

**STATE OF RHODE ISLAND  
INVESTMENT COMMISSION MEETING**

**DATA AT  
February 29, 2012**

**March 28, 2012  
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, March 28, 2012 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 February 27, 2012 \*
4. Alternative Consultant— Hedge Fund Monitoring Presentation
5. General Consultant Update — Fixed Income Review
6. Real Estate Consultant — Work Plan
7. Legal Counsel Report
8. Chief Investment Officer Report
9. Treasurer's Report

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

**POSTED ON FRIDAY, MARCH 23, 2012**

# APPROVAL OF MINUTES



**State Investment Commission**  
**Monthly Meeting Minutes**  
**Wednesday, February 27, 2012**  
**9:00 a.m.**  
**Room 135, State House**

The Monthly Meeting of the State Investment Commission (SIC) was called to order at 9:04 a.m., Wednesday, February 27, 2012 in Room 135, State House.

## **I. Roll Call of Members**

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

Also in attendance: Ms. Sally Dowling and Alison Albanese, of Adler Pollock, & Sheehan, Mr. Joe Rodio Jr. and Mr. Joseph Pezze, of Rodio & Ursillo Legal Counsel to the Commission; Mr. Alan Emkin and Mr. John Burns, of Pension Consulting Alliance (PCA), General Policy Consultant to the Commission; Mr. Thomas Lynch of Cliffwater, Alternative Investment Consultant to the Commission; Ms. Lisa Tyrell and Mr. Nick Katsikis, of State Street Corporation; Mr. Frank Picarelli of Segal Advisors; Mr. Kenneth Goodreau, chief investment officer, members of the Governor's staff, members of the media and members of the Treasurer's staff.

Treasurer Raimondo called the meeting to order at 9:04 a.m.

## **II. Approval of Minutes**

On a motion by Mr. Costello and seconded by Ms. Booth Gallogly, it was unanimously **VOTED: To approve the draft of the minutes of the January 25, 2012 meeting of the State Investment Commission.**

## **III. Cliffwater Presentation**

Mr. Lynch introduced Centerbridge and pointed out they are currently a general partner with Rhode Island through their capital fund. He introduced their second strategy, Centerbridge Special Credit partners II which takes non-controlled positions, undervalued credits and companies in financial distress and adds value by improving the company's balance sheet. Mr. Jeffrey Aronson co-founder of Centerbridge introduced himself via telephone. He provided some background about Centerbridge as a firm on page two of the handout. The first fund is private equity focused and the second fund is distressed credit, two counter-cyclical funds. He differentiated it from a private equity strategy. The returns for their first credit fund through December 31, 2011 was a net IRR of 17.4%.

Mr. Aronson described the distressed environment at a macro level. He explained there are a number of good distressed opportunities in certain areas in Europe in particular and the United States as well. Like the last distressed fund, the portfolio will have more U.S. exposure.

He explained the fund has a \$2B hard-cap and the closing is March 1<sup>st</sup> 2012.

Mr. Lynch reviewed Cliffwater's investment and operations due diligence as well as the legal review of Centerbridge. Cliffwater recommends a \$25M investment because it is a highly sought after vehicle. He explained this is a top manager and a shorter-duration strategy with a higher level of cash flow than a typical private equity investment.

Treasurer Raimondo mentioned she knew a number of investors trying to get into the fund who can't and Mr. Reilly added the fee structure is favorable.

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

**VOTED: To invest \$25 million in Centerbridge Special Credit Partners II subject to negotiation and finalization of documentation after legal counsel review. Ms. Booth Gallogly recused.**

#### **IV. TIAA CREFF Presentation**

Ed Moslander, Darren Lopes, Tim Walsh and Roger Ferguson from TIAA-CREF entered the room. Mr. Moslander outlined the Treasurer's goals for the plan which are affordability, sustainability and secure retirement for the employees. He explained how TIAA plans to meet these objectives. He explained they are committed to Rhode Island and have over 300 employers which use TIAA as their retirement plan provider. Should they win the mandate TIAA will open an office in Rhode Island. TIAA is a U.S. based non-profit and all the money made beyond expenses benefits the participants in the plan. Mr. Moslander described their history of administering plans since 1919. They currently have the highest financial ratings an insurance company can have from all four major ratings agencies, one of only three in the country and the sole leader in the government space. He explained they provide fiduciary level advice for every employee at no additional charge. Mr. Moslander reviewed the fees and services. There will be over 50 financial consultants on the ground in Rhode Island during the transition to ensure the participants understand changes to the program.

Mr. Lopes discussed TIAA's communication, education and advice programs. He reiterated they will provide fiduciary advice to ensure the employees make sound investment decisions. He reviewed the discovery and planning, announcement, education and evaluation stages. He added TIAA will provide over 250 employees for about 200 seminars, 90 webinars and over 100 counseling desk sessions.

Mr. Walsh reviewed the investment portion of the presentation and explained TIAA offers access to over 15,000 investment options, with innovative asset allocation solutions and unique asset class strategies. He reviewed the default vehicle lineup TIAA recommends initially. He explained the board is able to add and eliminate fund options at any time.

Ms. Booth Gallogly and Mr. Costello asked about portability of the plan. Mr. Reilly asked about technology platforms and Treasurer Raimondo asked about the performance metrics and reiterated retirement readiness should be included.

Mr. Ferguson concluded the presentation, TIAA answered more questions and the TIAA team exited the boardroom.

#### **V. Great-West Presentation**

Greg Seller, Brent Neese and Amy Heyel from Great-West entered the room. Mr. Seller gave an overview of the company and explained their large number of state plans assets' under management across the country and in New England. Their main call center is in Andover, MA with local dedicated staff. Mr. Seller reviewed white label custom funds and future opportunities in that space. He explained their national disaster recovery system and their performance guarantee program. He unveiled the stable value investment services and their cost proposal. Ms. Heyel reviewed the active and passive target date plan investment strategies with an average cost of 45 and 22 basis points respectively. She also reviewed recommendations for default options and explained the participant advisory services.

Ms. Booth Gallogly asked if the retirement ready report card included the defined benefit and Ms. Heyel said yes, it could.

Mr. Neese reviewed Great West's SecureFoundation® program protecting plan members from longevity, market, sequencing and inflationary risk. He then reviewed the communication, branding and educational plans.

Ms. McNamara and Mr. Giudici asked what fiduciary responsibilities Great-West assumes and Mr. Seller answered they do provide advice for a fee.

The Great-West team answered a few more questions and then exited the room.

## **VI. Defined Contribution Provider Selection**

Mr. Mark Dingley, legal counsel to the Treasurer's office, provided a detailed rubric-based analysis of the site visit to Great-West and TIAA-CREF. He noted while Great-West has more state-level experience, they mostly manage 457 deferred compensation programs, not 401-A plans. Mr. Picarelli reiterated there is a big difference between the two because one is supplemental and one if for retirement.

Mr. Dingley continued to explain TIAA's fee structure is less per member and they have no additional charge for advice.

Mr. Costello reiterated TIAA takes full fiduciary responsibility, while Great-West does not except for their managed accounts. This to him was a big differentiator and other members of the board agreed.

Treasurer Raimondo reiterated TIAA is a AAA rated company has a long history paying benefits where Great-West is AA. Treasurer Raimondo believes this is a big differentiator.

Mr. Reilly provided commentary on if companies are incentivized to offer their own products and Mr. Dingley explained with the open platform the board has full authority to choose any fund.

Mr. Andrew Raucci, Treasury staff spoke about payroll and online capabilities and informed the committee TIAA recently made an acquisition to further improve these processes.

Ms. Reback explained the leadership of the public sector labor community who represents the participants in the plan supports choosing TIAA.

Mr. Costello applauded the process and due diligence efforts and explained we had two reputable choices.

Mr. Picarelli offered his opinion. After further discussion the presenters recommended the board choose TIAA-CREF as the defined contribution plan service provider.

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

**VOTED: To engage TIAA-CREF as the defined contribution vendor provider subject to successful negotiations, legal agreements and completion of reference checks.**

## **VII. General Consultant Presentation**

Mr. Emkin gave a brief presentation on fixed income and interest rate risk.

Treasurer Raimondo asked PCA to come to the next meeting with an in-depth presentation on the magnitude of our risk and lead a discussion about potential solutions. She explained this is particularly important because fixed income is such a large part of our portfolio and by definition should be a reliable income stream. She stressed this portion of the portfolio has to perform well to get a targeted 7.5% average rate of return.

Mr. Goodreau explained PCA and Treasury staff is currently conducting performance review meetings with all fixed income managers.

## **VIII. Legal Counsel Report**

There was no legal report.

## **X. Chief Investment Officer Report**

Ms. Reback expressed concern regarding the \$8/person state administrative expense, and Mr. Dingley explained the Treasurer's administration is pushing for the fee to come out of the general fund especially while assets in the defined contribution plan are low initially, but that it is a legislative process and has not been finalized.

Mr. Vincent Izzo, Rhode Island's cash manager made a point of clarification about the Ocean State Investment Pool (OSIP) regarding fund manager notification when the fund exceeds 25% financials.

Mr. Goodreau stated Treasury released a RFI for rebalancing managers which yielded 23 responses.

## **XI. Treasurer's Report**

Treasurer Raimondo had no report.

## **XII. Adjournment**

There being no other business to come before the Board, on a motion by Mr. Costello and seconded by Ms. Booth Gallogly the meeting adjourned at 12:30 p.m.

