

**STATE OF RHODE ISLAND  
INVESTMENT COMMISSION MEETING**

**DATA AT  
DECEMBER 31, 2006**

**VINCENT IZZO, JR.**

**MEMBERS OF THE STATE INVESTMENT COMMISSION**

**Hon. Frank T. Caprio, Chair**

**Mr. Jeffrey Britt  
Ms. Rosemary Booth Gallogly  
Ms. Marcia Reback**

**Mr. J. Michael Costello  
Dr. Robert J. McKenna  
Mr. John R. Treat**

RHODE ISLAND STATE INVESTMENT COMMISSION  
STAFF SUMMARY ANALYSIS  
PORTFOLIO HIGHLIGHTS  
December 31, 2006

**PORTFOLIO PERFORMANCE**

**December**

The ERSRI portfolio posted a gain of 0.77% for the month of December, against the policy index of 1.27%. Domestic equities gained 1.13%, international equities gained 3.20%, and the fixed income asset class returned -0.71%. Additionally, the retirement fund earned \$219,575 from the securities lending program during this month.

**Calendar Year to Date**

For the twelve months ended December 31, 2006, the portfolio is up 14.89% against the policy index of 15.50%. Domestic equities were up 15.55%, international equities were up 26.94%, while fixed income generated a return of 4.28%.

**Fiscal Year to Date**

For the Fiscal Year ended June 30, 2007, the fund has gained 9.27%, against the policy index of 10.90%.

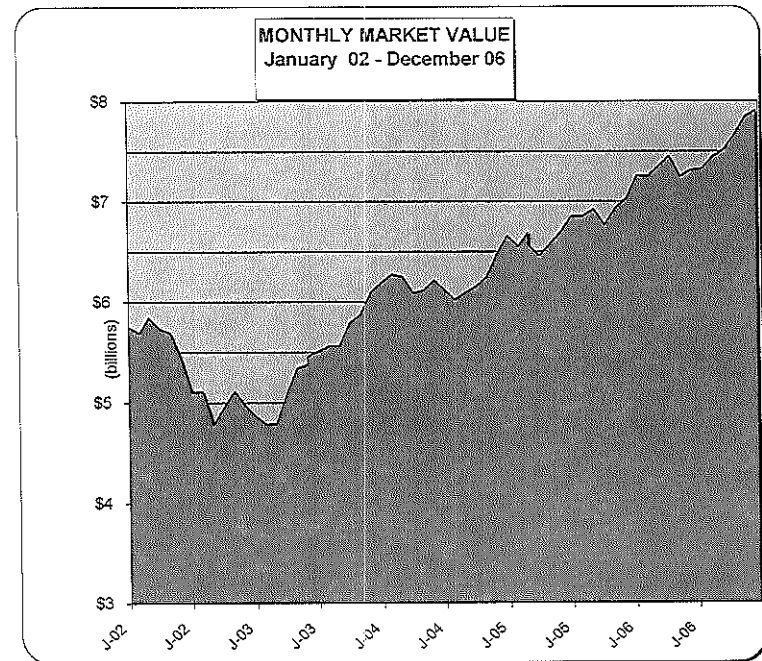
Index Performance Summary - December 31, 2006		
Market Indices	Dec-06	Calendar YTD
<b><u>Domestic Equity</u></b>		
S & P 500	1.40%	15.79%
DJ Wilshire 5000	1.17%	15.77%
Russell 2000	0.33%	18.37%
Russell 1000	0.00%	0.00%
Policy Index	1.27%	15.50%
<b><u>International Equity</u></b>		
MSCI ACWI	3.12%	27.16%
<b><u>Fixed Income</u></b>		
Lehman AGG	-0.58%	4.33%
<b><u>Real Estate</u></b>		
NCREIF	3.57%	18.64%

ERSRI Performance By Asset Class	Dec-06	Calendar YTD
Domestic Equity	1.13%	15.55%
Fixed Income	-0.71%	4.28%
International Equity	3.20%	26.94%
<b>Total Fund Composite*</b>	<b>0.77%</b>	<b>14.89%</b>
Manager Summary	Dec-06	CYTD
<b><u>DOMESTIC EQUITY</u></b>		
Shott	-13.30%	-31.02%
PIMCO	1.17%	15.66%
SSgA Russell 1000	0.00%	0.00%
SSgA Core	1.22%	17.91%
Wasatch	0.00%	0.00%
Northpointe	0.56%	18.91%
Wellington	0.54%	15.80%
<b>Total Domestic Equity</b>	<b>1.13%</b>	<b>15.55%</b>
<b><u>FIXED INCOME</u></b>		
Brown Bros TIPS	-2.28%	0.02%
Brown Bros Core	-0.57%	4.15%
Fidelity	-0.32%	5.37%
Taplin Canida & Habacht	-0.43%	4.87%
InState Fixed Income	0.00%	0.00%
Shenkman	1.15%	9.03%
Mackay Shield	1.39%	12.60%
<b>Total Fixed Income</b>	<b>-0.71%</b>	<b>4.28%</b>
<b><u>INTERNATIONAL EQUITY</u></b>		
Mondrian	3.27%	30.66%
Goldman Sachs	4.00%	26.73%
Boston Co	2.31%	23.49%
<b>Total International Equity</b>	<b>3.20%</b>	<b>26.94%</b>
*Total Fund Composite includes all classes		

Market Valuation Report  
December, 2006

Market Values

The total portfolio value increased in December by \$59.6 million to \$7.90 billion. This compares with an increase in value of \$86.3 million for the same period in 2005. The domestic equity market values increased by \$29.4 million, including a transfer out of \$8 million; fixed income decreased by \$13.1 million; while international values increased by \$51.0 million, including an \$8.0 million transfer out. The cash accounts increased by \$17.0 million including transfers in of \$14.1 million, and alternative investments decreased by \$24.7 million including transfers out netting \$11.7 million.



### Cash Flow

December's pension payroll of \$54.9 million was more than the \$ 47.8 million in contributions and wire transfers received by \$7.1 million.

To meet pension and other obligations, \$12.0 million was transferred from long-term investments.

### Alternative Investments

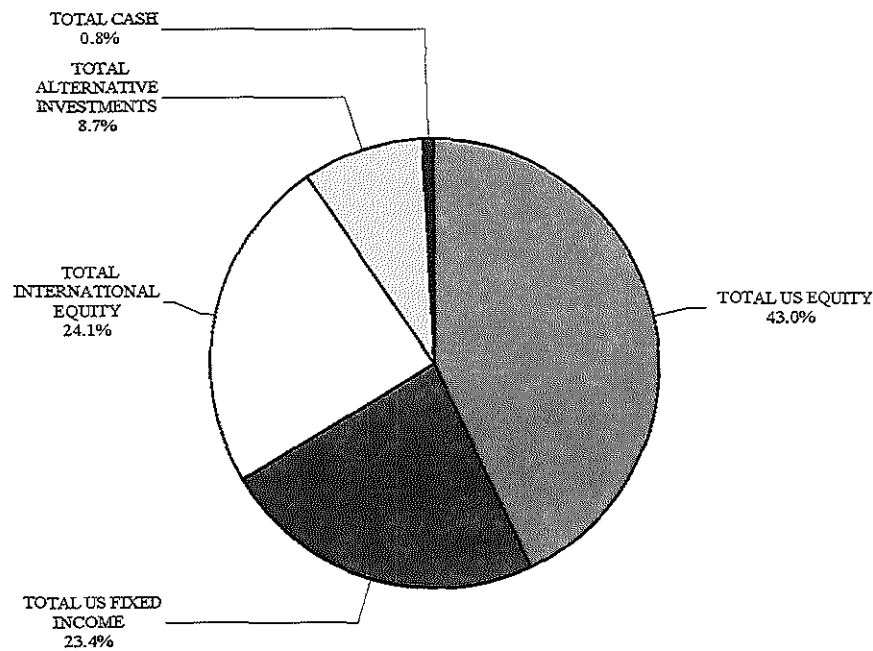
At this time the alternative investment asset class has unfunded commitments of approximately \$406 million on commitments of \$863 million.

