



March 2021

The State Investment Commission (SIC) and Office of the General Treasurer are pleased to publish the Employees' Retirement System of Rhode Island (ERSRI) Investment Expense Analysis for the fiscal year ending June 30, 2020.

Under Treasurer Magaziner, Rhode Island maintains one of the most comprehensive expense disclosure policies in the nation. Since 2015, Rhode Island only invests with fund managers who agree to have their performance and expenses published regularly, a policy that has become a leading practice replicated by other states. In 2017, The Rhode Island General Assembly codified Treasurer Magaziner's disclosure policy into law, ensuring the policy would continue across future administrations.

Total investment related fees and expenses in Fiscal Year 2020 were \$88.3 million. The Pension Fund earned more than \$356 million from investments net of fees and expenses and ended Fiscal Year 2020 with an estimated value of \$8.5 billion.

In September 2016, Treasurer Magaziner and the SIC announced a new asset allocation strategy called 'Back to Basics' which included a significant reduction in hedge funds in favor of more traditional strategies for growth and stability. Since implementation of 'Back to Basics', the pension fund has earned more than \$3.1 billion from investments.

Additional details on investment performance, asset allocation, and expenses can be found at:  
<http://investments.treasury.ri.gov>

Under Treasurer Magaziner's administration, all funds new to the ERSRI portfolio after June of 2015 are required to permit public reporting of their fees and expenses. While funds that received investment from the SIC before June of 2015 are grandfathered from the individualized reporting requirement, the Treasurer's office has requested that they voluntarily allow disclosure, which most have agreed to do.

In addition to displaying the fees and expenses charged by each fund individually, this report includes a comprehensive total of all manager fees and expenses paid out of the pension system by asset class. These totals reflect fees and expenses paid to every fund, including those grandfathered funds that declined to allow individualized disclosure.

Treasurer Magaziner is committed to making investment information transparent and accessible because Rhode Islanders deserve to know how their money is being invested.

Employees' Retirement System of Rhode Island Investment Expense Analysis

**FY 2020**

in \$000's

Asset Class / Type	Management Fees	Fund Expenses	Performance Expense	Total Investment Expense	Expense Ratio
Subtotal Global Public Equity	\$1,191	\$33		<b>1,225</b>	0.01%
Private Equity	16,331	3,089	16,544	<b>35,964</b>	0.42%
Non-Core Real Estate	2,877	517	-4,849	<b>-1,455</b>	-0.02%
Opportunistic Private Credit	1,297	197	-451	<b>1,043</b>	0.01%
Subtotal Private Growth	20,505	3,803	11,245	<b>35,553</b>	0.42%
HY Infrastructure	666			<b>666</b>	0.01%
REITs	740			<b>740</b>	0.01%
Equity Options	411			<b>411</b>	0.00%
Emerging Markets Debt	54			<b>54</b>	0.00%
Liquid Credit	979			<b>979</b>	0.01%
Private Credit	2,127	1,648	2,800	<b>6,575</b>	0.08%
Subtotal Income	4,977	1,648	2,800	<b>9,425</b>	0.11%
Treasury Duration	240			<b>240</b>	0.00%
Systematic Trend	1,835	907		<b>2,742</b>	0.03%
Subtotal Crisis Protection	2,075	907		<b>2,982</b>	0.04%
Core Real Estate	2,832	305	92	<b>3,228</b>	0.04%
Private Infrastructure	2,680	884	2,770	<b>6,334</b>	0.07%
Inflation Linked Bonds	198			<b>198</b>	0.00%
Subtotal Inflation Protection	5,709	1,189	2,862	<b>9,760</b>	0.12%
Fixed Income	899			<b>899</b>	0.01%
Absolute Return	10,180	1,893	11,707	<b>23,780</b>	0.28%
Cash	220			<b>220</b>	0.00%
Subtotal Volatility Protection	11,298	1,893	11,707	<b>24,899</b>	0.29%
Short-Term Cash	193			<b>193</b>	0.00%
Beta Overlay	220	76		<b>296</b>	0.00%
Hamilton Lane	2			<b>2</b>	0.00%
Subtotal Other	415	76		<b>491</b>	0.01%
<b>Subtotal Manager Expense</b>	<b>\$46,171</b>	<b>\$9,550</b>	<b>\$28,614</b>	<b>\$84,334</b>	<b>1.00%</b>
Expense Ratio	0.55%	0.11%	0.34%	1.00%	
Consulting	\$1,427			<b>1,427</b>	0.02%
Custody	489			<b>489</b>	0.01%
Legal	156			<b>156</b>	0.00%
Research & Other	149			<b>149</b>	0.00%
Personnel / Operating	1,701			<b>1,701</b>	0.02%
<b>Subtotal Other Expenses</b>	<b>\$3,921</b>			<b>\$3,921</b>	<b>0.05%</b>
<b>Total Investment Expense</b>	<b>\$50,092</b>	<b>\$9,550</b>	<b>\$28,614</b>	<b>\$88,256</b>	<b>1.04%</b>
Expense Ratio	0.59%	0.11%	0.34%	1.04%	

