

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING**

**DATA AT
FEBRUARY 28, 2007**

CHERYL MELISE

MEMBERS OF THE STATE INVESTMENT COMMISSION

Hon. Frank T. Caprio, Chair

**Mr. J. Michael Costello
Mr. Robert Giudici
Ms. Marcia Reback
Mr. John R. Treat**

**Ms. Rosemary Booth Gallogly
Dr. Robert J. McKenna
Mr. Andrew K. Reilly**



State of Rhode Island and Providence Plantations
Office of the General Treasurer

Frank Caprio
General Treasurer

**RHODE ISLAND STATE INVESTMENT COMMISSION
MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, March 28, 2007 at 9:00 a.m. in Room 135 of the State House.

AGENDA

1. Membership Roll Call
2. Approval of Minutes
 - State Investment Commission Meeting held on 2/28/07 *
3. Alternative Investments Consultant - Pacific Corporate Group
 - Lehman Brothers presentation *
4. Short Term Investments – Webster Bank (WB)
 - Motion to add WB as short term investments vendor *
5. Wilshire Associates Incorporated
 - Capital Market Review
6. Legal Counsel Report
7. Deputy Treasurer for Finance Report
8. Treasurer's Report
9. New Business

* Commission members may be asked to vote on this item.

POSTED ON WEDNESDAY, MARCH 22, 2007

**State of Rhode Island and Providence Plantations
STATE INVESTMENT COMMISSION**

Regular Meeting February 28, 2007

A State Investment Commission (SIC) meeting was held in Room 135, State House, Providence, Rhode Island on Wednesday, February 28, 2007. The Treasurer called the meeting to order at 9:05 a.m.

Membership Roll Call. Present were: Mr. Michael Costello, Ms. Rosemary Booth Gallogly, Mr. Robert Giudici, Dr. Robert McKenna, Mr. Andrew Reilly, Mr. John Treat, and General Treasurer Frank T. Caprio. Also present were: Mr. Kenneth E. Goodreau, Deputy General Treasurer for Finance; Mr. William Bensus, of Wilshire Associates Incorporated, General Consultant to the Commission; and other members of the Treasurer's staff. Ms. Marcia Reback was absent.

State Investment Commission Minutes. Mr. Costello moved, Dr. McKenna seconded and the following motion was passed unanimously. The following members voted in favor: Ms. Gallogly, Mr. Giudici, Mr. Reilly, Mr. Treat, and Treasurer Caprio.

VOTED: To approve the Minutes of the January 24, 2007 regular meeting.

Green Equity Investors V, L.P. (GEI V). Treasurer Caprio announced that a mistake had been made in the January SIC meeting in terms of the amount approved for investment in GEI V. He stated that the members had voted to approve \$15 million, and that the correct amount of recommended investment is \$20 million. Treasurer Caprio explained that the discrepancy stemmed from a transition of the administrations between former Treasurer Paul Tavares and Treasurer Caprio, which was clarified upon further review with PCG and other consultants. Treasurer Caprio therefore recommended increased investment from the amount of \$15 million to \$20 million in GEI V.

Dr. McKenna moved, Mr. Costello seconded, and the following motion was passed unanimously. The following members voted in favor: Ms. Gallogly, Mr. Giudici, Dr. McKenna, Mr. Reilly, Mr. Treat, and Treasurer Caprio.

VOTED: To invest up to \$20 million in GEI V, contingent upon satisfactory review and negotiation of investment and other legal documents.

Short Term Investments – BankRI. Treasurer Caprio announced the interest of BankRI to become one of the State of Rhode Island's short term investment vendors. Treasurer Caprio deferred to Mr. Vincent Izzo, Acting Cash Manager, who stated that BankRI has met all qualifying criteria to be added to the list of vendors. He explained that the State of Rhode Island typically has 11-12 active managers, but currently has 11 total managers of whom only 8 are active. Treasurer Caprio asked for questions, and there being none, referred the members to materials distributed on BankRI. Treasurer Caprio then recommended that BankRI be added to the list of active managers.

Dr. McKenna moved, Mr. Treat seconded, and the following motion was passed unanimously. The following members voted in favor: Ms. Gallogly, Mr. Giudici, Mr. Reilly, Mr. Treat, and Treasurer Caprio. Treasurer Caprio noted for the record that Mr. Costello removed himself from this vote.

VOTED: To add BankRI as an active manager to the list of vendors for short term investments.

Wilshire Associates Incorporated – Capital Market Review. Mr. Bensus summarized the three items on his agenda for presentation: capital market review, year-end performance summary, and management continuation policy review. Mr. Bensus began with the capital markets update and noted the previous day of volatility, specifically in reference to China and other emerging markets. He stated that the report was prepared two days prior and therefore the data would not reflect the latest fluctuations.

Mr. Bensus began his overview by stating that in general fundamentals remained in place despite fluctuations to indicate a market that is reasonably healthy, with company earnings that are in line with and above expectations and consumer confidence remaining largely intact. Mr. Bensus observed that the housing markets are flattening but there remains reasonable expectation of some revaluation.

Mr. Bensus stated that while Chinese markets were the catalyst for recent market fluctuations, these fluctuations are likely part of a process of self-correction inherent in an economy that has shifted foundations from agriculture to manufacturing to service, with business cycles that are less dramatic and less frequent. Mr. Bensus observed that overall markets have seen solid expansion since 2002, and in that context, the previous day's 3.5% loss (following an 8-9% initial loss and 4% recovery) is most likely a normal revaluation as opposed to an anomaly.

Mr. Bensus stated that U.S. markets continue to be encouraged by companies' profitability. He observed that the big surprise in U.S. equities is the continued strength of small cap stocks, which remain ahead of large cap. Mr. Bensus stated that U.S. markets are forecasting modest economic growth overall.

Mr. Bensus stated that international markets remain attractive despite recent losses. Non-U.S. equities continue to outperform U.S. equities as they have for the past 5-6 years, driven by emerging markets that have pursued better economic and political policies, in addition to having commodities-based economies and relatively inexpensive yet educated workforces that are attractive to foreign investors.

In terms of fixed income markets, Mr. Bensus stated that there continues to be an unusual situation of an inverted yield curve combined with tight high yield spreads to Treasuries, which sends mixed signals to investors. Mr. Bensus explained that inverted

yield curves typically forecast economic recession, while tight high yield spreads typically indicate economic strength.

Mr. Bensus reiterated the long-term strategy of RIIERS investments, and that going forward, fluctuations in the market are to be expected and contextualized within that long-term strategy. Mr. Bensus stated that he believes RIIERS investments are very well-structured for this purpose, requiring little reaction on volatile market days such as the previous one.

Wilshire Associates Incorporated – Year-End Summary. Mr. Bensus introduced a comparison of RIIERS investments to peer funds, in terms of performance and asset allocation. Mr. Bensus stated that RIIERS investment allocations are roughly on par with peer funds in terms of U.S. equities (43% of fund) and alternative investments (6%), above average in terms of non-U.S. equities (24%), and slightly below average in terms of fixed income (23%).

Mr. Bensus summarized the total fund performance over one-, three-, and five-year bases: one-year (2006) saw 15% returns, which were slightly below policy. Three-year returns saw strong returns of 12.4% and a ranking in the 29th percentile (higher than 70% of RIIERS peer funds). Five-year returns were likewise strong with 9.8% returns and a ranking in the 20th percentile (higher than 80% of peer funds).

Mr. Costello inquired as to how securities lending and other revenues are accounted for in these figures. Mr. Bensus replied that he believes securities revenues come into the system and are accounted for incrementally on a total fund basis.

Treasurer Caprio asked Mr. Bensus to describe the difference between actual and policy performance. Mr. Bensus explained that policy benchmarks are derived from calculations related to target asset allocations and past performance numbers. Mr. Bensus explained that drift is a large factor contributing to differences between target and actual performance, such as the 4% that RIIERS invests (24% total) above its policy target of 20% asset allocation in non-U.S. equities, which yielded positive returns for the fund. Another contributing factor is the mix of both active and passive alternative investments employed by the fund.

Mr. Giudici expressed concern as to the capacity for the RIIERS fund to react to market changes, and inquired as to whether there are formalized guidelines in place, and whether they are monitored on an ongoing basis. Mr. Bensus answered affirmatively on both counts. He further stated that he believes the fund is well-structured to weather volatility, having a central anchor of fixed income along with more active investments that will serve the fund well in the long term. Treasurer Caprio requested that Mr. Giudici receive a copy of the fund's investment policy.

Mr. Bensus moved on to the individual performance analyses of each of the three sectors comprising RIIERS fund investments: U.S. Equities, non-U.S. equities, and fixed income. Mr. Bensus cited strong U.S. equity performance in both short (one-year) and

long (seven-year) terms as evidence of the efficacy of the fund's structure. Mr. Bensus moved to non-U.S. equities, in which Mr. Bensus pointed to a disappointing period during May-June 2006 when the markets' risk preference shifted away from emerging markets and the fund netted a 1-2% loss; the markets flatlined until September before rising again sharply in the fourth quarter. Mr. Bensus said that while this struggle was disappointing it was not uncommon, and he believed the general fund structure was sound. Mr. Bensus pointed to solid returns over time: RIIERS investments saw returns in the top quartile over one- and three-year periods, and missed the top quartile by roughly 2% over five years. Mr. Bensus finally moved to fixed income investments, citing again their importance as an anchor for the fund, with returns well in line with expectation over the long term.

Ms. Gallogly inquired if there is anything the fund can do in terms of structure, specifically in relation to emerging markets and other risks, to better guard against market volatility. Mr. Bensus replied that there are limitations in place for both cash allocation and investment benchmarks that prevent investment managers from being overly reactive to market changes, and that over time the structure has proven sound.

Treasurer Caprio thanked Mr. Bensus for his review and introduced the management continuation policy overview, stating that it is performed every six months (in June and December) by the SIC.

Wilshire Associates Incorporated – Management Continuation Policy Overview. Mr. Bensus gave a brief history of the policy, which was implemented in January 2000, and used as one tool to evaluate investment managers. He stated that Wilshire utilizes a three-year trailing basis for evaluation, and that managers may be terminated and/or replaced when it is determined that their skill levels have dropped.

In terms of non-U.S. equity managers, Mr. Bensus commented that Boston Company has struggled somewhat in their performance but that he believes the firm is solid and worth retaining.

Mr. Bensus recommended termination of Shenkman Capital Management (Shenkman), which has shown disappointing performance. Mr. Bensus attributed this poor performance to, among other reasons, the fact that Shenkman has quadrupled its assets and is unsuccessfully applying its strategies over this greatly increased asset base. Mr. Bensus stated that while it is somewhat expensive to RIIERS to change managers, he believes it a prudent move for the fund to terminate its relationship with Shenkman.

