

**STATE OF RHODE ISLAND
INVESTMENT COMMISSION MEETING**

**DATA AT
MAY 31, 2007**

**KENNETH E. GOODREAU
DEPUTY GENERAL TREASURER FOR FINANCE**

MEMBERS OF THE STATE INVESTMENT COMMISSION

Hon. Frank T. Caprio, Chair

**Mr. J. Michael Costello
Mr. Robert Giudici
Ms. Marcia Reback
Mr. John R. Treat**

**Ms. Rosemary Booth Gallogly
Dr. Robert J. McKenna
Mr. Andrew K. Reilly**



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

Frank Caprio
General Treasurer

**RHODE ISLAND STATE INVESTMENT COMMISSION
MEETING NOTICE**

The next meeting of the Rhode Island State Investment Commission has been scheduled for Wednesday, June 27, 2007 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 5/30/07 *
3. Private Equity—Pacific Corporate Group (PCG)
 - Motion for investment in W Capital* ~~15~~
 - ✓ • Motion for investment in Avenue Capital* 20M ~~15~~ 50M fund (on 3rd commitment)
4. Real Estate—The Townsend Group
 - Motion for investment in Magna Hospitality Group* 4
5. Wellington Management Company, LLP—Technical Equity product* 50
6. Capital Market Review *↳ Withheld on board.*
7. Legal Counsel Report *↳*
8. Deputy Treasurer for Finance Report
9. Treasurer's Report *Needs.*
10. New Business

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

- ① call Avenue - 20 million
- ② call W-capital - 15 million
- ③ Call Magna. - 4 million

POSTED ON THURSDAY, JUNE 21, 2007

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

Regular Meeting May 30 2007

A State Investment Commission (SIC) meeting was held in Room 135, State House, Providence, Rhode Island on Wednesday, May 30, 2007. The Treasurer called the meeting to order at 9:10 a.m.

Membership Roll Call. Present were: Mr. Michael Costello, Ms. Rosemary Booth Gallogly, Mr. Robert Giudici, Dr. Robert McKenna, Mr. Andrew Reilly, and General Treasurer Frank T. Caprio. Also present were: Mr. Kenneth E. Goodreau, Deputy General Treasurer for Finance; Brian Gallogly, Esq., of Brown Rudnick Berlack Israels, Legal Counsel to the Commission; William Bensur, of Wilshire Associates Incorporated, General Consultant to the Commission; Ms. Lisa Tyrrell and Ms. Lara Callahan of State Street Corporation; and other members of the Treasurer's staff. Ms. Marcia Reback was absent.

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

VOTED: To approve the Minutes of the April 25, 2007 regular meeting.

Treasurer Caprio alerted the group that the Townsend Group, real estate consultants to the Commission, had no representative present. Mr. Goodreau explained that representatives of Prudential Real Estate Investors, and PRISA II, a real-estate fund, would make a presentation to the Commission in absence of Townsend representatives. Treasurer Caprio asked Mr. Goodreau for a brief overview of PRISA II, and Mr. Goodreau described the fund as one which possesses a great track record and a more conservative approach to real estate investments. He stated that after discussions between himself and Townsend representatives, he had concluded that PRISA II offers the advantages of a lower fee and an efficient way for the Employees' Retirement System of Rhode Island (ERSRI) portfolio to gain exposure in an underexposed area. He then introduced Mr. Kevin Smith and Mr. Terry McHugh, representatives for PRISA II.

Mr. Smith thanked Mr. Goodreau for his introduction. He gave a brief overview of the fund, which he described as the core fund of Prudential Real Estate Investors with a history of more than 27 years and a long track record of consistent performance to benchmarks. He stated that he believed the fund to be a good opportunity for the State of Rhode Island, and that the fund is only brought out every few years for investment; the current window of opportunity for investment closes on June 1, 2007, or within two days of the May SIC meeting. He further stated that PRISA II is an open-end, enhanced-return pooled fund which began operations in July 1980, and is only open for new investments periodically, with the last reopening in second-quarter 2004.

Mr. McHugh continued that PRISA II has re-opened the fund in 2007 due to existing strong deal flow, need for capital, and strong market fundamentals. He stated that expected capital to be raised for the fund is \$3 billion, from existing and new investors, in addition to \$250 million for the Prudential defined contribution fund. 25% of this capital is expected to be drawn in 2007, with roughly 19% by June 29, 2007. He described the acquisition strategy as having participation in development at the local level, and an 80% focus on the coastal region given the high concentration of real estate growth and value in that region.

Mr. Smith stated that as of March 31, 2007, PRISA II owned 92 investments with a Gross Asset Value of \$6.2 billion and Net Asset value of \$4.4 billion. PRISA II produced more than 4% Total Gross Return in the first-quarter 2007, and rolling four-quarters' Total Gross Return is just less than 20%. After the initial June 29, 2007 draw down of capital, PRISA II leverage was expected to be in the mid-20% range. He concluded by stating that PRISA II expectations for 2007 were to produce a Total Gross Return of 11-14%, and that Prudential is significantly ahead of those projections at present. Mr. Smith and Mr. McHugh then opened for questions by Commission members.

Mr. Giudici asked the representatives to contextualize current market valuations in historical context. Mr. McHugh responded that he does not characterize the current market as having a collapse in value, but rather a steadying, and that he believes that it will stabilize. He further stated that rents are still increasing, and that a stable market is desirable for returns.

Mr. Treat inquired as to the saturation and high vacancy rates in the condominium market in Florida. Mr. McHugh acknowledged the saturation but stated that Prudential has fared well in that market, with two current projects slated for completion. He attributed Prudential's success in this sector to appropriate pricing.

Mr. Giudici inquired as to the state of the commercial sector, and Mr. McHugh answered that offices in coastal regions, particularly the East Coast, San Francisco and Southern California, remain steady. He stated that strong job growth continues to fuel strong demand for office space, but the demand is typically taking the form of leasing opportunities for extant buildings rather than new construction. Mr. Giudici further inquired as to the impact on the commercial sector of mortgage foreclosures in the residential market, and Mr. McHugh responded that to date there has not been a tremendous correlation between the two.

Mr. Reilly asked whether there are markets that Prudential may have avoided in the past, and are now more bullish in pursuing. Mr. McHugh answered that the fund remains unenthusiastic about office space in the Midwest region, but has grown more comfortable with the opportunities and connections in Midwestern retail space.

Mr. Goodreau stated his concerns about liquidity and potential changes in availability of capital due to unstable interest rates. Mr. McHugh stated that the availability of capital for the next three years is not a concern for Prudential; for the market as a whole, he stated that continued raising interest rates might yield fewer buyers but would not likely yield a decrease in available capital.

In conclusion, Mr. Smith reiterated that he believes PRISA II is an excellent fit with the ERSRI portfolio, and feasible despite the near date of closure given that the ERSRI already invests in other Prudential funds and thus benefits from an abbreviated documentation process.

Treasurer Caprio thanked Mr. Smith and Mr. McHugh for their presentation. He informed the Commission that Townsend had recommended investment in Prudential PRISA II in the amount of \$15 million, and that the ERSRI has \$70 million available for real estate allocation. Mr. Smith informed the Commission that PRISA II was currently oversubscribed by approximately 35%. To achieve the \$15 million investment target recommended by Townsend, Treasurer Caprio entertained a motion for investment in the amount of up to \$20 million, pending satisfactory legal review. Mr. Treat moved, Ms. Gallogly seconded and the following motion was passed unanimously. The following members voted in favor: Mr. Costello, Ms. Gallogly, Mr. Giudici, Dr. McKenna, Mr. Reilly, Mr. Treat, and Treasurer Caprio.

VOTED: To invest up to \$20 million in PRISA II, contingent upon satisfactory review and negotiation of investment and other legal documents.

Capital Market Review – Wilshire Associates. Treasurer Caprio introduced Mr. Bensus for his presentation to the Commission. Mr. Bensus began by stating that the global market is currently unstable due to recent, uncertain market conditions in China. The U.S. economy as a whole has entered a very long business cycle, which will be characterized by greater stability but more moderate growth, as the U.S. economy has matured from one based in manufacturing to one based in service. In general business earnings growth is still increasing but at steadying rates. Consumer confidence is moderate due to concerns over market volatility; consumer net wealth and spending continues to grow, but housing wealth is being replaced by market wealth.

Mr. Bensus said that he expects growth in both U.S. and non-U.S. equities as long as liquidity remains open; U.S. equities continue to see lower growth and returns than non-U.S. equities as they have since the beginning of the decade, and emerging markets continue to outpace developed ones. Mr. Bensus stated that fixed income continues to be uneventful due to a flat yield curve, yet the ERSRI should still fare well in this sector given the fund's long-term strategy. Mid- and small-cap stocks continue to outperform large-cap stocks.

In terms of performance, Mr. Bensus stated that a review conducted by himself and Mr. Goodreau revealed that, overall, the ERSRI portfolio is performing in line with

expectations. From a macro perspective, asset allocations are in line with policy and managers are performing to portfolio benchmarks.

Mr. Bensus gave a brief overview of asset allocation for the purposes of the recent subcommittee appointed to review this facet of the portfolio. He underscored the importance of asset allocation as the most important tool of the ERSRI as a public fund, setting the philosophy and structure for investment and incorporating forward-looking strategy in order to weather various instabilities over time. Mr. Bensus gave a brief overview of the history of the fund's asset allocation, and a summary of current allocation. He outlined a ten-year forecast of expectations for the fund, which sees a median rate of return of about 8%.

Legal Counsel Report. Mr. Gallogly stated that there was no report for the month.

Deputy Treasurer for Finance Report. Mr. Goodreau commented on the asset allocation review mentioned in Mr. Bensus's report, stating that he expected the assigned subcommittee to meet sometime in the near future. In addition, his staff had been devoting a large percentage of time to surveying and monitoring the fund's allocation, and various means of calculating and assessing it. Mr. Goodreau stated that he determined the fund to have underperformed this month by roughly 30 basis points, or \$24 million dollars, almost all of which is due to the way private equity is calculated; adjusting for accounting practice and lag time brings the performance in line with expectation. He reiterated a disconnect in the calculation, which he attributes to a function of accounting and hopes to gain clarity on this issue by the next SIC meeting.

