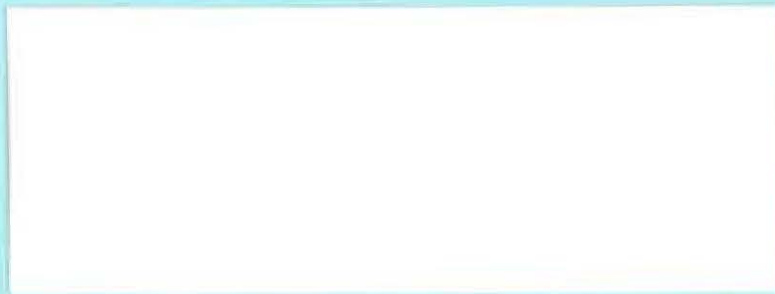


# State of Rhode Island and Providence Plantations



Office of the General Treasurer

Paul J. Tavares  
General Treasurer

**STATE OF RHODE ISLAND  
INVESTMENT COMMISSION MEETING**

**DATA AT  
AUGUST 31, 2006**

**JAN ROBERTS**

**MEMBERS OF THE STATE INVESTMENT COMMISSION**

**Hon. Paul J. Tavares, Chair**

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

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



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

Paul J. Tavares  
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 27, 2006 at 9:00 a.m. in Room 135 of the State House.

**AGENDA**

1. Membership Roll Call
2. Approval of Minutes
  - State Investment Commission Meeting held on 8/30/06 \*
3. Pacific Corporate Group Organizational Update \*/ \*\*
4. Alternative Investments Consultant - Pacific Corporate Group
  - Collier International Partners V, L.P. \*
  - Granite Global Ventures III, L.P. \*
5. Investment Manager Reviews
  - Shenkman Capital Management Inc.
6. Manager Continuation Policy \*
7. State Street Global Markets
  - Cash Liquidity Management Program \*
8. Wilshire Associates Incorporated
  - Capital Market Review
9. Legal Counsel Report
10. Deputy Treasurer for Finance Report
11. Treasurer's Report
12. New Business

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

\*\* Commission members may seek to convene in Executive Session to discuss this matter.

**POSTED ON THURSDAY, SEPTEMBER 21, 2006**



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

**Regular Meeting August 30, 2006**

A State Investment Commission ("SIC") meeting was held in Room 135, State House, Providence, Rhode Island on Wednesday, August 30, 2006. The Treasurer called the meeting to order at 9:05 a.m.

Membership Roll Call. Present were: Mr. Michael Costello, Ms. Rosemary Booth Gallogly, Dr. Robert McKenna, Ms. Marcia Reback, Mr. John Treat, and General Treasurer Paul J. Tavares. Also present were: Ms. Joan M. Caine, Deputy Treasurer for Finance, Jayne Donegan, Esq., of Brown Rudnick Berlack Israels, Legal Counsel to the Commission, Mr. William Bensus and Mr. Stephen Marshall of Wilshire Associates Incorporated, General Consultant to the Commission, Mr. Frank Blaschka of The Townsend Group, Real Estate Consultant to the Commission, and other members of the Treasurer's Staff. Mr. Jeffrey Britt was absent.

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

**VOTED: To approve the Minutes of the June 28, 2006 regular meeting and to approve and seal the Minutes of the June 28, 2006 Executive Session.**

Proposed Investment in Westbrook Real Estate Fund VII, L.P. ("Westbrook VII"). Mr. Frank Blaschka of The Townsend Group gave a brief overview of Westbrook VII, a high return non-core fund. He noted that the Employees' Retirement System of Rhode Island ("ERSRI") invested in Westbrook Real Estate Fund VI. Because of the strength of the deal flow, Westbrook is returning to the market for Fund VII to raise capital to allow them to take advantage of compelling investment opportunities consistent with their historical strategies.

Mr. Paul D. Kazilionis, Founder and Chief Executive Officer represented Westbrook VII. He explained that Westbrook VII will pursue opportunistic real estate investing within the following areas: undervalued assets and portfolios; corporate and government divestitures; urgent recapitalizations; and dysfunctional ownership. The fund intends to focus on major cities in the United States, Europe, and Japan such as Washington, DC, New York, San Francisco, London, Paris and Tokyo. There are no limits on the international exposure, which is a change from the 45% international limit in fund VI.

Mr. Kazilionis noted that Westbrook VII will focus on high quality, well-located properties with an emphasis on privately negotiated transactions. The target IRR for US investments is 18-22%+, for European investments 20-25%+, and in Japan the target IRR is 25-30%+. He reviewed performance for Westbrook V which is projected to achieve an aggregate IRR in excess of 30% and 66% of the total capital commitments have been returned. Westbrook VI is expected to be fully invested within 45-60 days. It is projecting a 20% IRR but expectations are that the returns will be significantly higher. Fund VI has already returned 11%.

Mr. Kazilionis noted that liquidity in the markets is so great that the funds are reaching their exit values sooner than expected. Properties that were expected to be held for 3-5 years, are

finding liquidity in 1-2 years. He stressed that Westbrook has a very focused investment strategy, very specific markets, and a real focus on private originations.

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

**VOTED: To invest up to \$15 million in Westbrook Real Estate Fund VII, L.P. contingent upon satisfactory review and negotiation of investment and other legal documents.**

Gateway Eight Update - Great Point Investors ("Great Point") and The Townsend Group ("Townsend"). Mr. Gary R. Schwandt, Principal, Mr. Joseph Versaggi, Principal and Mr. Andrew LeStage, Vice President represented Great Point and Mr. Frank Blaschka represented Townsend. Mr. LeStage reported that the sale of the Gateway Eight Building to Commonwealth Ventures for \$20 million was finalized on August 2, 2006.

Ms. Caine reminded the Commission that in May 2005, the developer of the Gateway Building "tossed the keys" to ERSRI in Bankruptcy Court. Because ERSRI was in no position to take over management of the building, she called Mr. Blaschka at Townsend for a recommendation of a firm able to help ERSRI take over the operation and control of the building. At that point insurance protection was needed along with security services and operational and systems managers. Mr. Blaschka recommended Great Point Investors in Boston. After her call to Great Point, Mr. Versaggi was on the premises within 24 hours and essentially took over management of the building. Ms. Caine thanked everyone involved and stated that it was because of the Great Point team and Mr. Blaschka's connection that the end result is so favorable.

Treasurer Tavares thanked Mr. Blaschka and the Great Point team as well as Commission members for their diligence and support given throughout this ordeal. The Treasurer also thanked Ms. Caine and staff.

Ms. Caine reported that she is preparing a detailed list of costs and expenses incurred in the management of the property so that we can notify the Economic Development Corporation ("EDC") of the deficit as EDC had provided a \$3 million guaranty. She expects the deficit to be between \$1.5 to \$2 million. The EDC will then notify the Governor of the demand under the guaranty. It is then up to the General Assembly to put that appropriation into the Governor's budget. It will probably be about a year before the issue is resolved.

Ms. Caine also noted that the SIC and the City of Providence entered into a Liquidating Trust Agreement to attempt to recapture approximately \$2 million in back taxes from BFDS, the former tenant who exited its lease early. The attorneys are in mediation discussions to try to recapture a portion of that \$2 million which will be split between the SIC and the City of Providence.

Mr. Schwandt thanked Mr. Blaschka for his recommendation which enabled Great Point the opportunity to work with the SIC. He also thanked Ms. Caine and staff and stated that he could not imagine a better group of people to work with. He also noted that although the SIC had not met Mr. Versaggi previously, that he had been the initial contact and was also involved in all the advice given and the decisions made that Mr. LeStage and he delivered to the SIC.

Mr. Versaggi thanked Ms. Caine for her kind words. He explained that the Gateway experience enabled Great Point to employ a number of the skills they possess in the value added or enhanced investment practice. Those skills will be offered to clients in the form of a fund Great Point is raising and they would welcome the opportunity to discuss it with the SIC at a future time.

The Treasurer asked that the Minutes also reflect his thanks to Attorney William Baldiga of Brown Rudnick Berlack Israels who represented ERSRI in the bankruptcy. He noted that if it were not for his knowledge, professionalism and tenacity ERSRI may not have attained the same outcome. He again thanked all those involved for their teamwork in resolving the Gateway Eight Building matter.

Wilshire Associates Incorporated - Asset /Liability Analysis Report. Mr. Bensus introduced Mr. Stephen Marshall, an actuary from Wilshire's Santa Monica, California office. Mr. Bensus noted that most defined benefit plans exist in an underfunded status. He noted that by mid 2008 to 2009 there will be more inactive participants in the system than active employees. Institutional investors are actively seeking higher returns and/or a lower risk profile by investing in non-traditional asset classes such as private equity, real estate, hedge funds, and commodities.

Mr. Bensus noted that the actuarial discount rate assumption is 8.25% and that the current asset allocation policy is expected to generate a long-term return of 8.08%. The asset allocation policy decision alone will have a limited impact on the unfunded liability status of the ERSRI. Additional total contributions will be required to achieve improved funded status. He stated that the ERSRI portfolio (the "Fund") has had top quartile returns over both three and five years. The Fund beat the policy benchmark by 100 basis points on a net basis for three years and by 50 basis points over a five year period.

Note: Dr. McKenna left the meeting at 10:40 a.m.

Mr. Bensus presented six alternative policy portfolio examples as follows: Lower Risk (Alt. A), introduce Commodities (Alt. B), No Home Country Bias (Alt. C), Higher Return (Alt. D), introduce Commodities and Increase Private Equity (Alt. E), and No Country Bias, introduce Commodities and increase Private Equity (Alt. F). The six Alternative Portfolios project the following median returns: Alternative A (7.81%); Alternative B (7.98%); Alternative C (8.08%); Alternative D (8.24%); Alternative E (8.25%); and Alternative F (8.28%). He noted that Alternatives E and F seem like the most efficient from a statistical standpoint and are reasonable for consideration.

Mr. Bensus noted that over the last five years, the Wilshire 5000 (all US stocks) was up 4%. The All Country World ex-US Index was up 11.85%. Over the last ten years, the Wilshire 5000 was up 8.5% and the All Country World ex-US Index was up 7.2%.

Ms. Caine stated that another consideration would be to invest in international bonds, a sector where many other public funds are invested. She suggested that rather than have a specific allocation to global bonds, it may make sense to allow a domestic fixed income manager to have the capability to invest tactically in the foreign bond market. Mr. Bensus noted that investing in foreign bonds would be a risk reducer rather than a return generator.

Mr. Bensus noted that the asset allocation policy decision alone will have a limited impact on the unfunded liability status of the pension fund. He again stressed that the only way to close the gap between accrued liability and projected market value of assets is to increase

contributions. He also recommended maintaining a broadly diversified investment approach, continuing to identify diversified sources of value added investment opportunities, and continuing to rebalance to target allocations.

