



SHAWN T. WOODEN
TREASURER

State of Connecticut
Office of the Treasurer

DARRELL V. HILL
DEPUTY TREASURER

MEMORANDUM

TO: Members of Investment Advisory Council

FROM: Shawn T. Wooden, State Treasurer and Council Secretary

DATE: December 3, 2021

SUBJECT: Investment Advisory Council Meeting – December 8, 2021

Enclosed is the agenda package for the Investment Advisory Council meeting on Wednesday, December 8, 2021 starting at 9:00 A.M.

The following subjects will be covered at the meeting:

Item 1: Approval of the Minutes of the November 10, 2021 IAC Meeting and the November 16, 2021 IAC Special Meeting

Item 2: Opening Comments by the Treasurer

Item 3: Presentation by and Consideration of Hollyport

Mark Evans, Principal Investment Officer, will provide opening remarks and present Hollyport Secondary Opportunities VIII LP and Hollyport Secondary (Overage Fund) LP, Private Equity Fund opportunities.

Item 4: Presentation by and Consideration of Climate Adaptive Infrastructure

Olivia Wall, Investment Officer, will provide opening remarks and present Climate Adaptive Infrastructure Fund, L.P., an Infrastructure and Natural Resources Fund opportunity.

Item 5: Secondary Advisor Request for Proposal

Mark Evans, Principal Investment Officer, will review the project plan and scope of services for the Secondary Advisor search.

Item 6: Other Business

- Review and Approval of the IAC Meeting Schedule for the 2022 Calendar Year

Item 7: Comments by the Chair

Item 8: Executive session

- Consideration of personnel matters

Item 9: Votes:

- (a) Creation of a Principal Investment Officer position along with approval of salary range
- (b) Consent to the recommended candidate for this position

Item 10: Adjournment

We look forward to reviewing these agenda items with you at the December 8th meeting. Please confirm your attendance with Raymond Tuohey (raymond.tuohey@ct.gov) as soon as possible.

STW/rt

Enclosures

**DRAFT VERSION – MINUTES OF THE INVESTMENT ADVISORY COUNCIL MEETING
WEDNESDAY, NOVEMBER 10, 2021– SUBJECT TO REVIEW AND APPROVAL
FINAL VERSION OF THESE MINUTES WILL BE POSTED AFTER APPROVAL OF THE INVESTMENT
ADVISORY COUNCIL AT THE NEXT MONTHLY MEETING, WHICH WILL BE HELD ON
WEDNESDAY, DECEMBER 8, 2021**

MEETING NO. 499

Members present: D. Ellen Shuman, Chair
Treasurer Wooden, Secretary
Thomas Fiore, representing Secretary Melissa McCaw
Michael Knight
Steven Muench
William Murray
Patrick Sampson
Michael LeClair

Members absent: Joshua Hall

Others present: Ted Wright, 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
Harvey Kelly, Pension Fund Analyst
Peter Gajowiak, Senior Investment Officer
Felicia Genca, Pension Fund Analyst
Raynald Leveque, Deputy Chief Investment Officer
Pamela Moody, Investment Officer
Paul Osinloye, Principal Investment Officer
Christine Shaw, Assistant Treasurer for Corporate Governance &
Sustainable Investment
Michael Terry, Principal Investment Officer
Olivia Wall, Investment Officer
Kan Zuo, Investment Officer

Guests: Public Line

With a quorum present, Chair D. Ellen Shuman called the Investment Advisory Council (“IAC”) meeting to order at 9:05 a.m.

Approval of Minutes of the October 13, 2021 IAC Meeting

Chair Shuman called for a motion to accept the minutes of the October 13, 2021 IAC Meeting.

William Murray moved to approve the minutes. The motion was seconded by Thomas Fiore.

There being no further discussion, the Chair called for a vote and the motion passed.

Comments by the Treasurer

Treasurer Wooden welcomed IAC members and began by announcing positive news related to State's budget reserve fund. Next, he announced his decision to invest \$100 million allocation to Cityview Real Estate Partners VII, a Real Assets Fund opportunity, up to \$600 million to Crescent Private Credit Partnership, a Private Credit Fund opportunity, and \$75 million to Ironwood Capital Partners V, a Private Investment Fund opportunity.

Update on the Market and the Connecticut Retirement Plans and Trust Funds Performance

Ted Wright, Chief Investment Officer, discussed the capital markets environment and an overview of the third quarter performance for CRPTF. CIO Wright introduced Kevin Cullinan, Chief Risk Officer ("CRO") and invited him to provide performance update and notable highlights on the eleven asset classes within CRPTF.

Presentation and Consideration of Constitution Fund V

Mark Evans, Principal Investment Officer ("PIO"), provided opening remarks and made a presentation to the IAC on the Constitution Fund V, a Private Equity Fund opportunity. Constitution Fund is an affiliate of Fairview Capital Partners, Inc. ("Fairview")

Roll Call of Reactions for Constitution Fund V

Messrs. Fiore, Muench, LeClair, William Murray, Michael Knight, Patrick Sampson, and Chair Shuman provided feedback on Constitution Fund V. There being no further discussion, Chair Shuman called for a motion to waive the 45-day comment period. A motion was made by Mr.

Muench, seconded by Mr. Murray, to waive the 45-day comment period for Constitution Fund V.

The Chair called for a vote and the motion passed.

Other Business

Chair Shuman invited the council members to submit agenda items for the next meeting being held on December 8, 2021.

Comments by the Chair

Chair Shuman shared her insights on opportunities to enhance council's involvement and add value to the investment process, frequency of IAC meetings for the calendar year 2022, and structural changes related to presentation format of investment opportunities to the council. Chair Shuman indicated a desire to initiate an Asset Allocation study in calendar year 2022 and invited members of the council to share their comments on the proposed changes for the coming year. Members Fiore, Murray, Muench, Knight, Patrick Sampson and Michael LeClair shared their comments on the proposed format for the new year.

Executive Session

Chair Shuman asked for a motion to move into Executive Session. **A motion was made by Mr. Fiore, seconded by Mr. Muench that the Investment Advisory Council enter into Executive Session to consider personnel matters at 10:20 a.m. The motion passed unanimously.** Darrell Hill, Deputy Treasurer; John Flores, General Counsel; Alex Marcellino, Assistant Treasurer; and Ted Wright, Chief Investment Officer; were invited to attend the Executive Session.

Chair Shuman reconvened the regular session at 11:23 a.m. **Chair Shuman noted that no substantive votes or actions were taken during the Executive Session.**

Motion to Approve creation of a Principal Investment Officer position for Corporate Governance and Sustainable Investments

Mr. Sampson moved to approve the position with a salary range of \$135,000-\$225,000; Mr. Muench seconded the motion. There were two abstentions by Mr. Fiore and Mr. Knight. The Chair called for a vote and the motion passed.

Motion to Approve creation of a Principal Investment Officer position for Operations & Portfolio Analytics

Mr. Sampson moved to approve the position with a salary range of \$135,000-\$210,000; Mr. Murray seconded the motion. There was one abstention by Mr. Fiore. The Chair called for a vote and the motion passed.

Motion to consent to the Treasurer's recommended candidates for the two Principal Investment Officer positions

Mr. Muench moved to approve the position with a salary range of \$135,000-\$210,000; Mr. Sampson seconded the motion. There were two abstentions by Mr. Fiore and Mr. Knight. The Chair called for a vote and the motion passed.

Meeting Adjourned

There being no further business, Chair Shuman called for a motion to adjourn the meeting. **Mr. Murray moved to adjourn the meeting and the motion was seconded by Mr. Fiore. There being no discussion, the meeting was adjourned at 11.27 a.m.**

**DRAFT VERSION – MINUTES OF THE INVESTMENT ADVISORY COUNCIL SPECIAL MEETING
TUESDAY, NOVEMBER 16, 2021– SUBJECT TO REVIEW AND APPROVAL
FINAL VERSION OF THESE MINUTES WILL BE POSTED AFTER APPROVAL OF THE INVESTMENT
ADVISORY COUNCIL AT THE NEXT MONTHLY MEETING, WHICH WILL BE HELD ON
WEDNESDAY, DECEMBER 8, 2021**

MEETING NO. 500

Members present: D. Ellen Shuman, Chair
Treasurer Wooden, Secretary
Thomas Fiore, representing Secretary Melissa McCaw
Michael Knight
Steven Muench
William Murray
Patrick Sampson
Michael LeClair

Members absent: Joshua Hall

Others present: John Flores, General Counsel
Darrell Hill, Deputy Treasurer
Alex Marcellino, Assistant Treasurer

Guests: Gary Hudepohl, Hudepohl Associates
Public Line

With a quorum present, Chair D. Ellen Shuman called the Investment Advisory Council (“IAC”) meeting to order at 5:0X PM E.T.

Executive Session

Chair Shuman called for a motion to move into Executive Session. **A motion was made by XXX, seconded by YYY that the committee enter into Executive Session to consider personnel matters at 5:0X PM. The motion passed unanimously. Darrell Hill, Deputy Treasurer; John Flores, General Counsel; Alex Marcellino, Assistant Treasurer; and Gary Hudepohl, were invited to attend the Executive Session.**

Consideration of Personnel Matters

Meeting Adjourned

There being no further business, Chair Shuman called for a motion to adjourn the meeting. **Mr. XX moved to adjourn the meeting and the motion was seconded by Mr. YY. There being no discussion, the meeting was adjourned at Z:ZZ PM.**

DRAFT



SHAWN T. WOODEN
TREASURER

State of Connecticut
Office of the Treasurer

DARRELL V. HILL
DEPUTY TREASURER

December 2, 2021

Members of the Investment Advisory Council ("IAC")

**Re: Consideration of Hollyport Secondary Opportunities Fund VIII LP &
Hollyport Secondary (Overage Fund) LP**

Dear Fellow IAC Member:

At the December 8, 2021 meeting of the IAC, I will present for your consideration two, related private equity opportunities for the Private Investment Fund ("PIF") in the Connecticut Retirement Plans and Trust Funds (the "CRPTF"): Hollyport Secondary Opportunities Fund VIII LP ("Hollyport VIII") and Hollyport Secondary (Overage Fund) LP. (the "Overage Fund"). Both Hollyport VIII and the Overage Fund are being raised by Hollyport Capital LLP ("Hollyport"), based in London, U.K.

I am considering commitments of up \$125 million to Hollyport VIII and \$50 million to the Overage Fund, both of which will focus on acquiring secondary interests in more mature private equity funds, with an emphasis on U.S. and European assets. The Overage Fund will invest alongside Hollyport VIII in certain secondary transactions that due to size or concentration levels, create an overflow investment opportunity present for the Overage Fund. The Hollyport funds will provide the CRPTF with additional exposure to the firm's differentiated, proven strategy of acquiring and monetizing legacy private equity assets to generate strong investor returns.

Attached for your review is the recommendation from Ted Wright, Chief Investment Officer, and the due diligence report prepared by Hamilton Lane. I look forward to our discussion of these materials at next week's meeting.

Sincerely,

A handwritten signature in blue ink that reads "Shawn T. Wooden".

Shawn T. Wooden
State Treasurer



OFFICE OF THE STATE TREASURER
MEMORANDUM

DECISION

TO: Shawn T. Wooden, Treasurer

FROM: Ted Wright, Chief Investment Officer

CC: Darrell V. Hill, Deputy Treasurer
Raynald D. Leveque, Deputy Chief Investment Officer
Kevin Cullinan, Chief Risk Officer
Mark E. Evans, Principal Investment Officer
Kan Zuo, Investment Officer

DATE: November 24, 2021

SUBJECT: Hollyport Secondary Opportunities VIII LP & Hollyport Secondary (Overage Fund) LP – Final Due Diligence

Summary

The purpose of this memorandum is to recommend that the Connecticut Retirement Plans and Trust Funds (the “CRPTF”) consider commitments of up to (i) \$125 million to Hollyport Secondary Opportunities VIII LP (“Hollyport VIII” or the “Fund”), and (ii) \$50 million to Hollyport Secondary (Overage Fund) LP (the “Overage Fund”). Hollyport VIII will focus on acquiring secondary interests in private equity funds, particularly funds that are ten or more years old and with modest remaining value. The Overage Fund will invest alongside Hollyport VIII in certain secondary transactions that due to size or the Fund’s diversification objectives limits create incremental investment capacity for the Overage Fund.

Hollyport VIII has a target fund size of \$1.5 billion and the Overage Fund has a targeted size of \$0.5 billion. Investors committing at least \$50 million to Hollyport VIII may be offered the opportunity to commit capital to the Overage Fund. The aggregate commitments to Hollyport VIII and the Overage Fund will be capped at \$2.5 billion.

The funds are being raised by Hollyport Capital LLP (“Hollyport” or the “Firm”), an investment management firm focused exclusively on the secondary market. Founded in 2006, Hollyport is headquartered in London with a satellite office in New York, NY. Since its inception, Hollyport has consistently focused on acquiring legacy private equity assets in the secondary market.

Strategic Allocation within the Private Investment Fund

The Fund’s secondary focused strategy falls under the Corporate Finance allocation identified for the Private Investment Fund (“PIF”) in the Investment Policy Statement (“IPS”). The IPS establishes target allocations ranges of 70% to 100% to Corporate Finance investments within the PIF portfolio as measured by a percentage of total exposure, defined as market value plus unfunded commitments.

The PIF’s total exposure to Corporate Finance strategies was approximately 84% as of September 30, 2021.

Secondaries represented approximately 8% of the PIF’s total exposure as of September 30, 2021. Commitment to Hollyport VIII and the Overage Fund would be consistent with several of the PIF’s strategic pacing plan objectives as outlined below.

- Supporting the PIF’s long-term target allocation to the secondary sub-strategy of 5-10% of total exposure.
- Concentrating investment commitments with top performing, high conviction managers.
- Deploying capital in private equity strategies that provide a lower risk profile and a high level of diversification relative to some of the more concentrated, sector focused primary commitments in the PIF portfolio.

Connecticut committed to Hollyport Secondary Opportunities Fund VII (“Hollyport VII”) in December 2019, which represented its first commitment to a Hollyport-managed fund. The recommended commitments to Hollyport VIII and the Overage Fund would provide the CRPTF with added exposure to a manager that has consistently generated strong returns through a differentiated strategy in the secondary market. A summary of the CRPTF’s current investment in Hollyport VII is provided in the following table.

Fund	Vintage		Connecticut Commitment	Unfunded Commitment	NAV	Total Exposure	Net		
	Year	Status					IRR	TVM	DPI
Hollyport VII	2019	Investing	\$75	\$45	\$60	\$105	89.7%	2.00x	0.00x

Source: Connecticut returns from Burgiss Private i. TVM is total value multiple. DPI is distributions to paid in capital.

Firm and Management Team

Hollyport was founded in London by John Carter, John Beatty, and Ian Worden in 2006. Beatty and Worden have since retired. The Firm is now fully owned and managed by Partners John Carter, Edward Gay, Steven Nicholls, and Richard Grindrod, all of whom sit on the Investment Committee. Carter spent nearly 20 years as a direct private equity investment professional, including his role as head of 3i’s mid-market buyout and growth equity investment team in London, before co-founding Hollyport. Gay joined Hollyport in 2011 with prior experience in audit, assurance, and corporate finance. Nicholls had more than 15 years of experience at 3i, where he led the firm’s UK private equity business and was a founding partner of 3i Growth Capital, prior to joining Hollyport in 2013.

Carter, Gay, and Nicholls have worked closely together on the last four Hollyport funds, while Grindrod joined Hollyport as an Associate in 2005 after starting his career in banking and capital markets assurance and transaction advisory services with PwC. Grindrod was promoted to Partner in April 2021 in accordance with Hollyport’s aim of hiring at the junior level and then promoting from within based on merit.

The Partners have continued to invest in the growth of the Hollyport investment team as well as organizational infrastructure to support the Firm’s growth in assets under management. Currently, Hollyport has a total of 35 employees, including 24 dedicated investment executives, which is up from 20 employees at the time Hollyport VII was raised. Hollyport opened a New York office in 2018 to provide the Firm with increased direct access to the key U.S. private equity market. The

Firm has continued to expand its investment team in NY and is in the process of recruiting a Partner level professional to lead this office.

Investment Strategy and Market Opportunities

Hollyport VIII and the Overage Fund will continue the investment strategy of the previous Hollyport funds. The Firm focuses its investment practice on acquiring secondary interests in mature private equity funds from existing investors that are seeking liquidity, often to achieve portfolio management or other strategic objectives. The majority of the transactions that Hollyport targets and completes involve portfolios of limited partner interests in funds beyond the original term. So called legacy or tail-end private equity funds are typically greater than ten years old with remaining value that is less than 15% of original commitments of the fund. Hollyport will also make selective secondary direct investments into portfolio companies, participate in GP-led restructurings, and invest up to 10% of commitments in primary fund interests to gain access to secondary opportunities with certain GPs.

Consistent with the prior Hollyport funds, the Firm expects the majority of Hollyport VII and Overage Fund investments to involve the acquisition of limited partner interests in legacy or mature funds. Hollyport has identified this secondary market segment to be particularly compelling as the sellers of these assets are often motivated by factors other than value maximization. For example, institution investors may have strategic reasons for pursuing a secondary sale, particularly if the value of the assets being sold is not significant relative to the investor's overall private equity portfolio or assets under management. These strategic reasons may include the investor's interest in efficiently winding down an investment vehicle that is approaching or past its term, rationalizing a legacy private equity investment portfolio that resulted from a corporate merger, or exiting a primary fund investment business altogether.

Legacy funds often contain a number of limited partner interests, each with a small residual value. The current owners of these assets would generally prefer to find one buyer that can offer a single, complete liquidity solution rather than attempting to sell individual fund interests through several transactions with multiple buyers. These portfolios are often complex and difficult to analyze, requiring considerable expertise and flexibility to efficiently structure and execute. Hollyport has the expertise to transact with vendors for the remaining fund balances, taking into consideration the complexities of existing vehicle holding structures, administrative challenges, etc. Having completed more than 100 legacy fund transactions since 2007, Hollyport has established a reputation as a reliable and credible counterparty that delivers on key objectives of the selling party, including executing on the agreed terms and having the operating infrastructure to efficiently and effectively manage the transfer process for the significant number of tail-end funds interests often involved in these transactions.

Hollyport has also been investing in GP-led, complex secondary transactions since 2007, including continuation funds, tender offers, and liquidity solutions for early-stage investors. Hollyport has accumulated substantial experience in evaluating opportunities in this growing segment of the market. Since its inception, Hollyport has worked with over 625 GPs to identify opportunities involving legacy funds. Hollyport has significant experience identifying assets within tail-end funds that may need an extended holding period and/or to achieve growth potential. With these opportunities, Hollyport utilizes its expertise in fund restructurings and extensions to provide the fund manager with the additional time and capital needed for the remaining assets while offering liquidity solutions to existing fund investors.

Legacy private equity fund interests often trade at a discount to reported value, which is attributable to several factors. Existing limited partners may be fatigued and more interested in a liquidity option than value maximization. The remaining assets in tail-end funds are often perceived as being lower quality or lacking the upside value potential when compared to assets held in less mature funds. Against these market dynamics, Hollyport seeks to create attractive investment opportunities through its expertise in conducting detailed bottoms-up valuation analyses on a wide range of underlying asset quality that may be available within each legacy portfolio or complex secondary opportunity. Through these proven practices, Hollyport seeks to identify the key assets that continue to have significant growth and value creation potential. The Firm's valuation processes are enhanced by its extensive database of information on individual companies, valuation methodologies, and the historical performance of specific managers.

Hollyport delivers investment returns through a combination of buying assets at a discount to reported and/or fundamental value, identifying high conviction assets with significant growth potential, and the ability to accurately assess the cash flow profile of each underlying portfolio company. A key component of the Hollyport investment strategy is the Firm's use of recycled cash flows, which it utilizes to maximize the multiple of capital returned to its investors. Hollyport will aim to invest 120% to 140% of the Fund's committed capital through its proven recycling and end of investment period leverage practices. Specifically, during the Fund's four-year investment period, Hollyport expects to re-invest all cash flows realized within one year of each investment's acquisition date. In addition, the Firm utilizes a leverage facility toward the end of each fund's investment period, which allows Hollyport to further increase its recycling capacity. Hollyport sizes the leverage facility to match the cash flows expected to be generated by a fund's assets over the following 12 months. Consistent with recent Hollyport funds, the Fund's maximum leverage is capped at the greater of 35% of (i) NAV plus undrawn commitments, or (ii) total capital commitments. In practice, however, Hollyport's maximum use of leverage across Hollyport V, VI, and VII ranged from 14% to 23% as of June 30, 2021.

Hollyport will seek to create a Fund diversified portfolio through 35 to 40 investments, which will provide exposure to several hundred underlying fund interests. The Fund's investment guidelines establish concentration limits at the underlying fund and single asset level. The Firm does not target a specific mix of private equity fund strategies or geographic diversification but expects the Fund's portfolio construction will resemble that of the prior Hollyport funds with underlying exposure to buyout (50% invested capital), growth (30%), and venture (20%) investments in companies based predominantly in the US and Europe with less significant exposure to Asia and other markets.

Track Record

Since 2007, Hollyport had invested more than \$2 billion of capital in secondary transactions, which generated a combined net internal rate of return ("IRR") and net total value multiple ("TVM") of 41% and 2.2x, respectively, as of June 30, 2021. While Hollyport has generated attractive returns across all prior investment vehicles, PFM investment professionals have focused this investment track record assessment on the performance of Hollyport IV and newer funds, which are more reflective of the current scale of investment and strategy of Hollyport VIII and the Overage Fund. A summary of Hollyport's inception to date investment performance is provided in the following table.

(US\$ and GBP in millions, as of June 30, 2021)

Hollyport Capital													
Investment Performance Summary													
Fund	Vintage Year	Fund Size	# Deals	Invested Capital	Realized Value	Unrealized Value	Total Value	Gross/Net			Quartile Rank		
								TVM	IRR	DPI	TVM	IRR	DPI
Prism	2007	£2	1	£2	£146	-	£146	68.3x / 58.3x	82% / 78%	68.3x / 58.3x	1st	1st	1st
HollyPort I	2007	£6	1	£2	£7	-	£7	4.1x / 3.5x	96% / 86%	4.1x / 3.5x	1st	1st	1st
HollyPort II	2008	£17	5	£10	£22	-	£22	1.9x / 1.7x	18% / 17%	1.9x / 1.7x	1st	1st	1st
HollyPort III	2010	£30	15	£24	£47	£0	£47	2.2x / 2.0x	18% / 16%	1.9x / 1.9x	1st	3rd	1st
HollyPort IV	2013	£75	22	£56	£85	£22	£107	2.1x / 1.9x	19% / 17%	1.6x / 1.5x	1st	2nd	1st
HollyPort V	2015	£188	27	£131	£138	£166	£303	2.6x / 2.3x	27% / 23%	1.1x / 1.1x	1st	2nd	1st
HollyPort VI	2017	\$500	36	\$350	\$100	\$570	\$670	2.1x / 1.9x	29% / 25%	0.3x / 0.3x	1st	1st	3rd
HollyPort VII	2019	\$1,000	33	\$400	-	\$801	\$801	2.2x / 2.0x	95% / 82%	0.0x / 0.0x	1st	1st	3rd

Source: Hollyport Capital, CRPTF, Hamilton Lane Secondaries Benchmarks (quartile rank based on net returns).

Hollyport’s predecessor funds have all generated strong absolute and relative returns. The fully or substantially realized Hollyport III and older vehicles all ranked as first quartile funds in comparison to the Hamilton Lane Secondaries Benchmark, except for the IRR of Hollyport III that fell below median performance.

Hollyport’s attractive investment performance has continued with Hollyport IV through VII. Notably, the Firm began incorporating capital recycling as a core element of its strategy with Hollyport IV to drive higher net multiples of investor capital than most secondary strategies generate. While this is a benefit to investors as each Hollyport fund moves out of its investment period, it is expected that the distributions to paid in capital (“DPI”) of Hollyport’s more recent funds will trail its peers as Hollyport recycles capital during the investment period. PFM investment professionals note that the realized values shown in the investment performance table above reflect only that portion of a fund’s realized value that has been distributed to a fund’s limited partners and general partner. For example, while the investment performance table shows that Hollyport VII had realized no value as of June 30, 2021, the fund had generated more than \$250 million of recyclable distributions through that period.

Key Strengths

- Differentiated Secondary Strategy.** Hollyport’s investment strategy centers around the less competitive segment of the secondary market for tail-end, mature funds. Because Hollyport offers an exit strategy for potential sellers, which are often motivated by factors other than price, the Firm typically can acquire these fund interests at a significant discount to market and/or fundamental value. Owners of low value, tail-end fund interests often choose to sell to Hollyport due to the attractiveness of a single, complete exit solution, as opposed to selling off complex fund interests to multiple parties through several transactions.
- Strong Investment Returns through Well-disciplined Investment Approach.** Hollyport’s attractive track record backs up the effectiveness of its niche secondary strategy. The Firm has successfully invested in secondary transactions since 2007, including during the aftermath of the Global Financial Crisis and through the economic uncertainties brought on by the Covid-19 pandemic. The ability to assess fair value, identify high value potential companies, and build well-diversified portfolios are important factors behind Hollyport’s consistent performance. Hollyport acquires asset portfolios that are diversified by geography, sector, strategy and vintage, imposing concentration limits on the assets acquired. No underlying portfolio company cost in Hollyport VIII will account for more than 2.5% of total commitments, and no investment cost in

any one underlying fund exceeds 10% of total commitments. For Fund VIII, Hollyport plans to invest 50% of the Fund in buyout fund interests, 20% in venture fund interests, and 30% in growth fund interests.

- 3. Strong Relationships with Vendors.** Hollyport has developed a reputation as a valued and trusted buyer of legacy fund interests with large institutional investors, advisors, and general partners. The Firm's has successfully completed more than 100 legacy fund transactions and has developed relationships with more than 600 fund managers, which well positions Hollyport for future opportunities with institutional investors and GPs seeking a comprehensive exit solution through the sale of a legacy portfolio or a complex secondary solution.

Major Risks and Mitigants

- 1. Increasing Competition in Secondary Market.** A steady increase in capital raised by secondary investment managers is expected to lead to greater competition for secondary deals, particularly larger deals. However, the Firm's tail-end strategy mitigates pricing pressure present in the broader market for more traditional limited partnership interests. Due to the diseconomies of scale, larger secondary firms often avoid the older, smaller value residual fund interest market in which Hollyport focuses. Hollyport's extensive experience in this sub-segment allows the firm to efficiently price and structure transactions. Moreover, the GP maintains strong relationships with repeat vendors in the market as a tail-end buyer, and Hollyport will continue to opportunistically invest in GP-led transactions developed through its legacy fund interests investment activities. In addition, growth in the number of funds extending beyond their original term has led to a substantial increase in the total number of available tail-end market opportunities, with the total addressable market growing from \$155 billion in 2010 to \$425 billion in 2020. Tail-end secondary market opportunity will likely continue to grow over the next decade, driven by the overall growth in primary capital committed to private equity funds since 2010. As these funds mature and extend past the original ten-year term, it is expected that the quantity and value of residual fund interests available for purchase will expand significantly.
- 2. Increase in Fund Size & Organizational Capacity.** With a combined targeted fund sizes of \$2.0 billion and a hard cap of \$2.5 billion, Hollyport VIII and the Overage Fund will be significantly larger than Hollyport VII, which had a fund size of \$1 billion. This meaningful increase in capital available to deploy may raise concerns of underperformance due to capacity constraints and style drift, similar to the concerns cited when Hollyport VII targeted a much larger fund size than its predecessors. PFM investment professionals gained comfort that these risks are largely mitigated based on an assessment of the Hollyport team capacity and market opportunity. Hollyport has continued to expand its team to meet the needs of its growing capital base. Since 2019, the team has grown from 25 to 35 members with larger investment teams in both London and New York offices. Hollyport has demonstrated its ability to effectively make larger investments in line with the growth of its capital base with no diminution in the average effective discount rate or post-acquisition value growth rate of investments made. Additionally, a larger pool of capital may enhance Hollyport's competitive position in the market by allowing the Firm to lead larger transactions on its own, whereas the Firm has had to partner with other investors on select larger investment opportunities in the past. Lastly, Hollyport VIII will have a four year investment period as compared to the three year investment period of Hollyport VII, which will provide the manager with more time to deploy a larger pool of capital.

Legal and Regulatory Disclosure (provided by Legal)

In its disclosure to the Office of the Treasurer dated October 8, 2021, Hollyport Capital, LLP (“Hollyport” or the “Respondent”) states that there are no material legal or non-routine regulatory matters.

Hollyport states that it has no material claims under its fidelity, fiduciary or E&O insurance policies, and no ongoing internal investigations to report. Additionally, the Respondent reports that, to its knowledge, there have been no material changes to its structure or ownership in the last two years nor any changes pending.

Hollyport states that, pursuant to its Disciplinary Policy, it has adequate procedures to undertake internal investigations of its employees, officers, and directors.

Compliance Review

The review of Hollyport’s Legal and Policy disclosures, Workforce Diversity, and Corporate Citizenship review is attached.

Environment, Social & Governance Analysis (“ESG”)

The Principal Investment Officer for Corporate Governance & Sustainable Investment’s Evaluation and Implementation of Sustainable Principles review is attached.