**Note:** The additional disclosure of indirect management and indirect performance fees included in this document exceeds GASB reporting requirements and is not common practice for public pension plans. As such, care should be taken when comparing these expenses relative to expense data included in the financial statements of other plans. Because indirect expenses are not readily separable from net investment income, the expenses disclosed here are provided on a best-efforts basis, intended to be used for illustrative purposes only.

Employees' Retirement System of Rhode Island Investment Expense Analysis

**FY 2020 Publicly Traded Investment Managers**

Investment Manager	Asset Class	Inception Year	Year-End Assets	Abridged Fee Terms*		Fees Paid (\$)*		
				Management	Performance	Management	Fund Expense	Performance
State Street Global Advisors	Public Equities	2012	3,731,729,195	0.03%	0.0%	1,191,144	33,484	-
Brown Brothers Harriman	Inflation-Linked Bonds	2012	151,682,797	0.14%	0.0%	197,530	-	-
Mackay Shields	Fixed Income	2012	-	0.12%	0.0%	283,454	-	-
Fidelity	IG Corporate Credit	2012	266,885,229	0.14%	0.0%	542,192	-	-
Loomis Sayles	Securitized Credit	2020	255,310,930	0.22%	0.0%	73,315	-	-
Western Asset Management Company	Credit	2013	29,176	0.40%	0.0%	53,982	-	-
Pacific Investment Management Company	Credit	2013	145,498,282	0.44%	0.0%	441,350	-	-
Loomis Sayles	Credit	2019	148,090,847	0.30%	13.3%	484,093	-	-
Neuberger Berman	Equity Options	2020	165,228,356	0.35%	0.0%	410,522	-	-
Wellington Management	Emerging Markets Debt	2020	171,893,551	0.25%	20.0%	53,649	-	-
Mackay Shields	Long Duration	2017	-	0.08%	0.0%	68,018	-	-
Western Asset Management Company	Long Duration	2017	425,794,568	0.05%	0.0%	172,404	-	-
CPC AP LLC	Systematic Trend	2017	142,660,122	0.60%	0.0%	675,577	288,877	-
CPC CB LLC	Systematic Trend	2017	139,955,913	0.50%	0.0%	802,356	313,336	-
CPC QIS LLC	Systematic Trend	2017	140,681,509	0.24%	0.0%	356,715	305,217	-
Harvest Fund Advisors	MLP	2015	80,285,147	0.70%	0.0%	665,989	-	-
Heitman	REIT	2019	85,309,355	0.39%	13.3%	740,081	-	-
Russell Investments	Overlay	2008	21,960,166	0.10%	0.0%	220,136	76,325	-
Fidelity	Cash	2012	101,541	0.14%	0.0%	108	-	-
Bank of New York Mellon	Cash	2012	87,016,748	0.15%	0.0%	193,287	-	-
Payden & Rygel	Cash	2017	175,183,224	0.10%	0.0%	219,512	-	-
<b>Total</b>			<b>\$ 6,335,296,657</b>			<b>\$ 7,845,413</b>	<b>\$ 1,017,239</b>	<b>\$ -</b>