Ms. Caine encouraged the SIC to continue to think “outside” the public pension fund universe and, similar to the SIC’s decision to increase international equities several years ago, consider the investment allocation of endowments.

Mr. Bensus stated that many pension funds have been increasing exposure to “inflation sensitive” assets which would include TIPS and real estate, which ERSRI has exposure to, as well as commodities. He also noted that many pension funds are moving toward the elimination of home-country bias in equities such as a 50-50 balance between US and non-US equities. Wilshire also recommends that ERSRI consider expanding the portable alpha program to include additional strategies such as global macro, currencies, and long-short.

He noted that Wasatch Advisors has trailed its benchmark by 4.50% since inception in March of 2002. MacKay Shields has experienced organization turnover and Shenkman has trailed its benchmark by 5.13% since inception in September of 2002.

Mr. Marshall explained that the core business of a pension plan is to pay benefits promised to its participants. The primary risk to the core business is to have insufficient assets to pay promised benefits. Therefore it is in the best interest of the plan participants to make promised benefits as secure as possible. He noted that Alternatives A and B are too conservative. Alternatives E and F provide savings as they are more diversified with higher returns and a lower standard deviation.

Treasurer Tavares noted that Wilshire’s report was given on an informational basis for Commission members. There will be more information forthcoming on bonds and commodities eventually, but that no votes are to be taken at this point with regard to managers or allocations. He noted that Ms. Caine and Mr. Bensus will be looking at measures to be taken and will come back to the Commission with recommendations.

Wilshire Associates Incorporated - Capital Market Review. Mr. Bensus distributed his Capital Market Review noting that equities are up 5.5%, international equities are up 13%, and bonds are up about 2%.

Deputy Treasurer for Finance Report. Ms. Caine distributed a graph that State Street Bank & Trust Co. (“State Street”) provided which illustrates that for the one, three, five and seven year time periods, the ERSRI portfolio has outperformed its benchmark and consistently ranks between the 9<sup>th</sup> and 28<sup>th</sup> percentile among public funds (>\$1 billion). This is a dramatic improvement over the ten year time period when the portfolio underperformed its benchmark and ranked near the bottom of the public fund universe (85<sup>th</sup> percentile).

Ms. Caine noted that she is a member of the National Association of State Investment Officers (“NASIO”) and attends an annual forum where ideas and information is shared regarding various pension portfolios and investment strategies. She noted that the endowment universe consistently outperforms the public fund universe year in and year out. Endowment funds have a larger exposure to private equity and other alternative assets relative to public funds.

Ms. Caine noted that in 1999 ERSRI was invested in 32 private equity partnerships and as of 8/30/06 there are 75 partnerships in the ERSRI portfolio. Private equity provides a good



diversification, superior returns and our consultant helps to ensure that we implement that strategy thoughtfully with particular focus on vintage year, sector and partnership exposures. She also recommended that the SIC consider increasing its allocation to private equity from 7.5% to 10%.

Ms. Caine has restructured the Investments Department as part of a succession plan as staff retires. She has broadened job descriptions of staff to allow for more dedicated resources for the pension plan and introduced Cheryl Melise who recently joined the department.

Ms. Caine stated that at September's meeting she would like to bring in State Street Global Markets to explain their cash liquidity management program. It would be a way to streamline the rebalancing process that staff performs every month and enable ERSRI to equitize the portfolio's cash. The program monitors target allocations and enhances rebalancing thereby reducing transaction costs.

Ms. Reback requested that the actuary be brought before the Commission at some point. Ms. Gallogly requested that Commission members be provided with a packet of information which would be useful with a new Treasurer coming in.

General Treasurer's Report. Treasurer Tavares noted that a nationally known website - SavingForCollege.com has conducted a study regarding the performance of the 529 Plans and it has ranked Rhode Island as #1 as of June 30, 2006. Rhode Island is still number one for direct sales, broker sales and performance over a three year period.

Ms. Reback moved, Mr. Treat seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Ms. Gallogly, Ms. Reback, Mr. Treat, and Treasurer Tavares. (Note: Dr. McKenna was not present for this vote.)

**VOTED: To adjourn the meeting.**

There being no further business, the meeting was adjourned at 11:25 a.m.

Respectfully submitted,

Paul J. Tavares  
General Treasurer



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

**PORTFOLIO PERFORMANCE**

**August**

The ERSRI portfolio posted a gain of 0.24% for the month of July, against the policy index of 0.56%. Domestic equities were down 0.79%, international equities gained 1.18%, and the fixed income asset class returned 1.39%. Additionally, the retirement fund earned \$247,376 from the securities lending program during this month.

**Calendar Year to Date**

For the eight months ended August 31, 2006, the portfolio is up 7.42% against the policy index of 6.96%. Domestic equities were up 5.47%, international equities were up 14.45%, while fixed income generated a return of 2.58%.

**Fiscal Year to Date**

For the Fiscal Year ended June 30, 2007, the fund has gained 2.17%, against the policy index of 2.70%.

Index Performance Summary - August 31, 2006		
Market Indices	Aug-06	Calendar YTD
<b>Domestic Equity</b>		
S & P 500	2.38%	5.80%
DJ Wilshire 5000	2.34%	5.86%
Russell 2000	2.96%	7.79%
Russell 1000	2.40%	5.45%
Policy Index	2.14%	6.96%
<b>International Equity</b>		
MSCI ACWI	2.83%	14.26%
<b>Fixed Income</b>		
Lehman AGG	1.53%	2.16%
<b>Real Estate</b>		
NCREIF	3.62%	9.25%

ERSRI Performance By Asset Class	Aug-06	Calendar YTD
Domestic Equity	2.24%	5.47%
Fixed Income	1.45%	2.58%
International Equity	2.87%	14.45%
<b>Total Fund Composite*</b>	<b>1.93%</b>	<b>7.42%</b>
Manager Summary	Aug-06	CYTD
<b>DOMESTIC EQUITY</b>		
Shott	-5.39%	-24.75%
PIMCO	2.39%	5.78%
SSgA Russell 1000	2.39%	5.47%
SSgA Core	2.32%	7.36%
Wasatch	2.18%	-1.22%
Northpointe	1.64%	6.85%
Wellington	2.10%	6.14%
<b>Total Domestic Equity</b>	<b>2.24%</b>	<b>5.47%</b>
<b>FIXED INCOME</b>		
Brown Bros TIPS	1.73%	1.38%
Brown Bros Core	1.41%	2.26%
Fidelity	1.31%	3.03%
Taplin Canida & Habacht	1.43%	2.57%
InState Fixed Income	0.00%	0.00%
Shenkman	1.16%	3.88%
Mackay Shield	1.17%	5.31%
<b>Total Fixed Income</b>	<b>1.45%</b>	<b>2.58%</b>
<b>INTERNATIONAL EQUITY</b>		
Mondrian	3.42%	17.03%
Goldman Sachs	2.61%	13.89%
Boston Co	2.57%	12.47%
<b>Total International Equity</b>	<b>2.87%</b>	<b>14.45%</b>
*Total Fund Composite includes all classes		

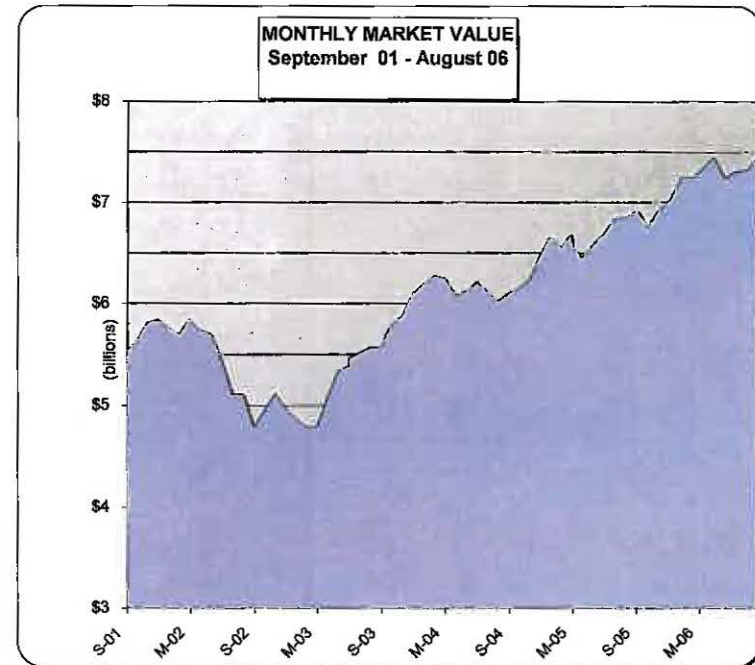
Market Valuation Report  
August, 2006

Market Values

12,516,917.00000

The total portfolio value increased in August by \$117.8 million to \$7.44 billion. This compares with an increase in value of \$2.7 million for the same period in 2005. The domestic equity market values increased by \$68.7 million, fixed income increased by \$24.7 million; while international values increased by \$48.6 million.

The cash accounts decreased by \$ 36.7 including transfers out of \$31.7 million, and alternative investments increased by \$12.5 million including transfers in netting \$5.6 million.



### Cash Flow

August's pension payroll of \$54.4 million was more than the \$ 34.0 million in contributions and wire transfers received by \$20.4 million.

To meet pension and other obligations, \$16.5 million was transferred from long-term investments.

### Alternative Investments

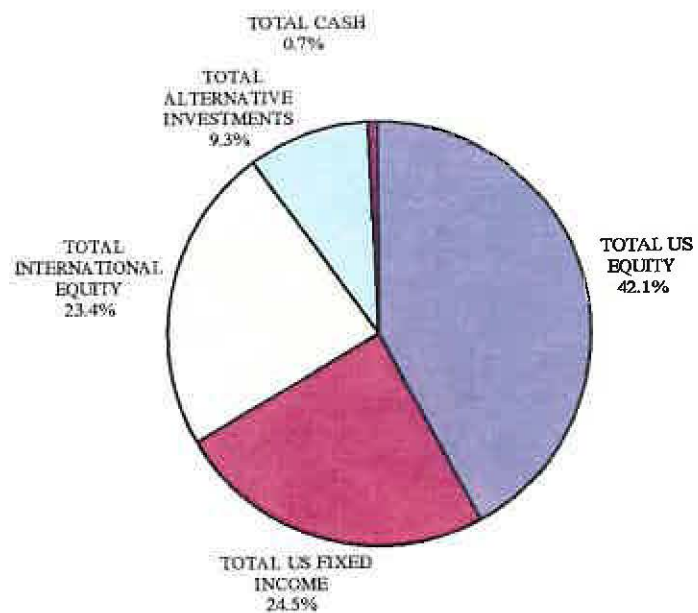
At this time the alternative investment asset class has unfunded commitments of approximately \$407 million on commitments of \$863 million.

