

Employees' Retirement System of Rhode Island (ERSRI)

Private Real Estate | Overview
Strategic Allocation

February 23, 2022

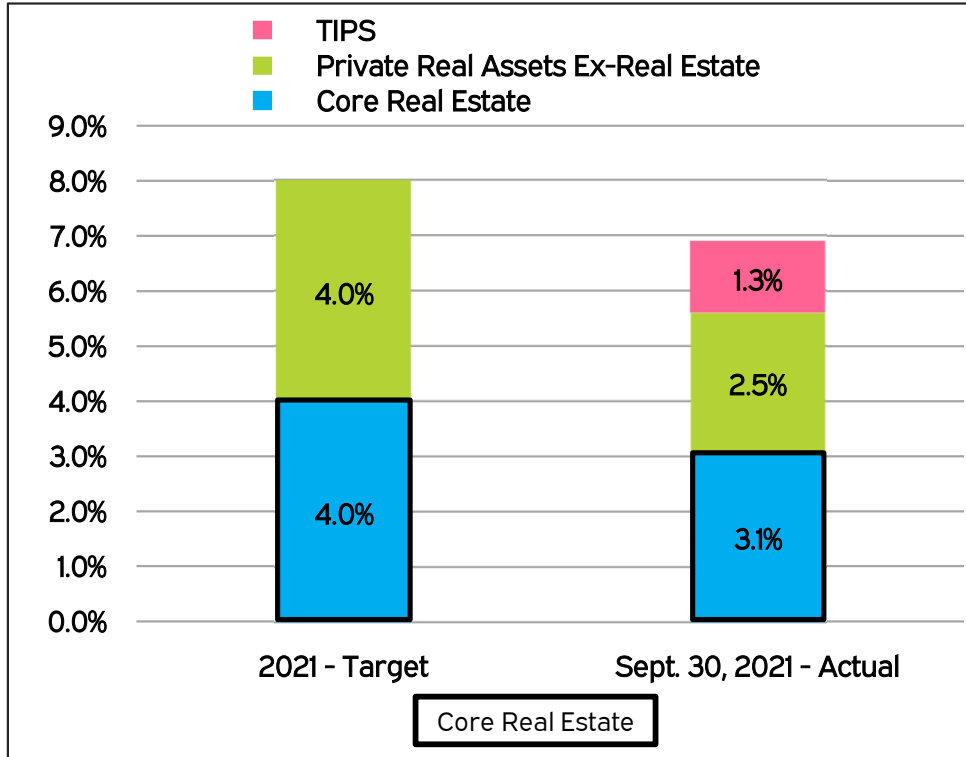


Employees' Retirement System of Rhode Island

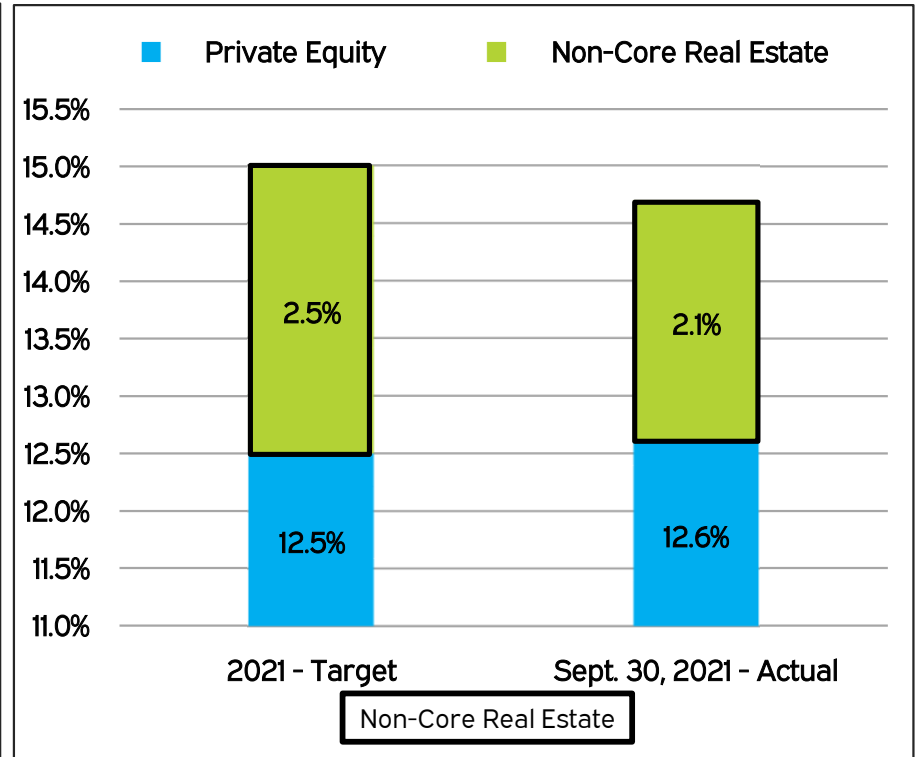
Private Real Estate | Strategic Allocation

Overview⁽¹⁾

INFLATION PROTECTION CLASS 8% TARGET



PRIVATE GROWTH CLASS 15% TARGET



- The targets for private real estate are:
 - Core real estate: 4.0%
 - Non-Core real estate: 2.5%
- Within the Inflation Protection Class, the long-term target for Core real estate is 50.0%
- Within the Private Growth Class, the long-term target for Non-Core real estate is 16.7%.

⁽¹⁾ Please note that the current values presented differ from those shown in the October 27, 2021 State Investment Commission materials with data as of September 30, 2021. The custodian reports values for the private real estate investments on a one quarter lag, adjusted for cash activity through September 30, 2021.

Core Real Estate | Portfolio Overview

Net Performance, Capital Activity and Diversification



Employees' Retirement System of Rhode Island

Core Real Estate | Portfolio Overview

Net Performance^(1,2,3)

As of September 30, 2021

Partnership	Current Value (\$ Millions)	Net Total Time-Weighted Returns					Net IRRs	
		1-Year (%)	3-Year (%)	5-Year (%)	10-Year (%)	Since Inception (%)	Since Inception (%)	ERSRI Inception Year
Morgan Stanley Prime Property Fund	97.8	12.5	6.7	7.5	10.3	7.6	7.3	2005
AEW Core Property Trust	114.2	13.4	6.6	6.9	8.7	10.4	9.7	2009
Heitman America Real Estate Trust	113.6	15.6	4.6	5.6	n/a	7.3	7.8	2014
ERSRI Core Portfolio	<u>325.6</u>	<u>13.5</u>	<u>5.9</u>	<u>6.5</u>	<u>9.1</u>	<u>5.7</u>	<u>5.5</u>	
Net NFI-ODCE		13.6	6.1	6.6	8.9	6.3	n/a	
Performance Under / Over Benchmark		-0.1	-0.2	-0.1	0.2	-0.6	n/a	

- The Core Portfolio net total time-weighted return exceeded the benchmark for the ten-year time period and underperformed the benchmark for the one-, three-, five-year and since inception time periods.

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⁽²⁾ Please note that the net total time-weighted returns and the Net NFI-ODCE benchmark figures presented differ from those shown in the October 27, 2021 State Investment Commission materials with data as of September 30, 2021. The custodian reports time-weighted returns for the private real estate investments based on lagged valuations. The Net NFI-ODCE benchmark returns are also on a one quarter lag, due to the availability of information.