\*Shown are abridged terms and fees incurred in the current fiscal year. Actual fee calculations include additional considerations and reductions that space and conditions of access do not permit. Since certain funds were added to or removed from the portfolio at different times throughout the fiscal year, line items are not readily comparable. Fees are audited annually by a third-party auditor. All fee terms are reviewed by the SIC and its consultants as part of any investment decision. The additional disclosure of indirect management and indirect performance fees included in this document exceeds GASB reporting requirements and is not common practice for public pension plans. As such, care should be taken when comparing these expenses relative to expense data included in the financial statements of other plans. Because indirect expenses are not readily separable from net investment income, the expenses disclosed here are provided on a best-efforts basis, intended to be used for illustrative purposes only. Finally, please note that dollar amounts of management, expense, and performance fees paid were not prepared, reviewed or approved by the Investment Managers.

Employees' Retirement System of Rhode Island Investment Expense Analysis

**FY 2020 Absolute Return Managers**

in \$000's

Partnership	Date of Initial Investment	Year-End Assets	Fee Terms		Fees Paid*		
			Management	Performance	Management	Fund Expense	Performance
Capula Global Relative Value Fund Ltd	Dec-11	83,518	2.0%	20.0%	1,617	165	1,739
Davidson Kempner Institutional Partners LP	Nov-11	82,117	1.5%	20.0%	1,226	22	717
DE Shaw Composite International Fund	Nov-11	131,367	3.0%	30.0%	3,506	267	6,883
Elliott Associates LP	Nov-11	122,238	1.5%	20.0%	1,547	<i>grandfathered</i>	1,850
Graham Capital	Jan-12	50,715	2.5%	25.0%	932	203	236
Viking Global Equities LP	Dec-11	69,486	1.5%	20.0%	1,013	<i>grandfathered</i>	139
Winton Futures Fund Ltd	Dec-11	32,901	0.9%	16.0%	338	60	144
<b>Total</b>		<b>\$572,342</b>			<b>\$10,180</b>	<b>\$1,893</b>	<b>\$11,707</b>

Note: The term *grandfathered* is shown in cases where the limited partnership agreement, entered into between ERSRI and the investment manager at the time of initial investment, prohibits the disclosure of such information.

\*Shown are fees incurred for the current fiscal year. Since certain funds were added to or removed from the portfolio at different times throughout the fiscal year, line items may represent partial year expenses over different time frames and are not readily comparable. Fees are generally assessed on a quarterly basis and are audited annually by a third-party auditor. All fee terms are governed by funds' limited partnership agreements and are reviewed by the SIC and its consultants as part of any investment decision. The additional disclosure of indirect management and indirect performance fees included in this document exceeds GASB reporting requirements and is not common practice for public pension plans. As such, care should be taken when comparing these expenses relative to expense data included in the financial statements of other plans. Because indirect expenses are not readily separable from net investment income, the expenses disclosed here are provided on a best-efforts basis, intended to be used for illustrative purposes only. Finally, please note that dollar amounts of management and performance fees paid and the abridged fee terms were not prepared, reviewed or approved by the Investment Managers.