Recommendation

Based on the strategic fit within the PIF portfolio, the market opportunity, and the due diligence performed by PFM investment professionals and Hamilton Lane, I recommend that you consider commitments of up to (i) \$125 million to Hollyport VIII and (ii) \$50 million to the Overage Fund. If you agree, I would also recommend that we schedule a meeting for you to meet with representatives of Hollyport. Should you decide to move forward, I would further recommend that we bring these funds to the December 8, 2021 Investment Advisory Council meeting.

SUMMARY OF COMPLIANCE ¹ DOCUMENTS

HOLLYPORT CAPITAL, LLP

I. Review of Required Legal and Policy Attachments

HOLLYPORT CAPITAL, LLP (“Hollyport”) completed all necessary attachments. It disclosed no impermissible third party fees, campaign contributions, known conflicts, or gifts. The firm’s disclosure of legal/regulatory proceedings is being reviewed by the Legal Unit.

II. Workforce Diversity (See Also 3-year Workforce Diversity Snapshot Page Attached)

As of September 2021, Hollyport, a London, England-based firm, employed 37 people, 12 more than the 25 employed as of September 2019. The firm identified 4 women and/or minorities as Executive/Senior Level Officials and Managers over the period reported from 2019 to 2021. Over the 3-year reported (2019-2021), the firm promoted 1 minority within the ranks of professionals or managers.

Workforce Statistics

For Executive/Senior Level Officials and Managers:

- Women held 0% of these positions in the three years reported, as follows: 2021 (0 of 4), 2020 and 2019 (0 of 3).
- Minorities held 0% (0 of 4) of these positions throughout the three years reported, as follows: 2021 (0 of 4), 2020 and 2019 (0 of 3).

At the Management Level overall:

- Women held 20% (2 of 10) of these positions in September 2021, down from 25% (2 of 8) in September 2020, and 29% (2 of 7) in September 2019.
- Minorities held 10% (1 of 10) (10% Asian) of these positions in September 2021, down from 13% (1 of 8) (13% Asian) in September 2020, and 14% (1 of 7) (14% Asian) in September 2019.

At the Professional Level:

- Women held 36% (9 of 25) of these positions in September 2021, up from 32% (6 of 19) in September 2020, and 24% (4 of 17) in September 2019.
- Minorities held 44% (11 of 25) (8% Black and 36% Asian) of these positions in September 2021, down from 47% (9 of 19) (11% Black and 37% Asian) in September 2020, and 41% (7 of 17) (6% Black, 24% Asian and 12% Two or More Races) in September 2019.

Firm-wide:

- Women held 35% (13 of 37) of these positions in September 2021, slightly up from 34% (10 of 29) in September 2020, and 28% (7 of 25) in September 2019.

¹ The Treasury’s Policy Unit will prepare a separate Summary with respect to HOLLYPORT’s ESG submission.

- Minorities held 32% (12 of 37) (5% Black and 27% Asian) of these positions in September 2021, down from 34% (10 of 29) (7% Black and 28% Asian) in September 2020, and 32% (8 of 25) (4% Black, 20% Asian, and 8% Two or More Races) in September 2019.

III. Corporate Citizenship

Charitable Giving:

Hollyport has been involved in charity and community outreach since 2015 through its sponsorship of Fine Art degree students at Central Saint Martins college as well as organizing team-driven events such as fundraising days and taking part in the Impetus charity triathlon. In 2020, the firm formed a Charity Committee to promote charity and give back within the firm and support initiatives which strive for diversity and inclusion within the industry for the current and future workforce. For example, the Hollyport Donation Fund provides an annual budget from which donations are made to charities as nominated by employees, such as children's charities or charities supporting mental and physical health, which changes each quarter to ensure the firm's funds reach a variety of sectors. To date, Hollyport has donated to 11 charities from the fund, and typically contributions are made to three or four organizations each quarter.

Internships/Scholarships:

The Hollyport Scholarship was created to further support diversity and inclusion within the industry. Scholarships are awarded annually to two (2) undergraduate students, one male and one female, who have an interest in finance. This is set up and managed by Crowd Scholar, a registered charity committed to creating scholarship programs to assist high-achieving students from disadvantaged backgrounds attend university. Each student will also complete a summer internship at Hollyport's London office to build industry experience and network.

Procurement:

Hollyport is committed to working with partners whose values and belief in diversity and sustainability are compatible with the firm. Prior to engaging with new suppliers, Hollyport ensures they share the same ESG outlook as the firm by undertaking an enhanced due diligence process to include questions around staff and wages, sustainability, charity work and diversity. Furthermore, the firm performs an annual review of its suppliers to ensure they continue to improve their ESG efforts.

Evaluation and Implementation of Sustainable Principles (provided by the Principal Investment Officer for Corporate Governance & Sustainable Investment)

	Criteria	Responses
1	Firm has an ESG policy	Yes
1a	If yes, firm described its ESG policy	Yes
2	If yes, firm provided examples of ESG factors considered in the decision-making process, explained the financial impact of these ESG factors	Yes
3	Designated staff responsible for sustainability policies and research	Yes
4	Firm provides training/resources on sustainability issues, explained sources of ESG-related data	No
5	Signatory/member of sustainability-related initiatives or groups	Yes
6	Policy for evaluating current or prospective relationships with manufacturers or retailers of civilian firearms	Yes, negative screen
7	Policy that requires safe and responsible use, ownership or production of guns	Yes, negative screen
8	Enhanced screening of manufacturers or retailers of civilian firearms	Yes, negative screen
9	Enhanced screening of any industry/sector subject to increased regulatory oversight, potential adverse social and/or environmental impacts	Yes
10	Merchant credit relationships with retailers of civilian firearms and accessories	No
10a	If yes, firm confirms compliance with laws governing firearms sales	N/A
11	Overall assessment of responses (e.g., depth of approach to ESG and integration)	Hollyport described a good integration of ESG factors with an emphasis on negative screening and pre/post investment due diligence and monitoring. The firm recently became a signatory to the UN PRI and will begin reporting under this framework. Hollyport's Head of Finance & Compliance oversees all ESG initiatives and policies. Hollyport utilizes the company Clear to calculate and offset its annual carbon emissions. No ESG training is given to staff at this time. Hollyport conducts a negative screen with regard to indiscriminate or conventional weaponry. Overall disclosure could have had more detailed responses rather than simple reference to the ESG policy itself, but policy shows clear ESG integration.
	<p align="center">SCORE:</p> <p align="center">Excellent - 1 Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented organizations; enhanced screening of firearms and/or higher-risk sectors</p> <p align="center">Very Good - 2 Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented+B3 organizations</p> <p align="center">Satisfactory - 3 General description of ESG philosophy and integration; some evidence of framework for ongoing ESG assessment; member of sustainability-oriented organizations</p> <p align="center">Needs Improvement - 4 Generic and/or vague description of ESG philosophy and integration; no ongoing ESG assessment; no dedicated ESG staff or resources</p> <p align="center">Poor - 5 Incomplete or non-responsive</p>	2



Hamilton Lane

Hollyport Secondary Opportunities VIII LP & Overage Fund

Recommendation Report

November 2021

All information contained within this report has been gathered from sources believed to be reliable, including but not limited to the general partner(s), other industry participants and the Hamilton Lane Investment Database, but its accuracy cannot be guaranteed.

The information contained in this report may include forward-looking statements regarding the fund presented or its portfolio companies. Forward-looking statements include a number of risks, uncertainties and other factors beyond the control of the fund or the portfolio companies, which may result in material differences in actual results, performance or other expectations. The opinions, estimates and analyses reflect our current judgment, which may change in the future.

The past performance information contained in this report is not necessarily indicative of future results and there is no assurance that the fund will achieve comparable results or that it will be able to implement its investment strategy or achieve its investment objectives. The actual realized value of currently unrealized investments will depend on a variety of factors, including future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the current unrealized valuations are based.

Any tables, graphs or charts relating to past performance included in this report are intended only to illustrate the performance of the fund or the portfolio companies referred to for the historical periods shown. Such tables, graphs and charts are not intended to predict future performance and should not be used as the basis for an investment decision.

By accepting receipt of this investment report and in consideration of access to the information contained herein (together with the investment report, the “Confidential Information”), the recipient agrees to maintain the strict confidentiality of any and all Confidential Information in accordance with the terms of this paragraph. The recipient acknowledges that (i) the Confidential Information constitutes proprietary trade secrets, and (ii) disclosure of any Confidential Information may cause significant harm to Hamilton Lane Advisors, L.L.C. (“Hamilton Lane”), its affiliates or any of their respective businesses. Unless otherwise required by law, the recipient shall not disclose any Confidential Information to any third party. If required by law to disclose any Confidential Information, the recipient shall provide Hamilton Lane with prompt written notice of such requirement prior to any such disclosure so that Hamilton Lane may seek a protective order or other appropriate remedy. Prior to making any disclosure of any Confidential Information required by law, the recipient shall use its reasonable best efforts to claim any potential exemption to such requirement and otherwise shall limit disclosure only to such information that is necessary to comply with such requirement.

The calculations contained in this document are made by Hamilton Lane based on information provided by the general partner (e.g. cash flows and valuations), and have not been prepared, reviewed or approved by the general partner.

Stacked bar charts or pie charts presented in the Strategy section in this report may not equate to 100% per the data labels on the charts due to rounding; however, all stacked bar charts and pie charts equate to 100% using exact proportions.

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Fund Information

Organization Overview	Fund Overview	Portfolio Construction
<p>General Partner: Hollyport Capital LLP (“General Partner”), (“Hollyport”)</p> <p>Firm Inception: 2006</p> <p>Team: 24 investment professionals</p> <p>Senior Partners: John Carter, Edward Gay, Steven Nicholls and Richard Grindrod</p> <p>Location: London and New York</p>	<p>Fund: Hollyport Secondary Opportunities VIII LP (“Fund”)</p> <p>Target Size/Hard Cap:¹ \$1.5 billion/\$2.0 billion</p> <p>Asset Class: Private equity</p> <p>Strategy: Secondaries</p> <p>Substrategy: Fund of funds</p> <p>Geography: Global</p> <p>Industries: Diversified</p>	<p>Enterprise Values: Not applicable</p> <p>Equity Investments:² \$10 million to \$500 million</p> <p>Target Number of Investments: 35 to 45</p> <p>Max Single Investment Exposure:³ 10% (Fund)/2.5% (Company)</p> <p>Expected Hold Period Per Investment: Not provided</p> <p>Target Returns: 1.7x+ TVPI 1.5x gross multiple (LP Stakes) 2.0x gross multiple (Complex Secondaries)</p>

¹ In addition to fund commitments, the General Partner is seeking to raise up to an additional \$500 million for an Overage Fund, used to invest above the Fund’s concentration limits; Hollyport may not raise more than \$2.5 billion across both the Fund and the Overage Fund; ² Targeted average equity ticket is expected to be approximately \$50 million; ³ Entry cost in a single fund may not exceed the higher of i) 10% of total commitments or ii) 10% of fund NAV at the time of the investment; this limit is 2.5% for individual companies

Net Performance and Benchmarks

Hollyport Capital LLP Prior Investment Performance ¹ As of 6/30/21								HL Benchmark Secondaries As of 6/30/21			PME Benchmark FTSE All World TR As of 6/30/21
(\$mm) Fund	Vintage	Fund Size	% Drawn ²	DPI	TVPI	Net IRR	Quarters to Break J-Curve	Spread vs. Top-Quartile			Spread vs. PME
								DPI	TVPI	Net IRR	
Fund III	2010	£30	80%	1.7x	1.7x	13.3%	n/a	0.2x	0.0x	-460 bps	+373 bps
Fund IV	2013	£75	75%	1.2x	1.6x	11.7%	n/a	0.1x	0.0x	-400 bps	+362 bps
Fund V	2015	£188	70%	1.0x	2.3x	23.0%	1	0.3x	0.6x	-397 bps	+911 bps
Fund VI	2017	\$500	70%	0.3x	1.9x	25.4%	1	-0.2x	0.4x	+449 bps	+1059 bps
Fund VII	2019	\$1000	40%	0.0x	2.0x	81.8%	1	-0.4x	0.2x	+1049 bps	+5152 bps
Total				0.4x	2.0x	25.2%					+1074 bps

Fundraise Update

- First close expected on 12/15/21
- Interim close targeted for March 2022

¹ Capital Drawn, Capital Distributed and NAV are calculated from the cash flows of fee-paying limited partners and excludes any cash flows from the General Partner's commitment; NAVs for Funds III and IV provided on an annual basis; Funds III, IV and V cash flows and NAVs converted from GBP to USD, fund size in native currency; no J-curve peers available in this data set

² Percent drawn provided by the General Partner; as of October 2021, Fund VII was 47% drawn

Key Terms¹

Term	Summary															
Investment Period	4 years															
Fund Term	10 years; + 1 one-year extension at the discretion of the General Partner; + additional one-year extensions with advisory board approval															
GP Commitment	1.5% (at least \$22.5 million) plus 1.5% of total commitments to the Overage Fund															
Management Fee²	<table border="1"> <thead> <tr> <th colspan="3">Management Fee</th> </tr> <tr> <th>Capital Commitment</th> <th>Investment Period</th> <th>Post-investment Period</th> </tr> </thead> <tbody> <tr> <td><\$75 million</td> <td>1.500% of aggregate commitments</td> <td>1.500% of the lesser of aggregate commitments and NAV</td> </tr> <tr> <td>\$75 million - \$125 million</td> <td>1.375% of aggregate commitments</td> <td>1.375% of the lesser of aggregate commitments and NAV</td> </tr> <tr> <td>>\$125 million</td> <td>1.250% of aggregate commitments</td> <td>1.250% of the lesser of aggregate commitments and NAV</td> </tr> </tbody> </table>	Management Fee			Capital Commitment	Investment Period	Post-investment Period	<\$75 million	1.500% of aggregate commitments	1.500% of the lesser of aggregate commitments and NAV	\$75 million - \$125 million	1.375% of aggregate commitments	1.375% of the lesser of aggregate commitments and NAV	>\$125 million	1.250% of aggregate commitments	1.250% of the lesser of aggregate commitments and NAV
Management Fee																
Capital Commitment	Investment Period	Post-investment Period														
<\$75 million	1.500% of aggregate commitments	1.500% of the lesser of aggregate commitments and NAV														
\$75 million - \$125 million	1.375% of aggregate commitments	1.375% of the lesser of aggregate commitments and NAV														
>\$125 million	1.250% of aggregate commitments	1.250% of the lesser of aggregate commitments and NAV														
Fee Discount	See above; size discount only															
Fee Offset	100%															
Organization Expenses	\$3 million															
Carry/Preferred Return	15% increasing to 20% over a 2.0x DPI/7%; full return of contributions															
GP Catch-up	100%; 50% in second catch-up															
Clawback	Yes															

¹ Refers to the terms proposed by the General Partner as of October 2021; terms are subject to change during fundraising

² No fees on primary commitments; 1.0% of invested capital for the Overage Fund; Fee breaks are based on aggregate commitments across Fund VII and Fund VIII for existing Fund VII investors

Investment Thesis

Established tail-end secondaries investor with strong networks across market participants

- The General Partner has established its position in the secondaries market as a tail-end investor, acquiring portfolios of mature fund interests, often from repeat institutional sellers, for whom the value of the assets has become de-minimis and Hollyport can provide a complete solution
- The General Partner maintains networks with large institutional investors, including fund of fund managers, and secondaries intermediaries, combining senior-level relationship-driven sourcing with an outbound approach to proactively identify opportunities ahead of brokered processes

Experienced senior team supplemented by a broad bench of junior resources, operating within a developed investment review framework

- The senior team is cohesive, averaging nine years of joint tenure at the General Partner, and possesses complementary experience across secondaries, direct investing and other financial services backgrounds
- A broad junior investment team supports investment activity, applying Hollyport's specific investment review framework and detailed, bottom-up approach for reviewing large legacy fund portfolios

Consistent net performance with limited loss ratio across prior funds

- The General Partner has generated consistent top- and near top-quartile net IRR returns in recent funds and top-quartile TVPI returns across all prior funds
- A key part of its strategy, Hollyport is thoughtful with regards to capital utilization, effectively recycling early liquidity generated from mature portfolios to maximize invested capital and drive returns
- The General Partner has incurred a limited loss ratio of 1% across funds, demonstrating its ability to preserve capital

Investment Considerations

Increased fund size and platform expansion does not impact the General Partner's ability to generate compelling returns

- Hollyport is targeting a substantially larger fund and potentially an Overage Fund, whilst also scaling its New York office
- The General Partner has grown and meaningfully invested in its team; further expansion of the New York office enables it to strengthen networks with intermediaries, sellers and U.S.-based managers
- Hollyport's approach has shown to be replicable in deals requiring larger equity tickets, demonstrated in Fund VII which has maintained healthy closing discounts

The General Partner will continue to source and execute attractive opportunities despite increased competition

- Hollyport will see increased competition targeting larger deals; the growth of the secondary market will continue to place pressure on pricing and discounts achieved
- The General Partner maintains a specific position in the market as a tail-end buyer, a segment of the market which has attracted less attention from competitors and where it maintains strong relationships with repeat vendors
- Hollyport intends to opportunistically invest in GP-led transactions emergent from relationships established through its LP stakes activities

Hollyport can effectively manage its bigger team and ensure there is sufficient resource across levels to execute its strategy

- Led by Partner and CIO Steven Nicholls, Hollyport has established a clear framework that manages and leverages its junior team across deals
- The General Partner has refined its bottom-up approach and accumulated expertise to effectively identify high-conviction assets residing in large tail-end portfolios
- Hollyport's investment team has continued to grow since raising the prior fund, with one Partner-level promotion in addition to further junior-level recruitment

Recommendation

Based on the analysis and information presented herein, Hamilton Lane believes that a commitment to Hollyport Secondary Opportunities VIII LP works towards achieving the goals set forth for the Connecticut Retirement Plans and Trust Funds. A commitment to the Fund will maintain a relationship with a high-quality General Partner. Taking into account the investment strategy and portfolio diversification objectives of the Private Investment Fund, Hamilton Lane recommends a commitment to the Fund.

Established tail-end secondaries investor with strong networks across market participants

- The General Partner has established its position in the secondaries market as a tail-end investor, having targeted this segment of the market for over fifteen years
- Further expansion of the New York office is complementary to current investment activities driven out of Europe, enabling Hollyport to deepen its networks with intermediaries, sellers and U.S.-based managers it is already investing in

Cohesive and growing senior investment team with complementary backgrounds

- The senior team is cohesive, averaging nine years together at the General Partner, and possesses complementary experience across secondaries, direct investing and other financial services backgrounds
- Hollyport has promoted Richard Grindrod to Partner, deepening senior-level capacity to source and drive investment activity

Deep junior investment team operating within a clear execution framework

- The General Partner has recruited extensively at the junior-level in order to increase capacity within the investment team
- Led by Partner and CIO Steven Nicholls, Hollyport has developed a clear investment framework that manages and leverages its deep junior team; the General Partner has refined its bottom-up approach in recent years to effectively identify high-conviction assets residing in large tail-end portfolios

Broad distribution of economics

- Hollyport intends to incorporate all the Partners into the ownership of the management company
- Carried interest is broadly distributed across the team, down to the Associate-level

- The General Partner was founded in 2006 by John Carter, Managing Partner, Ian Worden and John Beatty
 - Messrs. Worden and Beatty retired in 2015 and 2017, respectively; Mr. Carter continues to lead Hollyport
- Since inception, Hollyport has maintained a single fund line focused on tail-end private equity secondary investments and does not have any other investment or business activities
 - The General Partner is potentially raising an Overage Fund alongside Hollyport Fund VIII, targeting up to \$500 million in commitments to complete investments in excess of the Fund's diversification limits

Snapshot:¹**Inception/Founders:**

2006/John Carter, Ian Worden (retired) and John Beatty (retired)

Locations:

London and New York

AUM:¹

\$1.8 billion

Strategies/Product Lines:

Secondaries

Management Company:

Private

Current Leadership:

John Carter, Edward Gay, Stephen Nicholls and Richard Grindrod

Headcount:

4 senior professionals, 20 additional investment professionals and 11 other employees

¹ Represents cumulative NAV as of 6/30/21

- Hollyport has established its competitive position in the secondary market as a tail-end investor with sellers, intermediaries and private equity managers as a result of extensive, repeat investment activity in this segment of the market for fifteen years
- The General Partner opened its New York office in 2018, which is currently led by James Jupp, Principal, to deepen relationships with intermediaries, sellers and U.S.-based private equity managers
 - Maintaining a North American presence enables the General Partner to strengthen its understanding of specific assets and market trends in the region, to better source and underwrite opportunities with underlying exposures in the region
- Market coverage is mostly relationship-driven, with Partners maintaining relationships with specific vendors and intermediaries, complemented by junior-level outbound sourcing

Investment Team by Role/Region

As of October 2021



- The senior investment team is cohesive, averaging nine years together at the General Partner, and possesses complementary experience across secondaries, direct investing and other financial services backgrounds
 - Messrs. Carter and Nicholls previously worked at 3i Group, a U.K.-based direct private equity manager, aiding their ability to review opportunities where underwriting benefits from deep company-level review
 - The General Partner promoted Mr. Grindrod to Partner in 2021, increasing capacity at the senior-level
- The investment committee (“IC”) is chaired by Mr. Carter, and comprises the Partners
 - Decision-making is consensus-driven and Mr. Carter possesses a veto, which, as of October 2021, has never been exercised
 - Each investment discussed at the IC has a Partner-level sponsor who leads execution
- In addition to the IC, the Partners also convene through an Asset Committee, reviewing overall performance and discussing key assets on a quarterly basis, to the benefit of portfolio management
- While broader firm functions such as Finance and IR are led by diverse team members, there is limited diversity at the senior investment team-level

Name	Title	Tot. Exp. (yrs.)	Tenure (yrs.)	2011	2012	Fund IV	2014	Fund V	2016	Fund VI	2018	Fund VII	2020	Fund VIII
John Carter ¹	Managing Partner	39	16											
Edward Gay ¹	Partner	19	11											
Steven Nicholls ¹	Partner & CIO	24	8											
Richard Grindrod ¹	Partner	9	7											
James Jupp	Principal	12	6											
David Rumpf	Principal	8	5											
Andrew Ward	Principal	15	1											
Christoph Baumann	Vice Principal	9	4											

¹ Denotes members of the investment committee

	= Tenure with Hollyport Capital LLP
	= Total Experience

- The General Partner has continued to grow its platform in-line with its increased assets under management
- There have been no senior-level departures at the General Partner, aside from the expected retirements of the two former founders in 2015 and 2017
- Since the final close of Fund VII, Hollyport has hired 10 Analysts, significantly strengthening its junior team and aiding its ability to review new investment opportunities through its resource-intensive bottom-up approach
 - The General Partner also added one Principal, Andrew Ward, with secondary investment experience from Collier Capital
- In addition to anticipated senior-level hires, Hollyport expects to recruit additional junior investment professionals over the life of the Fund
- Hollyport is working with recruitment agents to increase diversity in its team through external hires
- Led by Partner and CIO Steven Nicholls, the General Partner maintains a rigorous, bottom-up investment review approach, which requires the junior team to create detailed overviews of broad seller portfolios
- Hollyport discusses all new investment opportunities at its weekly firm-wide Work in Progress meeting, through which it determines staffing, enabling the General Partner to effectively manage resources and ensure high-likelihood opportunities receive prioritization before initiating its deep investment review process
- The majority of carried interest is distributed to the Partners but also down to the Associate-level

Consistent strategy, primarily focused on acquiring tail-end fund portfolios in the secondary market

- Consistent with prior funds, the General Partner primarily targets fund portfolios over 10 years old, where remaining value (RVPI) is <15% of original commitments
- Hollyport may also invest in complex GP-led secondary opportunities that emerge through manager relationships, built via its LP stakes activities
- The General Partner seeks to create diversified portfolios, investing in funds with interests across sectors, geographies and investment strategies

Relationship-driven sourcing complemented by a proactive outbound approach

- Hollyport has cultivated strong market relationships, enabling it to efficiently target legacy portfolios from repeat sellers, such as global fund of funds, and establish an early view on portfolios coming to market
- Outbound sourcing initiatives targeting repeat vendors and specific funds/managers complement and create competitive angles for navigating inbound intermediary-driven deal flow

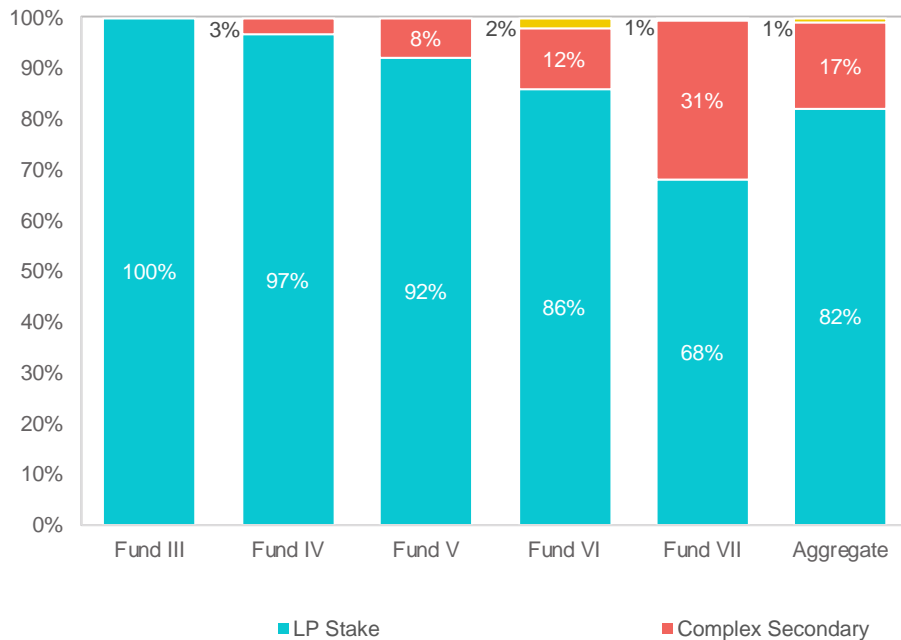
Underwriting approach incorporates the use of discount, NAV growth and recycling

- Hollyport has consistently acquired portfolios at an attractive weighted average discount
- Through a bottom-up approach, the General Partner identifies high-conviction assets that may demonstrate upside over reference date NAV
- Hollyport targets mature assets that are fully funded in order to eliminate blind pool risk and looks to recycle near-term distributions to maximize potential returns

- Consistent with prior funds, the General Partner primarily targets mature fund portfolios, seeking to invest in fund interests that are over 10 years old, where remaining value is less than 15% of original commitments
- Hollyport may opportunistically invest through complex secondary opportunities that emerge through its LP stakes activities, including continuation funds, tender offers, direct secondary acquisitions and liquidity solutions for early-stage investors
- The General Partner may invest up to 10% of aggregate commitments into primaries, typically as staple commitments, to strategically support secondary opportunities; historically, primary commitments have remained well below this threshold

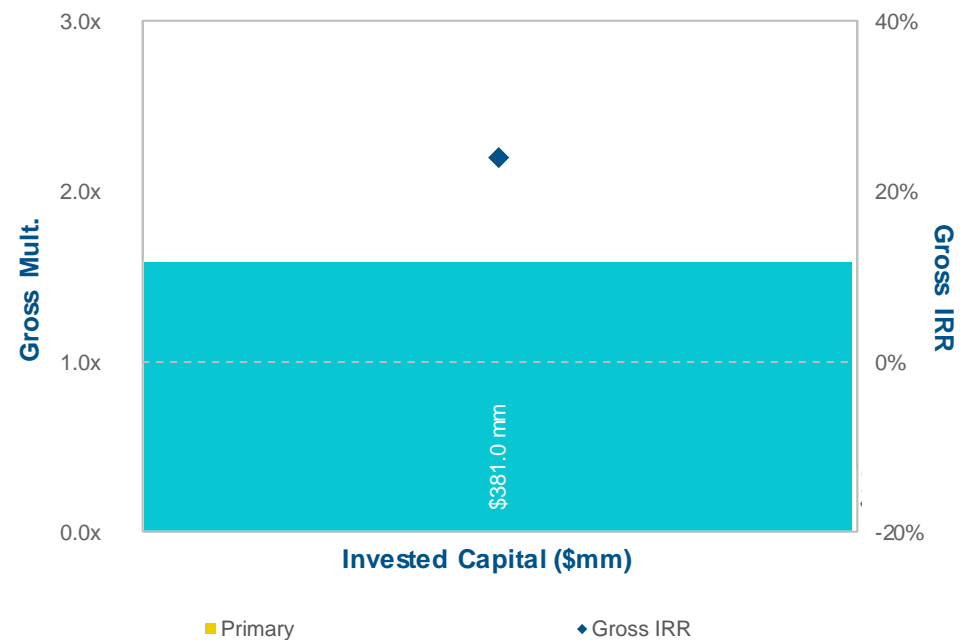
Prior Investments - % by Transaction Type

As of 6/30/21



Realized Performance – by Transaction Type¹

As of 6/30/21



¹ Realized Complex Secondary investments, with total invested capital totaling \$1.0mm, were written-off in aggregate