⁽³⁾ The Since Inception time period presented for the Net NFI-ODCE benchmark is based on the inception date of the core real estate portfolio.

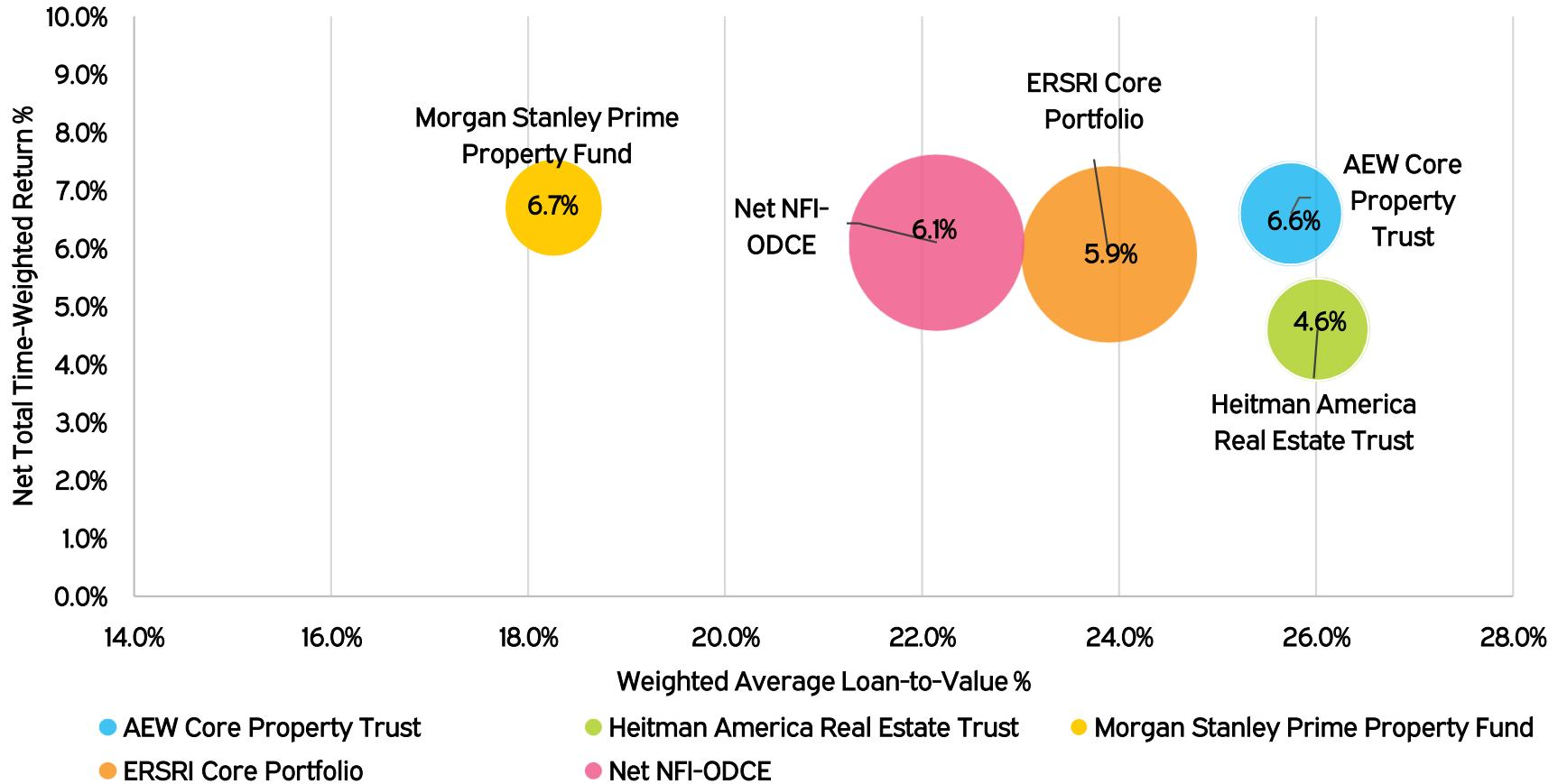


Employees' Retirement System of Rhode Island

Core Real Estate | Portfolio Overview

Net Performance^(1,2)

CORE REAL ESTATE PORTFOLIO 3-YEAR NET PERFORMANCE



⁽¹⁾ The size of the bubble relates to the NAV amount of the investment and the percentage inside the bubble is the net total time-weighted return.

⁽²⁾ The Loan-to-Value ratios used in the graph are a weighted average.

As of September 30, 2021.

