

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING**

**DATA AT
August 31, 2011**

**September 28, 2011
MEETING**

MEMBERS OF THE STATE INVESTMENT COMMISSION

Honorable Gina M. Raimondo, Chair

**Ms. Rosemary Booth Gallogly
Mr. Thomas P. Fay
Ms. Paula M. McNamara
Mr. Andrew K. Reilly**

**Mr. J. Michael Costello
Mr. Robert Giudici
Ms. Marcia Reback**

AGENDA



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

Gina M. Raimondo
General Treasurer

**RHODE ISLAND STATE INVESTMENT COMMISSION
MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, September 28, 2011 at 9:00 a.m. in Room 135 of the State House.

AGENDA

1. Chairperson Call to Order
2. Membership Roll Call
3. Approval of Minutes
 - State Investment Commission Meeting held on July 27, 2011 *
4. Alternative Consultant- Braemar Energy Ventures III/Summit Partners Credit Fund Recommendations*
5. Alternative Consultant – Cliffwater Hedge Fund Recommendations*
6. Legal Counsel Report
7. Chief Investment Officer Report
8. Treasurer's Report
9. New Business

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

POSTED ON THURSDAY, SEPTEMBER 22, 2011

APPROVAL OF MINUTES

RHODE ISLAND INVESTMENT COMMISSION

The meeting of the Rhode Island Investment Commission scheduled for Wednesday, August 24, 2011 was cancelled.



State Investment Commission

Monthly Meeting Minutes

Wednesday, July 27, 2011

9:00 a.m.

Room 135, State House

The Monthly Meeting of the State Investment Commission (SIC) was called to order at 9:00 a.m., Wednesday, July 27, 2011 in Room 135, State House.

I. Roll Call of Members

The following members were present: Ms. Rosemary Booth Gallogly, Mr. J. Michael Costello, Mr. Robert Giudici, Mr. Andrew Reilly and General Treasurer Gina Raimondo.

Also in attendance: Mr. Joseph Fergus and Mr. Justin Bickle, of Oaktree Capital Management; Ms. Sally Dowling, of Adler Pollock, & Sheehan, and Mr. Joe Rodio Jr., of Rodio & Ursillo, Legal Counsel to the Commission; Mr. John Burns, of Pension Consulting Alliance (PCA), General Policy Consultant to the Commission; Thomas Lynch, Steve Nesbitt and Jacob Walthour, of Cliffwater; Ms. Lisa Tyrell, of State Street Corporation; Mr. Louis M. Prata, Member of the Employee's Retirement Board of Rhode Island; Mr. Frank Karpinski, Executive Director of Employees' Retirement System of Rhode Island and members of the Treasurer's staff.

Treasurer Raimondo called the meeting to order.

II. Oaktree Presentation

Mr. Fergus gave a brief history of Oaktree Capital Management and discussed their management philosophy and strategies.

Mr. Giudici asked for clarification on how Oaktree "acquires debt" and if the company simply purchases debt or if they assume it in equity interest.

Mr. Bickle replied it depends on the company, but most of the time they go in through the debt but are happy to be equity holders and be involved during the long run. Mr. Bickle goes over the debt situation in Europe as opposed to Asia and North America. Mr. Bickle said the European market is more lead by banks than US market. The banks in Europe do not provide the liquidity some businesses require which is where Oaktree steps in. Mr. Bickle pointed out Oaktree has a large local sourcing network and has offices all over Europe which provides the local credibility with banks.

Treasurer Raimondo asked Mr. Bickle if Oaktree typically replaces management when they come in and provide liquidity to a struggling company.

Mr. Bickle replied that Oaktree does not usually replace management in those instances and they like to study the dynamic of the present management system. He said a major difference is most companies in Europe buy debt and then analyze it, but Oaktree chooses to do analysis prior to any purchases of debt.

Mr. Lynch said Cliffwater has completed their due diligence on the Oaktree European Principle Fund III and that Cliffwater recommends investing 20 million US dollars . Mr. Costello asked the Oaktree representatives if they were worried about the sovereign issues in Europe affecting their opportunities. Mr. Bickle said they are not because even in some scary situations there are still good businesses and good companies within those countries. Oaktree would stay away from severe situations like the current one in Greece.

On a motion by Mr. Costello and seconded by Mr. Reilly, it was unanimously **VOTED: To invest \$20 million in Oaktree European Principal Fund III subject to negotiation and finalization of documentation after legal counsel review.**

III. Approval of Minutes

On a motion by Mr. Costello and seconded by Ms. Gallogly, it was unanimously **VOTED: To approve the draft of the minutes of the June 22, 2011 meeting of the State Investment Commission.**

IV. PCA Presentation

Treasurer Raimondo asked Mr. Burns to go over the Risk Management part of his presentation at the next monthly meeting when more members are present. Mr. Burns agreed then proceeded to review the memorandum regarding the management of the Global Equity Portfolio 51% Allocation. PCA recommended of that 51%, 84% of it be in Global Equity and that the additional 16% be allocated into Hedge Funds. Mr. Burns said that PCA also recommends hiring a Currency Overlay Manager. Treasurer Raimondo said the commission would need to come up with a process to decide how to select a Currency Overlay Manager. Mr. Kenneth Goodreau asked the commission to vote having that as an option at the moment but not vote on it happening definitely. Mr. Burns said the reason the Currency Overlay Manager is in the recommendation by PCA is because the portfolio has over 20% invested in other currencies besides the US dollar. Mr. Giudici asked what PCA's strategy was to analyze risk of getting involved with other countries and their currencies which can be volatile. Mr. Burns said it would definitely be a passive system, but there will be active managers for emerging markets.

On a motion by Mr. Costello and seconded by Ms. Gallogly, it was unanimously **VOTED: To approve PCA's recommended Growth Portfolio Policy as set forth in their "Growth Portfolio Structure" Memorandum dated July 20, 2011.**

Mr. Burns moved on to the second PCA memorandum regarding Rebalancing Ranges. PCA recommended the commission employ risk based tactical asset allocation. Mr. Burns said the commission needs to think about risk instead of letting returns drive the asset allocations, risk should be the driving force in the future if the bands are changed.

Treasurer Raimondo said these ranges are very conservative and the board should look at risk more in the future to monitor its investments.

Mr. Goodreau pointed out although the bands are tight and conservative, the investments usually remain pretty close to the target anyway; this is just to ensure there's no huge fluctuations based on return driven decisions.

Mr. Costello raised questions regarding the strategy of making investment decisions internally or externally. Mr. Costello also shared that the 2% range is pretty standard on most asset classes, but 2% is very different when it's on 51% then on 3%.

Treasurer Raimondo said the board will vote on implementation strategies at a later date.

On a motion by Mr. Costello and seconded by Ms. Gallogly, it was unanimously

VOTED: To approve PCA's recommended Rebalancing Policy as set forth in PCA's "Rebalancing Range Considerations and Recommendations" Memorandum dated July 20, 2011.

V. Meeting Schedule

On a motion from Mr. Reilly and seconded by Ms. Gallogly, it was unanimously

VOTED: To cancel the meeting scheduled for August 24, 2011.

VI. Cliffwater Presentation

Mr. Nesbitt introduced the topic of his presentation today to be implementation plans for Hedge Funds. Mr. Nesbitt said Cliffwater recommends a 15% allocation of Total Fund Allocation to Hedge Funds. Cliffwater recommended 8% within Global Equity. Cliffwater also recommended of the Real Return Allocation, that 5% of the 11% be in Hedge Funds. Another recommendation of the 20% allocated to fixed income, 2% of that 20% should be comprised of Fixed Income Hedge Funds. Cliffwater recommended the commission invest in approximately 20 Hedge Fund and that the implementation of this plan be over a six month period, preferably by January 1, 2012. Cliffwater's proposed guidelines are to not be above 15% of the manager's total managed assets, to not allow any individual hedge fund to represent more than 2% of Rhode Island's total assets, side pockets are permitted but should total less than 5% of the hedge fund assets, low overall fees are desirable, the target overall asset allocation is 15%, and returns are expected to equal the long only asset benchmark return over a market cycle at a significantly lower level of risk. Cliffwater provided a list of 7 Hedge Funds for the Real Asset Portfolio, 10 for the Global Equity Portfolio, and 3 for the Fixed Income Portfolio, however as Treasurer Raimondo pointed out that these selections were simply a target list where due diligence had been provided by Cliffwater.

Mr. Costello asked how likely it would be for the provided list to still be intact in 6 months.

Mr. Nesbitt replied that of the 20 provided, maybe 16 or 17 would be on the final list. Mr.

Nesbitt said that transparency among the Hedge Funds is a must. Mr. Nesbitt expressed that Cliffwater would like to start executing the plan presented.

Treasurer Raimondo voiced concern over some firms which are getting too large.

VII. Legal Counsel Report

Legal Counsel had no other report.

VIII. Chief Investment Officer Report

Mr. Goodreau voiced his desire to turn some of the board's discussions about risk management into actions and to carefully proceed with the future plans keeping those discussions in mind.

IX. Treasurer's Report

Mr. Reilly said that he believes the board needs to spend more time focusing their attention on what's actually in the portfolio.

Treasurer Raimondo said she has asked Mr. Nesbitt to do a diagnostic of real estate.

Mr. Goodreau said that the board should keep an eye on unintended exposure from the managers.

X. New Business

None this month

XI. Adjournment

There being no other business to come before the Board, on a motion by Ms. Gallogly and seconded by Mr. Reilly the meeting adjourned at 10:45 a.m.

Respectfully submitted,

Gina M. Raimondo
General Treasurer

STAFF SUMMARY

**RHODE ISLAND STATE INVESTMENT COMMISSION
STAFF SUMMARY ANALYSIS
PORTFOLIO HIGHLIGHTS
August 31, 2011**

PORTFOLIO PERFORMANCE

August

The ERSRI portfolio posted a 3.38% loss for the month of August, against the policy index of -3.68%. Domestic Equities lost 6.59%, international equities lost 8.58%, and the fixed income asset class returned 0.19%. If we factor out PE & RE investments, due to the way they are monitored, the plan performance was -4.15% against its -3.76% index.

Calendar Year to Date

For the eight months ending August 31, 2011, the portfolio is up 1.33% against the policy index of 0.44%. Domestic equities were down 3.46%, international equities were down 6.27%, while fixed income generated a return of 3.93%.

Fiscal Year to Date

For the Fiscal Year ended June 30, 2012, the fund has lost 3.78%, against the policy index of -4.45%.

