

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING**

**DATA AT
DECEMBER 31, 2008**

MEMBERS OF THE STATE INVESTMENT COMMISSION

Hon. Frank T. Caprio, Chair

**Mr. J. Michael Costello
Mr. Robert R. Gaudreau, Jr.
Dr. Robert J. McKenna
Mr. Andrew K. Reilly**

**Ms. Rosemary Booth Gallogly
Mr. Robert Giudici
Ms. Marcia Reback
Mr. John R. Treat**

AGENDA



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

Frank T. 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, January 28 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 1/13/09 *
3. General Consultant Review – Pension Consulting Alliance
 - Passive Implementation Recommendations *
 - Request For Proposals
4. Legal Counsel Report
5. Chief Investment Officer Report
6. Treasurer's Report
7. New Business

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

POSTED ON FRIDAY, JANUARY 23, 2009

APPROVAL OF MINUTES

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

Mid-Month Meeting January 13, 2009

A State Investment Commission (SIC) meeting was held in Room 135, State House, Providence, Rhode Island on Tuesday, January 13, 2009. The Treasurer called the meeting to order at 9:04 a.m.

Membership Roll Call. Present were: Mr. Michael Costello, Mr. Robert Gaudreau, Dr. Robert McKenna, Ms. Marcia Reback, Mr. Andrew Reilly, Mr. John Treat, Mr. Robert Giudici, and General Treasurer Frank T. Caprio. Also present were: Mr. Kenneth E. Goodreau, Chief Investment Officer; Ms. Sarah Dowling, of Adler Pollock & Sheehan; Mr. David Ursillo, of Rodio & Ursillo, Legal Counsel to the Commission; Mr. Allan Emkin and Mr. John Burns of Pension Consulting Alliance, General Policy Consultants to the Commission; Ms. Michelle Davidson of the Pacific Corporate Group, Alternative Investment Consultant to the Commission; Ms. Laura Callahan and Mr. Craig DeGiacomo, of State Street Corporation; and other members of the Treasurer's staff. Ms. Rosemary Booth Gallogly arrived at 9:15AM.

State Investment Commission Minutes. The Treasurer entertained a motion for approval of the minutes for the meeting of December 17, 2008. Ms. Reback moved, Dr. McKenna seconded, and the subsequent motion was passed. The following members voted in favor: Mr. Costello, Dr. McKenna, Mr. Gaudreau, Mr. Giudici, Ms. Reback, Mr. Reilly, Mr. Treat, and General Treasurer Caprio.

VOTED: To approve the Minutes of the December 17, 2008 Monthly meeting.

Treasurer Caprio introduced Investment Cash Manager, Mr. Vincent Izzo, who gave an update on short term investment guidelines.

Short Term Investment Cash Management Update. Mr. Izzo advised the group that we are now able to meet our policy guidelines thanks to the Commission's two recent approvals regarding Collateralized Deposits and CD instruments and the addition of three new vendors. CDARS transactions through Sovereign Bank will be starting shortly and we are looking for an additional yield of 100 bps. A brief discussion ensued regarding CDARS and its maximum contribution amount and term requirements; it was clarified that the maximum contribution amount is \$50 million and the term required is a minimum of 4 weeks and a maximum of 3 years.

Treasurer Caprio then introduced Mr. Allan Emkin and Mr. John Burns of PCA. The Treasurer noted that an information packet on Efficient Market Equities had been distributed to board members in anticipation of this presentation.

Asset Allocation – Passive Implementation Recommendations. Mr. Emkin and Mr. Burns presented the board with a recommendation to move from our current asset allocation strategy of active management to a more passive approach that concentrates heavily Equity Markets. It was explained that our current strategy is based on the philosophy that the active managers, which were selected by the SIC, are skilled in stock selection and as such, their skill can add value.

PCA's proposed approach is based on the following philosophy: (1) the principle that Equity Markets are relatively efficient; (2) active management is a negative sum game after

commissions and fees; (3) stock selection is difficult over long periods of time; (4) while some managers will exhibit stock selection skills after the fact, it is difficult to select those managers that will deliver future stock selection skills; (5) indexing will provide market return at minimal costs; (6) future allocation to active managers will be made to gain new exposure to non-correlated assets.

Mr. Burns reviewed our current US Equity and Non-US Equity Portfolio structures and juxtaposed both against the proposed 80-100% indexing configuration. Currently, the US Equity structure is 58% actively managed with four managers and fees of 24.5 bps, while the Non-US Equity structure is 100% actively managed with three managers and fees of 43.5 bps. However, the move to indexing 100% of the portfolio would allow us to reach the benchmark return without the negative effect when factoring in fees. A rough estimate of fees for indexing both the US Equity and Non-US Equity funds would be approximately 1.2 bps for US Equity funds and 3.5 bps for Non-US Equity funds. As a result of indexing these funds, an annual cost savings of approximately \$11.725 million would be realized.

Treasurer Caprio observed that, currently, the US Equity Chart indicates an average active management fee of 24.5 bps; the Treasurer further noted that a strong correlation exists between said the fee and the underperformance of the fund. The amount by which the fund has underperformed the benchmark is approximately the amount of active management fees paid by the fund.

Mr. Emkin added that consultants have been advising active managers against idiosyncratic risk in investment portfolios, therefore making the portfolios look more like the underlying benchmarks; these benchmarks, when aggregated, reflect those of both the Russell 3000 and Dow Wilshire 5000. Hence, by controlling risks, we have essentially created an index fund with active management fees.

There was a discussion regarding the returns generated by active management. It was noted that, when compared to the index, the fund earnings were negative and we had paid for the generation of alpha without an incremental return. However, if we had invested solely in indexes, we would have added value. It was suggested that the commission should not disregard the individual active managers who had over performed. Mr. Emkin advised the board that individual performance data is available, but cautioned that past performance does not necessarily indicate future success.

Mr. Emkin presented further information regarding other Pension Funds who have moved from an active to passive management approach. He explained that passive management has been used for many years and that, generally, the larger the fund, the greater the allocation being indexed

Mr. Emkin then moved on to discuss passive management risk. The Index portfolio would be a configuration of securities, with market risk being the only business risk. These portfolios would be relatively easy to manage, as decisions would be made through the use of technology and would be implemented by traders, so as to minimize cost.

Ms. Gallogly asked Mr. Emkin to address both the timing and the liquidation process for moving to an Index Fund. Mr. Emkin explained that in liquidating the portfolio, we would be moving to a more diverse stock portfolio from a more concentrated one, although the value would be comparatively similar; the amount to be “crossed,” or transferred, would be suggested by the selected investment manager. The manager would work to minimize the cost of the restructuring

process, which would include moving securities in existing portfolios, through such endeavors as discussing options with investment managers and securing trades at low fees.

When asked about the possibility of keeping current active managers, Mr. Emkin advised the board that these managers reflect the current market and do not add the diversification that would be needed within the potential 20% active allocation. He suggested that we instead seek management strategies that are not sensitive to the same economic factors as the broad equity markets, nor resemble the broad US Equities and/or International Equities indices.

Mr. Goodreau added that this shift would not be solely about cost savings and creating efficiencies, but gives the board an opportunity to focus on the value that can be added to the 20% allocation. Essentially, we would try to create efficiencies where possible, while focusing on the 20% active allocation. Mr. Goodreau noted that our active managers should not only concentrate on performance, but should also create more entrepreneurial and innovative strategies that are consistent with a total return focus.

Mr. Costello asked if an index fund strategy would represent real equity purchases, to which Mr. Emkin replied, yes, we would be holding all of the actual equity securities.

Mr. Reilly asked what the selection process for passive managers would be, considering the variances in performance. Mr. Emkin explained that although the performance variances are within 1-3 bps, a Request for Proposals (RFP) would be issued to ensure competitive bidding and transparency.

Mr. Treat asked why there was a change in the proposed benchmark from the Wilshire 5000 to the Russell 3000. This change was suggested, it was clarified, to guarantee the ease of implementation. Whereas the Wilshire 5000 has more stocks, some of which are very small, the Russell 3000 covers 98% by market cap weight of the Wilshire 5000, resulting in the same correlation. Additionally, it was noted that the Russell 3000 provides broad exposure, which includes large, mid, small, value, and growth providing the desired diversification.

Treasurer Caprio then moved on to the proposed resolution, which would change the means of achieving our equity asset allocation by allotting 80-100% of our allocation through a passive strategy and 0-20% through an active strategy. If adopted, the present policy would change immediately and the search for passive managers through the RFP process would commence. The new strategy would also allow us to employ an active manager with an initially small investment and then quickly respond to their performance.

The Treasurer entertained a motion, made by Dr McKenna, to adopt the resolution as presented in the provided materials. Ms. Reback and Mr. Giudici seconded; there being no further questions, the motion was passed. The following members voted in favor: Ms. Gallogly, Mr. Costello, Mr. Reilly, Mr. Giudici, Mr. Gaudreau, Ms. Reback, Mr. Treat, Dr. McKenna, and Treasurer Caprio.

VOTED: To adopt the Resolution as presented in the information package to the Board.

Treasurer Caprio then introduced Mr. Craig DeGiacomo, Relationship Advisor with State Street, and the current provider of our S&P Index funds. Mr. DeGiacomo was present to answer any questions regarding indexing and the differences that may appear between such and the benchmark.

Mr. DeGiacomo began by expressing his agreement with Mr. Emkin and Mr. Burns regarding the current marketplace and the trend toward indexing. He noted that the need for cost efficiency, ease of implementation and increase in liquidity are major factors for public funds moving from active to passive management.

Mr. DeGiacomo explained that State Street has a variety of Index Funds available, including lending and non-lending, commingled or separate accounts.

He continued with a brief explanation of the risks of index funds, custodial risk, and the impact of concentrating all our investments with one fund. He noted that more in-depth information on these issues would be presented in State Street's RFP.

Legal Counsel Report. There were no legal developments for Counsel to report at this meeting.

Chief Investment Officer Report. Mr. Goodreau had nothing further to discuss.

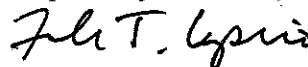
New Business. There was no new business.

The Treasurer entertained a motion to adjourn. Ms. Reback moved, Dr. McKenna seconded and the subsequent motion was passed. The following members voted in favor: Ms. Reback, Dr. McKenna, Ms. Gallogly, Mr. Costello, Mr. Gaudreau, Mr. Giudici, Mr. Reilly, Mr. Treat, and General Treasurer Caprio.

VOTED: To adjourn the meeting.

There being no further business, the meeting was adjourned at 11:10 a.m.

Respectfully submitted,



Frank T. Caprio
General Treasurer

STAFF SUMMARY

**RHODE ISLAND STATE INVESTMENT COMMISSION
STAFF SUMMARY ANALYSIS
PORTFOLIO HIGHLIGHTS
December 31, 2008**

PORTFOLIO PERFORMANCE

December

The ERSRI portfolio posted a 3.19% for the month of December, against the policy index of 2.90%. Domestic Equities were 2.69% international equities were 6.37%, and the fixed income asset class returned 3.70%. Additionally, the retirement fund earned \$893,726 from the securities lending program during this month. If we factor out PE & RE investments, due to the way they are monitored the plan performance was 3.90% against its 3.21% index.

Calendar Year to Date

For the twelve months ended December 31, 2008, the portfolio is down -26.15% against the policy index of -27.63%. Domestic equities were down -36.78%, international equities were down -39.55%, while fixed income generated a return of 3.70%.

Fiscal Year to Date

For the Fiscal Year ended June 30, 2009, the fund has lost -20.82%, against the policy index of -22.38%.

| Index Performance Summary - Decembr 31, 2008 | | |
|---|---------------|---------------------|
| Market Indices | Dec-08 | Calendar YTD |
| <u>Domestic Equity</u> | | |
| S & P 500 | 1.06% | -37.00% |
| DJ Wilshire 5000 | 1.73% | -37.23% |
| Russell 2000 | 5.80% | -33.79% |
| Russell 1000 | 1.60% | -37.60% |
| Policy Index | 3.21% | -28.80% |
| <u>International Equity</u> | | |
| MSCI ACWI | 5.72% | -45.24% |
| <u>Fixed Income</u> | | |
| Lehman AGG | 3.73% | 5.24% |
| <u>Real Estate</u> | | |
| NCREIF | -0.09% | 6.28% |

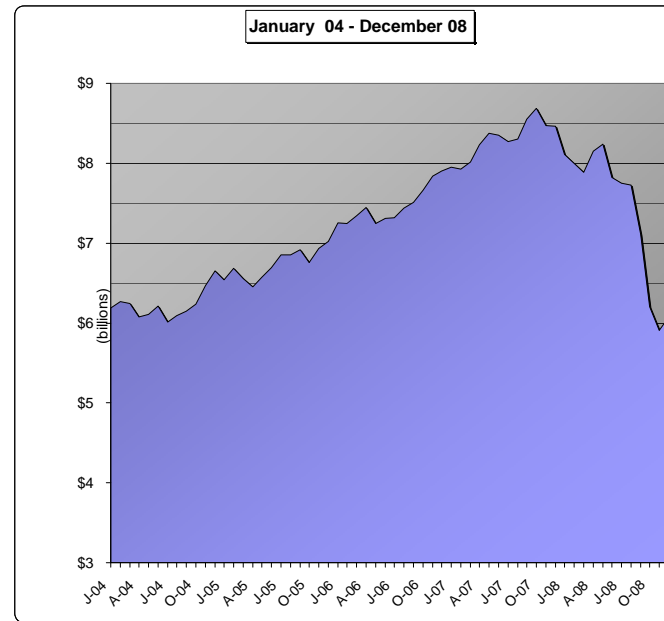
| ERSRI Performance By Asset Class | Dec-08 | Calendar YTD |
|---|---------------|---------------------|
| Domestic Equity | 2.69% | -36.78% |
| Fixed Income | 3.70% | -2.11% |
| International Equity | 6.37% | -39.55% |
| Total Fund Composite* | 3.90% | -28.67% |
| Manager Summary | Dec-08 | CYTD |
| <u>DOMESTIC EQUITY</u> | | |
| Shott | 0.04% | -13.20% |
| PIMCO | 3.59% | -41.06% |
| SSgA S&P 500 | 1.12% | -36.91% |
| SSgA Core | 2.26% | -37.99% |
| Wasatch | 11.64% | 0.00% |
| Northpointe | 6.59% | -34.25% |
| Wellington | 7.83% | -38.21% |
| Wellington Technical Eq | -3.38% | -19.17% |
| Total Domestic Equity | 2.69% | -36.78% |
| <u>FIXED INCOME</u> | | |
| Brown Bros TIPS | 5.72% | -0.29% |
| Brown Bros Core | 2.95% | 2.04% |
| Fidelity | 1.94% | 4.70% |
| Taplin Canida & Habacht | 4.72% | -13.09% |
| Fixed Income Cash Acct | 0.16% | 2.63% |
| Mackay Shield | 2.26% | -22.80% |
| Total Fixed Income | 3.70% | -2.11% |
| <u>INTERNATIONAL EQUITY</u> | | |
| Mondrian | 5.60% | -38.26% |
| Goldman Sachs | 6.52% | -43.94% |
| Boston Co | 7.02% | -36.49% |
| Total International Equity | 6.37% | -39.55% |

*Total Fund Composite includes all classes ex PE & RE

**Market Valuation Report
December, 2008**

Market Values

The total portfolio value increased in December by \$170 million to \$6.078 billion. This compares with an decrease in value of \$1.4 million for the same period in 2007. The Domestic Equity Market values increased by \$69 million, including transfers in of \$231.4 thousand; Fixed Income increased by \$59.7 million, including transfers in of \$115 thousand; while International Values increased by \$61.6 million, including transfers in of \$109 thousand. The Cash Accounts decreased by \$23.8 million including transfers out of \$17.1 million, and Alternative Investments increased by \$3.4 million, including transfers in of \$6.9 million.



Cash Flow

December pension payroll of \$65.5 million was more than the \$52.3 million in contributions and wire transfers received by \$13.2 million.

To meet pension and other obligations, \$11 million was transferred from long-term investments.

Alternative Investments

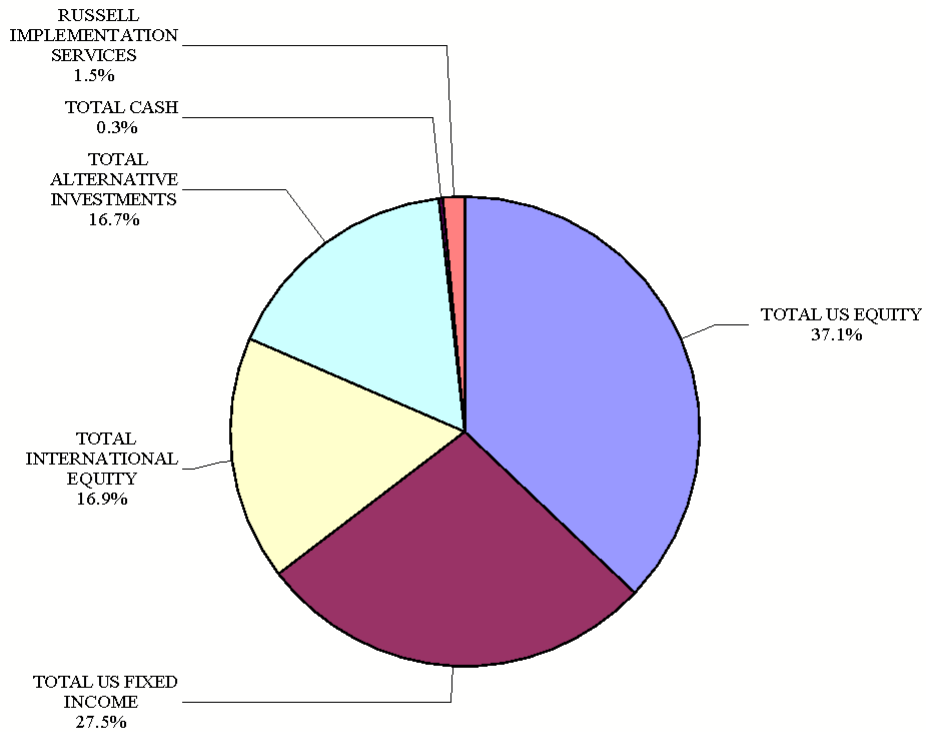
At this time the alternative investment asset class has unfunded commitments of approximately \$394 million on commitments of \$1,521 million.