Mr. Costello questioned Wilshire's strategy in terms of high yield investments and long term returns, stating that the decision to terminate a high yield manager such as Shenkman indicates a major shift in asset allocation in terms of long-range perspective. Mr. Costello further stated that he would like Mr. Bensus to clarify whether this is indeed a long-term decision, or something more temporary. Mr. Bensus replied that Wilshire prefers high yield for solid returns over time, and that the issue would be revisited and/or qualifiers could be established for reevaluation. Mr. Bensus added that he believes a

temporary reduction of risk exposure is most prudent for the fund until the credit environment returns to more normal conditions.

Treasurer Caprio interjected that the fund has the option to redeploy the cash from Shenkman to its other existing managers, both high yield and fixed income, in addition to using it for day-to-day cash operations, and this has been part of the internal staff discussions with Wilshire.

Mr. Costello inquired whether the fund would consider allocating more of this capital to high yield managers. Treasurer Caprio confirmed that as a possibility, and added that the reduction from two high-yield managers to one reflects an earlier composite of investment managers in the fund, which was originally structured with only one high-yield manager and added a second more recently.

There was some discussion of the long process of adding new managers to the fund, and the possibility of allocating more capital to existing managers in the high yield sector rather than selecting new managers and forging new relationships.

Mr. Bensus moved on to discuss the performance of other managers in the fund, which he characterized as in line with benchmarks with the exception of Wellington Management Company (Wellington), which has shown somewhat disappointing returns. Mr. Bensus explained that the firm has reduced its risk exposures resulting in poor relative performance, but that he believes the firm remains worthwhile and is not cause for concern.

Treasurer Caprio thanked Mr. Bensus for his report. There being no questions from the members, Treasurer Caprio then entertained a motion incorporating the recommendations of Wilshire, and pursuant to management continuation policy, that the SIC terminate the RIIERS fund's investment relationship with Shenkman Capital Management, and to instruct staff and consultants to liquidate holdings at the lowest possible transaction cost and without market disruption over the course of the next 45 days as necessary, and then to utilize the proceeds for daily cash needs of the fund and to redeploy excess cash to the fixed income investment structure.

Mr. Costello moved, Mr. Treat seconded, and the following motion passed unanimously. The following members voted in favor: Ms. Gallogly, Mr. Giudici, Dr. McKenna, Mr. Reilly, and Treasurer Caprio.

VOTED: To terminate the relationship with Shenkman Capital Management, removing them from the RIIERS fund investment manager list, to utilize proceeds for daily fund cash needs, and to redeploy excess cash to existing fixed income investment structure.

Legal Counsel Report. Ms. Donegan was not present for the meeting and there was no legal counsel report this month. Treasurer Caprio directed the SIC to await the report for the next meeting in March, and introduced Deputy Treasurer Goodreau.

Deputy Treasurer for Finance Report. Mr. Goodreau thanked the Commission and stated that the termination of Shenkman is an indication of the top to bottom review that the office of the Treasurer is in the initial stages of conducting. Mr. Goodreau further stated that he considered the decision a matter of policy, and that the Treasury staff is thoroughly investigating whether any other changes should be undertaken.

Treasurer's Report. Treasurer Caprio thanked Mr. Goodreau for his comments. He announced the creation of an SIC subcommittee for issues of audit and governance, consisting of Mr. Reilly and Mr. Giudici in addition to himself as the three initial members, with the possibility of adding more. Treasurer Caprio extended an open invitation to interested members.

Treasurer Caprio made brief comments about the previous day's unusual market fluctuations, stating that they will be watched closely. He further announced that State Street consultants are providing daily numbers, and that the RIIERS fund netted losses of only slightly more than 1% in the downturn. He noted that this minimal loss is indication of the successful diversification and asset allocation of the fund.

Finally, there being no questions from the members and no new business, Treasurer Caprio welcomed the two new members of the SIC, Mr. Giudici and Mr. Reilly, as well as Mr. Treat, who was not present at the previous meeting.

Mr. Reilly moved, Dr. McKenna seconded, and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Ms. Gallogly, Mr. Giudici, Mr. Treat, and Treasurer Caprio.

VOTED: To adjourn the meeting.

There being no further business, the meeting was adjourned at 10:20 a.m.

Respectfully submitted,

Frank T. Caprio
General Treasurer

RHODE ISLAND STATE INVESTMENT COMMISSION
STAFF SUMMARY ANALYSIS
PORTFOLIO HIGHLIGHTS
February 28, 2007

PORTFOLIO PERFORMANCE

February

The ERSRI portfolio posted a loss of 0.29% for the month of February, against the policy index of -0.29%. Domestic equities lost 1.48%, international equities gained 0.29%, and the fixed income asset class returned 1.60%. Additionally, the retirement fund earned \$160,789 from the securities lending program during this month.

Calendar Year to Date

For the two months ended February 28, 2007, the portfolio is up 0.57% against the policy index of 0.71%. Domestic equities were up 0.15%, international equities were up 0.60%, while fixed income generated a return of 1.80%.

Fiscal Year to Date

For the Fiscal Year ended June 30, 2007, the fund has gained 9.89%, against the policy index of 11.69%.

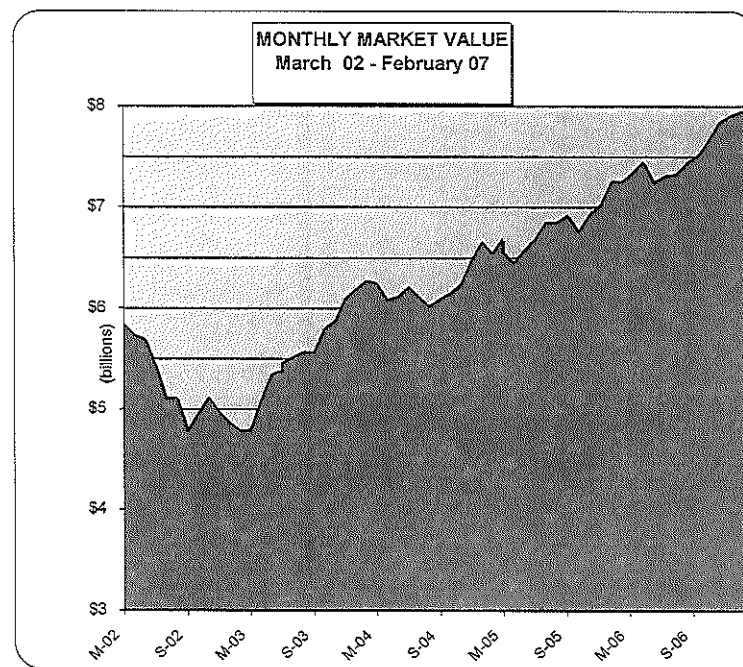
Index Performance Summary - February 28, 2007		
Market Indices	Feb-07	Calendar YTD
Domestic Equity		
S & P 500	-1.96%	-0.47%
DJ Wilshire 5000	-1.58%	0.32%
Russell 2000	-0.79%	0.87%
Russell 1000	-1.72%	0.17%
Policy Index	-0.29%	0.71%
International Equity		
MSCI ACWI	0.81%	0.99%
Fixed Income		
Lehman AGG	1.54%	1.50%
Real Estate		
NCREIF	3.51%	3.51%

ERSRI Performance By Asset Class	Feb-07	Calendar YTD
Domestic Equity	-1.48%	0.15%
Fixed Income	1.60%	1.80%
International Equity	0.29%	0.60%
Total Fund Composite*	-0.29%	0.57%
Manager Summary	Feb-07	CYTD
DOMESTIC EQUITY		
Shott	-8.50%	-0.12%
PIMCO	-1.69%	-0.47%
SSgA Russell 1000	0.00%	0.00%
SSgA Core	-1.21%	1.31%
Wasatch	0.00%	0.00%
Northpointe	-0.10%	1.20%
Wellington	-0.86%	1.41%
Total Domestic Equity	-1.48%	0.15%
FIXED INCOME		
Brown Bros TIPS	2.13%	2.09%
Brown Bros Core	1.64%	1.69%
Fidelity	1.28%	1.39%
Taplin Canida & Habacht	1.41%	1.87%
InState Fixed Income	0.00%	0.00%
Shenkman	1.50%	2.39%
Mackay Shield	1.11%	1.72%
Total Fixed Income	1.60%	1.80%
INTERNATIONAL EQUITY		
Mondrian	0.65%	0.56%
Goldman Sachs	0.23%	0.99%
Boston Co	0.00%	0.25%
Total International Equity	0.29%	0.60%
*Total Fund Composite includes all classes		

Market Valuation Report
February, 2007

Market Values

The total portfolio value decreased in February by \$22.6 million to \$7.92 billion. This compares with a decrease in value of \$2.9 million for the same period in 2006. The domestic equity market values decreased by \$50.9 million; fixed income increased by \$29.9 million; while international values decreased by \$19.3 million, including a \$24.9 million transfer out. The cash accounts increased by \$18.9 million including transfers in of \$24.0 million, and alternative investments decreased by \$1.3 million including transfers out netting \$2.3 million.



Cash Flow

January's pension payroll of \$56.3 million was more than the \$ 51.0 million in contributions and wire transfers received by \$5.3 million.

To meet pension and other obligations, \$5.0 million was transferred from long-term investments.

Alternative Investments

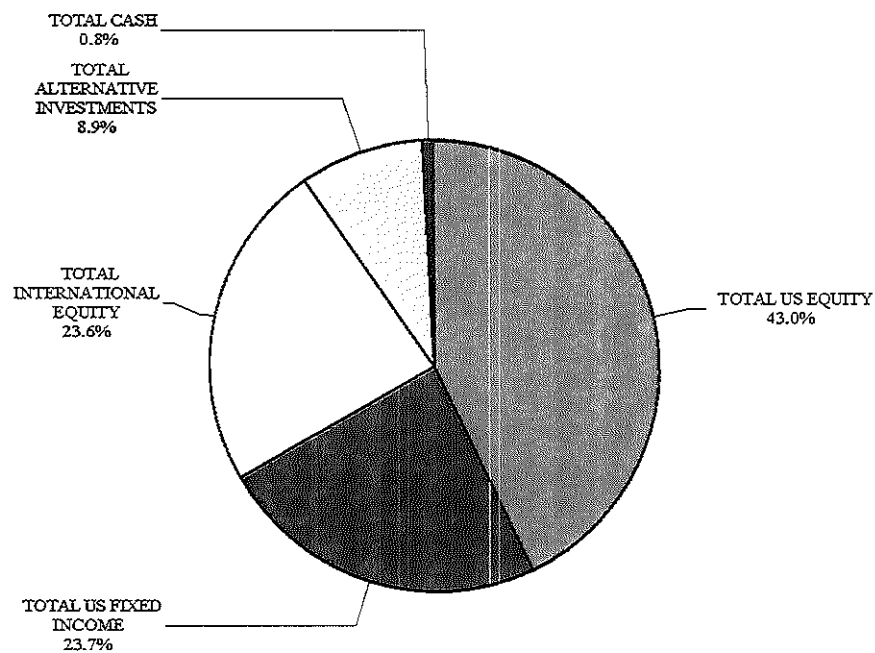
At this time the alternative investment asset class has unfunded commitments of approximately \$406 million on commitments of \$863 million.

