



State of Rhode Island  
Office of the General Treasurer

**Investment Policy Statement (“IPS”) – Staff Recommendation**  
*May 21, 2021*

**RECOMMENDATION**

Staff recommends that the SIC adopt the proposed Investment Policy Statement, effective July 1, 2021.

**PURPOSE**

*1) Incorporate asset allocation adjustments approved during the March 24, 2021 SIC meeting.*

The proposed IPS incorporates the consolidation of Opportunistic Private Credit and Private Equity, the elimination of REITs, MLPs and TIPS, the addition of a 2% allocation to CLOs, labeling adjustments to Private Real Assets (ex-Real Estate) and IG Fixed Income (ex-Treasuries), and target allocation adjustments approved during the March 24, 2021 SIC meeting.

*2) Reorganize IPS structure*

The IPS has been restructured to reflect a well-organized and concise format that consolidates repetitive information and alleviates inconsistencies across different sections. While cosmetically different from the current iteration, the proposed IPS sources the majority of its language from the current IPS. Items not related to investment policy have been removed.

*3) Revise Private Credit, Non-Core Real Estate, and Private Real Assets (ex-Real Estate) asset class benchmarks*

Private Credit, Non-Core Real Estate, and Private Real Assets (ex-Real Estate) asset class benchmarks have been updated to reflect representative universe indices, consistent with ERSRI’s current treatment of Private Equity and Core Real Estate benchmarking.

**Private Credit**

*Previous benchmark:* S&P/LSTA Leveraged Loan Index, 1Q Lag + 3%

*Proposed benchmark:* ILPA Private Credit Index, 1Q Lag

**Non-Core Real Estate**

*Previous benchmark:* NFI-ODCE Index, 1Q Lag + 2.5%

*Proposed benchmark:* Cambridge Associates Value-Add Real Estate Index, 1Q Lag

**Private Real Assets (ex-Real Estate)**

*Previous benchmark:* CPI + 4%, 1 Month Lag

*Proposed benchmark:* Cambridge Associates Private Infrastructure Index, 1Q Lag