Index Performance Summary - August 31, 2011		
Market Indices	Aug-11	Calendar YTD
<u>Domestic Equity</u>		
S & P 500	-5.43%	-1.77%
DJ Wilshire 5000	-6.00%	-2.32%
Russell 2000	-8.70%	-6.54%
Policy Index	-3.76%	0.02%
<u>International Equity</u>		
MSCI ACWI	-8.55%	-6.06%
<u>Fixed Income</u>		
BC AGG	1.46%	5.88%
<u>Real Estate</u>		
NCREIF	0.08%	8.85%

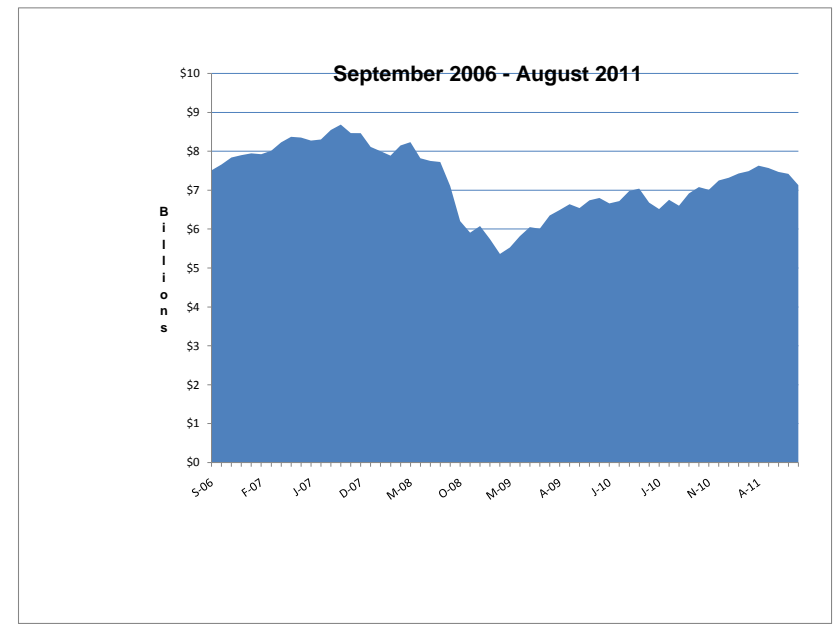
ERSRI Performance By Asset Class	Aug-11	Calendar YTD
Domestic Equity	-6.59%	-3.46%
Fixed Income	0.19%	3.93%
International Equity	-8.58%	-6.27%
Total Fund Composite*	-4.15%	-0.47%
Manager Summary	Aug-11	CYTD
<u>DOMESTIC EQUITY</u>		
Shott	-4.05%	2.74%
SSgA S&P 500	-5.43%	-1.74%
Russell Overlay	0.11%	-0.90%
Wellington Technical Eq	-11.15%	-9.94%
Russell 2000 Index	-8.67%	-6.43%
Total Domestic Equity	-6.59%	-3.46%
<u>FIXED INCOME</u>		
Brown Bros TIPS	1.03%	11.14%
Brown Bros Core	0.70%	6.04%
Fidelity	1.31%	5.25%
Taplin Canida & Habacht	-0.07%	5.41%
Fixed Income Cash Acct	0.01%	0.11%
Mackay Shield	-2.79%	3.34%
Total Fixed Income	0.19%	3.93%
<u>INTERNATIONAL EQUITY</u>		
Total International Equity	-8.58%	-6.27%

*Total Fund Composite includes all classes ex PE & RE

**Market Valuation Report
August 31, 2011**

Market Values

The total portfolio value decreased in August by \$292.8 million to \$7.13 billion. This compares with an decrease in value of \$151 million for the same period in 2010. The Domestic Equity Market values decreased by \$175.6 million, including transfers out of \$0.0 million; Fixed Income decreased by \$28.4 million, including transfers out of \$32.0 million; while International Values decreased by \$112.4 million, including transfers out of \$0.0 million. The Cash Accounts decreased by \$2.7 million including transfers out of \$1.7 million, and Alternative Investments increased by \$13.4 million, including transfers out of \$6.9 million. The Real Return Pool increased by \$4.6 million including transfers in of \$0.00 million. The overlay account increased by \$8.3 million, including transfers in of \$0.0 million.



Cash Flow

August's pension payroll of \$74.0 million was greater than the \$34.4 million in contributions and wire transfers received by \$39.6 million.

To meet pension and other obligations, a transfer from long-term investments of \$41.6 million was necessary.

Alternative Investments

At this time the alternative investment asset class has unfunded commitments of approximately \$151.7 million on commitments of \$1,104 million.

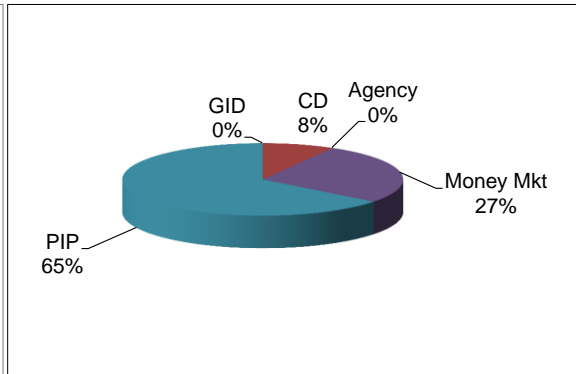
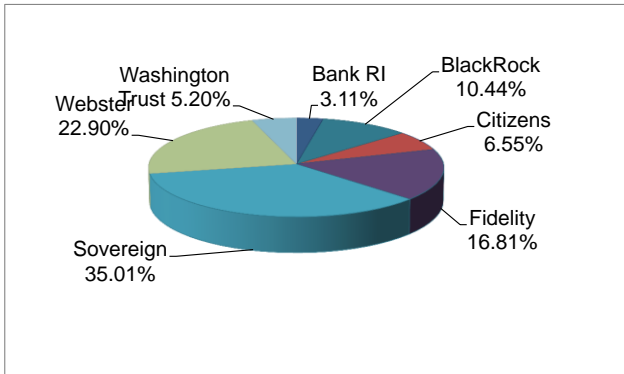
CAPITAL CALLS Net of Distributions

August 2011	FYTD	UNFUNDED BALANCE
-\$6,364,810	-\$6,409,478	\$ 151,712,193
August 2010	FYTD	UNFUNDED BALANCE
-\$4,681,807	-\$30,420,119	\$221,415,495

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

**Issuer Credit Ratings
Aug-11**

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
Bank RI	3,4	3.11%				N/R		N/R	
JP Morgan Chase	2,3,5	0.00%	Aa3		P-1	A-1	Aa3	A+	Stable
BlackRock Inc.	6	10.44%	A1		P-1	A-1	A1	A+	Stable
RBS Citizens	3,4	6.55%	A2		P-1	A-2	A2	A-	Stable
Federated	6	0.00%				N/R		N/R	N/R
Fidelity	6	16.81%				N/R		N/R	N/R
Merrill Lynch	2,5,6	0.00%	A2		P-1	A-1	A2	A	Negative
Morgan Stanley	1,2,5	0.00%	A2		P-1	A-1	A2	A	Negative
Sovereign Bank	3,4	35.01%	A2		P-1	A-1	A2	A	Stable
State Street Bank & Trust Com	1,3	0.00%	A1		P-1	A-1	A1	A+	Stable
Webster Bank	3,4	22.90%	A3		P-2	A-2	A3	BBB	Stable
Washington Trust	3,7	5.20%				N/R		N/R	N/R
Oppenheimer	5	0.00%					B2	B+	Stable



REPO = Repurchase Agreement	1*
CP = Commercial Paper	2*
CD = Certificate of Deposit	3*
CoD = Collateralized Deposit	4*
AG = US Government Agency Note	5*
MM = Government Money Market	6*
GID = Government Insured Deposit	7*

Ratings Definitions

Moody's Short-Term Debt Ratings:

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

Moody's Issuer Rating Symbols:

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

Modifiers:

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

S&P Long-Term Debt Ratings:

AAA - Highest rating, extremely strong
AA - Differs slightly from highest rating, very strong
A - More susceptible to adverse effects of change in economic condition, strong
BBB - Exhibits adequate protection parameters
BB, B - Have significant speculative characteristics. BB least speculative
CCC, CC, C - C highest degree
D - Payment default

Modifiers:

+ or - - show relative standing within the category.

S&P Short-Term Credit Ratings:

A-1 - Highest rated, strong capacity to meet obligations
A-2 - Somewhat more susceptible to adverse effects of changes in financial conditions, satisfactory
A-3 - Exhibits adequate protection parameters
B - Significant speculative characteristics, faces major ongoing uncertainties
C - Vulnerable to non-payment
D - Payment default

Modifiers:

+ or - - show relative standing within the category.

S&P Outlook Definitions:

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

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

PERFORMANCE



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

Gina M. Raimondo
General Treasurer

September 22, 2011

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 August 31, 2011.

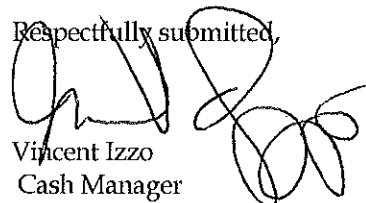
Employees' Retirement System of Rhode Island
Composite Reporting Investment Valuation

August 31, 2011

Asset Class		
Cash/Short Term Investments		855,660,848
Equities - Domestic		2,424,400,771
Equities - International		1,198,288,746
Fixed Income - Government	\$1,096,650,776	
Fixed Income - Corporate	\$651,880,778	
Fixed Income - In State	\$0	
Total Fixed Income		1,748,531,555
Alternative Investments		645,014,091
Real Estate		258,455,055
Total Fund Investments		7,130,351,065
Plan Allocation		
State Employees & Teachers	82.71%	5,897,772,811
Municipal Employees	15.76%	1,123,416,059
State Police	1.00%	71,010,767
Judicial	0.54%	38,151,428
Total Fund Investments	100.00%	7,130,351,065