- On a look-through basis at the portfolio exposure-level, over 85% of fund stakes acquired have been >10 years old at the time of Hollyport's investment, consistent with its strategy targeting exposures which are legacy positions and considered de-minimis for vendors
- Given the age of the underlying funds, Hollyport does not expect to require any meaningful remaining unfunded commitment to be drawn
- The General Partner targets diversified tail-end portfolios with numerous remaining underlying portfolio interests; recent funds have seen a rising proportion of less-diversified GP-led deals
- The General Partner seeks to construct highly diversified portfolios by strategy, investing principally in buyout, growth equity and venture funds but occasionally acquiring exposures in other strategies as part of broad LP stake portfolios
 - Broadly for targeted portfolio construction, Hollyport intends to invest 50% of the Fund in buyout fund interests, 20% in venture fund interests and 30% in growth fund interests
- Hollyport has historically acquired interests in funds with exposures primarily in Europe and North America, often from globally-investing fund of funds vehicles
- The General Partner expects to invest on average \$50 million per transaction, but maintains flexibility in equity ticket size in order to acquire both larger portfolios of LP interests and invest through smaller, complex secondary opportunities
 - To maintain diversified exposure across funds and specific companies, entry cost in a single fund may not exceed the higher of i) 10% of total commitments or ii) 10% of fund NAV at the time of the investment; this limit is 2.5% for individual companies
 - Hollyport seeks to complete between 35 and 45 transactions for the Fund, targeting 10 to 15 investments per year

- Despite most processes being intermediated, Hollyport has cultivated strong relationships, enabling it to efficiently target sales of legacy portfolios and establish an early view on portfolios coming to market
 - Outbound sourcing initiatives targeting repeat vendors and specific funds/managers complement and create competitive angles for navigating inbound intermediary-driven deal flow
- Through its principal activity of acquiring diverse legacy fund portfolios, the General Partner has established many relationships and amassed a database of managers, providing access and information advantages when pursuing new investment opportunities
- The General Partner intends to acquire portfolios from repeat sellers, primarily fund of fund investors seeking to wind-up long-dated vehicles
- Senior professionals at Hollyport maintain relationships with specific repeat sellers, in order to track and form an early view on opportunities that are being brought to market
- As a result of acquiring diversified tail-end portfolios, the General Partner maintains broad manager relationships across regions and strategies
- The General Partner intends to strengthen networks with U.S.-based managers by deepening its local presence in the region
- By providing a complete solution for selling institutional investors, Hollyport has been able to acquire portfolios at attractive discounts to NAV
- Through a detailed, bottom-up investment approach, Hollyport seeks to identify high conviction assets and potential future growth within portfolios, leveraging its broad database of fund interest and interactions with managers to underwrite opportunities and identify sources of near-term liquidity
- Hollyport looks to recycle near-term distributions from mature funds to maximize returns

Attractive and consistent net performance across prior funds

- The General Partner has generated consistent top- and near top-quartile net IRR returns in recent funds and top-quartile multiple-based returns across all prior funds
- Hollyport's focus on purchase price discounts has led to j-curve mitigation early in the funds' lives
- The General Partner expects to use a capital call bridging facility during the Fund's investment period and a NAV-based facility at the end of the Fund's investment period to optimize net IRR performance

Thoughtful capital utilization; limited loss ratio

- The General Partner is thoughtful with regards to maximizing capital usage, making effective use of recycling from early liquidity in mature portfolios to augment returns
- Hollyport intends to invest approximately 130% to 150% of commitments
- The General Partner has incurred a limited loss ratio at the transaction-level, demonstrating its ability to preserve capital

Increased deployment pace required

- The General Partner increased its pace of deployment in 2018 and 2019, and expects a growing opportunity set in the market for funds greater than 10 years old, as private equity fund managers struggle to realize assets within the designated terms of their funds
- Hollyport is well-placed to increase deployment, having significantly grown its team since 2020 and refined its underwriting process to leverage information from a large database of manager relationships; the General Partner maintains a deep pipeline of opportunities in advanced stages for the remainder of 2021

- The General Partner has generated consistent top- and near top-quartile net IRR returns in recent funds and top-quartile multiple-based returns across all prior funds
 - As of 6/30/21, Fund III had generated third-quartile net IRR returns in native currency and USD-terms, while Funds IV and V had generated second-quartile net IRR returns in their native currencies
- As of October 2021, the General Partner had drawn 47% of commitments in Fund VII and was over 80% committed
 - In line with prior funds, Hollyport plans to overcommit and invest between 130% and 150% of commitments
 - Using a credit facility and recycling early distributions, prior funds have typically been 70% to 80% drawn
 - The General Partner may recycle distributions received from underlying deals within 12 months of the acquisition date

Hollyport Capital LLP Prior Investment Performance ¹ As of 6/30/21									HL Benchmark Secondaries As of 6/30/21			PME Benchmark FTSE All World TR As of 6/30/21
(mm) Fund	Vintage	Fund Size	Capital Drawn	Capital Distributed	NAV	DPI	TVPI	Net IRR	Top-Quartile			PME IRR
									DPI	TVPI	Net IRR	
Fund III	2010	£30	£24.0	£46.5	£0.1	1.9x	1.9x	16.2%	1.6x	1.8x	18.9%	12.4%
Fund IV	2013	£75	£56.2	£84.7	£22.3	1.5x	1.9x	17.3%	1.2x	1.6x	18.8%	13.4%
Fund V	2015	£188	£131.3	£137.8	£165.5	1.1x	2.3x	23.5%	0.6x	1.6x	24.7%	14.2%
Fund VI	2017	\$500	\$350.0	\$99.8	\$570.1	0.3x	1.9x	25.4%	0.5x	1.5x	20.9%	14.8%
Fund VII	2019	\$1,000	\$400.0	\$0.0	\$800.9	0.0x	2.0x	81.8%	0.4x	1.8x	71.3%	30.3%

¹ Capital Drawn, Capital Distributed and NAV are calculated from the cash flows of fee-paying limited partners and exclude any cash flows from the General Partner's commitment

- The table below represents the net IRR returns in USD

Hollyport Capital LLP Prior Investment Performance ¹ As of 6/30/21									HL Benchmark Secondaries As of 6/30/21			PME Benchmark FTSE All World TR As of 6/30/21
(\$mm)	Vintage	Fund Size	Capital Drawn	Capital Distributed	NAV	DPI	TVPI	Net IRR	Top-Quartile			PME IRR
Fund									DPI	TVPI	Net IRR	
Fund III	2010	£30	\$38.2	\$65.2	\$0.2	1.7x	1.7x	13.3%	1.5x	1.7x	17.9%	9.5%
Fund IV	2013	£75	90.1	111.5	30.8	1.2x	1.6x	11.7%	1.1x	1.5x	15.7%	8.1%
Fund V	2015	£188	177.2	178.9	228.9	1.0x	2.3x	23.0%	0.7x	1.7x	27.0%	13.9%
Fund VI	2017	\$500	350.0	99.8	570.1	0.3x	1.9x	25.4%	0.5x	1.5x	20.9%	14.8%
Fund VII	2019	\$1,000	400.0	0.0	800.9	0.0x	2.0x	81.8%	0.4x	1.8x	71.3%	30.3%
Total			\$1,055.4	\$455.4	\$1,630.9	0.4x	2.0x	25.2%				14.5%

¹ Capital Drawn, Capital Distributed and NAV are calculated from the cash flows of fee-paying limited partners and exclude any cash flows from the General Partner's commitment; Fund III, IV and V cash flows converted to USD from GBP

- The General Partner typically underwrites LP portfolios to a 1.4x to 1.7x gross return, committing to lower-returning opportunities that are anticipated to yield significant early distributions, in order to recycle into subsequent investments
- Complex secondary transactions are typically underwritten to at least a 2.0x gross return
- The General Partner has incurred a limited loss ratio at the transaction-level, demonstrating its ability to preserve capital

Hollyport Capital LLP
Prior Investment Performance¹
As of 6/30/21

(\$mm) Fund	Vintage	# of Inv.		Fund Size	Capital Drawn	Amount Invested	Amount Realized	Unrealized Value	# of Times Recycled	Deal Level Gross Mult. ²	Profit Generated	Fund Level Gross Mult. ³	Gross IRR
		Total	Real.										
Fund III	2010	15	15	\$48	\$38.2	\$43.5	\$83.3	\$1.6	1.1x	2.0x	\$41.4	2.1x	23.3%
Fund IV	2013	22	16	114	90.1	154.5	200.6	35.1	1.7x	1.5x	81.2	1.9x	20.1%
Fund V	2015	27	12	293	177.2	335.7	383.4	281.5	1.9x	2.0x	329.2	2.9x	28.6%
Fund VI	2017	36	6	500	350.0	755.4	559.8	625.0	2.2x	1.6x	429.3	2.2x	27.3%
Fund VII	2019	27	1	1,000	400.0	653.7	272.9	885.3	1.6x	1.8x	504.5	2.3x	72.2%
Total		127	50		\$1,055.4	\$1,942.9	\$1,500.0	\$1,828.5	1.8x	1.7x	\$1,385.5	2.3x	30.8%

Hollyport Capital LLP
Realized Investment Performance¹
As of 6/30/21

(\$mm) Fund	Amount Invested	Amount Realized	Unrealized Value	Gross Mult.	Gross IRR
Fund III	\$43.5	\$83.3	\$1.6	2.0x	23%
Fund IV	115.5	166.8	14.9	1.6x	26%
Fund V	186.2	240.2	40.3	1.5x	21%
Fund VI	32.1	46.8	5.4	1.6x	33%
Fund VII	4.7	7.9	0.9	1.9x	73%
Total	\$382.0	\$545.0	\$63.0	1.6x	24%

Hollyport Capital LLP
Unrealized Investment Performance¹
As of 6/30/21

(\$mm) Fund	Amount Invested	Amount Realized	Unrealized Value	Gross Mult.	Gross IRR
Fund III	\$0.0	\$0.0	\$0.0	n/a	n/a
Fund IV	39.0	33.8	20.2	1.4x	9%
Fund V	149.5	143.1	241.2	2.6x	35%
Fund VI	723.3	513.0	619.6	1.6x	27%
Fund VII	649.0	265.0	884.4	1.8x	72%
Total	\$1,560.9	\$955.0	\$1,765.4	1.7x	35%

¹ Fund III, IV and V performance converted from GBP to USD; Fund III, IV and V size converted as of the closing date of each fund

² Represents the gross multiple at the deal level which excludes the effects of recycling; Fund III, IV and V size converted as of the closing date of each fund

³ Represents the gross multiple at the fund level which includes the effects of recycling

- The General Partner recently began to syndicate a portion of a few deals that would have exceeded concentration limits to co-investors
- The Overage Fund is intended to invest in opportunities that exceed the concentration limit by cost and will enable the General Partner to target a large pipeline of brokered opportunities within an efficient execution framework, that are otherwise being declined at an early stage
- With several deals in advanced discussions or in the execution-phase, Hollyport envisages 2021 to be its biggest deployment year

- The General Partner is a signatory to PRI and institutes ESG integration practices into its investment process and decision-making, focusing on mitigating potential ESG risks to its investments; as a secondary investor, Hollyport does not invest directly in portfolio companies; as such, risk mitigation for E, S and G factors lies primarily at the diligence stage
 - Since July 2021, the General Partner monitors whether managers have an ESG policy in place; if less than 20% of managers have a policy, the tail-end portfolio is flagged as red; the investment committee is responsible for deciding whether to proceed with the investment
 - The investment committee considers whether to decline or exclude a position in a transaction for companies operating in certain sectors; transactions with portfolio companies in such sectors that have a NAV of \$2.5 million or more are flagged as ‘red’ in the diligence process
- Hollyport works alongside recruitment agents with diversity policies to ensure that they are considering and recruiting diverse candidates; in addition, the General Partner has established a partnership with Level 20 and participates in industry surveys with bodies such as the BVCA

ESG Summary

ESG Policy	Yes	Integration in Decision Making	IC memos include ESG considerations
ESG-Dedicated Professionals	One shared ESG professional (ESG & Head of Finance)	ESG Focus – Planning	ESG practices may be discussed with managers as relevant
Signatories	UN PRI	Monitoring	Monitors whether General Partners have an ESG policy
Environmental Focus	None	Reporting	Reporting to LPs under development/first UN PRI report to be submitted in 2023
Diversity	37% F/63% M (broader team) 0% minority in decision making 0% minority in ownership Efforts to increase diversity? Yes	Requirements of Portfolio Companies	N/a - Hollyport does not invest directly in portfolio companies
ESG in Due Diligence Process	DD on underlying managers; sector exposure consideration		



Appendices

Experience of Investment Professionals

Name	Title	Location	Tot. Exp. (yrs.)	Tenure (yrs.)	Prior Experience	Educational Background
John Carter	Managing Partner	London	39	16	<ul style="list-style-type: none"> • Towergate, Director • 3i, Director & Head of London • Unilever, Development Engineer 	<ul style="list-style-type: none"> • University College London, BSc
Edward Gay	Partner	London	19	11	<ul style="list-style-type: none"> • Arbutnot Securities, Associate Director • Dawnay, Associate Director • Deloitte, Manager 	<ul style="list-style-type: none"> • Durham University, BSc
Steven Nicholls	Partner	London	24	8	<ul style="list-style-type: none"> • Club Capital, Partner • 3i, Founding Partner of 3i Growth Capital 	<ul style="list-style-type: none"> • Cranfield School of Management, MBA
Richard Grindrod	Partner	London	9	7	<ul style="list-style-type: none"> • PwC, Senior Associate 	<ul style="list-style-type: none"> • University of Newcastle, BA
James Jupp	Principal	New York	12	6	<ul style="list-style-type: none"> • Crowe Clark Whitehill, Assistant Manager 	<ul style="list-style-type: none"> • University of Newcastle
David Rumpf	Principal	London	8	5	<ul style="list-style-type: none"> • Commerzbank, Associate 	<ul style="list-style-type: none"> • University of Muenster, MS
Andrew Ward	Principal	London	15	1	<ul style="list-style-type: none"> • Collier Capital, Investment Manager • HQ Capital, Vice President • Greenhill, Analyst 	<ul style="list-style-type: none"> • INSEAD, MBA • University of Georgia
Christoph Baumann	Vice Principal	London	9	4	<ul style="list-style-type: none"> • PwC, Transaction Services Manager 	<ul style="list-style-type: none"> • Vienna University of Economics and Business
Lama Al-Masri	Senior Associate	London	9	6	<ul style="list-style-type: none"> • Coleman Research, Research Associate 	<ul style="list-style-type: none"> • London School of Economics, MSc • University of Nottingham, BA
Alex Gems	Associate	London	7	3	<ul style="list-style-type: none"> • PwC, Senior Associate 	<ul style="list-style-type: none"> • University of Oxford, MA
Ronan Curran	Associate	London	6	3	<ul style="list-style-type: none"> • Ernst & Young, FSO Assurance Senior • Sports Gaming Ltd, Sports Journalist 	<ul style="list-style-type: none"> • London School of Economics, MSc • University of Nottingham, BSc
Arthur Wong	Associate	London	8	2	<ul style="list-style-type: none"> • PwC, Manager 	<ul style="list-style-type: none"> • University of Cambridge, BA
Joshua Ko	Associate	New York	7	2	<ul style="list-style-type: none"> • NEPC, Senior Investment Associate • Global Atlantic Financial Group, Analyst 	<ul style="list-style-type: none"> • Boston College, Carroll School of Management, BSc
Glenn Bornstein	Associate	New York	6	2	<ul style="list-style-type: none"> • KPMG, Senior Deal Advisory Associate 	<ul style="list-style-type: none"> • Pennsylvania State University, MA
James Wang	Analyst	London	6	2	<ul style="list-style-type: none"> • Augusta & Co, Investment Consultant • Ernst & Young, Senior Associate 	<ul style="list-style-type: none"> • University of Cambridge, MS • University of Warwick, BSc
Alistair Young	Analyst	London	5	1	<ul style="list-style-type: none"> • PwC, Transaction Services 	<ul style="list-style-type: none"> • University of Bath
William Bott	Analyst	New York	5	1	<ul style="list-style-type: none"> • RSM US, Senior Associate 	<ul style="list-style-type: none"> • St John's University, MS
Daniel Shayne	Analyst	New York	5	1	<ul style="list-style-type: none"> • Duff & Phelps, Senior Associate • Financial Research Associates, Analyst 	<ul style="list-style-type: none"> • University of Maryland, BSc
Aashay Srivastava	Analyst	London	5	1	<ul style="list-style-type: none"> • KPMG, Assistant Manager 	<ul style="list-style-type: none"> • University of Nottingham, BSc
Lynna Zhang	Analyst	London	5	1	<ul style="list-style-type: none"> • KPMG, Corporate Finance Associate 	<ul style="list-style-type: none"> • London School of Economics, MS • University of Toronto, BSc
Mahim Husnain	Analyst	London	6	1	<ul style="list-style-type: none"> • Blackstone, Real Estate Finance • KPMG, Assistant Manager 	<ul style="list-style-type: none"> • University of Manchester, BSc
Oyinkansola Bishi	Analyst	London	5	1	<ul style="list-style-type: none"> • Deloitte, Assistant Manager 	<ul style="list-style-type: none"> • Kings College London, MSc • University of Nottingham, BSc
Thomas Horrigan	Analyst	London	6	1	<ul style="list-style-type: none"> • Ernst & Young, Senior Associate 	<ul style="list-style-type: none"> • University of East Anglia, MA
Mrudula Munjeti	Analyst	New York	3	1	<ul style="list-style-type: none"> • Capital One, Leveraged Finance 	<ul style="list-style-type: none"> • University of Texas, BA

Benchmark Analysis:	An analysis that compares the net IRR of the prior funds to the top-quartile net IRR benchmarks for similar funds (based on strategy and vintage) as reported by the Hamilton Lane database. The benchmark data shown is the most recent data available at this time
DPI:	$\text{DPI} = \frac{\text{Amount of Distributions Received}}{\text{Total Amount of Capital Paid-In}}$
ESG:	Environmental, Social and Governance
Gross IRR:	Internal Rate of Return (“IRR”) of investments at the “fund level,” excludes fees paid by LPs to the General Partner such as management fees and carried interest. For investments held less than one year, Hamilton Lane nominalizes the IRR to match the hold period of the investment in order to represent a more meaningful number
Investment Pacing:	An analysis of the total capital invested during the given years. Includes all prior investments, realized or unrealized
J-curve Benchmark:	Peer (median by age) is calculated by taking the median IRR of similar funds (based on strategy and vintage) in Hamilton Lane’s database at each quarter, which are simulated as investing at the same point in time. The length of time to break the J-curve is calculated from inception to the first time each fund generated a positive net IRR
Loss Ratio Analysis:	An analysis of the capital invested in realized transactions generating different multiples of invested capital
Net IRR:	Annualized Internal Rate of Return (“IRR”) of investments at the LP level inclusive of fees such as management fees and carried interest paid to the General Partner
Net Returns to Limited Partners:	The performance of the General Partner’s prior investment vehicles at the net LP level, inclusive of all fees, carried interest and expenses. Performance data is as reported by the General Partner using actual capital contributions, distributions and net asset value for either all limited partners, or a sample set of limited partners, in the respective funds
Outlier Analysis:	An analysis of the gross returns of investments in prior funds, comparing overall performance against the performance when certain ‘outlier’ transactions are excluded. Outliers are defined as transactions that generate exceptionally positive or negative results
PME Analysis:	Calculated by taking the fund’s monthly cash flows and investing them in the relevant Total Return Index (where all dividends are re-invested). Contributions were scaled by a factor such that the ending portfolio balance would be equal to the private equity net asset value (equal ending exposures for both portfolios). This prevents shorting of the public market equivalent portfolio in order to match the performance of an outperforming private equity portfolio. Distributions were not scaled by this factor. The IRRs were then calculated based on these adjusted cash flows. The selected PME represents the most relevant public market benchmark
Realized Attribution Analysis:	Analysis of the capital invested in, and performance of, the prior realized transactions according to the criteria indicated
Realized Investments:	Hamilton Lane classifies investments as “realized” if it has: i) an unrealized value of less than 20% of the total value; ii) a carrying value that has been written to zero or has been previously written-off; or iii) been fully exited and the GP has no remaining interest in the company
RVPI:	$\text{RVPI} = \frac{\text{Current Net Asset Value}}{\text{Total Amount of Capital Paid-In}}$
TVPI:	$\text{TVPI} = \frac{\text{Amount of Distributions Received} + \text{Current Net Asset Value}}{\text{Total Amount of Capital Paid-In}}$

Time-Zero IRR:	Represents the gross IRR calculated as if every investment were initiated on the same date
Write-Down Ratio:	The ratio of capital invested in realized investments that have been sold for a value that is less than 1.0x their original cost basis, divided by the total capital invested in all realized investments
Write-Off Ratio:	The ratio of capital invested in realized investments that have been sold for a value that is less than 0.5x their original cost basis, divided by the total capital invested in all realized investments

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Identifying potential

Hollyport Secondary Opportunities VIII

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Executive Summary

Identifying value in the legacy secondary market

Specialist Secondary Strategy

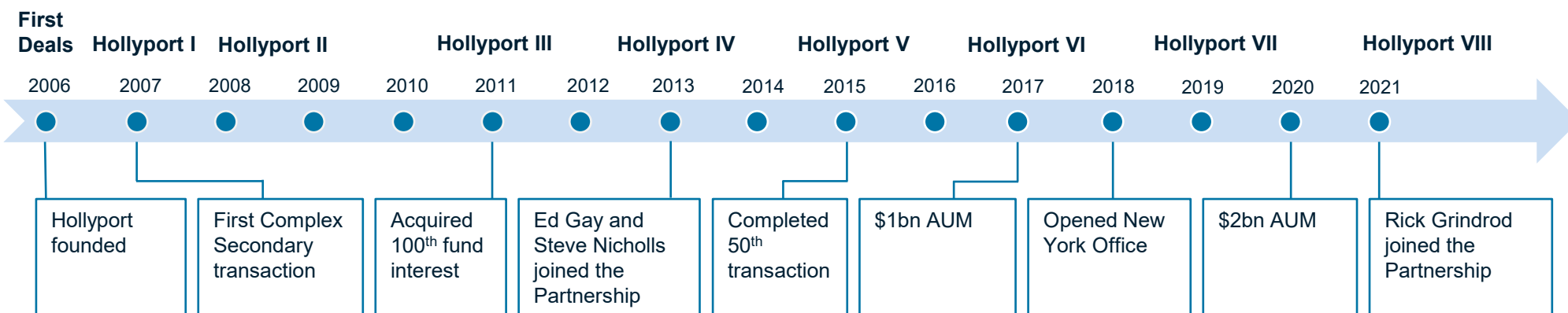
- Hollyport provides complete liquidity solutions enabling holders of legacy private equity assets to rationalise their portfolios
- Utilising its extensive investment database and industry wide relationships, Hollyport is able to identify value in mature private equity assets
- Hollyport applies a strict investment discipline to assemble highly diverse asset portfolios which mitigate risk and deliver consistent returns to our investors

Consistent Above Market Performance

- Since 2007 Hollyport has invested \$2,025m, distributed \$677m, and delivered a net pooled money multiple to investors of 2.17x and an IRR of 41%⁽¹⁾


Experienced Team, 15 Year Track Record

- Currently investing Hollyport VII, which closed at its hard cap of \$1bn commitments in December 2019; now 70% invested
- We are a preferred buyer of legacy private equity assets and have completed 135+ transactions, with exposure to 1,900+ legacy fund interests, 625+ GPs, 5,500+ portfolio companies




Senior Team

Hollyport brings extensive private equity experience to the secondary market




London

John Carter*
Managing Partner
Founder, 16th year
Experience: Direct Investor, 34 years in PE




London

Steve Nicholls*
Partner
8th year
Experience: Direct Investor, 23 years in PE



London

Ed Gay*
Partner
11th year
Experience: Chartered Accountant, 16 years in PE




London

Richard Grindrod*
Partner
7th year
Experience: Chartered Accountant, 6 years in PE




London

Catherine Badour
Head of Investor Relations
8th year
Experience: Marketing, Deal Origination and Investor Relations




London

Mei Chan
Head of Finance, Compliance Officer and ESG Lead
5th year
Experience: Chartered Accountant, Fund Finance



New York

James Jupp
Principal and Head of New York Office
6th year
Experience: Chartered Accountant, Investment Appraisal



London

David Rumpf
Principal
5th year
Experience: Investment Banking, Investment Appraisal



London

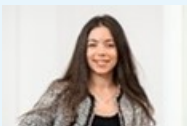
Andrew Ward
Principal
Joined August 2021
Experience: Complex Secondaries, 10 years investing in secondaries market

Team

Investment Team



Christoph Baumann
Vice Principal, London



Lama Al-Masri
Senior Associate, London



Glenn Bornstein
Associate, New York



Ronan Curran
Associate, London



Alex Gems
Associate, London



Joshua Ko
Associate, New York



Arthur Wong
Associate, London



Oyin Bishi
Analyst, London



Billy Bott
Analyst, New York



Tom Horrigan
Analyst, London



Mahim Husnain
Analyst, London



Mrudula Munjeti
Analyst, New York



Dani Shayne
Analyst, New York



Aashay Srivastava
Analyst, London



James Wang
Analyst, London



Alistair Young
Analyst, London



Lynna Zhang
Analyst, London

Finance: 5 people

Investor Relations: 2 people

Administration: 2 people

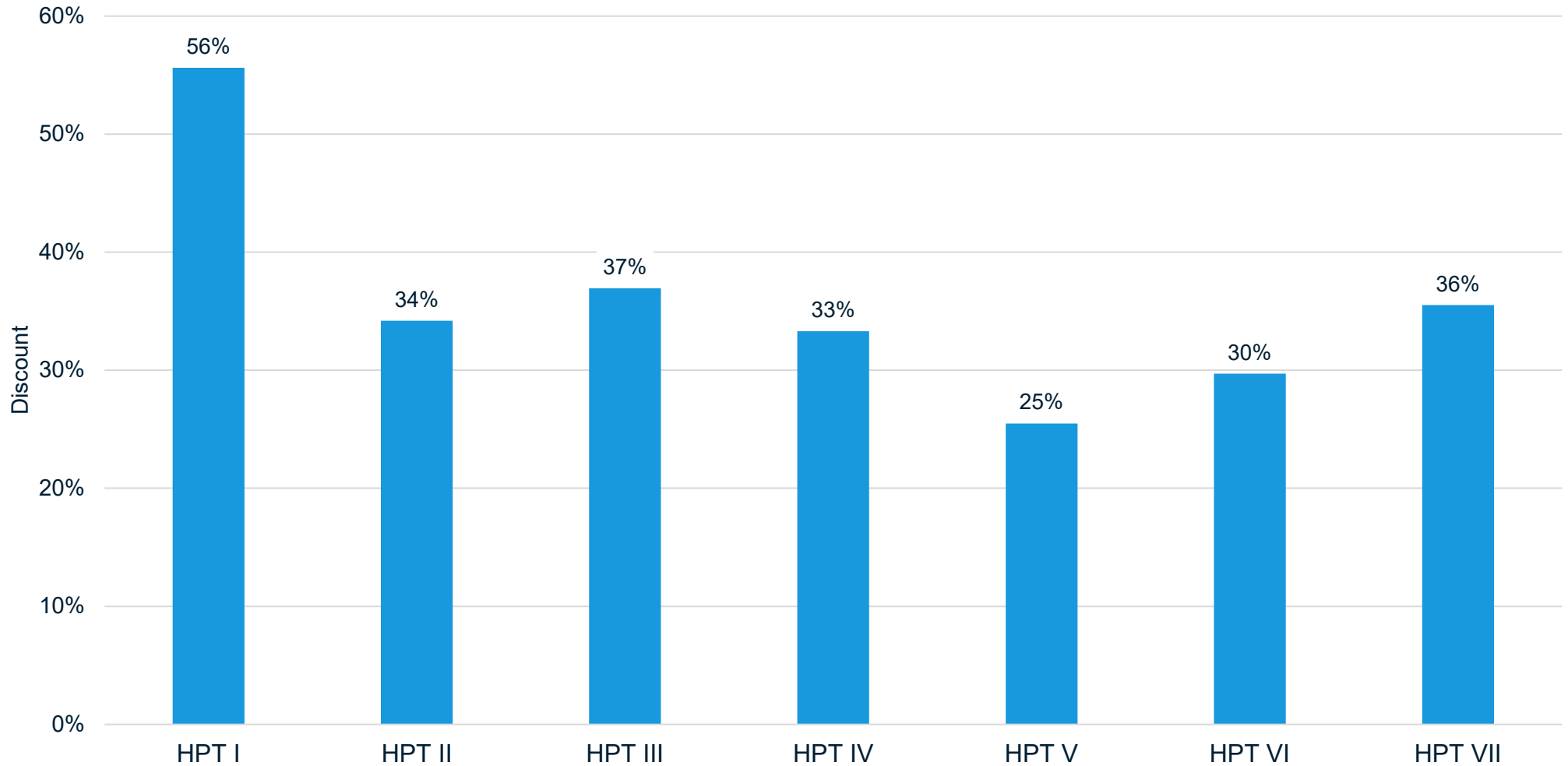
Pooled net return to investors of 2.17x and an IRR of 41%¹

