

August 2022

Rhode Island State Investment Commission

OPEB Private Equity, Private Credit, and
Real Asset Investment Plan



For Use With Institutional Investors Only - Not For the Retail Public.

Objective is to achieve OPEB's asset allocation policy and targets

Strategy and implementation plan

- Leverage ERSRI sourcing, diligence and selection of PE, RA, and PD funds
- Seed portfolios with recent ERSRI commitments that are still open
- Reach and maintain target allocations with vintage year diversification
- Follow ERSRI sector allocations plans

Private Equity Investment Plan

Target Allocation	Five Year (2026) Expected Allocation	Avg Capital Committed Per Year	Avg Number of Funds Per Year	Avg Commitment Per Fund (\$mm)
4%	3.6%	\$9.2mm	5-10	\$1m -\$2m

Sector	Target	Min	Max
US Buyout	60%	50%	100%
Growth/VC	20%	10%	30%
Opportunistic Credit	5%	0%	15%
Intl Private Equity	15%	0%	25%

Pacing Plan for Private Equity

Amounts in \$000s

OPEB-PE - Capital Budget Model	6/30/2022	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Forecast Plan Total Assets	500,000	514,782	545,668	578,409	613,113	649,900	688,894	730,227	774,041	820,484
New Commitments		10,000	10,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
<u>Private Equity Fair Value by Sector:</u>										
Private Equity Total	2	752	4,318	10,623	17,464	23,581	28,532	32,073	34,220	35,222
Private Equity Fair Value as % of Total Plan Assets	0.0%	0.1%	0.8%	1.8%	2.8%	3.6%	4.1%	4.4%	4.4%	4.3%
Private Equity Target Asset Allocation	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Unfunded Commitments and Fair Value	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Private Equity Unfunded Commitments	0	9,250	15,725	16,511	16,527	16,536	16,541	16,544	16,545	16,546
Unfunded Commitments + FV	2	10,002	20,043	27,135	33,991	40,117	45,073	48,617	50,765	51,768
Unfunded Commitments + FV as % of Assets	0.0%	1.9%	3.7%	4.7%	5.5%	6.2%	6.5%	6.7%	6.6%	6.3%
Ratio of Unf Com + FV to Target Allocation	0.00x	0.49x	0.92x	1.17x	1.39x	1.54x	1.64x	1.66x	1.64x	1.58x
Net Cash Flow Requirements		12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Total Net Cash Flow to Private Equity		(750)	(3,499)	(5,924)	(5,900)	(4,572)	(2,864)	(1,017)	692	2,026
Annual Commitments by Strategy		12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Total Annual Commitments to Private Equity		10,000	10,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000

Total Plan Assets assumed to grow at 6.0%

Objective of pacing plan shows annual commitments needed to reach target allocation (4% on an invested basis) over the first five years and then the annual commitments needed to maintain the target