**CAPITAL CALLS
Net of Distributions**

February 2007	FYTD	UNFUNDED BALANCE
-\$4,871,945	-\$8,208,686	\$406,377,355
February 2006	FYTD	UNFUNDED BALANCE
\$12,061,837	\$96,839,017	\$431,824,908



CURRENT ASSET CLASS ALLOCATION (IN MILLIONS)

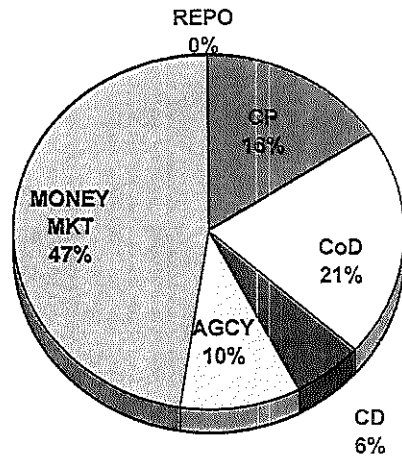


MANAGER	CURRENT PERIOD
TOTAL US EQUITY	3,404.7
TOTAL US FIXED INCOME	1,881.2
TOTAL INTERNATIONAL EQUITY	1,873.1
TOTAL ALTERNATIVE INVESTMENTS	703.7
TOTAL CASH	62.1
TOTAL	7,924.8

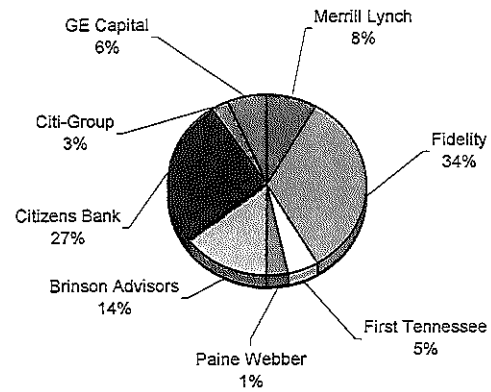
RHODE ISLAND STATE INVESTMENT COMMISSION

SHORT TERM CASH INVESTMENTS AT FEBRUARY 28, 2007

Portfolio By Instrument



Portfolio by Issuer



REPO = Repurchase Agreement
CP = Commercial Paper
CD = Certificate of Deposit
CoD = Collateralized Deposit
Agency = US Government Agency

**State of Rhode Island
Office of the General Treasurer
Short-Term Investments**

**Issuer Credit Ratings
February, 2007**

Issuer	Type of Instrument	Month End % Portfolio	Issuer Ratings		S-T Debt Rating		L-T Debt Rating		Credit Outlook
			Moody's		Moody's	S&P	Moody's	S&P	S&P
Chase Securities	2,3,5	0%	Aa3		P-1	A-1	Aa3	A+	Positive
Citigroup Inc.	2	3%	Aa1		P-1	A-1+	Aa1	AA-	Positive
Citizens Bank RI	3,4	26%	Aa2		P-1	A-1+	Aa2	AA-	Stable
Dreyfus	6	0%	Aa3		P-1	A-1+	Aa3	AA-	Stable
First Tennessee Capital Markets	5	5%	A1		P-1	A-1	A1	A	Stable
Fidelity	6	33%				N/R		N/R	N/R
Merrill Lynch	2,5,6	8%	Aa3		P-1	A-1	Aa3	A+	Positive
GE Capital	2	6%	Aaa		P-1	A-1+	Aaa	AAA	Stable
Morgan Stanley	1,2,5	0%	Aa3		P-1	A-1	Aa3	A+	Stable
Paine Webber	5	3%	Aa2		P-1	A-1+	Aa2	AA+	Stable
UBS Brinson Advisors	6	14%	Aa2		P-1	A-1+	Aa2	AA+	Stable
State Street Bank & Tru	1,3	0%	Aa2		P-1	A-1+	Aa2	AA	Stable

Instrument Codes

- 1 Repurchase Agreement
- 2 Commercial Paper
- 3 Certificate of Deposit
- 4 Collateralized Deposit
- 5 US Agency Discount Note
- 6 Government Money Market

Ratings Definitions

Moody's Short-Term Debt Ratings:

- P-1 - Prime-1 have a superior ability for repayment of sr. S-T debt obligations
- P-2 - Prime-1 have a strong ability for repayment of sr. S-T debt obligations
- P-3 - Prime-1 have an acceptable ability for repayment of sr. S-T debt obligations
- NP - Not Prime

Moody's Issuer Rating Symbols:

- Aaa - Offer exceptional financial security (high-grade)
- Aa - Offer excellent financial security (high-grade)
- A - Offer good financial security
- Baa - Offer adequate financial security
- Ba - Offer questionable financial security
- B - Offer poor financial security
- Caa - Offer very poor financial security
- Ca - Offer extremely poor financial security
- C - Lowest rated class, usually in default

Modifiers:

- 1 - Higher end of letter rating category
- 2 - Mid-range of letter rating category
- 3 - Lower end of letter rating category

Moody's Long-Term Debt Ratings:

- Aaa - Best Quality
- Aa - High Quality
- A - Possess many favorable investment attributes
- Baa - Medium-grade obligations
- Ba - Possess speculative elements
- B - Generally lack characteristics of desirable investments
- Caa - Poor standing
- Ca - Speculative in a high degree
- C - Lowest rated class of bonds

Modifiers:

- 1 - Higher end of letter rating category
- 2 - Mid-range of letter rating category
- 3 - Lower end of letter rating category

S&P Short-Term Credit Ratings:

- A-1 - Highest rated, strong capacity to meet obligations
 - A-2 - Somewhat more susceptible to adverse effects of changes in financial conditions, satisfactory
 - A-3 - Exhibits adequate protection parameters
 - B - Significant speculative characteristics, faces major ongoing uncertainties
 - C - Vulnerable to non-payment
 - D - Payment default
- Modifiers:**
+ or - show relative standing within the category.

S&P Outlook Definitions:

- Positive - A rating may be raised
- Negative - A rating may be lowered
- Stable - A rating is not likely to change
- Developing - May be raised or lowered
- NM - Not meaningful

S&P Long-Term Debt Ratings:

- AAA - Highest rating, extremely strong
 - AA - Differs slightly from highest rating, very strong
 - A - Somewhat more susceptible to adverse effects of change in economic condition, strong
 - BBB - Exhibits adequate protection parameters
 - BB, B, CCC, CC, C - Have significant speculative characteristics. BB least speculative, C highest degree.
 - D - Payment default
- Modifiers:**
+ or - show relative standing within the category.



State of Rhode Island and Providence Plantations
Office of the General Treasurer

Frank Caprio
General Treasurer

March 21, 2007

State Investment Commission
Rhode Island State House
Providence, RI 02903

This is to certify that the amounts so listed below belong to the credit of the Employees' Retirement, State Police and Judiciary Retirement Systems, and the Municipal Employees' Retirement System of the State of Rhode Island at the close of business on February 28, 2007.

Employee's Retirement System of Rhode Island
Composite reporting Investment Valuation
February 28, 2007

Asset Class		
Cash/Short Term		
Investments		244,528,830
Equities - Domestic		3,353,181,724
Equities - International		1,826,846,144
Fixed Income - Government	\$1,027,044,529	
Fixed Income - Corporate	\$769,550,980	
Fixed Income - In State	\$0	
Total Fixed Income		1,796,595,510
Alternative Investments		451,540,225
Real Estate		252,118,057
Total Fund Investments		7,924,810,489
Plan Allocation		
State Employees &		
Teachers	85.10%	6,743,859,810
Municipal Employees	13.96%	1,106,696,488
State Police	0.56%	44,763,141
Judicial	0.37%	29,491,049
Total Fund Investments	100.00%	7,924,810,489

The amount listed for the alternative investments designation is illiquid and does not have a readily determinable market value. It is based on appraisals only.

Respectfully submitted,

Kenneth E. Goodreau, CMT

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING February 28, 2007



STATE STREET.
For Everything You Invest In

	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
U.S. EQUITY												
SSGA S&P 500 INDEX FUND	1,657,997	20.92	-1.95	0.94		-0.47						
NORTHPOINTE CAPITAL	404,521	5.10	-0.10	1.77	12.62	1.20	9.45	10.89	15.26	13.15	24.59	13.79
PIMCO	546,005	6.89	-1.69	0.70	8.83	-0.47	12.48	11.85	9.81	8.83	15.66	6.71
SSGA - CORE	377,129	4.76	-1.21	2.54	11.26	1.31	14.69	16.25	13.47	11.66	17.04	8.93
WELLINGTON MANAGEMENT CO. LLC	414,956	5.24	-0.86	1.95	10.63	1.41	10.18	7.97	13.93	11.58	25.67	11.46
SHOTT CAPITAL	3,986	0.05	-3.23	-13.19	-4.32	0.68	-15.59	-12.04				
TOTAL US EQUITY	3,404,651	42.96	-1.48	1.28	9.72	0.15	11.28	10.83	11.34	10.07	18.48	9.02
<i>RUSSELL 1000</i>			-1.72	1.46	9.68	0.17	12.56	12.25	11.05	9.84	16.65	7.57
<i>RUSSELL 2000</i>			-0.79	1.20	10.76	0.87	10.33	9.87	13.18	11.95	23.24	12.44
<i>RUSSELL 2000 GROWTH</i>			-0.32	1.30	11.19	1.54	8.50	5.53	11.28	9.25	21.08	9.49
<i>RUSSELL 2000 VALUE</i>			-1.23	1.12	10.37	0.25	12.09	14.34	14.98	14.53	25.28	14.99
<i>S&P 500</i>			-1.96	0.92	8.93	-0.47	12.21	11.97	10.17	9.10	15.81	6.82
<i>DOW WILSHIRE 5000 FREE FLOAT</i>			-1.58	1.46	9.89	0.29	12.32	12.15	11.41	10.24	17.54	8.40
INTERNATIONAL EQUITY												
GOLDMAN SACHS	630,076	7.95	0.23	5.04	12.38	0.99	16.93	20.38	21.10			
THE BOSTON COMPANY	614,999	7.76	-0.00	2.56	10.07	0.25	12.98	17.71	16.43			
MONDRIAN	627,923	7.92	0.65	3.86	12.28	0.56	18.53	22.79	20.58			
TRANSITION ACCOUNT INT EQUITY	68	0.00										
PUTNAM INVESTMENTS	6	0.00										
BANK OF IRELAND	5	0.00										
TOTAL INTERNATIONAL EQUITY	1,873,077	23.64	0.29	3.82	11.59	0.60	16.14	20.29	19.39	19.67	26.61	15.73
<i>MSCI AC WORLD ex US (GROSS)</i>			0.61	4.13	12.38	0.99	16.75	20.39	20.76	20.55	28.54	17.96
<i>MSCI EAFE (NET)</i>			0.81	4.68	12.17	1.49	16.39	21.07	19.23	19.05	26.87	16.42