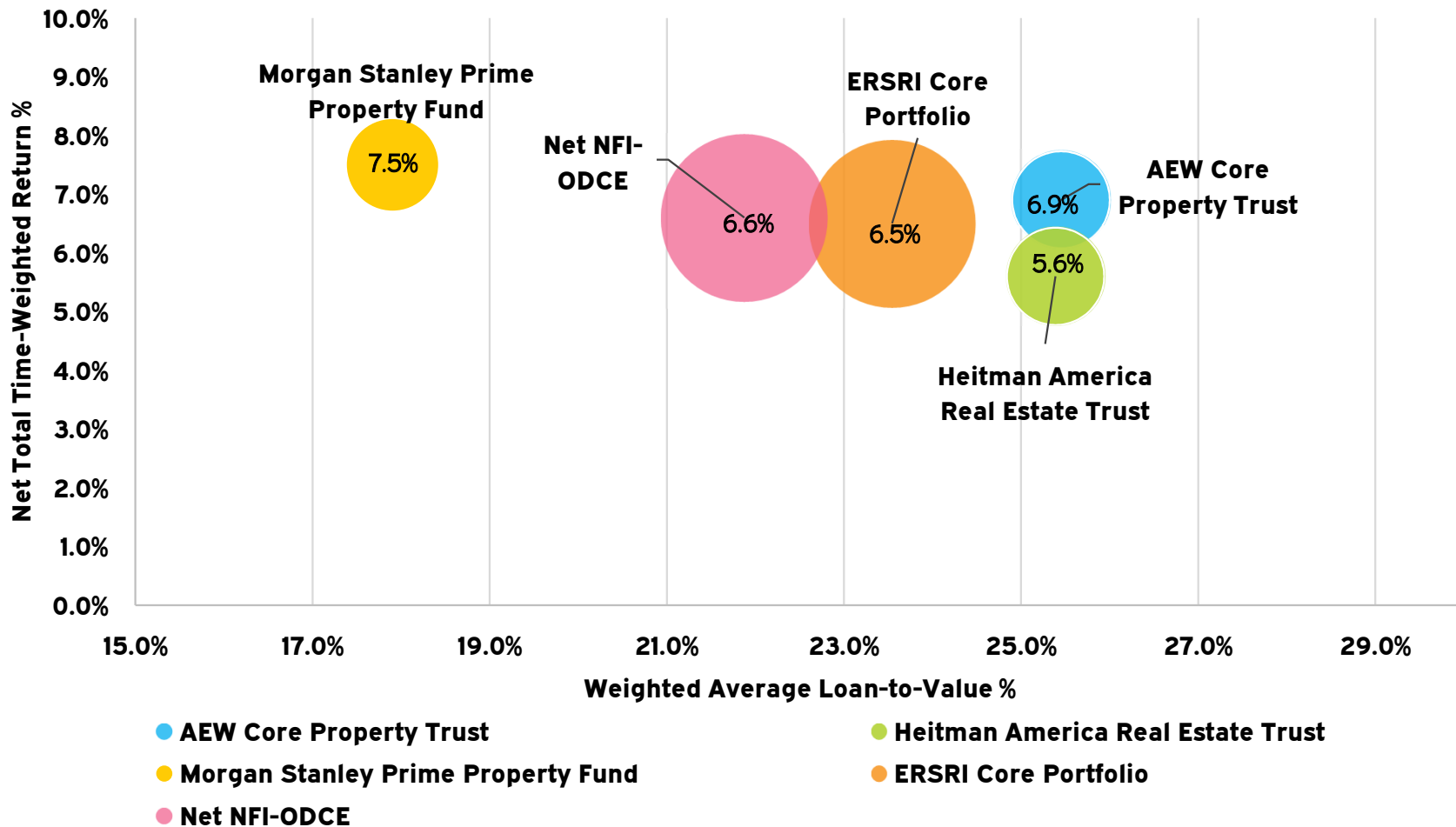


Employees' Retirement System of Rhode Island

Core Real Estate | Portfolio Overview

Net Performance^(1,2)

CORE REAL ESTATE PORTFOLIO 5-YEAR NET PERFORMANCE



⁽¹⁾ The size of the bubble relates to the NAV amount of the investment and the percentage inside the bubble is the net total time-weighted return.

⁽²⁾ The Loan-to-Value ratios used in the graph are a weighted average.

As of September 30, 2021.



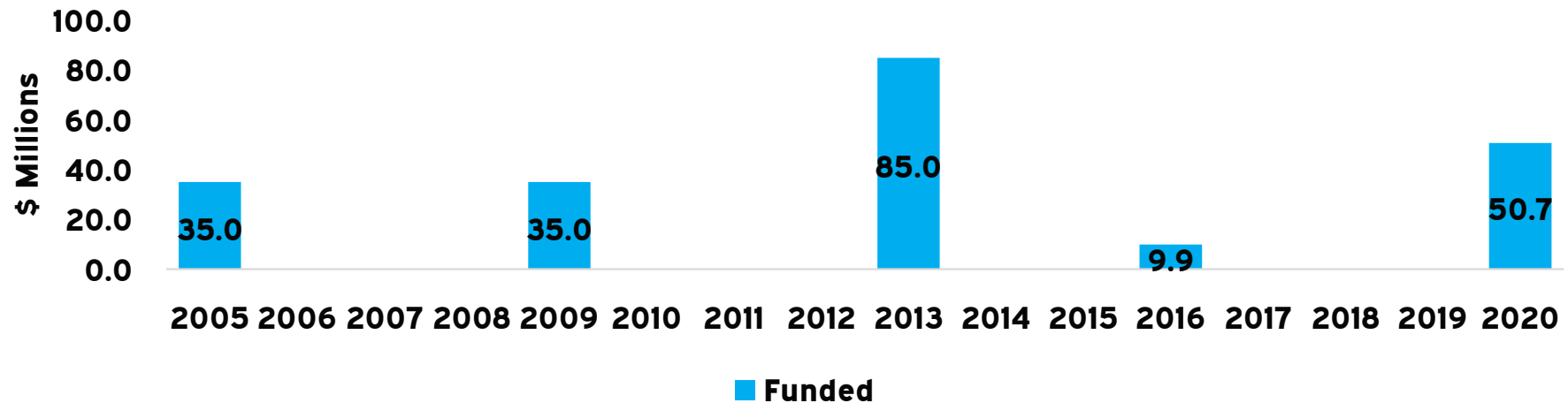
Employees' Retirement System of Rhode Island

Core Real Estate | Portfolio Overview

Capital Activity

- Total 3Q Core Portfolio value: \$325.6 million
- Current committed but unfunded: \$0.0 million
- Total value and unfunded: \$325.6 million
- Total value and unfunded commitments as a percentage of 3Q Total Plan assets: 3.1%
- The State Investment Commission is considering a \$25 million commitment to the AEW Essential Housing Fund on February 23, 2022.

CURRENT FUNDED COMMITMENTS



As of September 30, 2021.



Employees' Retirement System of Rhode Island

Core Real Estate | Portfolio Overview

Capital Activity

- Investment and Redemption Activity and Queues

→ A redemption of the approximate \$110.2 million balance from the JP Morgan Strategic Property Fund was approved in November 2019.

- The final redemption payment from the JP Morgan Strategic Property Fund was received in July 2021 and the investment has been completely liquidated.
- A portion of the redemption proceeds were previously invested in the Heitman America Real estate Trust (\$25.0 million) and the Morgan Stanley Prime Property Fund (\$25.7 million).

→ Fund Investment Queue Balances

- AEW Core Property Trust \$0.0 million
- Heitman America Real Estate Trust \$230.0 million
- Morgan Stanley Prime Property Fund \$1.1 billion

→ Fund Redemption Queue Balances

- AEW Core Property Trust \$160.0 million, 2.0% of \$8.0 billion of Fund NAV
- Heitman America Real Estate Trust \$1.2 billion, 11.5% of \$10.4 billion of Fund NAV
- Morgan Stanley Prime Property Fund \$0.0 million, of \$34.1 billion of Fund NAV

As of September 30, 2021.



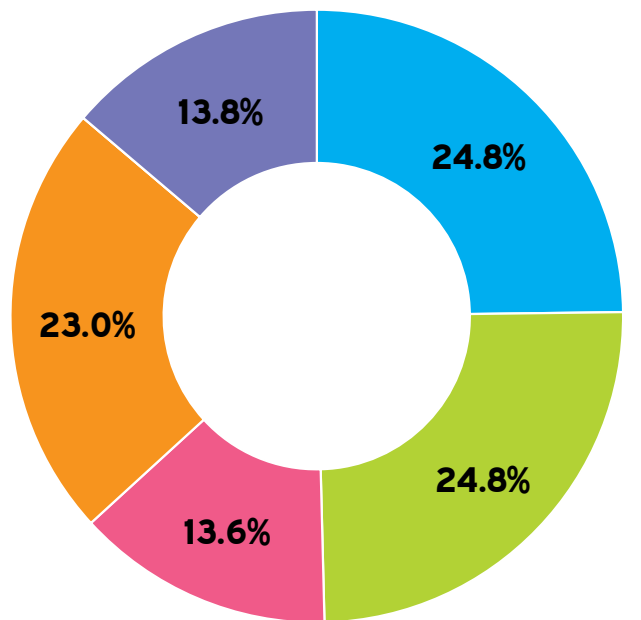
Employees' Retirement System of Rhode Island

Core Real Estate | Portfolio Overview

Diversification

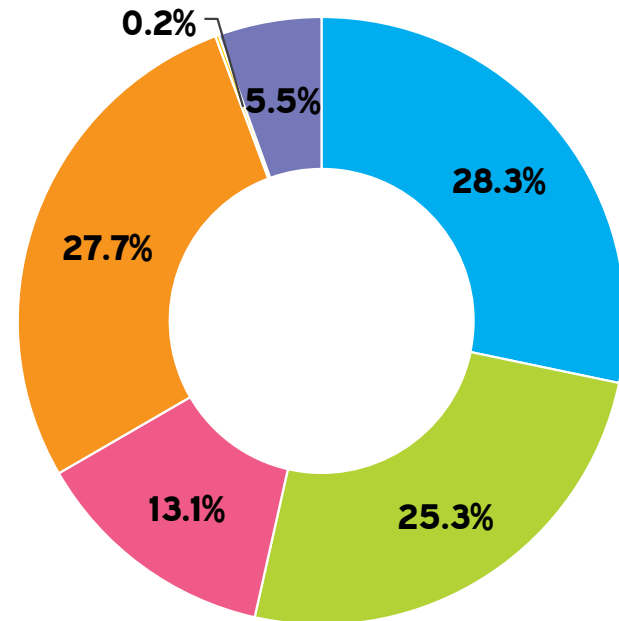
PROPERTY TYPE DIVERSIFICATION

ERSRI



■ Office ■ Industrial ■ Retail
■ Apartment ■ Other

NCREIF



■ Office ■ Industrial ■ Retail
■ Apartment ■ Hotel ■ Other

As of September 30, 2021.