#### CAPITAL CALLS Net of Distributions

December 2006	FYTD	UNFUNDED BALANCE
-\$16,037,221	-\$8,802,504	\$406,971,173
December 2005	FYTD	UNFUNDED BALANCE
\$23,686,463	\$74,913,425	\$441,688,663



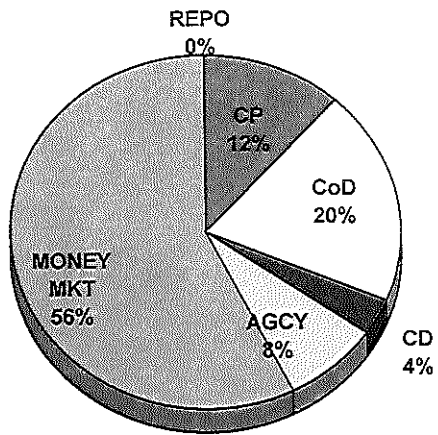
CURRENT ASSET CLASS ALLOCATION (IN MILLIONS)



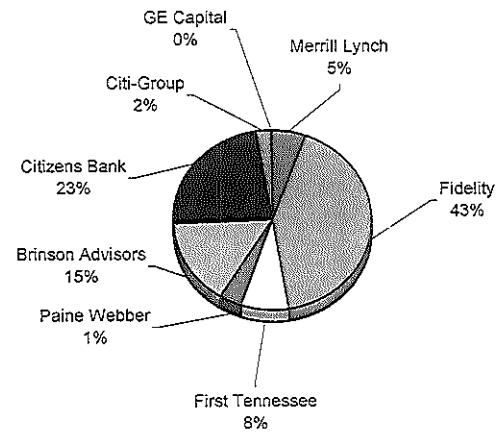
MANAGER	CURRENT PERIOD
TOTAL US EQUITY	3,398.8
TOTAL US FIXED INCOME	1,847.4
TOTAL INTERNATIONAL EQUITY	1,900.6
TOTAL ALTERNATIVE INVESTMENTS	688.8
TOTAL CASH	59.6
<b>TOTAL</b>	<b>7,895.2</b>

**RHODE ISLAND STATE INVESTMENT COMMISSION**  
**SHORT TERM CASH INVESTMENTS AT DECEMBER 31, 2006**

**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  
December, 2006

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	2%	Aa1	P-1	A-1+	Aa1	AA-	Positive		
Citizens Bank RI	3,4	23%	Aa2	P-1	A-1+	Aa2	AA-	Stable		
Dreyfus	6	0%	Aa3	P-1	A-1+	Aa3	AA-	Stable		
First Tennessee Capital Markets	5	8%	A1	P-1	A-1	A1	A	Stable		
Fidelity	6	42%			N/R		N/R	N/R		
Merrill Lynch	2,5,6	5%	Aa3	P-1	A-1	Aa3	A+	Positive		
GE Capital	2	0%	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	4%	Aa2	P-1	A-1+	Aa2	AA+	Stable		
UBS Brinson Advisors	8	15%	Aa2	P-1	A-1+	Aa2	AA+	Stable		
State Street Bank & Trust	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

**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.

**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

**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

**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 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
  - BBB-, 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

January 18, 2007

Frank Caprio  
General Treasurer

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 October 31, 2006.

Employees' Retirement System of Rhode Island  
Composite Reporting Investment Valuation  
December 31, 2006

Asset Class		
Cash/Short Term		
Investments		228,604,432
Equities - Domestic		3,361,595,390
Equities - International		1,843,619,895
Fixed Income -		
Government	\$1,001,416,150	
Fixed Income - Corporate	\$771,423,371	
Fixed Income - In State	\$0	
Total Fixed Income		1,772,839,522
Alternative Investments		448,984,012
Real Estate		239,644,374
Total Fund Investments		7,895,287,625
Plan Allocation		
State Employees &		
Teachers	85.15%	6,722,886,339
Municipal Employees	13.93%	1,099,652,739
State Police	0.56%	43,854,991
Judicial	0.37%	28,893,555
Total Fund Investments	100.00%	7,895,287,625

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 Goodreau, CMT  
Deputy Director for Finance



**State of Rhode Island**

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING December 31, 2006



**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
<b>U.S. EQUITY</b>												
SSGA S&P 500 INDEX FUND	1,665,527	21.10	1.41									
NORTHPOINTE CAPITAL	399,663	5.06	0.56	9.10	8.15	18.91	8.15	18.91	13.94	14.99	21.94	
PIMCO	548,488	6.95	1.17	6.55	13.01	15.66	13.01	15.66	9.79	10.24	14.72	6.22
SSGA - CORE	372,202	4.71	1.22	7.02	13.21	17.91	13.21	17.91	12.63	12.27	15.86	8.45
WELLINGTON MANAGEMENT CO. LLC	409,139	5.18	0.54	8.02	8.66	15.80	8.66	15.80	11.88	12.58	23.37	
SHOTT CAPITAL	3,734	0.05	-13.77	-3.94	-16.16	-21.39	-16.16	-21.39				
TOTAL US EQUITY	3,398,771	43.05	1.13	7.18	11.12	15.55	11.12	15.55	10.87	11.48	17.28	8.31
<i>RUSSELL 1000</i>			1.28	6.95	12.36	15.46	12.36	15.46	10.77	10.98	15.43	6.82
<i>RUSSELL 2000</i>			0.33	8.90	9.38	18.37	9.38	18.37	11.25	13.56	21.18	11.39
<i>RUSSELL 2000 GROWTH</i>			-0.24	8.77	6.86	13.35	6.86	13.35	8.65	10.50	18.99	6.93
<i>RUSSELL 2000 VALUE</i>			0.87	9.03	11.81	23.48	11.81	23.48	13.71	16.49	23.26	15.37
<i>S&amp;P 500</i>			1.40	6.70	12.74	15.79	12.74	15.79	10.22	10.44	14.74	6.19
<i>DOW WILSHIRE 5000 FREE FLOAT</i>			1.17	7.21	12.00	15.77	12.00	15.77	10.98	11.48	16.21	7.62
<b>INTERNATIONAL EQUITY</b>												
GOLDMAN SACHS	640,719	8.12	4.00	10.89	15.78	26.73	15.78	26.73	23.79			
THE BOSTON COMPANY	621,387	7.87	2.31	8.73	12.70	23.49	12.70	23.49	18.30			
MONDRIAN	638,415	8.09	3.27	10.71	17.86	30.66	17.86	30.66	22.50			
TRANSITION ACCOUNT INT EQUITY	68	0.00										
PUTNAM INVESTMENTS	6	0.00										
BANK OF IRELAND	5	0.00										
TOTAL INTERNATIONAL EQUITY	1,900,601	24.07	3.20	10.12	15.44	26.94	15.44	26.94	21.53	21.20	23.90	14.67
<i>MSCI AC WORLD ex US (GROSS)</i>			3.12	11.21	15.61	27.16	15.61	27.16	22.03	21.81	26.44	16.87
<i>MSCI EAFE (NET)</i>			3.14	10.35	14.69	26.34	14.69	26.34	19.77	19.93	24.34	14.98

# State of Rhode Island

## SUMMARY OF PERFORMANCE

### RATES OF RETURN

PERIODS ENDING December 31, 2006



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
<b>U.S. FIXED INCOME</b>												
BROWN BROTHERS HARRIMAN - CORE	292,245	3.70	-0.57	1.11	4.32	4.15	4.32	4.15	3.54	4.00	4.64	5.69
FIDELITY MANAGEMENT TRUST	480,218	6.08	-0.32	1.56	5.07	5.37	5.07	5.37	4.30	4.59	4.57	5.51
BROWN BROTHERS HARRIMAN - TIPS	517,364	6.55	-2.28	-1.36	2.25	0.02	2.25	0.02	1.81			
MACKAY SHIELDS, LLC	131,965	1.67	1.39	5.32	8.81	12.60	8.81	12.60	8.04	10.08	16.10	
SHENKMAN CAPITAL MANAGEMENT	131,619	1.67	1.15	3.65	7.15	9.03	7.15	9.03	6.20	7.18	9.30	
TAPLIN, CANIDA & HABACHT	293,430	3.72	-0.43	1.38	5.19	4.87	5.19	4.87	3.82	4.45	6.84	6.65
TRANSITION ACCOUNT FIXED INCOME	575	0.01										
TOTAL US FIXED INCOME	1,847,416	23.40	-0.71	1.02	4.56	4.28	4.56	4.28	3.77	4.63	5.81	6.05
<i>CSFB GLOBAL HIGH YIELD</i>			1.19	4.45	8.14	11.92	8.14	11.92	6.98	8.61	13.15	11.07
<i>LB AGGREGATE</i>			-0.58	1.24	5.09	4.33	5.09	4.33	3.38	3.70	3.80	5.06
<i>LB CREDIT</i>			-0.86	1.34	5.91	4.26	5.91	4.26	3.10	3.81	4.77	5.90
<i>LB GOV/CREDIT</i>			-0.76	1.04	4.99	3.78	4.99	3.78	3.07	3.45	3.76	5.17
<i>CITIGROUP BIG</i>			-0.60	1.25	5.15	4.33	5.15	4.33	3.45	3.79	3.89	5.10
<i>CITIGROUP LARGE PENSION FUND INDEX</i>			-1.26	1.21	6.54	3.69	6.54	3.69	3.74	4.68	4.78	6.28
<i>CITIGROUP L.P.F. COLLATERALIZED INDEX</i>			-0.29	1.59	5.29	5.16	5.29	5.16	3.94	4.22	3.93	4.90
<b>ALTERNATIVE INVESTMENTS</b>												
REAL ESTATE	239,645	3.04	0.27	0.97	1.96	3.57	1.96	3.57	3.66			
PRIVATE EQUITY	449,196	5.69	-5.11	-3.62	-2.10	15.26	-2.10	15.26	25.01	23.13	19.33	14.87
TOTAL ALTERNATIVE INVESTMENTS	688,841	8.72	-3.31	-2.10	-0.94	11.00	-0.94	11.00	21.60	20.70	17.50	13.28
<i>NCREIF PROPERTY INDEX QTR LAG</i>			3.51	3.51	7.66	17.62	7.66	17.62	18.40	16.37	14.17	12.42
<i>S&amp;P 500 PLUS 300 BP</i>			1.61	7.31	14.07	18.85	14.07	18.85	13.30	13.52	17.86	9.51