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING February 28, 2007



STATE STREET.
For Everything You Invest In™

	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
U.S. FIXED INCOME												
BROWN BROTHERS HARRIMAN - CORE	297,410	3.75	1.64	1.11	3.57	1.69	6.08	5.37	4.36	3.90	4.59	5.74
FIDELITY MANAGEMENT TRUST	486,949	6.14	1.28	1.06	3.69	1.39	6.52	5.94	4.88	4.55	4.75	5.39
BROWN BROTHERS HARRIMAN - TIPS	528,263	6.67	2.13	-0.23	0.72	2.09	4.38	2.25	3.07			
MACKAY SHIELDS, LLC	134,251	1.69	1.11	3.13	8.76	1.72	10.68	12.76	8.13	9.46	14.90	
SHENKMAN CAPITAL MANAGEMENT	134,791	1.70	1.50	3.57	7.47	2.39	9.71	9.55	6.68	7.68	9.51	
TAPLIN, CANIDA & HABACHT	298,948	3.77	1.41	1.43	4.15	1.87	7.16	5.96	4.41	4.40	6.55	6.87
TRANSITION ACCOUNT FIXED INCOME	575	0.01										
TOTAL US FIXED INCOME	1,881,187	23.74	1.60	1.08	3.49	1.80	6.45	5.49	4.54	4.60	5.79	6.24
<i>CSFB GLOBAL HIGH YIELD</i>												
			1.55	3.93	8.62	2.71	11.07	12.36	7.72	8.87	12.73	11.61
<i>LB AGGREGATE</i>												
			1.54	0.91	3.66	1.50	6.67	5.54	4.13	3.56	3.81	5.00
<i>LB CREDIT</i>												
			2.02	1.12	4.52	2.00	8.02	6.09	4.03	3.72	4.69	5.98
<i>LB GOV/CREDIT</i>												
			1.73	0.87	3.70	1.64	6.71	5.39	3.90	3.28	3.72	5.18
<i>CITIGROUP BIG</i>												
			1.54	0.92	3.66	1.52	6.75	5.54	4.21	3.66	3.90	5.05
<i>CITIGROUP LARGE PENSION FUND INDEX</i>												
			2.22	0.67	4.40	1.96	8.62	5.46	4.46	4.42	4.72	6.24
<i>CITIGROUP L.P.F. COLLATERALIZED INDEX</i>												
			1.22	1.01	3.60	1.31	6.67	5.72	4.58	4.15	4.02	4.74
ALTERNATIVE INVESTMENTS												
REAL ESTATE	252,118	3.18	0.03	1.08	2.19	0.80	2.77	4.23	1.56			
PRIVATE EQUITY	451,611	5.70	-1.54	-6.56	-2.55	-1.53	-3.59	10.08	22.80	21.58	20.14	13.70
TOTAL ALTERNATIVE INVESTMENTS	703,729	8.88	-0.98	-3.99	-0.96	-0.71	-1.64	7.77	19.95	19.54	18.43	12.41
<i>NCREIF PROPERTY INDEX QTR LAG</i>												
			0.00	3.51	7.66	0.00	7.66	17.62	18.40	16.37	14.17	12.42
<i>S&P 500 PLUS 300 BP</i>												
			-1.65	1.66	10.33	0.04	14.12	15.04	13.25	12.18	18.92	10.13

State of Rhode Island
SUMMARY OF PERFORMANCE
RATES OF RETURN
PERIODS ENDING February 28, 2007



STATE STREET.
For Everything You Invest In-

	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
CASH EQUIVALENTS												
CASH ACCOUNT (INSIDE)	31,713	0.40	0.27	-0.01	3.40	-0.60	3.73	9.31	7.29	10.71	15.24	28.47
CASH ACCOUNT (OUTSIDE)	30,410	0.38	0.30	0.96	2.10	0.61	2.59	3.76	3.42	2.72	3.19	2.87
TOTAL PLAN												
TOTAL PLAN	7,924,767	100.00	-0.29	1.34	7.56	0.57	9.89	11.38	11.86	11.36	17.02	10.41
¹ TOTAL PLAN BENCHMARK			-0.29	1.99	8.75	0.71	11.69	12.45	11.74	10.90	16.45	10.03

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING February 28, 2007



STATE STREET.
For Everything You Invest In

Endnotes

1 As of 04/31/2006 42.5% W5000/25.0% LB AGG/20.0% MSCIAWORLDFREEexUSA/5.0% NCREIF PROPERTY LAG/7.5% S&P 500 plus 300bps

Prior to 04/31/2006 52.5% W5000/25.0% LB AGG/22.5% MSCIAWORLDFREEexUSA

ERSRI Monthly Market Value Report With Time Weighted Returns
February 28, 2007

	Calendar YTD			Benchmark Description	Current Month			Valuation Change			
	Performance	Benchmark	Alpha		Performance	Benchmark	Alpha	Market Value 1/31/2007	Transfers In/(out)	Market Value 2/28/2007	Market Value Increase/decrease
Domestic Equity											
Shott Capital Management IRR	-0.12%	-0.47%	0.35%	S & P 500	-8.50%	-1.96%	-6.54%	4,119,718	-	3,986,473	(133,245)
SSG A S&P 500	-0.47%	-0.47%	0.00%	S & P 500	-1.95%	-1.96%	0.01%	1,690,902,998	126,214	1,657,996,916	(33,032,295)
SSG A Core	1.31%	0.17%	1.14%	Russell 1000	-1.21%	-1.72%	0.51%	381,707,852	27,198	377,129,379	(4,605,672)
PIMCO	-0.47%	-0.47%	0.00%	S & P 500	-1.69%	-1.96%	0.27%	555,345,760	41,657	546,004,849	(9,382,568)
NorthPointe Capital	1.20%	0.87%	0.33%	Russell 2000	-0.10%	-0.79%	0.69%	404,877,426	30,742	404,520,556	(387,612)
Wellington Mgmt	1.41%	0.87%	0.54%	Russell 2000	-0.86%	-0.79%	-0.07%	418,520,181	33,888	414,956,475	(3,597,594)
Transition Account	N/A	N/A	N/A		N/A	N/A	N/A	-	-	-	-
Total Domestic Equity	0.15%				-1.48%			3,455,473,936	259,699	3,404,594,648	(51,138,987)
International Equity											
Boston Company	0.25%	0.99%	-0.74%	MSCI ACWI	0.00%	0.61%	-0.61%	622,983,083	(7,958,201)	615,003,940	(20,942)
Goldman Sachs	0.99%	0.99%	0.00%	MSCI ACWI	0.23%	0.61%	-0.38%	637,577,526	(8,958,201)	630,075,682	1,456,356
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	648,110	-	749,404	101,294
Mondrian	0.56%	0.99%	-0.43%	MSCI ACWI	0.65%	0.61%	0.04%	631,825,391	(7,957,771)	627,923,377	4,055,758
Total International Equity	0.60%				0.29%			1,893,034,110	(24,874,173)	1,873,752,403	5,592,465
Fixed Income											
Fidelity Management & Research	1.39%	1.30%	0.09%	Lehman Mortgage Backed	1.28%	1.23%	0.05%	480,760,152	37,253	486,949,029	6,151,624
Brown Brothers, Harriman	1.69%	1.52%	0.17%	Salomon Brd Inv Grade	1.64%	1.54%	0.10%	292,400,006	22,758	297,409,764	4,987,000
Taplin, Canida & Habacht	1.87%	2.00%	-0.13%	Lehman Credit Index	1.41%	2.02%	-0.61%	294,768,934	22,328	298,947,966	4,156,704
Mackay Shields	1.72%	2.71%	-0.99%	CS First BoshHiYield	1.11%	1.55%	-0.44%	132,769,033	11,148	134,250,955	1,470,774
Shenkman Capital Mgmt	2.39%	2.71%	-0.32%	CS First BoshHiYield	1.50%	1.55%	-0.05%	132,789,425	11,148	134,791,289	1,990,716
Brown Bros TIPS	2.09%	2.27%	-0.18%	Lehman US TIPS Index	2.13%	2.13%	0.00%	517,189,085	44,839	528,262,689	11,028,765
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	-
Total Fixed Income	1.80%				1.60%			1,850,676,635	149,474	1,880,611,692	29,785,583
Alternative Investments											
Private Equity	-1.53%	N/A	N/A	N/A	-1.54%	N/A	N/A	455,492,109	(4,871,945)	451,610,787	990,623
Real Estate	0.80%	0.17%	0.63%	NCREIF + 100	0.03%	0.08%	-0.05%	249,533,706	2,535,281	252,118,416	49,428
Total Alternatives	-0.71%				-0.98%			705,025,816	(2,336,664)	703,729,203	1,040,051
Cash Accounts											
Cash in Trust	-0.60%	N/A	N/A		0.27%	N/A	N/A	22,447,164	8,988,191	31,712,610	277,256
Cash Outside Trust	0.61%	N/A	N/A		0.30%	N/A	N/A	20,760,182	15,000,000	30,409,933	(5,350,249)
Total Cash	0.13%				0.29%			43,207,346	23,988,191	62,122,543	(5,072,993)
Overall Total	0.57%	0.71%	-0.14%		-0.29%	-0.29%	0.00%	7,947,417,843	(2,813,473)	7,924,810,489	(19,793,880)

*Policy Index: (Effective 04/31/06)
42.5% Wellshire 5000
25.0% Lehman Aggregate
20.0% MSCI ACWI X-US
5.0% NCREIF 1 Qtr Lag

