



EMPLOYEES' RETIREMENT SYSTEM OF RHODE ISLAND (ERSRI)

January 22, 2020

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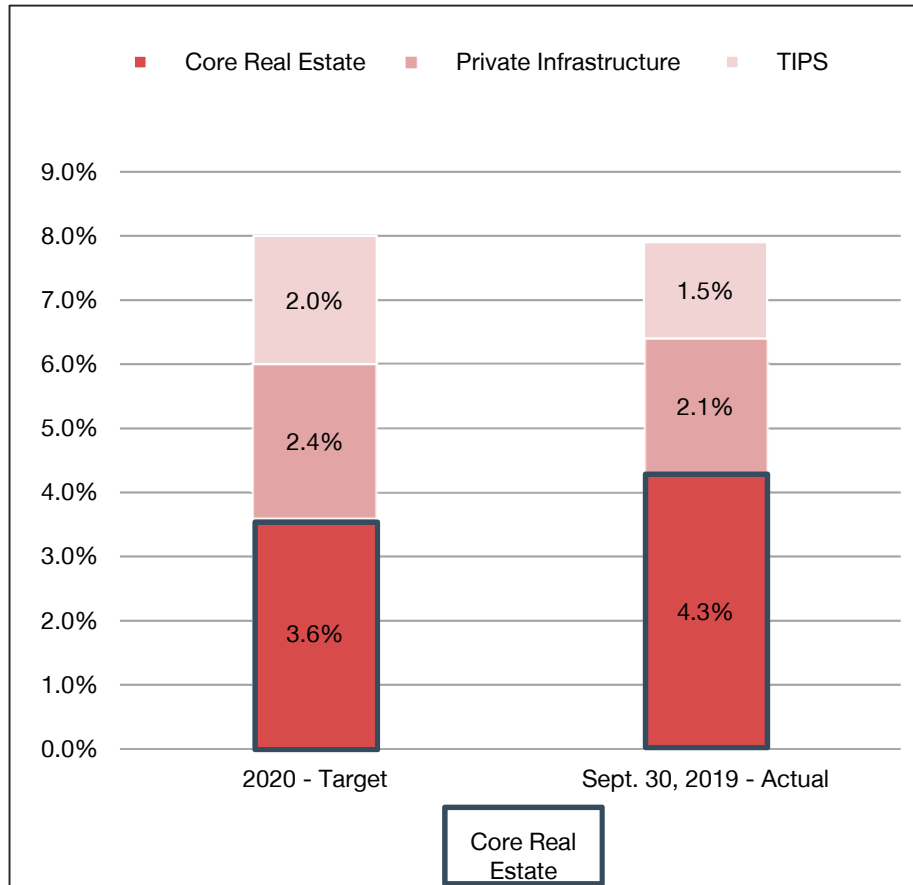
PRIVATE REAL ESTATE | OVERVIEW