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

August 2006	FYTD	UNFUNDED BALANCE
\$5,600,711	-\$9,323,061	\$407,491,730
August 2005	FYTD	UNFUNDED BALANCE
\$10,310,162	\$12,955,958	\$408,416,378



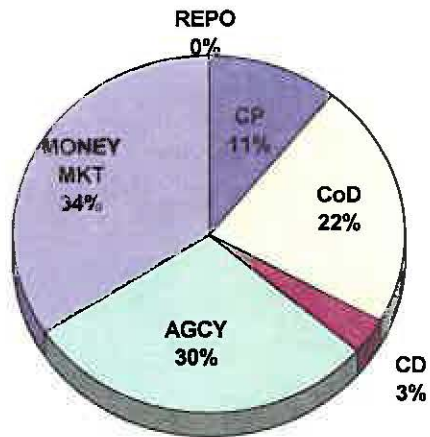
**CURRENT ASSET CLASS ALLOCATION (IN MILLIONS)**



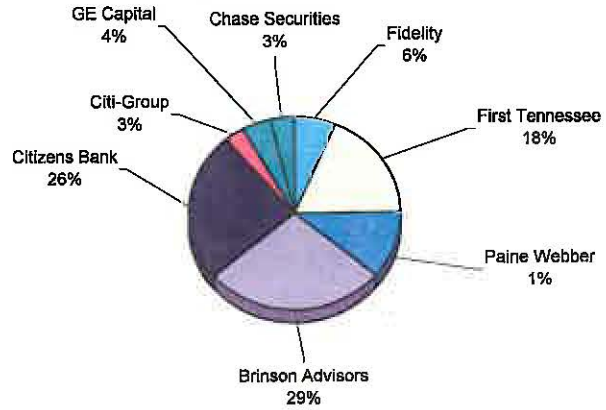
<u>MANAGER</u>	<u>CURRENT PERIOD</u>
TOTAL US EQUITY	3,127.7
TOTAL US FIXED INCOME	1,824.7
TOTAL INTERNATIONAL EQUITY	1,738.6
TOTAL ALTERNATIVE INVESTMENTS	693.3
TOTAL CASH	53.4
<b>TOTAL</b>	<b>7,437.7</b>

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

**Portfolio By Instrument**



**Portfolio by Issuer**



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

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

**Issuer Credit Ratings  
August, 2006**

Issuer	Type of Instrument	Month End % Portfolio	Issuer Ratings		S-T Debt Rating		L-T Debt Rating		Credit Outlook
			Moody's		Moody's	S&P	Moody's	S&P	S&P
Chase Securities	2,3,5	3%	Aa3		P-1	A-1	Aa3	A+	Positive
Citigroup Inc.	2	3%	Aa1		P-1	A-1+	Aa1	AA-	Positive
Citizens Bank R	3,4	25%	Aa2		P-1	A-1+	Aa2	AA-	Stable
Dreyfus	6	0%	Aa3		P-1	A-1+	Aa3	AA-	Stable
First Tennessee Capital Markets	5	18%	A1		P-1	A-1	A1	A	Stable
Fidelity	6	6%				N/R		N/R	N/R
Merrill Lynch	2,5,6	0%	Aa3		P-1	A-1	Aa3	A+	Positive
GE Capital	2	4%	Aaa		P-1	A-1+	Aaa	AAA	Stable
Morgan Stanley	1,2,5	0%	Aa3		P-1	A-1	Aa3	A+	Stable
Paine Webber	5	11%	Aa2		P-1	A-1+	Aa2	AA+	Stable
UBS Brinson Advisors	6	28%	Aa2		P-1	A-1+	Aa2	AA+	Stable
State Street Bank & Tru	1,3	0%	Aa2		P-1	A-1+	Aa2	AA	Stable

**Instrument Codes**

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

**Ratings Definitions**

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

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

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

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

**Moody's Issuer Rating Symbols:**

- Aaa - Offer exceptional financial security (high-grade)
- Aa - Offer excellent financial security (high-grade)
- A - Offer good financial security
- Baa - Offer adequate financial security
- Ba - Offer questionable financial security
- B - Offer poor financial security
- Caa - Offer very poor financial security
- Ca - Offer extremely poor financial security
- C - Lowest rated class, usually in default
- Modifiers:  
1 - Higher end of letter rating category  
2 - Mid-range of letter rating category  
3 - Lower end of letter rating category

**S&P Outlook Definitions:**

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

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

- Aaa - Best Quality
- Aa - High Quality
- A - Possess many favorable investment attributes
- Baa - Medium-grade obligations
- Ba - Possess speculative elements
- B - Generally lack characteristics of desirable investments
- Caa - Poor standing
- Ca - Speculative in a high degree
- C - Lowest rated class of bonds
- Modifiers:  
1 - Higher end of letter rating category  
2 - Mid-range of letter rating category  
3 - Lower end of letter rating category

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

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







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

Paul J. Tavares  
General Treasurer

September 21, 2006

State Investment Commission  
Rhode Island State House  
Providence, RI 02903

This is to certify that the amounts so listed below belong to the credit of the Employees' Retirement, State Police and Judiciary Retirement Systems, and the Municipal Employees' Retirement System of the State of Rhode Island at the close of business on August 31, 2006.

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

<b>Asset Class</b>		
Cash/Short Term Investments		\$ 363,462,527
Equities – Domestic		\$ 3,084,859,412
Equities – International		\$ 1,694,547,257
Fixed Income – Government	\$ 950,486,740	
Fixed Income – Corporate	\$ 651,070,109	
Fixed Income – In State	\$ 20,093,090	
Total Fixed Income		\$ 1,621,649,939
Alternative Investments		\$ 446,187,972
Real Estate		\$ 227,032,795
<b>Total Fund Investments</b>		<b>\$ 7,437,739,902</b>
<b>Plan Allocation</b>		
State Employees & Teachers	85.26%	\$ 6,340,588,142
Municipal Employees	13.86%	\$ 1,031,203,753
State Police	0.53%	\$ 39,772,020
Judicial	0.35%	\$ 26,175,988
<b>Total Fund Investments</b>	<b>100.00%</b>	<b>\$ 7,437,739,902</b>

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

Respectfully submitted,

Joan M. Caine, CFA  
Deputy Treasurer for Finance

# State of Rhode Island

## SUMMARY OF PERFORMANCE

### RATES OF RETURN

PERIODS ENDING August 31, 2006



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

	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
<b>U.S. EQUITY</b>												
NORTHPOINTE CAPITAL	359,020	4.83	1.64	-3.39	-1.53	6.85	-2.82	8.52	17.52	16.15	18.93	
PIMCO	501,499	6.74	2.39	3.30	2.77	5.78	3.36	8.20	10.36	10.92	11.24	4.60
SSGA - CORE	338,821	4.56	2.32	4.42	4.49	7.36	3.09	9.82	14.23	12.53	11.57	6.85
SSGA RUSSELL 1000	1,331,116	17.90	2.39	2.76	2.35	5.47	2.62	8.70	11.64	11.55		
WASATCH ADVISORS	195,067	2.62	2.18	-4.90	-5.59	-1.22	-2.00	-1.43	9.29	10.68	12.05	
WELLINGTON MANAGEMENT CO. LLC	398,880	5.36	2.10	-1.51	-2.41	6.14	-0.41	11.68	17.99	15.39	20.90	
TOTAL US EQUITY	3,127,693	42.05	2.24	1.19	1.01	5.47	1.42	8.37	12.95	12.33	13.65	6.75
<i>RUSSELL 1000</i>			2.40	2.76	2.35	5.45	2.62	8.69	11.62	11.52	11.86	5.26
<i>RUSSELL 2000</i>			2.96	0.25	-0.80	7.79	-0.39	9.36	16.03	14.45	17.94	10.35
<i>RUSSELL 2000 GROWTH</i>			2.93	-2.36	-5.09	3.51	-2.42	6.00	14.42	10.61	16.24	6.20
<i>RUSSELL 2000 VALUE</i>			2.99	2.81	3.60	12.16	1.56	12.72	17.56	18.20	19.55	14.03
<i>S&amp;P 500</i>			2.38	3.15	2.79	5.80	3.01	8.88	10.70	10.95	11.23	4.65
<i>DOW WILSHIRE 5000 FREE FLOAT</i>			2.34	2.40	2.06	5.66	2.22	8.87	12.19	12.02	12.73	6.15
<b>INTERNATIONAL EQUITY</b>												
GOLDMAN SACHS	581,653	7.82	2.61	4.01	7.11	13.89	4.05	26.55	27.89			
THE BOSTON COMPANY	571,784	7.69	2.57	2.58	6.94	12.47	2.64	21.86				
MONDRIAN	585,038	7.87	3.42	6.19	9.36	17.03	5.56	25.00	26.26			
TRANSITION ACCOUNT INT EQUITY	66	0.00										
PUTNAM INVESTMENTS	6	0.00										
BANK OF IRELAND	4	0.00										
TOTAL INTERNATIONAL EQUITY	1,738,551	23.37	2.87	4.25	7.80	14.45	4.08	24.50	25.43	23.72	19.45	11.99
<i>MSCI AC WORLD ex US (GROSS)</i>			2.83	3.78	7.13	14.26	3.89	25.44	26.26	25.04	21.71	13.79

## State of Rhode Island

SUMMARY OF PERFORMANCE  
 RATES OF RETURN  
 PERIODS ENDING August 31, 2006



	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
<i>MSCI EAFE (NET)</i>			2.75	3.76	7.94	14.31	3.77	24.28	23.93	23.50	19.73	11.82
<b>U.S. FIXED INCOME</b>												
BROWN BROTHERS HARRIMAN - CORE	286,846	3.86	1.41	3.04	1.73	2.26	2.43	1.96	3.42	2.99	4.83	5.55
FIDELITY MANAGEMENT TRUST	477,366	6.42	1.31	2.88	2.18	3.03	2.74	3.10	3.98	4.80	4.56	5.44
BROWN BROTHERS HARRIMAN - TIPS	524,247	7.05	1.73	3.89	1.53	1.38	3.64	1.62	3.86			
MACKAY SHIELDS, LLC	123,405	1.66	1.17	1.91	3.68	5.31	1.77	6.81	8.18	10.97		
SHENKMAN CAPITAL MANAGEMENT	125,363	1.69	1.16	1.35	1.94	3.88	2.09	4.78	6.17	7.85		
TAPLIN, CANIDA & HABACHT	286,909	3.86	1.43	2.90	1.74	2.57	2.88	2.89	3.81	5.52	7.70	6.49
TRANSITION ACCOUNT FIXED INCOME	575	0.01										
TOTAL US FIXED INCOME	1,824,710	24.53	1.45	3.02	1.93	2.58	2.86	2.87	4.29	5.33	6.18	5.81
<i>CSFB GLOBAL HIGH YIELD</i>			1.39	1.69	3.45	5.83	2.26	5.41	7.18	9.62	12.85	9.61
<i>LB AGGREGATE</i>			1.53	3.12	1.82	2.16	2.90	1.71	2.92	3.98	4.07	4.87
<i>LB CREDIT</i>			1.85	3.51	1.50	1.75	3.35	0.71	2.78	4.33	5.42	5.54
<i>LB GOV/CREDIT</i>			1.58	3.14	1.63	1.72	2.90	0.99	2.63	3.82	4.23	4.95
<i>CITIGROUP BIG</i>			1.55	3.20	1.82	2.18	2.98	1.75	3.02	4.09	4.17	4.93
<i>CITIGROUP LARGE PENSION FUND INDEX</i>			2.23	4.35	1.02	1.26	4.04	0.09	3.63	5.25	5.22	5.88
<i>CITIGROUP L.P.F. COLLATERALIZED INDEX</i>			1.45	3.24	2.05	2.84	2.96	2.98	3.51	4.35	3.89	4.75
<b>ALTERNATIVE INVESTMENTS</b>												
REAL ESTATE	227,033	3.05	-0.00	0.62	2.00	2.16	0.57	3.04				
PRIVATE EQUITY	446,196	6.00	-0.14	16.37	12.97	16.47	-1.07	23.33	26.13	26.37	19.30	13.04
STATE ACCOUNT (IN DEFAULT)	20,093	0.27	-6.70	-4.44	-2.98	-2.98	-5.60	-2.84	-0.59	1.82	3.04	3.79
TOTAL ALTERNATIVE INVESTMENTS	693,322	9.32	-0.30	10.29	8.81	11.28	-0.69	16.54	22.36	23.38	17.24	11.66