CAPITAL CALLS Net of Distributions

| December 2008 | FYTD | UNFUNDED BALANCE |
|------------------|--------------|---------------------|
| \$5,978,043 | \$31,407,779 | \$393,726,588 |
| December 2007 | FYTD | UNFUNDED BALANCE |
| \$14,291,577 | \$26,859,412 | \$410,299,267 |

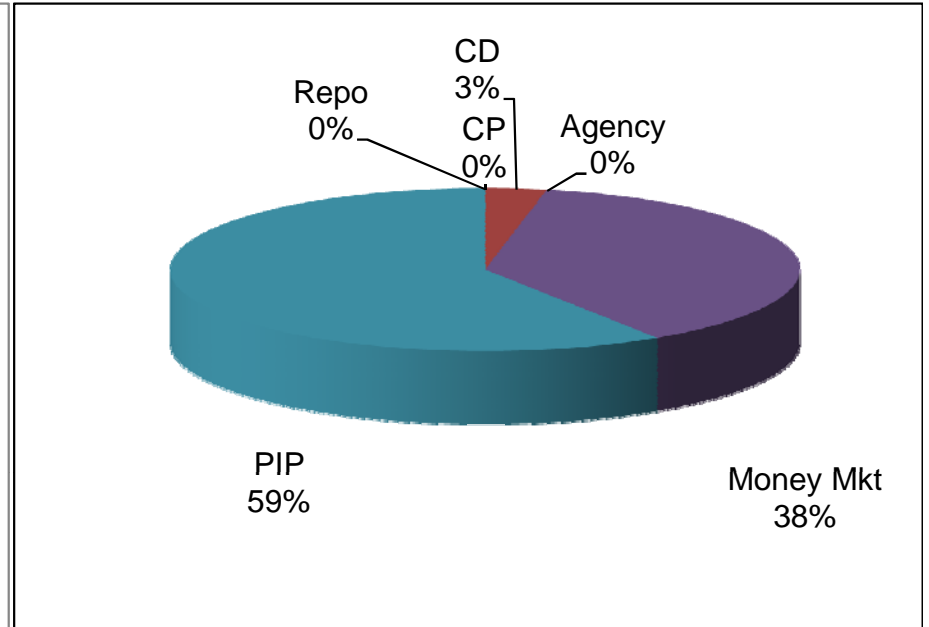
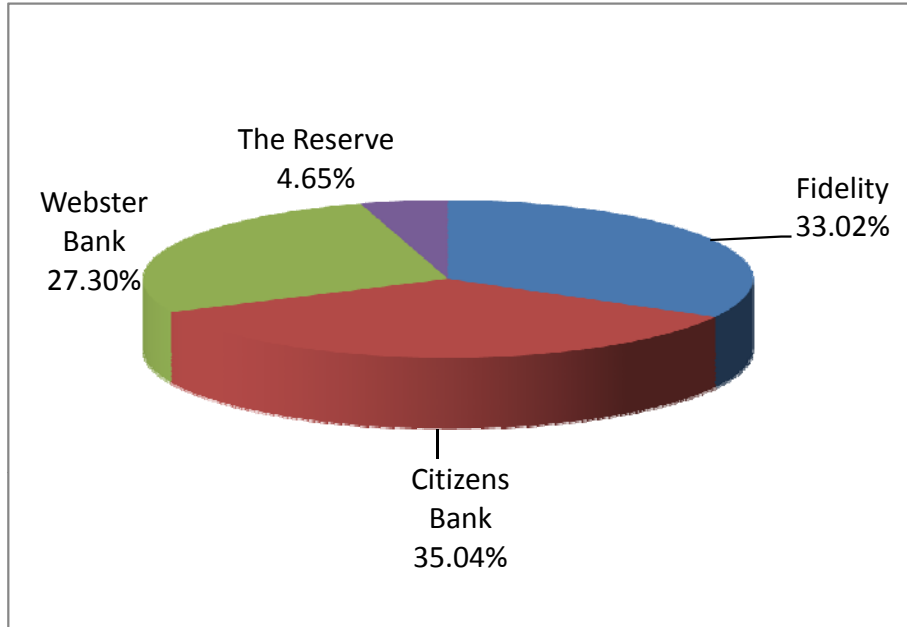


CURRENT ASSET CLASS ALLOCATION (IN MILLIONS)



| MANAGER | CURRENT PERIOD |
|---------------------------------|----------------|
| TOTAL US EQUITY | 2,256.1 |
| TOTAL US FIXED INCOME | 1,669.0 |
| TOTAL INTERNATIONAL EQUITY | 1,027.1 |
| TOTAL ALTERNATIVE INVESTMENTS | 1,016.8 |
| TOTAL CASH | 16.2 |
| RUSSELL IMPLEMENTATION SERVICES | 92.9 |
| TOTAL | 6,078.1 |

**RHODE ISLAND STATE INVESTMENT COMMISSION
SHORT TERM CASH INVESTMENTS AT:
December 31, 2008**



| | |
|--------|--------------------------|
| 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
January, 2009**

| 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 |
| JP Morgan Chase | 2,3,5 | 0% | Aa3 | | P-1 | A-1+ | Aa3 | A+ | Negative |
| Citigroup Inc. | 2 | 0% | Aa3 | | P-1 | A-1+ | Aa3 | A+ | Stable |
| RBS Citizens | 3,4 | 49% | Aa3 | | P-1 | A-1 | Aa3 | A | Stable |
| First Tennessee Capital Markets | 5 | 0% | A3 | | P-2 | A-2 | A3 | BBB+ | Stable |
| Fidelity | 6 | 15% | | | | N/R | | N/R | N/R |
| Merrill Lynch | 2,5,6 | 0% | A1 | | P-1 | A-1 | A1 | A+ | Negative |
| The Reserve | 6 | 19% | | | | N/R | | N/R | N/R |
| GE Capital | 2 | 0% | Aaa | | P-1 | A-1+ | Aaa | AAA | Negative |
| Morgan Stanley | 1,2,5 | 0% | A2 | | P-1 | A-1 | A2 | A | Negative |
| UBS Brinson Advisors | 6 | 0% | Aa2 | | P-1 | A-1 | Aa2 | A+ | Stable |
| State Street Bank & Tru | 1,3 | 0% | Aa2 | | P-1 | A-1+ | Aa2 | AA- | Negative |
| Webster Bank | 3,4 | 18% | A3 | | P-1 | A-2 | A3 | BBB+ | Negative |

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
 - 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.

PERFORMANCE



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

Frank T. Caprio
General Treasurer

January 28, 2009

State Investment Commission
State of Rhode Island, State House
Providence, Rhode Island

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 December 31, 2008.

Employees' Retirement System of Rhode Island
Composite Reporting Investment Valuation

December 31, 2008

| Asset Class | |
|----------------------------------|------------------------------|
| Cash/Short Term Investments | 334,651,793 |
| Equities - Domestic | 2,124,558,827 |
| Equities - International | 986,832,396 |
| <i>Fixed Income - Government</i> | \$1,182,754,761 |
| <i>Fixed Income - Corporate</i> | \$432,565,174 |
| <i>Fixed Income - In State</i> | \$0 |
| Total Fixed Income | 1,615,319,935 |
| Alternative Investments | 637,965,040 |
| Real Estate | 378,691,242 |
| Total Fund Investments | 6,078,019,232 |
| Plan Allocation | |
| State Employees & Teachers | 84.45% 5,133,087,865 |
| Municipal Employees | 14.40% 875,482,959 |
| State Police | 0.70% 42,726,445 |
| Judicial | 0.44% 26,721,963 |
| Total Fund Investments | 100.00% 6,078,019,232 |

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

Respectfully submitted,


Vincent Izzo, Cash Manager

State of Rhode Island

Summary of Performance

Rates of Return

PERIODS ENDING December 31, 2008

| | MKT VAL | % of FUND | 1 Month | 3 Months | YTD | FYTD | 1 Year | 2 Years | 3 Years | 5 Years | ITD | Incept Date | |
|--------------------------------------|---|----------------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------------|
| DOMESTIC EQUITY | | | | | | | | | | | | | |
| Index | | | | | | | | | | | | | |
| | SSGA S&P 500 INDEX FUND S&P 500 | 1,079,255,320 | 17.8 | 1.1 | -21.9 | -36.9 | -28.4 | -36.9 | -18.4 | | -15.9 | 11/01/2006 | |
| | | | | 1.1 | -21.9 | -37.0 | -28.5 | -37.0 | -18.5 | | -15.9 | | |
| Enhanced | | | | | | | | | | | | | |
| | PIMCO S&P 500 | 315,271,014 | 5.2 | 3.6 | -23.5 | -41.1 | -32.8 | -41.1 | -20.9 | -10.2 | -3.5 | -3.6 | 12/01/2000 |
| | | | | 1.1 | -21.9 | -37.0 | -28.5 | -37.0 | -18.5 | -8.4 | -2.2 | -2.8 | |
| Active Core | | | | | | | | | | | | | |
| | SSGA - CORE RUSSELL 1000 | 235,553,833 | 3.9 | 2.3 | -22.3 | -38.0 | -31.2 | -38.0 | -18.3 | -7.6 | -1.1 | 1.9 | 10/01/1998 |
| | | | | 1.6 | -22.5 | -37.6 | -29.7 | -37.6 | -18.8 | -8.7 | -2.0 | 0.9 | |
| Active Small Cap | | | | | | | | | | | | | |
| | WELLINGTON TECHNICAL EQUITY S&P 500 | 127,016,849 | 2.1 | -1.9 | -10.7 | -20.7 | -23.3 | -20.7 | | | | -8.4 | 08/01/2007 |
| | | | | 1.1 | -21.9 | -37.0 | -28.5 | -37.0 | | | | -26.9 | |
| | NORTHPOINTE CAPITAL RUSSELL 2000 | 247,982,430 | 4.1 | 6.6 | -24.1 | -34.3 | -27.4 | -34.3 | -21.3 | -9.7 | -1.2 | 2.3 | 03/01/2002 |
| | | | | 5.8 | -26.1 | -33.8 | -26.9 | -33.8 | -19.3 | -8.3 | -0.9 | 2.2 | |
| | WELLINGTON MANAGEMENT CO. LLC RUSSELL 2000 | 249,918,298 | 4.1 | 7.8 | -26.4 | -38.2 | -31.5 | -38.2 | -21.9 | -11.0 | -2.8 | 0.5 | 03/01/2002 |
| | | | | 5.8 | -26.1 | -33.8 | -26.9 | -33.8 | -19.3 | -8.3 | -0.9 | 2.2 | |
| Other | | | | | | | | | | | | | |
| | SHOTT CAPITAL | 1,053,658 | 0.0 | | | | | | | -16.3 | | | 04/01/1999 |
| TOTAL US EQUITY | | | | | | | | | | | | | |
| DOW WILSHIRE 5000 FREE FLOAT | | | | | | | | | | | | | |
| | | 2,256,051,403 | 37.1 | 2.7 | -22.4 | -36.8 | -29.3 | -36.8 | -18.9 | -8.8 | -1.9 | 7.8 | 03/01/1989 |
| | | | | 1.7 | -22.9 | -37.2 | -29.5 | -37.2 | -18.6 | -8.4 | -1.7 | 8.1 | |
| INTERNATIONAL EQUITY | | | | | | | | | | | | | |
| Active | | | | | | | | | | | | | |
| | GOLDMAN SACHS MSCI AC WORLD ex US (GROSS) | 315,070,701 | 5.2 | 6.5 | -21.4 | -43.9 | -38.1 | -43.9 | -20.7 | -7.3 | 3.5 | 08/01/2004 | |
| | | | | 5.7 | -22.3 | -45.2 | -39.3 | -45.2 | -19.9 | -6.6 | 3.2 | | |
| | THE BOSTON COMPANY MSCI AC WORLD ex US (GROSS) | 357,045,910 | 5.9 | 7.0 | -14.3 | -36.5 | -28.6 | -36.5 | -17.6 | -5.7 | -0.2 | 12/01/2004 | |
| | | | | 5.7 | -22.3 | -45.2 | -39.3 | -45.2 | -19.9 | -6.6 | -0.1 | | |
| | MONDRIAN MSCI AC WORLD ex US (GROSS) | 354,979,351 | 5.8 | 5.6 | -15.6 | -38.3 | -29.9 | -38.3 | -16.2 | -2.8 | 5.5 | 05/01/2004 | |
| | | | | 5.7 | -22.3 | -45.2 | -39.3 | -45.2 | -19.9 | -6.6 | 2.9 | | |
| | TRANSITION ACCOUNT INT EQUITY | 17,576 | 0.0 | | | | | | | | | 06/01/2003 | |
| | PUTNAM INVESTMENTS | 5,355 | 0.0 | | | | | | | | | 05/01/2001 | |
| | BANK OF IRELAND | 3,515 | 0.0 | | | | | | | | | 05/01/2001 | |
| TOTAL INTERNATIONAL EQUITY | | | | | | | | | | | | | |
| MSCI AC WORLD ex US (GROSS) | | | | | | | | | | | | | |
| | | 1,027,122,408 | 16.9 | 6.4 | -17.0 | -39.6 | -32.3 | -39.6 | -18.3 | -5.3 | 3.5 | 3.4 | 03/01/1989 |
| | | | | 5.7 | -22.3 | -45.2 | -39.3 | -45.2 | -19.9 | -6.6 | 3.0 | 3.9 | |
| U.S. FIXED INCOME | | | | | | | | | | | | | |
| Core | | | | | | | | | | | | | |
| | BROWN BROTHERS HARRIMAN - CORE CITIGROUP BIG | 313,131,189 | 5.2 | 3.0 | 3.6 | 2.0 | 1.9 | 2.0 | 3.4 | 3.6 | 3.8 | 6.5 | 03/01/1990 |
| | | | | 3.5 | 5.7 | 7.0 | 5.5 | 7.0 | 7.1 | 6.2 | 5.1 | 7.3 | |
| Mortgage | | | | | | | | | | | | | |
| | PYRAMIS GLOBAL ADVISORS BC MBS | 479,417,212 | 7.9 | 1.9 | 2.6 | 4.7 | 3.9 | 4.7 | 4.6 | 4.8 | 4.6 | 7.5 | 10/01/1989 |
| | | | | 1.7 | 4.3 | 8.3 | 6.3 | 8.3 | 7.6 | 6.8 | 5.5 | 7.3 | |
| Corporates | | | | | | | | | | | | | |
| | TAPLIN, CANIDA & HABACHT BC CREDIT | 267,493,338 | 4.4 | 4.7 | -0.6 | -13.1 | -11.3 | -13.1 | -4.7 | -1.6 | 0.7 | 5.2 | 04/01/1996 |
| | | | | 6.3 | 4.0 | -3.1 | -2.6 | -3.1 | 0.9 | 2.0 | 2.7 | 5.8 | |
| High Yield | | | | | | | | | | | | | |
| | MACKAY SHIELDS, LLC CSFB GLOBAL HIGH YIELD | 104,769,663 | 1.7 | 2.3 | -17.8 | -22.8 | -22.4 | -22.8 | -11.4 | -4.0 | 0.9 | 7.0 | 10/01/2002 |
| | | | | 5.6 | -18.8 | -26.2 | -25.3 | -26.2 | -13.0 | -5.3 | -0.6 | 4.5 | |
| TIPS | | | | | | | | | | | | | |
| | BROWN BROTHERS HARRIMAN - TIPS BC U.S. TIPS | 501,137,483 | 8.3 | 5.7 | -1.8 | -0.3 | -4.9 | -0.3 | 5.3 | 3.5 | 4.6 | 06/01/2004 | |
| | | | | 5.0 | -3.5 | -2.4 | -6.9 | -2.4 | 4.4 | 3.1 | 4.0 | | |
| Other | | | | | | | | | | | | | |
| | FIXED INCOME CASH ACCOUNT | 3,049,723 | 0.1 | 0.1 | 0.5 | 2.8 | 1.1 | 2.8 | | | 3.8 | 04/01/2007 | |
| TOTAL US FIXED INCOME | | | | | | | | | | | | | |
| BC AGGREGATE | | | | | | | | | | | | | |
| | | 1,668,998,609 | 27.5 | 3.7 | -0.6 | -2.1 | -3.5 | -2.1 | 2.0 | 2.7 | 3.6 | 6.0 | 12/01/1992 |
| | | | | 3.7 | 4.6 | 5.2 | 4.1 | 5.2 | 6.1 | 5.5 | 4.7 | 6.5 | |
| ALTERNATIVE INVESTMENTS | | | | | | | | | | | | | |
| | REAL ESTATE NPI QTR LAG + 100 BP | 378,692,495 | 6.2 | -1.6 | -2.4 | 0.0 | -1.8 | 0.0 | 12.1 | 9.2 | 7.8 | 01/01/2005 | |
| | | | | -0.1 | 0.1 | 6.3 | 0.9 | 6.3 | 12.1 | 14.3 | 15.7 | | |
| | PRIVATE EQUITY S&P 500 PLUS 300 BP | 638,087,839 | 10.5 | 0.7 | -6.1 | -14.3 | -7.5 | -14.3 | 4.2 | 7.8 | 15.2 | 9.3 | 01/01/1989 |
| | | | | 1.3 | -19.7 | -33.0 | -25.5 | -33.0 | -14.7 | -4.7 | 1.3 | 11.9 | |
| TOTAL ALTERNATIVE INVESTMENTS | | | | | | | | | | | | | |
| TOTAL ALTERNATIVES BENCHMARK | | | | | | | | | | | | | |
| | | 1,016,780,334 | 16.7 | -0.2 | -4.7 | -9.3 | -5.4 | -9.3 | 7.0 | 8.3 | 15.0 | 10.2 | 04/01/1996 |
| | | | | 0.7 | -12.1 | -19.1 | -15.7 | -19.1 | -4.8 | 2.4 | 6.5 | | |
| RE-BALANCING | | | | | | | | | | | | | |
| | RUSSELL IMPLEMENTATION SERVICES | 92,912,419 | 1.5 | 11.6 | -50.7 | | | | | | | -67.6 | 09/01/2008 |
| CASH | | | | | | | | | | | | | |
| | CASH ACCOUNT (INSIDE) | 8,962,218 | 0.2 | | | | | | | | | | 07/01/2000 |
| | CASH ACCOUNT (OUTSIDE) | 7,191,102 | 0.1 | | | | | | | | | | 07/01/2000 |
| TOTAL PLAN | | | | | | | | | | | | | |
| TOTAL PLAN BENCHMARK | | | | | | | | | | | | | |
| | | 6,078,018,493 | 100.0 | 3.2 | -13.7 | -26.2 | -20.8 | -26.2 | -10.6 | -2.8 | 2.6 | 8.9 | 01/01/1984 |
| | | | | 2.9 | -14.9 | -27.6 | -22.4 | -27.6 | -11.1 | -3.0 | 2.0 | | |

* As of 4/31/2006 Total Plan Benchmark consists of 42.5% Wilshire 5000, 20% MSCI AC World ex U.S., 25% BC Aggregate, 7.5% S&P 500 + 300 BP, 5% NCREIF Property Qtr Lag

