-strategy performance may fluctuate across time periods due to varying market conditions.

Net IRR Performance (PCF)



- The PCF's 1-year and 3-year outperformance relative to the HL Private Credit Benchmark was achieved despite the PCF's weighting toward performing senior credit versus the HL benchmark's significant weighting to Special Situations strategies.

Net IRR Performance (HL Private Credit Benchmark)



Private Credit Allocation	PCF Current Exposure % (NAV)	HL Current Exposure % (NAV)
Senior Credit	66%	26%
Mezzanine	13%	24%
Special Situations	21%	44%
Other*	0%	6%

* Includes Real Estate Credit and Royalties.

Private Credit Fund Positioning

Strategic Asset Allocation Positioning

- ✓ The PCF's market value was approximately 5.8% of total CRPTF value.
 - The PCF target allocation was increased from 5% to 10% as part of the 2022 strategic asset allocation review.

IPS Ranges

- ✓ The private credit allocations are within IPS target ranges for total exposure defined as net asset value plus unfunded commitments..

CRPTF's IPS Private Credit Range Targets

Private Credit Allocation	Current Exposure % (3/31/2025)	Lower Range %	Upper Range %
Senior Credit	59%	30%	100%
Mezzanine	23%	0%	40%
Special Situations	18%	0%	40%

Note: Reflects revised sub-strategies and ranges adopted with July 2025 IPS amendments.

Strategic Pacing Plan Target Exposures

- ✓ The portfolio was in line with strategic pacing plan long-term target exposures for each sub-strategy.

Strategic Pacing Plan Exposure and Targets

Sub-Strategy	Current Total Exposure % (3/31/2025)	Long-term Strategic Plan: Target Exposure Ranges
Senior Credit	59%	30% to 100%
Mezzanine	23%	0% to 40%
Special Situations	18%	0% to 40%

- ✓ The strategic pacing plan targets 10% to 20% exposure through co-investments/direct investments.
 - Co-investments represented approximately 15% of PCF total exposure.

Private Credit Fund Positioning

Geography

- The PCF portfolio remains focused on developed markets, with approximately 96% of NAV in North America (81%) and Western Europe (15%).
- Strategic pacing plan long-term target, total exposure ranges:
 - North America: 60% to 70%
 - Western Europe: 20% to 30%
 - Rest of World: 0% to 10%
- Emerging Markets exposure is limited at just over 1%.

Sector

- The PCF portfolio is well-diversified and aligned with sectors exhibiting strong long-term, growth prospects and relative resiliency to economic downturns.
 - PCF's exposure to technology, financials, industrials and healthcare expected to benefit from the long-term secular growth trends.
 - Defensive industrials and healthcare may help mitigate potential losses in a challenging economic environment.
- Relative to the Hamilton Lane Private Credit benchmark, the PCF is overweight technology and healthcare while underweight real estate.
- Compared to the PCF, the Morningstar/LSTA Leveraged Loan Index includes greater exposure to certain sectors that may exhibit more cyclical and is underweight certain high margin and defensive sectors.

PCF Geographic Breakdown by NAV

Developed	% Allocation
North America	81.4%
Western Europe	14.8%
ROW	1.1%
Sub-Total: Developed	97.3%
Emerging Markets	1.4%
Other	1.3%

Data as of March 31, 2025.

PCF Sector Breakdown as % of NAV

Sector	PCF	HL PC Benchmark	LSTA
Information Technology	22.5%	14.8%	16.7%
Financials	17.5%	22.7%	10.4%
Industrials	16.4%	14.8%	15.2%
Health Care	15.8%	9.8%	5.8%
Consumer Discretionary	10.7%	11.0%	17.9%
Consumer Staples	4.3%	2.9%	13.6%
Communication Services	3.7%	5.6%	10.2%
Real Estate	3.1%	9.3%	1.4%
Materials	2.7%	3.7%	4.0%
Energy	2.2%	3.4%	2.7%
Utilities	1.1%	1.9%	2.1%

Note: PCF is re-indexed to exclude FoF Holdings with no data available and Other Investments with undefined sectors.