State of Rhode Island  
SUMMARY OF PERFORMANCE  
RATES OF RETURN  
PERIODS ENDING December 31, 2006



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
<b>CASH EQUIVALENTS</b>												
CASH ACCOUNT (INSIDE)	35,522	0.45	0.59	4.35	4.36	10.37	4.36	10.37	8.44	11.97	17.49	31.66
CASH ACCOUNT (OUTSIDE)	24,095	0.31	0.35	1.17	1.97	3.74	1.97	3.74	3.26	2.58	3.08	2.82
<b>TOTAL PLAN</b>												
TOTAL PLAN	7,895,244	100.00	0.77	5.45	9.27	14.89	9.27	14.89	12.04	12.44	15.98	9.88
<sup>1</sup> TOTAL PLAN BENCHMARK			1.27	6.31	10.90	15.50	10.90	15.50	11.60	11.87	15.40	9.44

**State of Rhode Island**  
SUMMARY OF PERFORMANCE  
RATES OF RETURN  
PERIODS ENDING December 31, 2006



**STATE STREET.**  
For Everything You Invest In

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**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**

**December 31, 2006**

	Calendar YTD			Benchmark Description	Current Month			Valuation Change			
	Performance	Benchmark	Alpha		Performance	Benchmark	Alpha	Market Value	Transfers	Market Value	Market Value
								11/30/2006	In/(out)	12/31/2006	Increase/decrease
<b>Domestic Equity</b>											
Shott Capital Management IRR	-31.02%	15.79%	-46.81%	S & P 500	-13.30%	1.40%	-14.70%	4,881,417	-	3,733,747	(1,147,671)
SSgA Russell 1000				Russell 1000				46,976	(46,409)	-	(567)
SSgA S&P 500				S & P 500	1.41%	1.40%		1,650,288,110	(7,885,400)	1,665,526,524	23,123,814
SSgA Core	17.91%	15.46%	2.45%	Russell 1000	1.22%	1.28%	-0.06%	367,696,509	24,500	372,201,662	4,478,654
PIMCO	15.66%	15.79%	-0.13%	S & P 500	1.17%	1.40%	-0.23%	542,115,484	38,710	548,487,725	6,333,531
NorthPointe Capital	18.91%	18.37%	0.54%	Russell 2000	0.56%	0.33%	0.23%	397,407,861	28,420	399,662,677	2,226,396
Wellington Mgmt	15.80%	18.37%	-2.57%	Russell 2000	0.54%	0.33%	0.21%	406,903,776	31,360	409,139,122	2,203,986
Wasatch Advisors				Russell 2000				9,072		8	(9,064)
Transition Account	N/A	N/A	N/A		N/A	N/A	N/A	19,016	(9,072)	19,118	9,174
<b>Total Domestic Equity</b>	<b>15.55%</b>				<b>1.13%</b>			<b>3,369,370,219</b>	<b>(7,817,890)</b>	<b>3,398,770,583</b>	<b>37,218,254</b>
<b>International Equity</b>											
Boston Company	23.49%	27.16%	-3.67%	MSCI ACWI	2.31%	3.12%	-0.81%	607,307,410	39,690	621,391,963	14,044,864
Goldman Sachs	26.73%	27.16%	-0.43%	MSCI ACWI	4.00%	3.12%	0.88%	616,031,291	39,690	640,719,467	24,648,486
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	693,094	-	692,769	(325)
Mondrian	30.66%	27.16%	3.50%	MSCI ACWI	3.27%	3.12%	0.15%	626,140,957	(7,959,330)	638,415,336	20,233,709
<b>Total International Equity</b>	<b>26.94%</b>				<b>3.20%</b>			<b>1,850,172,752</b>	<b>(7,879,950)</b>	<b>1,901,219,536</b>	<b>58,926,734</b>
<b>Fixed Income</b>											
Fidelity Management & Research	5.37%	5.22%	0.15%	Lehman Mortgage Backed	-0.32%	-0.28%	-0.04%	481,735,841	32,830	480,217,734	(1,550,937)
Brown Brothers, Harriman	4.15%	4.33%	-0.18%	Salomon Brd Inv Grade	-0.57%	-0.60%	0.03%	293,896,745	20,580	292,245,496	(1,671,829)
In-State Fixed Income				N/A	0.00%	N/A	N/A	4	(4)	-	-
Taplin, Canida & Habacht	4.87%	4.26%	0.61%	Lehman Credit Index	-0.43%	-0.86%	0.43%	294,665,397	19,600	293,430,120	(1,254,877)
Mackay Shields	12.60%	11.92%	0.68%	CS First BosHiYield	1.39%	1.19%	0.20%	130,142,389	9,800	131,964,529	1,812,340
Shenkman Capital Mgmt	9.03%	11.92%	-2.89%	CS First BosHiYield	1.15%	1.19%	-0.04%	130,109,049	9,800	131,619,044	1,500,195
Brown Bros TIPS	0.02%	0.41%	-0.39%	Lehman US TIPS Index	-2.28%	-2.33%	0.05%	529,376,257	39,690	517,363,598	(12,052,348)
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	-
<b>Total Fixed Income</b>	<b>4.28%</b>				<b>-0.71%</b>			<b>1,859,925,682</b>	<b>132,296</b>	<b>1,846,840,521</b>	<b>(13,217,457)</b>
<b>Alternative Investments</b>											
Private Equity	15.26%	N/A	N/A	N/A	-5.11%	N/A	N/A	478,916,148	(16,037,221)	449,195,965	(13,882,962)
Real Estate	3.57%	18.64%	N/A	NCREIF + 100	0.27%	3.57%	-3.30%	234,663,921	4,365,082	239,644,670	615,668
<b>Total Alternatives</b>	<b>11.00%</b>				<b>-3.31%</b>			<b>713,580,068</b>	<b>(11,672,139)</b>	<b>688,840,635</b>	<b>(13,067,295)</b>
<b>Cash Accounts</b>											
Cash in Trust	10.37%	N/A	N/A		0.59%	N/A	N/A	24,968,221	10,076,093	35,521,791	477,478
Cash Outside Trust	3.74%	N/A	N/A		0.35%	N/A	N/A	17,652,451	4,000,000	24,094,559	2,442,108
<b>Total Cash</b>	<b>7.12%</b>	<b>*</b>	<b>0</b>		<b>0.47%</b>	<b>*</b>	<b>0</b>	<b>42,620,672</b>	<b>14,076,093</b>	<b>59,616,351</b>	<b>2,919,586</b>
<b>Total</b>	<b>14.89%</b>	<b>15.50%</b>	<b>-0.61%</b>		<b>0.77%</b>	<b>1.27%</b>	<b>-0.50%</b>	<b>7,835,689,393</b>	<b>(13,161,591)</b>	<b>7,895,287,625</b>	<b>72,779,823</b>

\*Policy Index (Effective 04/31/06)

- 42.5% Wilshire 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 December 31, 2006