State of Rhode Island

Summary of Performance

Rates of Return

PERIODS ENDING December 31, 2008

| | MKT VAL | % of FUND | 6 YEARS | 7 YEARS | 8 YEARS | 9 YEARS | 10 YEARS | ITD | Incept Date |
|--------------------------------------|---|----------------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------------|
| DOMESTIC EQUITY | | | | | | | | | |
| Index | | | | | | | | | |
| | SSGA S&P 500 INDEX FUND S&P 500 | 1,079,255,320 | 17.8 | | | | | | |
| | | | | 2.4 | -1.5 | -2.9 | -3.6 | -1.4 | -15.9 |
| | | | | | | | | | -15.9 |
| Enhanced | PIMCO S&P 500 | 315,271,014 | 5.2 | 1.3 | -2.4 | -3.5 | | | -3.6 |
| | | | | 2.4 | -1.5 | -2.9 | -3.6 | -1.4 | -2.8 |
| Active Core | SSGA - CORE RUSSELL 1000 | 235,553,833 | 3.9 | 3.1 | 0.0 | -1.1 | -1.8 | 0.0 | 1.9 |
| | | | | 2.7 | -1.2 | -2.7 | -3.3 | -1.1 | 0.9 |
| | WELLINGTON TECHNICAL EQUITY S&P 500 | 127,016,849 | 2.1 | | | | | | |
| | | | | 2.4 | -1.5 | -2.9 | -3.6 | -1.4 | -8.4 |
| | | | | | | | | | -26.9 |
| Active Small Cap | NORTHPOINTE CAPITAL RUSSELL 2000 | 247,982,430 | 4.1 | 5.4 | | | | | 2.3 |
| | | | | 5.8 | 1.6 | 1.7 | 1.2 | 3.0 | 2.2 |
| | WELLINGTON MANAGEMENT CO. LLC RUSSELL 2000 | 249,918,298 | 4.1 | 5.9 | | | | | 0.5 |
| | | | | 5.8 | 1.6 | 1.7 | 1.2 | 3.0 | 2.2 |
| Other | SHOTT CAPITAL | 1,053,658 | 0.0 | | | | | | |
| | | | | | | | | | 04/01/1999 |
| TOTAL US EQUITY | | 2,256,051,403 | 37.1 | 3.7 | -0.3 | -2.1 | -3.2 | -1.2 | 7.8 |
| DOW WILSHIRE 5000 FREE FLOAT | | | | 3.2 | -0.6 | -2.0 | -3.0 | -0.6 | 8.1 |
| INTERNATIONAL EQUITY | | | | | | | | | |
| Active | | | | | | | | | |
| | GOLDMAN SACHS MSCI AC WORLD ex US (GROSS) | 315,070,701 | 5.2 | | | | | | |
| | | | | 8.6 | 4.9 | 1.5 | -0.5 | 2.3 | 3.5 |
| | | | | | | | | | 3.2 |
| | THE BOSTON COMPANY MSCI AC WORLD ex US (GROSS) | 357,045,910 | 5.9 | | | | | | |
| | | | | 8.6 | 4.9 | 1.5 | -0.5 | 2.3 | -0.2 |
| | | | | | | | | | -0.1 |
| | MONDRIAN MSCI AC WORLD ex US (GROSS) | 354,979,351 | 5.8 | | | | | | |
| | | | | 8.6 | 4.9 | 1.5 | -0.5 | 2.3 | 5.5 |
| | | | | | | | | | 2.9 |
| | TRANSITION ACCOUNT INT EQUITY | 17,576 | 0.0 | | | | | | |
| | PUTNAM INVESTMENTS | 5,355 | 0.0 | | | | | | 06/01/2003 |
| | BANK OF IRELAND | 3,515 | 0.0 | | | | | | 05/01/2001 |
| TOTAL INTERNATIONAL EQUITY | | 1,027,122,408 | 16.9 | 7.9 | 4.1 | 0.5 | -1.0 | 2.1 | 3.4 |
| MSCI AC WORLD ex US (GROSS) | | | | 8.6 | 4.9 | 1.5 | -0.5 | 2.3 | 3.9 |
| U.S. FIXED INCOME | | | | | | | | | |
| Core | | | | | | | | | |
| | BROWN BROTHERS HARRIMAN - CORE CITIGROUP BIG | 313,131,189 | 5.2 | 4.2 | 5.0 | 5.4 | 6.2 | 5.4 | 6.5 |
| | | | | 5.0 | 5.7 | 6.0 | 6.6 | 5.9 | 7.3 |
| Mortgage | PYRAMIS GLOBAL ADVISORS BC MBS | 479,417,212 | 7.9 | 4.6 | 5.2 | 5.7 | 6.3 | 5.9 | 7.5 |
| | | | | 5.1 | 5.6 | 6.0 | 6.5 | 6.0 | 7.3 |
| Corporates | TAPLIN, CANIDA & HABACHT BC CREDIT | 267,493,338 | 4.4 | 2.8 | 3.3 | 4.2 | 4.7 | 4.2 | 5.2 |
| | | | | 3.5 | 4.5 | 5.2 | 5.6 | 4.9 | 5.8 |
| High Yield | MACKAY SHIELDS, LLC CSFB GLOBAL HIGH YIELD | 104,769,663 | 1.7 | 6.1 | | | | | 7.0 |
| | | | | 3.7 | 3.6 | 3.9 | 2.8 | 2.9 | 4.5 |
| TIPS | BROWN BROTHERS HARRIMAN - TIPS BC U.S. TIPS | 501,137,483 | 8.3 | | | | | | |
| | | | | 4.8 | 6.4 | 6.6 | 7.3 | 6.8 | 4.6 |
| | | | | | | | | | 4.0 |
| Other | FIXED INCOME CASH ACCOUNT | 3,049,723 | 0.1 | | | | | | |
| | | | | | | | | | 3.8 |
| | | | | | | | | | 04/01/2007 |
| TOTAL US FIXED INCOME | | 1,668,998,609 | 27.5 | 4.5 | 4.9 | 5.1 | 5.6 | 5.1 | 6.0 |
| BC AGGREGATE | | | | 4.6 | 5.4 | 5.7 | 6.4 | 5.6 | 6.5 |
| ALTERNATIVE INVESTMENTS | | | | | | | | | |
| | REAL ESTATE NCREIF PROPERTY INDEX QTR LAG | 378,692,495 | 6.2 | | | | | | |
| | | | | 13.1 | 12.1 | 11.8 | 11.8 | 11.8 | 7.8 |
| | | | | | | | | | 15.7 |
| | PRIVATE EQUITY S&P 500 PLUS 300 BP | 638,087,839 | 10.5 | 14.1 | 11.7 | 5.2 | 8.8 | 9.3 | 9.3 |
| | | | | 5.8 | 2.0 | 0.6 | -0.1 | 2.1 | 11.9 |
| TOTAL ALTERNATIVE INVESTMENTS | | 1,016,780,334 | 16.7 | 13.9 | 11.5 | 5.8 | 8.1 | 8.2 | 10.2 |
| TOTAL ALTERNATIVES BENCHMARK | | | | 8.9 | 6.2 | 5.3 | | | 04/01/1996 |
| RE-BALANCING | | | | | | | | | |
| | RUSSELL IMPLEMENTATION SERVICES | 92,912,419 | 1.5 | | | | | | |
| | | | | | | | | | -67.6 |
| | | | | | | | | | 09/01/2008 |
| CASH | | | | | | | | | |
| | CASH ACCOUNT (INSIDE) | 8,962,218 | 0.2 | | | | | | |
| | CASH ACCOUNT (OUTSIDE) | 7,191,102 | 0.1 | | | | | | |
| | | | | | | | | | 07/01/2000 |
| | | | | | | | | | 07/01/2000 |
| TOTAL PLAN | | 6,078,018,493 | 100.0 | 6.3 | 3.6 | 1.8 | 1.3 | 2.5 | 8.9 |
| TOTAL PLAN BENCHMARK | | | | 5.8 | 3.1 | 1.7 | 0.9 | 2.5 | 01/01/1984 |

* As of 4/31/2006 Total Plan Benchmark consists of 42.5% Wilshire 5000, 20% MSCI AC World ex U.S., 25% BC Aggregate, 7.5% S&P 500 + 300 BP, 5% NCREIF Property Qtr Lag

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING December 31, 2008



STATE STREET

Endnotes

- 1 As of 7/1/2000: 60% S&P 500 plus 300bps / 40% NCREIF PROPERTY LAG

- 2 As of 04/31/2006: 42.5% W5000 / 25.0% BC AGG / 20.0% MSCI AC WORLD FREE ex USA / 5.0% NCREIF PROPERTY LAG / 7.5% S&P 500 plus 300bps

Prior to 04/31/2006: 52.5% W5000 / 25.0% BC AGG / 22.5% MSCI AC WORLD FREE ex USA

- 3 As of 01/01/1988: 48.57% Wilshire 5000 / 28.57% BC Aggregate / 22.86% MSCI AC World Free ex US

ERSRI Monthly Market Value Report With Time Weighted Returns

December 31, 2008

| | Calendar YTD | | | Benchmark Description | Current Month | | | Valuation Change | | | |
|-----------------------------------|----------------|----------------|--------------|--------------------------|---------------|--------------|--------------|----------------------|---------------------|----------------------|--------------------|
| | Performance | Benchmark | Alpha | | Performance | Benchmark | Alpha | Market Value | Transfers | Market Value | Market Value |
| | | | | | | | | 11/30/2008 | In/(out) | 12/31/2008 | Increase/decrease |
| Domestic Equity | | | | | | | | | | | |
| Shott Capital Management IRR | -13.20% | -37.00% | 23.80% | S & P 500 | 0.04% | 1.06% | -1.02% | 1,053,208 | - | 1,053,658 | 450 |
| SSgA S&P 500 | -36.91% | -37.00% | 0.09% | S & P 500 | 1.12% | 1.06% | 0.06% | 1,067,236,731 | 112,977 | 1,079,255,320 | 11,905,613 |
| SSgA Core | -37.99% | -37.60% | -0.39% | Russell 1000 | 2.26% | 1.60% | 0.66% | 230,313,234 | 24,479 | 235,553,833 | 5,216,120 |
| PIMCO | -41.06% | -37.00% | -4.06% | S & P 500 | 3.59% | 1.06% | 2.53% | 304,303,147 | 36,764 | 315,271,014 | 10,931,103 |
| NorthPointe Capital | -34.25% | -33.79% | -0.46% | Russell 2000 | 6.59% | 5.80% | 0.79% | 232,615,608 | 27,209 | 247,982,430 | 15,339,613 |
| Wellington Mgmt | -38.21% | -33.79% | -4.42% | Russell 2000 | 7.83% | 5.80% | 2.03% | 231,734,015 | 29,939 | 249,918,298 | 18,154,344 |
| Russell Overlay | 0.00% | - | - | - | 11.64% | 0.00% | 11.64% | 83,223,521 | - | 92,912,419 | 9,688,898 |
| Wellington Tech Eq | -19.17% | -37.66% | 18.49% | Russell 3000 | -3.38% | -7.18% | 3.80% | 129,527,520 | - | 127,016,849 | (2,510,671) |
| Transition Account | N/A | N/A | N/A | - | N/A | N/A | N/A | - | - | - | - |
| Total Domestic Equity | -36.78% | | | | 2.69% | | | 2,280,006,984 | 231,368 | 2,348,963,823 | 68,725,471 |
| International Equity | | | | | | | | | | | |
| Boston Company | -36.49% | -45.24% | 8.75% | MSCI ACWI | 7.02% | 5.72% | 1.30% | 333,579,367 | 36,309 | 357,049,425 | 23,433,749 |
| Goldman Sachs | -43.94% | -45.24% | 1.30% | MSCI ACWI | 6.52% | 5.72% | 0.80% | 295,749,241 | 36,309 | 315,070,701 | 19,285,151 |
| Transition Account | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 23,771 | - | 22,931 | (840) |
| Mondrian | -38.26% | -45.24% | 6.98% | MSCI ACWI | 5.60% | 5.72% | -0.12% | 336,128,388 | 36,309 | 354,979,351 | 18,814,654 |
| Total International Equity | -39.55% | | | | 6.37% | | | 965,480,767 | 108,927 | 1,027,122,408 | 61,532,714 |
| Fixed Income | | | | | | | | | | | |
| Fidelity Management & Research | 4.70% | 8.34% | -3.64% | Lehman Mortgage Backed | 1.94% | 1.67% | 0.27% | 470,269,534 | 19,565 | 479,417,212 | 9,128,113 |
| Brown Brothers, Harriman | 2.04% | 7.02% | -4.98% | Salomon Brd Inv Grade | 2.95% | 3.46% | -0.51% | 304,142,068 | 19,611 | 313,131,189 | 8,969,510 |
| Taplin, Canida & Habacht | -13.09% | -3.08% | -10.01% | Lehman Credit Index | 4.72% | 6.27% | -1.55% | 255,416,851 | 8,918 | 267,493,338 | 12,067,569 |
| Mackay Shields | -22.80% | -26.17% | 3.37% | CS First BosHiYield | 2.26% | 5.61% | -3.35% | 102,423,600 | 34,580 | 104,769,663 | 2,311,483 |
| Brown Bros TIPS | -0.29% | -2.35% | 2.06% | Lehman US TIPS Index | 5.72% | 4.96% | 0.76% | 474,008,458 | 32,032 | 501,137,483 | 27,096,993 |
| Fixed Income Cash Acct | 2.63% | - | - | - | 0.16% | - | - | 3,045,596 | - | 3,049,723 | 4,127 |
| Transition Account | N/A | N/A | N/A | N/A | N/A | N/A | N/A | - | - | - | - |
| Total Fixed Income | -2.11% | | | | 3.70% | | | 1,609,306,107 | 114,706 | 1,668,998,609 | 59,577,796 |
| Alternative Investments | | | | | | | | | | | |
| Private Equity | -14.29% | -32.97% | 18.68% | N/A | 0.65% | 1.28% | -0.63% | 629,006,392 | 5,978,043 | 638,087,839 | 3,103,404 |
| Real Estate | -0.03% | 6.28% | -6.31% | NCREIF + 100 | -1.63% | -0.09% | -1.54% | 384,337,759 | 889,919 | 378,692,495 | (6,535,183) |
| Total Alternatives | -9.33% | | | | -0.21% | | | 1,013,344,151 | 6,867,962 | 1,016,780,334 | (3,431,779) |
| Cash Accounts | | | | | | | | | | | |
| Cash in Trust | 2.81% | N/A | N/A | - | 0.13% | N/A | N/A | 25,210,703 | (17,160,661) | 8,962,218 | 912,176 |
| Cash Outside Trust | 0.89% | N/A | N/A | - | 0.03% | N/A | N/A | 14,705,948 | 16,269 | 7,191,102 | (7,531,115) |
| Total Cash | 11.45% | - | - | | 2.55% | - | - | 39,916,651 | (17,144,392) | 16,153,320 | (6,618,940) |
| Total Plan Ex PE & RE | -28.67% | -28.80% | 0.13% | | 3.90% | 3.21% | 0.69% | 5,908,054,660 | (9,821,430) | 6,078,018,493 | 179,785,263 |
| Total Plan | -26.15% | -27.63% | 1.48% | | 3.19% | 2.90% | 0.29% | | | | |

*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
- 7.5% S&P500 plus 300bps

State of Rhode Island

RATES OF RETURN - Total

Periods Ending December 31, 2008



STATE STREET

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 | 1.12 | 1.06 | 0.06 | -36.91 | -37.00 | 0.09 | 1,079,255 | 113 |
| SSGA - CORE | RUSSELL 1000 | 2.26 | 1.60 | 0.66 | -37.99 | -37.60 | -0.39 | 235,554 | 24 |
| PIMCO | S&P 500 | 3.59 | 1.06 | 2.53 | -41.06 | -37.00 | -4.06 | 315,271 | 37 |
| NORTHPOINTE CAPITAL | RUSSELL 2000 | 6.59 | 5.80 | 0.79 | -34.25 | -33.79 | -0.46 | 247,982 | 27 |
| WELLINGTON MANAGEMENT CO. LLC | RUSSELL 2000 | 7.83 | 5.80 | 2.03 | -38.21 | -33.79 | -4.42 | 249,918 | 36 |
| SHOTT CAPITAL | S&P 500 | 0.04 | 1.06 | -1.02 | -13.20 | -37.00 | 23.80 | 1,054 | 0 |
| WELLINGTON TECHNICAL EQUITY | S&P 500 | -1.94 | 1.06 | -3.00 | -20.73 | -37.00 | 16.27 | 127,017 | 0 |
| TOTAL US EQUITY | DOW WILSHIRE 5000 FREE FLOAT | 2.69 | 1.73 | 0.96 | -36.78 | -37.23 | 0.45 | 2,256,051 | 237 |
| INTERNATIONAL EQUITY | | | | | | | | | |
| THE BOSTON COMPANY | MSCI AC WORLD ex US (GROSS) | 7.02 | 5.72 | 1.30 | -36.49 | -45.24 | 8.75 | 357,046 | 36 |
| GOLDMAN SACHS | MSCI AC WORLD ex US (GROSS) | 6.52 | 5.72 | 0.80 | -43.94 | -45.24 | 1.30 | 315,071 | 36 |
| MONDRIAN | MSCI AC WORLD ex US (GROSS) | 5.60 | 5.72 | -0.12 | -38.26 | -45.24 | 6.98 | 354,979 | 36 |
| TRANSITION ACCOUNT INT EQUITY | | | | | | | | 18 | 0 |
| TOTAL INTERNATIONAL EQUITY | MSCI AC WORLD ex US (GROSS) | 6.37 | 5.72 | 0.65 | -39.55 | -45.24 | 5.69 | 1,027,122 | 109 |
| U.S. FIXED INCOME | | | | | | | | | |
| PYRAMIS GLOBAL ADVISORS | BC MBS | 1.94 | 1.67 | 0.27 | 4.70 | 8.34 | -3.64 | 479,417 | 20 |
| BROWN BROTHERS HARRIMAN - CORE | CITIGROUP BIG | 2.95 | 3.46 | -0.51 | 2.04 | 7.02 | -4.98 | 313,131 | 20 |
| TAPLIN, CANIDA & HABACHT | BC CREDIT | 4.72 | 6.27 | -1.55 | -13.09 | -3.08 | -10.01 | 267,493 | 9 |
| MACKAY SHIELDS, LLC | CSFB GLOBAL HIGH YIELD | 2.26 | 5.61 | -3.35 | -22.80 | -26.17 | 3.37 | 104,770 | 35 |
| BROWN BROTHERS HARRIMAN - TIPS | BC U.S. TIPS | 5.72 | 4.96 | 0.76 | -0.29 | -2.35 | 2.06 | 501,137 | 32 |
| FIXED INCOME CASH ACCOUNT | | 0.14 | | | 2.77 | | | 3,050 | 0 |
| TOTAL US FIXED INCOME | BC AGGREGATE | 3.70 | 3.73 | -0.03 | -2.11 | 5.24 | -7.35 | 1,668,999 | 115 |

State of Rhode Island

RATES OF RETURN - Total

Periods Ending December 31, 2008



STATE STREET

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 | S&P 500 PLUS 300 BP | 0.65 | 1.28 | -0.63 | -14.29 | -32.97 | 18.68 | 638,088 | 4,956 |
| REAL ESTATE | NCREIF PROPERTY LAG + 100 BPS | -1.63 | -0.09 | -1.54 | -0.03 | 6.28 | -6.31 | 378,692 | 624 |
| TOTAL ALTERNATIVE INVESTMENTS | TOTAL ALTERNATIVES BENCHMARK | -0.21 | 0.70 | -0.91 | -9.33 | -19.14 | 9.81 | 1,016,780 | 5,580 |
| CASH EQUIVALENTS | | | | | | | | | |
| CASH ACCOUNT (INSIDE) | | 0.13 | | | 2.81 | | | 8,962 | -17,155 |
| CASH ACCOUNT (OUTSIDE) | | 0.03 | | | 0.89 | | | 7,191 | -7,520 |
| TOTAL CASH | | 2.55 | | | 11.45 | | | 16,153 | -24,675 |
| OTHER | | | | | | | | | |
| RUSSELL IMPLEMENTATION SERVICES | | 11.64 | | | | | | 92,912 | 0 |
| TOTAL PLAN | | | | | | | | | |
| TOTAL PLAN | TOTAL PLAN BENCHMARK | 3.19 | 2.90 | 0.29 | -26.15 | -27.63 | 1.48 | 6,078,018 | -18,634 |
| TOTAL PLAN ex PE RE | TOTAL PLAN BENCHMARK ex PE RE | 3.90 | 3.21 | 0.69 | -28.67 | -28.80 | 0.13 | 5,061,238 | -24,214 |