**State of Rhode Island**

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING August 31, 2006



**STATE STREET.**  
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	MKT VAL	% of FUND	1 Month	3 Months	6 Months	YTD	FYTD	1 Year	2 Years	3 Years	4 Years	5 Years
<i>NCREIF PROPERTY INDEX QTR LAG</i>			0.00	3.62	9.25	9.25	0.00	20.19	17.84	15.07	13.03	11.67
<i>S&amp;P 500 PLUS 300 BP</i>			2.57	3.83	4.27	7.77	3.44	11.95	13.79	14.06	14.51	8.01
<b>CASH EQUIVALENTS</b>												
CASH ACCOUNT (INSIDE)	34,619	0.47	0.21	1.75	5.72	6.10	0.32	7.82	9.78	12.43	23.73	37.86
CASH ACCOUNT (OUTSIDE)	18,805	0.25	0.27	0.71	1.63	2.23	0.47	3.33	2.78	3.37	2.84	2.70
<b>TOTAL PLAN</b>												
TOTAL PLAN	7,437,699	100.00	1.93	3.11	3.55	7.42	2.17	11.35	14.14	13.88	13.63	8.51
<sup>1</sup> TOTAL PLAN BENCHMARK			2.14	3.03	3.40	6.96	2.70	10.90	13.04	12.95	12.82	8.02

**State of Rhode Island**

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING August 31, 2006



**STATE STREET**  
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**Endnotes**

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

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

**ERSRI Monthly Market Value Report With Time Weighted Returns**

**August 31, 2006**

	Calendar YTD			Benchmark Description	Current Month			Valuation Change			
	Performance	Benchmark	Alpha		Performance	Benchmark	Alpha	Market Value	Transfers	Market Value	Market Value
								7/31/2006	In(out)	8/31/2006	Increase/Decrease
<b>Domestic Equity</b>											
Shott Capital Management IRR	-24.75%	5.80%	-30.55%	S & P 500	-5.39%	2.38%	-7.77%	3,386,747	-	3,282,562	(104,185)
SSgA Russell 1000	5.47%	5.45%	0.02%	Russell 1000	2.39%	2.40%	-0.01%	1,299,984,566	109,500	1,331,116,196	31,022,130
SSgA Core	7.36%	5.45%	1.91%	Russell 1000	2.32%	2.40%	-0.08%	331,129,270	24,500	338,820,556	7,686,785
PIMCO	5.78%	5.80%	-0.02%	S & P 500	2.39%	2.38%	0.01%	489,756,000	36,500	501,488,841	11,706,341
NorthPointe Capital	6.85%	12.16%	-5.31%	Russell 2000 Value	1.64%	2.99%	-1.35%	353,210,419	27,000	359,020,293	5,782,874
Wellington Mgmt	6.14%	7.79%	-1.65%	Russell 2000	2.10%	2.96%	-0.86%	390,648,925	30,000	398,880,414	8,201,489
Wasatch Advisors	-1.22%	7.79%	-9.01%	Russell 2000	2.18%	2.96%	-0.78%	190,893,874	16,000	195,067,030	4,157,157
Transition Account	N/A	N/A	N/A		N/A	N/A	N/A	6,650	-	47,317	40,667
<b>Total Domestic Equity</b>	<b>5.47%</b>				<b>2.24%</b>			<b>3,059,016,450</b>	<b>243,500</b>	<b>3,127,733,209</b>	<b>68,473,259</b>
<b>International Equity</b>											
Boston Company	12.47%	14.26%	-1.79%	MSCI ACWI	2.57%	2.83%	-0.26%	557,420,302	40,500	571,788,268	14,327,467
Goldman Sachs	13.89%	14.26%	-0.37%	MSCI ACWI	2.81%	2.83%	-0.22%	566,837,392	40,500	581,852,726	14,774,834
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	652,535	-	647,015	(5,520)
Mondrian	17.03%	14.26%	2.77%	MSCI ACWI	3.42%	2.83%	0.59%	565,662,606	40,500	585,038,135	19,333,029
<b>Total International Equity</b>	<b>14.45%</b>				<b>2.87%</b>			<b>1,690,572,834</b>	<b>121,500</b>	<b>1,739,126,144</b>	<b>48,431,810</b>
<b>Fixed Income</b>											
Fidelity Management & Research	3.03%	2.85%	0.18%	Lehman Mortgage Backed	1.31%	1.45%	-0.14%	471,137,334	33,500	477,365,675	6,194,840
Brown Brothers, Harriman	2.26%	2.18%	0.08%	Salomon Brd Inv Grade	1.41%	1.55%	-0.14%	282,832,444	20,500	286,845,503	3,982,559
In-State Fixed Income ( Non performing)				N/A	0.00%	N/A	N/A	21,536,514	-	20,093,090	(1,443,424)
Taplin, Canida & Habacht	2.57%	1.75%	0.82%	Lehman Credit Index	1.43%	1.85%	-0.42%	282,836,886	20,500	286,909,255	4,051,868
Mackay Shields	5.31%	5.83%	-0.52%	CS First BoshIYield	1.17%	1.39%	-0.22%	121,963,910	10,000	123,404,539	1,430,628
Shenkman Capital Mgmt	3.88%	5.83%	-1.95%	CS First BoshIYield	1.16%	1.39%	-0.23%	123,912,424	10,000	125,362,638	1,440,214
Brown Bros TIPS	1.38%	1.56%	-0.18%	Lehman US TIPS Index	1.73%	1.73%	0.00%	515,300,000	40,500	524,246,732	8,906,232
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	-
<b>Total Fixed Income</b>	<b>2.58%</b>				<b>1.45%</b>			<b>1,819,519,513</b>	<b>135,000</b>	<b>1,844,227,431</b>	<b>24,572,918</b>
<b>Alternative Investments</b>											
Private Equity	16.47%	N/A	N/A	N/A	-0.14%	N/A	N/A	442,925,959	(3,719,242)	446,196,363	6,989,646
Real Estate	2.16%	9.81%	N/A	NCREIF + 100	0.00%	0.08%	-0.08%	217,786,417	9,319,953	227,032,930	(73,439)
<b>Total Alternatives</b>	<b>11.28%</b>				<b>-0.30%</b>			<b>660,712,376</b>	<b>5,600,711</b>	<b>673,229,293</b>	<b>6,916,207</b>
<b>Cash Accounts</b>											
Cash in Trust	6.10%	N/A	N/A		0.21%	N/A	N/A	49,456,568	(15,156,141)	34,618,977	318,550
Cash Outside Trust	2.23%	N/A	N/A		0.27%	N/A	N/A	40,672,187	(16,500,000)	18,804,847	(5,337,340)
<b>Total Cash</b>	<b>4.39%</b>	<b>*</b>			<b>0.25%</b>	<b>*</b>	<b>0</b>	<b>90,128,755</b>	<b>(31,656,141)</b>	<b>53,423,825</b>	<b>(5,048,789)</b>
<b>Total</b>	<b>7.42%</b>	<b>6.96%</b>	<b>0.46%</b>		<b>1.93%</b>	<b>2.14%</b>	<b>-0.21%</b>	<b>7,319,949,928</b>	<b>(25,555,430)</b>	<b>7,437,739,902</b>	<b>143,345,404</b>

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

42.5% Wilshire 5000

25.0% Lehman Aggregate

20.0% MSCI ACWI X-US

5.0% NCREIF 1 Qtr Lag

**State of Rhode Island**

RATES OF RETURN - Total

Periods Ending August 31, 2006



**STATE STREET.**  
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**PERFORMANCE SUMMARY REPORT**

	Benchmark	1 Month Return			Calendar YTD Return			Value (000)	Net Flow (000)
		Fund	Index	Excess	Fund	Index	Excess		
<b>U.S. EQUITY</b>									
SHOTT CAPITAL	S&P 500	-3.08	2.38	-5.46	-17.28	5.80	-23.08	3,283	0
SSGA RUSSELL 1000	RUSSELL 1000	2.39	2.40	-0.01	5.47	5.45	0.02	1,331,116	110
SSGA - CORE	RUSSELL 1000	2.32	2.40	-0.08	7.36	5.45	1.91	338,821	25
PIMCO	S&P 500	2.39	2.38	0.01	5.78	5.80	-0.02	501,499	37
NORTHPOINTE CAPITAL	RUSSELL 2000 VALUE	1.64	2.99	-1.35	6.85	12.16	-5.31	359,020	27
WELLINGTON MANAGEMENT CO. LLC	RUSSELL 2000	2.10	2.96	-0.86	6.14	7.79	-1.65	398,880	30
WASATCH ADVISORS	RUSSELL 2000	2.18	2.96	-0.78	-1.22	7.79	-9.01	195,067	16
TOTAL US EQUITY		2.24			5.47			3,127,693	244
<b>INTERNATIONAL EQUITY</b>									
THE BOSTON COMPANY	MSCI AC WORLD ex US (GROSS)	2.57	2.83	-0.26	12.47	14.26	-1.79	571,784	35
GOLDMAN SACHS	MSCI AC WORLD ex US (GROSS)	2.61	2.83	-0.22	13.89	14.26	-0.37	581,653	41
MONDRIAN	MSCI AC WORLD ex US (GROSS)	3.42	2.83	0.59	17.03	14.26	2.77	585,038	41
TRANSITION ACCOUNT INT EQUITY								66	0
TOTAL INTERNATIONAL EQUITY		2.87			14.45			1,738,551	116