## FY 2020 Private Debt &amp; Private Equity Managers

Partnership	Type	Vintage Year	Commitment Amount (in \$ unless otherwise noted)	Abridged Fee Terms*		Fees Paid (\$)*		
				Management	Performance	Management	Fund Expense	Performance
Advent International GPE VII	Private Equity	2012	20,000,000	1.50%	20%	151,391	24,300	113,613
Advent International GPE VIII	Private Equity	2016	20,000,000	1.50%	20%	236,766	49,279	645,920
Advent International GPE IX	Private Equity	2019	30,000,000	2.00%	20%	489,471	158,946	301,840
Alta Partners VIII	Private Equity	2006	15,000,000	grandfathered	grandfathered	grandfathered	grandfathered	grandfathered
Altaris Constellation Partners IV	Private Equity	2018	6,000,000	0.00%	20%	-	41	173,993
Altaris Health Partners IV	Private Equity	2018	24,000,000	2.00%	20%	480,660	(267,000)	620,875
Bain Capital Fund X	Private Equity	2008	25,000,000	2.00%	30%	14,762	7,737	445,364
Baring Asia Fund VI	Private Equity	2015	15,000,000	1.80%	20%	184,115	127,514	107,484
Baring Asia Fund VII	Private Equity	2018	50,000,000	1.75%	20%	788,973	261,775	-
Birch Hill Equity Partners III	Private Equity	2005	CAD 18,000,000	0.00%	20%	-	9,081	(341,963)
Braemar Energy Ventures III	Private Equity	2011	10,000,000	grandfathered	grandfathered	grandfathered	grandfathered	grandfathered
Carlyle Asia Partners IV	Private Equity	2014	30,000,000	1.50%	20%	257,012	129,165	1,681,696
Carlyle Asia Partners V	Private Equity	2018	50,000,000	1.55%	20%	775,000	150,647	-
Castle Ventures III	Private Equity	2006	5,000,000	0.00%	20%	-	4,653	-
Castle Ventures III	Private Equity	2006	15,000,000	1.50%	20%	-	4,986	(64,970)
Centerbridge Capital Partners III	Private Equity	2015	25,000,000	1.50%	20%	376,028	218,280	1,248,129
Charterhouse Capital Partners VIII	Private Equity	2006	€ 15,000,000	0.00%	20%	-	987	-
Coller International Partners V	Private Equity	2006	€ 15,000,000	grandfathered	grandfathered	grandfathered	grandfathered	grandfathered
Constellation Ventures III	Private Equity	2007	15,000,000	grandfathered	grandfathered	grandfathered	grandfathered	grandfathered
CVC European Equity Partners III	Private Equity	2001	20,000,000	0.00%	20%	-	5,857	(40,776)
CVC European Equity Partners IV	Private Equity	2005	€ 16,500,000	0.00%	20%	-	1,999	724
CVC European Equity Partners V	Private Equity	2008	€ 20,000,000	0.80%	20%	1,431	6,303	379,518
CVC European Equity Partners VI	Private Equity	2014	€ 15,000,000	1.50%	20%	132,364	8,071	221,125
CVC European Equity Partners VII	Private Equity	2018	€ 35,000,000	1.50%	20%	587,279	132,066	60,293
DCVC Bio II	Private Equity	2020	20,000,000	2.00%	25%	12,500	1,756	-
EnCap Energy Capital Fund IX	Private Equity	2013	18,000,000	1.50%	20%	178,935	4,814	(1,609,434)
EnCap Energy Capital Fund X	Private Equity	2015	25,000,000	1.50%	20%	259,952	4,510	(1,092,516)
EnCap Energy Capital Fund XI	Private Equity	2017	50,000,000	1.50%	20%	750,000	6,050	-
Eureka III	Private Equity	2019	25,000,000	2.00%	20%	198,972	29,189	(190,136)
Eureka IV	Private Equity	2019	20,000,000	2.00%	20%	140,659	59,679	-
Fenway Partners Capital Fund III	Private Equity	2006	15,000,000	1.00%	20%	(38,419)	3,027	-
First Reserve Fund X	Private Equity	2004	20,000,000	0.00%	20%	-	1,279	-