Respectfully submitted,

**Gina M. Raimondo**  
General Treasurer



# STAFF SUMMARY

RHODE ISLAND STATE INVESTMENT COMMISSION  
STAFF SUMMARY ANALYSIS  
PORTFOLIO HIGHLIGHTS  
February 29, 2012

**PORTFOLIO PERFORMANCE**

**February**

The ERSRI portfolio posted a 2.51% gain for the month of February, against the policy index of 3.04%. Global Equities gained 4.11%, the Fixed Income asset class returned 0.84%, and the Real Return class returned 0.27%. If we factor out PE & RE investments, due to the way they are monitored, the plan performance was 2.74% against its 2.95% index.

**Calendar Year to Date**

For the two months ending February 29, 2012, the portfolio is up 5.86% against the policy index of 6.79%. Global Equities were up 9.47%, fixed income returned 2.45%, while Real return generated a return of 2.27%.

**Fiscal Year to Date**

For the Fiscal Year ended June 30, 2012, the fund has gained 2.05%, against the policy index of 3.16%.

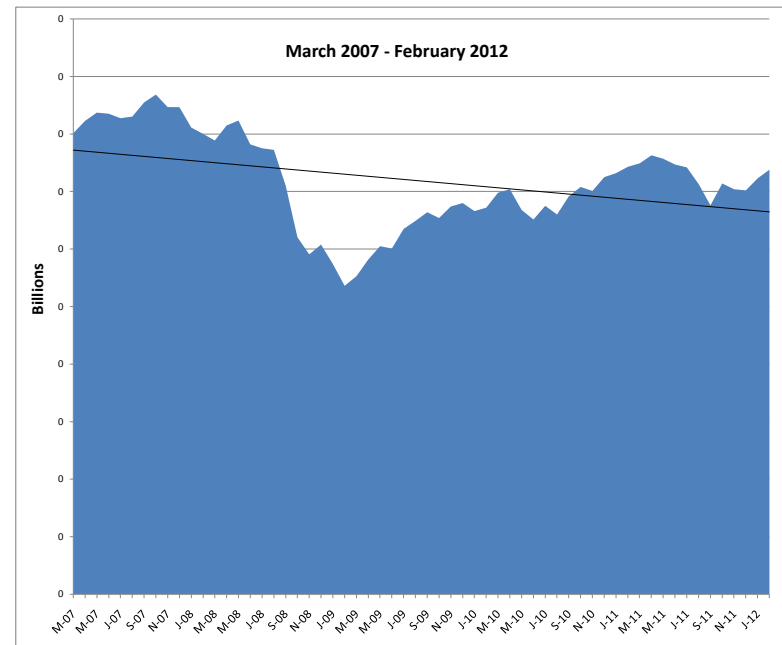
Index Performance Summary - February 29, 2012		
Market Indices	Feb-12	Calendar YTD
<b><u>Global Equity</u></b>		
S & P 500	4.32%	9.00%
MSCI AC World	5.03%	11.14%
Russell 2000	2.39%	9.63%
MSCI ACWI ex US	5.62%	12.78%
Policy Index	2.95%	6.81%
<b><u>Fixed Income</u></b>		
BC AGG	-0.02%	0.85%
HFRI Fund Wgt Com	1.67%	3.56%
<b><u>Real Return</u></b>		
CPI +4%	0.77%	1.54%

ERSRI Performance By Asset Class	Feb-12	Calendar YTD
Global Equity	4.11%	9.47%
Fixed Income	0.84%	2.45%
Real Return	0.27%	2.27%
<b>Total Fund Composite*</b>	<b>2.74%</b>	<b>6.53%</b>
Manager Summary	Feb-12	CYTD
<b><u>GLOBAL EQUITY</u></b>		
Shott	0.00%	0.00%
SSgA S&P 500	4.33%	9.02%
Russell Overlay	0.05%	0.11%
Wellington Technical Eq	3.68%	6.24%
Russell 2000 Index	2.40%	9.64%
MSCI Ex US Index Fund	5.60%	12.75%
Global Equity Hedge Funds	1.31%	2.81%
<b>Total Global Equity</b>	<b>4.11%</b>	<b>9.47%</b>
<b><u>FIXED INCOME</u></b>		
Brown Bros Core	0.67%	2.57%
Fidelity	0.39%	0.99%
Taplin Canida & Habacht	0.91%	2.95%
Fixed Income Cash Acct	0.00%	0.00%
Mackay Shield	2.04%	4.35%
Alternative Fixed Income	-0.11%	-0.59%
<b>Total Fixed Income</b>	<b>0.84%</b>	<b>2.45%</b>
<b><u>Real Return</u></b>		
Brown Bros TIPS	-0.19%	1.98%
Alternative Absolute Return	0.67%	2.52%
<b>Total Real Return</b>	<b>0.27%</b>	<b>2.27%</b>
*Total Fund Composite includes all classes ex PE & RE		

**Market Valuation Report  
February 29, 2012**

**Market Values**

The total portfolio value increased in February by \$152.0 million to \$7.38 billion. This compares with an increase in value of \$114.4 million for the same period in 2011. The Global Equity Market values increased by \$152 million, including transfers in of \$0.2 million; Fixed Income increased by \$11.1 million, including transfers out of \$0.00 million; The Cash Accounts decreased by \$19.4 million including transfers out of \$20.1 million, and Alternative Investments decreased by \$2.6 million, including transfers in of \$9.4 million. The Real Return Pool increased by \$2.1 million including transfers in of \$0.0 million. The overlay account increased by \$3.7 million, including transfers out of \$0.0 million.



### Cash Flow

February's pension payroll of \$76.4 million was greater than the \$49.3 million in contributions and wire transfers received by \$27.1 million.

To meet pension and other obligations, a transfer from long-term investments of \$29.8 million was necessary.

### Alternative Investments

At this time the alternative investment asset class has unfunded commitments of approximately \$163.3 million on commitments of \$1,085 million.

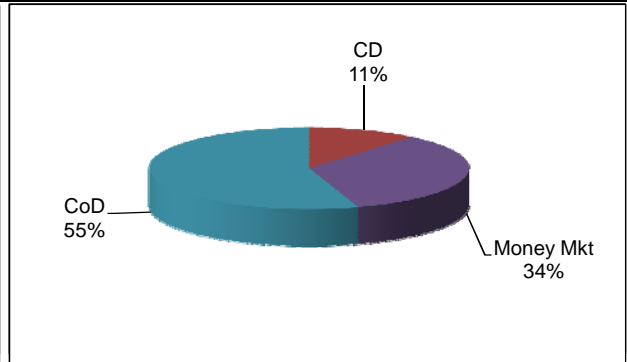
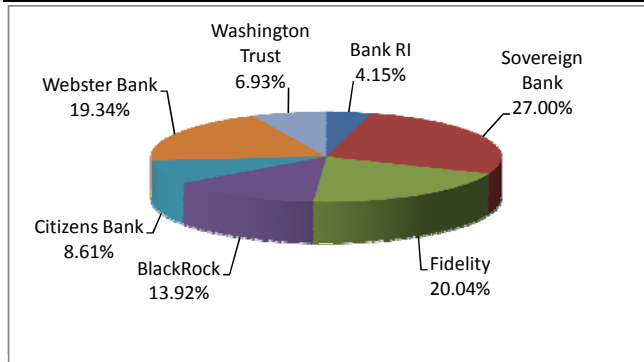
#### **CAPITAL CALLS Net of Distributions**

February 2012	FYTD	UNFUNDED BALANCE
-\$9,537,021	-\$44,354,443	\$ 163,306,094
February 2011	FYTD	UNFUNDED BALANCE
-\$20,925,019	-\$74,713,629	\$181,364,945

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

**Issuer Credit Ratings  
February 29, 2012**

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	Moody's	S&P		
Bank RI	3,4	3.44%			N/R			N/R			
Sovereign Bank	3,4	34.97%	A2	P-1	A-1	A2	A			Negative	
JP Morgan Chase	2,3,5	0.00%	Aa1	P-1	A-1	Aa1	A+			Stable	
Federated	6	0.00%			N/R			N/R		N/R	
Fidelity	6	16.59%			N/R			N/R		N/R	
BlackRock Inc.	6	11.52%	A1	P-1	A-1	A1	A+			Stable	
State Street Bank & Trust Company	1,3	0.00%	Aa2	P-1	A-1+	Aa2	AA-			Negative	
RBS Citizens	3,4	7.26%	A2	P-1	A-1	A2	A			Stable	
Webster Bank	3,4	20.48%	A3	P-2	A-2	A3	BBB			Stable	
Oppenheimer	5	0.00%				B2	B+			Stable	
Washington Trust	3,7	5.74%			N/R			N/R		N/R	
Merrill Lynch	2,5,6	0.00%	Baa1	P-2	A-2	Baa1	A-			Negative	
Morgan Stanley	1,2,5	0.00%	A2	P-1	A-2	A2	A-			Negative	



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

**Moody's Long-Term Debt Ratings:**

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

**Modifiers:**

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

**S&P Short - Term Credit Ratings:**

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

**Modifiers:**

+ or - show relative standing within the category.

**S&P Outlook Definitions:**

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

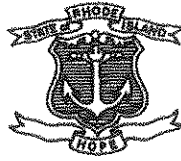
**S&P Long-Term Debt Ratings:**

**AAA** - Highest rating, extremely strong  
**AA** - Differs slightly from highest rating, very strong  
**A** - 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.

# PERFORMANCE



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

**Gina M. Raimondo**  
General Treasurer

March 23, 2012

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 February 29, 2012.