State of Rhode Island

TOTAL PLAN

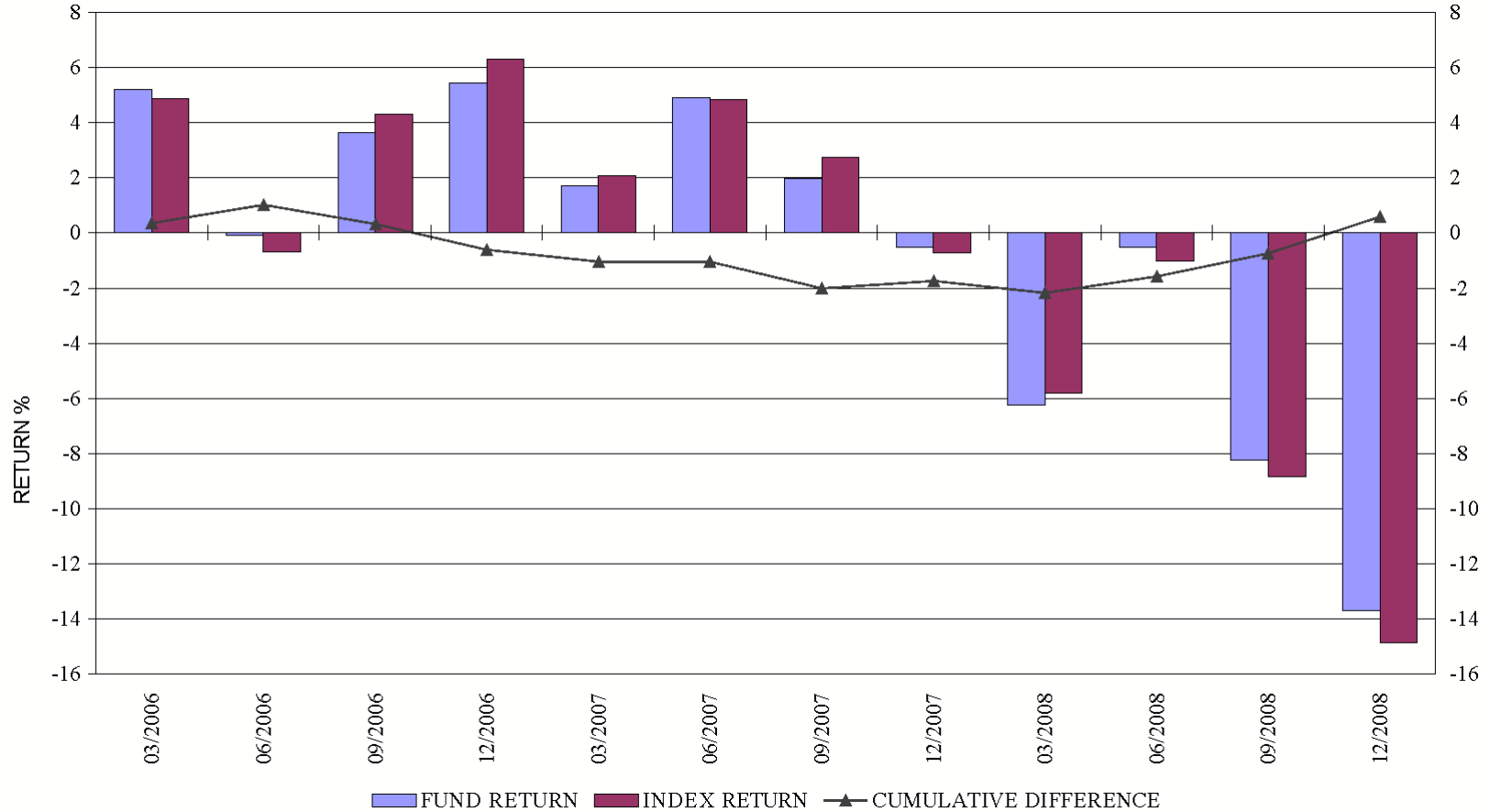
Index: TOTAL PLAN BENCHMARK

PERIODS: December 31, 2005 - December 31, 2008



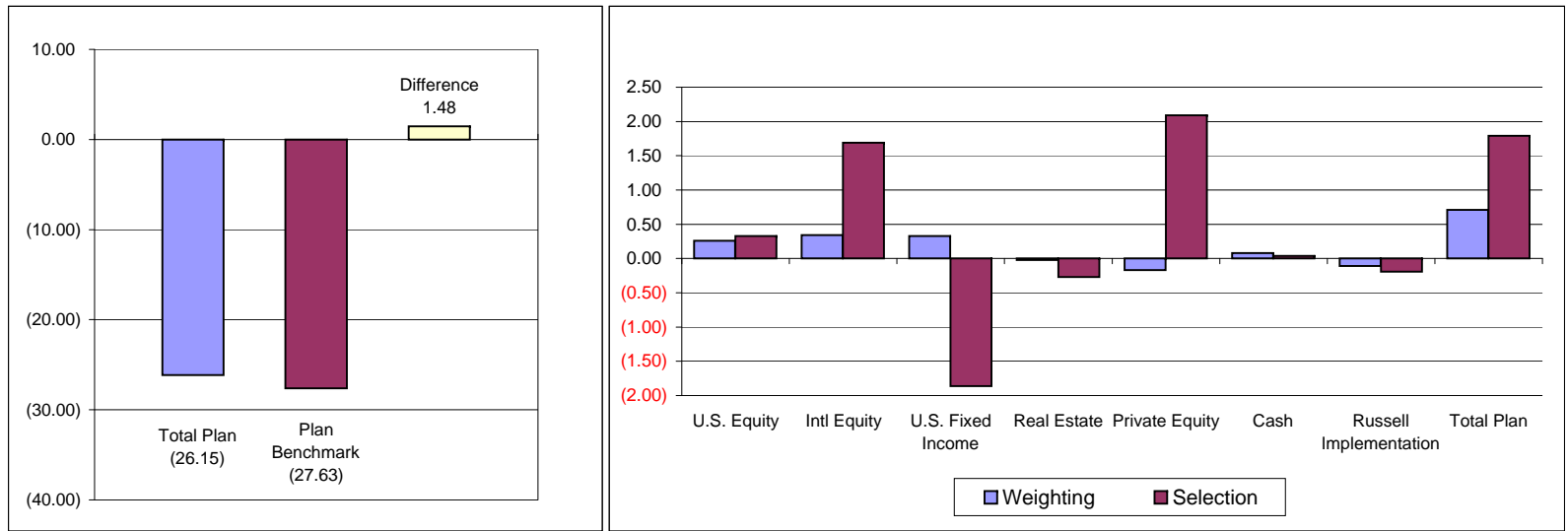
STATE STREET

CUMULATIVE PERFORMANCE REPORT



STATE OF RHODE ISLAND
TOTAL PLAN POOL ATTRIBUTION
 1 Year Ending December 31st, 2008
 Value Added

1 YEAR RETURNS **VALUE ADDED ATTRIBUTION**



| | Beginning Weights | | | Returns | | | Value Added | | |
|------------------------|-------------------|---------------|------------|----------------|----------------|-------------|-------------|-------------|---------------|
| | Portfolio | Benchmark | Difference | Portfolio | Benchmark | Difference | Weighting | Selection | Timing |
| U.S. Equity | 42.10 | 42.50 | (0.40) | (36.78) | (37.23) | 0.45 | 0.26 | 0.33 | |
| Intl Equity | 20.00 | 20.00 | 0.00 | (39.55) | (45.53) | 5.98 | 0.34 | 1.69 | |
| U.S. Fixed Income | 25.40 | 25.00 | 0.40 | (2.11) | 5.24 | (7.35) | 0.33 | (1.86) | |
| Real Estate | 4.30 | 5.00 | (0.70) | (0.03) | 5.27 | (5.30) | (0.02) | (0.27) | |
| Private Equity | 7.70 | 7.50 | 0.20 | (14.29) | (32.97) | 18.68 | (0.17) | 2.09 | |
| Cash | 0.50 | 0.00 | 0.50 | 11.45 | 2.06 | 9.39 | 0.08 | 0.04 | |
| Russell Implementation | 0.00 | 0.00 | 0.00 | (67.57) | (30.03) | (37.54) | (0.11) | (0.19) | |
| Total Plan | 100.00 | 100.00 | | (26.15) | (27.63) | 1.48 | 0.71 | 1.79 | (0.45) |

State of Rhode Island

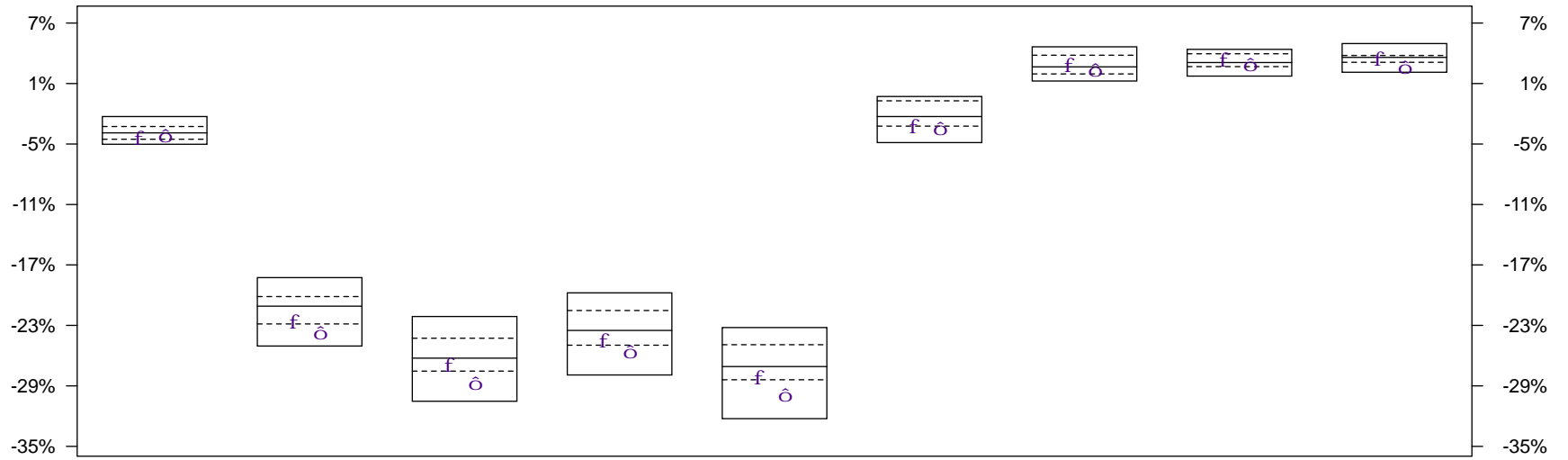
PUBLIC FUNDS (DB) > \$ 1 BILLION (SSC)

PERIOD ENDING November 30, 2008



STATE STREET

TOTAL RETURN



| | 1 Month | | 1 Qtr | | 2 Qtrs | | 3 Qtrs | | 1 Yr | | 3 Yrs | | 5 Yrs | | 7 Yrs | | 10 Yrs | |
|------------------------|---------|------|--------|------|--------|------|--------|------|--------|------|-------|------|-------|------|-------|------|--------|------|
| | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank |
| 5th Percentile | -2.27 | | -18.26 | | -22.12 | | -19.77 | | -23.22 | | -0.29 | | 4.65 | | 4.40 | | 4.96 | |
| 25th Percentile | -3.27 | | -20.14 | | -24.27 | | -21.52 | | -24.92 | | -0.71 | | 3.81 | | 3.95 | | 3.79 | |
| 50th Percentile | -3.90 | | -21.09 | | -26.25 | | -23.50 | | -27.09 | | -2.28 | | 2.65 | | 3.09 | | 3.60 | |
| 75th Percentile | -4.53 | | -22.86 | | -27.54 | | -24.96 | | -28.40 | | -3.23 | | 1.95 | | 2.68 | | 3.11 | |
| 95th Percentile | -5.03 | | -25.05 | | -30.53 | | -27.92 | | -32.26 | | -4.86 | | 1.25 | | 1.74 | | 2.12 | |
| No. of Obs | 22 | | 22 | | 22 | | 22 | | 22 | | 21 | | 21 | | 21 | | 21 | |
| f TOTAL PLAN | -4.48 | 70 | -22.74 | 74 | -26.98 | 70 | -24.57 | 70 | -28.29 | 74 | -3.36 | 78 | 2.76 | 41 | 3.25 | 41 | 3.33 | 64 |
| o TOTAL PLAN BENCHMARK | -4.23 | 68 | -23.77 | 82 | -28.81 | 84 | -25.70 | 80 | -29.91 | 83 | -3.49 | 79 | 2.31 | 61 | 2.85 | 71 | 2.60 | 92 |

State of Rhode Island

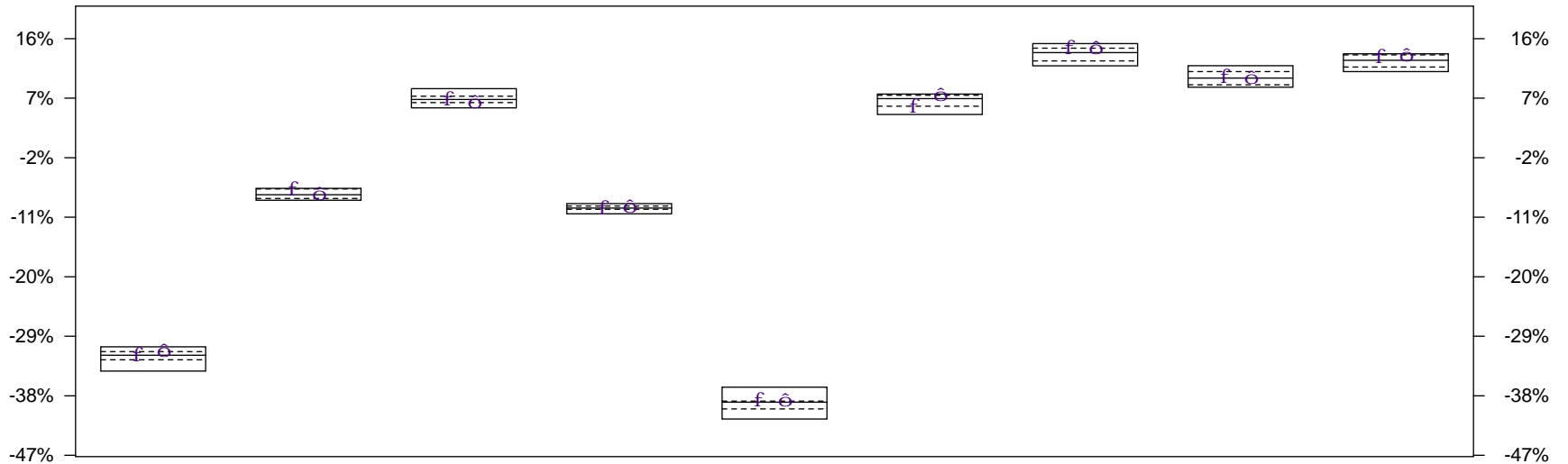
US EQUITY POOLS PUBLIC GT 1BILL (SSC)

PERIOD ENDING November 30, 2008



STATE STREET

TOTAL RETURN



| | 1 Qtr | | Qtr End Aug-08 | | Qtr End May-08 | | Qtr End Feb-08 | | 1 Yr | | Yr End Nov-07 | | Yr End Nov-06 | | Yr End Nov-05 | | Yr End Nov-04 | |
|------------------------------|--------|------|----------------|------|----------------|------|----------------|------|--------|------|---------------|------|---------------|------|---------------|------|---------------|------|
| | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank |
| 5th Percentile | -30.60 | | -6.64 | | 8.44 | | -8.95 | | -36.69 | | 7.62 | | 15.24 | | 11.91 | | 13.71 | |
| 25th Percentile | -31.33 | | -6.73 | | 7.29 | | -9.31 | | -38.80 | | 7.43 | | 14.55 | | 11.01 | | 13.54 | |
| 50th Percentile | -31.86 | | -7.60 | | 6.81 | | -9.61 | | -38.96 | | 6.93 | | 13.89 | | 10.04 | | 12.72 | |
| 75th Percentile | -32.56 | | -8.17 | | 6.33 | | -9.79 | | -39.98 | | 5.78 | | 12.64 | | 9.02 | | 11.71 | |
| 95th Percentile | -34.27 | | -8.43 | | 5.53 | | -10.48 | | -41.52 | | 4.53 | | 11.89 | | 8.65 | | 11.01 | |
| No. of Obs | 11 | | 11 | | 11 | | 11 | | 11 | | 11 | | 11 | | 10 | | 10 | |
| f TOTAL US EQUITY | -31.87 | 51 | -6.84 | 34 | 6.81 | 51 | -9.62 | 51 | -38.73 | 17 | 5.68 | 76 | 14.53 | 26 | 10.21 | 46 | 13.26 | 37 |
| o DOW WILSHIRE 5000 FREE FLO | -31.22 | 22 | -7.50 | 42 | 6.43 | 70 | -9.45 | 31 | -38.68 | 17 | 7.51 | 21 | 14.59 | 22 | 10.07 | 50 | 13.43 | 32 |

State of Rhode Island

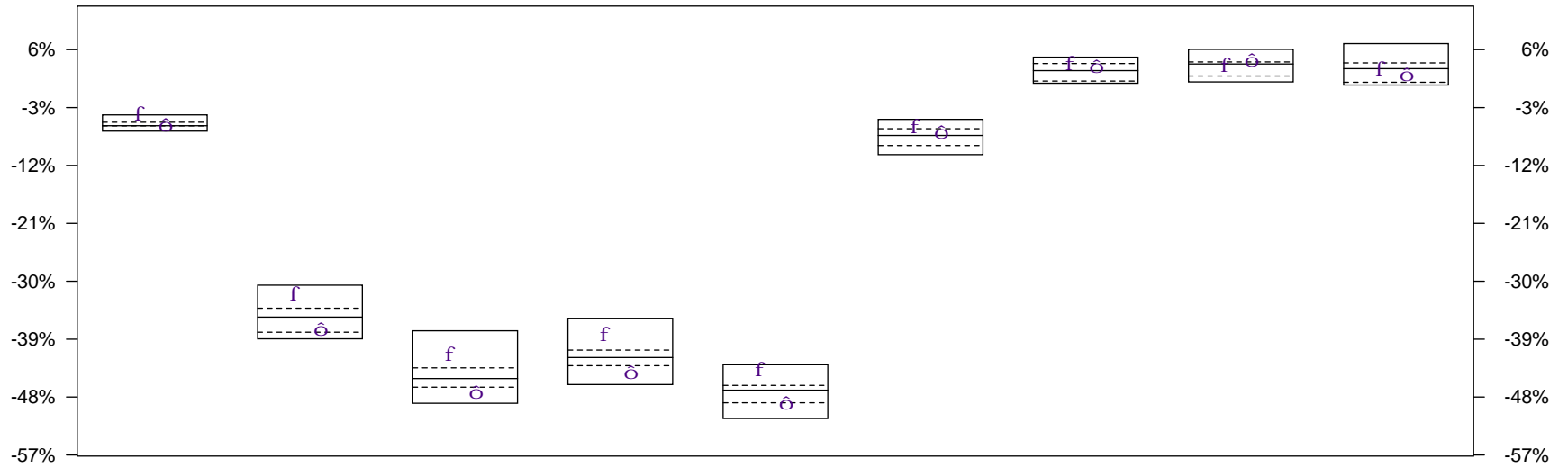
INTL EQTY POOL - PUBLIC (SSC)