STRATEGIC ALLOCATION

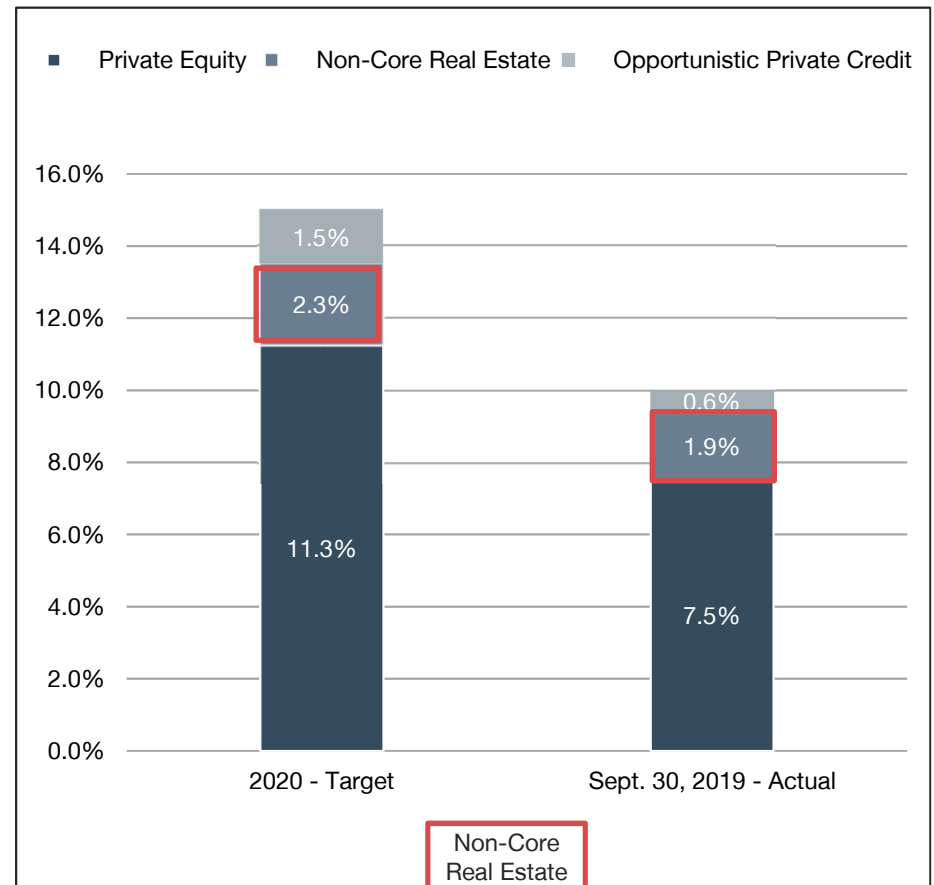
PRIVATE REAL ESTATE | STRATEGIC ALLOCATION

STRATEGIC ALLOCATION - OVERVIEW

INFLATION PROTECTION CLASS – 8% TARGET



PRIVATE GROWTH CLASS – 15% TARGET



- The targets for private real estate are:
 - Core real estate: 3.6%
 - Non-Core real estate: 2.3%
- Within the Inflation Protection Class, the long-term target for Core real estate is 45%
- Within the Private Growth Class, the long-term target for Non-Core real estate is 15%.

CORE REAL ESTATE | PORTFOLIO OVERVIEW

NET PERFORMANCE, CAPITAL ACTIVITY AND DIVERSIFICATION

CORE REAL ESTATE | PORTFOLIO OVERVIEW

NET PERFORMANCE^(1,2)

Partnership	Current Value (\$ Millions)	3Q-19 Total (%)	Net Time-Weighted Returns			Net IRRs		ERSRI Inception Year
			1-Year (%)	3-Year (%)	5-Year (%)	Since Inception (%)	Since Inception (%)	
AEW Core Property Trust	108.0	1.6	6.4	7.0	8.6	11.2	10.4	2009
Heitman America Real Estate Trust	81.8	1.6	2.9	5.8	8.0	8.0	8.5	2014
JP Morgan Strategic Property Fund	110.2	0.2	3.0	5.5	7.7	6.0	6.1	2006
Morgan Stanley Prime Property Fund	66.6	1.4	6.6	7.9	9.9	7.7	7.3	2005
ERSRI Core Portfolio	366.6	1.1	4.6	6.5	8.5	5.7	5.5	
Net NFI-ODCE		1.1	4.6	6.3	8.4	6.3	n/a	
Performance Under / Over Benchmark		0.0	0.0	0.2	0.1	-0.6	n/a	

As of September 30, 2019.

⁽¹⁾ Please note that the current values presented differ from those shown in the October 30, 2019 State Investment Commission materials with data as of September 30, 2019. The custodian reports values for the private real estate investments on a one quarter lag, adjusted for cash activity through September 30, 2019.

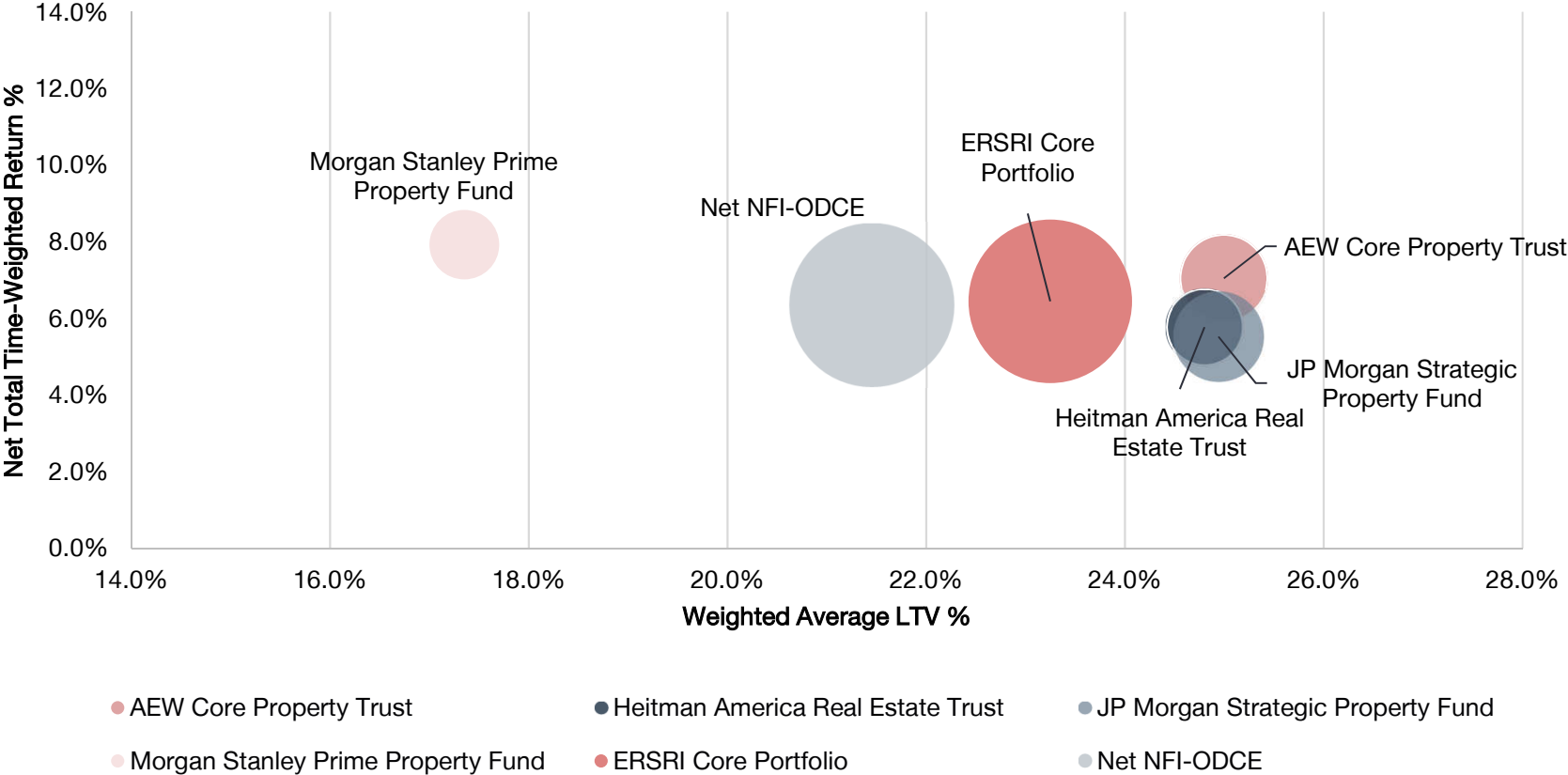
⁽²⁾ Please note that the net time-weighted returns and the Net NFI-ODCE benchmark figures presented differ from those shown in the October 30, 2019 State Investment Commission materials with data as of September 30, 2019. The custodian reports time-weighted returns for the private real estate investments based on lagged valuations. The Net NFI-ODCE benchmark returns are also on a one quarter lag, due to the availability of information.