First Reserve Fund XI	Private Equity	2006	20,000,000	0.00%	20%	-	6,048	-
German Equity Partners V	Private Equity	2019	€ 21,500,000	2.00%	20%	567,854	20,484	-
Granite Global Ventures II	Private Equity	2004	15,000,000	grandfathered	grandfathered	grandfathered	grandfathered	grandfathered
Granite Global Ventures III	Private Equity	2006	15,000,000	grandfathered	grandfathered	grandfathered	grandfathered	grandfathered
Green Equity Investors V	Private Equity	2007	20,000,000	0.75%	20%	(1,826)	2,691	173,446
Hastings Equity Fund IV	Private Equity	2019	25,000,000	2.00%	20%	296,957	141,638	-
Industry Ventures Partnership Holdings III	Private Equity	2014	25,000,000	1.00%	10%	250,000	28,762	1,259,982
Industry Ventures Partnership Holdings III-C	Private Equity	2015	15,000,000	0.50%	5%	57,389	92,844	166,487
Industry Ventures Partnership Holdings IV	Private Equity	2016	10,000,000	1.00%	10%	100,000	20,083	99,198
Industry Ventures Partnership IV-Secondary	Private Equity	2019	10,032,361	1.00%	10%	50,162	8,106	30,004
Industry Ventures Partnership Holdings V	Private Equity	2019	30,000,000	1.00%	10%	300,000	75,631	104,142
Kayne Anderson Energy Fund IV	Private Equity	2007	15,000,000	0.00%	20%	-	4,443	-
Leapfrog Ventures II	Private Equity	2005	10,000,000	1.25%	20%	-	7,644	135,620
Leeds Weld Equity Partners IV	Private Equity	2003	10,000,000	0.00%	0%	2,022	-	-
Level Equity Growth Partners IV	Private Equity	2018	17,500,000	2.50%	20%	379,928	45,415	-
Level Equity Opportunity Fund 2018	Private Equity	2018	15,000,000	1.00%	15%	-	38,223	60,566
Lighthouse Capital Partners VI	Private Equity	2007	15,000,000	0.96%	20%	3,636	307	-
MHR Institutional Partners III	Private Equity	2006	20,000,000	1.75%	20%	75,698	7,103	-
Nautic Partners V	Private Equity	2000	20,000,000	0.00%	20%	-	1,288	(18,095)
Nautic Partners VI	Private Equity	2007	20,000,000	1.65%	20%	11,531	(22,292)	(61,858)
Nautic Partners VII	Private Equity	2014	20,000,000	1.65%	20%	569	21,214	621,773
Nautic Partners VIII	Private Equity	2016	20,000,000	2.00%	20%	177,397	6,069	93,395
Nautic Partners IX, L.P.	Private Equity	2019	25,000,000	2.00%	20%	257,965	35,187	-
Nordic Capital Fund V	Private Equity	2003	€ 14,615,550	0.00%	20%	-	-	42,973
Nordic Capital Fund VI	Private Equity	2006	€ 15,000,000	0.00%	20%	-	3,949	68,860
Nordic Capital Fund VII	Private Equity	2008	€ 15,000,000	0.00%	20%	-	6,373	(93,647)
Nordic Capital Fund VIII	Private Equity	2013	€ 15,000,000	1.50%	20%	199,514	48,245	294,651
Odyssey Investment Partners Fund VI	Private Equity	2020	€ 50,000,000	2.00%	20%	364,283	70,676	-
Paine & Partners Fund IV	Private Equity	2015	30,000,000	2.00%	20%	348,981	(237,185)	-
Paine Schwartz Food Chain Fund V	Private Equity	2018	50,000,000	2.00%	20%	959,239	250,502	-
Paladin III	Private Equity	2008	10,000,000	1.75%	20%	153,298	20,727	2,108,818
Parthenon Investors II	Private Equity	2001	23,960,000	0.00%	20%	-	1,955	28,096
Point 406 Ventures	Private Equity	2006	10,000,000	grandfathered	grandfathered	grandfathered	grandfathered	grandfathered
Point Judith Venture Fund II	Private Equity	2006	5,000,000	1.00%	15%	25,000	11,837	33,829
Providence Equity Partners V	Private Equity	2005	25,000,000	0.00%	20%	-	3,043	-
Providence Equity Partners VI	Private Equity	2007	25,000,000	0.50%	20%	-	7,830	-