Private Credit Fund Positioning

PCF's unfunded commitments are diversified across managers, strategy and vintage year, and positioned for deployment as market conditions allow.

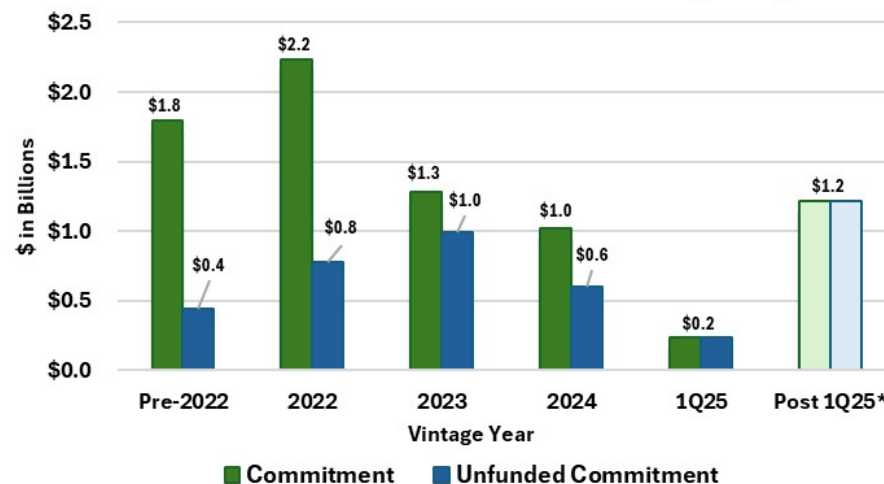
- PCF unfunded commitments totaled approximately \$3.0 billion as of March 31, 2025.
 - Approximately 86% of the unfunded commitments were to 2022 to 2025 vintages.
 - An additional \$1.2 billion of commitments closed or were approved subsequent to 1Q25.
 - During Q2 2025, Connecticut funded more than \$300 million of PCF capital calls.
- Funds in the post-investment period are not expected to call a significant portion of remaining unfunded commitments as capital requirements are generally netted from portfolio realizations.
 - The PCF portfolio held interests in 14 funds that were in the post-investment period as of March 31, 2025.

PCF Funds in Post-Investment Period
As of March 31, 2025 (\$Millions)

Connecticut Commitments	Paid In Capital	% Commitments	Unfunded Commitments	% Commitments
\$1,220	\$1,126	92%	\$296	24%

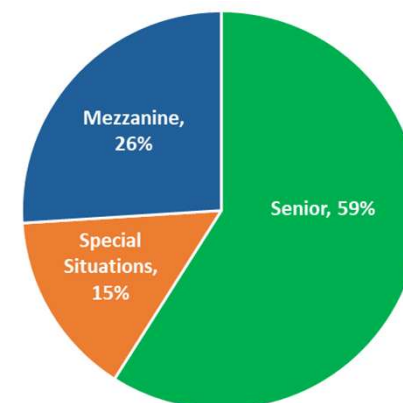
- While these funds had called 92% of Connecticut's capital commitments, Connecticut's remaining unfunded commitments totaled nearly \$0.3 billion or 24% of capital commitments.

Commitments & Unfunded Commitments by Vintage Year



*Commitments closed or approved after March 31, 2025.

Unfunded Commitments by Strategy: 2022 - 2025 Vintage Years¹



1. Inclusive of Commitments closed or approved after March 31, 2025.



Private Credit Fund Positioning

The PCF portfolio is focused on maintaining a smaller group of core, high conviction managers.

- There were 19 active PCF managers as of March 31, 2025.
- The top ten private credit managers represent over 90% of PCF market value and over 85% of PCF total exposure.
- Existing unfunded commitments are among managers that are diversified across all sub-strategies.