Vintage	Fund	Size (m)	DPI x, net	RVPI x, net ²	TVPI x, net	TVPI x, gross	IRR, net
2019	Hollyport VII	\$1,000	-	2.00x	2.00x	2.18x	>50%
2017	Hollyport VI	\$500	0.29x	1.62x	1.91x	2.07x	25%
2015	Hollyport V	£188	1.05x	1.26x	2.31x	2.64x	23%
2013	Hollyport IV	£75	1.51x	0.40x	1.90x	2.06x	17%
2011	Hollyport III	£30	1.94x	0.01x	1.94x	2.11x	16%
2008	Hollyport II	£17	1.73x	-	1.73x	1.86x	17%
2007	Hollyport I	£6	3.51x	-	3.51x	4.14x	>50%
2007	Prism	£2	58.28x	-	58.28x	68.30x	>50%

Components of Return

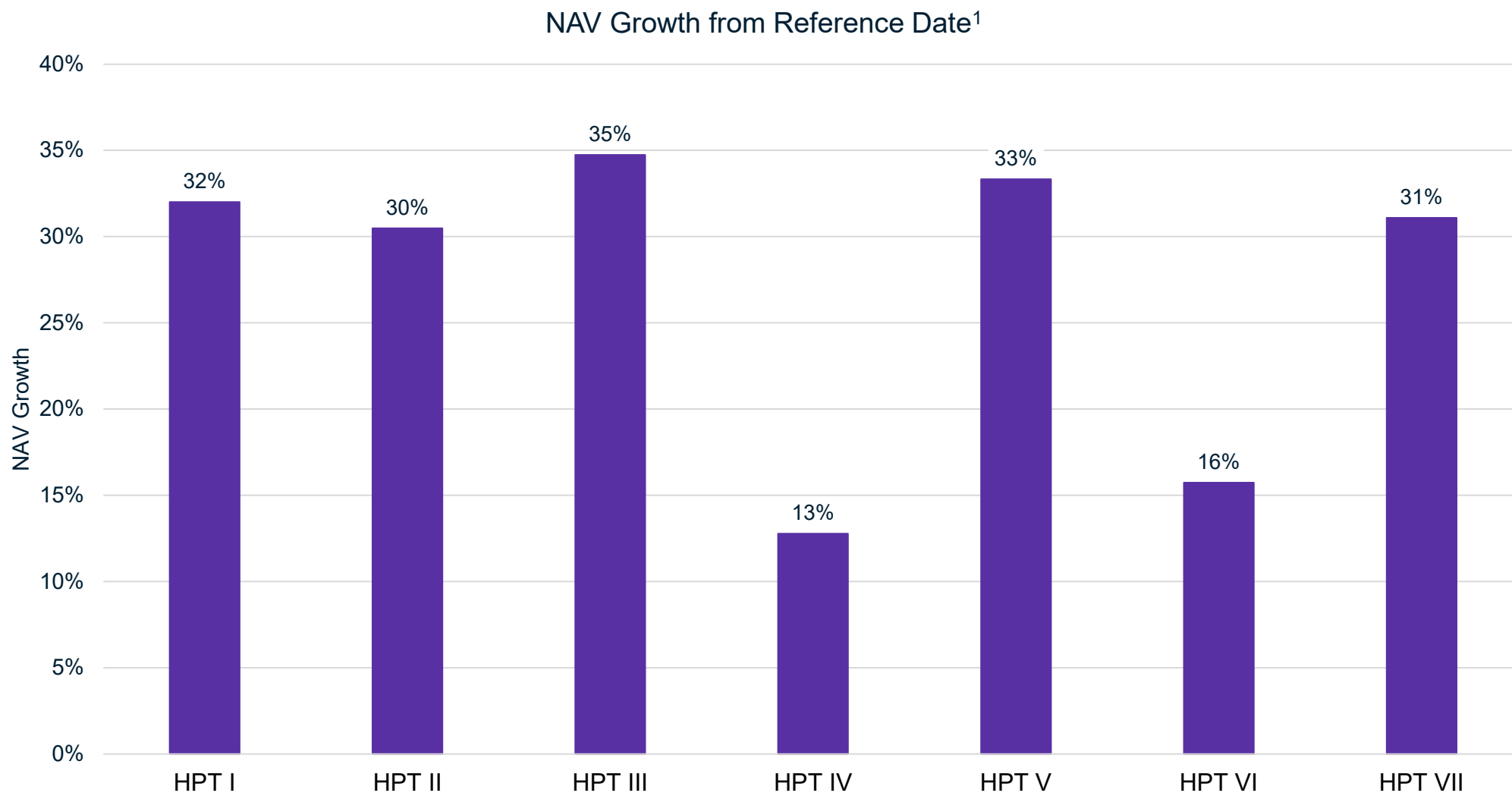
Consistent discounts across funds and market cycles

Weighted Average Discount at Acquisition



Components of Return

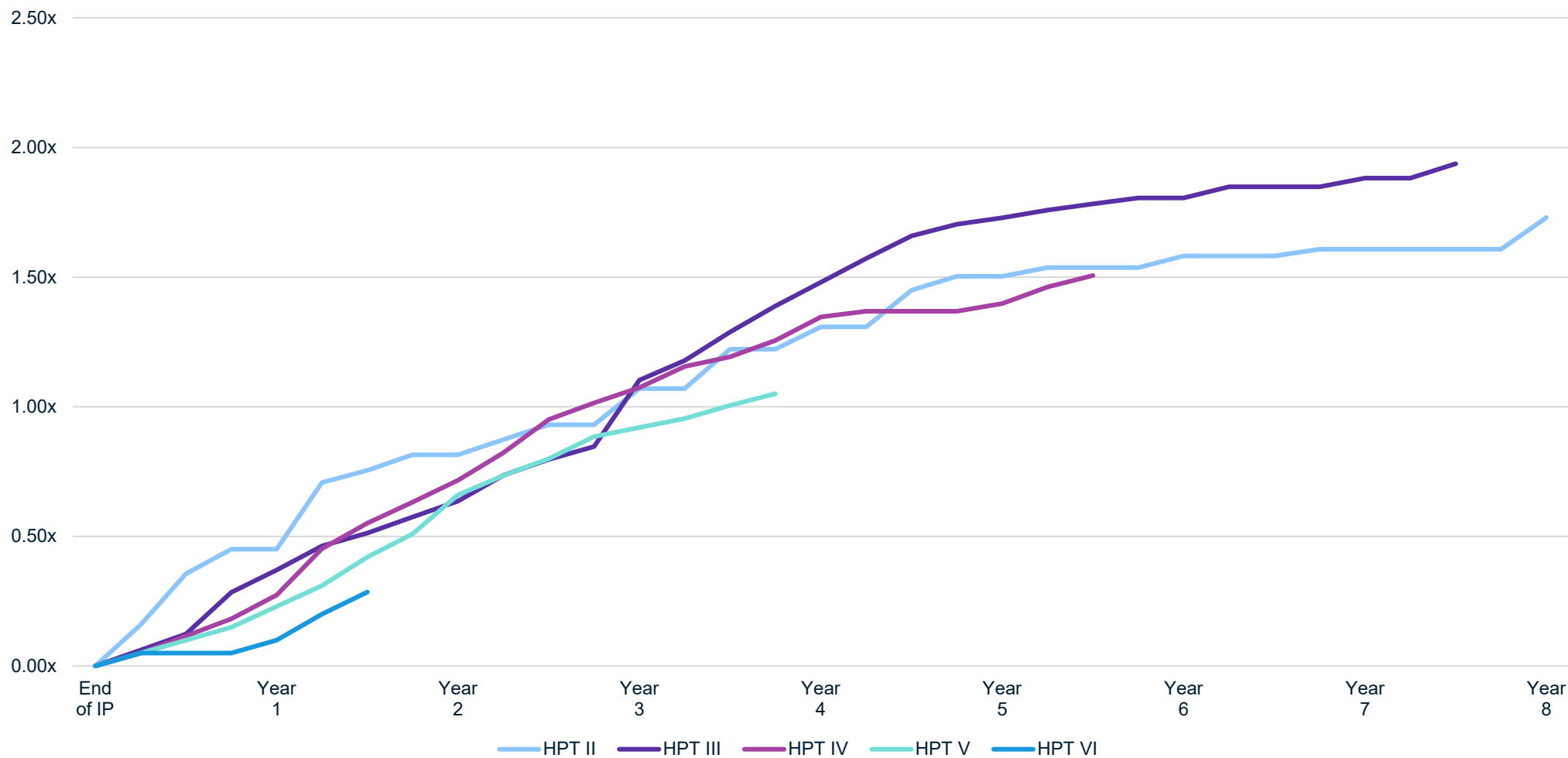
Identifying high conviction assets with value growth potential



Strong Cash Distributions

Consistent distribution profile across funds and market cycles

Evolution of Distributions to Paid In Capital (DPI)

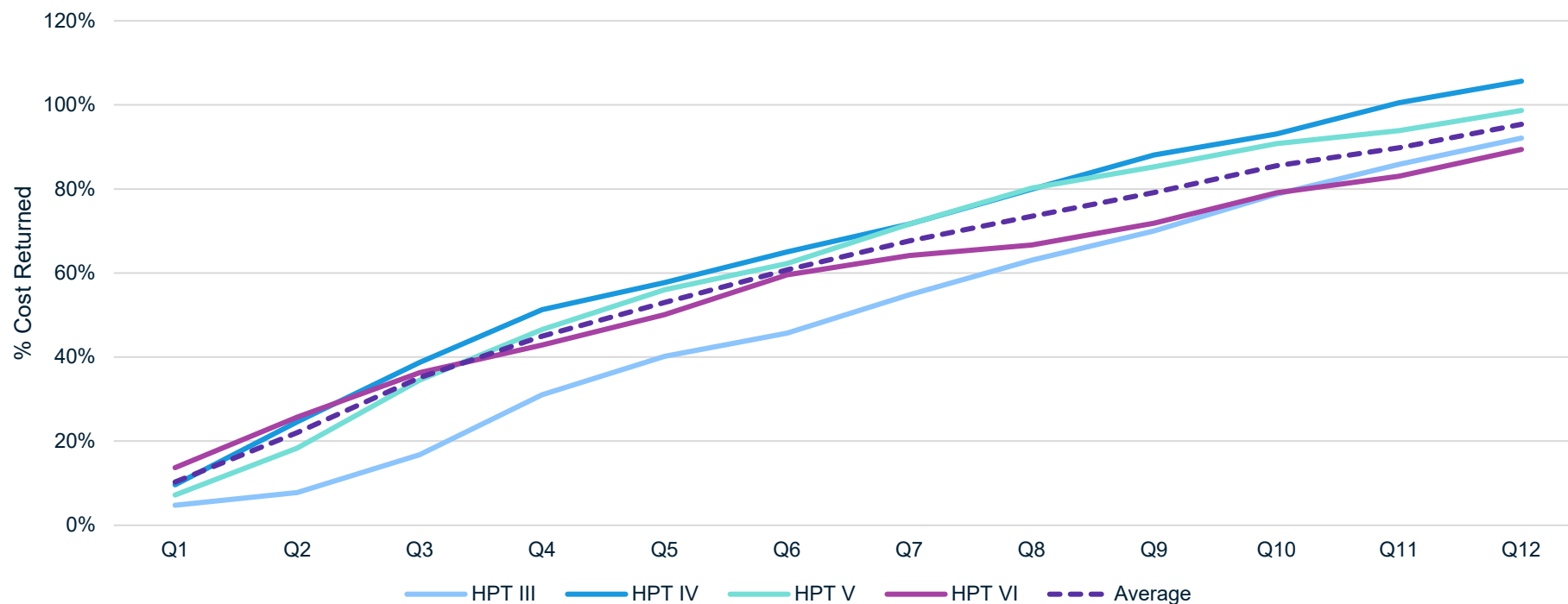


LP Portfolios

Benefits of LP Portfolios

- 45% of cost is typically realised within 12 months of acquisition
- Buy at a weighted average discount of 33%
- Highly diversified asset base
- Results in over 625 GP relationships

Percentage of Cost Returned for LP Deals over First 12 Quarters



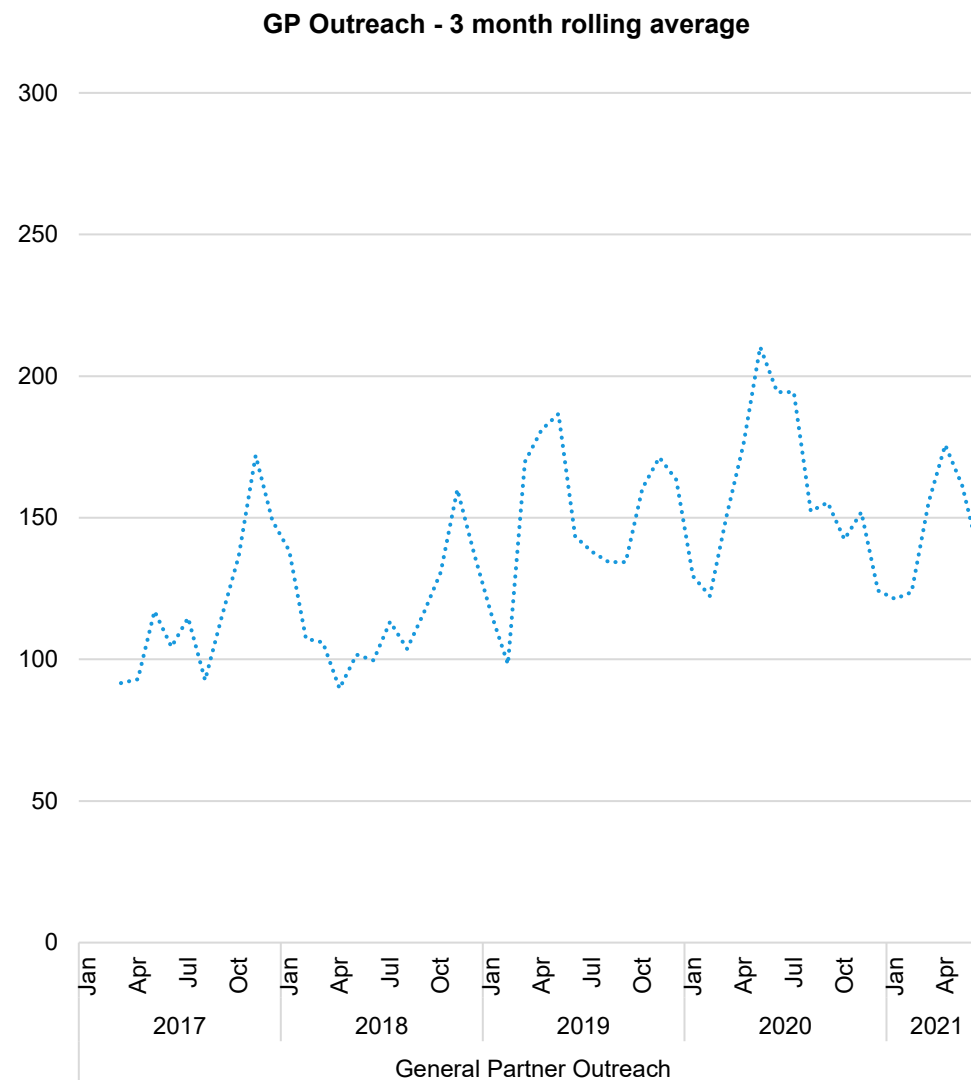
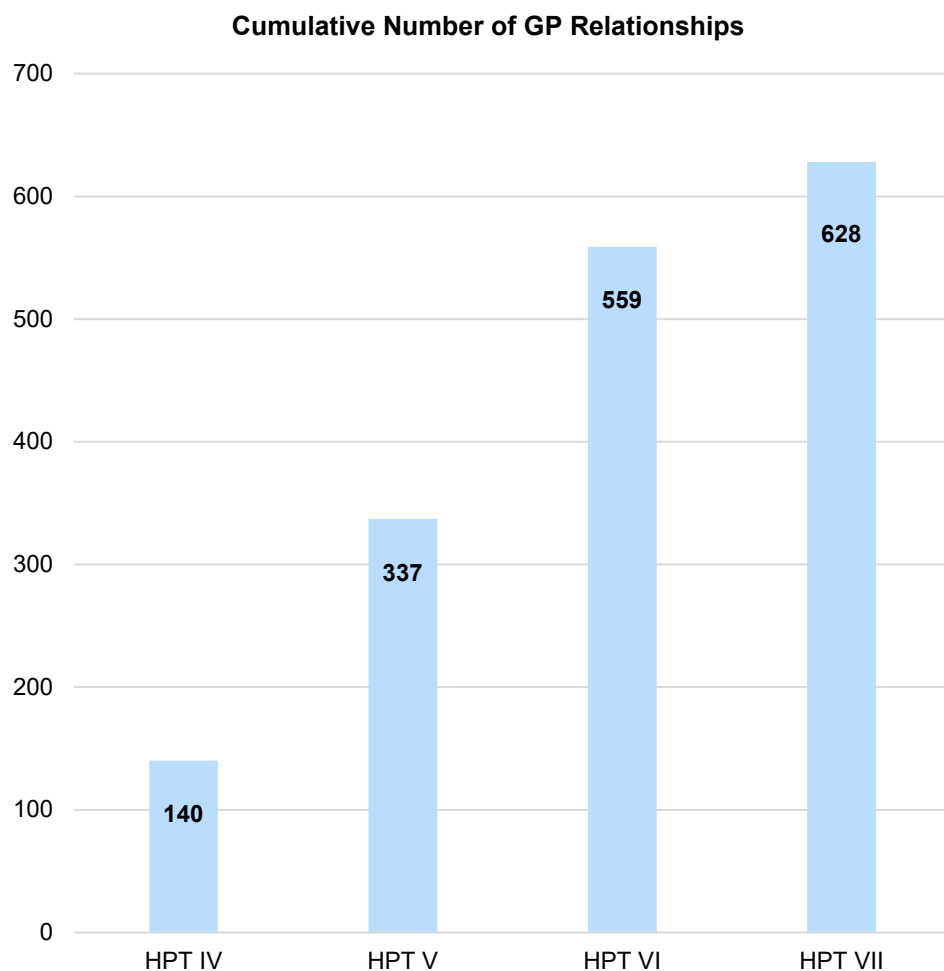
Complex Secondaries

Benefits of Complex Secondary transactions

- Construct a diverse portfolio of company exposures with the potential to drive fund outperformance
- Many transactions sourced from our existing GP relationships
- Maintain diversity with no one asset accounting for more than 2.5% of the fund by cost
- Identify attractive assets which are beyond existing investor's time horizon
- Target growing businesses

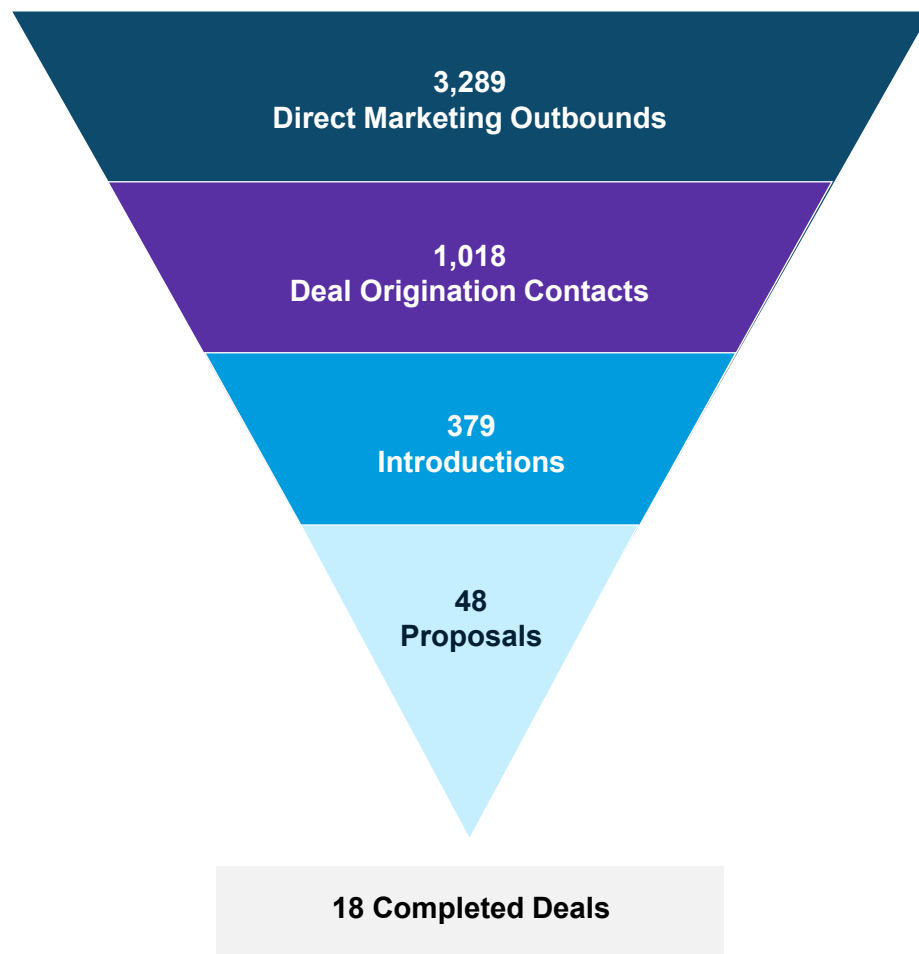
Hollyport GP Relationships

Growth in number of GP relationships and growth in outreach to GPs

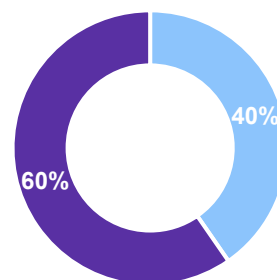


Deal Origination

Extensive direct marketing programme creates proprietary deal flow

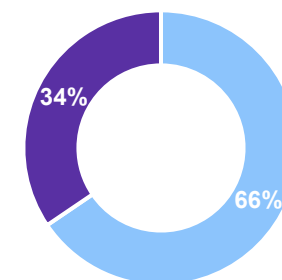


Deal Source - Cost



■ Intermediated ■ Originated

Deal Source - Count

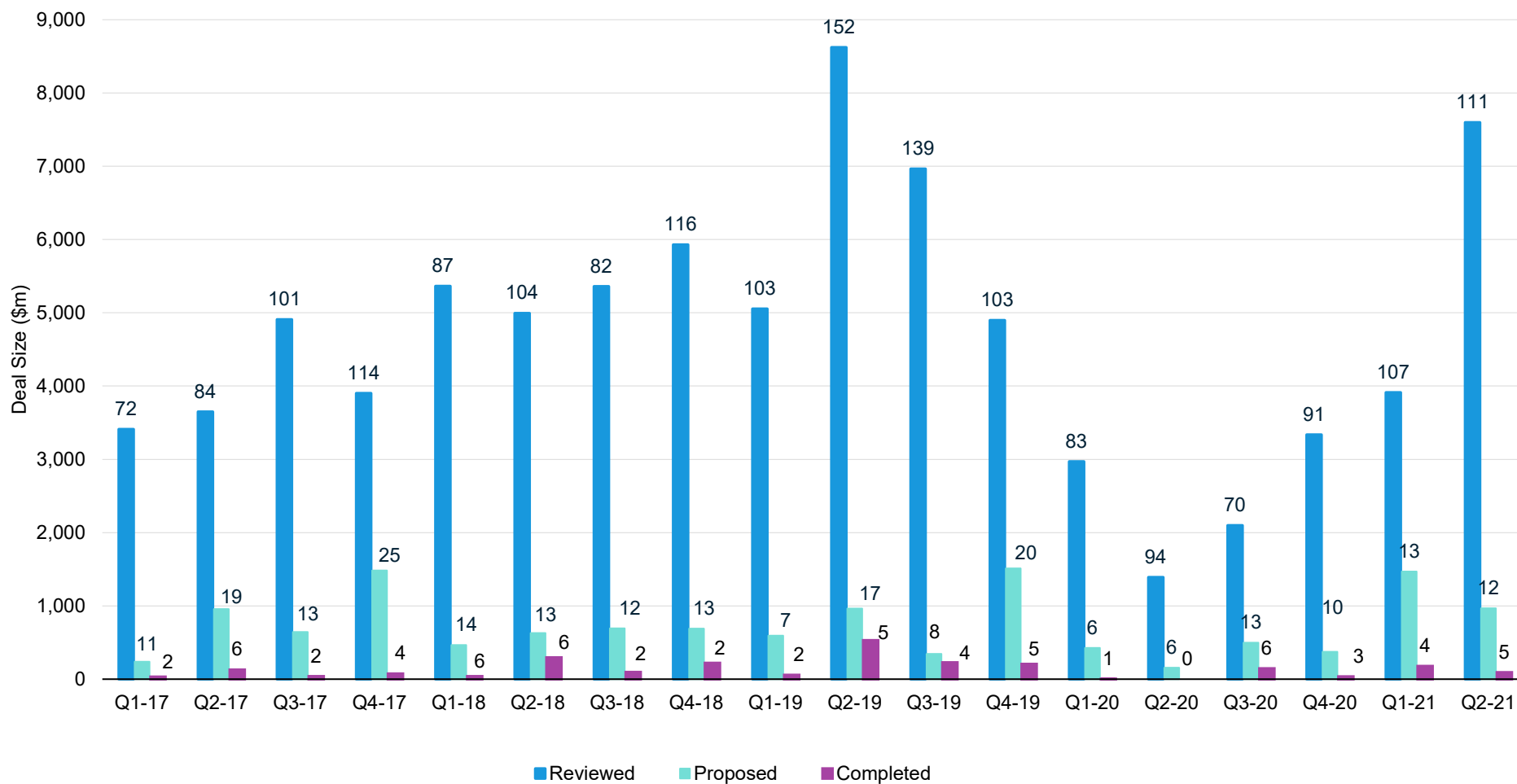


■ Intermediated ■ Originated

Quarterly Deal Sourcing Analysis

Highly selective screening and disciplined pricing

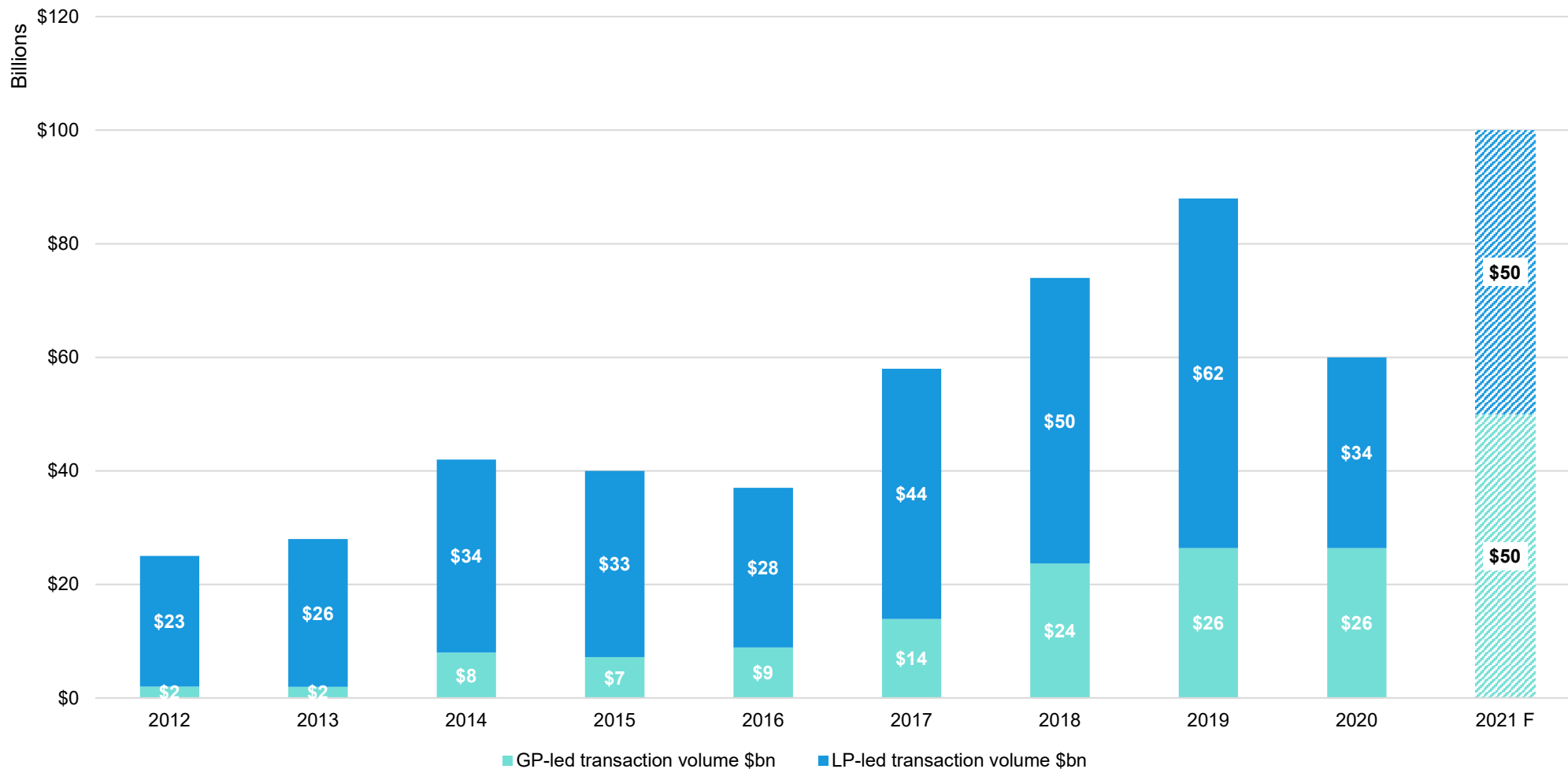
Quarterly Sourcing Analysis Q1-17 to Q2-21