Some discussion ensued among Mr. Reilly, Mr. Giudici, and Mr. Goodreau as to the specifics of accounting practice. Mr. Goodreau concluded that this was something he intends to examine closely and resolve in the near future.

Treasurer's Report. Treasurer Caprio announced to the Commission a meeting of the Subcommittee for Alternative Investments, to be held on June 15. The meeting will be chaired by Mr. Reilly, and all interested SIC members are invited to attend. Treasurer Caprio stated that in the future, he hopes that all managers who present to the Commission will first be screened by the subcommittee as a means of streamlining the process. Treasurer Caprio addressed the security lending program that had been discussed in the previous meeting, informing the Commission that the change of one fund to another for collateral had resulted in a positive return of \$164,000. He also stated that he looks forward to the correction of accounting practices so that it most accurately portrays the portfolio numbers. Treasurer Caprio concluded with an update of the portfolio value, which he stated is approaching \$8.3 billion in value, with an increase of \$225 million, as of April 30, 2007.

There being no questions from the members and no new business, Treasurer Caprio looked to the Commission to adjourn the meeting.

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

VOTED: To adjourn the meeting.

There being no further business, the meeting was adjourned at 10:30 a.m.

Respectfully submitted,

Frank T. Caprio
General Treasurer

RHODE ISLAND STATE INVESTMENT COMMISSION
STAFF SUMMARY ANALYSIS
PORTFOLIO HIGHLIGHTS
May 31, 2007

PORTFOLIO PERFORMANCE

May

The ERSRI portfolio posted a gain of 1.73% for the month of May, against the policy index of 2.19%. Domestic equities gained 3.70%, international equities gained 2.22%, and the fixed income asset class returned -0.49%. Additionally, the retirement fund earned \$277,592 from the securities lending program during this month. If we factor out PE & RE investments, due to the way they are monitored the plan performance was 2.11% against its 2.19% index.

MSCI 2.74 (-)
Wilshire 5000 3.66 (+)
Lehman Ag. -0.76 (+)

Calendar Year to Date

For the five months ended May 31, 2007, the portfolio is up 7.10% against the policy index of 7.52%. Domestic equities were up 5.29%, international equities were up 7.22%, while fixed income generated a return of 2.45%.

Fiscal Year to Date

For the Fiscal Year ended June 30, 2007, the fund has gained 16.17%, against the policy index of 19.28%.

Index Performance Summary - May 31, 2007		
Market Indices	May-07	Calendar YTD
Domestic Equity		
S & P 500	3.49%	8.77%
DJ Wilshire 5000	3.66%	9.32%
Russell 2000	4.10%	8.03%
Russell 1000	3.60%	9.27%
Policy Index	2.19%	7.52%
International Equity		
MSCI ACWI	2.74%	11.62%
Fixed Income		
Lehman AGG	(-0.76%)	1.28%
Real Estate		
NCREIF	4.51%	4.51%

ERSRI Performance By Asset Class	May-07	Calendar YTD
Domestic Equity	3.70%	9.19%
Fixed Income	-0.49%	1.94%
International Equity	2.22%	9.61%
Total Fund Composite*	2.11%	7.10%
Manager Summary		
Manager Summary	May-07	CYTD
DOMESTIC EQUITY		
Shott	0.80%	1.23%
PIMCO	2.91%	7.99%
SSgA Russell 1000 (SSCA 500)	0.00%	0.00%
SSgA Core	4.43%	10.80%
Wasatch	0.00%	0.00%
Northpointe	3.09%	7.60%
Wellington	5.70%	12.75%
Total Domestic Equity	3.70%	9.19%
FIXED INCOME		
Brown Bros TIPS	-1.41%	1.43%
Brown Bros Core	-0.71%	1.54%
Fidelity	-0.52%	1.51%
Taplin Canida & Habacht	-0.46%	1.65%
InState Fixed Income	0.00%	0.00%
Shenkman		
Mackay Shield	0.71%	3.97%
Total Fixed Income	-0.49%	1.94%
INTERNATIONAL EQUITY		
Mondrian	1.81%	10.75%
Goldman Sachs	2.52%	11.33%
Boston Co	2.41%	8.34%
Total International Equity	2.22%	9.61%

MAY Mkt +.46 bps

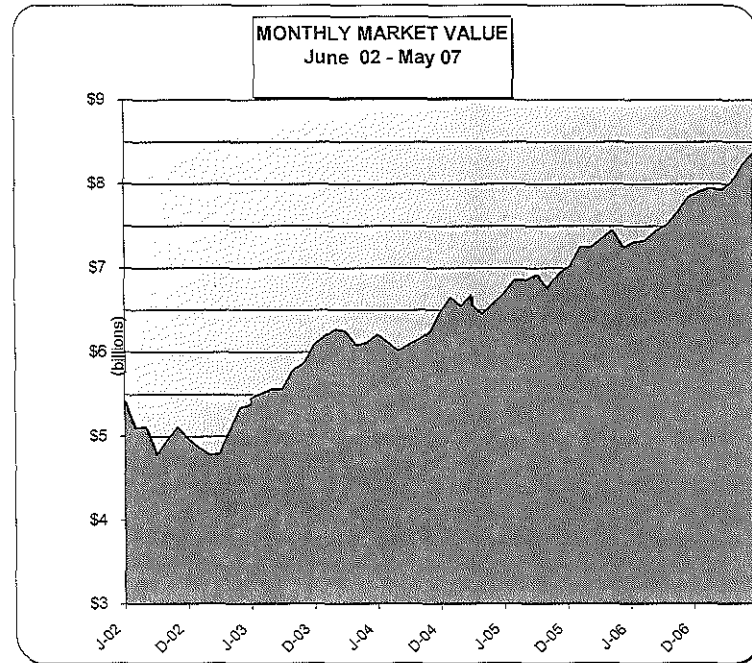
MSCI 11.62

*Total Fund Composite includes all classes ex PE & RE

Market Valuation Report
May, 2007

Market Values

The total portfolio value increased in May by \$142.9 million to \$8.37 billion. This compares with a decrease in value of \$206.1 million for the same period in 2006. The domestic equity market values increased by \$54.1 million, including transfers out of \$72.7 million ; fixed income increased by \$66.7 million, including transfers in of \$73.7 million; while international values increased by \$26.6 million, including \$11.7 million transferred out. The cash accounts decreased by \$3.8 million including transfers out of \$6.2 million, and alternative investments decreased by \$0.6 million, including transfers in netting \$1.8 million.



Cash Flow

May's pension payroll of \$56.2 million was more than the \$ 45.3 million in contributions and wire transfers received by \$10.9 million.

To meet pension and other obligations, \$15.0 million was transferred from long-term investments.

Alternative Investments

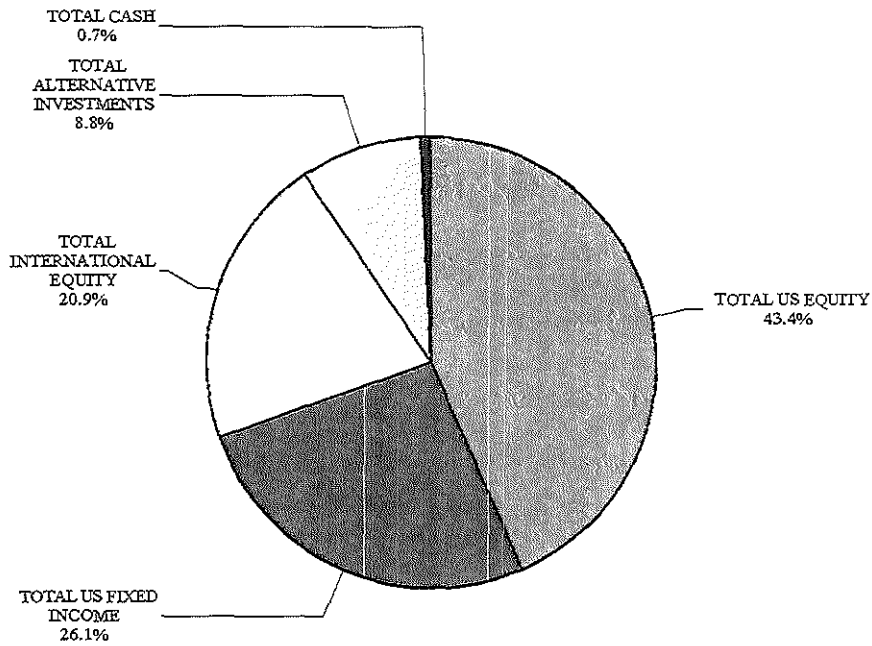
At this time the alternative investment asset class has unfunded commitments of approximately \$420 million on commitments of \$863 million.