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		
<b>U.S. EQUITY</b>									
SSGA S&P 500 INDEX FUND	S&P 500	1.41	1.40	0.01				1,665,527	-7,893
SSGA - CORE	RUSSELL 1000	1.22	1.28	-0.06	17.91	15.46	2.45	372,202	25
PIMCO	S&P 500	1.17	1.40	-0.23	15.66	15.79	-0.13	548,488	39
NORTHPOINTE CAPITAL	RUSSELL 2000	0.56	0.33	0.23	18.91	18.37	0.54	399,663	28
WELLINGTON MANAGEMENT CO. LLC	RUSSELL 2000	0.54	0.33	0.21	15.80	18.37	-2.57	409,139	31
SHOTT CAPITAL	S&P 500	-13.77	1.40	-15.17	-21.39	15.79	-37.18	3,734	-588
SSGA RUSSELL 1000	RUSSELL 1000	0.00	1.28	-1.28		15.46		0	-47
WASATCH ADVISORS	RUSSELL 2000	0.54	0.33	0.21		18.37		0	-9
TOTAL US EQUITY		1.13			15.55			3,398,771	-8,414
<b>INTERNATIONAL EQUITY</b>									
THE BOSTON COMPANY	MSCI AC WORLD ex US (GROSS)	2.31	3.12	-0.81	23.49	27.16	-3.67	621,387	40
GOLDMAN SACHS	MSCI AC WORLD ex US (GROSS)	4.00	3.12	0.88	26.73	27.16	-0.43	640,719	40
MONDRIAN	MSCI AC WORLD ex US (GROSS)	3.27	3.12	0.15	30.66	27.16	3.50	638,415	-7,959
TRANSITION ACCOUNT INT EQUITY								68	0
TOTAL INTERNATIONAL EQUITY		3.20			26.94			1,900,601	-7,880
<b>U.S. FIXED INCOME</b>									
FIDELITY MANAGEMENT TRUST	LB MBS	-0.32	-0.28	-0.04	5.37	5.22	0.15	480,218	33
BROWN BROTHERS HARRIMAN - CORE	CITIGROUP BIG	-0.57	-0.60	0.03	4.15	4.33	-0.18	292,245	21
TAPLIN, CANIDA & HABACHT	LB CREDIT	-0.43	-0.86	0.43	4.87	4.26	0.61	293,430	20
MACKAY SHIELDS, LLC	CSFB GLOBAL HIGH YIELD	1.39	1.19	0.20	12.60	11.92	0.68	131,965	10
SHENKMAN CAPITAL MANAGEMENT	CSFB GLOBAL HIGH YIELD	1.15	1.19	-0.04	9.03	11.92	-2.89	131,619	10
BROWN BROTHERS HARRIMAN - TIPS	LB U.S. TIPS	-2.28	-2.33	0.05	0.02	0.41	-0.39	517,364	40
TRANSITION ACCOUNT FIXED INCOME								575	0
TOTAL US FIXED INCOME		-0.71			4.28			1,847,416	132

State of Rhode Island

RATES OF RETURN - Total

Periods Ending December 31, 2006



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		
<b>ALTERNATIVE INVESTMENTS</b>									
STATE ACCOUNT (IN DEFAULT)		-0.00					0	-0	
PRIVATE EQUITY		-5.11			15.26		449,196	-5,569	
REAL ESTATE	NCREIF PROPERTY LAG + 100 BPS	0.27	3.57	-3.30	3.57	18.64	-15.07	239,645	4,331
TOTAL ALTERNATIVE INVESTMENTS		-3.31			11.00		688,841	-1,239	
<b>CASH EQUIVALENTS</b>									
CASH ACCOUNT (INSIDE)		0.59			10.37		35,522	10,357	
CASH ACCOUNT (OUTSIDE)		0.35			3.74		24,095	6,310	
TOTAL CASH		0.47			7.12		59,616	16,667	
<b>TOTAL PLAN</b>									
TOTAL PLAN	TOTAL PLAN BENCHMARK	0.77	1.27	-0.50	14.89	15.50	-0.61	7,895,244	-733

State of Rhode Island

TOTAL PLAN

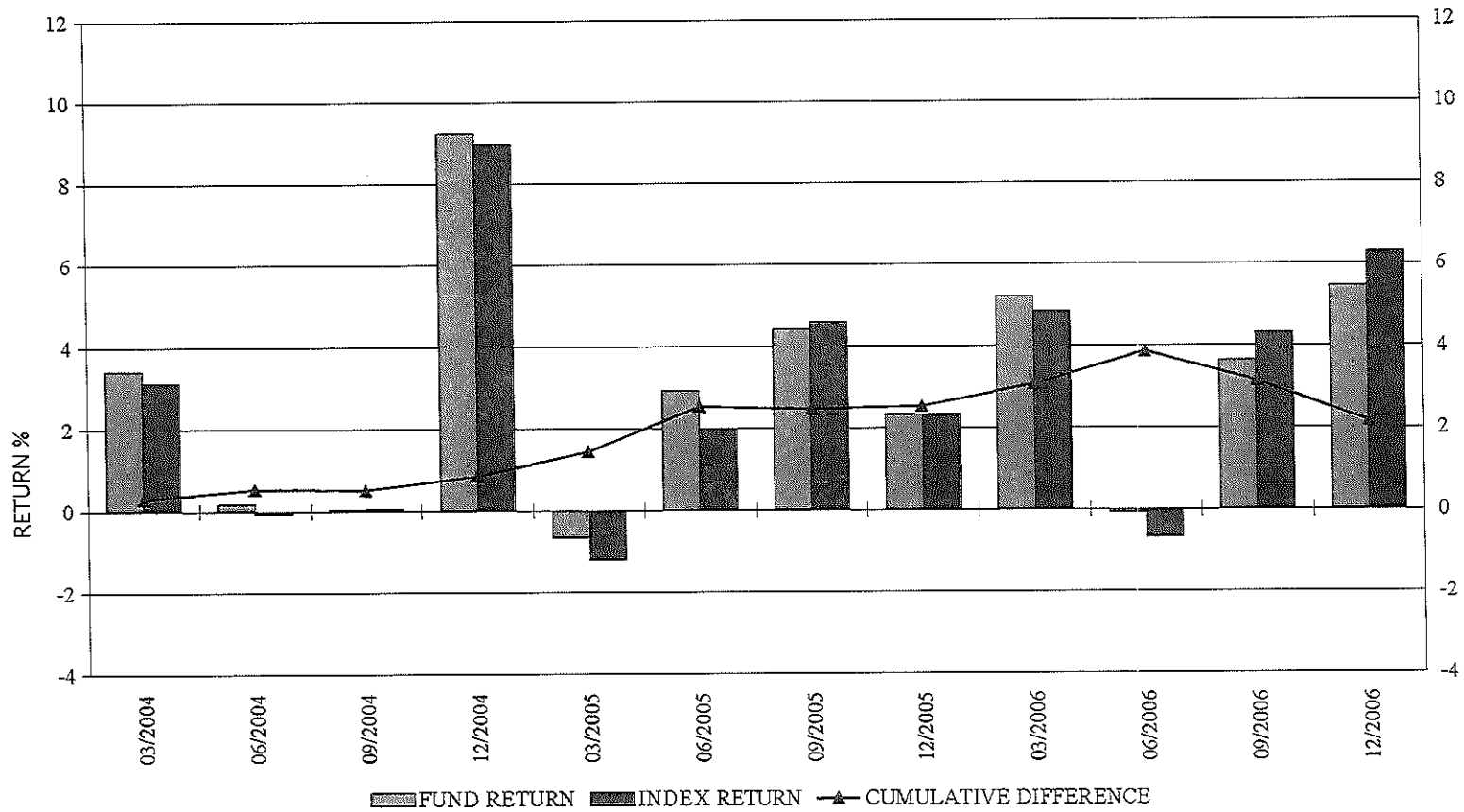
Index: TOTAL PLAN BENCHMARK

PERIODS: December 31, 2003 - December 31, 2006



STATE STREET.  
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CUMULATIVE PERFORMANCE REPORT



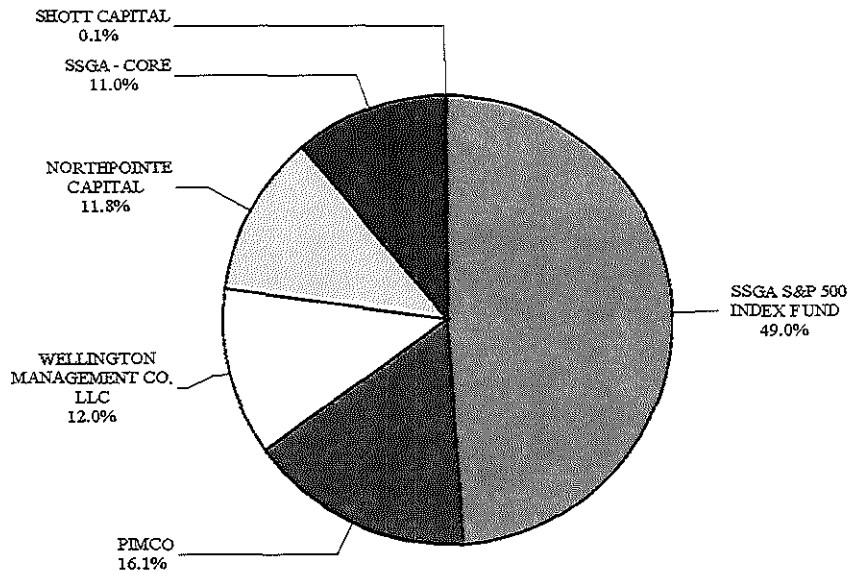


State of Rhode Island  
 MANAGER ALLOCATION ANALYSIS  
 PERIOD ENDING 12/31/2006



STATE STREET.  
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CURRENT MANAGER ALLOCATION



