

# The Office of Treasurer Erick Russell

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Treasurer Russell Announces Connecticut Pension Funds Generated Returns of 11.5% in Fiscal Year 2024



## Erick Russell

CONNECTICUT STATE TREASURER

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### Treasurer Russell Announces Connecticut Pension Funds Generated Returns of 11.5% in Fiscal Year 2024

**Hartford, CT**— Connecticut Treasurer Erick Russell announced investment performance data for the state's pension funds and trusts on Wednesday, showing returns of 11.5% for the most recent fiscal year, which ended on June 30.

"Strong investment performance is a critical component to Connecticut's overall financial success," said **Treasurer Russell**. "Generating returns above our assumed rates of return, like we have the past two years, guards against the impact of future down markets and accelerates the speed at which we can pay down legacy pension debt inherited by the current generation of Connecticut taxpayers. It reduces the required State contributions that must be budgeted for each year, saving taxpayers money immediately and in the future. As importantly, the retired teachers and state workers that earned a dignified and secure retirement through decades of vital public service can see the benefit of the work being done on their behalf in my office and across state government."

"I'm pleased to see continued improvement in Connecticut's pension fund performance, and I thank Treasurer Russell and the Investment Advisory Council for their work to help get us to this point," said **Governor Ned Lamont**. "That progress, coupled with the smart fiscal decisions we've made with the legislature to address our long-underfunded pension system, is saving Connecticut taxpayers hundreds of millions of dollars annually and is enabling us to make significant investments in programs that impact working families like expanding access to childcare, building more housing, and fixing our aging roads, bridges, and highways."

The data was presented during a meeting of the Investment Advisory Council (IAC), which shares responsibility for Connecticut's investment strategy and performance. The funds have outpaced the assumed rate of return of 6.9% in each of the last two fiscal years. Last September, Fiscal Year 2023 data showed returns of 8.5%.

The funds benefited from \$1.9 billion in excess contributions made as part of the state's fiscal guardrails. Total assets within the fund increased \$6.7 billion in Fiscal Year 2024.

In recent years, reforms have been put in place by the Office of the Treasurer and the IAC to index funds in low-fee, passive arrangements where possible and scale up investments in other areas with high-performing external managers. Other efforts, including bipartisan legislation passed in 2023, have given the Treasurer and Chief Investment Officer more tools to attract, develop, and retain investment talent within the agency.

The most significant driver of investment performance, however, is a new strategic asset allocation strategy that was adopted in 2022. Now in the middle of its 5-year implementation plan, the pension funds are already benefitting from the structured rebalancing of the portfolio. Asset allocation is responsible for approximately 90% of a fund's performance in any given year.

"A lot of work has been done in recent years to strategically balance assets within the pension funds, mitigate risk, and build a best-in-class investment team," said **Treasurer Russell**. "We're seeing the benefit of those efforts manifest with strong returns over the last two years. More importantly, we are well positioned to build on this momentum for sustained success going forward. Our goal is for Connecticut to be among the best performing pensions funds in the nation. Our pensioners, and our residents, deserve nothing less."

#### Investment Commitments Announced at September IAC Meeting

In Wednesday's IAC meeting, Treasurer Russell announced \$450 million in new commitments to the CRPTF's private investment portfolio. This included up to \$100 million to Insight Partners Opportunities Fund II, L.P., up to \$150 million to Insight Partners Opportunities Fund II Co-Investment Sidecar, L.P., and up to \$200 million to Hollyport Secondary Opportunities IX, L.P. These commitments were based on discussion and feedback presented at the IAC meeting held on July 10.

Five potential investments were presented for review in Wednesday's meeting. These included:  
Morgan Stanley CRPTF Co-Investment L.P., a real estate fund and infrastructure and natural resources fund opportunity  
ISQ Global Infrastructure Credit II, L.P., an infrastructure and natural resources fund opportunity  
Ardian CT Private Equity Partners, a private investment fund opportunity  
CRPTF-SLR Credit Partnership L.P., a private credit fund opportunity  
ICG Europe Fund IX, also a private credit fund opportunity.

Minutes, agendas, and meeting materials for the IAC can be found on the **Office of the Treasurer's website here (<https://portal.ct.gov/ott/pension-funds/investment-advisory-council/iac-schedule-of-regular-meeting-agenda>)**. Investment performance data is **published regularly here (<https://portal.ct.gov/ott/pension-funds/pension-fund-performance>)**, with detailed holdings and financial statements included in the agency's Annual Report released each December.

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

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

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