State of Rhode Island
Office of the General Treasurer

Staff Recommendation: The Resolute Fund VII

August 2026
Asset Class: Private Equity – Buyout

Recommendation

- **Rhode Island Employees' Retirement System Pooled Trust (ERSRI):** Approve a commitment of up to $75 million to The Resolute Fund VII ("Fund VII").
- **Rhode Island OPEB System Trust (OPEB):** Approve a commitment of up to $2 million to Fund VII.

Allocation

Plan	Allocation as of July 31, 2026	2026 Pacing Plan	Recommended Commitment
ERSRI	Private Equity: 14.6% vs. 12.5% target	$320 million across 5 to 10 funds	Up to $75 million
OPEB	Private Growth: 2.5% vs. 5.0% target	$8 million across 5 to 10 funds	Up to $2 million

Portfolio Fit

The Resolute Fund VII would add exposure to an established U.S. middle-market buyout manager with a consistent strategy, long-tenured team, and extensive in-house operating resources. TJC's focus on operational improvement, disciplined entry valuations, and strategic M&A complements ERSRI's existing buyout relationships, which have different sector profiles. The proposed commitment is consistent with the 2026 pacing plan, supporting vintage year diversification while broadening the plan's middle-market exposure.

Firm and Fund Strategy Overview

TJC is a New York-based private equity firm founded in 1982 by Jay Jordan. The firm completed a planned generational transition during Fund III, with Rich Caputo and other senior partners assuming responsibility from the founder. Fund VII is targeting $8.5 billion, with an $11 billion hard cap, and expects to invest in approximately 25 North American middle-market companies with enterprise values ranging from $100 million to $2.5 billion. The strategy primarily targets control investments across six industry verticals: Diversified Industrials, Industrial Technology, Digital and Power Infrastructure, Logistics and Business Services, Consumer, and Healthcare.

TJC targets profitable businesses in stable end markets where it can drive organic growth, operational improvement, and strategic M&A. The firm pursues a range of transaction types, including traditional buyouts, take-privates, recapitalizations, corporate carve-outs, and buy-and-build investments. TJC's Operations Management Group is integrated into diligence and post-close execution, supporting portfolio companies across operations, finance, M&A, talent, growth, and data and digital initiatives.

Merits

- **Experienced, internally developed team:** TJC has built its investment team through internal development and promotion, with seven Senior Partners averaging 28 years at the firm and five Investment Partners averaging 18 years. The firm has promoted exclusively from within to the partner level since inception and has experienced limited senior turnover. Economics are broadly shared across the senior team, reinforcing TJC's collaborative culture and alignment.
- **Differentiated sourcing and operating model:** TJC combines its long-standing origination network with an integrated operating model. Its Operations Management Group supports underwriting and post-close execution, while repeat transaction relationships have enabled TJC to source a meaningful share of investments outside fully intermediated processes, supporting disciplined entry valuations.

- **Post-succession fund performance:** The firm's post-succession funds have performed well to date, with Funds IV, V, and VI generating strong net returns. Performance has been supported by underlying earnings growth, disciplined entry valuations and successful realizations. While the newer funds remain largely unrealized, several near-term liquidity events could provide a path toward increased distributions.

Key Considerations

- **Fund size increase:** Fund VII's $8.5 billion target represents a 24% increase from Fund VI, increasing the amount of capital to be deployed while maintaining TJC's historical investment approach and underwriting discipline.
    - **Mitigant:** TJC expects to increase the number of investments rather than move materially up-market. It has expanded its investment and operating resources to support the larger portfolio.
- **Unrealized portfolio:** Funds V and VI remain largely unrealized, resulting in limited distributions and creating additional monitoring and board responsibilities as Fund VII is deployed.
    - **Mitigant:** Several potential near-term liquidity events are expected to increase distributions and reduce the unrealized portfolio. Strong underlying company performance also provides support for remaining valuations, while realizations should reduce ongoing portfolio oversight and board responsibilities as Fund VII is deployed.
- **Generalist approach:** TJC competes in a highly intermediated middle market, where broad sector coverage and sponsor-to-sponsor sourcing can increase competition for attractive investments.
    - **Mitigant:** TJC organizes its investment activities around dedicated sector verticals that deepen industry expertise and sourcing networks, while its operating resources and extensive add-on capabilities provide additional avenues for post-close value creation.

ESG & Diversity

TJC is classified as an ESG Leader. The firm adopted a formal Responsible Investment Policy in 2013 and is a signatory to the UN Principles for Responsible Investment (PRI) and the ESG Data Convergence Initiative (EDCI). TJC incorporates responsible investment considerations into diligence and portfolio monitoring, including annual KPI tracking and reporting across portfolio companies.

The firm has established several initiatives to support diversity across the firm, including broadening its recruiting pipeline, supporting mentorship and professional development, and fostering an inclusive workplace culture. The firm is also a signatory to ILPA's Diversity in Action initiative.

Fees

Management fees are 1.75% of commitments during the investment period, declining to 1.0% of invested capital thereafter. Carried interest is 20% over an 8% preferred return, with a 100% catch-up and deal-by-deal waterfall. The GP will commit at least 3.0% of aggregate commitments.