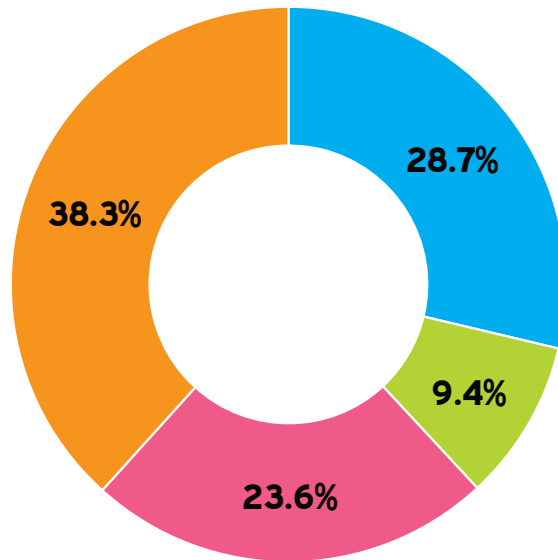
Employees' Retirement System of Rhode Island

Core Real Estate | Portfolio Overview

Diversification

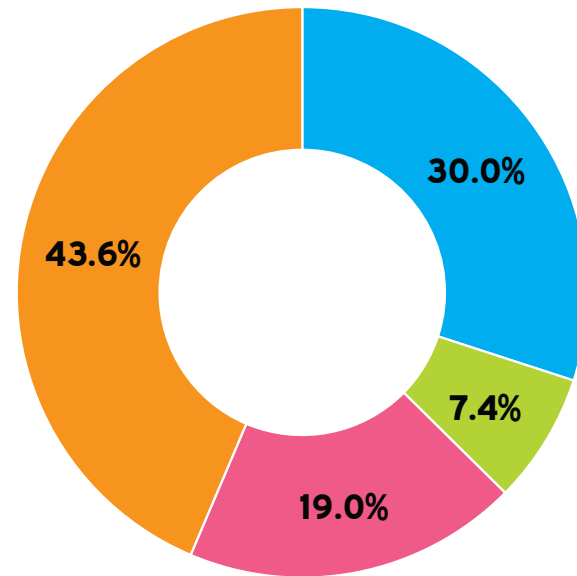
GEOGRAPHIC DIVERSIFICATION

ERSRI



■ US East ■ US Midwest ■ US South ■ US West

NCREIF



■ US East ■ US Midwest ■ US South ■ US West

As of September 30, 2021.

Core Real Estate | Pacing Plan
Commitment Schedule

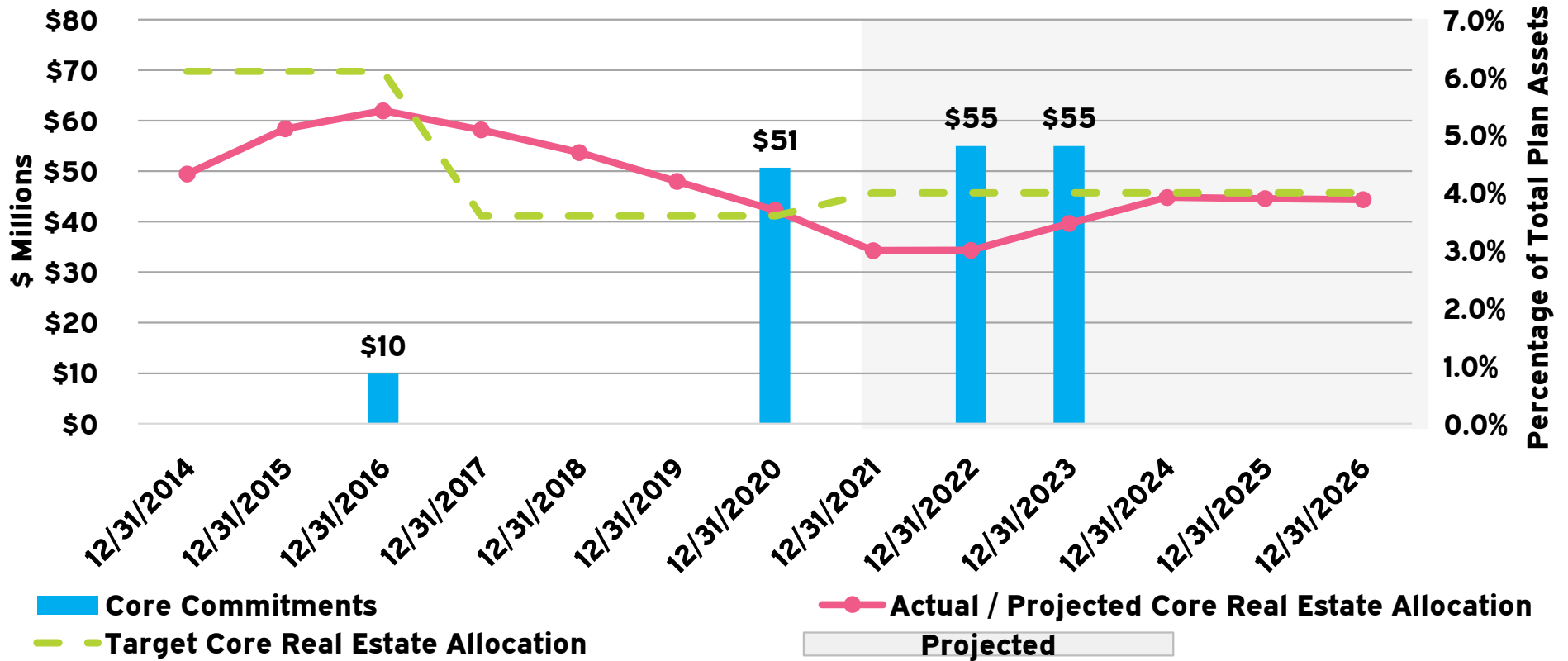


Employees' Retirement System of Rhode Island

Core Real Estate | Pacing Plan

Commitment Schedule

HISTORICAL & PROJECTED COMMITMENTS AND ALLOCATION



Assumptions

- Total Plan Net Growth Rate: 3.0%
- Total Net Core Real Estate Return: 6.0%

As of September 30, 2021.