**U.S. FIXED INCOME**

STATE STREET FUND SERVICES



**State of Rhode Island**

RATES OF RETURN - Total

Periods Ending August 31, 2006



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

**PERFORMANCE SUMMARY REPORT**

	Benchmark	1 Month Return			Calendar YTD Return			Value (000)	Net Flow (000)
		Fund	Index	Excess	Fund	Index	Excess		
<b>U.S. EQUITY</b>									
SHOTT CAPITAL	S&P 500	-3.08	2.38	-5.46	-17.28	5.80	-23.08	3,283	0
SSGA RUSSELL 1000	RUSSELL 1000	2.39	2.40	-0.01	5.47	5.45	0.02	1,331,116	110
SSGA - CORE	RUSSELL 1000	2.32	2.40	-0.08	7.36	5.45	1.91	338,821	25
PIMCO	S&P 500	2.39	2.38	0.01	5.78	5.80	-0.02	501,499	37
NORTHPOINTE CAPITAL	RUSSELL 2000 VALUE	1.64	2.99	-1.35	6.85	12.16	-5.31	359,020	27
WELLINGTON MANAGEMENT CO. LLC	RUSSELL 2000	2.10	2.96	-0.86	6.14	7.79	-1.65	398,880	30
WASATCH ADVISORS	RUSSELL 2000	2.18	2.96	-0.78	-1.22	7.79	-9.01	195,067	16
TOTAL US EQUITY		2.24			5.47			3,127,693	244
<b>INTERNATIONAL EQUITY</b>									
THE BOSTON COMPANY	MSCI AC WORLD ex US (GROSS)	2.57	2.83	-0.26	12.47	14.26	-1.79	571,784	35
GOLDMAN SACHS	MSCI AC WORLD ex US (GROSS)	2.61	2.83	-0.22	13.89	14.26	-0.37	581,653	41
MONDRIAN	MSCI AC WORLD ex US (GROSS)	3.42	2.83	0.59	17.03	14.26	2.77	585,038	41
TRANSITION ACCOUNT INT EQUITY								66	0
TOTAL INTERNATIONAL EQUITY		2.87			14.45			1,738,551	116
<b>U.S. FIXED INCOME</b>									
FIDELITY MANAGEMENT TRUST	LB MBS	1.31	1.45	-0.14	3.03	2.85	0.18	477,366	34
BROWN BROTHERS HARRIMAN - CORE	CITIGROUP BIG	1.41	1.55	-0.14	2.26	2.18	0.08	286,846	21
TAPLIN, CANIDA & HABACHT	LB CREDIT	1.43	1.85	-0.42	2.57	1.75	0.82	286,909	21
MACKAY SHIELDS, LLC	CSFB GLOBAL HIGH YIELD	1.17	1.39	-0.22	5.31	5.83	-0.52	123,405	10
SHENKMAN CAPITAL MANAGEMENT	CSFB GLOBAL HIGH YIELD	1.16	1.39	-0.23	3.88	5.83	-1.95	125,363	10
BROWN BROTHERS HARRIMAN - TIPS	LB U.S. TIPS	1.73	1.73	0.00	1.38	1.56	-0.18	524,247	41
TRANSITION ACCOUNT FIXED INCOME								575	0
TOTAL US FIXED INCOME		1.45			2.58			1,824,710	135

**State of Rhode Island**

RATES OF RETURN - Total

Periods Ending August 31, 2006



**STATE STREET.**  
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**PERFORMANCE SUMMARY REPORT**

	Benchmark	1 Month Return			Calendar YTD Return			Value (000)	Net Flow (000)
		Fund	Index	Excess	Fund	Index	Excess		
<b>ALTERNATIVE INVESTMENTS</b>									
STATE ACCOUNT (IN DEFAULT)		-6.70			-2.98			20,093	0
PRIVATE EQUITY		-0.14			16.47			446,196	3,886
REAL ESTATE	NCREIF PROPERTY LAG + 100 BPS	-0.00	0.08	-0.08	2.16	9.90	-7.74	227,033	9,247
TOTAL ALTERNATIVE INVESTMENTS		-0.30			11.28			693,322	13,132
<b>CASH EQUIVALENTS</b>									
CASH ACCOUNT (INSIDE)		0.21			6.10			34,619	-14,919
CASH ACCOUNT (OUTSIDE)		0.27			2.23			18,805	-21,991
TOTAL CASH		0.25			4.39			53,424	-36,910
<b>TOTAL PLAN</b>									
TOTAL PLAN	TOTAL PLAN BENCHMARK	1.93	2.14	-0.21	7.42	6.96	0.46	7,437,699	-23,283

**State of Rhode Island**

TOTAL PLAN

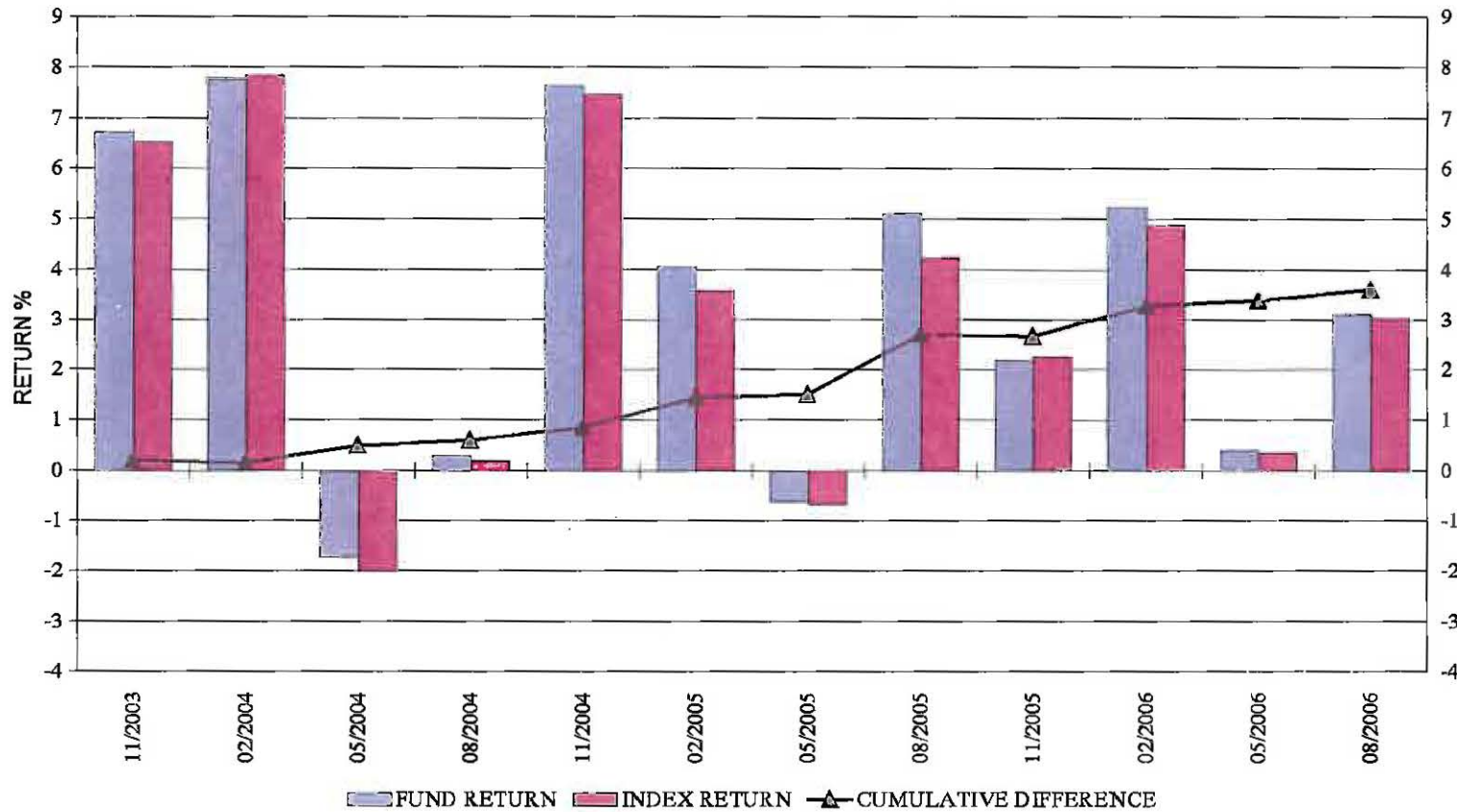
Index: TOTAL PLAN BENCHMARK

PERIODS: August 31, 2003 - August 31, 2006



**STATE STREET.**  
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**CUMULATIVE PERFORMANCE REPORT**

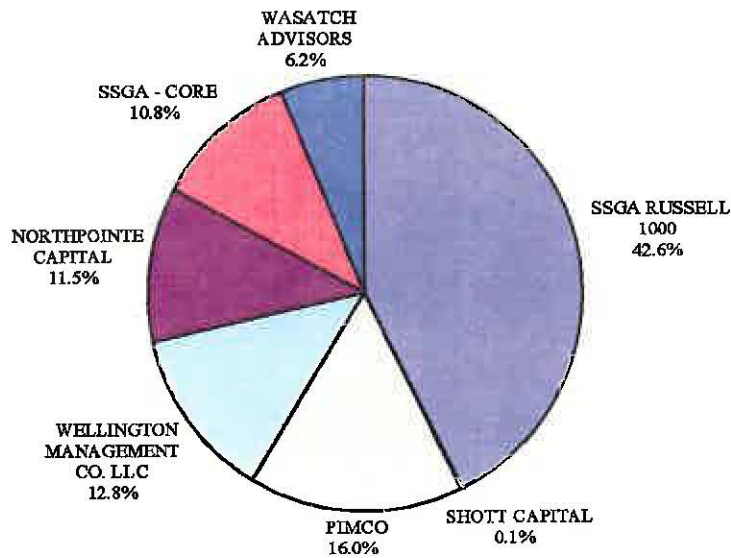


**State of Rhode Island**  
**MANAGER ALLOCATION ANALYSIS**  
**PERIOD ENDING 08/31/2006**



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



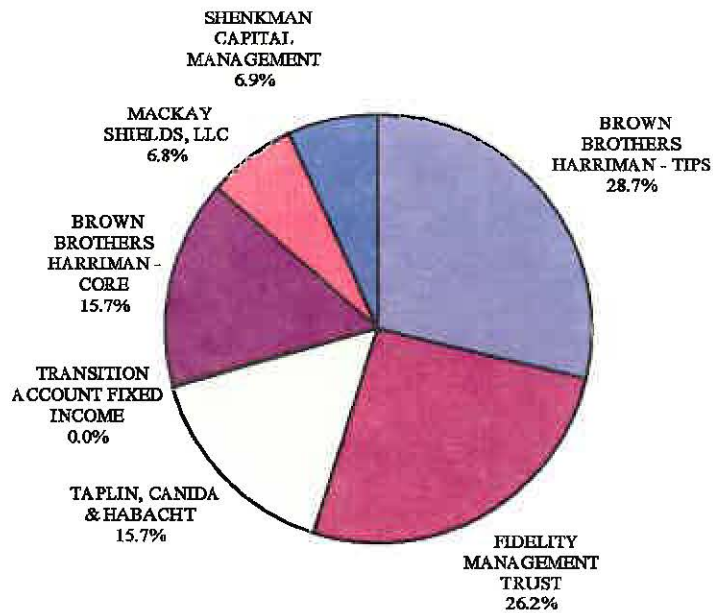
<u>MANAGER</u>	<u>CURRENT PERIOD</u>	<u>ONE YEAR AGO</u>
SSGA RUSSELL 1000	1,331.1	1,379.3
SHOTT CAPITAL	3.3	0.0
PIMCO	501.5	463.2
WELLINGTON MANAGEMENT CO. LLC	398.9	396.0
NORTHPOINTE CAPITAL	359.0	363.6
SSGA - CORE	338.8	318.1
WASATCH ADVISORS	195.1	197.7
<b>TOTAL</b>	<b>3,127.7</b>	<b>3,117.9</b>

