Monthly-Granular Pacing Model

5-Year Cash Flow & Unfunded-Balance Projection

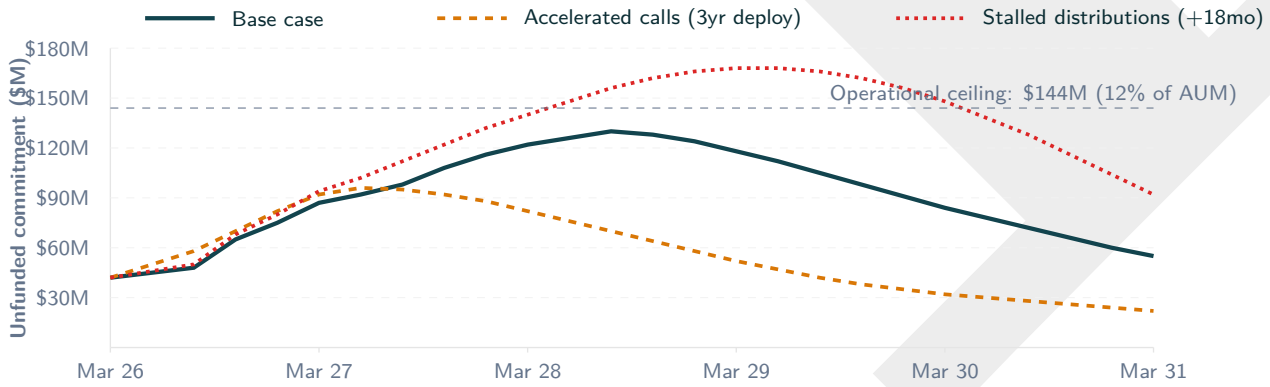
Pine Ridge University Endowment · Private Markets Program

Projection horizon: April 2026 — March 2031 · Base date: March 31, 2026

What this document is. A worked example of the cash-flow output Meridian's pacing engine produces for an institutional LP. The projection runs at *monthly* resolution rather than the annual cadence that most pacing tools use — because annual models smooth capital-call timing in ways that systematically understate over-commitment risk. This excerpt shows the headline trajectory: opening unfunded balance, projected calls, projected distributions, and ending unfunded balance, summarized to year-end stops. Three scenarios are overlaid on the chart below: a base case, an accelerated-call stress, and a stalled-distribution stress.
Pine Ridge LP context. The portfolio is the synthetic endowment used in our other sample artifacts: 14 active funds, $153.2M committed, $41.8M unfunded as of March 31, 2026, and a 2026 commitment plan of $38M ($12M committed YTD, $26M remaining). This document is illustrative — no real LP data appears.

Unfunded-Commitment Trajectory — Three Scenarios

The chart projects the program's outstanding unfunded commitment month-by-month over five years. Three scenarios are shown. The **base case** reflects the IC-ratified pacing plan with central-case capital-call and distribution timing. The **accelerated-calls scenario** compresses the typical 4–5 year deployment period to 3 years, simulating a market environment in which GPs deploy faster than projected. The **stalled-distributions scenario** extends the typical harvest-distribution timing by 18 months, simulating an exit-market freeze. Both stress scenarios are intentionally moderate — they do not assume a tail event, only a meaningful shift in pacing assumptions.



What the chart shows. The base case (solid green) peaks at approximately $130M of unfunded commitment in late 2028 — well below the $144M operational ceiling (12% of AUM) the IC has established for liquidity-stress purposes — before declining as the 2025–2027 vintage commitments mature into harvest. The accelerated-calls scenario (dashed amber) front-loads cash demands but finishes lower, ending the projection at $22M unfunded; the stalled-distributions scenario (dotted coral) is the one to watch, breaching the $144M operational ceiling by mid-2028 and remaining elevated through 2030. The latter is the binding-constraint scenario for the Treasurer's office: not because it is the most likely outcome, but because it requires the largest pre-positioned liquidity buffer.

Annual Summary — Base Case

The table below summarizes the base-case monthly projection at year-end stops. The full pacing model produces a 60-month projection at monthly resolution; only the year-end values are surfaced here for board readability. Capital-call and distribution columns are program totals across all 14 active funds plus the four planned new commitments (one closed in Q1 2026, three remaining in the 2026 plan, plus the 2027–2028 re-up cadence). Status flags compare ending unfunded against the $144M operational ceiling.

Year-end	Opening unfunded	Projected calls	Projected dist.	New commitments	Ending unfunded	Headroom
Mar 2026	$34.6M	—	—	—	$41.8M (actual)	$102M
Mar 2027	$41.8M	$28M	$24M	$38M	$87.8M	$56M
Mar 2028	$87.8M	$36M	$31M	$42M	$122.0M	$22M
Mar 2029	$122.0M	$38M	$36M	$45M	$118.0M	$26M
Mar 2030	$118.0M	$36M	$42M	$42M	$84.0M	$60M
Mar 2031	$84.0M	$32M	$48M	$40M	$55.0M	$89M

Headroom = operational ceiling ($144M, 12% of AUM) minus ending unfunded. The plan keeps positive headroom in every projected year; the closest approach occurs in Mar 2028 with $22M of headroom remaining. Stress scenarios (not shown here) extend this view to a +18-month distribution lag and a 3-year accelerated deployment.

How the Model Is Parameterized

The pacing model takes four inputs and produces one output. The inputs are: (1) the IC-ratified annual commitment schedule, broken out by asset class; (2) a per-fund call curve, calibrated by vintage age, asset class, and prior-fund GP behavior; (3) a per-fund distribution curve, calibrated the same way but with a longer duration profile; and (4) the LP's policy bands and operational ceilings against which the output is tested. The output is the projected month-by-month unfunded balance — the figure that

drives both the pacing decisions and the liquidity-buffer sizing.

Why monthly, not annual

Annual pacing models are still common in institutional practice, despite the well-documented bias they introduce. The bias arises because annual models implicitly assume that calls and distributions are evenly distributed across the year, when in reality both are clustered: capital calls tend to bunch around quarter-end portfolio additions, and distributions cluster around realized exits which themselves cluster around year-end and IPO windows. An annual model averaging these into smooth twelve-month flows will systematically understate the peak-to-trough swing in unfunded balance — and the peak-to-trough swing is exactly the figure that determines how large a liquidity reserve the endowment needs to hold against the program. Monthly resolution does not require monthly precision in the call/distribution curves; it requires acknowledging that the lumpiness exists and modeling it explicitly.

Re-running the model

The pacing model is re-run on three triggers: (a) every quarter, against actual cash flows of the trailing period; (b) on any new commitment closing, with the new fund's call curve added to the projection; and (c) on any IC-approved policy-band change, since the operational ceilings the projection is tested against will have moved. Re-runs are versioned — prior runs are not deleted — so that the trajectory of forecast revisions over time becomes itself an audit-trail artifact, available to the IC if a forecast turns out to have meaningfully diverged from realized outcomes.

End of excerpt. The full pacing-model output extends this projection with: (1) per-asset-class subtotals at the same monthly resolution; (2) the two stress scenarios in the same tabular detail as the base case shown above; (3) a recallable-distribution adjustment layer; (4) a sensitivity analysis on the call-curve calibration assumptions; and (5) the fund-by-fund call-and-distribution detail that aggregates to the program-level numbers shown here. Fund-level detail is generally omitted from the board-facing version of the model and reserved for the operations team's working copy.