CAPITAL CALLS Net of Distributions

May 2007	FYTD	UNFUNDED BALANCE
-\$10,559,901	-\$21,487,486	\$419,656,155
May 2006	FYTD	UNFUNDED BALANCE
\$4,139,747	\$108,227,617	\$408,374,471



CURRENT ASSET CLASS ALLOCATION (IN MILLIONS)

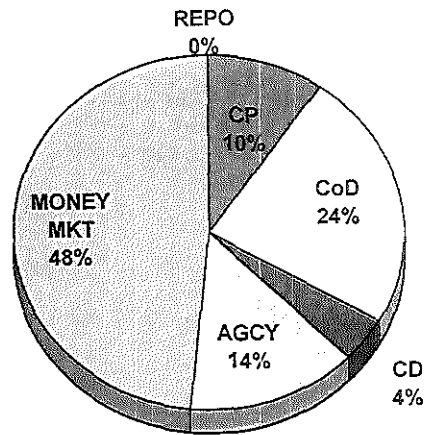


MANAGER	CURRENT PERIOD
TOTAL US EQUITY	3,638.9
TOTAL US FIXED INCOME	2,190.1
TOTAL INTERNATIONAL EQUITY	1,753.3
TOTAL ALTERNATIVE INVESTMENTS	734.6
TOTAL CASH	58.9
TOTAL	8,375.8

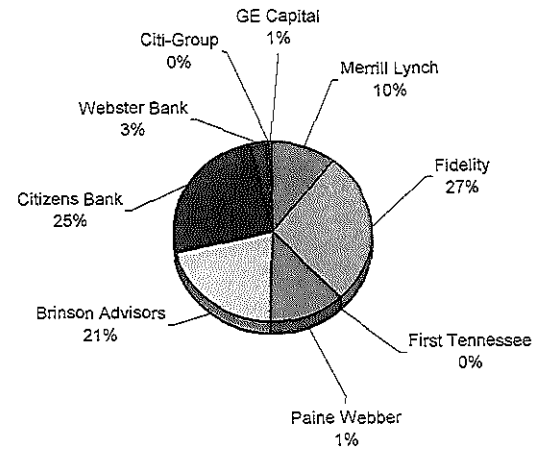
RHODE ISLAND STATE INVESTMENT COMMISSION

SHORT TERM CASH INVESTMENTS AT MAY 31, 2007

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
May, 2007

Issuer	Type of Instrument	Month End % Portfolio	Issuer Ratings		S-T Debt Rating		L-T Debt Rating		Credit Outlook
			Moody's		Moody's	S&P	Moody's	S&P	S&P
Chase Securities	2,3,5	0%	Aa2		P-1	A-1+	Aa2	AA	Stable
Citigroup Inc.	2	0%	Aa1		P-1	A-1+	Aa1	AA	Stable
Citizens Bank RI	3,4	25%	Aa2		P-1	A-1+	Aa2	AA-	Stable
First Tennessee Capital Markets	5	0%	A1		P-1	A-1	A1	A	Negative
Fidelity	6	28%				N/R		N/R	N/R
Merrill Lynch	2,5,6	10%	Aa3		P-1	A-1+	Aa3	AA-	Stable
GE Capital	2	1%	Aaa		P-1	A-1+	Aaa	AAA	Stable
Morgan Stanley	1,2,5	0%	Aa3		P-1	A-1	Aa3	A+	Positive
Paine Webber	5	13%	Aaa		P-1	A-1+	Aaa	AA+	Stable
UBS Brinson Advisors	6	21%	Aaa		P-1	A-1+	Aaa	AA+	Stable
State Street Bank & Tru	1,3	0%	Aa1		P-1	A-1+	Aa1	AA	Stable
Webster Bank	3,4	3%	A2		P-1	A-2	A3	BBB+	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

Frank Caprio
General Treasurer

June 21, 2007

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 May 31, 2007.

Employee's Retirement System of Rhode Island
Composite reporting Investment Valuation
May 31, 2007

Asset Class		
Cash/Short Term		
Investments		695,407,686
Equities - Domestic		3,596,746,147
Equities - International		1,704,445,632
Fixed Income - Government	\$1,021,339,173	
Fixed Income - Corporate	\$619,611,932	
Fixed Income - In State	\$0	
Total Fixed Income		1,640,951,105
Alternative Investments		452,604,444
Real Estate		281,890,252
Total Fund Investments		8,372,045,265
Plan Allocation		
State Employees & Teachers	85.04%	7,119,533,276
Municipal Employees	13.99%	1,171,381,143
State Police	0.59%	49,265,141
Judicial	0.38%	31,865,704
Total Fund Investments	100.00%	8,372,045,265

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

Respectfully submitted,

Kenneth E. Goodreau, CMT
Deputy General Treasurer

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING May 31, 2007



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
U.S. EQUITY												
SSGA S&P 500 INDEX FUND	1,760,158	21.01	3.46	9.26	10.28	8.75						
NORTHPOINTE CAPITAL	430,260	5.14	3.09	6.33	8.21	7.60	16.37	15.69	18.94	17.65	20.85	15.15
PIMCO	592,607	7.08	2.91	8.50	9.25	7.99	22.04	21.97	14.81	12.63	13.90	9.16
SSGA - CORE	389,641	4.65	4.43	9.37	12.15	10.80	25.44	27.05	17.81	15.88	15.73	10.83
WELLINGTON MANAGEMENT CO. LLC	461,560	5.51	5.70	11.19	13.36	12.75	22.51	21.16	22.13	16.94	21.60	16.09
SHOTT CAPITAL	4,721	0.06	0.80	0.55	-12.71	1.23	-15.13	-18.47				
TOTAL US EQUITY	3,638,948	43.45	3.70	9.02	10.42	9.19	21.33	21.05	16.50	14.25	16.30	11.25
RUSSELL 1000			3.60	9.08	10.67	9.27	22.77	22.93	15.96	13.74	15.01	10.06
RUSSELL 2000			X 4.10	7.10	8.39	8.03	18.17	18.93	18.58	15.59	19.10	13.06
RUSSELL 2000 GROWTH			4.56	8.30	9.70	9.96	17.50	17.58	17.89	13.21	17.14	11.22
RUSSELL 2000 VALUE			3.67	6.01	7.20	6.27	18.82	20.28	19.25	17.85	20.97	14.65
S&P 500			3.49	9.28	10.29	8.77	22.63	22.79	15.50	13.03	14.33	9.45
DOW WILSHIRE 5000 FREE FLOAT			3.66	9.00	10.60	9.32	22.44	22.66	16.48	14.16	15.70	10.71
INTERNATIONAL EQUITY												
GOLDMAN SACHS	591,428	7.06	2.52	10.23	15.79	11.33	28.90	28.85	31.33			
THE BOSTON COMPANY	568,094	6.78	2.41	8.07	10.85	8.34	22.10	22.03	24.24			
MONDRIAN	593,687	7.09	1.81	10.13	14.38	10.75	30.53	31.31	28.94	26.54		
TRANSITION ACCOUNT INT EQUITY	100	0.00										
PUTNAM INVESTMENTS	16	0.00										
BANK OF IRELAND	5	0.00										
TOTAL INTERNATIONAL EQUITY	1,753,328	20.93	2.22	8.95	13.11	9.61	26.53	26.74	27.87	24.28	24.89	16.34
MSCI AC WORLD ex US (GROSS)			2.74	10.53	15.10	11.62	29.05	28.92	29.93	25.57	27.45	18.67
MSCI EAFE (NET)			1.75	8.98	14.08	10.61	26.85	26.84	27.54	23.08	25.41	16.75

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING May 31, 2007



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
U.S. FIXED INCOME												
BROWN BROTHERS HARRIMAN - CORE	297,076	3.55	-0.71	-0.15	0.96	1.54	5.93	6.56	3.26	4.62	3.66	5.44
FIDELITY MANAGEMENT TRUST	487,684	5.82	-0.52	0.12	1.18	1.51	6.65	6.80	3.97	5.06	4.45	5.08
BROWN BROTHERS HARRIMAN - TIPS	525,026	6.27	-1.41	-0.65	-0.88	1.43	3.71	3.96	1.20	3.95		
MACKAY SHIELDS, LLC	137,278	1.64	0.71	2.22	5.42	3.97	13.13	13.30	10.44	10.65	12.14	
TAPLIN, CANIDA & HABACHT	301,885	3.60	-0.46	-0.21	1.22	1.65	6.93	6.94	4.19	5.25	4.66	6.91
FIXED INCOME CASH ACCOUNT	439,979	5.25	0.46									
SHENKMAN CAPITAL MANAGEMENT	563	0.01										
TRANSITION ACCOUNT FIXED INCOME	575	0.01										
TOTAL US FIXED INCOME	2,190,067	26.15	-0.49	0.14	1.22	1.94	6.59	6.76	3.91	5.38	4.69	5.99
<i>CSFB GLOBAL HIGH YIELD</i>			<i>0.78</i>	<i>2.50</i>	<i>6.53</i>	<i>5.28</i>	<i>13.85</i>	<i>13.21</i>	<i>10.26</i>	<i>10.16</i>	<i>10.93</i>	<i>11.38</i>
<i>LB AGGREGATE</i>			<i>-0.76</i>	<i>-0.22</i>	<i>0.69</i>	<i>1.28</i>	<i>6.44</i>	<i>6.66</i>	<i>3.03</i>	<i>4.28</i>	<i>3.08</i>	<i>4.72</i>
<i>LB CREDIT</i>			<i>-0.98</i>	<i>-0.74</i>	<i>0.37</i>	<i>1.24</i>	<i>7.22</i>	<i>7.38</i>	<i>2.88</i>	<i>4.48</i>	<i>3.19</i>	<i>5.64</i>
<i>LB GOV/CREDIT</i>			<i>-0.86</i>	<i>-0.45</i>	<i>0.41</i>	<i>1.18</i>	<i>6.23</i>	<i>6.47</i>	<i>2.62</i>	<i>4.06</i>	<i>2.64</i>	<i>4.92</i>
<i>CITIGROUP BIG</i>			<i>-0.79</i>	<i>-0.26</i>	<i>0.65</i>	<i>1.25</i>	<i>6.46</i>	<i>6.70</i>	<i>3.05</i>	<i>4.36</i>	<i>3.15</i>	<i>4.78</i>
<i>CITIGROUP LARGE PENSION FUND INDEX</i>			<i>-1.29</i>	<i>-1.15</i>	<i>-0.49</i>	<i>0.78</i>	<i>7.37</i>	<i>7.68</i>	<i>2.31</i>	<i>5.24</i>	<i>3.31</i>	<i>5.86</i>
<i>CITIGROUP L.P.F. COLLATERALIZED INDEX</i>			<i>-0.64</i>	<i>0.08</i>	<i>1.10</i>	<i>1.39</i>	<i>6.76</i>	<i>7.05</i>	<i>3.73</i>	<i>4.76</i>	<i>3.93</i>	<i>4.43</i>