Non-Core Real Estate | Portfolio Overview

Net Performance, Capital Activity and Diversification



Employees' Retirement System of Rhode Island

Non-Core Real Estate | Portfolio Overview

Net Performance^(1,2,3)

As of September 30, 2021

Partnership	Committed (\$ Millions)	Current Value (\$ Millions)	Net IRRs				Net TVPI Since Inception (x)	Distributions Since Inception (\$ Millions)	ERSRI Inception Year
			1-Year (%)	3-Year (%)	5-Year (%)	Since Inception (%)			
TriCon Capital Fund VII*	15.0	0.3	-13.3	3.6	8.1	-15.2	0.3	5.0	2005
GEM Realty Fund V**	50.0	22.8	17.8	-2.4	4.2	6.0	1.3	33.2	2013
Exeter Industrial Value Fund III*	30.0	14.0	48.9	25.7	36.9	30.4	2.2	50.6	2014
Waterton Fund XII*	35.0	27.9	26.8	8.5	10.6	12.3	1.6	30.2	2014
Crow Holdings Retail Fund I**	24.0	26.3	23.8	6.0	8.5	8.4	1.4	6.2	2015
Lone Star Real Estate Fund IV*	24.3	6.6	4.6	-0.6	13.1	12.4	1.4	19.8	2015
IC Berkeley Partners IV*	30.0	34.4	33.2	23.2	20.1	19.1	1.5	14.5	2016
GEM Realty Fund VI***	20.0	10.9	47.3	18.7	n/a	17.7	1.3	4.8	2017
Linchris Capital Opportunity Fund II***	17.7	16.9	30.7	n/a	n/a	19.4	1.3	0.7	2019
Raith Real Estate Fund II***	35.0	24.9	262.5	n/a	n/a	72.7	1.7	15.1	2019
Exeter Industrial Value Fund V ***	25.0	15.8	68.0	n/a	n/a	68.0	1.4	0.0	2020
IC Berkeley Partners V***	35.0	12.7	57.1	n/a	n/a	49.1	1.3	0.0	2020
IPI Partners II-A ***	30.0	4.0	n/a	n/a	n/a	n/a	n/a	0.2	2021
ERSRI Non-Core Portfolio	371.0	217.4	41.4	13.0	15.7	3.1	1.2		
Non-Core Real Estate Benchmark			21.5	10.7	11.8	8.0			
Performance Under / Over			19.9	2.3	3.9	-4.9			

* Harvesting **Operating ***Investing

(1) Please note that the current values presented differ from those shown in the October 27, 2021 State Investment Commission materials with data as of September 30, 2021. The custodian reports values for the private real estate investments on a one quarter lag, adjusted for cash activity through September 30, 2021.

(2) The Non-Core Portfolio Benchmark Since Inception IRR was derived from geometrically linking quarterly Non-Core Portfolio benchmark returns from the December 2004 inception through September 2021.

(3) The commitment to Crow Holdings Realty Partners IX of \$40 million and other metrics are not shown since the initial capital call was issued in October 2021.

- The Non-Core Portfolio net IRRs exceeded the Non-Core Real Estate benchmark for the one-, three-, and five-year time periods but underperformed for the since inception time period.



Employees' Retirement System of Rhode Island

Non-Core Real Estate | Portfolio Overview

Net IRR Performance⁽¹⁾

Partnership	Net IRRs						ERSRI Inception Year
	Calendar 2020 (%)	Calendar 2019 (%)	Calendar 2018 (%)	Calendar 2017 (%)	Calendar 2016 (%)	Calendar 2015 (%)	
TriCon Capital Fund VII*	-22.8	23.5	18.9	17.7	2.4	-11.4	2005
GEM Realty Fund V**	-21.9	3.8	10.7	10.1	18.2	25.6	2013
Exeter Industrial Value Fund III*	21.8	16.5	114.2	17.1	20.6	21.5	2014
Waterton Fund XII**	-5.6	8.1	12.3	11.1	14.2	39.7	2014
Crow Holdings Retail Fund I**	-12.2	8.7	10.8	11.8	15.3	N/A	2015
Lone Star Real Estate Fund IV**	-12.2	4.8	20.8	23.4	18.8	N/A	2015
IC Berkeley Partners IV**	10.3	28.1	13.5	-4.8	N/A	N/A	2016
GEM Realty Fund VI***	12.3	-5.7	61.1	N/A	N/A	N/A	2017
Linchris Capital Opportunity Fund II***	0.7	N/A	N/A	N/A	N/A	N/A	2019
Raith Real Estate Fund II***	-10.3	-25.3	N/A	N/A	N/A	N/A	2019
ERSRI Non-Core Portfolio	-4.9	9.0	23.4	12.9	15.2	17.5	
Non-Core Real Estate Benchmark	4.5	9.4	9.0	16.3	8.6	14.1	
Performance Under / Over	-9.4	-0.4	14.4	-3.4	6.6	3.4	

* Harvesting **Operating ***Investing

(1) Please note that the lifecycle categories of Harvesting, Operating and Investing for each investment are representative of all or the majority of the multiple time periods presented.