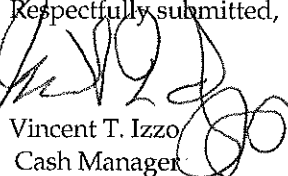
**Employees' Retirement System of Rhode Island**  
**Composite Reporting Investment Valuation**

February 29, 2012

<b>Asset Class</b>	
Cash/Short Term Investments	358,652,291
Global Equities	3,957,351,543
<i>Fixed Income - Government</i>	\$659,709,684
<i>Fixed Income - Corporate</i>	\$732,544,202
<i>Fixed Income - In State</i>	<u>\$0</u>
Total Fixed Income	1,392,253,886
Real Return	812,953,247
Alternative Investments	592,427,223
Real Estate	<u>267,310,821</u>
<b>Total Fund Investments</b>	<b>7,380,949,012</b>
<b>Plan Allocation</b>	
State Employees & Teachers	82.43% 6,083,895,100
Municipal Employees	15.96% 1,177,678,863
State Police	1.06% 78,375,338
Judicial	0.56% <u>40,999,710</u>
<b>Total Fund Investments</b>	<b>100.00% 7,380,949,012</b>

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 T. Izzo  
Cash Manager

**State of Rhode Island**  
**Summary of Performance**  
PERIODS ENDING December 31, 2011

	MKT VAL	% of FUND	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	ITD	Incept Date
<b>GLOBAL EQUITY FUNDS</b>												
<b>Index</b>												
SSGA S&P 500 INDEX FUND S&P 500	1,624,625,113	22.0	4.3 4.3	10.1 10.1	9.0 9.0	5.2 5.1	25.6 25.6	1.7 1.6			2.1	11/01/2006
<b>Index</b>												
MSCI ACWI EX US INDEX FUND MSCI AC WORLD ex US (NET)	1,246,124,856	15.7	5.6 5.6	11.5 11.5	12.8 12.8	-5.9 -6.1					15.8	05/01/2009
<b>Index</b>												
RUSSELL 2000 INDEX FUND RUSSELL 2000	559,993,276	7.6	2.4 0.7	10.4 15.5	9.6 -4.2	-0.1 -4.2					21.3	05/01/2009
<b>Alternative</b>												
ALTERNATIVE EQUITY HFRX EQUITY HEDGE	388,672,380	5.4	1.3 1.4	2.8 2.6	2.8 3.5						2.0	11/01/2011
<b>Active Core</b>												
WELLINGTON TECHNICAL EQUITY RUSSELL 3000	144,160,706	2.0	3.7 4.2	4.2 10.4	6.2 9.5	-14.4 4.5	6.0 26.5				0.0	08/01/2007
<b>TOTAL GLOBAL EQUITY</b>	<b>3,974,506,721</b>	<b>53.9</b>	<b>4.1</b>	<b>9.7</b>	<b>9.5</b>	<b>-1.1</b>	<b>23.7</b>	<b>0.7</b>	<b>4.3</b>	<b>5.8</b>	<b>2.1</b>	<b>07/01/2000</b>
<b>MSCI AC WORLD (NET)</b>			<b>5.0</b>	<b>10.9</b>	<b>11.1</b>	<b>-1.5</b>	<b>23.7</b>	<b>0.1</b>	<b>4.2</b>	<b>5.7</b>		
<b>GLOBAL FIXED INCOME</b>												
<b>Core</b>												
BROWN BROTHERS HARRIMAN - CORE CITIGROUP BIG	395,632,139	5.4	0.7 0.0	3.8 1.9	2.6 0.8	9.3 8.4	7.8 7.1	5.8 6.5	5.4 5.9	5.8 5.8		03/01/1990
<b>Mortgage</b>												
PYRAMIS GLOBAL ADVISORS BC MBS	407,012,581	5.5	0.4 0.1	1.7 1.2	1.0 0.5	7.2 6.4	7.4 5.7	6.1 6.4	5.8 5.9	5.8 5.5		10/01/1989
<b>Corporates</b>												
TAPLIN, CANIDA & HABACHT BC CREDIT	402,259,449	5.5	0.9 0.8	5.2 4.9	2.9 2.9	9.5 10.4	14.7 12.6	6.0 7.0	5.6 6.1	6.4 6.5		04/01/1996
<b>High Yield</b>												
MACKAY SHIELDS, LLC CSFB GLOBAL HIGH YIELD	190,936,762	2.6	1.9 2.3	6.4 7.6	4.3 5.0	7.9 7.2	20.6 23.5	7.0 7.6	7.3 7.6		11.3	10/01/2002
<b>Other</b>												
FIXED INCOME CASH ACCOUNT	0	0.0										04/01/2007
<b>Alternative</b>												
ALTERNATIVE FIXED INCOME HFRJ FOF: Conservative Index	89,026,370	1.2	-0.1 2.5	-1.1 3.4	-0.6 3.8						-1.1	
<b>TOTAL FIXED INCOME</b>	<b>1,484,867,302</b>	<b>20.1</b>	<b>0.8</b>	<b>3.5</b>	<b>2.2</b>	<b>6.9</b>	<b>9.2</b>	<b>5.9</b>	<b>5.5</b>	<b>6.1</b>		<b>12/01/1992</b>
<b>BC AGGREGATE</b>			<b>0.0</b>	<b>2.0</b>	<b>0.9</b>	<b>8.4</b>	<b>7.5</b>	<b>6.4</b>	<b>5.7</b>	<b>5.7</b>		
<b>REAL RETURN POOL</b>												
<b>TIPS</b>												
BROWN BROTHERS HARRIMAN - TIPS BC GLOBAL INFLATION LINKED: U.S. TIPS	369,523,376	5.0	-0.2 -0.3	2.1 2.0	2.0 2.0	14.9 14.6	11.2 11.2	8.1 7.9	6.7 6.5		6.9	06/01/2004
<b>Alternative</b>												
ALTERNATIVE ABSOLUTE RETURN HFRJ Fund Weighted Composite Index	421,255,950	5.7	0.7 2.1	2.5 4.5	2.5 5.0						3.0	11/01/2011
<b>TOTAL ALTERNATIVE ABSOLUTE RETURN</b>	<b>790,779,326</b>	<b>10.7</b>	<b>0.3</b>	<b>2.3</b>	<b>2.3</b>	<b>15.1</b>					<b>9.6</b>	<b>11/01/2009</b>
<b>CPI + 4%</b>			<b>0.8</b>	<b>1.6</b>	<b>1.5</b>	<b>7.0</b>						
<b>ALTERNATIVE INVESTMENTS</b>												
REAL ESTATE NCREIF PROPERTY INDEX QTR LAG	267,311,359	3.6	0.5 0.0	3.1 3.3	0.7 0.0	15.1 16.1	-7.9 -1.5	-2.7 3.4	-1.6 7.5		-1.6	
PRIVATE EQUITY S&P 500 PLUS 300 BP	592,513,567	8.0	0.9 4.6	-2.8 10.9	1.0 9.5	12.5 8.3	8.8 29.3	5.7 4.6	10.2 7.1	9.5 7.3		01/01/1989
<b>TOTAL ALTERNATIVE INVESTMENTS</b>	<b>859,824,926</b>	<b>11.7</b>	<b>0.8</b>	<b>-1.0</b>	<b>0.9</b>	<b>13.4</b>	<b>3.5</b>	<b>3.2</b>	<b>7.6</b>	<b>7.6</b>	<b>8.1</b>	<b>04/01/1996</b>
<b>TOTAL PLAN ALTERNATIVES BENCHMARK</b>			<b>2.7</b>	<b>7.9</b>	<b>5.7</b>	<b>11.8</b>	<b>16.6</b>	<b>4.7</b>	<b>7.7</b>	<b>7.9</b>		
<b>RE-BALANCING</b>												
RUSSELL IMPLEMENTATION SERVICES	81,162,787	1.1	0.1	0.1	0.1	0.6	0.4				-0.2	09/01/2008
<b>OTHER</b>												
CASH ACCOUNT (INSIDE)	185,619,058	2.5										07/01/2000
CASH ACCOUNT (OUTSIDE)	2,446,965	0.0										07/01/2000
OTHER*		46.2										
<b>TOTAL PLAN</b>	<b>7,380,949,012</b>	<b>100.0</b>	<b>2.5</b>	<b>6.0</b>	<b>5.8</b>	<b>4.1</b>	<b>16.9</b>	<b>2.3</b>	<b>5.0</b>	<b>6.3</b>		<b>01/01/1984</b>
<b>TOTAL PLAN BENCHMARK**</b>			<b>3.0</b>	<b>7.2</b>	<b>6.8</b>	<b>4.8</b>	<b>18.4</b>	<b>2.5</b>	<b>5.1</b>	<b>6.2</b>		

\* Includes Schott Capital, SSGA Transition Account, Goldman Sachs and Tax Reclaims

\*\* Effective 1/1/12: 52.0% MSCI ACWI / 20.0% BC AGG / 11.0% CPI + 4% / 7.5% S&P 500 + 3% / 5.0% NCREIF PROPERTY LAGG / 4.5% 91 DAY T-BILL