State of Rhode Island

SUMMARY OF PERFORMANCE

RATES OF RETURN

PERIODS ENDING May 31, 2007



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
ALTERNATIVE INVESTMENTS												
REAL ESTATE	281,891	3.37	0.03	3.85	4.96	4.68	6.73	6.78	4.57			
PRIVATE EQUITY	452,720	5.41	-3.27	-3.33	-9.68	-4.81	-6.81	9.62	15.81	16.14	18.99	12.78
TOTAL ALTERNATIVE INVESTMENTS	734,611	8.77	-2.04	-0.75	-4.71	-1.45	-2.38	8.42	14.67	15.38	18.08	12.30
¹ TOTAL ALTERNATIVES BENCHMARK			2.20	7.74	10.34	7.78	20.17	22.19	18.61	16.61	16.56	13.21
NCREIF PROPERTY INDEX QTR LAG			0.00	4.51	8.18	4.51	12.52	16.59	18.31	17.02	14.96	13.27
S&P 500 PLUS 300 BP			3.66	9.86	11.68	9.91	25.37	25.85	18.57	16.12	17.42	12.75
CASH EQUIVALENTS												
CASH ACCOUNT (INSIDE)	38,137	0.46	-1.07	1.95	1.94	1.33	5.75	7.26	8.36	9.40	12.57	23.11
CASH ACCOUNT (OUTSIDE)	20,744	0.25	0.40	1.19	2.17	1.81	3.81	4.05	3.72	3.04	3.42	3.02
TOTAL PLAN												
TOTAL PLAN	8,375,835	100.00	1.73	5.71	7.12	6.31	16.17	17.24	15.36	14.10	15.26	11.44
² TOTAL PLAN BENCHMARK			2.19	6.80	8.92	7.56	19.28	19.66	15.86	14.13	15.00	11.31
TOTAL PLAN ex PE RE	7,641,224	91.23	2.11	6.36	8.36	7.10	18.18	18.16	15.61	14.16	15.19	11.48
³ TOTAL PLAN BENCHMARK ex PE RE			2.19	6.66	8.72	7.52	19.15	19.30	15.45	13.84	14.60	10.95

State of Rhode Island

SUMMARY OF PERFORMANCE
RATES OF RETURN
PERIODS ENDING May 31, 2007



STATE STREET
For Everything You Invest In™

Endnotes

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

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

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

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

ERSRI Monthly Market Value Report With Time Weighted Returns

May 31, 2007

							Valuation Change				
	Calendar YTD			Benchmark Description	Current Month			Market Value 4/30/2007	Transfers In/(out)	Market Value 5/31/2007	Market Value Increase/decrease
	Performance	Benchmark	Alpha		Performance	Benchmark	Alpha				
Domestic Equity											
Shott Capital Management IRR	1.23%	8.77%	-7.54%	S & P 500	0.80%	3.49%	-2.69%	4,586,028	-	4,720,829	134,801
SSgA S&P 500	8.75%	8.77%	-0.02%	S & P 500	3.46%	3.49%	-0.03%	1,751,405,116	(50,602,419)	1,760,157,583	59,354,886
SSgA Core	10.80%	9.27%	1.53%	Russell 1000	4.43%	3.60%	0.83%	395,074,386	(22,191,137)	385,641,085	12,757,836
PIMCO	7.99%	8.77%	-0.78%	S & P 500	2.91%	3.49%	-0.58%	575,820,512	42,033	592,607,276	16,744,731
NorthPointe Capital	7.60%	8.03%	-0.43%	Russell 2000	3.09%	4.10%	-1.01%	417,321,471	31,023	430,260,319	12,907,825
Wellington Mgmt	12.75%	8.03%	4.72%	Russell 2000	5.70%	4.10%	1.60%	436,652,348	34,197	461,560,492	24,873,946
Transition Account	N/A	N/A	N/A		N/A	N/A	N/A	(84)	-	0	84
Total Domestic Equity	9.19%				3.70%	3.66	WILSHIRE SF	3,580,859,778	(72,686,303)	3,634,947,584	126,774,110
International Equity											
Boston Company	8.34%	11.62%	-3.28%	MSCI ACWI	2.41%	2.74%	-0.33%	554,701,126	42,156	568,098,305	13,355,023
Goldman Sachs	11.33%	11.62%	-0.29%	MSCI ACWI	2.52%	2.74%	-0.22%	576,857,642	42,156	591,427,641	14,527,843
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12,623,374	(11,818,393)	690,540	(114,441)
Mondrian	10.75%	11.62%	-0.87%	MSCI ACWI	1.81%	2.74%	-0.93%	583,114,474	42,576	593,686,692	10,529,642
Total International Equity	9.61%				2.22%	+ 2.74		1,727,296,617	(11,691,505)	1,753,903,178	38,298,066
Fixed Income											
Fidelity Management & Research	1.51%	1.48%	0.03%	Lehman Mortgage Backed	-0.52%	-0.57%	0.05%	490,171,414	37,632	487,683,842	(2,525,204)
Brown Brothers, Harriman	1.54%	1.25%	0.29%	Salomon Brd Inv Grade	-0.71%	-0.79%	0.08%	299,165,724	22,977	297,076,497	(2,112,204)
Taplin, Canida & Habacht	1.65%	1.24%	0.41%	Lehman Credit Index	-0.46%	-0.98%	0.52%	299,788,286	22,557	302,079,828	2,268,986
Mackay Shields	3.97%	5.28%	-1.31%	CS First BoshYield	0.71%	0.78%	-0.07%	136,298,005	11,262	137,277,775	968,507
Shenkman Capital Mgmt			0.00%	CS First BoshYield			0.00%	550,124	11,262	563,481	2,095
Brown Bros TIPS	1.43%	1.89%	-0.46%	Lehman US TIPS Index	-1.41%	-1.31%	-0.10%	532,476,817	45,291	525,025,806	(7,496,302)
Fixed Income Cash Acct					0.46%			364,529,748	73,580,702	439,978,999	1,868,549
Transition Account	N/A	N/A	N/A	N/A	N/A	N/A	N/A	16,422	(60)	16,160	(203)
Total Fixed Income	1.94%				-0.49%	Lehman (-.74)		2,122,996,540	73,731,623	2,189,702,388	(7,025,775)
Alternative Investments											
Private Equity	-4.81%	N/A	N/A	N/A	-3.27%	N/A	N/A	465,710,676	(10,559,901)	452,720,064	(2,430,711)
Real Estate	4.68%	4.91%	-0.23%	NCREIF + 100	0.03%	0.08%	-0.05%	269,548,839	12,318,442	281,890,856	23,575
Total Alternatives	-1.45%				-2.04%			735,259,515	1,758,541	734,610,921	(2,407,136)
Cash Accounts											
Cash in Trust	1.33%	N/A	N/A		-1.07%	N/A	N/A	39,584,479	(1,174,751)	38,137,434	(272,293)
Cash Outside Trust	1.81%	N/A	N/A		0.40%	N/A	N/A	23,108,083	(5,000,000)	20,743,759	2,635,676
Total Cash	1.68%				-0.39%			62,692,562	(6,174,751)	58,881,194	2,363,383
Total Plan Ex PE & RE	7.10%	7.52%	-0.42%		2.11%	2.19%	-0.08%	8,229,105,011	(15,062,395)	8,372,045,265	158,002,648
Total Plan	6.31%	7.56%	-1.25%		1.73%	2.19%	-0.46%				

*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 May 31, 2007



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		
U.S. EQUITY									
SSGA S&P 500 INDEX FUND	S&P 500	3.46	3.49	-0.03	8.75	8.77	-0.02	1,760,158	-50,602
SSGA - CORE	RUSSELL 1000	4.43	3.60	0.83	10.80	9.27	1.53	389,641	-22,191
PIMCO	S&P 500	2.91	3.49	-0.58	7.99	8.77	-0.78	592,607	42
NORTHPOINTE CAPITAL	RUSSELL 2000	3.09	4.10	-1.01	7.60	8.03	-0.43	430,260	31
WELLINGTON MANAGEMENT CO. LLC	RUSSELL 2000	5.70	4.10	1.60	12.75	8.03	4.72	461,560	34
SHOTT CAPITAL	S&P 500	0.80	3.49	-2.69	1.23	8.77	-7.54	4,721	98
TOTAL US EQUITY		3.70			9.19			3,638,948	-72,589
INTERNATIONAL EQUITY									
THE BOSTON COMPANY	MSCI AC WORLD ex US (GROSS)	2.41	2.74	-0.33	8.34	11.62	-3.28	568,094	42
GOLDMAN SACHS	MSCI AC WORLD ex US (GROSS)	2.52	2.74	-0.22	11.33	11.62	-0.29	591,428	42
MONDRIAN	MSCI AC WORLD ex US (GROSS)	1.81	2.74	-0.93	10.75	11.62	-0.87	593,687	43
TRANSITION ACCOUNT INT EQUITY								100	-11,822
TOTAL INTERNATIONAL EQUITY		2.22			9.61			1,753,328	-11,695
U.S. FIXED INCOME									
FIDELITY MANAGEMENT TRUST	LB MBS	-0.52	-0.57	0.05	1.51	1.48	0.03	487,684	38
BROWN BROTHERS HARRIMAN - CORE	CITIGROUP BIG	-0.71	-0.79	0.08	1.54	1.25	0.29	297,076	26
TAPLIN, CANIDA & HABACHT	LB CREDIT	-0.46	-0.98	0.52	1.65	1.24	0.41	301,885	3,488
MACKAY SHIELDS, LLC	CSFB GLOBAL HIGH YIELD	0.71	0.78	-0.07	3.97	5.28	-1.31	137,278	14
BROWN BROTHERS HARRIMAN - TIPS	LB U.S. TIPS	-1.41	-1.31	-0.10	1.43	1.89	-0.46	525,026	45
FIXED INCOME CASH ACCOUNT		0.46						439,979	73,581
SHENKMAN CAPITAL MANAGEMENT	CSFB GLOBAL HIGH YIELD		0.78			5.28		563	11
TRANSITION ACCOUNT FIXED INCOME								575	0
TOTAL US FIXED INCOME		-0.49			1.94			2,190,067	77,203