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

8/31/2011

RATES OF RETURN

	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	1,736,893,188	24.4	-5.4 -5.4	-8.9 -8.9	-1.7 -1.8	-7.4 -7.4	18.6 18.5	11.6 11.5	0.7 0.5		-0.3 -0.4	11/01/2006
RUSSELL 2000 INDEX FUND RUSSELL 2000	607,685,461	8.5	-8.7 -8.7	-14.0 -14.0	-6.4 -6.5	-12.0 -12.0	22.3 22.2	14.2 14.1			20.2 20.1	05/01/2009
Active Core												
WELLINGTON TECHNICAL EQUITY RUSSELL 3000	144,917,617	2.0	-11.2 -6.0	-15.9 -9.8	-9.9 -2.3	-12.8 -8.2	7.5 19.3	4.0 12.3	-2.7 0.8		0.7 -1.7	08/01/2007
Other												
SHOTT CAPITAL	1,419,498	0.0							2.8	-4.3		04/01/1999
TOTAL US EQUITY RUSSELL 3000	2,490,915,763	34.9	-6.6 -6.0	-10.6 -9.8	-3.5 -2.3	-8.9 -8.2	18.8 19.3	11.8 12.3	0.7 0.8	1.0	8.7 -1.7	03/01/1989
INTERNATIONAL EQUITY												
Index												
MSCI ACWI EX US INDEX FUND MSCI AC WORLD ex US (NET)	1,197,772,465	16.8	-8.6 -8.6	-11.1 -11.1	-6.3 -6.4	-9.8 -9.8	10.5 10.3	6.7 6.5			17.4 17.3	05/01/2009
Active												
TAX RECLAIMS MSCI AC WORLD ex US (GROSS)	194,869	0.0	-8.6	-11.1	-6.1	-9.8	10.8				5.4	11/01/2009
SSGA TRANSITION ACCOUNT	394,898	0.0										11/01/2000
TOTAL INTERNATIONAL EQUITY MSCI AC WORLD ex US (GROSS)	1,198,362,232	16.8	-8.6 -8.6	-11.1 -11.1	-6.3 -6.1	-9.8 -9.8	10.5 10.8	6.7	0.9	1.1	4.6 5.4	03/01/1989
U.S. FIXED INCOME												
Core												
BROWN BROTHERS HARRIMAN - CORE CITIGROUP BIG	380,589,874	5.3	0.7 1.6	2.2 2.9	6.0 5.9	2.4 3.2	5.0 4.5	6.7 6.7	7.3 7.3	5.8 6.7	6.6 7.2	03/01/1990
Mortgage												
PYRAMIS GLOBAL ADVISORS BC MBS	487,129,602	6.8	1.3 1.3	2.4 2.3	5.3 5.1	2.3 2.2	5.6 5.0	7.2 6.0	7.9 7.2	6.4 6.8	7.5 7.2	10/01/1989
Corporates												
TAPLIN, CANADA & HABACHT BC CREDIT	382,919,774	5.4	-0.1 0.4	1.2 2.0	5.4 6.3	2.2 2.8	4.6 5.0	9.3 8.9	8.9 9.2	5.9 6.9	6.8 6.7	04/01/1996
High Yield												
MACKAY SHIELDS, LLC CSFB GLOBAL HIGH YIELD	176,882,102	2.5	-2.8 -3.7	-2.0 -3.1	3.3 2.4	-1.4 -2.4	8.7 8.4	13.1 14.6	9.8 10.9	7.4 7.7	11.3 10.2	10/01/2002
Other												
FIXED INCOME CASH ACCOUNT	413,826,104	5.8	0.0	0.0	0.1	0.0	0.2	0.2	0.5		1.7	04/01/2007
TOTAL US FIXED INCOME BC AGGREGATE	1,841,347,455	25.8	0.2 1.5	1.1 2.8	3.9 5.9	1.4 3.1	4.1 4.6	6.6 6.9	6.7 7.2	5.9 6.6	6.5 6.5	12/01/1992
REAL RETURN POOL												
BROWN BROTHERS HARRIMAN - TIPS BARCLAYS US TIPS INDEX	451,415,942	6.3	1.0 0.9	5.9 5.9	11.1 11.1	5.0 5.0	10.6 11.0	10.8 10.8	7.4 6.9	7.4 7.2	6.7 6.5	06/01/2004
TOTAL REAL RETURN CPI + 4%	451,415,942	6.3	1.0 0.4	5.9 1.1	11.1 5.9	5.0 0.8	10.6 7.7	10.8	7.4	7.4	6.7 6.4	06/01/2004
ALTERNATIVE INVESTMENTS												
REAL ESTATE NCREIF PROPERTY LAG + 100 BPS	258,455,566	3.6	1.1 0.1	5.2 4.9	12.5 5.0	2.3 13.2	18.7 14.2	1.1 -2.0	-12.7 -3.1	-2.8 4.6	-1.3 7.6	01/01/2005
PRIVATE EQUITY S&P 500 PLUS 300 BP	645,043,941	9.1	2.8 -5.2	4.5 -8.2	16.9 0.2	3.8 -6.9	23.7 22.0	20.2 14.8	6.0 3.6	6.7 3.8	9.4 12.5	01/01/1989
TOTAL ALTERNATIVE INVESTMENTS TOTAL ALTERNATIVES BENCHMARK	903,499,507	12.7	2.3 -3.1	4.7 -3.7	15.6 3.4	3.3 -4.2	22.3 19.8	14.6 10.1	0.0 1.4	3.8 4.2	8.8	04/01/1996
RE-BALANCING												
RUSSELL IMPLEMENTATION SERVICES	235,698,215	3.3	0.1	0.2	-0.9	0.2	-1.2	-0.3	-0.3		-0.3	09/01/2008
CASH												
CASH ACCOUNT (INSIDE)	7,387,777	0.1										07/01/2000
CASH ACCOUNT (OUTSIDE)	1,724,175	0.0										07/01/2000
TOTAL PLAN TOTAL PLAN BENCHMARK*	7,130,351,066	100.0	-3.4 -3.7	-4.6 -5.3	1.3 0.4	-3.8 -4.5	13.2 13.2	10.2 9.4	2.3 1.6	2.8 2.7	9.1	01/01/1984

* Effective 4/1/09: 36.0% RUSSELL 3000/ 22.0% BC AGG / 17.5% MSCI AC WORLD FREE EX USA / 10.0% CPI + 4% / 7.5% S&P 500 + 3% / 5.0%NCREIF PROPERTY LAGG / 2.0% 91 DAY T-BILL

State of Rhode Island
Summary of Performance
8/31/2011

RATES OF RETURN

	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	1,736,893,188	24.4	2.1	3.5	4.5	5.3	2.7	-0.3	11/1/2006
RUSSELL 2000 INDEX FUND RUSSELL 2000	607,685,461	8.5	2.8	5.5	6.2	8.5	5.9	20.2	5/1/2009
Active Core									
WELLINGTON TECHNICAL EQUITY S&P 500	144,917,617	2.0	2.1	3.5	4.5	5.3	2.7	0.7	8/1/2007
Other									
SHOTT CAPITAL	1,419,498	0.0							4/1/1999
TOTAL US EQUITY RUSSELL 3000	2,490,915,763	34.9	2.2 2.4	4.3 4.1	5.1 5.0	6.4 6.0	3.8 3.4	8.7	3/1/1989
INTERNATIONAL EQUITY									
Index									
MSCI ACWI EX US INDEX FUND MSCI EAFE (NET)	1,197,772,465	16.8	2.4	5.2	7.2	7.4	5.0	17.4	5/1/2009
Active									
TAX RECLAIMS MSCI AC WORLD ex US (GROSS)	194,869	0.0	4.9	7.8	9.6	9.9	7.3		11/1/2009
SSGA TRANSITION ACCOUNT	394,898	0.0							11/1/2000
TOTAL INTERNATIONAL EQUITY MSCI AC WORLD ex US (GROSS)	1,198,362,323	16.8	4.7 4.9	7.5 7.8	9.1 9.6	8.9 9.9	6.4 7.3	4.6	3/1/1989
U.S. FIXED INCOME									
Core									
BROWN BROTHERS HARRIMAN - CORE CITIGROUP BIG	380,589,874	5.3	5.2 5.9	5.1 5.7	4.8 5.7	5.4 5.6	5.7 5.8	6.6	3/1/1990
Mortgage									
PYRAMIS GLOBAL ADVISORS BC MBS	487,130	6.8	5.9 6.2	5.7 5.8	5.8 5.9	5.6 5.5	5.9 5.8	7.5	10/1/1989
Corporates									
TAPLIN, CANIDA & HABACHT BC CREDIT	382,919,774	5.4	5.4 5.9	5.3 5.7	5.8 5.9	6.7 6.2	6.2 6.2	6.8	4/1/1996
High Yield									
MACKAY SHIELDS, LLC CSFB GLOBAL HIGH YIELD	176,882,102	2.5	7.3 7.3	7.6 7.5	8.7 8.4		9.9	11.3	10/1/2002
Other									
FIXED INCOME CASH ACCOUNT	413,826,104	5.8						1.7	4/1/2007
TOTAL US FIXED INCOME BC AGGREGATE	1,841,347,455	25.8	5.4 5.7	5.5 5.5	5.7 5.6	6.0 5.5	5.9 5.7	6.5	12/1/1992
REAL RETURN POOL									
BROWN BROTHERS HARRIMAN - TIPS BC GLOBAL INFLATION LINKED: U.S. TIPS	451,415,942	6.3	6.4 6.2	6.4 6.1	6.7 6.7	6.7 6.7	7.3	6.7	6/1/2004
TOTAL REAL RETURN CPI + 4%	451,415,942	6.3	6.4 6.4	6.4 6.6	6.6 6.6	6.6 6.6	6.5	6.7	
ALTERNATIVE INVESTMENTS									
REAL ESTATE NCREIF PROPERTY INDEX QTR LAG	258,455,566	3.6	-1.9 6.1	7.4	7.7	7.6	7.5	-1.3	1/1/2005
PRIVATE EQUITY S&P 500 PLUS 300 BP	645,043,941	9.1	9.3 5.2	11.9 6.6	13.7 7.6	12.1 8.5	9.8 5.9	9.4	1/1/1989
TOTAL ALTERNATIVE INVESTMENTS TOTAL ALTERNATIVES BENCHMARK	903,499,507	12.7	5.9 6.0	8.8 7.3	10.8 8.0	9.6 8.5	7.7 6.9	8.8	4/1/1996
RE-BALANCING									
RUSSELL IMPLEMENTATION SERVICES	235,698,215	3.3						-0.3	9/1/2008
CASH									
CASH ACCOUNT (INSIDE)	7,387,777	0.1							
CASH ACCOUNT (OUTSIDE)	1,724,175	0.0							
TOTAL PLAN TOTAL PLAN BENCHMARK	7,130,351,157	100.0	4.2 4.0	5.9 5.5	6.8 6.4	7.5 7.1	5.6 5.3	9.1	1/1/1984

* Effective 4/1/09: 36.0% RUSSELL 3000/ 22.0% BC AGG / 17.5% MSCI AC WORLD FREE EX USA / 10.0% CPI + 4% / 7.5% S&P 500 + 3% / 5.0%NCREIF PROPERTY LAGG / 2.0% 91 DAY T-BILL

