



February 2020

The State Investment Commission (SIC) and Office of the General Treasurer are pleased to publish the Employees' Retirement System of Rhode Island (ERSRI) Investment Expense Analysis for the fiscal year ending June 30, 2019.

Under Treasurer Magaziner, Rhode Island maintains one of the most comprehensive expense disclosure policies in the nation. Since 2015, Rhode Island only invests with fund managers who agree to have their performance and expenses published regularly, a policy that has become a leading practice replicated by other states. In 2017, The Rhode Island General Assembly codified Treasurer Magaziner's disclosure policy into law, ensuring the policy would continue across future administrations.

Total investment related fees and expenses in Fiscal Year 2019 were \$79.5 million. The Pension Fund earned more than \$520 million from investments net of fees and expenses and ended Fiscal Year 2019 with an estimated value of \$8.5 billion.

In September 2016, Treasurer Magaziner and the SIC announced a new asset allocation strategy called 'Back to Basics' which included a significant reduction in hedge funds in favor of more traditional strategies for growth and stability. Since implementation of 'Back to Basics', the pension fund has earned more than \$1.5 billion from investments.

Additional details on investment performance, asset allocation, and expenses can be found at:  
<http://investments.treasury.ri.gov>

Under Treasurer Magaziner's administration, all funds new to the ERSRI portfolio after June of 2015 are required to permit public reporting of their fees and expenses. While funds that received investment from the SIC before June of 2015 are grandfathered from the individualized reporting requirement, the Treasurer's office has requested that they voluntarily allow disclosure, which most have agreed to do.

In addition to displaying the fees and expenses charged by each fund individually, this report includes a comprehensive total of all manager fees and expenses paid out of the pension system by asset class. These totals reflect fees and expenses paid to every fund, including those grandfathered funds that declined to allow individualized disclosure.

Treasurer Magaziner is committed to making investment information transparent and accessible because Rhode Islanders deserve to know how their money is being invested.

Employees' Retirement System of Rhode Island Investment Expense Analysis

**FY 2019**

in \$000's

Asset Class / Type	Management Fees	Fund Expenses	Performance Expense	Total Investment Expense	Expense Ratio
Subtotal Global Public Equity	\$1,563	\$41		<b>1,604</b>	0.02%
Private Equity	13,932	3,036	12,574	<b>29,541</b>	0.35%
Non-Core Real Estate	2,940	586	2,056	<b>5,582</b>	0.07%
Opportunistic Private Credit	1,093	95	892	<b>2,080</b>	0.02%
Subtotal Private Growth	17,965	3,716	15,522	<b>37,204</b>	0.44%
HY Infrastructure	1,095			<b>1,095</b>	0.01%
REITs	36			<b>36</b>	0.00%
Liquid Credit	930			<b>930</b>	0.01%
Private Credit	1,894	1,481	880	<b>4,255</b>	0.05%
Subtotal Income	3,956	1,481	880	<b>6,316</b>	0.08%
Treasury Duration	247			<b>247</b>	0.00%
Systematic Trend	1,523	832		<b>2,355</b>	0.03%
Subtotal Crisis Protection	1,769	832		<b>2,601</b>	0.03%
Core Real Estate	3,177	213	183	<b>3,573</b>	0.04%
Private Infrastructure	2,446	979	4,350	<b>7,775</b>	0.09%
Inflation Linked Bonds	232			<b>232</b>	0.00%
Subtotal Inflation Protection	5,856	1,192	4,533	<b>11,581</b>	0.14%
Fixed Income	1,198			<b>1,198</b>	0.01%
Absolute Return	9,044	885	9,369	<b>19,298</b>	0.23%
Cash	260			<b>260</b>	0.00%
Subtotal Volatility Protection	10,502	885	9,369	<b>20,756</b>	0.25%
Short-Term Cash	168			<b>168</b>	0.00%
Beta Overlay	193	46		<b>239</b>	0.00%
Subtotal Other	362	46		<b>408</b>	0.00%
<b>Subtotal Manager Expense</b>	<b>\$41,973</b>	<b>\$8,193</b>	<b>\$30,304</b>	<b>\$80,470</b>	<b>0.96%</b>
Expense Ratio	0.50%	0.10%	0.36%	0.96%	
Consulting	\$1,276			<b>\$1,276</b>	0.02%
Custody	549			<b>549</b>	0.01%
Legal	122			<b>122</b>	0.00%
Research & Other	104			<b>104</b>	0.00%
Personnel / Operating	1,654			<b>1,654</b>	0.02%
<b>Subtotal Other Expenses</b>	<b>\$3,705</b>			<b>\$3,705</b>	<b>0.04%</b>
<b>Total Investment Expense</b>	<b>\$45,678</b>	<b>\$8,193</b>	<b>\$30,304</b>	<b>\$84,175</b>	<b>1.00%</b>
Expense Ratio	0.54%	0.10%	0.36%	1.00%	