State of Rhode Island

RATES OF RETURN - Total

Periods Ending May 31, 2007



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		
ALTERNATIVE INVESTMENTS									
PRIVATE EQUITY		-3.27			-4.81			452,720	2,299
REAL ESTATE	NCREIF PROPERTY LAG + 100 BPS	0.03	0.08	-0.05	4.68	4.91	-0.23	281,891	12,262
TOTAL ALTERNATIVE INVESTMENTS	TOTAL ALTERNATIVES BENCHMARK	-2.04	2.20	-4.24	-1.45	7.78	-9.23	734,611	14,561
CASH EQUIVALENTS									
CASH ACCOUNT (INSIDE)		-1.07			1.33			38,137	-1,014
CASH ACCOUNT (OUTSIDE)		0.40			1.81			20,744	-2,504
TOTAL CASH		-0.39			1.68			58,881	-3,518
TOTAL PLAN									
TOTAL PLAN	TOTAL PLAN BENCHMARK	1.73	2.19	-0.46	6.31	7.56	-1.25	8,375,835	3,962
TOTAL PLAN ex PE RE	TOTAL PLAN BENCHMARK ex PE RE	2.11	2.19	-0.08	7.10	7.52	-0.42	7,641,224	

State of Rhode Island

TOTAL PLAN

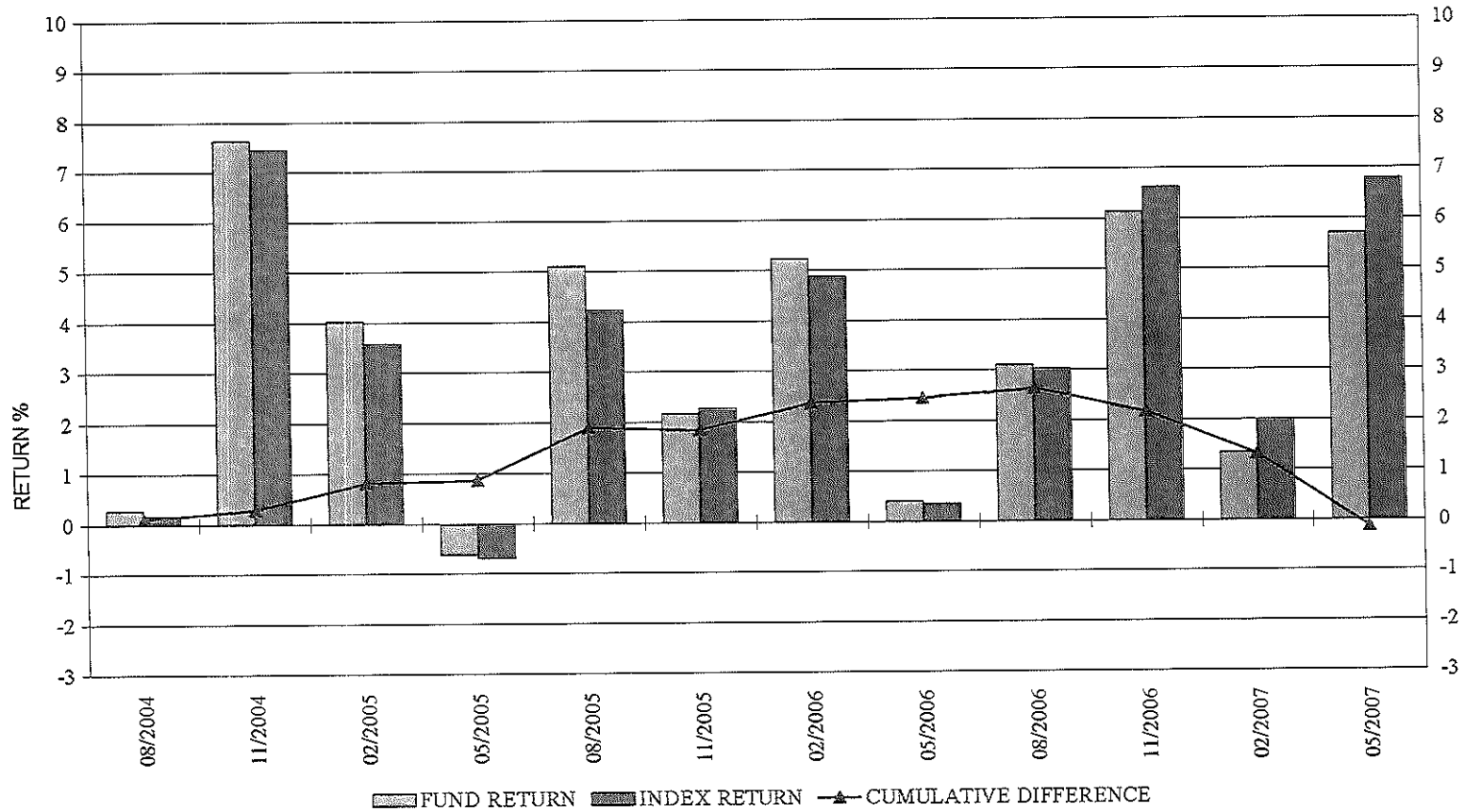
Index: TOTAL PLAN BENCHMARK

PERIODS: May 31, 2004 - May 31, 2007



STATE STREET.
For Everything You Invest In

CUMULATIVE PERFORMANCE REPORT



State of Rhode Island

MANAGER ALLOCATION ANALYSIS

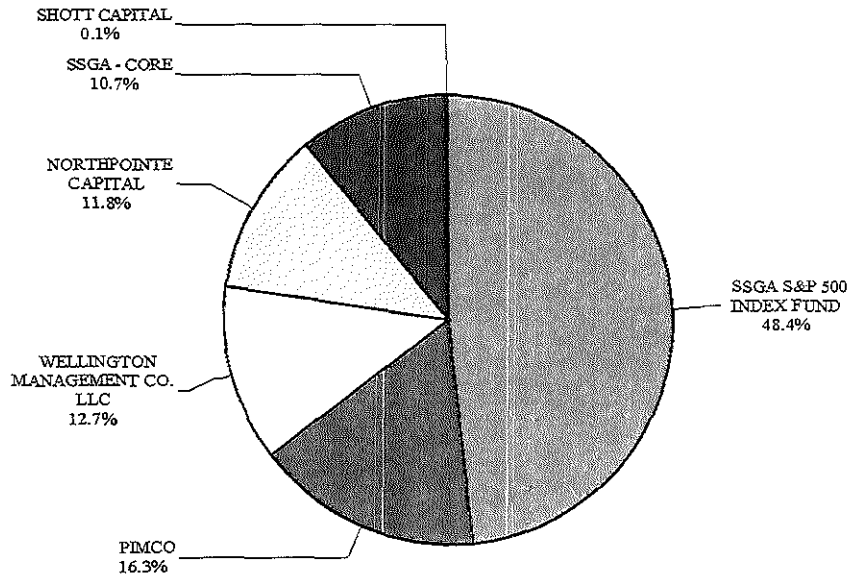
PERIOD ENDING 05/31/2007



STATE STREET
For Everything You Invest In

CURRENT MANAGER ALLOCATION

MANAGER	CURRENT PERIOD	ONE YEAR AGO
SSGA S&P 500 INDEX FUND	1,760.2	
PIMCO	592.6	490.4
WELLINGTON MANAGEMENT CO. LLC	461.6	416.9
NORTHPOINTE CAPITAL	430.3	371.5
SSGA - CORE	389.6	324.4
SHOTT CAPITAL	4.7	2.8
SSGA RUSSELL 1000		1,294.9
WASATCH ADVISORS		205.1
TOTAL	3,639.0	3,106.0



State of Rhode Island

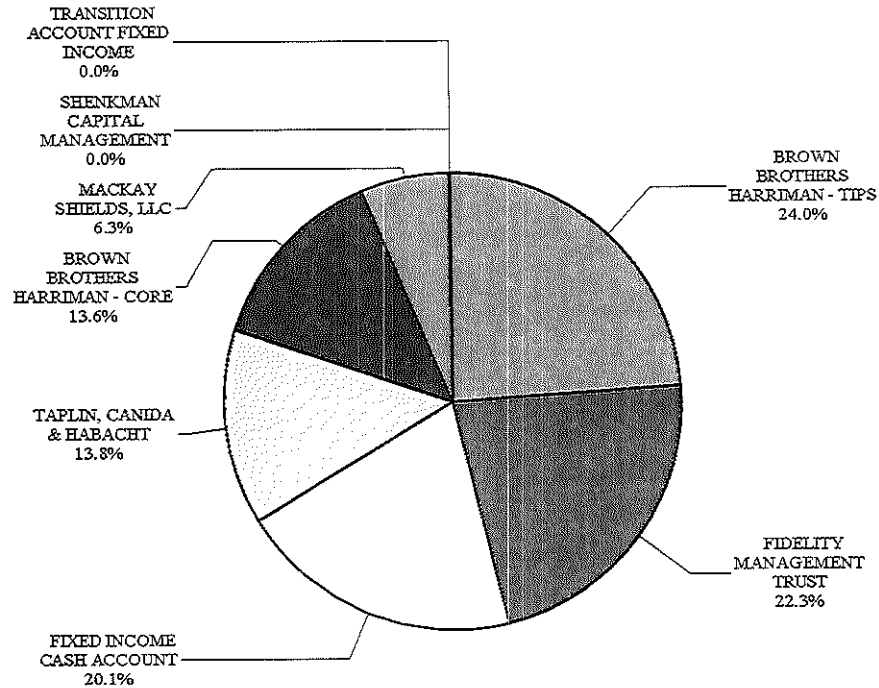
MANAGER ALLOCATION ANALYSIS

PERIOD ENDING 05/31/2007



STATE STREET
For Everything You Invest In™

CURRENT MANAGER ALLOCATION



MANAGER	CURRENT PERIOD	ONE YEAR AGO
BROWN BROTHERS HARRIMAN - TIPS	525.0	504.5
FIDELITY MANAGEMENT TRUST	487.7	463.9
FIXED INCOME CASH ACCOUNT	440.0	
TAPLIN, CANIDA & HABACHT	301.9	278.8
BROWN BROTHERS HARRIMAN - CORE	297.1	278.3
MACKAY SHIELDS, LLC	137.3	121.0
SHENKMAN CAPITAL MANAGEMENT	0.6	123.7
TRANSITION ACCOUNT FIXED INCOME	0.6	0.6
TOTAL	2,190.2	1,770.8