ERSRI Monthly Market Value Report With Time Weighted Returns

August 31, 2011

	Calendar YTD			Benchmark Description	Current Month			Valuation Change			
	Performance	Benchmark	Alpha		Performance	Benchmark	Alpha	Market Value	Transfers	Market Value	Market Value
								7/31/2011	In/(out)	8/31/2011	Increase/decrease
Domestic Equity											
Shott Capital Management IRR	2.74%	-1.77%	4.51%	S & P 500	-4.05%	-5.43%	1.38%	1,479,445	-	1,419,498	(59,947)
SSgA S&P 500	-1.74%	-1.77%	0.03%	S & P 500	-5.43%	-5.43%	0.00%	1,836,619,921	-	1,736,893,188	(99,726,734)
Wellington Tech Eq	-9.94%	-2.32%	-7.62%	Russell 3000	-11.15%	-6.00%	-5.15%	163,104,093	-	144,917,617	(18,186,476)
Russell 2000 Index Fund	-6.43%	-6.54%	0.11%	Russell 2000	-8.67%	-8.70%	0.03%	665,353,741	-	607,685,461	(57,668,280)
Total Domestic Equity	-3.46%	-2.32%	-1.14%		-6.59%	-6.00%	-0.59%	2,666,557,200	-	2,490,915,763	(175,641,437)
International Equity											
Boston Company		-6.06%		MSCI ACWI		-8.55%		42,401	-	42,727	326
Goldman Sachs		-6.06%		MSCI ACWI		-8.55%		82,041	-	82,349	308
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	398,387	(394)	394,898	(3,095)
Mondrian		-6.06%		MSCI ACWI		-8.55%		69,164	-	69,792	628
MSCI Ex US Index Fund	-6.27%	-6.39%	0.12%	MSCI Ex US Index Fund	-8.58%	-8.57%	-0.01%	1,310,127,971	-	1,197,772,465	(112,355,506)
Total International Equity	-6.27%	-6.06%	-0.21%		-8.58%	-8.55%	-0.03%	1,310,719,964	(394)	1,198,362,232	(112,357,399)
Fixed Income											
Fidelity Management & Research	5.25%	5.12%	0.13%	BC MBS	1.31%	1.25%	0.06%	480,852,780	-	487,129,602	6,276,822
Brown Brothers, Harriman	6.04%	5.90%	0.14%	Citigroup BIG	0.70%	1.56%	-0.86%	377,940,870	-	380,589,874	2,649,004
Taplin, Canida & Habacht	5.41%	6.28%	-0.87%	BC Credit	-0.07%	0.36%	-0.43%	383,183,275	-	382,919,774	(263,501)
Mackay Shields	3.34%	2.35%	0.99%	CS First BosHiYield	-2.79%	-3.70%	0.91%	181,963,944	-	176,882,102	(5,081,842)
Fixed Income Cash Acct	0.11%	0.10%	0.01%		0.01%	0.02%	-0.01%	445,785,507	(32,000,000)	413,826,104	40,597
Total Fixed Income	3.93%	5.88%	-1.95%		0.19%	1.46%	-1.27%	1,869,726,376	(32,000,000)	1,841,347,455	3,621,079
Alternative Investments											
Private Equity	16.89%	0.19%	16.70%	N/A	2.81%	-5.19%	8.00%	633,939,289	(6,364,810)	645,043,941	17,469,462
Real Estate	12.51%	8.85%	3.66%	NCREIF + 100	1.13%	0.08%	1.05%	256,179,334	(490,858)	258,455,566	2,767,089
Total Alternatives	15.64%	3.42%	12.22%		2.32%	-3.11%	5.43%	890,118,623	(6,855,668)	903,499,507	20,236,552
Cash Accounts											
Cash in Trust	0.11%	0.10%	0.01%		0.01%	0.02%	-0.01%	9,082,035	(1,691,938)	7,387,777	(2,320)
Cash Outside Trust	0.00%	0.10%	-0.10%		0.00%	0.02%	-0.02%	2,741,842	-	1,724,175	(1,017,667)
Total Cash	0.11%	0.10%	0.01%		0.01%	0.02%	-0.02%	11,823,877	(1,691,938)	9,111,952	(1,019,987)
Real Return Pool											
Brown Bros TIPS	11.14%	11.11%	0.03%	CPI +4%	1.03%	0.90%	0.13%	446,819,588	-	451,415,942	4,596,354
Other											
Russell Overlay	-0.90%				0.11%			227,368,389	-	235,698,214	8,329,825
Total Plan Ex PE & RE	-0.47%	0.02%	-0.49%		-4.15%	-3.76%	-0.39%	7,423,134,018	(40,548,000)	7,130,351,065	(252,234,953)
Total Plan	1.33%	0.44%	0.89%		-3.38%	-3.68%	0.30%				

*Policy Index: (Effective 04/1/09)

36% Russell 3000

22% BC Agg

17.5% MSCI World Free Ex USA

10% CPI + 4%

7.5% S&P 500 + 3%

Effective 11/1/09 Moved TIPS from Fixed Income to Real Return. The history remains in Fixed Income.

State of Rhode Island

TOTAL PLAN

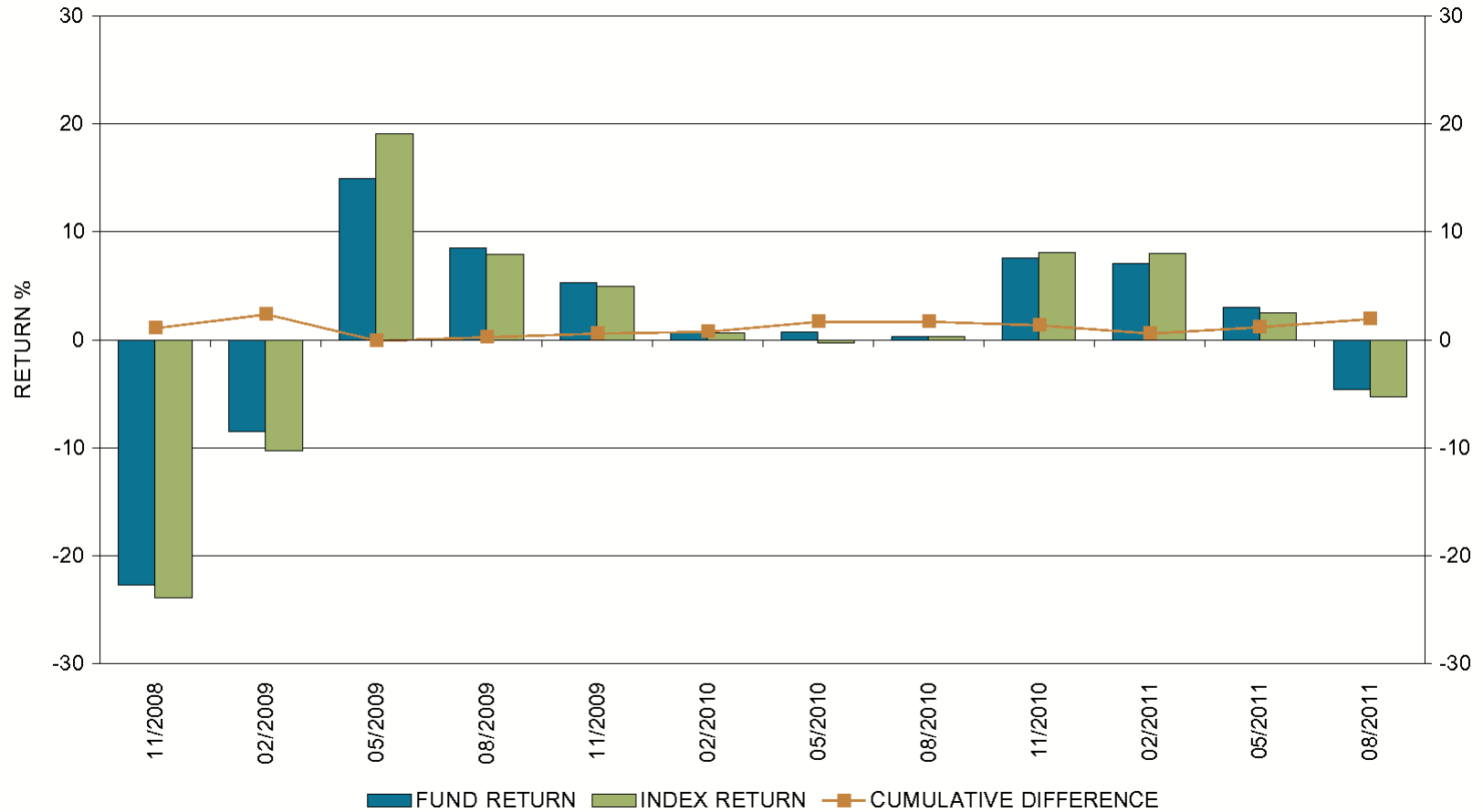
Index: TOTAL PLAN BENCHMARK

PERIODS: August 31, 2008 - August 31, 2011



STATE STREET

CUMULATIVE PERFORMANCE REPORT



State of Rhode Island

TOTAL PLAN

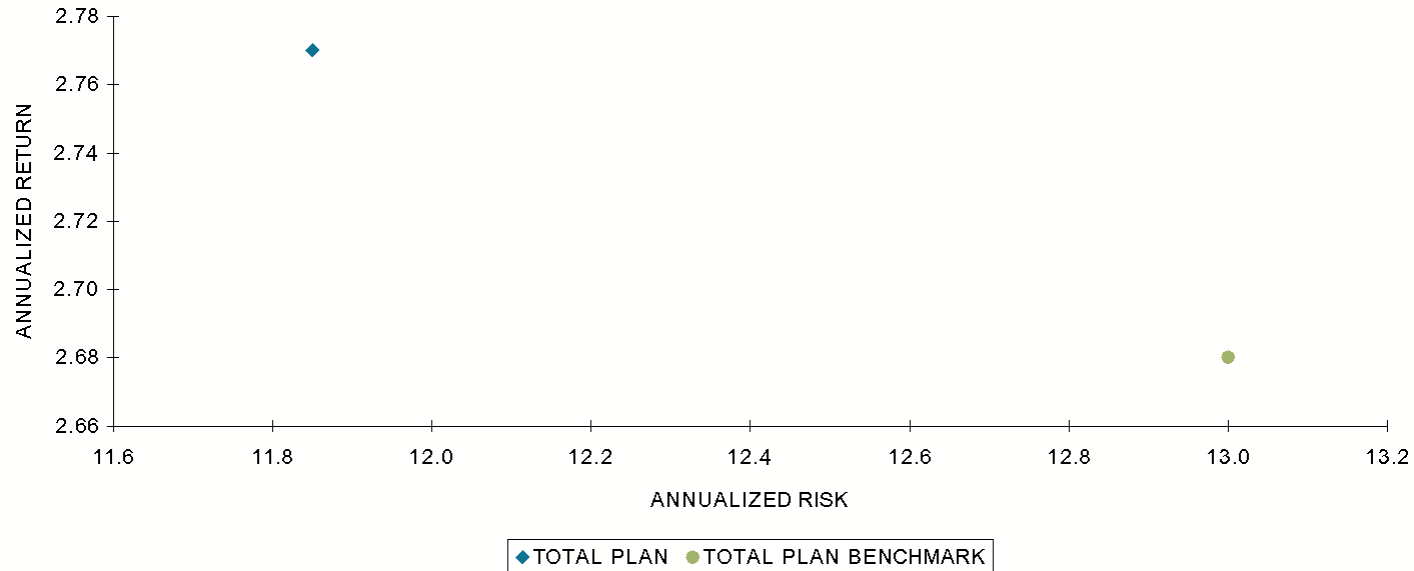
Benchmark: TOTAL PLAN BENCHMARK

August 31, 2006 - August 31, 2011



STATE STREET

RISK VS. RETURN



RISK INFORMATION

Portfolio Return	2.77
Benchmark Return	2.68
Return Differences	0.10
Portfolio Standard Deviation	11.85
Benchmark Standard	13.00
Tracking Error	1.88

RISK STATISTICS

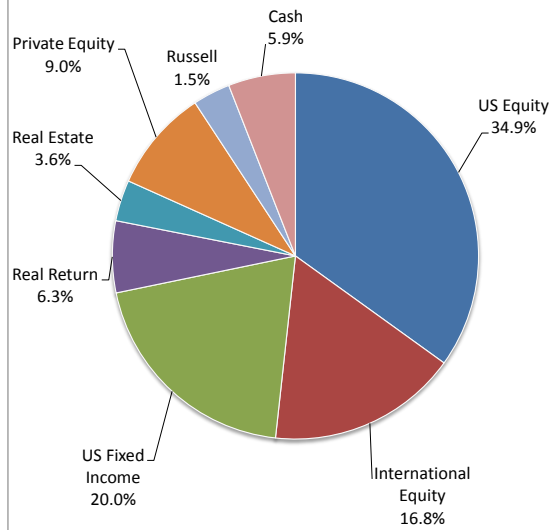
Historic Beta	0.91
R-squared	0.99
Jensen's Alpha	0.18
Sharpe Ratio	0.08
Treynor Ratio	1.04
Information Ratio	0.05