- The Core Portfolio net total time-weighted return exceeded the benchmark for the three- and five-year time periods, was in-line with the benchmark for the current quarter and one-year time periods, and underperformed the benchmark for the since inception time period.

CORE REAL ESTATE | PORTFOLIO OVERVIEW

NET PERFORMANCE

CORE REAL ESTATE PORTFOLIO 3-YEAR NET PERFORMANCE (1),(2)



(1) The size of the bubble relates to the NAV amount of the investment as of September 30, 2019.

(2) The LTV ratios used in the graph are a weighted average.

As of September 30, 2019.

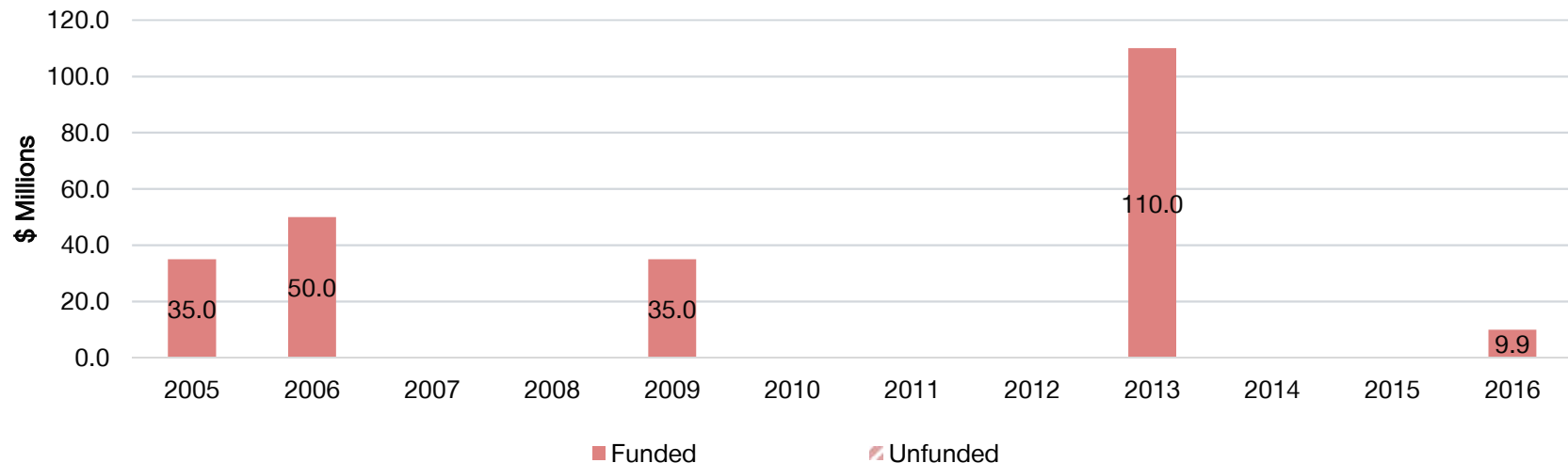


CORE REAL ESTATE | PORTFOLIO OVERVIEW

CAPITAL ACTIVITY

- Total 3Q Core Portfolio value: \$366.6 million
- Current committed but unfunded: \$0.0 million
- Total value and unfunded: \$366.6 million
- Total value and unfunded commitments as a percentage of 3Q Total Plan assets: 4.3%
- At the November 2019 State Investment Commission meeting:
 - A redemption of the approximate \$110.2 million balance from the JP Morgan Strategic Property Fund was approved.
 - Additional commitments of approximately \$25 million each to the Heitman America Real Estate Trust (HART) and the Morgan Stanley Prime Property Fund were approved.