State of Rhode Island

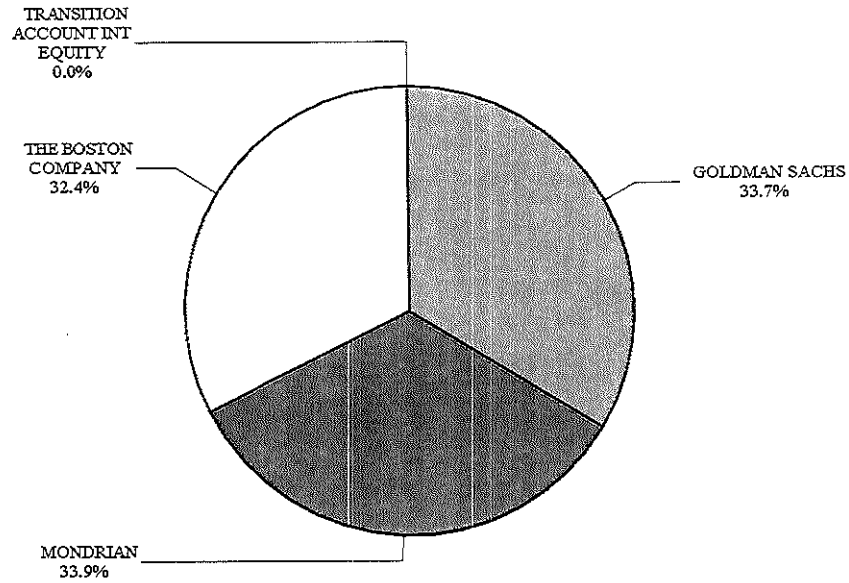
MANAGER ALLOCATION ANALYSIS

PERIOD ENDING 05/31/2007



STATE STREET
For Everything You Invest In™

CURRENT MANAGER ALLOCATION



<u>MANAGER</u>	<u>CURRENT PERIOD</u>	<u>ONE YEAR AGO</u>
GOLDMAN SACHS	591.4	566.1
MONDRIAN	593.7	566.7
THE BOSTON COMPANY	568.1	574.3
TRANSITION ACCOUNT INT EQUITY	0.1	0.1
TOTAL	1,753.3	1,707.2

**ASSET ALLOCATION REPORT
MAY 31st, 2007**

	Style Mandate	Actual (Millions \$)		Target (Millions \$)		Difference (Millions \$)
Domestic Equity						
SSgA S&P 500 Index Fund	Passive	1,760.16	21.0%	1,737.99	20.75%	22.17
SSgA Core	Active core	389.64	4.7%	376.91	4.50%	12.73
PIMCO	Enhanced Equity	592.61	7.1%	565.37	6.75%	27.24
NorthPointe Capital	Small Cap Value	430.26	5.1%	418.79	5.00%	11.47
Wellington Mgmt	Small Cap Core	461.56	5.5%	460.67	5.50%	0.89
Shott Capital	Alternative Distribution	4.72	0.1%	0.00	0.00%	4.72
TOTAL DOMESTIC EQUITY		3,638.95	43.4%	3,559.73	42.50%	79.22
International Equity						
Boston Company	MSCI ACWI	568.09	6.8%	558.67	6.67%	9.43
Goldman Sachs	MSCI ACWI	591.43	7.1%	558.67	6.67%	32.76
Mondrian	MSCI ACWI	593.69	7.1%	557.83	6.66%	35.86
Transition Account		0.10	0.0%	0.00	0.00%	0.10
TOTAL INT'L EQUITY		1,753.33	20.9%	1,675.17	20.00%	78.16
Domestic Fixed Income						
Fidelity Management & Research	Mortgages	487.68	5.8%	523.49	6.25%	(35.81)
Brown Brothers, Harriman	Opportunistic Core	297.08	3.5%	314.09	3.75%	(17.02)
Taplin, Canida & Habacht	Corporates	301.89	3.6%	314.09	3.75%	(12.21)
Mackay Shields	High yield	137.28	1.6%	157.05	1.88%	(19.77)
Shenkman Capital Mgmt	High yield	0.56	0.0%	157.05	1.88%	(156.48)
Brown Brothers, Harriman TIPS	TIPS	525.03	6.3%	628.19	7.50%	(103.16)
Fixed Income Cash Account		439.98	5.3%	0.00	0.00%	439.98
Transition Account		0.58	0.0%	0.00	0.00%	0.58
TOTAL FIXED-INCOME		2,190.07	26.1%	2,093.96	25.00%	96.11
Alternative Investments						
Real Estate	Real Estate	281.89	3.4%	418.8	5.00%	(136.9)
Pacific Corp Group	Private Equity	452.72	5.4%	628.19	7.50%	(175.5)
TOTAL ALTERNATIVE INVESTMENTS		734.61	8.8%	\$1,046.98	12.50%	(312.37)
CASH EQUIVALENTS	STIF, Yield+	58.88	0.7%	0.00	0.00%	58.88
TOTAL ASSETS		8,375.83	100.0%	8,375.83	100.00%	(0.00)

ALLOCATION BY MANAGEMENT STYLE

Domestic Equity						
Core		389.64	4.7%	376.91	4.50%	12.73
Index		1,760.16	21.0%	1,737.99	17.75%	22.17
Enhanced Equity		592.61	7.1%	565.37	6.75%	27.24
Active Small Cap		891.82	10.7%	879.46	13.50%	12.36
TOTAL DOMESTIC EQUITY		3,638.95	43.4%	3,559.73	42.50%	79.22
International Equity						
Active		1,753.33	20.9%	1,675.17	20.00%	78.16
TOTAL INT'L EQUITY		1,753.33	20.9%	1,675.17	20.00%	78.16
Domestic Fixed Income						
Mortgage		487.68	5.8%	523.49	6.25%	(35.81)
Core		297.08	3.5%	314.09	3.75%	(17.02)
Corporates		301.89	3.6%	314.09	3.75%	(12.21)
High Yield		138.42	1.6%	314.09	3.75%	(175.68)
TIPS		525.03	6.3%	628.19	7.50%	(103.16)
Other		439.98	5.3%	-	0.00%	439.98
TOTAL FIXED-INCOME		2,190.07	26.1%	2,093.96	25.00%	96.11
Alternative Investments						
Real Estate		281.89	3.4%	418.79	5.00%	(136.90)
Other Alternative Investments		452.72	5.4%	\$628.19	7.50%	(175.47)
TOTAL ALTERNATIVE INVESTMENTS		734.61	8.8%	1,046.98	12.50%	(312.37)
CASH EQUIVALENTS	STIF, Yield+	58.88	0.7%	0.00	0.00%	58.88
TOTAL ASSETS		8,375.83	100.0%	8,375.83	100.00%	(0.00)

RHODE ISLAND STATE INVESTMENT COMMISSION
 Domestic Equity Holdings By Top 10 Market Values
 Separately Managed

MAY 31, 2007

<u>Equities</u>				
<u>RANK</u>	<u>SECURITY NAME</u>	<u>PAR VALUES/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	EXXON MOBIL CORP	183,270	\$15,242,566	SSgA
2	DREAMWORKS ANIM	362,700	10,837,476	Wellington, NorthPointe
3	ADVANTA CORP	214,523	10,781,926	Wellington, NorthPointe
4	RED HAT INC	417,700	10,258,712	Wellington
5	HERCULES INC	532,800	10,032,624	Wellington, NorthPointe, SSgA
6	CITIGROUP INC	182,133	9,924,427	SSgA
7	FIRST CMNTY BANK	173,800	9,816,224	Wellington, NorthPointe
8	INTERNATIONAL BUSINESS MAC	90,700	9,668,620	SSgA
9	BANK AMERICA CORP	185,700	9,416,847	SSgA
10	TELEDYNE TECH	203,800	9,391,104	Wellington, NorthPointe
		2.90%	\$105,370,526	
	ADC TELECOMMUNICATION			
	Total Composite Equities	\$3,634,072,860		

International Equity Holdings By Top 10 Market Values

MAY 31, 2007

<u>International Equities</u>				
<u>RANK</u>	<u>SECURITY NAME</u>	<u>PAR VALUES/SHARES</u>	<u>BASE MARKET AMOUNT</u>	<u>MONEY MANAGERS</u>
1	DPT EMERGING MARKET	3,933,776	\$61,209,561	Mondrian
2	ROYAL BANK SCOT GRP	2,918,821	36,230,064	Mondrian, Goldman, Boston Co.
3	UNILEVER PLC	1,072,194	33,064,914	Mondrian, Goldman, Boston Co.
4	TOTAL SA	389,974	29,387,048	Mondrian, Goldman, Boston Co.
5	ROYAL DUTCH SHELL	745,199	27,746,851	Mondrian, Goldman, Boston Co.
6	GLAXOSMITHKLINE	861,760	22,330,865	Mondrian, Boston Co.
7	CANON INC	379,528	22,307,766	Mondrian, Goldman, Boston Co.
8	BP PLC	1,926,243	21,509,134	Mondrian, Boston Co.
9	NOVARTIS AG	380,220	21,362,069	Mondrian, Boston Co.
10	NATL AUSTRALIA BANK	585,145	20,601,924	Mondrian, Boston Co.
		16.97%	\$295,750,196	
	Total Composite International Equities	\$1,742,798,898		