ASSET ALLOCATION

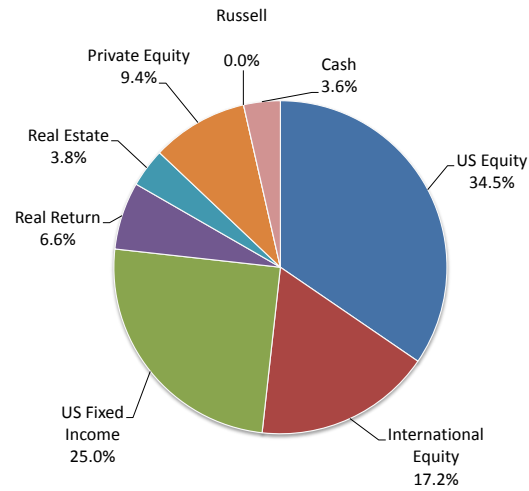
State of Rhode Island

Asset Allocation
8/31/2011

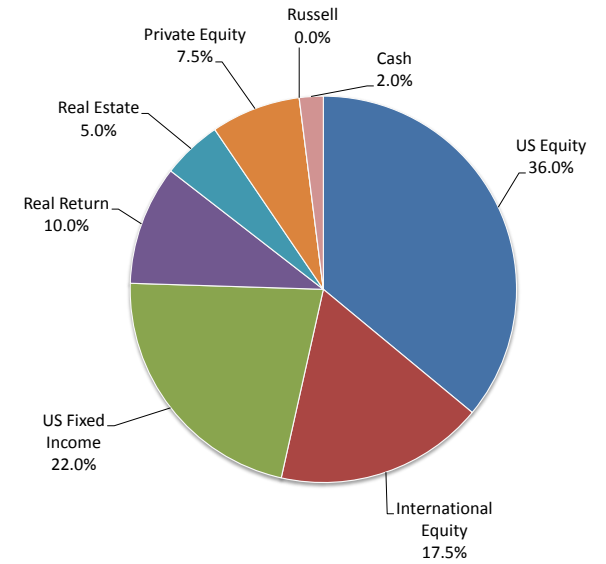
Physical Allocation



Notional Allocation



Policy Allocation

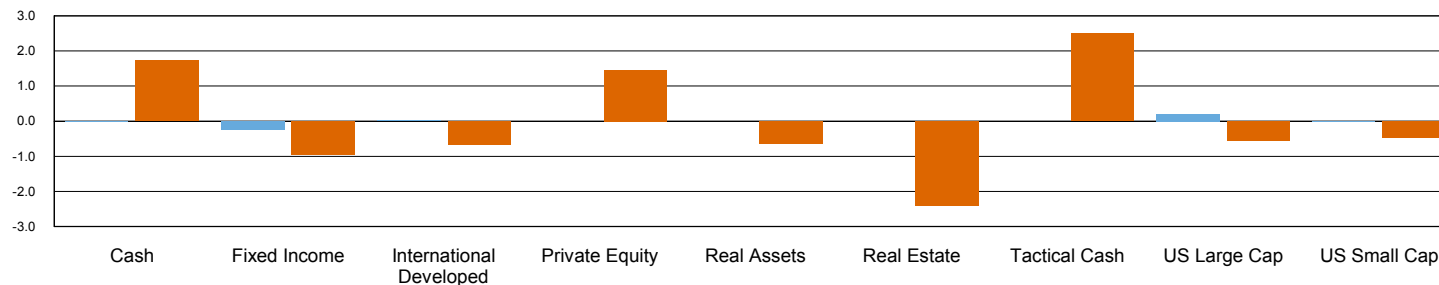


* Difference in actual investment allocation versus target allocation policy is offset by the notional overlay provided by the Russell Implementation account.

Asset Summary

Asset Class	Physical Exposure		Synthetic Exposure		Net Position		Overlay Target		Policy Target	
	Value	%	Value	%	Value	%	Value	%	Value	%
Total Market Value	7,119.7	100.0%	0.0	0.0%	7,119.7	100.0%	7,119.7	100.0%	7,119.7	100.00%
Cash	123.3	1.7%	-111.7	-1.6%	11.7	0.2%	12.3	0.2%	0.0	0.00%
Cash	123.3	1.7%	-111.7	-1.6%	11.7	0.2%	12.3	0.2%	0.0	0.00%
Equity	4,327.3	60.8%	53.9	0.8%	4,381.2	61.5%	4,363.6	61.3%	4,343.0	61.00%
International Developed	1,198.0	16.8%	22.4	0.3%	1,220.3	17.1%	1,218.5	17.1%	1,245.9	17.50%
Private Equity	638.4	9.0%	0.0	0.0%	638.4	9.0%	638.4	9.0%	534.0	7.50%
US Small Cap	607.7	8.5%	20.0	0.3%	627.7	8.8%	626.7	8.8%	640.8	9.00%
US Large Cap	1,883.2	26.5%	11.5	0.2%	1,894.7	26.6%	1,880.0	26.4%	1,922.3	27.00%
Fixed	1,427.5	20.0%	57.7	0.8%	1,485.2	20.9%	1,502.2	21.1%	1,495.1	21.00%
Fixed Income	1,427.5	20.0%	57.7	0.8%	1,485.2	20.9%	1,502.2	21.1%	1,495.1	21.00%
Other	1,241.6	17.4%	0.0	0.0%	1,241.6	17.4%	1,241.6	17.4%	1,281.5	18.00%
Tactical Cash	534.0	7.5%	0.0	0.0%	534.0	7.5%	534.0	7.5%	356.0	5.00%
Real Estate	256.2	3.6%	0.0	0.0%	256.2	3.6%	256.2	3.6%	427.2	6.00%
Real Assets	451.4	6.3%	0.0	0.0%	451.4	6.3%	451.4	6.3%	498.4	7.00%

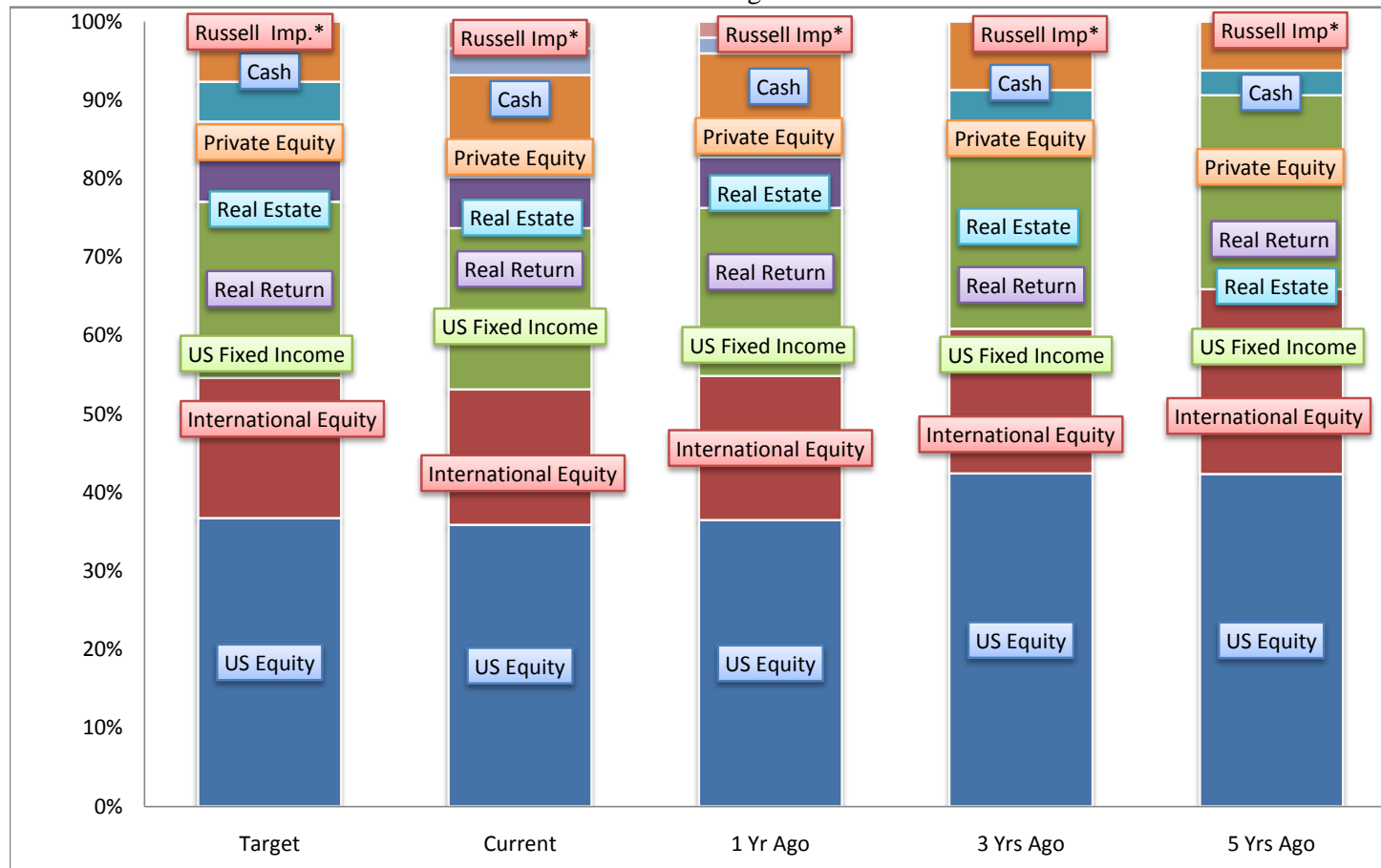
Deviations from Target Allocation



State of Rhode Island

Historical Asset Allocation

31-Aug-2011



	Target	Current	1 Yr Ago	3 Yrs Ago	5 Yrs Ago
US Equity	36.0%	34.9%	35.0%	42.4%	42.1%
International Equity	17.5%	16.8%	17.6%	18.4%	23.4%
US Fixed Income	22.0%	20.0%	20.5%	25.5%	24.5%
Real Return	10.0%	6.3%	6.2%	0.0%	0.0%
Real Estate	5.0%	3.6%	3.6%	4.9%	3.1%
Private Equity	7.5%	9.0%	9.1%	8.7%	6.2%
Russell Implementation*	0.0%	3.3%	1.9%	0.0%	0.0%
Cash	2.0%	5.9%	6.1%	0.1%	0.7%
Total Plan	100.0%	100.0%	100.0%	100.0%	100.0%