Market Outlook

GP-led transactions account for over 40% of market volume

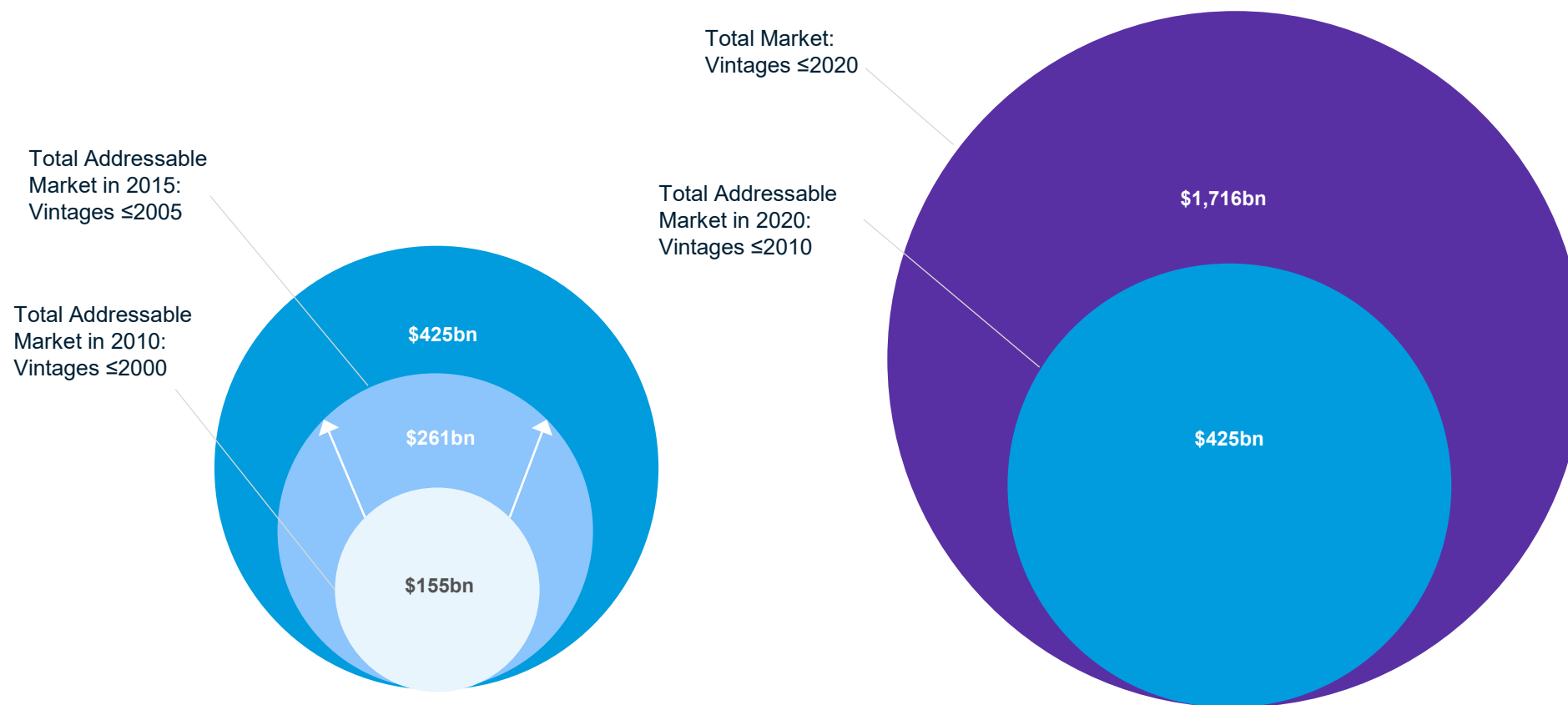
Secondary Transaction Volume (2012- 2021)



Market Opportunity

Growth in funds extending beyond their original term

- \$425bn of assets in funds vintages 2010 and older as of September 2020
- The total addressable market has grown from \$155bn in 2010 to \$425bn in 2020



Environmental, Social and Governance Initiatives

Focusing on areas where we have real impact

Internal initiatives

Environmental

- Calculate and offset annual carbon emissions
- Progressing towards a paperless and zero waste office

Social

- Created Hollyport Scholarship to fund undergraduate courses
- Established Donation Fund for charities nominated by Hollyport employees

Governance

- Building a diverse workforce
 - 50% of hires in the last 12 months were female
 - 34% of employees consist of Black, Asian and other ethnic groups
 - Partner with recruiters who enforce strict diversity guidelines

Investment level considerations

Appraisal

- Bottom-up appraisal helps to identify assets in unethical sectors
- Review assets against relevant ESG criteria
- Raise ESG issues at IC for every transaction
- Decline deals that fail to meet ESG criteria

Post-investment

- Proactive engagement with key underlying businesses
- Raise ESG issues with GPs with whom we are invested

Hollyport became a United Nations Principles for Responsible Investment signatory in 2021

Signatory of:



Hollyport Outlook

Proven investment strategy over 7 funds and 135+ transactions



Well positioned in a focussed but growing market



Proactive vendor marketing programme unlocks proprietary dealflow



Focus on identifying high conviction assets from bottom-up appraisal process



An investment model that generates consistent outperformance across the economic cycle



Hollyport VIII now open for investment

Contact details



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This document contains a description of Hollyport and the marketing opportunity, and Investors should note that such statements reflect Hollyport's good faith belief as at the date hereof, but Hollyport makes no representations or warranties with respect to the accuracy of such statements.



SHAWN T. WOODEN
TREASURER

State of Connecticut
Office of the Treasurer

DARRELL V. HILL
DEPUTY TREASURER

December 3, 2021

Members of the Investment Advisory Council ("IAC")

Re: Consideration of Climate Adaptive Infrastructure Fund, L.P.

Dear Fellow IAC Member:

At the December 8, 2021 meeting of the IAC, I will present for your consideration a Real Asset Fund ("RAF") investment opportunity for the Connecticut Retirement Plans and Trust Funds: Climate Adaptive Infrastructure Fund, L.P. ("CAI Fund"). The CAI Fund has a target size of \$1.0 billion and is being raised by Climate Adaptive Infrastructure LLC ("CAI") headquartered in Mill Valley, California.

I am considering a commitment of up to \$125 million in CAI Fund, which will seek to obtain value-add returns thru acquiring and managing low-carbon infrastructure investments in the energy, water, and transportation sectors, primarily in the U.S. and Canada. Pension Funds Management staff and Meketa have conducted extensive due diligence on the investment background of CAI's senior management and have gained conviction in the manager. Furthermore, the Fund has successfully deployed capital in their inaugural fund for meaningful returns, which are outlined in the attached documents.

Attached for your review is the recommendation from Ted Wright, Chief Investment Officer, and the due diligence report prepared by Meketa. I look forward to discussing these materials at next week's meeting.

Sincerely,

A handwritten signature in blue ink that reads "Shawn T. Wooden".

Shawn T. Wooden
State Treasurer



OFFICE OF THE STATE TREASURER
MEMORANDUM

DECISION

TO: Shawn T. Wooden, Treasurer

FROM: Ted Wright, Chief Investment Officer

CC: Darrell V. Hill, Deputy Treasurer
Raynald D. Leveque, Deputy Chief Investment Officer
Kevin Cullinan, Chief Risk Officer
Olivia Wall, Investment Officer

DATE: November 26, 2021

SUBJECT: Climate Adaptive Infrastructure Fund, L.P. – Final Full Due Diligence

Summary

The purpose of this memorandum is to recommend the Connecticut Retirement Plans and Trust Funds ("CRPTF") consider a commitment of up to \$125 million to Climate Adaptive Infrastructure Fund LP ("CAI Fund" or the "Fund"). The general partner of the Fund is CAI GP LP ("GP" or "General Partner"), an affiliate of Climate Adaptive Infrastructure LLC ("CAI" or the "Firm"). The Firm is headquartered in Mill Valley, California, with additional staff located in New York, NY, and Paris, France.

The Fund seeks to acquire and manage low-carbon infrastructure investments in the energy, water, and transportation sectors, primarily in the U.S. and Canada. The GP is targeting a \$1 billion fund size and hard cap, and as of mid-November 2021 closed on approximately \$300 million of capital commitments with a final close targeted for June 2022. The Fund held its first close in November 2020 and has invested over \$70 million into the Fund to date. Alongside the Fund, the GP expects to generate approximately \$1 billion in co-investment opportunities in project-specific special purpose vehicles ("SPVs") and has deployed close to \$200 million in co-investments to date.

Strategic Allocation within the Private Investment Fund

The Fund's value-add strategy falls under the Infrastructure and Natural Resources allocation of the Real Assets Fund ("RAF"). As of September 30, 2021, the CRPTF's total allocation to infrastructure and natural resources by market value was 0.5%, which is underweight the policy target allocation of 4%. Pension Funds Management ("PFM") investment staff and the Real Assets consultant, Meketa, believe that an investment in CAI Fund is in line with the asset class strategic plan to maintain steady commitments to the real assets sector and to diversify the portfolio across infrastructure sectors. PFM investment professionals view the Fund's strategy, detailed below, as complementary to the existing infrastructure portfolio and is an opportunity to generate returns with low correlation to other asset classes over the long term. Furthermore, an investment in the Fund would mark the first investment between the CRPTF and the Firm.

Firm and Management Team

The Firm was founded in 2019 by Bill Green, Lex Wolf, Cynthia Jaggi, and Dominique Demessence (the "Founders") in order to invest in climate adaptive infrastructure during the current pivotal period of climate disruption and energy transition. Dan Reicher originally joined as a founding partner and has since transitioned into the role of Senior Director of Policy. CAI defines climate adaptive infrastructure as large-scale projects built to withstand the future structural risks and economic pressures of the climate crisis, coupled with the ability to support the global move towards a low-carbon future. The Firm believes many infrastructure investments today are un-screened for potential climate risk, impacting a project's durability and ultimate marketability.

Bill Green, Managing Founding Partner, has over thirty years of professional experience focused on building companies and making asset-level investments in the energy-transition / low-carbon sector. In his leadership role at CAI, Bill is primarily responsible for setting the strategy and chairing the investment committee. Previously, Bill Green served as CEO of Macquarie Infrastructure Company ("MIC") Renewable Energy Holdings ("MREH"). At MREH, Bill Green led a team that sourced, acquired, developed, built, owned, and operated utility-scale renewable energy plants across the United States. The MREH team originated over \$1 billion of renewable energy assets, including several solar and wind projects and an operating company before selling the portfolio to Goldman Sachs, Dutch Infrastructure Fund, and Softbank. Prior to MREH, Bill Green also served as a Senior Managing Director of Macquarie Infrastructure and Real Assets and co-founded VantagePoint's CleanTech Practice, one of the largest private equity platforms in CleanTech in North America.

Lex Wolf, Founding Partner, has over twenty years of experience in the energy and infrastructure sectors. Previously, Lex Wolf served as a Managing Director at Macquarie Infrastructure and Real Assets and as Chairman of the Board of Hawaii Gas, the only regulated gas utility in Hawaii. He worked closely with Bill Green at MREH for over a decade and served as the Asset Director for several projects initiated by Bill Green. Lex Wolf's role at CAI will include sourcing new investment opportunities and ensuring these opportunities progress through a rigorous investment and operations process.

Cynthia Jaggi, Founding Partner, is an expert in the use of analytics for fact-based decision making. Previously, she was a Partner at the consulting firm Fitzgerald Analytics. At CAI, Cynthia Jaggi will apply her skills and experience to investment opportunity origination, including maritime electrification and liquefied natural gas. Cynthia Jaggi also developed CAI's proprietary investment screening and ESG methodology, which CAI refers to as the "Climate Screening Program." The Climate Screening Program is used to identify and prioritize projects that will mitigate the "triple threat risk of the climate crisis": namely, physical, policy, and political risks. CAI performs a detailed analysis of these three risk areas related to the evolving climate environment and related policies of authorities. The Climate Screening Program also addresses four other areas, including carbon impact, commercialization, implementation, and permanence.

Dominique Demessence, Operating Partner, leads CAI's water and wastewater investment opportunities, where he is responsible for the sector's sourcing and operations. He was president of several divisions of Suez, one of the world's largest water enterprises, and is an expert in water

operations and investment diligence. Currently, he spends 50-60% of his time at CAI and is the only non-full-time employee despite being with the Firm since its founding.

The Founders are currently supported by an investment associate, Nicolas Rodier, Director of the Asset Operations Group, and four senior advisors. Notably, Nicolas Rodier worked closely with Bill Green and Lex Luther at MIC, where he oversaw the renewables project construction and operations. As is common with first-time funds, the mid-and junior investment associate ranks have not yet been hired. However, CAI expects to recruit a Vice President and likely two more associates as fundraising continues. The Asset Operations Group is responsible for managing assets daily to help ensure operational excellence on an exclusive basis to CAI. The Asset Operations Group is also expected to grow as fundraising continues and portfolio investments are made. Further, CAI expects to use Senior Advisors to provide additional deal sourcing and investment due diligence.

The Firm's Investment Committee ("IC") is comprised of the Founders with Bill Green as the chair. IC decisions are made by a majority in interest of the allocated carried interest in the GP. However, the IC makes all attempts to obtain unanimity in investment decisions. All Founders and certain members of CAI's wider investment team will share in the carried interest subject to vesting requirements. PFM investment professionals have reviewed the Firm's compensation structure and view that the package creates strong alignment amongst the team.

PFM investment professionals have reviewed the caliber of the CAI team and prior projects and view that the team's long-standing sector experience will assist the Firm to 'recognize patterns' in infrastructure asset demand. The senior team's extensive relationships are expected to help source and execute off-market deal flow. The Firm believes that close to 80% of deal flow will be sourced from proprietary opportunities and a pipeline review by PFM investment professionals suggests that the Firm will likely achieve this stated expectation.

Market Opportunities and Investment Strategy

Over the next decade, investors and governments are expected to invest trillions of dollars in improving existing and in new infrastructure to upgrade outdated transit systems, utilities, power generation, and more. CAI views that if investors deploy this capital into carbon-intensive developments or projects not adapted to climate risk, they risk a potential loss of value as the world continues to confront climate risk and move towards low-carbon infrastructure. The Fund is therefore focused on climate adaptive infrastructure and offers investors a strategy for the deployment of capital through this period of climate disruption and energy transition.

More specifically, the Fund will focus on climate adaptive infrastructure that supports the day-to-day needs of growing populations within the energy, water and transportation sectors. According to a 2019 United Nations study by Max Roser," The UN projects that the global population increases from a population of 7.7 billion in 2019 to 10.9 billion by the end of the century." Given the increase in population, CAI Fund will seek to generate yield and long-term returns through the delivery of critical services to large communities.

The GP will seek opportunities in the energy space that may include: the generation of electricity from renewable sources such as hydropower, offshore wind, next-generation solar, renewable natural gas, and pumped hydroelectric energy storage and battery storage. Opportunities in water

may include: potable reuse for aquifer recharge, industrial water treatment, and desalination. Lastly, opportunities in transportation may include light rail, hydrogen, and vehicle charging. The anticipated sector split for the Fund is 40% energy, 30% water, and 30% transportation.

The Fund is targeting investments with the potential to produce a gross internal rate of return ("IRR") of 15% and 1.75x gross multiple on invested capital ("MOIC") over a hold period of six years. Returns are expected to be generated through long-term capital appreciation and, to a smaller extent, current income. Given a \$1 billion dollar capital commitment target, the Fund expects to make seven to ten investments, averaging \$100M of equity, with the likely range of \$75M on the low-end to \$200M on the high end. CAI will review both control and non-control positions with specific governance provisions. However, CAI has a strong preference for control positions. CAI will primarily seek to deploy capital into assets and, to a smaller extent, into operating companies on an opportune basis. At least 80% of committed capital is required to be deployed in the United States or Canada and the remaining balance in the following countries of the Organization for Economic Co-operation and Development: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Korea, Luxemburg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

CAI Fund's investments will be made into fully commercial, proven technology deployed by developers and contractors that can support projects with balance sheet performance guarantees. While the Fund will be allowed to make loans to projects prior to Notice to Proceed ("NTP") construction, the Firm expects a majority of the Fund's resources will be deployed directly into either brownfield or greenfield NTP projects. A common theme in CAI's investment strategy is repurposing, modifying, or reconfiguring existing infrastructure, as in many situations, it is more cost-effective than a new build. While CAI believes it is critical in selecting the best investments from the outset, a significant component of value will be generated from managing assets efficiently and effectively. Therefore, a core emphasis of CAI's value-add is its emphasis on delivering projects on time and on budget. CAI also places heavy importance on long-term contracting to de-risk the assets during ownership.

The Fund's investments may also include debt securities that have an equity component but will specifically target equity investments. The GP states that the Fund will have a judicious application of debt, determined on a project-by-project basis. The Firm anticipates that projects that have contracted long-term offtake from creditworthy counterparties can usually support debt in the 50-70% range. The Fund will also have a small subscription facility to facilitate Limited Partner capital calls, which may not exceed 35% of the aggregate commitments. CAI's exit strategy is built around positioning its assets for the eventual sale to large, core-infrastructure buyers.

Track Record

CAI's Founders have held senior leadership and investment roles over the last few decades. Most recently, two of the Founders, Bill Green and Lex Wolf collectively invested and managed over \$1.0 billion of assets at Macquarie Infrastructure Corporate Renewable Holdings ("MREH") across 14 projects. However, Bill Green and Lex Wolf did not receive attribution for their investment track record when they departed MREH. Dominique Demessence, over the past 20 years, has led the acquisition and integrations of 10 water companies. Dominique Demessence also led teams successfully bidding on six water and wastewater concessions primarily in South America and led two development projects for new waste treatment facilities and water desalination plants in Canada and Spain, respectively. Dominique Demessence's track record from Suez is also not

portable. Therefore, PFM investment professionals did extensive due diligence and reference calls with institutional investors, portfolio company executives, and board members who have invested with or worked directly with the Founders. Through this process, PFM investment professionals gained comfort that the Founders had extensive senior-level responsibilities with the sourcing, execution, and management of many successful investments prior to forming CAI.

More specifically, references validated that CAI's strategy fully aligns with the Founders' significant investment expertise and experience within the Fund's targeted markets, including its focus on climate adaptive infrastructure. Further, certain institutional investors and executives familiar the Founders' prior investment experience shared their proprietary views that the Founders contributed significantly to strong investment outcomes, supported assets and companies through good and challenging times, and delivered on commitments made to investors and management teams.

Key Strengths

- 1. Experienced, Cohesive Founding Team:** The Founders have over 80 years of collective experience, in the energy transition and environmental sectors, including operating and monetizing investments. The Founders have deep industry networks investing in the same target markets that are the focus of the Fund's strategy. These deep industry networks are also expected to help source off-market deal flow, which has been demonstrated with the Fund's existing investments to date (Rye Hydro and Intersect Power). The Founders also have several decades of experience in infrastructure investment management, operations, and policymaking within the energy transition and environmental sectors. The Founders formed CAI to seek to expand on the renewable portfolio that Bill Green and other members of the CAI team had built at MIC. Bill Green brought a senior team together to raise a diversified fund to target low-carbon infrastructure assets across energy, water, and transportation.
- 2. Active Portfolio with Reduced J-curve:** The Fund committed to two investments in the hydro and solar power generation area (approximately \$70 million of equity) in line with the Fund's value-add strategy. Additionally, CAI has deployed close to \$200 million into co-investments as of the date of this memo. The Fund's timely deployment of capital is attractive for early investors who would benefit from a reduction in the J-curve by investing in an active portfolio with a shorter ramp-up period. A review of the Fund's actionable pipeline also appears consistent with the Fund's stated strategy and target markets.

Furthermore, though a first-time fund, CAI has already demonstrated the ability to source attractive investments bolstering the Firm's strategy. To date, CAI has launched three co-investment vehicles since inception, one for co-investments in Rye Hydro in October 2020 and two for investment in Intersect Power in December 2020. Rye Development is a developer of low-impact hydroelectric generation facilities sited primarily at currently non-powered dams used by the Army Corp of Engineers for navigation and flood control. CAI secured exclusivity to fund Rye's pipeline of 22 Federal Energy Regulator Commission ("FERC") licensed projects installing turbines at non-powered dams in the Eastern US, representing 246 megawatts of incremental, clean energy generation.

Intersect Power is a developer of utility-scale solar and energy storage projects with a track record of developing over 3.5 gigawatts across 65 projects. The Intersect team has been together for over a decade and CAI has known and worked with them when they were at

Macquarie Renewable Energy Holdings. During their joint venture as part of Macquarie, Intersect delivered 1.75 gigawatts of power in 20 months. Intersect's current portfolio pipeline includes 2.4 gigawatts of seven late-stage projects in California and Texas, scheduled to reach commercial operations in 2023. Notably, CAI's Intersect Power investment has demonstrated excellent milestones performance to date for the Fund and will be marked up to 1.5x in Q4 2021, following a review from the Firm's auditor.

- 3. Attractive Infrastructure Sub-sector:** As an impact-focused firm, the Fund targets projects with the potential to generate attractive returns, while also considering climate change risks. By focusing on low carbon infrastructure, the Firm mitigates risks resulting from potential policy and political risks that could impact the future marketability of a project. Further, by carefully screening the physical locations of projects given potential geographic changes that may result from climate change, the Firm improves the project's durability and potential price at exit.

Major Risks and Mitigants

- 1. Newly Established Firm:** Many of the common concerns associated with a first-time fund manager, including longevity of investment experience, lack of firm management experience, and level of institutional support, are largely mitigated with CAI. The Firm's Founders each have more than 20 years of investment experience, with Bill Green and Lex Wolf having invested together for several years at a Macquarie. The Founders held significant investment and operational roles at their prior firms, and references shared their favorable impressions of the significant contributions that Lex Luther, Cynthia Jaggi, and Dominique Demessence made in the areas of portfolio construction and investment execution. Operational due diligence has also revealed that the Firm has outsourced many of its core operational and administrative functions to institutional quality third-party providers, thus mitigating questions around support quality. PFM investment professionals acknowledge that the Firm's more junior ranks are largely unfilled. However, discussions with the Firm have detailed hiring plans for four more investment staff members as the Firm's capital commitments grow towards their target size.
- 2. No Formal Prior Track Record:** The Founders did not formally receive attribution when they departed their previous employers. However, recent independent references and due diligence calls performed by PFM investment professionals indicate that prior MREH and Suez investments led by several Founders had favorable returns. Further, the 14 MREH projects referenced in the above Track Record section included 203 megawatts of wind and 142 megawatts of solar utility scale generation facilities. MREH operated all the projects after their commercial operations date ("COD"). At MREH, Bill Green also invested in a development platform, Intersect Power Renewable Energy Holdings, as a joint venture ("JV") between MREH and Intersect Power, a leading solar developer. With the Intersect JV, MREH committed a package of debt and equity to develop and power market a 4GW solar pipeline in Texas and California. In August 2019, MREH successfully closed on the sale of the operating wind portfolio to DIF Infrastructure Fund V and the sale of the operating solar portfolio to Goldman Sachs Asset Management. Shortly thereafter, MREH sold its interest in the IPREH development platform to Softbank.

Limited Partner Advisory Committee ("LPAC")

An LPAC will be established for the Fund consisting of representatives of the Investor Limited Partners selected by the GP. The LPAC will meet at least once a year to: (i) review any matters involving a potential conflict of interest; (ii) review all matters for which the approval or consent is required under the LPA and (iii) discuss such other matters as may be raised. Given our proposed investment size, CRPTF would be granted membership on the LPAC subject to investment approval and the successful completion of legal documentation.

Economics/Fees/Terms

- Management Fees: 1.75% on committed capital during the commitment period. Thereafter, 1.75% on invested capital
- Carried Interest: 17.5% performance fee over 8% return hurdle per annum, 100% catchup
- Waterfall Structure: European/Whole Fund
- Discount: The CRPTF has obtained an additional fee break from CAI at the \$125 million commitment level, providing the CRPTF with enhanced net return and potential for a long-term partnership with the manager
- GP commitment is the lesser of 1.5% of committed capital or \$15 million, funded thru a combination of cash, loans, and management fee offsets
- Commitment Period: 5 years from Final Closing Date
- Term: 12 years from the final closing date, up to three consecutive one-year extensions, with the first two at the discretion of the General Partner and the third with the consent of the Fund's LPAC

Legal and Regulatory Disclosure (provided by Legal)

In its disclosure to the Office of the Treasurer, Climate Adaptive Infrastructure, LLC ("CAI" or the "Respondent") disclosed that it has no material lawsuits, legal or administrative proceedings or governmental investigations, criminal actions, or law enforcement activities (including those by federal, state or local authorities, or self-regulatory organizations) or non-routine Securities and Exchange Commission inquiries or investigations to disclose in the last 5 years.

The Respondent states it has no insurance claims to report. Additionally, the Respondent states that neither it nor any of its principals or employees is the subject of any ongoing internal investigations or has been convicted of or pled guilty to or settled a case for any felony, misdemeanor, or civil enforcement proceedings in the past 5 years.

CAI's disclosure notes that there have been no changes in its organization and corporate structure since inception.

The Respondent affirms that it has in place adequate internal investigation procedures in place, including an Operational Risk Committee responsible for the oversight of all non-investment related risks for the firm, an Employee Handbook, and a Code of Business Ethics and Conduct.

Compliance Review

The Firm's Workforce Diversity & Corporate Citizenship review is attached.

Environment, Social & Governance Analysis ("ESG")

The Principal Investment Officer for Corporate Governance & Sustainable Investment review is attached.

Recommendation

Based on the strategic fit within the RAF portfolio, the market opportunity and the due diligence performed by PFM investment professionals and Meketa, I recommend that you consider a commitment of up to \$125 million to CAI Fund and that a meeting be scheduled for you to meet with representatives from CAI. Should you decide to move forward, I would further recommend that we bring the Fund to the December 8, 2021 Investment Advisory Council meeting.

Comments

COMPLIANCE REVIEW FOR CLIMATE ADAPTIVE INFRASTRUCTURE, LLC SUMMARY OF LEGAL AND POLICY¹ ATTACHMENTS SUBMITTED BY CLIMATE ADAPTIVE INFRASTRUCTURE, LLC

I. Review of Required Legal and Policy Attachments²

CLIMATE ADAPTIVE INFRASTRUCTURE, LLC ("Climate Adaptive") completed all necessary attachments. It disclosed no impermissible third-party fees, campaign contributions, known conflicts, or gifts. The firm's disclosure of legal/regulatory proceedings is being reviewed by the Legal Unit.

II. Workforce Diversity (See Also 3-year Workforce Diversity Snapshot Page Attached)

As of July 2021, Climate Adaptive, a California-based firm, has a personnel of 7 people. The firm identified 1 woman and/or minority in the category of Executive/Senior Level Officials and Managers. Since the firm's inception, promotions have not occurred; however, the firm currently employs 2 women within the ranks of professionals or managers one of which is a minority.

Workforce Statistics³

For Executive/Senior Level Officials and Managers:

¹ The Treasury's Policy Unit will prepare a separate Summary with respect to Climate Adaptive's ESG submission.

² Climate Adaptive disclosed one (1) third party fee arrangement to act as a global placement agent. This is an exception to the prohibition on finder's fee, and therefore permissible.

³ The workforce statistics reflects data only for 2021 as prior to this year the firm hired contractors, and therefore, no diversity data was reported for 2020 and 2019.

- Women held 17% (1 of 6) of these positions in July 2021.
- Minorities held 0% (0 of 6) of these positions in July 2021.

At the Management Level overall:

- Women held 29% (2 of 7) of these positions in July 2021.
- Minorities held 14% (1 of 7) (14% Asian) of these positions in July 2021.

At the Professional Level:

- Women held 0% (0 of 0) of these positions in July 2021.
- Minorities held 0% (0 of 0) of these positions in July 2021.

Firm-wide:

- Women held 29% (2 of 7) of these positions in July 2021.
- Minorities held 14% (1 of 7) of these positions in July 2021.

III. Corporate Citizenship

Low-Carbon Infrastructure:

Climate Adaptive's focus is on contributing to reduce CO2 emissions to 45% below 2010 levels to stabilize the global climate through the firm's mandate to invest in low-carbon infrastructure that can weather the economic risks of the climate crisis. Climate Adaptive invests in infrastructure that supports day-to-day needs of growing populations while at the same time helping to reduce climate risks. The firm determines upfront that the projects are measurably low-carbon and resilient to climate crisis risks. To illustrate this, one of the firm's portfolio's companies, Intersect Power, is in late-stage development of 2.4GW of utility solar photovoltaic capacity. In addition, the firm's proprietary climate screens are designed to support achievement of the United Nation's Sustainable Development Goals (SDGs) by targeting investment in climate adaptive infrastructure. Furthermore, Climate Adaptive has an environmental, social and corporate governance (ESG) investment policy to guide its broader program for the consideration of ESG factors throughout the investment life cycle. The firm plans to become a signatory to the United Nations Principles for Responsible Investing (UNPRI) and to report on topics included in the Task Force on Climate related financial disclosures. Climate Adaptive's ESG policy will be regularly updated and made available to the Limited Partners of the Fund and will generally be consistent with the UNPRI.