PCF Portfolio Total Exposure by General Partner (USD in Millions) as of March 31, 2025							
General Partner	Number of Investments	Capital Committed	Market Value	% Market Value	Unfunded Commitment	Total Exposure	% Total Exposure
IOG	8	\$1,124	\$613	17.8%	\$566	\$1,179	18.2%
HarbourVest Partners	1	\$750	\$586	17.0%	\$189	\$775	11.9%
Crescent Capital Group	3	\$675	\$535	15.5%	\$112	\$647	10.0%
Sixth Street Partners	2	\$550	\$427	12.4%	\$208	\$635	9.8%
SLR Capital Partners	1	\$600	\$140	4.1%	\$471	\$611	9.4%
Fortress Investment Group	3	\$550	\$314	9.1%	\$216	\$530	8.2%
O'Brien-Staley Partners	4	\$323	\$177	5.1%	\$148	\$325	5.0%
Goldman, Sachs & Co.	3	\$350	\$266	7.7%	\$58	\$324	5.0%
Oaktree Capital Management	1	\$300	\$58	1.7%	\$248	\$306	4.7%
Hg Capital	2	\$225	\$19	0.6%	\$212	\$231	3.6%
All Others	15	\$1,075	\$311	9.0%	\$617	\$928	14.3%
Total	43	\$6,522	\$3,446	100.0%	\$3,045	\$6,491	100.0%



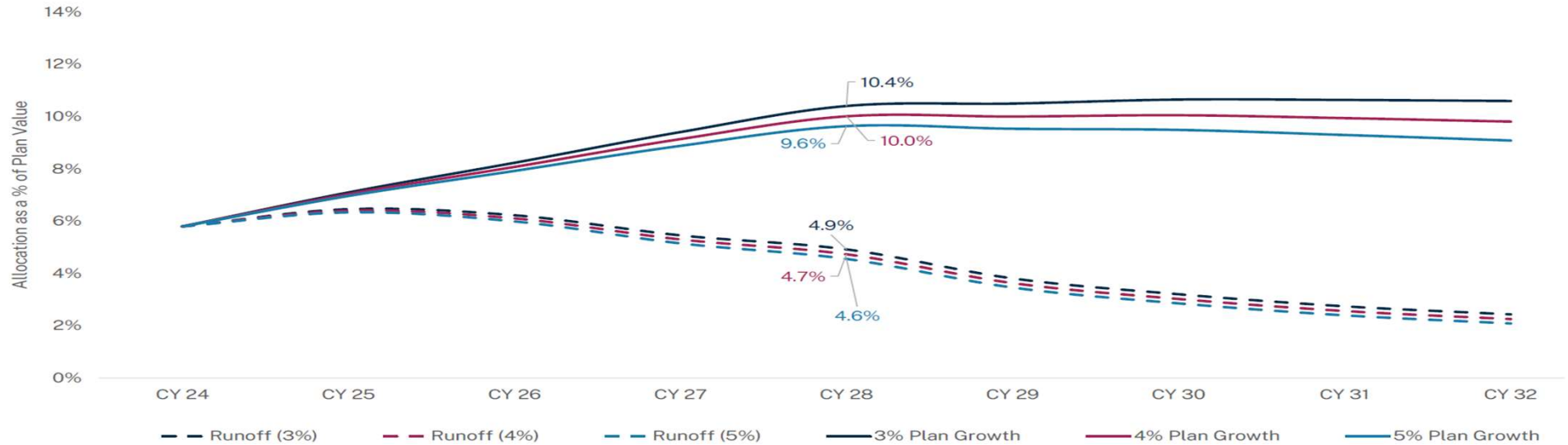
Portfolio Recommendations & Near-Term Goals