STATE STREET

CASH FLOW

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2012	FY 2011-12												TOTAL
	Actual July 2011	Actual August	Projected September	Projected October	Projected November	Projected December	Projected January 2011	Projected February	Projected March	Projected April	Projected May	Projected June	
MEMBER BENEFITS	66,629,399	67,455,796	66,600,000	66,600,000	66,600,000	66,600,000	66,600,000	66,600,000	66,600,000	66,600,000	66,600,000	66,600,000	800,085,195
ADMINISTRATIVE EXPENSES	137,672	660,651	590,613	618,987	508,890	492,317	396,616	429,243	456,810	547,719	403,313	940,521	6,183,352
INVESTMENT EXPENSES	717,955	151,236	360,147	343,219	464,523	886,459	508,571	306,066	343,834	785,528	185,359	269,585	5,322,483
TOTAL OUTFLOW	67,485,026	68,267,682	67,550,760	67,562,206	67,573,413	67,978,776	67,505,187	67,335,309	67,400,644	67,933,247	67,188,673	67,810,106	811,591,030
CONTRIBUTIONS	50,400,487	28,659,530	26,277,602	55,664,547	35,150,605	40,872,116	56,234,751	35,617,401	42,493,720	40,290,401	47,251,676	42,317,939	501,230,775
OTHER INCOME*	358,170	6,622,689	2,312,189	3,673,433	3,646,844	7,980,238	4,938,253	4,258,601	9,058,026	726,971	6,582,306	6,199,804	56,357,526
TOTAL INCOME	50,758,657	35,282,219	28,589,791	59,337,980	38,797,449	48,852,354	61,173,004	39,876,002	51,551,746	41,017,372	53,833,982	48,517,743	557,588,301
DIFFERENCE	(16,726,369)	(32,985,463)	(38,960,969)	(8,224,226)	(28,775,964)	(19,126,422)	(6,332,183)	(27,459,307)	(15,848,898)	(26,915,875)	(13,354,690)	(19,292,363)	(254,002,729)

Municipal Employees Retirement System

	Actual July 2011	Actual August	Projected September	Actual October	Actual November	Projected December	Projected January 2011	Projected February	Projected March	Projected April	Projected May	Projected June	TOTAL
MEMBER BENEFITS	6,376,800	6,376,540	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000	76,753,341
ADMINISTRATIVE EXPENSES	26,076	125,842	109,616	114,883	94,718	91,633	73,821	80,624	86,146	103,274	76,046	178,003	1,160,680
INVESTMENT EXPENSES	135,986	28,808	66,843	63,701	86,460	164,993	94,658	57,488	64,841	148,113	34,950	51,022	997,861
TOTAL OUTFLOW	6,538,862	6,531,189	6,576,459	6,578,583	6,581,177	6,656,626	6,568,479	6,538,111	6,550,987	6,651,387	6,510,996	6,629,025	78,911,881
CONTRIBUTIONS	4,595,440	5,236,442	3,779,357	3,955,928	4,286,411	4,770,013	4,702,497	7,972,265	4,856,857	4,598,585	5,354,214	5,178,390	59,286,399
OTHER INCOME*	67,840	1,261,499	429,137	681,781	678,772	1,485,328	919,136	799,882	1,708,176	137,072	1,241,110	1,173,376	10,583,109
TOTAL INCOME	4,663,280	6,497,941	4,208,494	4,637,709	4,965,183	6,255,341	5,621,633	8,772,147	6,565,033	4,735,657	6,595,324	6,351,766	69,869,508
DIFFERENCE	(1,875,582)	(33,248)	(2,367,965)	(1,940,874)	(1,615,995)	(401,285)	(946,846)	2,234,036	14,046	(1,915,730)	84,328	(277,259)	(9,042,373)

CASH FLOW ANALYSIS - INCOME & EXPENSES

Judges/State Police
Retirement System

	Actual July 2011	Actual August	Projected September	Actual October	Actual November	Projected December	Projected January 2011	Projected February	Projected March	Projected April	Projected May	Projected June	TOTAL
MEMBER BENEFITS	135,664	135,664	136,000	136,000	136,000	136,000	136,000	136,000	136,000	136,000	136,000	136,000	1,631,327
ADMINISTRATIVE EXPENSES	2,506	12,228	9,907	10,383	8,694	8,411	6,776	7,512	8,060	9,742	7,174	17,027	108,420
INVESTMENT EXPENSES	13,071	2,799	6,041	5,757	7,936	15,144	8,688	5,356	6,067	13,972	3,297	4,881	93,010
TOTAL OUTFLOW	151,241	150,691	151,948	152,140	152,630	159,555	151,464	148,868	150,127	159,714	146,471	157,908	1,832,757
CONTRIBUTIONS	1,052,000	495,000	375,000	705,000	424,000	425,000	430,000	432,000	430,000	705,000	410,000	330,000	6,213,000
OTHER INCOME*	6,521	122,580	38,784	61,618	62,303	136,335	84,365	74,526	159,825	12,931	117,079	112,242	989,109
TOTAL INCOME	1,058,521	617,580	413,784	766,618	486,303	561,335	514,365	506,526	589,825	717,931	527,079	442,242	7,202,109
DIFFERENCE	907,279	466,889	261,836	614,478	333,673	401,780	362,901	357,658	439,698	558,216	380,608	284,334	5,369,351

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

FISCAL YEAR 2011

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

ACCRUAL BASIS

	Actual Jul 10	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan 11	Actual Feb 11	Actual Mar 11	Actual Apr 11	Actual May 11	Projected June 11	Projected TOTAL
EQUITIES													
SSgA Russell 1000/S& ZU14			37,365			44,945			48,108			48,837	179,255
SSGA Russell 2000 ZU06			30,227			34,921			34,573			35,764	601,277
Shott Capital ZU49			264			1,110			1,782			2,152	5,307
Wellington Tech Eq ZU04			<u>315,297</u>			<u>348,655</u>			<u>376,641</u>			<u>386,251</u>	1,426,844
			383,153			429,631			461,104			473,004	1,611,406
FIXED INCOME													
Brown Bros. ZU44			166,174			167,249			166,584			168,258	668,265
Fidelity ZU46			152,798			153,780			153,750			140,949	601,277
Taplin ZU84			228,218			231,147			231,206			234,609	925,180
Mackay Shields ZU59			175,084			181,652			187,020			190,977	734,733
Brown Bros.TIPS ZU69			<u>114,026</u>			<u>114,761</u>			<u>115,120</u>			<u>118,062</u>	461,969
			836,300			848,589			853,679			852,855	3,391,424
INT'L EQUITIES													
The Boston Co ZU77			0			0			0			0	0
Mondrian ZU67			0			0			0			0	0
Goldman Sachs Asset ZU25			0			0			0			0	0
SSgA MSCI ACWI ZU08			<u>151,078</u>			<u>164,663</u>			<u>166,370</u>			<u>171,116</u>	653,228
	0		151,078	0		164,663			166,370			171,116	653,228
REAL ESTATE													
L & B Real Estate ZU79	135,186	0	86,931	127,607	357,152	979,695	147,277	12,834	191,583	115,161	156,582	83,933	2,393,943
ALTERNATIVE INVESTMENTS													
Other Alt Inv Mgmt F ZU32	1,521,813	3,248	346,100	285,070	201,766	86,901	464,640	356,076	223,158	832,452	67,024	241,555	4,629,803
SUB TOTAL-INV MGMT FEES													
	1,656,999	3,248	1,803,562	412,677	558,919	2,509,480	611,917	368,910	1,895,895	947,613	223,606	1,822,462	12,679,804
PROFESSIONAL FEES													
Legal	11,405	1,415	1,350	1,013	639	788	2,316	2,316	2,316	2,025	555	788	26,926
St St Bank Custodial	62,022	61,219	62,196	65,675	64,092	64,122	61,466	62,286	64,367	62,730	62,422	61,306	753,903
Pacific Corp Group/C ZU76		84,375	0	0	84,375	0	0	84,375	0	114,291		75,000	442,416
PCA/Russell	29,792	13,125	74,629	13,125	13,125	90,729	13,125	13,125	96,784	13,125	13,125	122,125	505,936
Townsend	0	0	<u>35,625</u>	0	0	<u>35,625</u>	0	0	<u>35,625</u>	0	0	<u>35,625</u>	142,500
	103,220	160,134	173,801	79,812	162,231	191,263	76,907	162,103	199,092	192,172	76,102	294,844	1,871,681
OPERATING EXPENSE													
Retirement Transfers	264,911	439,143	641,931	665,657	385,417	690,850	332,707	349,925	428,804	736,997	549,152	1,208,349	6,693,844
Other Expense	<u>12,500</u>	0	<u>5,700</u>	0	0	<u>11,950</u>	<u>11,250</u>	<u>5,700</u>	<u>11,650</u>	0	<u>5,700</u>	0	64,450
	277,411	439,143	647,631	665,657	385,417	702,800	343,957	355,625	440,454	736,997	554,852	1,208,349	6,758,294
TOTAL:	2,037,629	602,525	2,624,994	1,158,146	1,106,567	3,403,543	1,032,782	886,637	2,535,442	1,876,782	854,561	3,325,655	21,309,779

Note: Numbers in bold are actual.

FISCAL YEAR 2012

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

ACCRUAL BASIS

	Projected Jul 11	Projected Aug	Projected Sept	Projected Oct	Projected Nov	Projected Dec	Projected Jan 12	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected June	Projected TOTAL
EQUITIES													
SSG Russell 1000/S& ZU14			50,000			44,945			48,108			100,000	243,053
SSGA Russell 2000 ZU06			35,000			34,921			34,573			35,000	
Shott Capital ZU49			2,000			1,110			1,782			2,000	6,892
Wellington Tech Eq ZU04			<u>350,000</u>			<u>348,655</u>			<u>376,641</u>			<u>350,000</u>	1,425,296
			437,000			429,631			461,104			487,000	1,675,241
FIXED INCOME													
Brown Bros. ZU44			166,174			167,249			166,584			167,000	667,007
Fidelity ZU46			152,798			153,780			153,750			155,000	615,328
Taplin ZU84			228,218			231,147			231,206			230,000	920,571
Mackay Shields ZU59			175,084			181,652			187,020			185,000	728,756
Brown Bros.TIPS ZU69			<u>114,026</u>			<u>114,761</u>			<u>115,120</u>			<u>115,000</u>	458,907
			836,300			848,589			853,679			852,000	3,390,569
INT'L EQUITIES													
The Boston Co ZU77			0			0			0			0	0
Mondrian ZU67			0			0			0			0	0
Goldman Sachs Asset ZU25			0			0			0			0	0
SSGA MSCI ACWI ZU08			<u>165,000</u>			<u>164,663</u>			<u>166,370</u>			<u>165,000</u>	661,034
	0		165,000	0		164,663			166,370			165,000	661,034
REAL ESTATE													
L & B Real Estate ZU79	154,773	121,712	86,931	127,607	357,152	979,695	147,277	12,834	191,583	115,161	156,582	83,933	2,535,242
ALTERNATIVE INVESTMENTS													
Other Alt Inv Mgmt F ZU32	712,239	61,130	346,100	285,070	201,766	86,901	464,640	356,076	223,158	832,452	67,024	241,555	3,878,112
SUB TOTAL-INV MGMT FEES													
	867,012	182,843	1,871,331	412,677	558,919	2,509,480	611,917	368,910	1,895,895	947,613	223,606	1,829,488	12,140,197
PROFESSIONAL FEES													
Legal	958	1,415	1,350	1,013	639	788	2,316	2,316	2,316	2,025	555	788	16,478
St St Bank Custodial	62,022	61,219	62,196	65,675	64,092	64,122	61,466	62,286	64,367	62,730	62,422	61,306	753,903
Pacific Corp Group/C ZU76	37,500	84,375	0	0	84,375	0	0	84,375	0	114,291	0	75,000	479,916
PCA/Russell	13,125	13,125	74,629	13,125	13,125	90,729	13,125	13,125	96,784	13,125	13,125	122,125	489,270
Townsend	<u>0</u>	<u>0</u>	<u>35,625</u>	<u>0</u>	<u>0</u>	<u>35,625</u>	<u>0</u>	<u>0</u>	<u>35,625</u>	<u>0</u>	<u>0</u>	<u>35,625</u>	142,500
	113,605	160,134	173,801	79,812	162,231	191,263	76,907	162,103	199,092	192,172	76,102	294,844	1,882,066
OPERATING EXPENSE													
Retirement Transfers	50,535	638,586	641,931	665,657	385,417	690,850	332,707	349,925	428,804	736,997	549,152	827,323	6,297,885
Other Expense	12,500	<u>0</u>	<u>5,700</u>	<u>0</u>	<u>0</u>	<u>11,950</u>	<u>11,250</u>	<u>5,700</u>	<u>11,650</u>	<u>0</u>	<u>5,700</u>	<u>5,400</u>	69,850
	63,035	638,586	647,631	665,657	385,417	702,800	343,957	355,625	440,454	736,997	554,852	832,723	6,367,735
TOTAL:	1,043,652	981,563	2,692,763	1,158,146	1,106,567	3,403,543	1,032,782	886,637	2,535,442	1,876,782	854,561	2,957,055	20,389,999