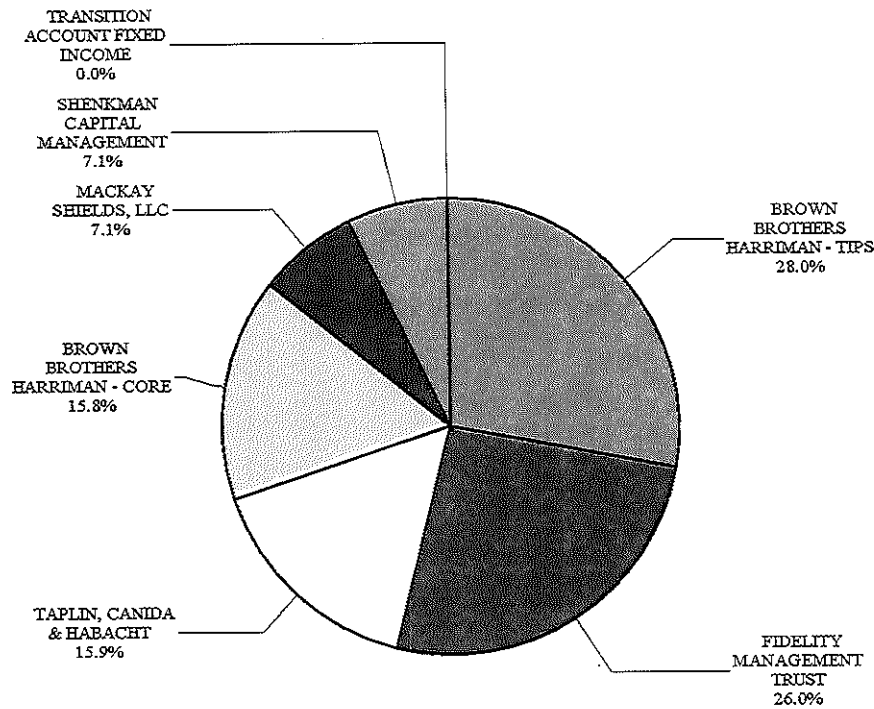
MANAGER	CURRENT PERIOD	ONE YEAR AGO
SSGA S&P 500 INDEX FUND	1,665.5	
PIMCO	548.5	473.9
WELLINGTON MANAGEMENT CO. LLC	409.1	395.9
NORTHPOINTE CAPITAL	399.7	349.1
SSGA - CORE	372.2	315.4
SHOTT CAPITAL	3.7	0.2
SSGA RUSSELL 1000	0.0	1,403.1
WASATCH ADVISORS	0.0	197.3
<b>TOTAL</b>	<b>3,398.7</b>	<b>3,134.9</b>

**State of Rhode Island**  
**MANAGER ALLOCATION ANALYSIS**  
**PERIOD ENDING 12/31/2006**



**STATE STREET.**  
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**CURRENT MANAGER ALLOCATION**



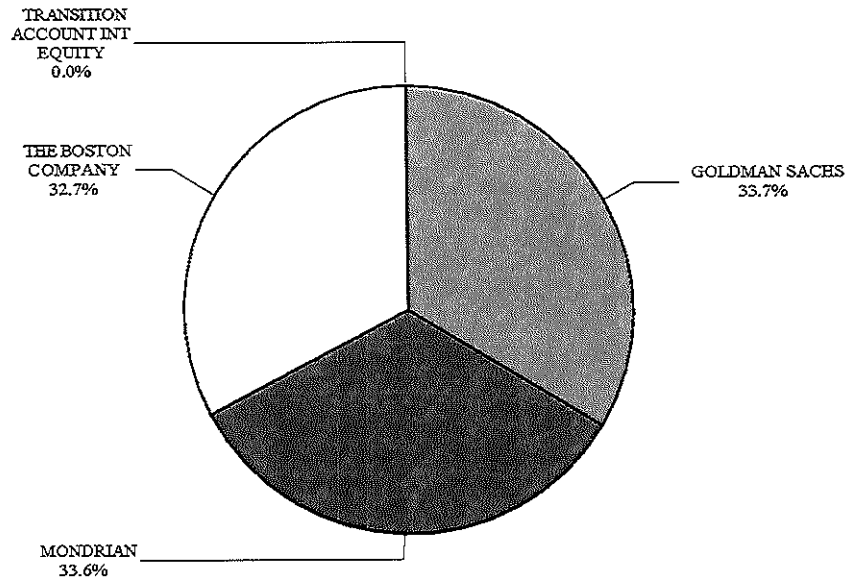
<u>MANAGER</u>	<u>CURRENT PERIOD</u>	<u>ONE YEAR AGO</u>
BROWN BROTHERS HARRIMAN - TIPS	517.4	500.3
FIDELITY MANAGEMENT TRUST	480.2	415.1
TAPLIN, CANIDA & HABACHT	293.4	257.4
BROWN BROTHERS HARRIMAN - CORE	292.2	250.1
MACKAY SHIELDS, LLC	132.0	126.9
SHENKMAN CAPITAL MANAGEMENT	131.6	126.5
TRANSITION ACCOUNT FIXED INCOME	0.6	0.6
<b>TOTAL</b>	<b>1,847.4</b>	<b>1,676.9</b>

**State of Rhode Island**  
**MANAGER ALLOCATION ANALYSIS**  
**PERIOD ENDING 12/31/2006**



**STATE STREET.**  
*For Everything You Invest In*

**CURRENT MANAGER ALLOCATION**



<u>MANAGER</u>	<u>CURRENT PERIOD</u>	<u>ONE YEAR AGO</u>
GOLDMAN SACHS	640.7	559.2
MONDRIAN	638.4	537.3
THE BOSTON COMPANY	621.4	552.3
TRANSITION ACCOUNT INT EQUITY	0.1	0.1
SSGA MSCI ALL COUNTRY WORLD EX-US		0.6
<b>TOTAL</b>	<b>1,900.6</b>	<b>1,649.5</b>

**ASSET ALLOCATION REPORT  
DECEMBER 31st, 2006**

	Style Mandate	Actual (Millions \$)		Target (Millions \$)		Difference (Millions \$)
<b>Domestic Equity</b>						
SSgA S&P 500 Index Fund	Passive	1,665.53	21.1%	1,638.26	20.75%	27.27
SSgA Core	Active core	372.20	4.7%	355.29	4.50%	16.92
PIMCO	Enhanced Equity	548.49	6.9%	532.93	6.75%	15.56
NorthPointe Capital	Small Cap Value	399.66	5.1%	394.76	5.00%	4.90
Wellington Mgmt	Small Cap Core	409.14	5.2%	434.24	5.50%	(25.10)
Wasatch Advisors	Small Cap Growth	0.00	0.0%	0.00	0.00%	0.00
Shott Capital	Alternative Distribution	3.73	0.0%	0.00	0.00%	3.73
<b>TOTAL DOMESTIC EQUITY</b>		<b>3,398.75</b>	<b>43.0%</b>	<b>3,355.47</b>	<b>42.50%</b>	<b>43.28</b>
<b>International Equity</b>						
Boston Company	MSCI ACWI	621.39	7.9%	526.61	6.67%	94.78
Goldman Sachs	MSCI ACWI	640.72	8.1%	526.61	6.67%	114.11
Mondrian	MSCI ACWI	638.42	8.1%	525.82	6.66%	112.59
Transition Account		0.07	0.0%	0.00	0.00%	0.07
<b>TOTAL INT'L EQUITY</b>		<b>1,900.60</b>	<b>24.1%</b>	<b>1,579.05</b>	<b>20.00%</b>	<b>321.55</b>
<b>Domestic Fixed Income</b>						
Fidelity Management & Research	Mortgages	480.22	6.1%	493.45	6.25%	(13.23)
Brown Brothers, Harriman	Opportunistic Core	292.25	3.7%	296.07	3.75%	(3.83)
Taplin, Canida & Habacht	Corporates	293.43	3.7%	296.07	3.75%	(2.64)
Mackay Shields	High yield	131.97	1.7%	148.04	1.88%	(16.07)
Shenkman Capital Mgmt	High yield	131.62	1.7%	148.04	1.88%	(16.42)
Brown Brothers, Harriman TIPS	TIPS	517.36	6.6%	592.14	7.50%	(74.78)
Transition Account		0.58	0.0%	0.00	0.00%	0.58
<b>TOTAL FIXED-INCOME</b>		<b>1,847.42</b>	<b>23.4%</b>	<b>1,973.81</b>	<b>25.00%</b>	<b>(126.39)</b>
<b>Alternative Investments</b>						
Real Estate	Real Estate	239.65	3.0%	394.8	5.00%	(155.1)
Pacific Corp Group	Private Equity	449.20	5.7%	592.14	7.50%	(142.9)
<b>TOTAL ALTERNATIVE INVESTMENTS</b>		<b>688.84</b>	<b>8.7%</b>	<b>\$986.90</b>	<b>12.50%</b>	<b>(298.06)</b>
<b>CASH EQUIVALENTS</b>	STIF, Yield+	59.62	0.8%	0.00	0.00%	59.62
<b>TOTAL ASSETS</b>		<b>7,895.23</b>	<b>100.0%</b>	<b>7,895.23</b>	<b>100.00%</b>	<b>(0.00)</b>