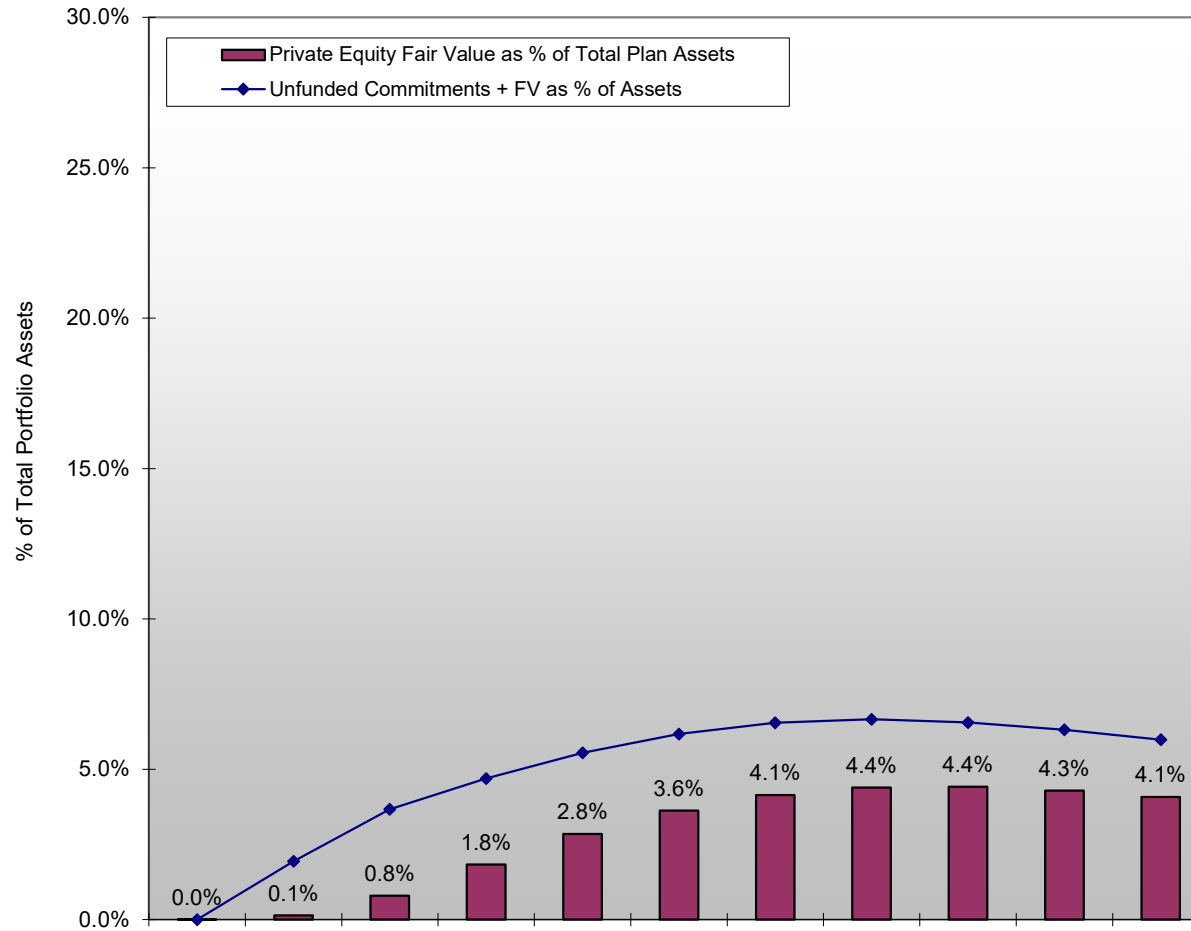
Pacing plans seeks to maintain time diversification

Plan shows higher commitments in 2022/2023 of \$10m per year as the initial portfolio can leverage off commitments recently made by ERSRI. Expect 5 to 7 commitments (\$1m to \$2m per fund) in first 2 year

Commitments in 2024-2030 are planned to follow ERSRI commitments with 7 funds/yr at \$1m per fund

Pacing Plan for Private Equity

Projected Private Equity Allocations



Target Allocation	Five Year (2026) Expected Allocation	Avg Capital Committed Per Year	Avg Number of Funds Per Year	Avg Commitment Per Fund (\$mm)
4%	3.9%	\$8.2mm	2-4	\$2m -\$5m

Sector	Target	Min	Max
Infrastructure	80%	50%	100%
Agriculture/Timber	20%	10%	30%
Minerals and Mining	0%	0%	15%
Other	0%	0%	5%