Note: Numbers in bold are actual.

State of Rhode Island Alternative Investments Unfunded Commitment
August 2011

<u>Partnership Investment</u>	<u>Total Commitment</u>	<u>ERSRI Remaining Commitment</u>
Alta BioPharma Partners III	\$ 15,000,000.00	\$ 750,000.00
Alta Partners VIII	\$ 15,000,000.00	\$ 4,500,000.00
Aurora Equity Partners II**	\$ 15,000,000.00	\$ -
Aurora Equity Partners III**	\$ 15,000,000.00	\$ 835,850.00
Avenue Special Situations Fund III	\$ 15,000,000.00	\$ -
Avenue Special Situations Fund IV	\$ 20,000,000.00	\$ -
Avenue V	\$ 20,000,000.00	\$ -
Bain X	\$ 25,000,000.00	\$ 10,312,500.00
Birch Hill Equity Partners III*	\$ 18,401,148.00	\$ 650,315.00
Castile III	\$ 5,000,000.00	\$ 1,025,000.00
Centerbridge	\$ 15,000,000.00	\$ 1,585,831.00
Charterhouse Capital Partners VIII*	\$ 21,701,385.00	\$ 3,468,993.00
Coller International Capital IV**	\$ 15,000,000.00	\$ 2,100,000.00
Coller International Capital V	\$ 15,000,000.00	\$ 3,772,500.00
Constellation III	\$ 15,000,000.00	\$ 4,070,965.00
CVC European Equity Partners III	\$ 20,000,000.00	\$ 899,966.00
CVC European Equity Partners IV*	\$ 23,871,523.50	\$ 2,932,489.00
CVC V	\$ 28,935,180.00	\$ 13,636,719.00
Fenway Partners Capital Fund II	\$ 15,000,000.00	\$ 182,176.00
Fenway III	\$ 15,000,000.00	\$ 766,471.00
First Reserve Fund X	\$ 20,000,000.00	\$ 1.00
First Reserve Fund XI	\$ 20,000,000.00	\$ 4,536,675.00
Focus Ventures III	\$ 15,000,000.00	\$ 375,000.00
Granite Global Ventures II	\$ 15,000,000.00	\$ 675,000.00
Granite Global Ventures III	\$ 15,000,000.00	\$ 1,125,000.00
Green Equity Investors V	\$ 20,000,000.00	\$ 5,898,007.00
Harvest Partners III	\$ 15,000,000.00	\$ 357,289.00
Kayne Anderson Energy Fund III	\$ 15,000,000.00	\$ 631,224.00
Kayne Anderson Energy Fund IV	\$ 15,000,000.00	\$ 4,050,000.00
Leapfrog Ventures II	\$ 10,000,000.00	\$ 910,000.00
Leeds Weld Equity Partners IV	\$ 10,000,000.00	\$ 14,335.00
Lighthouse Capital Partners V	\$ 11,250,000.00	\$ 787,500.00
Lighthouse Capital Partners VI	\$ 15,000,000.00	\$ 2,475,000.00
LNK Partners	\$ 12,500,000.00	\$ 1,014,229.00
Matlin Patterson Glob. Opp. Fund (CSFB)	\$ 15,000,000.00	\$ -
MHR Institutional Partners III	\$ 20,000,000.00	\$ 6,213,305.00
Nautic Partners V	\$ 20,000,000.00	\$ 655,589.00
Nautic Partners VI	\$ 20,000,000.00	\$ 6,783,251.00
Nordic Capital Fund III*	\$ 12,626,640.00	\$ 205,828.00
Nordic Capital Fund V*	\$ 21,145,178.50	\$ -
Nordic Capital Fund VI*	\$ 21,701,385.00	\$ 1,013,138.00
Nordic VII	\$ 21,701,385.00	\$ 8,193,894.00

State of Rhode Island Alternative Investments Unfunded Commitment
August 2011

OCM Opportunities Fund II	\$	12,000,000.00	\$	-
Palladin III	\$	10,000,000.00	\$	3,787,321.00
Parthenon Investors	\$	15,000,000.00	\$	-
Parthenon Investors II		\$23,960,000	\$	1,953,022.00
Perseus VII	\$	15,000,000.00	\$	1,906,983.00
Point 406	\$	10,000,000.00	\$	2,950,000.00
Point Judith II	\$	5,000,000.00	\$	1,210,639.00
Providence Equity Partners III	\$	15,000,000.00	\$	1,938,956.00
Providence Equity Partners IV	\$	25,000,000.00	\$	1,955,211.00
Providence Equity Partners V	\$	25,000,000.00	\$	2,206,778.00
Providence Equity Partners VI	\$	25,000,000.00	\$	6,544,208.00
SKM Equity Fund II**	\$	10,000,000.00	\$	1,735,947.00
Thomas McNerney & Partners	\$	15,000,000.00	\$	975,000.00
Thomas McNerney & Partners II	\$	15,000,000.00	\$	4,875,000.00
TPG Partners II	\$	10,000,000.00	\$	308,515.00
TPG Partners IV	\$	15,000,000.00	\$	1,003,317.00
TPG Partners V	\$	20,000,000.00	\$	3,247,487.00
TPG VI	\$	10,000,000.00	\$	4,822,397.00
Trilantic IV	\$	11,098,351.00	\$	3,562,355.00
VS&A Communication Partners III	\$	15,000,000.00	\$	-
W Capital Partners	\$	15,000,000.00	\$	880,500.00
W Capital Partners II	\$	15,000,000.00	\$	4,354,416.00
Washington & Congress Capital Partners**	\$	15,000,000.00	\$	305,637.00
Wellspring Capital Partners III	\$	20,000,000.00	\$	58,611.00
Wellspring Capital Partners IV	\$	20,000,000.00	\$	375,761.00
WLR	\$	8,000,000.00	\$	3,350,092.00
Total Alternative Investments	\$	1,103,892,176.00	\$	151,712,193.00

*transactions occur in foreign currence

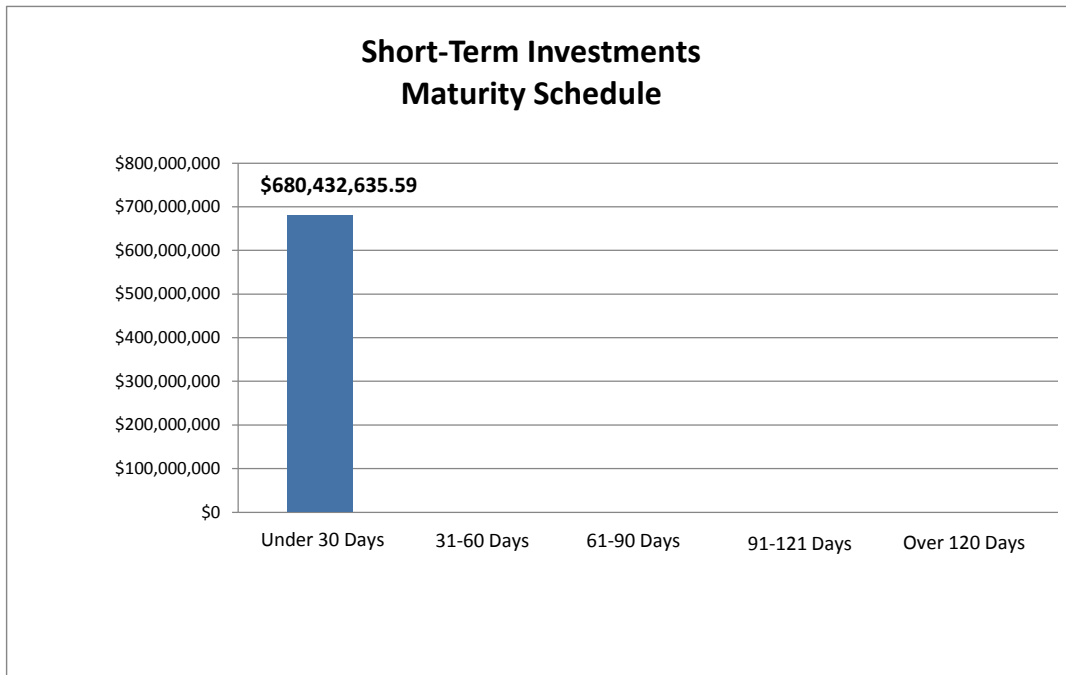
** fees NOT affecting unfunded commitment

State of Rhode Island Real Estate Investment Unfunded Commitment
August 2011

<u>Real Estate Partnership Investment</u>			<u>ERSRI Remaining Commitment</u>
AEW	\$	35,000,000.00	\$ 0.40
Fillmore East Fund I	\$	10,000,000.00	\$ 0.08
Fremont Strategic Property Partners II	\$	15,000,000.00	\$ 1,873,108.00
GMAC/Capmark/TRECAP	\$	15,000,000.00	\$ 2,155,117.00
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
Magna Hotel	\$	4,000,000.00	\$ 2,034,081.00
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	\$ -
RREEF America REIT II Fund	\$	35,000,000.00	\$ -
Starwood Hospitality Fund I	\$	10,000,000.00	\$ -
TA Realty Fund VIII	\$	15,000,000.00	\$ -
Tri Continental Fund VII	\$	15,000,000.00	\$ 428,467.00
Walton Street Real Estate Fund V	\$	20,000,000.00	\$ -
Westbrook Real Estate Fund VI	\$	15,000,000.00	\$ 79,399.00
Westbrook Real Estate Fund VII	\$	15,000,000.00	\$ 1,500,000.00
	\$	389,000,000.00	\$ 8,468,110.05