**ALLOCATION BY MANAGEMENT STYLE**

<b>Domestic Equity</b>						
Core		372.20	4.7%	355.29	4.50%	16.92
Index		1,665.53	21.1%	1,638.26	17.75%	27.27
Enhanced Equity		548.49	6.9%	532.93	6.75%	15.56
Active Small Cap		808.80	10.3%	829.00	13.50%	(20.20)
<b>TOTAL DOMESTIC EQUITY</b>		<b>3,398.75</b>	<b>43.0%</b>	<b>3,355.47</b>	<b>42.50%</b>	<b>43.28</b>
<b>International Equity</b>						
Active		1,900.60	24.1%	1,579.05	20.00%	321.55
<b>TOTAL INT'L EQUITY</b>		<b>1,900.60</b>	<b>24.1%</b>	<b>1,579.05</b>	<b>20.00%</b>	<b>321.55</b>
<b>Domestic Fixed Income</b>						
Mortgage		480.22	6.1%	493.45	6.25%	(13.23)
Core		292.25	3.7%	296.07	3.75%	(3.83)
Corporates		293.43	3.7%	296.07	3.75%	(2.64)
High Yield		264.16	3.3%	296.07	3.75%	(31.91)
TIPS		517.36	6.6%	592.14	7.50%	(74.78)
<b>TOTAL FIXED-INCOME</b>		<b>1,847.42</b>	<b>23.4%</b>	<b>1,973.81</b>	<b>25.00%</b>	<b>(126.39)</b>
<b>Alternative Investments</b>						
Real Estate		239.65	3.0%	394.76	5.00%	(155.12)
Other Alternative Investments		449.20	5.7%	\$592.14	7.50%	(142.95)
<b>TOTAL ALTERNATIVE INVESTMENTS</b>		<b>688.84</b>	<b>8.7%</b>	<b>986.90</b>	<b>12.50%</b>	<b>(298.06)</b>
<b>CASH EQUIVALENTS</b>	STIF, Yield+	59.62	0.8%	0.00	0.00%	59.62
<b>TOTAL ASSETS</b>		<b>7,895.23</b>	<b>100.0%</b>	<b>7,895.23</b>	<b>100.00%</b>	<b>(0.00)</b>

## RHODE ISLAND STATE INVESTMENT COMMISSION

Domestic Equity Holdings By Top 10 Market Values  
Separately Managed

DECEMBER 31, 2006

<i>Equities</i>				
RANK	SECURITY NAME	PAR VALUES/SHARES	BASE MARKET AMOUNT	MONEY MANAGERS
1	EXXON MOBIL CORP	216,970	\$16,626,411	SSgA
2	CITIGROUP INC	225,333	12,551,048	SSgA
3	HERCULES INC	649,200	12,536,052	Wellington, NorthPointe, SSgA
4	DREAMWORKS ANIMATION	387,300	11,421,477	Wellington, NorthPointe
5	BANK AMERICA CORP	196,700	10,501,813	SSgA
6	PFIZER INC	381,200	9,873,080	SSgA
7	ADVANTA CORP	214,423	9,355,275	Wellington, NorthPointe
8	RED HAT INC	406,000	9,338,000	Wellington
9	INTERNATIONAL BUSINESS MAC	96,100	9,336,115	SSgA
10	HEWLETT PACKARD CO	206,700	8,513,973	SSgA
		3.24%	\$110,053,244	
	FOUNDATION COAL HLDGS INC			
	Total Composite Equities	\$3,398,751,465		

### International Equity Holdings By Top 10 Market Values

DECEMBER 31, 2006

<i>International Equities</i>				
RANK	SECURITY NAME	PAR VALUES/SHARES	BASE MARKET AMOUNT	MONEY MANAGERS
1	DPT EMERGING MARKET	4,655,746	\$64,249,297	Mondrian
2	ROYAL BANK SCOT GRP	1,005,394	39,216,401	Mondrian, Goldman, Boston Co.
3	UNILEVER PLC	1,149,798	32,134,674	Mondrian, Goldman, Boston Co.
4	ROYAL DUTCH SHELL	910,970	32,097,430	Mondrian, Goldman, Boston Co.
5	TOTAL SA	414,445	29,866,670	Mondrian, Goldman, Boston Co.
6	GLAXOSMITHKLINE	997,474	26,237,654	Mondrian, Boston Co.
7	HBOS	1,120,621	24,827,291	Mondrian, Goldman, Boston Co.
8	CANON INC	417,428	23,471,676	Mondrian, Goldman, Boston Co.
9	BP PLC	2,052,891	22,801,105	Mondrian, Boston Co.
10	NATL AUSTRALIA BANK	694,028	22,100,120	Mondrian, Goldman, Boston Co.
		16.68%	\$317,002,319	
	Total Composite International Equities	\$1,900,600,695		

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	Projected Oct	Projected Nov	Projected Dec	Projected Jan 07	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected Jun	Projected TOTAL
<b>EQUITIES</b>													
SSgA Core			228,174			211,332			200,000			222,371	881,877
SSgA Russell 1000			25,333			31,811			40,000			32,408	129,553
Shott Capital			2,447			225			2,509			2,718	7,899
PIMCO			0			200,000			1,000			225,000	426,000
Wellington Mgmt			627,504			607,639			600,000			652,373	2,487,516
Wasatch Advisors			118,277			121,645			120,000			126,713	486,636
NorthPointe			<u>523,527</u>			<u>495,262</u>			<u>480,000</u>			<u>542,135</u>	<u>2,040,924</u>
			1,525,262			1,667,915			1,443,509			1,803,718	6,440,404
<b>FIXED INCOME</b>													
Brown Bros.			137,999			124,208			120,000			129,732	511,939
Fidelity			156,625			140,532			140,000			148,636	585,793
Taplin			180,056			163,025			160,000			169,909	672,990
Mackay Shields			135,754			138,332			140,000			132,920	547,006
Shenkman			137,910			137,872			140,000			135,952	551,735
Brown Bros.TIPS			<u>139,383</u>			<u>137,338</u>			<u>140,000</u>			<u>136,883</u>	<u>553,604</u>
			887,727			841,306			840,000			854,032	3,423,066
<b>INT'L EQUITIES</b>													
The Boston Co			567,016			543,700			550,000			566,138	1,676,853
Mondrian			344,188			282,822			250,000			316,283	1,193,293
Goldman Sachs Asset Mgmt			487,960			467,176			488,384			488,465	1,931,985
SSgA MSCI ACWI			0			0			0			0	0
	0		1,399,164	0		1,293,698			1,288,384			1,370,886	4,802,131
<b>REAL ESTATE</b>													
L & B Real Estate				73,899	312,588	34,375			100,000			100,000	620,862
<b>ALTERNATIVE INVESTMENTS</b>													
Other Alt Inv Mgmt Fees	1,336,032	775,539	73,438	693,948	316,403	999,806	886,829	219,291	207,497	401,744	606,207	583,151	7,099,884
<b>SUB TOTAL-INV MGMT FEES</b>	<b>1,336,032</b>	<b>775,539</b>	<b>3,885,591</b>	<b>767,847</b>	<b>628,991</b>	<b>4,837,100</b>	<b>886,829</b>	<b>219,291</b>	<b>3,879,390</b>	<b>401,744</b>	<b>606,207</b>	<b>4,711,788</b>	<b>22,386,348</b>
<b>PROFESSIONAL FEES</b>													
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	7,515	10,235	12,861	130,677
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
<b>OPERATING EXPENSE</b>													
Retirement Transfers	0	0	0	0	0	3,191,154	0	0	0	3,680,498	0	0	6,871,652
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>	0	<u>8,333</u>	<u>8,333</u>	<u>155,917</u>
	8,333	8,333	33,007	2,552	8,014	3,223,242	21,497	22,425	3,000	3,680,498	8,333	8,333	7,027,568
<b>TOTAL:</b>	<b>1,412,153</b>	<b>915,773</b>	<b>3,997,100</b>	<b>809,720</b>	<b>772,277</b>	<b>8,132,625</b>	<b>953,773</b>	<b>347,299</b>	<b>3,956,213</b>	<b>4,123,726</b>	<b>764,036</b>	<b>4,807,231</b>	<b>30,441,925</b>