Charitable Contributions:

While Climate Adaptive does not have a formal policy encouraging charitable activities or contributions, the firm's team has devoted their careers to contributing to a low-carbon future, in an effort to contribute directly and measurably to the betterment of society.

Internships/Scholarships:

Climate Adaptive does not currently have a formal internship program at this stage of the firm. However, the firm has had one intern who was a person of color. Currently, the firm does not provide any scholarship opportunities to students.

Procurement:

Climate Adaptive Fund supports its portfolio companies in contracting with firms that use union labor and sign Project Labor Agreements to ensure equality, diversity and fair-wage practices.

Summary of Responses to Attachment M:
Evaluation and Implementation of Sustainable Principles

Submitted by: Climate Adaptive Infrastructure LLC

November 3, 2021

Criteria	Responses	
1	Firm has an ESG policy	Yes
1a	If yes, firm described its ESG policy	Yes
2	If yes, firm provided examples of ESG factors considered in the decision-making process, explained the financial impact of these ESG factors	Yes
3	Designated staff responsible for sustainability policies and research	Yes
4	Firm provides training/resources on sustainability issues, explained sources of ESG-related data	Yes
5	Signatory/member of sustainability-related initiatives or groups	No (planning to sign UNPRI and TCFD)
6	Policy for evaluating current or prospective relationships with manufacturers or retailers of civilian firearms	No (responded N/A)
7	Policy that requires safe and responsible use, ownership or production of guns	No (responded N/A)
8	Enhanced screening of manufacturers or retailers of civilian firearms	No (responded N/A)
9	Enhanced screening of any industry/sector subject to increased regulatory oversight, potential adverse social and/or environmental impacts	Yes
10	Merchant credit relationships with retailers of civilian firearms and accessories	No
10a	If yes, firm confirms compliance with laws governing firearms sales	N/A
11	Overall assessment of responses (e.g., depth of approach to ESG and integration)	<p>The firm's disclosure suggested a comprehensive integration of ESG factors into its decision-making process. The firm is not yet a signatory to the UN Principles for Responsible Investment (UN PRI) or the Task Force on Climate-related Disclosures, but expressed plans to sign on to both. CAI's ESG policy is based on the UN PRI and the UN Sustainable Development Goals (SDGs), and underscores the importance of using ESG factors in pre-investment due diligence as well as ongoing monitoring. The firm has a low-carbon mandate and employs its own climate screens for investments. Cynthia Jaggi, a Partner at CAI, leads the firm's ESG initiatives, policies, and research. The firm hires staff with sustainability-oriented backgrounds and requires all staff to undergo training on CAI specific screens.</p> <p>The firm does not invest in nor has a policy specific to civilian firearms manufacturers and retailers.</p>
	<p>SCORE:</p> <p>Excellent - 1 Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented organizations; enhanced screening of firearms and/or higher-risk sectors</p> <p>Very Good - 2 Detailed description of ESG philosophy and integration; ongoing ESG assessment; established framework; member of sustainability-oriented+B3 organizations</p> <p>Satisfactory - 3 General description of ESG philosophy and integration; some evidence of framework for ongoing ESG assessment; member of sustainability-oriented organizations</p> <p>Needs Improvement - 4 Generic and/or vague description of ESG philosophy and integration; no ongoing ESG assessment; no dedicated ESG staff or resources</p> <p>Poor - 5 Incomplete or non-responsive</p>	<h1>2</h1>

Private Markets Investment Memorandum

**Climate Adaptive
Infrastructure Fund LP**

October 29, 2021

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Executive Summary

DILIGENCE PROCESS

Meketa Investment Group (“Meketa”) initiated its evaluation of Climate Adaptive Infrastructure (the “Manager”, the “Firm”, or “CAI”) regarding Climate Adaptive Infrastructure Fund LP (the “Fund”) in July 2021. As part of a comprehensive due diligence process, Meketa completed a thorough review of the Fund’s offering materials and other supporting documentation, including the Private Offering Memorandum and Limited Partnership Agreement, and other data room content, as well as the Manager’s response to Meketa’s Due Diligence Questionnaire. Meketa held virtual investment and operational due diligence sessions with key members of those teams in October 2021, to gain a deeper understanding of the Firm’s history, strategy, personnel resources, processes, and personal track records. Virtual diligence meetings were held in lieu of in-person meetings due to the travel policy restrictions and other considerations related to COVID-19 at the time of Meketa’s diligence. However, a member of the Meketa team was able to meet with two CAI Partners in October at an outdoor setting in Boston.

The Fund is looking to raise \$1.0 billion. The Manager held an initial close in December 2020 at \$115 million and two subsequent closes bringing total commitments to \$276 million. CAI is targeting a final close in mid-2022.

MANAGER BACKGROUND

Fund Name	Manager	Office Location(s)	Target Market	Target Geography
Climate Adaptive Infrastructure Fund LP	Climate Adaptive Infrastructure	Mill Valley, CA (HQ); New York, NY; Paris, France	Sustainability Infrastructure	Primarily North America

CAI was founded in 2019 by Bill Green, Cynthia Jaggi, Dan Reicher, Lex Wolf, and Dominique Demessence. Their backgrounds include infrastructure investment management, infrastructure operation, and policymaking in the energy transition and environmental sectors. Mr. Green sought to expand on the renewable portfolio that he and other members of the CAI team had built at Macquarie (under the public funds business, not private) and brought a senior team together to raise a diversified fund to target low-carbon infrastructure assets across energy, water, and transportation. CAI is employee-owned and exclusively focused on this inaugural fund.



OFFERING TERMS

Fund Size	Management Fee	Carry And Carry Structure	Preferred Return	Fee Income	Inv. Period And Total Term
\$1 billion is the target and current hard cap	1.75%	17.5%; whole-fund	8% with 100% catch up	100% off-set	5 years; 12 years from final close

STRATEGY

CAI seeks to invest in low-carbon infrastructure assets within the energy, water, and transportation sectors with expected capital allocations of 40%, 30%, and 30%, respectively. CAI will focus its energy exposure on renewable generation including hydropower, offshore wind, next-generation solar, renewable natural gas, battery storage, and pumped hydroelectric energy storage. The water sector opportunities consist of potable reuse for aquifer recharge, industrial water treatment and renewable-powered desalination. Transportation targets include maritime electrification, light rail, hydrogen fuel, and autonomous vehicle charging. CAI will assess the climate adaptive impact of each investment by evaluating both the physical risk associated with climate change and the impact on the global transition to low-carbon economy. A theme common in many of their investment targets is repurposing existing infrastructure: in many situations it is hard, time consuming, or potentially impossible to new build or rebuild, but many more opportunities exist to modify, reconfigure, and/or transform existing assets. CAI is specifically seeking these types of investments and developing creative ways to source the deals and create infrastructure for the future.

CAI expects to invest at least 80% of committed capital in North America with the ability to invest the remaining 20% in member countries of the Organization for Economic Co-operation and Development (“OECD”). Most, if not all, of the OECD investments are expected to be part of the North American portfolio companies’ asset base or scope of operations. The portfolio is expected to be seven to 10 platform investments with equity investments ranging from \$75 million to \$200 million. The Fund will target a gross return of 14% to 16%.

INVESTMENT ANALYSIS

Strengths

- The Founding Partners have extensive experience in operations, sustainability, and portfolio management dating back at least the past three decades.
- CAI is an impact-focused fund targeting projects addressing climate change and low-carbon infrastructure with a climate and ESG risk process relying on robust evaluation models.
- Two seed investments in the hydro and solar power generation spaces provide visibility into the portfolio, and the pipeline appears actionable and consistent with the Fund's stated strategy.
- The senior team has extensive relationships, built over decades within infrastructure, government, and institutional investing that they will use to source and execute off-market deals.

Weaknesses

- CAI does not have a direct track record as a team since this will be the first fund raised.
- CAI has a strong senior team, but has not completed the buildout of the mid- and junior levels with only one Associate hired to date.
- The initial team is not very diverse with seven team members that include five males and only one minority professional.
- The Firm relies heavily on outsourced resources, including for the Chief Financial Officer position, as well as accounting, operations, administration, and investor relations.

Opportunities

- Market demand for clean energy has been on the rise due to portfolio standards, environmental regulations, corporate initiatives, and cost competitiveness of renewable equipment.
- Industrial facilities are increasingly looking to outsource wastewater treatment and other water supply/quality assets to get them off the balance sheet and professionalize operations.
- Electric car adoption growth is contingent on having sufficient capacity of charging stations. There is expected to be rapid growth in the coming decades with massive investment globally.

Threats

- Infrastructure has continued to see an increase in private capital and investment managers, especially in the sustainability sector leading to upward pressure on entry multiples.
- Climate change is creating more volatile water cycles, rainfall patterns, and global temperatures, which create operational challenges for solar, wind, and hydro power generation.
- CAI's targeted sectors involve assets subject to a range of regulations and licensing requirements, which could experience material losses if regulations were to change.



CONCLUSION

Climate Adaptive Infrastructure Fund represents a compelling opportunity being offered by a new investment manager that would provide exposure to value added sustainability infrastructure platforms primarily in North America. Primary strengths related to the Fund include: a senior investment team with experience across operations, sustainability, and portfolio management; an ESG-focused firm and investment strategy; seed investments eliminating blind pool risk; and deep industry networks producing proprietary deal flow.

Key considerations related to a potential commitment to the Fund include: a limited track record as a first-time fund manager; a senior team with little diversity, and additional team members needing to be hired; and substantial outsourcing of key operational and administrative functions.

Investment Strategy

CAI seeks to invest in low-carbon infrastructure assets within the energy, water, and transportation sectors with expected capital allocations of 40%, 30%, and 30%, respectively. CAI will focus its energy exposure on renewable generation including hydropower, offshore wind, next-generation solar, renewable natural gas, battery storage, and pumped hydroelectric energy storage. This latter power source involves taking advantage of gravity to generate hydropower by pumping water from a lower elevation to a higher elevation storage facility and releasing the water back to the lower elevation through power-generating turbines. The water sector opportunities consist of potable reuse for aquifer recharge, industrial water treatment and renewable-powered desalination. Transportation targets include maritime electrification, light rail, hydrogen fuel, and autonomous vehicle charging. CAI will assess the climate adaptive impact of each investment by evaluating both the physical risk associated with climate change and the impact on the global transition to low-carbon economy.

A theme common in many of CAI's investment targets is repurposing existing infrastructure: in many situations it is hard, time consuming, or potentially impossible to new build or rebuild, but many more opportunities exist to modify, reconfigure, and/or transform existing assets. CAI is specifically seeking these types of investments and developing creative ways to source the deals and create infrastructure for the future.

Based on its extensive industry connections, CAI expects to source over 80% of its deals in bilateral transactions. The team has also implemented a screening process for all potential investments that seeks to identify and prioritize projects that will mitigate the "triple threat risk of the climate crisis": namely, physical, policy, and political risks. CAI will perform a detailed analysis of these three risk areas that relate to the evolving climate environment and related policies of authorities. The climate screening framework and associated ESG screening is described further in the Investment Process section.

CAI expects to invest at least 80% of committed capital in North America with the ability to invest the remaining 20% in member countries of the Organization for Economic Co-operation and Development ("OECD"). Most, if not all, of the OECD investments are expected to be part of the North American portfolio companies' asset base or scope of operations. The portfolio is expected to be seven to 10 platform investments with equity investments ranging from \$75 million to \$200 million. The Fund will target a gross return of 14% to 16%.

EXISTING INVESTMENTS

CAI has invested in two companies to date, as described below.

Rye Development, closed October 2020

Rye Development is a developer of low-impact hydroelectric generation facilities sited primarily at currently non-powered dams used by the Army Corp of Engineers for navigation and flood control. CAI secured exclusivity to fund Rye's pipeline of 22 FERC-licensed projects installing turbines at non-powered dams in the Eastern US, representing 246MW of incremental, clean energy generation. In addition, CAI has right of first refusal on new projects secured by Rye.

The Phase I project pipeline totals \$750 million of capital, which will be funded by debt, tax equity, and sponsor equity. CAI and Limited Partner co-investors will provide the full equity commitment of approximately \$125 million. The capital will be deployed based on milestones to mitigate some of the construction risk.

Intersect Power closed December 2020

Intersect Power is a developer of utility-scale solar and energy storage projects with a track record of developing over 3.5GW across 65 projects. The Intersect team has been together for over a decade and CAI has known and worked with them when they were at Macquarie Renewable Energy Holdings. During their joint venture as part of Macquarie, Intersect delivered 1.75GW of power in 20 months. The Fund's current portfolio pipeline includes 2.4 GW of seven late-stage projects, in California and Texas, scheduled to reach commercial operations in 2023.

CAI purchased Intersect Power from Softbank together with Trilantic, CarVal/Generate, and Intersect's management team. Softbank had acquired the company from Macquarie prior to Mr. Green departing to found CAI. Like Rye, CAI will deploy capital in stages based on key milestones including site control, interconnection agreement, discretionary permits, and signed off-takers.



PIPELINE

CAI also has a robust pipeline with \$1.3 billion in potential Fund equity, with the initial Fund investment ranging from \$20 million to \$200 million. The pipeline includes a mix of platform investments and bolt on acquisitions that are various stages of the diligence process. As of October 2021, the pipeline included opportunities in solar, renewable natural gas, storage, hydropower, water, and transportation in various stages from having a signed term sheet, a deal team formed, or in initial review. The opportunities are located mainly in the US, including the West and East Coasts as well as the Mid-West, along with several deals in Canada.

Manager Background

CAI was founded in 2019 by Bill Green, Cynthia Jaggi, Dan Reicher, Lex Wolf, and Dominique Demessence. Their backgrounds include infrastructure investment management, infrastructure operation, and policymaking in the energy transition and environmental sectors. Mr. Green sought to expand on the renewable portfolio that he had built at Macquarie (on the public funds side of the house) and brought a senior team together to raise a diversified fund to target low carbon infrastructure assets across energy, water, and transportation sectors. CAI is employee-owned and exclusively focused on their inaugural fund.

Mr. Green and Mr. Wolf worked together at Macquarie Infrastructure Corporate Renewable Holdings (“MREH”), where they collectively invested and managed over \$1.0 billion of assets. While three of the senior team members—Cynthia Jaggi, Dan Reicher, and Dominique Demessence—have not worked together previously, they have a combined 60+ years of experience investing in and operating infrastructure opportunities. All Founding Partners have been working together since the Firm’s inception in 2019.

Dan Reicher joined CAI in 2019 as a Founding Partner and has since transitioned into the role of Senior Director of Policy. Mr. Reicher was a member of the US Secretary of Energy’s Advisory Board and the National Academy of Sciences Board on Energy and Environmental Systems, as well as co-chairman of the Board of the American Council on Renewable Energy. Mr. Reicher continues to be involved in policymaking and educator-focused activities alongside his work at CAI and decided to transition to a new role that focuses on policy and strategic initiatives. Mr. Reicher is no longer a voting member on CAI’s Investment Committee following this transition.

Investment Resources & Experience

CAI currently has six senior investment professionals that include four Partners, a Senior Director, and one Director of Asset Operations. The team is led by Mr. Green who is a former Senior Managing Director at Macquarie, and previously a co-founder of VantagePoint Venture Partners' CleanTech Group. The CAI team is all located outside of San Francisco in the Mill Valley headquarters, except for Mr. Demessence, who is in Paris, and Mr. Wolf who is in New York. A fifth partner has been identified and will be joining CAI in January 2022.

CAI also retains four other senior advisors who have a diverse background in operations, asset management, and sustainability. The advisors are paid through the management company and are not an expense for the Fund. Along with the senior professionals, CAI has hired one Associate and expects to hire two more around the timing of the next close. CAI is also looking to hire a senior financial professional, who will take over the compliance duties that Mr. Green is currently responsible for in his dual role as Chief Executive Officer and Chief Compliance Officer. Mr. Green recognized that it is best practice for these roles to be performed by separate individuals.

INVESTMENT PROFESSIONALS

Name <i>Location</i>	Title	Years At Manager	Total Years' Experience	Relevant Experience/Degree
Bill Green	Managing Partner	2	30	<ul style="list-style-type: none"> → CEO, Macquarie Renewable Energy → Managing Director, VantagePoint → New York University
Lex Wolf	Partner	2	25	<ul style="list-style-type: none"> → Managing Director at Macquarie → Director, The Beekman Group → BA, Duke University; MBA, University of Pennsylvania
Cynthia Jaggi	Partner	2	15	<ul style="list-style-type: none"> → Partner, Fitzgerald Analytics → Chief Program Officer, Catholic Charities → MSc, Roskilde University; BA, Wesleyan University
Dominique Demessence	Operating Partner	2	25	<ul style="list-style-type: none"> → President, Suez → CEO, USG → Various positions, AGBAR → BS, Université Denis Diderot; MBA, HEC Paris; MSc, IFP School

Name <i>Location</i>	Title	Years At Manager	Total Years' Experience	Relevant Experience/Degree
Dan Reicher	Senior Director, Policy	2	30	<ul style="list-style-type: none"> → U.S. Assistant Secretary of Energy → Director of Climate Change and Energy Initiatives, Google → Co-Founder of New Energy Capital → BA, Dartmouth College; JD, Stanford Law School
Nicolas Rodier	Director, Asset Operations	1	20	<ul style="list-style-type: none"> → Senior Vice President, Macquarie Infrastructure → Director, Hess Corporation → BA, Brown University; MBA Columbia University
Shreya Bhatia	Associate	<1	4	<ul style="list-style-type: none"> → Associate, Natixis CIB Americas → BA, New York University

SENIOR ADVISORS

Name	Total Years' Experience	Relevant Experience/Degree
Mark Freyman	24	<ul style="list-style-type: none"> → Chief Commercial Officer, Smart Wires → Head of Renewable Investment Structuring, Chevron → BBA, University of Michigan; MBA, Harvard Business School
Thomas Lurquin	20	<ul style="list-style-type: none"> → Managing Director, Huck Capital → Managing Director, Stanford Management Company → Director of Private Equity and Real Assets, University of California → BA & Masters of Economics, Université Libre de Bruxelles; PhD, Northwestern University
Alexander Panagopoulos	25	<ul style="list-style-type: none"> → Founder and CEO of Forward Ships → Chairman and CEO of Arista Maritime → Co-Founder of Superfast Ferries → BS, Menlo College
Kevin Parker	40	<ul style="list-style-type: none"> → Managing Partner of Sustainable Insight Capital Management → Global Head of Asset Management, Deutsche Bank → Managing Director, Morgan Stanley → B.A.Sc., New York University



FIRM DIVERSITY

Staff Demographics (%)	Male	Female	Minority	Non-Minority
Entire Staff	71	29	14	86
Firm Ownership	100	0	0	100

CAI is in the initial stages of building out their organization and acknowledge the importance in diversity and inclusion. Mr. Green acknowledged that their current diversity is not sufficient and has emphasized a focus on recruiting qualified women and/or minority candidates for their open Vice President and Associate positions. The company's first hire since the founding team was an Associate in June 2021 who is a minority woman.

DEPARTURES

The Firm has not had a departure since its inception in 2019.

PERSONNEL SUMMARY

CAI has put together an impressive senior investment team that has strong industry connections and past working history. Three investment team members, Messrs. Green, Wolf, and Reicher all worked together at Macquarie on their renewable platform, and one of their Senior Advisors, Mr. Freyman also worked with the Macquarie team while at Chevron partnering as the last mile developer and tax equity investor. Typical with a first-time fund, the mid- and junior ranks still need to be filled out. One Associate has been hired within the past few months and CAI continues to look to recruit a Vice President and additional Associates. The team appears work cohesively, demonstrated in part by having closed on its first two deals.

Investment Process

OVERVIEW

CAI sources potential investment opportunities through the robust network of the team to identify off-market deals. However, marketed projects may also be reviewed with both types going through the same initial deal screening process. For a project that passes the initial screening, a Partner will prepare an initial investment overview to be presented and discussed with the entire investment team. A deal team will then be assembled that will include at least two of the Partners and an Associate. The initial due diligence is presented to the Investment Committee (“IC”), which includes the four Partners,¹ and requires a unanimous vote to pass the initial IC screening. Beginning in Q1 2022, the Firm’s fifth Partner will join the IC as a voting member.

Once an opportunity is through the initial screening, the deal team will conduct advanced due diligence that includes a focus on industry, geography, customers, suppliers, partners, community relations, environmental, and historical issues. The team will draw upon both internal and external sources to fully develop the investment proposal and climate risk assessment. An investment memorandum is created and discussed by the IC. All investment committee discussions and memorandums include Climate Adaptive Screens that evaluate the climate risks and opportunities of the investment, including climate risk, carbon impact, commercialization, implementation, and permanence, in combination with a set of sector-specific ESG screening factors (see also below). Additionally, IC investment presentations highlight the identified key risks and detail mitigation approaches across execution, construction, financing, resources, and operations. Investment memorandums include exit strategies for each opportunity, including detailing the initiatives required to get the potential investment exit ready through building and enhancing an assets’ commercial operations, as well as aggregating projects into platform companies and/or operating portfolios for large buyers.

For final approval, the IC seeks unanimous consent. In the event an investment opportunity does not receive unanimous approval and results in a tie, Mr. Green will make a final determination whether to approve the investment opportunity.

¹ Dan Reicher joined as the initial fifth Partner, and has since transitioned into the role of Senior Director of Policy, as further detailed in Manager Background section.



CLIMATE ADAPTIVE & ESG SCREENING

CAI has an affirmative requirement that the Fund's investments be climate adaptive, with a mandate to avoid or mitigate negative ESG impacts. To implement this prime directive, CAI has developed a dual set of climate adaptive and ESG screening criteria with scoring systems that are designed to evaluate climate adaptive investments for the physical, policy, and political risks of the climate crisis to secure traditional infrastructure downside protection. The climate screen is a standardized set of seven criteria that are used to rate benefits and risks, and identify any mitigation actions necessary to support an investment. For the ESG screen, CAI applies sector-specific factors to each investment reflecting United Nations Sustainable Development goals ("UN SDGs") and other appropriate considerations.

These evaluations are initiated at the pre-screening stage of sourcing and origination, and carried through the initial review, secondary diligence, IC evaluation, and post-investment asset management. The system helps document the narrative evaluation with a quantitative framework, and facilitates absolute and relative comparisons across competing opportunities, and across an individual investment's lifespan in the Fund.

Historical Performance

PAST TRACK RECORD SUMMARY

CAI is raising their first fund that has closed on two investments. The investments are both in the development stage with returns not meaningful at this time. Descriptions of the two companies can be found in the Investment Strategy section. Several senior team members have past experience investing together across a renewable platform as well as prior private equity experience.

MACQUARIE RENEWABLE ENERGY HOLDINGS

In 2012, Mr. Green built a team within Macquarie Infrastructure Corporation (“MIC”) to create MIC Renewable Energy Holdings (“MREH”). Mr. Green was CEO of MREH and included Messrs. Wolf and Rodier as part of the team. Mr. Freyman, senior advisor, also was part of the combined portfolio as Head of Renewable Investment Structuring at Chevron. Chevron served as last mile developer and tax equity investor of the portfolio. MREH consisted of an operating platform of 10 utility scale solar and wind facilities totaling 345 megawatts (“MW”) of generation and a development platform joint venture consisting of a four gigawatts (“GW”) of solar project pipeline.

The MREH Operating Platform included nine projects across seven US states with commercial operation dates between 2012 and 2017. The portfolio included 203MW of wind and 142MW of solar generation. In August 2019, MREH closed on the sale of the wind portfolio to DIF Infrastructure Fund V and the solar portfolio to Goldman Sachs Asset Management. MREH also sold its interest in the development joint venture to Sotfbank. After the dispositions, Mr. Green departed Macquarie to establish CAI.

BILL GREEN

Prior to MREH, Mr. Green was a Managing Director of VantagePoint Capital Partners, an early stage venture capital manager focused on multiple sectors. Mr. Green joined VantagePoint in 2000 to form VantagePoint CleanTech Group, which he led with Managing Director Stephan Dolezalek. The two Managing Directors built a team of 17 investment professionals to invest across energy, water, advance materials, and transportation. The team focused on a building diverse venture portfolios including bio-chemicals, electric vehicles, solar generation, LED lighting, and grid modernization. Mr. Green was part of two CleanTech funds raised in 2002

and 2008. The two funds overall faced challenges, like many venture CleanTech companies in the mid-2000s, taking too much technology risk and challenges after the global financial crisis. Mr. Green departed VantagePoint in 2009.

LEX WOLF

Prior to joining MIC, Lex Wolf served as a Managing Director from 2006 to 2014 at The Beekman Group (“Beekman”). Mr. Wolf was one of four Investment Committee members and had oversight responsibilities for the firm’s sourcing, pipeline, and investment processes. Beekman is a diversified lower middle market buyout manager and Mr. Wolf was a part of their first two funds raised in 2006 and 2012. Beekman implements an active management approach and that included Mr. Wolf acting as interim Chief Operating Officer of Continental Anesthesia from November 2009 through December 2010. Beekman is still active most recently raising its fourth fund in 2018 at \$425 million.

DOMINIQUE DEMESSENCE

Mr. Demessence has an operating background within water and wastewater that spans the past four decades. Over the past 20 years, Mr. Demessence has led the acquisition and integrations of 10 water companies. He also lead teams successfully bidding on six water and wastewater concessions primarily in South America. His role also included leading development projects for new waste treatment facilities and water desalination plants in Canada and Spain, respectively. Through these experiences, Mr. Demessence has gained a robust network and operating skills that can be used to source and integrate new projects in CAI.

CYNTHIA JAGGI

Cynthia Jaggi is an expert in the use of analytics for fact-based decision making and applies her skills and experience to investment opportunity origination. She is responsible for identifying investible infrastructure projects, including the CAI work in maritime electrification and LNG. Ms. Jaggi is also the owner of the Climate Screening Program, a key differentiator of the CAI approach and part of what sets the Fund apart from other infrastructure funds.



Summary of Partnership Terms

Provision	Terms
Fund Size & Hard Cap	\$1 billion target & hard cap
GP Commitment	Lesser of 1.5% of commitments and \$15 million.
Investment Period	5 years
Total Term	12 years (w/ 3 possible one-year extensions)
Diversification Limits	No more than 20% of commitments in a single investment; No more than 20% of commitments outside of the U.S. and Canada.
Management Fee	1.75% of committed capital during the Investment Period; 1.75% of net invested capital thereafter.
Preferred Return	8% compounded annually
Carried Interest	17.5%
Carry Structure	Whole-fund
Catch-Up Provision	100% GP catch-up
Fee Income	Management fees will be reduced by 100% of any transaction-related fee income.
Key-Person Provision	Investment Period automatically suspended for 90 days if either (i) William J. Green ceases to devote substantially all of his business time to the Fund or (ii) there ceases to be a majority of Dominique Demessence, Cynthia Jaggi, and Lex Wolf devoting substantially all of their business time to the Fund.
No-Fault Termination	LPs representing at least 75% of commitments may elect to terminate the Fund after the second anniversary of the final closing date.

Environmental, Social, & Corporate Governance

ESG POLICY AND PROGRAM

Overview

CAI adopted its Environmental, Social and Governance (“ESG”) Policy in October 2020 for the purpose of defining CAI’s approach to incorporating ESG risks and value creation opportunities into investments made through its investment vehicles. CAI represents that the Policy is based on guidelines that are principally consistent with the United Nations-backed Principles of Responsible Investing (“UNPRI”), and this is demonstrated in the Policy. CAI applied to be a UNPRI signatory in September 2021, and officially became a signatory on October 18, 2021.

CAI has established specific ESG and climate adaptive investment screens (see also under Investment Process) to implement the Fund’s low-carbon infrastructure mandate that targets the UN Sustainable Development Goals (“SDGs”) listed below. Any individual investment may be directly or indirectly aligned with one or more of these goals.

Expressly Targeted SDGs	Additionally Supported SDGs
#6 Clean Water and Sanitation	#3 Good Health and Well-Being
#7 Affordable and Clean Energy	#12 Responsible Consumption and Production
#9 Industry, Innovation and Infrastructure	#14 Life Below Water
#11 Sustainable Cities and Communities	
#13 Climate Action	

Climate Adaptive & ESG Investment Screens

As documented in the Investment Process section, in tandem with traditional infrastructure investment metrics,² CAI applies a Climate Screen Enhancement in its underwriting which addresses: climate risk; carbon impact; commercialization; implementation; and permanence. These are combined with a set of sector-specific ESG screening factors. With this system, CAI believes it robustly and consistently evaluates its investments for the physical, policy, and political risks of the climate crisis to secure traditional infrastructure downside protection.

² Risk adjusted return, project viability/timeline, geographic fit, and investment size.