**State of Rhode Island**  
**MANAGER ALLOCATION ANALYSIS**  
**PERIOD ENDING 08/31/2006**



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



<u>MANAGER</u>	<u>CURRENT PERIOD</u>	<u>ONE YEAR AGO</u>
BROWN BROTHERS HARRIMAN - TIPS	524.2	498.9
FIDELITY MANAGEMENT TRUST	477.4	414.7
TAPLIN, CANIDA & HABACHT	286.9	256.5
TRANSITION ACCOUNT FIXED INCOME	0.6	0.6
BROWN BROTHERS HARRIMAN - CORE	286.8	250.8
MACKAY SHIELDS, LLC	123.4	125.1
SHENKMAN CAPITAL MANAGEMENT	125.4	125.3
<b>TOTAL</b>	<b>1,824.7</b>	<b>1,671.9</b>

**State of Rhode Island**

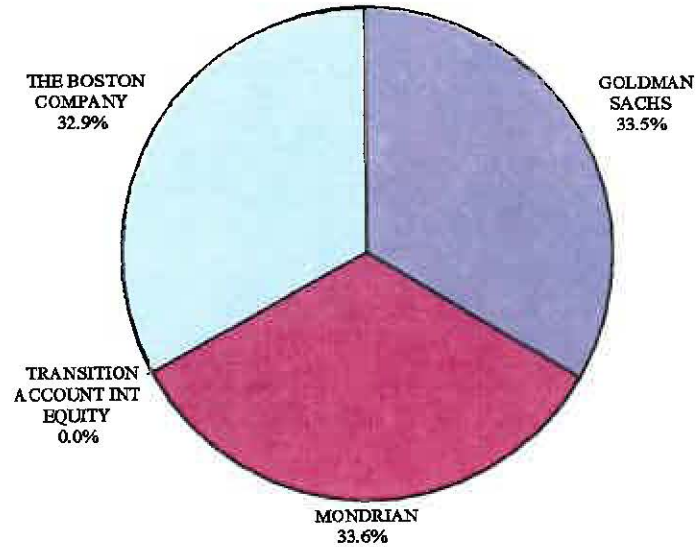
MANAGER ALLOCATION ANALYSIS

PERIOD ENDING 08/31/2006



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

**CURRENT MANAGER ALLOCATION**



<u>MANAGER</u>	<u>CURRENT PERIOD</u>	<u>ONE YEAR AGO</u>
GOLDMAN SACHS	581.7	550.1
MONDRIAN	585.0	536.6
TRANSITION ACCOUNT INT EQUITY	0.1	0.1
THE BOSTON COMPANY	571.8	519.6
SSGA MSCI ALL COUNTRY WORLD EX-US		0.6
<b>TOTAL</b>	<b>1,738.6</b>	<b>1,607.0</b>



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

	<b>Style Mandate</b>	<b>Actual (Millions \$)</b>		<b>Target (Millions \$)</b>		<b>Difference (Millions \$)</b>
<b>Domestic Equity</b>						
SSgA Russell 1000	Passive	1,331.12	17.9%	1,320.19	17.75%	10.93
SSgA Core	Active core	338.82	4.6%	334.70	4.50%	4.12
PIMCO	Enhanced Equity	501.50	6.7%	502.04	6.75%	(0.55)
NorthPointe Capital	Small Cap Value	359.02	4.8%	371.88	5.00%	(12.86)
Wellington Mgmt	Small Cap Core	398.88	5.4%	409.07	5.50%	(10.19)
Wasatch Advisors	Small Cap Growth	195.07	2.6%	223.13	3.00%	(28.06)
Shott Capital	Alternative Distribution	3.28	0.0%	0.00	0.00%	3.28
<b>TOTAL DOMESTIC EQUITY</b>		<b>3,127.69</b>	<b>42.1%</b>	<b>3,161.02</b>	<b>42.50%</b>	<b>(33.33)</b>
<b>International Equity</b>						
Boston Company	MSCI ACWI	571.78	7.7%	496.09	6.67%	75.69
Goldman Sachs	MSCI ACWI	581.65	7.8%	496.09	6.67%	85.56
Mondrian	MSCI ACWI	585.04	7.9%	495.35	6.66%	89.69
Transition Account		0.07	0.0%	0.00	0.00%	0.07
<b>TOTAL INT'L EQUITY</b>		<b>1,738.55</b>	<b>23.4%</b>	<b>1,487.54</b>	<b>20.00%</b>	<b>251.01</b>
<b>Domestic Fixed Income</b>						
Fidelity Management & Research	Mortgages	477.37	6.4%	464.86	6.25%	12.51
Brown Brothers, Harriman	Opportunistic Core	286.85	3.9%	278.91	3.75%	7.93
Taplin, Canida & Habacht	Corporates	286.91	3.9%	278.91	3.75%	8.00
Mackay Shields	High yield	123.41	1.7%	139.46	1.88%	(16.05)
Shenkman Capital Mgmt	High yield	125.36	1.7%	139.46	1.88%	(14.09)
Brown Brothers, Harriman TIPS	TIPS	524.25	7.0%	557.83	7.50%	(33.58)
Transition Account		0.58	0.0%	0.00	0.00%	0.58
<b>TOTAL FIXED-INCOME</b>		<b>1,824.71</b>	<b>24.5%</b>	<b>1,859.42</b>	<b>25.00%</b>	<b>(34.71)</b>
<b>Alternative Investments</b>						
Real Estate	Real Estate	227.03	3.1%	371.9	5.00%	(144.9)
Pacific Corp Group	Private Equity	446.20	6.0%	557.83	7.50%	(111.6)
In-State Fixed Income	Short/Int Govt	20.09	0.3%	0.00	0.00%	20.1
<b>TOTAL ALTERNATIVE INVESTMENTS</b>		<b>693.32</b>	<b>9.3%</b>	<b>\$929.71</b>	<b>12.50%</b>	<b>(236.39)</b>
<b>CASH EQUIVALENTS</b>	STIF, Yield+	53.42	0.7%	0.00	0.00%	53.42
<b>TOTAL ASSETS</b>		<b>7,437.69</b>	<b>100.0%</b>	<b>7,437.69</b>	<b>100.00%</b>	<b>0.00</b>

**ALLOCATION BY MANAGEMENT STYLE**

<b>Domestic Equity</b>						
Core		338.82	4.6%	334.70	4.50%	4.12
Index		1,331.12	17.9%	1,320.19	17.75%	10.93
Enhanced Equity		501.50	6.7%	502.04	6.75%	(0.55)
Active Small Cap		952.97	12.9%	1,004.09	13.50%	(51.12)
<b>TOTAL DOMESTIC EQUITY</b>		<b>3,127.69</b>	<b>42.1%</b>	<b>3,161.02</b>	<b>42.50%</b>	<b>(33.33)</b>
<b>International Equity</b>						
Active		1,738.55	23.4%	1,487.54	20.00%	251.01
<b>TOTAL INT'L EQUITY</b>		<b>1,738.55</b>	<b>23.4%</b>	<b>1,487.54</b>	<b>20.00%</b>	<b>251.01</b>
<b>Domestic Fixed Income</b>						
Mortgage		477.37	6.4%	464.86	6.25%	12.51
Core		286.85	3.9%	278.91	3.75%	7.93
Corporates		286.91	3.9%	278.91	3.75%	8.00
High Yield		249.34	3.3%	278.91	3.75%	(29.57)
TIPS		524.25	7.0%	557.83	7.50%	(33.58)
<b>TOTAL FIXED-INCOME</b>		<b>1,824.71</b>	<b>24.5%</b>	<b>1,859.42</b>	<b>25.00%</b>	<b>(34.71)</b>
<b>Alternative Investments</b>						
Real Estate		227.03	3.1%	371.88	5.00%	(144.85)
Other Alternative Investments		466.29	6.3%	\$557.83	7.50%	(91.54)
<b>TOTAL ALTERNATIVE INVESTMENTS</b>		<b>693.32</b>	<b>9.3%</b>	<b>929.71</b>	<b>12.50%</b>	<b>(236.39)</b>
<b>CASH EQUIVALENTS</b>	STIF, Yield+	53.42	0.7%	0.00	0.00%	53.42
<b>TOTAL ASSETS</b>		<b>7,437.69</b>	<b>100.0%</b>	<b>7,437.69</b>	<b>100.00%</b>	<b>0.00</b>



## RHODE ISLAND STATE INVESTMENT COMMISSION

### Domestic Equity Holdings By Top 10 Market Values Separately Managed

AUGUST 31, 2006

<u>RANK</u>	<u>Equities</u> <u>SECURITY NAME</u>	<u>PAR VALUES/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	EXXON MOBIL CORP	216,970	\$14,682,360	SSgA
2	CITIGROUP INC	225,333	11,120,184	SSgA
3	PFIZER INC	381,200	10,505,872	SSgA
4	BANK AMERICA CORP	193,400	9,954,298	SSgA
5	ADVANTA CORP	277,023	9,379,999	NorthPoint, Wellington
6	COPART INC	331,170	9,295,942	Wasatch
7	PSS WORLD MED INC	456,915	8,864,151	Wasatch, Wellington
8	HERCULES INC	556,300	8,678,280	SSgA, Wellington
9	REDWOOD TR INC.	173,100	8,419,584	Wasatch, Wellington
10	RED HAT INC	349,300	8,117,732	Wellington
		3.17%	\$99,018,402	
	<b>Total Composite Equities</b>		<b>\$3,124,403,330</b>	