State of Rhode Island

RATES OF RETURN - Total

Periods Ending February 28, 2007



STATE STREET
For Everything You Invest In

PERFORMANCE SUMMARY REPORT

	Benchmark	1 Month Return			Calendar YTD Return			Value (000)	Net Flow (000)
		Fund	Index	Excess	Fund	Index	Excess		
U.S. EQUITY									
SSGA S&P 500 INDEX FUND	S&P 500	-1.95	-1.96	0.01	-0.47	-0.47	0.00	1,657,997	126
SSGA - CORE	RUSSELL 1000	-1.21	-1.72	0.51	1.31	0.17	1.14	377,129	27
PIMCO	S&P 500	-1.69	-1.96	0.27	-0.47	-0.47	0.00	546,005	42
NORTHPOINTE CAPITAL	RUSSELL 2000	-0.10	-0.79	0.69	1.20	0.87	0.33	404,521	31
WELLINGTON MANAGEMENT CO. LLC	RUSSELL 2000	-0.86	-0.79	-0.07	1.41	0.87	0.54	414,956	34
SHOTT CAPITAL	S&P 500	-3.23	-1.96	-1.27	0.68	-0.47	1.15	3,986	0
TOTAL US EQUITY		-1.48			0.15			3,404,651	260
INTERNATIONAL EQUITY									
THE BOSTON COMPANY	MSCI AC WORLD ex US (GROSS)	-0.00	0.61	-0.61	0.25	0.99	-0.74	614,999	-7,958
GOLDMAN SACHS	MSCI AC WORLD ex US (GROSS)	0.23	0.61	-0.38	0.99	0.99	0.00	630,076	-8,958
MONDRIAN	MSCI AC WORLD ex US (GROSS)	0.65	0.61	0.04	0.56	0.99	-0.43	627,923	-7,958
TRANSITION ACCOUNT INT EQUITY								68	0
TOTAL INTERNATIONAL EQUITY		0.29			0.60			1,873,077	-24,874
U.S. FIXED INCOME									
FIDELITY MANAGEMENT TRUST	LB MBS	1.28	1.23	0.05	1.39	1.30	0.09	486,949	37
BROWN BROTHERS HARRIMAN - CORE	CITIGROUP BIG	1.64	1.54	0.10	1.69	1.52	0.17	297,410	209
TAPLIN, CANIDA & HABACHT	LB CREDIT	1.41	2.02	-0.61	1.87	2.00	-0.13	298,948	22
MACKAY SHIELDS, LLC	CSFB GLOBAL HIGH YIELD	1.11	1.55	-0.44	1.72	2.71	-0.99	134,251	11
SHENKMAN CAPITAL MANAGEMENT	CSFB GLOBAL HIGH YIELD	1.50	1.55	-0.05	2.39	2.71	-0.32	134,791	11
BROWN BROTHERS HARRIMAN - TIPS	LB U.S. TIPS	2.13	2.13	0.00	2.09	2.27	-0.18	528,263	45
TRANSITION ACCOUNT FIXED INCOME								575	0
TOTAL US FIXED INCOME		1.60			1.80			1,881,187	336

State of Rhode Island

RATES OF RETURN - Total

Periods Ending February 28, 2007



STATE STREET
For Everything You Invest In™

PERFORMANCE SUMMARY REPORT

	Benchmark	1 Month Return			Calendar YTD Return			Value (000)	Net Flow (000)
		Fund	Index	Excess	Fund	Index	Excess		
ALTERNATIVE INVESTMENTS									
PRIVATE EQUITY		-1.54			-1.53			451,611	3,150
REAL ESTATE	NCREIF PROPERTY LAG + 100 BPS	0.03	0.08	-0.05	0.80	0.17	0.63	252,118	2,518
TOTAL ALTERNATIVE INVESTMENTS		-0.98			-0.71			703,729	5,668
CASH EQUIVALENTS									
CASH ACCOUNT (INSIDE)		0.27			-0.60			31,713	9,177
CASH ACCOUNT (OUTSIDE)		0.30			0.61			30,410	9,521
TOTAL CASH		0.29			0.13			62,123	18,698
TOTAL PLAN									
TOTAL PLAN	TOTAL PLAN BENCHMARK	-0.29	-0.29	0.00	0.57	0.71	-0.14	7,924,767	89

State of Rhode Island

TOTAL PLAN

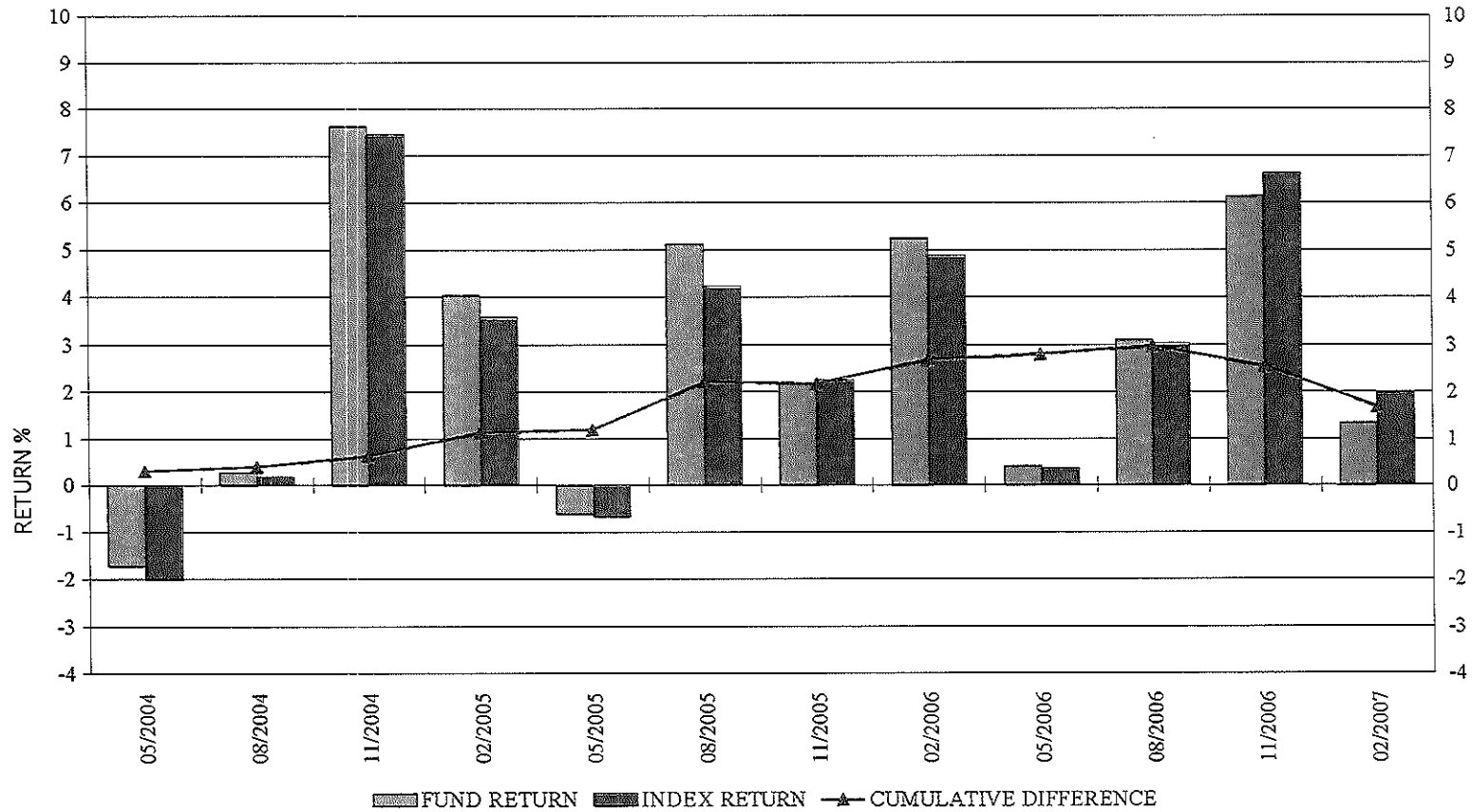
Index: TOTAL PLAN BENCHMARK

PERIODS: February 29, 2004 - February 28, 2007



STATE STREET
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CUMULATIVE PERFORMANCE REPORT



State of Rhode Island

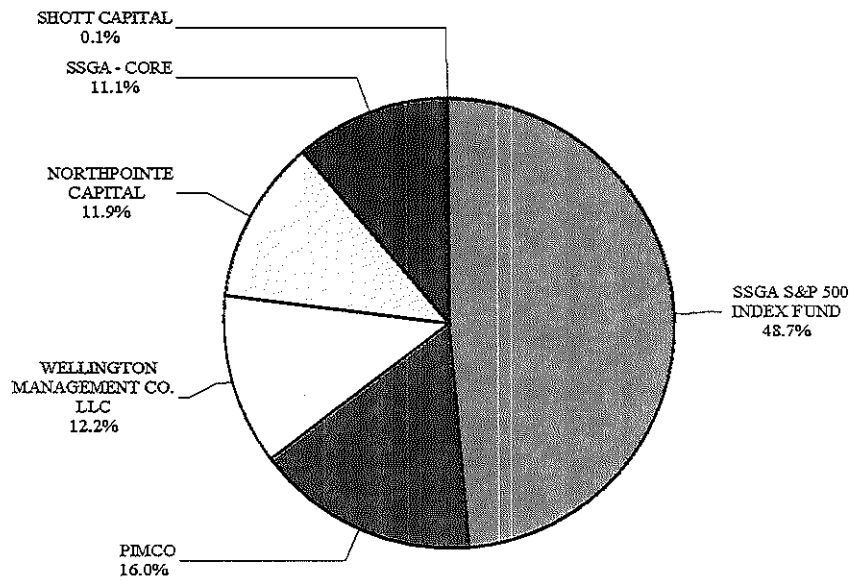
MANAGER ALLOCATION ANALYSIS

PERIOD ENDING 02/28/2007



STATE STREET.
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CURRENT MANAGER ALLOCATION



<u>MANAGER</u>	<u>CURRENT PERIOD</u>	<u>ONE YEAR AGO</u>
SSGA S&P 500 INDEX FUND	1,658.0	
PIMCO	546.0	487.9
WELLINGTON MANAGEMENT CO. LLC	415.0	420.6
NORTHPOINTE CAPITAL	404.5	373.9
SSGA - CORE	377.1	324.1
SHOTT CAPITAL	4.0	2.6
SSGA RUSSELL 1000		1,446.0
WASATCH ADVISORS		206.5
TOTAL	3,404.6	3,261.6