Pacing Plan for Real Assets

Amounts in \$000s

OPEB-RA - Capital Budget Model	6/30/2022	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Forecast Plan Total Assets	500,000	514,782	545,668	578,409	613,113	649,900	688,894	730,227	774,041	820,484
New Commitments		10,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Real Assets Fair Value by Sector:										
Real Assets Total	2	1,752	6,712	13,205	19,743	25,414	29,670	32,381	33,786	34,335
Real Assets Fair Value as % of Total Plan Assets	0.0%	0.3%	1.2%	2.3%	3.2%	3.9%	4.3%	4.4%	4.4%	4.2%
Real Assets Target Asset Allocation	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Unfunded Commitments and Fair Value										
	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Real Assets Unfunded Commitments	0	8,250	11,344	12,767	13,478	13,834	14,012	14,101	14,146	14,168
Unfunded Commitments + FV	2	10,002	18,056	25,971	33,222	39,249	43,682	46,482	47,932	48,503
Unfunded Commitments + FV as % of Assets	0.0%	1.9%	3.3%	4.5%	5.4%	6.0%	6.3%	6.4%	6.2%	5.9%
Ratio of Unf Com + FV to Target Allocation	0.00x	0.49x	0.83x	1.12x	1.35x	1.51x	1.59x	1.59x	1.55x	1.48x
Net Cash Flow Requirements										
		12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Total Net Cash Flow to Real Assets		(1,750)	(4,823)	(5,965)	(5,502)	(4,121)	(2,261)	(381)	1,136	2,103
Annual Commitments by Strategy										
		12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Total Annual Commitments to Private Equity		10,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000

Total Plan Assets assumed to grow at 6.0%

Objective of pacing plan shows annual commitments needed to reach target allocation (4% on an invested basis) over the first five years and then the annual commitments needed to maintain the target

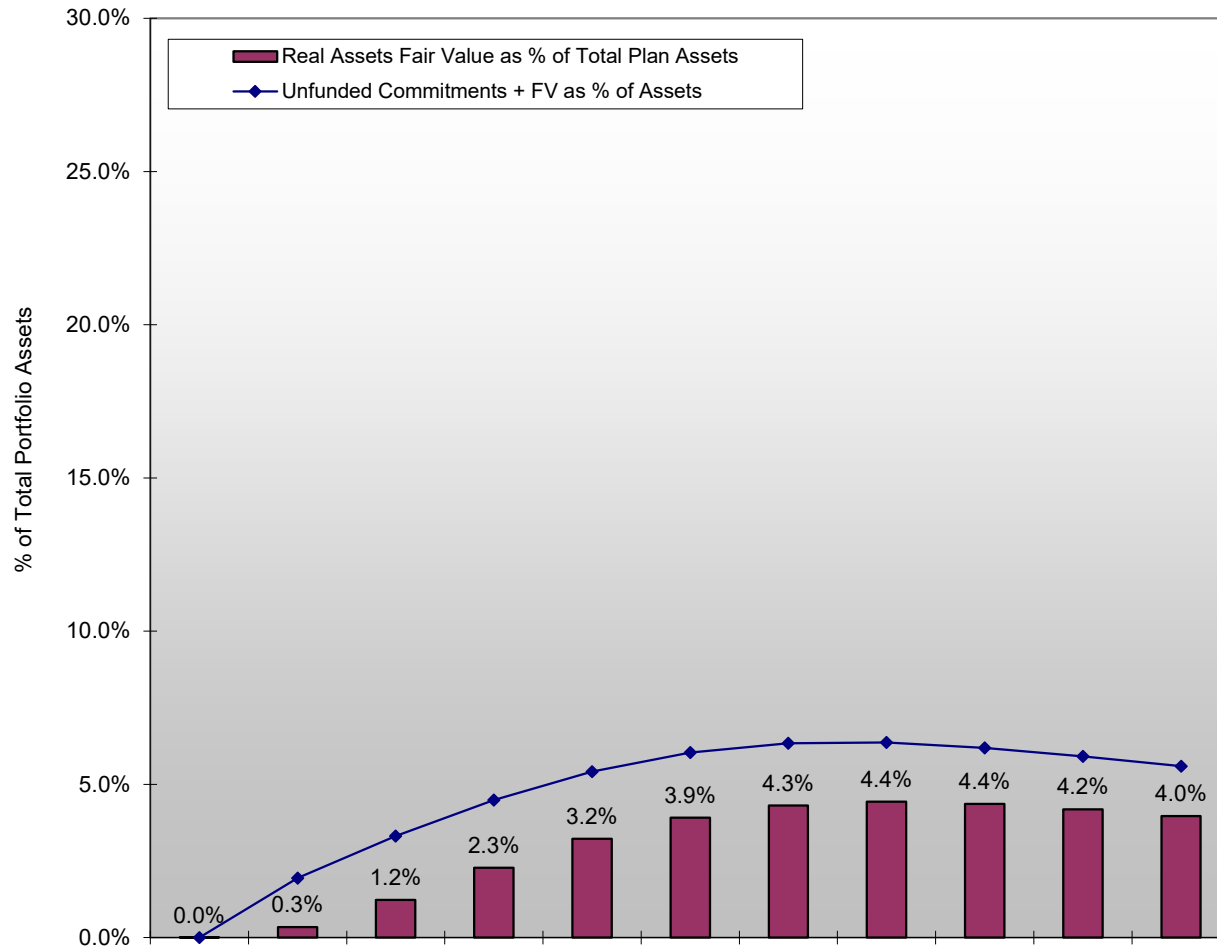
Pacing plans seeks to maintain time diversification