CURRENT FUNDED COMMITMENTS

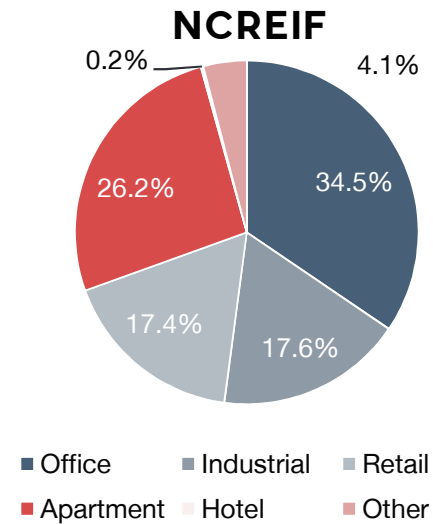
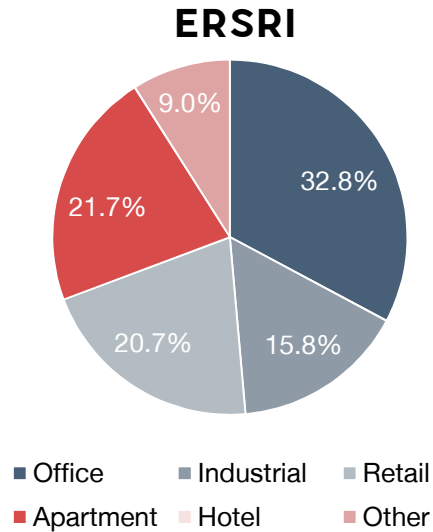


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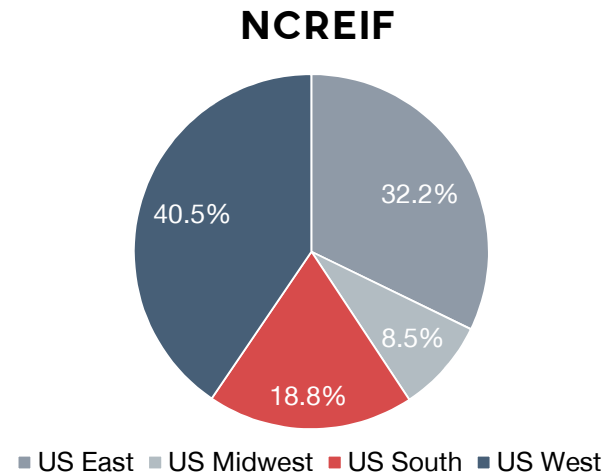
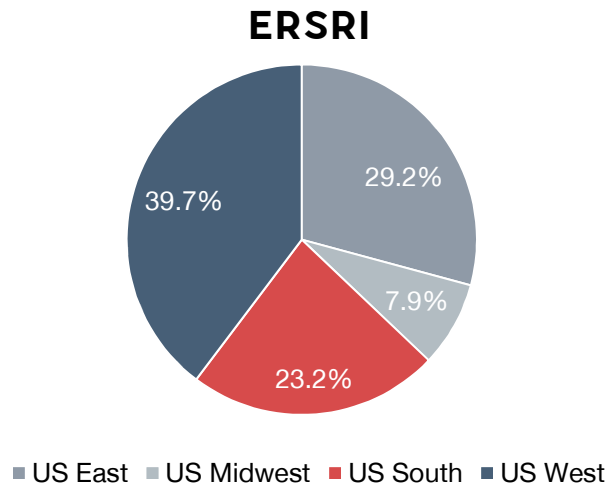
CORE REAL ESTATE | PORTFOLIO OVERVIEW