- **PFM staff recommends continued execution of current strategic plan.**
 - The portfolio is well-situated relative to strategic asset allocation, long-term sub-strategy, and geographic exposure targets.
 - Prioritize consistent pacing of commitments behind managers with strong credit selection and discipline over managers focused on AUM gathering.
- **Ensure that Connecticut is positioned to take advantage of varying market conditions and developments.**
 - Focus exposure in performing senior and junior credit with managers having proven underwriting expertise and an edge in origination.
 - Portfolio positioning to capture attractive opportunities across varying market conditions, including broader downturns and idiosyncratic dislocations.
 - Consider seasoned primary funds and credit secondaries to gain exposure to performing credit portfolios offering embedded, attractive yields.
- **Remain focused on core managers to drive improved economics through scaled commitments.**
 - Utilize Connecticut's size to maximize benefits through favorable terms, with customized mandates also providing bespoke investment guidelines and execution.
 - Maintain discipline to move on from existing managers that fail to deliver to expectations, undergo significant organizational changes, or no longer fit with the PCF strategic plan.
- **Consider selectively adding new managers that would bring complementary credit exposure to the current portfolio.**
 - Opportunities such as asset-backed, specialty finance, etc.

Appendix

2025 Strategic Pacing Plan

Current Year 2025 Pacing: \$1.85 Billion



CRPTF PC Horizon Model - 2028 Target									
(\$ in millions)	CY 24 ¹	CY 25	CY 26	CY 27	CY 28	CY 29	CY 30	CY 31	CY 32
Commitments									
Fund Commitments	\$6,031.5	\$1,650.0	\$1,650.0	\$1,200.0	\$1,200.0	\$1,200.0	\$1,200.0	\$1,200.0	\$1,200.0
Total HarbourVest CI Commitment ²	-	\$200.0	\$250.0	\$315.0	\$34.0	\$225.0	\$303.0	\$368.0	\$147.0
Total Commitment	-	\$1,850.0	\$1,900.0	\$1,515.0	\$1,234.0	\$1,425.0	\$1,503.0	\$1,568.0	\$1,347.0
Period Cash Flow									
Paid-in Capital	\$1,488.9	\$1,607.6	\$1,593.0	\$1,821.5	\$1,552.5	\$1,609.0	\$1,560.5	\$1,588.7	\$1,354.0
Distributions	\$552.0	\$986.3	\$1,208.6	\$1,473.5	\$1,552.8	\$2,138.9	\$2,073.3	\$1,952.3	\$2,111.3
Net Cash Flow	(\$936.9)	(\$621.3)	(\$384.4)	(\$348.0)	\$0.3	\$529.9	\$512.8	\$363.6	\$757.3
Cumulative Cash Flow									
Paid-in Capital	\$3,075.5	\$4,683.1	\$6,276.2	\$8,097.7	\$9,650.2	\$11,259.2	\$12,819.7	\$14,408.4	\$15,762.4
Distributions	\$812.2	\$1,798.5	\$3,007.1	\$4,480.7	\$6,033.5	\$8,172.4	\$10,245.7	\$12,197.9	\$14,309.2
Net Cash Flow	(\$2,263.3)	(\$2,884.6)	(\$3,269.0)	(\$3,617.0)	(\$3,616.7)	(\$3,086.8)	(\$2,574.0)	(\$2,210.4)	(\$1,453.2)
PCF Portfolio									
PC Market Value	\$3,488.0	\$4,397.6	\$5,252.2	\$6,181.5	\$7,041.0	\$7,317.1	\$7,647.1	\$7,865.8	\$8,070.9
Unfunded	\$3,139.7	\$3,212.1	\$3,299.1	\$2,901.5	\$2,713.0	\$2,549.0	\$2,491.5	\$2,469.6	\$2,462.5
3.00% Plan Growth	5.8%	7.1%	8.2%	9.4%	10.4%	10.5%	10.7%	10.6%	10.6%
4.00% Plan Growth	5.8%	7.0%	8.1%	9.1%	10.0%	10.0%	10.1%	9.9%	9.8%
5.00% Plan Growth	5.8%	7.0%	7.9%	8.9%	9.6%	9.5%	9.5%	9.3%	9.1%
Total Harbourvest Projected CI as a % of NAV	17.1%	18.5%	16.0%	13.7%	12.5%	12.9%	13.1%	13.5%	14.2%
Total HarbourVest CI Exposure as a % of Total Exposure	11.3%	11.1%	10.2%	9.6%	9.3%	9.5%	9.9%	10.3%	10.9%