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	Projected January 2007	Projected 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	48,877,483	48,928,423	48,672,240	48,800,465	48,775,210	594,039,325
ADMINISTRATIVE EXPENSES	30,852	7,525	97,502	35,865	119,438	61,564	41,155	103,184	6,347	3,182,654	8,339	0	3,694,225
INVESTMENT EXPENSES	1,139,595	404,779	0	654,009	535,706	880,803	764,774	189,074	178,811	346,204	522,400	497,410	6,113,565
TOTAL OUTFLOW	50,749,178	50,653,116	50,450,939	50,956,355	50,809,998	51,516,673	49,622,611	49,169,741	49,113,581	52,201,098	49,331,205	49,272,620	603,847,115
CONTRIBUTIONS	26,323,220	30,454,769	24,504,216	35,956,284	33,747,419	43,321,050	33,232,665	35,296,828	37,360,690	35,131,183	32,614,800	51,544,371	419,487,495
OTHER INCOME*	16,334,758	9,340,820	7,710,133	2,948,630	9,166,433	14,913,727	3,782,660	9,737,861	4,531,478	4,228,106	7,288,588	18,612,285	108,597,479
TOTAL INCOME	42,657,978	39,795,589	32,214,349	38,904,914	42,915,852	58,234,777	37,015,325	45,034,689	41,892,168	39,359,289	39,903,388	70,156,656	528,084,974
DIFFERENCE	(8,091,200)	(10,857,527)	(18,236,591)	(12,051,441)	(7,894,146)	6,718,104	(12,607,286)	(4,135,052)	(7,221,413)	(12,841,809)	(9,427,817)	20,884,036	(75,762,141)

Municipal Employees Retirement System

FISCAL YEAR 2007	FY 2006-07												
	Actual July 2006	Actual August	Actual September	Actual October	Actual November	Actual December	Projected January 2007	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	4,091,872	4,179,838	4,204,071	4,189,210	4,196,673	4,282,907	4,015,188	4,051,566	4,037,958	4,024,792	4,093,406	4,069,723	49,437,204
ADMINISTRATIVE EXPENSES	5,005	1,221	14,600	5,828	19,516	10,060	6,173	15,489	955	479,037	1,255	0	559,138
INVESTMENT EXPENSES	184,863	65,662	0	106,865	87,535	143,923	114,714	28,382	26,914	52,109	78,629	80,689	970,286
TOTAL OUTFLOW	4,281,740	4,246,721	4,218,671	4,301,903	4,303,724	4,436,890	4,136,075	4,095,438	4,065,827	4,555,938	4,173,290	4,150,412	50,966,628
CONTRIBUTIONS	2,505,378	3,580,211	4,502,206	3,257,542	3,890,409	4,500,854	5,191,597	3,604,408	3,204,454	4,112,813	4,050,208	2,630,672	45,010,752
OTHER INCOME*	2,648,790	1,515,248	1,154,504	481,807	1,498,125	2,436,908	567,390	1,481,780	679,161	636,393	1,097,041	2,694,810	16,872,958
TOTAL INCOME	5,155,168	5,075,459	5,656,710	3,739,349	5,388,534	6,937,762	5,758,987	5,066,188	3,883,615	4,749,206	5,147,249	5,325,482	61,883,710
DIFFERENCE	873,429	828,738	1,438,039	(562,554)	1,084,810	2,500,872	1,622,912	970,751	(182,212)	193,268	973,959	1,175,070	10,917,082

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
MEMBER BENEFITS	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
ADMINISTRATIVE EXPENSES	313	76	893	380	1,282	661	395	1,001	63	31,544	83	0	36,691
INVESTMENT EXPENSES	11,574	4,111	0	6,972	5,750	9,455	7,341	1,835	1,772	3,431	5,178	5,052	62,472
TOTAL OUTFLOW	25,887	18,187	14,893	21,353	21,032	24,116	21,736	16,836	15,835	48,975	19,260	19,052	267,163
CONTRIBUTIONS	500,000	535,000	485,000	500,000	490,000	510,000	510,000	500,000	490,000	480,000	779,900	760,000	6,539,600
OTHER INCOME*	165,900	94,868	70,594	31,436	98,416	160,088	36,310	94,484	27,863	41,906	72,239	166,719	1,062,823
TOTAL INCOME	665,900	629,868	555,594	531,436	588,416	670,088	546,310	594,484	517,863	521,906	852,039	926,719	7,602,623
DIFFERENCE	640,013	611,680	540,701	510,083	567,384	645,972	524,574	577,649	502,028	472,930	832,779	909,667	7,335,460

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

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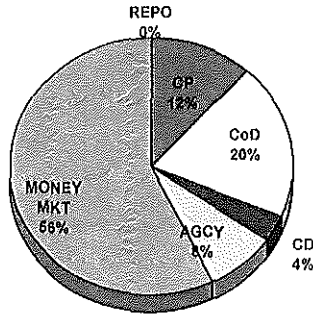
**Rhode Island Employees Retirement System  
Securities Lending Report  
December, 2006**

<u>INVESTMENT MANAGER</u>	<u>Income</u>	<u>Average Collateral Balance</u>
<b><u>DOMESTIC EQUITY</u></b>		
Wellington Mgmt. Co., LLP	45,630	149,426,961
Wasatch Advisors	-	-
NorthPointe Capital	35,882	175,630,695
SSgA Core	8,071	30,628,219
<b>Total Domestic Equity</b>	<b>\$ 89,583</b>	<b>\$ 355,685,874</b>
 <b><u>INTERNATIONAL EQUITY</u></b>		
Goldman Sachs	16,630	69,048,777
Boston Company	18,761	92,798,150
Mondrian	27,268	113,171,854
<b>Total International Equity</b>	<b>\$ 62,659</b>	<b>\$ 275,018,781</b>
 <b><u>FIXED INCOME</u></b>		
Brown Brothers, Harriman	14,562	72,880,071
Taplin, Canida & Habacht	2,560	24,928,700
MackKay Shields	9,803	20,621,697
Shenkman Capital Management	4,005	23,348,620
Brown Brothers, Harriman (TIPS)	36,404	485,673,539
<b>Total Fixed Income</b>	<b>\$ 67,333</b>	<b>\$ 627,452,626</b>
 <b>TOTAL SECURITIES LENDING INCOME</b>	 <b>\$ 219,575</b>	 <b>\$ 1,258,157,282</b>
 <b>Calendar Year 2006 YTD</b>	 <b>\$ 3,278,468</b>	

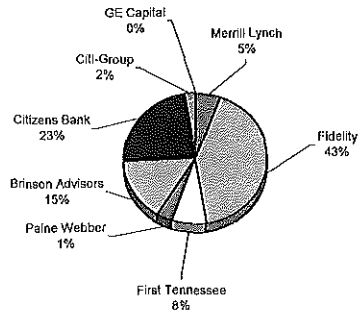
RHODE ISLAND STATE INVESTMENT COMMISSION

SHORT TERM CASH INVESTMENTS AT DECEMBER 31, 2006

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 25%/10%	CD 25%/10%	Agency 75%/35%	Money Mkt 50%/35%	CoD 25%/25%	Repo 100%/20%	Total (\$)
Guidelines-Total/Vendor							
Merrill Lynch	8,981,450	0	0	0	0	0	8,981,450
	5%	0%	0%	0%	0%	0%	5%
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	5,986,888	0	0	0	0	0	5,986,888
	4%	0%	0%	0%	0%	0%	4%
Fidelity	0	0	0	68,728,814	0	0	68,728,814
	0%	0%	0%	42%	0%	0%	42%
First Tennessee	0	0	12,993,067	0	0	0	12,993,067
	0%	0%	8%	0%	0%	0%	8%
Brinson Advisors	0	0	0	25,124,239	0	0	25,124,239
	0%	0%	0%	15%	0%	0%	15%
Citizens Bank	0	5,750,875	0	0	32,329,809	0	38,080,684
	0%	4%	0%	0%	20%	0%	23%
GE Capital	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%
Citi-Group	3,988,874	0	0	0	0	0	3,988,874
	2%	0%	0%	0%	0%	0%	2%
State St Bank	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%
<b>TOTALS</b>	<b>18,967,212</b>	<b>5,750,875</b>	<b>12,993,067</b>	<b>93,853,053</b>	<b>32,329,809</b>	<b>0</b>	<b>163,884,016</b>
<b>(%) PORTFOLIO</b>	<b>12%</b>	<b>4%</b>	<b>8%</b>	<b>57%</b>	<b>20%</b>	<b>0%</b>	<b>100%</b>