**Note:** The additional disclosure of indirect management and indirect performance fees included in this document exceeds GASB reporting requirements and is not common practice for public pension plans. As such, care should be taken when comparing these expenses relative to expense data included in the financial statements of other plans. Because indirect expenses are not readily separable from net investment income, the expenses disclosed here are provided on a best-efforts basis, intended to be used for illustrative purposes only.

Employees' Retirement System of Rhode Island Investment Expense Analysis

**FY 2019 Publicly Traded Investment Managers**

Investment Manager	Asset Class	Inception Year	Year-End Assets	Abridged Fee Terms*		Fees Paid (\$)*		
				Management	Performance	Management	Fund Expense	Performance
State Street Global Advisors	Public Equities	2012	3,886,807,135	0.04%	0.0%	1,562,841	41,428	-
Brown Brothers Harriman	Inflation-Linked Bonds	2012	122,978,582	0.12%	0.0%	232,390	-	-
Mackay Shields	Fixed Income	2012	464,426,134	0.13%	0.0%	572,604	-	-
Pyramis	Fixed Income	2012	482,491,486	0.13%	0.0%	625,594	-	-
Pacific Investment Management Company	Credit	2013	156,360,703	0.25%	25.0%	421,643	-	-
Western Asset Management Company	Credit	2013	5,697	0.25%	20.0%	135,255	-	-
Loomis Sayles	Credit	2019	159,925,269	0.35%	6.7%	373,204	-	-
Mackay Shields	Long Duration	2017	172,630,083	0.08%	0.0%	122,769	-	-
Western Asset Management Company	Long Duration	2017	173,352,002	0.08%	0.0%	123,943	-	-
CPC AP LLC	Systematic Trend	2017	111,189,383	0.60%	0.0%	666,190	285,287	-
CPC CB LLC	Systematic Trend	2017	104,543,891	0.50%	0.0%	548,204	259,465	-
CPC QIS LLC	Systematic Trend	2017	107,981,137	0.24%	0.0%	308,184	287,226	-
Harvest Fund Advisors	MLP	2015	121,169,171	0.71%	0.0%	1,095,398	-	-
Heitman	REIT	2019	80,543,892	0.48%	0.0%	36,021	-	-
Russell Investments	Overlay	2008	20,883,352	0.10%	0.0%	193,364	46,098	-
Fidelity	Cash	2012	104,184	0.14%	0.0%	9,259	-	-
Bank of New York Mellon	Cash	2012	15,042,028	0.15%	0.0%	159,097	-	-
Payden & Rygel	Cash	2017	243,209,415	0.11%	0.0%	259,763	-	-
<b>Total</b>			<b>\$ 6,423,643,544</b>			<b>\$ 7,445,722</b>	<b>\$ 919,505</b>	<b>\$ -</b>