State of Rhode Island

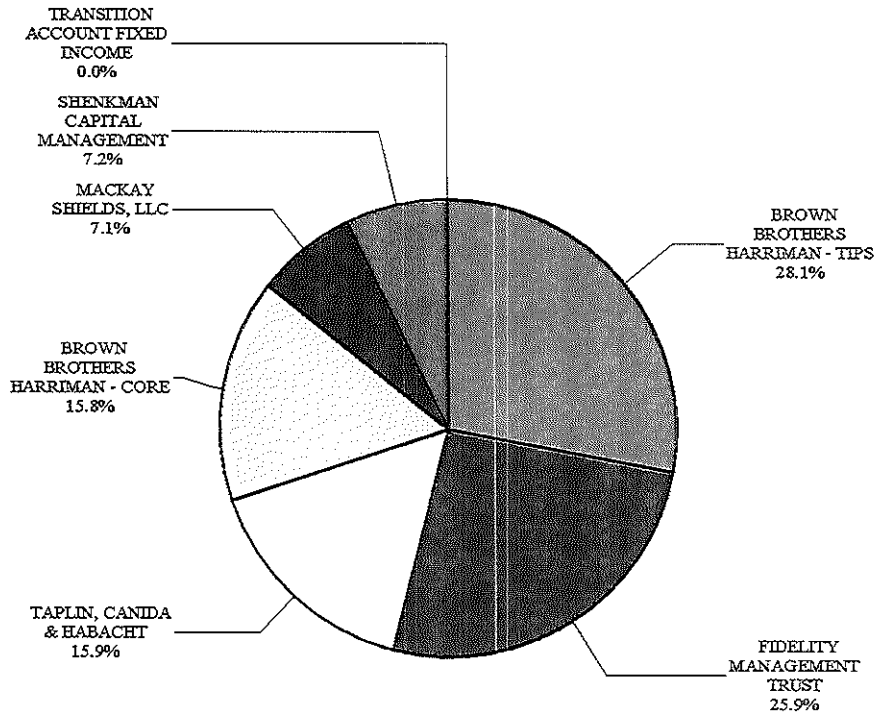
MANAGER ALLOCATION ANALYSIS

PERIOD ENDING 02/28/2007



STATE STREET.
For Everything You Invest In

CURRENT MANAGER ALLOCATION



<u>MANAGER</u>	<u>CURRENT PERIOD</u>	<u>ONE YEAR AGO</u>
BROWN BROTHERS HARRIMAN - TIPS	528.3	499.7
FIDELITY MANAGEMENT TRUST	486.9	418.7
TAPLIN, CANIDA & HABACHT	298.9	259.6
BROWN BROTHERS HARRIMAN - CORE	297.4	251.4
MACKAY SHIELDS, LLC	134.3	129.0
SHENKMAN CAPITAL MANAGEMENT	134.8	128.9
TRANSITION ACCOUNT FIXED INCOME	0.6	0.6
TOTAL	1,881.2	1,687.9

State of Rhode Island

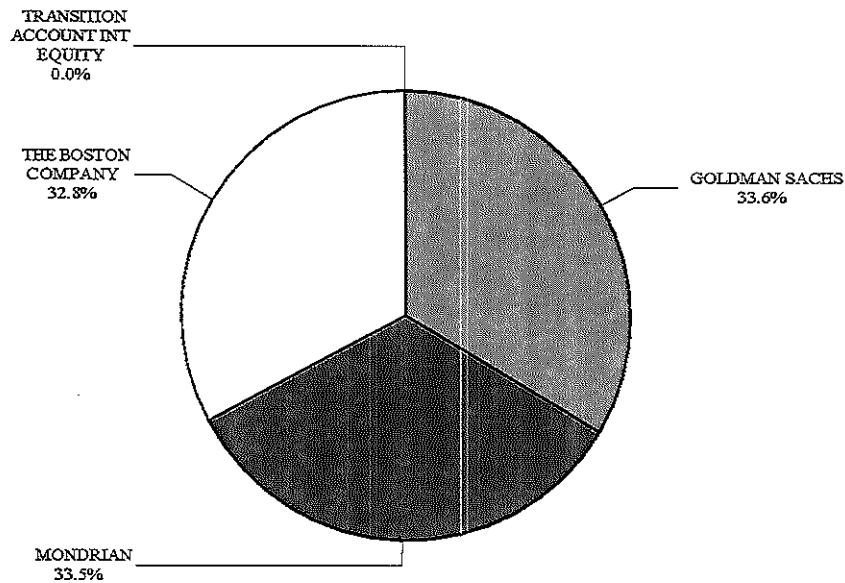
MANAGER ALLOCATION ANALYSIS

PERIOD ENDING 02/28/2007



STATE STREET.
For Everything You Invest In

CURRENT MANAGER ALLOCATION



MANAGER	CURRENT PERIOD	ONE YEAR AGO
GOLDMAN SACHS	630.1	564.1
MONDRIAN	627.9	565.0
THE BOSTON COMPANY	615.0	550.8
TRANSITION ACCOUNT INT EQUITY	0.1	0.1
TOTAL	1,873.1	1,680.0

**ASSET ALLOCATION REPORT
FEBRUARY 28th, 2007**

	Style Mandate	Actual (Millions \$)		Target (Millions \$)		Difference (Millions \$)
Domestic Equity						
SSgA S&P 500 Index Fund	Passive	1,658.05	20.9%	1,644.39	20.75%	13.66
SSgA Core	Active core	377.13	4.8%	356.61	4.50%	20.51
PIMCO	Enhanced Equity	546.01	6.9%	534.92	6.75%	11.08
NorthPointe Capital	Small Cap Value	404.52	5.1%	396.24	5.00%	8.28
Wellington Mgmt	Small Cap Core	414.96	5.2%	435.86	5.50%	(20.91)
Shott Capital	Alternative Distribution	3.99	0.1%	0.00	0.00%	3.99
TOTAL DOMESTIC EQUITY		3,404.65	43.0%	3,368.03	42.50%	36.62
International Equity						
Boston Company	MSCI ACWI	615.00	7.8%	528.58	6.67%	86.42
Goldman Sachs	MSCI ACWI	630.08	8.0%	528.58	6.67%	101.49
Mondrian	MSCI ACWI	627.92	7.9%	527.79	6.66%	100.13
Transition Account		0.07	0.0%	0.00	0.00%	0.07
TOTAL INT'L EQUITY		1,873.08	23.6%	1,584.95	20.00%	288.12
Domestic Fixed Income						
Fidelity Management & Research	Mortgages	486.95	6.1%	495.30	6.25%	(8.35)
Brown Brothers, Harriman	Opportunistic Core	297.41	3.8%	297.18	3.75%	0.23
Taplin, Canida & Habacht	Corporates	298.95	3.8%	297.18	3.75%	1.77
Mackay Shields	High yield	134.25	1.7%	148.59	1.88%	(14.34)
Shenkman Capital Mgmt	High yield	134.79	1.7%	148.59	1.88%	(13.80)
Brown Brothers, Harriman TIPS	TIPS	528.26	6.7%	594.36	7.50%	(66.09)
Transition Account		0.58	0.0%	0.00	0.00%	0.58
TOTAL FIXED-INCOME		1,881.19	23.7%	1,981.19	25.00%	(100.00)
Alternative Investments						
Real Estate	Real Estate	252.12	3.2%	396.2	5.00%	(144.1)
Pacific Corp Group	Private Equity	451.61	5.7%	594.36	7.50%	(142.7)
TOTAL ALTERNATIVE INVESTMENTS		703.73	8.9%	\$990.60	12.50%	(286.87)
CASH EQUIVALENTS	STIF, Yield+	62.12	0.8%	0.00	0.00%	62.12
TOTAL ASSETS		7,924.77	100.0%	7,924.77	100.00%	0.00

ALLOCATION BY MANAGEMENT STYLE

Domestic Equity						
Core		377.13	4.8%	356.61	4.50%	20.51
Index		1,658.05	20.9%	1,644.39	17.75%	13.66
Enhanced Equity		546.01	6.9%	534.92	6.75%	11.08
Active Small Cap		819.48	10.4%	832.10	13.50%	(12.62)
TOTAL DOMESTIC EQUITY		3,404.65	43.0%	3,368.03	42.50%	36.62
International Equity						
Active		1,873.08	23.6%	1,584.95	20.00%	288.12
TOTAL INT'L EQUITY		1,873.08	23.6%	1,584.95	20.00%	288.12
Domestic Fixed Income						
Mortgage		486.95	6.1%	495.30	6.25%	(8.35)
Core		297.41	3.8%	297.18	3.75%	0.23
Corporates		298.95	3.8%	297.18	3.75%	1.77
High Yield		269.62	3.4%	297.18	3.75%	(27.56)
TIPS		528.26	6.7%	594.36	7.50%	(66.09)
TOTAL FIXED-INCOME		1,881.19	23.7%	1,981.19	25.00%	(100.00)
Alternative Investments						
Real Estate		252.12	3.2%	396.24	5.00%	(144.12)
Other Alternative Investments		451.61	5.7%	\$594.36	7.50%	(142.75)
TOTAL ALTERNATIVE INVESTMENTS		703.73	8.9%	990.60	12.50%	(286.87)
CASH EQUIVALENTS	STIF, Yield+	62.12	0.8%	0.00	0.00%	62.12
TOTAL ASSETS		7,924.77	100.0%	7,924.77	100.00%	0.00

RHODE ISLAND STATE INVESTMENT COMMISSION
 Domestic Equity Holdings By Top 10 Market Values
 Separately Managed

FEBRUARY 28, 2007

<i>Equities</i>				
<u>RANK</u>	<u>SECURITY NAME</u>	<u>PAR VALUES/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	EXXON MOBIL CORP	224,170	\$16,068,506	SSgA
2	HERCULES INC	678,500	13,678,560	Wellington, NorthPointe, SSgA
3	BANK AMERICA CORP	196,700	10,006,129	SSgA
4	DREAMWORKS ANIMATION	359,700	9,643,557	Wellington, NorthPointe
5	PFIZER INC	381,200	9,514,752	SSgA
6	CITIGROUP INC	187,233	9,436,543	SSgA
7	RED HAT INC	406,000	9,114,700	Wellington
8	ADVANTA CORP	214,423	8,956,449	Wellington, NorthPointe
9	INTERNATIONAL BUSINESS MAC	96,100	8,938,261	SSgA
10	TRIDENT MI	378,100	8,359,791	SSgA
		3.05%	\$103,717,247	
Total Composite Equities		\$3,400,289,649		

International Equity Holdings By Top 10 Market Values

FEBRUARY 28, 2007

<i>International Equities</i>				
<u>RANK</u>	<u>SECURITY NAME</u>	<u>PAR VALUES/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	DPT EMERGING MARKET	4,551,509	\$62,628,764	Mondrian
2	ROYAL BANK SCOT GRP	1,005,394	39,583,760	Mondrian, Goldman, Boston Co.
3	UNILEVER PLC	1,347,416	35,938,557	Mondrian, Goldman, Boston Co.
4	TOTAL SA	440,370	29,678,676	Mondrian, Goldman, Boston Co.
5	ROYAL DUTCH SHELL	893,451	29,044,820	Mondrian, Goldman, Boston Co.
6	GLAXOSMITHKLINE	1,030,931	28,891,258	Mondrian, Boston Co.
7	BP PLC	2,329,217	23,827,653	Mondrian, Boston Co.
8	HBOS	1,092,442	23,143,279	Mondrian, Goldman, Boston Co.
9	CANON INC	417,428	22,794,102	Mondrian, Goldman, Boston Co.
10	NATL AUSTRALIA BANK	694,028	22,071,245	Mondrian, Goldman, Boston Co.
		16.77%	\$317,602,113	
Total Composite International Equities		\$1,893,657,126		