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

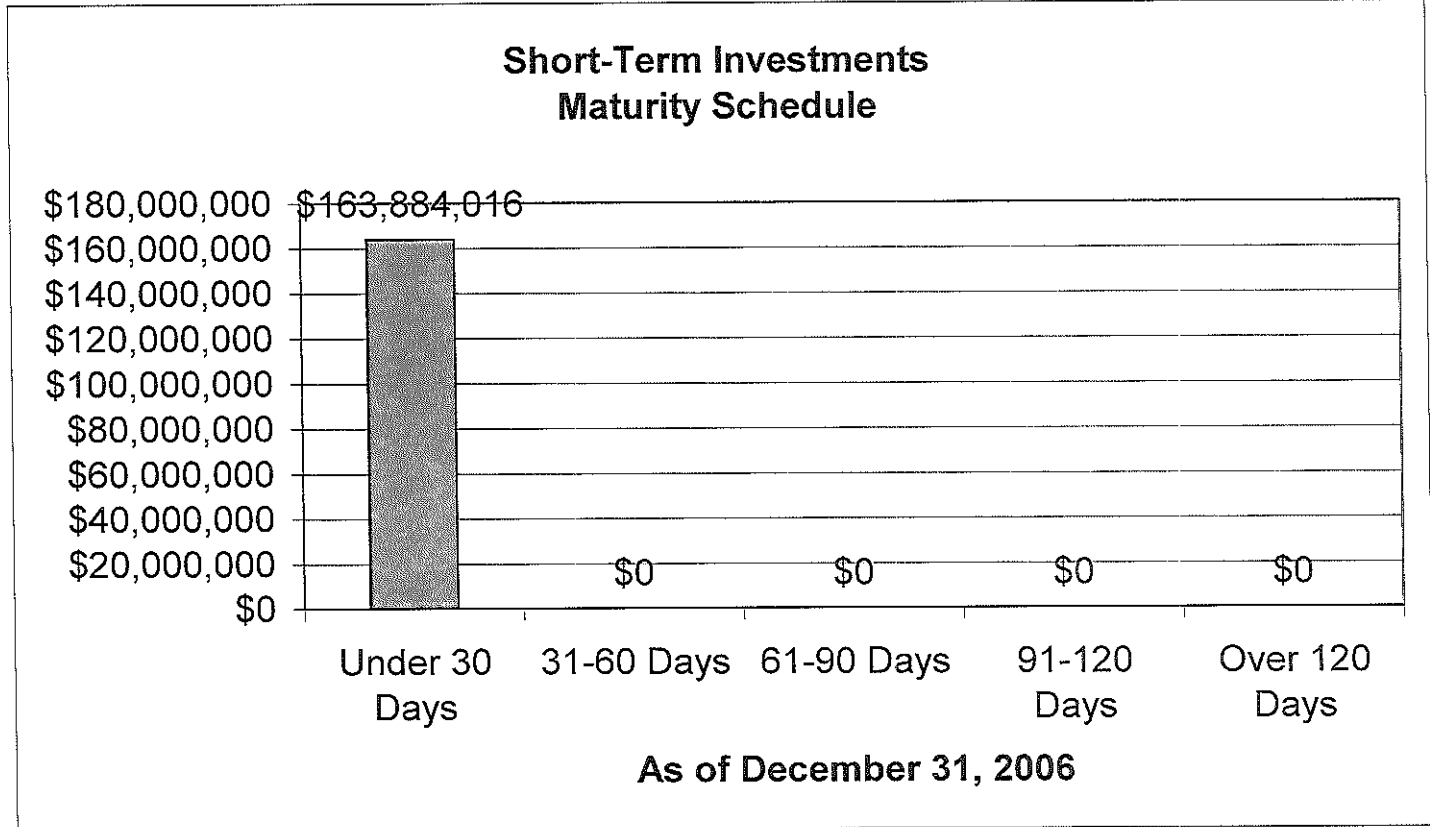
State of Rhode Island and Providence Plantations  
Office of the General Treasurer

Short Term Investments Portfolio by Fund

As of December 31, 2006

	Principal	Interest*	Total Value @ Maturity
4901 GENERAL FUND	90,134	0	90,134
4904 PENSION C	2,998,400	1,600	3,000,000
4908 PAYROLL A	1,998,933	1,067	2,000,000
4916 GENERAL FUND H.A.V.A.	1,321,900	0	1,321,900
4920 GENERAL FUND (HIST PRES)	493,343	1,995	495,338
4955 HEALTH INSURANCE FUND	17,784,952	29,807	
5400 HIGHWAY FUND	13,150,275	1,067	13,151,341
5500 UNIVERSITY COLLEGE	7,178	0	7,178
6920 AUTO EQUIPMENT SERVICE	2,054,423	0	2,054,423
8000 T.D.I. RESERVE (DET)	101,343,652	1,600	101,345,252
8300 PERMANENT SCHOOL FUND	757,532	1,532	759,064
8400 EMP RETIREMENT FUND	4,206,644	0	4,206,644
8500 MUN EMP RETIREMENT FUND	886,705	0	886,705
8700 R.I. CLEAN WATER ACT	1,031,661	0	1,031,661
9000 BOND CAPITAL FUND	23,879	0	23,879
9700 STATE LOTTERY FUND	14,456,958	23,031	14,479,989
9800 INDUS. BLDG. & MTG. INS.	1,277,447	0	1,277,447
9900 SINKING FUND	0	0	0
4911 TANS	63,440,400	0	63,440,400
Subtotal	227,324,416	61,699	209,571,356
8702 CLEAN WATER 1993 SER. A	9		
8703 CLEAN WATER 1991 SERIES A	149,533		
8704 CLEAN WATER 96 SERIES A	12,709		
8706 CLEAN WATER CCDL 1994 (A)	6,256		
8707 CAP DEV. OF 1997 SERIES A	19,723		
8710 CLEAN WATER CCDL 2002 A	322,556		
8711 CLEAN WATER 2004 SERIES A	731,218		
8712 CLN WATER CCDL 2005 SER E	893,661		
8713 CLN WATER CCDL 2006 SER E	0		
8733 CAP DEV. OF 1997 SERIES A	8,621		
8737 RI POLLUT. CONT 94 SER. A	6,445		
8739 CCDL99A 1999A	346,057		
8742 POLLUTION CNTRL 2002 A	46,132		
8743 POLL.CONTRL 2004 SERIES A	959,558		
8744 POLLUTION CON 2005 SER C	89,565		
8745 POLLUTION CTRL CCDL 2005 E	675,907		
8746 POLLUTION CTRL CCDL 2006 C	1,607,283		
9114 G.O. NOTE 1991 SER. B	3,849		
9116 BOND CCDL 1993 SERIES A	474		
9117 BOND CCDL 1994 SERIES A	685,433		
9120 BOND CCBL96A	1,280,220		
9121 CAP DEV OF 1997 SERIES A	944,325		
9123 CCDL 1998B	2,246,795		
9124 CCDL99A 1999A	12,766		
9125 MMG099 1999	2,889		
9126 BOND CAPITAL CCDL2000A	1,574,716		
9127 MULTI-MODAL GEN OBL 2000	2,860		
9128 BOND 2001	39		
9131 CCDL 2004 SERIES A	13,843,450		
9132 BOND CCDL 2005 SERIES C	24,434,656		
9133 BOND CCDL 2005 SERIES E	21,244,766		
9134 BOND CCDL 2006 SERIES B	6,240,733		
9135 BOND CCDL 2006 SERIES C	91,561,635		
Subtotal Bond Proceed Accounts	169,954,839		
Total Short Term Portfolio	397,279,255		

\* General Fund (4901,4911,4916), TDI (8000), & ISTE (5400), Clean Water (8700), Lottery (9700), RI Ind Bldg (9800) and Auto Equip (9900) 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 \$126.2 Million of Money Market investments with no specific maturity

December, 2006	5.21%
November, 2006	5.18%
December, 2005	4.17%

**ABRAHAM TOURO FUND  
INVESTMENT SUMMARY  
DECEMBER 31, 2006**

<b><u>FUND NAME</u></b>	<b>December Gain/Loss</b>	<b>TOTAL MARKET VALUE</b>
Abraham Touro Fund ( Fidelity Balanced Fund)	\$ (48,876)	\$ 2,282,823
<b><u>TOTALS</u></b>	<b>\$ (48,876)</b>	<b>\$ 2,282,823</b>