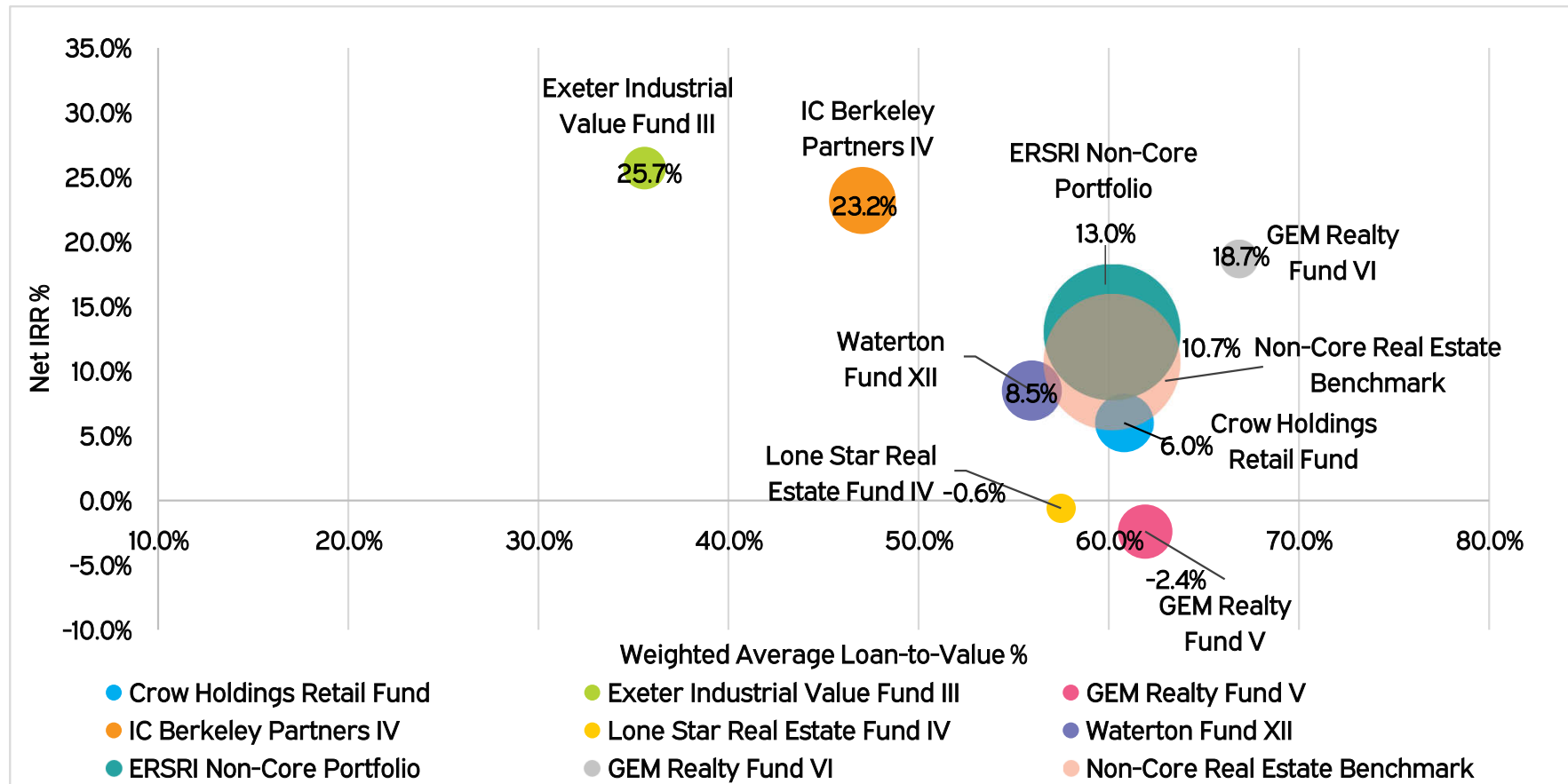


Employees' Retirement System of Rhode Island

Non-Core Real Estate | Portfolio Overview

Net IRR Performance^(1,2,3)

NON-CORE REAL ESTATE PORTFOLIO 3-YEAR NET PERFORMANCE



(1) The size of the bubble relates to the NAV amount of the investment and the percentage inside or near a bubble is the respective net IRR.
 (2) The Loan-to-Value ratios used in the graph are a weighted average. The Non-Core benchmark LTV used is that of the Non-Core Portfolio as the Non-Core benchmark does not track LTV.
 (3) Excludes Exeter Industrial Value Fund V, IC Berkeley Partners V, IPI Partners II-A, Linchris Capital Opportunity Fund II and Raith Real Estate Fund II since the funds have less than three years of activity. Excludes TriCon Capital Fund VII as the fund is in liquidation.

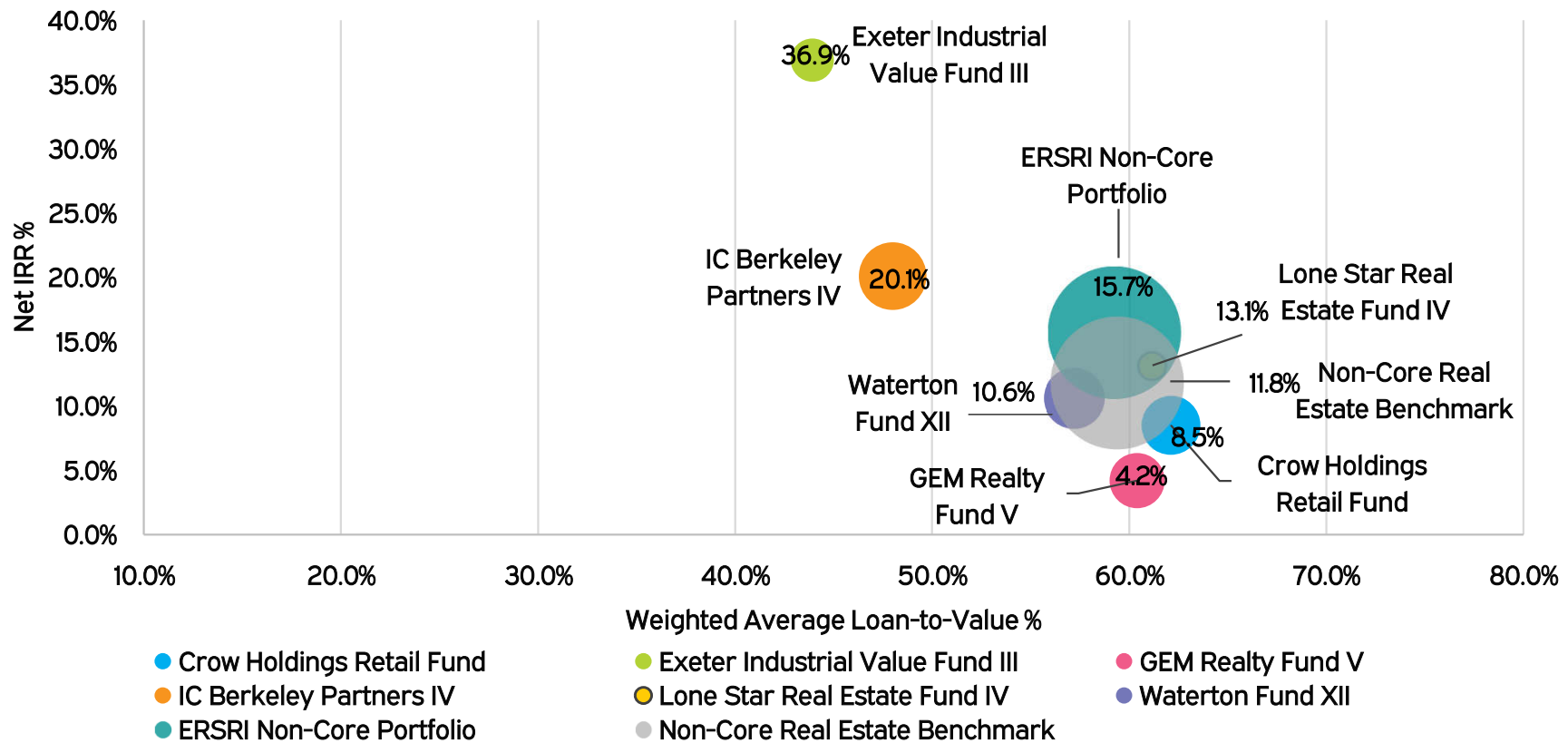


Employees' Retirement System of Rhode Island

Non-Core Real Estate | Portfolio Overview

Net IRR Performance^(1,2,3)

NON-CORE REAL ESTATE PORTFOLIO 5-YEAR NET PERFORMANCE



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(2) The Loan-to-Value ratios used in the graph are a weighted average. The Non-Core benchmark LTV used is that of the Non-Core Portfolio as the Non-Core benchmark does not track LTV.

(3) Excludes Exeter Industrial Value Fund V, GEM Realty Fund VI, IC Berkeley Partners V, IPI Partners II-A, Linchris Capital Opportunity Fund II and Raith Real Estate Fund II since the funds have less than five years of activity. Excludes TriCon Capital Fund VII as the fund is in liquidation.