SHORT TERM INVESTMENTS

Short-Term Investment Maturity Schedule & SIC Compliance Report at August 31, 2011



Vendor	CP	CD	Agency	Money Mkt	PIP	Repo	GID	Total (\$)
Guidelines-Total/Vendor	25%/10%	50%/20%	75%/35%	75%/35%	75%/35%	100%/20%	75%/35%	
Bank RI	0	15,000,000	0	0	0	0	0	15,000,000
	0%	3%	0%	0%	0%	0%	0%	3.11%
Sovereign Bank	0	0	0	0	168,958,250	0	0	168,958,250
	0%	0%	0%	0%	35%	0%	0%	35.01%
JP Morgan Chase	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0.00%
Federated Investors	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0.00%
Fidelity	0	0	0	81,141,808	0	0	0	81,141,808
	0%	0%	0%	17%	0%	0%	0%	16.81%
BlackRock	0	0	0	50,364,704	0	0	0	50,364,704
	0%	0%	0%	10%	0%	0%	0%	10.44%
Wells Fargo	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0.00%
Citizens Bank	0	0	0	0	31,601,767	0	0	31,601,767
	0%	0%	0%	0%	7%	0%	0%	6.55%
Webster Bank	0	0	0	0	110,502,729	0	0	110,502,729
	0%	0%	0%	0%	23%	0%	0%	22.90%
Oppenheimer Inc	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0.00%
Washington Trust	0	25,073,853	0	0	0	0	0	25,073,853
	0%	5%	0%	0%	0%	0%	0%	5.20%
TOTALS	-	40,073,853.29	-	131,506,512.60	311,062,746.62	-	-	482,643,113
(%) PORTFOLIO	0.00%	8.30%	0.00%	27.25%	64.45%	0.00%	0.00%	100.00%

Note: PIP + CD must be under 75%.

Actual PIP + CD: 72.75%

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

State of Rhode Island
Short Term Cash Monthly Performance
Performance for
August 01, 2011 to August 31, 2011

Fund Name	Beginning Balance	Ending Balance	Average Daily Balance	Earnings	Yield(Annual)
GENERAL FUND	\$ 128,241,717.24	\$ 148,580,756.23	\$ 113,648,168.85	\$ 39,038.99	0.4045%
H.A.V.A	\$ 294.17	\$ 294.19	\$ 294.17	\$ 0.02	0.0801%
GENERAL FUND (HIST PRES)	\$ 535,896.83	\$ 535,937.79	\$ 535,896.83	\$ 40.96	0.0900%
HIGHWAY FUND	\$ 17,316,814.93	\$ 12,618,053.17	\$ 15,094,234.29	\$ 1,238.24	0.0966%
T.D.I. RESERVE (DET)	\$ 75,576,243.57	\$ 100,884,875.12	\$ 101,740,759.70	\$ 8,631.55	0.0999%
EMPLOYER PENSION CONTRIBUTION	\$ -	\$ -	\$ -	\$ -	-
RICAP GL FUND 21	\$ 122,876,127.28	\$ 128,700,646.86	\$ 119,753,546.63	\$ 24,519.58	0.2411%
BOND CAPITAL FUND	\$ 9,083.32	\$ 9,084.57	\$ 9,083.32	\$ 1.25	0.1620%
R.I. CLEAN WATER ACT	\$ 305,209.32	\$ 305,232.65	\$ 305,209.32	\$ 23.33	0.0900%
STATE LOTTERY FUND	\$ 46,137,756.63	\$ 46,643,822.12	\$ 42,999,046.95	\$ 6,065.49	0.1661%
ASSESSED FRINGE BEN ADM	\$ 3,006,708.45	\$ 1,506,831.02	\$ 1,603,482.64	\$ 122.57	0.0900%
AUTO EQUIPMENT SERVICE	\$ 899.83	\$ 899.90	\$ 899.83	\$ 0.07	0.0916%
HEALTH INSURANCE FUND	\$ 25,217,035.61	\$ 24,618,146.11	\$ 26,297,680.77	\$ 1,110.50	0.0497%
FLEET REVOLVING LOAN FUND	\$ 1,000,251.90	\$ 800,320.97	\$ 903,477.71	\$ 69.07	0.0900%
EMPLOYEES RETIREMENT	\$ 1,647,283.37	\$ 802,063.80	\$ 15,915,025.31	\$ 4,780.43	0.3537%
MUNICIPAL EMPLOYEES RET.	\$ 314,130.05	\$ 314,728.34	\$ 3,152,839.73	\$ 598.29	0.2234%
RETIREE HEALTH FUND	\$ 1,368,066.36	\$ 1,908,164.69	\$ 1,286,421.20	\$ 98.33	0.0900%
BOG RETIREE FUND	\$ 293,823.90	\$ 535,856.93	\$ 432,114.22	\$ 33.03	0.0900%
RIPTA HEALTH FUND	\$ 2,149,344.86	\$ 2,139,480.14	\$ 1,769,828.73	\$ 135.28	0.0900%
PERMANENT SCHOOL FUND	\$ 1,429,720.98	\$ 1,429,830.26	\$ 1,429,720.98	\$ 109.28	0.0900%
TEACHER RETIREE HEALTH FUND	\$ 2,535,039.91	\$ 2,403,213.07	\$ 2,265,459.26	\$ 173.16	0.0900%
UNIVERSITY COLLEGE	\$ 300,750.37	\$ 2,250,978.38	\$ 2,983,008.43	\$ 228.01	0.0900%
HIGHER EDUCATION	\$ 104,593.29	\$ 604,629.64	\$ 475,561.03	\$ 36.35	0.0900%
INDUS. BLDG. & MTG. INS.	\$ 3,644,443.70	\$ 3,644,722.27	\$ 3,644,443.70	\$ 278.57	0.0900%
Operating Funds Totals	\$ 434,011,235.87	\$ 481,238,568.22	\$ 456,246,203.60	\$ 87,332.35	0.225%
G.O. NOTE 1991 SER. B	\$ -	\$ -	\$ -	\$ -	-
CCDL1993A	\$ 7,385.31	\$ 7,385.31	\$ 7,385.28	\$ 0.06	0.0096%
BOND CCDL 1994 SERIES A	\$ 15,000.13	\$ 15,000.13	\$ 15,000.07	\$ 0.13	0.0102%
BOND CCBL96A	\$ -	\$ -	\$ -	\$ -	-
CAP DEV OF 1997 SERIES A	\$ 41,012.69	\$ 41,012.69	\$ 41,012.52	\$ 0.35	0.0100%
CCDL1998A	\$ 1,695,847.87	\$ 1,695,848.17	\$ 1,695,840.90	\$ 14.71	0.0102%
CCDL 1998B	\$ -	\$ -	\$ -	\$ -	-
MMG099 1999	\$ -	\$ -	\$ -	\$ -	-
BOND CAPITOL CCDL2000A	\$ 102,385.03	\$ 102,385.05	\$ 102,384.61	\$ 0.89	0.0102%
MULTI-MODAL GEN OBL 2000	\$ -	\$ -	\$ -	\$ -	-
CCDL2001C	\$ 201,328.58	\$ 201,328.62	\$ 201,327.75	\$ 1.75	0.0102%
CCDL2002B	\$ -	\$ -	\$ -	\$ -	-
CCDL 2004 SERIES A	\$ 3,068,710.52	\$ 3,068,711.03	\$ 3,068,697.89	\$ 26.62	0.0102%
BOND CCDL 2005 SERIES C	\$ 8,400,238.57	\$ 8,400,238.62	\$ 8,400,203.34	\$ 72.86	0.0102%
BOND CCDL 2005 SERIES E	\$ 1,047,498.24	\$ 1,047,498.40	\$ 1,047,493.92	\$ 9.09	0.0102%
BOND CCDL 2006 SERIES B	\$ -	\$ -	\$ -	\$ -	-
BOND CCDL 2006 SERIES C	\$ 4,565,713.40	\$ 4,565,700.47	\$ 4,565,687.98	\$ 39.60	0.0102%
GO BND-NTAX 2007 SERIES A	\$ 6,358,391.87	\$ 6,358,392.84	\$ 6,358,365.65	\$ 55.15	0.0102%
GO BND-TAX 2007 SERIES B	\$ -	\$ -	\$ -	\$ -	-
GO BND-NTAX 2008 SERIES B	\$ 1,596,321.46	\$ 1,596,321.75	\$ 1,596,314.90	\$ 13.85	0.0102%
GO BND-TAX 2008 SERIES C	\$ -	\$ -	\$ -	\$ -	-
CCDL10B BOND CAPITAL COMPONENT	\$ 13,418,135.06	\$ 13,418,127.06	\$ 13,418,074.87	\$ 116.39	0.0102%
CCDL10C	\$ 13,343,079.31	\$ 10,869,566.48	\$ 11,732,204.31	\$ 102.06	0.0102%
CCDL10D	\$ 103,938.62	\$ 103,916.84	\$ 103,927.65	\$ 0.90	0.0102%
CLEAN WATER CCDL 1998B	\$ -	\$ -	\$ -	\$ -	-
CLEAN WATER CCDL 1994 (A)	\$ -	\$ -	\$ -	\$ -	-
CAP DEV. OF 1997 SERIES A	\$ -	\$ -	\$ -	\$ -	-
CLEAN WATER CCDL 2002 B	\$ -	\$ -	\$ -	\$ -	-
CLEAN WATER 2004 SERIES A	\$ 225,921.67	\$ 225,921.71	\$ 225,920.74	\$ 1.96	0.0102%
CLN WATER CCDL 2005 SER E	\$ -	\$ -	\$ -	\$ -	-
CAP DEV. OF 1997 SERIES A	\$ -	\$ -	\$ -	\$ -	-
RI POLLUT. CONT 94 SER. A	\$ -	\$ -	\$ -	\$ -	-
CCDL99A 1999A	\$ 233,212.11	\$ 233,212.15	\$ -	\$ 2.02	0.0102%
POL. CTRL CCDL 2006 SER C	\$ -	\$ -	\$ -	\$ -	-
CLEAN WATER 2007 SERIES A	\$ 283,254.47	\$ 283,254.52	\$ -	\$ 2.46	0.0102%
RI POLLUTION CONTROL 2008 B	\$ -	\$ -	\$ -	\$ -	-
CCDL10B CLEAN WATER COMPONENT	\$ 54,378.59	\$ 54,378.60	\$ -	\$ 0.47	0.0102%
Bond Proceeds Fund Totals	\$ 54,761,753.50	\$ 52,288,200.44	\$ 52,579,842.38	\$ 461.32	0.010%
TANS PROCEEDS	\$ -	\$ -	\$ -	\$ -	-
Grand Totals	\$ 488,772,989.37	\$ 533,526,768.66	\$ 508,826,045.98	\$ 87,793.67	0.201%