DIVERSIFICATION

PROPERTY TYPE DIVERSIFICATION



GEOGRAPHIC DIVERSIFICATION

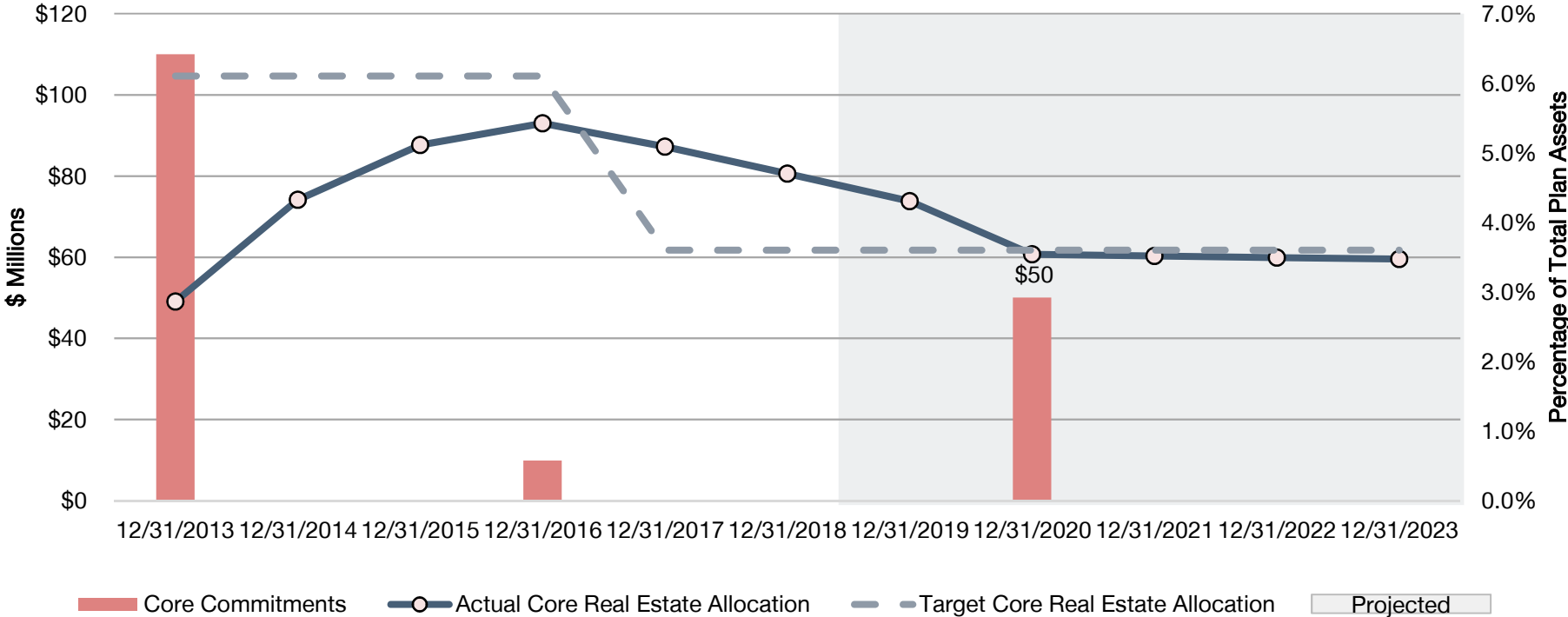


CORE REAL ESTATE | PACING PLAN
COMMITMENT SCHEDULE

CORE REAL ESTATE | PACING PLAN

COMMITMENT SCHEDULE⁽¹⁾

HISTORICAL & PROJECTED COMMITMENTS AND ALLOCATION



⁽¹⁾ The commitments in 2020 represent the increased commitments to Heitman American Real Estate Trust and Morgan Stanley Prime Property Fund.

ASSUMPTIONS

- Total Plan Net Growth Rate: 3.0%
- Total Net Core Real Estate Return: 5.5%

NON-CORE REAL ESTATE | PORTFOLIO OVERVIEW

NET PERFORMANCE, CAPITAL ACTIVITY AND DIVERSIFICATION

NON-CORE REAL ESTATE | PORTFOLIO OVERVIEW

NET PERFORMANCE^(1,2)

Partnership	Current Value (\$ Millions)	3Q-19 Total (%)	Net Time-Weighted Returns			Since Inception (%)	Net IRRs Since Inception (%)	ERSRI Inception Year
			1-Year (%)	3-Year (%)	5-Year (%)			
Crow Holdings Retail Fund	24.5	1.4	8.3	10.9	n/a	14.8	10.6	2015
Exeter Industrial Value Fund III	11.2	2.1	16.9	30.0	23.3	23.3	28.7	2014
GEM Realty Fund V	46.6	-0.6	4.9	10.5	12.8	8.4	11.0	2013
GEM Realty Fund VI	3.5	-6.4	-15.0	n/a	n/a	17.3	-9.8	2017
IC Berkeley Partners III*	0.1	1.8	-1.7	12.2	14.8	14.8	19.9	2014
IC Berkeley Partners IV	25.9	9.5	10.4	5.9	n/a	4.6	10.6	2016
Lone Star Real Estate Fund IV	9.8	-1.1	6.2	16.7	n/a	14.5	17.7	2015
Magna Hotel Fund III*	0.0	-0.6	3.2	-29.8	-20.6	-1.1	14.3	2008
Raith Real Estate Fund II	10.2	20.7	n/a	n/a	n/a	3.5	NM	2019
TriCon Capital Fund VII*	0.5	2.7	23.6	15.5	8.4	-10.6	-15.6	2005
Waterton Fund XII	31.9	2.0	9.3	11.6	n/a	15.6	13.7	2014
ERSRI Non-Core Portfolio	164.2	1.5	8.1	15.0	14.7	3.6	1.3	
Net NFI-ODCE + 250 Basis Points		1.7	7.1	8.8	10.9	8.8	n/a	
Performance Under / Over Benchmark		-0.2	1.0	6.2	3.8	-5.2	n/a	

*In liquidation

As of September 30, 2019.