### International Equity Holdings By Top 10 Market Values

AUGUST 31, 2006

<u>RANK</u>	<u>International Equities</u> <u>SECURITY NAME</u>	<u>PAR VALUES/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	ROYAL BANK SCOT GRP	794,059	\$26,915,667	Mondrian, Goldman, Boston Co.
2	ROYAL DUTCH SHELL	680,749	23,518,905	Mondrian, Goldman, Boston Co.
3	BANCA INTESA SPA	2,715,387	18,178,608	Mondrian, Goldman, Boston Co.
4	HBOS	949,003	18,105,611	Mondrian
5	TELEFONICA SA	1,050,722	18,022,699	Mondrian, Goldman, Boston Co.
6	CANON INC	354,450	17,649,213	Mondrian, Goldman, Boston Co.
7	TOTAL SA	253,620	17,108,870	Mondrian
8	GLAXOSMITHKLINE	587,216	16,620,554	Mondrian, Goldman
9	UNILEVER PLC	681,133	16,272,948	Mondrian, Boston Co.
10	ING GROEP NV	371,854	16,064,730	Mondrian, Goldman, Boston Co.
		10.84%	\$188,457,805	
	<b>Total Composite International Equities</b>		<b>\$1,738,479,129</b>	

Top 10 Market Values SIC

**TOYOTA MOTOR CORP**



FISCAL YEAR 2006

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

ACCRUAL BASIS

	Actual Jul 05	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Actual Jan 06	Actual Feb	Projected Mar	Projected Apr	Projected May	Projected Jun	Projected TOTAL
<b>EQUITIES</b>													
SSgA Core			209,189			211,332			200,000			200,000	820,522
SSgA Russell 1000			33,240			31,811			40,000			40,000	145,051
Shott Capital			41,277			225			2,509			2,718	46,730
FIMCO			313,889			200,000			1,000			225,000	739,889
Wellington Mgmt			596,297			607,639			600,000			600,000	2,403,936
Wasatch Advisors			125,048			121,645			120,000			120,000	486,693
NorthPointe			494,212			495,262			480,000			480,000	1,949,474
			1,813,152			1,667,915			1,443,509			1,667,718	6,582,294
<b>FIXED INCOME</b>													
Brown Bros.			124,624			124,208			120,000			120,000	488,832
Fidelity			140,617			140,532			140,000			140,000	561,149
Taplin			161,909			163,025			160,000			160,000	644,933
Mackay Shields			136,668			138,332			140,000			140,000	555,000
Shenkman			137,502			137,872			140,000			140,000	555,374
Brown Bros.TIPS			137,007			137,338			140,000			140,000	554,345
			838,327			841,306			840,000			840,000	3,359,634
<b>INT'L EQUITIES</b>													
The Boston Co			522,466			543,700			550,000				1,066,166
Mondrian			250,948			282,822			250,000			250,000	1,033,770
Goldman Sachs Asset Mgmt			470,412			467,176			488,384			475,000	1,900,972
SSgA MSCI ACWI			0			0			0			0	0
	0		1,243,826	0		1,293,698			1,288,384			725,000	4,000,908
<b>REAL ESTATE</b>													
L & B Real Estate									100,000			100,000	200,000
<b>ALTERNATIVE INVESTMENTS</b>													
Other Alt Inv Mgmt Fees	881,233	775,539	0	0	21,810	906,443	886,829	219,291	207,497	401,744	606,207	583,151	5,489,744
<b>SUB TOTAL-INV MGMT FEES</b>													
	881,233	775,539	3,895,305	0	21,810	4,709,362	886,829	219,291	3,879,390	401,744	606,207	3,915,869	19,642,579
<b>PROFESSIONAL FEES</b>													
Legal	8,500	3,500	3,500	12,000	15,347	3,500	13,726	6,000	7,365	12,737	9,677	17,791	113,641
St St Bank Custodial	23,654	11,503	13,277	11,978	11,919	12,325	10,888	10,000	10,000	7,915	4,000	4,200	131,659
Pacific Corp Group		68,750	68,750	0	0	0	0	68,750	0	0	93,750	0	300,000
Wilshire Assoc	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	249,997
Townsend	0	0	35,625	0	0	35,625	0	0	35,625	0	15,000	35,625	157,500
	52,987	104,586	141,965	44,811	48,099	72,284	45,446	105,583	73,823	41,484	143,260	78,449	952,797
<b>OPERATING EXPENSE</b>													
Retirement Transfers	0	0	0	0	0	3,191,154	0	0	0	3,680,498	0	0	6,871,652
Other Expense	76,373	8,333	61,370	55,459	46,563	32,088	21,497	22,425	3,000	0	8,333	8,333	343,775
	76,373	8,333	61,370	55,459	46,563	3,223,242	21,497	22,425	3,000	3,680,498	8,333	8,333	7,215,427
<b>TOTAL:</b>	1,010,593	888,458	4,098,660	100,269	116,472	8,004,887	953,773	347,299	3,956,213	4,123,726	757,801	4,002,651	27,810,803

Note: Numbers in bold are actual.

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2007

	FY 2006-07												
	Actual July 2006	Actual August	Projected September	Projected October	Projected November	Projected December	Projected January 2007	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	48,578,730	50,240,812	47,452,432	47,250,400	47,250,400	47,391,972	48,816,688	48,877,483	48,928,423	48,672,240	48,800,465	48,775,210	582,035,250
ADMINISTRATIVE EXPENSES	30,852	7,525	97,502	78,181	134,375	2,794,363	41,155	103,184	6,347	3,182,654	8,339	0	6,482,477
INVESTMENT EXPENSES	1,139,595	404,779	0	0	404,933	781,952	764,774	189,074	178,811	346,204	522,400	497,410	5,229,932
TOTAL OUTFLOW	50,749,178	50,653,116	47,549,934	47,328,581	47,789,708	50,968,287	49,622,611	49,169,741	49,113,581	52,201,098	49,331,205	49,272,620	593,747,659
CONTRIBUTIONS	26,323,220	30,454,769	29,239,090	28,890,956	28,965,087	44,361,432	33,232,665	35,296,828	37,360,690	35,131,183	32,614,800	51,544,371	413,415,101
OTHER INCOME*	16,334,758	9,340,820	7,710,133	3,438,936	3,450,255	2,993,488	3,782,660	9,737,881	4,531,478	4,228,106	7,288,588	18,612,285	91,449,367
TOTAL INCOME	42,657,978	39,795,589	36,949,223	32,329,892	32,415,352	47,354,920	37,015,325	45,034,689	41,892,168	39,359,289	39,903,388	70,156,656	504,864,468
DIFFERENCE	(8,091,200)	(10,857,527)	(10,600,712)	(14,998,689)	(15,374,356)	(3,613,367)	(12,607,286)	(4,135,052)	(7,221,413)	(12,841,809)	(9,427,817)	20,884,036	(88,883,191)

Municipal Employees Retirement System

	FY 2006-07												
	Actual July 2006	Actual August	Projected September	Projected October	Projected November	Projected December	Projected January 2007	Projected February	Projected March	Projected April	Projected May	Projected June	Projected TOTAL
MEMBER BENEFITS	4,091,872	4,179,838	3,901,672	3,920,905	3,907,784	3,908,734	4,015,188	4,051,566	4,037,958	4,024,792	4,093,406	4,069,723	48,203,438
ADMINISTRATIVE EXPENSES	5,005	1,221	14,600	11,407	20,129	418,428	6,173	15,489	955	479,037	1,255	0	973,699
INVESTMENT EXPENSES	184,863	65,662	0	0	60,689	117,080	114,714	28,382	26,914	52,109	78,629	80,688	809,741
TOTAL OUTFLOW	4,281,740	4,246,721	3,916,272	3,932,312	3,988,602	4,444,252	4,136,075	4,095,438	4,065,827	4,555,938	4,173,290	4,150,412	49,986,878
CONTRIBUTIONS	2,505,378	3,560,211	2,208,511	3,703,497	3,474,528	3,353,939	5,191,597	3,804,408	3,204,454	4,112,813	4,050,208	2,630,672	41,600,216
OTHER INCOME*	2,849,790	1,515,248	1,154,504	514,941	449,355	448,245	567,390	1,461,780	679,161	636,393	1,097,041	2,694,810	13,888,659
TOTAL INCOME	5,155,168	5,075,459	3,363,015	4,218,438	3,923,883	3,802,184	5,758,987	5,066,188	3,883,615	4,749,206	5,147,249	5,325,482	55,468,875
DIFFERENCE	873,429	828,738	(553,257)	286,126	(64,719)	(642,068)	1,622,912	970,751	(182,212)	193,268	973,959	1,175,070	5,481,996

Judges/State Police  
Retirement System

	Actual July 2008	Actual August	Projected September	Actual October	Actual November	Actual December	Actual January 2007	Actual February	Actual March	Actual April	Actual May	Projected June	Projected TOTAL
<i>MEMBER BENEFITS</i>	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	168,000
<i>ADMINISTRATIVE EXPENSES</i>	313	76	893	704	1,089	26,450	395	1,001	63	31,544	83	0	62,591
<i>INVESTMENT EXPENSES</i>	11,574	4,111	0	0	3,222	7,402	7,341	1,835	1,772	3,431	5,178	5,052	50,917
<i>TOTAL OUTFLOW</i>	25,887	18,187	14,893	14,704	18,291	47,852	21,736	16,836	15,835	48,975	19,260	19,052	281,509
<i>CONTRIBUTIONS</i>	500,000	535,000	475,000	590,000	500,000	730,000	510,000	500,000	490,000	480,000	779,800	760,000	6,849,900
<i>OTHER INCOME*</i>	165,900	94,868	70,594	31,768	25,350	28,335	36,310	94,484	27,863	41,906	72,239	168,719	858,336
<i>TOTAL INCOME</i>	665,900	629,868	545,594	621,768	525,350	758,335	546,310	594,484	517,863	521,906	852,039	928,719	7,708,136
<i>DIFFERENCE</i>	640,013	611,680	530,701	607,065	507,059	710,483	524,574	577,649	502,028	472,930	832,779	909,667	7,426,628

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

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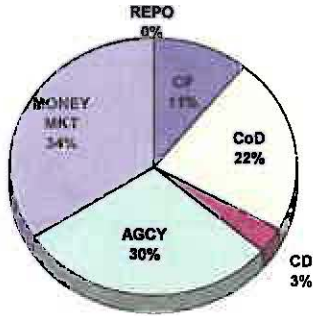
<b>Rhode Island Employees Retirement System</b> <b>Securities Lending Report</b> <b>August, 2006</b>
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<u>INVESTMENT MANAGER</u>	<u>Income</u>	<u>Average Collateral Balance</u>
<b><u>DOMESTIC EQUITY</u></b>		
Wellington Mgmt. Co., LLP	52,580	176,751,773
Wasatch Advisors	13,188	92,581,713
NorthPointe Capital	39,357	175,721,297
SSgA Core	<u>3,162</u>	<u>22,603,646</u>
<b>Total Domestic Equity</b>	<b>\$ <u>108,286</u></b>	<b>\$ <u>467,658,429</u></b>
<b><u>INTERNATIONAL EQUITY</u></b>		
Goldman Sachs	42,210	85,641,039
Boston Company	33,611	92,000,078
Mondrian	<u>46,636</u>	<u>114,125,219</u>
<b>Total International Equity</b>	<b>\$ <u>122,457</u></b>	<b>\$ <u>291,766,337</u></b>
<b><u>FIXED INCOME</u></b>		
Brown Brothers, Harriman	12,940	123,256,398
Taplin, Canida & Habacht	2,210	27,478,524
MacKay Shields	4,627	16,258,374
Shenkman Capital Management	3,120	19,449,519
Brown Brothers, Harriman (TIPS)	<u>24,546</u>	<u>459,921,761</u>
<b>Total Fixed Income</b>	<b>\$ <u>47,443</u></b>	<b>\$ <u>646,364,576</u></b>
<b>TOTAL SECURITIES LENDING INCOME</b>	<b>\$ <u>278,186</u></b>	<b>\$ <u>1,405,789,342</u></b>
<b>Calendar Year 2006 YTD</b>	<b>\$ 2,326.157</b>	