1) Commitment amount in CY 24 column represents total since inception through year-end 2024 (expected). CY 24 cash flows represent 1H 2024 real cash flows plus 2H 2024 projected cash flows.

2) Represents a total new capital commitment of \$750M plus any projected recycled distributions.



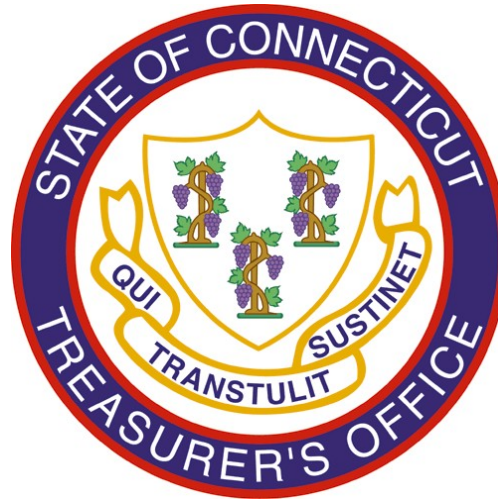
2025 YTD PCF Strategic Pacing Plan Deployment

2025 PCF Strategic Plan ¹							
\$Millions		Target Ranges by Strategy					
	<u>Senior</u>		<u>Mezzanine</u>		<u>Special Situations</u>		<u>Total</u>
Total Commitments	\$1,050	\$1,350	\$300	\$350	\$300	\$350	\$1,850
Commitment Size	\$100	\$400	\$100	\$400	\$100	\$400	
Number of Commitments	4	8	1	2	1	2	6 to 13
<u>Investment / Status</u>							
HarbourVest CT Private Debt Partnership- Closed ²	\$200						\$200
ICG Europe Fund IX (Upsized Commitment) - Closed ³			\$142				\$142
ICG Co-Investment (Upsized Commitment) - Closed ³			\$74				\$74
Anchorage IX - Closed					\$175		\$175
Anchorage IX Co-Investment - Closed					\$75		\$75
Crescent CRPTF Private Credit Tranche II - Approved/Pending Legal	\$300						\$300
<i>Sixth Street Special Lending Europe- Recommendation</i>	\$300						\$300
Capital Commitments	\$800		\$215		\$250		\$1,265
Number of Commitments	3		0		2		5

1. Includes \$1,650 million targeted for primary fund commitments and \$200 million for co-investments through HarbourVest CT Private Debt Partnership. Number of commitments excludes Upsized Commitments. 2. Amount shown in table represents the expected 2025 deployment pacing of an evergreen co-investment program, with a total commitment of \$750 million.

3. Commitments are denominated in Euro; amounts shown above have been converted into USD and total may not foot due to rounding.





Private Credit Fund Investment Opportunities Overview

Investment Advisory Council
September 10, 2025

Executive Summary

Manager Overview

- Sixth Street Advisers, LLC (“Sixth Street” or the “Firm”)
- New/Existing Private Credit Fund Manager: Existing
- Majority owned by its partners; Dyal Capital Management and Northwestern Mutual hold passive minority stakes
- Headquartered in San Francisco with offices in New York, London, Houston, Dallas, Austin, Boston, Chicago, Hong Kong and Luxembourg
- Over 600 employees, including 35 partners
- \$115 billion AUM, as of June 30, 2025