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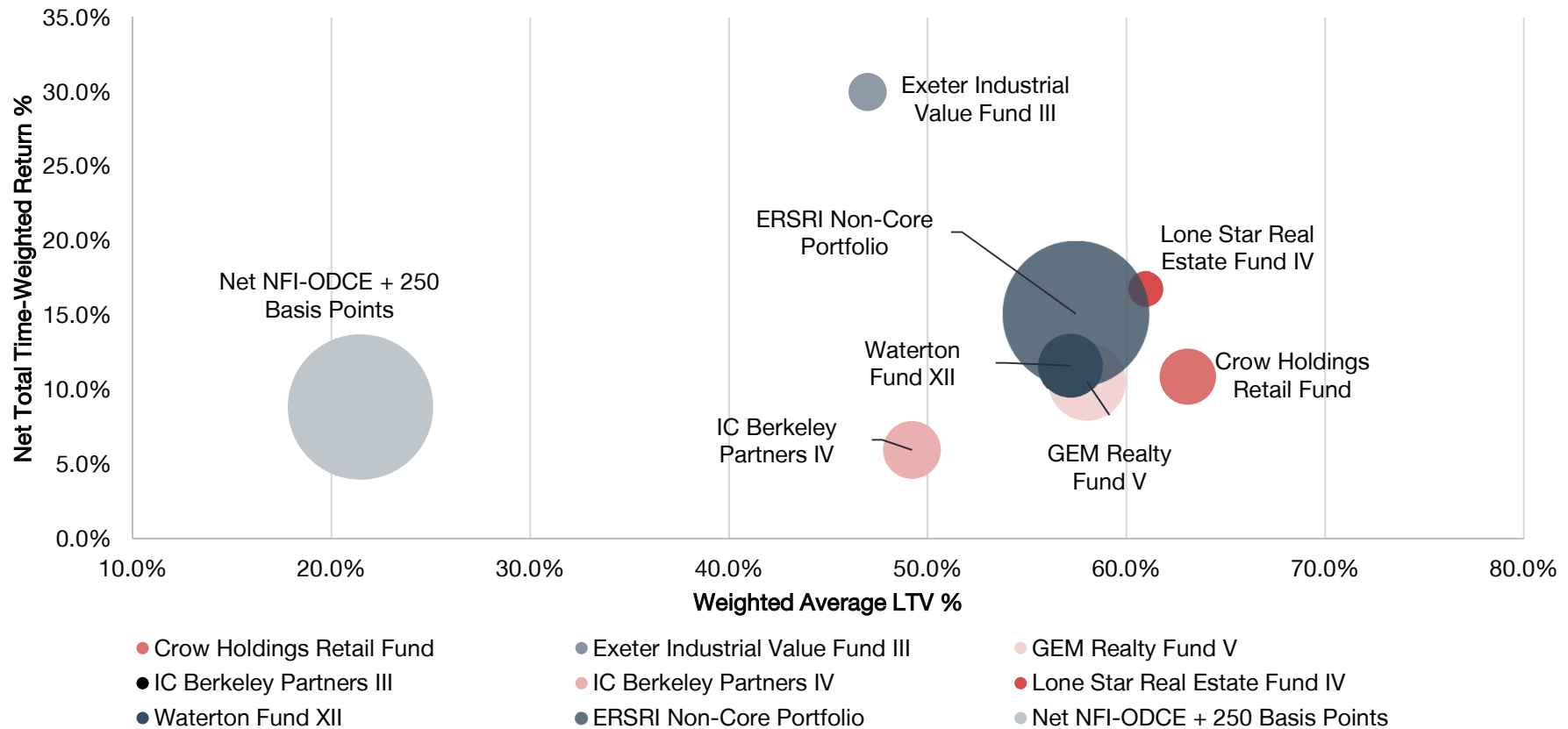
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- The Non-Core Portfolio net total time-weighted return exceeded the benchmark for the one-, three-, and five-year time periods but underperformed the benchmark for the current quarter and since inception time periods.

NON-CORE REAL ESTATE | PORTFOLIO OVERVIEW

NET PERFORMANCE

NON-CORE REAL ESTATE PORTFOLIO 3-YEAR NET PERFORMANCE ^{(1),(2),(3)}



As of September 30, 2019.

(1) The size of the bubble relates to the NAV amount of the investment as of September 30, 2019.

(2) The LTV ratios used in the graph are a weighted average.