Roles & Responsibilities

Ms. Jaggi, one of the founding Partners, leads ESG initiatives at CAI, while all of the investment professionals are responsible for implementing the Policy and screening process. At investment decision points, the IC reviews the climate screens and other material ESG factors, which are well documented in the investment memoranda, in Meketa's opinion, and include any sector-specific considerations. Post-investment, day-to-day responsibilities for ongoing monitoring of ESG metrics fall to the Asset Operations Group, led by Nicolas Rodier.

Reporting

CAI plans to provide an annual ESG Report to the Fund's Limited Partners along with the year-end reports that covers the updated performance of each investment from an ESG perspective. CAI expects the reports will look back at the pre-investment screening and review the accuracy and outcomes of the climate and sector-specific ESG screening as applied to the specific investment. CAI says the first reports will be issued 12 months from the initial investment date, which for the first two investments will be at the end of Q4 2021.

Investment Limitations

The Fund will not make investments in the following types of businesses and activities: extraction or processing of coal; the extraction or processing of oil sand byproducts; the production of controversial weapons; the production of tobacco; an electric utility company that generates more than 25% of its electricity from coal; or a company that consistently engages in serious or systemic violations of labor practices.

RESPONSIBLE CONTRACTOR POLICY

At the date of this underwriting, CAI did not have an adopted Responsible Contractor Policy ("RCP"); however, the Manager stated that it would adopt an RCP for Meketa clients. CAI leadership reviewed Meketa's model RCP and in the October 2021 diligence session stated that they expected to be able to adopt it for the Fund, with some modification to certain language. On October 28, 2021 Meketa received CAI's first round mark-up of the model RCP and the Infrastructure Team is reviewing it with an objective of ultimately negotiating a mutually acceptable version for CAI and the Fund.

Operations

ORGANIZATION

As discussed in detail under the Manager Background section of the memo, CAI was founded in 2019 by Mr. Green, Ms. Jaggi, Mr. Reicher, Mr. Wolf, and Mr. Demessence. In addition to the Founding Partners, the Firm consists of Nicolas Rodier, Director, Asset Operations Group, and Shreya Bhatia, Associate. Mr. Green currently owns 100% of the management company and controls the General Partner of the Fund. There are no planned ownership changes to the structure of the Firm at this time.

While not unusual for a newly formed investment firm, the CAI team is lean with limited internal operational resources. However, the Firm does intend to outsource many of its investor relations, fund accounting, and Anti-Money Laundering and Know Your Client (“AML/KYC”) responsibilities to the Fund Administrator, Gen II Fund Services, LLC (“Gen II”). Chief Financial Officer (“CFO”) and compliance management responsibilities are also outsourced to Constellation Advisors.

CAI’s corporate governance is implemented through several committees and groups composed of senior members of the Firm, including an Investment Committee, and an Operational Risk Committee. The Operational Risk Committee, which consists of Mr. Green, the outsourced compliance director, and the outsourced CFO, is responsible for oversight of all non-investment related risks of the Firm. This includes issues related to client relations, human resources, legal and compliance regulations, operations, strategies, reputation, and investment valuation (in conjunction with the Investment Committee).

FINANCE AND ACCOUNTING

The Fund’s financial statements will be audited annually by KPMG and prepared according to United States Generally Accepted Accounting Principles (“US GAAP”). CAI intends to leverage Gen II for fund accounting and cash flow allocation responsibilities. All capital call and distribution calculations and notifications will be conducted by Gen II. When notices are generated, the outsourced CFO at Constellation Advisors will review and verify the amounts of each capital call. All wires will require dual authorization by the outsourced CFO and Mr. Green.

VALUATION

All investments are valued in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 820, Fair Value Measurements and Disclosures (“ASC 820”). Valuations are jointly supervised by the Investment Committee and the Operational Risk Committee. The Asset Operations Group, led by Mr. Rodier, is responsible for gathering quarterly information on operating projects and determining the initial quarterly valuation in partnership with the deal team that originated the investment. Valuations will be subject to Investment Committee and Operating Risk Committee review and approval.

LEGAL AND COMPLIANCE

The Firm is registered as an Investment Advisor with the U.S. Securities and Exchange Commission (CRD#: 310205, SEC#: 801-119761). CAI may trade in instruments regulated by the U.S. Commodity Futures Trading Commission (“CFTC”) and in such event, the Firm intends to qualify for an applicable exemption from registration with the CFTC as a commodity pool operator.

In addition to being the Firm’s managing partner, Mr. Green currently acts as Chief Compliance Officer (“CCO”). The CCO function is supported by Constellation Advisors in a dedicated role as outsourced compliance consultant. The Firm has indicated that they plan on hiring an internal Chief Operating Officer (“COO”)/CCO. After hiring the COO/CCO, CAI still intends to maintain most of the services provided by Constellation Advisors.

TECHNOLOGY INFRASTRUCTURE

CAI has engaged Hybridge for IT support and network security. Specifically, they are responsible for recommending, designing, and implementing infrastructure and procedures that integrate dynamic risk mitigation. In addition to providing day-to-day desktop support and system monitoring, Hybridge also manages the Firm’s business continuity and cyber security policies and procedures.

Other Items

LEGAL ISSUES

CAI has indicated that there have been no lawsuits involving the Firm or its senior team within the past ten years.

The SEC began an examination of CAI in April 2021, based on what appears to be random selection of CAI as a new manager, and completed their work on October 20, 2021, as documented in a findings letter dated that same day. As of the date of this memorandum, CAI and its counsel are preparing a response to the SEC to be submitted by November 19, 2021. The SEC's several findings were generally related to CAI's needing to: increase certain written documentation and make additional disclosures.

POTENTIAL CONFLICTS

Senior team members engage in a range of advisory activities outside of the fund, including their own investment activities that could create conflicts with portfolio investments. CAI believes that the significant investment by the Partners into the Fund align their interests to pursue the best outcome for the partnership.

As a Senior Director, Dan Reicher spends part of his time interacting with policy makers regarding trends within the energy transition sector. Because of this role and outside activities, Mr. Reicher speaks with many industry contacts that could be in competition with underlying portfolio companies. In order to allow Mr. Reicher to continue to interact with these contacts, CAI has created an information firewall that restricts the level of insider information that Mr. Reicher has access.

Operating Partner Dominique Demessence is the former President of SUEZ. CAI states that there is a possibility of potential relationships between the firms as an equipment supplier to projects or a source of deals. It is possible that Mr. Demessence could be involved in those activities. CAI has compliance policies to address the potential conflicts and any such conflicts would be brought to the LP Advisory Committee.



DISTRIBUTION/MARKETING

CAI has engaged FirstPoint Equity and BA Securities for capital raising and fundraising assistance for the Fund. No compensatory relationship exists between Meketa and CAI or its placement agents.

LIMITED PARTNERS

The following types of Limited Partners have committed capital to the Fund:

Limited Partner Type	Total Commitment (\$ in Millions)
Insurance Companies	85.0
Private Pensions	70.0
Family Foundations, Offices, & Trusts	65.5
Asset Managers	35.0
Foundations & Endowments	11.5
Public Pensions	9.0
Total	276.0

Analysis & Conclusions

DUE DILIGENCE BASIS

Meketa has carefully evaluated the Fund's manager, investment professionals' experience and qualifications and related resources, strategy, existing investments and pipeline, investment process, historical track record, and other aspects of this opportunity as described in prior sections of this investment memorandum.

Overall, we find the Fund an attractive opportunity that we can generally recommend for client infrastructure portfolios, and specifically where it is consistent with a client's investment policy, pacing plan, and other infrastructure portfolio goals and objectives. This finding is based on our evaluation of this offering's primary advantages, balanced with any concerns or considerations, along with Meketa's and the manager's view of the investment thesis relative to market opportunities and potential strategy execution challenges. These elements of our findings are documented below, along with our overall conclusion and recommendation.

SWOT ANALYSIS

Strengths

- **Experienced Senior Team** - The Founding Partners have extensive experience in operations, sustainability, and portfolio management dating back at least the past three decades. Several of the team, including Messrs. Green, Wolf, Rodier, and Senior Advisor Mr. Freyman have joint experience building the MREH portfolio as Macquarie and Chevron professionals.
- **ESG Focused Firm and Strategy** - CAI is an impact-focused fund targeting projects addressing climate change and low carbon infrastructure. The Firm performs a climate and ESG risk evaluation on all potential investment opportunities, and relies on a systematic, numeric-, and qualitative-based evaluation model that uses standardized criteria and scoring across all investments from initial screening through to post-investment asset management and monitoring.
- **Initial Portfolio Investments** - There is visibility into the portfolio with two seed investments funded within the hydro and solar power generation spaces. Each investment represents a significant pipeline of projects for those portfolio companies. Additionally, CAI's current new deal pipeline also appears actionable and consistent with the Fund's stated strategy.

- **Deep Industry Network** –The senior team members have extensive relationships, built over decades within infrastructure, government, and institutional investing, they can use to source and execute off-market deal flow. These cover solar and wind, hydropower, renewable natural gas, water, wastewater, and waste management—all areas of opportunity for the Fund.

Weaknesses

- **Limited Track Record** - CAI does not have a direct, attributable track record as a team since this will be the first fund raised.
 - Mitigating factor(s): Several team members worked together at Macquarie Renewable Energy Holdings to build a portfolio of solar and wind assets that was successfully realized in 2019.
- **Team Partially Built** - CAI has a strong senior team, but has not completed the buildout of the mid- and junior levels. The team appears set at the senior level after the fifth partner joins in 2022, but they have only hired one Associate to date.
 - Mitigating factor(s): CAI was waiting for the Fund to close on capital in order to have the budget for additional hires. They recently hired their first Associate and are actively recruiting for Vice President and Associate roles. In the interim, the current team members appear to have capacity to cover the existing investments and pipeline.
- **Lack of Firm Diversity** - The initial team is not very diverse with seven team members that include five males and only one minority professional.
 - Mitigating factor(s): CAI has acknowledged their current profile and are focused on increasing the diversity of their Firm as they look to build out. CAI is focused on recruiting qualified women and/or minority candidates to fill their current open positions at Vice President and Associate.
- **Outsourced Operations** - The Firm relies heavily on outsourced resources, including for the Chief Financial Officer position, as well as accounting, operations, administration, and investor relations. Additionally, Mr. Green currently is both CEO and Chief Compliance (“CCO”) officer, two roles best separate.
 - Mitigating factor(s): It is not uncommon for a new firm/fund to rely on third-party service providers. CAI represents that they secured professional consulting to help them select the providers and structure the services. CAI’s outsourced providers are institutional quality and recognized by Meketa. The Firm plans to hire an in-house CCO in the near term as it scales up, separating the CEO-CCO functions, and will likely bring some other functions in house as well, while still retaining substantial third-party support.

Opportunities

- **Growing Demand and Falling Costs for Renewable Power** – The construction and operating costs of renewable generation have dramatically decreased while the market demand for clean energy has been on the rise due to portfolio standards, environmental regulations, corporate initiatives, and cost competitiveness. Coinciding with increased demand, renewable generation is expected to grow from 12% of total power generation in 2019 to close to 50% by 2050.³
- **Water Treatment Assets Moving Off Balance Sheets and New Projects Outsourced** – Industrial facilities are increasingly looking to outsource water supply- and water quality-related assets to get them off the balance sheet and professionalize operations. Opportunities include wastewater treatment, potable reuse, and desalination powered by renewable energy.
- **Vehicle Electrification infrastructure** – Electric car adoption growth is contingent on having sufficient capacity of charging stations. There is expected to be rapid growth in the coming decades as a result of massive investment globally—we are already seeing such proliferation on the roads and at charging kiosks in the US.

Threats

- **Increased Competition** – Infrastructure has continued to see an increase in private capital and investment managers, especially in the sustainability sector. As of October 2021, Prequin reported over \$95 billion in dry powder across infrastructure funds pursuing value added strategies. This increases competition for deals and puts an upward pressure on entry multiples.
- **Climate Change** – As outlined in the Intergovernmental Panel on Climate Change's 6th Assessment Report, climate change is intensifying water cycles, rainfall patterns, global temperatures. The volatility can mean wetter wet seasons and more drought conditions in already dry areas. All of these factors could create operational challenges for solar, wind, and hydro generation.
- **Regulatory Changes** – CAI's targeted sectors involve assets and activities subject to a range of regulations and licenses. Portfolio assets may experience material losses in the event that regulations were to change within a country, region, or state. In some cases, multiple regulatory bodies opine and coordinate around projects, which poses additional complexities in project approvals.

³ Source: BloombergNEF New Energy Outlook 2021.



CONCLUSION

Climate Adaptive Infrastructure Fund represents a compelling opportunity being offered by a new investment manager that would provide exposure to value added sustainability infrastructure platforms primarily in North America. Primary strengths related to the Fund include: a senior investment team with experience across operations, sustainability, and portfolio management; an ESG-focused firm and investment strategy; seed investments eliminating blind pool risk; and deep industry networks producing proprietary deal flow.

Key considerations related to a potential commitment to the Fund include: a limited track record as a first-time fund manager; a senior team with little diversity, and additional team members needing to be hired; and substantial outsourcing of key operational and administrative functions.



Appendices

Professional Biographies

INVESTMENT TEAM

Bill Green – Managing Partner

Bill Green brings thirty years of experience to his role as Managing Partner of the Firm. Mr. Green has devoted his career to sustainable energy and infrastructure investments and successful corporate development. His success in the investment sector is grounded in his experiential understanding of the key levers of business success.

Prior to developing the climate adaptive infrastructure thesis, Mr. Green served as CEO of MIC Renewable Energy Holdings (“MREH”), a project finance group within Macquarie Infrastructure Company (NYSE:MIC) (“MIC”). Macquarie is one of the world’s largest owners of infrastructure and has provided project financing to gigawatts of wind, solar, geothermal and biomass energy generation projects around the globe. In his MREH role, he led a small project finance team based in San Francisco as they sourced, acquired, developed, built, owned and operated utility-scale renewable energy plants across the United States. His team originated over \$1 billion of renewable energy assets prior to selling the portfolio to Goldman Sachs, Dutch Infrastructure Fund and Softbank. During his decade at Macquarie, he also served as a Senior Managing Director of Macquarie Infrastructure and Real Assets.

Mr. Green is also well known for his work as one of the co-founders of VantagePoint’s CleanTech Practice, one of the largest private equity platforms in CleanTech in North America. In his role as Managing Director at VantagePoint from 2001-2009, he led or co-led over a dozen notable investments and held numerous board and observer roles. Investments in the portfolio included one of the first and largest investments in Tesla Motors (pre-IPO), Miasole (thin film solar), BrightSource Energy (utility-scale solar thermal), Solarcentury (photovoltaics), Better Place (electric vehicle operating systems), Chemrec (gasification), Cobalt (biobutanol), and New Energy Capital (renewable energy infrastructure).⁴

Prior to becoming a Managing Director at VantagePoint, Mr. Green founded or co-founded four companies in the CleanTech sector including Ecolink, one of the first companies to produce alternatives

⁴ Investment examples are presented for illustrative purposes only. There can be no assurance that the Fund’s investments will be comparable in quality or will achieve comparable results to the examples herein, which do not include all of the Managing Partner’s prior investment activity. Other investment professionals not employed by CAI were also responsible for the execution and approval of such investments.

to ozone layer-depleting chemicals; the Strategic Chemical Management Group, an environmental management company; Team Fuel; and the Environmental Forum on Technology and Business.

Mr. Green attended New York University and completed course work at the Wharton School of the University of Pennsylvania.

Lex Wolf – Partner

Lex Wolf brings extensive experience as an investment manager in the energy transition, notably in his recent roles at MIC, within the Macquarie Infrastructure and Real Assets Group. He played a leadership role as Chairman of Hawaii Gas during the state’s ongoing transition to achieve a carbon neutral legislative mandate. Hawaii Gas is the sole regulated gas utility in Hawaii, serving over 70,000 customers across the five main islands. Lex was also integral in the growth of MREH, the business that Mr. Green founded within MIC and led as CEO.

In his MIC roles, Mr. Wolf led multiple work streams across both finance and operations in Hawaii, one of the more unique business and physical eco-systems. He partnered with MREH to build and operate the largest solar generating facility in Hawaii at the time, developed and built a C&I solar/storage facility and supported Hawaii Gas management in developing a waste-to-energy facility in Oahu. At MREH, Messrs. Wolf and Green collaborated to identify, diligence, finance, build and operate hundreds of megawatts of wind and solar projects, which were successfully monetized in 2019.

Mr. Wolf’s leadership role at CAI includes sourcing new investment opportunities, ensuring these opportunities progress through a rigorous investment process, and serving on the investment committee. He leads work streams around investment due diligence, modeling and capital structure formation while partnering with the Fund’s developer partners and building out the CAI Asset Operations Group.

Prior to joining Macquarie, Mr. Wolf spent 15 years in investment banking and private equity, most recently as a Director at The Beekman Group, a middle-market investment fund managing \$800 million in assets.

Mr. Wolf holds a B.A. in Economics from Duke University and an MBA from the Wharton School at the University of Pennsylvania.

Cynthia Jaggi – Partner

Cynthia Jaggi is an expert in the use of analytics for fact-based decision making and applies her skills and experience to investment opportunity origination. She is responsible for identifying rich veins of investible infrastructure projects, including the CAI work in maritime electrification and LNG. Ms. Jaggi is also the owner of our Climate Screening Program, a key differentiator of the CAI approach and part of what sets the Fund apart from other infrastructure funds.

Previously, she was a Partner at Fitzgerald Analytics, a consulting firm where she helped a diverse roster of clients achieve their goals by creating the essential building blocks for action. Realizing that large-scale solutions would largely revolve around finance she also became a serious options trader, recognized as one of the few industry female “rising stars”.

Ms. Jaggi has also served as Chief Program Officer at Catholic Charities of the East Bay and has helped craft and launch impact innovations with both large and small multi-disciplinary teams in a wide variety of sectors.

Ms. Jaggi holds a M.Sc. in Environmental, Technological and Socio-Economic Planning from Roskilde University in Denmark and a B.A. with High Honors from Wesleyan University. She also studied at the Booth School of Business at the University of Chicago.

Dominique Demessence – Operating Partner

With a lifetime of success leading key divisions of the largest water enterprise in the world. Dominique Demessence’s investment and operational experience in water and wastewater is unrivaled. When he joined Suez in the early 1990’s, the group was almost exclusively operating in France. Mr. Demessence participated in the international expansion of Suez to become the second largest environmental group in the world. He helped develop the world’s largest water concession in Chile, with \$500 million of annual revenue, and led the acquisition and integration of several other utilities, investing \$180 million. He then participated in the acquisition of Agbar in Spain, generating over \$3 billion of new and recurring businesses worldwide. Most recently, he led Suez US through 2.5x organic growth by building and operating a profitable \$500 million a year water services business in North America.

Mr. Demessence leads CAI’s water and wastewater investment platform and is intimately involved in sourcing, diligence and operational considerations of the Fund’s investments in this sector.

Mr. Demessence holds an MBA from HEC Paris, an Engineering M.Sc. in Geophysics from IFP School, and a B.S. in Physics from the Université Denis Diderot.

Dan Reicher – Senior Director, Policy

Dan Reicher is an investor, entrepreneur, policymaker, lawyer and lecturer focused on clean energy and climate change. Dan brings the invaluable ability to act on the policy trends that create investible infrastructure opportunities. He has served three U.S. presidents, testified before the U.S. Congress more than 50 times, helped launch Google's path-breaking energy work, set new energy efficiency standards and accelerated wind deployment as Assistant Secretary of Energy, and co-founded one of the nation's earliest clean energy project investment firms.

Mr. Reicher served from 2011 to September 2018 as founding executive director of the Steyer-Taylor Center for Energy Policy and Finance, a joint center of the Stanford Law School and Stanford Graduate School of Business, where he held faculty positions. He came to Stanford from Google, where he served since 2007 as Director of Climate Change and Energy Initiatives.

Before his position at Google, Mr. Reicher was President and co-founder of New Energy Capital, and Executive Vice President of Northern Power Systems. Earlier in his career, he was as an Assistant Attorney General in Massachusetts and an attorney with the Natural Resources Defense Council.

Mr. Reicher is a Stanford research fellow, co-founder and previously board chair and acting CEO of the American Council on Renewable Energy. He also serves on the boards of the Interstate Renewable Energy Council, American Rivers and Dartmouth's Sustainability Advisory Board. He is a Distinguished Associate of the Energy Futures Initiative, founded by former U.S. Secretary of Energy Ernest Moniz.

Mr. Reicher holds a B.A. in biology from Dartmouth College and a JD from Stanford Law School. He also studied at Harvard's Kennedy School of Government and MIT.

Nicolas Rodier – Director, Asset Operations

Nicolas Rodier brings more than 20 years of experience in energy and infrastructure operations. He has a strong track record of building and growing teams to move projects from the development to the construction and then operations phases.

Prior to joining the Climate Adaptive Infrastructure team, Mr. Rodier was the executive at Macquarie Infrastructure Company (NYSE:MIC) responsible for oversight of development process and project

capital spend. The fund typically deployed growth capital in excess of \$200 million per year across a diverse set of companies and assets.

Prior to taking on the oversight role, Mr. Rodier was responsible for more than 1,000 MW of MIC power generation assets, including Mr. Green's MIC Renewable Energy Holdings' utility-scale solar, wind and battery assets.

Before MIC, Mr. Rodier led the Hess Corporation's Strategy and Planning Group, (a Fortune 75 energy company), after completing several senior line roles at Hess. He led developments and built teams to oversee the construction of compressed natural gas projects and over one gigawatt of power generation projects

Mr. Rodier, a fluent French and Spanish speaker, has experience working in Europe, South-East Asia and South America, in addition to the United States.

Mr. Rodier is a graduate of Brown University and has an MBA from Columbia University.

Shreya Bhatia – Associate

Shreya Bhatia is an Associate on the CAI investment team and joined the firm in June 2021. She is an avid sustainability and infrastructure enthusiast and has focused much of her professional career on investments across various sectors including power & renewables, infrastructure, midstream and telecommunications.

At CAI, Ms. Bhatia will be primarily focused on analysis of transaction economics, completion of due diligence, and identification of key risks and mitigants. Prior to joining CAI, she worked as an Associate on the energy and infrastructure team at Natixis CIB Americas with a focus on structuring and origination as well as in their investment banking division focusing on infrastructure finance.

Ms. Bhatia holds a B.A. in economics and business studies from New York University.

SENIOR ADVISORS

Mark Freyman, Smart Wires, Chief Commercial Officer

Mark Freyman has over 25 years of experience in the energy industry, primarily focused on the energy transition. He has worked across the energy value chain as a wind developer, a buy side asset investor and, most recently an executive at Smart Wires, an energy technology OEM, providing transmission equipment to electric utilities to help them manage high penetrations of renewable energy.

In his current Smart Wires role, Mr. Freyman runs the commercial organization and is responsible for revenue growth and new market entry. He has grown revenue from \$0 to over \$100M of booked backlog, adding installations on 4 continents over the last 4 years.

Prior to Smart Wires, Mr. Freyman ran the Renewable Power Group at Chevron Corporation investing in wind, solar and geothermal assets. In 2010, he identified an under-served market, built a novel market strategy to create competitive advantage, and invested over \$500M earning market-beating returns >25% across a diverse portfolio of assets. In this role, Mr. Freyman met, and began working with Mr. Green and his Macquarie team, creating a close partnership that endures to this day.

Prior to Chevron, Mr. Freyman worked as a principle at a boutique strategy consulting firm, participated in the first internet wave and negotiated partnerships for American Airlines. In previous roles, he served as Chief Financial Officer and Chief Strategy Officer.

Mr. Freyman holds a BBA (with distinction) from the University of Michigan and an MBA from the Harvard Business School.

Thomas Lurquin, Huck Capital, Managing Director

Thomas Lurquin is a managing director at Huck Capital. He brings over two decades of experience both as an investor across the private asset classes, and in the energy sector specifically and as a management and strategy consultant advising Fortune 100 companies in North America and Europe.

At Huck, Mr. Lurquin is responsible for sourcing and evaluating investments, for organizing the management company as well as developing investor relationships and transparent communications between Huck, its portfolio companies and its investment partners.

Mr. Lurquin has deep experience as an institutional investor across the private asset classes over the last 15 years. He has successfully led over \$1 billion in direct and co-investment opportunities, in addition

to leading numerous secondary transactions and primary commitments on behalf of the Stanford Endowment and the University of California. Prior to his career as an investor, he was a management and strategy consultant in the U.S., Canada and Europe and advised global financial services, technology and consumer packaged goods companies develop and implement ambitious corporate action plans related to growth as well as turnaround initiatives.

Mr. Lurquin is passionate about identifying investment opportunities that offer consumers better energy choices at scale in order to bring about positive environmental changes in the world. His ongoing work in this area, as well as his 15 years of direct experience as a limited partner at two funds, brings ongoing value to his role at CAI.

Mr. Lurquin holds a Ph.D. in Economics from Northwestern University, a Masters in Econometrics and a B.A. in Economics from the Université Libre de Bruxelles.

Alexander Panagopoulos, CEO of Forward Ships, Chairman/CEO of Arista Marine

Alex Panagopoulos is a Greek environmentalist and shipping entrepreneur. He is founder of Forwards Ships, an environmental initiative to convert the maritime industry from bunker fuel to liquefied natural gas, with aim to cut ship emissions of atmospheric nitrogen oxide by 80%, and particulate matter by 99% both major contributors of air pollution mortalities. In 2019, Forward Ships was granted patent for its LNG ship fuel technology by South Korea. In 2018, he received the “Most Sustainable Project” award for Forward Ships in Copenhagen at Maritime2020, and the GREEN4SEA Clean Shipping Award in Athens.

Mr. Panagopoulos is also chairman and chief executive officer of Arista Maritime Inc. He was previously elected as chairman of the High Level Ferry Group of the European Community Shipowners’ Associations (ECSA). In 1993, he co-founded Superfast Ferries in Greece, along with his father Pericles Panagopoulos, and was the secretary-general of Greek Passenger Shipowners Association from 1997 to 2003. Mr. Panagopoulos was President of Interferry, the worldwide association of ferry ship operators. During his tenure as president, Interferry, was recognized with advisor status to the International Maritime Organization.

From a position of unrivaled leadership in the global ferry and maritime industry, he shares his pattern recognition on this rapidly evolving industry with CAI and provides invaluable insight into the electrification of the maritime sector.

Mr. Panagopoulos holds a B.S. in Business Administration/Finance from Menlo College.

Kevin Parker, Sustainable Insight Capital Management, Managing Partner

Kevin Parker has over 38 years of Wall Street experience in trading, technology, risk and asset management and over 25 years of entrepreneurial ventures in impact investment, organic farming and e-commerce. He is a globally recognized leader in the field of sustainable investing and is a passionate advocate for action in the fight against climate change, having identified climate change as a megatrend in 2004.

Mr. Parker is the Managing Partner of Sustainable Insight Capital Management (“SICM”), a New York-based, global investment management firm that combines a unique alpha-generating process with ESG principles. Prior to SICM, he served as a member of the Group Executive Committee of Deutsche Bank from 2001 - 2012. He also served as the Global Head of Asset Management from 2004-2012. Prior to joining Deutsche Bank, Mr. Parker was a Managing Director at Morgan Stanley, managing Global Equity Derivatives trading and the firm’s Global Technology Group.

As part of his commitment to biodynamic food production, Mr. Parker is the owner of Chateau Maris, Cru La Liviniere, an award-winning, certified organic and biodynamic winery in France. Outside of business activities, he actively participates in various philanthropic activities. He is also a former board member of the Sustainable Accounting Standards Board (“SASB”) and the Investment Committee of the Metropolitan Opera.

Mr. Parker holds a B.A.Sc. in Management/Finance from the Stern School of Business at New York University.

Manager Meetings

Meeting Location: Zoom

Date: October 28, 2021
Manager Attendees: Dominique Demessence; with Joshua Dorfman, First Point Equity
Meketa Attendees: Adam Toczylowski; Lisa Bacon;
Purpose of Meeting: Follow-Up– main purpose was to meet Operating Partner Dominique Demessence and learn about his background and contribution to CAI.

Meeting Location: Zoom

Date: October 21, 2021
Manager Attendees: Bill Green; Cynthia Jaggi, Lex Wolf; Mark Freyman; with Joshua Dorfman, First Point Equity
Meketa Attendees: Adam Toczylowski; Lisa Bacon; Sarah Spotts; Emily Agnew
Purpose of Meeting: Formal On-Site– covering firm, team, new Partner Mark Freyman’s introduction, track record, fund economics, pipeline, and current portfolio update

Meeting Location: Boston Faneuil Hall

Date: October 5, 2021
Manager Attendees: Cynthia Jaggi, and Lex Wolf; with Joshua Dorfman, First Point Equity
Meketa Attendees: Adam Toczylowski
Purpose of Meeting: In Person Meeting – The main purpose of the meeting was to meet senior team members in person after several virtual conversations. Topics covered included: additional detail on the two seed investments, each partners role within the team, and future thoughts on team and portfolio growth.

Meeting Location: Zoom

Date: September 24, 2021
Manager Attendees: Bill Green, Cynthia Jaggi, and Lex Wolf; with Joshua Dorfman, First Point Equity
Meketa Attendees: Lisa Bacon, Sarah E. Spotts, Adam Toczylowski
Purpose of Meeting: Follow-Up/Update–main purpose to meeting Cynthia and Lex, learn about their backgrounds and experiences, discuss the two seed assets in more detail, and cover the pipeline.