Fund	Mkt Value <sup>1</sup>	Actual %	Returns <sup>1</sup>							Ann Std Dev	Sharpe Ratio	Incep. Date
			Feb	YTD	FYTD	1 Year	3 Year	5 Year	Incep			
<b>Fixed Income</b>												
Capula Global Relative Value Fund Ltd	49,318,463	55.4%	-0.31%	-1.13%	-	-	-	-	-1.36%	1.09%	-	Dec-11
Gracie Credit Opportunities Fund LP	39,707,920	44.6%	-0.02%	0.36%	-	-	-	-	-0.73%	2.63%	-	Dec-11
<b>Total Fixed Income</b>	<b>89,026,382</b>	<b>100.0%</b>	<b>-0.18%</b>	<b>-0.47%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1.09%</b>	<b>0.79%</b>	<b>-</b>	<b>Dec-11</b>
Barclays Aggregate Bond Index			-0.02%	0.86%	-	-	-	-	1.97%	2.06%	-	Dec-11
<b>Global Equities</b>												
Ascend Partners Fund II	60,252,974	13.0%	0.68%	1.03%	-	-	-	-	0.42%	1.83%	-	Nov-11
Davidson Kempner Institutional Partners LP	61,406,619	13.3%	0.92%	2.01%	-	-	-	-	2.34%	1.76%	-	Nov-11
Elliott Associates, LP	60,911,929	13.2%	1.50%	3.43%	-	-	-	-	1.52%	5.57%	-	Nov-11
Indus Asia Pacific Fund LP	42,782,719	9.3%	4.40%	6.96%	-	-	-	-	6.96%	4.78%	-	Jan-12
Mason Capital Ltd	60,425,618	13.1%	0.90%	0.71%	-	-	-	-	0.71%	2.68%	-	Jan-12
Samlyn LP	62,849,563	13.6%	1.04%	4.75%	-	-	-	-	4.75%	6.44%	-	Jan-12
Third Point Qualified LP	52,084,560	11.3%	0.90%	4.17%	-	-	-	-	4.17%	5.73%	-	Jan-12
Viking Global Equities LP	61,752,013	13.4%	1.40%	3.07%	-	-	-	-	2.92%	3.35%	-	Dec-11
<b>Total Global Equities</b>	<b>462,465,995</b>	<b>100.0%</b>	<b>1.35%</b>	<b>3.09%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.21%</b>	<b>4.09%</b>	<b>-</b>	<b>Nov-11</b>
MSCI AC World Index Free - Net			5.03%	11.13%	-	-	-	-	7.60%	14.61%	-	Nov-11
Russell 3000 Index (DRI)			4.23%	9.49%	-	-	-	-	10.09%	8.94%	-	Nov-11
HFRI Equity Hedge (Total) Index			2.99%	6.93%	-	-	-	-	3.80%	9.96%	-	Nov-11
<b>Absolute Return</b>												
BlueCrest Capital LP	20,319,766	5.7%	0.64%	1.60%	-	-	-	-	1.60%	0.76%	-	Jan-12
Brevan Howard LP	76,632,461	21.4%	0.20%	1.05%	-	-	-	-	2.18%	2.92%	-	Nov-11
DE Shaw Composite International Fund	51,566,153	14.4%	1.00%	2.81%	-	-	-	-	3.13%	2.90%	-	Nov-11
Graham Discretionary 6V Fund	50,864,689	14.2%	0.95%	1.73%	-	-	-	-	1.73%	0.44%	-	Jan-12
OZ Domestic Fund II LP	77,062,229	21.5%	1.58%	3.31%	-	-	-	-	2.75%	4.01%	-	Nov-11
Wexford Spectrum Fund LP	51,625,977	14.4%	0.24%	3.25%	-	-	-	-	3.25%	6.76%	-	Jan-12
Winton Futures Fund Ltd	30,335,165	8.5%	-0.82%	-0.20%	-	-	-	-	1.12%	3.77%	-	Dec-11
<b>Total Absolute Return</b>	<b>358,406,441</b>	<b>100.0%</b>	<b>0.66%</b>	<b>2.12%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.59%</b>	<b>1.99%</b>	<b>-</b>	<b>Nov-11</b>
ML 3-month T-Bills			0.00%	0.00%	-	-	-	-	0.00%	0.01%	-	Nov-11
HFRI Fund of Funds Composite Index			1.97%	3.83%	-	-	-	-	2.24%	5.37%	-	Nov-11
<b>Market Indices</b>												
3 Month Libor Rate			0.04%	0.09%	-	-	-	-	0.18%	0.01%	-	Nov-11
Barclays Aggregate Bond Index			-0.02%	0.86%	-	-	-	-	1.88%	2.12%	-	Nov-11
Barclays High Yield Credit Bond Index			2.37%	5.48%	-	-	-	-	5.95%	8.45%	-	Nov-11
S&P 500 TR			4.32%	9.00%	-	-	-	-	9.87%	8.19%	-	Nov-11
MSCI EAFE - Net			5.74%	11.38%	-	-	-	-	4.97%	17.76%	-	Nov-11
MSCI EMF (Emerging Markets Free) - Net			5.99%	18.01%	-	-	-	-	8.81%	27.42%	-	Nov-11