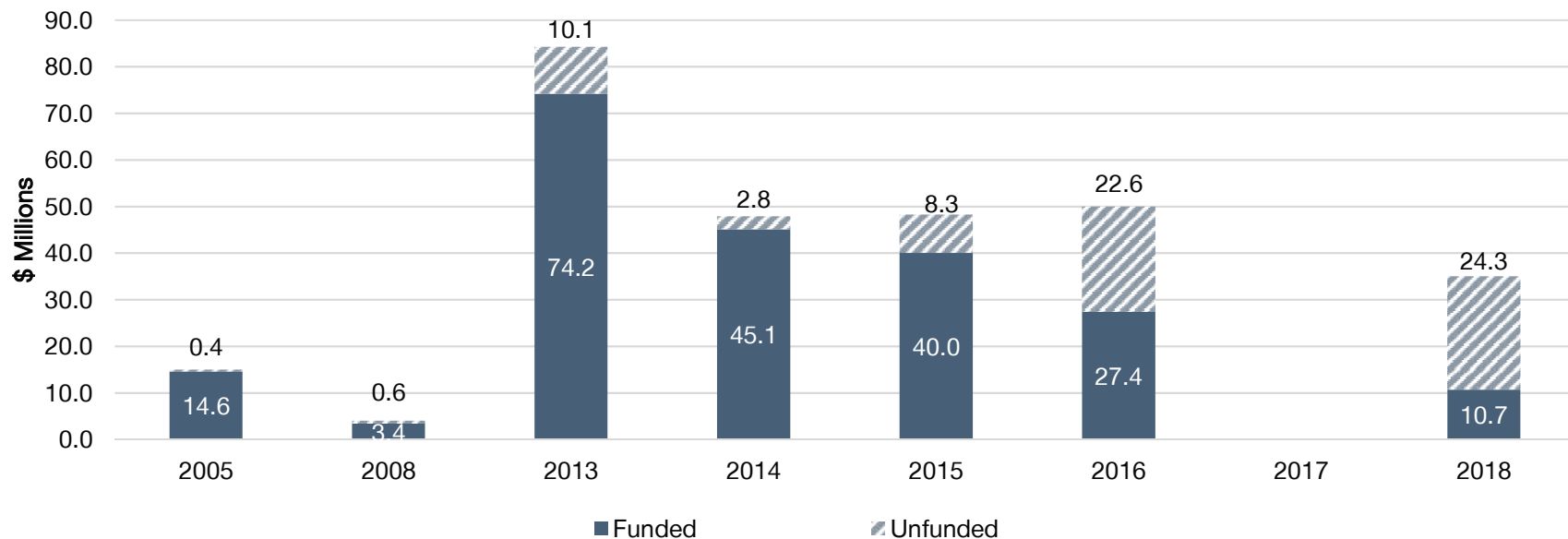
(3) Excludes GEM Realty VI and Raith Real Estate Fund II since the funds have less than three years of activity. Excludes IC Berkeley Partners III, Magna Hotel Fund III, and TriCon Capital Fund VII as they are in liquidation and/or have a net asset value of less than one million.

NON-CORE REAL ESTATE | PORTFOLIO OVERVIEW

CAPITAL ACTIVITY

- Total 3Q Non-Core Portfolio value: \$164.2 million
- Current committed but unfunded: \$69.2 million
- Total value and unfunded: \$233.4 million
- Total value and unfunded commitments as a percentage of 3Q Total Plan assets: 2.7%
- Commitments made in the fourth quarter of 2019:
 - Linchris Capital Opportunity Fund II, LP: \$15.2 million; anticipated to scale up to \$25 million during 2020.
 - Exeter Value Fund V, LP: \$25 million

CURRENT FUNDED COMMITMENTS

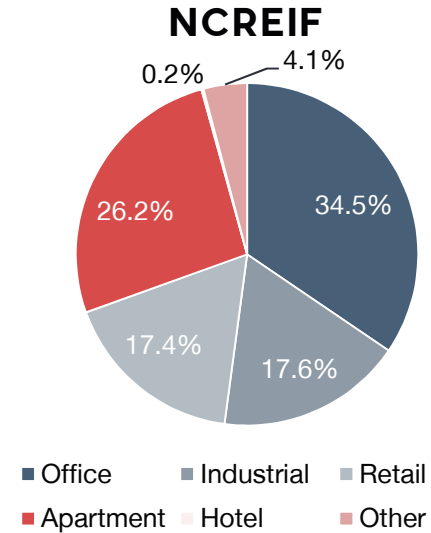
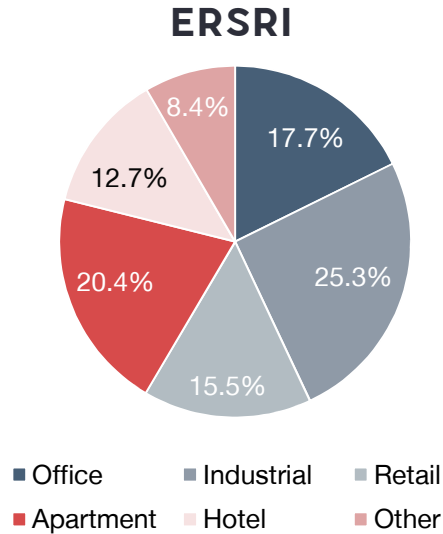