PERIOD ENDING November 30, 2008



STATE STREET

TOTAL RETURN



| | 1 Month | | 1 Qtr | | 2 Qtrs | | 3 Qtrs | | 1 Yr | | 3 Yrs | | 5 Yrs | | 7 Yrs | | 10 Yrs | |
|-------------------------------|---------|------|--------|------|--------|------|--------|------|--------|------|--------|------|-------|------|-------|------|--------|------|
| | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank |
| 5th Percentile | -4.14 | | -30.61 | | -37.70 | | -35.76 | | -42.97 | | -4.82 | | 4.83 | | 6.04 | | 6.95 | |
| 25th Percentile | -5.28 | | -34.19 | | -43.46 | | -40.69 | | -46.19 | | -6.28 | | 3.85 | | 4.09 | | 3.93 | |
| 50th Percentile | -5.81 | | -35.56 | | -45.12 | | -41.85 | | -46.93 | | -7.33 | | 2.75 | | 3.77 | | 3.04 | |
| 75th Percentile | -5.83 | | -37.92 | | -46.47 | | -43.13 | | -48.88 | | -8.89 | | 1.12 | | 1.91 | | 0.94 | |
| 95th Percentile | -6.65 | | -38.95 | | -48.97 | | -46.06 | | -51.34 | | -10.31 | | 0.78 | | 0.99 | | 0.51 | |
| No. of Obs | 11 | | 11 | | 11 | | 11 | | 11 | | 11 | | 9 | | 9 | | 8 | |
| f TOTAL INTERNATIONAL | -4.03 | 5 | -32.11 | 11 | -41.45 | 13 | -38.38 | 12 | -43.84 | 9 | -6.00 | 23 | 3.72 | 33 | 3.51 | 63 | 2.94 | 51 |
| o MSCI AC WORLD ex US (GROSS) | -5.74 | 34 | -37.51 | 73 | -47.25 | 80 | -44.27 | 80 | -48.95 | 77 | -6.84 | 39 | 3.37 | 37 | 4.27 | 20 | 2.05 | 67 |

State of Rhode Island

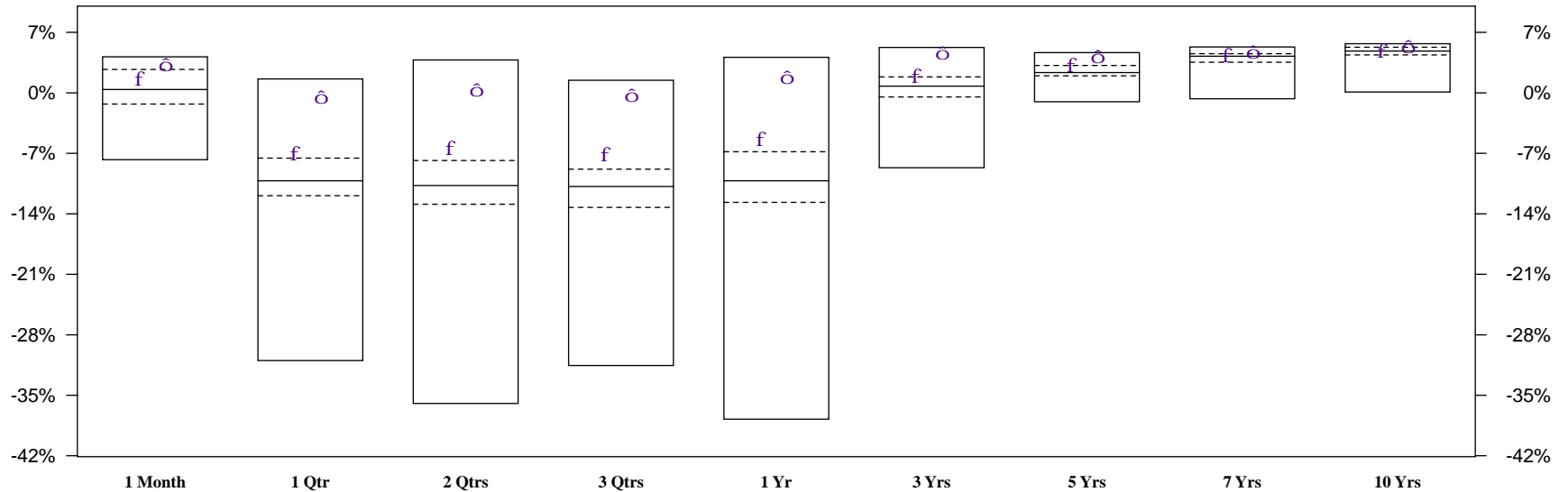
US FIXED INC POOL PUBLIC GT 1 BILL (SSC)

PERIOD ENDING November 30, 2008



STATE STREET

TOTAL RETURN



| | 1 Month | | 1 Qtr | | 2 Qtrs | | 3 Qtrs | | 1 Yr | | 3 Yrs | | 5 Yrs | | 7 Yrs | | 10 Yrs | |
|------------------------|---------|------|--------|------|--------|------|--------|------|--------|------|-------|------|-------|------|-------|------|--------|------|
| | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank | Value | Rank |
| 5th Percentile | 4.17 | | 1.61 | | 3.81 | | 1.45 | | 4.11 | | 5.25 | | 4.66 | | 5.31 | | 5.69 | |
| 25th Percentile | 2.71 | | -7.55 | | -7.83 | | -8.83 | | -6.82 | | 1.85 | | 3.17 | | 4.53 | | 5.28 | |
| 50th Percentile | 0.39 | | -10.18 | | -10.72 | | -10.84 | | -10.18 | | 0.78 | | 2.35 | | 4.24 | | 4.83 | |
| 75th Percentile | -1.30 | | -11.90 | | -12.89 | | -13.26 | | -12.67 | | -0.48 | | 1.97 | | 3.54 | | 4.39 | |
| 95th Percentile | -7.73 | | -30.98 | | -35.94 | | -31.55 | | -37.76 | | -8.67 | | -1.03 | | -0.69 | | 0.09 | |
| No. of Obs | 10 | | 10 | | 10 | | 10 | | 10 | | 9 | | 9 | | 9 | | 9 | |
| f TOTAL US FIXED INCOM | 1.52 | 37 | -7.15 | 19 | -6.48 | 19 | -7.25 | 19 | -5.45 | 19 | 1.87 | 21 | 3.08 | 31 | 4.22 | 51 | 4.82 | 51 |
| o BC AGGREGATE | 3.25 | 22 | -0.54 | 9 | 0.24 | 10 | -0.36 | 8 | 1.74 | 9 | 4.56 | 9 | 4.10 | 12 | 4.71 | 19 | 5.28 | 26 |

State of Rhode Island

TOTAL PLAN

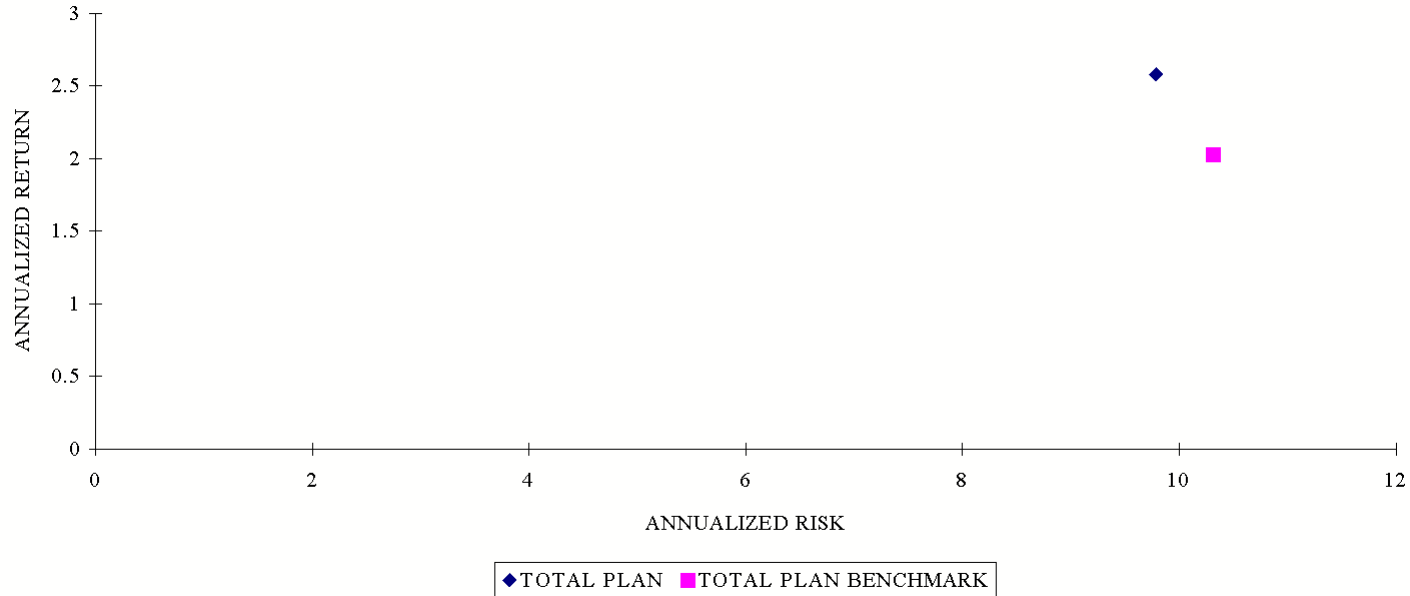
Benchmark: TOTAL PLAN BENCHMARK

December 31, 2003 - December 31, 2008



STATE STREET

RISK VS. RETURN



RISK INFORMATION

| | |
|------------------------------|-------|
| Portfolio Return | 2.58 |
| Benchmark Return | 2.03 |
| Return Differences | 0.55 |
| Portfolio Standard Deviation | 9.79 |
| Benchmark Standard Deviation | 10.31 |
| Tracking Error | 1.21 |

RISK STATISTICS

| | |
|-------------------|-------|
| Historic Beta | 0.94 |
| R-squared | 0.99 |
| Jensen's Alpha | 0.48 |
| Sharpe Ratio | -0.07 |
| Treynor Ratio | -0.71 |
| Information Ratio | 0.46 |

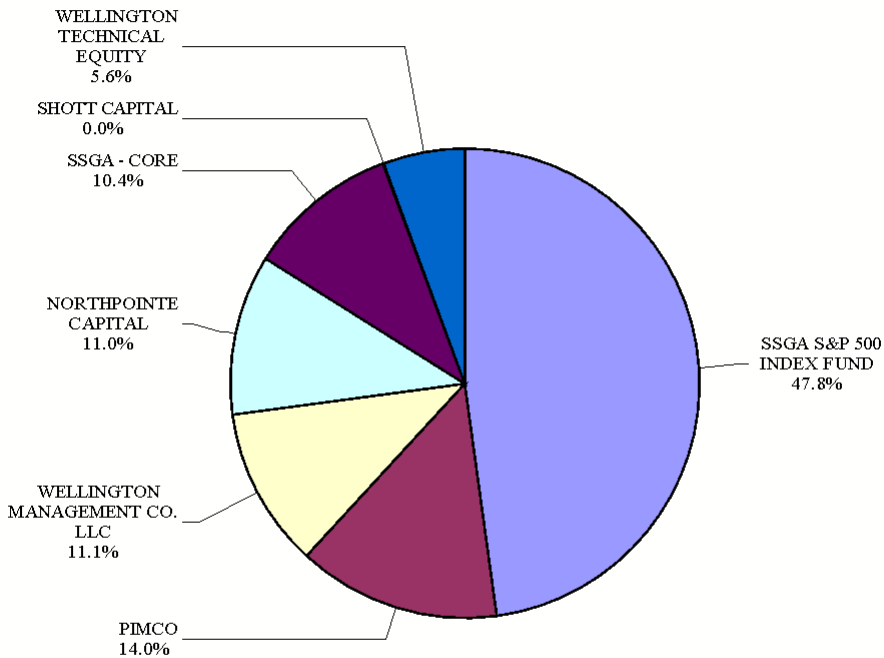
State of Rhode Island

MANAGER ALLOCATION ANALYSIS
 PERIOD ENDING 12/31/2008



STATE STREET

CURRENT MANAGER ALLOCATION



| <u>MANAGER</u> | <u>CURRENT PERIOD</u> | <u>ONE YEAR AGO</u> |
|-------------------------------|-----------------------|---------------------|
| SSGA S&P 500 INDEX FUND | 1,079.3 | 1,709.0 |
| PIMCO | 315.3 | 534.3 |
| WELLINGTON MANAGEMENT CO. LLC | 249.9 | 404.0 |
| NORTHPOINTE CAPITAL | 248.0 | 376.7 |
| SSGA - CORE | 235.6 | 379.4 |
| SHOTT CAPITAL | 1.1 | 1.3 |
| WELLINGTON TECHNICAL EQUITY | 127.0 | 160.2 |
| TOTAL | 2,256.2 | 3,564.9 |

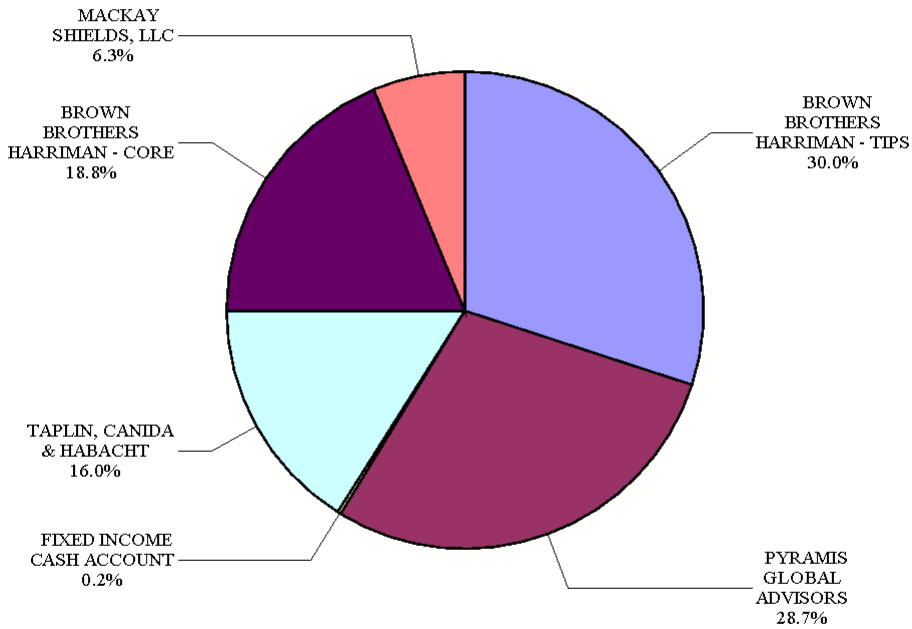
State of Rhode Island

MANAGER ALLOCATION ANALYSIS
 PERIOD ENDING 12/31/2008



STATE STREET

CURRENT MANAGER ALLOCATION



| <u>MANAGER</u> | <u>CURRENT PERIOD</u> | <u>ONE YEAR AGO</u> |
|---------------------------------|-----------------------|---------------------|
| BROWN BROTHERS HARRIMAN - TIPS | 501.1 | 576.2 |
| PYRAMIS GLOBAL ADVISORS | 479.4 | 502.1 |
| FIXED INCOME CASH ACCOUNT | 3.0 | 325.4 |
| TAPLIN, CANIDA & HABACHT | 267.5 | 306.8 |
| BROWN BROTHERS HARRIMAN - CORE | 313.1 | 306.6 |
| MACKAY SHIELDS, LLC | 104.8 | 135.2 |
| TRANSITION ACCOUNT FIXED INCOME | | 0.6 |
| TOTAL | 1,668.9 | 2,152.9 |

State of Rhode Island

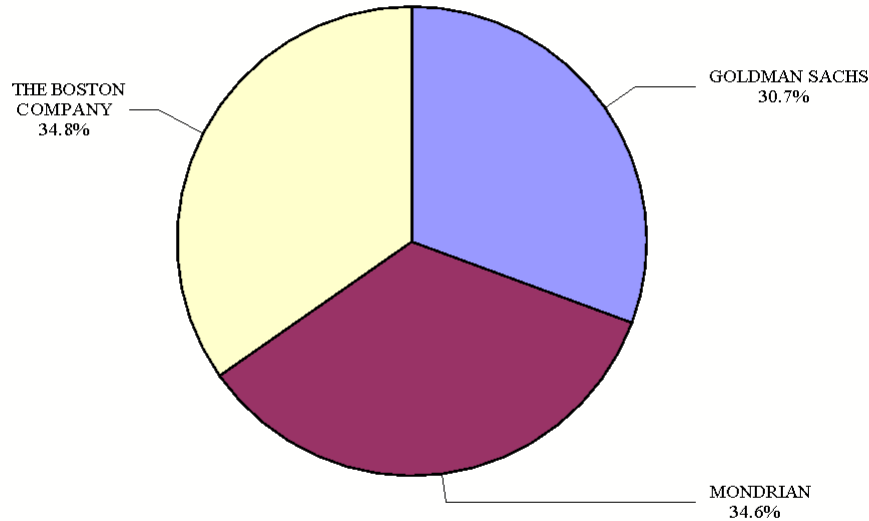
MANAGER ALLOCATION ANALYSIS
 PERIOD ENDING 12/31/2008



STATE STREET

CURRENT MANAGER ALLOCATION

| <u>MANAGER</u> | <u>CURRENT PERIOD</u> | <u>ONE YEAR AGO</u> |
|-------------------------------|-----------------------|---------------------|
| GOLDMAN SACHS | 315.1 | 561.5 |
| MONDRIAN | 355.0 | 574.2 |
| THE BOSTON COMPANY | 357.0 | 561.6 |
| TRANSITION ACCOUNT INT EQUITY | 0.0 | 0.1 |
| TOTAL | 1,027.1 | 1,697.4 |



