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STATE OF CONNECTICUT

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# TREASURER SHAWN T. WOODEN

## REMARKS OF CONNECTICUT TREASURER SHAWN T. WOODEN AT THE FEBRUARY 13TH MEETING OF THE INVESTMENT ADVISORY COUNCIL

Good morning. I am delighted to be here with you this morning.

This is my first IAC meeting as Treasurer. But, as some of you may know, my 21 years in the private sector as an investment attorney included representing the Treasurer's office with investments for CRPTF.

So I am very familiar with the work of the IAC, and I am looking forward to working with you to improve the performance and standing of the CRPTF - even as we face significant challenges on several fronts.

I would also like to acknowledge the work that the IAC has done with respect to the asset liability study. We are close to completing this important project and I will make it a priority to complete the study and implement the new asset allocation plan as soon as possible.

I am committed to ensuring that the asset allocations for the plans and trusts are prudent and realistic in light of capital market return assumptions and the associated risks expected in the future.

Expected returns have come down since the Great Recession and I believe our investment assumptions should be reflective of this reality.

I also believe that taking on unnecessary risk to achieve unrealistic return assumptions is not good policy.

With respect to the work of the IAC, I know that you have made significant progress over the last few years - and we will need to continue this pace to ensure success going forward.

This is why, at today's meeting, you will hear from five emerging market equity investment managers.

One of the firms - Arga Capital, located here in Connecticut - is a current manager in the Connecticut Horizon Fund (CHF).

This commitment will represent a graduation from the CHF program as Arga is no longer an emerging manager.

I have met with each of the principals that will present today.

We have discussed not only their strategy and investment philosophy, but their commitment to diversity and inclusion and their consideration of environmental, social and governance (ESG) factors in the portfolio management process.

The investment team has put together a complimentary structure that maximizes the return potential for the Emerging Markets International Stock Fund (EMISF) and I am confident that you will find their presentations compelling.

I look forward to collaborating with you all to continue the good work that you have done over the years and to consider new approaches to carrying out our mission for the CRPTF and the people of the State of Connecticut.

Thank you.

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