# State of Rhode Island

TOTAL PLAN

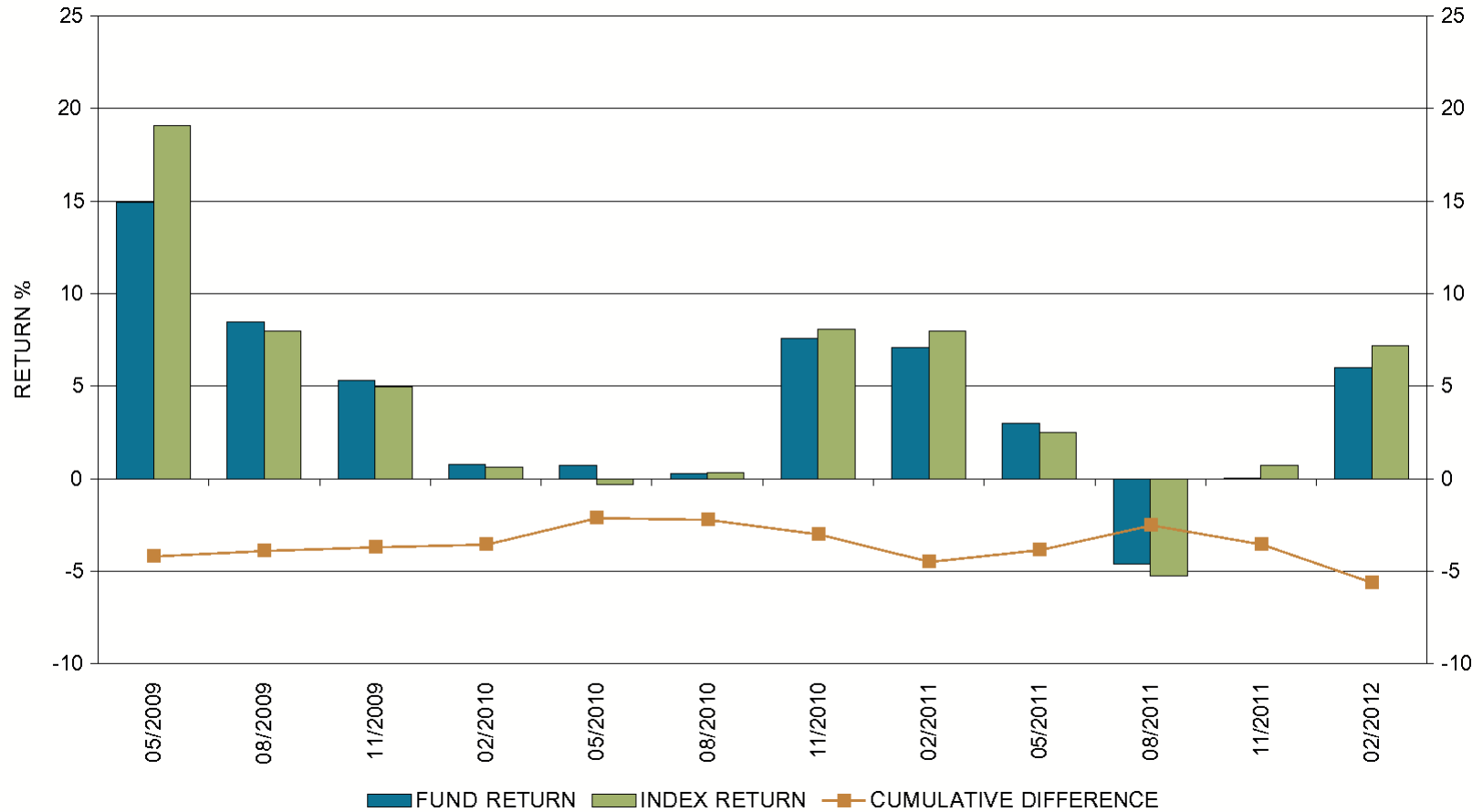
Index: TOTAL PLAN BENCHMARK

PERIODS: February 28, 2009 - February 29, 2012



STATE STREET

## CUMULATIVE PERFORMANCE REPORT



# State of Rhode Island

TOTAL PLAN

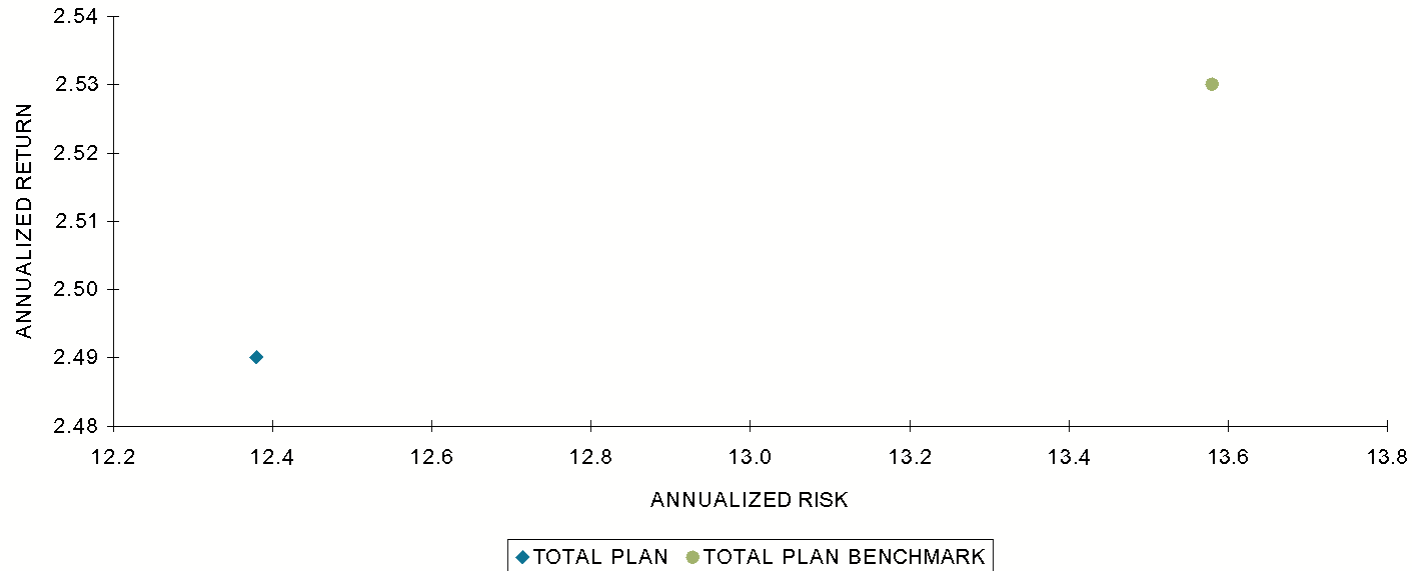
Benchmark: TOTAL PLAN BENCHMARK

February 28, 2007 - February 29, 2012



STATE STREET

## RISK VS. RETURN



### RISK INFORMATION

Portfolio Return	2.49
Benchmark Return	2.53
Return Differences	-0.04
Portfolio Standard Deviation	12.38
Benchmark Standard	13.58
Tracking Error	1.92

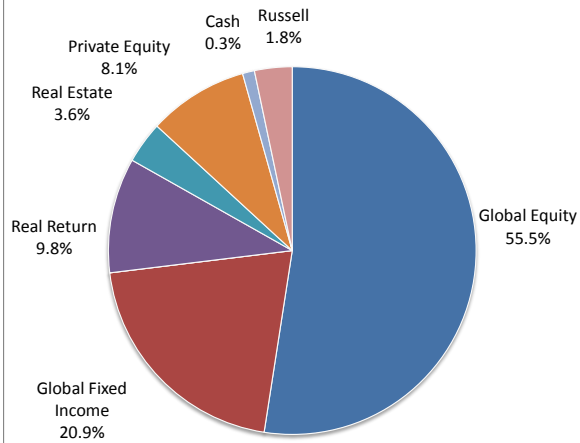
### RISK STATISTICS

Historic Beta	0.91
R-squared	0.99
Jensen's Alpha	0.07
Sharpe Ratio	0.09
Treynor Ratio	1.28
Information Ratio	-0.02

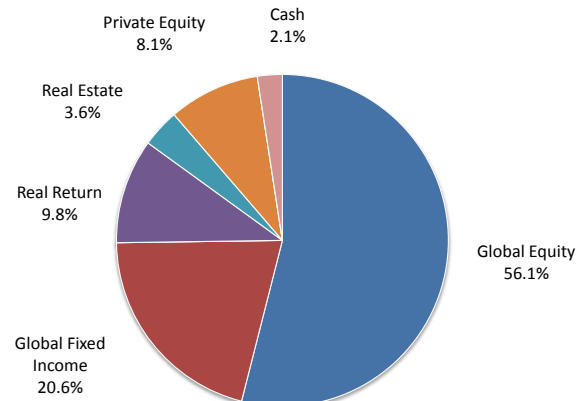
# ASSET ALLOCATION

**State of Rhode Island**  
 Asset Allocation  
 PERIODS ENDING February 29, 2012

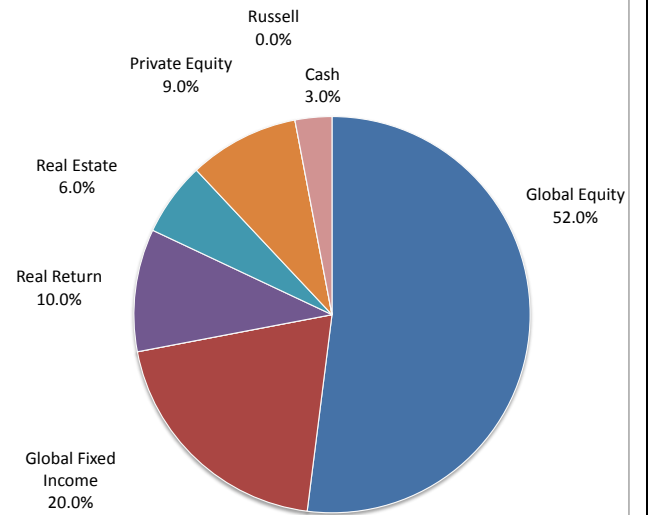
**Physical Allocation**



**Notional Allocation**



**Policy Allocation**

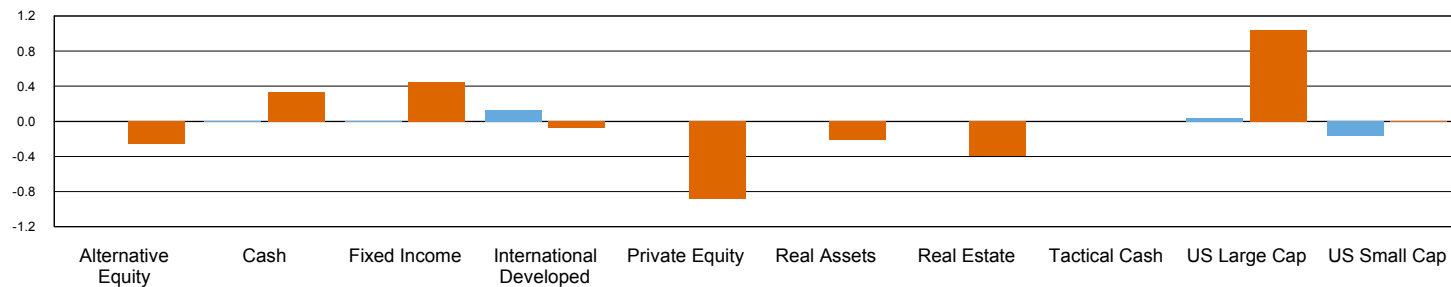


\* Difference in actual investment allocation versus target allocation policy is offset by the notional overlay provided by the Russell Implementation account.

# Asset Summary

Asset Class	Physical Exposure		Synthetic Exposure		Net Position		Overlay Target		Policy Target	
	Value	%	Value	%	Value	%	Value	%	Value	%
<b>Total Market Value</b>	<b>7,363.0</b>	<b>100.0%</b>	<b>0.0</b>	<b>0.0%</b>	<b>7,363.0</b>	<b>100.0%</b>	<b>7,363.0</b>	<b>100.0%</b>	<b>7,363.0</b>	<b>100.00%</b>
<b>Cash</b>	<b>24.8</b>	<b>0.3%</b>	<b>-23.1</b>	<b>-0.3%</b>	<b>1.6</b>	<b>0.0%</b>	<b>2.5</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.00%</b>
Cash	24.8	0.3%	-23.1	-0.3%	1.6	0.0%	2.5	0.0%	0.0	0.00%
<b>Equity</b>	<b>4,684.3</b>	<b>63.6%</b>	<b>45.7</b>	<b>0.6%</b>	<b>4,730.0</b>	<b>64.2%</b>	<b>4,729.5</b>	<b>64.2%</b>	<b>4,697.6</b>	<b>63.80%</b>
Private Equity	597.4	8.1%	0.0	0.0%	597.4	8.1%	597.4	8.1%	662.7	9.00%
US Small Cap	560.0	7.6%	6.1	0.1%	566.1	7.7%	578.2	7.9%	559.6	7.60%
US Large Cap	1,770.1	24.0%	-17.4	-0.2%	1,752.7	23.8%	1,749.8	23.8%	1,693.5	23.00%
International Developed	1,246.0	16.9%	57.0	0.8%	1,303.1	17.7%	1,293.3	17.6%	1,251.7	17.00%
Alternative Equity	510.8	6.9%	0.0	0.0%	510.8	6.9%	510.8	6.9%	530.1	7.20%
<b>Fixed</b>	<b>1,535.2</b>	<b>20.9%</b>	<b>-22.6</b>	<b>-0.3%</b>	<b>1,512.7</b>	<b>20.5%</b>	<b>1,512.3</b>	<b>20.5%</b>	<b>1,502.1</b>	<b>20.40%</b>
Fixed Income	1,535.2	20.9%	-22.6	-0.3%	1,512.7	20.5%	1,512.3	20.5%	1,502.1	20.40%
<b>Other</b>	<b>1,118.8</b>	<b>15.2%</b>	<b>0.0</b>	<b>0.0%</b>	<b>1,118.8</b>	<b>15.2%</b>	<b>1,118.8</b>	<b>15.2%</b>	<b>1,163.4</b>	<b>15.80%</b>
Tactical Cash	132.5	1.8%	0.0	0.0%	132.5	1.8%	132.5	1.8%	132.5	1.80%
Real Estate	265.8	3.6%	0.0	0.0%	265.8	3.6%	265.8	3.6%	294.5	4.00%
Real Assets	720.4	9.8%	0.0	0.0%	720.4	9.8%	720.4	9.8%	736.3	10.00%