FISCAL YEAR 2007

INVESTMENT MANAGER FEES, PROFESSIONAL FEES & OPERATING EXPENSES

ERSRI & MERSRI

ACCRUAL BASIS

	Actual Jul 06	Actual Aug	Actual Sept	Actual Oct	Actual Nov	Actual Dec	Projected Jan 07	Projected Feb	Projected Mar	Projected Apr	Projected May	Projected Jun	Projected TOTAL
EQUITIES													
SSgA Core			228,174			242,895			254,599			222,371	948,038
SSgA Russell 1000/S&P 500			25,333			40,562			50,867			32,408	149,171
Shott Capital			2,447			2,751			2,195			2,718	10,111
PIMCO			0			200,000			1,000			225,000	426,000
Wellington Mgmt			627,504			634,038			647,075			652,373	2,560,989
Wasatch Advisors			118,277			121,645			120,000			126,713	486,636
NorthPointe			<u>522,527</u>			<u>543,882</u>			<u>566,385</u>			<u>542,135</u>	<u>2,176,029</u>
			1,525,262			1,785,873			1,642,121			1,803,718	6,756,975
FIXED INCOME													
Brown Bros.			137,999			140,551			141,829			129,732	550,111
Fidelity			156,625			157,334			158,790			148,636	621,385
Taplin			180,056			184,623			187,094			169,909	721,682
Mackay Shields			135,754			141,118			140,000			132,920	549,792
Shenkman			137,910			142,580			94,837			135,952	511,279
Brown Bros. TIPS			<u>139,383</u>			<u>140,110</u>			<u>140,412</u>			<u>136,883</u>	<u>556,789</u>
			887,727			906,315			862,963			854,032	3,511,038
INT'L EQUITIES													
The Boston Co			567,016			584,801			570,511			566,138	2,288,465
Mondrian			344,188			363,762			353,466			316,283	1,377,699
Goldman Sachs Asset Mgmt			487,960			523,450			532,968			488,465	2,032,843
SSgA MSCI ACWI			0			0			0			0	0
	0		1,399,164	0		1,472,013			1,456,945			1,370,886	5,699,007
REAL ESTATE													
L & B Real Estate		73,438		73,899	312,588	34,375	34,375	17,188	202,228	55,479	56,250	100,000	959,820
ALTERNATIVE INVESTMENTS													
Other Alt Inv Mgmt Fees	1,336,032	401,114	73,438	693,948	316,403	999,806	971,558	19,516	249,256	206,620	462,405	583,151	6,313,247
SUB TOTAL-INV MGMT FEES													
	1,336,032	474,552	3,885,591	767,847	628,991	5,198,382	1,005,933	36,704	4,413,513	262,099	518,655	4,711,788	23,240,087
PROFESSIONAL FEES													
Legal	36,171	8,822	8,767	6,510	8,769	3,500	13,726	6,000	7,365	12,737	9,677	17,791	139,834
St St Bank Custodial	10,784	8,495	35,791	18,017	8,948	15,129	9,541	10,000	10,949	7,915	10,235	12,861	158,666
Pacific Corp Group		93,750	0	0	93,750	0	0	93,750	0	0	93,750	0	375,000
Wilshire Assoc	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	20,833	249,997
Townsend	0	0	<u>35,625</u>	0	0	<u>35,625</u>	0	0	<u>35,625</u>	0	<u>15,000</u>	<u>35,625</u>	<u>157,500</u>
	67,787	131,901	101,016	45,361	132,301	75,087	44,100	130,583	74,772	41,484	149,496	87,110	1,080,997
OPERATING EXPENSE													
Retirement Transfers	0	0	966,557	0	0	1,201,064	0	0	0	3,680,498	0	0	5,848,119
Other Expense	<u>8,333</u>	<u>8,333</u>	<u>33,007</u>	<u>2,552</u>	<u>8,014</u>	<u>32,088</u>	<u>21,497</u>	<u>22,425</u>	<u>3,000</u>	<u>0</u>	<u>8,333</u>	<u>8,333</u>	<u>155,917</u>
	8,333	8,333	999,564	2,552	8,014	1,233,152	21,497	22,425	3,000	3,680,498	8,333	8,333	6,004,036
TOTAL:	1,412,153	614,786	4,986,171	815,759	769,306	6,506,622	1,071,530	189,712	4,491,285	3,984,081	676,484	4,807,231	30,325,121

Note: Numbers in bold are actual.

CASH FLOW ANALYSIS - INCOME & EXPENSES

Employees Retirement System

FISCAL YEAR 2007	FY 2006-07												
	Actual July 2006	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2007	Actual February	Actual March	Actual April	Actual May	Projected June	Projected TOTAL
MEMBER BENEFITS	49,578,730	50,240,812	50,353,437	50,266,631	50,154,854	50,574,307	48,816,683	51,896,341	51,826,438	51,877,789	51,785,146	48,775,210	606,146,428
ADMINISTRATIVE EXPENSES	30,852	7,525	97,502	35,685	119,438	61,564	41,155	89,849	65,360	3,165,767	134,243	0	3,848,919
INVESTMENT EXPENSES	1,139,595	404,779	0	654,009	535,706	880,803	764,774	31,234	384,116	222,931	441,147	497,410	5,956,503
TOTAL OUTFLOW	50,749,178	50,653,116	50,450,939	50,956,355	50,809,998	51,516,673	49,622,611	52,017,424	52,275,914	55,266,486	52,360,536	49,272,620	615,951,850
CONTRIBUTIONS	26,323,220	30,454,769	24,504,216	35,956,284	33,747,419	43,321,050	33,232,665	45,847,529	37,662,635	42,576,485	39,989,274	51,544,371	445,159,917
OTHER INCOME*	16,334,758	9,340,820	7,710,133	2,948,630	9,168,433	14,913,727	3,782,660	8,825,708	11,598,390	6,200,118	13,473,498	18,612,285	122,909,159
TOTAL INCOME	42,657,978	39,795,589	32,214,349	38,904,914	42,915,852	58,234,777	37,015,325	54,673,237	49,261,025	48,776,603	53,462,772	70,156,656	568,069,076
DIFFERENCE	(8,091,200)	(10,857,527)	(18,236,591)	(12,051,441)	(7,894,146)	6,718,104	(12,607,286)	2,655,813	(3,014,889)	(6,489,884)	1,102,236	20,884,036	(47,882,774)

Municipal Employees Retirement System

FISCAL YEAR 2007	FY 2006-07												
	Actual July 2006	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2007	Actual February	Actual March	Actual April	Actual May	Projected June	Projected TOTAL
MEMBER BENEFITS	4,091,872	4,179,838	4,204,071	4,189,210	4,196,673	4,282,907	4,015,188	4,433,290	4,402,787	4,402,669	4,439,390	4,069,723	50,907,618
ADMINISTRATIVE EXPENSES	5,005	1,221	14,600	5,328	19,516	10,060	6,173	14,745	10,731	520,429	22,069	0	630,374
INVESTMENT EXPENSES	184,863	65,662	0	108,865	87,635	143,923	114,714	5,126	63,063	36,648	72,521	80,689	961,610
TOTAL OUTFLOW	4,281,740	4,246,721	4,218,671	4,301,303	4,303,724	4,436,890	4,136,075	4,453,160	4,476,581	4,959,748	4,533,980	4,150,412	52,499,603
CONTRIBUTIONS	2,505,376	3,560,211	4,532,206	3,257,542	3,890,409	4,500,854	5,191,597	3,888,036	4,038,723	4,393,140	5,350,512	2,630,672	47,709,280
OTHER INCOME*	2,649,790	1,515,248	1,154,504	481,807	1,498,125	2,436,908	567,390	1,448,337	1,904,204	1,019,254	2,214,944	2,694,810	19,585,321
TOTAL INCOME	5,155,168	5,075,459	5,656,710	3,739,349	5,388,534	6,937,762	5,758,987	5,336,373	5,942,927	5,412,394	7,565,456	5,325,482	67,294,601
DIFFERENCE	873,429	828,738	1,438,039	(562,554)	1,084,810	2,500,872	1,622,912	883,212	1,466,346	452,646	3,031,476	1,175,070	14,794,999

	Actual July 2006	Actual August	Actual September	Actual October	Actual November	Actual December	Actual January 2007	Actual February	Actual March	Actual April	Actual May	Projected June	Projected TOTAL
MEMBER BENEFITS	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	14,000	168,000
ADMINISTRATIVE EXPENSES	313	76	893	380	1,282	661	395	989	732	35,787	1,518	0	43,027
INVESTMENT EXPENSES	11,574	4,111	0	6,972	5,750	9,455	7,341	344	4,305	2,520	4,987	5,052	62,411
TOTAL OUTFLOW	25,887	18,187	14,893	21,353	21,032	24,116	21,736	15,333	19,037	52,307	20,504	19,052	273,438
CONTRIBUTIONS	500,000	535,000	485,000	500,000	490,000	510,000	510,000	1,280,000	520,000	540,000	550,000	760,000	7,180,000
OTHER INCOME*	165,900	94,868	70,594	31,436	98,416	160,088	36,310	97,177	129,982	70,088	152,309	168,719	1,276,886
TOTAL INCOME	665,900	629,868	555,594	531,436	588,416	670,088	546,310	1,377,177	649,982	610,088	702,309	928,719	8,455,886
DIFFERENCE	640,013	611,680	540,701	510,083	567,384	645,972	524,574	1,361,844	630,945	557,781	681,804	909,667	8,182,448

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

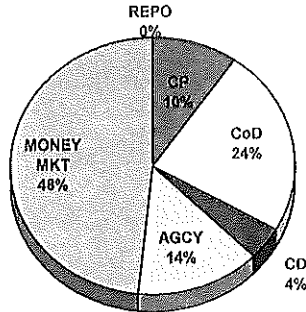
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Rhode Island Employees Retirement System Securities Lending Report May, 2007