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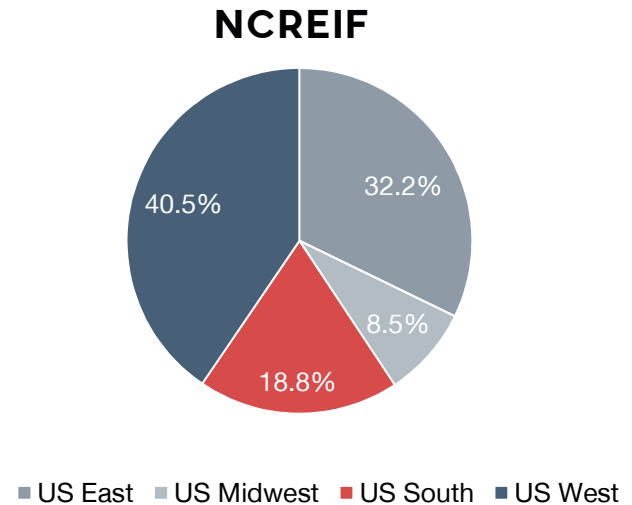
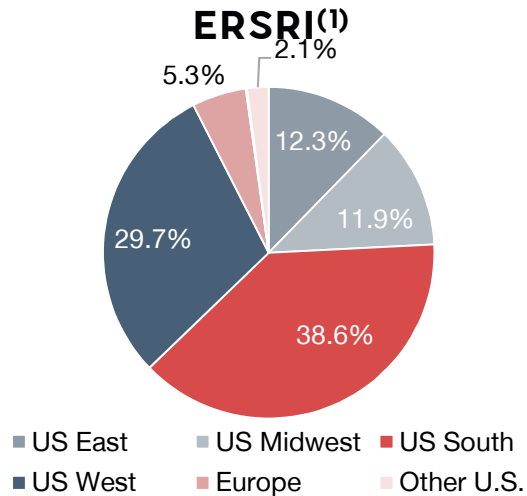
NON-CORE REAL ESTATE | PORTFOLIO OVERVIEW

DIVERSIFICATION

PROPERTY TYPE DIVERSIFICATION



GEOGRAPHIC DIVERSIFICATION

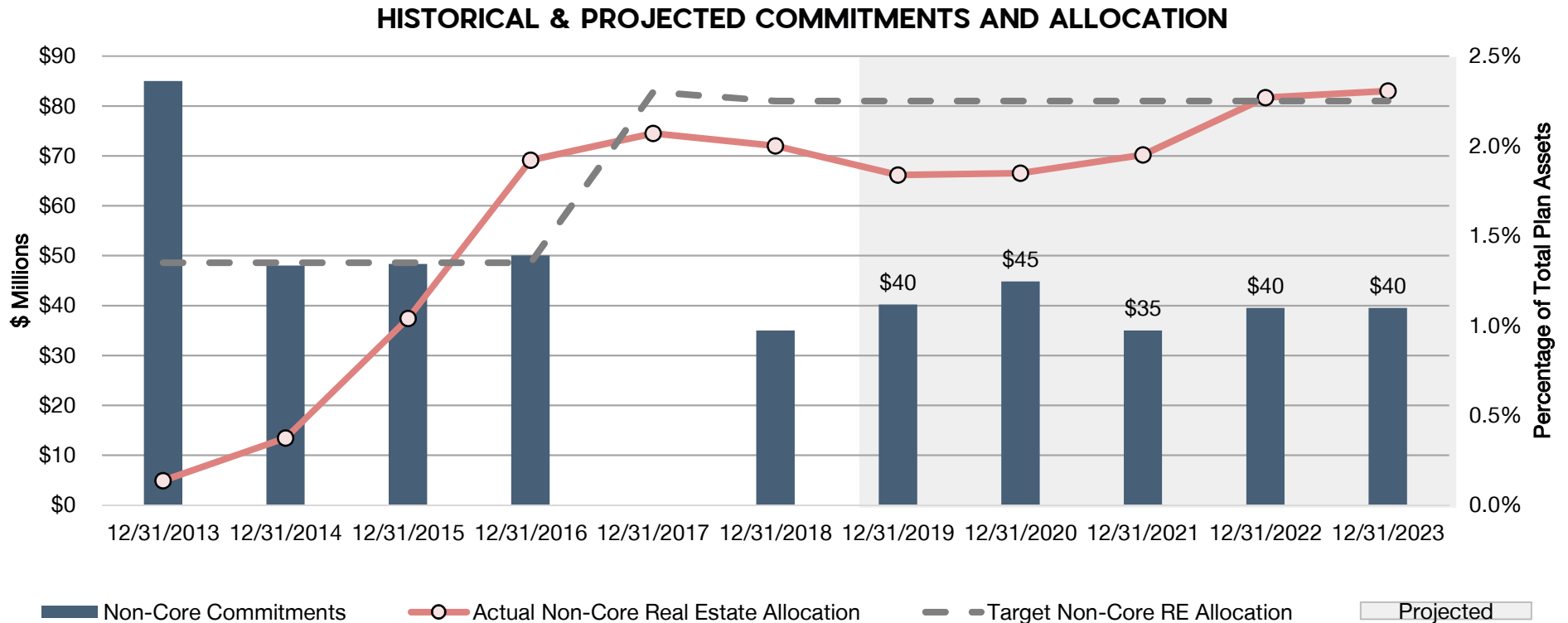


(1) An allocation of 0.1% to Asia is not shown.

NON-CORE REAL ESTATE | PACING PLAN
COMMITMENT SCHEDULE

NON-CORE REAL ESTATE | PACING PLAN

COMMITMENT SCHEDULE^(1,2)



(1) The commitments in 2019 include Linchris Capital Opportunity Fund II (\$15.2 million) and Exeter Value Fund V (\$25 million).

(2) The commitments in 2020 include the remaining \$9.8 million for Linchris Capital Opportunity Fund II to reach the maximum \$25 million commitment.

ASSUMPTIONS

- Total Plan Net Growth Rate: 3.0%
- Total Net Non-Core Real Estate Return: 10.1%

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