

PROPOSED CHANGES TO THE INVESTMENT POLICY GOVERNING THE
ARTS ENDOWMENT FUND

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Part II of the Investment Policy Statement of the State of Connecticut Retirement Plans and Trust Funds is hereby amended as follows:

Article X. Arts Endowment Fund

A. Investment Authority

The Connecticut Arts Endowment Fund ("AEFARTS") is established in Section 10-406 ~~10-373e~~ of the Connecticut General Statutes.

The investment portfolio of the AEF ARTS is overseen by the Treasurer (as principal fiduciary of the CRPTF) and invested in accordance with applicable statutory requirements and fiduciary standards. (See Sections 3-13c and 3-13d of the Connecticut General Statutes.)

B.      Statement of Purpose

The AEF ARTS was established under the provisions of Public Act 88-355 with the purpose of providing ~~interest~~ income to support nonprofit arts organizations in Connecticut. In 2017, the General Assembly enacted a spending policy which requires an annual distribution equivalent to four (4) percent of the average market value of the AEF over the preceding three years.

The Treasurer annually advises the from a principal amount that would last in perpetuity. A distribution is made to the Department of Economic and Community Development and the Connecticut Arts Council of the amounts available for distribution to organizations State Commission on the Arts annually to provide funds for participation in, promotion, development, acceptance and appreciation of artistic and cultural activities.

C.      Investment Objectives

The primary objective of the AEF's ARTS investment portfolio is to provide a secure source of income. The AEF's ARTS's investment objectives are long term in nature and have been established based on a comprehensive review of the capital markets and its underlying current and projected financial requirements.

The Treasurer adheres to the principles of capital market theory, which maintains that over the long term, prudent investment risk-taking is rewarded



Alternative Investments  
Liquidity Fund

|      |    |    |      |    |    |   |
|------|----|----|------|----|----|---|
| -    | -  | -  | -    | -  | -  | - |
| 3%   | 2% | 4% | 2%   | 1% | 3% |   |
| 100% |    |    | 100% |    |    |   |

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