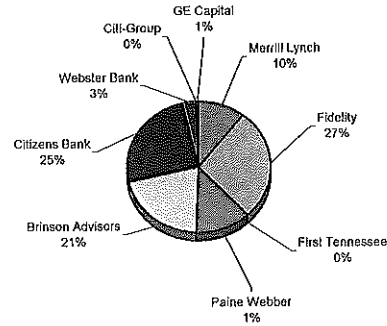
<u>INVESTMENT MANAGER</u>	<u>Income</u>	<u>Average Collateral Balance</u>
<u>DOMESTIC EQUITY</u>		
Wellington Mgmt. Co., LLP	30,075	208,380,978
NorthPointe Capital	36,654	211,765,689
SSgA Core	<u>4,819</u>	<u>37,812,335</u>
Total Domestic Equity	\$ <u>71,548</u>	\$ <u>457,959,001</u>
<u>INTERNATIONAL EQUITY</u>		
Goldman Sachs	27,280	73,861,956
Boston Company	39,983	92,897,797
Mondrian	<u>101,038</u>	<u>139,785,992</u>
Total International Equity	\$ <u>168,302</u>	\$ <u>306,545,745</u>
<u>FIXED INCOME</u>		
Brown Brothers, Harriman	6,404	50,048,063
Taplin, Canida & Habacht	798	12,258,753
MacKay Shields	4,315	18,399,603
Brown Brothers, Harriman (TIPS)	<u>26,226</u>	<u>486,197,521</u>
Total Fixed Income	\$ <u>37,743</u>	\$ <u>566,903,939</u>
 TOTAL SECURITIES LENDING INCOME	 \$ <u>277,592</u>	 \$ <u>1,331,408,686</u>
 Calendar Year 2007 YTD	 \$ 982,792	

RHODE ISLAND STATE INVESTMENT COMMISSION
SHORT TERM CASH INVESTMENTS AT MAY 31, 2007

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 (\$)
Guidelines-Total/Vendor	25%/10%	25%/10%	75%/35%	50%/35%	25%/25%	100%/20%	
Merrill Lynch	17,777,456 9%	0 0%	2,788,850 1%	0 0%	0 0%	0 0%	20,586,306 10%
Dean Witter	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%
Chase Securities	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%
Paine Webber	0 0%	0 0%	24,896,521 13%	0 0%	0 0%	0 0%	24,896,521 13%
Fidelity	0 0%	0 0%	0 0%	53,936,726 28%	0 0%	0 0%	53,936,726 26%
First Tennessee	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%
Brinson Advisors	0 0%	0 0%	0 0%	40,724,841 21%	0 0%	0 0%	40,724,841 21%
Citizens Bank	0 0%	2,760,300 1%	0 0%	0 0%	46,090,276 24%	0 0%	48,850,576 25%
GE Capital	1,349,421 1%	0 0%	0 0%	0 0%	0 0%	0 0%	1,349,421 1%
Webster Bank	0 0%	5,800,000 3%	0 0%	0 0%	0 0%	0 0%	5,800,000 3%
Citi-Group	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%
State St Bank	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%	0 0%
TOTALS	19,126,877	8,680,300	27,685,371	94,661,568	46,090,276	0	198,124,391
(%) PORTFOLIO	10%	4%	14%	48%	24%	0%	100%

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

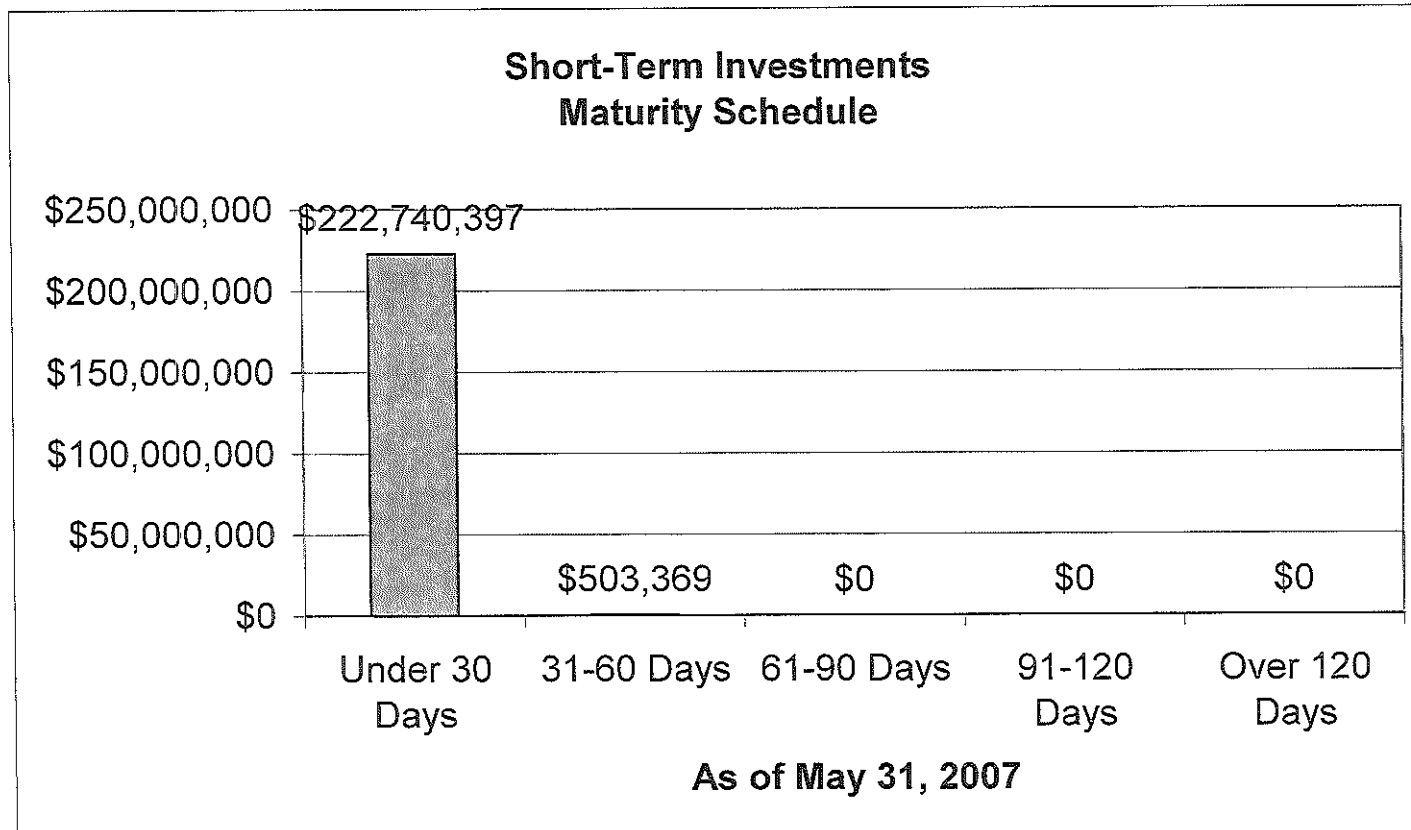
State of Rhode Island and Providence Plantations
Office of the General Treasurer

Short Term Investments Portfolio by Fund

As of May 31, 2007

	Principal	Interest*	Total Value @ Maturity
4901 GENERAL FUND	4,667,088	601	4,667,689
4904 PENSION C	3,699,471	529	3,700,000
4908 PAYROLL A	379,946	54	380,000
4916 GENERAL FUND H.A.V.A.	1,136,156	0	1,136,156
4920 GENERAL FUND (HIST PRES)	503,369	4,033	507,402
4955 HEALTH INSURANCE FUND	44,798	0	
5400 HIGHWAY FUND	10,475,361	787	10,476,148
5500 UNIVERSITY COLLEGE	3,358,242	865	3,359,107
6920 AUTO EQUIPMENT SERVICE	1,993,807	0	1,993,807
8000 T.D.I. RESERVE (DET)	118,556,269	33,777	118,590,046
8300 PERMANENT SCHOOL FUND	756,931	1,516	758,447
8400 EMP RETIREMENT FUND	1,889,275	0	1,889,275
8500 MUN EMP RETIREMENT FUND	803,665	0	803,665
8700 R.I. CLEAN WATER ACT	2,767,975	0	2,767,975
9000 BOND CAPITAL FUND	4,000,677	0	4,000,677
9700 STATE LOTTERY FUND	39,786,984	3,479	39,790,463
9800 INDUS. BLDG. & MTG. INS.	1,304,377	0	1,304,377
9900 SINKING FUND	0	0	0
4911 TANS	27,119,374	0	27,119,374
Subtotal	223,243,766	45,642	223,244,609
8703 CLEAN WATER 1991 SERIES A	145,990		
8706 CLEAN WATER CCDL 1994 (A)	6,071		
8707 CAP DEV. OF 1997 SERIES A	19,395		
8710 CLEAN WATER CCDL 2002 A	289,192		
8711 CLEAN WATER 2004 SERIES A	697,224		
8712 CLN WATER CCDL 2005 SER E	882,179		
8733 CAP DEV. OF 1997 SERIES A	7,065		
8737 RI POLLUT. CONT 94 SER. A	6,348		
8739 CCDL99A 1999A	336,441		
8746 POLLUTION CTRL CCDL 2006 C	1,475,370		
9114 G.O. NOTE 1991 SER. B	3,800		
9116 BOND CCDL 1993 SERIES A	0		
9117 BOND CCDL 1994 SERIES A	483,563		
9120 BOND CCBL96A	763,660		
9121 CAP DEV OF 1997 SERIES A	444,385		
9123 CCDL 1998B	2,124,558		
9124 CCDL99A 1999A	3		
9125 MMG099 1999	2,852		
9126 BOND CAPITAL CCDL2000A	1,520,194		
9127 MULTI-MODAL GEN OBL 2000	2,824		
9131 CCDL 2004 SERIES A	12,427,067		
9132 BOND CCDL 2005 SERIES C	20,506,247		
9133 BOND CCDL 2005 SERIES E	8,705,253		
9134 BOND CCDL 2006 SERIES B	22,881		
9135 BOND CCDL 2006 SERIES C	75,022,492		
Subtotal Bond Proceed Accounts	125,895,057		
Total Short Term Portfolio	349,138,822		

* 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 and Fidelity MM, and Citizens Premium Investments due to nature of Money Market Investments. Interest is posted on the 1st business day of the next month.



Maturities in \$Millions

Note: Includes \$167.9 Million of Money Market investments with no specific maturity

May, 2007	5.16%
April, 2007	5.19%
May, 2006	4.94%

**ABRAHAM TOURO FUND
INVESTMENT SUMMARY
MAY 31, 2007**

<u>FUND NAME</u>	May Gain/Loss	TOTAL MARKET VALUE
Abraham Touro Fund (Fidelity Balanced Fund)	\$ 71,991	\$ 2,499,618
<u>TOTALS</u>	\$ 71,991	\$ 2,499,618