



STATE OF CONNECTICUT

TREASURER SHAWN T. WOODEN

## TREASURER WOODEN ANNOUNCES RESTRUCTURING OF EMERGING MARKETS DEBT PORTFOLIO

*Treasurer Presents Investment Opportunities in Private Credit and Venture Capital*

Hartford, CT — At today's meeting of the Investment Advisory Council (IAC), State Treasurer Shawn T. Wooden announced his decision to restructure the Emerging Markets Debt portfolio, with investments worth \$1.8 billion, within the Connecticut Retirement Plans and Trust Funds (CRPTF). Treasurer Wooden also presented an investment opportunity with Fairview Capital, as part of a continuation of the CRPTF's established venture capital program known as the Constitution Fund Series, as well as private credit opportunities with Goldman Sachs and O'Brien, Staley Partners.

"Restructuring our Emerging Markets Debt portfolio will allow us to benefit from active management of opportunities and potential growth within these markets, and will allow for continued progress toward diversifying the CRPTF portfolio in ways that will maximize returns and reduce risk over the long term," said Treasurer Wooden. "The restructuring will allow us to benefit from the value of active management and anticipated growth in emerging markets. Contract negotiations are currently underway."

Treasurer Wooden shared with the Investment Advisory Council investment opportunities currently under consideration with three managers:

- Constitution Fund V, LLC – Series E, at \$75 million, which will allocate capital to high quality managers investing in venture capital growth stage companies, managed by Fairview Capital Partners;
- Goldman Sachs, at \$350 million, which will invest in various private credit strategies such as mid and large-cap lending and strategic solutions; and,
- O'Brien Staley Partners Fund III, at \$75 million, O'Brien Staley Partners Fund III-B, at \$37.5 million, which focuses on smaller performing senior loans and serves as a diversifier for the overall allocation to private credit.

"We are investing at a time of significant dislocation in the credit markets and we expect this to produce strong opportunities over the next few years," shared Treasurer Wooden. "These are experienced credit and distressed investors that have performed very well over past recessions and are positioned to outperform in the current environment."

Treasurer Wooden previewed investment performance results, noting that fiscal year results are slated to be released during the August IAC meeting.

"After experiencing the fastest 30% market value decline in the history of global equities, our investments performed well with the markets posting the best returns since 1987," commented Treasurer Wooden. "Our performance estimates show that we should be back to the market value levels from the prior fiscal year."

Treasurer Wooden also provided an update on Connecticut's cash position, as of June 30, 2020, with available cash at \$5.7 billion and with the common cash pool at \$4.4 billion. Last week, he released [a statement highlighting](#) the state's fiscal strength.

###

#### **About the Office of the State Treasurer**

Under the leadership of Connecticut's State Treasurer Shawn T. Wooden, the Office of the Treasurer is dedicated to safeguarding the state's financial resources and taxpayers' dollars, while maximizing returns and minimizing risks and operating at the highest professional and ethical standards. Through investments and disbursements, the office continues to enhance the state's fiscal stability, financial literacy, college savings, and its approach to leveraging business partnerships to combat social issues such as gun violence, climate change, and equal opportunity in economic growth. Learn more about the Office of the Treasurer at [portal.ct.gov/ott](http://portal.ct.gov/ott) and follow along on [Facebook](#), [Instagram](#) and [Twitter](#).

#### **About the Investment Advisory Council (IAC)**

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

Office of the Treasurer | 165 Capitol Avenue Hartford, CT, 06103