Plan shows higher commitments in 2022 of \$10m per year as the initial portfolio can leverage off commitments recently made by ERSRI. Expect 2 to 4 commitments (\$2m to \$5m per fund) in first year

Commitments in 2023-2030 are planned to follow ERSRI commitments with 2-4 funds/yr at \$2m per fund

Pacing Plan for Real Assets

Projected Real Asset Allocations



Target Allocation	Five Year (2026) Expected Allocation	Avg Capital Committed Per Year	Avg Number of Funds Per Year	Avg Commitment Per Fund (\$mm)
5%	4.9%	\$9 mm	2-4	\$2m - \$5m

Sector	Target	Min	Max
MM Direct Lending	60%	50%	100%
Specialty Finance	40%	20%	50%

Pacing Plan for Private Debt

Amounts in \$000s

OPEB-PC - Capital Budget Model	6/30/2022	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Forecast Plan Total Assets	500,000	514,782	545,668	578,409	613,113	649,900	688,894	730,227	774,041	820,484
New Commitments		12,000	9,000	9,000	8,000	8,000	8,000	8,000	9,000	10,000
Private Debt Fair Value by Sector:										
Private Debt Total	2	1,802	7,728	15,826	24,215	31,923	37,809	41,025	41,648	41,320
Private Debt Fair Value as % of Total Plan Assets	0.0%	0.4%	1.4%	2.7%	3.9%	4.9%	5.5%	5.6%	5.4%	5.0%
Private Debt Target Asset Allocation	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Unfunded Commitments and Fair Value	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Private Debt Unfunded Commitments	0	10,200	13,260	14,102	13,588	13,255	13,122	13,069	13,898	15,207
Unfunded Commitments + FV	2	12,002	20,988	29,927	37,803	45,178	50,931	54,094	55,546	56,527
Unfunded Commitments + FV as % of Assets	0.0%	2.3%	3.8%	5.2%	6.2%	7.0%	7.4%	7.4%	7.2%	6.9%
Ratio of Unf Com + FV to Target Allocation	0.00x	0.47x	0.77x	1.03x	1.23x	1.39x	1.48x	1.48x	1.44x	1.38x
Net Cash Flow Requirements		12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Total Net Cash Flow to Real Debt		(1,800)	(5,766)	(7,414)	(6,989)	(5,564)	(3,061)	130	3,008	4,014
Annual Commitments by Strategy		12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026	12/31/2027	12/31/2028	12/31/2029	12/31/2030
Total Annual Commitments to Private Debt		12,000	9,000	9,000	8,000	8,000	8,000	8,000	9,000	10,000

Total Plan Assets assumed to grow at 6.0%

Objective of pacing plan shows annual commitments needed to reach target allocation (5% on an invested basis) over the first five years and then the annual commitments needed to maintain the target

Pacing plans seeks to maintain time diversification

Plan shows higher commitments in 2022 of \$12m per year as the initial portfolio can leverage off commitments recently made by ERSRI. Expect 2 to 4 commitments (\$2m to \$5m per fund) in first year

Commitments in 2023-2030 are planned to follow ERSRI commitments with 2-4 funds/yr at \$2m-\$5m per fund

Pacing Plan for Private Debt

Projected Private Debt Allocations