Providence Equity Partners VII	Private Equity	2012	25,000,000	1.00%	20%	105,997	55,421	-
Riverside Capital Appreciation Fund VI	Private Equity	2013	20,000,000	2.00%	20%	209,366	38,658	(32,017)
Riverside Micro-Cap Fund III	Private Equity	2014	20,000,000	2.00%	20%	434,792	63,989	1,082,027
Riverside Micro-Cap Fund IV	Private Equity	2020	20,000,000	0.00%	20%	-	126,958	167,420
Riverside Micro-Cap Fund V	Private Equity	2019	25,000,000	2.00%	20%	387,451	93,903	-
RLH IV	Private Equity	2017	40,000,000	2.00%	20%	800,000	49,847	-
Siris Partners IV	Private Equity	2018	50,000,000	1.75%	20%	875,000	(133,569)	-
Sorenson Capital Partners III	Private Equity	2014	30,000,000	2.00%	20%	312,017	105,551	740,360
Southwest Fund VII	Private Equity	2016	30,000,000	2.00%	20%	750,000	(141,798)	-
Tenex Capital Partners II	Private Equity	2016	25,000,000	2.00%	20%	379,124	87,819	932,640
Thomas, McEnerney & Partners	Private Equity	2002	15,000,000	0.00%	20%	-	2,664	-
Thomas, McEnerney & Partners II	Private Equity	2006	15,000,000	0.50%	20%	-	5,280	522,979
TPG Partners IV	Private Equity	2005	15,000,000	0.00%	20%	-	7,087	(62,224)
TPG Partners V	Private Equity	2006	20,000,000	0.00%	20%	12,365	3,136	-
TPG Partners VI	Private Equity	2008	10,000,000	0.50%	20%	35	10,948	96,103
Trilantic Capital Partners IV	Private Equity	2007	11,098,351	1.00%	20%	2,737	8,630	(90,059)
Vinci Partners III	Private Equity	2018	30,000,000	2.00%	20%	601,644	616,006	-
W Capital Partners II	Private Equity	2007	15,000,000	2.00%	20%	-	7,160	986
Wynchurch Capital Partners V	Private Equity	2020	50,000,000	2.00%	20%	171,404	35,203	-
Benefit Street Senior Opps. II	Private Credit	2019	40,000,000	0.55%	10%	26,179	230,341	45,742
CapitalSpring Investment Partners V	Private Credit	2016	30,000,000	1.50%	20%	419,689	67,387	770,021
Garrison Opportunity Fund IV	Private Credit	2014	30,000,000	1.75%	20%	416,061	228,349	-
Owl Rock Capital	Private Credit	2018	50,000,000	0.75%	0%	365,960	121,705	-
Shamrock IP Content Fund II	Private Credit	2020	20,000,000	2.00%	20%	199,742	49,443	-
Summit Partners Credit Fund	Private Credit	2011	20,000,000	grandfathered	grandfathered	grandfathered	grandfathered	grandfathered
Summit Partners Credit Fund II	Private Credit	2014	25,000,000	grandfathered	grandfathered	grandfathered	grandfathered	grandfathered
Virgo Societas IV	Private Credit	2017	50,000,000	1.75%	20%	699,687	244,211	-
Zephyrus Aviation Partners	Private Credit	2019	20,000,000	0.00%	0%	-	63,205	-
Centerbridge Special Credit Partners II	Opportunistic Private Credit	2012	25,000,000	1.25%	20%	165,863	126,696	138,183
Clearlake Opportunities Fund II	Opportunistic Private Credit	2019	30,000,000	1.50%	20%	60,339	31,609	-
Davidson Kempner LDO Fund IV	Opportunistic Private Credit	2018	50,000,000	1.50%	20%	720,332	-	(459,951)
Davidson Kempner LDO Fund V	Opportunistic Private Credit	2019	35,000,000	1.50%	20%	109,315	-	71,483
Oaktree European Principal Fund III	Opportunistic Private Credit	2011	20,000,000	1.75%	20%	241,112	36,616	(186,640)
WLR Recovery Fund IV	Opportunistic Private Credit	2007	8,000,000	0.50%	20%	(8)	1,921	(13,761)
<b>Total</b>			<b>\$ 2,348,145,839</b>			<b>\$ 19,755,655</b>	<b>\$ 4,933,638</b>	<b>\$ 18,893,019</b>