ASSET ALLOCATION

**ASSET ALLOCATION REPORT
DECEMBER 31st, 2008**

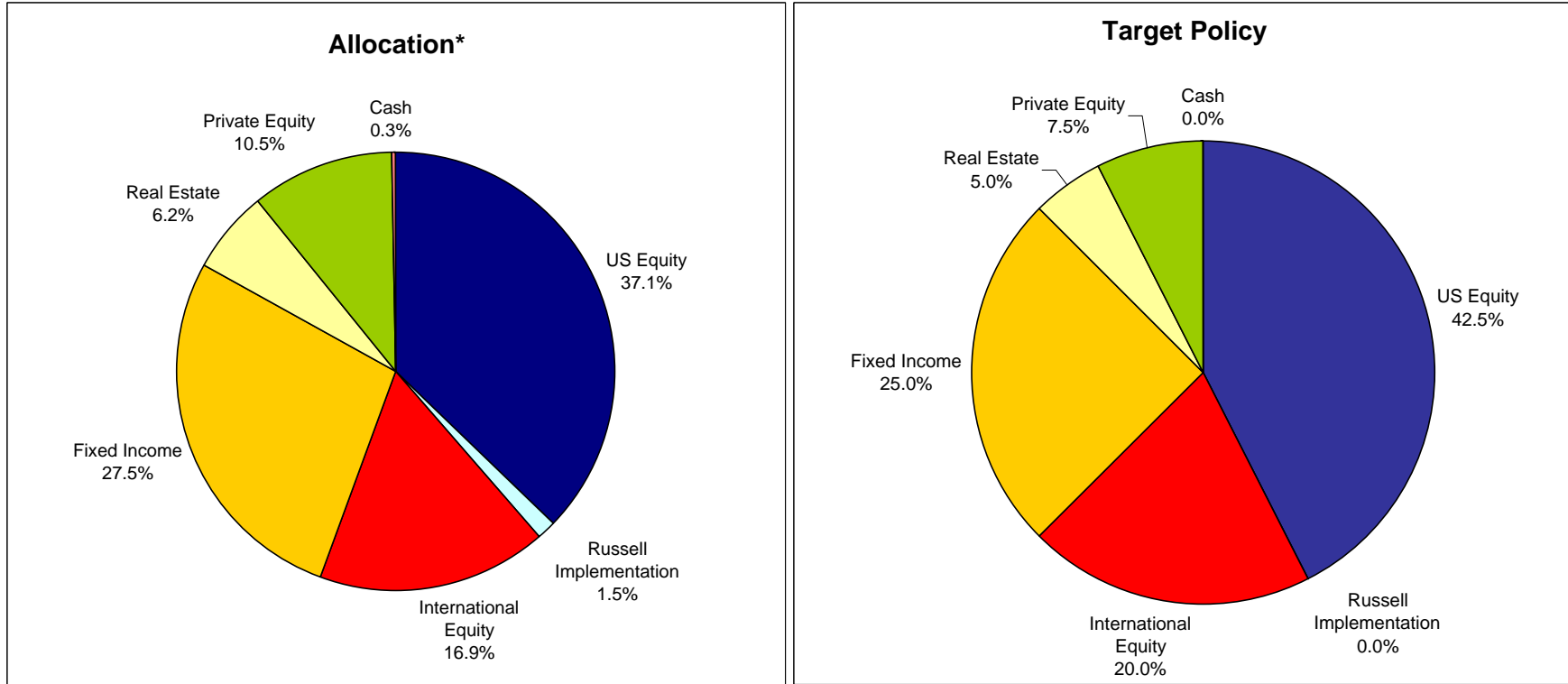
| | Style Mandate | Actual (Millions \$) | | Target (Millions \$) | | Difference (Millions \$) |
|--|--------------------------|-------------------------|----------------|-------------------------|----------------|-----------------------------|
| Domestic Equity | | | | | | |
| SSgA S&P 500 Index Fund | Passive | 1,079.26 | 17.76% | 1,242.95 | 20.45% | (163.70) |
| SSgA Core | Active core | 235.55 | 3.88% | 273.51 | 4.50% | (37.96) |
| PIMCO | Enhanced Equity | 315.27 | 5.19% | 392.03 | 6.45% | (76.76) |
| NorthPointe Capital | Small Cap Value | 247.98 | 4.08% | 303.90 | 5.00% | (55.92) |
| Wellington Mgmt | Small Cap Core | 249.92 | 4.11% | 334.29 | 5.50% | (84.37) |
| Wellington Technical Equity | Tactical Equity | 127.02 | 2.09% | 36.47 | 0.60% | 90.55 |
| Shott Capital | Alternative Distribution | 1.05 | 0.02% | 0.00 | 0.00% | 1.05 |
| TOTAL DOMESTIC EQUITY | | 2,256.05 | 37.12% | 2,583.16 | 42.50% | (327.11) |
| International Equity | | | | | | |
| Boston Company | MSCI ACWI | 357.05 | 5.87% | 405.40 | 6.67% | (48.36) |
| Goldman Sachs | MSCI ACWI | 315.07 | 5.18% | 405.40 | 6.67% | (90.33) |
| Mondrian | MSCI ACWI | 354.98 | 5.84% | 404.80 | 6.66% | (49.82) |
| Transition Account | | 0.02 | 0.00% | 0.00 | 0.00% | 0.02 |
| TOTAL INT'L EQUITY | | 1,027.12 | 16.90% | 1,215.60 | 20.00% | (188.48) |
| Domestic Fixed Income | | | | | | |
| Fidelity Management & Research | Mortgages | 479.42 | 7.89% | 379.88 | 6.25% | 99.54 |
| Brown Brothers, Harriman | Opportunistic Core | 313.13 | 5.15% | 227.93 | 3.75% | 85.21 |
| Taplin, Canida & Habacht | Corporates | 267.49 | 4.40% | 227.93 | 3.75% | 39.57 |
| Mackay Shields | High yield | 104.77 | 1.72% | 113.96 | 1.88% | (9.19) |
| Shenkman Capital Mgmt | High yield | 0.00 | 0.00% | 113.96 | 1.88% | (113.96) |
| Brown Brothers, Harriman TIPS | TIPS | 501.14 | 8.25% | 455.85 | 7.50% | 45.29 |
| Fixed Income Cash Account | | 3.05 | 0.05% | 0.00 | 0.00% | 3.05 |
| TOTAL FIXED-INCOME | | 1,669.00 | 27.46% | 1,519.50 | 25.00% | 149.49 |
| Alternative Investments | | | | | | |
| Real Estate | Real Estate | 378.69 | 6.23% | 303.9 | 5.00% | 74.8 |
| Pacific Corp Group | Private Equity | 638.09 | 10.50% | 455.85 | 7.50% | 182.2 |
| TOTAL ALTERNATIVE INVESTMENTS | | 1,016.78 | 16.73% | 759.75 | 12.50% | 257.03 |
| Cash | | | | | | |
| CASH EQUIVALENTS | STIF, Yield+ | 16.15 | 0.27% | 0.00 | 0.00% | 16.15 |
| Other | | | | | | |
| OTHER - Russell Implementation Services | | 92.91 | 1.53% | 0.00 | 0.00% | 92.91 |
| TOTAL ASSETS | | 6,078.02 | 100.00% | 6,078.02 | 100.00% | 0.00 |

ALLOCATION BY MANAGEMENT STYLE

| | | | | | | |
|--|--------------|-----------------|----------------|-----------------|----------------|-----------------|
| Domestic Equity | | | | | | |
| Core | | 362.57 | 5.97% | 309.98 | 4.50% | 52.59 |
| Index | | 1,079.26 | 17.76% | 1,242.95 | 17.75% | (163.70) |
| Enhanced Equity | | 315.27 | 5.19% | 392.03 | 6.75% | (76.76) |
| Active Small Cap | | 497.90 | 8.21% | 638.19 | 13.50% | (140.29) |
| TOTAL DOMESTIC EQUITY | | 2,256.05 | 37.12% | 2,583.16 | 42.50% | (327.11) |
| International Equity | | | | | | |
| Active | | 1,027.12 | 16.90% | 1,215.60 | 20.00% | (188.48) |
| TOTAL INT'L EQUITY | | 1,027.12 | 16.90% | 1,215.60 | 20.00% | (188.48) |
| Domestic Fixed Income | | | | | | |
| Mortgage | | 479.42 | 7.89% | 379.88 | 6.25% | 99.54 |
| Core | | 313.13 | 5.15% | 227.93 | 3.75% | 85.21 |
| Corporates | | 267.49 | 4.40% | 227.93 | 3.75% | 39.57 |
| High Yield | | 104.77 | 1.72% | 227.93 | 3.75% | (123.16) |
| TIPS | | 501.14 | 8.25% | 455.85 | 7.50% | 45.29 |
| Other | | 3.05 | 0.05% | - | 0.00% | 3.05 |
| TOTAL FIXED-INCOME | | 1,669.00 | 27.46% | 1,519.50 | 25.00% | 149.49 |
| Alternative Investments | | | | | | |
| Real Estate | | 378.69 | 6.23% | 303.90 | 5.00% | 74.79 |
| Other Alternative Investments | | 638.09 | 10.50% | 455.85 | 7.50% | 182.24 |
| TOTAL ALTERNATIVE INVESTMENTS | | 1,016.78 | 16.73% | 759.75 | 12.50% | 257.03 |
| Cash | | | | | | |
| CASH EQUIVALENTS | STIF, Yield+ | 16.15 | 0.27% | 0.00 | 0.00% | 16.15 |
| Other | | | | | | |
| OTHER - Russell Implementation Services | | 92.91 | 1.53% | 0.00 | 0.00% | 92.91 |
| TOTAL ASSETS | | 6,078.02 | 100.00% | 6,078.02 | 100.00% | 0.00 |

State of Rhode Island

Asset Allocation
December 31st, 2008



Allocation vs. Target Policy

| | Weights | | |
|------------------------|-------------|--------|------------|
| | Allocation* | Policy | Difference |
| US Equity | 37.1 | 42.5 | -5.4 |
| Russell Implementation | 1.5 | 0.0 | 1.5 |
| International Equity | 16.9 | 20.0 | -3.1 |
| Fixed Income | 27.5 | 25.0 | 2.5 |
| Real Estate | 6.2 | 5.0 | 1.2 |
| Private Equity | 10.5 | 7.5 | 3.0 |
| Cash | 0.3 | 0.0 | 0.3 |
| Total Fund | 100.0 | 100.0 | 0.0 |

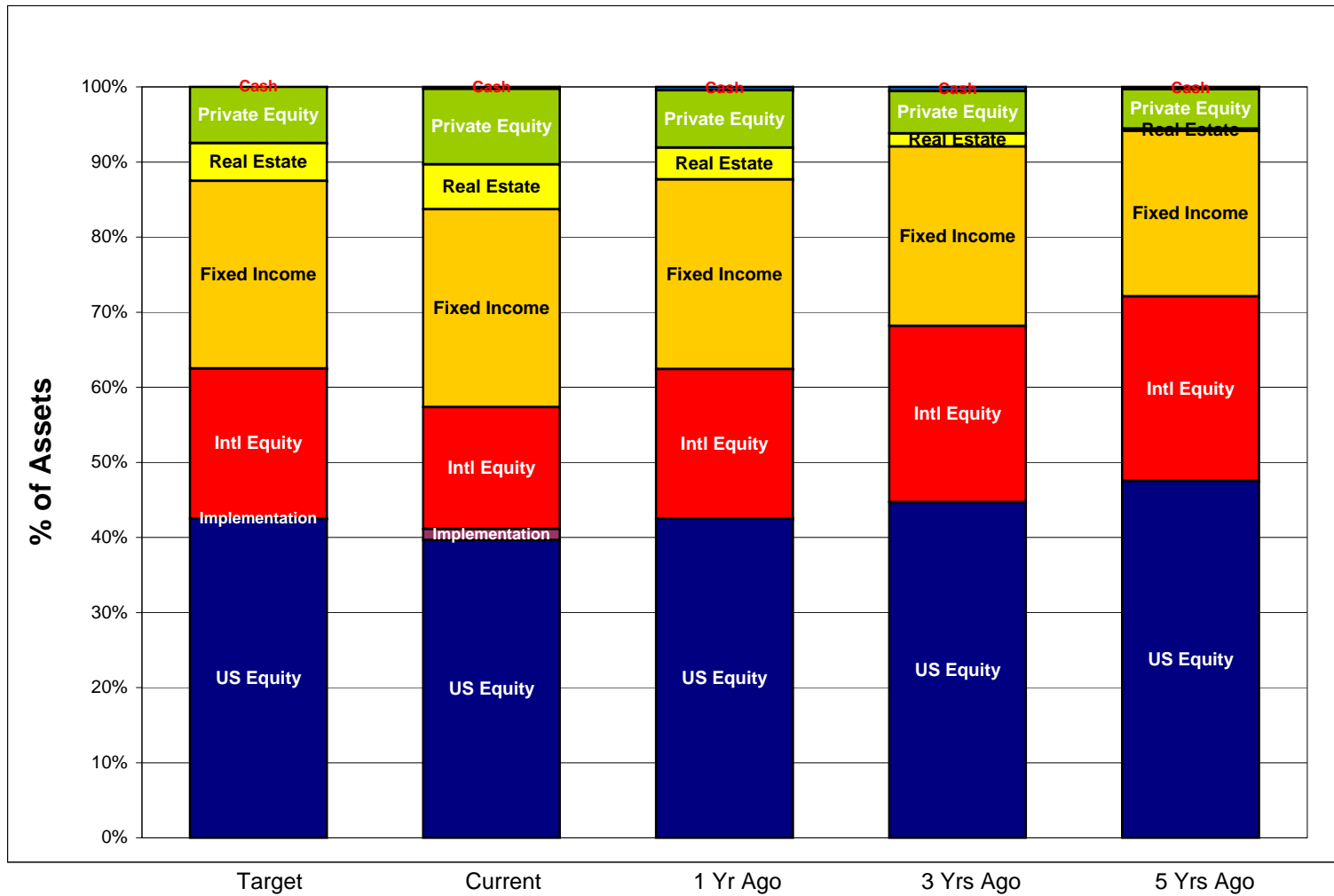


* End of Period Weights

State of Rhode Island

Historical Asset Allocation

December 31st, 2008



| | Target | Current | 1 Yr Ago | 3 Yrs Ago | 5 Yrs Ago |
|----------------|--------|---------|----------|-----------|-----------|
| US Equity | 42.5% | 37.1% | 42.1% | 44.7% | 47.6% |
| Implementation | 0.0% | 1.5% | 0.0% | 0.0% | 0.0% |
| Intl Equity | 20.0% | 16.9% | 20.0% | 23.5% | 24.5% |
| Fixed Income | 25.0% | 27.5% | 25.4% | 23.9% | 22.0% |
| Real Estate | 5.0% | 6.2% | 4.3% | 1.8% | 0.3% |
| Private Equity | 7.5% | 10.5% | 7.7% | 5.6% | 5.2% |
| Cash | 0.0% | 0.3% | 0.5% | 0.6% | 0.3% |

RHODE ISLAND STATE INVESTMENT COMMISSION

Domestic Equity Holdings By Top 10 Market Values Separately Managed

Wednesday, December 31, 2008

| <i>Equities</i> | | | | | |
|---------------------------------|------------------------------|----------------------------|--------------------|-----------------|--|
| RANK | SECURITY NAME | PAR VALUES/SHARES | BASE MARKET AMOUNT | MONEY MANAGERS | |
| 1 | EXXON MOBIL CORP | 180,270 | \$ 14,390,954.10 | SSgA | |
| 2 | PROCTER AND GAMBLE CO | 130,100 | \$ 8,042,782.00 | SSgA | |
| 3 | TELEDYNE TECHNOLOGIES INC | 177,100 | \$ 7,889,805.00 | SSgA | |
| 4 | TIVO INC | 986,100 | \$ 7,060,476.00 | SSgA | |
| 5 | KNIGHT CAP GROUP INC | 433,500 | \$ 7,001,025.00 | SSgA | |
| 6 | WAL MART STORES INC | 118,500 | \$ 6,643,110.00 | SSgA | |
| 7 | INTERNATIONAL BUSINESS MACHS | 78,500 | \$ 6,606,560.00 | Wellington Mgt. | |
| 8 | JPMORGAN CHASE + CO | 205,700 | \$ 6,485,721.00 | SSgA | |
| 9 | HEWLETT PACKARD CO | 168,500 | \$ 6,114,865.00 | Wellington Mgt. | |
| 10 | DREAMWORKS ANIMATION SKG | 240,700 | \$ 6,080,082.00 | SSgA | |
| | | 3.61% | \$ 76,315,380.10 | | |
| Total Composite Equities | | \$ 2,115,995,986.23 | | | |

International Equity Holdings By Top 10 Market Values

| <i>International Equities</i> | | | | | |
|---|------------------------------|--------------------------|--------------------|----------------------|--|
| RANK | SECURITY NAME | PAR VALUES/SHARES | BASE MARKET AMOUNT | MONEY MANAGERS | |
| 1 | NOVARTIS AG | 511,457 | \$ 25,324,173.35 | Mondrian, Boston, GS | |
| 2 | TOTAL SA | 452,385 | \$ 24,468,063.41 | Mondrian, Boston, GS | |
| 3 | GLAXOSMITHKLINE | 980,793 | \$ 18,113,191.34 | Mondrian, Boston | |
| 4 | BP PLC | 2,290,587 | \$ 17,322,718.35 | Mondrian | |
| 5 | UNILEVER PLC | 736,963 | \$ 16,730,592.55 | Mondrian, Boston | |
| 6 | ROYAL DUTCH SHELL | 626,809 | \$ 16,336,787.72 | Mondrian, Boston, GS | |
| 7 | TAKEDA PHARMACEUTICAL CO LTD | 318,000 | \$ 16,277,109.77 | Mondrian, Boston, GS | |
| 8 | RWE AG (NEU) | 176,783 | \$ 15,653,451.15 | Mondrian, Boston, GS | |
| 9 | TELEFONICA SA | 684,607 | \$ 15,083,452.93 | Mondrian, GS | |
| 10 | FRANCE TELECOM | 518,408 | \$ 14,383,427.94 | Boston, GS | |
| | | 18.28% | \$ 179,692,968.51 | | |
| Total Composite International Equities | | \$ 982,829,253.99 | | | |

Top 10 Market Values SIC

FISCAL YEAR 2009

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

ACCRUAL BASIS

| | Actual Jul 08 | Actual Aug | Actual Sept | Projected Oct | Projected Nov | Projected Dec | Projected Jan 09 | Projected Feb | Projected Mar | Projected Apr | Projected May | Projected Jun | Projected TOTAL |
|--------------------------------|------------------|---------------|----------------|------------------|------------------|------------------|---------------------|------------------|------------------|------------------|------------------|------------------|--------------------|
| EQUITIES | | | | | | | | | | | | | |
| SSgA Core | | | 260,984 | | | 259,816 | | | 239,756 | | | 222,371 | 982,927 |
| SSgA Russell 1000/S&P 500 | | | 35,288 | | | 3,933 | | | 66,927 | | | 32,408 | 138,557 |
| Shott Capital | | | 421 | | | 948 | | | 460 | | | 2,718 | 4,547 |
| PIMCO | | | 0 | | | 200,000 | | | 1,000 | | | 225,000 | 426,000 |
| Wellington Mgmt | | | 552,688 | | | 552,688 | | | 600,645 | | | 679,274 | 2,385,296 |
| Wellington Tech Eq | | | 348,739 | | | 217,630 | | | 333,783 | | | 126,713 | 1,026,864 |
| NorthPointe | | | 477,596 | | | 558,190 | | | 503,070 | | | 589,850 | 2,128,705 |
| | | | 1,675,715 | | | 1,793,206 | | | 1,745,641 | | | 1,878,334 | 7,092,896 |
| FIXED INCOME | | | | | | | | | | | | | |
| Brown Bros. | | | 146,129 | | | 145,453 | | | 147,283 | | | 129,732 | 568,598 |
| Fidelity | | | 160,096 | | | 162,325 | | | 164,535 | | | 148,636 | 635,592 |
| Taplin | | | 181,184 | | | 193,592 | | | 191,949 | | | 169,909 | 736,634 |
| Mackay Shields | | | 143,587 | | | 148,274 | | | 145,994 | | | 147,848 | 585,703 |
| Brown Bros.TIPS | | | 149,341 | | | 145,234 | | | 148,967 | | | 136,883 | 580,426 |
| | | | 780,337 | | | 794,878 | | | 798,728 | | | 733,008 | 3,106,952 |
| INT'L EQUITIES | | | | | | | | | | | | | |
| The Boston Co | | | 468,563 | | | 561,584 | | | 526,042 | | | 551,739 | 2,107,929 |
| Mondrian | | | 254,861 | | | 321,646 | | | 304,892 | | | 316,283 | 1,197,682 |
| Goldman Sachs Asset Mgmt | | | 384,863 | | | 489,525 | | | 432,913 | | | 499,383 | 1,806,684 |
| SSgA MSCI ACWI | | | 140,497 | | | 0 | | | 0 | | | 0 | 140,497 |
| | 0 | | 1,248,784 | 0 | | 1,372,755 | | | 1,263,847 | | | 1,367,405 | 5,252,792 |
| REAL ESTATE | | | | | | | | | | | | | |
| L & B Real Estate | 0 | 154,023 | 98,031 | 39,601 | 0 | 265,770 | 0 | 193,318 | 116,143 | 180,637 | 213,729 | 114,312 | 1,375,564 |
| ALTERNATIVE INVESTMENTS | | | | | | | | | | | | | |
| Other Alt Inv Mgmt Fees | 1,632,815 | 444,364 | 633,700 | 243,709 | 80,031 | 1,076,671 | 1,488,953 | 4,710 | 782,270 | 422,507 | 425,855 | 768,471 | 8,004,057 |
| SUB TOTAL-INV MGMT FEES | 1,632,815 | 598,387 | 4,436,567 | 283,310 | 80,031 | 5,303,281 | 1,488,953 | 198,028 | 4,706,630 | 603,144 | 639,583 | 4,861,530 | 24,832,260 |
| PROFESSIONAL FEES | | | | | | | | | | | | | |
| Legal | 2,746 | 2,681 | 8,444 | 6,220 | 6,701 | 15,535 | 13,726 | 6,000 | 6,150 | 3,075 | 9,677 | 17,791 | 98,746 |
| St St Bank Custodial | 18,888 | 15,412 | 16,951 | 19,255 | 15,080 | 12,586 | 12,981 | 11,543 | 12,333 | 12,887 | 1,563 | 12,861 | 162,339 |
| Pacific Corp Group | | 93,750 | 0 | 93,750 | 93,750 | 0 | 0 | 93,750 | 0 | 0 | 93,750 | 0 | 468,750 |
| PCA/Wilshsire/Russell | 20,161 | 14,583 | 40,739 | 20,833 | 14,583 | 20,833 | 20,833 | 20,833 | 20,833 | 20,833 | 20,833 | 20,833 | 256,732 |
| Townsend | 0 | 0 | 35,625 | 0 | 0 | 35,625 | 0 | 0 | 35,625 | 0 | 15,000 | 35,625 | 157,500 |
| | 41,796 | 126,426 | 101,759 | 140,058 | 130,113 | 84,579 | 47,539 | 132,126 | 74,941 | 36,795 | 140,823 | 87,110 | 1,144,067 |
| OPERATING EXPENSE | | | | | | | | | | | | | |
| Retirement Transfers | 312,688 | 431,063 | 457,333 | 804,721 | 483,883 | 413,584 | 402,617 | 503,343 | 434,231 | 446,640 | 607,644 | 950,000 | 6,247,747 |
| Other Expense | 0 | 3,097 | 11,650 | 0 | 10,250 | 6,250 | 21,497 | 22,425 | 6,250 | 0 | 8,333 | 8,333 | 98,085 |
| | 312,688 | 434,159 | 468,983 | 804,721 | 494,133 | 419,834 | 424,114 | 525,768 | 440,481 | 446,640 | 615,978 | 958,333 | 6,345,832 |
| TOTAL: | 1,987,299 | 1,158,972 | 5,007,309 | 1,228,089 | 704,278 | 5,807,694 | 1,960,607 | 855,922 | 5,222,053 | 1,086,579 | 1,396,384 | 5,906,973 | 32,322,159 |

Note: Numbers in bold are actual.