Fund Summary

- Sixth Street Specialty Lending Europe III (A) L.P. (the “Levered Fund” and together with parallel vehicles¹, “SLE III” or the “Fund”)
- Private Credit
- Senior Credit
- Geographic Focus: Europe
 - Target/Hard Cap: €2.5 billion / €3.75 billion
- GP Commitment: at least 1.5% of aggregate commitments
- Management Fee (Levered Fund): 1.35% on invested capital during the commitment, reduced to 1.15% at the recommended commitment size. Basis moves to lesser of invested capital or NAV in post-investment period.
- Carried Interest/Waterfall (Levered Fund): 17.5%, reduced to 15% at the recommended commitment size/ American (modified)
- Preferred Return (Levered Fund): 7%

Strategic Fit

- Private Credit Fund (“PCF”)
- Recommended Commitment:
 - \$300 million¹
- IPS Category: Senior
 - IPS Range for Senior: 30% to 100% of total PCF exposure
 - Current Senior Exposure: 64%
- PCF Strategic Pacing Plan
 - Sub-strategy: Senior
 - Long-term Senior targeted exposure: 30% to 100%
 - Current Senior Exposure: 64%

1. Sixth Street Specialty Lending Europe III includes a levered sleeve and an unlevered sleeve. In addition, Sixth Street Specialty Lending Europe III (USD Feeder), L.P. has been formed as a USD feeder fund of the Levered Fund. The recommended commitment is to the USD feeder fund.

Recommendation

- Based on the strategic fit within the PCF portfolio, as well as due diligence done by Pension Funds Management (“PFM”) investment professionals and Hamilton Lane, the Chief Investment Officer of the Connecticut Retirement Plans and Trust Funds (“CRPTF”) recommends consideration of a commitment of up to \$300 million to SLE III.

Investment Considerations

- Sixth Street brings a long-standing track record of generating strong risk-adjusted returns in private credit. SLE I and II have maintained top quartile returns with zero losses to date.
- The SLE team has built a robust thematic sourcing origination model suited for the European direct lending market, which remains more fragmented than the U.S. market.
- SLE III will be empowered by the broader Sixth Street platform to flex across transaction sizes, capital structures, and geographies, while remaining anchored to a core risk management philosophy.

2025 Strategic Pacing Plan Overview

- Progress towards the 2025 PCF strategic pacing plan objectives is outlined below.

2025 PCF Strategic Plan ¹							
Target Ranges by Strategy							
\$Millions	Senior		Mezzanine		Special Situations		Total
Total Commitments	\$1,050	\$1,350	\$300	\$350	\$300	\$350	\$1,850
Commitment Size	\$100	\$400	\$100	\$400	\$100	\$400	
Number of Commitments	4	8	1	2	1	2	6 to 13
<u>Investment / Status</u>							
HarbourVest CT Private Debt Partnership- Closed ²	\$200						\$200
ICG Europe Fund IX (Upsized Commitment) - Closed ³			\$142				\$142
ICG Co-Investment (Upsized Commitment) - Closed ³			\$74				\$74
Anchorage IX - Closed					\$175		\$175
Anchorage IX Co-Investment - Closed					\$75		\$75
Crescent CRPTF Private Credit Tranche II - Approved/Pending Legal	\$300						\$300
<i>Sixth Street Specialty Lending Europe III - Recommendation</i>	\$300						\$300
Capital Commitments	\$800		\$215		\$250		\$1,265
Number of Commitments	3		0		2		5

1. Includes \$1,650 million targeted for primary fund commitments and \$200 million for co-investments through HarbourVest CT Private Debt Partnership. Number of commitments excludes Upsized Commitments. 2. Amount shown in table represents the expected 2025 deployment pacing of an evergreen co-investment program, with a total commitment of \$750 million. 3. Commitments are denominated in Euro; amounts shown above have been converted into USD and total may not foot due to rounding.



OFFICE OF THE STATE TREASURER

PENSION FUNDS MANAGEMENT DIVISION

KEY
[Blue Box] - Appointed
[Red Box] - Vacant