Top 10 Market Values SIC

FISCAL YEAR 2007

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

ACCRUAL BASIS

	Actual Jul '06	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Projected Dec	Projected Jan 07	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected Jun	Projected TOTAL
EQUITIES													
SSgA Core			228,174			242,895			200,000			222,371	893,439
SSgA Russell 1000			25,333			29,387			40,000			32,408	127,128
Shott Capital			2,447			2,751			2,509			2,718	10,425
PIMCO			0			200,000			1,000			225,000	426,000
Wellington Mgmt			627,504			634,038			600,000			652,373	2,513,915
Wasatch Advisors			118,277			121,645			120,000			126,713	486,636
NorthPointe			<u>523,527</u>			<u>543,982</u>			<u>480,000</u>			<u>542,135</u>	<u>2,089,644</u>
			1,525,262			1,774,698			1,443,509			1,803,718	8,547,188
FIXED INCOME													
Brown Bros.			137,999			140,551			120,000			129,732	528,282
Fidelity			156,625			157,334			140,000			148,636	602,595
Taplin			180,056			184,623			160,000			169,909	694,588
Mackay Shields			135,754			138,332			140,000			132,920	547,006
Shenkman			137,910			142,580			140,000			135,952	556,442
Brown Bros.TIPS			<u>139,383</u>			<u>140,110</u>			<u>140,000</u>			<u>136,833</u>	<u>556,377</u>
			887,727			903,529			840,000			854,032	3,485,289
INT'L EQUITIES													
The Boston Co			567,016			584,801			550,000			566,138	1,717,954
Mondrian			344,188			363,762			250,000			316,283	1,274,233
Goldman Sachs Asset Mgmt			487,960			523,450			488,384			488,465	1,988,259
SSgA MSCI ACWI			0			0			0			0	0
	0		1,399,164	0		1,472,013			1,288,384			1,370,886	4,980,446
REAL ESTATE													
L & B Real Estate		73,438		73,899	312,588	34,375	34,375	17,188	100,000			100,000	745,863
ALTERNATIVE INVESTMENTS													
Other Alt Inv Mgmt Fees	1,336,032	401,114	73,438	693,948	316,403	999,806	971,558	19,516	207,497	401,744	606,207	583,151	6,610,414
SUB TOTAL-INV MGMT FEES	1,336,032	474,552	3,885,591	767,847	628,991	5,184,421	1,005,933	36,704	3,879,390	401,744	606,207	4,711,788	22,369,200
PROFESSIONAL FEES													
Legal	36,171	8,822	8,767	6,510	8,769	3,500	13,726	6,000	7,365	12,737	9,677	17,791	139,834
St St Bank Custodial	10,784	8,495	13,277	11,978	11,919	12,325	10,888	10,000	10,000	7,915	10,235	12,861	130,877
Pacific Corp Group		93,750	0	0	93,750	0	0	68,750	0	0	93,750	0	350,000
Wilshire Assoc	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	249,997
Townsend	0	0	<u>35,625</u>	0	0	<u>35,625</u>	0	0	<u>35,625</u>	0	<u>15,000</u>	<u>35,625</u>	<u>157,500</u>
	67,787	131,901	78,503	39,321	135,271	72,284	45,446	105,583	73,823	41,484	149,496	87,110	1,028,008
OPERATING EXPENSE													
Retirement Transfers	0	0	966,557	0	0	1,201,064	0	0	0	3,680,498	0	0	5,848,119
Other Expense	<u>8,333</u>	<u>8,333</u>	<u>33,007</u>	<u>2,552</u>	<u>8,014</u>	<u>32,088</u>	<u>21,497</u>	<u>22,425</u>	<u>3,000</u>	<u>0</u>	<u>8,333</u>	<u>8,333</u>	<u>155,917</u>
	8,333	8,333	999,564	2,552	8,014	1,233,152	21,497	22,425	3,000	3,680,498	8,333	8,333	6,004,036
TOTAL:	1,412,153	614,786	4,963,658	809,720	772,277	6,489,857	1,072,877	164,712	3,956,213	4,123,726	764,036	4,807,231	29,401,245

Note: Numbers in bold are actual.

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2007	FY 2006-07												
	Actual July 2006	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2007	Actual February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	49,578,730	50,240,812	50,353,437	50,266,681	50,154,854	50,574,307	48,816,683	51,896,341	48,928,423	48,672,240	48,800,465	48,775,210	597,058,183
ADMINISTRATIVE EXPENSES	30,852	7,525	97,502	35,665	119,438	61,564	41,155	89,849	6,347	3,182,654	8,339	0	3,680,890
INVESTMENT EXPENSES	1,139,595	404,779	0	654,009	535,706	880,803	764,774	31,234	178,811	346,204	522,400	497,410	5,955,725
TOTAL OUTFLOW	50,749,178	50,653,116	50,450,939	50,956,355	50,809,998	51,516,673	49,622,611	52,017,424	49,113,581	52,201,098	49,331,205	49,272,620	606,694,798
CONTRIBUTIONS	26,323,220	30,454,769	24,504,216	35,956,284	33,747,419	43,321,050	33,232,665	45,847,529	37,360,690	35,131,183	32,614,800	51,544,371	430,038,196
OTHER INCOME*	16,334,758	9,340,820	7,710,133	2,948,630	9,168,433	14,913,727	3,782,660	8,825,708	4,531,478	4,228,106	7,288,588	18,612,285	107,685,326
TOTAL INCOME	42,657,978	39,795,589	32,214,349	38,904,914	42,915,852	58,234,777	37,015,325	54,673,237	41,892,168	39,359,289	39,903,388	70,156,656	537,723,522
DIFFERENCE	(8,091,200)	(10,857,527)	(18,236,591)	(12,051,441)	(7,894,146)	6,718,104	(12,607,286)	2,655,813	(7,221,413)	(12,841,809)	(9,427,817)	20,884,036	(68,971,276)

Municipal Employees Retirement System

FISCAL YEAR 2007	FY 2006-07												
	Actual July 2006	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2007	Actual February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	4,091,872	4,179,838	4,204,071	4,185,210	4,196,673	4,282,907	4,015,188	4,433,290	4,037,958	4,024,792	4,093,406	4,069,723	49,818,928
ADMINISTRATIVE EXPENSES	5,005	1,221	14,600	5,828	19,516	10,060	6,173	14,745	955	479,037	1,255	0	558,394
INVESTMENT EXPENSES	184,863	65,662	0	106,885	87,535	143,923	114,714	5,126	26,914	52,109	78,629	80,689	947,029
TOTAL OUTFLOW	4,281,740	4,246,721	4,218,671	4,301,903	4,303,724	4,436,890	4,136,075	4,453,160	4,065,827	4,555,938	4,173,290	4,150,412	51,324,351
CONTRIBUTIONS	2,505,378	3,560,211	4,502,206	3,257,542	3,890,409	4,500,854	5,191,597	3,888,036	3,204,454	4,112,813	4,050,208	2,630,672	45,294,380
OTHER INCOME*	2,649,790	1,515,248	1,154,504	481,807	1,498,125	2,436,908	567,380	1,448,337	679,161	636,393	1,097,041	2,694,810	16,859,514
TOTAL INCOME	5,155,168	5,075,459	5,656,710	3,739,349	5,388,534	6,937,762	5,758,967	5,336,373	3,883,615	4,749,206	5,147,249	5,325,482	62,153,894
DIFFERENCE	873,429	828,738	1,438,039	(562,554)	1,084,810	2,500,872	1,622,912	883,212	(182,212)	193,268	973,959	1,175,070	10,829,543

Judges/State Police Retirement System

	Actual July 2006	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2007	Actual February	Actual March	Actual April	Actual May	Projected June	Projected TOTAL
<i>MEMBER BENEFITS</i>	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	168,000
<i>ADMINISTRATIVE EXPENSES</i>	313	76	893	360	1,282	661	395	989	63	31,544	83	0	36,679
<i>INVESTMENT EXPENSES</i>	11,574	4,111	0	6,972	5,750	9,455	7,341	344	1,772	3,431	5,178	5,052	60,981
<i>TOTAL OUTFLOW</i>	25,887	18,187	14,893	21,353	21,032	24,116	21,736	15,333	15,835	48,975	19,260	19,052	265,660
<i>CONTRIBUTIONS</i>	500,000	535,000	485,000	500,000	490,000	510,000	510,000	1,280,000	490,000	480,000	779,800	760,000	7,319,800
<i>OTHER INCOME*</i>	165,900	94,868	70,594	31,436	98,416	160,088	36,310	97,177	27,863	41,906	72,239	168,719	1,065,515
<i>TOTAL INCOME</i>	665,900	629,868	555,594	531,436	588,416	670,088	546,310	1,377,177	517,863	521,906	852,039	928,719	8,385,315
<i>DIFFERENCE</i>	640,013	611,680	540,701	510,083	567,384	645,972	524,574	1,361,844	502,028	472,930	832,779	909,667	8,119,655

*Includes Income from Real Estate Investments, Private Equity, Securities Lending, and Cash Accounts.

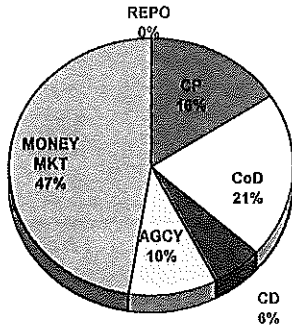
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Rhode Island Employees Retirement System Securities Lending Report February, 2007
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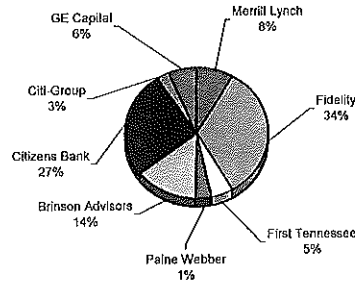
<u>INVESTMENT MANAGER</u>	<u>Income</u>	<u>Average Collateral Balance</u>
<u>DOMESTIC EQUITY</u>		
Wellington Mgmt. Co., LLP	24,554	136,412,840
NorthPointe Capital	25,032	159,856,266
SSgA Core	<u>4,674</u>	<u>39,036,244</u>
Total Domestic Equity	\$ <u>54,259</u>	\$ <u>335,305,349</u>
<u>INTERNATIONAL EQUITY</u>		
Goldman Sachs	12,106	70,240,116
Boston Company	18,465	108,099,476
Mondrian	<u>28,169</u>	<u>129,086,404</u>
Total International Equity	\$ <u>58,740</u>	\$ <u>307,425,996</u>
<u>FIXED INCOME</u>		
Brown Brothers, Harriman	5,651	58,306,328
Taplin, Canida & Habacht	3,372	33,714,437
MacKay Shields	5,681	20,278,331
Shenkman Capital Management	4,264	27,932,538
Brown Brothers, Harriman (TIPS)	<u>28,821</u>	<u>494,280,953</u>
Total Fixed Income	\$ <u>47,790</u>	\$ <u>634,512,587</u>
TOTAL SECURITIES LENDING INCOME	\$ <u>160,789</u>	\$ <u>1,277,243,932</u>
Calendar Year 2007 YTD	\$ 344,945	