## Deviations from Target Allocation



# CASH FLOW



CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2012	FY 2011-12												TOTAL
	Actual July 2011	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2012	Actual February	Projected March	Projected April	Projected May	Projected June	
MEMBER BENEFITS	66,629,399	67,455,796	68,242,485	67,768,460	67,569,923	67,451,353	69,211,649	69,357,498	66,600,000	66,600,000	66,600,000	66,600,000	810,086,562
ADMINISTRATIVE EXPENSES	137,672	660,651	834,794	646,649	418,609	763,480	566,091	729,552	456,810	547,719	403,313	940,521	7,105,861
INVESTMENT EXPENSES	717,955	151,236	1,393,349	(942,146)	6,757	517,797	501,413	228,446	343,834	785,528	185,359	269,585	4,159,113
TOTAL OUTFLOW	67,485,026	68,267,682	70,470,628	67,472,964	67,995,288	68,732,630	70,279,153	70,315,496	67,400,644	67,933,247	67,188,673	67,810,106	821,351,536
CONTRIBUTIONS	50,400,487	28,659,530	38,949,761	38,118,149	49,232,033	41,087,919	49,365,444	44,163,220	42,493,720	40,290,401	47,251,676	42,317,939	512,330,279
OTHER INCOME*	358,170	6,622,689	5,032,088	7,603,294	8,542,405	10,450,579	4,447,436	6,041,223	9,058,026	726,971	6,582,306	6,199,804	71,664,993
TOTAL INCOME	50,758,657	35,282,219	43,981,849	45,721,443	57,774,438	51,538,498	53,812,880	50,204,443	51,551,746	41,017,372	53,833,982	48,517,743	583,995,272
DIFFERENCE	(16,726,369)	(32,985,463)	(26,488,779)	(21,751,521)	(10,220,850)	(17,194,131)	(16,466,272)	(20,111,053)	(15,848,898)	(26,915,875)	(13,354,690)	(19,292,363)	(237,356,264)

Municipal Employees Retirement System

	Actual July 2011	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2012	Actual February	Projected March	Projected April	Projected May	Projected June	TOTAL
MEMBER BENEFITS	6,376,800	6,376,540	6,540,992	6,548,529	6,500,108	6,562,384	6,678,650	6,831,263	6,400,000	6,400,000	6,400,000	6,400,000	78,015,266
ADMINISTRATIVE EXPENSES	26,076	125,842	159,526	124,054	80,412	147,098	109,377	141,222	86,146	103,274	76,046	178,003	1,357,076
INVESTMENT EXPENSES	135,986	28,808	266,264	(180,743)	1,298	99,763	96,880	44,221	64,841	148,113	34,950	51,022	791,402
TOTAL OUTFLOW	6,538,862	6,531,189	6,966,782	6,491,840	6,581,818	6,809,244	6,884,908	7,016,706	6,550,987	6,651,387	6,510,996	6,629,025	80,163,745
CONTRIBUTIONS	4,595,440	5,236,442	4,741,697	5,123,170	4,733,696	5,048,323	6,107,049	4,633,750	4,856,857	4,598,585	5,354,214	5,178,390	60,207,613
OTHER INCOME*	67,840	1,261,499	961,614	1,458,630	1,640,949	2,013,490	859,312	1,169,419	1,708,176	137,072	1,241,110	1,173,376	13,692,486
TOTAL INCOME	4,663,280	6,497,941	5,703,311	6,581,800	6,374,645	7,061,813	6,966,361	5,803,169	6,565,033	4,735,657	6,595,324	6,351,766	73,900,099
DIFFERENCE	(1,875,582)	(33,248)	(1,263,471)	89,960	(207,174)	252,568	81,453	(1,213,538)	14,046	(1,915,730)	84,328	(277,259)	(6,263,646)

CASH FLOW ANALYSIS - INCOME & EXPENSES

Judges/State Police  
Retirement System

	Actual July 2011	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2012	Actual February	Projected March	Projected April	Projected May	Projected June	TOTAL
MEMBER BENEFITS	135,664	135,664	135,514	135,664	131,160	145,521	148,374	163,937	136,000	136,000	136,000	136,000	1,675,498
ADMINISTRATIVE EXPENSES	2,506	12,228	15,613	12,266	8,002	14,735	11,012	14,315	8,060	9,742	7,174	17,027	132,681
INVESTMENT EXPENSES	13,071	2,799	26,059	(17,870)	129	9,993	9,754	4,482	6,067	13,972	3,297	4,881	76,635
TOTAL OUTFLOW	151,241	150,691	177,186	130,059	139,292	170,249	169,141	182,735	150,127	159,714	146,471	157,908	1,884,813
CONTRIBUTIONS	1,052,000	495,000	968,000	512,000	529,000	502,000	500,000	515,000	430,000	705,000	410,000	330,000	6,948,000
OTHER INCOME*	6,521	122,580	94,113	144,218	163,302	201,690	86,518	118,538	159,825	12,931	117,079	112,242	1,339,557
TOTAL INCOME	1,058,521	617,580	1,062,113	656,218	692,302	703,690	586,518	633,538	589,825	717,931	527,079	442,242	8,287,557
DIFFERENCE	907,279	466,889	884,927	526,159	553,010	533,441	417,378	450,803	439,698	558,216	380,608	284,334	6,402,743

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

FISCAL YEAR 2012

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

ACCRUAL BASIS

	Actual Jul 11	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Projected Dec	Projected Jan 12	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected June	Projected TOTAL
<b>EQUITIES</b>													
SSG Russell 1000/S& ZU14			43,236			40,866			48,108			100,000	232,210
SSGA Russell 2000 ZU06			30,210			28,140			34,573			35,000	621,398
Shott Capital ZU49			1,703			1,592			1,782			2,000	7,078
Wellington Tech Eq ZU04			<u>335,337</u>			<u>348,655</u>			<u>376,641</u>			<u>350,000</u>	1,410,633
			410,486			419,253			461,104			487,000	1,649,921
<b>FIXED INCOME</b>													
Brown Bros. ZU44			171,735			173,397			166,584			167,000	678,716
Fidelity ZU46			158,869			153,780			153,750			155,000	621,398
Taplin ZU84			239,702			244,821			231,206			230,000	945,728
Mackay Shields ZU59			189,045			190,881			187,020			185,000	751,946
Brown Bros.TIPS ZU69			<u>123,164</u>			<u>114,716</u>			<u>115,120</u>			<u>115,000</u>	468,000
			882,514			877,594			853,679			852,000	3,465,788
<b>INT'L EQUITIES</b>													
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>148,827</u>			<u>141,598</u>			<u>166,370</u>			<u>165,000</u>	621,794
	0		148,827	0		141,598			166,370			165,000	621,794
<b>REAL ESTATE</b>													
L & B Real Estate ZU79	154,773	121,712	84,071	121,725	0	84,071	126,079	230,671	191,583	115,161	156,582	83,933	1,470,363
<b>ALTERNATIVE INVESTMENTS</b>													
Other Alt Inv Mgmt F ZU32	712,239	61,130	1,601,601	(1,262,485)	8,184	543,482	481,969	46,479	223,158	832,452	67,024	241,555	3,556,788
<b>SUB TOTAL-INV MGMT FEES</b>													
	867,012	182,843	3,127,499	(1,140,759)	8,184	2,065,997	608,048	277,150	1,895,895	947,613	223,606	1,829,488	10,764,653
<b>PROFESSIONAL FEES</b>													
Legal	7,739	2,644	2,464	11,320	46,641	24,357	2,316	2,316	2,316	2,025	555	788	105,480
St St Bank Custodial	66,096	62,763	61,759	61,462	60,582	60,714	61,869	62,286	64,367	62,730	62,422	61,306	748,357
Pacific Corp Group/C ZU76	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	450,000
PCA/Russell	13,125	13,125	75,322	13,125	13,125	68,944	13,125	13,125	96,784	13,125	13,125	122,125	468,178
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
	124,460	116,032	212,670	123,408	157,848	227,140	114,811	115,228	236,592	115,381	113,602	257,344	1,914,515
<b>OPERATING EXPENSE</b>													
Retirement Transfers	50,535	638,586	830,432	405,345	478,315	383,396	560,824	764,161	428,804	736,997	549,152	827,323	6,653,870
Other Expense	<u>12,500</u>	0	<u>16,644</u>	0	<u>6,250</u>	<u>5,700</u>	<u>6,250</u>	<u>5,700</u>	<u>11,650</u>	0	<u>5,700</u>	<u>5,400</u>	75,794
	63,035	638,586	847,076	405,345	484,565	389,096	567,074	769,861	440,454	736,997	554,852	832,723	6,729,663
<b>TOTAL:</b>	1,054,507	937,461	4,187,245	(612,007)	650,597	2,682,233	1,289,932	#####	2,572,942	1,799,991	892,061	2,919,555	19,408,832

Note: Numbers in bold are actual.