\*Shown are abridged terms and fees incurred in the current fiscal year. Actual fee calculations include additional considerations and reductions that space and conditions of access do not permit. Since certain funds were added to or removed from the portfolio at different times throughout the fiscal year, line items are not readily comparable. Fees are audited annually by a third-party auditor. All fee terms are reviewed by the SIC and its consultants as part of any investment decision. The additional disclosure of indirect management and indirect performance fees included in this document exceeds GASB reporting requirements and is not common practice for public pension plans. As such, care should be taken when comparing these expenses relative to expense data included in the financial statements of other plans. Because indirect expenses are not readily separable from net investment income, the expenses disclosed here are provided on a best-efforts basis, intended to be used for illustrative purposes only. Finally, please note that dollar amounts of management, expense, and performance fees paid were not prepared, reviewed or approved by the Investment Managers.

Employees' Retirement System of Rhode Island Investment Expense Analysis

**FY 2019 Absolute Return Managers**  
in \$000's

Partnership	Date of Initial Investment	Year-End Assets	Fee Terms		Fees Paid*		
			Management	Performance	Management	Fund Expense	Performance
Capula Global Relative Value Fund Ltd	Dec-11	65,169	2.0%	20.0%	1,363	155	1,101
Davidson Kempner Institutional Partners LP	Nov-11	91,551	1.5%	20.0%	1,227	57	790
DE Shaw Composite International Fund	Nov-11	124,414	2.5%	25.0%	2,750	193	4,579
Elliott Associates LP	Nov-11	113,763	1.5%	20.0%	1,257	<i>grandfathered</i>	387
Graham Capital	Jan-12	63,953	1.8%	20.0%	1,149	110	569
Viking Global Equities LP	Dec-11	70,020	1.5%	20.0%	966	<i>grandfathered</i>	2,028
Winton Futures Fund Ltd	Dec-11	38,675	0.8%	16.0%	334	44	-86
<b>Total</b>		<b>\$567,545</b>			<b>\$9,044</b>	<b>\$885</b>	<b>\$9,369</b>

Note: The term *grandfathered* is shown in cases where the limited partnership agreement, entered into between ERSRI and the investment manager at the time of initial investment, prohibits the disclosure of such information.

\*Shown are fees incurred for the current fiscal year. Since certain funds were added to or removed from the portfolio at different times throughout the fiscal year, line items may represent partial year expenses over different time frames and are not readily comparable. Fees are generally assessed on a quarterly basis and are audited annually by a third-party auditor. All fee terms are governed by funds' limited partnership agreements and are reviewed by the SIC and its consultants as part of any investment decision. The additional disclosure of indirect management and indirect performance fees included in this document exceeds GASB reporting requirements and is not common practice for public pension plans. As such, care should be taken when comparing these expenses relative to expense data included in the financial statements of other plans. Because indirect expenses are not readily separable from net investment income, the expenses disclosed here are provided on a best-efforts basis, intended to be used for illustrative purposes only. Finally, please note that dollar amounts of management and performance fees paid and the abridged fee terms were not prepared, reviewed or approved by the Investment Managers.