State of Rhode Island Alternative Investments Unfunded Commitment
December 2008

| <u>Partnership Investment</u> | <u>Total Commitment</u> | <u>ERSRI Remaining Commitment</u> |
|---|-------------------------|---------------------------------------|
| ABS Capital Partners II | \$ 5,000,000.00 | \$ - |
| Alta BioPharma Partners | \$ 10,000,000.00 | \$ - |
| Alta BioPharma Partners III | \$ 15,000,000.00 | \$ 3,000,000.00 |
| Alta California Partners II | \$ 10,000,000.00 | \$ - |
| Alta California Partners III | \$ 15,000,000.00 | \$ - |
| Alta Partners VIII | \$ 15,000,000.00 | \$ 9,000,000.00 |
| Apollo Investment Fund IV | \$ 15,000,000.00 | \$ 3,689.97 |
| Apollo Investment Fund VI | \$ 20,000,000.00 | \$ 3,099,006.73 |
| Apollo VII | \$ 25,000,000.00 | \$ 19,598,276.00 |
| Aurora Equity Partners II** | \$ 15,000,000.00 | \$ 38,917.00 |
| Aurora Equity Partners III** | \$ 15,000,000.00 | \$ 4,691,639.00 |
| Avenue Special Situations Fund III | \$ 15,000,000.00 | \$ - |
| Avenue Special Situations Fund IV | \$ 20,000,000.00 | \$ 4,072,723.00 |
| Avenue V | \$ 20,000,000.00 | \$ 6,460,335.00 |
| Bain X | \$ 25,000,000.00 | \$ 18,187,500.00 |
| Birch Hill Equity Partners III* | \$ 14,705,882.35 | \$ 3,110,775.27 |
| Blackstone Capital Partners III ** | \$ 20,000,000.00 | \$ 924,045.00 |
| Blackstone Capital Partners IV ** | \$ 25,000,000.00 | \$ 4,745,689.00 |
| Blackstone Capital Partners V** | \$ 20,000,000.00 | \$ 4,284,953.00 |
| Boston Ventures Ltd V | \$ 5,000,000.00 | \$ - |
| Castile III | \$ 5,000,000.00 | \$ 2,750,000.00 |
| Catterton Partners V | \$ 15,000,000.00 | \$ 865,653.00 |
| Catterton Partners VI | \$ 15,000,000.00 | \$ 6,404,452.00 |
| Centerbridge | \$ 15,000,000.00 | \$ 5,088,539.00 |
| Charterhouse Capital Partners VII* | \$ 20,878,500.00 | \$ 3,001,097.86 |
| Charterhouse Capital Partners VIII* | \$ 20,878,500.00 | \$ 5,262,300.11 |
| Coller International Capital IV** | \$ 15,000,000.00 | \$ 2,400,000.00 |
| Coller International Capital V | \$ 15,000,000.00 | \$ 8,737,500.00 |
| Constellation 3 | \$ 15,000,000.00 | \$ 11,070,000.00 |
| | | |
| Crossroads Providence (Prov. Liquidating Trust) | \$ 45,000,000.00 | \$ - |
| CVC European Equity Partners II* | \$ 15,000,000.00 | \$ 1,285,894.18 |
| CVC European Equity Partners III* | \$ 20,000,000.00 | \$ 1,571,796.94 |
| CVC European Equity Partners IV* | \$ 22,966,350.00 | \$ 2,924,595.45 |
| CVC V | \$ 27,838,000.00 | \$ 24,637,195.47 |
| Doughty Hanson Fund II ** | \$ 5,300,000.00 | \$ - |
| Doughty Hanson Fund III ** | \$ 15,000,000.00 | \$ - |
| Fenway Partners Capital Fund II | \$ 15,000,000.00 | \$ 541,942.00 |
| Fenway Partners Capital Fund III | \$ 15,000,000.00 | \$ 5,367,908.00 |
| First Reserve Fund VIII | \$ 15,000,000.00 | \$ - |
| First Reserve Fund IX | | \$ - |
| First Reserve Fund X | \$ 20,000,000.00 | \$ 1.63 |
| First Reserve Fund XI | \$ 20,000,000.00 | \$ 6,026,870.44 |
| Focus Ventures III | \$ 15,000,000.00 | \$ 6,975,000.00 |
| Granite Global Ventures II | \$ 15,000,000.00 | \$ 675,000.00 |
| Granite Global Ventures III | \$ 15,000,000.00 | \$ 9,750,000.00 |
| Green Equity Investors IV | \$ 15,000,000.00 | \$ 388,387.63 |
| Green Equity Investors V | \$ 20,000,000.00 | \$ 14,513,680.04 |

State of Rhode Island Alternative Investments Unfunded Commitment

| <u>Partnership Investment</u> | December 2008 | | <u>ERSRI Remaining</u> |
|--|-------------------------|---------------|------------------------|
| | <u>Total Commitment</u> | | <u>Commitment</u> |
| Harvest Partners III | \$ | 15,000,000.00 | \$ 368,726.61 |
| Harvest Partners IV | \$ | 15,000,000.00 | \$ - |
| Heritage Fund II | \$ | 5,000,000.00 | \$ - |
| Kayne Anderson Energy Fund III | \$ | 15,000,000.00 | \$ 6,446,800.10 |
| Kayne Anderson Energy Fund IV | \$ | 15,000,000.00 | \$ 11,100,000.53 |
| Leapfrog Ventures II | \$ | 10,000,000.00 | \$ 4,025,000.00 |
| Leeds Weld Equity Partners IV | \$ | 10,000,000.00 | \$ 107,371.39 |
| Lehman Bros IV | \$ | 15,000,000.00 | \$ 11,096,846.71 |
| Lighthouse Capital Partners V | \$ | 11,250,000.00 | \$ 787,500.00 |
| Lighthouse Capital Partners VI | \$ | 15,000,000.00 | \$ 3,374,999.99 |
| LNK Partners | \$ | 12,500,000.00 | \$ 6,924,026.10 |
| Matlin Patterson Glob. Opp. Fund (CSFB) | \$ | 15,000,000.00 | \$ - |
| MHR Institutional Partners III | \$ | 20,000,000.00 | \$ 7,789,323.00 |
| Nautic Partners V | \$ | 20,000,000.00 | \$ 1,405,849.50 |
| Nautic Partners VI | \$ | 20,000,000.00 | \$ 13,934,185.99 |
| Nordic Capital Fund III* | \$ | 10,156,150.82 | \$ 171,073.63 |
| Nordic Capital Fund V* | \$ | 20,343,384.05 | \$ 97,594.82 |
| Nordic Capital Fund VI* | \$ | 20,878,500.00 | \$ 414,403.50 |
| Nordic VII | \$ | 20,878,500.00 | \$ 16,846,275.20 |
| OCM Opportunities Fund | \$ | 8,000,000.00 | \$ - |
| OCM Opportunities Fund II | \$ | 12,000,000.00 | \$ - |
| OCM Principal Opportunities Fund | \$ | 5,000,000.00 | \$ - |
| Paladin | \$ | 10,000,000.00 | \$ 7,596,657.00 |
| Parthenon Investors | \$ | 15,000,000.00 | \$ - |
| Parthenon Investors II | \$ | 20,000,000.00 | \$ 1,244,270.00 |
| Perseus VII | \$ | 15,000,000.00 | \$ 8,896,573.00 |
| Point 406 | \$ | 10,000,000.00 | \$ 5,720,000.00 |
| Point Judith II | \$ | 5,000,000.00 | \$ 2,942,210.77 |
| Providence Equity Partners* * | \$ | 10,000,000.00 | \$ - |
| Providence Equity Partners III | \$ | 15,000,000.00 | \$ 1,914,365.51 |
| Providence Equity Partners IV | \$ | 25,000,000.00 | \$ 386,571.00 |
| Providence Equity Partners V | \$ | 25,000,000.00 | \$ 2,279,000.00 |
| Providence Equity Partners VI | \$ | 25,000,000.00 | \$ 12,574,481.00 |
| SKM Equity Fund II** | \$ | 10,000,000.00 | \$ 1,729,834.00 |
| Thomas H. Lee Equity Fund IV (THL)** | \$ | 9,000,000.00 | \$ - |
| Thomas McNerney & Partners | \$ | 15,000,000.00 | \$ 2,587,500.00 |
| Thomas McNerney & Partners 2 | \$ | 15,000,000.00 | \$ 10,200,000.00 |
| TPG Partners II | \$ | 10,000,000.00 | \$ 308,515.00 |
| TPG Partners IV | \$ | 15,000,000.00 | \$ 1,323,883.00 |
| TPG Partners V | \$ | 20,000,000.00 | \$ 3,798,564.00 |
| TPG VI | \$ | 20,000,000.00 | \$ 18,984,922.00 |
| VS&A Communication Partners III | \$ | 15,000,000.00 | \$ 159,299.00 |
| W Capital Partners | \$ | 15,000,000.00 | \$ 1,818,000.00 |
| W Capital Partners II | \$ | 15,000,000.00 | \$ 9,337,500.00 |
| WLR | \$ | 8,000,000.00 | \$ 4,876,677.00 |
| Washington & Congress Capital Partners** | \$ | 15,000,000.00 | \$ 305,637.24 |
| Wellspring Capital Partners II | \$ | 15,000,000.00 | \$ - |
| Wellspring Capital Partners III | \$ | 20,000,000.00 | \$ 713,008.00 |
| Wellspring Capital Partners IV | \$ | 20,000,000.00 | \$ 7,683,781.00 |

State of Rhode Island Alternative Investments Unfunded Commitment

December 2008

| <u>Partnership Investment</u> | <u>Total Commitment</u> | <u>ERSRI Remaining Commitment</u> |
|--------------------------------------|----------------------------|---------------------------------------|
| Welsh, Carson, Anderson & Stowe VII | \$ 15,000,000.00 | \$ - |
| Willis Stein & Partners | \$ 5,000,000.00 | \$ - |
| Total Alternative Investments | \$ 1,520,573,767.22 | \$ 393,726,588.31 |

* transactions occur in foreign currency

** fees NOT affecting unfunded commitment

-

State of Rhode Island Alternative Investments Unfunded Commitment
December 2008

| <u>Real Estate Partnership Investment</u> | <u>Total Commitment</u> | <u>Remaining Commitment</u> |
|--|-------------------------|-----------------------------|
| Fillmore East Fund I | \$ 10,000,000.00 | \$ 322,938.70 |
| Fremont Strategic Property Partners II | \$ 15,000,000.00 | \$ 1,207,313.00 |
| GMAC Commerical Realty Partners II | \$ 15,000,000.00 | \$ 3,344,821.00 |
| Heitman Advisory Corporation | | \$ - |
| JPMorgan Fleming Asset Mgmt. Strat. Prop. Fund | \$ 50,000,000.00 | \$ - |
| JPMorgan Alternative Property Fund | \$ 20,000,000.00 | \$ - |
| LaSalle Income & Growth Fund IV | \$ 15,000,000.00 | \$ 397,937.57 |
| L&B Real Estate Counsel | | \$ - |
| Magna Hotel | \$ 4,000,000.00 | \$ 3,329,506.00 |
| Morgan Stanley Prime Property Fund | \$ 35,000,000.00 | \$ - |
| Prudential Real Estate Investors (PRISA) | \$ 50,000,000.00 | \$ - |
| Prudential Real Estate Investors (PRISA) II | \$ 15,000,000.00 | \$ 4,748,362.55 |
| RREEF America REIT II Fund | \$ 35,000,000.00 | \$ - |
| Starwood Hospitality Fund I | \$ 10,000,000.00 | \$ 3,000,000.00 |
| TA Realty Fund VIII | \$ 15,000,000.00 | \$ 750,000.00 |
| Tri Continental Fund VII | \$ 15,000,000.00 | \$ 274,988.00 |
| Walton Street Real Estate Fund V | \$ 20,000,000.00 | \$ 0.18 |
| Westbrook Real Estate Fund VI | \$ 15,000,000.00 | \$ - |
| Westbrook Real Estate Fund VII | \$ 15,000,000.00 | \$ 11,307,079.00 |

CASH FLOW

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2009

| | FY 2008-09 Actual July 2008 | Actual August | Actual September | Actual October | Actual November | Actual December | Projected January 2009 | Projected February | Projected March | Projected April | Projected May | Projected June | Projected TOTAL |
|-------------------------|--------------------------------------|------------------|---------------------|-------------------|--------------------|--------------------|------------------------------|-----------------------|--------------------|--------------------|------------------|-------------------|--------------------|
| MEMBER BENEFITS | 57,282,256 | 58,826,989 | 58,826,615 | 60,515,062 | 58,795,680 | 60,497,759 | 58,000,000 | 58,000,000 | 58,000,000 | 58,000,000 | 58,000,000 | 58,000,000 | 702,744,360 |
| ADMINISTRATIVE EXPENSES | 339,779 | 339,513 | 503,815 | 797,732 | 529,312 | 425,994 | 55,682 | 556,812 | 434,195 | 407,974 | 641,541 | 462,197 | 5,494,548 |
| INVESTMENT EXPENSES | 1,383,055 | 506,539 | 619,415 | 239,522 | 67,616 | 1,133,736 | 1,263,900 | 167,996 | 761,883 | 511,398 | 542,176 | 748,052 | 7,945,289 |
| TOTAL OUTFLOW | 59,005,091 | 59,673,041 | 59,949,846 | 61,552,315 | 59,392,609 | 62,057,488 | 59,319,583 | 58,724,808 | 59,196,079 | 58,919,373 | 59,183,717 | 59,210,249 | 716,184,197 |
| CONTRIBUTIONS | 51,338,466 | 30,225,420 | 30,166,263 | 35,094,098 | 56,872,505 | 47,797,867 | 43,124,000 | 43,490,135 | 37,241,439 | 50,541,113 | 49,746,039 | 46,722,223 | 522,359,568 |
| OTHER INCOME* | 3,158,335 | 2,555,511 | 8,931,581 | 1,387,882 | 2,384,334 | 810,209 | 2,194,110 | 3,078,130 | 2,015,428 | 5,353,647 | 2,436,587 | 4,336,772 | 38,642,527 |
| TOTAL INCOME | 54,496,801 | 32,780,931 | 39,097,844 | 36,481,980 | 59,256,839 | 48,608,076 | 45,318,110 | 46,568,265 | 39,256,867 | 55,894,760 | 52,182,626 | 51,058,995 | 561,002,095 |
| DIFFERENCE | (4,508,290) | (26,892,110) | (20,852,001) | (25,070,335) | (135,770) | (13,449,413) | (14,001,472) | (12,156,543) | (19,939,212) | (3,024,613) | (7,001,091) | (8,151,254) | (155,182,103) |

Municipal Employees Retirement System

| | Actual July 2008 | Actual August | Actual September | Actual October | Actual November | Actual December | Projected January 2009 | Projected February | Projected March | Projected April | Projected May | Projected June | Projected TOTAL |
|-------------------------|------------------------|------------------|---------------------|-------------------|--------------------|--------------------|------------------------------|-----------------------|--------------------|--------------------|------------------|-------------------|--------------------|
| MEMBER BENEFITS | 4,770,894 | 4,875,073 | 4,891,449 | 4,897,404 | 4,918,953 # | 4,911,402 | 4,900,000 | 4,900,000 | 4,900,000 | 4,900,000 | 4,900,000 | 4,900,000 | 58,665,175 |
| ADMINISTRATIVE EXPENSES | 57,009 | 57,172 | 84,839 | 135,302 | 90,085 | 72,656 | 9,247 | 92,692 | 72,424 | 68,100 | 107,195 | 77,374 | 924,096 |
| INVESTMENT EXPENSES | 232,052 | 85,298 | 104,305 | 40,625 | 11,508 | 193,366 | 209,891 | 27,966 | 127,083 | 85,364 | 90,592 | 125,228 | 1,333,278 |
| TOTAL OUTFLOW | 5,059,955 | 5,017,543 | 5,080,594 | 5,073,331 | 5,020,546 | 5,177,424 | 5,119,138 | 5,020,658 | 5,099,508 | 5,053,464 | 5,097,787 | 5,102,602 | 60,922,550 |
| CONTRIBUTIONS | 4,031,169 | 3,812,600 | 3,564,788 | 4,920,264 | 5,245,873 | 4,470,884 | 6,233,000 | 3,904,841 | 4,070,728 | 6,870,013 | 4,927,100 | 5,422,967 | 57,474,227 |
| OTHER INCOME* | 529,911 | 430,331 | 1,504,020 | 235,397 | 405,794 | 138,187 | 364,368 | 512,415 | 336,177 | 893,644 | 407,129 | 725,998 | 6,483,371 |
| TOTAL INCOME | 4,561,080 | 4,242,931 | 5,068,808 | 5,155,661 | 5,651,667 | 4,609,071 | 6,597,368 | 4,417,256 | 4,406,905 | 7,763,657 | 5,334,229 | 6,148,965 | 63,957,598 |
| DIFFERENCE | (498,874) | (774,611) | (11,786) | 82,330 | 631,121 | (568,354) | 1,478,230 | (603,402) | (692,603) | 2,710,193 | 236,442 | 1,046,363 | 3,035,048 |