State of Rhode Island Private Equity Unfunded Commitment  
February 2012

Partnership Investment	Total Commitment	ERSRI Unfunded (USD)
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 IV	\$ 20,000,000.00	-
Avenue V	\$ 20,000,000.00	-
Bain X	\$ 25,000,000.00	\$ 6,125,000.00
Birch Hill Equity Partners III*	\$ 18,057,780.00	\$ 600,375.91
Braemar Energy Ventures III	\$ 10,000,000.00	\$ 8,952,036.00
Castile III	\$ 5,000,000.00	\$ 800,000.00
Centerbridge	\$ 15,000,000.00	\$ 1,852,011.00
Charterhouse Capital Partners VIII*	\$ 20,145,045.00	\$ 2,864,251.32
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	\$ 1,500,843.15
CVC European Equity Partners III	\$ 20,000,000.00	\$ 899,966.00
CVC European Equity Partners IV*	\$ 22,159,549.50	\$ 2,722,181.76
CVC V	\$ 26,860,060.00	\$ 11,304,640.73
Fenway Partners Capital Fund II	\$ 15,000,000.00	\$ 234,106.00
Fenway III	\$ 15,000,000.00	\$ 221,906.00
First Reserve Fund X	\$ 20,000,000.00	\$ 1.00
First Reserve Fund XI	\$ 20,000,000.00	\$ 2,028,522.00
Focus Ventures III	\$ 15,000,000.00	-
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	\$ 5,557,973.00
Kayne Anderson Energy Fund III	\$ 15,000,000.00	\$ 70,811.00
Kayne Anderson Energy Fund IV	\$ 15,000,000.00	\$ 2,466,154.00
Leapfrog Ventures II	\$ 10,000,000.00	\$ 510,000.00
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	\$ 928,774.52
Matlin Patterson Glb. Opp. Fund (CSFB)	\$ 15,000,000.00	-
MHR Institutional Partners III	\$ 20,000,000.00	\$ 6,790,405.00
Nautic Partners V	\$ 20,000,000.00	\$ 655,589.00
Nautic Partners VI	\$ 20,000,000.00	\$ 4,359,892.77
Nordic Capital Fund III*	\$ 12,164,880.00	\$ 198,300.46
Nordic Capital Fund V*	\$ 19,628,727.50	-
Nordic Capital Fund VI*	\$ 20,145,045.00	\$ 7,992.39
Nordic VII	\$ 20,145,045.00	\$ 7,027,571.09
OCM Opportunities Fund II	\$ 12,000,000.00	-
Oaktree Capital Management Fund III	\$ 20,000,000.00	\$ 17,000,000.00

State of Rhode Island Private Equity Unfunded Commitment  
February 2012

Palladin III	\$	10,000,000.00	\$	3,149,434.00
Parthenon Investors II	\$	23,960,000.00	\$	1,953,022.00
Perseus VII	\$	15,000,000.00	\$	1,969,725.00
Point 406	\$	10,000,000.00	\$	2,570,000.00
Point Judith II	\$	5,000,000.00	\$	933,845.05
Providence Equity Partners III	\$	15,000,000.00	\$	1,938,956.00
Providence Equity Partners IV	\$	25,000,000.00	\$	1,976,684.00
Providence Equity Partners V	\$	25,000,000.00	\$	2,127,638.00
Providence Equity Partners VI	\$	25,000,000.00	\$	4,515,462.00
SKM Equity Fund II**	\$	10,000,000.00	\$	1,735,947.00
Summit Partners	\$	20,000,000.00	\$	16,300,000.00
Thomas McNerney & Partners	\$	15,000,000.00	\$	825,000.00
Thomas McNerney & Partners II	\$	15,000,000.00	\$	3,637,500.00
TPG Partners IV	\$	15,000,000.00	\$	1,085,376.00
TPG Partners V	\$	20,000,000.00	\$	2,911,139.00
TPG VI	\$	10,000,000.00	\$	4,270,209.00
Trilantic IV	\$	11,098,351.00	\$	2,230,293.79
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	\$	3,154,416.00
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	\$	295,761.00
WLR	\$	8,000,000.00	\$	1,766,449.00
			\$	-
<b>Total Alternative Investments</b>	\$	1,084,949,968.46	\$	163,306,093.94

\*Foreign currency

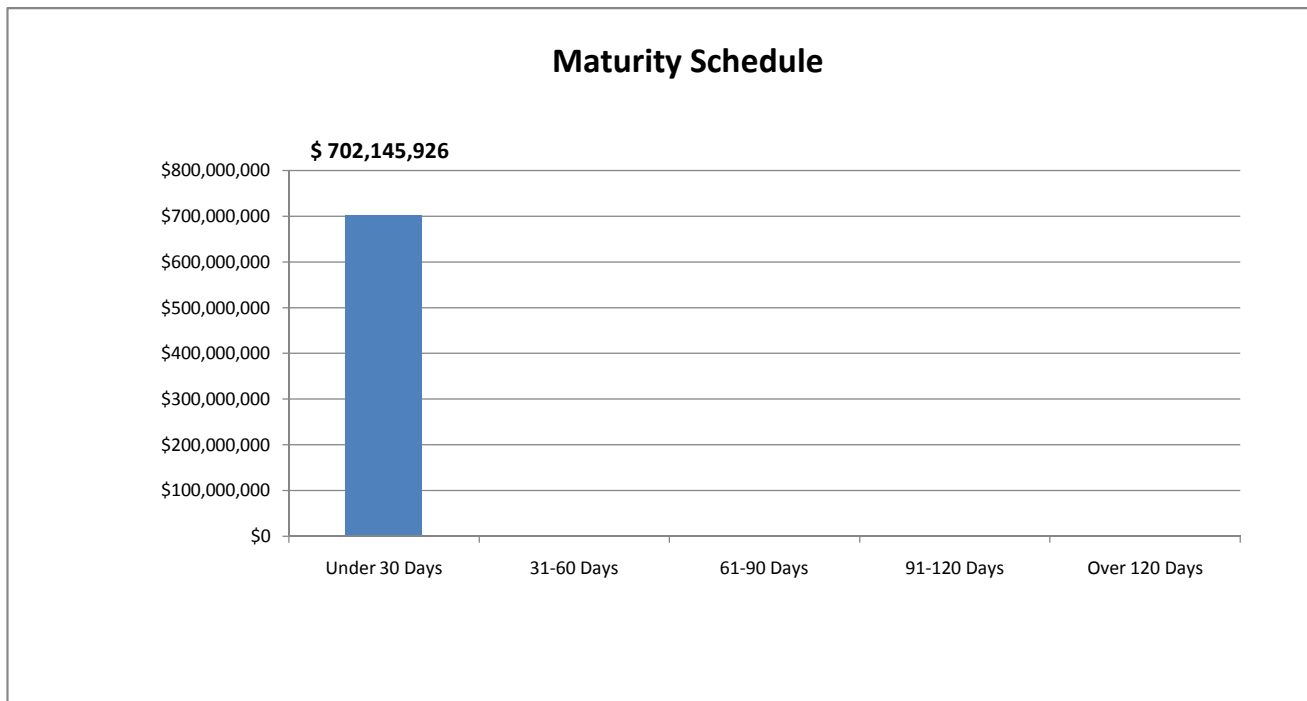
\*\* fees NOT affecting unfunded commitment

State of Rhode Island Real Estate Investment Unfunded Commitment  
February 2012

Real Estate Partnership Investment	Total Commitment	ERSRI Unfunded
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	\$ 1,605,323.00
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	\$ -
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
	\$ 354,000,000.00	\$ 8,039,352.05

# SHORT TERM INVESTMENTS

**Short-Term Investment Maturity Schedule & SIC Compliance Report at February 29, 2012**



Vendor	CP	CD	Agency	Money Mkt	PIP	Repo	GID	OSIP	Total (\$)
Guidelines-Total/Vendor	25%/10%	50%/20%	75%/35%	75%/35%	75%/35%	100%/20%	75%/35%	50%/50%	
OSIP	0	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
Bank RI	0	15,020,064	0	0	0	0	0	0	15,020,064
	0%	4%	0%	0%	0%	0%	0%	0%	4.15%
Sovereign Bank	0	0	0	0	97,743,727	0	0	0	97,743,727
	0%	0%	0%	0%	27%	0%	0%	0%	27.00%
JP Morgan Chase	0	0	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%	0%	0.00%
Fidelity	0	0	0	72,545,584	0	0	0	0	72,545,584
	0%	0%	0%	20%	0%	0%	0%	0%	20.04%
BlackRock	0	0	0	50,367,740	0	0	0	0	50,367,740
	0%	0%	0%	14%	0%	0%	0%	0%	13.92%
Wells Fargo	0	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
Citizens Bank	0	0	0	0	31,174,619	0	0	0	31,174,619
	0%	0%	0%	0%	9%	0%	0%	0%	8.61%
Webster Bank	0	0	0	0	70,011,278	0	0	0	70,011,278
	0%	0%	0%	0%	19%	0%	0%	0%	19.34%
Oppenheimer Inc	0	0	0	0	0	0	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0.00%
Washington Trust	0	25,100,774	0	0	0	0	0	0	25,100,774
	0%	7%	0%	0%	0%	0%	0%	0%	6.93%
<b>TOTALS</b>	-	<b>40,120,837.53</b>	-	<b>122,913,323.41</b>	<b>198,929,623.80</b>	-	-	-	<b>361,963,785</b>
<b>(%) PORTFOLIO</b>	<b>0.00%</b>	<b>11.08%</b>	<b>0.00%</b>	<b>33.96%</b>	<b>54.96%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>100.00%</b>

Note: PIP + CD must be under 75%.