Employees' Retirement System of Rhode Island Investment Expense Analysis

FY 2019 Private Debt & Private Equity Managers

Partnership	Type	Vintage Year	Commitment Amount (in \$ unless otherwise noted)	Abridged Fee Terms*		Fees Paid (\$)*		
				Management	Performance	Management	Fund Expense	Performance
Advent International GPE VII	Private Equity	2012	20,000,000	1.50%	20%	184,291	11,742	(1,884,829)
Advent International GPE VIII	Private Equity	2016	20,000,000	1.50%	20%	292,648	125,749	723,233
Alta BioPharma Partners III	Private Equity	2003	15,000,000	grandfathered	grandfathered	grandfathered	grandfathered	grandfathered
Alta Partners VIII	Private Equity	2006	15,000,000	grandfathered	grandfathered	grandfathered	grandfathered	grandfathered
Altaris Constellation Partners IV	Private Equity	2018	6,000,000	0.00%	20%	-	(690)	202,258
Altaris Health Partners IV	Private Equity	2018	24,000,000	2.00%	20%	479,999	(239,808)	388,554
Aurora Equity Partners III	Private Equity	2004	15,000,000	0.00%	20%	-	373	-
Bain Capital Fund X	Private Equity	2008	25,000,000	2.00%	30%	42,965	25,727	1,796,781
Baring Asia Fund VI	Private Equity	2015	15,000,000	1.80%	20%	124,979	225,847	407,625
Baring Asia Fund VII	Private Equity	2018	50,000,000	1.75%	20%	857,021	399,723	-
Birch Hill Equity Partners III	Private Equity	2005	CAD 18,000,000	0.00%	20%	-	7,961	53,474
Braemar Energy Ventures III	Private Equity	2011	10,000,000	grandfathered	grandfathered	grandfathered	grandfathered	grandfathered
Carlyle Asia Partners IV	Private Equity	2014	30,000,000	1.50%	20%	271,826	31,741	(1,231,484)
Carlyle Asia Partners V	Private Equity	2018	50,000,000	1.55%	20%	778,184	87,093	-
Castle Ventures III	Private Equity	2006	5,000,000	0.00%	20%	-	19,334	-
Centerbridge Capital Partners	Private Equity	2006	15,000,000	1.50%	20%	23,259	2,295	(276,321)
Centerbridge Capital Partners III	Private Equity	2015	25,000,000	1.50%	20%	280,480	146,549	587,775
Charterhouse Capital Partners VIII	Private Equity	2006	€ 15,000,000	0.00%	20%	-	803	-
Coller International Partners V	Private Equity	2006	15,000,000	grandfathered	grandfathered	grandfathered	grandfathered	grandfathered
Constellation Ventures III	Private Equity	2007	15,000,000	grandfathered	grandfathered	grandfathered	grandfathered	grandfathered
CVC European Equity Partners III	Private Equity	2001	20,000,000	0.00%	20%	-	5,548	(21,251)
CVC European Equity Partners IV	Private Equity	2005	€ 16,500,000	0.00%	20%	-	2,675	(252)
CVC European Equity Partners V	Private Equity	2008	€ 20,000,000	0.80%	20%	2,595	5,806	373,609
CVC European Equity Partners VI	Private Equity	2014	€ 15,000,000	1.50%	20%	165,072	14,920	1,043,523
CVC European Equity Partners VII	Private Equity	2018	€ 35,000,000	1.50%	20%	891,090	346,434	337,781
EnCap Energy Capital Fund IX	Private Equity	2013	18,000,000	1.50%	20%	207,542	(1,132)	(13,691)
EnCap Energy Capital Fund X	Private Equity	2015	25,000,000	1.50%	20%	258,902	1,296	426,187
EnCap Energy Capital Fund XI	Private Equity	2017	50,000,000	1.50%	20%	750,000	3,074	-