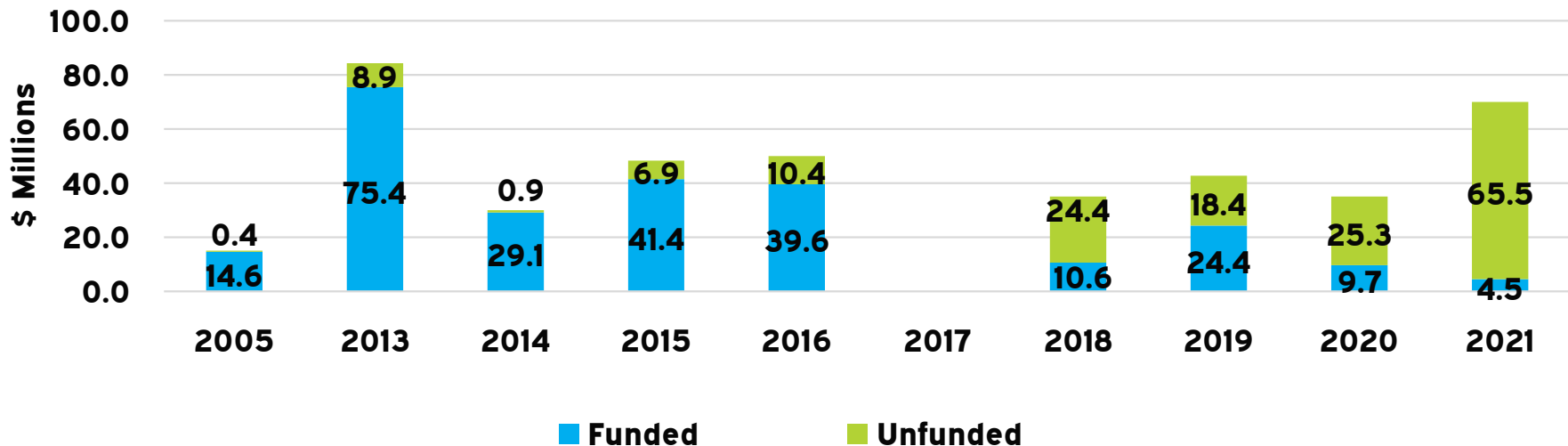
Employees' Retirement System of Rhode Island

Non-Core Real Estate | Portfolio Overview

Capital Activity

- Total 3Q Non-Core Portfolio value: \$217.4 million
- Current committed but unfunded: \$161.0 million
- Total value and unfunded: \$378.4 million
- Total value and unfunded commitments as a percentage of 3Q Total Plan assets: 3.7%
- There were two new commitments in 2021 of \$30 million to IPI Partners II-A, L.P. and \$40 million to Crow Holdings Realty Partners IX, L.P.

CURRENT COMMITMENTS



As of September 30, 2021.



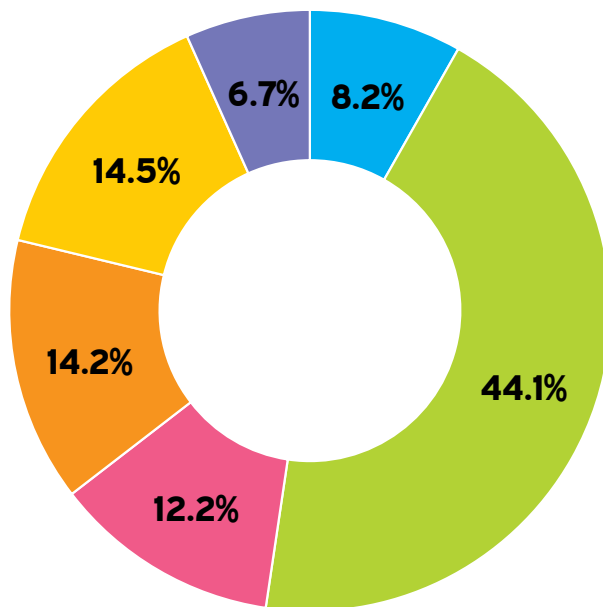
Employees' Retirement System of Rhode Island

Non-Core Real Estate | Portfolio Overview

Diversification

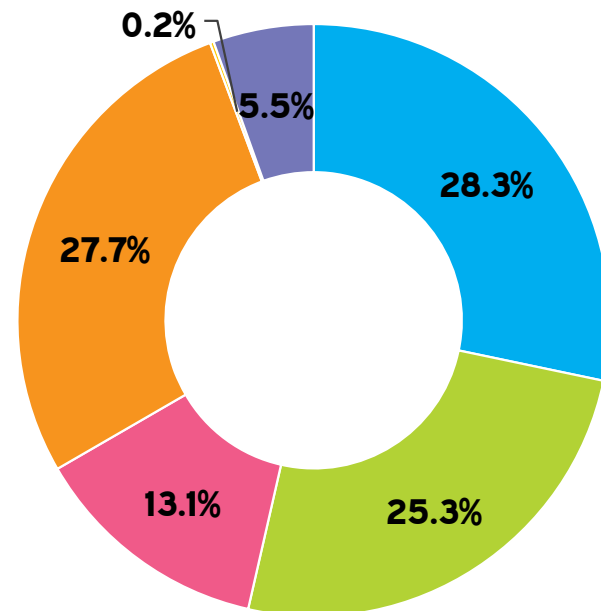
PROPERTY TYPE DIVERSIFICATION

ERSRI



- Office
- Industrial
- Retail
- Apartment
- Hotel
- Other

NCREIF



- Office
- Industrial
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- Hotel
- Other

As of September 30, 2021.