CASH FLOW ANALYSIS - INCOME & EXPENSES

**Judges/State Police
Retirement System**

| | Actual July 2008 | Actual August | Actual September | Actual October | Actual November | Actual December | Projected January 2009 | Projected February | Projected March | Projected April | Projected May | Projected June | Projected TOTAL |
|----------------------------|------------------------|------------------|---------------------|-------------------|--------------------|--------------------|------------------------------|-----------------------|--------------------|--------------------|------------------|-------------------|--------------------|
| MEMBER BENEFITS | 73,502 | 73,502 | 73,502 | 80,750 | 73,502 | 73,502 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 75,000 | 898,261 |
| ADMINISTRATIVE EXPENSES | 4,350 | 4,390 | 6,515 | 10,537 | 7,099 | 5,764 | 668 | 6,846 | 5,383 | 5,092 | 8,064 | 5,872 | 70,580 |
| INVESTMENT EXPENSES | 17,708 | 6,550 | 8,010 | 3,164 | 907 | 15,339 | 15,162 | 2,066 | 9,446 | 6,383 | 6,815 | 9,503 | 101,053 |
| TOTAL OUTFLOW | 95,561 | 84,443 | 88,027 | 94,450 | 81,508 | 94,604 | 90,830 | 83,912 | 89,830 | 86,474 | 89,879 | 90,375 | 1,069,894 |
| CONTRIBUTIONS | 455,000 | 410,000 | 468,000 | 710,000 | 455,000 | 410,000 | 490,000 | 490,000 | 505,000 | 535,000 | 730,000 | 470,000 | 6,128,000 |
| OTHER INCOME* | 40,438 | 33,047 | 115,499 | 18,332 | 31,977 | 10,962 | 26,321 | 37,848 | 24,988 | 66,817 | 30,628 | 55,094 | 491,950 |
| TOTAL INCOME | 495,438 | 443,047 | 583,499 | 728,332 | 486,977 | 420,962 | 516,321 | 527,848 | 529,988 | 601,817 | 760,628 | 525,094 | 6,619,950 |
| DIFFERENCE | 399,877 | 358,604 | 495,471 | 633,881 | 405,469 | 326,357 | 425,491 | 443,936 | 440,159 | 515,343 | 670,749 | 434,719 | 5,550,056 |

*includes income from Real Estate Investments, Private Equity, Securities Lending, and Cash Accounts,

Rhode Island Employees Retirement System
Securities Lending Income
December, 2008

| Investment Manager | Fund | Income | Average Collateral Balance |
|--|-------------|---------------------|-----------------------------------|
| <u>Domestic Equity</u> | | | |
| Wellington Technical Equity | ZU04 | \$ 3,111.95 | \$ 2,952,441.56 |
| Wellington Mgmt. Co., LLP | ZU38 | \$ 108,949.58 | \$ 91,886,492.82 |
| Northpointe Capital | ZU47 | \$ 149,560.14 | \$ 87,321,334.27 |
| Mackay Shields | ZU59 | \$ 27,578.11 | \$ 25,239,197.39 |
| SSgA Core | ZU99 | \$ 37,097.69 | \$ 37,293,086.68 |
| Total Domestic Equity | | \$326,297.47 | \$244,692,552.72 |
| <u>International Equity</u> | | | |
| Goldman Sachs | ZU25 | \$ 26,807.36 | \$ 25,804,508.14 |
| Delaware Investment Advisors | ZU67 | \$ 13,221.72 | \$ 13,937,564.55 |
| The Boston Company | ZU77 | \$ 47,553.70 | \$ 46,742,070.92 |
| Total International Equity | | \$87,582.78 | \$86,484,143.61 |
| <u>Fixed Income</u> | | | |
| Brown Brothers, Harriman | ZU44 | \$ 25,752.00 | \$ 24,381,753.26 |
| Fidelity Management Trust Company | ZU46 | | |
| Brown Brothers, Harriman | ZU69 | \$ 446,656.83 | \$ 439,701,002.39 |
| Taplin, Canida & Habacht | ZU84 | \$ 7,437.75 | \$ 7,724,949.60 |
| Total Fixed Income | | \$479,846.58 | \$471,807,705.25 |
| Total Securities Lending Income | | \$893,726.83 | \$802,984,401.58 |

| <u>Cumulative Securities Lending Income</u> | |
|--|----------------|
| Calendar Year 2006 | \$3,278,468.18 |
| Calendar Year 2007 | \$3,977,087.74 |
| Calendar Year 2008 | \$9,449,893.21 |

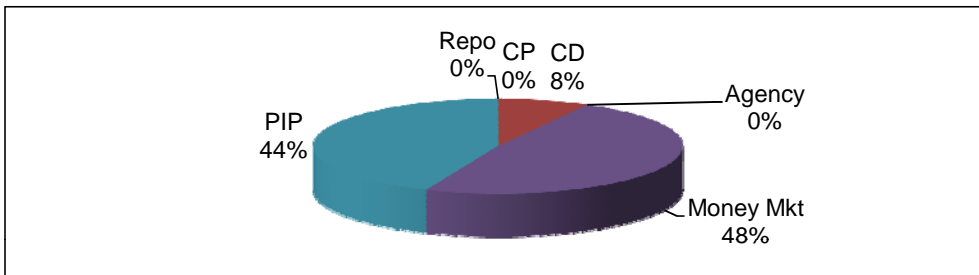
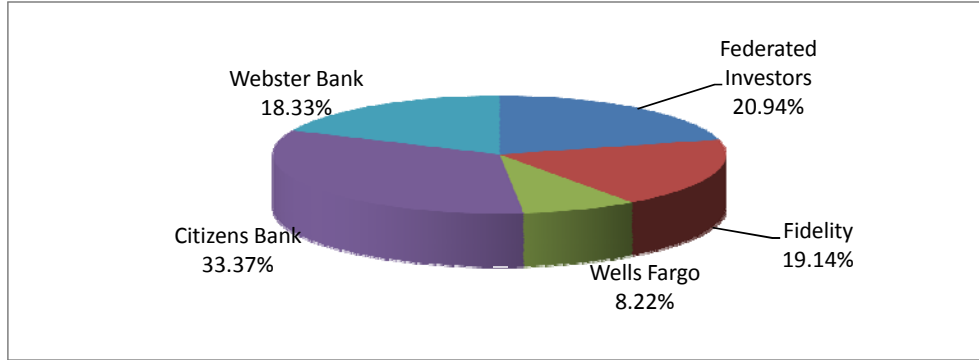


SHORT TERM INVESTMENTS

RI SIC GUIDELINE COMPLIANCE REPORT

INVESTMENTS AS OF:

1/23/2009 14:20



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

| Vendor | CP | CD | Agency | Money Mkt | PIP | Repo | Total (\$) |
|-------------------------|--------------|-------------------|--------------|--------------------|--------------------|--------------|--------------------|
| Guidelines-Total/Vendor | 25%/10% | 50%/20% | 75%/35% | 75%/35% | 50%/20% | 100%/20% | |
| Merrill Lynch | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sovereign Bank | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| JP Morgan Chase | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Federated Investors | 0 | 0 | 0 | 62,151,348 | 0 | 0 | 62,151,348 |
| Fidelity | 0 | 0 | 0 | 56,807,619 | 0 | 0 | 56,807,619 |
| First Tennessee | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Wells Fargo | 0 | 0 | 0 | 24,400,000 | 0 | 0 | 24,400,000 |
| Citizens Bank | 0 | 23,831,726 | 0 | 0 | 75,207,463 | 0 | 99,039,189 |
| GE Capital | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Webster Bank | 0 | 0 | 0 | 0 | 54,392,002 | 0 | 54,392,002 |
| Columbia Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| US Bank | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| The Reserve | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTALS | 0 | 23,831,726 | 0 | 143,358,967 | 129,599,465 | 0 | 296,790,158 |
| (%) PORTFOLIO | 0.00% | 8.03% | 0.00% | 48.30% | 43.67% | 0.00% | 100.00% |

Note: PIP + CD must be under 75%. Actual PIP + CD: 51.70%

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

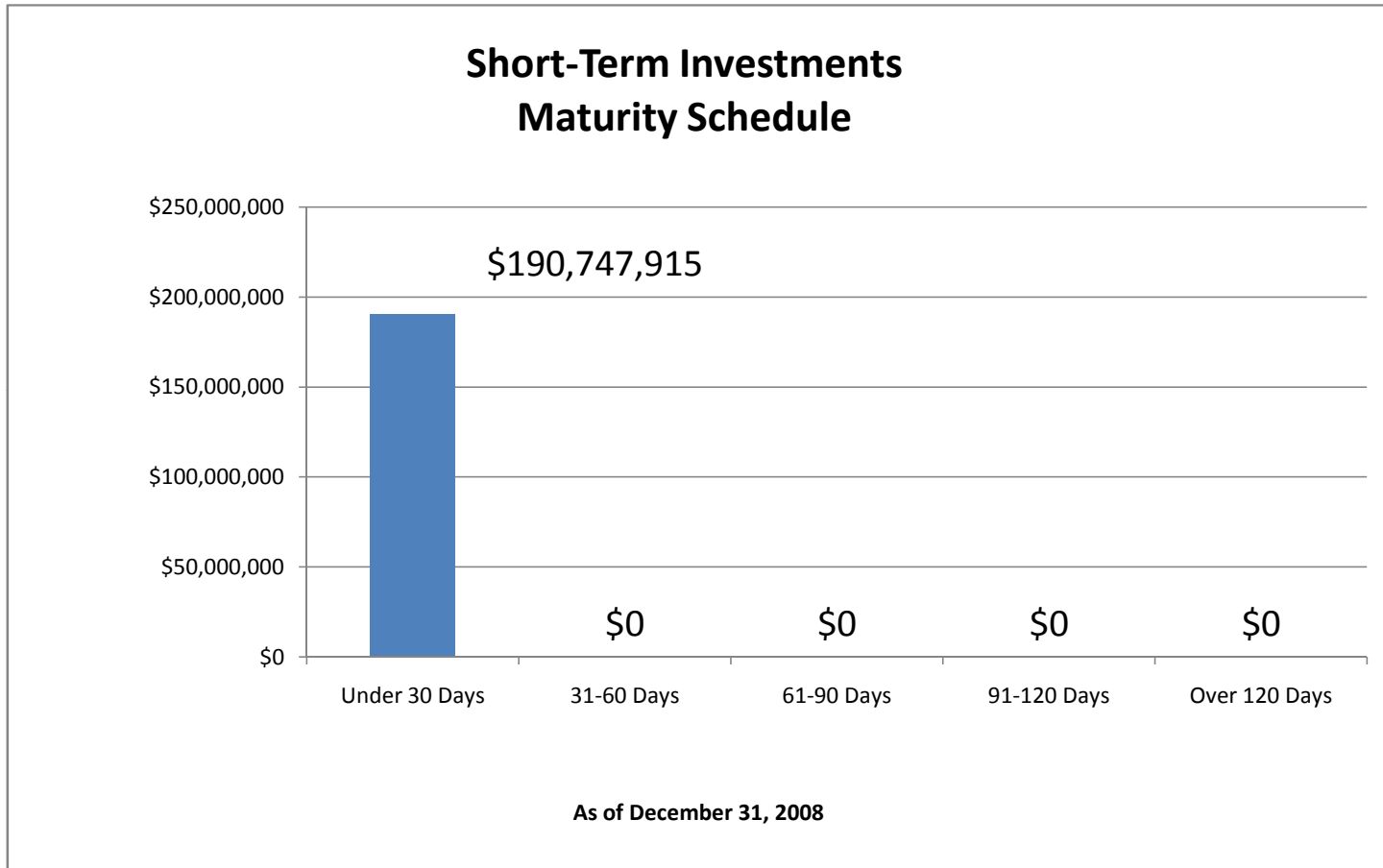
**State of Rhode Island and Providence Plantations
Office of the General Treasurer**

**Short Term Investment Portfolio by Fund
As of December 31, 2008**

| | Principal | Interest | TV @ Maturity |
|--------------------------------|--------------------------|--------------------|-------------------------|
| 4901 GENERAL FUND | \$350,389.10 | \$0.00 | \$350,389.10 |
| 4916 H.A.V.A | \$133,328.44 | \$0.00 | \$133,328.44 |
| 4918 RICAP GL FUND 21 | \$7,824.75 | \$0.00 | \$7,824.75 |
| 4920 GENERAL FUND (HIST PRES) | \$531,726.18 | \$827.13 | \$532,553.31 |
| 4955 HEALTH INSURANCE FUND | \$15,323,201.60 | \$0.00 | \$15,323,201.60 |
| 4956 STATE FLEET REVOLV LN FND | \$4,922,562.26 | \$0.00 | \$4,922,562.26 |
| 4957 RET STATE EMPL HLTH FUND | \$3,806,401.52 | \$0.00 | \$3,806,401.52 |
| 4958 BOG RETIRE HEALTH FUND | \$255,833.89 | \$0.00 | \$255,833.89 |
| 4959 RIPTA HEALTH FUND | \$54,421.05 | \$0.00 | \$54,421.05 |
| 5400 HIGHWAY FUND | \$24,263,327.97 | \$0.00 | \$24,263,327.97 |
| 6200 ASSESSED FRINGE BEN ADM | \$2,874,616.86 | \$0.00 | \$2,874,616.86 |
| 6920 AUTO EQUIPMENT SERVICE | \$328.60 | \$0.00 | \$328.60 |
| 8000 T.D.I. RESERVE (DET) | \$89,541,228.30 | \$0.00 | \$89,541,228.30 |
| 8300 PERMANENT SCHOOL FUND | \$1,212,576.65 | \$0.00 | \$1,212,576.65 |
| 8400 EMPLOYEES RETIREMENT | \$3,183,735.93 | \$0.00 | \$3,183,735.93 |
| 8500 MUNICIPAL EMPLOYEES RET. | \$28,561.59 | \$0.00 | \$28,561.59 |
| 8700 R.I. CLEAN WATER ACT | \$931,580.07 | \$0.00 | \$931,580.07 |
| 9000 BOND CAPITAL FUND | \$3,263,142.24 | \$0.00 | \$3,263,142.24 |
| 9700 STATE LOTTERY FUND | \$37,452,881.33 | \$1,213.89 | \$37,454,095.22 |
| 9800 INDUS. BLDG. & MTG. INS. | \$2,608,206.08 | \$0.00 | \$2,608,206.08 |
| Subtotal | \$ 190,745,874.41 | \$ 2,041.02 | \$190,747,915.43 |
| 8703 CLEAN WATER CCDL 1998B | \$45,820.99 | \$0.00 | \$45,820.99 |
| 8706 CLEAN WATER CCDL 1994 (A) | \$6,062.64 | \$0.00 | \$6,062.64 |
| 8707 CAP DEV. OF 1997 SERIES A | \$19,367.99 | \$0.00 | \$19,367.99 |
| 8710 CLEAN WATER CCDL 2002 B | \$51,595.32 | \$0.00 | \$51,595.32 |
| 8711 CLEAN WATER 2004 SERIES A | \$656,126.81 | \$0.00 | \$656,126.81 |
| 8712 CLN WATER CCDL 2005 SER E | \$236,518.41 | \$0.00 | \$236,518.41 |
| 8733 CAP DEV. OF 1997 SERIES A | \$7,055.25 | \$0.00 | \$7,055.25 |
| 8737 RI POLLUT. CONT 94 SER. A | \$6,338.88 | \$0.00 | \$6,338.88 |
| 8739 CCDL99A 1999A | \$310,037.49 | \$0.00 | \$310,037.49 |
| 8746 POL. CTRL CCDL 2006 SER C | \$233,119.77 | \$0.00 | \$233,119.77 |
| 8747 CLEAN WATER 2007 SERIES A | \$501,200.42 | \$0.00 | \$501,200.42 |
| 8748 RI POLLUTION CNTRL 2008 B | \$700,000.00 | \$0.00 | \$700,000.00 |
| 9114 G.O. NOTE 1991 SER. B | \$3,801.33 | \$0.00 | \$3,801.33 |
| 9117 BOND CCDL 1994 SERIES A | \$174,620.51 | \$0.00 | \$174,620.51 |
| 9120 BOND CCBL96A | \$616,576.63 | \$0.00 | \$616,576.63 |
| 9121 CAP DEV OF 1997 SERIES A | \$345.97 | \$0.00 | \$345.97 |
| 9123 CCDL 1998B | \$1,754,118.54 | \$0.00 | \$1,754,118.54 |
| 9125 MMG099 1999 | \$2,853.25 | \$0.00 | \$2,853.25 |
| 9126 BOND CAPITOL CCDL2000A | \$953,726.51 | \$0.00 | \$953,726.51 |
| 9127 MULTI-MODAL GEN OBL 2000 | \$2,824.87 | \$0.00 | \$2,824.87 |
| 9131 CCDL 2004 SERIES A | \$8,059,709.97 | \$0.00 | \$8,059,709.97 |
| 9132 BOND CCDL 2005 SERIES C | \$16,058,990.95 | \$0.00 | \$16,058,990.95 |
| 9133 BOND CCDL 2005 SERIES E | \$2,431,803.16 | \$0.00 | \$2,431,803.16 |
| 9134 BOND CCDL 2006 SERIES B | \$22,703.35 | \$0.00 | \$22,703.35 |
| 9135 BOND CCDL 2006 SERIES C | \$7,143,925.42 | \$0.00 | \$7,143,925.42 |
| 9136 GO BND-NTAX 2007 SERIES A | \$16,340,762.88 | \$0.00 | \$16,340,762.88 |
| 9137 GO BND-TAX 2007 SERIES B | \$4,035,251.25 | \$0.00 | \$4,035,251.25 |
| 9138 NON-TAX GO BND 2008 SER B | \$76,175,000.00 | \$0.00 | \$76,175,000.00 |
| 9139 TAXABLE GO BND 2008 SER C | \$8,500,000.00 | \$0.00 | \$8,500,000.00 |
| Bond Proceeds Total | \$145,050,258.56 | \$0.00 | \$145,050,258.56 |
| 4911 TANS PROCEEDS | \$196,179,465.92 | \$0.00 | \$196,179,465.92 |
| Grand Total | \$531,975,598.89 | \$2,041.02 | \$531,977,639.91 |

* Many funds include investment in Money Market and Collateralized Deposit investment vehicles. These investments do not have a fixed yield or duration and as such, interest earnings on these investments will not be reflected above. These investments pay a dividend, or interest on the 1st day of the month.

Short Term Investments
Maturity Schedule
December 31, 2008



Maturities in \$Millions

Note: Includes \$184.5 Million of Money Market and PIP investments with no specific maturity

SPECIAL FUNDS

**ABRAHAM TOURO FUND
INVESTMENT SUMMARY
December 31, 2008**

| <u>Fund Name</u> | | Gain/Loss | | Total Market Value |
|---|-----------|------------------|-----------|---------------------------|
| Abraham Touro Fund (Fidelity Balanced Fund) | \$ | 35,741 | \$ | 1,598,280 |
| <u>Totals</u> | \$ | 35,741 | \$ | 1,598,280 |