Eureka III	Private Equity	2019	25,000,000	2.00%	20%	-	753	-
Fenway Partners Capital Fund III	Private Equity	2006	15,000,000	1.00%	20%	(254,395)	16,657	-
First Reserve Fund X	Private Equity	2004	20,000,000	0.00%	20%	-	2,428	(8,734)
First Reserve Fund XI	Private Equity	2006	20,000,000	0.00%	20%	-	10,622	-
Focus Ventures III	Private Equity	2006	15,000,000	2.50%	20%	47,404	grandfathered	-
German Equity Partners V	Private Equity	2019	€ 21,500,000	2.00%	20%	421,592	97,628	-
Granite Global Ventures II	Private Equity	2004	15,000,000	grandfathered	grandfathered	grandfathered	grandfathered	grandfathered
Granite Global Ventures III	Private Equity	2006	15,000,000	grandfathered	grandfathered	grandfathered	grandfathered	grandfathered
Green Equity Investors V	Private Equity	2007	20,000,000	0.75%	20%	6,834	3,235	394,668
Hastings Equity Fund IV	Private Equity	2019	25,000,000	2.00%	20%	472,405	304,507	-
Industry Ventures Partnership Holdings III	Private Equity	2014	25,000,000	1.00%	10%	250,000	31,913	1,231,047
Industry Ventures Partnership Holdings III-C	Private Equity	2015	15,000,000	0.50%	5%	49,283	79,276	129,112
Industry Ventures Partnership Holdings IV	Private Equity	2016	10,000,000	1.00%	10%	100,000	87,464	67,692
Industry Ventures Partnership Holdings V	Private Equity	2019	30,000,000	1.00%	10%	121,667	56,167	91,977
Kayne Anderson Energy Fund III	Private Equity	2005	15,000,000	0.00%	20%	-	14,344	-
Kayne Anderson Energy Fund IV	Private Equity	2007	15,000,000	0.00%	20%	-	4,290	-
Leapfrog Ventures II	Private Equity	2005	10,000,000	1.25%	20%	931	5,429	(930)
Level Equity Growth Partners IV	Private Equity	2018	17,500,000	2.50%	20%	189,964	29,273	-
Level Equity Opportunity Fund 2018	Private Equity	2018	15,000,000	1.00%	15%	-	14,775	61,692
Lighthouse Capital Partners VI	Private Equity	2007	15,000,000	0.96%	20%	4,574	1,668	-
MHR Institutional Partners III	Private Equity	2006	20,000,000	1.75%	20%	77,552	12,601	(1,006,820)
Nautic Partners V	Private Equity	2000	20,000,000	0.00%	20%	-	1,143	21,669
Nautic Partners VI	Private Equity	2007	20,000,000	1.65%	20%	51,497	(13,828)	23,395
Nautic Partners VII	Private Equity	2014	20,000,000	1.65%	20%	(8,177)	12,990	357,759
Nautic Partners VIII	Private Equity	2016	20,000,000	2.00%	20%	348,366	8,072	67,267
Nordic Capital Fund V	Private Equity	2003	€ 14,615,550	0.00%	20%	-	(6)	(5,317)
Nordic Capital Fund VI	Private Equity	2006	€ 15,000,000	0.00%	20%	-	2,556	48,767
Nordic Capital Fund VII	Private Equity	2008	€ 15,000,000	0.00%	20%	-	13,186	(185,322)
Nordic Capital Fund VIII	Private Equity	2013	€ 15,000,000	1.50%	20%	219,035	37,650	508,277
Paine & Partners Fund IV	Private Equity	2015	30,000,000	2.00%	20%	449,946	49,888	-
Paladin III	Private Equity	2008	10,000,000	1.75%	20%	153,298	25,589	974,039
Parthenon Investors II	Private Equity	2001	23,960,000	0.00%	20%	-	1,822	76,596
Point 406 Ventures	Private Equity	2006	10,000,000	grandfathered	grandfathered	grandfathered	grandfathered	grandfathered