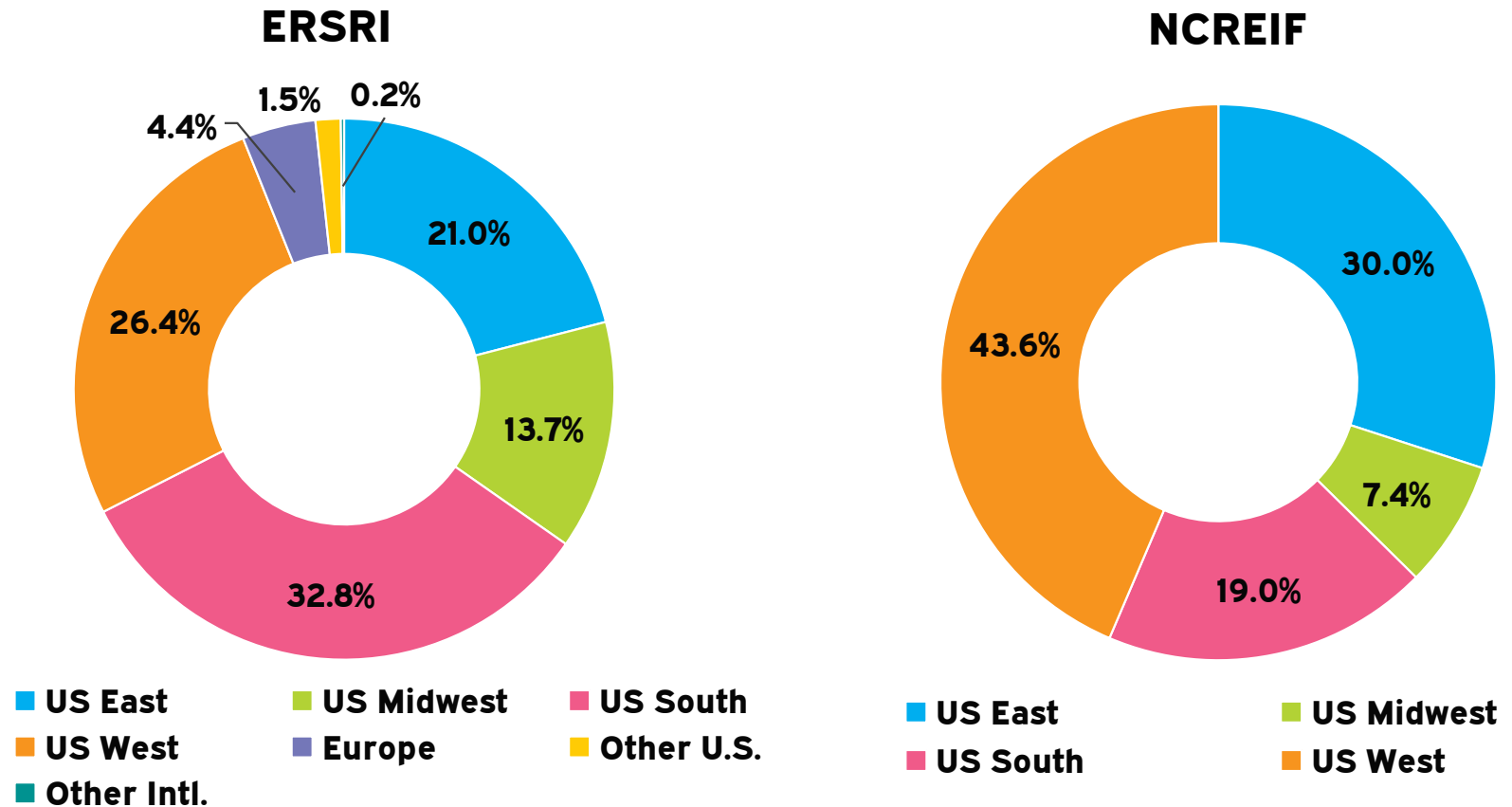


Employees' Retirement System of Rhode Island

Non-Core Real Estate | Portfolio Overview

Diversification

GEOGRAPHIC DIVERSIFICATION



As of September 30, 2021.

Non-Core Real Estate | Pacing Plan

Commitment Schedule

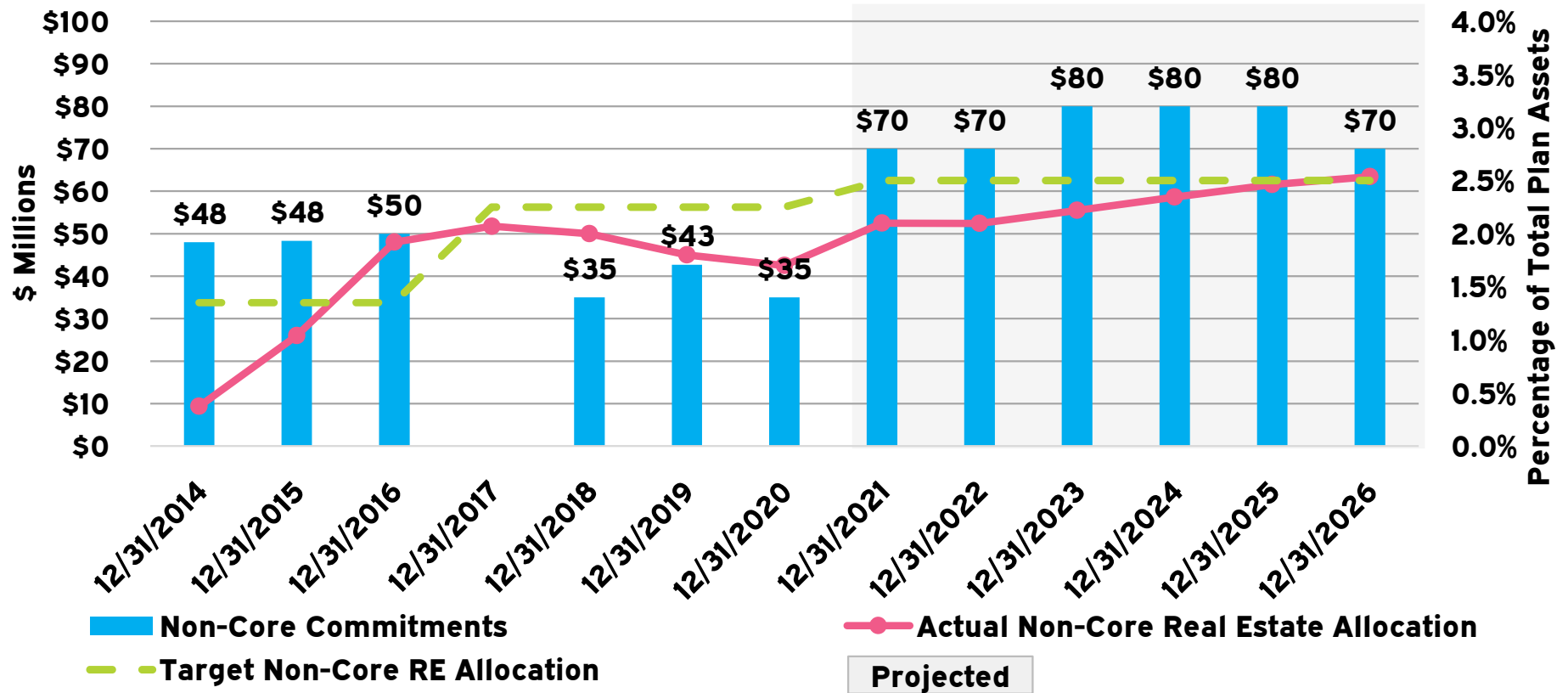


Employees' Retirement System of Rhode Island

Non-Core Real Estate | Pacing Study

Commitment Schedule

HISTORICAL & PROJECTED COMMITMENTS AND ALLOCATION



ASSUMPTIONS

- Total Plan Net Growth Rate: 3.0%
- Total Net Non-Core Real Estate Return: 7.7% - 9.2%

As of September 30, 2021.



Employees' Retirement System of Rhode Island

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Employees' Retirement System of Rhode Island

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In general, the valuation numbers presented in this report are prepared by the custodian bank for listed securities, and by the fund manager or appropriate General Partner in the case of unlisted securities. The data used in the market comparison sections of this report are sourced from various databases. These data are continuously updated and are subject to change.

This report does not contain all the information necessary to fully evaluate the potential risks of any of the investments described herein. Because of inherent uncertainties involved in the valuations of investments that are not publicly traded, any estimated fair values shown in this report may differ significantly from the values that would have been used had a ready market for the underlying securities existed, and the differences could be material. Note that for unlisted securities the valuations may be lagged by one or more calendar quarters, or may reflect original cost.

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Because there is no readily accessible market for private markets assets (companies and partnerships), the values placed on private markets assets are calculated by General Partners using conservative and industry standard pricing procedures. Annually, an independent auditor reviews the pricing procedures employed by the General Partner of each partnership.

While all private markets partnerships are audited by an independent entity, there is some discretion as to the method employed to price private companies and, therefore, private markets partnerships. At all times, Meketa Investment Group expects General Partners to utilize conservative and industry standard pricing procedures, and requires the General Partners to disclose those procedures in their reports. However, because of the inherent uncertainty of valuation, these estimated values may differ from the values that would be used if a ready market for the investments existed, and the differences could be significant.