Note: The term *grandfathered* is shown in cases where the limited partnership agreement, entered into between ERSRI and the investment manager at the time of initial investment, prohibits the disclosure of such information.

\*Shown are abridged terms and fees incurred in the current fiscal year. Actual fee calculations include additional considerations and reductions that space and conditions of access do not permit. Due to differing accounting standards across jurisdictions and differing expense treatment at the underlying entity-level across general partners, and since certain funds were added to or removed from the portfolio at different times throughout the fiscal year, line items are not readily comparable. Management fee terms are commonly structured such that fees are assessed quarterly based on committed capital during the investment period (typically the first 3-5 years of a fund's life) and on the cost basis of invested capital thereafter. Management fee terms may also include further changes later in a fund's life. Performance fee terms (with the exception of venture capital funds) are commonly structured such that fees are paid only after the investor has received back 100% of their invested capital, the management fees incurred and a return of 8-9%. Fees are audited annually by a third-party auditor. All fee terms are governed by funds' limited partnership agreements and are reviewed by the SIC and its consultants as part of any investment decision. The additional disclosure of indirect management and indirect performance fees included in this document exceeds GASB reporting requirements and is not common practice for public pension plans. As such, care should be taken when comparing these expenses relative to expense data included in the financial statements of other plans. Because indirect expenses are not readily separable from net investment income, the expenses disclosed here are provided on a best-efforts basis, intended to be used for illustrative purposes only. Finally, please note that dollar amounts of management and performance fees paid and the abridged fee terms were not prepared, reviewed or approved by the Investment Managers.

Employees' Retirement System of Rhode Island Investment Expense Analysis

**FY 2020 Real Estate Managers**

Partnership	Type	Vintage Year	Commitment Amount (\$)	Abridged Fee Terms*		Fees Paid (\$)*		
				Management	Performance	Management	Fund Expense	Performance
AEW Core Property Trust	Core Real Estate	Open-End	70,000,000	0.50%	0.0%	534,447	260,640	-
Heitman HART	Core Real Estate	Open-End	60,000,000	0.92%	0.0%	713,214	44,361	-
JP Morgan Strategic Property Fund	Core Real Estate	Open-End	75,000,000	0.92%	0.0%	1,010,801	-	-
Morgan Stanley Prime Property Fund	Core Real Estate	Open-End	35,000,000	0.85%	0.3%	573,159	-	91,818
Crow Retail Fund	Non-Core Real Estate	2015	24,000,000	1.50%	20.0%	314,028	43,716	-
Exeter Industrial Value Fund III	Non-Core Real Estate	2014	30,000,000	1.50%	20.0%	112,028	-	194,761
GEM Realty Fund V	Non-Core Real Estate	2013	50,000,000	1.25%	20.0%	471,285	133,249	(4,245,700)
GEM Realty Fund VI	Non-Core Real Estate	2017	20,000,000	1.50%	20.0%	270,000	19,475	54,880
IC Berkeley Partners III	Non-Core Real Estate	2013	18,000,000	1.50%	20.0%	707	15,207	(4,033)
IC Berkeley Partners IV	Non-Core Real Estate	2016	30,000,000	1.38%	19.0%	413,630	72,015	355,651
Linchris Capital Opportunity Fund II	Non-Core Real Estate	2018	17,657,647	1.00%	12.5%	500,582	212,459	353,140
Lone Star Real Estate Fund IV	Non-Core Real Estate	2015	24,260,817	0.60%	20.0%	27,479	5,914	(788,718)
Magna Hotel Fund III	Non-Core Real Estate	2008	4,000,000	0.00%	20.0%	-	1,403	485
Raith Real Estate Fund II	Non-Core Real Estate	2019	35,000,000	1.50%	20.0%	395,191	(36,623)	-
Tri Continental Capital VII	Non-Core Real Estate	2005	15,000,000	0.00%	20.0%	-	1,695	-
Waterton Venture XII	Non-Core Real Estate	2014	35,000,000	1.50%	20.0%	371,768	48,797	(769,034)
<b>Total</b>			<b>\$ 542,918,464</b>			<b>\$ 5,708,319</b>	<b>\$ 822,308</b>	<b>\$ (4,756,750)</b>