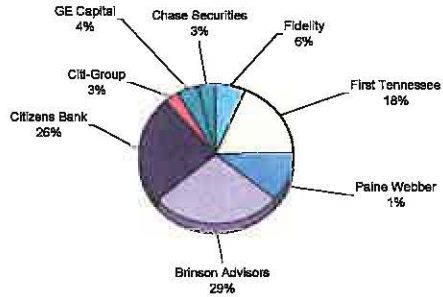


**RHODE ISLAND STATE INVESTMENT COMMISSION**  
**SHORT TERM CASH INVESTMENTS AT AUGUST 31, 2006**

**Portfolio By Instrument**



**Portfolio by Issuer**



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

Vendor	CP	CD	Agency	Money Mkt	CoD	Repo	Total (\$)
<b>Guidelines-Total/Vendor</b>	<b>25%/10%</b>	<b>25%/10%</b>	<b>75%/35%</b>	<b>50%/35%</b>	<b>25%/25%</b>	<b>100%/20%</b>	
Merrill Lynch	0	0	0	0	0	0	0
Dreyfus	0	0	0	0	0	0	0
Dean Witter	0	0	0	0	0	0	0
Chase Securities	0	0	10,252,459	0	0	0	10,252,459
Paine Webber	9,986,900	0	22,884,169	0	0	0	32,871,069
Fidelity	0	0	0	18,973,875	0	0	18,973,875
First Tennessee	0	0	53,799,961	0	0	0	53,799,961
Brinson Advisors	0	0	0	80,846,458	0	0	80,846,458
Citizens Bank	0	9,227,968	0	0	65,296,316	0	74,524,284
GE Capital	12,965,848	0	0	0	0	0	12,965,848
Citi-Group	8,979,689	0	0	0	0	0	8,979,689
State St Bank	0	0	0	0	0	0	0
<b>TOTALS</b>	<b>31,932,437</b>	<b>9,227,968</b>	<b>88,936,590</b>	<b>99,820,332</b>	<b>65,296,316</b>	<b>0</b>	<b>293,213,644</b>
<b>(%) PORTFOLIO</b>	<b>11%</b>	<b>3%</b>	<b>30%</b>	<b>34%</b>	<b>22%</b>	<b>0%</b>	<b>100%</b>

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



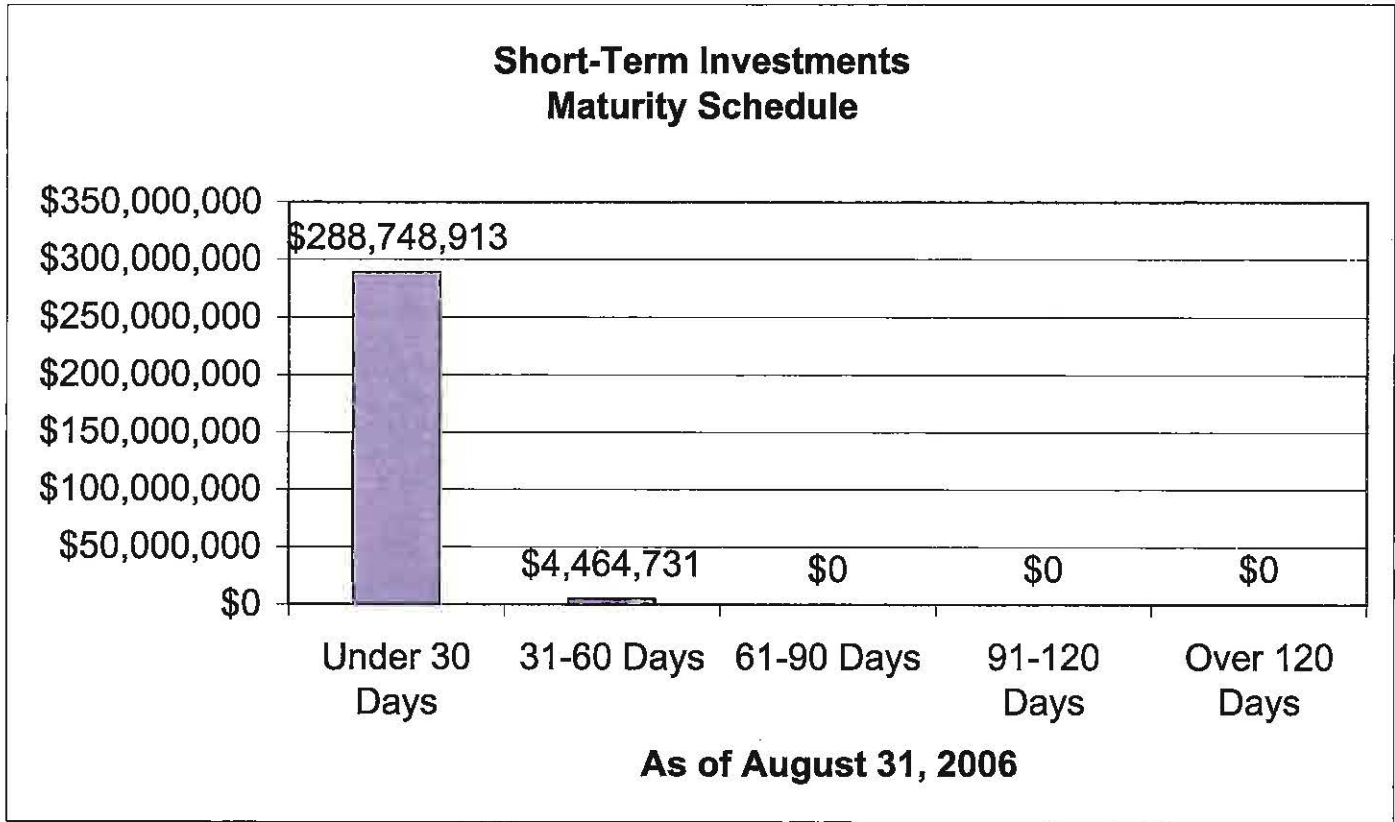
State of Rhode Island and Providence Plantations  
Office of the General Treasurer

Short Term Investments Portfolio by Fund

As of August 31, 2006

	Principal	Interest*	Total Value @ Maturity
4901 GENERAL FUND	65,927,253	1,236	65,928,490
4904 PENSION C	4,229,189	811	4,230,000
4908 PAYROLL A	649,911	89	650,000
4916 GENERAL FUND H.A.V.A.	2,043,392	0	2,043,392
4920 GENERAL FUND (HIST PRES)	482,037	3,931	485,968
4955 HEALTH INSURANCE FUND	32,887,247	62,818	
5400 HIGHWAY FUND	8,559,463	863	8,560,326
5500 UNIVERSITY COLLEGE	6,994,335	5,665	7,000,000
6920 AUTO EQUIPMENT SERVICE	139,723	0	139,723
8000 T.D.I. RESERVE (DET)	114,628,494	225,069	114,853,563
8300 PERMANENT SCHOOL FUND	743,994	2,038	746,032
8400 EMP RETIREMENT FUND	6,221,673	0	6,221,673
8500 MUN EMP RETIREMENT FUND	427,707	0	427,707
8700 R.I. CLEAN WATER ACT	3,994,057	1,015	3,995,071
9000 BOND CAPITAL FUND	8,909,004	4,204	8,913,208
9700 STATE LOTTERY FUND	35,118,959	36,231	35,155,190
9800 INDUS. BLDG. & MTG. INS.	1,257,205	0	1,257,205
9900 SINKING FUND	0	0	0
4911 TANS	0	0	0
Subtotal	293,213,644	343,971	260,607,550
8702 CLEAN WATER 1993 SER. A	13		
8703 CLEAN WATER 1991 SERIES A	148,329		
8704 CLEAN WATER 96 SERIES A	12,597		
8706 CLEAN WATER CCDL 1994 (A)	6,244		
8707 CAP DEV. OF 1997 SERIES A	19,549		
8710 CLEAN WATER CCDL 2002 A	343,802		
8711 CLEAN WATER 2004 SERIES A	724,758		
8712 CLN WATER CCDL 2005 SER E	885,765		
8733 CAP DEV. OF 1997 SERIES A	8,724		
8737 RI POLLUT. CONT 94 SER. A	6,388		
8739 CCDL99A 1999A	343,518		
8742 POLLUTION CNTRL 2002 A	45,724		
8743 POLL.CONTRL 2004 SERIES A	951,081		
8744 POLLUTION CON 2005 SER C	88,774		
8745 POLLUTION CTRL CCDL 2005 E	669,963		
9114 G.O. NOTE 1991 SER. B	3,815		
9116 BOND CCDL 1993 SERIES A	9,357		
9117 BOND CCDL 1994 SERIES A	680,399		
9120 BOND CCBL96A	1,269,849		
9121 CAP DEV OF 1997 SERIES A	936,150		
9123 CCDL 1998B	2,249,403		
9124 CCDL99A 1999A	723,362		
9125 MMG099 1999	2,863		
9126 BOND CAPITAL CCDL2000A	1,664,729		
9127 MULTI-MODAL GEN OBL 2000	2,835		
9128 BOND 2001	2,420		
9131 CCDL 2004 SERIES A	16,128,575		
9132 BOND CCDL 2005 SERIES C	29,619,715		
9133 BOND CCDL 2005 SERIES E	32,393,897		
Subtotal Bond Proceed Accounts	89,942,599		
Total Short Term Portfolio	383,156,243		

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



Maturities in \$Millions

Note: Includes \$165.1 Million of Money Market investments with no specific maturity

August, 2006	5.20%
July, 2006	5.21%
August, 2005	3.49%



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

<b><u>FUND NAME</u></b>	<b>August Gain/Loss</b>	<b>TOTAL MARKET VALUE</b>
<b>Abraham Touro Fund ( Fidelity Balanced Fund)</b>	<b>\$ 44,919</b>	<b>\$ 2,196,528</b>
<b><u>TOTALS</u></b>	<b>\$ 44,919</b>	<b>\$ 2,196,528</b>