Point Judith Venture Fund II	Private Equity	2006	5,000,000	1.00%	15%	50,000	11,576	147,808
Providence Equity Partners V	Private Equity	2005	25,000,000	0.00%	20%	-	5,629	-
Providence Equity Partners VI	Private Equity	2007	25,000,000	0.50%	20%	-	9,464	-
Providence Equity Partners VII	Private Equity	2012	25,000,000	1.00%	20%	60,684	63,426	-
Riverside Capital Appreciation Fund VI	Private Equity	2013	20,000,000	2.00%	20%	201,346	59,117	579,077
Riverside Micro-Cap Fund III	Private Equity	2014	20,000,000	2.00%	20%	354,723	166,233	2,555,218
Riverside Micro-Cap Fund V	Private Equity	2019	25,000,000	2.00%	20%	305,707	81,879	-
RLH IV	Private Equity	2017	40,000,000	2.00%	20%	800,000	118,116	-
Siris Partners IV	Private Equity	2018	50,000,000	1.75%	20%	632,473	177,308	-
Sorenson Capital Partners III	Private Equity	2014	30,000,000	2.00%	20%	555,687	107,907	1,594,506
Southwest Fund VII	Private Equity	2016	30,000,000	2.00%	20%	750,000	(47,790)	-
Tenex Capital Partners II	Private Equity	2016	25,000,000	2.00%	20%	437,485	51,379	460,171
Thomas, Mc Nerney & Partners	Private Equity	2002	15,000,000	0.00%	20%	-	3,062	-
Thomas, Mc Nerney & Partners II	Private Equity	2006	15,000,000	0.50%	20%	9,473	3,347	161,600
TPG Partners IV	Private Equity	2003	15,000,000	0.00%	20%	-	4,853	(26,198)
TPG Partners V	Private Equity	2006	20,000,000	0.00%	20%	-	4,293	-
TPG Partners VI	Private Equity	2008	10,000,000	0.50%	20%	6,623	9,937	88,185
Trilantic Capital Partners IV	Private Equity	2007	11,098,351	1.00%	20%	9,569	4,921	(57,046)
Vinci Partners III	Private Equity	2018	30,000,000	2.00%	20%	1,144,109	-	-
W Capital Partners	Private Equity	2004	15,000,000	0.00%	20%	-	6,995	-
W Capital Partners II	Private Equity	2007	15,000,000	2.00%	20%	15,830	10,843	(58,009)
CapitalSpring Investment Partners V	Private Credit	2016	30,000,000	1.50%	20%	347,917	70,272	99,128
Garrison Opportunity Fund IV	Private Credit	2014	30,000,000	1.75%	20%	461,648	323,311	-
Owl Rock Capital	Private Credit	2018	50,000,000	0.75%	0%	499,712	67,978	-
Summit Partners Credit Fund	Private Credit	2011	20,000,000	grandfathered	grandfathered	grandfathered	grandfathered	grandfathered
Summit Partners Credit Fund II	Private Credit	2014	25,000,000	grandfathered	grandfathered	grandfathered	grandfathered	grandfathered
Virgo Societas IV	Private Credit	2017	50,000,000	1.75%	20%	585,109	388,786	-
Zephyrus Aviation Partners	Private Credit	2019	20,000,000	0.00%	0%	-	63,948	-
Centerbridge Special Credit Partners II	Opportunistic Private Credit	2012	25,000,000	1.25%	20%	101,591	42,364	-
Davidson Kempner LDO Fund IV	Opportunistic Private Credit	2018	50,000,000	1.50%	20%	750,002	-	351,865
Oaktree European Principal Fund III	Opportunistic Private Credit	2011	20,000,000	1.75%	20%	241,644	50,220	217,315
WLR Recovery Fund IV	Opportunistic Private Credit	2007	8,000,000	0.50%	20%	(236)	2,365	322,887
<b>Total</b>			<b>\$ 2,010,420,078</b>			<b>\$ 16,919,584</b>	<b>\$ 4,611,422</b>	<b>\$ 14,345,208</b>