\*Shown are abridged terms and fees incurred in the current fiscal year. Actual fee calculations include additional considerations and reductions that space and conditions of access do not permit. Due to differing accounting standards across jurisdictions and differing expense treatment at the underlying entity-level across general partners, and since certain funds were added to or removed from the portfolio at different times throughout the fiscal year, line items are not readily comparable. Management fee terms for closed-end funds are commonly structured such that fees are assessed quarterly based on committed capital during the investment period (typically the first 3-5 years of a fund's life) and on the cost basis of invested capital thereafter. Management fee terms may also include further changes later in a fund's life. Performance fee terms for closed-end funds are commonly structured such that fees are paid only after the investor has received back 100% of their invested capital, the management fees incurred and a return of 8-9%. Fees are audited annually by a third-party auditor. All fee terms are governed by funds' limited partnership agreements and are reviewed by the SIC and its consultants as part of any investment decision. The additional disclosure of indirect management and indirect performance fees included in this document exceeds GASB reporting requirements and is not common practice for public pension plans. As such, care should be taken when comparing these expenses relative to expense data included in the financial statements of other plans. Because indirect expenses are not readily separable from net investment income, the expenses disclosed here are provided on a best-efforts basis, intended to be used for illustrative purposes only. Finally, please note that dollar amounts of management and performance fees paid and the abridged fee terms were not prepared, reviewed or approved by the Investment Managers.

Employees' Retirement System of Rhode Island Investment Expense Analysis

**FY 2020 Infrastructure Managers**

Partnership	Vintage Year	Commitment Amount (\$)	Abridged Fee Terms*		Fees Paid (\$)*		
			Management	Performance	Management	Fund Expense	Performance
Homestead USA Farmland Fund II	2019	25,000,000	1.50%	15.0%	372,867	3,753	-
IFM Global Infrastructure, LP	Open-End	50,000,000	0.77%	10.0%	439,747	119,916	461,596
ISQ Global Infrastructure Fund, LP	2015	50,000,000	1.50%	20.0%	570,885	204,425	1,000,637
ISQ Global Infrastructure Fund II, LP	2018	40,000,000	1.60%	20.0%	463,236	312,959	410,563
Star America Infrastructure Fund II	2020	20,000,000	1.50%	20.0%	140,000	88,725	-
Stonepeak Infrastructure Fund II, LP	2016	43,000,000	1.38%	15.0%	365,998	41,343	399,925
Stonepeak Infrastructure Fund II - C	2017	30,000,000	0.00%	0.0%	-	10,075	1,605
Stonepeak Infrastructure Fund III, LP	2018	35,000,000	1.38%	15.0%	327,434	102,370	495,786
<b>Total</b>		<b>\$ 293,000,000</b>			<b>\$ 2,680,167</b>	<b>\$ 883,566</b>	<b>\$ 2,770,111</b>

\*Shown are abridged terms and fees incurred in the current fiscal year. Actual fee calculations include additional considerations and reductions that space and conditions of access do not permit. Due to differing accounting standards across jurisdictions and differing expense treatment at the underlying entity-level across general partners, and since certain funds were added to or removed from the portfolio at different times throughout the fiscal year, line items are not readily comparable. Management fee terms for closed-end funds are commonly structured such that fees are assessed quarterly based on committed capital during the investment period (typically the first 3-5 years of a fund's life) and on the cost basis of invested capital thereafter. Management fee terms may also include further changes later in a fund's life. Performance fee terms for closed-end funds are commonly structured such that fees are paid only after the investor has received back 100% of their invested capital, the management fees incurred and a return of 8-9%. Fees are audited annually by a third-party auditor. All fee terms are governed by funds' limited partnership agreements and are reviewed by the SIC and its consultants as part of any investment decision. The additional disclosure of indirect management and indirect performance fees included in this document exceeds GASB reporting requirements and is not common practice for public pension plans. As such, care should be taken when comparing these expenses relative to expense data included in the financial statements of other plans. Because indirect expenses are not readily separable from net investment income, the expenses disclosed here are provided on a best-efforts basis, intended to be used for illustrative purposes only. Finally, please note that dollar amounts of management and performance fees paid and the abridged fee terms were not prepared, reviewed or approved by the Investment Managers.