Actual PIP + CD: 66.04%

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



**State of Rhode Island**  
**Short Term Cash Monthly Performance**  
**Performance for**  
**February 01, 2012 to February 29, 2012**

<b>Fund Name</b>	<b>Beginning Balance</b>	<b>Ending Balance</b>	<b>Average Daily Balance</b>	<b>Earnings</b>	<b>Yield(Annual)</b>
GENERAL FUND	\$ 175,123,591.58	\$ 77,963,955.89	\$ 115,954,626.07	\$ 40,364.31	0.4381%
H.A.V.A	\$ 294.29	\$ 294.31	\$ 294.29	\$ 0.02	0.0855%
GENERAL FUND (HIST PRES)	\$ 536,139.89	\$ 536,178.12	\$ 536,139.89	\$ 38.23	0.0897%
HIGHWAY FUND	\$ 12,323,043.77	\$ 13,423,907.86	\$ 11,471,319.63	\$ 864.09	0.0948%
T.D.I. RESERVE (DET)	\$ 79,041,709.97	\$ 97,549,218.76	\$ 95,817,572.04	\$ 7,508.79	0.0986%
EMPLOYER PENSION CONTRIBUTION	\$ -	\$ -	\$ -	\$ -	-
RICAP GL FUND 21	\$ 82,067,024.52	\$ 79,075,344.98	\$ 81,101,507.28	\$ 8,320.46	0.1291%
BOND CAPITAL FUND	\$ 2,360,766.13	\$ 1,461,116.20	\$ 1,922,835.10	\$ 350.07	0.2291%
R.I. CLEAN WATER ACT	\$ 3,572,415.70	\$ 3,572,670.45	\$ 3,572,415.70	\$ 254.75	0.0898%
STATE LOTTERY FUND	\$ 41,772,102.70	\$ 51,177,160.57	\$ 42,458,309.60	\$ 5,057.87	0.1499%
ASSESSED FRINGE BEN ADM	\$ 1,007,088.61	\$ 1,007,160.43	\$ 1,007,088.61	\$ 71.82	0.0898%
AUTO EQUIPMENT SERVICE	\$ 900.25	\$ 900.31	\$ 900.25	\$ 0.06	0.0839%
HEALTH INSURANCE FUND	\$ 22,222,706.33	\$ 19,223,364.92	\$ 21,239,947.71	\$ 658.59	0.0390%
FLEET REVOLVING LOAN FUND	\$ 500,551.85	\$ 500,587.55	\$ 500,551.85	\$ 35.70	0.0898%
EMPLOYEES RETIREMENT	\$ 777,120.63	\$ 483,587.27	\$ 22,528,844.77	\$ 6,466.64	0.3613%
MUNICIPAL EMPLOYEES RET.	\$ 206,948.24	\$ 557,321.70	\$ 2,050,051.69	\$ 373.46	0.2293%
RETIREE HEALTH FUND	\$ 2,008,941.07	\$ 2,209,126.62	\$ 2,602,044.52	\$ 185.55	0.0898%
BOG RETIREE FUND	\$ 173,962.58	\$ 173,974.99	\$ 173,962.58	\$ 12.41	0.0898%
RIPTA HEALTH FUND	\$ 664,933.46	\$ 664,980.88	\$ 664,933.46	\$ 47.42	0.0898%
PERMANENT SCHOOL FUND	\$ 1,430,369.46	\$ 1,430,471.46	\$ 1,430,369.46	\$ 102.00	0.0898%
TEACHER RETIREE HEALTH FUND	\$ 1,383,837.76	\$ 783,920.95	\$ 1,166,596.38	\$ 83.19	0.0898%
UNIVERSITY COLLEGE	\$ 3,951,912.35	\$ 4,952,266.71	\$ 4,969,153.73	\$ 354.36	0.0898%
HIGHER EDUCATION	\$ 504,860.38	\$ 4,895.15	\$ 487,619.00	\$ 34.77	0.0897%
INDUS. BLDG. & MTG. INS.	\$ 3,646,096.70	\$ 3,646,356.71	\$ 3,646,096.70	\$ 260.01	0.0898%
<b>Operating Funds Totals</b>	<b>\$ 435,277,318.22</b>	<b>\$ 360,398,762.79</b>	<b>\$ 415,303,180.31</b>	<b>\$ 71,444.57</b>	<b>0.217%</b>
G.O. NOTE 1991 SER. B	\$ -	\$ -	\$ -	\$ -	-
CCDL1993A	\$ 7,385.31	\$ 7,385.31	\$ 7,385.27	\$ 0.06	0.0102%
BOND CCDL 1994 SERIES A	\$ 15,000.13	\$ 15,000.12	\$ 15,000.04	\$ 0.12	0.0101%
BOND CCB196A	\$ -	\$ -	\$ -	\$ -	-
CAP DEV OF 1997 SERIES A	\$ 40,471.50	\$ 40,471.48	\$ 40,471.27	\$ 0.32	0.0100%
CCDL1998A	\$ 1,695,847.87	\$ 1,695,846.94	\$ 1,695,837.93	\$ 13.48	0.0100%
CCDL 1998B	\$ -	\$ -	\$ -	\$ -	-
MMG099 1999	\$ -	\$ -	\$ -	\$ -	-
BOND CAPITOL CCDL2000A	\$ 102,385.03	\$ 102,384.97	\$ 102,384.43	\$ 0.81	0.0100%
MULTI-MODAL GEN OBL 2000	\$ -	\$ -	\$ -	\$ -	-
CCDL2001C	\$ 201,328.58	\$ 201,328.47	\$ 201,327.40	\$ 1.60	0.0100%
CCDL2002B	\$ -	\$ -	\$ -	\$ -	-
CCDL 2004 SERIES A	\$ 3,049,840.41	\$ 3,045,785.34	\$ 3,047,586.19	\$ 24.22	0.0100%
BOND CCDL 2005 SERIES C	\$ 8,315,526.06	\$ 8,315,521.39	\$ 8,315,477.27	\$ 66.07	0.0100%
BOND CCDL 2005 SERIES E	\$ 916,094.90	\$ 897,154.93	\$ 905,640.16	\$ 7.20	0.0100%
BOND CCDL 2006 SERIES B	\$ -	\$ -	\$ -	\$ -	-
BOND CCDL 2006 SERIES C	\$ 3,517,512.01	\$ 3,517,509.47	\$ 3,517,490.98	\$ 27.95	0.0100%
GO BND-NTAX 2007 SERIES A	\$ 6,006,172.30	\$ 6,001,568.98	\$ 6,003,599.18	\$ 47.70	0.0100%
GO BND-TAX 2007 SERIES B	\$ -	\$ -	\$ -	\$ -	-
GO BND-NTAX 2008 SERIES B	\$ 474,613.40	\$ 474,613.14	\$ 474,610.62	\$ 3.77	0.0100%
GO BND-TAX 2008 SERIES C	\$ -	\$ -	\$ -	\$ -	-
CCDL10B BOND CAPITAL COMPONENT	\$ 8,943,498.64	\$ 6,645,040.31	\$ 7,675,338.80	\$ 60.99	0.0100%
CCDL10C	\$ 161,294.98	\$ 161,296.26	\$ 161,294.98	\$ 1.28	0.0100%
CCDL10D	\$ 103,916.82	\$ 103,916.77	\$ 103,916.21	\$ 0.83	0.0101%
CCDL2011A	\$ 107,049,362.11	\$ 103,460,431.89	\$ -	\$ 828.42	0.0100%
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	\$ 222,523.11	\$ 222,522.98	\$ 222,521.80	\$ 1.77	0.0100%
CLN WATER CCDL 2005 SER E	\$ -	\$ -	\$ -	\$ -	-
CAP DEV. OF 1997 SERIES A	\$ -	\$ -	\$ -	\$ -	-
RI POLLUT. CONT 94 SER. A	\$ -	\$ -	\$ -	\$ -	-
CCDL99A 1999A	\$ 222,423.03	\$ 222,422.88	\$ -	\$ 1.77	0.0100%
POL. CTRL CCDL 2006 SER C	\$ -	\$ -	\$ -	\$ -	-
CLEAN WATER 2007 SERIES A	\$ 283,254.47	\$ 283,254.31	\$ -	\$ 2.25	0.0100%
RI POLLUTION CONTROL 2008 B	\$ -	\$ -	\$ -	\$ -	-
CCDL10B CLEAN WATER COMPONENT	\$ 55,658.64	\$ 55,658.61	\$ -	\$ 0.44	0.0099%
CCDL2011A CLEAN WATER COMPONENT	\$ 1,260,010.70	\$ 1,260,010.01	\$ -	\$ 10.01	0.0100%
CCDL2011A POLL CTRL CMPNT	\$ 1,263,810.74	\$ 1,263,810.04	\$ -	\$ 10.04	0.0100%
<b>Bond Proceeds Fund Totals</b>	<b>\$ 141,384,109.30</b>	<b>\$ 135,469,114.55</b>	<b>\$ 32,489,882.53</b>	<b>\$ 1,091.05</b>	<b>0.010%</b>
TANS PROCEEDS	\$ 202,163,032.30	\$ 202,189,206.72	\$ 202,163,032.30	\$ 26,174.42	0.1630%
<b>Grand Totals</b>	<b>\$ 778,824,459.82</b>	<b>\$ 698,057,084.06</b>	<b>\$ 649,956,095.14</b>	<b>\$ 98,710.04</b>	<b>0.164%</b>