Note: The term *grandfathered* is shown in cases where the limited partnership agreement, entered into between ERSRI and the investment manager at the time of initial investment, prohibits the disclosure of such information.

\*Shown are abridged terms and fees incurred in the current fiscal year. Actual fee calculations include additional considerations and reductions that space and conditions of access do not permit. Due to differing accounting standards across jurisdictions and differing expense treatment at the underlying entity-level across general partners, and since certain funds were added to or removed from the portfolio at different times throughout the fiscal year, line items are not readily comparable. Management fee terms are commonly structured such that fees are assessed quarterly based on committed capital during the investment period (typically the first 3-5 years of a fund's life) and on the cost basis of invested capital thereafter. Management fee terms may also include further changes later in a fund's life. Performance fee terms (with the exception of venture capital funds) are commonly structured such that fees are paid only after the investor has received back 100% of their invested capital, the management fees incurred and a return of 8-9%. Fees are audited annually by a third-party auditor. All fee terms are governed by funds' limited partnership agreements and are reviewed by the SIC and its consultants as part of any investment decision. The additional disclosure of indirect management and indirect performance fees included in this document exceeds GABS reporting requirements and is not common practice for public pension plans. As such, care should be taken when comparing these expenses relative to expense data included in the financial statements of other plans. Because indirect expenses are not readily separable from net investment income, the expenses disclosed here are provided on a best-efforts basis, intended to be used for illustrative purposes only. Finally, please note that dollar amounts of management and performance fees paid and the abridged fee terms were not prepared, reviewed or approved by the Investment Managers.

Employees' Retirement System of Rhode Island Investment Expense Analysis

**FY 2019 Real Estate Managers**

Partnership	Type	Vintage Year	Commitment Amount (\$)	Abridged Fee Terms*		Fees Paid (\$)*		
				Management	Performance	Management	Fund Expense	Performance
AEW Core Property Trust	Core Real Estate	Open-End	70,000,000	0.50%	0.0%	533,150	125,276	-
Heitman HART	Core Real Estate	Open-End	60,000,000	0.92%	0.0%	734,759	47,816	-
JP Morgan Strategic Property Fund	Core Real Estate	Open-End	75,000,000	0.92%	0.0%	999,932	-	-
Morgan Stanley Prime Property Fund	Core Real Estate	Open-End	35,000,000	0.85%	0.3%	547,144	19,291	183,341
Prudential Real Estate Investors (PRISA)	Core Real Estate	Open-End	50,000,000	0.94%	0.0%	362,013	20,694	-
Crow Retail Fund	Non-Core Real Estate	2015	24,000,000	1.50%	20.0%	314,030	42,307	-
Exeter Industrial Value Fund III	Non-Core Real Estate	2014	30,000,000	1.50%	20.0%	137,303	-	586,145
GEM Realty Fund V	Non-Core Real Estate	2013	50,000,000	1.25%	20.0%	492,361	137,623	995,720
GEM Realty Fund VI	Non-Core Real Estate	2017	20,000,000	1.50%	20.0%	270,000	26,004	(27,198)
IC Berkeley Partners III	Non-Core Real Estate	2013	18,000,000	1.50%	20.0%	28,858	51,962	(12,964)
IC Berkeley Partners IV	Non-Core Real Estate	2016	30,000,000	1.38%	19.0%	412,500	144,197	(110,381)
Lone Star Real Estate Fund IV	Non-Core Real Estate	2015	24,260,817	0.60%	20.0%	50,443	9,195	479,190
Magna Hotel Fund III	Non-Core Real Estate	2008	4,000,000	0.00%	20.0%	-	2,516	(29,129)
Raith Real Estate Fund II	Non-Core Real Estate	2019	35,000,000	1.50%	20.0%	775,274	130,853	-
Tri Continental Capital VII	Non-Core Real Estate	2005	15,000,000	0.00%	20.0%	-	1,110	-
Waterton Venture XII	Non-Core Real Estate	2014	35,000,000	1.50%	20.0%	459,443	39,877	175,064
<b>Total</b>			<b>\$ 575,260,817</b>			<b>\$ 6,117,210</b>	<b>\$ 798,721</b>	<b>\$ 2,239,788</b>