Meeting Location: Zoom

Date: July 19, 2021

Manager Attendees: Bill Green

Meketa Attendees: Lisa Bacon, Molly LeStage, Sarah E. Spotts, Adam Toczylowski

Purpose of Meeting: Introductory Meeting—covering firm, strategy, investments to date, pipeline, investment team experience and prior history, fund terms.

Reference Checks

Meketa Investment Group conducts a large amount of due diligence before we evaluate references for the partnership's General Partners. Prior to this stage, we have already met numerous times with the key professionals at the partnership, and have evaluated fully the partnership's investment strategy.

The function of the reference check is twofold. First, reference checks provide insight into the personal integrity and character of the General Partners. A lack of integrity that is hidden during a series of formal meetings can sometimes be uncovered by discussions with references. Second, reference checks provide deeper insight into the partners' investment experience and reputation.

SCOPE OF REFERENCE CHECKS

As part of Meketa Investment Group's due diligence of Climate Adaptive Infrastructure Fund, we requested that Climate Adaptive Infrastructure, LLC provide us with personal references for each of the Firm's managing partners.

We discussed with each of the references the nature of their relationship with Climate Adaptive Infrastructure, LLC, and the reference's perception of the company's integrity, work ethic, character, and professional acumen. We asked further for the reference to discuss the specific individuals within Climate Adaptive Infrastructure, LLC, to gain a better assessment of the Firm's depth.

OUTCOME OF REFERENCE CALLS

Meketa spoke with selected Limited Partners and portfolio executives. Overall, the feedback and comments individually and collectively are consistent with Meketa's findings with respect to the attractiveness of the strategy, abilities of the Firm, and reputation of the senior team members. Common themes among the calls was the high level of experience with diversified backgrounds that make CAI unique compared to other offerings: Mr. Green blends his venture capital and real assets experience to target growth sectors while ensuring downside protection is established; and Mr. Wolf and Ms. Jaggi bring technical and analytical backgrounds to the team. References identified similar concerns as Meketa holds, including the team lacking an attributable track record and that the investment and operations team has yet to be fully built out.



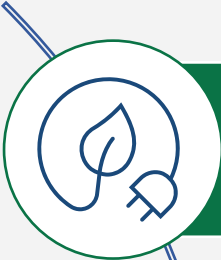
CLIMATE
ADAPTIVE
INFRASTRUCTURE

Climate Adaptive Infrastructure Fund

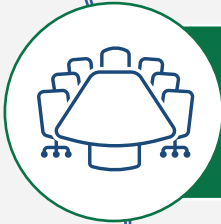
December 2021



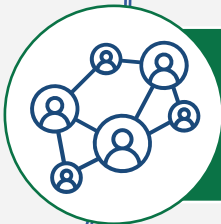
Introduction to Climate Adaptive Infrastructure



Targeting **large-scale, low-carbon infrastructure** positioned to generate attractive returns while mitigating the structural risks and economic pressures of the climate crisis



Founding partners have extensive infrastructure **investing and operating experience** with a focus on climate-related opportunities



Exceptional relationships with key stakeholders built through careers in infrastructure, government and institutional investment



While at Macquarie, senior members of the CAI Team invested in and monetized **over \$1 billion** enterprise value of climate adaptive infrastructure projects

Climate Adaptive Infrastructure Fund - At a Glance

\$1bn

Target fund size

\$1bn

Target co-investment availability¹

\$304m

Commitments closed into the Fund

2

2 investments closed with co-invest available

14%-16%

Target gross IRR²

\$75m-\$200m

Equity investment size including co-investment

10

Target number of assets in Fund

\$2bn+

Actionable pipeline of opportunities³

80%+

U.S. and Canada focus

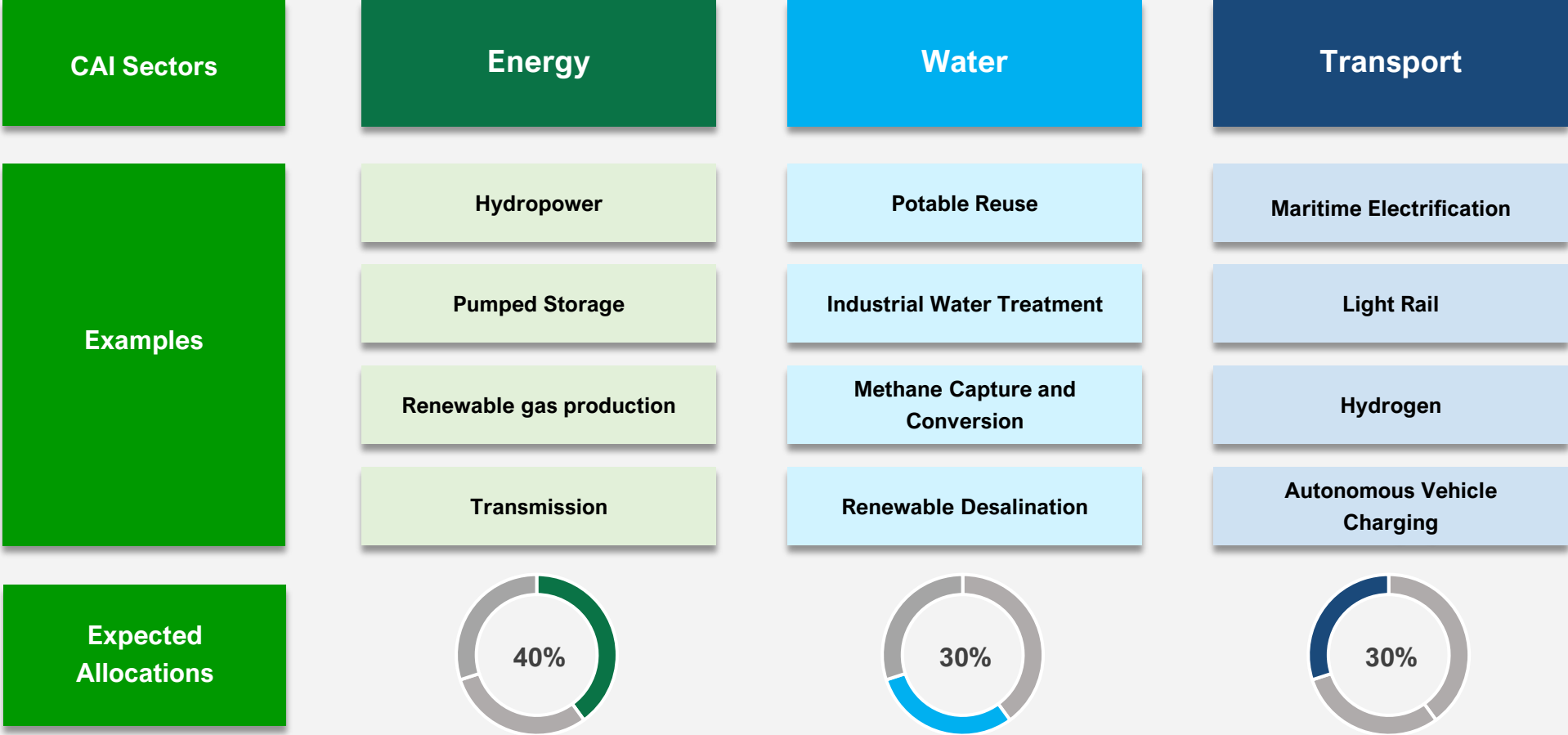
\$1bn+

Enterprise value of climate adaptive infrastructure projects invested in and monetized by senior CAI team members

Footnotes: Please refer to Rider at the back of this document

Portfolio Construction

A diversified portfolio of low-carbon infrastructure designed to provide a hedge against climate-related risks



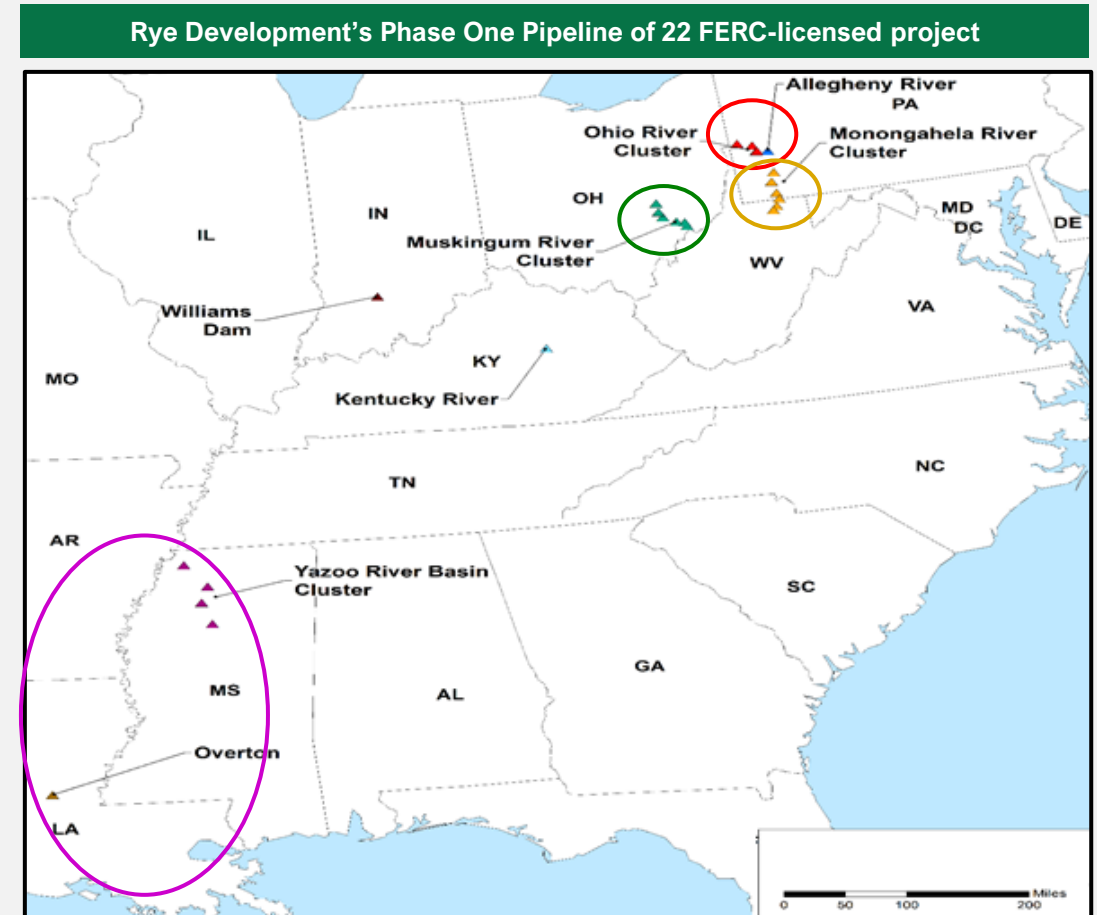
Investments



Rye Investment – Powering Existing, Non-Powered Dams

22 Projects / 230 MW

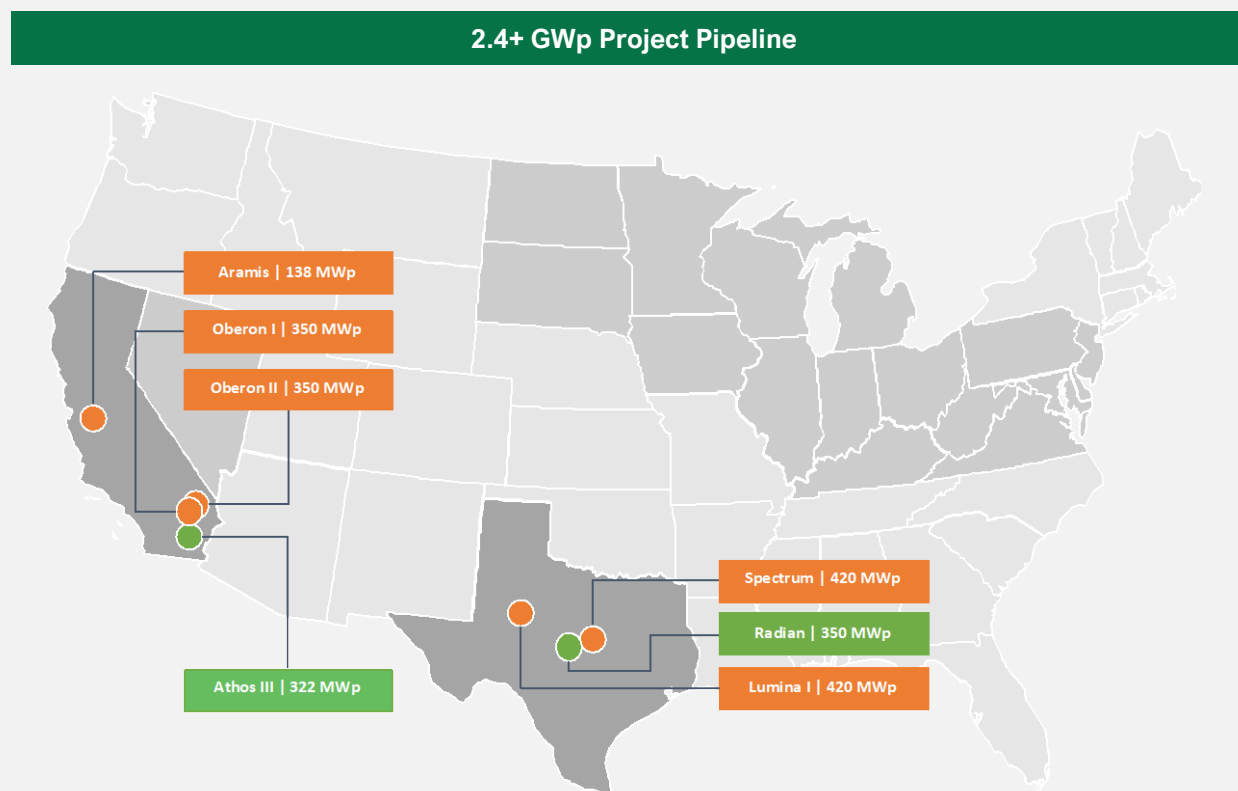
- CAI has exclusivity on **Rye Development's Phase One pipeline of 22 projects** to install low-impact hydroelectric turbines at existing non-powered dams in the Eastern U.S.
- **The Phase One FERC-licensed projects total 230MW of renewable baseload generation**
- Project economics are supported by **long-term Power Purchase Agreements and hedge contracts with creditworthy off-takers**
- Phase One will progress in bundles, allowing for **staged deployment of capital subject to specified milestones**
- Construction risk will be mitigated by **fixed-price EPC contracts with creditworthy construction companies**
- **Target gross mid-teen% IRR** (or more through a portfolio sale after the final plants reach COD)



Intersect Power Investment – A Solar, Storage & Hydrogen Utility

7 Near-Term Projects of 2.4+ GW

- CAI led investment in Intersect Power (IP), a solar platform company with a successful track record of utility-scale solar development and construction
- CAI provided \$75M in equity and committed \$80M to a development loan facility in December 2020
- In November 2021, Intersect raised \$2.6B in construction debt, tax equity and term financing
- Secured **USA-manufactured solar modules**, for entire 2.4GW portfolio, supporting Domestic Content and avoiding potential import issues with Chinese solar panels
- All projects are mid to late-stage development with **Commercial Operation by end-of-year 2023**
- Target gross **IRR of 20 to 30% and > 2x MOIC**



Disclaimer and Other Important Disclosures

Rider

¹ There can be no assurance co-investment opportunities will be available to any or all Fund limited partners.

² CAI intends to target investments with the potential to produce the indicated return. Target returns are not a guarantee or indicative of future results, are based on assumptions and have many inherent limitations. There can be no assurance that targeted returns will be met or investor capital will not be lost. Gross returns will be reduced by management fees, carried interest and expenses borne by investors, which are expected to be substantial. Actual results will potentially vary materially and adversely. See Disclaimer and Other Important Disclosures –“Target returns” for more information.

³ There can be no assurance that such opportunities will be consummated, or that if consummated, they will result in investor returns.

Disclaimer and Other Important Disclosures

This presentation does not constitute an offer to sell or the solicitation of an offer to purchase any security. Recipients of this presentation agree that none of Climate Adaptive Infrastructure (“CAI”, the “Firm”, “we” or us”) or its affiliates or its or their respective partners, members, employees, officers, directors, agents, or representatives shall have any liability for any misstatement or omission of fact or any opinion expressed herein. Each recipient further agrees that it will (i) not copy, reproduce, or distribute this presentation, in whole or in part, to any person or party including any employee of the recipient other than an employee directly involved in evaluating an investment in a private fund managed by CAI (the “Fund”) without the prior written consent of CAI; and (ii) keep permanently confidential all information contained herein that is not already public. Additionally, by accepting this presentation, each prospective investor agrees that this presentation is being delivered to them subject to the provisions of this disclaimer and any confidentiality agreement entered into between CAI and each prospective investor.

The information contained herein is preliminary, is provided for discussion purposes only, is only a summary of key information, is not complete, and does not contain certain material information about the Fund, including important conflicts disclosures and risk factors associated with an investment in the Fund, and is subject to change without notice. Any offer, sale or solicitation of interests with respect to the Fund will be made only pursuant to the Fund’s confidential private placement memorandum (the “Memorandum”), limited partnership agreement and subscription agreement, and will be subject to the terms and conditions contained in such documents in accordance with applicable securities laws. This presentation is qualified in its entirety by reference to the Fund’s Memorandum, including without limitation all of the cautionary statements and risk factors set forth therein, the limited partnership agreement and the subscription agreement related thereto, copies of all of which will be made available in the future to qualified investors upon request and should be read carefully prior to any investment in the Fund.

The information in this presentation is not presented with a view to providing investment advice with respect to any security, or making any claim as to the past, current or future performance thereof, and CAI expressly disclaims the use of this presentation for such purposes. Each recipient should consult its own advisers as to legal, business, tax and other related matters concerning an investment in the Fund.

Investment Experience. Past performance is not necessarily indicative, or a guarantee, of future results. Information about prior investment experience and strategies, and operating experience, of CAI’s professionals is provided solely for illustrative purposes. CAI was recently formed and has not previously managed an investment vehicle. While at Macquarie, Bill Green and Lex Wolf were involved in the identification, diligence, negotiation, execution and development of investments. Investment and disposition decisions were ultimately subject to the approval of Macquarie’s senior leadership on the investment committee (which are not employed by CAI). The inclusion of any third-party firm and/or company names, brands and/or logos does not imply any affiliation with these firms or companies. None of these firms or companies have endorsed CAI, the Fund or any associated entities or personnel.

There can be no assurance that CAI will be able to achieve its investment objective or implement the investment strategies discussed herein, or that if achieved and/or implemented, they will result in investor returns. There is also no assurance that historical trends will continue over the life of the Fund. Investors in the Fund will potentially lose part or all of their invested capital.

Any Fund securities will be subject to significant restrictions on transfer under the federal securities laws and the limited partnership agreement of the Fund. There is no trading market for the Fund’s securities, and none may ever develop. Therefore, investors should have the financial ability and willingness to accept the high risk and lack of liquidity inherent in an investment in the Fund for an extended period of time.

Statements contained in this presentation are based on current expectations, estimates, projections, opinions and beliefs of CAI as of the date hereof. Such statements involve known and unknown risks and uncertainties, and undue reliance should not be placed thereon. Neither CAI nor any of its affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein and nothing contained herein should be relied upon as a promise or representation as to future performance of the Fund or any other entity. Unless otherwise noted, the information contained herein is unaudited and preliminary and subject to change, and CAI and its members, partners, stockholders, managers, directors, officers, employees and agents do not have any obligation to update any of such information. Certain figures in this presentation have been rounded. In addition, certain information contained herein has been obtained from published and non-published sources and/or prepared by third-parties, and in certain cases has not been updated through the date hereof. While such information is believed to be reliable for the purposes of this presentation, CAI assumes no responsibility for the accuracy or completeness of such information and such information has not been independently verified by it.

Disclaimer and Other Important Disclosures (cont.)

Certain information contained herein constitutes “forward-looking statements,” which can be identified by the use of terms such as “may,” “will,” “should,” “could,” “would,” “predicts,” “potential,” “continue,” “expects,” “anticipates,” “projects,” “future,” “targets,” “intends,” “plans,” “believes,” “estimates” (or the negatives thereof) or other variations thereon or comparable terminology. Forward-looking statements are subject to a number of risks and uncertainties, some of which are beyond the control of CAI, including among others, the risks listed in the Memorandum. Actual results, performance, prospects or opportunities could differ materially from those expressed in or implied by the forward-looking statements. Forward-looking statements and discussions of the business environment and investment strategy of the Fund included herein (e.g., with respect to markets, business opportunities, demand, investment pipeline, monetization opportunities and other conditions) are subject to the ongoing novel coronavirus outbreak (“COVID-19”). The full impact of COVID-19 is particularly uncertain and difficult to predict, therefore such forward-looking statements do not reflect its ultimate potential effects, which have the potential to substantially and adversely impact the Fund’s execution of its investment strategy. Additional risks of which CAI is not currently aware also could cause actual results to differ. In light of these risks, uncertainties and assumptions, prospective investors should not place undue reliance on any forward-looking statements. The forward-looking events discussed in this presentation may not occur. CAI undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Target Returns. Target returns are included for illustrative purposes only to help explain the potential risk/return profile CAI intends to consider when selecting investments. In considering the target performance information contained herein, prospective investors should bear in mind that targeted performance is not a prediction or a guarantee of performance and is not indicative of future results. Actual returns for the Fund will potentially vary materially and adversely from the targeted returns set forth herein. The Fund’s target returns are expected to be realized from current income and capital appreciation. The target returns stated herein reflect CAI’s views as of **December 1st, 2021** regarding the aggregate, compound, gross internal rate of return (“IRR”) on the types of investments that CAI intends to pursue in light of CAI’s experience with similar transactions. Further, the target returns stated herein are based on an assumption that public health (including the impact of COVID-19 as discussed below) economic, market and other conditions will not deteriorate and, in some cases, will improve; however, there can be no assurance that such conditions will improve within the time period or to the extent estimated by CAI. The target returns are also based on models, estimates and assumptions about performance believed to be reasonable under the circumstances, but actual realized returns on the Fund’s investments will depend on, among other factors, the ability to consummate attractive investments, future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale, all of which may differ from the assumptions and circumstances on which the targeted returns are based. Further, target returns are subject to the ongoing impact of COVID-19, which is particularly uncertain and difficult to predict, and may have an adverse effect on the returns of the Fund and certain or all of its investments. Targets are subject to the effects of COVID-19 and have the potential to be revised to take into account its further adverse effects.

OFFICE OF THE STATE TREASURER
MEMORANDUM



DECISION

TO: Shawn T. Wooden, Treasurer

FROM: Ted Wright, Chief Investment Officer

CC: Darrell V. Hill, Deputy Treasurer
Raynald D. Leveque, Deputy Chief Investment Officer
Kevin Cullinan, Chief Risk Officer
John Flores, General Counsel
Karen M. Grenon, Assistant General Counsel
Mark E. Evans, Principal Investment Officer

DATE: November 16, 2021

SUBJECT: Private Markets Secondary Advisor Search

Summary

The purpose of this memorandum is to recommend that you approve of the State of Connecticut, acting through its Treasurer (“Connecticut”) conducting a competitive Request for Proposal (“RFP”) search process to hire one or more private markets secondary advisors for the Connecticut Retirement Plans and Trust Funds (“CRPTF”).

The initial focus of the retained secondary advisor would be to assist the CRPTF with review of the Private Investment Fund (“PIF”) portfolio to explore options for the sale of, or alternative transactions involving, certain of the PIF’s assets through the secondary market. Pension Funds Management (“PFM”) investment professionals believe a secondary sale of certain PIF assets would benefit the CRPTF in several ways, including decreasing the administrative burden of the existing portfolio and improving the PIF’s return potential through the redeployment of potential proceeds into new investment opportunities that are better aligned with the PIF’s strategic pacing plan objectives. In addition, any advisor(s) retained through the RFP process would also be available to provide on-going secondary advisory services as requested by Connecticut, including strategic reviews of the Real Asset Fund and Private Credit Fund portfolios

Background

The Investment Advisory Committee (“IAC”) endorsed a project plan and scope of services for a secondary advisor RFP at the January 15, 2020 meeting. The RFP was posted on January 24, 2020 in line with the project plan and Connecticut received four responses. However, the selection process was put on hold due to the disruptions caused by COVID-19 and the necessary reprioritization of PFM staff time in the ensuing months.

Based on the advice of your General Counsel’s office, which received guidance from the Office of Policy and Management, the current recommendation is to post a new RFP, which would reflect the proposed scope of services outlined below as well as the project plan and screening and selection criteria attached.

Proposed Scope of Services

The scope of the secondary advisor mandate would encompass, but not be limited to the following: (1) evaluating the CRPTF’s private markets portfolios to identify certain holdings that may be

marketed for sale or a structured exit through a secondary transaction(s); (2) organizing and coordinating a potential secondary transaction process, including marketing of the targeted assets; (3) advising the CRPTF on optimizing outcomes, including value, terms and structure; (4) assistance with negotiations and execution of any secondary transactions; and (5) providing additional advisory services as requested by the CRPTF, including the future purchase or sale of private fund interests through secondary transactions.

Recommendation

I recommend that you approve of Connecticut posting a new RFP to conduct and complete a competitive search for a private markets secondary advisor or advisor for the CRPTF. If you agree with this recommendation, please sign below.

State of Connecticut Retirement Plans & Trust Funds
Private Markets Secondary Advisory Services
Proposed Project Plan

GENERAL PROCESS	Timing	PFM	Treasurer	IAC
Review and Approve Secondary Advisor Recommendation, Proposed Project Plan and Search Criteria	Week of November 15, 2021	Incorporate Treasurer's comments; send to Treasurer for approval	Review and approve project action plan	
OTT Business Office Submits RFP Request to OPM	Week of November 22, 2021			
OPM Approval Received	Week of December 6, 2021			
Issue RFP	December 17, 2021	Post RFP on Treasurer's website		
RFP Deadline	January 14, 2022	Verify submissions		
Conduct Due Diligence and Select Semi-Finalists	Jan. – Feb. 2022	Review RFP responses; Conduct due diligence, interview candidates and provide semi-finalist recommendations	Review recommendation and approve semi-finalist candidates	
Interview Semi-Finalists	March 2022	Participate in interviews	Interview firms/ Select finalist(s) for presentation at April 13 th IAC meeting	IAC invited to participate in interviews
Present Treasurer's Recommendation to IAC	April 13, 2022 ¹		Present finalist(s) and request waiver of 45-day comment period to IAC	Review Treasurer's recommendation and communicate feedback. Act on waiver request
Treasurer's Review	After IAC		Consider feedback of IAC	
Designate Preferred Vendor	Week of April 18, 2022		Finalize selection/designate Preferred Vendor. Announce decision to IAC during May 11 th meeting	
Notify Preferred Vendor	Week of April 18, 2022	Draft Preferred Vendor notification letter	Issue notification letter	
Negotiate Fee and Contract Terms	Initiate April/May if IAC waives comment period.	Participate in negotiations; prepare and review contract and submit to Treasurer for approval	Approve contract terms and consultant fees; sign contract	
Obtain Final Contract Authorization	June 2022	Work with the Attorney General's Office to secure final execution of contract		
Award Contract	June 2022 ⁰			

¹45-day comment period ends May 28, 2022

State of Connecticut Retirement Plans & Trust Funds
Private Markets Secondary Advisory Services
Screening and Selection Criteria²

1. Organization/Management

- a. Firm size, management, and ownership
- b. Stability (financial and organization)
- c. Size and experience of professionals/team dedicated to private equity and other private markets secondary advisory services
- d. Commitment to client services and best execution
- e. Transparency and accuracy of communication
- f. Duty of care/loyalty to client
- g. No potential conflicts of interest between firm's business lines
- h. Risk management – organization, process, and security
- i. Properly registered/licensed to conduct advisory services

2. Relevant Experience and Client Base

- a. Minimum of five years' experience advising clients on the sale of private equity and other private markets assets through secondary transactions
- b. Evaluated, structured and executed more \$2 billion of private equity and other private markets secondary transactions
- c. Current knowledge of secondary market conditions for private equity and other private asset classes, including pricing, terms, and structuring options
- d. Breadth and depth of potential buyers/investors that have transacted on similarly situated private markets assets
- e. Experience with and references from pension funds or similar institutional clients
- f. General understanding of the Private Investment Fund's portfolio

3. Other Specific Criteria

- a. Responsible corporate citizenship and commitment to CRPTF's practices and policies (e.g., diversity, equity and inclusion, Responsible Gun Policy)
- b. Incorporation of Environmental, Social and Governance issues into advisory services provided
- c. Possible site visit
- d. Manager's identification of any terms of the CRPTF's Personal Services Agreement that are not negotiable

4. Cost of Proposal

²Such factors as conformance with RFP instructions/specifications and state-mandated contractual terms and disclosure requirements.

INVESTMENT ADVISORY COUNCIL
MEETING SCHEDULE
CALENDAR YEAR 2022

MEETING DATE

January 12, 2022

February 9, 2022

April 13, 2022

June 8, 2022

September 14, 2022

November 16, 2022