RHODE ISLAND STATE INVESTMENT COMMISSION
SHORT TERM CASH INVESTMENTS AT FEBRUARY 28, 2007

Portfolio By Instrument



Portfolio by Issuer



REPO = Repurchase Agreement
 CP = Commercial Paper
 CD = Certificate of Deposit
 CoD = Collateralized Deposit
 Agency = US Government Agency

Vendor	CP	CD	Agency	Money Mkt	CoD	Repo	Total (\$)
Guidelines-Total/Vendor	25%/10%	25%/10%	75%/35%	50%/35%	25%/25%	100%/20%	
Merrill Lynch	5,988,053 3%	0 0%	9,048,708 5%	0 0%	0 0%	0 0%	15,034,761 8%
Dreyfus	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%
Dean Witter	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%
Chase Securities	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%
Paine Webber	6,188,258 3%	0 0%	0 0%	0 0%	0 0%	0 0%	6,188,258 3%
Fidelity	0 0%	0 0%	0 0%	60,190,609 33%	0 0%	0 0%	60,190,609 33%
First Tennessee	0 0%	0 0%	8,951,950 5%	0 0%	0 0%	0 0%	8,951,950 5%
Brinson Advisors	0 0%	0 0%	0 0%	25,463,671 14%	0 0%	0 0%	25,463,671 14%
Citizens Bank	0 0%	10,564,639 6%	0 0%	0 0%	37,110,772 21%	0 0%	47,675,410 26%
GE Capital	11,456,853 6%	0 0%	0 0%	0 0%	0 0%	0 0%	11,456,853 6%
Citl-Group	4,993,475 3%	0 0%	0 0%	0 0%	0 0%	0 0%	4,993,475 3%
State St Bank	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%
TOTALS	28,624,638	10,564,639	18,000,658	85,654,280	37,110,772	0	179,954,986
(%) PORTFOLIO	16%	6%	10%	48%	21%	0%	100%

Note: Maximum participation by any one vendor limited to 35% of total portfolio.

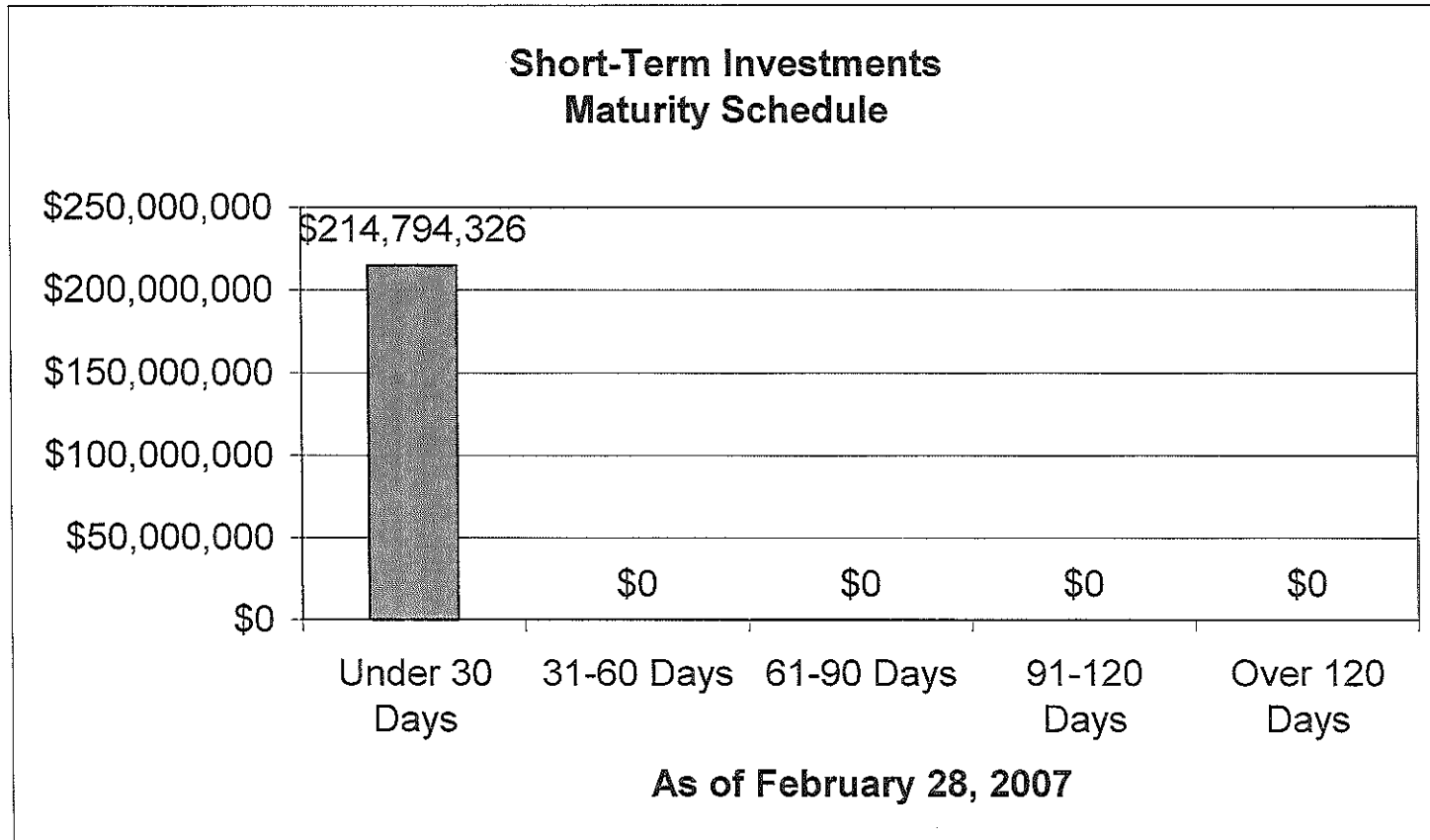
State of Rhode Island and Providence Plantations
Office of the General Treasurer

Short Term Investments Portfolio by Fund

As of February 28, 2007

	Principal	Interest*	Total Value @ Maturity
4901 GENERAL FUND	272,916	0	272,916
4904 PENSION C	3,499,500	500	3,500,000
4908 PAYROLL A	649,907	93	650,000
4916 GENERAL FUND H.A.V.A.	1,335,607	0	1,335,607
4920 GENERAL FUND (HIST PRES)	495,338	3,920	499,258
4955 HEALTH INSURANCE FUND	13,194,662	1,114	
5400 HIGHWAY FUND	5,611,320	0	5,611,320
5500 UNIVERSITY COLLEGE	1,008,071	143	1,008,214
6920 AUTO EQUIPMENT SERVICE	1,972,088	508	1,972,596
8000 T.D.I. RESERVE (DET)	110,692,008	93,953	110,785,961
8300 PERMANENT SCHOOL FUND	764,449	883	765,332
8400 EMP RETIREMENT FUND	2,151,812	2,026	2,153,838
8500 MUN EMP RETIREMENT FUND	891,020	0	891,020
8700 R.I. CLEAN WATER ACT	1,746,146	711	1,746,857
9000 BOND CAPITAL FUND	28,812	0	28,812
9700 STATE LOTTERY FUND	34,352,896	51,076	34,403,972
9800 INDUS. BLDG. & MTG. INS.	1,288,434	0	1,288,434
9900 SINKING FUND	0	0	0
4911 TANS	34,839,340	0	34,839,340
Subtotal	214,794,326	154,926	201,753,476
8702 CLEAN WATER 1993 SER. A	2		
8703 CLEAN WATER 1991 SERIES A	148,623		
8704 CLEAN WATER 96 SERIES A	223		
8706 CLEAN WATER CCDL 1994 (A)	6,195		
8707 CAP DEV. OF 1997 SERIES A	19,738		
8710 CLEAN WATER CCDL 2002 A	295,119		
8711 CLEAN WATER 2004 SERIES A	709,942		
8712 CLN WATER CCDL 2005 SER E	897,716		
8733 CAP DEV. OF 1997 SERIES A	7,378		
8737 RI POLLUT. CONT 94 SER. A	6,475		
8739 CCDL99A 1999A	347,626		
8742 POLLUTION CNTRL 2002 A	46,341		
8743 POLL.CONTRL 2004 SERIES A	963,913		
8744 POLLUTION CON 2005 SER C	85,487		
8745 POLUTION CTRL CCDL 2005 E	13,755		
8746 POLUTION CTRL CCDL 2006 C	1,483,269		
9114 G.O. NOTE 1991 SER. B	3,866		
9116 BOND CCDL 1993 SERIES A	454		
9117 BOND CCDL 1994 SERIES A	639,776		
9120 BOND CCBL96A	1,277,626		
9121 CAP DEV OF 1997 SERIES A	809,469		
9123 CCDL 1998B	2,210,583		
9124 CCDL99A 1999A	10,726		
9125 MMG099 1999	2,902		
9126 BOND CAPITAL CCDL2000A	1,581,521		
9127 MULTI-MODAL GEN OBL 2000	2,873		
9128 BOND 2001	32		
9131 CCDL 2004 SERIES A	12,896,310		
9132 BOND CCDL 2005 SERIES C	22,510,741		
9133 BOND CCDL 2005 SERIES E	18,783,642		
9134 BOND CCDL 2006 SERIES B	872,938		
9135 BOND CCDL 2006 SERIES C	88,958,749		
Subtotal Bond Proceed Accounts	155,594,012		
Total Short Term Portfolio	370,388,338		

* General Fund (4901,4911,4916), TDI (8000), & ISTE (5400), Clean Water (8700), Lottery (9700), RI Ind Bldg (9800) and Auto Equip (6900) investments do not reflect interest earnings on Brinson and Fidelity MM, and Citizens Premium Investments due to nature of Money Market investments. Interest is posted on the 1st business day of the next month.



Maturities in \$Millions

Note: Includes \$122.8 Million of Money Market investments with no specific maturity

February, 2007	5.20%
January, 2007	5.21%
February, 2006	4.47%

**ABRAHAM TOURO FUND
INVESTMENT SUMMARY
FEBRUARY 28, 2007**

<u>FUND NAME</u>	February Gain/Loss	TOTAL MARKET VALUE
Abraham Touro Fund (Fidelity Balanced Fund)	\$ 11,750	\$ 2,332,170
<u>TOTALS</u>	\$ 11,750	\$ 2,332,170