\*Shown are abridged terms and fees incurred in the current fiscal year. Actual fee calculations include additional considerations and reductions that space and conditions of access do not permit. Due to differing accounting standards across jurisdictions and differing expense treatment at the underlying entity-level across general partners, and since certain funds were added to or removed from the portfolio at different times throughout the fiscal year, line items are not readily comparable. Management fee terms for closed-end funds are commonly structured such that fees are assessed quarterly based on committed capital during the investment period (typically the first 3-5 years of a fund's life) and on the cost basis of invested capital thereafter. Management fee terms may also include further changes later in a fund's life. Performance fee terms for closed-end funds are commonly structured such that fees are paid only after the investor has received back 100% of their invested capital, the management fees incurred and a return of 8-9%. Fees are audited annually by a third-party auditor. All fee terms are governed by funds' limited partnership agreements and are reviewed by the SIC and its consultants as part of any investment decision. The additional disclosure of indirect management and indirect performance fees included in this document exceeds GASB reporting requirements and is not common practice for public pension plans. As such, care should be taken when comparing these expenses relative to expense data included in the financial statements of other plans. Because indirect expenses are not readily separable from net investment income, the expenses disclosed here are provided on a best-efforts basis, intended to be used for illustrative purposes only. Finally, please note that dollar amounts of management and performance fees paid and the abridged fee terms were not prepared, reviewed or approved by the Investment Managers.

Employees' Retirement System of Rhode Island Investment Expense Analysis

**FY 2019 Infrastructure Managers**

Partnership	Vintage Year	Commitment Amount (\$)	Abridged Fee Terms*		Fees Paid (\$)*		
			Management	Performance	Management	Fund Expense	Performance
Homestead USA Farmland Fund II	2019	25,000,000	1.50%	15.0%	82,418	53,683	-
IFM Global Infrastructure, LP	Open-End	50,000,000	0.77%	10.0%	412,048	132,048	909,017
ISQ Global Infrastructure Fund, LP	2015	50,000,000	1.50%	20.0%	656,249	294,403	2,233,361
ISQ Global Infrastructure Fund II, LP	2018	40,000,000	1.60%	20.0%	483,690	351,753	241,262
Stonepeak Infrastructure Fund II, LP	2016	43,000,000	1.38%	15.0%	350,366	51,988	702,118
Stonepeak Infrastructure Fund II - C	2017	10,000,000	0.00%	0.0%	-	15,509	-
Stonepeak Infrastructure Fund III, LP	2018	35,000,000	1.38%	15.0%	461,546	79,192	264,364
<b>Total</b>		<b>\$ 253,000,000</b>			<b>\$ 2,446,317</b>	<b>\$ 978,576</b>	<b>\$ 4,350,122</b>

\*Shown are abridged terms and fees incurred in the current fiscal year. Actual fee calculations include additional considerations and reductions that space and conditions of access do not permit. Due to differing accounting standards across jurisdictions and differing expense treatment at the underlying entity-level across general partners, and since certain funds were added to or removed from the portfolio at different times throughout the fiscal year, line items are not readily comparable. Management fee terms for closed-end funds are commonly structured such that fees are assessed quarterly based on committed capital during the investment period (typically the first 3-5 years of a fund's life) and on the cost basis of invested capital thereafter. Management fee terms may also include further changes later in a fund's life. Performance fee terms for closed-end funds are commonly structured such that fees are paid only after the investor has received back 100% of their invested capital, the management fees incurred and a return of 8-9%. Fees are audited annually by a third-party auditor. All fee terms are governed by funds' limited partnership agreements and are reviewed by the SIC and its consultants as part of any investment decision. The additional disclosure of indirect management and indirect performance fees included in this document exceeds GASB reporting requirements and is not common practice for public pension plans. As such, care should be taken when comparing these expenses relative to expense data included in the financial statements of other plans. Because indirect expenses are not readily separable from net investment income, the expenses disclosed here are provided on a best-efforts basis, intended to be used for illustrative purposes only. Finally, please note that dollar amounts of management and performance fees paid and the abridged fee terms were not prepared, reviewed or approved by the Investment Managers.